

AGENDA ITEM SUMMARY

October 21, 2014

City Council

STAFF

Josh Birks, Economic Health Director
Darin Atteberry, City Manager
Mike Beckstead, Chief Financial Officer

SUBJECT

First Reading of Ordinance No. 149, 2014 Approving a First Amendment to the Agreement with Woodward, Inc.

EXECUTIVE SUMMARY

The purpose of this item is to amend the Agreement with Woodward, Inc. and the Fort Collins Downtown Development Authority by changing a key date in the requirement of the City Manager to present City Council with a package to renew the Building on Basics dedicated sales tax including funding for Lincoln Boulevard Improvements.

On April 2, 2013, City Council approved (6-1; Nays: Ohlson) on Second Reading the "Agreement with Woodward, Inc." relating to the relocation and construction of the company's headquarters and expanding its manufacturing and office facilities (the "Agreement"). The Fort Collins Downtown Development Authority ("DDA") is also a party to the Agreement. The Agreement authorized a business assistance package that includes the reimbursement and rebate of taxes and contemplates construction of several public improvement projects.

One aspect of the Agreement (Section 4.1(d)) relates specifically to improvements to Lincoln Boulevard. The Agreement contemplates that the City Manager will submit a package for City Council's consideration that would help fund these improvements "by a renewal of the Building on Basics dedicated sales tax...on a schedule to allow consideration of that measure by voters no later than November 2014." The current schedule contemplates consideration of a renewal of the Building on Basics dedicated sales tax in April 2015. Therefore, the Agreement requires amendment to reflect the new schedule and date.

STAFF RECOMMENDATION

Staff recommends adoption of the Ordinance on First Reading.

BACKGROUND / DISCUSSION

Woodward is a global company and has been in Fort Collins since 1955. It has continued to experience growth in sales and breadth of market of its products. The company serves two major market sectors including aerospace and energy. It is Woodward's intent to expand their facilities to meet the growing demand for their products and to expand in northern Colorado. Over time, the Link-N-Greens site will be home to its international headquarters and for the global headquarters of up to two of its businesses: Industrial Turbomachinery Systems (ITS) and Engine Systems (ES).

Woodward has outgrown its Drake facility and needs to expand its overall facilities to accommodate continued growth. Woodward is developing a campus of office, manufacturing, and testing facilities on the Link-N-Greens site. The campus will include a collection of buildings with parking areas served by private drives. In

conjunction with the campus, a retail and commercial center is proposed to be located in the southeast corner of the site. Approximately 70,000 square feet of office and commercial development is planned for this area. The combined building footprint of the industrial/manufacturing facility is projected to be 600,500 square feet in buildings ranging from one to three stories. A future phase of construction will contain an unknown amount of commercial development including service based restaurant, retail and office for the benefit of the general public and Woodward employees.

On April 2, 2013, City Council approved the Agreement on Second Reading (6-1, Nays: Ohlson). The Agreement authorizes a business assistance package that includes the reimbursement and rebate of taxes and contemplates construction of several public improvements.

One aspect of the Agreement (Section 4.1(d)) relates specifically to improvements to Lincoln Boulevard. The intent of the improvements is to transform the standard street cross section into a boulevard similar to Mountain Avenue west of Old Town. The specific details of these improvements are not set but may include construction of new or improved street and intersections, sidewalks and benches, bicycle lanes and racks, trees and other landscaping, gateway features, transit related infrastructure, storm water improvements, directional signage, public art and other project for a positive neighborhood image, and interpretive features of culture and history relevant to the area. The Agreement stipulates that the City must use reasonable best efforts to complete a study of possible designs for the Lincoln Boulevard Improvements no later than April 30, 2014. This study has been completed and a final design was reviewed by City Council during work session on April 22, 2014 and approved as elements of the comprehensive plan of the City on May 20, 2014.

In addition, the Agreement contemplates the City Manager submitting a package for City Council's consideration that would fund the Lincoln Boulevard Improvements "by renewal of the Building on Basics dedicated sales tax...on a schedule to allow consideration of that measure by voters no later than November 2014." The current schedule contemplates consideration of a renewal of the Building on Basics dedicated sales tax to be submitted for voter consideration in April 2015. The proposed amendment changes the "November 2014" deadline to "April 2015" to reflect the current schedule.

FINANCIAL / ECONOMIC IMPACTS

None.

ORDINANCE NO. 149, 2014
OF THE COUNCIL OF THE CITY OF FORT COLLINS
APPROVING A FIRST AMENDMENT TO THE
AGREEMENT WITH WOODWARD, INC.

WHEREAS, the City, the Fort Collins, Colorado Downtown Development Authority (the “Authority”), and Woodward, Inc. (“Woodward”) previously entered into that certain “Agreement with Woodward, Inc.,” dated April 16, 2013 (the “Agreement”); and

WHEREAS, the Agreement was approved by the City Council by Ordinance No. 055, 2013, on second reading on April 2, 2013; and

WHEREAS, the Agreement authorizes a business assistance package from the City and the Authority to Woodward relating to Woodward’s relocation and construction of its company headquarters and the expansion of its manufacturing and office facilities on a new corporate campus site within Fort Collins; and

WHEREAS, in Section 4(d) of the Agreement the City agreed to consider in the future the construction of significant public improvements to Lincoln Avenue, which avenue abuts and is adjacent to the campus site Woodward is now developing, referred to as the “Lincoln Boulevard Improvements” in the Agreement (the “Lincoln Boulevard Improvements”); and

WHEREAS, in connection with the City’s future consideration of the Lincoln Boulevard Improvements, Section 4(d) of the Agreement also provides that the City Manager will “. . . present a package to the City Council of improvements to be funded by a renewal of the Building on Basics dedicated sales tax, including a portion of the Lincoln Boulevard Improvements valued at approximately \$8 million, on a schedule to allow consideration of that measure by the voters no later than November 2014.”; and

WHEREAS, the City, the Authority and Woodward now agree that the City Manager does not need to submit the Building on Basics ballot measure to the Council for its consideration until the time needed to place the measure before the voters at the City’s next regular election on April 7, 2015; and

WHEREAS, the City, the Authority and Woodward therefore desire to enter into the “First Amendment to Agreement with Woodward, Inc.” attached and incorporated herein as Exhibit “A” (the “First Amendment”) to so amend the Agreement.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FORT COLLINS that the First Amendment is hereby approved and the Mayor and City Manager are hereby authorized to execute the First Amendment, with such additional terms and conditions as the City Manager, in consultation with the City Attorney, determines to be necessary and appropriate to protect the interests of the City or effectuate the purpose of this Ordinance.

Introduced, considered favorably on first reading, and ordered published this 21st day of October, A.D. 2014, and to be presented for final passage on the 4th day of November, A.D. 2014.

Mayor

ATTEST:

City Clerk

Passed and adopted on final reading on the 4th day of November, A.D. 2014.

Mayor

ATTEST:

City Clerk

**FIRST AMENDMENT
TO AGREEMENT WITH WOODWARD, INC.**

THIS FIRST AMENDMENT TO THE AGREEMENT WITH WOODWARD, INC. (the “First Amendment”) is entered into this ___ day of _____, 2014, by and among the City of Fort Collins, Colorado, a home rule municipal corporation (the “City”), the Fort Collins, Colorado Downtown Development Authority, a duly organized and existing downtown development authority under the Constitution and laws of the State of Colorado, including, particularly, Title 31, Article 25, Part 8, Colorado Revised Statutes, as amended (the “Authority”), and Woodward, Inc., a Delaware corporation (“Woodward”).

RECITALS

WHEREAS, the City, the Authority and Woodward have previously entered into that certain “Agreement with Woodward, Inc.” dated April 16, 2013 (the “Agreement”); and

WHEREAS, the Agreement was approved by the Fort Collins City Council (the “Council”) by Ordinance No. 055, 2013, on second reading on April 2, 2013; and

WHEREAS, the Agreement authorizes a business assistance package from the City and the Authority to Woodward relating to Woodward’s relocation and construction of its company headquarters and the expansion of its manufacturing and office facilities on a new corporate campus site in Fort Collins; and

WHEREAS, included in the Agreement is the City’s agreement in Section 4(d) of the Agreement to consider in the future the construction of significant public improvements to Lincoln Avenue, which avenue abuts and is adjacent to the campus site Woodward is now developing, referred to as the “Lincoln Boulevard Improvements” in the Agreement (the “Lincoln Boulevard Improvements”); and

WHEREAS, in connection with the City’s future consideration of the Lincoln Boulevard Improvements, Section 4(d) of the Agreement also provides that the City Manager will “. . . present a package to the City Council of improvements to be funded by a renewal of the Building on Basics dedicated sales tax, including a portion of the Lincoln Boulevard Improvements valued at approximately \$8 million, on a schedule to allow consideration of that measure by the voters no later than November 2014.”; and

WHEREAS, the City, the Authority and Woodward now agree that the City Manager does not need to submit the Building on Basics ballot measure to the Council for its consideration until the time needed to place the measure before the voters at the City’s next regular election on April 7, 2015; and

WHEREAS, the City, the Authority and Woodward therefore desire to enter into this First Amendment to so amend the Agreement.

WITNESS my hand and official seal.

My commission expires: _____

Notary Public

THE FORT COLLINS, COLORADO,
DOWNTOWN DEVELOPMENT AUTHORITY

Wynne Odell, Chairperson

(SEAL)

Attest:

Janet Bramhall, Secretary

STATE OF COLORADO)
) ss.
COUNTY OF LARIMER)

The foregoing First Amendment to Agreement with Woodward, Inc. was executed before me this ____ day of _____, 2014, by Wynne Odell, as Chairperson, and by Janet Bramhall as Secretary of THE FORT COLLINS, COLORADO, DOWNTOWN DEVELOPMENT AUTHORITY.

WITNESS my hand and official seal.

My commission expires: _____

Notary Public

WOODWARD, INC. a Delaware corporation

By: _____
Tom Gendron, Chairman and CEO

