

DATE: June 7, 2011
STAFF: Wanda Krajicek

AGENDA ITEM SUMMARY
URBAN RENEWAL AUTHORITY

3

SUBJECT

Consideration and Approval of the Minutes of the May 17, 2011 Meeting.

May 17, 2011

URBAN RENEWAL AUTHORITY

A regular meeting of the Urban Renewal Authority was held on Tuesday, May 17, 2011, at 10:00 p.m. in the Council Chambers of the City of Fort Collins City Hall. Roll Call was answered by the following Boardmembers: Horak, Kottwitz, Manvel, Ohlson, Poppaw, Troxell, and Weitkunat.

Staff Members Present: Atteberry, Krajicek, Roy.

Resolution No. 031
Providing for a Consent Calendar in Agendas and the Manner of
Acting on Matters on the Consent Calendar, Adopted

The following is staff's memorandum for this item.

“EXECUTIVE SUMMARY

As the Urban Renewal Authority (URA) expects to grow with more projects and potentially additional plan areas, staff feels it is appropriate to create a consent calendar to allow non-controversial items to be executed in an efficient and effective manner. Currently, all URA Board agenda items are labeled “discussion” items and in the future, staff foresees the need for some agenda items to be “house keeping” in nature, i.e., word-smithing policies and procedures and leave “discussion” items to more critical matters, i.e., project participation, creation of plan areas, etc.

BACKGROUND / DISCUSSION

In the past four years, the URA Board has increasingly made more actions and decisions as each year passes. As the growth of the URA continues, staff is anticipating an expansion of URA staff duties and responsibilities related to more projects and potentially more plan areas. Just as the City Council meeting agenda has the Consent Calendar for items that do not require extensive deliberation, the URA may also have agenda items that may be worthy of a consent calendar approach.

Also, the URA Board continues to meet at the end of regular City Council meetings, when scheduled, and many items have been moved off the agenda because City Council meetings exceeded the allotted discussion time according to the Charter. The creation of a consent calendar for the URA may alleviate the need for all items to be discussed, and avoid prolonging meetings late into the evening.

This allows both the URA Board and URA staff to be more effective and efficient on matters that relate to the URA. The URA Board or members of the public will continue to have discretion to pull items off the Consent Calendar if further discussion is needed, similar to the process for City Council meetings.”

May 17, 2011

Vice-President Ohlson made a motion, seconded by Boardmember Manvel, to adopt Resolution No. 031. Yeas: Weitkunat, Kottwitz, Manvel, Ohlson, Poppaw, Horak, and Troxell. Nays: none.

THE MOTION CARRIED.

Resolution No. 032
Approving a Loan from the Stormwater Utility of the City of Fort Collins to the
Urban Renewal Authority and Appropriating the Proceeds of Said Loan
for the Purpose of Purchasing Real Estate for the Northeast
College Corridor Outfall Project, Adopted

The following is staff's memorandum for this item.

“EXECUTIVE SUMMARY

This Resolution authorizes the Executive Director of the Fort Collins Urban Renewal Authority (URA) to negotiate and execute a loan agreement and promissory note with the City of Fort Collins. The proposed loan provides the URA with the necessary funds to contribute \$326,472 to the purchase of the Northeast College Corridor Outfall (NECCO) detention pond (purchase completed in July, 2010). This contribution will cover the shortfall in the land purchase transaction and repay the City's Stormwater Fund capital projects budget. The loan from the Storm Drainage Fund Reserves will be interest only for a term of 10 years. The estimated financing cost associated with the loan is \$5,000 annually.

BACKGROUND / DISCUSSION

PROJECT OVERVIEW

The North College Corridor continues to receive considerable development and/or redevelopment interest. The removal of the Dry Creek floodplain and the establishment of the North College Urban Renewal Plan eliminated several impediments to development and/or redevelopment. However, the area continues to need numerous public infrastructure improvements to fully address the City's standard for adequate public facilities. The North College Infrastructure Funding Plan, adopted by City Council on May 4, 2010 (Resolution 2010-023), identified approximately \$74.2 million in required public infrastructure improvements (Attachment 1).

The design of these improvements requires close coordination by City staff to ensure the elements fit together in an integrated fashion and to provide predictability for nearby development. Since 2006, Engineering, Transportation, and Utilities staff have been working to design several public infrastructure improvements, including:

- *The realignment of Vine Drive (from College Avenue to Lemay Avenue);*
- *A unified regional stormwater outfall for east of College Avenue and south of Willox Avenue to East Vine Drive;*
- *Two large diameter water pipelines owned by outside agencies.*

The planned unified regional stormwater system will provide much needed drainage for stormwater runoff east of North College Avenue and south of Willox Avenue to East Vine Drive (See Attachment 2 – Figure 1). The preliminary design of the infrastructure was completed in February 2006. Subsequently, City Stormwater staff designed the NECCO system to nearly complete engineering drawings. The infrastructure includes three main components (See Attachment 2 – Figure 2):

- A unified regional stormwater and water quality system designed to serve the area north and east of the NECCO regional detention pond;
- A regional detention pond located just west of Redwood Drive; and
- The outfall pipe connecting the pond to the East Vine Diversion channel (located east of Lemay Avenue).

The regional detention pond and the outfall pipe connecting to the East Vine Diversion channel constitute the infrastructure known as the “backbone” of NECCO. This is the essential infrastructure required to allow the unified regional stormwater and water quality system to function properly.

NECCO DETENTION POND

The majority of the NECCO detention pond land was purchased with Stormwater Utility funds. The Stormwater Utility paid for 54.83 percent, or \$896,462, of the land to accommodate the existing offsite flows and future water quality treatment of existing properties, largely located north of Conifer Street. Jon Prouty, the property owner, paid for 22.45 percent, or \$322,593, through the purchase of an easement on the land allowing his remaining property to use the land for temporary retention until the completion of the NECCO outfall pipe connecting the pond to the East Vine Diversion channel. The remaining 22.72 percent, or \$326,472, of the land will aid future development on adjacent properties (See Table 1).

Table 1 – NECCO Detention Pond Land Purchase Transaction Summary

	Purchaser	Seller
Purchase Price (Fee Simple)	\$1,436,939	\$0
Drainage Easement	\$108,588	\$0
Retention Easement	\$0	\$322,593
Subtotal	\$1,545,527	\$322,593
Less: Credit from Seller	(\$322,593)	\$0
Total Due	\$1,222,934	\$0
Less: Current Stormwater Funds	(\$896,462)	
Shortfall (URA Loan)	\$326,472	\$0

In addition, the land purchase included an easement for a drainage channel to the north of the detention pond, titled in Table 1 as Drainage Easement. The price paid for this easement was for an open channel and a pipe for runoff from the north. All properties planned to use the pond are

May 17, 2011

required to drain to the NECCO detention pond and will not be required to have onsite detention. This creates a more efficient system of handling stormwater runoff and water quality treatment (See the attached memo from Jon Haukaas for more on this subject).

Future development does not receive a reduction, or a reimbursement, if their sites develop with less imperviousness than assumed in the NECCO design. In addition, all future development will be required to contribute to the cost of the unified regional stormwater runoff and water quality treatment facility that is NECCO. A project may petition to have these costs reimbursed from tax increment revenues, as it is an eligible public improvement, however, the URA Board will have full and sole discretion regarding the dedication of tax increment revenue for such a cost.

FINANCIAL / ECONOMIC IMPACTS

*The proposed loan from the Storm Drainage Fund Reserves will provide the URA with the necessary funds to contribute \$326,472 to the purchase of the NECCO detention pond. This contribution will cover the shortfall in the land purchase transaction (as shown in **Table 1**). The loan from the Storm Drainage Fund Reserves (**Attachment 3**) will be interest only for a term of 10 years. The estimated financing cost to the URA is approximately \$10,000 annually (based on the 10-Year T-Bill rate of 3.348% from April 26, 2011). The actual financing cost will depend on the interest rate assigned to the loan. Per City Code, the interest rate of on this type of loan must equal the applicable Treasury Bill rate at the time of authorization. Therefore, the interest rate will be set the day after approval of the loan by the URA Board. City staff has included the estimated interest cost and principal in projections of future tax increment revenue and determined the URA has the ability to repay the loan. There is no impact to the City's General Fund or General Fund reserves.*

ENVIRONMENTAL IMPACTS

The NECCO project will provide a much needed stormwater management system for the area east of College Avenue from Vine Drive north to the City limits. The designed and proposed unified stormwater system will manage stormwater and water quality on the watershed level. The overall health of the watershed, not the individual sites should be of most concern to the City's Stormwater Drainage Utility.

As designed, the NECCO project will have the following positive outcomes for the larger watershed:

- *A higher quality of water returned to the natural tributaries, as a result of slower release and reduction in sediments;*
- *Creation of additional wetlands and natural habitat of a size more conducive to access and use by wildlife;*
- *Assistance in maintaining downstream channel stability; potentially mitigating an environmental impact (erosion) from a major storm event.*

For a more complete discussion of the environmental benefits of unified regional stormwater systems and NECCO please read the attached memo from Jon Haukaas, Water Engineering Field Operations Manager."

May 17, 2011

Vice-President Ohlson made a motion, seconded by Boardmember Poppaw, to adopt Resolution No. 032. Yeas: Weitkumat, Kottwitz, Manvel, Ohlson, Poppaw, Horak and Troxell. Nays: none.

THE MOTION CARRIED.

Other Business

Boardmember Troxell requested a report regarding the financial impacts of the flood plan regulations on the URA.

Adjournment

The meeting adjourned at 10:10 p.m.

Mayor, Ex Officio President

ATTEST:

City Clerk, Ex Officio Secretary