

**AGENDA ITEM SUMMARY**  
**FORT COLLINS CITY COUNCIL**

**ITEM NUMBER: 10**

**DATE: August 17, 2004**

**STAFF: Darin Atteberry  
Ken Mannon**

**SUBJECT**

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Second Reading of Ordinance No. 123, 2004, Authorizing the Amendment of the Lease of City-owned Property at 430 North College Avenue, Fort Collins, Colorado, to Colorado State University.

**RECOMMENDATION**

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Staff recommends the adoption of the Ordinance on Second Reading.

**EXECUTIVE SUMMARY**

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CSU has asked the City to amend the existing lease to add an additional five-year extension period and to extend the termination notice period to five years. Extending the term of the lease and the termination period will show a long-term commitment by the City to use of the property for the engine lab. CSU indicates that a long-term commitment is essential for the program to obtain grants and donations. This Ordinance was unanimously adopted on First Reading on July 20, 2004.

ORDINANCE NO. 123, 2004  
OF THE COUNCIL OF THE CITY OF FORT COLLINS  
AUTHORIZING THE AMENDMENT OF THE LEASE  
OF CITY-OWNED PROPERTY AT  
430 NORTH COLLEGE AVENUE, FORT COLLINS, COLORADO,  
TO COLORADO STATE UNIVERSITY

WHEREAS, the City of Fort Collins, Colorado (the "City") is the owner of property known as the "Old Power Plant" located at 430 North College Avenue, Fort Collins, Larimer County, Colorado (the "Property"); and

WHEREAS, the Property was once used as the City's Power Plant but is no longer needed by the City for utility purposes; and

WHEREAS, Colorado State University ("CSU") has been leasing this site for its small engine research laboratory since February 15, 1994; and

WHEREAS, CSU has requested that its current lease be amended by adding another five-year extension period and by increasing the termination notice period to five years; and

WHEREAS, leasing the Property to CSU for use as a small engine lab has been a benefit to the community by contributing to the City's local economic vitality, as well as national and global sustainability; and

WHEREAS, leasing the Property to CSU also benefits the City by reducing the City's cost for maintenance and utilities, and the occupation of the Property discourages vandalism; and

WHEREAS, under Section 23-111 of the Code of the City of Fort Collins, the Council is authorized to sell, convey or otherwise dispose of any interest in real property owned by the City that is used as part of one of the City's utility systems, provided the Council first finds by ordinance that such disposition will not materially impair the viability of the utility system as a whole, that it will be for the benefit of the City's citizens, and that it is in the best interests of the City; and

WHEREAS, under Section 23-114 of the Code of the City of Fort Collins, the Council is authorized to lease any and all interests in real property owned in the name of the City, provided that Council first finds that the lease is in the best interests of the City.

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

Section 1. That the Council hereby finds that amending the lease to CSU for the Property at 430 North College Avenue as provided herein is in the best interests for the City of Fort Collins.

Section 2. That the City Manager is hereby authorized to execute a lease amendment agreement for the Property, consistent with the terms of this Ordinance, together 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.

Introduced, considered favorably on first reading, and ordered published this 20th day of July, A. D. 2004, and to be presented for final passage on the 17th day of August, A.D. 2004.

  
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Mayor

ATTEST:

  
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City Clerk

Passed and adopted on final reading on the 17th day of August, A.D. 2004.

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Mayor

ATTEST:

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City Clerk

# AGENDA ITEM SUMMARY

## FORT COLLINS CITY COUNCIL

ITEM NUMBER: 24

DATE: July 20, 2004

STAFF: Darin Atteberry  
Ken Mannon

### SUBJECT

First Reading of Ordinance No. 123, 2004, Authorizing the Amendment of the Lease of City-owned Property at 430 North College Avenue, Fort Collins, Colorado, to Colorado State University.

### RECOMMENDATION

Staff recommends the adoption of the Ordinance on First Reading.

### FINANCIAL IMPACT

Since the commencement of this lease, Colorado State University has been maintaining the property. The total rent payment due for this lease was \$25, based on \$1/year. This amount was paid upon execution of the Lease Agreement. The proposed amendment to the lease will not change the amount of rent.

### EXECUTIVE SUMMARY

The City is the owner of the "Old Power Plant Site" located at 430 North College Avenue. CSU leases the facility from the City for use as an engine research laboratory. The Lease Agreement between the City of Fort Collins and CSU dated February 15, 1994 had an original term of ten years with three successive five-year renewal terms. Each renewal is automatic, unless CSU gives notice of its intent not to renew two years in advance. The City is currently in the first of the three five-year extension periods. The Lease Agreement also allows either party to terminate the lease at any time with two years notice.

CSU has asked the City to amend the existing lease to add an additional five-year extension period and to extend the termination notice period to five years. Extending the term of the lease and the termination period will show a long-term commitment by the City to use of the property for the engine lab. CSU indicates that a long-term commitment is essential for the program to obtain grants and donations.

Leasing this facility to CSU has been mutually beneficial. CSU has directly benefitted the City by making various building improvements that have enhanced and maintained the overall integrity of the Old Power Plant. These improvements include the repair of the roof, exterior doors and

windows, to prevent building deterioration. Also as required in the lease, CSU has used two historic preservation grants to restore the existing fountain and monument to their original condition.

The CSU engine lab has contributed to the City's local economic vitality, as well as national and global sustainability. The engine lab works closely with Woodward Governor to improve the technology, efficiency, and competitive advantage of its worldwide product offerings. This relationship is a significant factor in retaining this valued employer and community benefactor. In addition, CSU's academic teaching leadership and international consulting has helped improve the feasibility of small scale hydro energy production and the use of alternative fuels in developing third world countries.

The research activities at the lab have resulted in the spin-off of three local small business entities whose business activities serve as a model for economic vitality and sustainability. The first business is a for-profit engineering consulting firm providing functional improvements in energy control systems and energy use. The second business is a non-profit firm dedicated to advancing the pace of retrofitting third world small engine energy generation uses to improve environmental quality. The third business is a for-profit consulting and contracting firm dedicated to significantly reducing national emissions by improving our nation's small engine pipeline transmission facilities. It is estimated that the work to date has reduced CO2 emissions from the pipeline industry by ten million tons. In addition, the lab's small engine and fuel research has been utilized to improve catalytic converters and reduce noise and pollution emissions from sport and recreational vehicles.

The CSU small engine lab is truly an important component in advancing community efforts to improve air quality, economic vitality and sustainability, and is a perfect example of the partnering required for technology transfer, innovation, and emerging business cluster development in the community.

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