

AGENDA ITEM SUMMARY

FORT COLLINS CITY COUNCIL

ITEM NUMBER: 15

DATE: August 17, 2004

STAFF: Matt Baker

SUBJECT

First Reading of Ordinance No. 132, 2004, Authorizing the Transfer of Appropriations from the Street Oversizing Fund to the Capital Project Fund for the Engineering Design of Timberline Road from Drake Road to Prospect Road.

RECOMMENDATION

Staff recommends adoption of the Ordinance on First Reading.

FINANCIAL IMPACT

Developers have contributed \$100,000 to the City for the engineering design of Timberline Road from Prospect Road to Drake Road. These funds are in conjunction with the proposed Special Improvement District No. 95 financed privately by property owners developing in the proposed district. In addition to the \$100,000 contribution from the developers, another \$162,050 is necessary to cover the Street Oversizing portion of the design, geotechnical reports, and environmental studies.

EXECUTIVE SUMMARY

Traffic congestion at the Timberline/Prospect intersection is well below the City's Level of Service requirements, with almost all legs and turn movements failing during the morning and afternoon peak rush hours. In accordance with the Adequate Public Facilities Ordinance, any new development which impacts this intersection cannot proceed until these existing deficiencies are corrected.

In the absence of any City Capital Improvement funding for this intersection, two impacted developers are electing to privately fund these improvements in order to proceed with their development projects. These developers are the majority property owners and have proposed the initiation of an involuntary Special Improvement District to spread a portion of the costs through assessments to other undeveloped property in the area benefitted by the improvements.

The initiating developers have provided \$100,000 in funds to allow the City to prepare the Engineering plans, estimate of costs, and maps of the district. An additional \$162,050 is needed for the Street Oversizing portion of the design, the geotechnical reports and environmental studies. This

Ordinance will appropriate \$162,050 from the Street Oversizing Fund into the Capital Project account for this project.

BACKGROUND

Timberline Road, from Drake Road to Prospect Road is currently experiencing the highest failure rate of any segment in the City's street network. The Timberline/Prospect intersection experiences failing levels of service in both the morning and afternoon peak hours. Attempts by the City to create a funding mechanism for the necessary improvements have not been successful.

The City's Adequate Public Facilities (APF) Ordinance does not allow any additional development to impact failing intersections. A conceptual estimate indicates that \$2.3 million is needed to improve the intersection to meet minimum levels of service necessary to allow additional development in the area. The improvements contemplated are:

- Dedicated right turn lanes on all legs of the intersection
- Double left turn lanes on Timberline
- Additional through lanes on Timberline

These interim improvements will add capacity to the intersection, but will not include landscaped medians, concrete paving, enhanced crosswalks, or other elements not necessary to increase Levels of Service. The overall project cost for the interim improvements on Timberline, Drake to Prospect is \$7.144 million. It will be funded by the \$2.3 million development contribution for APF plus Street Oversizing and developer local street contributions. There are no City Capital Funds involved.

There are two large development parcels which are currently affected by the APF Ordinance. The James Company is proposing the Sidehill development project on the east side of Timberline Road and north of Drake Road and the Cumberland Group owns 80 acres on the west side of Timberline Road and north of Drake Road. These developments cannot be built until improvements are made to Timberline/Prospect. These developers have elected to fund the \$2.3 million APF improvements in order to proceed with their development projects.

There are other smaller undeveloped parcels in the one-mile radius area around Timberline/Prospect that are also affected by the City's APF Ordinance. Some have expressed interest in participating in the cost of improving the Timberline/Prospect intersection while others have indicated a desire to wait until the improvements are made in order to benefit from the improvements and avoid any costs.

The James Company and the Cumberland Group have proposed the formation of an involuntary Special Improvement District ("SID") as a financing mechanism to allow for fair and equitable assessment of all benefitting property owners. The terms of the district would generally be:

1. The amount financed will be \$2.3 million, or the amount needed to make the improvements to the Timberline/Prospect intersection.
2. No municipal or City-backed bonds will be issued. Financing will be by the developers, using cash or private placement bonds. The City would be the collection agency for assessments, but would not incur any financial liability. Actual payment of the \$2.3 million by the James Company and Cumberland Group will not occur until construction bidding (February 2005) to avoid capitalized interest. Security in the form of a performance bond for \$2.3 million will be necessary in order for development to continue during the formation of the SID.
3. The Assessment method will be based on two factors associated with benefitting undeveloped property. These factors are trip generation and proximity to the intersection within a one-mile radius. Efforts will be made to obtain consent of any potentially assessable property owner prior to the creation of the SID.
4. The properties included in the SID will begin repayment of their proportionate share (the assessments) upon completion of the construction and final accounting of the costs (tentatively in late 2006).

Providing a 10 year repayment schedule for properties being assessed could be an incentive for properties to participate in the SID without opposition. However, in accordance with the TABOR Amendment, a vote of district property owners would be necessary to allow the City to enter into a multi-year obligation to pay the collected assessments to the developers over time. The alternative to a 10 year payback is an immediate one time assessment of the full amount due. This one time assessment, without the option to pay in installments, would likely produce a greater protest from involuntary participants.

The first step in creating a SID, the Resolution accepting the petitions and directing City staff to prepare the plans and cost estimates, was adopted by City Council on November 4, 2003. The Ordinance to create the SID will be presented to Council in late 2004.

The initiating developers have provided \$100,000 in funds to allow the City to prepare the plans, estimate of costs, and maps of the district in order to begin the engineering design. This ordinance will appropriate \$162,050 for the Street Oversizing portion of the engineering design.

ORDINANCE NO. 132, 2004
OF THE COUNCIL OF THE CITY OF FORT COLLINS
AUTHORIZING THE TRANSFER OF APPROPRIATIONS FROM THE STREET
OVERSIZING FUND TO THE CAPITAL PROJECT FUND FOR THE ENGINEERING
DESIGN OF TIMBERLINE ROAD FROM DRAKE ROAD TO PROSPECT ROAD

WHEREAS, a section of Timberline Road from Drake Road to Prospect Road is well below the City's level of service requirements, with almost all legs and turn movements failing during the morning and afternoon peak rush hours; and

WHEREAS, City staff has been working with the developers of adjacent parcels (the "Developers") with regard to the construction of improvements to the above identified section of Timberline Road ("Project"), which the City is unable to fund at this point in time, and the Developers have elected to privately fund those improvements; and

WHEREAS, the Developers have petitioned the City Council, pursuant to the provisions of Sec. 22-35 of the City Code, to create a special improvement district (the "SID") as a mechanism for repaying the cost of the improvements from assessments levied by the City against benefitted properties in the SID; and

WHEREAS, the City Council approved a resolution on November 4, 2003 accepting the petition of the Developers to create the SID and directed City staff to prepare plans and cost estimates; and

WHEREAS, the SID would be financed privately by the Developers, who have contributed \$100,000 for the engineering design of Timberline Road From Prospect Road to Drake Road; and

WHEREAS, the City wishes to complete the street oversizing portion of the design, the geotechnical reports and environmental studies of the Project and has budgeted for such work in the Street Oversizing Fund; and

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

WHEREAS, it is the desire of the City Council to authorize the transfer of existing appropriations of ONE HUNDRED SIXTY TWO THOUSAND FIFTY DOLLARS (\$162, 050) in the Street Oversizing Fund to the Capital Projects Fund to be used for the street oversizing portion of the design, the geotechnical reports and environmental studies in the Project.

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

Section 1. That there is hereby appropriated for expenditure from the Streets Oversizing Fund the total sum of ONE HUNDRED SIXTY TWO THOUSAND FIFTY DOLLARS (\$162,050) for transfer to the Capital Projects Fund to be used for the street oversizing portion of the design, the geotechnical reports and environmental studies in the Project.

Introduced, considered favorably on first reading, and ordered published this 17th day of August, A.D. 2004, and to be presented for final passage on the 7th day of September, A.D. 2004.

Mayor

ATTEST:

City Clerk

Passed and adopted on final reading this 7th day of September, A.D. 2004.

Mayor

ATTEST:

City Clerk