

RESOLUTION 2020-050
OF THE CITY COUNCIL OF THE CITY OF FORT COLLINS
APPROVING AN AGREEMENT TO SECURE PUBLIC
BENEFITS FOR THE NORTHFIELD DEVELOPMENT

WHEREAS, Northfield Land, LLC, a Colorado limited liability company (the “Developer”) is currently under contract to purchase the 55.263 acres of real property legally described in the Northfield Final Plat, City of Fort Collins, recorded on April 28, 2020, at Reception No. 20200029164 in the real property records of the Larimer County Clerk and Recorder (the “Property”); and

WHEREAS, the Northfield First Filing Project Development Plan for development of the Property was approved by the City’s Planning and Zoning Board on April 19, 2019 (the “PDP”); and

WHEREAS, the Developer has submitted to the City the plat and all plans (including utility plans), reports and other documents required for the approval of the Northfield First Filing Final Development Plan (the “FDP”) for the Property consistent with the PDP and according to the City’s development application submittal requirements master list, copies of which are on file with the City in the office of the City Engineer; and

WHEREAS, the FDP has been recently approved by the City; and

WHEREAS, the Developer will also be entering into a development agreement with the City under Section 3.3.2(B) of the City’s Land Use Code as part of the City’s approval process for the FDP, but this agreement has not yet been entered into by the City and the Developer (the “Development Agreement”); and

WHEREAS, the Developer desires to develop the Property under the FDP and the Development Agreement for the construction of 442 dwelling units; and

WHEREAS, pursuant to the provisions of Colorado’s Special District Act, the Developer previously submitted to the City an application for the Fort Collins City Council’s approval of a Consolidated Service Plan for the Northfield Metropolitan District Nos. 1-3 (the “Service Plan”), which Service Plan the City Council approved on October 1, 2019, in Resolution 2019-101; and

WHEREAS, the Developer sought the organization of Northfield Metropolitan District Nos. 1-3 (the “Districts”) to enable development of the Property in a manner that will provide the public benefits described in Exhibit “G” of the Service Plan, which are: (1) affordable and attainable housing; (2) environmental sustainability; (3) critical public infrastructure; and (4) smart growth management and community and neighborhood livability (collectively, the “Public Benefits”); and

WHEREAS, Section IV.B.2. of the Service Plan requires that Developer’s provision of the Public Benefits be secured by a development agreement between the City and the Developer that

has been approved by resolution of the City Council before the Districts can, among other things, impose any property taxes or issue any debt; and

WHEREAS, City staff and the Developer have negotiated the "Agreement to Secure Public Benefits for the Northfield Development" attached as Exhibit "A" and incorporated herein by reference (the "Public Benefits Agreement"), which sets forth the terms and conditions by which the Developer's provision of the Public Benefits will be secured for the City; and

WHEREAS, the City Council hereby finds that approval of the Public Benefits Agreement is in the City's best interest and will serve the public's health, safety and welfare.

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

Section 1. That the City Council hereby makes and adopts the determinations and findings contained in the recitals set forth above.

Section 2. That the City Council hereby approves the Public Benefits Agreement, but this approval shall not be fully effective unless and until the City and the Developer have entered into the Development Agreement.

Section 3. That provided the City and the Developer have entered into the Development Agreement, the City Manager is authorized to enter into the Public Benefits Agreement on the City's behalf in substantially the form attached as Exhibit "A," subject to minor modifications as the City Manager, in consultation with the City Attorney, may determine to be necessary and appropriate to protect the interests of the City or to the effectuate the purposes of this Resolution.

Passed and adopted at a regular meeting of the Council of the City of Fort Collins this 2nd day of June, A.D. 2020.

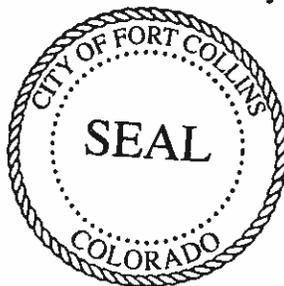


Mayor

ATTEST:



City Clerk



**AGREEMENT TO
SECURE PUBLIC BENEFITS FOR THE
NORTHFIELD DEVELOPMENT**

THIS AGREEMENT TO SECURE PUBLIC BENEFITS FOR THE NORTHFIELD DEVELOPMENT (this "Agreement") is made and entered into this _____ day of _____, 2020, by and between the CITY OF FORT COLLINS, COLORADO, a home rule municipality of the State of Colorado ("City"); NORTHFIELD LAND, LLC, a Colorado limited liability company ("Developer"). The City and the Developer shall be referred to herein jointly as the "Parties" and sometimes individually as the "Party."

WITNESSETH:

WHEREAS, the Developer is currently under contract to purchase from the "Owners" hereafter described, the 55.263 acres of real property legally described in Northfield Final Plat, City of Fort Collins, recorded on April 28, 2020, at Reception No. 20200029164 in the real property records of the Larimer County Clerk and Recorder (the "Property"); and

WHEREAS, the Property is owned in undivided fractional interests by Donald E. Schlagel, Leonard L. Schlagel, Sandra Lee Arvidson, Eugene G. Roberto, Elizabeth J. Roberto and Michael H. Schlagel (collectively, the "Owners"); and

WHEREAS, on April __, 2020, the City approved for the Property a final development plan (the "Development Plan"); and

WHEREAS, the Development Plan is approved for a total of 442 dwelling units, of which a minimum of 65 dwelling units will be designated and provided as either for-sale or for-rent "Affordable Housing Units" (as hereafter defined) and the remaining dwelling units will be sold as "Attainable Housing Units" (as hereafter defined); and

WHEREAS, the Developer desires to develop the Property to include 442 dwelling units to be constructed as energy efficient homes, employing high quality and smart growth practices; and

WHEREAS, pursuant to the provisions of Article 1 of Title 32 of the Colorado Revised Statutes (the "Special District Act"), the City Council of the City (the "Council"), by Resolution 2019-101, approved the Consolidated Service Plan (the "Service Plan") for the Northfield Metropolitan District Nos. 1-3 (each a "District" and collectively the "Districts"); and

WHEREAS, organization of the Districts is intended to enable development of the Property in a manner that will provide the public benefits generally described in Exhibit G

of the Service Plan (Exhibit G is mistakenly identified in Section IV.B. of the Service Plan as Exhibit I, but correctly attached to the Service Plan as Exhibit G), and more particularly defined and described in Paragraph I.B. below (the “Public Benefits”); and

WHEREAS, Section IV.B. of the Service Plan requires that the Public Benefits be secured in manner approved by the Council by resolution before the Districts are authorized under the Service Plan to issue any *Debt* or impose any *Debt Mill Levy* or *Fees* for the payment of *Debt* (as these italicized terms are defined in the Service Plan); and

WHEREAS, Section IV.B.2. of the Service Plan also requires that if the Public Benefits are to be provided by a developer of the Property, the provision of the Public Benefits must be secured by a development agreement between the City and such developer that legally obligates the developer to provide the Public Benefits before the City is required to issue building permits and/or certificates of occupancy for structures be built under the Development Plan; and

WHEREAS, on June 2, 2020, the Council approved this Agreement by Resolution 2020-050 to establish the manner by which the Public Benefits are to be secured as contemplated in Section IV.B. of the Service Plan.

NOW, THEREFORE, in consideration of the mutual promises, covenants and agreements of the Parties contained herein, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, it is agreed as follows:

I. SECURING OF PUBLIC BENEFITS

A. Method of Securing Public Benefits. Although the intent is that one or more of the Districts will ultimately reimburse the Developer for those Public Benefits they have the legal ability to fund, the Developer shall have the obligation to develop, construct and/or install the Public Benefits in accordance with the terms and conditions of this Agreement.

B. Public Benefits Summary. Exhibit G to the Service Plan generally summarizes the four (4) categories constituting the Public Benefits which are required to be secured by this Agreement: (1) Affordable and Attainable Housing; (2) Environmental Sustainability; (3) Critical Public Infrastructure; and (4) Smart Growth Management and Community and Neighborhood Livability; each of which is defined and addressed in Sections I.C. through I.F. below.

C. Affordable and Attainable Housing.

1. The Development Plan authorizes a total of four hundred forty-two (442) dwelling units to be constructed on the Property (“Total Dwelling Units”). For purposes of determining compliance with this Section I.C., at least sixty-five (65) of the Total Dwelling Units must each be a dwelling unit affordable for households

earning eighty percent (80%) or less of the area median income for a family of four for the Fort Collins/Loveland Metropolitan Statistical Area published annually by the U.S. Department of Housing and Urban Development (“AMI”), which units may be offered for-sale or for-rent (“Required Affordable Units”). However, the Required Affordable Units offered for-rent must on average be affordable to households earning no more than sixty percent (60%) of the AMI. This sixty percent (60%) average shall be calculated using the averaging methodology adopted by the Colorado Housing and Finance Authority in response to the United States Congress’ Fiscal Year 2018 Omnibus Spending Bill signed into law by President Trump on March 23, 2018.

2. Each of the remaining three hundred seventy-seven (377) Total Dwelling Units are expected, but not required under this Agreement, to be developed by the Developer under the Development Plan as attainable housing affordable for households earning from eighty-one percent (81%) to one hundred twenty percent (120%) of AMI.

3. Each of the Required Affordable Units must continue to satisfy its affordability standard as defined in Section I.C.1. above for at least twenty (20) years from the date of issuance of the first certificate of occupancy for each such unit. This means that it is the intent of the Parties that the initial and subsequent conveyances and leases of each of the Required Affordable Units during the twenty (20)-year period must be to purchasers or lessees whose AMI qualifies them for that Required Affordable Unit as defined in Section I.C.1 above. This requirement shall be secured and deemed satisfied upon recording of a restrictive covenant or deed restriction for each of the Required Affordable Units in a form reasonably acceptable to the City that is for the City’s benefit and enforceable by the City at law and in equity and recorded with the Larimer County Clerk and Recorder (the “20-Year Covenant”). When recorded, the 20-Year Covenant shall not be subordinate to any lien or other financial encumbrance other than liens for real property taxes. Notwithstanding the foregoing, the Developer may use methods other than the 20-Year Covenant to secure for twenty (20) years the affordability of the Required Affordable Units if the method is first approved in writing by the City.

4. The Required Affordable Units may be provided through any of the following three (3) mechanisms or by any other mechanism mutually agreed upon in writing by the Developer and the City, or any combination of the same:

a. The Developer has developed any portion of the Required Affordable Units within the Property under the Development Plan.

b. Execution of a contract for the sale of land of any portion of the Property by the Developer to a non-profit or for-profit builder with a legally enforceable contract obligation to the City in a form reasonably

acceptable to the City to develop such land as part or all of the Required Affordable Units, and the subsequent development of that land under the Development Plan by such builder as part or all of the Required Affordable Units. At the time any such sale is closed and relevant documentation provided to the City by the Developer for each such sale, the City shall determine the number and type of Required Affordable Units which reasonably could be expected to develop on such acreage pursuant to the Development Plan and all other applicable City ordinances, regulations, standards and policies and, upon such determination, those units shall count toward the Required Affordable Units.

c. A reservation of any portion of the Property to be developed under the Development Plan by the Developer for the benefit of and legally enforceable by the City at law and in equity for the eventual sale to an entity for development of all or a portion of the Required Affordable Units. At the time such reservation is made by the Developer and the reservation is in a form reasonably acceptable to the City that is for the City's benefit and enforceable by the City at law and in equity and recorded with the Larimer County Clerk and Recorder, the City shall determine the number and type of Required Affordable Units which could reasonably be expected to develop on such acreage pursuant to the Development Plan and all other applicable City ordinances, regulations, standards and policies. Upon such determination, those units shall count toward the Required Affordable Units.

5. At least forty-three (43) of the Required Affordable Units shall be secured through one of the mechanisms described in Sections I.C.4.a. through c. above (or through any other mechanism agreed upon in writing between the City and the Developer) before the City is required to issue any building permit that will authorize the construction of more than two hundred twenty-one (221) of the Total Dwelling Units, and the remaining twenty-two (22) of the Required Affordable Units shall be so secured prior to the City being required to issue a building permit that will authorize the construction of any of the last eighty-eight (88) of the Total Dwelling Units.

D. Environmental Sustainability.

1. LEED Certification. All of the Total Dwelling Units shall achieve LEED Gold Certification, including the Required Affordable Units. Accordingly, the Developer shall provide the City for each of the Total Dwelling Units ("Dwelling Unit") before the City is required to issue a certificate of occupancy for that Dwelling Unit, a copy of the final application submitted and signed by the Green Rater for the LEED Gold for Homes Certification for that Dwelling Unit (the "Certification"). In addition, the Developer shall provide the Certification issued for that Dwelling Unit to the City within thirty (30) days of the City's issuance of the certificate of occupancy for the Dwelling Unit. In the event the Developer does not provide such

Certification for that Dwelling Unit within thirty (30) days of the City's issuance of the certificate of occupancy of the Dwelling Unit, the City may make the provision of such Certification a prerequisite to issuing additional building permits for the remaining Total Dwelling Units until such Certification is provided to the City. Heat recovery ventilator systems ("HRV Systems") shall also be installed on all of the Total Dwelling Units to improve air quality inside the homes before the City is required to issue a certificate of occupancy for the dwelling unit, but this requirement to install HRV Systems shall not be applicable to the Required Affordable Units.

2. Solar Photovoltaic Energy. Each of the Total Dwelling Units shall be constructed with a rooftop solar photovoltaic system that will produce approximately 1kW of power for the dwelling unit using about three (3) panels per dwelling unit at approximately 330 watts per panel ("Solar System") or, as an alternative, shall include access to a battery storage system installed within the dwelling unit or access to an installed battery storage system which has the capability to serve multiple dwelling units and the system used has the capability of providing the equivalent amount of energy for each of the Total Dwelling Units as would the Solar System ("Distributed Energy Storage"). Accordingly, evidence satisfactory to the City of one of the following must be provided to the City by a Green Rater for each of the Total Dwelling Units before the City shall be required to issue a certificate of occupancy: (i) the installation of a Solar System, or (ii) access to Distributed Energy Storage.

3. Electric Vehicle Charging. The Developer agrees that a 240V outlet shall be installed in each garage associated with the Total Dwelling Units. Accordingly, evidence satisfactory to the City of the installation in each garage of a 240V outlet must be provided to the City for each of the Total Dwelling Units before the City is required to issue a certificate of occupancy for such dwelling unit. In addition, Developer shall install electric vehicle charging stations providing at least six (6) charging-enabled parking spaces within the Property. Accordingly, evidence satisfactory to the City that such electrical vehicle charging stations shall be installed must be provided to the City before the City is required to issue any building permit that will authorize the construction of more than two hundred twenty-one (221) of the Total Dwelling Units.

E. Critical Public Infrastructure. The Parties acknowledge and agree that the Development Plan and the related development agreement between the City and Developer require that the following critical public infrastructure be provided by the Developer:

1. Design and construction of Suniga Road as a four-lane major arterial in the dedicated Suniga Road right-of-way between Redwood Street and Lemay Avenue, as defined in the approved public improvement construction plans of the Development Plan ("Suniga Road Improvements"), and subject to

reimbursement by the City to the Developer for the oversized portion of such improvements in accordance with City regulations therefor;

2. Design and construction of upsizing of the existing sewer line from Vine Drive, around Alta Vista, and along a portion of Lemay Avenue, as defined in the approved public improvement construction plans of the Development Plan (“Sewer Line Improvements”), and subject to reimbursement by the City to the Developer for the oversized portion of such improvements in accordance with City regulations therefor; and

3. Design and construction of the Regional Trail within the boundaries of the Development Plan and the off-site pedestrian connection for the northern portion up to the intersection at Lemay Avenue and Conifer Street, as defined in the Development Plan (“Regional Trail Improvements”).

The Parties further acknowledge and agree that including the Suniga Road Improvements, Sewer Line Improvements and Regional Trail Improvements in the Development Plan and the Developer agreeing in the related development agreement to construct these, has secured for the City the provision of this critical public infrastructure. The locations of the Suniga Road Improvements, Sewer Line Improvements and Regional Trail Improvements are generally depicted in the Development Plan on file with the City.

F. Smart Growth Management and Community and Neighborhood Livability. The Parties acknowledge and agree that the Development Plan includes the following elements for smart growth management and community and neighborhood livability: (i) alley access to the garages of each of the Total Dwelling Units (with the possible exception of the Required Affordable Units); (ii) smaller lot sizes; and (iii) 100% of Total Dwelling Units will be attached housing types (four to eight- unit townhomes and eight to twelve-unit condominium buildings). The Development Plan also includes a clubhouse and a mixed-use building near the Regional Trail Improvements. The clubhouse will provide amenities including a swimming pool, workout facility, kitchen, and gathering space, as well as landscaped open space around the building. The mixed-use center will offer light commercial use on the first floor, residential for-rent units on the second floor, and small amenities open to the public (e.g. bike repair station, doggie station). The Developer will also include an Interpretive Historical Park and Gateway Features bordering the to-be-designated historic Alta Vista neighborhood. The Development Plan generally depicts the location of the features described in this Section I.F.

G. City and Developer Acknowledgement. The City and the Developer specifically acknowledge and agree that the Public Benefits described and secured in paragraphs I.C. through I.F. above, shall not be deemed to have satisfied the requirement of Section IV.B.2. of the Service Plan for securing the Public Benefits as generally described in Exhibit G of the Service Plan unless and until this Agreement goes into full effect as provided in Section II.R. below.

II. MISCELLANEOUS

A. City Findings. The City hereby finds and determines that the approval of this Agreement is in the best interests of the City and the public's health, safety and general welfare.

B. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

C. Covenants/Binding Effect. This Agreement shall run with the Property, including any subsequent replatting of all, or a portion of the Property. This Agreement shall also be binding upon and inure to the benefit of the Parties and their respective personal representatives, heirs, successors, grantees and assigns. It is agreed that all improvements required pursuant to this Agreement touch and concern the Property regardless of whether such improvements are located on the Property. Assignment of interest within the meaning of this paragraph shall specifically include, but not be limited to, a conveyance or assignment of any portion of the Developer's legal or equitable interest in the Property, as well as any assignment of the Developer's rights to develop the Property under the terms and conditions of this Agreement and the Development Plan.

D. Default.

1. Notice; Cure. If either Party defaults under this Agreement, the non-defaulting Party shall deliver written notice to the defaulting Party of such default in accordance with Section II.L, and the defaulting Party shall have thirty (30) days from and after receipt of such notice to cure such default. If such default is not of a type which can be cured within such thirty (30) day period and the defaulting Party gives written notice to the non-defaulting Party within such thirty (30) day period that it is actively and diligently pursuing such cure, the defaulting Party shall have a reasonable period of time given the nature of the default following the end of such thirty (30) day period to cure such default, provided that such defaulting Party is at all times within such additional time period actively and diligently pursuing such cure and provided further that in no event shall such cure period exceed a total of six (6) months. Notwithstanding the cure period set forth in this Section II.D.1, Developer, its successors and assigns, shall have the right to include a claim for breach of this Agreement in any action brought under C.R.C.P. Rule 106 if Developer, its successors and assigns, believes that the failure to include such claim may jeopardize its ability to exercise its remedies with respect to this Agreement at a later date. Any claim for breach of this Agreement brought before the expiration of the applicable cure period set forth in this Section II.D. shall not be prosecuted by Developer, its successors and assigns, until the expiration of such cure period except as set forth in this Agreement, and shall be dismissed

by Developer, its successors and assigns, if the default is cured in accordance with this Section II.D.

2. Remedies. If any default under this Agreement is not cured as described above, the non-defaulting Party shall have the right to enforce the defaulting Party's obligation hereunder by an action at law or in equity, including, without limitation, injunction and/or specific performance, and shall be entitled to an award of any damages available at law or in equity.

E. Governing Law. This Agreement shall be construed under and governed by the laws of the State of Colorado.

F. Integration; Amendment. This Agreement represents the entire agreement between the Parties with respect to the subject matter hereof and there are no oral or collateral agreements or understandings. The Parties agree that this Agreement may be amended only by an instrument in writing signed by the City and the Developer, and successors and permitted assigns of the Developer to whom the Developer has granted in writing the right to consent to any such amendments. Notwithstanding the foregoing, this Agreement shall be in addition to and supplemented by the development agreement entered into by the Developer with the City for the Property under the Development Plan as required in Section 3.3.2.(B) of the City's Land Use Code.

G. Jurisdiction and Venue. The City and the Developer, its successors and assigns, stipulate and agree that in the event of any dispute arising out of this Agreement, the courts of the State of Colorado shall have exclusive jurisdiction over such dispute and venue shall only be proper in Larimer County, Colorado. The Parties hereby submit themselves to jurisdiction of the State District Court, 8th Judicial District, County of Larimer, State of Colorado.

H. City Approvals. Where this Agreement requires the City's future approval or consent, such approval or consent may be given by the City Manager of the City within his or her sole discretion. Where this Agreement requires the City Council's approval or consent, such approval or consent shall be within the Council's sole discretion.

I. Multiple-Fiscal Year Obligations. To the extent that any of the obligations of the City contained in this Agreement are or should be considered multiple-fiscal year obligations, such obligations shall be subject to annual appropriation by the Fort Collins City Council, in its sole discretion.

J. No Joint Venture or Partnership. No form of joint venture or partnership exists between the Developer and the City, and nothing contained in this Agreement shall be construed as making the Developer and the City joint venturers or partners.

K. No Third-Party Beneficiaries. Except as otherwise provided in this Agreement, enforcement of the terms and conditions of this Agreement, and all rights of action relating to such enforcement, shall be strictly reserved to the City and the

N. Recordation. The Developer agrees to record this Agreement with the Larimer County Clerk and Recorder immediately after the deed conveying the Property from the Owners to the Developer is recorded with the Larimer County Clerk and Recorder, and the Developer shall pay the cost of the same.

O. Severability. If any term, provision, covenant or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions of this Agreement shall continue in full force.

P. Survival. The covenants, representations and warranties and agreements to be performed or complied with under this Agreement by the Parties shall be continuing obligations of the Parties until fully complied with or performed, respectively.

Q. Waiver. No waiver of one or more of the terms of this Agreement shall constitute a waiver of other terms. No waiver of any provision of this Agreement in any instance shall constitute a waiver of such provision in other instances.

R. Effective Date and Termination. This Agreement shall not go into full effect unless and until all the following have occurred: (i) the Property has been deeded to the Developer by the Owners, (ii) that deed has been duly recorded with the Larimer County Clerk and Recorder, and (iii) this Agreement has been duly recorded as provided in Section II.N. above. However, if such deed and this Agreement are not so recorded on or before November 19, 2020, this Agreement shall terminate, and the Parties shall be released from all obligations hereunder.

IN WITNESS WHEREOF, the Parties have executed this Agreement the day and year first written above.

CITY: CITY OF FORT COLLINS, COLORADO,
a Municipal Corporation

By: _____
Darin A. Atteberry, City Manager

Date: _____, 2020

ATTEST:

Delynn Coldiron, City Clerk

