

SUBJECT

Items Relating to Natural Area Appropriations.

- A. Second Reading of Ordinance No. 090, 2013, Appropriating Prior Year Reserves and Unanticipated Revenues in the Natural Areas Fund for the Purpose of Providing Natural Areas Programming Not Included in the 2013 Adopted City Budget.
- B. Second Reading of Ordinance No. 091, 2013, Appropriating Prior Year Reserves in the Natural Areas Fund and Authorizing the Transfer of Appropriations to the Capital Project Fund for the Natural Areas Office Building Project and Transferring Appropriations to the Cultural Services and Facilities Fund for the Art in Public Places Program.

EXECUTIVE SUMMARY

Ordinance No. 090, 2013, appropriates previously appropriated funds for the purpose of land conservation, construction of public improvements, restoration of wildlife habitat and other natural area program needs to benefit the citizens of Fort Collins. Natural Areas has received unanticipated revenues in 2013 and has reasons to need these funds in 2013 to fund a number of land conservation efforts. This Ordinance appropriates \$7,310,000: \$5,380,000 from prior year reserves and \$1,930,000 from 2013 unanticipated revenues in the Natural Areas Fund for the purpose of providing Natural Areas Programming not included in the 2013 budget.

Ordinance No. 091, 2013, appropriates \$1,420,000 from prior year reserves in the Natural Areas Fund for transfer to the Capital Project Fund for the purpose of constructing a new Natural Areas Office building. Both Ordinances were unanimously adopted on First Reading on July 2, 2013.

STAFF RECOMMENDATION

Staff recommends adoption of the Ordinance on Second Reading.

ATTACHMENTS

- 1. Copy of First Reading Agenda Item Summary - July 2, 2013 (w/o attachments)

DATE: July 2, 2013
STAFF: John Stokes

AGENDA ITEM SUMMARY
 FORT COLLINS CITY COUNCIL

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SUBJECT

Items Relating to Natural Area Appropriations.

- A. First Reading of Ordinance No. 090, 2013, Appropriating Prior Year Reserves and Unanticipated Revenues in the Natural Areas Fund for the Purpose of Providing Natural Areas Programming Not Included in the 2013 Adopted City Budget.
- B. First Reading of Ordinance No. 091, 2013, Appropriating Prior Year Reserves in the Natural Areas Fund and Authorizing the Transfer of Appropriations to the Capital Project Fund for the Natural Areas Office Building Project and Transferring Appropriations to the Cultural Services and Facilities Fund for the Art in Public Places Program.

EXECUTIVE SUMMARY

Prior to 2004, the Natural Areas Department was housed within the Capital Projects Fund and, therefore, funds did not lapse from year to year. During 2004, in order to comply with the Governmental Accounting Standards Board, Natural Areas appropriations and funding sources were moved into the Natural Areas Fund, a lapsing fund. Therefore, unspent funds need to be appropriated into the following year's budget before they can be spent. The purpose of the previously appropriated funds remains the same: land conservation, construction of public improvements, restoration of wildlife habitat and other natural area program needs to benefit the citizens of Fort Collins. Natural Areas has received unanticipated revenues in 2013 and has reasons to need these funds in 2013 to fund a number of land conservation efforts.

Ordinance No. 090, 2013, will appropriate \$7,310,000: \$5,380,000 from prior year reserves and \$1,930,000 from 2013 unanticipated revenues in the Natural Areas Fund for the purpose of providing Natural Areas Programming not included in the 2013 budget.

Ordinance No. 091, 2013, will appropriate \$1,420,000 from prior year reserves in the Natural Areas Fund for transfer to the Capital Project Fund for the purpose of constructing a new Natural Areas Office building.

BACKGROUND / DISCUSSION

The funds for the Natural Areas Department come from the following designated sources of revenue, including the City: Open Space Yes! sales tax; the Larimer County - Help Preserve Open Space sales tax; and, miscellaneous unanticipated revenues. All of these funds are restricted to the purposes of the Natural Areas Department, including unanticipated revenues which consist generally of income from easements, leases or grants.

The total prior year reserve funds appropriated with these two ordinances is \$6,800,000: \$5,380,000 for Natural Areas Programming and \$1,420,000 for a new Natural Areas Office building.

The unanticipated 2013 revenues being appropriated are more specifically described:

\$ 80,000	PRPA - Woodward Power Line Easement Fees and Mitigation Fees
100,000	Pending Donation to the purchase of Coy Ditch Water Rights
750,000	Natural Areas' portion of the Xcel Gas Line Mitigation Funds
300,000	Revenues - sale of the Vangbo Property with a Conservation Easement
<u>700,000</u>	<u>Revenues - sale of the Maxwell Property with a Conservation Easement</u>
\$1,930,000	Unanticipated 2013 Revenues

Therefore, the total amount appropriated with these two Ordinances is \$8,730,000: \$6,800,000 from prior year reserves and \$1,930,000 from 2013 unanticipated revenues.

The anticipated use of these funds is as follows:

Natural Areas Fund - \$7,310,000

- **Land Conservation - \$5,124,270.** \$3,194,270 from prior year reserves and \$1,930,000 from the 2013 unanticipated revenues will be used for land conservation efforts per the Land Conservation and Stewardship Master Plan.
- **Rangers - \$28,000** from prior year reserves to fund upgraded radios to be compatible with police radios.
- **Education - \$12,500** from prior year reserves to fund unanticipated program needs: to complete the Soapstone Prairie history research and documentation project started in 2012; and to fund the cost to hire a consultant to prepare a State Historical Grant.
- **Resource Management - \$1,365,000** from prior year reserves to fund several major habitat restoration projects along the Poudre River in 2013-14.
- **Public Improvements - \$742,815** from prior year reserves to complete public improvement projects that are underway of which \$478,217 are unspent funds designated for contribution to Parks' paved trails system; \$125,500 in matching funds for the GOCO grant to construct a new trail head parking lot at Arapaho Bend; complete the trail and parking lot at Reservoir Ridge; complete the trails at Pelican Marsh; construct educational kiosks at ten sites along the Poudre River; and a number of smaller trail improvements.
- **Facility Operations - \$37,415** from prior year reserves to complete facility maintenance projects that are underway: Reservoir Ridge caretaker house; storage shed at the Nix Farm operations center; and miscellaneous supplies and maintenance work.

Capital Projects Fund - \$1,420,000

- **New Natural Areas Office Building - \$1,420,000** from prior year reserves is being appropriated to construct the new office building which will be located at Nix Farm, adjacent to an existing office building and operations shop, this is in addition to \$440,000 that was appropriated in the 2013 budget to remodel/reconstruct an existing historic farm house into a useable office building. Upon further review of office needs and analysis of the existing structure; it was determined that a much larger office was needed, and the existing farm house could not be reconstructed to meet those needs. An appropriate sized office building is currently being designed, that will allow for some future growth. The cost of the 4,200 square foot office building project is estimated to be \$1,860,000, based upon the preliminary design. The goal is to build this new office building to be LEED Gold certifiable; it will not actually be certified since its size is under the City's policy of certifying buildings over 5,000 square feet.

The new office building will provide much needed office and meeting space for the seven Natural Areas employees that are currently housed downtown at 215 N. Mason and for the five Natural Areas Education staff that are currently housed in the existing Natural Areas Office at Nix Farm. The office space being freed up at 215 N. Mason will provide more office space for Environmental Services and the office space being freed up in the existing Natural Areas Office Building will free up space for existing staff that have been doubling up in the existing offices for years. The new building will have needed space for a multipurpose room that will serve as a class room, a conference room and a work room for our volunteers and three offices for future growth.

The project appropriation of \$1,420,000 includes \$14,200 for 1% Art in Public Places (APP). Of this amount \$11,076 will be transferred to the APP project in the Cultural Services and Facilities Fund for the artwork and the remaining \$3,124 will be transferred to the same fund for the maintenance of the artwork and operations of the APP program. The 2013 project budget of \$440,000 included a transfer of \$4,400 for APP so the total amount transferred for APP will be \$18,600 or 1% of the total project cost.

FINANCIAL / ECONOMIC IMPACTS

Ordinance No. 090, 2013 increases 2013 appropriations in the Natural Areas Fund by \$7,310,000: \$5,380,000 is funded by prior year reserves and \$1,930,000 is funded with 2013 unanticipated revenues.

Ordinance No. 091, 2013, increases 2013 appropriations in the Natural Areas Fund by \$1,420,000, which will come from prior year reserves.

The total amount appropriated with these two Ordinances is \$8,730,000, with a total of \$6,800,000 from prior year reserves and \$1,930,000 from 2013 unanticipated revenues.

All of these funds are restricted to the purposes of the Natural Areas Department.

STAFF RECOMMENDATION

Staff recommends adoption of the Ordinances on First Reading.

ATTACHMENTS

1. Nix Farm Location map
2. Site map and Building drawings

COPY

COPY

ORDINANCE NO. 090, 2013
OF THE COUNCIL OF THE CITY OF FORT COLLINS
APPROPRIATING PRIOR YEAR RESERVES AND UNANTICIPATED REVENUES IN THE
NATURAL AREAS FUND FOR THE PURPOSE OF PROVIDING NATURAL AREAS
PROGRAMMING NOT INCLUDED IN THE 2013 ADOPTED CITY BUDGET

WHEREAS, the City is committed to preserving natural areas and providing educational, interpretive and appropriate recreational opportunities to the public; and

WHEREAS, Natural Areas programming implements open land conservation priorities identified in the City's Comprehensive Plan by purchasing conservation easement interests in key natural areas, community separators, or other open lands; providing stewardship for lands purchased; and developing trails and interpretive features for public use; and

WHEREAS, the Natural Areas Department is funded primarily through the collection of Open Space - Yes sales and use tax revenue, as well as revenues from the Larimer County Help Preserve Open Space sales and use tax, investment earnings, and other miscellaneous revenues deposited in the Natural Areas Fund; and

WHEREAS, the Natural Areas Fund has unspent and unencumbered appropriations and additional revenue from 2012 in excess of \$5,380,000 and 2013 unanticipated revenue in the amount of \$1,930,000; and

WHEREAS, Article V, Section 9, of the City Charter permits the City Council to make supplemental appropriations by ordinance at any time during the fiscal year, provided that the total amount of such supplemental appropriations, in combination with all previous appropriations for that fiscal year, does not exceed the current estimate of actual and anticipated revenues to be received during the fiscal year; and

WHEREAS, City staff has determined that the appropriation of the revenue as described herein will not cause the total amount appropriated in the Natural Areas Fund to exceed the current estimate of actual and anticipated revenues to be received in that fund during any fiscal year; and

WHEREAS, Article V, Section 11 of the City Charter requires that all appropriations unexpended or unencumbered at the end of the fiscal year lapse to the applicable general or special revenue fund, except that appropriations for capital projects and federal or state grants do not lapse until the completion of the capital project or until the expiration of the federal or state grant; and

WHEREAS, Article V, Section 9 of the City Charter permits the City Council to appropriate by ordinance at any time during the fiscal year such funds for expenditure as may be available from reserves accumulated in prior years, notwithstanding that such reserves were not previously appropriated; and

WHEREAS, City staff recommends appropriating from prior year reserves in the Natural Areas Fund \$5,380,000 and from unanticipated revenue in 2013, \$1,930,000 for a total amount of \$7,310,000 to be used for acquisition, construction, enhancement and maintenance of trail systems, wildlife habitat and other natural areas to benefit the citizens of the City.

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

Section 1. That there is hereby appropriated for expenditure from prior year reserves in the Natural Areas Fund the sum of FIVE MILLION THREE HUNDRED EIGHTY THOUSAND DOLLARS (\$5,380,000) to be used for acquisition, construction, enhancement and maintenance of trail systems, wildlife habitat and other natural areas to benefit the citizens of the City.

Section 2. That there is hereby appropriated for expenditure from unanticipated revenue in the Natural Areas Fund the sum of ONE MILLION NINE HUNDRED THIRTY THOUSAND DOLLARS (\$1,930,000) to be used for acquisition, construction, enhancement and maintenance of trail systems, wildlife habitat and other natural areas to benefit the citizens of the City.

Introduced, considered favorably on first reading, and ordered published this 2nd day of July, A.D. 2013, and to be presented for final passage on the 16th day of July, A.D. 2013.

Mayor

ATTEST:

City Clerk

Passed and adopted on final reading on the 16th day of July, A.D. 2013.

Mayor

ATTEST:

City Clerk

ORDINANCE NO. 091, 2013
OF THE COUNCIL OF THE CITY OF FORT COLLINS
APPROPRIATING PRIOR YEAR RESERVES IN THE NATURAL AREAS FUND AND
AUTHORIZING THE TRANSFER OF APPROPRIATIONS TO THE CAPITAL PROJECTS
FUND FOR THE NATURAL AREAS OFFICE BUILDING PROJECT AND TRANSFERRING
APPROPRIATIONS TO THE CULTURAL SERVICES AND FACILITIES FUND FOR THE
ART IN PUBLIC PLACES PROGRAM

WHEREAS, the current Natural Areas Office Building is a two-story historic farm house located at the Nix Farm that was remodeled in 2002 to house the Natural Areas Department staff which was less than 20 permanent employees; and

WHEREAS, with the growth of the Natural Areas Department, the 2013 budget appropriated \$440,000 to construct an additional office building at Nix Farm for the Natural Areas staff by adding to and remodeling the existing two-story historic farm house; and

WHEREAS, after further review of office needs and analysis of the existing farm house, it has been determined that a much larger office space is needed and the existing farm house cannot be reconstructed to meet those needs; and

WHEREAS, a new Natural Areas office building that will allow for future growth is currently being designed for construction adjacent to an existing office building and operations shop at the Nix Farm; and

WHEREAS, based on the preliminary design, the total cost of a 4,200 square foot office building is currently estimated to be \$1,860,000; and

WHEREAS, additional funds in the amount of \$1,420,000 are needed to build the office structure and these funds are available from prior year reserves in the Natural Areas Fund; and

WHEREAS, \$14,200, which represents one percent of the additional appropriation for the new office building, must be transferred to the Cultural Services and Facilities fund for the Natural Areas cost center contribution to the Art in Public Places (APP) program, with \$11,076 reserved for the APP artwork project and \$3,124 reserved for the maintenance of the artwork and operations of the APP program; and

WHEREAS, Article V, Section 9 of the City Charter permits the City Council to appropriate by ordinance at any time during the fiscal year such funds for expenditure as may be available from reserves accumulated in prior years, notwithstanding that such reserves were not previously appropriated; and

WHEREAS, Article V, Section 10, of the City Charter authorizes the City Council to transfer by ordinance any unexpended and unencumbered appropriated amount or portion thereof from one fund (project) to another fund (project), provided that the purpose for which the transferred funds are to be expended remains unchanged; and

WHEREAS, the additional appropriation of \$1,420,000 herein, would be applied to the same purpose as the original \$440,000 in the 2013 budget appropriation; and

WHEREAS, City staff recommends appropriating from prior year reserves in the Natural Areas Fund \$1,420,000 to be used for the design and construction of a new Natural Areas office building.

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

Section 1. That there is hereby appropriated for expenditure from prior year reserves in the Natural Areas Fund the sum of ONE MILLION FOUR HUNDRED TWENTY THOUSAND DOLLARS (\$1,420,000) for transfer to the Capital Projects Fund - Natural Areas Office Building Project and appropriated therein for expenditure on the Project.

Section 2. That the unexpended appropriated amount of ELEVEN THOUSAND SEVENTY-SIX DOLLARS (\$11,076) in the Capital Projects Fund - Natural Areas Office Building Project is authorized for transfer to the Cultural Services and Facilities Fund - Art in Public Places Project and appropriated therein for the Art Project.

Section 3. That the unexpended appropriated amount of THREE THOUSAND ONE HUNDRED TWENTY-FOUR DOLLARS (\$3,124) in the Capital Projects Fund - Natural Areas Office Building Project is authorized for transfer to the Cultural Services and Facilities Fund and appropriated therein for the Art in Public Places Program Maintenance and Operations.

Introduced, considered favorably on first reading, and ordered published this 2nd day of July, A.D. 2013, and to be presented for final passage on the 16th day of July, A.D. 2013.

Mayor

ATTEST:

City Clerk

Passed and adopted on final reading on the 16th day of July, A.D. 2013.

Mayor

ATTEST:

City Clerk