

AGENDA ITEM SUMMARY

March 7, 2017

City Council

STAFF

Mike Trombley, Police Lieutenant

SUBJECT

First Reading of Ordinance No. 046, 2017, Appropriating Prior Year Reserves in the Keep Fort Collins Great Fund for the Police Campus West Substation Build-out.

EXECUTIVE SUMMARY

The purpose of this item is to authorize and appropriate funding for the Campus West Substation build-out from the KFCG Police Reserves account. Funding for ongoing lease payments and associated O&M expenses was approved in the 2017-2018 budget; however, at inception it was anticipated that market timing would dictate that a lease would be signed before the end of the 2016 fiscal year, with lease payments beginning in 2017 and initial build-out costs paid in 2016 via off-cycle funding. The costs for initial build-out of the substation include demolition/renovation, IT infrastructure, electrical work, furnishing, etc. Delays during the budget process and higher than anticipated build estimates did not allow this money to be appropriated in 2016, as a lease agreement was not yet reached. An agreement has been finalized in principle for build-out costs, requiring an appropriation of \$218,750 from the KFCG Police Reserves account.

STAFF RECOMMENDATION

Staff recommends adoption of the Ordinance on First Reading.

BACKGROUND / DISCUSSION

The Campus West substation reflects a Council priority to establish a police/community substation in the Campus West area. Police Services is partnering with Neighborhood Services, Code Compliance, Colorado State University (CSU) Off Campus Life, CSU Student Affairs, CSU Police Department and the City/CSU Community Liaison to rotate staff to the office and offer a broad range of services and visibility to students, renters, long term residents, and businesses in the area. The office will provide a more permanent police, City, and CSU collaborative presence; impact crime; address quality of life issues such as loud parties; and provide more direct customer service.

Funding for ongoing lease payments and utilities, etc. was approved in the 2017-2018 budget (Offer #31.2), however at inception it was anticipated that market timing would dictate that a lease would be signed by the end of the 2016 fiscal year. The costs for initial build-out of the substation within the first year include initial renovation, IT infrastructure, security, furnishing, etc. and were anticipated to be paid in 2016 with off cycle funding in order to keep the project moving forward. Delays during the budget process and higher than expected build-out estimates did not allow this money to be appropriated in 2016, as a lease was not yet finalized. Estimates to complete this build-out originally ranged from \$357,000 to \$375,000. As a result, additional negotiations were pursued and the build-out was streamlined with the property owner completing some of the initial demolition and renovation and Operation Services completing the remainder. Further reductions to the build-out costs are not likely, and would increase if not for the terms articulated above. Combined with negotiated finish allowances by the property owner and existing allocated funding, the final allocation requested is 39% lower than original estimates in the latter part of 2016.

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An agreement has been finalized in principle for build-out costs (subject to final leasing agreement) totaling approximately \$218,750, broken down as follows:

- \$107,000 for initial tenant renovation, completed by property owner under specs provided by Operation Services. Of this amount, the property owner will partially cover tenant finish costs with an allowance, with a net cost of approximately \$70,000 to the City.
- \$180,000 in final renovation costs, managed and completed by Operation Services.
 - The 2017-2018 budget incorporated ongoing funds of \$75,000 annually for lease payments and O&M costs, effective January 1, 2017.
 - Further negotiation has allowed the City to assume responsibility for lease payments on June 1, 2017. As a result, \$31,250 of already allocated funds are available to offset build-out costs.
- Following the above cost breakdown, total appropriation cost = \$218,750.

Additional Information:

- Funding is time-sensitive due to negotiations. Operation Services is preparing final lease terms and payment allocation, as well as an itemization of the costs outlined above.

CITY FINANCIAL IMPACTS

\$218,750 appropriated from Police KFCG Reserves. Ongoing costs allocated in 2017-2018 budget (Offer #31.2).

ORDINANCE NO. 046, 2017
OF THE COUNCIL OF THE CITY OF FORT COLLINS
APPROPRIATING PRIOR YEAR RESERVES IN
THE KEEP FORT COLLINS GREAT FUND FOR THE POLICE CAMPUS WEST
SUBSTATION BUILD-OUT

WHEREAS, the City is negotiating to lease space for a new police substation in the Campus West area; and

WHEREAS, the Campus West substation reflects a Council priority to establish a police/community substation in the Campus West area and Police Services is partnering with Neighborhood Services, Code Compliance, Colorado State University (CSU) Off Campus Life, CSU Student Affairs, CSU Police Department and the City/CSU Community Liaison to rotate staff to the office and offer a broad range of services and visibility to students, renters, long term residents, and businesses in the area; and

WHEREAS, the office will provide a more permanent police, City, and CSU collaborative presence, impact crime, address quality of life issues such as loud parties, and provide more direct customer service; and

WHEREAS, at inception it was anticipated that market timing would dictate that a lease would be signed before the end of the 2016 fiscal year, with lease payments beginning in 2017 and initial build-out costs paid with 2016 funding; and

WHEREAS, funding for ongoing lease payments, utilities, and other operating expenses was approved in the 2017-2018 budget; and

WHEREAS, delays during the budget process and higher than expected build-out estimates did not allow funding for the initial build-out to be appropriated in 2016, as a lease was not yet finalized; and

WHEREAS, an agreement with the landlord has been finalized in principle for build-out costs (subject to finalizing a lease agreement) totaling approximately \$218,750; and

WHEREAS, this Ordinance would authorize and appropriate funding of \$218,750 for the Campus West Substation build-out from the KFCG Police Reserves account; 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, 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 have determined that the appropriations as described herein are available and previously unappropriated in the Keep Fort Collins Great Fund.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FORT COLLINS 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 there is hereby appropriated from prior year reserves in the Keep Fort Collins Great Fund the sum of TWO HUNDRED EIGHTEEN THOUSAND SEVEN HUNDRED FIFTY DOLLARS (\$218,750) for expenditure in the Keep Fort Collins Great Fund for the Fort Collins Police Services Campus West Substation build-out.

Introduced, considered favorably on first reading, and ordered published this 7th day of March, A.D. 2017, and to be presented for final passage on the 21st day of March, A.D. 2017.

Mayor

ATTEST:

City Clerk

Passed and adopted on final reading on the 21st day of March, A.D. 2017.

Mayor

ATTEST:

City Clerk