

AGENDA
LOVELAND CITY COUNCIL MEETING
LOVELAND GID BOARD OF DIRECTORS
TUESDAY, FEBRUARY 16, 2016
CITY COUNCIL CHAMBERS
500 EAST THIRD STREET
LOVELAND, COLORADO

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"La Ciudad de Loveland está comprometida a proporcionar igualdad de oportunidades para los servicios, programas y actividades y no discriminar en base a discapacidad, raza, edad, color, origen nacional, religión, orientación sexual o género. Para más información sobre la no discriminación o para asistencia en traducción, favor contacte al Coordinador Título VI de la Ciudad al TitleSix@cityofloveland.org o al 970-962-2372. La Ciudad realizará las acomodaciones razonables para los ciudadanos de acuerdo con la Ley de Discapacidades para americanos (ADA). Para más información sobre ADA o acomodaciones, favor contacte al Coordinador de ADA de la Ciudad en bettie.greenberg@cityofloveland.org o al 970-962-3319".

Please Note: Starting times shown on agenda are estimates only; actual times may vary.

(5:00 P.M.) **DINNER – City Manager's Conference Room**

(6:00 P.M.) (NOTE NEW TIME) **REGULAR MEETING - City Council Chambers**

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

(6:05) MISS LOVELAND VALENTINE 2016: ALICE MUELLER

Anyone in the audience will be given time to speak to any item on the Consent Agenda. Please ask for that item to be removed from the Consent Agenda. Items pulled will be heard at the beginning of the Regular Agenda. Members of the public will be given an opportunity to speak to the item before the Council acts upon it.

Public hearings remaining on the Consent Agenda are considered to have been opened and closed, with the information furnished in connection with these items considered as the only evidence presented. Adoption of the items remaining on the Consent Agenda is considered as adoption of the staff recommendation for those items.

Anyone making a comment during any portion of tonight's meeting should come forward to a microphone and identify yourself before being recognized by the Mayor. Please do not interrupt other speakers. Side conversations should be moved outside the Council Chambers. Please limit comments to no more than three minutes.

(6:15) CONSENT AGENDA

1. **CITY CLERK** (presenter: Terry Andrews)
APPROVAL OF MEETING MINUTES
A Motion To Approve The City Council Meeting Minutes For The January 12, 2016 Study Session and The January 19, 2016 Regular Meeting
 This is an administrative action to approve the City Council meeting minutes for the January 12, 2016 Study Session the January 19, 2016 Regular Meeting.

2. **CITY MANAGER** (presenter: Bill Cahill)
APPOINTMENTS TO THE CULTURAL SERVICES BOARD, HUMAN SERVICES COMMISSION, LIBRARY BOARD, PARKS AND RECREATION COMMISSION AND VISUAL ARTS COMMISSION
 1. Adopt a motion to reappoint Juanita Cisneros to the Cultural Services Board a term effective until December 31, 2019.
 2. Adopt a motion to appoint Suzanne Janssen to the Cultural Services Board a term effective until December 31, 2019.
 3. Adopt a motion to appoint Krystal Rowland to the Human Services for a partial term effective until June 30, 2017.
 4. Adopt a motion to appoint Carolyn Benson to the Human Services for a partial term effective until June 30, 2018.
 5. Adopt a motion to appoint Maren Soreide as an alternate member on the Human Services Commission for a term effective until June 30, 2016.
 6. Adopt a motion to reappoint Sandy Darby to the Library Board for a term effective until December 31, 2020.
 7. Adopt a motion to appoint Sue Mullins as an alternate member on the Library Board for a term effective until December 31, 2016.
 8. Adopt a motion to reappoint Gene Alvine to the Parks and Recreation Commission for a term effective until December 31, 2018.
 9. Adopt a motion to reappoint Deborah Manderscheid to the Parks and Recreation Commission for a term effective until December 31, 2018.
 10. Adopt a motion to reappoint Leighton Millar to the Parks and Recreation Commission for a term effective until December 31, 2018.
 11. Adopt a motion to appoint Constance Faber to the Parks and Recreation Commission for a partial term effective until December 31, 2016.
 12. Adopt a motion to reappoint Greg Hoff to the Visual Arts Commission for a term effective until December 31, 2018.
 13. Adopt a motion to reappoint Judy O'Gorman to the Visual Arts Commission for a term effective until December 31, 2018.
 14. Adopt a motion to reappoint Margaret Rosborough to the Visual Arts Commission for a term effective until December 31, 2018.
 15. Adopt a motion to appoint Jade Windell as an alternate member on the Visual Arts Commission for a term effective until December 31, 2016.
 16. Adopt a motion to appoint Sara Turner to the Visual Arts Commission for a term effective until December 31, 2018.
 This is an administrative item appointing members to the Cultural Services Board, Human Services Commission, Library Board, Parks and Recreation Commission and Visual Arts Commission.

3. **DEVELOPMENT SERVICES** (presenter: Troy Bliss)
VACATION OF EASEMENTS FOR PETCO AT ORCHARDS SHOPPING CENTER
 1. A Motion To Adopt On Second Reading, Ordinance #5993 Vacating An Easement Located Within Lots 4 And 5, Replat Of Tract "G" Of Orchards Addition, City Of

Loveland, County Of Larimer, State Of Colorado

2. A Motion To Adopt On Second Reading, Ordinance #5994 Vacating A Portion Of A Reciprocal Private Access, Utility And Drainage Easement Located Within Lot 2, Block 1 Of The Orchards Thirteenth Subdivision, City Of Loveland, County Of Larimer, State Of Colorado

This is a legislative action to adopt two associated ordinances, on second reading, vacating easements within the Orchards Addition and Orchards Thirteenth Subdivision – located east of N. Garfield Avenue and north of E. 29th Street. This item is associated with plans to locate a Petco retail store in the Orchards Shopping Center. A small private access, drainage, and utility easement is of no consequence to the City because it is private and includes no public utilities. A larger, triangular shaped easement, however, contains public utilities. In order to vacate this triangular-shaped easement, a new easement will be dedicated and utilities rerouted. On January 19, 2016, City Council unanimously approved these vacations on first reading.

ADJOURN AS CITY COUNCIL AND CONVENE AS THE BOARD OF DIRECTORS FOR THE LOVELAND GENERAL IMPROVEMENT DISTRICT #1 (GID)

4. DEVELOPMENT SERVICES (presenter: Troy Bliss)
PROPERTY INCLUSION WITHIN THE GID

A Motion To Adopt On Second Reading, Ordinance #5995 Granting A Petition For Inclusion Of The West Fifty Feet Of SW Block 34, Everetts Subdivision, City Of Loveland, County Of Larimer Within The Loveland General Improvement District No. 1 In Loveland, Colorado

This is a legislative action to consider adoption of an ordinance, on second reading, to include the property legally described as the west 50 feet of the southwest portion of Block 34, Everetts Subdivision, City of Loveland, County of Larimer, State of Colorado in the General Improvement District (GID). This property includes an existing two-story building and a single family home. The owner (Charles Salwei) wishes to renovate the two story building generally located at the northeast corner of N. Jefferson Avenue and E. 3rd Street (348 N. Jefferson Avenue) for additional apartment units and office use. On January 19, 2016, City Council unanimously approved this request for inclusion into the GID on first reading.

ADJOURN AS THE BOARD OF DIRECTORS FOR THE LOVELAND GENERAL IMPROVEMENT DISTRICT #1 (GID) AND RECONVENE AS CITY COUNCIL

5. PARKS AND RECREATION (presenter: Marilyn Hilgenberg)
GREAT OUTDOORS COLORADO GRANT

Motion to Adopt On Second Reading, Ordinance #5996 Enacting A Supplemental Budget And Appropriation To The 2016 City Of Loveland Budget for the Ward Trust Property Open Lands Acquisition.

This is an administrative item. The City applied for and was awarded a Great Outdoors Colorado (“GOCO”) grant for the Ward Trust Property Open Lands Acquisition, which includes the acquisition of a 73-acre parcel and associated George Rist Ditch water rights. This is an administrative action to approve the grant agreement and authorize the City Manager to sign the agreement on behalf of the City. In addition, the ordinance appropriates funding for the acquisition of the Ward Trust Open Lands Acquisition. On January 19, 2016, City Council unanimously approved this ordinance on first reading.

6. LOVELAND FIRE RESCUE AUTHORITY (presenter: Mark Miller)
PUBLIC COMMENT

DESIGN OF FIRE TRAINING GROUNDS

A Motion To Approve On First Reading, An Ordinance Enacting A Supplemental

Budget And Appropriation To The 2016 City Of Loveland Budget For Design Of The Fire Training Grounds

This is an administrative action to conduct a public hearing and consider approval on first reading of \$321,442 supplemental appropriation to carryover funding appropriated in 2015 from Fire Capital Expansion Fees and meet actual project costs based on the Request for Proposal process for the design of the Fire Training Grounds.

7. **LOVELAND FIRE RESCUE AUTHORITY** (presenter: Mark Miller)
PUBLIC COMMENT
ROSSUM DRIVE PROPERTY SALE
A Motion To Approve On First Reading, An Ordinance Authorizing the Sale of Real Property Located within the City of Loveland on Rossum Drive Pursuant to Section 4-7 of the City of Loveland Municipal Charter
 This is an administrative action on first reading regarding the sale of City property on Rossum Drive for \$145,000. The City of Loveland owns 1.83 acres on Rossum Drive located near 1220 Rossum Drive along West Highway 34. The property was purchased in 2002 for \$230,000 with fire capital expansion fees for a future station location. In 2015, a separate developer attempted to purchase the property along with an adjoining property to build a senior living facility. That proposed purchase agreement required that the developer rezone the two properties and the Loveland Planning Commission rejected the rezoning request in October, 2015. This new \$145,000 cash offer is from a neighbor who lives east of the property, and is \$10,000 more than the previous purchase offer.

8. **CITY MANAGER** (presenter: Alan Krcmarik)
PUBLIC COMMENT
SID BOND APPROPRIATIONS
A Motion To Approve On First Reading, An Ordinance Enacting A Supplemental Budget And Appropriation To The 2015 City Of Loveland Special Improvement District No. 1 Budget For Bond Appropriations
 This is an administrative action. The City of Loveland recently completed the refunding of its Special Improvement District No. 1 (Series 2007) revenue bonds. The proposed Ordinance appropriates the final payments on the old bond (Series 2007) and the revenue generated from the new refunding bond.

9. **PUBLIC WORKS** (presenter: Jeff Bailey)
NORTH TAFT AVENUE BRIDGE IGA
A Motion to Adopt Resolution #R-14-2016 Approving An Intergovernmental Agreement Between The City Of Loveland, Colorado And The State Of Colorado, Acting By And Through The Colorado Department Of Transportation, For Design And Construction Of The Taft Avenue Bridge Replacement And Widening Project In Loveland, Colorado
 This is an administrative action for City Council approval of an IGA with CDOT, to authorize the use of Federal grant funds to replace the structurally deficient bridge on Taft Avenue over the Big Barnes Ditch. The grant award is \$736,000.00 to be used specifically for bridge replacement and roadway tie-in construction with CDOT serving as administrator. While the local matching fund requirement for the bridge replacement project is \$184,000, the project as proposed also incorporates a road widening component extending north from the bridge to just south of 11th Street. Overall funding approval will be required once this project is competitively bid and a contractor is selected to complete the work.

10. **WATER & POWER** (presenter: Larry Howard)
WINDY GAP AND CITY AGREEMENT
A Motion to Adopt Resolution #R-17-2016 Approving and Authorizing the Execution of a Fifth Interim Agreement with the Municipal Subdistrict, Northern Colorado

Water Conservancy District Windy Gap Firing Project Water Activity Enterprise (Fifth Interim Agreement), for Participation in the Windy Gap Firing Project

Loveland's portion of the proposed Fifth Interim Agreement for costs expected during calendar year 2016 is \$1,118,956, due by March 1, 2016. This is based upon Loveland's current subscription of 7,000 acre-feet of storage capacity in the project expected to be permitted for a total of 90,000 acre-feet. Existing environmental permitting is underway but not yet complete but is expected to be completed during the year. The Fifth Phase of the Project consists of the continuation of work to obtain local, state and federal permits and approvals required for the Project; detailed engineering design including preparation of plans and specifications for contractor procurement; additional land acquisition; planning and implementation of required mitigation and enhancement measures; development of contracts and other agreements that will be required to integrate the Project with the Windy Gap Project; development of alternatives for financing the Project; and related activities. Sufficient 2016 budgeted funds exist for this purpose in the Raw Water budget, Project W038AA.

11. WATER & POWER (presenter: Kim Frick)
BIG THOMPSON WATER PROJECT CONTRACT

A Motion to Adopt Resolution #R-18-2016 Of The Loveland City Council Authorizing An Application To, And Contract With, The Northern Colorado Water Conservancy District For Beneficial Use Of 50 Acre-Foot Units Of Colorado Big Thompson Project Water

This is an administrative action to adopt a resolution approving the conversion of 50 Colorado-Big Thompson ("C-BT") units acquired during 2015 from a Temporary Use Permit to a Permanent Section 131 Contract.

12. CITY MANAGER (presenter: Alan Krcmarik)
INVESTMENT REPORT FOR DECEMBER 2015

This is an information only item. The budget projection for investment earnings for 2015 is \$1,759,080. On the portfolio's 2015 beginning balance this was an annual interest rate of 0.84%. Based on the monthly statement, the estimated annualized yield on the fixed income securities held by USBank was at 1.29%, for total assets the yield was 1.19%. For December, earnings of \$159,111 were posted to City funds and the year to date total is \$2,014,901, exceeding the annual target by \$255,821. U.S. short-term Treasury interest rates rose again in December; the portfolio's unrealized loss rose from \$382,337 in November to \$777,052 in December. The end of December portfolio market value is estimated to be \$213.3 million. The total amount of the portfolio is higher compared to the beginning of the year, but is still not back to the peak amount reached before the 2013 flood when the portfolio carried an estimated market value of \$226.3 million.

13. FINANCE (presenter: Brent Worthington)
FINANCIAL REPORT FOR DECEMBER 2015

This is an information only item. The Snapshot Report includes the City's preliminary revenue and expenditures including detailed reports on tax revenue and health claims year to date, ending December 31, 2015.

14. CITY CLERK'S OFFICE (presenter: Terry Andrews)
COUNCIL MEETING DATE CHANGE

A Motion Moving The March 1, 2016 Regular Meeting Of City Council To February 29, 2016 At 6:00 P.M. And Canceling The March 8, 2016 Study Session.

This is an administrative action. City Council requested Staff provide a motion to move the March 1, 2016 City Council meeting to February 29, 2016 at 6:00 P.M. Without a quorum, due to the National League of Cities annual conference, the March 8, 2016 Study Session will be cancelled.

15. **CITY CLERK'S OFFICE** (presenter: Terry Andrews)
A Motion Calling For A Special Meeting To Be Held Tuesday, February 23, 2016 At 6:30 P.M. In The City Council Chambers. The Purpose Of The Special Meeting Is To Update City Council On The South Catalyst Project. This Special Meeting Could Include An Executive Session.

This is an administrative action item being brought to Council by the Economic Development Department to call for a Special meeting, which may include an Executive Session per 24-6-402 C.R.S. The purpose of this Special meeting is to discuss and update City Council on the South Catalyst Project.

END OF CONSENT AGENDA

- (6:35) **CITY CLERK READS TITLES OF ORDINANCES ON THE CONSENT AGENDA**

- (6:40) **PUBLIC COMMENT**

Anyone who wishes to speak to an item NOT on the Agenda may address the Council at this time.

PROCEDURAL INFORMATION

Anyone in the audience will be given time to speak to any item on the Regular Agenda before the Council acts upon it. The Mayor will call for public comment following the staff report. All public hearings are conducted in accordance with Council Policy. When Council is considering adoption of an ordinance on first reading, Loveland's Charter only requires that a majority of the Council quorum present vote in favor of the ordinance for it to be adopted on first reading. However, when an ordinance is being considered on second or final reading, at least five of the nine members of Council must vote in favor of the ordinance for it to become law.

REGULAR AGENDA

CONSIDERATION OF ITEMS REMOVED FROM CONSENT AGENDA

- (6:55) 16. **CITY MANAGER** (presenter: Bill Cahill)
LARIMER COUNTY SOLID WASTESHED POLICY GROUP
A Motion For The Appointment Of Council Member To Larimer County Solid Wasteshed Planning Coalition Policy Group

This is an administrative item appointing a Council Member to the Larimer County Solid Wasteshed Planning Coalition Policy Group.

- (7:15) 17. **CITY ATTORNEY** (presenter: Tami Yellico)
PUBLIC HEARING

LEE FARM METRO DISTRICT 1-4 SERVICE PLAN

A Motion to Adopt Resolution #R-15-2016 Approving the Consolidated Service Plan for Lee Farm Metropolitan Districts Nos. 1 - 4

This resolution is an administrative action to approve the Consolidated Service Plan for Lee Farm Metropolitan Districts Nos. 1 – 4 (the "Districts"). The Districts are generally located west of Wilson Avenue between West 35th Street and West 43rd Street in the City of Loveland. They consist of approximately 247 acres for primarily residential development. The Districts will provide for the design, acquisition, installation, construction, financing, operations, and maintenance of streets, traffic and safety signals, sewer, water, and parks and recreation facilities within the boundaries of the Districts. A mill levy cap of 65 mills is proposed for the Districts, subject to certain adjustment provisions.

(8:00) 18. ECONOMIC DEVELOPMENT (presenter: Mike Scholl)
EXCLUSIVE NEGOTIATION AGREEMENT

A Motion to Adopt Resolution #R-16-2016 Of The Loveland City Council Approving The Execution Of An Exclusive Negotiation Agreement With Brinkman Capital, LLC For The South Catalyst Project

This is an administrative action. At the January 19, 2016 regular meeting, the City Council directed City staff to bring the Exclusive Negotiation Agreement with Brinkman Capital, LLC to Council for consideration. The Exclusive Negotiation Agreement is a contract with the developer as the City's exclusive development partner. If approved, City staff along with the downtown stakeholder groups will begin negotiation on a development agreement for the South Catalyst project. Both parties anticipate completing the draft terms of agreement prior to the August 2, 2016 deadline.

(9:00) BUSINESS FROM CITY COUNCIL

This is an opportunity for Council Members to report on recent activities or introduce new business for discussion at this time or on a future City Council agenda.

CITY MANAGER REPORT

CITY ATTORNEY REPORT

ADJOURN

MINUTES
LOVELAND CITY COUNCIL STUDY SESSION
TUESDAY, JANUARY 12, 2016
CITY COUNCIL CHAMBERS
500 EAST THIRD STREET
LOVELAND, COLORADO

STUDY SESSION 6:30 P.M.

Councilors present: Gutierrez, Fogle, Ball, Johnson, Overcash, McKean and Clark were present. Councilors Shaffer and Krenning were absent. City Manager, Bill Cahill was also present.

1. LOVELAND POLICE DEPARTMENT
POLICE RETIREMENT PLAN PROPOSAL

Julia Holland, Human Resources Director; John Spreitzer, Police Retirement Board Chair; and Gordon Tewell, Innovest Consultant, presented this informational item. The Police Retirement Board consulted with Innovest, an investment consulting firm, to complete a study analyzing the feasibility of the Police Retirement Plan to provide adequate funds through retirement. The current Police Plan is a mandatory 401 (a) Money Purchase Plan, which is a defined contribution plan not a pension. Participant contributions are mandatory and pre-tax at 7% of an employee's base pay. The City contribution is 11% of base pay per participant. The City does not provide Social Security contributions for public safety positions, but does contribute to Medicare for participants of the Plan (if hired after 1986). The objective of the study is to ensure the Plan is sufficient in its design and structure to provide adequate retirement income at a reasonable retirement age for public safety professionals. The proposed change to the Plan requires greater commitment and contribution from the participant and reduces the base contribution from the City. The proposal also includes a matching feature that could increase the City contribution up to an additional 4% from the current contribution rate. Additional information will be brought back from the retirement board and finance staff. Councilors expressed their thanks for the presentation.

2. CITY ATTORNEY
METRO DISTRICT BRIEFING

Tami Yellico, City Attorney; Alan Pogue, an attorney who specializes in metropolitan district representation; and Peggy Dowswell and Chad Walker of Pinnacle Consulting Group, Inc., a consulting firm that specializes in management of metropolitan districts, provided a brief overview of metropolitan districts, including legal authorities, formation, purposes, and funding sources. Councilors thanked the presenters for the information.

ADJOURN

Hearing no further business to come before Council, Mayor Gutierrez adjourned the January 12, 2016 Study Session at 9:09 p.m.

Respectfully Submitted,

Teresa G. Andrews, City Clerk

Cecil A. Gutierrez, Mayor

MINUTES
LOVELAND CITY COUNCIL MEETING
LOVELAND GID BOARD OF DIRECTORS
TUESDAY, JANUARY 19, 2016
CITY COUNCIL CHAMBERS
500 EAST THIRD STREET
LOVELAND, COLORADO

CALL TO ORDER, Mayor Gutierrez called the meeting to order at 6:00 p.m.

PLEDGE OF ALLEGIANCE

ROLL CALL: Councilors Present: Gutierrez, Johnson, Ball, Fogle, Clark, McKean, and Krenning. Councilors Shaffer and Overcash were absent.

Mayor Gutierrez read the Proclamation Declaring January 2016 To Honor Martin Luther King, Jr. and Renew Our Commitment to Civil Rights. Franklin Jefferson, Martin Luther King Committee, received the proclamation.

Councilor Krenning read the Proclamation Declaring January as Loveland Energy Challenge Month. Olivia Williams, Ponderosa Elementary student and Alicia Neil, 6th grader from Lucille Erwin Middle School received the proclamation and identified ways their families addressed energy saving ideas to help in the project.

Anyone in the audience will be given time to speak to any item on the Consent Agenda. Please ask for that item to be removed from the Consent Agenda. Items pulled will be heard at the beginning of the Regular Agenda. Members of the public will be given an opportunity to speak to the item before the Council acts upon it.

Public hearings remaining on the Consent Agenda are considered to have been opened and closed, with the information furnished in connection with these items considered as the only evidence presented. Adoption of the items remaining on the Consent Agenda is considered as adoption of the staff recommendation for those items.

Anyone making a comment during any portion of tonight's meeting should come forward to a microphone and identify yourself before being recognized by the Mayor. Please do not interrupt other speakers. Side conversations should be moved outside the Council Chambers. Please limit comments to no more than three minutes.

Mayor Gutierrez asked if members of the public, staff or Council would like to remove something from the consent agenda. Councilor McKean asked for item 8 to be moved to the regular agenda. **Councilor Fogle moved to approve the consent agenda with the exception of item 8. The motion seconded by Councilor Johnson, carried with all councilors present voting in favor thereof.**

CONSENT AGENDA

1. **CITY CLERK**
APPROVAL OF MEETING MINUTES

(presenter: Terry Andrews)

A Motion To Approve The City Council Meeting Minutes For The January 5, 2016 Regular Meeting was approved.

This is an administrative action to approve the City Council meeting minutes for the January 5, 2016 Regular Meeting.

**2. CITY MANAGER (presenter: Bill Cahill)
APPOINTMENTS TO THE POLICE CITIZEN ADVISORY BOARD**

1. Adopt a motion to appoint Mark Kirkpatrick to the Police Citizen Advisory Board for a partial term effective until December 31, 2016 was approved.
2. Adopt a motion to reappoint Beverly Cardarelli to the Police Citizen Advisory Board for a term effective until December 31, 2018 was approved.
3. Adopt a motion to reappoint Tony Adams to the Police Citizen Advisory Board for a term effective until December 31, 2018 was approved.
4. Adopt a motion to reappoint Dennis Soucek to the Police Citizen Advisory Board for a term effective until December 31, 2018 was approved.

This is an administrative item appointing members to the Police Citizen Advisory Board.

**3. DEVELOPMENT SERVICES (presenter: Bob Paulsen)
CODE AMENDMENTS ADOPTED BY REFERENCE**

A Motion To Adopt On Second Reading, Ordinance #5987 Repealing Titles 16, 17, 18 And 19 Of The Loveland Municipal Code And Reenacting And Adopting The Same By Reference was approved.

This is a legislative action. The primary focus of the amendments is to establish procedures and requirements for the processing of development review applications, including subdivision, annexation and zoning-related applications. The heart of this effort includes two primary components:

1. New chapter 18.39 - Development Application Process and Procedures
2. Expanded chapter 18.46 - Site Development Plan Requirements and Procedures

In addition to the main procedural amendments, the amendments include clarifications and adjustments to portions of each of the four titles. The proposed code amendments are the same as the amendments presented at the City Council study session on November 10, 2015. No concerns were expressed as to the content of the amendments at the study session. On December 15, 2015, City Council unanimously approved this ordinance on first reading. [Link to the Final \(clean\) version of the code provisions](#)

**4. DEVELOPMENT SERVICES (presenter: Alan Krcmarik)
SPECIAL IMPROVEMENT DISTRICT (SID#1)**

A Motion To Adopt On Second Reading, Ordinance #5991 Amending Ordinance No. 4519 And Ordinance No. 5245, Reducing The Principal Amount Of The Assessments And The Rate Of Interest Payable On Installments Of Assessments In Special Improvement District No. 1; Ratifying Action Previously Taken By City Officers In Connection Therewith; And Providing For Other Matters Related Thereto was approved.

This is an administrative action. The City of Loveland recently completed the refunding of its Special Improvement District No. 1 (Series 2007) revenue bonds. Through the refunding, the interest rate on the bonds was lowered from 5.625% to 3.90%. The bonds were sold to First Bank. Due to the refunding, the total amount of debt service to be paid on the new refunding bonds will be lower than the refunded bonds. Some of the savings may be passed along to the property owners that are subject to the specials assessments. The proposed Ordinance provides for the reduction in the assessments. The reduction in the principal amount assessments will be about \$670,400 or about 11.5 percent lower than the prior assessments. On January 5, 2016, City Council unanimously approved this

ordinance on first reading.

**5. DEVELOPMENT SERVICES
PUBLIC COMMENT**

(presenter: Troy Bliss)

VACATION OF EASEMENTS FOR PETCO AT ORCHARDS SHOPPING CENTER

1. A Motion To Adopt On First Reading, An Ordinance Vacating An Easement Located Within Lots 4 And 5, Replat Of Tract "G" Of Orchards Addition, City Of Loveland, County Of Larimer, State Of Colorado was approved.

2. A Motion To Adopt On First Reading, An Ordinance Vacating A Portion Of A Reciprocal Private Access, Utility And Drainage Easement Located Within Lot 2, Block 1 Of The Orchards Thirteenth Subdivision, City Of Loveland, County Of Larimer, State Of Colorado was approved.

This is a legislative action to adopt two associated ordinances, on first reading, vacating easements within the Orchards Addition and Orchards Thirteenth Subdivision – located east of N. Garfield Avenue and north of E. 29th Street. This item is associated with plans to locate a Petco retail store in the Orchards Shopping Center. A small private access, drainage, and utility easement is of no consequence to the City because it is private and includes no public utilities. A larger, triangular shaped easement, however, contains public utilities. In order to vacate this triangular-shaped easement, a new easement will be dedicated and utilities rerouted. The new easement will be dedicated through separate development applications associated with the Petco project which is currently undergoing special review. Staff is recommending approval of both vacation requests.

ADJOURN AS CITY COUNCIL AND CONVENE AS THE BOARD OF DIRECTORS FOR THE LOVELAND GENERAL IMPROVEMENT DISTRICT #1 (GID)

**6. DEVELOPMENT SERVICES
PUBLIC HEARING**

(presenter: Troy Bliss)

PROPERTY INCLUSION WITHIN THE GID

A Motion To Adopt On First Reading, An Ordinance Granting A Petition For Inclusion Of The West Fifty Feet Of SW Block 34, Everetts Subdivision, City Of Loveland, County Of Larimer Within The Loveland General Improvement District No. 1 In Loveland, Colorado was approved.

This is a legislative action to consider adoption of an ordinance, on first reading, to include the property legally described as the west 50 feet of the southwest portion of Block 34, Everetts Subdivision, City of Loveland, County of Larimer, State of Colorado in the General Improvement District (GID). This property includes an existing two-story building and a single family home. The owner (Charles Salwei) wishes to renovate the two story building generally located at the northeast corner of N. Jefferson Avenue and E. 3rd Street (348 N. Jefferson Avenue) for additional apartment units and office use.

ADJOURN AS THE BOARD OF DIRECTORS FOR THE LOVELAND GENERAL IMPROVEMENT DISTRICT #1 (GID) AND RECONVENE AS CITY COUNCIL

**7. PARKS AND RECREATION
PUBLIC COMMENT**

(presenter: Marilyn Hilgenberg)

GREAT OUTDOORS COLORADO GRANT

1. A Motion to Adopt Resolution #R-8-2016 Of The Loveland City Council Approving a Grant Agreement Between the City of Loveland, Colorado and the State Board of the Great Outdoors Colorado Trust Fund for the Ward Trust Property Open Lands Acquisition was approved.

2. Motion to Adopt On First Reading, An Ordinance Enacting A Supplemental

Budget And Appropriation To The 2016 City Of Loveland Budget for the Ward Trust Property Open Lands Acquisition was approved.

This is an administrative action. The City applied for and was awarded a Great Outdoors Colorado ("GOCO") grant for the Ward Trust Property Open Lands Acquisition, which includes the acquisition of a 73-acre parcel and associated George Rist Ditch water rights. This is an administrative action to approve the grant agreement and authorize the City Manager to sign the agreement on behalf of the City. In addition, the ordinance appropriates funding for the acquisition of the Ward Trust Open Lands Acquisition.

The grant is for an amount not-to-exceed \$500,000. The grant requires that the City and its partners provide the remainder of the funding for this acquisition. A supplemental appropriation for \$2,100,000 from the Open Space Tax Fund is required for this acquisition. In addition, Larimer County has committed matching funds of up to \$250,000 for this project.

8. **COMMUNITY PARTNERSHIP OFFICE** (presenter: Alison Hade)
AFFORDABLE HOUSING HARDSHIP WAIVER
 This item was considered on Regular Agenda.

9. **PUBLIC WORKS** (presenter: Christopher Barnes)
FORT COLLINS LONGMONT EXPRESS (FLEX) IGA
A Motion To Adopt Resolution #R-10-2016 Approving An Intergovernmental Agreement (IGA) Between The City Of Loveland, Colorado And The City Of Fort Collins, Colorado For Bus Service Between Fort Collins And Longmont was approved.

This is an administrative action to consider a resolution to approve an Intergovernmental Agreement (IGA) with Fort Collins to provide regional bus service between Fort Collins and Longmont along the U.S. Highway 287 corridor. This service is referred to as the Fort Collins-Longmont Express or FLEX route. This IGA covers service for calendar year 2015 and provides the basics for discussion in 2016. Funds for the local match portion of the contract (\$100,000) are budgeted into the annual core transit budget.

10. **CITY MANAGER** (presenter: Bill Cahill)
DDA BOARD APPOINTMENTS
A Motion To Adopt Resolution #R-11-2016 Appointing Members to the Downtown Development Authority Board was approved.

This is an administrative item to approve the Resolution appointing members to the Downtown Development Authority (DDA) Board. If the Resolution is approved, Joe Goacher will be appointed to a term effective until June 30, 2017 and Jackie Marsh will be appointed to a term effective until June 30, 2016.

11. **CITY MANAGER** (presenter: Bill Cahill)
FIX NORTH I-25
A Motion To Adopt Resolution #R-12-2016 To Approve A Contribution To The Fix North I-25 Business Alliance was approved.

This resolution is an administrative action to contribute \$20,000 for the support of the Fix North I-25 Business Alliance. The request is made by the Loveland Chamber of Commerce; similar requests are being made of other local governments. The funding will be used to support advocacy for improvements of North Interstate 25, which have traditionally been deemed highly important by the City Council.

The proposed contribution is \$20,000, and will decrease the General Fund unassigned balance by that amount when an appropriation request is made. At January 6, the unassigned General Fund balance is \$6,446,959.

- 12. CITY COUNCIL LEGISLATIVE REVIEW COMMITTEE (presenter: Rod Wensing)
ADOPTION OF COUNCIL LEGISLATIVE POLICY AGENDA
A Motion To Adopt The Attached 2016 City Council Legislative Policy Agenda was approved.**

This is an administrative action. The Council Legislative Review Committee members Mayor Gutierrez and Councilors Fogle and Shaffer as well as City staff are seeking a motion to approve the attached 2016 Loveland City Council Legislative Policy Agenda and authorize the City Manager and designees to respond promptly, carefully, and appropriately to legislative positions indicated within the Council's Legislative Policy Agenda, as well as other legislative items or action that may adversely impact the interests of the City and its citizens as they arise.

- 13. LOVELAND FIRE RESCUE AUTHORITY (presenter: Mark Miller)
ENGINE PURCHASE CONTRACT
A Motion To Approve An Engine Purchase Contract With SVI, Inc. For \$512,000 was approved.**

This is an administrative action to approve a budgeted, replacement fire engine purchase in excess of \$500,000 as required by municipal code. The engine is being purchased through a cooperative purchasing agreement for \$512,000. It is a Spartan cab and chassis that is constructed to meet specifications. The City has successfully used the cooperative purchasing agreement to buy other apparatus and equipment over the years.

- 14. CITY ATTORNEY (presenter: Tami Yellico)
LEE FARM METRO DISTRICT 1-4 SERVICE PLAN
A Motion continuing the Public Hearing for the purpose of considering the Consolidated Service Plan for Lee Farm Metropolitan Districts Nos. 1 – 4 to on or about 6:00 p.m. on February 2, 2016 was approved.**

Public notice was published in the Loveland Reporter-Herald and mailed as required by State statute. The published and mailed notice were for a Public Hearing on or about 6:30 on January 19, 2016 for the purpose of considering the Consolidated Service Plan for Lee Farm Metropolitan Districts Nos. 1 – 4. Staff is still completing its review of the Consolidated Service Plan and working with the developer regarding revisions. Staff requests that City Council take the administrative action of continuing the hearing on the record of the January 19, 2016 meeting to February 2, 2016 on or about 6:00 p.m.

END OF CONSENT AGENDA

CITY CLERK READS TITLES OF ORDINANCES ON THE CONSENT AGENDA

PUBLIC COMMENT

Anyone who wishes to speak to an item NOT on the Agenda may address the Council at this time.

Robin Gephardt, expressed her desire to have the art known as "Iscairiot" removed from the corner of 3rd and Lincoln. Council directed Ms. Gephardt to the Visual Arts Commission.

PROCEDURAL INFORMATION

Anyone in the audience will be given time to speak to any item on the Regular Agenda before the Council acts upon it. The Mayor will call for public comment following the staff report. All public hearings are conducted in accordance with Council Policy. When Council is considering adoption of an ordinance on first reading, Loveland's Charter only requires that a majority of the Council

quorum present vote in favor of the ordinance for it to be adopted on first reading. However, when an ordinance is being considered on second or final reading, at least five of the nine members of Council must vote in favor of the ordinance for it to become law.

REGULAR AGENDA

CONSIDERATION OF ITEMS REMOVED FROM CONSENT AGENDA

8. **COMMUNITY PARTNERSHIP OFFICE** (presenter: Alison Hade)
AFFORDABLE HOUSING HARDSHIP WAIVER - FAILED
 This is an administrative action authorizing the Release of a Restriction on Conveyance of Property Recorded with the Larimer County Clerk and Recorder at Reception No. 20120060564 for Lot 4, Block 8, Giuliano First Subdivision, Loveland Colorado Pursuant to Section 16.43.080 of the Loveland Municipal Code due to a hardship. If the waiver is granted, the City would not receive any percentage of net proceeds from the sale of the property.
A Motion to Adopt A Resolution Authorizing A Release Of A Restriction On Conveyance Of Property Associated With A Designated Affordable Housing Unit failed, without a second.

15. **CITY ATTORNEY** (presenter: Tami Yellico)
PUBLIC HEARING
VAN DE WATER METRO DISTRICT 1-3 REFINANCING
 City Attorney, Tami Yellico introduced this item to Council. Alan Pogue and Peggy Daswell were also available from VDW to answer questions. This resolution is an administrative action to approve the VDW Metropolitan Districts Nos. 1-3 (the "Districts") issuance of bonds on a date after July 1, 2012 and the question of extending the maturity of a portion of the Districts' current debt by refunding, as both actions require a public hearing and approval of the City of Loveland City Council pursuant to Sections VII.B and VII.E of the Districts' Consolidated Service Plan. **Mayor ProTem Fogle moved to Adopt Resolution #R-13-2016 Approving the Issuance of Bonds and Extension of Debt Maturity for VDW Metropolitan Districts Nos. 1 – 3. The motion, seconded by Councilor Ball, carried with all councilors present voting in favor thereof.**

16. **WATER AND POWER** (presenter: Steve Adams)
FEMA EMERGENCY ORDINANCE
 This is an administrative action. Utility Accounting Manager introduced this item to Council. This ordinance re-appropriates funding approved in 2015 for the Solar facility portion of the FEMA Alternate Project. This emergency ordinance is being requested as an acceleration of the normal re-appropriation process so that completion of the Solar facility can stay on schedule. At the July 7, 2015 City Council Meeting, Council approved a supplemental budget appropriation, on second reading, of \$9,068,018 for the substation and Solar facility FEMA Alternate Projects. Of the \$9,068,018, \$5,068,018 was for the Solar facility and came out of the Power Plant Investment Fee (PIF) Fund, which is used for growth-related capital projects. The remaining \$4,000,000 for the substation project will be included with the City's re-appropriation ordinance that is presented to City Council in April 2016. Mayor Gutierrez asked for public comment. **Mayor Pro Tem Fogle moved to Adopt Ordinance #5992 Enacting An Emergency Supplemental Budget And Appropriation To The 2016 City Of Loveland Budget For A FEMA Solar Facility Alternate Project. The motion seconded by Councilor Ball carried with six councilors voting in favor and Councilor McKean voting against.**

17. **ECONOMIC DEVELOPMENT** (presenter: Mike Scholl)
DOWNTOWN SOUTH CATALYST RFP UPDATE
POSSIBLE EXECUTIVE SESSION

This is an administrative action. Economic Development Manager, Mike Scholl introduced this item to Council. Doug Rutledge, from the DDA and Brinkman Partners representatives, Kevin Brinkman and Jay Hardy also present. City Consultant for this Project, Rick Wells was also available. On October 6, 2015 City Council approved a Request for Proposals (RFP) for a development partner for the South Catalyst project. In addition, Council approved a Review Committee that included City Councilors, City staff and downtown stakeholders. After a thorough review, the Review Committee is recommending the City partner with Brinkman Partners from Fort Collins for the South Catalyst project.

The Executive Session may be used to discuss the financial request and conceptual plans that were submitted by both developers under a non-disclosure agreement. Based on the direction provided by Council, staff intends to bring the Exclusive Right to Negotiate (ERN) with the Brinkman Partners back to Council for consideration at the February 2 regular meeting. Mayor Gutierrez asked for public comment. Cornelia Rockwell, 2868 Sally Ann Dr, asked Council to consider the Arts community while moving forward with the design of this project. **Mayor Pro Tem Fogle moved to direct Staff to develop Exclusive Right to Negotiate ERN with Brinkman Partners back to Council for consideration. The motion seconded by Councilor Clark, carried with all councilors present voting in favor thereof.**

18. **ECONOMIC DEVELOPMENT** (presenters: Marcie Erion, Alan Krcmarik and Bill Cahill)
GUIDANCE ON RTA AND EAGLE CROSSING NEGOTIATIONS
POSSIBLE EXECUTIVE SESSION

This is an administrative action. Staff has been working on the RTA since 2014 and recently received approval of the project elements and state increment funding amount. The next step of the process is to negotiate cooperative agreements with the State of Colorado structuring development requirements and municipal financial participation. Water Valley Company LLC has requested a development agreement be executed including City financial support for the Eagle Crossing mixed used development at Crossroads and I-25. Staff is seeking direction in regards to City participation in the project.

Mayor Pro Tem Fogle moved that the City Council go into executive session to discuss negotiations concerning the Regional Tourism Act Project and negotiations with the State Economic Development Commission as authorized by Colorado Revised Statutes Section 24-6-402(4)(e) and Loveland Charter Section 4-4(c)(1) concerning a matter that is subject to negotiations, to develop the City's negotiation positions and strategies, and to instruct the City's negotiators concerning those positions and strategies; and as authorized by Colorado Revised Statutes Section 24-6-402(4)(b) and Loveland Charter Section 4-4(c)(3) to receive legal advice from the City Attorney's Office at 9:15 p.m. The motion seconded by Councilor Clark, carried with six councilors voting in favor and Councilor Krenning voting no.

Mayor Pro Tem Fogle moved that the City Council go into executive session to discuss negotiations concerning a request for financial incentives for the Eagle Crossing Development and a potential associated agreement as authorized by Colorado Revised Statutes Section 24-6-402(4)(e) and Loveland Charter Section 4-4(c)(1) concerning a matter that is subject to negotiations, to develop the City's negotiation positions and strategies, and to instruct the City's negotiators

concerning those positions and strategies; and as authorized by Colorado Revised Statutes Section 24-6-402(4)(b) and Loveland Charter Section 4-4(c)(3) to receive legal advice from the City Attorney's Office 9:17 p.m. The motion seconded by Councilor Clark, carried with six councilors voting in favor and Councilor Krenning voting no.

Council reconvened at 10:23 p.m. Council McKean requested that Staff put together information regarding the RTA for a media release.

BUSINESS FROM CITY COUNCIL

This is an opportunity for Council Members to report on recent activities or introduce new business for discussion at this time or on a future City Council agenda.

Clark Councilors Clark, Fogle, Johnson, and Mayor Gutierrez are attending NLC and plan to attend a breakfast with the Youth Advisory Commission (YAC).

Johnson Will be attending the "Homeless point in time" Study on January 26, 2016.

Gutierrez Indicated that the Affordable Housing Commission (AHC) had begun the process for reviewing their policies.

CITY MANAGER REPORT

Bill Cahill Reminder of two dates:

City Council Work shop – January 23, 2016 from 8:00 to 5:00

New Council Orientation – February 6, 2016 from 11:30 to 1:30

CITY ATTORNEY REPORT

ADJOURN

Mayor Gutierrez, after hearing no further business adjourned the January 19, 2016 Regular meeting at 10:26 p.m.

Respectfully submitted,

Teresa G. Andrews, City Clerk

Cecil A. Gutierrez, Mayor



CITY OF LOVELAND
CITY MANAGER'S OFFICE

Civic Center • 500 East Third • Loveland, Colorado 80537
(970) 962-2303 • FAX (970) 962-2900 • TDD (970) 962-2620

AGENDA ITEM: 2
MEETING DATE: 2/16/2016
TO: City Council
FROM: City Manager's Office
PRESENTER: Bill Cahill, City Manager

TITLE:

Appointments to the Cultural Services Board, Human Services Commission, Library Board, Parks and Recreation Commission and Visual Arts Commission

RECOMMENDED CITY COUNCIL ACTION:

1. Adopt a motion to reappoint Juanita Cisneros to the Cultural Services Board a term effective until December 31, 2019.
2. Adopt a motion to appoint Suzanne Janssen to the Cultural Services Board a term effective until December 31, 2019.
3. Adopt a motion to appoint Krystal Rowland to the Human Services for a partial term effective until June 30, 2017.
4. Adopt a motion to appoint Carolyn Benson to the Human Services for a partial term effective until June 30, 2018.
5. Adopt a motion to appoint Maren Soreide as an alternate member on the Human Services Commission for a term effective until June 30, 2016.
6. Adopt a motion to reappoint Sandy Darby to the Library Board for a term effective until December 31, 2020.
7. Adopt a motion to appoint Sue Mullins as an alternate member on the Library Board for a term effective until December 31, 2016.
8. Adopt a motion to reappoint Gene Alvine to the Parks and Recreation Commission for a term effective until December 31, 2018.
9. Adopt a motion to reappoint Deborah Manderscheid to the Parks and Recreation Commission for a term effective until December 31, 2018.
10. Adopt a motion to reappoint Leighton Millar to the Parks and Recreation Commission for a term effective until December 31, 2018.
11. Adopt a motion to appoint Constance Faber to the Parks and Recreation Commission for a partial term effective until December 31, 2016.
12. Adopt a motion to reappoint Greg Hoff to the Visual Arts Commission for a term effective until December 31, 2018.
13. Adopt a motion to reappoint Judy O'Gorman to the Visual Arts Commission for a term effective until December 31, 2018.
14. Adopt a motion to reappoint Margaret Rosborough to the Visual Arts Commission for a term effective until December 31, 2018.
15. Adopt a motion to appoint Jade Windell as an alternate member on the Visual Arts Commission for a term effective until December 31, 2016.
16. Adopt a motion to appoint Sara Turner to the Visual Arts Commission for a term effective until December 31, 2018.

OPTIONS:

1. Adopt the action as recommended.
2. Deny the action.

SUMMARY:

This is an administrative item appointing members to the Cultural Services Board, Human Services Commission, Library Board, Parks and Recreation Commission and Visual Arts Commission.

BUDGET IMPACT:

- ☐ Positive
☐ Negative
☒ Neutral or negligible

BACKGROUND:

The **Cultural Services Board** had two term vacancies during the fall recruiting cycle. Three applications were received. Two were interviewed (one applicant withdrew from consideration.) The committee recommends the reappointment of Juanita Cisneros and the appointment of Suzanne Janssen, each for a term effective until December 31, 2019. Another position is vacant due to the resignation of Desiree Eremondi who relocated out of the area. Recruiting continues for that position.

Patrick Dillon and Sonnette Greenidge resigned from the **Human Services Commission** due to relocation out of the area and work commitments. The interview committee recommends the following appointments: Krystal Rowland to the Human Services Commission for a partial term effective June 30, 2017; Carolyn Benson to the Human Services Commission for a partial term effective until June 30, 2018; Maren Soreide as an alternate member on the Human Services Commission for a term effective until June 30, 2016.

The Library Board had one term vacancy during the fall recruiting cycle. Two applications were received and interviews were conducted. The committee recommends reappointing Sandy Darby to the Library Board for a term effective until December 31, 2020 and appointing Sue Mullins as an alternate member on the Library Board for a term effective until December 31, 2016.

In November, 2012, Jack Doyel resigned from the **Parks and Recreation Commission** due to schedule conflicts. The commission had three term vacancies during the fall recruiting cycle. Four applications were received and interviews were held January 14, 2016. The committee recommends reappointing Gene Alvine, Deborah Manderscheid and Leighton Millar to the Parks and Recreation Commission for full terms effective until December 31, 2018. Constance Faber is recommended for appointment to the Parks and Recreation Commission for a partial term effective until December 31, 2016.

During the fall recruiting cycle, the **Visual Arts Commission** ("VAC") had three vacancies. Six applicants were interviewed. The committee recommends the reappointment of Greg Hoff, Judy O'Gorman, Margaret Rosborough and Sara Turner to VAC, each for a term effective until December 31, 2018. Jade Windell is recommended for appointment as an alternate member on the Visual Arts Commission for a term effective until December 31, 2016.

REVIEWED BY CITY MANAGER:


LIST OF ATTACHMENTS:

None



CITY OF LOVELAND

DEVELOPMENT SERVICES DEPARTMENT

Civic Center • 500 East 3rd Street • Loveland, Colorado 80537
(970) 962-2346 • FAX (970) 962-2945 • TDD (970) 962-2620

AGENDA ITEM: 3
MEETING DATE: 2/16/2016
TO: City Council
FROM: Robert Paulsen, Development Services
PRESENTER: Troy Bliss, Senior Planner

TITLE:

1. An Ordinance Vacating An Easement Located Within Lots 4 And 5, Replat Of Tract "G" Of Orchards Addition, City Of Loveland, County Of Larimer, State Of Colorado
2. An Ordinance Vacating A Portion Of A Reciprocal Private Access, Utility And Drainage Easement Located Within Lot 2, Block 1 Of The Orchards Thirteenth Subdivision, City Of Loveland, County Of Larimer, State Of Colorado

RECOMMENDED CITY COUNCIL ACTION:

Adopt the ordinances on second reading.

OPTIONS:

1. Adopt the action as recommended.
2. Deny the action. If the easements do not get vacated, the ability to redevelop the site to the extent proposed would be impacted. Essentially the proposed building size would need to be reduced in order to be located outside of the easements.
3. Adopt a modified action (specify in the motion).
4. Refer back to staff for further development and consideration. Given the nature of the project, there would be no alternative that City staff could offer in-lieu of vacating the easements for further consideration of the Petco redevelopment proposal.

BUDGET IMPACT:

- ☐ Positive
☐ Negative
☒ Neutral or negligible

SUMMARY:

This is a legislative action to adopt two associated ordinances, on second reading, vacating easements within the Orchards Addition and Orchards Thirteenth Subdivision – located east of N. Garfield Avenue and north of E. 29th Street. This item is associated with plans to locate a Petco retail store in the Orchards Shopping Center. A small private access, drainage, and utility easement is of no consequence to the City because it is private and includes no public utilities. A larger, triangular shaped easement, however, contains public utilities. In order to vacate this triangular-shaped easement, a new easement will be dedicated and utilities rerouted. On January 19, 2016, City Council unanimously approved these vacations on first reading.

BACKGROUND:

The proposed Petco store is for vacant portions of the northern most building directly attached to and east of the King Soopers grocery store within the Orchards Shopping Center. The redevelopment of the building requires adjustments to existing easements because the proposed building is increasing in size and would encroach into the existing easement.

On December 23, 2015, Current Planning issued findings for approval of the Special Review associated with the Petco redevelopment. The appeal period for the Special Review expired on January 18, 2016. No appeals were filed. The new easement will be dedicated through separate development applications associated with the Petco project which is currently undergoing special review. Staff is recommending approval of both vacation requests.

REVIEWED BY CITY MANAGER:

LIST OF ATTACHMENTS:

Link to First Reading [Ordinances and Staff Memorandum, dated January 19, 2016](#) Item 5



CITY OF LOVELAND
DEVELOPMENT SERVICES DEPARTMENT
 Civic Center • 500 East 3rd Street • Loveland, Colorado 80537
 (970) 962-2346 • FAX (970) 962-2945 • TDD (970) 962-2620

AGENDA ITEM: 4
MEETING DATE: 2/16/2016
TO: City Council
FROM: Robert Paulsen, Development Services
PRESENTER: Troy Bliss, Current Planning

TITLE:

An Ordinance Granting A Petition For Inclusion Of The West Fifty Feet Of SW Block 34, Everetts Subdivision, City Of Loveland, County Of Larimer Within The Loveland General Improvement District No. 1 In Loveland, Colorado

RECOMMENDED CITY COUNCIL ACTION:

Conduct a hearing and approve the ordinance on second reading.

OPTIONS:

1. Adopt the action as recommended.
2. Deny the action. If the action were denied, the applicant would not be able to meet the City's parking standards associated with planned renovations for additional multi-family and professional office uses in an existing downtown building.
3. Refer back to staff for further development review and consideration. If referred back to staff, the ability to move forward with a building permit for renovations would be delayed.

SUMMARY:

This is a legislative action to consider adoption of an ordinance, on second reading, to include the property legally described as the west 50 feet of the southwest portion of Block 34, Everetts Subdivision, City of Loveland, County of Larimer, State of Colorado in the General Improvement District (GID). This property includes an existing two-story building and a single family home. The owner (Charles Salwei) wishes to renovate the two story building generally located at the northeast corner of N. Jefferson Avenue and E. 3rd Street (348 N. Jefferson Avenue) for additional apartment units and office use. On January 19, 2016, City Council unanimously approved this request for inclusion into the GID on first reading.

BUDGET IMPACT:

- ☐ Positive
☐ Negative
☒ Neutral or negligible

BACKGROUND:

The City has seen only a few requests for inclusion in the GID. Dating back to 2002, six (6) petitions have been considered, the most recent being in 2008 which was approved by City Council for the property located at the northeast corner of N. Lincoln Avenue and E. 2nd Street.

This inclusion would expand the GID at an appropriate location (i.e. located in downtown and contiguous to existing boundaries). It would add another property to the overall GID, increasing tax funding to continue maintaining/upgrading public parking and pedestrian facilities. And, it would help facilitate mixed-use development – with the inclusion of new residential units – bringing more people to create a sustainable downtown.

Such uses are permitted by-right in the Be – Established Central Business zoning district but are subject to conformance with all applicable City standards. Given the lack of available on-site parking space, the applicant is petitioning for inclusion into the GID which would offer relief from parking requirements. Inclusion in the GID is based on the following key factors:

- The proposed renovation is considered “mixed-use” development. The GID was established for the purpose of providing parking and pedestrian facilities for non-residential and mixed-use development in the downtown area.
- Inclusion in the GID requires a petition by the property owner for such request. Through this petition, the property owner agrees to have an annual ad valorem real property/personal property taxes applied to the subject property and pay the mill levy assessment in order to maintain and upgrade public parking and pedestrian facilities, and other related expenses financed through the GID. A petition was filed by the property owner on November 17, 2015.
- The property is contiguous to the existing boundaries of the GID, offering a logical opportunity for expansion.

City staff recommends approval of the inclusion of 348 N. Jefferson Avenue into the GID.

REVIEWED BY CITY MANAGER:



LIST OF ATTACHMENTS:

Link to [Ordinance and Staff Memorandum](#) Item 6



CITY OF LOVELAND

PARKS & RECREATION DEPARTMENT

Civic Center • 500 East Third • Loveland, Colorado 80537
(970) 962-2303 • FAX (970) 962-2903 • TDD (970) 962-2620

AGENDA ITEM: 5
MEETING DATE: 2/16/2016
TO: City Council
FROM: Marilyn Hilgenberg, Parks & Recreation
PRESENTER: Marilyn Hilgenberg, Open Lands and Trails Manager

TITLE:

Motion to approve an Ordinance Enacting A Supplemental Budget And Appropriation To The 2016 City Of Loveland Budget for the Ward Trust Property Open Lands Acquisition.

RECOMMENDED CITY COUNCIL ACTION:

Approve the ordinance on second reading.

OPTIONS:

1. Adopt the action as recommended
2. Deny the action
3. Adopt a modified action (specify in the motion)
4. Refer back to staff for further development and consideration

SUMMARY:

This is an administrative item. The City applied for and was awarded a Great Outdoors Colorado ("GOCO") grant for the Ward Trust Property Open Lands Acquisition, which includes the acquisition of a 73-acre parcel and associated George Rist Ditch water rights. This is an administrative action to approve the grant agreement and authorize the City Manager to sign the agreement on behalf of the City. In addition, the ordinance appropriates funding for the acquisition of the Ward Trust Open Lands Acquisition. On January 19, 2016, City Council unanimously approved this ordinance on first reading.

BUDGET IMPACT:

- ☒ Positive
☐ Negative
☐ Neutral or negligible

The grant is for an amount not-to-exceed \$500,000. The grant requires that the City and its partners provide the remainder of the funding for this acquisition. A supplemental appropriation for \$2,100,000 from the Open Space Tax Fund is required for this acquisition. In addition, Larimer County has committed matching funds of up to \$250,000 for this project.

BACKGROUND:

The Board of Great Outdoors Colorado (GOCO) approved an Open Space grant award to the City of Loveland in the amount of \$500,000 towards the acquisition of the Ward Trust property at

its meeting on December 10, 2015. The acquisition consists of the 73-acre Ward Trust property and 56 acre-feet of George Rist Ditch water rights.

Acquisition of the Ward Trust Property will provide public access to open lands while conserving wetland, riparian and grassland habitat, water rights, irrigated farmland, and scenic views along the Big Thompson River corridor in west Loveland. Trail connections for bicycle and pedestrian access to adjacent open lands will also be made possible by this project, with the use of ranch roads and ditch access throughout the property. In addition, this project will likely be a catalyst for the conservation of an adjacent 112-acre property that includes portions of the Big Thompson River.

The Ward Trust Property is part of the West Loveland Priority Area identified in *A Bigger Vision for the Big T: A Recreation and Conservation Assessment*, a partnership plan approved by Loveland and Larimer County in 2015. The site is also identified as an open land priority in the 2014 *Parks & Recreation Master Plan*. The property is an addition to the adjacent 32-acre Morey Wildlife Reserve and a key parcel in the west Big Thompson Open Lands complex.

Loveland has worked with the Trust for Public Land (TPL) to negotiate with the landowner to conserve this property. A partnership of \$250,000 from Larimer County has been committed and TPL will cover due diligence costs.

REVIEWED BY CITY MANAGER:



LIST OF ATTACHMENTS:

Link to First Reading [Ordinance](#) Item 7



CITY OF LOVELAND

LOVELAND FIRE RESCUE AUTHORITY

Administration Offices • 410 East Fifth Street • Loveland, Colorado 80537
(970) 962-2471 • FAX (970) 962-2922 • TDD (970) 962-2620

AGENDA ITEM: 6
MEETING DATE: 2/16/2016
TO: City Council
FROM: Brent Worthington, Finance Director
 Mark Miller, Fire Chief
 Ken Cooper, Facilities Manager
PRESENTER: Mark Miller, Fire Chief

TITLE:

An Ordinance Enacting A Supplemental Budget And Appropriation To The 2016 City Of Loveland Budget For Design Of The Fire Training Grounds

RECOMMENDED CITY COUNCIL ACTION:

Conduct a public hearing and adopt the action as recommended on first reading.

SUMMARY:

This is an administrative action to conduct a public hearing and consider approval on first reading of \$321,442 supplemental appropriation to carryover funding appropriated in 2015 from Fire Capital Expansion Fees and meet actual project costs based on the Request for Proposal process for the design of the Fire Training Grounds.

BUDGET IMPACT:

- ☐ Positive
☒ Negative
☐ Neutral or negligible

\$295,000 was appropriated in 2015 for the training center design. \$15,000 of that was committed to the cost of the annexation process because the new property purchased is in Larimer County. There is \$5,761.78 remaining on purchase order number 15-1056 that is being requested for carryover to complete the work for annexation. The competitive request for proposal process yielded a cost of \$315,680 for the training center design. The project cost is greater than anticipated by \$26,442 because it was not anticipated that the property would need to be annexed costing \$15,000 and partly because of additional design requirement for the environmental compliance to manage run off from the burn building more effectively. Because the Fire Capital Expansion Fees collected for the year in 2015 exceeded the budgeted amount by just over \$272,000, the 2015 fund balance is greater than anticipated to cover the additional \$26,442.

BACKGROUND:

The property at 1040 South Railroad Avenue was purchased June 2014. This property located directly west of the existing training center making it particularly advantageous. The existing tenants occupying the buildings at the time of the purchase of the property were allowed to stay through the end of July and an extension was made for some through the end of 2015. All tenants have now moved out. The annexations process began with a pre-application meeting for

conceptual review August, 2015 and that process is expected to be complete the first quarter of 2016.

The City followed its typical RFP process for design and engineering on capital construction projects, and received four proposals from the design community in October, 2015. Three design teams were interviewed on November 10, and the selection team chose Belford Watkins Group to lead project design. A kick-off meeting with the BWG design team is scheduled for Q1 of 2016. Design is expected to be completed in 2016, with a competitive construction bid process to follow.

This process is critical to the effective use of the training center and planning for the financial feasibility of property improvements within the ten year capital improvements plan. Based the fire capital expansion fee collection projections the construction expected to begin in 2017 and be completed in 2018.

REVIEWED BY CITY MANAGER:

LIST OF ATTACHMENTS:

Ordinance

FIRST READING February 2, 2016

SECOND READING _____

ORDINANCE NO. _____

AN ORDINANCE ENACTING A SUPPLEMENTAL BUDGET AND APPROPRIATION TO THE 2016 CITY OF LOVELAND BUDGET FOR DESIGN OF THE FIRE TRAINING GROUNDS

WHEREAS, the City has reserved funds not anticipated or appropriated at the time of the adoption of the 2016 City budget for design of the Fire Training Grounds; and

WHEREAS, the City Council desires to authorize the expenditure of these funds by enacting a supplemental budget and appropriation to the 2016 City budget for design of the Fire Training Grounds, as authorized by Section 11-6(a) of the Loveland City Charter.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LOVELAND, COLORADO:

Section 1. That reserves in the amount of \$321,442 from fund balance in the Fire Capital Expansion Fee Fund are available for appropriation. Such revenues in the total amount of \$321,442 are hereby appropriated to the 2016 City budget for design of the Fire Training Grounds. The spending agencies and funds that shall be spending the monies supplementally budgeted and appropriated are as follows:

**Supplemental Budget
Fire Capital Expansion Fee Fund 264**

Revenues

Fund Balance	321,442
Total Revenue	321,442

Appropriations

264-22-222-0000-49355 FRTTRAINCTR Design/Architecture	321,442
Total Appropriations	321,442

Section 2. That as provided in City Charter Section 4-9(a)(7), this Ordinance shall be published by title only by the City Clerk after adoption on second reading unless the Ordinance has been amended since first reading in which case the Ordinance shall be published in full or the amendments shall be published in full.

Section 3. That this Ordinance shall be in full force and effect upon final adoption, as provided in City Charter Section 11-5(d).

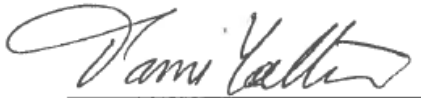
ADOPTED this 16th day of February, 2016.

Cecil A. Gutierrez, Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:



City Attorney



CITY OF LOVELAND

LOVELAND FIRE RESCUE AUTHORITY

Administration Offices • 410 East Fifth Street • Loveland, Colorado 80537
(970) 962-2471 • FAX (970) 962-2922 • TDD (970) 962-2620

AGENDA ITEM: 7
MEETING DATE: 2/16/2016
TO: City Council
FROM: Mark Miller, Fire Chief
PRESENTER: Mark Miller, Fire Chief

TITLE:

An Ordinance Authorizing the Sale of Real Property Located within the City of Loveland on Rossum Drive Pursuant to Section 4-7 of the City of Loveland Municipal Charter

RECOMMENDED CITY COUNCIL ACTION:

Conduct a public hearing and adopt the action on first reading.

OPTIONS:

1. Adopt the action as recommended.
2. Deny the action. Denial of this item would prevent the sale of the property.
3. Adopt a modified action. (specify in the motion)
4. Refer back to staff for further development and consideration. A contract has been signed. The contract timeline is attached.

SUMMARY:

This is an administrative action on first reading regarding the sale of City property on Rossum Drive for \$145,000. The City of Loveland owns 1.83 acres on Rossum Drive located near 1220 Rossum Drive along West Highway 34. The property was purchased in 2002 for \$230,000 with fire capital expansion fees for a future station location. In 2015, a separate developer attempted to purchase the property along with an adjoining property to build a senior living facility. That proposed purchase agreement required that the developer rezone the two properties and the Loveland Planning Commission rejected the rezoning request in October, 2015. This new \$145,000 cash offer is from a neighbor who lives east of the property, and is \$10,000 more than the previous purchase offer.

BUDGET IMPACT:

- ☒ Positive
☐ Negative
☐ Neutral or negligible

\$145,000 on the sale of the land would be deposited to the Fire Capital Expansion Fee Fund that originally purchased the property November 13, 2002.

BACKGROUND:

The Rossum property was originally purchased for a future fire station, but path of development in the City has made the property less desirable. The station location analysis completed after the last Insurance Service Office evaluation suggested that the Loveland community needed a fire station to address the development that has occurred to the northwest of the community. The analysis identified the most appropriate service location as the area around West 29th street; and

LFRA worked with the Mehaffey family to make the new Fire Station 2 location (3070 West 29th Street) a reality in 2014. In addition to the development trends, topography (ravine) of the property and highway access challenges make the Rossum Drive property less optimal for fire station development. Therefore, the decision was made three years ago to list the property for sale at \$150,000. Other offers on the property in that time have not been viable for a number of reasons relating to many similar challenges that LFRA would have in developing the site (access, topography, flood/drainage considerations, etc.).

While the \$145,000 price is less than the original purchase price, the development market has changed significantly since 2002. Market trends over the past 2-3 years are generally positive, but the information we received from our real estate professional indicated two major factors are having a significant influence on the market value for raw land: the cost of raw water and development costs. From a raw water standpoint, Colorado Big Thompson water shares have gone from approximately \$8,000 a unit in 2005 to \$26,500 a unit in 2015. During this same time the City has increased its cash in lieu water price in accordance with such increase in raw water pricing. Secondly, the land development costs for residential development have generally doubled (approximately \$25,000 to \$50,000) during that same time. At peak development in the community the comparable sales values for raw residential development land were \$30,000 - \$40,000 an acre. The current comparable sales values are at \$15,000 - \$20,000 an acre. While the market has shown significant improvement in terms of the absorption of existing developed lots, the value of the finished lots in the market are not adequate to offset the significant cost increases discussed above. As a result, the value of raw land has not appreciated in the same way that other types of properties have since the end of the recession as that is the one input to the development equation that the developer can still control. Instead; these increased costs are being absorbed in the transaction by reducing the value of the land. An initial offer was made on the property; the City rejected the offer and countered with a higher sales price than the offer. The counter offer was accepted for \$145,000.

The developer's offer considered by the City in 2015 included plans for a senior living facility, and had a rezoning requirement for this development. Neighbors to the east of the property did not support the proposed development, and other nearby neighbors also shared opposition with the Loveland Planning Commission in October of 2015, saying the development would create additional traffic problems on Rossum Drive. Planning Commission rejected the request to rezone the property. Soon afterward, a neighbor named Mark DeGregorio who lives just east of the property approached the City with a cash offer. The City rejected the offer and countered with a higher sales price than the offer. The counter offer was accepted for \$145,000.

Given the information we have available to us today, this sales price seems reasonable. The property is scheduled to close in March, 2016.

REVIEWED BY CITY MANAGER:



LIST OF ATTACHMENTS:

Ordinance

FIRST READING February 16, 2016

SECOND READING _____

ORDINANCE NO. _____

**AN ORDINANCE AUTHORIZING THE SALE OF REAL PROPERTY
LOCATED WITHIN THE CITY OF LOVELAND ON ROSSUM DRIVE
PURSUANT TO SECTION 4-7 OF THE CITY OF LOVELAND
MUNICIPAL CHARTER**

WHEREAS, the City of Loveland is the owner of certain real property located on Rossum Drive legally described as set forth in Exhibit A, attached hereto and incorporated by reference (the "Property"); and

WHEREAS, the City purchased the Property for fire protection and emergency services, but decided against using the Property because of site development issues such as access, topography and flood drainage issues;

WHEREAS, the City further determined that a more suitable location for a fire station would be in the northwest area of the City to provide better coverage based on the development and, in 2014, constructed a fire station at 3070 West 29th Street; and

WHEREAS, the Property is not needed for any City governmental purpose, and it is in the best interests of the City and its citizens to sell the Property; and

WHEREAS, the City desires to sell the Property to Mark DeGregorio for One Hundred Forty-Five Thousand Dollars (\$145,000) on the terms and conditions set forth in the "Contract to Buy and Sell Real Estate" and "Counterproposal" together attached hereto as Exhibit B and incorporated by reference ("Contract"); and

WHEREAS, pursuant to Section 4-7 of the City of Loveland Municipal Charter, the City Council must act by ordinance to approve the transfer of fee ownership in real property owned by the City.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LOVELAND, COLORADO:

Section 1. That the City Council hereby finds and determines that the Property is not needed for any City governmental purpose, and that the sale of the Property is in the best interest of the City of Loveland.

Section 2. That the City Manager is authorized to enter into the Contract and to execute all documents, the form of which shall be approved by the City Attorney, necessary to consummate

the sale of the Property for the purchase price of One Hundred Forty-Five Thousand Dollars (\$145,000).

Section 3. That the City Manager is authorized, following consultation with the City Attorney, to approve changes to the form or substance of the Contract and all exhibits and documents related thereto as deemed necessary to effectuate the purposes of this Ordinance or to protect the interests of the City.

Section 4. That as provided in City Charter Section 4-9(a)(7), this Ordinance shall be published by title only by the City Clerk after adoption on second reading unless the Ordinance has been amended since first reading, in which case the Ordinance or the amendments shall be published in full. This Ordinance shall be in full force and effect ten days after its final publication, as provided in City Charter Section 4-8(b).

ADOPTED this 29th day of February, 2016.

Cecil A. Gutierrez, Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:



Assistant City Attorney

**EXHIBIT A
LEGAL DESCRIPTION**

A PORTION OF TRACT Q, MARIANA THIRD ADDITION TO THE CITY OF LOVELAND, COUNTY OF LARIMER, STATE OF COLORADO, SITUATE IN THE NW 1/4 OF THE NE 1/4 OF SECTION 17, TOWNSHIP 5 NORTH, RANGE 69 WEST OF THE 6TH P.M., BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

CONSIDERING THE EAST LINE OF SAID NW 1/4 OF THE NE 1/4 OF SECTION 17 AS BEARING S 00° 47' 46" W ACCORDING TO THE PLAT OF MARIANA THIRD ADDITION TO THE CITY OF LOVELAND, WITH ALL BEARINGS CONTAINED HEREIN RELATIVE THERETO: COMMENCING AT THE NE CORNER OF THE NW 1/4 OF THE NE 1/4 OF SAID SECTION 17; THENCE S 00° 47' 46" W ALONG THE EAST LINE OF THE NW 1/4 OF THE NE 1/4 OF SECTION 17 A DISTANCE OF 50.00 FEET TO THE NE CORNER OF SAID TRACT Q; THENCE S 00° 47' 46" W ALONG THE EAST LINE OF THE NW 1/4 OF THE NE 1/4 OF SECTION 17 A DISTANCE OF 355.09 FEET TO THE POINT OF BEGINNING; THENCE S 00° 47' 46" W ALONG THE EAST LINE OF THE NW 1/4 OF THE NE 1/4 OF SECTION 17 A DISTANCE OF 297.95 FEET; THENCE N 71° 08' 47" W A DISTANCE OF 372.82 FEET TO THE EAST RIGHT OF WAY LINE OF ROSSUM DRIVE; THENCE N 23° 10' 00" E ALONG THE EAST RIGHT OF WAY LINE OF ROSSUM DRIVE A DISTANCE OF 74.67 FEET; THENCE ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 230.00 FEET, A CENTRAL ANGLE OF 29° 14' 35", AND AN ARC LENGTH OF 117.39 FEET, THE CHORD OF SAID ARC BEARS N 08° 32' 43" E A DISTANCE OF 116.12 FEET; THENCE S 88° 53' 11" E A DISTANCE OF 310.38 FEET TO THE POINT OF BEGINNING.

**Loveland Commercial, LLC**

1043 Eagle Drive Loveland, CO 80537

Nathan Klein Partner/Broker Associate

Ph: 970-667-7000 Fax: 970-635-2514

The printed portions of this form, except differentiated additions, have been approved by the Colorado Real Estate Commission. (CP40-6-15) (Mandatory 1-16)

THIS FORM HAS IMPORTANT LEGAL CONSEQUENCES AND THE PARTIES SHOULD CONSULT LEGAL AND TAX OR OTHER COUNSEL BEFORE SIGNING.

COUNTERPROPOSALDate: 1/4/2016

1. This Counterproposal supersedes and replaces any previous counterproposal. This Counterproposal amends the proposed contract dated **12/18/2015** (Contract), between

City of Loveland Colorado, a Municipal Corporation (Seller), and **Mark DeGregorio** (Buyer), relating to the sale and purchase of the following legally described real estate in the County of **Larimer**, Colorado: **PORTION OF TRACT Q, MARIANA 3RD ADDITION TO CITY OF LOVELAND. IN NW 1/4 NE 1/4 OF 17-5-69. COM AT NE COR OF NW1/4 OF NE 1/4 SD SEC; TH S 00 47' 46" W 50 FT TO NE COR SD TR Q; S 00 47' 46" W 355.09 FT TPOB; TH S 00 47' 46" W 297.95 FT; N 71 08' 47" W 372.82 FT TO E R/W LN OF ROSSUM DR; TH N 23 10' 00" E 74.67 FT; TH ALG CUR L RAD 230 FT, C/A 29 14' 35", ARC LEN 117.39 FT, CHORD N 08 32' 43" E 116.12 FT; TH S 88 53' 11" E 310.38 FT TPOB. (SPLIT FROM 9517106004).**

known as No. **TBD Rossum Drive, Loveland, CO 80537** (Property).

NOTE: If the table is omitted, or if any item is left blank or is marked in the "No Change" column, it means no change to the corresponding provision of the Contract. If any item is marked in the "Deleted" column, it means that the corresponding provision of the Contract to which reference is made is deleted.

2. § 3. DATES AND DEADLINES. [Omitted as inapplicable]

3. § 4. PURCHASE PRICE AND TERMS. [Note: This table may be deleted if inapplicable.]

The Purchase Price set forth below is payable in U.S. Dollars by Buyer as follows:

Item No.	Reference	Item	Amount	Amount
1	§ 4.1	Purchase Price	\$145,000.00	
2	§ 4.3	Earnest Money		\$2,500.00
3	§ 4.5	New Loan		
4	§ 4.6	Assumption Balance		
5	§ 4.7	Private Financing		
6	§ 4.7	Seller Financing		
7	n/a	n/a		
8	n/a	n/a		
9	§ 4.4	Cash at Closing		\$142,500.00
10		TOTAL	\$145,000.00	\$145,000.00

4. ATTACHMENTS. The following are a part of this Counterproposal:

no change

Note: The following disclosure forms are attached but are not a part of this Counterproposal:

no change

5. OTHER CHANGES.

no change

6. **ACCEPTANCE DEADLINE.** This Counterproposal expires unless accepted in writing by Seller and Buyer as evidenced by their signatures below and the offering party to this document receives notice of such acceptance on or before **1/8/2016 5:00 PM MST.**

Date Time

If accepted, the Contract, as amended by this Counterproposal, will become a contract between Seller and Buyer. All other terms and conditions of the Contract remain the same.

Save Select Signature Font Clear

Seller: **City of Loveland Colorado, a Municipal Corporation**
 By: **William Cahill, City Manager**
 Address: **500 E 3rd Street Loveland CO 80537**



ATTEST:

SELLER'S SIGNATURE

Deputy City Clerk

APPROVED AS TO FORM

BY:

ASSISTANT CITY ATTORNEY

Seller: _____ Date: _____

Address:

Save Select Signature Font Clear

BUYER'S SIGNATURE

Buyer: **Mark DeGregorio**
 Address: **1231 Riverview Drive Loveland CO 80537**

Buyer: _____ Date: _____

Address:

Note: When this Counterproposal form is used, the Contract is **not** to be signed by the party initiating this Counterproposal. Brokers must complete and sign the Broker's Acknowledgments and Compensation Disclosure portion of the Contract.

CP40-6-15. COUNTERPROPOSAL

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CITY OF LOVELAND

FINANCE DEPARTMENT

Civic Center • 500 East Third • Loveland, Colorado 80537
(970) 962-2318 • FAX (970) 962-2918 • TDD (970) 962-2620

AGENDA ITEM: 8
MEETING DATE: 2/16/2016
TO: City Council
FROM: City Manager
PRESENTER: Alan Krcmarik, Executive Fiscal Advisor

TITLE:

An Ordinance Enacting A Supplemental Budget And Appropriation To The 2015 City Of Loveland Special Improvement District No. 1 Budget For Bond Appropriations

RECOMMENDED CITY COUNCIL ACTION:

Conduct a public hearing and approve the ordinance on first reading.

OPTIONS:

1. Adopt the action as recommended.
2. Deny the action.
3. Adopt a modified action. (specify in the motion)
4. Refer back to staff for further development and consideration.

SUMMARY:

This is an administrative action. The City of Loveland recently completed the refunding of its Special Improvement District No. 1 (Series 2007) revenue bonds. The proposed Ordinance appropriates the final payments on the old bond (Series 2007) and the revenue generated from the new refunding bond.

BUDGET IMPACT:

- ☐ Positive
☐ Negative
☒ Neutral or negligible

The current fund balance is \$381,957. \$110,125 of fund balance is requested for the final payment of the old bond debt. The remaining unassigned fund balance will be \$271,832.

BACKGROUND:

The City serves as the sponsoring agency for the Special Improvement District No. 1. The District was established to allow for the collection of assessments from property owners in the District to back bonded debt to construct infrastructure improvements in the District. The City does not have any legal obligation towards this debt.

The City of Loveland recently completed the refunding of its Special Improvement District No. 1 (Series 2007) revenue bonds. The \$5,410,125 is requested to pay off the old bond. The \$550,000 generated in revenue is from special assessments on the old bond that exceeded the revenue projections at the time the budget was adopted, due to advanced payments from certain property owners. The \$4,750,000 in revenue is from the new refunding bond unanimously approved by City Council on January 19, 2016.

REVIEWED BY CITY MANAGER:

William D. Cahill

LIST OF ATTACHMENTS:

Ordinance

FIRST READING: February 16, 2016

SECOND READING: _____

ORDINANCE NO. _____

AN ORDINANCE ENACTING A SUPPLEMENTAL BUDGET AND APPROPRIATION TO THE 2015 CITY OF LOVELAND SPECIAL IMPROVEMENT DISTRICT NO. 1 BUDGET FOR BOND APPROPRIATIONS

WHEREAS, the Special Improvement District has received and reserved funds not anticipated or appropriated at the time of the adoption of the 2015 City of Loveland Special Improvement District No. 1 budget for bond appropriations; and

WHEREAS, the City Council desires to authorize the expenditure of these funds by enacting a supplemental budget and appropriation to the 2015 City of Loveland Special Improvement District No. 1 budget for bond appropriations, as authorized by Section 11-6(a) of the Loveland City Charter.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LOVELAND, COLORADO:

Section 1. That revenues in the amount of \$4,750,000 from bond proceeds in the Loveland Special Improvement District #1 Fund are available for appropriation. That revenues in the amount of \$550,000 from prepaid special assessments in the Loveland Special Improvement District #1 Fund are available for appropriation. That reserves in the amount of \$110,125 from fund balance in the Loveland Special Improvement District #1 Fund are available for appropriation. Such revenues in the total amount of \$5,410,125 are hereby appropriated to the 2015 Loveland Special Improvement District No. 1 budget for bond appropriations. The spending agencies and funds that shall be spending the monies supplementally budgeted and appropriated are as follows:

**Supplemental Budget
Loveland Special Improvement District #1 Fund 702**

Revenues

Fund Balance		110,125
702-00-000-0000-30701	Prepaid Special Assessment	550,000
702-91-902-0000-33019	Bond Proceeds	4,750,000
Total Revenue		5,410,125

Appropriations

702-91-902-0000-46040	Deposit to Refunding Escrow	5,231,610
702-91-902-0000-46110	Principal Payment	178,515
Total Appropriations		5,410,125

Section 2. That as provided in City Charter Section 4-9(a)(7), this Ordinance shall be published by title only by the City Clerk after adoption on second reading unless the Ordinance has been amended since first reading in which case the Ordinance shall be published in full or the amendments shall be published in full.

Section 3. That this Ordinance shall be in full force and effect upon final adoption, as provided in City Charter Section 11-5(d).

ADOPTED this 29th day of February, 2016.

Cecil A. Gutierrez, Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:



City Attorney



CITY OF LOVELAND
PUBLIC WORKS DEPARTMENT

Administration Offices • 2525 W 1st Street • Loveland, Colorado 80537
(970) 962-2555 • FAX (970) 962-2908 • TDD (970) 962-2620

AGENDA ITEM: 9
MEETING DATE: 2/16/2016
TO: City Council
FROM: Leah Browder, Public Works Director
PRESENTER: Jeff Bailey, Interim City Engineer

TITLE:

A Resolution Approving An Intergovernmental Agreement Between The City Of Loveland, Colorado And The State Of Colorado, Acting By And Through The Colorado Department Of Transportation, For Design And Construction Of The Taft Avenue Bridge Replacement And Widening Project In Loveland, Colorado

RECOMMENDED CITY COUNCIL ACTION:

Adopt the resolution as recommended.

OPTIONS:

1. Adopt the action as recommended, which will allow the North Taft Avenue roadway widening and bridge replacement to be completed in 2016 with the advantage of federal grant funding.
2. Deny the action, which would stop the North Taft Avenue roadway widening and bridge replacement from being completed in 2016 and federal funding would be lost.
3. Adopt a modified action. (specify in the motion)
4. Refer back to staff for further development and consideration. Project would be delayed and federal funding opportunity would likely be lost.

SUMMARY:

This is an administrative action for City Council approval of an IGA with CDOT, to authorize the use of Federal grant funds to replace the structurally deficient bridge on Taft Avenue over the Big Barnes Ditch. The grant award is \$736,000.00 to be used specifically for bridge replacement and roadway tie-in construction with CDOT serving as administrator. While the local matching fund requirement for the bridge replacement project is \$184,000, the project as proposed also incorporates a road widening component extending north from the bridge to just south of 11th Street. Overall funding approval will be required once this project is competitively bid and a contractor is selected to complete the work.

BUDGET IMPACT:

- ☐ Positive
☐ Negative
☒ Neutral or negligible

Funds for the match and overmatch are available in the 2016 Capital Budget.

BACKGROUND:

The City of Loveland 2035 Transportation Plan includes two phases of a three-phase project to widen North Taft Avenue from West First Street, northward across Hwy 34, terminating at Westshore Drive. Phase one of this long range project was completed from 1st Street to Gard

Place in 2005. Phase 2 of the North Taft Avenue widening project encompasses Gard Place to Westshore Drive and includes replacement of the Taft Avenue bridge over the Big Barnes Ditch at an estimated total project cost of \$10 million. (See Figure 1 for project location information).

The schedule for Phase 2 was revised due to the impacts of the economic downturn and currently stretches beyond the 10-year capital plan with an annual appropriation scheduled as possible to accumulate funding over the years to eventually complete the project.

However, the bridge widening component of the project met the criteria for a 2013 Federal Highway Administration (FHWA) grant opportunity and an application was submitted. Since the bridge had been previously deemed structurally deficient and the design had already been completed prior to the delay of Phase 2 of the larger Taft Avenue widening project, the grant was recommended favorably to the Colorado Department of Transportation (CDOT) Transportation Commission on December 16th, 2013 and was subsequently awarded to the City of Loveland.



Figure 1: Project Location

The grant award is \$736,000.00 to be used specifically for bridge replacement and roadway tie-in construction with CDOT serving as administrator. While the local matching fund requirement for the bridge replacement project is \$184,000, the project as proposed also incorporates a road widening component extending north from the bridge to just south of 11th Street. The project was expanded to leverage the grant opportunity with project funds accumulated to date so that bridge approach work done now would efficiently dovetail into the future project rather than being a “throw away” component estimated at \$150,000. Cost for the additional road widening component is estimated at \$880,000 bringing the total proposed project construction cost for road widening and bridge replacement to \$1,800,000.00. The fuller project alternative is recommended to avoid the loss of a \$150,000 partial project investment and to deliver a better interim improvement to the traveling public.

Project Estimate

Project Design Cost	=	\$ 250,000.00
Project ROW Cost	=	\$ 20,000.00
Project Construction Cost	=	\$1,500,000.00
Project Construction Support	=	\$ 30,000.00
Total Project Estimate	=	\$1,800,000.00

Project Funds

FHWA Grant (bridge construction only)	=	\$736,000.00
FHWA Local Match Funds (bridge construction only)	=	\$184,000.00
Local Overmatch (roadway widening and road/bridge design and inspection)	=	\$880,000.00

Approval of this item will allow the funds to be allocated for the construction of this project (EN1210) and for an agreement to be in place for reimbursement of construction costs as approved with the grant award.

Construction is planned for the summer of 2016 to achieve the construction window of July 15 to October 31, 2016 as approved by the Greeley-Loveland Irrigation Company to align with the time period that the ditch is not being utilized for irrigation. This project schedule also ensures achievement of Federal funding requirements. This project represents an important component of the larger effort to widen North Taft Avenue to meet projected transportation system demands.

REVIEWED BY CITY MANAGER:

LIST OF ATTACHMENTS:

Resolution

RESOLUTION #R-14-2016

A RESOLUTION APPROVING AN INTERGOVERNMENTAL AGREEMENT BETWEEN THE CITY OF LOVELAND, COLORADO AND THE STATE OF COLORADO, ACTING BY AND THROUGH THE COLORADO DEPARTMENT OF TRANSPORTATION, FOR DESIGN AND CONSTRUCTION OF THE TAFT AVENUE BRIDGE REPLACEMENT AND WIDENING PROJECT IN LOVELAND, COLORADO

WHEREAS, the City of Loveland desires to design and construct a new, widened bridge and other improvements on Taft Avenue over the Big Barnes Ditch within the City of Loveland (the “Project”), which is to be funded in part by federal funds administered and made available through the State of Colorado, acting by and through the Colorado Department of Transportation (“CDOT”); and

WHEREAS, the total estimated construction cost for the Project is One Million Five Hundred Thousand Dollars (\$1,500,000), of which Nine Hundred Twenty Thousand Dollars (\$920,000) is estimated for the design and construction of the new bridge; and

WHEREAS, Federal Highway Administration grant funds are available for the Project in the amount of up to Seven Hundred Thirty-Six Thousand Dollars (\$736,000) on the condition that the City provide local match funds of up to One Hundred Eighty-Four Thousand Dollars (\$184,000); and

WHEREAS, the City and CDOT desire to enter into an intergovernmental agreement to define the division of responsibilities with regard to the Project; and

WHEREAS, as governmental entities in Colorado, the City and CDOT are authorized, pursuant to C.R.S. § 29-1-203, to cooperate or contract with one another to provide any function, service, or facility lawfully authorized to each.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LOVELAND, COLORADO:

Section 1. That the “State of Colorado Department of Transportation Agreement with City of Loveland,” attached hereto as Exhibit A and incorporated herein by reference (“Intergovernmental Agreement”), is hereby approved.

Section 2. That the City Manager is hereby authorized, following consultation with the City Attorney, to modify the Intergovernmental Agreement in form or substance as deemed necessary to effectuate the purposes of this Resolution or to protect the interests of the City.

Section 3. That the City Manager and the City Clerk are hereby authorized and directed to execute the Intergovernmental Agreement on behalf of the City.

Section 4. That this Resolution shall be effective as of the date of its adoption.

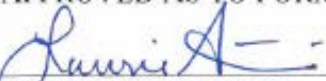
ADOPTED this 16th day of February, 2016.

Cecil A. Gutierrez, Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:



Assistant City Attorney

(FMLAWRK)
 Project: Roadway and bridge widening over the Big Barnes
 (20888)
 Region: 04 (rh)

Rev. 7/8/09
 Routing #: 16-HA4-XC-00031
 SAP ID #: / 331001438

STATE OF COLORADO
Department of Transportation
Agreement
with
CITY OF LOVELAND

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1. PARTIES

THIS AGREEMENT is entered into by and between CITY OF LOVELAND (hereinafter called the “Local Agency”), and the STATE OF COLORADO acting by and through the Department of Transportation (hereinafter called the “State” or “CDOT”).

2. EFFECTIVE DATE AND NOTICE OF NONLIABILITY

This Agreement shall not be effective or enforceable until it is approved and signed by the Colorado State Controller or their designee (hereinafter called the “Effective Date”). The State shall not be liable to pay or reimburse the Local Agency for any performance hereunder, including, but not limited to costs or expenses incurred, or be bound by any provision hereof prior to the Effective Date.

3. RECITALS

A. Authority, Appropriation, and Approval

Authority exists in the law and funds have been budgeted, appropriated and otherwise made available and a sufficient unencumbered balance thereof remains available for payment and the required approval, clearance and coordination have been accomplished from and with appropriate agencies.

i. Federal Authority

Pursuant to Title I, Subtitle A, Section 1108 of the “Transportation Equity Act for the 21st Century” of 1998 (TEA-21) and/or the “Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users” (SAFETEA-LU) of 2005 and to applicable provisions of Title 23 of the United States Code and implementing regulations at Title 23 of the Code of Federal Regulations, as may be amended, (collectively referred to hereinafter as the “Federal Provisions”), certain federal funds have been and are expected to continue to be allocated for transportation projects requested by the Local Agency and eligible under the Surface Transportation Improvement Program that has been proposed by the State and approved by the Federal Highway Administration (“FHWA”).

ii. State Authority

Pursuant to CRS §43-1-223 and to applicable portions of the Federal Provisions, the State is responsible for the general administration and supervision of performance of projects in the Program, including the administration of federal funds for a Program project performed by a Local Agency under a contract with the State. This Agreement is executed under the authority of CRS §§29-1-203, 43-1-110; 43-1-116, 43-2-101(4)(c) and 43-2-104.5.

B. Consideration

The Parties acknowledge that the mutual promises and covenants contained herein and other good and valuable consideration are sufficient and adequate to support this Agreement.

C. Purpose

The purpose of this Agreement is to disburse Federal funds to the Local Agency pursuant to CDOT’s Stewardship Agreement with the FHWA.

D. References

All references in this Agreement to sections (whether spelled out or using the § symbol), subsections, exhibits or other attachments, are references to sections, subsections, exhibits or other attachments contained herein or incorporated as a part hereof, unless otherwise noted.

4. DEFINITIONS

The following terms as used herein shall be construed and interpreted as follows:

A. Agreement or Contract

“Agreement” or “Contract” means this Agreement, its terms and conditions, attached exhibits, documents incorporated by reference under the terms of this Agreement, and any future modifying agreements, exhibits, attachments or references that are incorporated pursuant to Colorado State Fiscal Rules and Policies.

B. Agreement Funds

“Agreement Funds” means funds payable by the State to Local Agency pursuant to this Agreement.

C. Budget

“Budget” means the budget for the Work described in **Exhibit C**.

D. Consultant and Contractor

“Consultant” means a professional engineer or designer hired by Local Agency to design the Work and “Contractor” means the general construction contractor hired by Local Agency to construct the Work.

E. Evaluation

“Evaluation” means the process of examining the Local Agency’s Work and rating it based on criteria established in §6 and **Exhibits A and E**.

F. Exhibits and Other Attachments

The following exhibit(s) are attached hereto and incorporated by reference herein: **Exhibit A** (Scope of Work), **Exhibit B** (Resolution), **Exhibit C** (Funding Provisions), **Exhibit D** (Option Letter), **Exhibit E** (Checklist), **Exhibit F** (Certification for Federal-Aid Funds), **Exhibit G** (Disadvantaged Business Enterprise), **Exhibit H** (Local Agency Procedures), **Exhibit I** (Federal-Aid Contract Provisions), **Exhibit J** (Federal Requirements) and **Exhibit K** (Supplemental Federal Provisions).

G. Goods

“Goods” means tangible material acquired, produced, or delivered by the Local Agency either separately or in conjunction with the Services the Local Agency renders hereunder.

H. Oversight

“Oversight” means the term as it is defined in the Stewardship Agreement between CDOT and the Federal Highway Administration (“FHWA”) and as it is defined in the Local Agency Manual.

I. Party or Parties

“Party” means the State or the Local Agency and “Parties” means both the State and the Local Agency

J. Work Budget

Work Budget means the budget described in **Exhibit C**.

K. Services

“Services” means the required services to be performed by the Local Agency pursuant to this Contract.

L. Work

“Work” means the tasks and activities the Local Agency is required to perform to fulfill its obligations under this Contract and **Exhibits A and E**, including the performance of the Services and delivery of the Goods.

M. Work Product

“Work Product” means the tangible or intangible results of the Local Agency’s Work, including, but not limited to, software, research, reports, studies, data, photographs, negatives or other finished or unfinished documents, drawings, models, surveys, maps, materials, or work product of any type, including drafts.

5. TERM AND EARLY TERMINATION

The Parties’ respective performances under this Agreement shall commence on the Effective Date. This Agreement shall terminate after five (5) years of state controllers signature in section 27, unless sooner terminated or completed as demonstrated by final payment and final audit.

6. SCOPE OF WORK**A. Completion**

The Local Agency shall complete the Work and other obligations as described herein in **Exhibit A**. Work performed prior to the Effective Date or after final acceptance shall not be considered part of the Work.

B. Goods and Services

The Local Agency shall procure Goods and Services necessary to complete the Work. Such procurement shall be accomplished using the Contract Funds and shall not increase the maximum amount payable hereunder by the State.

C. Employees

All persons employed hereunder by the Local Agency, or any Consultants or Contractors shall be considered the Local Agency’s, Consultants’, or Contractors’ employee(s) for all purposes and shall not be employees of the State for any purpose.

D. State and Local Agency Commitments**i. Design**

If the Work includes preliminary design or final design or design work sheets, or special provisions and estimates (collectively referred to as the “Plans”), the Local Agency shall comply with and be responsible for satisfying the following requirements:

- a) Perform or provide the Plans to the extent required by the nature of the Work.

- b) Prepare final design in accordance with the requirements of the latest edition of the American Association of State Highway Transportation Officials (AASHTO) manual or other standard, such as the Uniform Building Code, as approved by the State.
- c) Prepare provisions and estimates in accordance with the most current version of the State's Roadway and Bridge Design Manuals and Standard Specifications for Road and Bridge Construction or Local Agency specifications if approved by the State.
- d) Include details of any required detours in the Plans in order to prevent any interference of the construction Work and to protect the traveling public.
- e) Stamp the Plans produced by a Colorado Registered Professional Engineer.
- f) Provide final assembly of Plans and all other necessary documents.
- g) Be responsible for the Plans' accuracy and completeness.
- h) Make no further changes in the Plans following the award of the construction contract to contractor unless agreed to in writing by the Parties. The Plans shall be considered final when approved in writing by CDOT and when final they shall be incorporated herein.

ii. Local Agency Work

- a) Local Agency shall comply with the requirements of the Americans With Disabilities Act (ADA), and applicable federal regulations and standards as contained in the document "ADA Accessibility Requirements in CDOT Transportation Projects".
- b) Local Agency shall afford the State ample opportunity to review the Plans and make any changes in the Plans that are directed by the State to comply with FHWA requirements.
- c) Local Agency may enter into a contract with a Consultant to perform all or any portion of the Plans and/or of construction administration. Provided, however, if federal-aid funds are involved in the cost of such Work to be done by such Consultant, such Consultant contract (and the performance/provision of the Plans under the contract) must comply with all applicable requirements of 23 C.F.R. Part 172 and with any procedures implementing those requirements as provided by the State, including those in Exhibit H. If the Local Agency enters into a contract with a Consultant for the Work:
 - (1) Local Agency shall submit a certification that procurement of any Consultant contract complies with the requirements of 23 C.F.R. 172.5(1) prior to entering into such Consultant contract, subject to the State's approval. If not approved by the State, the Local Agency shall not enter into such Consultant contract.
 - (2) Local Agency shall ensure that all changes in the Consultant contract have prior approval by the State and FHWA and that they are in writing. Immediately after the Consultant contract has been awarded, one copy of the executed Consultant contract and any amendments shall be submitted to the State.
 - (3) Local Agency shall require that all billings under the Consultant contract comply with the State's standardized billing format. Examples of the billing formats are available from the CDOT Agreements Office.
 - (4) Local Agency (and any Consultant) shall comply with 23 C.F.R. 172.5(b) and (d) and use the CDOT procedures described in Exhibit H to administer the Consultant contract.
 - (5) Local Agency may expedite any CDOT approval of its procurement process and/or Consultant contract by submitting a letter to CDOT from the Local Agency's attorney/authorized representative certifying compliance with Exhibit H and 23 C.F.R. 172.5(b) and (d).
 - (6) Local Agency shall ensure that the Consultant contract complies with the requirements of 49 CFR 18.36(i) and contains the following language verbatim:
 - (a) The design work under this Agreement shall be compatible with the requirements of the contract between the Local Agency and the State (which is incorporated herein by this reference) for the design/construction of the project. The State is an intended third-party beneficiary of this agreement for that purpose.
 - (b) Upon advertisement of the project work for construction, the consultant shall make available services as requested by the State to assist the State in the evaluation of construction and the resolution of construction problems that may arise during the construction of the project.

- (c) The consultant shall review the Construction Contractor's shop drawings for conformance with the contract documents and compliance with the provisions of the State's publication, Standard Specifications for Road and Bridge Construction, in connection with this work.
- (d) The State, in its sole discretion, may review construction plans, special provisions and estimates and may require the Local Agency to make such changes therein as the State determines necessary to comply with State and FHWA requirements.

iii. Construction

If the Work includes construction, the Local Agency shall perform the construction in accordance with the approved design plans and/or administer the construction in accordance with **Exhibit E**. Such administration shall include Work inspection and testing; approving sources of materials; performing required plant and shop inspections; documentation of contract payments, testing and inspection activities; preparing and approving pay estimates; preparing, approving and securing the funding for contract modification orders and minor contract revisions; processing Construction Contractor claims; construction supervision; and meeting the Quality Control requirements of the FHWA/CDOT Stewardship Agreement, as described in the Local Agency Contract Administration Checklist.

- a) If the Local Agency is performing the Work, the State may, after providing written notice of the reason for the suspension to the Local Agency, suspend the Work, wholly or in part, due to the failure of the Local Agency or its Contractor to correct conditions which are unsafe for workers or for such periods as the State may deem necessary due to unsuitable weather, or for conditions considered unsuitable for the prosecution of the Work, or for any other condition or reason deemed by the State to be in the public interest.
- b) The Local Agency shall be responsible for the following:
 - (1) Appointing a qualified professional engineer, licensed in the State of Colorado, as the Local Agency Project Engineer (LAPE), to perform engineering administration. The LAPE shall administer the Work in accordance with this Agreement, the requirements of the construction contract and applicable State procedures.
 - (2) For the construction of the Work, advertising the call for bids upon approval by the State and awarding the construction contract(s) to the low responsible bidder(s).
 - (a) All advertising and bid awards, pursuant to this agreement, by the Local Agency shall comply with applicable requirements of 23 U.S.C. §112 and 23 C.F.R. Parts 633 and 635 and C.R.S. § 24-92-101 et seq. Those requirements include, without limitation, that the Local Agency and its Contractor shall incorporate Form 1273 (**Exhibit I**) in its entirety verbatim into any subcontract(s) for those services as terms and conditions therefore, as required by 23 C.F.R. 633.102(e).
 - (b) The Local Agency may accept or reject the proposal of the apparent low bidder for Work on which competitive bids have been received. The Local Agency must accept or reject such bid within three (3) working days after they are publicly opened.
 - (c) As part of accepting bid awards, the Local Agency shall provide additional funds, subject to their availability and appropriation, necessary to complete the Work if no additional federal-aid funds are available.
 - (3) The requirements of this §6(D)(iii)(c)(2) also apply to any advertising and awards made by the State.
 - (4) If all or part of the Work is to be accomplished by the Local Agency's personnel (i.e. by force account) rather than by a competitive bidding process, the Local Agency shall perform such work in accordance with pertinent State specifications and requirements of 23 C.F.R. 635, Subpart B, Force Account Construction.
 - (a) Such Work will normally be based upon estimated quantities and firm unit prices agreed to between the Local Agency, the State and FHWA in advance of the Work, as provided for in 23 C.F.R. 635.204(c). Such agreed unit prices shall constitute a commitment as to the value of the Work to be performed.
 - (b) An alternative to the preceding subsection is that the Local Agency may agree to participate in the Work based on actual costs of labor, equipment rental, materials supplies and supervision necessary to complete the Work. Where actual costs are used, eligibility of cost items shall be evaluated for compliance with 48 C.F.R. Part 31.

- (c) If the State provides matching funds under this Agreement, rental rates for publicly owned equipment shall be determined in accordance with the State's Standard Specifications for Road and Bridge Construction §109.04.
- (d) All Work being paid under force account shall have prior approval of the State and/or FHWA and shall not be initiated until the State has issued a written notice to proceed.

E. State's Commitments

- a) The State will perform a final project inspection of the Work as a quality control/assurance activity. When all Work has been satisfactorily completed, the State will sign the FHWA Form 1212.
- b) Notwithstanding any consents or approvals given by the State for the Plans, the State shall not be liable or responsible in any manner for the structural design, details or construction of any major structures designed by, or that are the responsibility of, the Local Agency as identified in the Local Agency Contract Administration Checklist, **Exhibit E**.

F. ROW and Acquisition/Relocation

- a) If the Local Agency purchases a right of way for a State highway, including areas of influence, the Local Agency shall immediately convey title to such right of way to CDOT after the Local Agency obtains title.
- b) Any acquisition/relocation activities shall comply with all applicable federal and state statutes and regulations, including but not limited to the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 as amended and the Uniform Relocation Assistance and Real Property Acquisition Policies for Federal and Federally Assisted Programs as amended (49 C.F.R. Part 24), CDOT's Right of Way Manual, and CDOT's Policy and Procedural Directives.
- c) The Parties' respective compliance responsibilities depend on the level of federal participation; provided however, that the State always retains Oversight responsibilities.
- d) The Parties' respective responsibilities under each level in CDOT's Right of Way Manual (located at http://www.dot.state.co.us/ROW_Manual/) and reimbursement for the levels will be under the following categories:
 - (1) Right of way acquisition (3111) for federal participation and non-participation;
 - (2) Relocation activities, if applicable (3109);
 - (3) Right of way incidentals, if applicable (expenses incidental to acquisition/relocation of right of way – 3114).

G. Utilities

If necessary, the Local Agency shall be responsible for obtaining the proper clearance or approval from any utility company which may become involved in the Work. Prior to the Work being advertised for bids, the Local Agency shall certify in writing to the State that all such clearances have been obtained.

- a) Railroads

If the Work involves modification of a railroad company's facilities and such modification will be accomplished by the railroad company, the Local Agency shall make timely application to the Public Utilities commission requesting its order providing for the installation of the proposed improvements and not proceed with that part of the Work without compliance. The Local Agency shall also establish contact with the railroad company involved for the purpose of complying with applicable provisions of 23 C.F.R. 646, subpart B, concerning federal-aid projects involving railroad facilities and:
- b) Execute an agreement setting out what work is to be accomplished and the location(s) thereof, and which costs shall be eligible for federal participation.
- c) Obtain the railroad's detailed estimate of the cost of the Work.
- d) Establish future maintenance responsibilities for the proposed installation.
- e) Proscribe future use or dispositions of the proposed improvements in the event of abandonment or elimination of a grade crossing.
- f) Establish future repair and/or replacement responsibilities in the event of accidental destruction or damage to the installation.

H. Environmental Obligations

The Local Agency shall perform all Work in accordance with the requirements of the current federal and state environmental regulations including the National Environmental Policy Act of 1969 (NEPA) as applicable.

I. Maintenance Obligations

The Local Agency shall maintain and operate the Work constructed under this Agreement at its own cost and expense during their useful life, in a manner satisfactory to the State and FHWA, and the Local Agency shall provide for such maintenance and operations obligations each year. Such maintenance and operations shall be conducted in accordance with all applicable statutes, ordinances and regulations pertaining to maintaining such improvements. The State and FHWA may make periodic inspections to verify that such improvements are being adequately maintained.

7. OPTION LETTER MODIFICATION

An option letter may be used to add a phase without increasing total budgeted funds, increase or decrease the encumbrance amount as shown on **Exhibit C**, and/or transfer funds from one phase to another. Option letter modification is limited to the specific scenarios listed below. The option letter shall not be deemed valid until signed by the State Controller or an authorized delegate.

A. Option to add a phase and/or increase or decrease the total encumbrance amount.

The State may require the Local Agency to begin a phase that may include Design, Construction, Environmental, Utilities, ROW Incidentals or Miscellaneous (this does not apply to Acquisition/Relocation or Railroads) as detailed in **Exhibit A** and at the same terms and conditions stated in the original Agreement, with the total budgeted funds remaining the same. The State may simultaneously increase and/or decrease the total encumbrance amount by replacing the original funding exhibit (**Exhibit C**) in the original Agreement with an updated **Exhibit C-1** (subsequent exhibits to **Exhibit C-1** shall be labeled **C-2**, **C-3**, etc.). The State may exercise this option by providing a fully executed option to the Local Agency within thirty (30) days before the initial targeted start date of the phase, in a form substantially equivalent to **Exhibit D**. If the State exercises this option, the Agreement will be considered to include this option provision.

B. Option to transfer funds from one phase to another phase.

The State may require or permit the Local Agency to transfer funds from one phase (Design, Construction, Environmental, Utilities, ROW Incidentals or Miscellaneous) to another as a result of changes to state, federal, and local match. The original funding exhibit (**Exhibit C**) in the original Agreement will be replaced with an updated **Exhibit C-1** (subsequent exhibits to **Exhibit C-1** shall be labeled **C-2**, **C-3**, etc.) and attached to the option letter. The funds transferred from one phase to another are subject to the same terms and conditions stated in the original Agreement with the total budgeted funds remaining the same. The State may unilaterally exercise this option by providing a fully executed option to the Local Agency within thirty (30) days before the initial targeted start date of the phase, in a form substantially equivalent to **Exhibit D**. Any transfer of funds from one phase to another is limited to an aggregate maximum of 24.99% of the original dollar amount of either phase affected by a transfer. A bilateral amendment is required for any transfer exceeding 24.99% of the original dollar amount of the phase affected by the increase or decrease.

C. Option to do both Options A and B.

The State may require the Local Agency to add a phase as detailed in **Exhibit A**, and encumber and transfer funds from one phase to another. The original funding exhibit (**Exhibit C**) in the original Agreement will be replaced with an updated **Exhibit C-1** (subsequent exhibits to **Exhibit C-1** shall be labeled **C-2**, **C-3**, etc.) and attached to the option letter. The addition of a phase and encumbrance and transfer of funds are subject to the same terms and conditions stated in the original Agreement with the total budgeted funds remaining the same. The State may unilaterally exercise this option by providing a fully executed option to the Local Agency within thirty (30) days before the initial targeted start date of the phase, in a form substantially equivalent to **Exhibit D**.

8. PAYMENTS

The State shall, in accordance with the provisions of this §8, pay the Local Agency in the amounts and using the methods set forth below:

A. Maximum Amount

The maximum amount payable is set forth in **Exhibit C** as determined by the State from available funds. Payments to the Local Agency are limited to the unpaid encumbered balance of the Contract set forth in **Exhibit C**. The Local Agency shall provide its match share of the costs as evidenced by an appropriate ordinance/resolution or other authority letter which expressly authorizes the Local Agency the authority to

enter into this Agreement and to expend its match share of the Work. A copy of such ordinance/resolution or authority letter is attached hereto as **Exhibit B**.

B. Payment

i. Advance, Interim and Final Payments

Any advance payment allowed under this Contract or in **Exhibit C** shall comply with State Fiscal Rules and be made in accordance with the provisions of this Contract or such Exhibit. The Local Agency shall initiate any payment requests by submitting invoices to the State in the form and manner approved by the State.

ii. Interest

The State shall fully pay each invoice within 45 days of receipt thereof if the amount invoiced represents performance by the Local Agency previously accepted by the State. Uncontested amounts not paid by the State within 45 days shall bear interest on the unpaid balance beginning on the 46th day at a rate not to exceed one percent per month until paid in full; provided, however, that interest shall not accrue on unpaid amounts that are subject to a good faith dispute. The Local Agency shall invoice the State separately for accrued interest on delinquent amounts. The billing shall reference the delinquent payment, the number of days interest to be paid and the interest rate.

iii. Available Funds-Contingency-Termination

The State is prohibited by law from making commitments beyond the term of the State's current fiscal year. Therefore, the Local Agency's compensation beyond the State's current Fiscal Year is contingent upon the continuing availability of State appropriations as provided in the Colorado Special Provisions. The State's performance hereunder is also contingent upon the continuing availability of federal funds. Payments pursuant to this Contract shall be made only from available funds encumbered for this Contract and the State's liability for such payments shall be limited to the amount remaining of such encumbered funds. If State or federal funds are not appropriated, or otherwise become unavailable to fund this Contract, the State may terminate this Contract immediately, in whole or in part, without further liability in accordance with the provisions hereof.

iv. Erroneous Payments

At the State's sole discretion, payments made to the Local Agency in error for any reason, including, but not limited to overpayments or improper payments, and unexpended or excess funds received by the Local Agency, may be recovered from the Local Agency by deduction from subsequent payments under this Contract or other contracts, Agreements or agreements between the State and the Local Agency or by other appropriate methods and collected as a debt due to the State. Such funds shall not be paid to any party other than the State.

C. Use of Funds

Contract Funds shall be used only for eligible costs identified herein.

D. Matching Funds

The Local Agency shall provide matching funds as provided in **§8.A.** and **Exhibit C**. The Local Agency shall have raised the full amount of matching funds prior to the Effective Date and shall report to the State regarding the status of such funds upon request. The Local Agency's obligation to pay all or any part of any matching funds, whether direct or contingent, only extend to funds duly and lawfully appropriated for the purposes of this Agreement by the authorized representatives of the Local Agency and paid into the Local Agency's treasury. The Local Agency represents to the State that the amount designated "Local Agency Matching Funds" in **Exhibit C** has been legally appropriated for the purpose of this Agreement by its authorized representatives and paid into its treasury. The Local Agency does not by this Agreement irrevocably pledge present cash reserves for payments in future fiscal years, and this Agreement is not intended to create a multiple-fiscal year debt of the Local Agency. The Local Agency shall not pay or be liable for any claimed interest, late charges, fees, taxes or penalties of any nature, except as required by the Local Agency's laws or policies.

E. Reimbursement of Local Agency Costs

The State shall reimburse the Local Agency's allowable costs, not exceeding the maximum total amount described in **Exhibit C** and **§8**. The applicable principles described in 49 C.F.R. 18 Subpart C and 49 C.F.R. 18.22 shall govern the State's obligation to reimburse all costs incurred by the Local Agency and submitted to the State for reimbursement hereunder, and the Local Agency shall comply with all such principles. The

State shall reimburse the Local Agency for the federal-aid share of properly documented costs related to the Work after review and approval thereof, subject to the provisions of this Agreement and Exhibit C. However, any costs incurred by the Local Agency prior to the date of FHWA authorization for the Work and prior to the Effective Date shall not be reimbursed absent specific FHWA and State Controller approval thereof. Costs shall be:

i. Reasonable and Necessary

Reasonable and necessary to accomplish the Work and for the Goods and Services provided.

ii. Net Cost

Actual net cost to the Local Agency (i.e. the price paid minus any items of value received by the Local Agency that reduce the cost actually incurred).

9. ACCOUNTING

The Local Agency shall establish and maintain accounting systems in accordance with generally accepted accounting standards (a separate set of accounts, or as a separate and integral part of its current accounting scheme). Such accounting systems shall, at a minimum, provide as follows:

A. Local Agency Performing the Work

If Local Agency is performing the Work, all allowable costs, including any approved services contributed by the Local Agency or others, shall be documented using payrolls, time records, invoices, contracts, vouchers, and other applicable records.

B. Local Agency-Checks or Draws

Checks issued or draws made by the Local Agency shall be made or drawn against properly signed vouchers detailing the purpose thereof. All checks, payrolls, invoices, contracts, vouchers, orders, and other accounting documents shall be on file in the office of the Local Agency, clearly identified, readily accessible, and to the extent feasible, kept separate and apart from all other Work documents.

C. State-Administrative Services

The State may perform any necessary administrative support services required hereunder. The Local Agency shall reimburse the State for the costs of any such services from the Budget as provided for in Exhibit C. If FHWA funding is not available or is withdrawn, or if the Local Agency terminates this Agreement prior to the Work being approved or completed, then all actual incurred costs of such services and assistance provided by the State shall be the Local Agency's sole expense.

D. Local Agency-Invoices

The Local Agency's invoices shall describe in detail the reimbursable costs incurred by the Local Agency for which it seeks reimbursement, the dates such costs were incurred and the amounts thereof, and shall not be submitted more often than monthly.

E. Invoicing Within 60 Days

The State shall not be liable to reimburse the Local Agency for any costs unless CDOT receives such invoices within 60 days after the date for which payment is requested, including final invoicing. Final payment to the Local Agency may be withheld at the discretion of the State until completion of final audit. Any costs incurred by the Local Agency that are not allowable under 49 C.F.R. 18 shall be reimbursed by the Local Agency, or the State may offset them against any payments due from the State to the Local Agency.

F. Reimbursement of State Costs

CDOT shall perform Oversight and the Local Agency shall reimburse CDOT for its related costs. The Local Agency shall pay invoices within 60 days after receipt thereof. If the Local Agency fails to remit payment within 60 days, at CDOT's request, the State is authorized to withhold an equal amount from future apportionment due the Local Agency from the Highway Users Tax Fund and to pay such funds directly to CDOT. Interim funds shall be payable from the State Highway Supplementary Fund (400) until CDOT is reimbursed. If the Local Agency fails to make payment within 60 days, it shall pay interest to the State at a rate of one percent per month on the delinquent amounts until the billing is paid in full. CDOT's invoices shall describe in detail the reimbursable costs incurred, the dates incurred and the amounts thereof, and shall not be submitted more often than monthly.

10. REPORTING - NOTIFICATION

Reports, Evaluations, and Reviews required under this **§10** shall be in accordance with the procedures of and in such form as prescribed by the State and in accordance with **§18**, if applicable.

A. Performance, Progress, Personnel, and Funds

The Local Agency shall submit a report to the State upon expiration or sooner termination of this Agreement, containing an Evaluation and Review of the Local Agency's performance and the final status of the Local Agency's obligations hereunder.

B. Litigation Reporting

Within 10 days after being served with any pleading related to this Agreement, in a legal action filed with a court or administrative agency, the Local Agency shall notify the State of such action and deliver copies of such pleadings to the State's principal representative as identified herein. If the State or its principal representative is not then serving, such notice and copies shall be delivered to the Executive Director of CDOT.

C. Noncompliance

The Local Agency's failure to provide reports and notify the State in a timely manner in accordance with this **§10** may result in the delay of payment of funds and/or termination as provided under this Agreement.

D. Documents

Upon request by the State, the Local Agency shall provide the State, or its authorized representative, copies of all documents, including contracts and subcontracts, in its possession related to the Work.

11. LOCAL AGENCY RECORDS

A. Maintenance

The Local Agency shall make, keep, maintain, and allow inspection and monitoring by the State of a complete file of all records, documents, communications, notes and other written materials, electronic media files, and communications, pertaining in any manner to the Work or the delivery of Services (including, but not limited to the operation of programs) or Goods hereunder. The Local Agency shall maintain such records until the last to occur of the following: (i) a period of three years after the date this Agreement is completed or terminated, or (ii) three years after final payment is made hereunder, whichever is later, or (iii) for such further period as may be necessary to resolve any pending matters, or (iv) if an audit is occurring, or the Local Agency has received notice that an audit is pending, then until such audit has been completed and its findings have been resolved (collectively, the "Record Retention Period").

B. Inspection

The Local Agency shall permit the State, the federal government and any other duly authorized agent of a governmental agency to audit, inspect, examine, excerpt, copy and/or transcribe the Local Agency's records related to this Agreement during the Record Retention Period to assure compliance with the terms hereof or to evaluate the Local Agency's performance hereunder. The State reserves the right to inspect the Work at all reasonable times and places during the term of this Agreement, including any extension. If the Work fails to conform to the requirements of this Agreement, the State may require the Local Agency promptly to bring the Work into conformity with Agreement requirements, at the Local Agency's sole expense. If the Work cannot be brought into conformance by re-performance or other corrective measures, the State may require the Local Agency to take necessary action to ensure that future performance conforms to Agreement requirements and may exercise the remedies available under this Agreement at law or in equity in lieu of or in conjunction with such corrective measures.

C. Monitoring

The Local Agency also shall permit the State, the federal government or any other duly authorized agent of a governmental agency, in their sole discretion, to monitor all activities conducted by the Local Agency pursuant to the terms of this Agreement using any reasonable procedure, including, but not limited to: internal evaluation procedures, examination of program data, special analyses, on-site checking, formal audit examinations, or any other procedures. All such monitoring shall be performed in a manner that shall not unduly interfere with the Local Agency's performance hereunder.

D. Final Audit Report

If an audit is performed on the Local Agency's records for any fiscal year covering a portion of the term of this Agreement, the Local Agency shall submit a copy of the final audit report to the State or its principal representative at the address specified herein.

12. CONFIDENTIAL INFORMATION-STATE RECORDS

The Local Agency shall comply with the provisions of this §12 if it becomes privy to confidential information in connection with its performance hereunder. Confidential information, includes, but is not necessarily limited to, state records, personnel records, and information concerning individuals. Nothing in this §12 shall be construed to require the Local Agency to violate the Colorado Open Records Act, C.R.S. § 24-72-101 et seq.

A. Confidentiality

The Local Agency shall keep all State records and information confidential at all times and to comply with all laws and regulations concerning confidentiality of information. Any request or demand by a third party for State records and information in the possession of the Local Agency shall be immediately forwarded to the State's principal representative.

B. Notification

The Local Agency shall notify its agents, employees, and assigns who may come into contact with State records and confidential information that each is subject to the confidentiality requirements set forth herein, and shall provide each with a written explanation of such requirements before they are permitted to access such records and information.

C. Use, Security, and Retention

Confidential information of any kind shall not be distributed or sold to any third party or used by the Local Agency or its agents in any way, except as authorized by the Agreement and as approved by the State. The Local Agency shall provide and maintain a secure environment that ensures confidentiality of all State records and other confidential information wherever located. Confidential information shall not be retained in any files or otherwise by the Local Agency or its agents, except as set forth in this Agreement and approved by the State.

D. Disclosure-Liability

Disclosure of State records or other confidential information by the Local Agency for any reason may be cause for legal action by third parties against the Local Agency, the State or their respective agents. The Local Agency is prohibited from providing indemnification to the State pursuant to the Constitution of the State of Colorado, Article XI, Section 1, however, the Local Agency shall be responsible for any and all claims, damages, liability and court awards including costs, expenses, and attorney fees and related costs, incurred as a result of any act or omission by the Local Agency, or its employees, agents, or assignees pursuant to this §12.

13. CONFLICT OF INTEREST

The Local Agency shall not engage in any business or personal activities or practices or maintain any relationships which conflict in any way with the full performance of the Local Agency's obligations hereunder. The Local Agency acknowledges that with respect to this Agreement even the appearance of a conflict of interest is harmful to the State's interests. Absent the State's prior written approval, the Local Agency shall refrain from any practices, activities or relationships that reasonably appear to be in conflict with the full performance of the Local Agency's obligations to the State hereunder. If a conflict or appearance exists, or if the Local Agency is uncertain whether a conflict or the appearance of a conflict of interest exists, the Local Agency shall submit to the State a disclosure statement setting forth the relevant details for the State's consideration. Failure to promptly submit a disclosure statement or to follow the State's direction in regard to the apparent conflict constitutes a breach of this Agreement.

14. REPRESENTATIONS AND WARRANTIES

The Local Agency makes the following specific representations and warranties, each of which was relied on by the State in entering into this Agreement.

A. Standard and Manner of Performance

The Local Agency shall perform its obligations hereunder, including in accordance with the highest professional standard of care, skill and diligence and in the sequence and manner set forth in this Agreement.

B. Legal Authority – The Local Agency and the Local Agency's Signatory

The Local Agency warrants that it possesses the legal authority to enter into this Agreement and that it has taken all actions required by its procedures, by-laws, and/or applicable laws to exercise that authority, and to lawfully authorize its undersigned signatory to execute this Agreement, or any part thereof, and to bind the Local Agency to its terms. If requested by the State, the Local Agency shall provide the State with proof of the Local Agency's authority to enter into this Agreement within 15 days of receiving such request.

C. Licenses, Permits, Etc.

The Local Agency represents and warrants that as of the Effective Date it has, and that at all times during the term hereof it shall have, at its sole expense, all licenses, certifications, approvals, insurance, permits, and other authorization required by law to perform its obligations hereunder. The Local Agency warrants that it shall maintain all necessary licenses, certifications, approvals, insurance, permits, and other authorizations required to properly perform this Agreement, without reimbursement by the State or other adjustment in Agreement Funds. Additionally, all employees and agents of the Local Agency performing Services under this Agreement shall hold all required licenses or certifications, if any, to perform their responsibilities. The Local Agency, if a foreign corporation or other foreign entity transacting business in the State of Colorado, further warrants that it currently has obtained and shall maintain any applicable certificate of authority to transact business in the State of Colorado and has designated a registered agent in Colorado to accept service of process. Any revocation, withdrawal or non-renewal of licenses, certifications, approvals, insurance, permits or any such similar requirements necessary for the Local Agency to properly perform the terms of this Agreement shall be deemed to be a material breach by the Local Agency and constitute grounds for termination of this Agreement.

15. INSURANCE

The Local Agency and its contractors shall obtain and maintain insurance as specified in this section at all times during the term of this Agreement: All policies evidencing the insurance coverage required hereunder shall be issued by insurance companies satisfactory to the Local Agency and the State.

A. The Local Agency

i. Public Entities

If the Local Agency is a "public entity" within the meaning of the Colorado Governmental Immunity Act, CRS §24-10-101, et seq., as amended (the "GIA"), then the Local Agency shall maintain at all times during the term of this Agreement such liability insurance, by commercial policy or self-insurance, as is necessary to meet its liabilities under the GIA. The Local Agency shall show proof of such insurance satisfactory to the State, if requested by the State. The Local Agency shall require each Agreement with their Consultant and Contractor, that are providing Goods or Services hereunder, to include the insurance requirements necessary to meet Consultant or Contractor liabilities under the GIA.

ii. Non-Public Entities

If the Local Agency is not a "public entity" within the meaning of the Governmental Immunity Act, the Local Agency shall obtain and maintain during the term of this Agreement insurance coverage and policies meeting the same requirements set forth in §15(B) with respect to sub-contractors that are not "public entities".

B. Contractors

The Local Agency shall require each contract with Contractors, Subcontractors, or Consultants, other than those that are public entities, providing Goods or Services in connection with this Agreement, to include insurance requirements substantially similar to the following:

i. Worker's Compensation

Worker's Compensation Insurance as required by State statute, and Employer's Liability Insurance covering all of the Local Agency's Contractors, Subcontractors, or Consultant's employees acting within the course and scope of their employment.

ii. General Liability

Commercial General Liability Insurance written on ISO occurrence form CG 00 01 10/93 or equivalent, covering premises operations, fire damage, independent contractors, products and completed operations, blanket liability, personal injury, and advertising liability with minimum limits as follows: (a) \$1,000,000 each occurrence; (b) \$1,000,000 general aggregate; (c) \$1,000,000 products and completed operations aggregate; and (d) \$50,000 any one fire. If any aggregate limit is reduced below \$1,000,000 because of claims made or paid, contractors, subcontractors, and consultants shall immediately obtain

additional insurance to restore the full aggregate limit and furnish to the Local Agency a certificate or other document satisfactory to the Local Agency showing compliance with this provision.

iii. Automobile Liability

Automobile Liability Insurance covering any auto (including owned, hired and non-owned autos) with a minimum limit of \$1,000,000 each accident combined single limit.

iv. Additional Insured

The Local Agency and the State shall be named as additional insured on the Commercial General Liability policies (leases and construction contracts require additional insured coverage for completed operations on endorsements CG 2010 11/85, CG 2037, or equivalent).

v. Primacy of Coverage

Coverage required of the Consultants or Contractors shall be primary over any insurance or self-insurance program carried by the Local Agency or the State.

vi. Cancellation

The above insurance policies shall include provisions preventing cancellation or non-renewal without at least 45 days prior notice to the Local Agency and the State by certified mail.

vii. Subrogation Waiver

All insurance policies in any way related to this Agreement and secured and maintained by the Local Agency's Consultants or Contractors as required herein shall include clauses stating that each carrier shall waive all rights of recovery, under subrogation or otherwise, against the Local Agency or the State, its agencies, institutions, organizations, officers, agents, employees, and volunteers.

C. Certificates

The Local Agency and all Contractors, subcontractors, or Consultants shall provide certificates showing insurance coverage required hereunder to the State within seven business days of the Effective Date of this Agreement. No later than 15 days prior to the expiration date of any such coverage, the Local Agency and each contractor, subcontractor, or consultant shall deliver to the State or the Local Agency certificates of insurance evidencing renewals thereof. In addition, upon request by the State at any other time during the term of this Agreement or any sub-contract, the Local Agency and each contractor, subcontractor, or consultant shall, within 10 days of such request, supply to the State evidence satisfactory to the State of compliance with the provisions of this **§15**.

16. DEFAULT-BREACH

A. Defined

In addition to any breaches specified in other sections of this Agreement, the failure of either Party to perform any of its material obligations hereunder in whole or in part or in a timely or satisfactory manner constitutes a breach.

B Notice and Cure Period

In the event of a breach, notice of such shall be given in writing by the aggrieved Party to the other Party in the manner provided in **§18**. If such breach is not cured within 30 days of receipt of written notice, or if a cure cannot be completed within 30 days, or if cure of the breach has not begun within 30 days and pursued with due diligence, the State may exercise any of the remedies set forth in **§17**. Notwithstanding anything to the contrary herein, the State, in its sole discretion, need not provide advance notice or a cure period and may immediately terminate this Agreement in whole or in part if reasonably necessary to preserve public safety or to prevent immediate public crisis.

17. REMEDIES

If the Local Agency is in breach under any provision of this Agreement, the State shall have all of the remedies listed in this **§17** in addition to all other remedies set forth in other sections of this Agreement following the notice and cure period set forth in **§16(B)**. The State may exercise any or all of the remedies available to it, in its sole discretion, concurrently or consecutively.

A. Termination for Cause and/or Breach

If the Local Agency fails to perform any of its obligations hereunder with such diligence as is required to ensure its completion in accordance with the provisions of this Agreement and in a timely manner, the State may notify the Local Agency of such non-performance in accordance with the provisions herein. If the Local Agency thereafter fails to promptly cure such non-performance within the cure period, the State, at its option, may terminate this entire Agreement or such part of this Agreement as to which there has been delay or a

failure to properly perform. Exercise by the State of this right shall not be deemed a breach of its obligations hereunder. The Local Agency shall continue performance of this Agreement to the extent not terminated, if any.

i. Obligations and Rights

To the extent specified in any termination notice, the Local Agency shall not incur further obligations or render further performance hereunder past the effective date of such notice, and shall terminate outstanding orders and sub-Agreements with third parties. However, the Local Agency shall complete and deliver to the State all Work, Services and Goods not cancelled by the termination notice and may incur obligations as are necessary to do so within this Agreement's terms. At the sole discretion of the State, the Local Agency shall assign to the State all of the Local Agency's right, title, and interest under such terminated orders or sub-Agreements. Upon termination, the Local Agency shall take timely, reasonable and necessary action to protect and preserve property in the possession of the Local Agency in which the State has an interest. All materials owned by the State in the possession of the Local Agency shall be immediately returned to the State. All Work Product, at the option of the State, shall be delivered by the Local Agency to the State and shall become the State's property.

ii. Payments

The State shall reimburse the Local Agency only for accepted performance received up to the date of termination. If, after termination by the State, it is determined that the Local Agency was not in default or that the Local Agency's action or inaction was excusable, such termination shall be treated as a termination in the public interest and the rights and obligations of the Parties shall be the same as if this Agreement had been terminated in the public interest, as described herein.

iii. Damages and Withholding

Notwithstanding any other remedial action by the State, the Local Agency also shall remain liable to the State for any damages sustained by the State by virtue of any breach under this Agreement by the Local Agency and the State may withhold any payment to the Local Agency for the purpose of mitigating the State's damages, until such time as the exact amount of damages due to the State from the Local Agency is determined. The State may withhold any amount that may be due to the Local Agency as the State deems necessary to protect the State, including loss as a result of outstanding liens or claims of former lien holders, or to reimburse the State for the excess costs incurred in procuring similar goods or services. The Local Agency shall be liable for excess costs incurred by the State in procuring from third parties replacement Work, Services or substitute Goods as cover.

B. Early Termination in the Public Interest

The State is entering into this Agreement for the purpose of carrying out the public policy of the State of Colorado, as determined by its Governor, General Assembly, and/or Courts. If this Agreement ceases to further the public policy of the State, the State, in its sole discretion, may terminate this Agreement in whole or in part. Exercise by the State of this right shall not constitute a breach of the State's obligations hereunder. This subsection shall not apply to a termination of this Agreement by the State for cause or breach by the Local Agency, which shall be governed by §17(A) or as otherwise specifically provided for herein.

i. Method and Content

The State shall notify the Local Agency of the termination in accordance with §18, specifying the effective date of the termination and whether it affects all or a portion of this Agreement.

ii. Obligations and Rights

Upon receipt of a termination notice, the Local Agency shall be subject to and comply with the same obligations and rights set forth in §17(A)(i).

iii. Payments

If this Agreement is terminated by the State pursuant to this §17(B), the Local Agency shall be paid an amount which bears the same ratio to the total reimbursement under this Agreement as the Services satisfactorily performed bear to the total Services covered by this Agreement, less payments previously made. Additionally, if this Agreement is less than 60% completed, the State may reimburse the Local Agency for a portion of actual out-of-pocket expenses (not otherwise reimbursed under this Agreement) incurred by the Local Agency which are directly attributable to the uncompleted portion of the Local Agency's obligations hereunder; provided that the sum of any and all reimbursement shall not exceed the maximum amount payable to the Local Agency hereunder.

C. Remedies Not Involving Termination

The State, its sole discretion, may exercise one or more of the following remedies in addition to other remedies available to it:

i. Suspend Performance

Suspend the Local Agency's performance with respect to all or any portion of this Agreement pending necessary corrective action as specified by the State without entitling the Local Agency to an adjustment in price/cost or performance schedule. The Local Agency shall promptly cease performance and incurring costs in accordance with the State's directive and the State shall not be liable for costs incurred by the Local Agency after the suspension of performance under this provision.

ii. Withhold Payment

Withhold payment to the Local Agency until corrections in the Local Agency's performance are satisfactorily made and completed.

iii. Deny Payment

Deny payment for those obligations not performed that due to the Local Agency's actions or inactions cannot be performed or, if performed, would be of no value to the State; provided that any denial of payment shall be reasonably related to the value to the State of the obligations not performed.

iv. Removal

Demand removal of any of the Local Agency's employees, agents, or contractors whom the State deems incompetent, careless, insubordinate, unsuitable, or otherwise unacceptable, or whose continued relation to this Agreement is deemed to be contrary to the public interest or not in the State's best interest.

v. Intellectual Property

If the Local Agency infringes on a patent, copyright, trademark, trade secret or other intellectual property right while performing its obligations under this Agreement, the Local Agency shall, at the State's option (a) obtain for the State or the Local Agency the right to use such products and services; (b) replace any Goods, Services, or other product involved with non-infringing products or modify them so that they become non-infringing; or, (c) if neither of the foregoing alternatives are reasonably available, remove any infringing Goods, Services, or products and refund the price paid therefore to the State.

18. NOTICES and REPRESENTATIVES

Each individual identified below is the principal representative of the designating Party. All notices required to be given hereunder shall be hand delivered with receipt required or sent by certified or registered mail to such Party's principal representative at the address set forth below. In addition to but not in lieu of a hard-copy notice, notice also may be sent by e-mail to the e-mail addresses, if any, set forth below. Either Party may from time to time designate by written notice substitute addresses or persons to whom such notices shall be sent. Unless otherwise provided herein, all notices shall be effective upon receipt.

A. If to State:

CDOT Region: 04
Jake Schuch
Project Manager
10601 West 10th St
Greeley, CO 80634
970-350-2205

B. If to the Local Agency:

Shawn Fetzer
Project Manager
2525 W 1St St
LOVELAND, CO 80537
970-962-2636

19. RIGHTS IN DATA, DOCUMENTS, AND COMPUTER SOFTWARE

Any software, research, reports, studies, data, photographs, negatives or other documents, drawings, models, materials, or work product of any type, including drafts, prepared by the Local Agency in the performance of its obligations under this Agreement shall be the exclusive property of the State and all Work Product shall be delivered to the State by the Local Agency upon completion or termination hereof. The State's exclusive rights in such Work Product shall include, but not be limited to, the right to copy, publish, display, transfer, and prepare derivative works. The Local Agency shall not use, willingly allow, cause or permit such Work Product to be used for any purpose other than the performance of the Local Agency's obligations hereunder without the prior written consent of the State.

20. GOVERNMENTAL IMMUNITY

Notwithstanding any other provision to the contrary, nothing herein shall constitute a waiver, express or implied, of any of the immunities, rights, benefits, protection, or other provisions of the Colorado Governmental Immunity Act, CRS §24-10-101, et seq., as amended. Liability for claims for injuries to persons or property arising from the negligence of the State of Colorado, its departments, institutions, agencies, boards, officials, and employees and of the Local Agency is controlled and limited by the provisions of the Governmental Immunity Act and the risk management statutes, CRS §24-30-1501, et seq., as amended.

21. STATEWIDE CONTRACT MANAGEMENT SYSTEM

If the maximum amount payable to the Local Agency under this Agreement is \$100,000 or greater, either on the Effective Date or at any time thereafter, this §21 applies.

The Local Agency agrees to be governed, and to abide, by the provisions of CRS §24-102-205, §24-102-206, §24-103-601, §24-103.5-101 and §24-105-102 concerning the monitoring of vendor performance on state agreements/contracts and inclusion of agreement/contract performance information in a statewide contract management system.

The Local Agency's performance shall be subject to Evaluation and Review in accordance with the terms and conditions of this Agreement, State law, including CRS §24-103.5-101, and State Fiscal Rules, Policies and Guidance. Evaluation and Review of the Local Agency's performance shall be part of the normal Agreement administration process and the Local Agency's performance will be systematically recorded in the statewide Agreement Management System. Areas of Evaluation and Review shall include, but shall not be limited to quality, cost and timeliness. Collection of information relevant to the performance of the Local Agency's obligations under this Agreement shall be determined by the specific requirements of such obligations and shall include factors tailored to match the requirements of the Local Agency's obligations. Such performance information shall be entered into the statewide Contract Management System at intervals established herein and a final Evaluation, Review and Rating shall be rendered within 30 days of the end of the Agreement term. The Local Agency shall be notified following each performance Evaluation and Review, and shall address or correct any identified problem in a timely manner and maintain work progress.

Should the final performance Evaluation and Review determine that the Local Agency demonstrated a gross failure to meet the performance measures established hereunder, the Executive Director of the Colorado Department of Personnel and Administration (Executive Director), upon request by CDOT, and showing of good cause, may debar the Local Agency and prohibit the Local Agency from bidding on future Agreements. The Local Agency may contest the final Evaluation, Review and Rating by: **(a)** filing rebuttal statements, which may result in either removal or correction of the evaluation (CRS §24-105-102(6)), or **(b)** under CRS §24-105-102(6), exercising the debarment protest and appeal rights provided in CRS §§24-109-106, 107, 201 or 202, which may result in the reversal of the debarment and reinstatement of the Local Agency, by the Executive Director, upon showing of good cause.

22. FEDERAL REQUIREMENTS

The Local Agency and/or their contractors, subcontractors, and consultants shall at all times during the execution of this Agreement strictly adhere to, and comply with, all applicable federal and state laws, and their implementing regulations, as they currently exist and may hereafter be amended.

23. DISADVANTAGED BUSINESS ENTERPRISE (DBE)

The Local Agency will comply with all requirements of **Exhibit G** and the Local Agency Contract Administration Checklist regarding DBE requirements for the Work, except that if the Local Agency desires to use its own DBE program to implement and administer the DBE provisions of 49 C.F.R. Part 26 under this Agreement, it must submit a copy of its program's requirements to the State for review and approval before the execution of this Agreement. If the Local Agency uses any State- approved DBE program for this Agreement, the Local Agency shall be solely responsible to defend that DBE program and its use of that program against all legal and other challenges or complaints, at its sole cost and expense. Such responsibility includes, without limitation, determinations concerning DBE eligibility requirements and certification, adequate legal and factual bases for DBE goals and good faith efforts. State approval (if provided) of the Local Agency's DBE program does not waive or modify the sole responsibility of the Local Agency for use of its program.

24. DISPUTES

Except as otherwise provided in this Agreement, any dispute concerning a question of fact arising under this Agreement which is not disposed of by agreement shall be decided by the Chief Engineer of the Department of

Transportation. The decision of the Chief Engineer will be final and conclusive unless, within 30 calendar days after the date of receipt of a copy of such written decision, the Local Agency mails or otherwise furnishes to the State a written appeal addressed to the Executive Director of CDOT. In connection with any appeal proceeding under this clause, the Local Agency shall be afforded an opportunity to be heard and to offer evidence in support of its appeal. Pending final decision of a dispute hereunder, the Local Agency shall proceed diligently with the performance of this Agreement in accordance with the Chief Engineer's decision. The decision of the Executive Director or his duly authorized representative for the determination of such appeals shall be final and conclusive and serve as final agency action. This dispute clause does not preclude consideration of questions of law in connection with decisions provided for herein. Nothing in this Agreement, however, shall be construed as making final the decision of any administrative official, representative, or board on a question of law.

25. GENERAL PROVISIONS

A. Assignment

The Local Agency's rights and obligations hereunder are personal and may not be transferred, assigned or subcontracted without the prior written consent of the State. Any attempt at assignment, transfer, or subcontracting without such consent shall be void. All assignments and subcontracts approved by the Local Agency or the State are subject to all of the provisions hereof. The Local Agency shall be solely responsible for all aspects of subcontracting arrangements and performance.

B. Binding Effect

Except as otherwise provided in §25(A), all provisions herein contained, including the benefits and burdens, shall extend to and be binding upon the Parties' respective heirs, legal representatives, successors, and assigns.

C. Captions

The captions and headings in this Agreement are for convenience of reference only, and shall not be used to interpret, define, or limit its provisions.

D. Counterparts

This Agreement may be executed in multiple identical original counterparts, all of which shall constitute one agreement.

E. Entire Understanding

This Agreement represents the complete integration of all understandings between the Parties and all prior representations and understandings, oral or written, are merged herein. Prior or contemporaneous addition, deletion, or other amendment hereto shall not have any force or affect whatsoever, unless embodied herein.

F. Indemnification - General

If Local Agency is not a "public entity" within the meaning of the Colorado Governmental Immunity Act, CRS §24-10-101, et seq., the Local Agency shall indemnify, save, and hold harmless the State, its employees and agents, against any and all claims, damages, liability and court awards including costs, expenses, and attorney fees and related costs, incurred as a result of any act or omission by the Local Agency, or its employees, agents, subcontractors or assignees pursuant to the terms of this Agreement. This clause is not applicable to a Local Agency that is a "public entity" within the meaning of the Colorado Governmental Immunity Act, CRS §24-10-101, et seq.

G. Jurisdiction and Venue

All suits, actions, or proceedings related to this Agreement shall be held in the State of Colorado and exclusive venue shall be in the City and County of Denver.

H. Limitations of Liability

Any and all limitations of liability and/or damages in favor of the Local Agency contained in any document attached to and/or incorporated by reference into this Agreement, whether referred to as an exhibit, attachment, schedule, or any other name, are void and of no effect. This includes, but is not necessarily limited to, limitations on (i) the types of liabilities, (ii) the types of damages, (iii) the amount of damages, and (iv) the source of payment for damages.

I. Modification

- i. By the Parties

Except as specifically provided in this Agreement, modifications of this Agreement shall not be effective unless agreed to in writing by both parties in an amendment to this Agreement, properly executed and approved in accordance with applicable Colorado State law, State Fiscal Rules, and Office of the State Controller Policies, including, but not limited to, the policy entitled MODIFICATIONS OF AGREEMENTS - TOOLS AND FORMS.

ii. By Operation of Law

This Agreement is subject to such modifications as may be required by changes in Federal or Colorado State law, or their implementing regulations. Any such required modification automatically shall be incorporated into and be part of this Agreement on the effective date of such change, as if fully set forth herein

J. Order of Precedence

The provisions of this Agreement shall govern the relationship of the State and the Local Agency. In the event of conflicts or inconsistencies between this Agreement and its exhibits and attachments, such conflicts or inconsistencies shall be resolved by reference to the documents in the following order of priority:

- i. Colorado Special Provisions,
- ii. The provisions of the main body of this Agreement,
- iii. **Exhibit A** (Scope of Work),
- iv. **Exhibit B** (Local Agency Resolution),
- v. **Exhibit C** (Funding Provisions),
- vi. **Exhibit D** (Option Letter),
- vii. **Exhibit E** (Local Agency Contract Administration Checklist),
- viii. Other exhibits in descending order of their attachment.

K. Severability

Provided this Agreement can be executed and performance of the obligations of the Parties accomplished within its intent, the provisions hereof are severable and any provision that is declared invalid or becomes inoperable for any reason shall not affect the validity of any other provision hereof.

L. Survival of Certain Agreement Terms

Notwithstanding anything herein to the contrary, provisions of this Agreement requiring continued performance, compliance, or effect after termination hereof, shall survive such termination and shall be enforceable by the State if the Local Agency fails to perform or comply as required.

M. Taxes

The State is exempt from all federal excise taxes under IRC Chapter 32 (No. 84-730123K) and from all State and local government sales and use taxes under CRS §§39-26-101 and 201 et seq. Such exemptions apply when materials are purchased or services rendered to benefit the State; provided however, that certain political subdivisions (e.g., City of Denver) may require payment of sales or use taxes even though the product or service is provided to the State. The Local Agency shall be solely liable for paying such taxes as the State is prohibited from paying for or reimbursing the Local Agency for them

N. Third Party Beneficiaries

Enforcement of this Agreement and all rights and obligations hereunder are reserved solely to the Parties, and not to any third party. Any services or benefits which third parties receive as a result of this Agreement are incidental to the Agreement, and do not create any rights for such third parties.

O. Waiver

Waiver of any breach of a term, provision, or requirement of this Agreement, or any right or remedy hereunder, whether explicitly or by lack of enforcement, shall not be construed or deemed as a waiver of any subsequent breach of such term, provision or requirement, or of any other term, provision, or requirement.

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26. COLORADO SPECIAL PROVISIONS

The Special Provisions apply to all Agreements except where noted in italics.

A. CONTROLLER'S APPROVAL. CRS §24-30-202 (1).

This Agreement shall not be deemed valid until it has been approved by the Colorado State Controller or designee.

B. FUND AVAILABILITY. CRS §24-30-202(5.5).

Financial obligations of the State payable after the current fiscal year are contingent upon funds for that purpose being appropriated, budgeted, and otherwise made available.

C. GOVERNMENTAL IMMUNITY.

No term or condition of this Agreement shall be construed or interpreted as a waiver, express or implied, of any of the immunities, rights, benefits, protections, or other provisions, of the Colorado Governmental Immunity Act, CRS §24-10-101 et seq., or the Federal Tort Claims Act, 28 U.S.C. §§1346(b) and 2671 et seq., as applicable now or hereafter amended.

D. INDEPENDENT CONTRACTOR.

The Local Agency shall perform its duties hereunder as an independent contractor and not as an employee. Neither The Local Agency nor any agent or employee of The Local Agency shall be deemed to be an agent or employee of the State. The Local Agency and its employees and agents are not entitled to unemployment insurance or workers compensation benefits through the State and the State shall not pay for or otherwise provide such coverage for The Local Agency or any of its agents or employees. Unemployment insurance benefits shall be available to The Local Agency and its employees and agents only if such coverage is made available by The Local Agency or a third party. The Local Agency shall pay when due all applicable employment taxes and income taxes and local head taxes incurred pursuant to this Agreement. The Local Agency shall not have authorization, express or implied, to bind the State to any Agreement, liability or understanding, except as expressly set forth herein. The Local Agency shall (a) provide and keep in force workers' compensation and unemployment compensation insurance in the amounts required by law, (b) provide proof thereof when requested by the State, and (c) be solely responsible for its acts and those of its employees and agents.

E. COMPLIANCE WITH LAW.

The Local Agency shall strictly comply with all applicable federal and State laws, rules, and regulations in effect or hereafter established, including, without limitation, laws applicable to discrimination and unfair employment practices.

F. CHOICE OF LAW.

Colorado law, and rules and regulations issued pursuant thereto, shall be applied in the interpretation, execution, and enforcement of this Agreement. Any provision included or incorporated herein by reference which conflicts with said laws, rules, and regulations shall be null and void. Any provision incorporated herein by reference which purports to negate this or any other Special Provision in whole or in part shall not be valid or enforceable or available in any action at law, whether by way of complaint, defense, or otherwise. Any provision rendered null and void by the operation of this provision shall not invalidate the remainder of this Agreement, to the extent capable of execution.

G. BINDING ARBITRATION PROHIBITED.

The State of Colorado does not agree to binding arbitration by any extra-judicial body or person. Any provision to the contrary in this contract or incorporated herein by reference shall be null and void.

H. SOFTWARE PIRACY PROHIBITION. Governor's Executive Order D 002 00.

State or other public funds payable under this Agreement shall not be used for the acquisition, operation, or maintenance of computer software in violation of federal copyright laws or applicable licensing restrictions. The Local Agency hereby certifies and warrants that, during the term of this Agreement and any extensions, The Local Agency has and shall maintain in place appropriate systems and controls to prevent such improper use of public funds. If the State determines that The Local Agency is in violation of this provision, the State may exercise any remedy available at law or in equity or under this Agreement, including, without limitation,

immediate termination of this Agreement and any remedy consistent with federal copyright laws or applicable licensing restrictions.

I. EMPLOYEE FINANCIAL INTEREST. CRS §§24-18-201 and 24-50-507.

The signatories aver that to their knowledge, no employee of the State has any personal or beneficial interest whatsoever in the service or property described in this Agreement. The Local Agency has no interest and shall not acquire any interest, direct or indirect, that would conflict in any manner or degree with the performance of The Local Agency's services and The Local Agency shall not employ any person having such known interests.

J. VENDOR OFFSET. CRS §§24-30-202 (1) and 24-30-202.4.

[Not Applicable to intergovernmental agreements]. Subject to CRS §24-30-202.4 (3.5), the State Controller may withhold payment under the State's vendor offset intercept system for debts owed to State agencies for: (a) unpaid child support debts or child support arrearages; (b) unpaid balances of tax, accrued interest, or other charges specified in CRS §39-21-101, et seq.; (c) unpaid loans due to the Student Loan Division of the Department of Higher Education; (d) amounts required to be paid to the Unemployment Compensation Fund; and (e) other unpaid debts owing to the State as a result of final agency determination or judicial action.

K. PUBLIC CONTRACTS FOR SERVICES. CRS §8-17.5-101.

[Not Applicable to Agreements relating to the offer, issuance, or sale of securities, investment advisory services or fund management services, sponsored projects, intergovernmental Agreements, or information technology services or products and services]. The Local Agency certifies, warrants, and agrees that it does not knowingly employ or contract with an illegal alien who shall perform work under this Agreement and shall confirm the employment eligibility of all employees who are newly hired for employment in the United States to perform work under this Agreement, through participation in the E-Verify Program or the State program established pursuant to CRS §8-17.5-102(5)(c). The Local Agency shall not knowingly employ or contract with an illegal alien to perform work under this Agreement or enter into a contract with a subcontractor that fails to certify to The Local Agency that the subcontractor shall not knowingly employ or contract with an illegal alien to perform work under this Agreement. The Local Agency (a) shall not use E-Verify Program or State program procedures to undertake pre-employment screening of job applicants while this Agreement is being performed, (b) shall notify the subcontractor and the contracting State agency within three days if The Local Agency has actual knowledge that a subcontractor is employing or contracting with an illegal alien for work under this Agreement, (c) shall terminate the subcontract if a subcontractor does not stop employing or contracting with the illegal alien within three days of receiving the notice, and (d) shall comply with reasonable requests made in the course of an investigation, undertaken pursuant to CRS §8-17.5-102(5), by the Colorado Department of Labor and Employment. If The Local Agency participates in the State program, The Local Agency shall deliver to the contracting State agency, Institution of Higher Education or political subdivision, a written, notarized affirmation, affirming that The Local Agency has examined the legal work status of such employee, and shall comply with all of the other requirements of the State program. If The Local Agency fails to comply with any requirement of this provision or CRS §8-17.5-101 et seq., the contracting State agency, institution of higher education or political subdivision may terminate this Agreement for breach and, if so terminated, The Local Agency shall be liable for damages.

L. PUBLIC CONTRACTS WITH NATURAL PERSONS. CRS §24-76.5-101.

The Local Agency, if a natural person eighteen (18) years of age or older, hereby swears and affirms under penalty of perjury that he or she (a) is a citizen or otherwise lawfully present in the United States pursuant to federal law, (b) shall comply with the provisions of CRS §24-76.5-101 et seq., and (c) has produced one form of identification required by CRS §24-76.5-103 prior to the effective date of this Agreement.

SPs Effective 1/1/09

THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK

27. SIGNATURE PAGE

THE PARTIES HERETO HAVE EXECUTED THIS AGREEMENT

* Persons signing for The Local Agency hereby swear and affirm that they are authorized to act on The Local Agency's behalf and acknowledge that the State is relying on their representations to that effect.

THE LOCAL AGENCY CITY OF LOVELAND Name: _____ (print name) Title: _____ (print title) _____ *Signature Date: _____	STATE OF COLORADO John W. Hickenlooper, GOVERNOR Colorado Department of Transportation Shailen P. Bhatt, Executive Director By: Joshua Laipply, P.E., Chief Engineer Date: _____
2nd Local Agency Signature if needed Name: _____ (print name) Title: _____ (print title) _____ *Signature Date: _____	LEGAL REVIEW Cynthia H. Coffman, Attorney General By: _____ Signature - Assistant Attorney General Date: _____

ALL AGREEMENTS REQUIRE APPROVAL BY THE STATE CONTROLLER

CRS §24-30-202 requires the State Controller to approve all State Agreements. This Agreement is not valid until signed and dated below by the State Controller or delegate. The Local Agency is not authorized to begin performance until such time. If The Local Agency begins performing prior thereto, the State of Colorado is not obligated to pay The Local Agency for such performance or for any goods and/or services provided hereunder.

STATE CONTROLLER Robert Jaros, CPA, MBA, JD By: _____ Colorado Department of Transportation Date: _____

28. EXHIBIT A – SCOPE OF WORK

The Colorado Department of Transportation (“CDOT”) will oversee the City of Loveland when City of Loveland designs and constructs the Taft Avenue Bridge Replacement and Widening (Hereinafter referred to as “this work”). CDOT and the City of Loveland believe it will be beneficial to perform this work because widening the bridge is consistent with the City of Loveland’s Master Plan and the existing structure is in poor condition. This work will be located on Taft Avenue between Gard Place and 11th Street. This work will consist of construction of a new bridge structure, pedestrian improvements, and utility work. This work will conform to the parameters articulated in the following: LRFD bridge design, the Americans with Disabilities Act, and all applicable state, federal and local rules and regulations. The design phase of the work is already underway. The design phase will identify more exact requirements, qualities, and attributes for this work (Herein after referred to as “the exact work”). The exact work shall be used to complete the construction phase of the project. The construction phase of the contract shall begin in the fall of 2016 and shall finish as soon as reasonably possible.

29. EXHIBIT B – LOCAL AGENCY RESOLUTION

LOCAL AGENCY
ORDINANCE
or
RESOLUTION

30. EXHIBIT C – FUNDING PROVISIONS**A. Cost of Work Estimate**

The Local Agency has estimated the total cost the Work which is to be funded as follows:

1 BUDGETED FUNDS			
a. Federal Funds (80.00% of Participating Costs)			\$736,000.00
b. Local Agency Matching Funds (20.00% of Participating Costs)			\$184,000.00
TOTAL BUDGETED FUNDS			\$920,000.00
2 ESTIMATED CDOT-INCURRED COSTS			
a. Federal Share (0% of Participating Costs)			\$0.00
b. Local Share			
Local Agency Share of Participating Costs	\$0.00		
Local Agency Share of Non-Participating Costs	\$0.00		
Estimated to be Billed to Local Agency			\$0.00
TOTAL ESTIMATED CDOT-INCURRED COSTS			\$0.00
3 ESTIMATED PAYMENT TO LOCAL AGENCY			
a. Federal Funds Budgeted (1a)			\$736,000.00
b. Less Estimated Federal Share of CDOT-Incurred Costs (2a)			\$0.00
c. State Funds Budgeted (1c)			\$0.00
TOTAL ESTIMATED PAYMENT TO LOCAL AGENCY			\$736,000.00
FOR CDOT ENCUMBRANCE PURPOSES			
<i>*Note - \$0.00 is currently available. Funds and/or Local Agency Overmatch will be added in the future either by Option Letter or Amendment.</i>			
Net to be encumbered as follows:			\$0.00
WBS Element 20888.20.10	Const.	3301	\$0.00

B. Matching Funds

The matching ratio for the federal participating funds for this Work is 80.00% federal-aid funds (CFDA #20 2050) to 20.00% Local Agency and State funds, it being understood that such ratio applies only to the \$920,000.00 that is eligible for federal participation, it being further understood that all non-participating costs are borne by the Local Agency at 100%. If the total participating cost of performance of the Work exceeds \$920,000.00 and additional federal funds are made available for the Work, the Local Agency shall pay 20.00% of all such costs eligible for federal participation and 100% of all non-participating costs; if additional federal funds are not made available, the Local Agency shall pay all such excess costs. If the total participating cost of performance of the Work is less than \$920,000.00, then the amounts of State and federal-aid funds will be decreased in accordance with the funding ratio described herein. The performance of the Work shall be at no cost to the State.

C. Maximum Amount Payable

The maximum amount payable to the Local Agency under this Agreement shall be \$736,000.00 (For CDOT accounting purposes, the federal funds of \$736,000.00, State funds of \$0.00, Local Agency matching funds of \$184,000.00, and Local Agency Overmatch funds of \$0.00 will be encumbered for a total encumbrance of \$920,000.00), unless such amount is increased by an appropriate written modification to this Agreement executed before any increased cost is incurred. ***** Note - \$0.00 is currently available. Funds and/or Local Agency Overmatch will be added in the future either by Option Letter or Amendment ***** It is understood and agreed by the parties hereto that the total cost of the Work stated hereinbefore is the best estimate available, based on the design data as approved at the time of execution of this Agreement, and that such cost is subject to revisions (in accord with the procedure in the previous sentence) agreeable to the parties prior to bid and award.

D. Single Audit Act Amendment

All state and local government and non-profit organization Sub-The Local Agencies receiving more than \$750,000 from all funding sources defined as federal financial assistance for Single Audit Act Amendment purposes, shall comply with the audit requirements of OMB Circular A-133 (Audits of States, Local Governments and Non-Profit Organizations) see also, 49 C.F.R. 18.20 through 18.26. The Single Audit Act Amendment requirements applicable to Sub-The Local Agencies receiving federal funds are as follows:

i. Expenditure less than \$750,000

If the Sub-The Local Agency expends less than \$750,000 in Federal funds (all federal sources, not just Highway funds) in its fiscal year then this requirement does not apply.

ii. Expenditure exceeding than \$750,000-Highway Funds Only

If the Sub-The Local Agency expends more than \$750,000 in Federal funds, but only received federal Highway funds (Catalog of Federal Domestic Assistance, CFDA 20.205) then a program specific audit shall be performed. This audit will examine the "financial" procedures and processes for this program area.

iii. Expenditure exceeding than \$750,000-Multiple Funding Sources

If the Sub-The Local Agency expends more than \$750,000 in Federal funds, and the Federal funds are from multiple sources (FTA, HUD, NPS, etc.) then the Single Audit Act applies, which is an audit on the entire organization/entity.

iv. Independent CPA

Single Audit shall only be conducted by an independent CPA, not by an auditor on staff. An audit is an allowable direct or indirect cost.

31. EXHIBIT D – OPTION LETTER

SAMPLE IGA OPTION LETTER

(This option has been created by the Office of the State Controller for CDOT use only)

NOTE: This option is limited to the specific contract scenarios listed below

AND may be used in place of exercising a formal amendment.

Date:	State Fiscal Year:	Option Letter No.	Option Letter CMS Routing #
			Option Letter SAP #
Original Contract CMS #		Original Contract SAP #	

Vendor name: _____

SUBJECT:

- A. Option to unilaterally authorize the Local Agency to begin a phase which may include Design, Construction, Environmental, Utilities, ROW incidentals or Miscellaneous ONLY (*does not apply to Acquisition/Relocation or Railroads*) and to update encumbrance amounts(a new Exhibit C must be attached with the option letter and shall be labeled C-1, future changes for this option shall be labeled as follows: C-2, C-3, C-4, etc.).
- B. Option to unilaterally transfer funds from one phase to another phase (a new Exhibit C must be attached with the option letter and shall be labeled C-1, future changes for this option shall be labeled as follows: C-2, C-3, C-4, etc.).
- C. Option to unilaterally do both A and B (a new Exhibit C must be attached with the option letter and shall be labeled C-1, future changes for this option shall be labeled as follows: C-2, C-3, C-4, etc.).

REQUIRED PROVISIONS:

Option A (Insert the following language for use with the Option A):

In accordance with the terms of the original Agreement (*insert CMS routing # of the original Agreement*) between the State of Colorado, Department of Transportation and (*insert the Local Agency's name here*), the State hereby exercises the option to authorize the Local Agency to begin a phase that will include (*describe which phase will be added and include all that apply – Design, Construction, Environmental, Utilities, ROW incidentals or Miscellaneous*) and to encumber previously budgeted funds for the phase based upon changes in funding availability and authorization. The encumbrance for (*Design, Construction, Environmental, Utilities, ROW incidentals or Miscellaneous*)is (*insert dollars here*). A new **Exhibit C-1** is made part of the original Agreement and replaces **Exhibit C**. (*The following is a NOTE only, please delete when using this option. Future changes for this option for Exhibit C shall be labled as follows: C-2, C-3, C-4, etc.*).

Option B (Insert the following language for use with Option B):

In accordance with the terms of the original Agreement (*insert CMS # of the original Agreement*) between the State of Colorado, Department of Transportation and (*insert the Local Agency's name here*), the State hereby exercises the option to transfer funds from (*describe phase from which funds will be moved*) to (*describe phase to which funds will be moved*) based on variance in actual phase costs and original phase estimates. A new **Exhibit C-1** is made part of the original Agreement and replaces **Exhibit C**. (*The following is a NOTE only so please delete when using this option: future changes for this option for Exhibit C shall be labeled as follows: C-2, C-3, C-4, etc.; and no more than 24.99% of any phase may be moved using this option letter. A transfer greater than 24.99% must be*

made using an formal amendment)..

Option C *(Insert the following language for use with Option C):*

In accordance with the terms of the original Agreement *(insert CMS routing # of original Agreement)* between the State of Colorado, Department of Transportation and *(insert the Local Agency's name here)*, the State hereby exercises the option to 1) release the Local Agency to begin a phase that will include *(describe which phase will be added and include all that apply – Design, Construction, Environmental, Utilities, ROW incidentals or Miscellaneous)*; 2) to encumber funds for the phase based upon changes in funding availability and authorization; and 3) to transfer funds from *(describe phase from which funds will be moved)* to *(describe phase to which funds will be moved)* based on variance in actual phase costs and original phase estimates. A new **Exhibit C-1** is made part of the original Agreement and replaces **Exhibit C**. *(The following is a NOTE only so please delete when using this option: future changes for this option for **Exhibit C** shall be labeled as follows: **C-2, C-3, C-4**, etc.; and no more than 24.99% of any phase may be moved using this option letter. A transfer greater than 24.99% must be made using an formal amendment).*

(The following language must be included on ALL options):

The total encumbrance as a result of this option and all previous options and/or amendments is now *(insert total encumbrance amount)*, as referenced in **Exhibit (C-1, C-2, etc., as appropriate)**. The total budgeted funds to satisfy services/goods ordered under the Agreement remains the same: *(indicate total budgeted funds)* as referenced in **Exhibit (C-1, C-2, etc., as appropriate)** of the original Agreement.

The effective date of this option letter is upon approval of the State Controller or delegate.

APPROVALS:

State of Colorado:

John W. Hickenlooper, Governor

By: _____ Date: _____
Executive Director, Colorado Department of Transportation

ALL CONTRACTS MUST BE APPROVED BY THE STATE CONTROLLER

CRS §24-30-202 requires the State Controller to approve all State Contracts. This Agreement is not valid until signed and dated below by the State Controller or delegate. Contractor is not authorized to begin performance until such time. If the Local Agency begins performing prior thereto, the State of Colorado is not obligated to pay the Local Agency for such performance or for any goods and/or services provided hereunder.

State Controller
Robert Jaros, CPA, MBA, JD

By: _____

Date: _____

Form Updated: December 19, 2012

32. EXHIBIT E – LOCAL AGENCY CONTRACT ADMINISTRATION CHECKLIST

COLORADO DEPARTMENT OF TRANSPORTATION LOCAL AGENCY CONTRACT ADMINISTRATION CHECKLIST			
Project No. BRO M830-088		STIP No.	Project Code 20888
			Region 04
Project Location Taft Ave Bridge over Big Barnes Ditch			Date 7/15/2015
Project Description Taft Ave Bridge over Big Barnes Ditch			
Local Agency City of Loveland		Local Agency Project Manager Shawn Fetzer	
CDOT Resident Engineer Long Nguyen		CDOT Project Manager Jake Schuch	
INSTRUCTIONS: This checklist shall be utilized to establish the contract administration responsibilities of the individual parties to this agreement. The checklist becomes an attachment to the Local Agency agreement. Section numbers correspond to the applicable chapters of the <i>CDOT Local Agency Manual</i>. The checklist shall be prepared by placing an "X" under the responsible party, opposite each of the tasks. The "X" denotes the party responsible for initiating and executing the task. When neither CDOT nor the Local Agency is responsible for a task, not applicable (NA) shall be noted. In addition, a "#" will denote that CDOT must concur or approve. Tasks that will be performed by Headquarters staff will be indicated. The Regions, in accordance with established policies and procedures, will determine who will perform all other tasks that are the responsibility of CDOT. The checklist shall be prepared by the CDOT Resident Engineer or the CDOT Project Manager, in cooperation with the Local Agency Project Manager, and submitted to the Region Program Engineer. If contract administration responsibilities change, the CDOT Resident Engineer, in cooperation with the Local Agency Project Manager, will prepare and distribute a revised checklist.			
NO.	DESCRIPTION OF TASK	RESPONSIBLE PARTY	
		LA	CDOT
TIP / STIP AND LONG-RANGE PLANS			
2-1	Review Project to ensure consistency with STIP and amendments thereto		X
FEDERAL FUNDING OBLIGATION AND AUTHORIZATION			
4-1	Authorize funding by phases (CDOT Form 418 - Federal-aid Program Data. Requires FHWA concurrence/involvement)		X
PROJECT DEVELOPMENT			
5-1	Prepare Design Data - CDOT Form 463		X
5-2	Prepare Local Agency/CDOT Inter-Governmental Agreement (see also Chapter 3)		X
5-3	Conduct Consultant Selection/Execute Consultant Agreement	X	
5-4	Conduct Design Scoping Review meeting	X	X
5-5	Conduct Public Involvement	X	
5-6	Conduct Field Inspection Review (FIR)	X	
5-7	Conduct Environmental Processes (may require FHWA concurrence/involvement)	X	X
5-8	Acquire Right-of-Way (may require FHWA concurrence/involvement)	X	#
5-9	Obtain Utility and Railroad Agreements	X	
5-10	Conduct Final Office Review (FOR)	X	
5-11	Justify Force Account Work by the Local Agency	X	#
5-12	Justify Proprietary, Sole Source, or Local Agency Furnished items	X	#
5-13	Document Design Exceptions - CDOT Form 464	X	#
5-14	Prepare Plans, Specifications and Construction Cost Estimates	X	#
5-15	Ensure Authorization of Funds for Construction		X

NO.	DESCRIPTION OF TASK	RESPONSIBLE PARTY	
		LA	CDOT
PROJECT DEVELOPMENT CIVIL RIGHTS AND LABOR COMPLIANCE			
6-1	Set Disadvantaged Business Enterprise (DBE) Goals for Consultant and Construction Contracts (CDOT Region EEO/Civil Rights Specialist)		X
6-2	Determine Applicability of Davis-Bacon Act This project ☐ is ☒ is not exempt from Davis-Bacon requirements as determined by the functional classification of the project location (Projects located on local roads and rural minor collectors may be exempt.) _____ Long Nguyen CDOT Resident Engineer(Signature on File) <u>7/15/2015</u> Date		X
6-3	Set On-the-Job Training Goals.		X
6-4	Title VI Assurances	X	
	Ensure the correct Federal Wage Decision, all required Disadvantaged Business Enterprise/On-the-Job Training special provisions and FHWA Form 1273 are included in the Contract (CDOT Resident Engineer)		X
ADVERTISE, BID AND AWARD			
7-1	Obtain Approval for Advertisement Period of Less Than Three Weeks	X	#
7-2	Advertise for Bids	X	
7-3	Distribute "Advertisement Set" of Plans and Specifications	X	
7-4	Review Worksite and Plan Details with Prospective Bidders While Project is Under Advertisement	X	
7-5	Open Bids	X	
7-6	Process Bids for Compliance	X	
	Check CDOT Form 1415 - Certificate of Proposed Underutilized DBE Participation when the low bidder meets UDBE goals		X
	Evaluate CDOT Form 1416 - Underutilized DBE Good Faith Effort Documentation and determine if the Contractor has made a good faith effort when the low bidder does not meet DBE goals		X
	Submit required documentation for CDOT award concurrence	X	
7-7	Concurrence from CDOT to Award		X
7-8	Approve Rejection of Low Bidder		X
7-9	Award Contract	X	#
7-10	Provide "Award" and "Record" Sets of Plans and Specifications	X	
CONSTRUCTION MANAGEMENT			
8-1	Issue Notice to Proceed to the Contractor	X	
8-2	Project Safety	X	
8-3	Conduct Conferences:		
	Pre-construction Conference (Appendix B)	X	
	Presurvey		
	• Construction staking	X	
	• Monumentation	X	
	Partnering (Optional)	X	
	Structural Concrete Pre-Pour (Agenda is in <i>CDOT Construction Manual</i>)	X	
	Concrete Pavement Pre-Paving (Agenda is in <i>CDOT Construction Manual</i>)	X	
	HMA Pre-Paving (Agenda is in <i>CDOT Construction Manual</i>)	X	
8-4	Develop and distribute Public Notice of Planned Construction to media and local residents	X	
8-5	Supervise Construction		
	A Professional Engineer (PE) registered in Colorado, who will be "in responsible charge of construction supervision." _____ Shawn Fetzer 970-962-2636 Local Agency Professional Engineer or Phone number CDOT Resident Engineer	X	

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Previous editions are obsolete and may not be used

NO.	DESCRIPTION OF TASK	RESPONSIBLE PARTY	
		LA	CDOT
	Provide competent, experienced staff who will ensure the Contract work is constructed in accordance with the plans and specifications	X	
	Construction inspection and documentation	X	
8-6	Approve Shop Drawings	X	
8-7	Perform Traffic Control Inspections	X	#
8-8	Perform Construction Surveying	X	
8-9	Monument Right-of-Way	X	
8-10	Prepare and Approve Interim and Final Contractor Pay Estimates	X	
	Provide the name and phone number of the person authorized for this task.		
	Shawn Fetzer 970-962-2636 Local Agency Representative Phone number		
8-11	Prepare and Approve Interim and Final Utility/Railroad Billings	X	
8-12	Prepare Local Agency Reimbursement Requests	X	
8-13	Prepare and Authorize Change Orders	X	#
8-14	Approve All Change Orders		X
8-15	Monitor Project Financial Status	X	
8-16	Prepare and Submit Monthly Progress Reports	X	
8-17	Resolve Contractor Claims and Disputes	X	
8-18	Conduct Routine and Random Project Reviews		X
	Provide the name and phone number of the person responsible for this task.		
	Long Nguyen 970-350-2126 CDOT Resident Engineer Phone number		
MATERIALS			
9-1	Discuss Materials at Preconstruction Meeting -Buy America documentation prior to installation of steel	X	
9-2	Complete CDOT Form 250 - Materials Documentation Record • Generate form, which includes determining the minimum number of required tests and applicable material submittals for all materials placed on the project • Update the form as work progresses • Complete and distribute form after work is completed	X X	X
9-3	Perform Project Acceptance Samples and Tests	X	
9-4	Perform Laboratory Verification Tests	X	
9-5	Accept Manufactured Products	X	
	Inspection of structural components: • Fabrication of structural steel and pre-stressed concrete structural components • Bridge modular expansion devices (0" to 6" or greater) • Fabrication of bearing devices	X X X	
9-6	Approve Sources of Materials	X	
9-7	Independent Assurance Testing (IAT), Local Agency Procedures ☒ CDOT Procedures ☐ • Generate IAT schedule • Schedule and provide notification • Conduct IAT	X X	X
9-8	Approve Mix Designs • Concrete • Hot Mix Asphalt	X X	
9-9	Check Final Materials Documentation	X	
9-10	Complete and Distribute Final Materials Documentation	X	

CONSTRUCTION CIVIL RIGHTS AND LABOR COMPLIANCE			
10-1	Fulfill Project Bulletin Board and Pre-construction Packet Requirements	X	
10-2	Process CDOT Form 205b - Sublet Permit Application Review and sign completed CDOT Form 205 for each subcontractor, and submit to EEO/Civil Rights Specialist	X	
10-3	Conduct Equal Employment Opportunity and Labor Compliance Verification Employee Interviews. Complete CDOT Form 280	X	
10-4	Monitor Disadvantaged Business Enterprise Participation to Ensure Compliance with the "Commercially Useful Function" requirements	X	
10-5	Conduct Interviews When Project Utilizes On-the-Job Trainees. Complete CDOT Form 200 - OJT Training Questionnaire	X	
10-6	Check Certified Payrolls (Contact the Region EEO/Civil Rights Specialists for training requirements.)	X	#
10-7	Submit FHWA Form 1391 - Highway Construction Contractor's Annual EEO Report	X	
FINALS			
11-1	Conduct Final Project Inspection. Complete and submit CDOT Form 1212 - Final Acceptance Report (Resident Engineer with mandatory Local Agency participation.)	X	#
11-2	Write Final Project Acceptance Letter	X	
11-3	Advertise for Final Settlement	X	
11-4	Prepare and Distribute Final As-Constructed Plans	X	
11-5	Prepare EEO Certification	X	
11-6	Check Final Quantities, Plans and Pay Estimate; Check Project Documentation; and submit Final Certifications	X	
11-7	Check Material Documentation and Accept Final Material Certification (See Chapter 9)	X	
11-8	Obtain CDOT Form 1419 - Contractor DBE Payment Certification from the Contactor and submit to the Resident Engineer (Quarterly)	X	
11-9	Obtain FHWA Form 47 - Statement of Materials and Labor Used ... from the Contractor		NA
11-10	Process Final Payment	X	
11-11	Complete and Submit CDOT Form 950 - Project Closure		X
11-12	Retain Project Records for Six Years from Date of Project Closure	X	X
11-13	Retain Final Version of Local Agency Contract Administration Checklist	X	X

cc: CDOT Resident Engineer/Project Manager
 CDOT Region Program Engineer
 CDOT Region EEO/Civil Rights Specialist
 CDOT Region Materials Engineer
 CDOT Contracts and Market Analysis Branch
 Local Agency Project Manager

33. EXHIBIT F – CERTIFICATION FOR FEDERAL-AID CONTRACTS

The Local Agency certifies, by signing this Agreement, to the best of its knowledge and belief, that:

No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, Agreement, loan, or cooperative agreement.

If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or of Congress, or an employee of a Member of Congress in connection with this Federal contract, Agreement, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

The prospective participant also agree by submitting his or her bid or proposal that he or she shall require that the language of this certification be included in all lower tier subcontracts, which exceed \$100,000 and that all such sub-recipients shall certify and disclose accordingly.

Required by 23 CFR 635.112

34. EXHIBIT G – DISADVANTAGED BUSINESS ENTERPRISE

SECTION 1. Policy.

It is the policy of the Colorado Department of Transportation (CDOT) that disadvantaged business enterprises shall have the maximum opportunity to participate in the performance of contracts financed in whole or in part with Federal funds under this agreement, pursuant to 49 CFR Part 26. Consequently, the 49 CFR Part IE DBE requirements the Colorado Department of Transportation DBE Program (or a Local Agency DBE Program approved in advance by the State) apply to this agreement.

SECTION 2. DBE Obligation.

The recipient or its the Local Agency agrees to ensure that disadvantaged business enterprises as determined by the Office of Certification at the Colorado Department of Regulatory Agencies have the maximum opportunity to participate in the performance of contracts and subcontracts financed in whole or in part with Federal funds provided under this agreement. In this regard, all participants or contractors shall take all necessary and reasonable steps in accordance with the CDOT DBE program (or a Local Agency DBE Program approved in advance by the State) to ensure that disadvantaged business enterprises have the maximum opportunity to compete for and perform contracts. Recipients and their contractors shall not discriminate on the basis of race, color, national origin, or sex in the award and performance of CDOT assisted contracts.

SECTION 3 DBE Program.

The Local Agency (sub-recipient) shall be responsible for obtaining the Disadvantaged Business Enterprise Program of the Colorado Department of Transportation, 1988, as amended, and shall comply with the applicable provisions of the program. (If applicable).

A copy of the DBE Program is available from and will be mailed to the Local Agency upon request:

Business Programs Office

Colorado Department of Transportation

4201 East Arkansas Avenue, Room 287

Denver, Colorado 80222-3400

Phone: (303) 757-9234

revised 1/22/98

Required by 49 CFR Part 26

35. EXHIBIT H – LOCAL AGENCY PROCEDURES FOR CONSULTANT SERVICES

THE LOCAL AGENCY SHALL USE THESE PROCEDURES TO IMPLEMENT FEDERAL-AID PROJECT AGREEMENTS WITH PROFESSIONAL CONSULTANT SERVICES

Title 23 Code of Federal Regulations (CFR) 172 applies to a federally funded local agency project agreement administered by CDOT that involves professional consultant services. 23 CFR 172.1 states "The policies and procedures involve federally funded contracts for engineering and design related services for projects subject to the provisions of 23 U.S.C. 112(a) and are issued to ensure that a qualified consultant is obtained through an equitable selection process, that prescribed work is properly accomplished in a timely manner, and at fair and reasonable cost" and according to 23 CFR 172.5 "Price shall not be used as a factor in the analysis and selection phase." Therefore, local agencies must comply with these CFR requirements when obtaining professional consultant services under a federally funded consultant contract administered by CDOT.

CDOT has formulated its procedures in Procedural Directive (P.D.) 400.1 and the related operations guidebook titled "Obtaining Professional Consultant Services". This directive and guidebook incorporate requirements from both Federal and State regulations, i.e., 23 CFR 172 and CRS §24-30-1401 et seq. Copies of the directive and the guidebook may be obtained upon request from CDOT's Agreements and Consultant Management Unit. [Local agencies should have their own written procedures on file for each method of procurement that addresses the items in 23 CFR 172].

Because the procedures and laws described in the Procedural Directive and the guidebook are quite lengthy, the subsequent steps serve as a short-hand guide to CDOT procedures that a local agency must follow in obtaining professional consultant services. This guidance follows the format of 23 CFR 172. The steps are:

1. The contracting local agency shall document the need for obtaining professional services.
2. Prior to solicitation for consultant services, the contracting local agency shall develop a detailed scope of work and a list of evaluation factors and their relative importance. The evaluation factors are those identified in C.R.S. 24-30-1403. Also, a detailed cost estimate should be prepared for use during negotiations.
3. The contracting agency must advertise for contracts in conformity with the requirements of C.R.S. 24-30-1405. The public notice period, when such notice is required, is a minimum of 15 days prior to the selection of the three most qualified firms and the advertising should be done in one or more daily newspapers of general circulation.
4. The request for consultant services should include the scope of work, the evaluation factors and their relative importance, the method of payment, and the goal of 10% for Disadvantaged Business Enterprise (DBE) participation as a minimum for the project.
5. The analysis and selection of the consultants shall be done in accordance with CRS §24-30-1403. This section of the regulation identifies the criteria to be used in the evaluation of CDOT pre-qualified prime consultants and their team. It also shows which criteria are used to short-list and to make a final selection.

The short-list is based on the following evaluation factors:

- a. Qualifications,
- b. Approach to the Work,
- c. Ability to furnish professional services.
- d. Anticipated design concepts, and
- e. Alternative methods of approach for furnishing the professional services.

Evaluation factors for final selection are the consultant's:

- a. Abilities of their personnel,
 - b. Past performance,
 - c. Willingness to meet the time and budget requirement,
 - d. Location,
 - e. Current and projected work load,
 - f. Volume of previously awarded contracts, and
 - g. Involvement of minority consultants.
6. Once a consultant is selected, the local agency enters into negotiations with the consultant to obtain a fair and reasonable price for the anticipated work. Pre-negotiation audits are prepared for contracts expected to be greater than \$50,000. Federal reimbursements for costs are limited to those costs allowable under the cost principles of 48 CFR 31. Fixed fees (profit) are determined with consideration given to size, complexity, duration, and degree of risk involved in the work. Profit is in the range of six to 15 percent of the total direct and indirect costs.
 7. A qualified local agency employee shall be responsible and in charge of the Work to ensure that the work being pursued is complete, accurate, and consistent with the terms, conditions, and specifications of the contract. At the end of Work, the local agency prepares a performance evaluation (a CDOT form is available) on the consultant.
 8. Each of the steps listed above is to be documented in accordance with the provisions of 49 CFR 18.42, which provide for records to be kept at least three years from the date that the local agency submits its final expenditure report. Records of projects under litigation shall be kept at least three years after the case has been settled.

CRS §§24-30-1401 through 24-30-1408, 23 CFR Part 172, and P.D. 400.1, provide additional details for complying with the preceeding eight (8) steps.

36. EXHIBIT I – FEDERAL-AID CONTRACT PROVISIONS

FHWA-1273 -- Revised May 1, 2012

REQUIRED CONTRACT PROVISIONS FEDERAL-AID CONSTRUCTION CONTRACTS

- I. General
- II. Nondiscrimination
- III. Nonsegregated Facilities
- IV. Davis-Bacon and Related Act Provisions
- V. Contract Work Hours and Safety Standards Act Provisions
- VI. Subletting or Assigning the Contract
- VII. Safety: Accident Prevention
- VIII. False Statements Concerning Highway Projects
- IX. Implementation of Clean Air Act and Federal Water Pollution Control Act
- X. Compliance with Governmentwide Suspension and Debarment Requirements
- XI. Certification Regarding Use of Contract Funds for Lobbying

ATTACHMENTS

A. Employment and Materials Preference for Appalachian Development Highway System or Appalachian Local Access Road Contracts (included in Appalachian contracts only)

I. GENERAL

1. Form FHWA-1273 must be physically incorporated in each construction contract funded under Title 23 (excluding emergency contracts solely intended for debris removal). The contractor (or subcontractor) must insert this form in each subcontract and further require its inclusion in all lower tier subcontracts (excluding purchase orders, rental agreements and other agreements for supplies or services).

The applicable requirements of Form FHWA-1273 are incorporated by reference for work done under any purchase order, rental agreement or agreement for other services. The prime contractor shall be responsible for compliance by any subcontractor, lower-tier subcontractor or service provider.

Form FHWA-1273 must be included in all Federal-aid design-build contracts, in all subcontracts and in lower tier subcontracts (excluding subcontracts for design services, purchase orders, rental agreements and other agreements for supplies or services). The design-builder shall be responsible for compliance by any subcontractor, lower-tier subcontractor or service provider.

Contracting agencies may reference Form FHWA-1273 in bid proposal or request for proposal documents, however, the Form FHWA-1273 must be physically incorporated (not referenced) in all contracts, subcontracts and lower-tier subcontracts (excluding purchase orders, rental agreements and other agreements for supplies or services related to a construction contract).

2. Subject to the applicability criteria noted in the following sections, these contract provisions shall apply to all work performed on the contract by the contractor's own organization and with the assistance of workers under the contractor's immediate superintendence and to all work performed on the contract by piecework, station work, or by subcontract.

3. A breach of any of the stipulations contained in these Required Contract Provisions may be sufficient grounds for withholding of progress payments, withholding of final payment, termination of the contract, suspension / debarment or any other action determined to be appropriate by the contracting agency and FHWA.

4. Selection of Labor: During the performance of this contract, the contractor shall not use convict labor for any purpose within the limits of a construction project on a Federal-aid highway unless it is labor performed by convicts who are on parole, supervised release, or probation. The term Federal-aid highway does not include roadways functionally classified as local roads or rural minor collectors.

II. NONDISCRIMINATION

The provisions of this section related to 23 CFR Part 230 are applicable to all Federal-aid construction contracts and to all related construction subcontracts of \$10,000 or more. The provisions of 23 CFR Part 230 are not applicable to material supply, engineering, or architectural service contracts.

In addition, the contractor and all subcontractors must comply with the following policies: Executive Order 11246, 41 CFR 60, 29 CFR 1625-1627, Title 23 USC Section 140, the Rehabilitation Act of 1973, as amended (29 USC 794), Title VI of the Civil Rights Act of 1964, as amended, and related regulations including 49 CFR Parts 21, 26 and 27; and 23 CFR Parts 200, 230, and 633.

The contractor and all subcontractors must comply with: the requirements of the Equal Opportunity Clause in 41 CFR 60-1.4(b) and, for all construction contracts exceeding \$10,000, the Standard Federal Equal Employment Opportunity Construction Contract Specifications in 41 CFR 60-4.3.

Note: The U.S. Department of Labor has exclusive authority to determine compliance with Executive Order 11246 and the policies of the Secretary of Labor including 41 CFR 60, and 29 CFR 1625-1627. The contracting agency and the FHWA have the authority and the responsibility to ensure compliance with Title 23 USC Section 140, the Rehabilitation Act of 1973, as amended (29 USC 794), and Title VI of the Civil Rights Act of 1964, as amended, and related regulations including 49 CFR Parts 21, 26 and 27; and 23 CFR Parts 200, 230, and 633.

The following provision is adopted from 23 CFR 230, Appendix A, with appropriate revisions to conform to the U.S. Department of Labor (US DOL) and FHWA requirements.

1. Equal Employment Opportunity: Equal employment opportunity (EEO) requirements not to discriminate and to take affirmative action to assure equal opportunity as set forth under laws, executive orders, rules, regulations (28 CFR 35, 29 CFR 1630, 29 CFR 1625-1627, 41 CFR 60 and 49 CFR 27) and orders of the Secretary of Labor as modified by the provisions prescribed herein, and imposed pursuant to 23 U.S.C. 140 shall constitute the EEO and specific affirmative action standards for the contractor's project activities under

this contract. The provisions of the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.) set forth under 28 CFR 35 and 29 CFR 1630 are incorporated by reference in this contract. In the execution of this contract, the contractor agrees to comply with the following minimum specific requirement activities of EEO:

a. The contractor will work with the contracting agency and the Federal Government to ensure that it has made every good faith effort to provide equal opportunity with respect to all of its terms and conditions of employment and in their review of activities under the contract.

b. The contractor will accept as its operating policy the following statement:

"It is the policy of this Company to assure that applicants are employed, and that employees are treated during employment, without regard to their race, religion, sex, color, national origin, age or disability. Such action shall include: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship, pre-apprenticeship, and/or on-the-job training."

2. EEO Officer: The contractor will designate and make known to the contracting officers an EEO Officer who will have the responsibility for and must be capable of effectively administering and promoting an active EEO program and who must be assigned adequate authority and responsibility to do so.

3. Dissemination of Policy: All members of the contractor's staff who are authorized to hire, supervise, promote, and discharge employees, or who recommend such action, or who are substantially involved in such action, will be made fully cognizant of, and will implement, the contractor's EEO policy and contractual responsibilities to provide EEO in each grade and classification of employment. To ensure that the above agreement will be met, the following actions will be taken as a minimum:

a. Periodic meetings of supervisory and personnel office employees will be conducted before the start of work and then not less often than once every six months, at which time the contractor's EEO policy and its implementation will be reviewed and explained. The meetings will be conducted by the EEO Officer.

b. All new supervisory or personnel office employees will be given a thorough indoctrination by the EEO Officer, covering all major aspects of the contractor's EEO obligations within thirty days following their reporting for duty with the contractor.

c. All personnel who are engaged in direct recruitment for the project will be instructed by the EEO Officer in the contractor's procedures for locating and hiring minorities and women.

d. Notices and posters setting forth the contractor's EEO policy will be placed in areas readily accessible to employees, applicants for employment and potential employees.

e. The contractor's EEO policy and the procedures to implement such policy will be brought to the attention of employees by means of meetings, employee handbooks, or other appropriate means.

4. Recruitment: When advertising for employees, the contractor will include in all advertisements for employees the notation: "An Equal Opportunity Employer." All such advertisements will be placed in publications having a large circulation among minorities and women in the area from which the project work force would normally be derived.

a. The contractor will, unless precluded by a valid bargaining agreement, conduct systematic and direct recruitment through public and private employee referral sources likely to yield qualified minorities and women. To meet this requirement, the contractor will identify sources of potential minority group employees, and establish with such identified sources procedures whereby minority and women applicants may be referred to the contractor for employment consideration.

b. In the event the contractor has a valid bargaining agreement providing for exclusive hiring hall referrals, the contractor is expected to observe the provisions of that agreement to the extent that the system meets the contractor's compliance with EEO contract provisions. Where implementation of such an agreement has the effect of discriminating against minorities or women, or obligates the contractor to do the same, such implementation violates Federal nondiscrimination provisions.

c. The contractor will encourage its present employees to refer minorities and women as applicants for employment. Information and procedures with regard to referring such applicants will be discussed with employees.

5. Personnel Actions: Wages, working conditions, and employee benefits shall be established and administered, and personnel actions of every type, including hiring, upgrading, promotion, transfer, demotion, layoff, and termination, shall be taken without regard to race, color, religion, sex, national origin, age or disability. The following procedures shall be followed:

a. The contractor will conduct periodic inspections of project sites to insure that working conditions and employee facilities do not indicate discriminatory treatment of project site personnel.

b. The contractor will periodically evaluate the spread of wages paid within each classification to determine any evidence of discriminatory wage practices.

c. The contractor will periodically review selected personnel actions in depth to determine whether there is evidence of discrimination. Where evidence is found, the contractor will promptly take corrective action. If the review indicates that the discrimination may extend beyond the actions reviewed, such corrective action shall include all affected persons.

d. The contractor will promptly investigate all complaints of alleged discrimination made to the contractor in connection with its obligations under this contract, will attempt to resolve such complaints, and will take appropriate corrective action within a reasonable time. If the investigation indicates that the discrimination may affect persons other than the complainant, such corrective action shall include such other persons. Upon completion of each investigation, the contractor will inform every complainant of all of their avenues of appeal.

6. Training and Promotion:

a. The contractor will assist in locating, qualifying, and increasing the skills of minorities and women who are

applicants for employment or current employees. Such efforts should be aimed at developing full journey level status employees in the type of trade or job classification involved.

b. Consistent with the contractor's work force requirements and as permissible under Federal and State regulations, the contractor shall make full use of training programs, i.e., apprenticeship, and on-the-job training programs for the geographical area of contract performance. In the event a special provision for training is provided under this contract, this subparagraph will be superseded as indicated in the special provision. The contracting agency may reserve training positions for persons who receive welfare assistance in accordance with 23 U.S.C. 140(a).

c. The contractor will advise employees and applicants for employment of available training programs and entrance requirements for each.

d. The contractor will periodically review the training and promotion potential of employees who are minorities and women and will encourage eligible employees to apply for such training and promotion.

7. Unions: If the contractor relies in whole or in part upon unions as a source of employees, the contractor will use good faith efforts to obtain the cooperation of such unions to increase opportunities for minorities and women. Actions by the contractor, either directly or through a contractor's association acting as agent, will include the procedures set forth below:

a. The contractor will use good faith efforts to develop, in cooperation with the unions, joint training programs aimed toward qualifying more minorities and women for membership in the unions and increasing the skills of minorities and women so that they may qualify for higher paying employment.

b. The contractor will use good faith efforts to incorporate an EEO clause into each union agreement to the end that such union will be contractually bound to refer applicants without regard to their race, color, religion, sex, national origin, age or disability.

c. The contractor is to obtain information as to the referral practices and policies of the labor union except that to the extent such information is within the exclusive possession of the labor union and such labor union refuses to furnish such information to the contractor, the contractor shall so certify to the contracting agency and shall set forth what efforts have been made to obtain such information.

d. In the event the union is unable to provide the contractor with a reasonable flow of referrals within the time limit set forth in the collective bargaining agreement, the contractor will, through independent recruitment efforts, fill the employment vacancies without regard to race, color, religion, sex, national origin, age or disability; making full efforts to obtain qualified and/or qualifiable minorities and women. The failure of a union to provide sufficient referrals (even though it is obligated to provide exclusive referrals under the terms of a collective bargaining agreement) does not relieve the contractor from the requirements of this paragraph. In the event the union referral practice prevents the contractor from meeting the obligations pursuant to Executive Order 11246, as amended, and these special provisions, such contractor shall immediately notify the contracting agency.

8. Reasonable Accommodation for Applicants / Employees with Disabilities: The contractor must be familiar

with the requirements for and comply with the Americans with Disabilities Act and all rules and regulations established there under. Employers must provide reasonable accommodation in all employment activities unless to do so would cause an undue hardship.

9. Selection of Subcontractors, Procurement of Materials and Leasing of Equipment: The contractor shall not discriminate on the grounds of race, color, religion, sex, national origin, age or disability in the selection and retention of subcontractors, including procurement of materials and leases of equipment. The contractor shall take all necessary and reasonable steps to ensure nondiscrimination in the administration of this contract.

a. The contractor shall notify all potential subcontractors and suppliers and lessors of their EEO obligations under this contract.

b. The contractor will use good faith efforts to ensure subcontractor compliance with their EEO obligations.

10. Assurance Required by 49 CFR 26.13(b):

a. The requirements of 49 CFR Part 26 and the State DOT's U.S. DOT-approved DBE program are incorporated by reference.

b. The contractor or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The contractor shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of DOT-assisted contracts. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as the contracting agency deems appropriate.

11. Records and Reports: The contractor shall keep such records as necessary to document compliance with the EEO requirements. Such records shall be retained for a period of three years following the date of the final payment to the contractor for all contract work and shall be available at reasonable times and places for inspection by authorized representatives of the contracting agency and the FHWA.

a. The records kept by the contractor shall document the following:

(1) The number and work hours of minority and non-minority group members and women employed in each work classification on the project;

(2) The progress and efforts being made in cooperation with unions, when applicable, to increase employment opportunities for minorities and women; and

(3) The progress and efforts being made in locating, hiring, training, qualifying, and upgrading minorities and women;

b. The contractors and subcontractors will submit an annual report to the contracting agency each July for the duration of the project, indicating the number of minority, women, and non-minority group employees currently engaged in each work classification required by the contract work. This information is to be reported on Form FHWA-1391. The staffing data should represent the project work force on board in all or any part of the last payroll period preceding the end of July. If on-the-job training is being required by special provision, the contractor

will be required to collect and report training data. The employment data should reflect the work force on board during all or any part of the last payroll period preceding the end of July.

III. NONSEGREGATED FACILITIES

This provision is applicable to all Federal-aid construction contracts and to all related construction subcontracts of \$10,000 or more.

The contractor must ensure that facilities provided for employees are provided in such a manner that segregation on the basis of race, color, religion, sex, or national origin cannot result. The contractor may neither require such segregated use by written or oral policies nor tolerate such use by employee custom. The contractor's obligation extends further to ensure that its employees are not assigned to perform their services at any location, under the contractor's control, where the facilities are segregated. The term "facilities" includes waiting rooms, work areas, restaurants and other eating areas, time clocks, restrooms, washrooms, locker rooms, and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing provided for employees. The contractor shall provide separate or single-user restrooms and necessary dressing or sleeping areas to assure privacy between sexes.

IV. DAVIS-BACON AND RELATED ACT PROVISIONS

This section is applicable to all Federal-aid construction projects exceeding \$2,000 and to all related subcontracts and lower-tier subcontracts (regardless of subcontract size). The requirements apply to all projects located within the right-of-way of a roadway that is functionally classified as Federal-aid highway. This excludes roadways functionally classified as local roads or rural minor collectors, which are exempt. Contracting agencies may elect to apply these requirements to other projects.

The following provisions are from the U.S. Department of Labor regulations in 29 CFR 5.5 "Contract provisions and related matters" with minor revisions to conform to the FHWA-1273 format and FHWA program requirements.

1. Minimum wages

a. All laborers and mechanics employed or working upon the site of the work, will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR part 3)), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics.

Contributions made or costs reasonably anticipated for bona fide fringe benefits under section 1(b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions

of paragraph 1.d. of this section; also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period. Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in 29 CFR 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: Provided, That the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under paragraph 1.b. of this section) and the Davis-Bacon poster (WH-1321) shall be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers.

b.(1) The contracting officer shall require that any class of laborers or mechanics, including helpers, which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. The contracting officer shall approve an additional classification and wage rate and fringe benefits therefore only when the following criteria have been met:

(i) The work to be performed by the classification requested is not performed by a classification in the wage determination; and

(ii) The classification is utilized in the area by the construction industry; and

(iii) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

(2) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and the contracting officer agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), a report of the action taken shall be sent by the contracting officer to the Administrator of the Wage and Hour Division, Employment Standards Administration, U.S. Department of Labor, Washington, DC 20210. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification action within 30 days of receipt and so advise the contracting officer or will notify the contracting officer within the 30-day period that additional time is necessary.

(3) In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and the contracting officer do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), the contracting officer shall refer the questions, including the views of all interested parties and the recommendation of the contracting officer, to the Wage and Hour Administrator for determination. The Wage and Hour Administrator, or an authorized representative, will issue a determination within 30 days of receipt and so advise the contracting officer or

will notify the contracting officer within the 30-day period that additional time is necessary.

(4) The wage rate (including fringe benefits where appropriate) determined pursuant to paragraphs 1.b.(2) or 1.b.(3) of this section, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.

c. Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

d. If the contractor does not make payments to a trustee or other third person, the contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program. Provided, That the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the contractor to set aside in a separate account assets for the meeting of obligations under the plan or program.

2. Withholding

The contracting agency shall upon its own action or upon written request of an authorized representative of the Department of Labor, withhold or cause to be withheld from the contractor under this contract, or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to Davis-Bacon prevailing wage requirements, which is held by the same prime contractor, so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees, and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee, or helper, employed or working on the site of the work, all or part of the wages required by the contract, the contracting agency may, after written notice to the contractor, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased.

3. Payrolls and basic records

a. Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work and preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work. Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in section 1(b)(2)(B) of the Davis-Bacon Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5(a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in section 1(b)(2)(B) of the Davis-

Bacon Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs.

b.(1) The contractor shall submit weekly for each week in which any contract work is performed a copy of all payrolls to the contracting agency. The payrolls submitted shall set out accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(i), except that full social security numbers and home addresses shall not be included on weekly transmittals. Instead the payrolls shall only need to include an individually identifying number for each employee (e.g., the last four digits of the employee's social security number). The required weekly payroll information may be submitted in any form desired. Optional Form WH-347 is available for this purpose from the Wage and Hour Division Web site at <http://www.dol.gov/esa/whd/forms/wh347instr.htm> or its successor site. The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. Contractors and subcontractors shall maintain the full social security number and current address of each covered worker, and shall provide them upon request to the contracting agency for transmission to the State DOT, the FHWA or the Wage and Hour Division of the Department of Labor for purposes of an investigation or audit of compliance with prevailing wage requirements. It is not a violation of this section for a prime contractor to require a subcontractor to provide addresses and social security numbers to the prime contractor for its own records, without weekly submission to the contracting agency..

(2) Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:

(i) That the payroll for the payroll period contains the information required to be provided under §5.5 (a)(3)(ii) of Regulations, 29 CFR part 5, the appropriate information is being maintained under §5.5 (a)(3)(i) of Regulations, 29 CFR part 5, and that such information is correct and complete;

(ii) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in Regulations, 29 CFR part 3;

(iii) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.

(3) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the "Statement of Compliance" required by paragraph 3.b.(2) of this section.

(4) The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under section 1001 of title 18 and section 231 of title 31 of the United States Code.

c. The contractor or subcontractor shall make the records required under paragraph 3.a. of this section available for inspection, copying, or transcription by authorized representatives of the contracting agency, the State DOT, the FHWA, or the Department of Labor, and shall permit such representatives to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, the FHWA may, after written notice to the contractor, the contracting agency or the State DOT, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.

4. Apprentices and trainees

a. Apprentices (programs of the USDOL).

Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Office of Apprenticeship Training, Employer and Labor Services, or with a State Apprenticeship Agency recognized by the Office, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Office of Apprenticeship Training, Employer and Labor Services or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice.

The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the contractor's or subcontractor's registered program shall be observed.

Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeyman hourly

rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination.

In the event the Office of Apprenticeship Training, Employer and Labor Services, or a State Apprenticeship Agency recognized by the Office, withdraws approval of an apprenticeship program, the contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

b. Trainees (programs of the USDOL).

Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration.

The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration.

Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed.

In the event the Employment and Training Administration withdraws approval of a training program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

c. Equal employment opportunity. The utilization of apprentices, trainees and journeymen under this part shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 CFR part 30.

d. Apprentices and Trainees (programs of the U.S. DOT).

Apprentices and trainees working under apprenticeship and skill training programs which have been certified by the Secretary of Transportation as promoting EEO in connection with Federal-aid highway construction programs are not subject to the requirements of paragraph 4 of this Section IV. The straight time hourly wage rates for apprentices and trainees under such programs will be established by the particular programs. The ratio of apprentices and trainees to journeymen shall not be greater than permitted by the terms of the particular program.

5. Compliance with Copeland Act requirements. The contractor shall comply with the requirements of 29 CFR part 3, which are incorporated by reference in this contract.

6. Subcontracts. The contractor or subcontractor shall insert Form FHWA-1273 in any subcontracts and also require the subcontractors to include Form FHWA-1273 in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in 29 CFR 5.5.

7. Contract termination: debarment. A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract, and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

8. Compliance with Davis-Bacon and Related Act requirements. All rulings and interpretations of the Davis-Bacon and Related Acts contained in 29 CFR parts 1, 3, and 5 are herein incorporated by reference in this contract.

9. Disputes concerning labor standards. Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and the contracting agency, the U.S. Department of Labor, or the employees or their representatives.

10. Certification of eligibility.

a. By entering into this contract, the contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).

b. No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).

c. The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001.

V. CONTRACT WORK HOURS AND SAFETY STANDARDS ACT

The following clauses apply to any Federal-aid construction contract in an amount in excess of \$100,000 and subject to the overtime provisions of the Contract Work Hours and Safety Standards Act. These clauses shall be inserted in addition to the clauses required by 29 CFR 5.5(a) or 29 CFR 4.6. As used in this paragraph, the terms laborers and mechanics include watchmen and guards.

1. Overtime requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

2. Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in paragraph (1.) of this section, the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (1.) of this section, in the sum of \$10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (1.) of this section.

3. Withholding for unpaid wages and liquidated damages. The FHWA or the contracting agency shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (2.) of this section.

4. Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraph (1.) through (4.) of this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (1.) through (4.) of this section.

VI. SUBLETTING OR ASSIGNING THE CONTRACT

This provision is applicable to all Federal-aid construction contracts on the National Highway System.

1. The contractor shall perform with its own organization contract work amounting to not less than 30 percent (or a greater percentage if specified elsewhere in the contract) of the total original contract price, excluding any specialty items designated by the contracting agency. Specialty items may be performed by subcontract and the amount of any such specialty items performed may be deducted from the total original contract price before computing the amount of work required to be performed by the contractor's own organization (23 CFR 635.116).

a. The term "perform work with its own organization" refers to workers employed or leased by the prime contractor, and equipment owned or rented by the prime contractor, with or without operators. Such term does not include employees or equipment of a subcontractor or lower tier subcontractor, agents of the prime contractor, or any other assignees. The term may include payments for the costs of hiring leased employees from an employee leasing firm meeting all relevant Federal and State regulatory requirements. Leased employees may only be included in this term if the prime contractor meets all of the following conditions:

- (1) the prime contractor maintains control over the supervision of the day-to-day activities of the leased employees;
- (2) the prime contractor remains responsible for the quality of the work of the leased employees;
- (3) the prime contractor retains all power to accept or exclude individual employees from work on the project; and
- (4) the prime contractor remains ultimately responsible for the payment of predetermined minimum wages, the submission of payrolls, statements of compliance and all other Federal regulatory requirements.

b. "Specialty Items" shall be construed to be limited to work that requires highly specialized knowledge, abilities, or equipment not ordinarily available in the type of contracting organizations qualified and expected to bid or propose on the contract as a whole and in general are to be limited to minor components of the overall contract.

2. The contract amount upon which the requirements set forth in paragraph (1) of Section VI is computed includes the cost of material and manufactured products which are to be purchased or produced by the contractor under the contract provisions.

3. The contractor shall furnish (a) a competent superintendent or supervisor who is employed by the firm, has full authority to direct performance of the work in accordance with the contract requirements, and is in charge of all construction operations (regardless of who performs the work) and (b) such other of its own organizational resources (supervision, management, and engineering services) as the contracting officer determines is necessary to assure the performance of the contract.

4. No portion of the contract shall be sublet, assigned or otherwise disposed of except with the written consent of the contracting officer, or authorized representative, and such consent when given shall not be construed to relieve the contractor of any responsibility for the fulfillment of the contract. Written consent will be given only after the contracting agency has assured that each subcontract is

evidenced in writing and that it contains all pertinent provisions and requirements of the prime contract.

5. The 30% self-performance requirement of paragraph (1) is not applicable to design-build contracts; however, contracting agencies may establish their own self-performance requirements.

VII. SAFETY: ACCIDENT PREVENTION

This provision is applicable to all Federal-aid construction contracts and to all related subcontracts.

1. In the performance of this contract the contractor shall comply with all applicable Federal, State, and local laws governing safety, health, and sanitation (23 CFR 635). The contractor shall provide all safeguards, safety devices and protective equipment and take any other needed actions as it determines, or as the contracting officer may determine, to be reasonably necessary to protect the life and health of employees on the job and the safety of the public and to protect property in connection with the performance of the work covered by the contract.

2. It is a condition of this contract, and shall be made a condition of each subcontract, which the contractor enters into pursuant to this contract, that the contractor and any subcontractor shall not permit any employee, in performance of the contract, to work in surroundings or under conditions which are unsanitary, hazardous or dangerous to his/her health or safety, as determined under construction safety and health standards (29 CFR 1926) promulgated by the Secretary of Labor, in accordance with Section 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 3704).

3. Pursuant to 29 CFR 1926.3, it is a condition of this contract that the Secretary of Labor or authorized representative thereof, shall have right of entry to any site of contract performance to inspect or investigate the matter of compliance with the construction safety and health standards and to carry out the duties of the Secretary under Section 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C.3704).

VIII. FALSE STATEMENTS CONCERNING HIGHWAY PROJECTS

This provision is applicable to all Federal-aid construction contracts and to all related subcontracts.

In order to assure high quality and durable construction in conformity with approved plans and specifications and a high degree of reliability on statements and representations made by engineers, contractors, suppliers, and workers on Federal-aid highway projects, it is essential that all persons concerned with the project perform their functions as carefully, thoroughly, and honestly as possible. Willful falsification, distortion, or misrepresentation with respect to any facts related to the project is a violation of Federal law. To prevent any misunderstanding regarding the seriousness of these and similar acts, Form FHWA-1022 shall be posted on each Federal-aid highway project (23 CFR 635) in one or more places where it is readily available to all persons concerned with the project:

18 U.S.C. 1020 reads as follows:

"Whoever, being an officer, agent, or employee of the United States, or of any State or Territory, or whoever, whether a person, association, firm, or corporation, knowingly makes any false statement, false representation, or false report as to the character, quality, quantity, or cost of the material used or to be used, or the quantity or quality of the work performed or to be performed, or the cost thereof in connection with the submission of plans, maps, specifications, contracts, or costs of construction on any highway or related project submitted for approval to the Secretary of Transportation; or

Whoever knowingly makes any false statement, false representation, false report or false claim with respect to the character, quality, quantity, or cost of any work performed or to be performed, or materials furnished or to be furnished, in connection with the construction of any highway or related project approved by the Secretary of Transportation; or

Whoever knowingly makes any false statement or false representation as to material fact in any statement, certificate, or report submitted pursuant to provisions of the Federal-aid Roads Act approved July 1, 1916, (39 Stat. 355), as amended and supplemented;

Shall be fined under this title or imprisoned not more than 5 years or both."

IX. IMPLEMENTATION OF CLEAN AIR ACT AND FEDERAL WATER POLLUTION CONTROL ACT

This provision is applicable to all Federal-aid construction contracts and to all related subcontracts.

By submission of this bid/proposal or the execution of this contract, or subcontract, as appropriate, the bidder, proposer, Federal-aid construction contractor, or subcontractor, as appropriate, will be deemed to have stipulated as follows:

1. That any person who is or will be utilized in the performance of this contract is not prohibited from receiving an award due to a violation of Section 508 of the Clean Water Act or Section 306 of the Clean Air Act.
2. That the contractor agrees to include or cause to be included the requirements of paragraph (1) of this Section X in every subcontract, and further agrees to take such action as the contracting agency may direct as a means of enforcing such requirements.

X. CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION

This provision is applicable to all Federal-aid construction contracts, design-build contracts, subcontracts, lower-tier subcontracts, purchase orders, lease agreements, consultant contracts or any other covered transaction requiring FHWA approval or that is estimated to cost \$25,000 or more – as defined in 2 CFR Parts 180 and 1200.

1. Instructions for Certification – First Tier Participants:

- a. By signing and submitting this proposal, the prospective first tier participant is providing the certification set out below.
- b. The inability of a person to provide the certification set out below will not necessarily result in denial of participation in this

covered transaction. The prospective first tier participant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the prospective first tier participant to furnish a certification or an explanation shall disqualify such a person from participation in this transaction.

c. The certification in this clause is a material representation of fact upon which reliance was placed when the contracting agency determined to enter into this transaction. If it is later determined that the prospective participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the contracting agency may terminate this transaction for cause of default.

d. The prospective first tier participant shall provide immediate written notice to the contracting agency to whom this proposal is submitted if any time the prospective first tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

e. The terms "covered transaction," "debarred," "suspended," "ineligible," "participant," "person," "principal," and "voluntarily excluded," as used in this clause, are defined in 2 CFR Parts 180 and 1200. "First Tier Covered Transactions" refers to any covered transaction between a grantee or subgrantee of Federal funds and a participant (such as the prime or general contract). "Lower Tier Covered Transactions" refers to any covered transaction under a First Tier Covered Transaction (such as subcontracts). "First Tier Participant" refers to the participant who has entered into a covered transaction with a grantee or subgrantee of Federal funds (such as the prime or general contractor). "Lower Tier Participant" refers any participant who has entered into a covered transaction with a First Tier Participant or other Lower Tier Participants (such as subcontractors and suppliers).

f. The prospective first tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency entering into this transaction.

g. The prospective first tier participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transactions," provided by the department or contracting agency, entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions exceeding the \$25,000 threshold.

h. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant is responsible for ensuring that its principals are not suspended, debarred, or otherwise ineligible to participate in covered transactions. To verify the eligibility of its principals, as well as the eligibility of any lower tier prospective participants, each participant may, but is not required to, check the Excluded Parties List System website (<https://www.epls.gov/>), which is compiled by the General Services Administration.

i. Nothing contained in the foregoing shall be construed to require the establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of the prospective participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

j. Except for transactions authorized under paragraph (f) of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.

2. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion – First Tier Participants:

a. The prospective first tier participant certifies to the best of its knowledge and belief, that it and its principals:

(1) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in covered transactions by any Federal department or agency;

(2) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

(3) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (a)(2) of this certification; and

(4) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

b. Where the prospective participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

2. Instructions for Certification - Lower Tier Participants:

(Applicable to all subcontracts, purchase orders and other lower tier transactions requiring prior FHWA approval or estimated to cost \$25,000 or more - 2 CFR Parts 180 and 1200)

a. By signing and submitting this proposal, the prospective lower tier is providing the certification set out below.

b. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department, or agency with which

this transaction originated may pursue available remedies, including suspension and/or debarment.

c. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous by reason of changed circumstances.

d. The terms "covered transaction," "debarred," "suspended," "ineligible," "participant," "person," "principal," and "voluntarily excluded," as used in this clause, are defined in 2 CFR Parts 180 and 1200. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations. "First Tier Covered Transactions" refers to any covered transaction between a grantee or subgrantee of Federal funds and a participant (such as the prime or general contract). "Lower Tier Covered Transactions" refers to any covered transaction under a First Tier Covered Transaction (such as subcontracts). "First Tier Participant" refers to the participant who has entered into a covered transaction with a grantee or subgrantee of Federal funds (such as the prime or general contractor). "Lower Tier Participant" refers any participant who has entered into a covered transaction with a First Tier Participant or other Lower Tier Participants (such as subcontractors and suppliers).

e. The prospective lower tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.

f. The prospective lower tier participant further agrees by submitting this proposal that it will include this clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transaction," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions exceeding the \$25,000 threshold.

g. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant is responsible for ensuring that its principals are not suspended, debarred, or otherwise ineligible to participate in covered transactions. To verify the eligibility of its principals, as well as the eligibility of any lower tier prospective participants, each participant may, but is not required to, check the Excluded Parties List System website (<https://www.epls.gov/>), which is compiled by the General Services Administration.

h. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

i. Except for transactions authorized under paragraph e of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the

department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

* * * * *

Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion--Lower Tier Participants:

1. The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in covered transactions by any Federal department or agency.

2. Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

* * * * *

XI. CERTIFICATION REGARDING USE OF CONTRACT FUNDS FOR LOBBYING

This provision is applicable to all Federal-aid construction contracts and to all related subcontracts which exceed \$100,000 (49 CFR 20).

1. The prospective participant certifies, by signing and submitting this bid or proposal, to the best of his or her knowledge and belief, that:

a. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

b. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

2. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. 1352. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

3. The prospective participant also agrees by submitting its bid or proposal that the participant shall require that the language of this certification be included in all lower tier subcontracts, which exceed \$100,000 and that all such recipients shall certify and disclose accordingly.

**ATTACHMENT A - EMPLOYMENT AND MATERIALS
PREFERENCE FOR APPALACHIAN DEVELOPMENT
HIGHWAY SYSTEM OR APPALACHIAN LOCAL ACCESS
ROAD CONTRACTS**

This provision is applicable to all Federal-aid projects funded under the Appalachian Regional Development Act of 1965.

1. During the performance of this contract, the contractor undertaking to do work which is, or reasonably may be, done as on-site work, shall give preference to qualified persons who regularly reside in the labor area as designated by the DOL wherein the contract work is situated, or the subregion, or the Appalachian counties of the State wherein the contract work is situated, except:

a. To the extent that qualified persons regularly residing in the area are not available.

b. For the reasonable needs of the contractor to employ supervisory or specially experienced personnel necessary to assure an efficient execution of the contract work.

c. For the obligation of the contractor to offer employment to present or former employees as the result of a lawful collective bargaining contract, provided that the number of nonresident persons employed under this subparagraph (1c) shall not exceed 20 percent of the total number of employees employed by the contractor on the contract work, except as provided in subparagraph (4) below.

2. The contractor shall place a job order with the State Employment Service indicating (a) the classifications of the laborers, mechanics and other employees required to perform the contract work, (b) the number of employees required in each classification, (c) the date on which the participant estimates such employees will be required, and (d) any other pertinent information required by the State Employment Service to complete the job order form. The job order may be placed with the State Employment Service in writing or by telephone. If during the course of the contract work, the information submitted by the contractor in the original job order is substantially modified, the participant shall promptly notify the State Employment Service.

3. The contractor shall give full consideration to all qualified job applicants referred to him by the State Employment Service. The contractor is not required to grant employment to any job applicants who, in his opinion, are not qualified to perform the classification of work required.

4. If, within one week following the placing of a job order by the contractor with the State Employment Service, the State Employment Service is unable to refer any qualified job applicants to the contractor, or less than the number requested, the State Employment Service will forward a certificate to the contractor indicating the unavailability of applicants. Such certificate shall be made a part of the contractor's permanent project records. Upon receipt of this certificate, the contractor may employ persons who do not normally reside in the labor area to fill positions covered by the certificate, notwithstanding the provisions of subparagraph (1c) above.

5. The provisions of 23 CFR 633.207(e) allow the contracting agency to provide a contractual preference for the use of mineral resource materials native to the Appalachian region.

6. The contractor shall include the provisions of Sections 1 through 4 of this Attachment A in every subcontract for work which is, or reasonably may be, done as on-site work.

37. EXHIBIT J – FEDERAL REQUIREMENTS

Federal laws and regulations that may be applicable to the Work include:

A. Uniform Administrative Requirements for Agreements and Cooperative Agreements to State and Local Governments (Common Rule)

The "Uniform Administrative Requirements for Agreements and Cooperative Agreements to State and Local Governments (Common Rule), at 49 Code of Federal Regulations, Part 18, except to the extent that other applicable federal requirements (including the provisions of 23 CFR Parts 172 or 633 or 635) are more specific than provisions of Part 18 and therefore supersede such Part 18 provisions. The requirements of 49 CFR 18 include, without limitation: the Local Agency/Contractor shall follow applicable procurement procedures, as required by section 18.36(d); the Local Agency/Contractor shall request and obtain prior CDOT approval of changes to any subcontracts in the manner, and to the extent required by, applicable provisions of section 18.30; the Local Agency/Contractor shall comply with section 18.37 concerning any sub-Agreements; to expedite any CDOT approval, the Local Agency/Contractor's attorney, or other authorized representative, shall also submit a letter to CDOT certifying Local Agency/Contractor compliance with section 18.30 change order procedures, and with 18.36(d) procurement procedures, and with 18.37 sub-Agreement procedures, as applicable; the Local Agency/Contractor shall incorporate the specific contract provisions described in 18.36(i) (which are also deemed incorporated herein) into any subcontract(s) for such services as terms and conditions of those subcontracts.

B. Executive Order 11246

Executive Order 11246 of September 24, 1965 entitled "Equal Employment Opportunity," as amended by Executive Order 11375 of October 13, 1967 and as supplemented in Department of Labor regulations (41 CFR Chapter 60) (All construction contracts awarded in excess of \$10,000 by the Local Agencies and their contractors or the Local Agencies).

C. Copeland "Anti-Kickback" Act

The Copeland "Anti-Kickback" Act (18 U.S.C. 874) as supplemented in Department of Labor regulations (29 CFR Part 3) (All contracts and sub-Agreements for construction or repair).

D. Davis-Bacon Act

The Davis-Bacon Act (40 U.S.C. 276a to a-7) as supplemented by Department of Labor regulations (29 CFR Part 5) (Construction contracts in excess of \$2,000 awarded by the Local Agencies and the Local Agencies when required by Federal Agreement program legislation. This act requires that all laborers and mechanics employed by contractors or sub-contractors to work on construction projects financed by federal assistance must be paid wages not less than those established for the locality of the project by the Secretary of Labor).

E. Contract Work Hours and Safety Standards Act

Sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-330) as supplemented by Department of Labor regulations (29 CFR Part 5). (Construction contracts awarded by the Local Agency's in excess of \$2,000, and in excess of \$2,500 for other contracts which involve the employment of mechanics or laborers).

F. Clear Air Act

Standards, orders, or requirements issued under section 306 of the Clear Air Act (42 U.S.C. 1857(h), section 508 of the Clean Water Act (33 U.S.C. 1368). Executive Order 11738, and Environmental Protection Agency regulations (40 CFR Part 15) (contracts, subcontracts, and sub-Agreements of amounts in excess of \$100,000).

G. Energy Policy and Conservation Act

Mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub. L. 94-163).

H. OMB Circulars

Office of Management and Budget Circulars A-87, A-21 or A-122, and A-102 or A-110, whichever is applicable.

I. Hatch Act

The Hatch Act (5 USC 1501-1508) and Public Law 95-454 Section 4728. These statutes state that federal funds cannot be used for partisan political purposes of any kind by any person or organization involved in the administration of federally-assisted programs.

J. Nondiscrimination

42 USC 6101 et seq. 42 USC 2000d, 29 USC 794, and implementing regulation, 45 C.F.R. Part 80 et. seq. These acts require that no person shall, on the grounds of race, color, national origin, age, or handicap, be excluded from participation in or be subjected to discrimination in any program or activity funded, in whole or part, by federal funds.

K. ADA

The Americans with Disabilities Act (Public Law 101-336; 42 USC 12101, 12102, 12111-12117, 12131-12134, 12141-12150, 12161-12165, 12181-12189, 12201-12213 47 USC 225 and 47 USC 611.

L. Uniform Relocation Assistance and Real Property Acquisition Policies Act

The Uniform Relocation Assistance and Real Property Acquisition Policies Act, as amended (Public Law 91-646, as amended and Public Law 100-17, 101 Stat. 246-256). (If the contractor is acquiring real property and displacing households or businesses in the performance of the Agreement).

M. Drug-Free Workplace Act

The Drug-Free Workplace Act (Public Law 100-690 Title V, subtitle D, 41 USC 701 et seq.).

N. Age Discrimination Act of 1975

The Age Discrimination Act of 1975, 42 U.S.C. Sections 6101 et. seq. and its implementing regulation, 45 C.F.R. Part 91; Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. 794, as amended, and implementing regulation 45 C.F.R. Part 84.

O. 23 C.F.R. Part 172

23 C.F.R. Part 172, concerning "Administration of Engineering and Design Related Contracts".

P. 23 C.F.R Part 633

23 C.F.R Part 633, concerning "Required Contract Provisions for Federal-Aid Construction Contracts".

Q. 23 C.F.R. Part 635

23 C.F.R. Part 635, concerning "Construction and Maintenance Provisions".

R. Title VI of the Civil Rights Act of 1964 and 162(a) of the Federal Aid Highway Act of 1973

Title VI of the Civil Rights Act of 1964 and 162(a) of the Federal Aid Highway Act of 1973. The requirements for which are shown in the Nondiscrimination Provisions, which are attached hereto and made a part hereof.

S. Nondiscrimination Provisions:

In compliance with Title VI of the Civil Rights Act of 1964 and with Section 162(a) of the Federal Aid Highway Act of 1973, the Contractor, for itself, its assignees and successors in interest, agree as follows:

i. Compliance with Regulations

The Contractor will comply with the Regulations of the Department of Transportation relative to nondiscrimination in Federally assisted programs of the Department of Transportation (Title 49, Code of Federal Regulations, Part 21, hereinafter referred to as the "Regulations"), which are herein incorporated by reference and made a part of this Agreement.

ii. Nondiscrimination

The Contractor, with regard to the work performed by it after award and prior to completion of the contract work, will not discriminate on the ground of race, color, sex, mental or physical handicap or national origin in the selection and retention of Subcontractors, including

procurement of materials and leases of equipment. The Contractor will not participate either directly or indirectly in the discrimination prohibited by Section 21.5 of the Regulations, including employment practices when the contract covers a program set forth in Appendix C of the Regulations.

iii. Solicitations for Subcontracts, Including Procurement of Materials and Equipment

In all solicitations either by competitive bidding or negotiation made by the Contractor for work to be performed under a subcontract, including procurement of materials or equipment, each potential Subcontractor or supplier shall be notified by the Contractor of the Contractor's obligations under this Agreement and the Regulations relative to nondiscrimination on the ground of race, color, sex, mental or physical handicap or national origin.

iv. Information and Reports

The Contractor will provide all information and reports required by the Regulations, or orders and instructions issued pursuant thereto and will permit access to its books, records, accounts, other sources of information and its facilities as may be determined by the State or the FHWA to be pertinent to ascertain compliance with such Regulations, orders and instructions. Where any information required of the Contractor is in the exclusive possession of another who fails or refuses to furnish this information, the Contractor shall so certify to the State, or the FHWA as appropriate and shall set forth what efforts have been made to obtain the information.

v. Sanctions for Noncompliance

In the event of the Contractor's noncompliance with the nondiscrimination provisions of this Agreement, the State shall impose such contract sanctions as it or the FHWA may determine to be appropriate, including, but not limited to: **a.** Withholding of payments to the Contractor under the contract until the Contractor complies, and/or **b.** Cancellation, termination or suspension of the contract, in whole or in part.

T. Incorporation of Provisions §22

The Contractor will include the provisions of paragraphs A through F in every subcontract, including procurement of materials and leases of equipment, unless exempt by the Regulations, orders, or instructions issued pursuant thereto. The Contractor will take such action with respect to any subcontract or procurement as the State or the FHWA may direct as a means of enforcing such provisions including sanctions for noncompliance; provided, however, that, in the event the Contractor becomes involved in, or is threatened with, litigation with a Subcontractor or supplier as a result of such direction, the Contractor may request the State to enter into such litigation to protect the interest of the State and in addition, the Contractor may request the FHWA to enter into such litigation to protect the interests of the United States.

38. EXHIBIT K – SUPPLEMENTAL FEDERAL PROVISIONS

**State of Colorado
Supplemental Provisions for
Federally Funded Contracts, Grants, and Purchase Orders
Subject to**

**The Federal Funding Accountability and Transparency Act of 2006 (FFATA), As Amended
Revised as of 3-20-13**

The contract, grant, or purchase order to which these Supplemental Provisions are attached has been funded, in whole or in part, with an Award of Federal funds. In the event of a conflict between the provisions of these Supplemental Provisions, the Special Provisions, the contract or any attachments or exhibits incorporated into and made a part of the contract, the provisions of these Supplemental Provisions shall control.

1. Definitions. For the purposes of these Supplemental Provisions, the following terms shall have the meanings ascribed to them below.

1.1. “Award” means an award of Federal financial assistance that a non-Federal Entity receives or administers in the form of:

- 1.1.1.** Grants;
- 1.1.2.** Contracts;
- 1.1.3.** Cooperative agreements, which do not include cooperative research and development agreements (CRDA) pursuant to the Federal Technology Transfer Act of 1986, as amended (15 U.S.C. 3710);
- 1.1.4.** Loans;
- 1.1.5.** Loan Guarantees;
- 1.1.6.** Subsidies;
- 1.1.7.** Insurance;
- 1.1.8.** Food commodities;
- 1.1.9.** Direct appropriations;
- 1.1.10.** Assessed and voluntary contributions; and
- 1.1.11.** Other financial assistance transactions that authorize the expenditure of Federal funds by non-Federal Entities.

Award **does not** include:

- 1.1.12.** Technical assistance, which provides services in lieu of money;
- 1.1.13.** A transfer of title to Federally-owned property provided in lieu of money; even if the award is called a grant;
- 1.1.14.** Any award classified for security purposes; or
- 1.1.15.** Any award funded in whole or in part with Recovery funds, as defined in section 1512 of the American Recovery and Reinvestment Act (ARRA) of 2009 (Public Law 111-5).

1.2. “Contract” means the contract to which these Supplemental Provisions are attached and includes all Award types in §1.1.1 through 1.1.11 above.

1.3. “Contractor” means the party or parties to a Contract funded, in whole or in part, with Federal financial assistance, other than the Prime Recipient, and includes grantees, subgrantees, Subrecipients, and borrowers. For purposes of Transparency Act reporting, Contractor does not include Vendors.

1.4. “Data Universal Numbering System (DUNS) Number” means the nine-digit number established and assigned by Dun and Bradstreet, Inc. to uniquely identify a business entity. Dun and Bradstreet’s website may be found at: <http://fedgov.dnb.com/webform>.

1.5. “Entity” means all of the following as defined at 2 CFR part 25, subpart C;

- 1.5.1.** A governmental organization, which is a State, local government, or Indian Tribe;
- 1.5.2.** A foreign public entity;
- 1.5.3.** A domestic or foreign non-profit organization;

- 1.5.4. A domestic or foreign for-profit organization; and
- 1.5.5. A Federal agency, but only a Subrecipient under an Award or Subaward to a non-Federal entity.
- 1.6. **“Executive”** means an officer, managing partner or any other employee in a management position.
- 1.7. **“Federal Award Identification Number (FAIN)”** means an Award number assigned by a Federal agency to a Prime Recipient.
- 1.8. **“FFATA”** means the Federal Funding Accountability and Transparency Act of 2006 (Public Law 109-282), as amended by §6202 of Public Law 110-252. FFATA, as amended, also is referred to as the “Transparency Act.”
- 1.9. **“Prime Recipient”** means a Colorado State agency or institution of higher education that receives an Award.
- 1.10. **“Subaward”** means a legal instrument pursuant to which a Prime Recipient of Award funds awards all or a portion of such funds to a Subrecipient, in exchange for the Subrecipient’s support in the performance of all or any portion of the substantive project or program for which the Award was granted.
- 1.11. **“Subrecipient”** means a non-Federal Entity (or a Federal agency under an Award or Subaward to a non-Federal Entity) receiving Federal funds through a Prime Recipient to support the performance of the Federal project or program for which the Federal funds were awarded. A Subrecipient is subject to the terms and conditions of the Federal Award to the Prime Recipient, including program compliance requirements. The term “Subrecipient” includes and may be referred to as Subgrantee.
- 1.12. **“Subrecipient Parent DUNS Number”** means the subrecipient parent organization’s 9-digit Data Universal Numbering System (DUNS) number that appears in the subrecipient’s System for Award Management (SAM) profile, if applicable.
- 1.13. **“Supplemental Provisions”** means these Supplemental Provisions for Federally Funded Contracts, Grants, and Purchase Orders subject to the Federal Funding Accountability and Transparency Act of 2006, As Amended, as may be revised pursuant to ongoing guidance from the relevant Federal or State of Colorado agency or institution of higher education.
- 1.14. **“System for Award Management (SAM)”** means the Federal repository into which an Entity must enter the information required under the Transparency Act, which may be found at <http://www.sam.gov>.
- 1.15. **“Total Compensation”** means the cash and noncash dollar value earned by an Executive during the Prime Recipient’s or Subrecipient’s preceding fiscal year and includes the following:
 - 1.15.1. Salary and bonus;
 - 1.15.2. Awards of stock, stock options, and stock appreciation rights, using the dollar amount recognized for financial statement reporting purposes with respect to the fiscal year in accordance with the Statement of Financial Accounting Standards No. 123 (Revised 2005) (FAS 123R), Shared Based Payments;
 - 1.15.3. Earnings for services under non-equity incentive plans, not including group life, health, hospitalization or medical reimbursement plans that do not discriminate in favor of Executives and are available generally to all salaried employees;
 - 1.15.4. Change in present value of defined benefit and actuarial pension plans;
 - 1.15.5. Above-market earnings on deferred compensation which is not tax-qualified;
 - 1.15.6. Other compensation, if the aggregate value of all such other compensation (e.g. severance, termination payments, value of life insurance paid on behalf of the employee, perquisites or property) for the Executive exceeds \$10,000.
- 1.16. **“Transparency Act”** means the Federal Funding Accountability and Transparency Act of 2006 (Public Law 109-282), as amended by §6202 of Public Law 110-252. The Transparency Act also is referred to as FFATA.
- 1.17. **“Vendor”** means a dealer, distributor, merchant or other seller providing property or services required for a project or program funded by an Award. A Vendor is not a Prime Recipient or a Subrecipient and

is not subject to the terms and conditions of the Federal award. Program compliance requirements do not pass through to a Vendor.

2. **Compliance.** Contractor shall comply with all applicable provisions of the Transparency Act and the regulations issued pursuant thereto, including but not limited to these Supplemental Provisions. Any revisions to such provisions or regulations shall automatically become a part of these Supplemental Provisions, without the necessity of either party executing any further instrument. The State of Colorado may provide written notification to Contractor of such revisions, but such notice shall not be a condition precedent to the effectiveness of such revisions.
3. **System for Award Management (SAM) and Data Universal Numbering System (DUNS) Requirements.**
 - 3.1. **SAM.** Contractor shall maintain the currency of its information in SAM until the Contractor submits the final financial report required under the Award or receives final payment, whichever is later. Contractor shall review and update SAM information at least annually after the initial registration, and more frequently if required by changes in its information.
 - 3.2. **DUNS.** Contractor shall provide its DUNS number to its Prime Recipient, and shall update Contractor's information in Dun & Bradstreet, Inc. at least annually after the initial registration, and more frequently if required by changes in Contractor's information.
4. **Total Compensation.** Contractor shall include Total Compensation in SAM for each of its five most highly compensated Executives for the preceding fiscal year if:
 - 4.1. The total Federal funding authorized to date under the Award is \$25,000 or more; and
 - 4.2. In the preceding fiscal year, Contractor received:
 - 4.2.1. 80% or more of its annual gross revenues from Federal procurement contracts and subcontracts and/or Federal financial assistance Awards or Subawards subject to the Transparency Act; and
 - 4.2.2. \$25,000,000 or more in annual gross revenues from Federal procurement contracts and subcontracts and/or Federal financial assistance Awards or Subawards subject to the Transparency Act; and
 - 4.3. The public does not have access to information about the compensation of such Executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d) or § 6104 of the Internal Revenue Code of 1986.
5. **Reporting.** Contractor shall report data elements to SAM and to the Prime Recipient as required in §7 below if Contractor is a Subrecipient for the Award pursuant to the Transparency Act. No direct payment shall be made to Contractor for providing any reports required under these Supplemental Provisions and the cost of producing such reports shall be included in the Contract price. The reporting requirements in §7 below are based on guidance from the US Office of Management and Budget (OMB), and as such are subject to change at any time by OMB. Any such changes shall be automatically incorporated into this Contract and shall become part of Contractor's obligations under this Contract, as provided in §2 above. The Colorado Office of the State Controller will provide summaries of revised OMB reporting requirements at <http://www.colorado.gov/dpa/dfp/sco/FFATA.htm>.
6. **Effective Date and Dollar Threshold for Reporting.** The effective date of these Supplemental Provisions apply to new Awards as of October 1, 2010. Reporting requirements in §7 below apply to new Awards as of October 1, 2010, if the initial award is \$25,000 or more. If the initial Award is below \$25,000 but subsequent Award modifications result in a total Award of \$25,000 or more, the Award is subject to the reporting requirements as of the date the Award exceeds \$25,000. If the initial Award is \$25,000 or more, but funding is subsequently de-obligated such that the total award amount falls below \$25,000, the Award shall continue to be subject to the reporting requirements.
7. **Subrecipient Reporting Requirements.** If Contractor is a Subrecipient, Contractor shall report as set forth below.

7.1 ToSAM. A Subrecipient shall register in SAM and report the following data elements in SAM *for each* Federal Award Identification Number no later than the end of the month following the month in which the Subaward was made:

- 7.1.1** Subrecipient DUNS Number;
- 7.1.2** Subrecipient DUNS Number + 4 if more than one electronic funds transfer (EFT) account;
- 7.1.3** Subrecipient Parent DUNS Number;
- 7.1.4** Subrecipient's address, including: Street Address, City, State, Country, Zip + 4, and Congressional District;
- 7.1.5** Subrecipient's top 5 most highly compensated Executives if the criteria in §4 above are met; and
- 7.1.6** Subrecipient's Total Compensation of top 5 most highly compensated Executives if criteria in §4 above met.

7.2 To Prime Recipient. A Subrecipient shall report to its Prime Recipient, upon the effective date of the Contract, the following data elements:

- 7.2.1** Subrecipient's DUNS Number as registered in **SAM**.
- 7.2.2** Primary Place of Performance Information, including: Street Address, City, State, Country, Zip code + 4, and Congressional District.

8. Exemptions.

- 8.1.** These Supplemental Provisions do not apply to an individual who receives an Award as a natural person, unrelated to any business or non-profit organization he or she may own or operate in his or her name.
- 8.2** A Contractor with gross income from all sources of less than \$300,000 in the previous tax year is exempt from the requirements to report Subawards and the Total Compensation of its most highly compensated Executives.
- 8.3** Effective October 1, 2010, "Award" currently means a grant, cooperative agreement, or other arrangement as defined in Section 1.1 of these Special Provisions. On future dates "Award" may include other items to be specified by OMB in policy memoranda available at the OMB Web site; Award also will include other types of Awards subject to the Transparency Act.
- 8.4** There are no Transparency Act reporting requirements for Vendors.

Event of Default. Failure to comply with these Supplemental Provisions shall constitute an event of default under the Contract and the State of Colorado may terminate the Contract upon 30 days prior written notice if the default remains uncured five calendar days following the termination of the 30 day notice period. This remedy will be in addition to any other remedy available to the State of Colorado under the Contract, at law or in equity.



CITY OF LOVELAND
WATER & POWER DEPARTMENT
 200 North Wilson • Loveland, Colorado 80537
 (970) 962-3000 • FAX (970) 962-3400 • TDD (970) 962-2620

AGENDA ITEM: 10
MEETING DATE: 2/16/2016
TO: City Council
FROM: Water & Power Department
PRESENTER: Larry Howard, Civil Engineer

TITLE:

A Resolution Approving and Authorizing the Execution of a Fifth Interim Agreement with the Municipal Subdistrict, Northern Colorado Water Conservancy District Windy Gap Firming Project Water Activity Enterprise (Fifth Interim Agreement), for Participation in the Windy Gap Firming Project

RECOMMENDED CITY COUNCIL ACTION:

Adopt the Resolution.

OPTIONS:

1. Adopt the action as recommended
2. Deny the action (would end Loveland's participation in the ongoing work intended to ultimately lead to construction of the Windy Gap Firming Project)
3. Adopt a modified action (specify in the motion)
4. Refer back to staff for further development and consideration (The city would miss a March 1st deadline for all 13 participants to make payments and move forward with the engineering for the project)

Adopt the action as recommended.

SUMMARY:

Loveland's portion of the proposed Fifth Interim Agreement for costs expected during calendar year 2016 is \$1,118,956, due by March 1, 2016. This is based upon Loveland's current subscription of 7,000 acre-feet of storage capacity in the project expected to be permitted for a total of 90,000 acre-feet. Existing environmental permitting is underway but not yet complete but is expected to be completed during the year. The Fifth Phase of the Project consists of the continuation of work to obtain local, state and federal permits and approvals required for the Project; detailed engineering design including preparation of plans and specifications for contractor procurement; additional land acquisition; planning and implementation of required mitigation and enhancement measures; development of contracts and other agreements that will be required to integrate the Project with the Windy Gap Project; development of alternatives for financing the Project; and related activities. Sufficient 2016 budgeted funds exist for this purpose in the Raw Water budget, Project W038AA.

BUDGET IMPACT:

- ☐ Positive
☒ Negative
☐ Neutral or negligible

Approval of *Fifth Interim Agreement* will obligate the City to make a payment of \$1,118,956 to the Municipal Sub district/Northern Colorado Water Conservancy District.

BACKGROUND:

The Fifth Interim Agreement is necessary for all Project Participants, including Loveland, to continue moving forward with the Project. Completion of the Fifth Phase of the Project will require additional funding from the Participants.

A total request of \$13,775,950 is involved from all the Project Participants, and \$1,118,956 represents Loveland's 8.12% interest in the Project (7,000 AF for Loveland / 86,180 AF currently subscribed). This is shown on Exhibit A to the proposed Fifth Interim Agreement, which is attached.

The Loveland Utilities Commission considered this item at its January 20, 2016 meeting and unanimously recommended that City Council adopt a resolution approving the Fifth Interim Agreement between the Municipal Sub district, Northern Water Conservancy District Windy Gap Firming Project Water Activity Enterprise and the City of Loveland.

REVIEWED BY CITY MANAGER:

LIST OF ATTACHMENTS:

Resolution

RESOLUTION #R-17-2015**A RESOLUTION APPROVING AND AUTHORIZING THE EXECUTION OF A FIFTH INTERIM AGREEMENT WITH THE MUNICIPAL SUBDISTRICT, NORTHERN COLORADO WATER CONSERVANCY DISTRICT WINDY GAP FIRING PROJECT WATER ACTIVITY ENTERPRISE, FOR PARTICIPATION IN THE WINDY GAP FIRING PROJECT**

WHEREAS, since the 1970s, the City of Loveland has been a participant in the Windy Gap Project (“Project”), which is managed by the Municipal Subdistrict of the Northern Colorado Water Conservancy District (“Subdistrict”); and

WHEREAS, the Windy Gap Firing Project is a water storage project for water and the City owns 40 units, which represent raw water, in the Windy Gap Project; and

WHEREAS, the Windy Gap Project water rights are junior, and won’t supply water during drought without storage; and

WHEREAS, the Subdistrict and participants have been seeking ways to improve the reliability and yield of Windy Gap Project units (the “Windy Gap Firing Project”); and

WHEREAS, the previous phases of the Project studied potential reservoir sites, conducted engineering work and environmental studies, and developed preliminary design plans; and

WHEREAS, the City has reserved 7,000 acre-feet of storage in the Windy Gap Firing Project; and

WHEREAS, the Subdistrict seeks a commitment from all participants, including the City, for the Fifth Phase, which will continue work to obtain local, state and federal permits and approvals, detailed engineering design, additional land acquisition, mitigation and enhancement measures, and contract development for the Project (“the Fifth Phase”) by way of a Fifth Interim Agreement Between the Municipal Subdistrict, Northern Colorado Water Conservancy District Windy Gap Firing Project Water Activity Enterprise, and City of Loveland, Colorado for Participation in the Windy Gap Firing Project (“Agreement”); and

WHEREAS, the Subdistrict estimates Loveland’s pro rata share for the Fifth Phase is \$1,118,956 for 2016 and adequate funds exist for this purpose in the Raw Water budget; and

WHEREAS, the Loveland Utilities Commission recommends that the City enter into a Fifth Interim Agreement; and

WHEREAS, the City Council finds that participation in the Project will benefit the Utility’s ratepayers and is in the best interests of Loveland’s citizens; and

WHEREAS, the City Council desires to enter into a Fifth Interim Agreement for the Fifth Phase of the Project.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LOVELAND, COLORADO:

Section 1. That the “Fifth Interim Agreement Between the Municipal Subdistrict, Northern Colorado Water Conservancy District Windy Gap Firming Project Water Activity Enterprise and the City for Participation in the Windy Gap Firming Project” (“Fifth Interim Agreement”), attached hereto as Exhibit A and incorporated herein by reference, is approved, and the Mayor and City Clerk are authorized to execute and enter into the Fifth Interim Agreement on behalf of the City of Loveland.

Section 2. That the Mayor is authorized, following consultation with the City Manager and the City Attorney, to approve changes to the form of the Fifth Interim Agreement, in form or in substance, as deemed necessary to effectuate the purposes of this Resolution or to protect the interests of the City.

Section 3. That this Resolution shall take effect as of the date and time of its adoption.

ADOPTED this 16th day of February, 2016.

Cecil A. Gutierrez, Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:



Assistant City Attorney

FIFTH INTERIM AGREEMENT BETWEEN THE
MUNICIPAL SUBDISTRICT,
NORTHERN COLORADO WATER CONSERVANCY DISTRICT
WINDY GAP FIRING PROJECT WATER ACTIVITY ENTERPRISE,
AND

FOR PARTICIPATION IN THE
WINDY GAP FIRING PROJECT

This Agreement is made and entered into as of _____, 201_, by and between the Municipal Subdistrict, Northern Colorado Water Conservancy District (a quasi-municipal entity and political subdivision of the State of Colorado) (the "Subdistrict"), acting by and through its Windy Gap Firing Project Water Activity Enterprise (a government-owned business within the meaning of Article X, Section 20(2)(d), of the Colorado Constitution, organized pursuant to C.R.S. §§ 37-45.1-101 et seq.), whose address is 220 Water Avenue, Berthoud, Colorado 80513 (the "WGF Enterprise") , and _____, whose address is _____ ("Participant").

Recitals

- A. The WGF Enterprise is developing a water storage project (the "Project") for the purpose of storing water produced by the Windy Gap Project, or other water that is physically and legally capable of being introduced into the Project from the facilities of the Colorado-Big Thompson Project.
- B. Overall Project costs will be divided among the entities which participate in the Project.
- C. The First Phase of the Project consisted of preliminary studies to evaluate potential reservoir sites. The First Phase has been accomplished and there appear to be a number of potential reservoir sites that may serve the needs of the Project.
- D. The Second Phase of the Project consisted of engineering work, environmental studies, alternatives analysis and related work. The Second Phase is complete.
- E. The Third Phase of the Project, consisted of environmental and other permitting, further engineering studies, and preliminary design work, but not land acquisition.
- F. The Fourth Phase of the Project consisted of a continuation of the activities started in the Third Phase, plus land acquisition, and is complete.
- G. The Fifth Phase of the Project consists of continuation of work to obtain local, state and federal permits and approvals required for the Project; detailed engineering design including preparation of plans and specifications for contractor procurement; additional land acquisition; planning and implementation of required mitigation and enhancement

measures; development of contracts and other agreements that will be required to integrate the Project with the Windy Gap Project; development of alternatives for financing the Project; and related activities (“the Fifth Phase”). Completion of the Fifth Phase of the Project on behalf of the Participants will require additional funding.

Agreement

1. Participant agrees to participate in the Fifth Phase of the Project under and pursuant to the terms and conditions of this Agreement. Participation in the Fifth Phase of the Project in no way obligates Participant to subsequent phases of the Project or to continue involvement in the Project in any manner.
2. Participant’s storage capacity allocation in the Project shall be _____ acre-feet of water. Participant may request a change in allocated storage capacity for the Project. The change will be implemented by the WGF Enterprise only if it will not adversely affect local, state, and federal permits and approvals for the Project, so long as any increased costs are paid by the Participant. In addition, Participant may increase its allocated storage capacity only if there is sufficient unallocated storage capacity in the Project to accommodate the increase. In the event that more than one participant seeks to increase its allocated storage capacity, and there is not sufficient unallocated storage capacity in the Project to accommodate all requested increases, the unallocated Project storage capacity shall be allocated to each participant seeking an increase pro rata based on such participant’s capacity allocation in the Fifth Phase of the Project. If a change in Participant’s capacity is made, the formula for allocation of costs among the participants shall be changed accordingly so that each participant pays a share of the Fourth and Fifth Phase costs of the Project after the change equal to the participant’s share of the final allocation of storage capacity in the Project.
3. Participant agrees to provide to the WGF Enterprise funds for its pro rata share of the costs necessary to complete the Fifth Phase of the Project. The WGF Enterprise estimates that Participant’s pro rata share of the costs of the Fifth Phase of the Project is \$_____ for the 2016 calendar year. Participant will pay the WGF Enterprise its pro rata share of the 2016 calendar year costs on or before February 1, 2016. This estimated cost will not be increased or exceeded without the prior written approval of Participant. However, if the Fifth Phase of the Project cannot be completed within this estimated cost, the WGF Enterprise is not obligated to complete the Fifth Phase of the Project for the benefit of Participant unless sufficient additional pro rata funds as determined by the WGF Enterprise are provided by Participant. Attached hereto as Exhibit A is a table showing the pro rata share of the costs of the Fifth Phase of the Project for each Participant based upon current allocations of capacity in the Project.
4. In the event that Participant fails to make any of the payment set forth above at the specified time, the WGF Enterprise shall have the right to terminate this Agreement and cease all work on the Project for the benefit of Participant. The WGF Enterprise shall give Participant thirty (30) days' advance written notice of its intention to terminate this

Agreement and cease work on the Project for Participant's benefit under this paragraph. Participant shall have until the end of said 30-day period in which to make all past due payments in full in order to cure its default hereunder. Participant shall in any event be responsible for its pro rata share of costs of the Fifth Phase of the Project actually incurred by the WGF Enterprise up to the date of termination of this Agreement.

5. The WGF Enterprise agrees to diligently pursue the Fifth Phase of the Project in good faith to the extent that funds therefor are provided by the Participant under this Agreement and by other Participants under similar agreements. By entering into this Agreement and accepting payments from Participant, the WGF Enterprise does not obligate itself to, nor does the WGF Enterprise warrant, that it will proceed with construction of the Project beyond the Fifth Phase or that it will construct or operate the Project. At the end of the Fifth Phase, the WGF Enterprise will determine after consultation with the participants whether to proceed with the Project. The WGF Enterprise agrees that, if the participants provide all required funding, if the WGF Enterprise has the ability, and if the Project is feasible and practical, it will pursue the construction and operation of the Project if requested to do so by sufficient participants to fully fund the Project. In such event, the Participant shall have the right to participate in the funding, construction and operation of the Project in the amount of storage capacity allocated to Participant in paragraph 2 above, so long as the Project as finally configured is sufficiently large to accommodate the total amount of storage capacity allocated to all participants in the Fifth Phase of the Project. If the Project as finally configured is not sufficiently large to accommodate the total amount of storage capacity allocated to all participants in the Fifth Phase of the Project, the available storage capacity in the Project shall be allocated to each participant pro rata based on such participant's capacity allocation in the Fifth Phase of the Project. In the event that the WGF Enterprise decides not to proceed with the Project, it will so notify Participant and this Agreement will immediately and automatically terminate upon the giving of such notice.
6. In the event of termination of the Project, Participant shall not be entitled to any return of funds paid to the WGF Enterprise for the Project, unless payments by Participants exceed the WGF Enterprise's costs, in which case a pro rata refund will be made. In the event of such termination, Participant shall be entitled to receive copies of any work products developed by the WGF Enterprise or its consultants on behalf of Participant, and WGF Enterprise shall convey to Participant, as a tenant in common with all other Participants who have not been terminated under paragraph 4 above, a pro rata interest in all real and personal property acquired by the WGF Enterprise for the Project with funds provided under this Agreement or similar agreements with other Participants.
7. Participant shall have the right to assign this Agreement and Participant's rights hereunder, with the written consent of the WGF Enterprise, which consent shall not be unreasonably withheld, to any person or entity that is eligible to receive water deliverable through the Project and that is financially able to perform this Agreement.
8. In the event that this Agreement is terminated for any reason, Participant shall not be

entitled to any return of any funds paid to the WGF Enterprise for the Project, and the WGF Enterprise shall have no further obligations to Participant, except as provided in Paragraph 6 above for those Participants who have not been terminated under paragraph 4 above.

9. This Agreement is the entire agreement between the WGF Enterprise and Participant regarding participation in the Project and shall be modified by the parties only by a duly executed written instrument approved by Participant and the WGF Enterprise's Board of Directors.
10. This Agreement is subject to approval by the WGF Enterprise's Board of Directors and shall become binding on the WGF Enterprise only upon such approval.
11. This Agreement is for the 2016 Fiscal Year. Expenditures for subsequent fiscal years will be the subject of Amendments to this Agreement.

MUNICIPAL SUBDISTRICT,
NORTHERN COLORADO WATER
CONSERVANCY DISTRICT, ACTING
BY AND THROUGH THE WINDY GAP
FIRMING PROJECT WATER ACTIVITY
ENTERPRISE

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

DRAFT

EXHIBIT A

**Windy Gap Firming Project
Allocation of Costs for Fifth Interim Agreement (Phase 5)**

Estimated NEPA and Engineering Costs due March 1, 2016: \$ 13,775,950

Participant	Requested Storage Volume (af)	Share of Phase 5 Cost
Broomfield	25,200	\$ 4,028,243
CWCWD	330	\$ 52,751
Erie	6,000	\$ 959,105
Evans	1,750	\$ 279,739
Fort Lupton	1,050	\$ 167,843
Greeley	7,000	\$ 1,118,956
Lafayette	1,800	\$ 287,732
Little Thompson WD	4,850	\$ 775,277
Longmont	12,000	\$ 1,918,211
Louisville	2,700	\$ 431,597
Loveland	7,000	\$ 1,118,956
PRPA	12,000	\$ 1,918,211
Superior	4,500	\$ 719,329
TOTAL	86,180	\$ 13,775,950



CITY OF LOVELAND
WATER & POWER DEPARTMENT
 200 North Wilson • Loveland, Colorado 80537
 (970) 962-3000 • FAX (970) 962-3400 • TDD (970) 962-2620

AGENDA ITEM: 11
MEETING DATE: 2/16/2016
TO: City Council
FROM: Water and Power Department
PRESENTER: Kim Frick, Staff Engineer

TITLE:

A Resolution Of The Loveland City Council Authorizing An Application To, And Contract With, The Northern Colorado Water Conservancy District For Beneficial Use Of 50 Acre-Feet Units Of Colorado Big Thompson Project Water

RECOMMENDED CITY COUNCIL ACTION:

Motion to adopt the resolution.

OPTIONS:

1. Adopt the action as recommended
2. Deny the action (the city would lose the use of the water)
3. Adopt a modified action (specify in the motion)
4. Refer back to staff for further development and consideration (a delay would cause missing a deadline to have this item before the NCWCD Board)

SUMMARY:

This is an administrative action to adopt a resolution approving the conversion of 50 Colorado-Big Thompson ("C-BT") units acquired during 2015 from a Temporary Use Permit to a Permanent Section 131 Contract.

BUDGET IMPACT:

- ☐ Positive
☐ Negative
☒ Neutral or negligible

The units were purchased in 2015. No additional costs are associated with the conversion.

BACKGROUND:

The City of Loveland currently holds 50 acre-foot units of C-BT Project water in the form of temporary use permits, or TUPs. These give the City the temporary right to use the C-BT water associated with these acre-foot units during the year the units are acquired, prior to obtaining a Section 131 contract which provides for their use in all subsequent years.

Northern Colorado Water Conservancy District (Northern Water) policy requires municipal and industrial allottees to convert the TUPs to Section 131 contracts in the year following acquisition. ("Section 131" refers to that section in the Water Conservancy Act of Colorado, Title 31, Article 43, Colorado Revised Statutes). Failure to convert the TUPs by March 1, 2016, will result in Northern Water's refusal to deliver the water.

On January 20, 2016, the Loveland Utilities Commission considered this item and unanimously recommended that City Council adopt the resolution authorizing the Director of the Department of Water and Power to sign the application for the Section 131 Contract.

REVIEWED BY CITY MANAGER:



LIST OF ATTACHMENTS:

Resolution

RESOLUTION #R-18-2016**A RESOLUTION OF THE LOVELAND CITY COUNCIL AUTHORIZING AN APPLICATION TO, AND CONTRACT WITH, THE NORTHERN COLORADO WATER CONSERVANCY DISTRICT FOR BENEFICIAL USE OF 50 UNITS OF COLORADO BIG THOMPSON PROJECT WATER**

WHEREAS, the City of Loveland acquired 50 units of Colorado-Big Thompson Project (hereafter “C-BT”) water in 2015 as approved by City Council in Resolution #58-2015, and the water must be converted from a temporary use permit to a Permanent Section 131 contract;

WHEREAS, pursuant to the Water Conservancy Act of Colorado, Title 37, Article 45, C.R.S. the City of Loveland, a Colorado municipal corporation, must apply to the Board of Directors of the Northern Colorado Water Conservancy District (“District”) for a contract for the right to beneficially use the C-BT Project water;

WHEREAS, the City intends to use the water within the boundaries of the District on an annually-renewable basis under C.R.S. § 37-45-131 in order to obtain the perpetual right to use said water; and

WHEREAS, the continued acquisition and use of this water supply is essential for the well-being of the City of Loveland and its citizens.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LOVELAND, COLORADO:

Section 1. That the City of Loveland apply for a contract providing for the beneficial use of the 50 units of C-BT Project water from the District within the boundaries of the District.

Section 2. That the Director of the Department of Water and Power is hereby authorized and directed to apply to the Board of Directors of the District for a contract providing to the City the beneficial use of said water upon the terms prescribed by said Board in the manner and form attached hereto as Exhibit A and incorporated herein by reference (“Application”).

Section 3. That the Director of the Department of Water and Power is hereby authorized, following consultation with the City Attorney, to execute the Application and any other documents required by the District to effectuate the contract.

Section 4. That this Resolution shall be effective as the date of its adoption.

ADOPTED this 16th day of February, 2016.

Cecil A. Gutierrez, Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:



Assistant City Attorney

APPLICATION TO
NORTHERN COLORADO WATER CONSERVANCY
DISTRICT FOR ANNUALLY RENEWABLE
PERPETUAL WATER CONTRACT FOR RIGHT TO
USE COLORADO-BIG THOMPSON PROJECT
WATER UNDER C.R.S. 37-45-131

Applicant, City of Loveland, a Colorado municipal corporation acting in its governmental capacity or a water activity enterprise (circle capacity in which applicant is acting), hereby applies to Northern Colorado Water Conservancy District (hereafter "Northern Water"), a political subdivision of the State of Colorado, organized and existing by virtue of Title 37, Article 45, Colorado Revised Statutes, for a contract for the right to beneficially use Colorado-Big Thompson Project water under the following terms and conditions:

1. The quantity of water herein requested by Applicant for annual application to beneficial use is 50 acre-feet units to be used so long as the Applicant fully complies with all of the terms, conditions, and obligations hereinafter set forth.
2. It is understood and agreed by the Applicant that any water provided for use under this contract by the Board of Directors of Northern Water shall be primarily for domestic, irrigation, or industrial use within or through facilities or upon lands owned or served by said Applicant, provided however, that all lands, facilities, and serviced areas which receive benefit from the use of water (whether water service is provided by direct delivery, by exchange, or otherwise) shall be situated within the boundaries of Northern Water.
3. Applicant agrees that an acre-foot of water as referred to herein is defined as being one-three-hundred-ten-thousandth ($1/310,000$) of the quantity of water annually declared by the Board of Directors of Northern Water to be available for delivery from the water supplies of Northern Water. Applicant agrees that such water shall be delivered from the works of Northern Water at such existing Northern Water delivery point or points as may be specified by the Applicant and that the water delivery obligation of Northern Water shall terminate upon release of water from said works. Further, the Applicant agrees that on November 1 of each year, any water undelivered from the annual quantity made available to the Applicant shall revert to the water supplies of Northern Water.
4. Applicant agrees to pay annually in advance for the amount of water herein provided for use under this contract by the Board of Directors of Northern Water at a price per acre-foot to be fixed annually by said Board; and, further, agrees that the initial annual payment shall be made, in full, within fifteen (15) days after the date of notice from Northern Water that the initial payment is due hereunder. Said notice will advise the Applicant, among other things, of the water year to which the initial payment shall apply and the price per acre-foot which is applicable to that year. Annual payments for each water year thereafter shall be made in advance by the Applicant on or before each October 1, 31 days prior to the start of the water year, at the rate per acre-foot established by the Board for municipal water use in that water year. For the purpose of this water contract, the water year is defined to be from November 1 to October 31 of the following year.

If an annual payment as herein provided is not made by due date, written notice thereof, by certified mail, will be given by Northern Water to the Applicant at the following address: 200 N. Wilson Avenue, d , Colorado 80537.

Water deliveries shall be suspended as of November 1 of the new water year until payment of the delinquency is made. If payment is not made within ninety (90) days after the date of mailing of said written notice, Applicant shall have no further right, title, or interest under this contract; and the right of use of water as herein made, shall be disposed of at the discretion of the Board of Directors of Northern Water. Any proceeds from any sale of the right of use to another allottee shall be paid to Applicant over and above Northern Water's actual expense in terminating and disposing of the contract right of use.

5. This right of use shall be perpetual on an annually renewable basis. If the annual payment is made as provided in this application, the right of use shall be automatically renewed another water year without any further notice of Northern Water; if the annual payment is not timely made, as provided above, the right of use shall terminate.
6. Applicant agrees that the water allocation shall be beneficially used for the purposes and in the manner specified herein, and that this right of use is made for the exclusive benefit of the Applicant and shall not inure to the benefit of any successors or assigns of said Applicant without prior specific approval of the Board of Directors of Northern Water.
7. Applicant agrees to be bound by the provisions of the Water Conservancy Act of Colorado; the rules, regulations and policies of the Board of Directors of Northern Water as they now exist or as they exist in the future; and by the Repayment Contract of July 5, 1938, between Northern Water and the United States and all amendments thereof and supplements thereto.
8. Applicant agrees, as a condition of this contract, to enter into an "Operating Agreement" with Northern Water if and when the Board of Northern Water finds and determines that such an agreement is required by reason of additional or special services requested by the Applicant and provided by Northern Water. Said agreement may contain, but not be limited to, provision for water delivery at times or by means not provided within the terms of standard contracts of Northern Water; additional annual monetary consideration for extension of Northern Water delivery services and for additional administration, operation and maintenance costs; or for other costs to Northern Water which may arise through provision of services to the Applicant.

9. Acquisition of this annually renewable perpetual right of use water contract for the Colorado-Big Thompson Project water from Northern Water and the right to the beneficial use of water thereunder by the Applicant necessary; the continued acquisition and use of this water supply is essential for the well-being of the community and for the preservation of the public peace, health, and safety; and the adequate protection of the health of the inhabitants of the community.
10. The governing body of Applicant has duly approved this Application in accordance with all legally required procedures.

Signed this _____ day of _____, AD., 20_____.

CITY OF LOVELAND

By _____

ATTEST:

(SEAL)

ORDER ON APPLICATION

Application having been made by or on behalf of all parties interested in this allocation of the right to use Colorado-Big Thompson Project water and after a Hearing by the Board, it is hereby ORDERED that the above application be granted and an allotment contract for 50 acre-feet of water is hereby made to the City of Loveland, a Colorado municipal corporation, for the beneficial uses set forth in said application upon the terms, conditions, and manner of payment as therein specified.

NORTHERN COLORADO WATER
CONSERVANCY DISTRICT

By _____
President

I hereby certify that the above Order was entered by the Directors of Northern Colorado Water Conservancy District on the _____ day of _____, AD., 20 ____.

ATTEST: _____
Secretary

**CITY OF LOVELAND**
CITY MANAGER'S OFFICE

Civic Center • 500 East Third • Loveland, Colorado 80537
(970) 962-2303 • FAX (970) 962-2900 • TDD (970) 962-2620

AGENDA ITEM: 12
MEETING DATE: 2/16/2016
TO: City Council
FROM: Alan Krcmarik, Executive Fiscal Advisor
PRESENTER: Alan Krcmarik

TITLE:

Investment Report for December 2015

RECOMMENDED CITY COUNCIL ACTION:

Information only item.

DESCRIPTION:

This is an information only item. The budget projection for investment earnings for 2015 is \$1,759,080. On the portfolio's 2015 beginning balance this was an annual interest rate of 0.84%. Based on the monthly statement, the estimated annualized yield on the fixed income securities held by USBank was at 1.29%, for total assets the yield was 1.19%. For December, earnings of \$159,111 were posted to City funds and the year to date total is \$2,014,901, exceeding the annual target by \$255,821. U.S. short-term Treasury interest rates rose again in December; the portfolio's unrealized loss rose from \$382,337 in November to \$777,052 in December. The end of December portfolio market value is estimated to be \$213.3 million. The total amount of the portfolio is higher compared to the beginning of the year, but is still not back to the peak amount reached before the 2013 flood when the portfolio carried an estimated market value of \$226.3 million.

SUMMARY:

At the end of December, the City's portfolio had an estimated market value of \$217.3 million, about \$1.5 million less than a month ago. Of this amount, USBank held \$191.0 million (including accrued interest) in trust accounts; other funds are held in local government investment pools, in operating accounts at First National Bank, and a few other miscellaneous accounts. Interest rates trended to all-time record lows in 2012-2013 before rising in the second half of 2014. After a sharp drop in January, interest rates have cycled down, up, down, and back up through December. Short-term rates are projected to rise in 2016 and are dependent upon the actions of the Federal Open Market Committee. City investments are in U.S. Treasury Notes, high-rated U.S. Agency Bonds, highly-rated corporate bonds, money market accounts, insured certificates of deposit and local government investment pools. The City's investment strategy emphasizes safety of principal, then sufficient liquidity to meet cash needs, and finally, return on investment. Each percent of earnings on the portfolio equates to about \$2.17 million annually.

REVIEWED BY CITY MANAGER:

LIST OF ATTACHMENTS:

Investment Focus December 2015

Lowland Municipal Building

Investment Focus

Monthly Investment Report

December 2015

What's in here?

Focal Points	1
Gain /Oil Price	
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Investment Types	
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Focal Points

- * **The 2015 targets for the City's portfolio:**
1) interest rate = **0.84%**; 2) earnings = **\$1,759,080**.
- * **City investments are in high-quality, low-risk securities to comply with Colorado law and the City's adopted investment policy.**
- * **Interest earnings posted for the month totaled **\$159,111**; for the year-to-date, **\$2,014,901**.**
- * **Each 1% of market value amounts to nearly \$2.2 million.**
- * **The month-end market value shows the unrealized loss is estimated to be **\$777,052** at the end of December.**

Banks Rip UP Oil Forecasts

Analysts keep revising their forecasts lower; roller coaster leaves 'a queasy feeling'

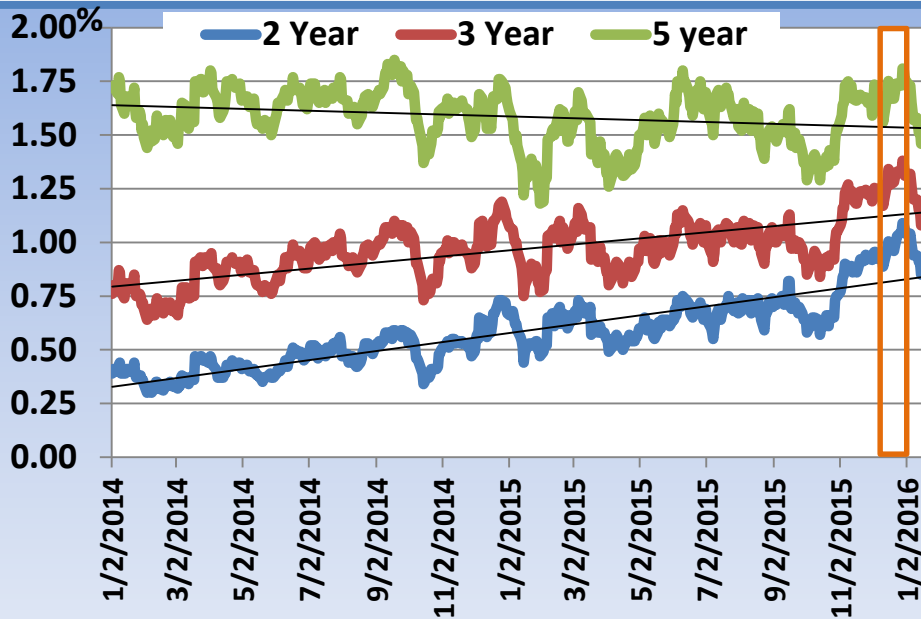
"Analysts at big banks have been scrambling to lower their oil-market forecasts after prices plunged to 12-years lows below \$30 a barrel in January. As recently as November, banks were expecting the global Brent contract for oil to average \$57 a barrel in 2016. Now, that number has fallen to \$50 and could fall again."

Type of Investment	Purchase Price	Market Price	Unrealized Gain / Loss
Checking Accounts	\$ 14,258,534	\$ 14,258,534	-
Investment Pools	\$ 12,030,475	\$ 12,030,475	-
Money Markets	\$ 15,840,457	\$ 15,840,457	-
Subtotal	\$ 42,129,465	\$ 42,129,465	-
Notes, Bonds, and CDs	\$ 175,933,825	\$ 175,156,773	\$ (777,052)
Total Portfolio	\$ 218,063,290	\$ 217,286,238	\$ (777,052)
Data sources	(Morgan Stanley)	(US Bank)	12/31/2015

continued on page 2

Due to rounding, column and row totals may not add exactly.

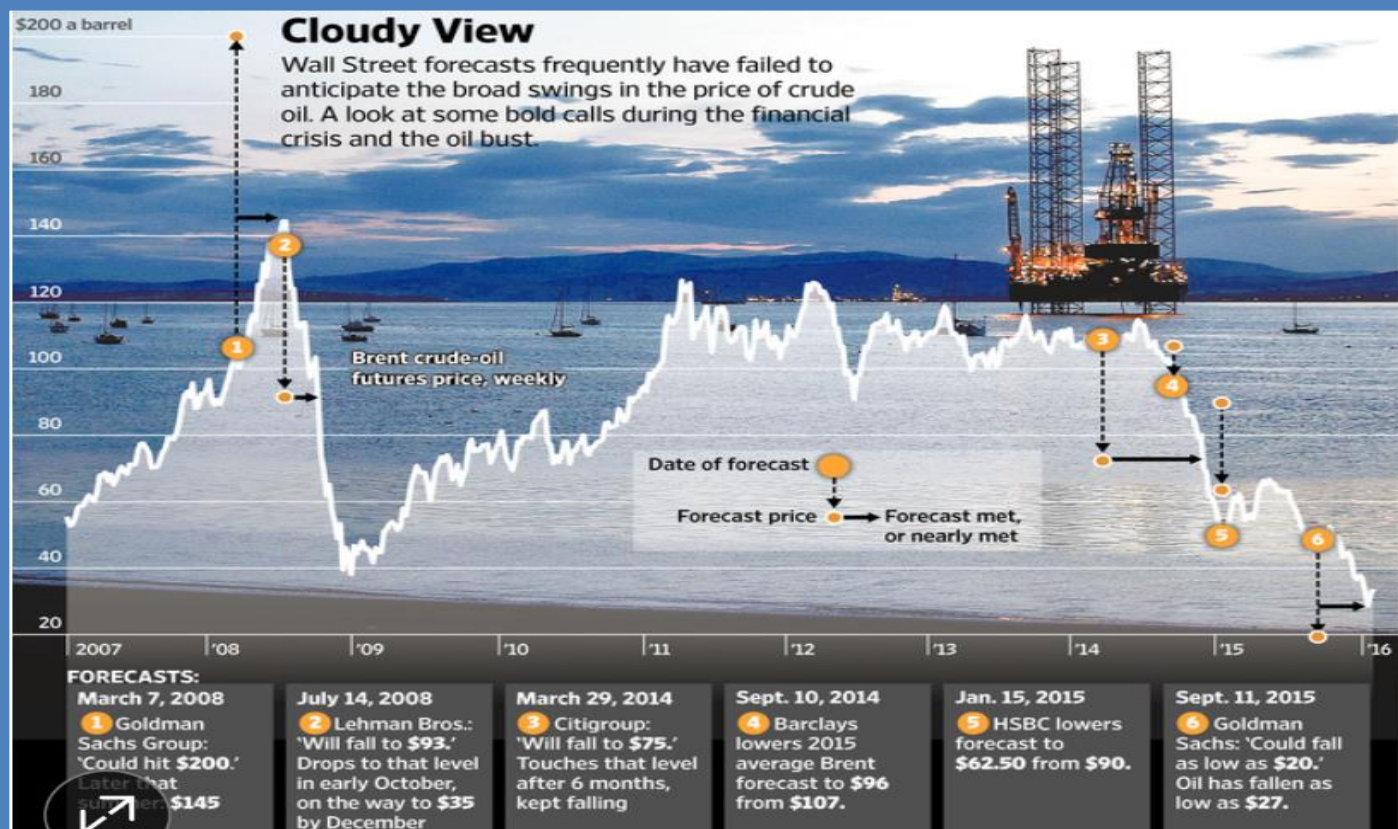
Treasury Rate Trends / Oil Price Forecasts



Interest rates on U.S. Treasuries rose sharply through December. The 2-year Treasury Note was up 13 basis points, the 3-year Note was up 9 basis points and, and the 5-year Note was up 11 basis points.

When rates rose, the price of securities held in the portfolio decreased, resulting in a larger unrealized loss at month end.

Continued from Page 1.



(Source: "Banks Rip UP Oil Forecasts" by Christian Berthelsen in **THE WALL STREET JOURNAL**, January 29, 2016.)

Bottom Line: Plus 3.5% to Beginning Balance

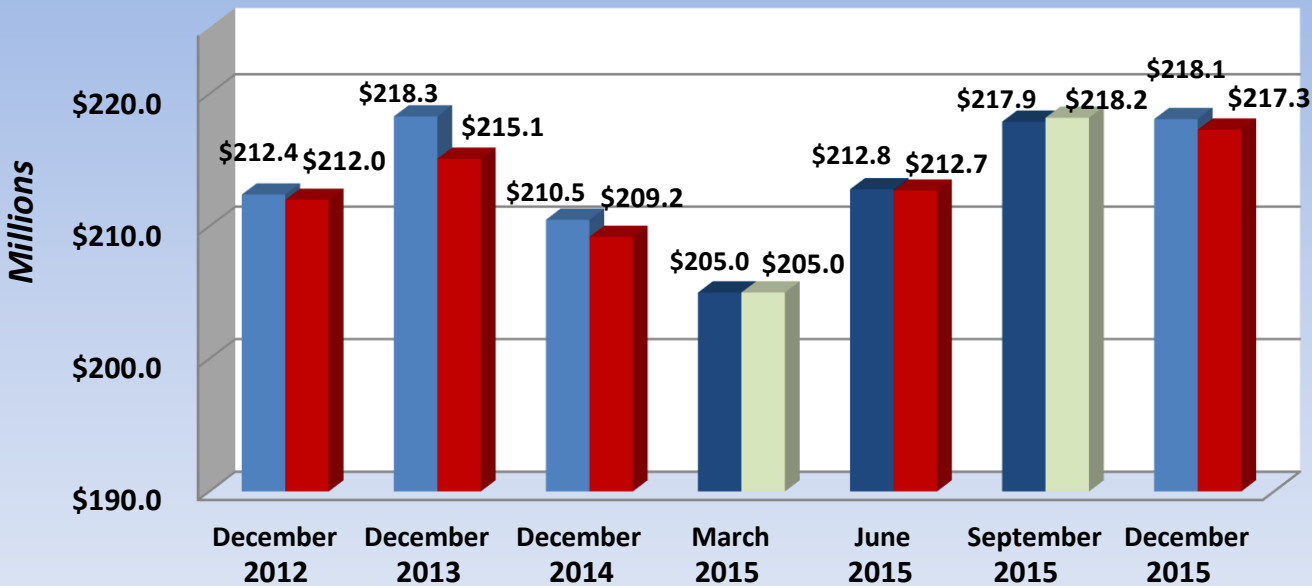
		2015 Beginning	YTD Activity	Month End Total
	Restricted Reserves			
1	Capital Expansion Fees	\$ 26,441,888	\$ 5,168,760	\$ 31,610,648
2	Water System Improvement Fees	8,739,018	(5,608,970)	3,130,047
3	Raw Water Revenue - Windy Gap	23,717,172	(2,459,102)	21,258,069
4	Wastewater System Imp. Fees	6,567,194	1,708,452	8,275,646
5	Storm Drainage System Imp. Fees	1,560,948	468,243	2,029,191
6	Power Plant Investment Fees	3,062,677	69	3,062,746
7	Cemetery Perpetual Care	2,796,863	(30,973)	2,765,890
8	Other Restricted	33,911,437	(4,090,598)	29,820,840
9	Total Restricted	\$ 106,797,197	\$ (4,844,120)	\$ 101,953,077
	Committed / Assigned			
10	General Fund	\$ 11,224,908	\$ 3,047	\$ 11,227,955
11	Enterprise Funds	5,277,806	1,434,693	6,712,499
12	Internal Service Funds	16,298,335	(4,105,789)	12,192,545
13	Total Committed / Assigned	\$ 32,801,049	\$ (2,668,049)	\$ 30,133,000
14	Total Restricted/Committed/Assigned	\$ 139,598,246	\$ (7,512,169)	\$ 132,086,077
	Unassigned Balance			
15	General Fund	\$ 30,998,781	\$ 4,688,186	\$ 35,686,967
16	Airport	1,937,715	(106,753)	1,830,962
17	Internal Service - Vehicle Maint.	37,349	(31,583)	5,767
18	Enterprise Funds	36,009,298	10,285,986	46,295,283
19	Total Unassigned	\$ 68,983,143	\$ 14,835,836	\$ 83,818,979
20	TOTAL FUND BALANCE	\$ 208,581,389	\$ 7,323,667	\$ 215,905,056

Source: City of Loveland Budget Office

Due to rounding, column and row totals may not add exactly. **Subject to revisions during audit process.**

Portfolio Growth Trend / Types of Investments

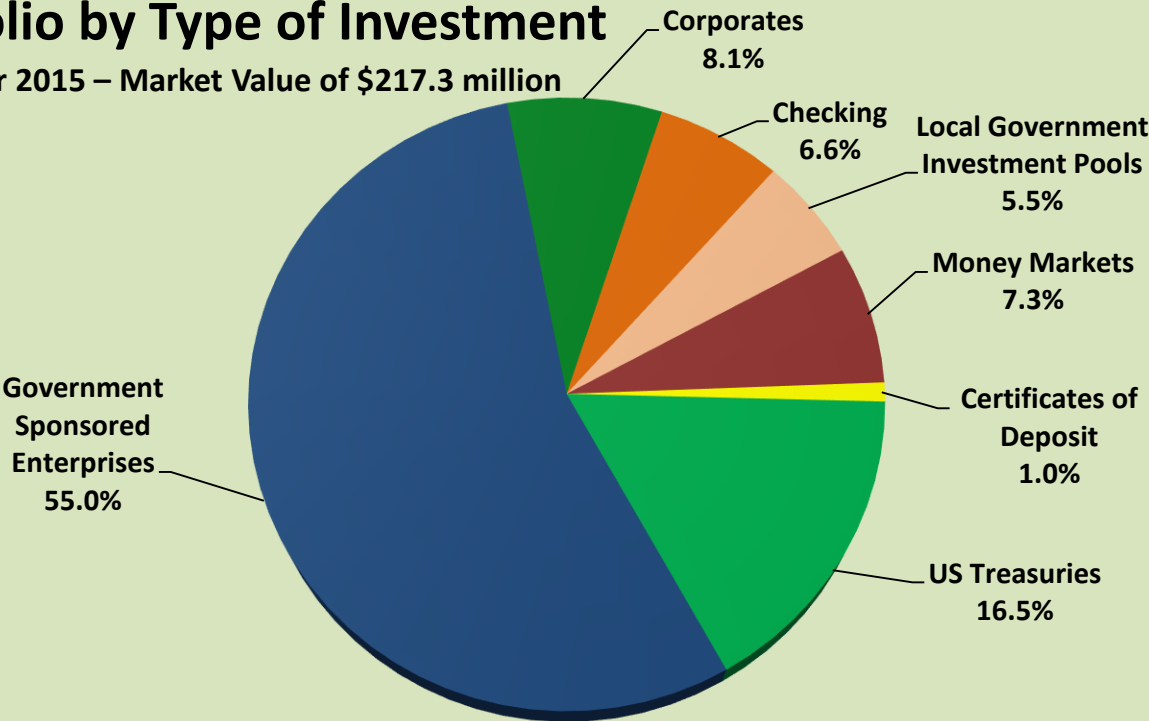
Portfolio Size Since November 2012



Blue bars show Purchase value; red or green bars show Market value (red = loss and green = gain).

Portfolio by Type of Investment

December 2015 – Market Value of \$217.3 million



Transactions / Portfolio by Maturity

	Maturity Date	Face Value \$	Purchase \$	Rate
<u>Purchases</u>				
Federal Home Loan Mort. Corp.	12/29/2020	\$ 5,000,000.00	\$ 5,000,000.00	2.100%
Federal Home Loan Bank	06/12/2020	\$ 5,000,000.00	\$ 5,015,350.00	1.750%
U.S. Treasury Note	11/30/2020	\$ 5,000,000.00	\$ 4,970,507.81	1.625%
U.S. Treasury Note	12/31/2020	\$ 3,000,000.00	\$ 2,992,851.56	1.625%
		\$18,000,000.00	\$17,978,709.37	

Matured

None this month

Called

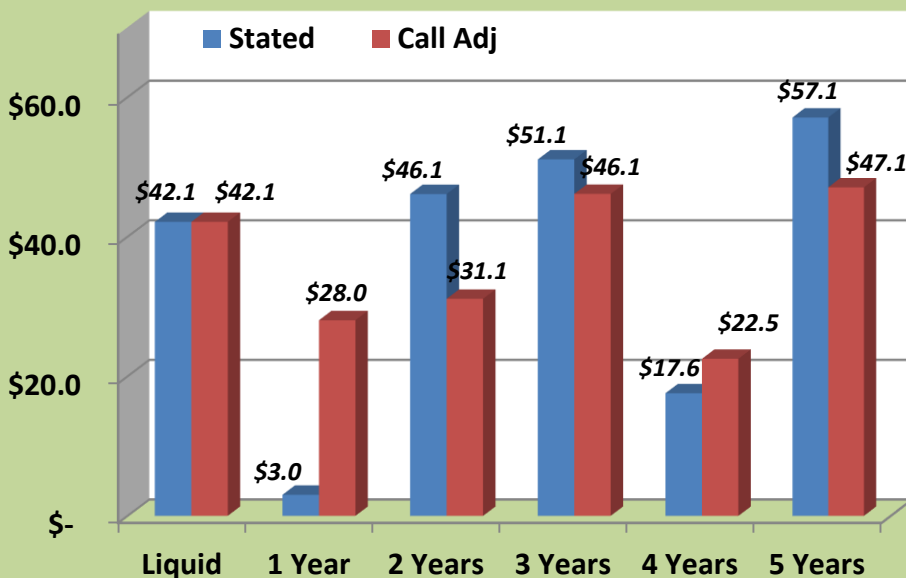
			<u>Call Value \$</u>	
Federal Home Loan Bank	01/20/2012	\$ 5,000,000.00	\$ 5,000,000.00	1.450%

Sales

None this month

Gain/(Loss) \$**Portfolio by Estimated Maturity Term**

(in millions - Total = \$217.3 at the end of the month)



The target interest earnings rate for 2015 is 0.84%. Rates have been volatile over recent months and reached all-time lows for the 10-year treasury.

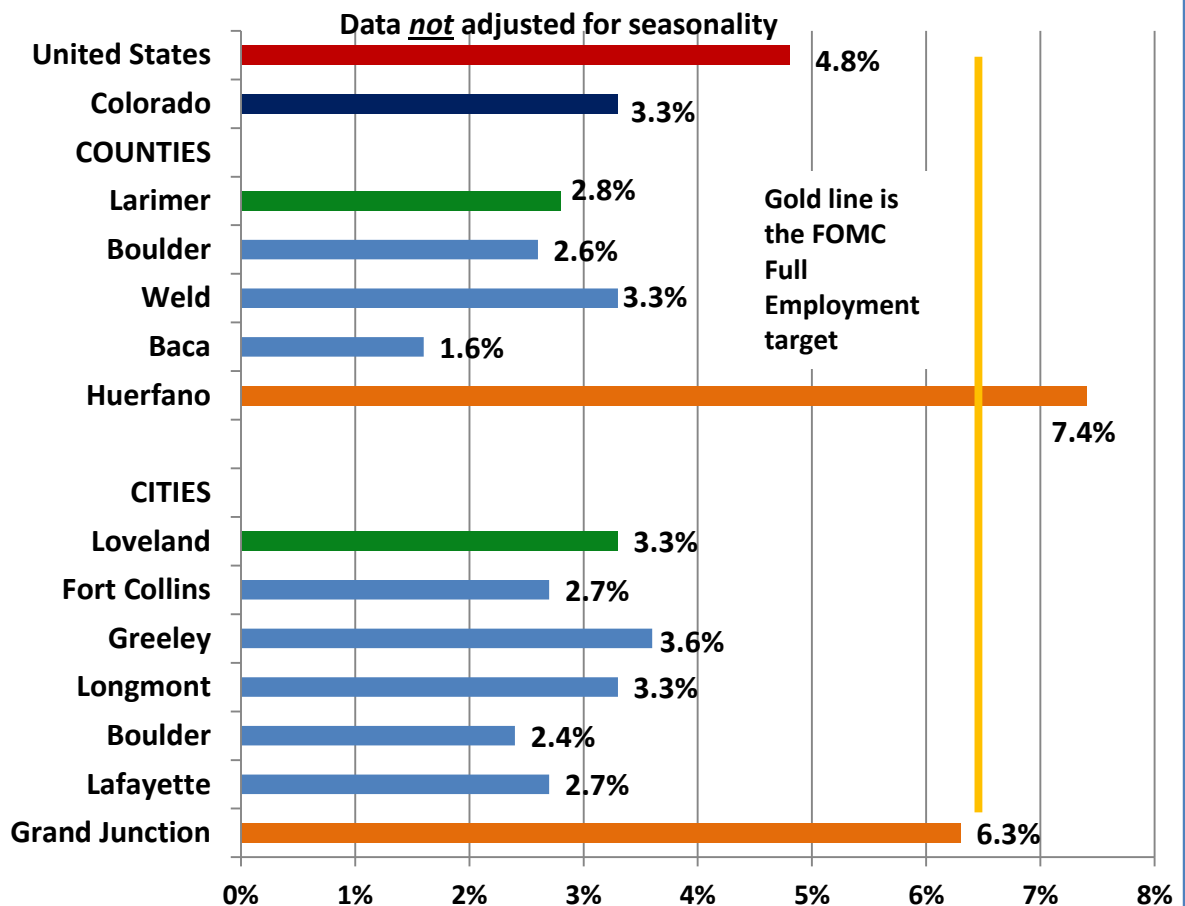
To support earnings, or to reposition the portfolio, bonds may be sold. Sales have netted \$2,429.28 this year.

Blue bars show the stated term; red bars show possible calls.

- ❑ Loveland's employed workforce contracted in December, **up 88 jobs** from November.
- ❑ Compared to December of 2014, there are **788 more** jobs reported by Loveland residents

Important note: It is a routine practice at the beginning of each year for the Bureau of Labor Statistics to revise estimates for prior years based on new information available and updated methodologies. Revisions to the unemployment rate and all related household survey based series as a result of the benchmark process this year were particularly significant due to a change to American Community Survey based inputs. All series were revised back to 1976.

Unemployment Rates



Current “missing worker” estimates at a glance

Updated January 12, 2016, based on most current data available.

Total missing workers,
December 2015:
2,910,000

Unemployment rate if
missing workers were
looking for work:
6.7%

*Official
unemployment rate:*
5.0%

In today's labor market, the unemployment rate drastically understates the weakness of job opportunities. This is due to the existence of a large pool of “missing workers”—potential workers who, because of weak job opportunities, are neither employed nor actively seeking a job. In other words, these are people who would be either working or looking for work if job opportunities were significantly stronger. Because jobless workers are only counted as unemployed if they are actively seeking work, these “missing workers” are not reflected in the unemployment rate. When persons marginally attached to the labor force plus those employed part time for economic reasons are added to the official unemployment rate (the 5.0% number above right), the rate rises to **9.9%** (the seasonally adjusted U-6 number; the unadjusted number is **9.8%**).

Website: <http://www.epi.org/publication/missing-workers/>





Future Scan: FED holds rates, Colorado Employment, Recession Outlook

❖ **Dow falls 223 points after Federal Reserve Statement**

- “‘Economic growth slowed late last year,’ the Fed’s committee said in its statement, noting that the job market had improved.”
- “U.S. stocks didn’t react well to the Fed’s statement. The Dow, which was up about 10 points before the release, dropped down 223 points after the Fed’s announcement.”
- “In a widely expected decision, the Fed’s committee also decided not to raise its key interest rate. Just a month ago, in December, the Fed **raised rates** for the first time in nearly a decade.”
- “Despite its worries, the Fed stopped short of saying that the volatility in January will change its plans to raise rates at least four times for the rest of 2016. The committee noted that it’s “monitoring global economic and financial developments.”
- “The Fed’s acknowledgment that the economy slowed down is a subtle sign that the committee might lower its rate hike expectations too, said Jason Pride, Director of Investment Strategy at Glenmede, a wealth management firm. ‘They’re publicly acknowledging that the growth rate is coming in slower than their expectations,’ said Pride.”

(Source: **Dow falls 223 points after Federal Reserve statement** by Patrick Gillespie CNN Money, January 27, 2016.)

❖ **Record Low U.S. Treasury Yield In Sight as Global Slowdown Seen**

- “Treasury benchmark yields fell to within half a percentage point of an all-time low as interest rates plunged around the world, raising concern the move foreshadows a global economic slowdown.”
- “U.S. 10-year treasury yield, used to set borrowing costs on everything from home mortgages to corporate bonds, dropped to as low as 1.83 percent Wednesday. They slid to 1.379 percent in July 2012. The yield on a Bank of America Corp. index of sovereign bonds slipped to 1.36 percent this week, extending its decline to levels not seen in a year.”
- “Global bond yields are certainly predicting a global slowdown,” said Priya Misra, head of worldwide interest-rates strategy in New York at TD Securities (USA) LLC.”

(Source: **Record Low U.S. Treasury Yield In Sight as Global Slowdown Seen**, posted on Bloomberg, February 3, 2016.)

❖ **The December 2015 Colorado Employment Situation** was released January 26th. Total nonfarm payroll jobs grew by 10,700 from November to December. Over the year, nonfarm payroll jobs increased 46,600. The latest household survey data show Loveland’s unemployment rate to be 3.3%, the same as November. Other cities and counties showed slight decreases in their rates in December. The chart is on page 6. (Next Update March 14, 2016.)

(Source: Colorado Department of Labor and Employment **December 2015 Colorado Employment Situation**, January 26, 2016.)

❖ **Recession Indicators:** Four indicators (Industrial Production, Nonfarm Employment, Real Personal Income, and Real Retail Sales) are the basis for determining a recession. Based on December data, Industrial Production **fell by 0.36%**; Real Retail Sales were flat, Employment continued on a modest growth trend of 0.20% and Real Income was up 0.49%. “The US economy has been slow in recovering from the Great Recession. Weak Retail Sales and Industrial Production over the past year initially triggered a replay of the “severe winter” meme from the previous year. However, as we now finish the third month of Q4 of 2015, two of the four indicators are showing relatively consistent growth. Employment and Income have been trending upward, while Real Sales have remained relatively weak and Industrial Production is essentially in a recession.”

(Source: **Advisor Perspectives**, Doug Short, February 1, 2016.)

For more information regarding this report, please contact:

Alan Krcmarik, Executive Fiscal Advisor 970.962.2625 or Alan.Krcmarik@cityofloveland.org

Monthly Investment Report

December 2015

**CITY OF LOVELAND****FINANCE DEPARTMENT**

Civic Center • 500 East Third • Loveland, Colorado 80537
(970) 962-2695 • FAX (970) 962-2900 • TDD (970) 962-2620

AGENDA ITEM: 13
MEETING DATE: 2/16/2016
TO: City Council
FROM: Brent Worthington, Finance Director
PRESENTER: Brent Worthington, Finance Director

TITLE:

December 2015 Financial Report

RECOMMENDED CITY COUNCIL ACTION:

Information only item.

DESCRIPTION:

This is an information only item. The Snapshot Report includes the City's preliminary revenue and expenditures including detailed reports on tax revenue and health claims year to date, ending December 31, 2015.

BUDGET IMPACT:

- ☐ Positive
☐ Negative
☒ Neutral or negligible

SUMMARY:

The Snapshot Report is submitted for Council review and includes the reporting of the City's revenue and expenditures, including detailed reports on tax revenue and health claims as of December 31, 2015. Citywide Revenue (excluding internal transfers) of \$268,105,893 is 88.8% of year to date (YTD) budget or \$33,759,726 below the budget. This is due to revenues that were budgeted to match expenditures for capital projects; several of these projects were in progress at the end of the year, so the revenues were not recorded.

Sales Tax collections are 97.1% of the YTD budget or \$1,227,152 under budget. Due to timing of year-end taxpayer filings and City accounting deadlines, it is likely that the final Sales Tax collections will be slightly higher.

Building Material Use Tax is 130.9% of YTD budget, or \$765,921 over budget. Sales and Use Tax collections combined were 100.6% of YTD budget or \$291,269 over budget. When the combined sales and use tax for the current year are compared to 2014 for the same period last year, they are higher by 4.0% or \$1,798,004.

Citywide total expenditures of \$271,408,840 (excluding internal transfers) are 77.7% of the YTD budget or \$77,924,081 under the budget.

REVIEWED BY CITY MANAGER:



LIST OF ATTACHMENTS:

1. Cultural Services Staff Memo
2. December Snapshot Presentation
3. Snapshot report for December 2015



Museum/Gallery • Art in Public Places
Fifth and Lincoln, Loveland, Colorado 80537
(970) 962-2410 • FAX 962-2910 • TDD 962-2833

CITY OF LOVELAND
CULTURAL SERVICES DEPARTMENT

Rialto Theater
228 E. 4th St., Loveland, CO 80537
(970) 962-2120 • FAX 962-2422

February 9, 2016

TO: Mayor and City Council

FROM: Susan Ison, Cultural Services Director

RE: Rialto Theater Center End-of-Year Report

Cost recovery for the Rialto Theater Center is down from the previous year. To compare them as reported in 2014, they are separated by the Theater side and the Event side and also with and without cost allocations:

<u>Theater</u>	<u>2015</u>	<u>2014</u>
Without cost allocations	54.5%	64.8%
With cost allocations	43.3%	48.0%
<u>Events</u>	<u>2015</u>	<u>2014</u>
Without cost allocations	60.4	54.5
With cost allocations	25.6	22.2

There were two significant changes in the 2015 budget:

- City Council approved an additional \$111,200 for Artists Fees and Marketing. The revenue from the performances funded by this supplement is slightly more than the expenditures, but they were, of course, not the total annual Artist Fees budget. The market was tested with some higher artist fee/higher ticket cost performances. The results were a mixed bag. Sold out or almost sold out performances were higher than ever, but the margins were slimmer. Revenues increased overall by 14.5%, but expenditures increased by 28.1%.





Museum/Gallery • Art in Public Places
Fifth and Lincoln, Loveland, Colorado 80537
(970) 962-2410 • FAX 962-2910 • TDD 962-2833

CITY OF LOVELAND CULTURAL SERVICES DEPARTMENT

Rialto Theater
228 E. 4th St., Loveland, CO 80537
(970) 962-2120 • FAX 962-2422

A staff observation is that there were limited dates available by the time the supplemental was approved since we book so far in advance and many of the shows offered were similar to those presented by our rental partners.

- Rates have either remained the same (Theater) or decreased (Event). While the chart above shows an increase in cost recovery for the Event side in 2015, actual revenue was down. A reallocation of staff time from the Event side to the Theater side decreased expenditures on the Event side and increased them on the Theater side.

Booking performances at the Rialto, as one would expect, is an art. As Theater Managers change, the make-up of the performances changes. Measuring those changes is rarely short-term because of the advance booking. However, the first opportunity for our new Theater Manager, Bryan Zellmer, to book performances was in 4th quarter 2015. It was our best quarter ever, but I would not presume to claim that is a trend. We will continue to explore opportunities that both present entertaining, rewarding programming to our citizens and optimize cost recovery to the best of our abilities.



Snapshot

P. 129



December 2015

Brent Worthington
Finance Director

Presented
February 16, 2015

December 2015 Snapshot

- Citywide Revenue
 - \$268.1 million, excluding transfers
 - 11.2% below budget projections
- Citywide Expenditures
 - \$271.4 million, excluding transfers
 - 22.3% below budget projections
- Citywide expenditures exceed revenues by \$3.3 million.

December 2015 Snapshot

- General Fund Revenue
 - \$87.1 million YTD, excluding transfers
 - 2.2% above YTD Budget
 - 1.5% above same period last year
- Sales and Use Tax Revenue
 - \$47.3 million YTD
 - 0.6% above budget projections
 - 4.0% above same period as last year
- Sales Tax only
 - \$40.8 million YTD
 - 2.9% below budget projections
 - 3.5% above same period last year

December 2015 Snapshot

- General Fund Expenditures
 - \$70.4 million YTD, excluding transfers
 - 8.2% below budget projections

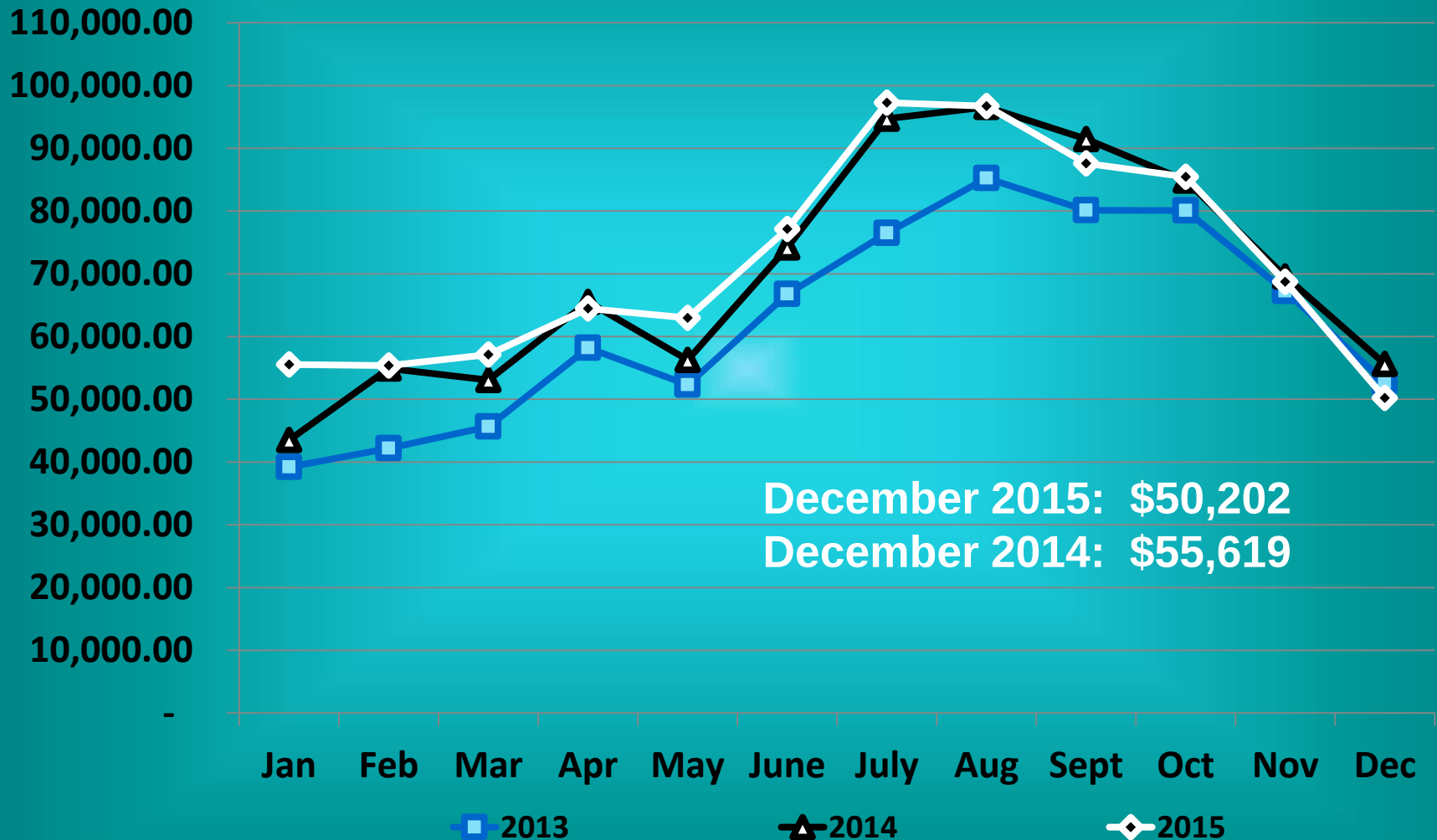
- General Fund Revenues Exceed Expenditures by \$4.3 million

- Health Claims
 - December Claims \$800 thousand
 - 2015 YTD increased from \$10.4 mil to \$12 mil from same time as last year (15.2%)

December 2015 Snapshot

P. 133

Lodging Tax



➤ Lodging tax YTD is \$858,469 (2.1% higher than 2014 YTD).

Flood Report

Cost Estimates

Emergency Response	\$ 2,000,000
Business Assistance	600,000
Capital	27,906,129
Total	\$30,506,129

Actual Expenditures

	<u>December</u>	<u>To Date</u>
Total	\$ 719,109	\$ 22,211,983

Reimbursements Applied For

	<u>December</u>	<u>To Date</u>
FEMA	\$ -	\$ 12,736,345
CIRSA	-	7,050,329
Other	3,184	705,090
Total	\$ 3,184	\$ 20,491,853

Reimbursements Received

	<u>December</u>	<u>To Date</u>
FEMA	\$ -	\$ 6,599,063
CIRSA	-	7,050,329
Other	3,184	705,090
Total	\$ 3,184	\$ 14,354,481

December 2015 Snapshot P. 135



Questions?

Brent Worthington
Finance Director

Presented
February 16, 2015

SnapShot

December 2015



A Snapshot In Time

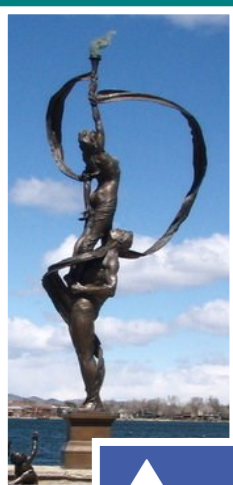


Citywide Revenues & Expenditures	2-3
General Fund Revenues & Expenditures	4-5
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Rialto Quarterly Report	15

- ◆ Citywide Revenue, excluding transfers between funds, \$268.1 million (11.2% below budget projections)
- ◆ Sales & Use Tax Collection, \$47.3 million (0.6% above budget projections)
- ◆ Citywide Expenditures, excluding transfers between funds, \$271.4 million (22.3% below budget projections)
- ◆ Citywide Year-To-Date Expenditures exceed Year-To-Date Revenues by \$3.3 million
- ◆ General Fund Revenue, excluding transfers between funds, \$87.1million (2.2% above budget projections)
- ◆ General Fund Expenditures, excluding transfers between funds, \$70.4 million, (8.2% below budget projections)
- ◆ General Fund Revenues exceed Expenditures by \$4.3 million



Sales / Use Tax Basics



City of Loveland

December 2015	Sales Tax	Motor Vehicle Use Tax	Building Materials Use Tax	Combined
Budget 2015	\$ 41,988,680	\$ 2,500,000	\$ 2,474,910	\$ 46,963,590
Actual 2015	40,761,528	3,252,500	3,240,831	47,254,859
% of Budget	97.1%	130.1%	130.9%	100.6%
Actual 2014	\$ 39,391,838	\$ 3,026,015	\$ 3,039,002	\$ 45,456,855
Change from prior yr	3.5%	7.5%	6.6%	4.0%

"Loveland: a vibrant community...surrounded by natural beauty... where you belong."

Combined Statement of Revenues and Expenditures December 2015					
REVENUE		Current Month	YTD Actual	YTD Revised Budget	% of Budget
General Governmental					
1	General Fund	\$ 6,392,664	\$ 86,967,278	\$ 85,283,853	102.0%
2	Special Revenue	836,518	9,095,130	13,336,520	68.2% ¹
3	Other Entities	5,865,811	31,046,729	26,895,043	115.4%
4	Internal Service	1,709,863	18,193,998	17,805,060	102.2%
5	Subtotal General Govt Operations	14,804,856	145,303,135	143,320,476	101.4%
6	Capital Projects	985,905	12,973,588	8,245,117	157.3%
Enterprise Fund					
7	Water & Power	6,484,597	93,313,394	134,576,936	69.3% ²
8	Stormwater	479,811	5,808,173	5,358,910	108.4%
9	Golf	26,638	3,763,535	3,770,360	99.8%
10	Solid Waste	482,428	6,944,068	6,593,820	105.3%
11	Subtotal Enterprise	7,473,473	109,829,170	150,300,026	73.1%
12	Total Revenue	\$ 23,264,234	\$ 268,105,893	\$ 301,865,619	88.8%
	Prior Year External Revenue		249,605,589		
	Increase From Prior Year		7.4%		
13	Internal Transfers	5,560,868	25,797,076	46,151,273	55.9%
14	Grand Total Revenues	\$ 28,825,102	\$ 293,902,969	\$ 348,016,892	84.5%
EXPENDITURES					
General Governmental					
15	General Fund	6,354,609	67,744,271	71,070,162	95.3%
16	Special Revenue	3,705,329	14,033,402	14,398,387	97.5%
17	Other Entities	6,674,653	30,140,217	31,249,554	96.5%
18	Internal Services	3,544,565	21,129,946	19,219,837	109.9% ³
19	Subtotal General Gov't Operations	20,279,157	133,047,836	135,937,940	97.9%
20	Capital	7,828,085	57,101,930	121,065,509	47.2%
Enterprise Fund					
21	Water & Power	6,757,131	69,941,761	80,393,559	87.0%
22	Stormwater	324,781	3,071,999	3,308,883	92.8%
23	Golf	268,008	3,006,172	3,147,310	95.5%
24	Solid Waste	560,840	5,239,142	5,479,720	95.6%
25	Subtotal Enterprise	7,910,761	81,259,075	92,329,472	88.0%
26	Total Expenditures	\$ 36,018,002	\$ 271,408,840	\$ 349,332,921	77.7%
	Prior Year External Expenditures		260,282,498		
	Increase (-Decrease) From Prior Year		4.3%		
27	Internal Transfers	5,560,868	25,797,076	46,153,483	55.9%
28	Grand Total Expenditures	\$ 41,578,870	\$ 297,205,916	\$ 395,486,404	75.1%

¹ Lower than anticipated revenue due to timing of when capital projects are done, and federal grants are drawn on those projects.

² Lower than anticipated revenue due to timing of when capital projects are done, and federal grants and bond proceeds are drawn on those projects.

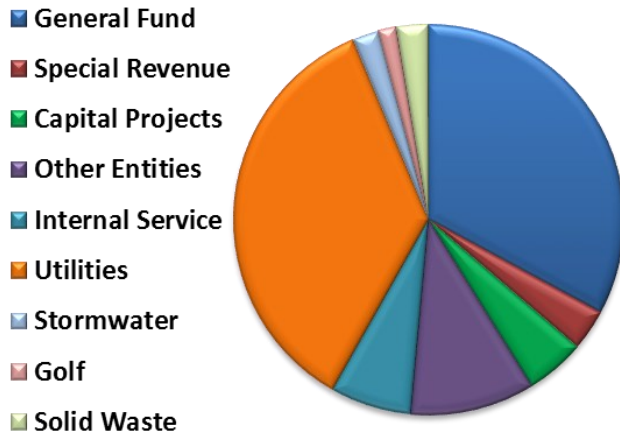
³ Higher than anticipated expenditures due to higher benefit claims than projected.

Special Revenue Funds: Community Development Block Grant, Cemetery, Local Improvement District, Lodging Tax, Affordable Housing, Seizure & Forfeitures, Transit, Transportation.

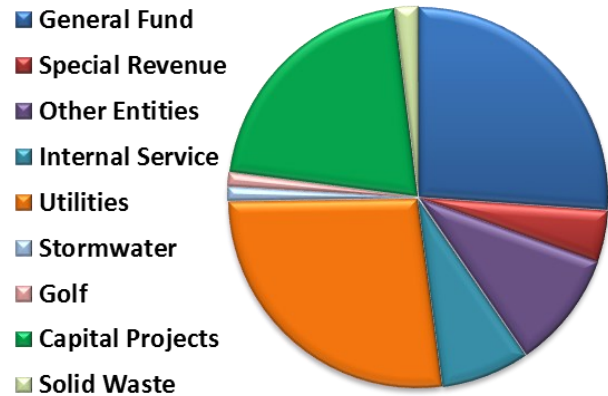
Other Entities Fund: Special Improvement District #1, Airport, General Improvement District #1, Loveland Urban Renewal Authority, Loveland/Larimer Building Authority, Loveland Fire and Rescue Authority.

Internal Service Funds: Risk/Insurance, Fleet, Employee Benefits.

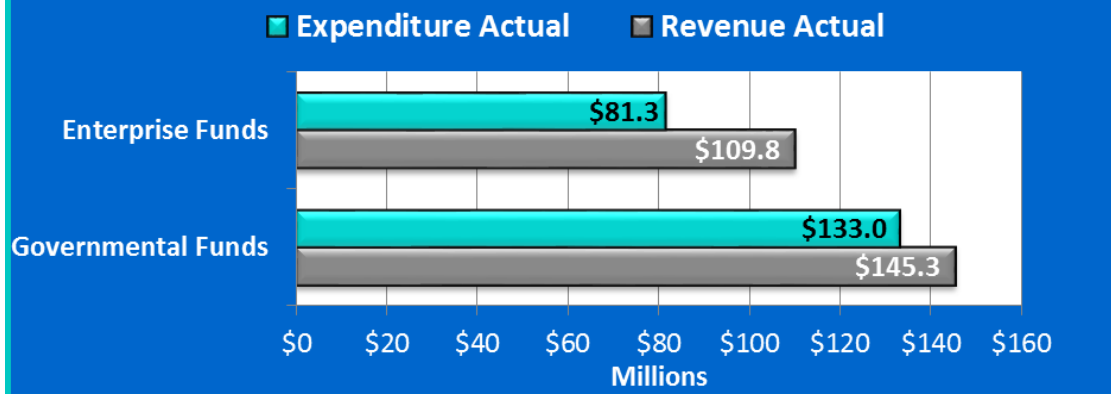
YTD Operating Revenues of \$268.1 Million



YTD Operating Expenditures of \$271.4 Million



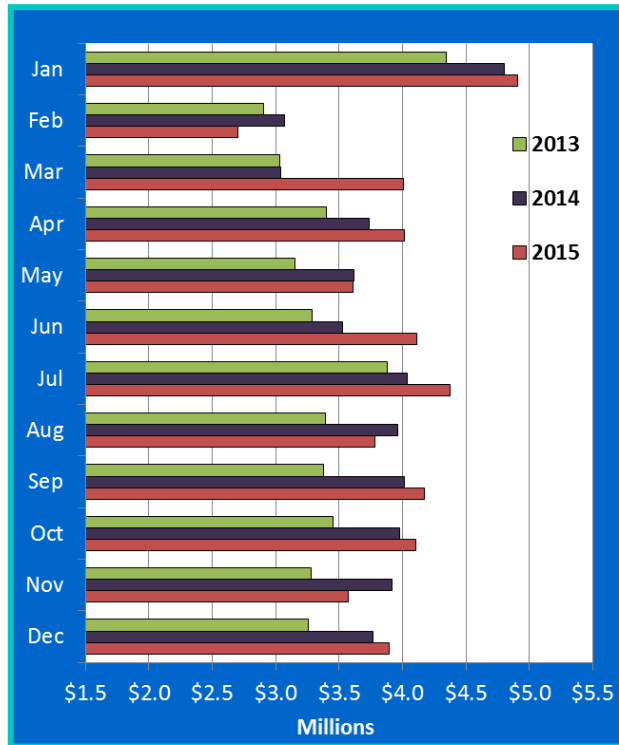
By Comparison, Excluding Transfers



- ◆ General Fund Revenue, excluding capital and transfers between funds, \$87.1 million (2.2% above budget projections)
 - * 1.5% above 2014 YTD
- ◆ General Fund Expenditures, excluding capital and transfers between funds, \$67.7 million (4.7% below budget projections)
 - * 6.4% above 2014 YTD
- ◆ Water & Power Revenue, excluding transfers between funds, \$93.3 million (30.7% below budget projections)
 - * 5.7% above 2014 YTD
- ◆ Water & Power Expenditures, excluding transfers between funds, \$69.9 million (13.0% below budget projections)
 - * 3.3% above 2014 YTD
- ◆ Other Entities Fund Revenue, excluding transfers between funds, \$31 million (15.4% above budget projections)
 - * 5.5% above 2014 YTD
- ◆ Other Entities Expenditures, excluding capital and transfers between funds, \$30.1 million (3.5% below budget projections)
 - * 30.6% above 2014 YTD

General Fund Revenue & Expenditures December 2015				
REVENUES	Current Month	YTD Actual	YTD Revised Budget	% of Budget
1 Taxes				
2 Property tax	\$ 21,439	\$ 7,590,811	\$ 7,602,000	99.9%
3 Sales tax	3,486,297	40,761,528	41,988,680	97.1%
4 Building use tax	203,069	3,240,831	2,474,910	130.9%
5 Auto use tax	205,249	3,252,500	2,500,000	130.1%
6 Other taxes	236,580	2,897,295	2,815,690	102.9%
7 Intergovernmental	201,478	1,437,096	1,060,227	135.5%
8 License & Permits				
9 Building Permits	153,166	2,492,184	2,171,470	114.8%
10 Other Permits	(34,983)	258,738	161,600	160.1%
11 Charges for Services	1,330,588	15,817,005	15,682,130	100.9%
12 Fines & Forfeitures	101,148	1,129,517	970,000	116.4%
13 Interest Income	32,854	452,164	347,350	130.2%
14 Miscellaneous	613,955	7,795,786	7,509,796	103.8%
15 Subtotal	6,550,841	87,125,455	85,283,853	102.2%
16 Interfund Transfers	7,300	109,410	109,410	100.0%
17 Total Revenue	\$ 6,558,141	\$ 87,234,865	\$ 85,393,263	102.2%
EXPENDITURES				
Operating Expenditures				
18 Legislative	17,054	157,812	153,590	102.7%
19 Executive & Legal	179,561	2,039,987	2,097,420	97.3%
20 City Clerk & Court Admin	93,382	966,930	1,105,435	87.5%
21 Economic Development	171,888	2,771,507	4,689,409	59.1%
22 Cultural Services	272,075	1,985,754	2,097,750	94.7%
23 Development Services	367,307	4,262,508	4,916,109	86.7%
24 Finance	407,369	4,686,586	5,032,725	93.1%
25 Fire & Rescue	289	289	486,867	0.0%
26 Human Resources	82,431	1,144,795	1,269,810	90.2%
27 Information Technology	501,191	3,845,828	4,232,761	90.9%
28 Library	277,130	3,155,031	3,261,246	96.7%
29 Parks & Recreation	840,597	10,417,432	10,759,100	96.8%
30 Police	1,643,406	19,635,029	20,173,868	97.3%
31 Public Works	592,811	5,309,415	5,729,356	92.7%
32 Water/ Waste Operations	-	-	-	0.0%
33 Non-Departmental	782,262	9,972,868	10,637,593	93.8%
34 Subtotal Operating	6,228,753	70,351,771	76,643,039	91.8%
35 Internal Transfers	3,118,943	12,539,079	19,282,264	65.0%
36 Total Expenditures	\$ 9,347,696	\$ 82,890,850	\$ 95,925,303	86.4%

Project Title	2015	2015	Remaining 2015	% of 2015 Budget
Water Capital				
WTP Phase II Expansion (38 MGD)	\$ 21,077,150	\$ 14,939,375	\$ 6,137,775	70.88%
36" & 20" Wtr Transmission Line River X'ings (capl)	1,507,843	1,457,749	50,094	96.68%
2015 Water Line Replacement	1,850,000	990,367	859,633	53.53%
Raw Water Capital				
Purchase CBT Water	1,105,000	1,100,000	5,000	99.55%
Wastewater Utility Capital				
WWTP Digester System Improvements	5,492,915	-	5,492,915	0.00%
Bio Nutrient Removal Facilities	800,000	321,043	478,957	40.13%
Southside Lift Station	655,550	223,899	431,651	34.15%
2015 CIPP Sewer Rehabilitation	1,350,000	1,181,710	168,290	87.53%
East Side Lift Station Upgrades	575,000	33,551	541,449	5.83%
2015 WWTP Imprvmnts (Bar Screens, Genr Fuel Tank, etc)	1,100,000	12,667	1,087,333	1.15%
Power Capital				
Security Gates and Fences at Substations	500,000	-	500,000	0.00%
Colorado Renewable Energy Standard Compliance	500,000	-	500,000	0.00%
600 amp OH to UG Conversion	1,300,000	-	1,300,000	0.00%
200 amp OH to UG Conversion	500,000	-	500,000	0.00%
RMCIT - Valley Substation to Campus	650,000	31,899	618,101	4.91%
Valley Substation - Order new transformer	1,203,780	991,208	212,572	82.34%
Install new 750 AL Crossroads 622 on Boyd Lake to Lakes @ Centerra	500,000	-	500,000	0.00%
OH to UG conversion (circuit 314) from 42nd along Garfield	863,580	386,164	477,416	44.72%
Flood Alternative Project	682,103	92,823	589,280	13.61%
600 amp from SW219 on old RR N. on Van Buren	1,324,369	1,671,191	(346,822)	126.19%
Streets Transportation Program				
2015 Street Rehabilitation	3,185,050	3,184,356	694	99.98%
Madison Av @ GRLY-LVLND C	682,040	663,269	18,771	97.25%
Taft Av (Gard-West Shore)	635,138	-	635,138	0.00%
R-O-W Acquisition - Citywide	355,000	-	355,000	0.00%
Boise & 37th Intersection IMP	1,256,142	10,194	1,245,948	0.81%
Miscellaneous CEF	627,005	14,045	612,960	2.24%
Railroad Avenue Repairs	4,760,108	217,194	4,542,914	4.56%
All Other				
Open Lands Acquisition	4,670,000	-	4,670,000	0.00%
Refurbish Smeal Engine for Reserve	1,336,734	1,330,657	6,077	99.55%
Maintenance Operations Center Remodel	795,730	401,262	394,468	50.43%
Police Records Management System (RMS)	2,978,000	53,000	2,925,000	1.78%
Mehaffey Community Park	3,871,304	1,728,606	2,142,698	44.65%
Parks & Trails Flood Projects	514,345	55,337	459,008	10.76%
Madison Trail Underpass	705,212	-	705,212	0.00%
Barnes Field Light Replacement Project	607,200	609,957	(2,757)	100.45%
Fire - Aerial Platform Truck	925,094	836,522	88,572	90.43%

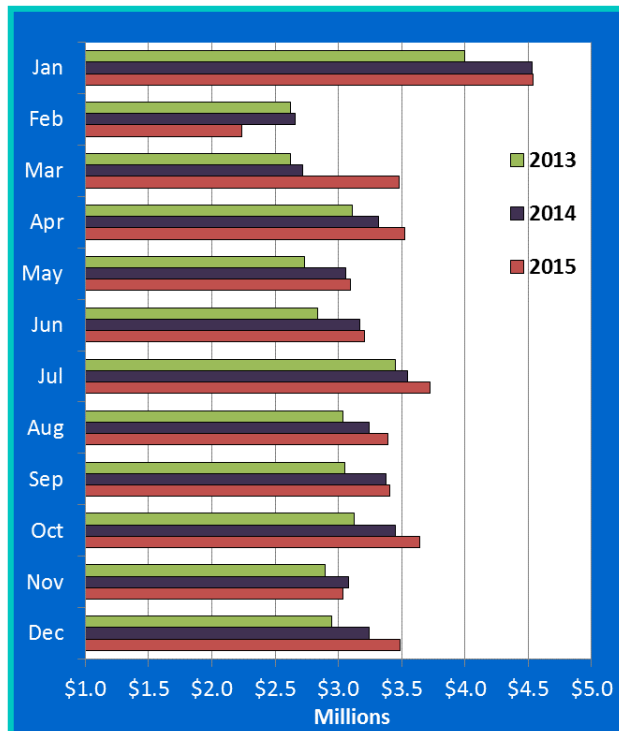


Sales & Use Tax

	2013	2014	2015	2015 Budget	+ / - Budget
Jan	\$ 4,345,835	\$ 4,801,433	\$ 4,908,517	\$ 4,858,230	1.0%
Feb	2,906,780	3,066,965	2,700,204	3,289,660	-17.9%
Mar	3,033,347	3,037,688	4,007,386	3,391,970	18.1%
Apr	3,397,074	3,737,255	4,011,633	3,989,650	0.6%
May	3,150,201	3,614,459	3,611,468	3,610,170	0.0%
Jun	3,284,808	3,525,536	4,116,214	3,759,780	9.5%
Jul	3,882,561	4,038,555	4,375,627	4,240,990	3.2%
Aug	3,392,757	3,962,915	3,783,694	3,912,830	-3.3%
Sep	3,379,303	4,014,321	4,170,066	3,924,480	6.3%
Oct	3,452,052	3,974,590	4,102,720	4,118,050	-0.4%
Nov	3,280,666	3,919,205	3,572,713	3,772,070	-5.3%
Dec	3,259,189	3,763,933	3,894,616	4,095,710	-4.9%

\$40,764,573 \$ 45,456,855 \$47,254,859 \$46,963,590

YTD \$40,764,573 \$ 45,456,855 \$47,254,859 \$46,963,590 0.6%



Retail Sales Tax

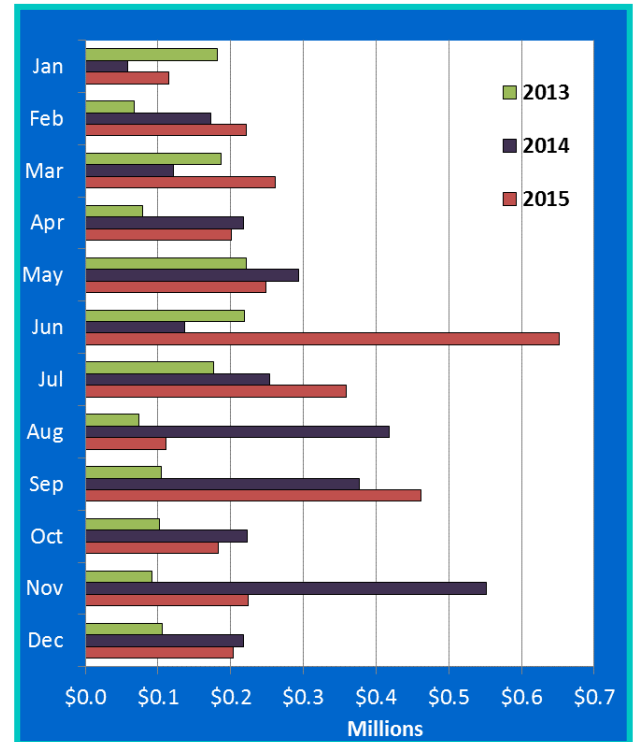
	2013	2014	2015	2015 Budget	+ / - Budget
Jan	\$ 3,995,194	\$ 4,531,650	\$ 4,535,554	\$ 4,518,690	0.4%
Feb	2,619,453	2,658,798	2,235,775	2,936,040	-23.9%
Mar	2,622,808	2,719,254	3,480,164	2,950,350	18.0%
Apr	3,109,701	3,317,905	3,521,350	3,573,610	-1.5%
May	2,733,983	3,059,076	3,092,253	3,188,560	-3.0%
Jun	2,835,171	3,170,467	3,208,195	3,347,900	-4.2%
Jul	3,453,149	3,546,945	3,727,389	3,800,880	-1.9%
Aug	3,039,219	3,241,521	3,389,010	3,475,330	-2.5%
Sep	3,051,797	3,374,248	3,408,259	3,491,370	-2.4%
Oct	3,125,566	3,448,473	3,642,285	3,663,760	-0.6%
Nov	2,892,986	3,077,404	3,034,997	3,360,620	-9.7%
Dec	2,946,709	3,246,097	3,486,297	3,681,570	-5.3%

\$36,425,736 \$ 39,391,838 \$40,761,528 \$41,988,680

YTD \$36,425,736 \$ 39,391,838 \$40,761,528 \$41,988,680 -2.9%

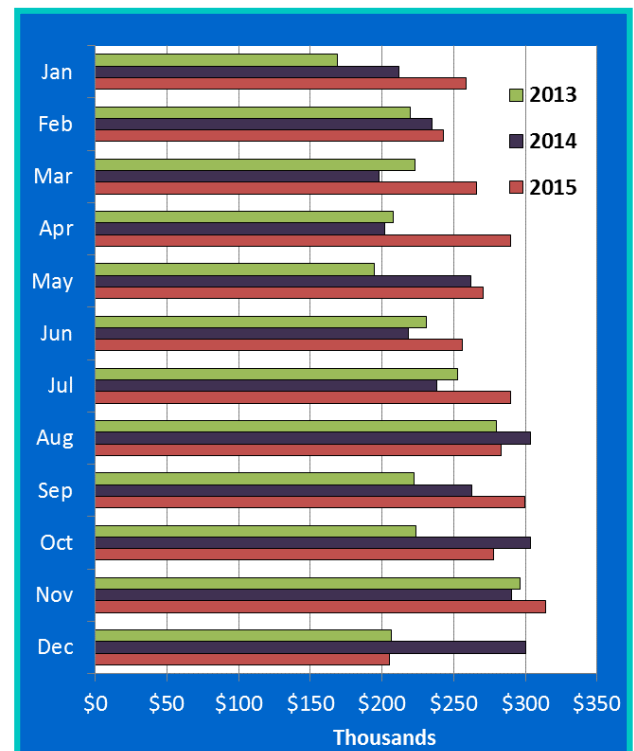
Building Materials Use Tax

	2013	2014	2015	2015 Budget	+ / - Budget
Jan	\$ 181,907	\$ 57,942	\$ 114,444	\$ 161,460	-29.1%
Feb	67,440	173,295	221,517	152,920	44.9%
Mar	187,222	120,768	261,500	258,330	1.2%
Apr	79,229	217,134	200,708	211,790	-5.2%
May	221,834	293,543	248,738	209,570	18.7%
Jun	218,722	136,432	651,849	216,970	200.4%
Jul	176,829	253,077	358,806	216,210	66.0%
Aug	73,524	417,801	111,575	205,740	-45.8%
Sep	105,174	377,319	462,146	208,430	121.7%
Oct	102,584	222,297	182,690	228,800	-20.2%
Nov	91,453	551,682	223,788	188,130	19.0%
Dec	105,740	217,712	203,069	216,560	-6.2%
	\$1,611,658	\$3,039,002	\$3,240,831	\$2,474,910	
YTD	\$1,611,658	\$3,039,002	\$3,240,831	\$2,474,910	30.9%

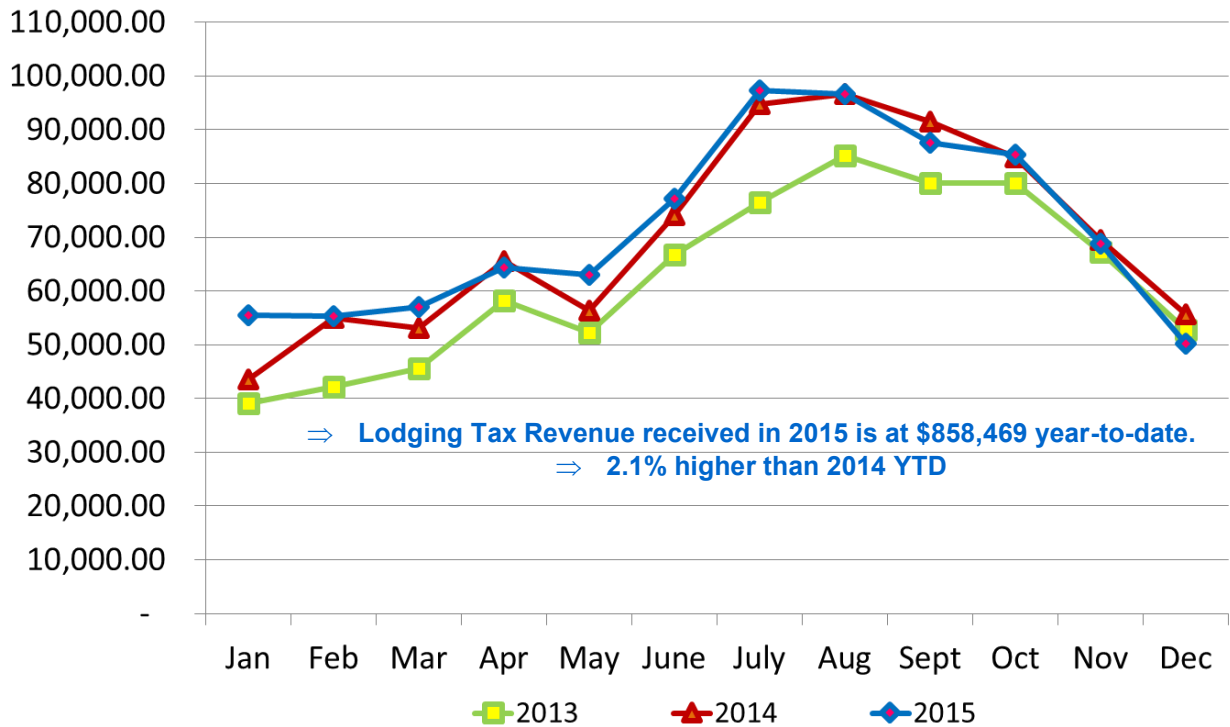


Motor Vehicle Use Tax

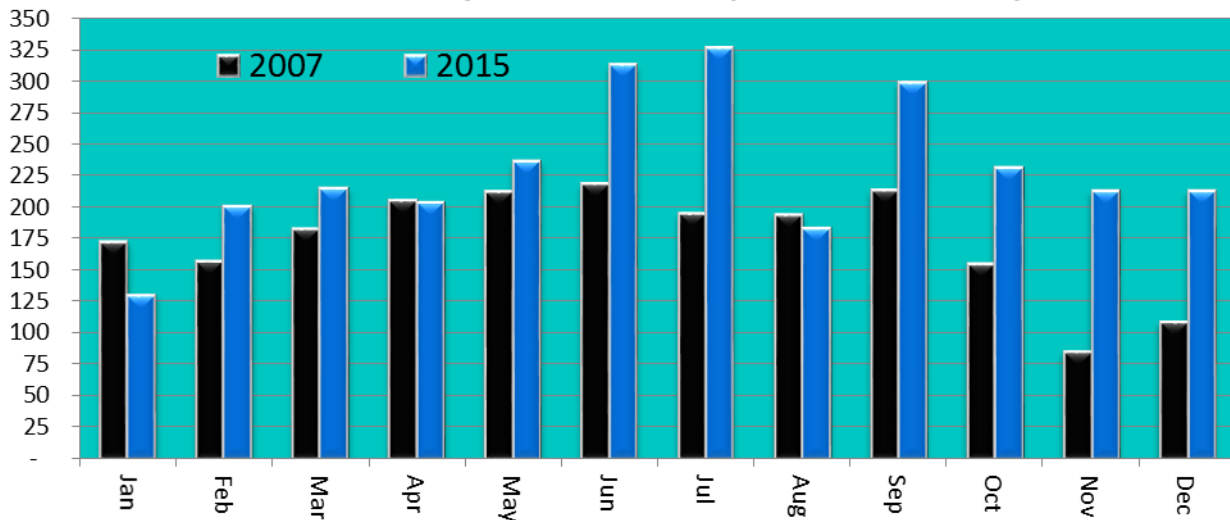
	2013	2014	2015	2015 Budget	+ / - Budget
Jan	\$ 168,734	\$ 211,841	\$ 258,519	\$ 178,080	45.2%
Feb	219,886	234,872	242,911	200,700	21.0%
Mar	223,317	197,666	265,721	183,290	45.0%
Apr	208,144	202,216	289,575	204,250	41.8%
May	194,384	261,840	270,477	212,040	27.6%
Jun	230,915	218,637	256,170	194,910	31.4%
Jul	252,583	238,533	289,432	223,900	29.3%
Aug	280,014	303,593	283,109	231,760	22.2%
Sep	222,332	262,754	299,661	224,680	33.4%
Oct	223,902	303,820	277,746	225,490	23.2%
Nov	296,227	290,119	313,928	223,320	40.6%
Dec	206,740	300,124	205,249	197,580	3.9%
	\$2,727,178	\$3,026,015	\$3,252,500	\$2,500,000	
YTD	\$2,727,178	\$3,026,015	\$3,252,500	\$2,500,000	30.1%



Lodging Tax



Building Permit Comparison History



Cost Estimates

Emergency Response	\$ 2,000,000
Business Assistance	600,000
Capital	27,906,129
Total	\$ 30,506,129

Actual Expenditures

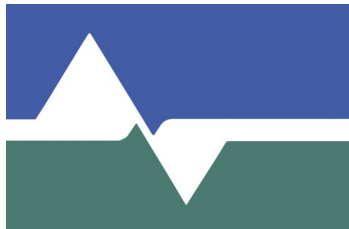
	December	To Date
Total	\$ 719,109	\$ 22,211,983

Reimbursements Applied For

	December	To Date
FEMA	\$ -	\$ 12,736,345
CIRSA	-	7,050,329
Other	3,184	705,090
Total	\$ 3,184	\$ 20,491,853

Reimbursements Received

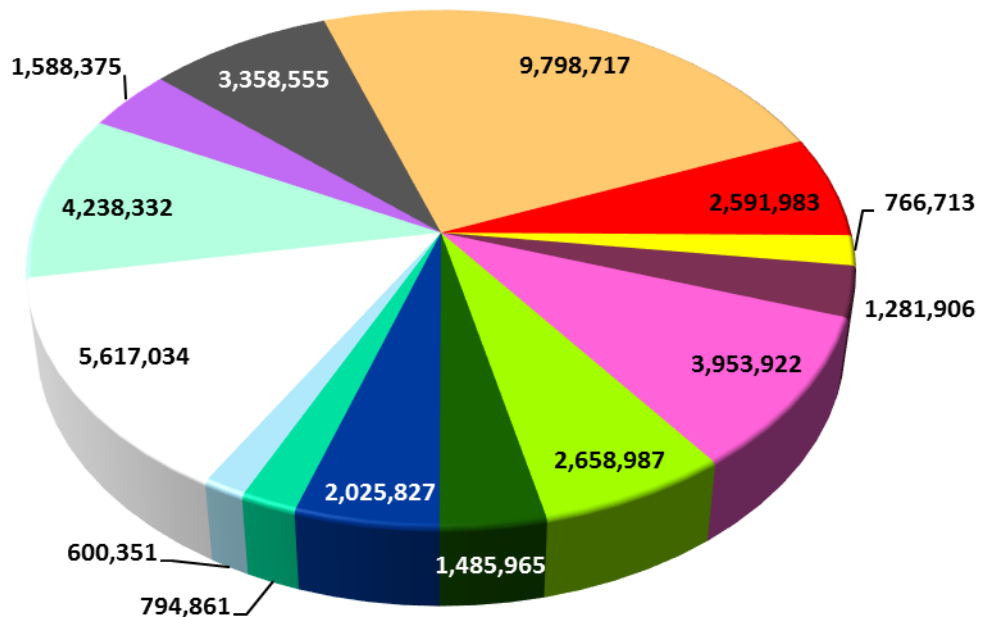
	December	To Date
FEMA	\$ -	\$ 6,599,063
CIRSA	-	7,050,329
Other	3,184	705,090
Total	\$ 3,184	\$ 14,354,481



Geographical Area		YTD 2015	YTD 2014	Change
South East Loveland		\$ 9,798,717	\$ 9,668,680	1.3%
North West Loveland		4,238,332	4,146,209	2.2%
Centerra		3,953,922	3,817,102	3.6%
North East Loveland		3,358,555	3,213,440	4.5%
Promenade Shops		2,658,987	2,583,871	2.9%
Orchards Shopping Center		2,591,983	2,264,647	14.5%
Thompson Valley Shopping Center		2,025,827	1,917,634	5.6%
South West Loveland		1,588,375	1,412,992	12.4%
Outlet Mall		1,485,965	1,543,482	-3.7%
Downtown		1,281,906	1,205,352	6.4%
The Ranch		794,861	801,931	-0.9%
Columbine Shopping Center		766,713	748,318	2.5%
Airport		600,351	501,606	19.7%
All Other Areas (1)		5,617,034	5,566,573	0.9%
Total		\$40,761,528	\$39,391,837	3.5%

(1) Refers to sales tax remitted by vendors who are located outside of the City but make sales to customers within Loveland.

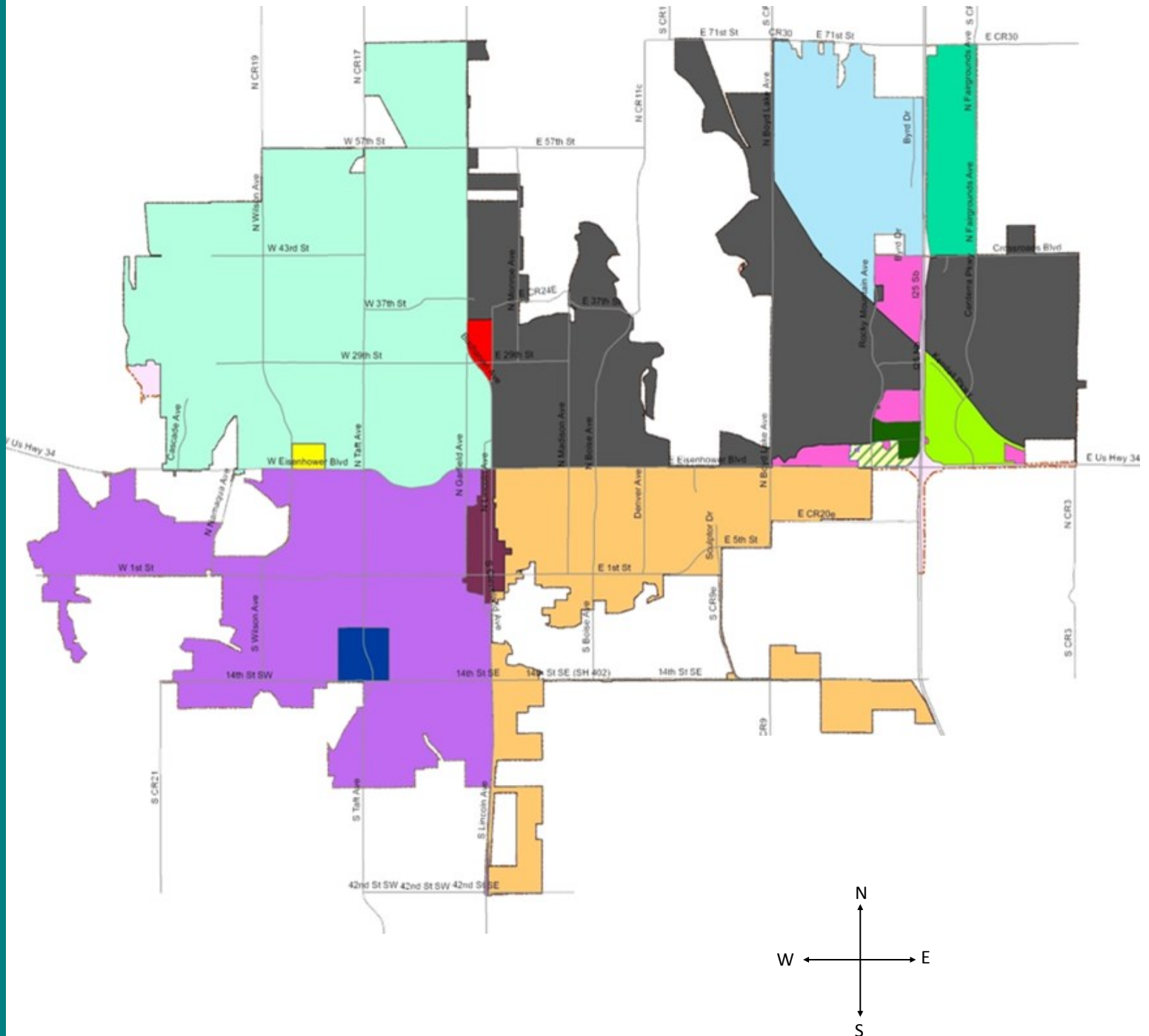
- North West Loveland
- North East Loveland
- Orchards Shopping Center
- Downtown
- Promenade Shops
- Thompson Valley Shopping Center
- Airport
- South West Loveland
- South East Loveland
- Columbine Shopping Center
- Centerra
- Outlet Mall
- The Ranch
- All Other Areas



Map →



Geographical Codes



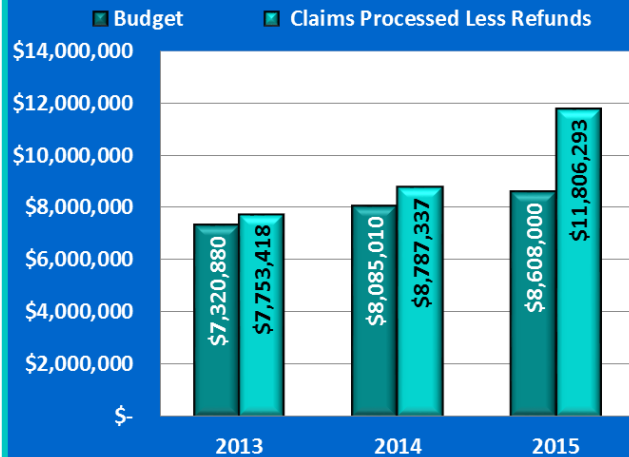
Description	YTD 2015	YTD 2014	\$ Change	% Change	% of Total	Total %
Department Stores & General Merchandise	\$ 7,833,042	\$ 8,034,830	\$(201,788)	-2.5%	19.2%	19.2%
Restaurants & Bars	5,474,604	5,118,434	356,170	7.0%	13.4%	32.6%
Grocery Stores & Specialty Foods	4,255,460	3,869,847	385,613	10.0%	10.4%	43.1%
Building Material & Lawn & Garden Supplies	3,312,244	2,948,406	363,838	12.3%	8.1%	51.2%
Motor Vehicle Dealers, Auto Parts & Leasing	3,085,772	2,967,934	117,838	4.0%	7.6%	58.8%
Clothing & Clothing Accessories Stores	2,903,008	2,886,617	16,391	0.6%	7.1%	65.9%
Utilities	1,936,738	1,893,751	42,987	2.3%	4.8%	70.7%
Sporting Goods, Hobby, Book & Music Stores	1,737,948	1,743,246	(5,298)	-0.3%	4.3%	74.9%
Used Merchandise Stores	1,448,328	1,393,372	54,956	3.9%	3.6%	78.5%
Broadcasting & Telecommunications	1,310,172	1,413,924	(103,752)	-7.3%	3.2%	81.7%
Beer, Wine & Liquor Stores	1,049,053	965,143	83,910	8.7%	2.6%	84.3%
Hotels, Motels & Other Accommodations	979,209	970,884	8,325	0.9%	2.4%	86.7%
Consumer Goods & Commercial Equipment	919,352	762,589	156,763	20.6%	2.3%	88.9%
Health & Personal Care Stores	686,955	641,031	45,924	7.2%	1.7%	90.6%
Electronics & Appliance Stores	625,249	566,310	58,939	10.4%	1.5%	92.1%
Electronic Shopping & Mail-Order Houses	584,465	660,195	(75,730)	-11.5%	1.4%	93.6%
Furniture & Home Furnishing Stores	541,242	521,989	19,253	3.7%	1.3%	94.9%
Gasoline Stations with Convenience Stores	438,081	391,119	46,962	12.0%	1.1%	96.0%
Office Supplies, Stationery & Gift Stores	310,289	344,425	(34,136)	-9.9%	0.8%	96.7%
All Other Categories	1,330,317	1,297,791	32,526	2.5%	3.3%	100.0%
Total	\$40,761,528	\$ 39,391,837	\$1,369,691	3.5%	100.0%	

Claims Incurred

		OAP	HRA	Total
2015	Dec	646,382	159,597	805,979
	YTD	9,268,997	2,669,770	11,938,767
2014	Dec	772,384	123,738	896,122
	YTD	8,085,506	2,280,823	10,366,329
Change	Dec	(126,002)	35,859	(90,143)
	% Dec	-16.3%	29.0%	-10.1%
	YTD	1,183,491	388,947	1,572,438
	% YTD	14.6%	17.1%	15.2%

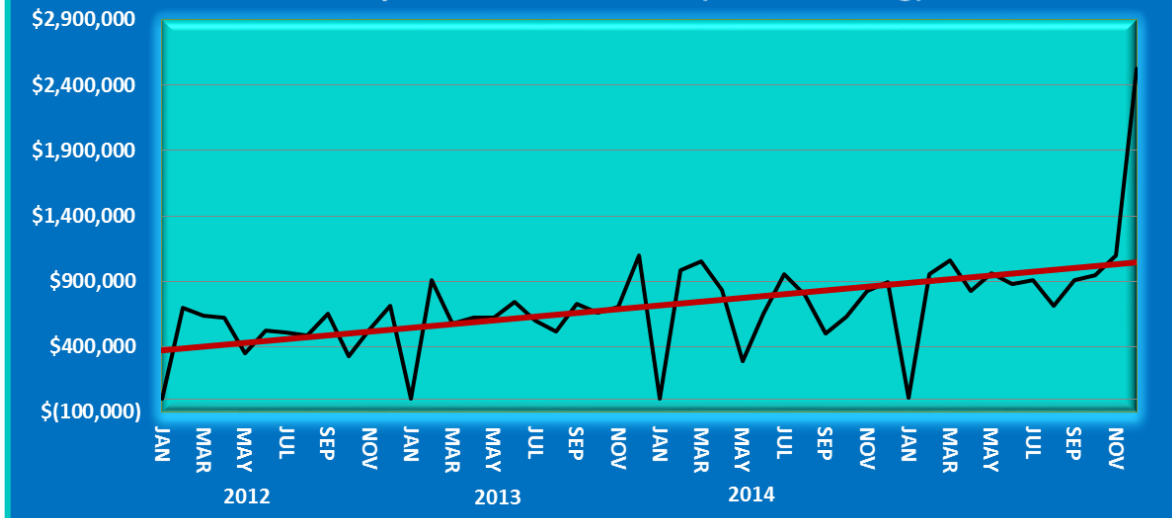
⇒ HRA—Health Reimbursement Arrangement
⇒ OAP—Open Access Plan

YTD Claims Processed Less Refunds vs Budget



Incurred claims are total expenses the City is obligated to pay for claims, including claims paid and unpaid. Paid claims are those claims that have been paid and reconciled through the bank to-date, which may not reflect Stop Loss reimbursements or other refunds.

Monthly Health Claims Paid (4 Year Rolling)



Comparison of YTD Claims Over \$25k

December	2012	2013	2014	2015
# of claims	51	69	77	85
YTD Cost of high claims	\$2,780,612	\$4,005,604	\$6,414,786	\$7,820,853

⇒ 2015 # of StopLoss claims: 9
⇒ Projected YTD Reimbursements: \$1,425,397
(claims over \$175k paid by StopLoss Carrier)

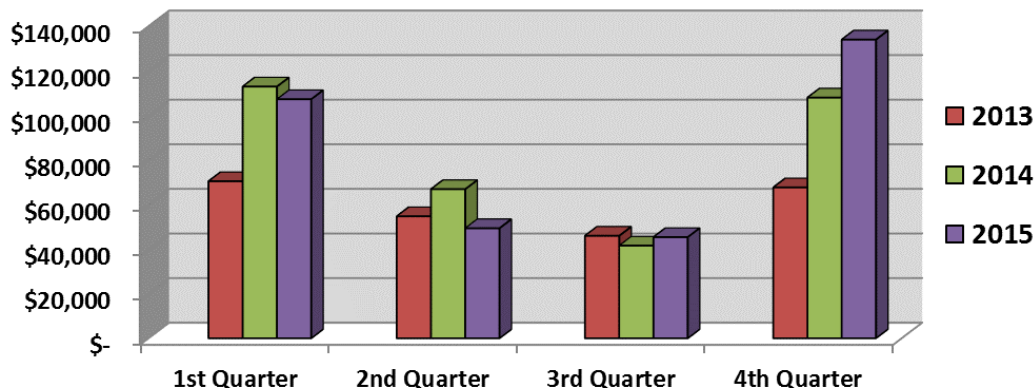
Measures	Dec 2013	Dec 2014	Dec 2015	2013 YTD	2014 YTD	2015 YTD
# of Building Permits	153	227	213	2,085	2,305	2,762
Building Permit Valuations	\$ 7,543,180	\$ 15,652,351	\$ 14,859,808	\$ 155,023,820	\$255,911,918	\$ 246,684,724
# of Certified Occupancies	9	42	48	315	294	766
Net # of Sales Tax Licenses	(7)	14	(18)	(302)	(73)	(156)
New Residential Electric Meter Sets	38	45	58	298	332	841
# of Utility Bills Sent	36,588	37,208	38,111	438,510	443,362	451,960
Rounds of Golf	875	2,607	715	107,534	112,178	115,757
\$ Average Health Claim Costs/Emp.	\$ 973	\$ 1,098	\$ 1,146	\$ 1,025	\$ 1,276	\$ 1,418
KWH Demand (kH)	105,191	109,464	101,294	1,328,171	1,306,199	1,298,223
KWH Purchased (kwh)	64,750,816	66,032,658	63,076,656	752,038,685	699,153,551	753,664,656
Gallons of Water Sold	156,219,108	147,884,373	153,137,322	3,423,021,352	3,503,149,438	3,637,891,051
# of Workers' Comp Claims 2015	10	4	7	114	86	91
\$ of Workers' Comp Claims Paid 2015	\$ 28,729	\$ 20,882	\$ 38,659	\$ 534,132	\$ 589,937	\$ 495,693
# of Total Open Claims	23	14	16	Not Cumulative		
\$ of Total Open Claims	\$ 360,246	\$ 243,315	\$ 375,182	Not Cumulative		
\$ of Lodging Tax Collected	\$ 52,733	\$ 55,619	\$ 50,202	\$ 746,135	\$ 840,273	\$ 859,028



City of Loveland
Statement of Results of Operations for Rialto Theater Center
For Quarter Ending 12/31/2015

	2015 YTD Amount	2015 YTD Budget	% of Budget	2014 YTD	Change from Prior Year
Rialto Theater					
Rialto Theater Revenues					
Revenues from Operations	272,899	509,000	53.61%	222,247	22.79%
Gifts/Donations	20,919	66,500	31.46%	25,193	-16.96%
Transfers from Lodging Tax Fund	25,000	25,000	100.00%	25,000	0.00%
Total Rialto Theater Revenues	318,819	600,500	53.09%	272,440	17.02%
Rialto Theatre Expenses					
Personnel Costs	292,599	324,210	90.25%	231,161	26.58%
Supplies	47,848	18,790	254.65%	19,077	150.81%
Purchased Services	214,945	258,750	83.07%	142,891	50.43%
Capital Outlay	29,192	35,200	0.00%	27,419	6.46%
Total Direct Costs	584,584	636,950	91.78%	420,548	39.01%
Administrative Allocations	152,380	152,380	100.00%	146,140	4.27%
Total Rialto Theater Expenses	736,964	789,330	93.37%	566,688	30.05%
Rialto Theater Net Income (Loss)	(418,146)	(188,830)	221.44%	(294,248)	42.11%
Rialto Event Center					
Rialto Event Center Revenues					
Revenues from Operations	17,036	25,870	65.85%	20,562	-17.15%
Gifts/Donations	-	-	0.00%	-	0.00%
Total Event Center Revenues	17,036	25,870	65.85%	20,562	-17.15%
Rialto Event Center Expenses					
Personal Services	23,847	34,510	69.10%	37,407	-36.25%
Supplies	174	1,600	10.85%	312	-44.34%
Purchased Services	52,685	56,110	0.00%	48,523	8.58%
Capital Outlay	-	-	0.00%	-	0.00%
Total Rialto Event Center Expenses	76,706	92,220	83.18%	86,242	-11.06%
Rialto Event Center Net Income (Loss)	(59,670)	(66,350)	89.93%	(65,680)	-9.15%
Grand Total Rialto Theater Center Revenues	335,855	626,370	53.62%	293,002	14.63%
Grand Total Rialto Theater Center Expenses	813,671	881,550	92.30%	652,930	24.62%
Rialto Theater Center Net Income (Loss)	(477,816)	(255,180)	187.25%	(359,928)	32.75%

Rialto Theater Center Quarterly Revenue Comparison



SnapShot

December 2015

For more information regarding this report contact:

Brent Worthington

Finance Director

970.962.2300 or

brent.worthington@cityofloveland.org

The City of Loveland is committed to providing an equal opportunity for citizens and does not discriminate on the basis of disability, race, color, national origin, religion, sexual orientation or gender. The City will make reasonable accommodations for citizens in accordance with the Americans with Disabilities Act. For more information, please contact the City's ADA Coordinator at bettye.greenberg@cityofloveland.org or 970-962-3319





CITY OF LOVELAND
CITY ATTORNEY'S OFFICE

Civic Center • 500 East Third • Loveland, Colorado 80537
(970) 962-2540 • FAX (970) 962-2900 • TDD (970) 962-2620

AGENDA ITEM: 14
MEETING DATE: 2/16/2016
TO: City Council
FROM: City Clerk
PRESENTER: Terry Andrews

TITLE:

A motion canceling the City Council Regular Meeting scheduled for March 1, 2016; setting a special meeting on February 29, 2016 At 6:00 P.M., for the purpose of conducting the March 1, 2016 Regular Meeting Agenda; and canceling the March 8, 2016 Study Session.

RECOMMENDED CITY COUNCIL ACTION:

Approve the motion.

OPTIONS:

1. Approve: The Regular Scheduled meeting for March 1, 2016, will be conducted at a "Special Meeting" on February 29, 2016 and there will be no March 8, 2016 Study Session.
2. Not approve: The meeting will be scheduled for March 1, 2016 as usual. The Study session may be cancelled without a motion.
3. Alternative motions: Council could cancel the March 1, 2016 regular meeting and not hold a meeting on February 29, 2016. The next regular scheduled meeting would be March 15, 2016.

SUMMARY:

This is an administrative action. City Council requested Staff provide a motion to move the March 1, 2016 City Council meeting to February 29, 2016 at 6:00 P.M. Without a quorum, due to the National League of Cities annual conference, the March 8, 2016 Study Session will be cancelled.

BUDGET IMPACT:

- ☐ Positive
☐ Negative
☒ Neutral or negligible

BACKGROUND:

At the January 26, 2016 Study Session, Mayor Gutierrez indicated the Colorado Caucus meetings would be held on March 1, 2016, the date of Council's first Regular Meeting in March. Council requested Staff bring a motion forward to move the Regular Meeting of March 1, 2016 to February 29, 2016. Council also requested the March 8, 2016 Study Session be cancelled, since some Councilors will be attending the NLC conference.

REVIEWED BY CITY MANAGER:

William A. Cabell

LIST OF ATTACHMENTS:

None

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(970) 962-2322 • FAX (970) 962-2901 • TDD (970) 962-2620

AGENDA ITEM: 15
MEETING DATE: 2/16/2016
TO: City Council
FROM: Terry Andrews, City Clerk
PRESENTER: Terry Andrews, City Clerk

TITLE:

A Motion calling for a Special meeting to be held Tuesday, February 23, 2016 at 6:30 p.m. in the City Council Chambers. The purpose of the special meeting is to update City Council on the South Catalyst Project. This special meeting could include an Executive Session.

RECOMMENDED CITY COUNCIL ACTION:

Adopt the motion.

OPTIONS:

1. Adopt the action
2. Deny the action
3. Adopt a modified action (specify in the motion)

SUMMARY:

This is an administrative action item being brought to Council by the Economic Development Department to call for a Special meeting, which may include an Executive Session per 24-6-402 C.R.S. The purpose of this Special meeting is to discuss and update City Council on the South Catalyst Project.

REVIEWED BY CITY MANAGER:

LIST OF ATTACHMENTS:

None

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(970) 962-2303 • FAX (970) 962-2900 • TDD (970) 962-2620

AGENDA ITEM: 16
MEETING DATE: 2/16/2016
TO: City Council
FROM: City Manager
PRESENTER: Bill Cahill

TITLE:

Appointment of Council Member to Larimer County Solid Wasteshed Planning Coalition Policy Group

RECOMMENDED CITY COUNCIL ACTION:

Adopt a motion to appoint a City Council Member to the Larimer County Solid Waste Summit.

OPTIONS:

1. Adopt the action as recommended.
2. Deny the action.

SUMMARY:

This is an administrative item appointing a Council Member to the Larimer County Solid Wasteshed Planning Coalition Policy Group.

BUDGET IMPACT:

- ☐ Positive
☐ Negative
☒ Neutral or negligible

BACKGROUND:

The Larimer County Landfill is approaching the final decade of usable service. Since May, 2015, a technical expert group known as the Wasteshed Planning Coalition has been meeting to discuss the future of the landfill. This group consists of staff from Larimer County, Fort Collins, Loveland and Estes Park. The Larimer County Commissioners proposes a group of elected officials to become engaged and work closely with this group, stay informed of their progress and provide direction when needed. The proposed group is two Council members from Fort Collins, one from Loveland, one from Estes Park, and one commissioner.

REVIEWED BY CITY MANAGER:

LIST OF ATTACHMENTS:

1. December 29, 2015 letter from Lew Gaiter III, Chair of the Larimer County Board of Commissioners
2. Wasteshed Planning Coalition Policy Group



BOARD OF COUNTY COMMISSIONERS P. 155

Post Office Box 1190
Fort Collins, Colorado 80522-1190
(970) 498-7010
FAX (970) 498-7006

RECEIVED

JAN 11 2016

CITY MANAGER

December 29, 2015

Mayor Cecil Gutierrez and City Council
City of Loveland
500 E. 3rd Street, Suite 330
Loveland, CO 80537

Dear Mayor and Council Members:

As you know, this is a critically important time for solid waste in Northern Colorado. The Larimer County Landfill is entering its final decade of usable service. New, more sustainable and environmentally responsible technologies have become options. The recycling market has undergone major changes in the last few years. Our population is projected to increase by 17% in the next decade, resulting in more waste generation.

All of these items and more require that the policy makers in Northern Colorado provide leadership and direction about the future of solid waste management in our community.

Since May 2015, a "technical expert group" (the Wasteshed Planning Coalition) made up of staff from the County, Fort Collins, Loveland and Estes Park has been meeting monthly to discuss this future. We believe it is critical that, as policy makers, we work closely with this group, stay informed of their progress, and provide direction when needed. This is a good time for us to become engaged. The Coalition is seeking to engage consulting services to assist in the long-term planning.

We propose a similar group of electeds and suggest it mirror the technical group in its make-up, with two Council members from Fort Collins, one from Loveland, one from Estes Park, and one Commissioner. Each jurisdiction had excellent representation at the solid waste summit. The exact numbers are not critical, as we believe we must work by consensus together if we are to have an effective and efficient public solid waste disposal presence to serve the citizens in our community beyond the next decade.

Important decisions are being made now which could have major ramifications on future planning and facilities needed, and it would be helpful to work on these together as part of a comprehensive plan for the solid waste options of our future.

We would like to meet as soon as possible. If you could designate your members at your earliest opportunity, we will convene our first meeting. Thank you for your interest in this important issue.

Sincerely,

Lew Gaiter III
Chair, Larimer County Board of Commissioners

cc: Bill Cahill, City Manager

BOARD OF COUNTY COMMISSIONERS

Lew Gaiter III
District 1

Steve Johnson
District 2

Tom Donnelly
District 3

North Front Range Wasteshed Planning Coalition Policy Group

Background

A regional Wasteshed Planning Coalition Technical Group comprised of staff from Larimer County, the City of Fort Collins, the City of Loveland, and the Town of Estes Park has been meeting regularly since early 2015 to begin to address options for future solid waste management and resource recovery opportunities in Larimer County. These three entities (less Estes Park) have shared ownership in the Larimer County landfill property. The existing County landfill has about ten years of “life” remaining (air space to be used for landfilling at existing rates of fill), and no further expansion of landfill operations is possible at the existing site. Consequently, there is an urgent need for collaboration between the regional jurisdictions to make recommendations for solid waste/materials management system planning and operations, which may include shared regional infrastructure, priority and policy recommendations, and potential project schedules and funding sources.

Wasteshed Planning Coalition Technical Group

The Wasteshed Planning Coalition Technical Group has been meeting since April of 2015 and is currently meeting every two weeks for the purpose of fact finding, exploring options, and planning for stakeholder and public meetings to bring this topic into focus. In October a Solid Waste / Resource Recovery Forum was hosted at The Ranch that invited key stakeholders to discuss current conditions, get a glimpse of future possibilities, and provide extensive feedback.. This stakeholder forum was facilitated by Dr. Martin Carcasson, Director of the CSU Center for Public Deliberation; more information about it and the overall planning process is available at: <http://www.larimer.org/wasteshed/>

The Wasteshed Planning Coalition Technical Group membership is:

- Fort Collins: Susie Gordon, Caroline Mitchell, and Honore Depew
- Larimer County: Mark Peterson, Stephen Gillette, and Michelle Bird
- Loveland: Mick Mercer, and Tyler Bandemer
- Estes Park: Frank Lancaster

Using grant funding from CDPHE’s Recycling Resources Economic Opportunity (RREO) program, this group is in the process of hiring a consultant to assist with:

- conducting an inventory and assessment of regional solid waste infrastructure,
- providing relevant options and best practices from comparable regions, and
- “taking the pulse” of the public through a county-wide survey and several public forums in mid-2016.

A report detailing the findings of this Regional Wasteshed Study will be available before the end of 2016. It is very important that this group keeps the policy making bodies of the Wasteshed Planning Coalition up-to-date and going in a direction that is amenable for all parties.

With this in mind, the Larimer County Commissioners sent out a letter requesting that a complementary Policy Group be formed.

Wasteshed Planning Coalition Policy Group

Why: To pursue a multi-jurisdictional partnered approach that develops regional goals and objectives and makes recommendations for solid waste/materials management system planning and operations. Such recommendations may include shared regional infrastructure, priority and policy direction, project schedules and potential funding sources to be considered by the regional jurisdictions. This effort is expected to provide opportunities to optimize regional solid waste management practices including consistency of services, economies of scale, effective use of sites and facilities, improved resource recovery rates, and support for other community goals. Of particular interest is the potential development of a solid waste authority for the region that identifies materials management strategies and potential uses for the existing landfill site after closure (approximately 10-year timeframe), as well as longer-term (20+ years) solid waste / resource recovery strategies.

Who: It is proposed that this group be composed of five total members:

- Fort Collins – two City Council members
- Larimer County – one Commissioner
- Loveland – one City Council member
- Estes Park – one Town Board member

Staff support would come from the County or as requested by this policy group.

What: This group will be responsible for providing policy direction and recommendations on regional solid waste planning and operations which is expected to include:

- establish an overall mission and purpose for the studies and work being pursued
- establish priorities for investigation of potential regional solid waste projects
- direction for scheduling of the process
- direction on public meetings or other processes to obtain stakeholder and public input
- funding sources to be considered by the member jurisdictions

Policy Group recommendations should be identified through an open and transparent process which encourages input, cooperation and coordination with all stakeholders and the general public.

When: this group should meet at least quarterly for the next three years and would have the option to convene more often if necessary. More frequent meetings are expected at the beginning of the process and to coincide with completion of technical studies or other deliverables from the technical group or consultants.

How: The Policy Group will provide input and direction to the Technical Group and act as liaisons to their respective elected bodies. Policy Group decisions will be based on consensus. This is an advisory group so the recommendation of the Policy Group cannot bind any one jurisdiction if such jurisdiction does not agree with the recommendation of the Policy Group. Local decision making bodies retain their authority to set rates, commit their waste flow and control their waste management system to meet their respective goals until such time as updated intergovernmental agreements are developed.

Timeline

A tentative schedule to be reviewed and approved by the Policy Group:

2016 - Fact gathering and public input

1. Consultants and Technical Group gather input from citizens through public forums and a county-wide survey (March – June)
2. Consultants and Technical Group gather information about regional infrastructure and policies/practices (March – September)
3. Site visits conducted by Technical Group, Policy Group, and consultants (March – September)
4. Two-season Waste Composition study of county landfill completed by Larimer County Solid Waste (April & September - tentative)
5. Direction and feedback provided by Policy Group (quarterly)
6. Regional Wasteshed Study report of findings and options produced (November)

2017 - Feasibility studies, more fact gathering, public input

1. What method/methods need further study
2. Economics of various methods
3. Site visits
4. Public input

2018 – Fine-tuning, more fact gathering, public input

1. Business model
2. Economics
3. Public input
4. Site selection---other options

2019 - Feasibility study, approval by elected bodies, public input

1. Approval of solid waste management plan for wasteshed
2. Business plan including a timeline for construction and implementation
3. Public forums

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(970) 962-2540 • FAX (970) 962-2900 • TDD (970) 962-2620

AGENDA ITEM: 17
MEETING DATE: 2/16/2016
TO: Mayor and City Council
FROM: Tami Yellico, City Attorney
PRESENTERS: Tami Yellico, City Attorney

TITLE:

A Resolution Approving the Consolidated Service Plan for Lee Farm Metropolitan Districts Nos. 1 - 4

RECOMMENDED CITY COUNCIL ACTION:

After a public hearing, consider adoption of the resolution.

OPTIONS:

1. Adopt the action as recommended.
2. Deny the action.
3. Adopt a modified action.
4. Refer back to staff for further development and consideration.

SUMMARY:

This resolution is an administrative action to approve the Consolidated Service Plan for Lee Farm Metropolitan Districts Nos. 1 – 4 (the “Districts”). The Districts are generally located west of Wilson Avenue between West 35th Street and West 43rd Street in the City of Loveland. They consist of approximately 247 acres for primarily residential development. The Districts will provide for the design, acquisition, installation, construction, financing, operations, and maintenance of streets, traffic and safety signals, sewer, water, and parks and recreation facilities within the boundaries of the Districts. A mill levy cap of 65 mills is proposed for the Districts, subject to certain adjustment provisions.

BUDGET IMPACT:

- ☐ Positive
☐ Negative
☒ Neutral or negligible

BACKGROUND:

The 247-acre Lee Farm property, as depicted on Attachment A, is located along the west side of Wilson Avenue immediately north of Hunter's Run, was annexed on May 5, 2006 and zoned Planned Unit Development (PUD). The approved General Development Plan (GDP) allows a mix of housing types and a small commercial center. On August 23, 2010, a detailed Preliminary Development Plan was approved by the Planning Commission that specifies development of 882 dwelling units, including a mix of five housing types, a small neighborhood commercial area on Wilson and a community center. The plan approval holds until August, 2016 unless extended by the Planning Commission.

Beginning in 2014, a series of discussions between development review staff and prospective developer, The True Life Companies, have occurred. Topics have included the availability of City infrastructure, the examination of various conceptual changes to the approved plans and a review of the remaining approval process—a process that may involve new public hearings if proposed changes are significant. The developer has acknowledged that establishment of a Metropolitan District is anticipated due to the significant infrastructure costs required to serve the development.

Pursuant to Section 32-1-204.5, C.R.S., as amended, the Consolidated Service Plan for Lee Farm Metropolitan Districts Nos. 1, 2, 3, and 4 (collectively the “Districts”) has been submitted to the City Council. The boundaries of the proposed Districts are wholly contained within the boundaries of the City. The Districts are generally located west of Wilson Avenue between West 35th Street and West 43rd Street in the City of Loveland. They consist of approximately 246 acres for primarily residential development. Housing types within the development are anticipated to include single-family attached residences, single-family detached residences, multi-family residences, and patio homes, with average prices from \$325,000 to greater than \$610,000, and are anticipated to total approximately 736 units. The estimated projected population of the Districts at full build-out is approximately 2,200 persons based upon an assumption of three individuals per unit.

The Districts will provide for the design, acquisition, installation, construction, financing, operations, and maintenance of streets, traffic and safety signals, sewer, water, and parks and recreation facilities within the boundaries of the Districts. The Districts shall, in accordance with City Policy, dedicate all public improvements customarily dedicated to the City like public water and wastewater improvements, public streets, public storm drainage and detention improvements, public sidewalks, right of way and easements for public improvements. The total estimated costs of the public improvements in 2015 dollars is \$39,922,509.74. The maximum amount of debt, which may be incurred by the Districts collectively, under the proposed service plan, in 2015 dollars is \$22,000,000. The maximum mill levy the Districts may impose for the payment of debt and related expenses is 50 mills. The Districts also may impose a mill levy to defray operations and maintenance expenses of the Districts, provided that the debt mill levy will not exceed 50 mills and the operations and maintenance mill levy will not exceed 15 mills, for a total mill levy cap of 65 mills. Staff has worked with the developer’s attorney to include specific limitations on debt and mill levy, with notice and public hearing requirements for any change to the debt limit. Also, staff has required that a date certain by which debt will be issued, which is December 31, 2036. Also included is a provision that the Districts will file a petition to dissolve if no debt has been issued within five years of the service plan approval.

The developer projects that the area to be included within the proposed Districts has, or will have, the financial ability to discharge the proposed indebtedness on a reasonable basis. The developer projects that adequate service is not or will not be available to the area through the City or other existing municipal or quasi-municipal corporations within a reasonable time and on a comparable basis. The facility and service standards of the proposed Districts are compatible with the facility and service standards of the City. The proposal is in substantial compliance with any Master Plan adopted by the City pursuant to Section 31-23-206, C.R.S., as amended. The proposal is in substantial compliance with any duly adopted City, County, regional and State long-range water quality management plans for the area.

Attachment B to this memo is a letter from James Manire, a financial consultant of the City. The letter analyzes the proposed debt of the districts and the financial projections.

REVIEWED BY CITY MANAGER:



LIST OF ATTACHMENTS:

1. Resolution with Exhibits A (Service Plan), B (Affidavit of Publication), and C (Certificate of Mailing)– approves the creation of the proposed Districts and the Consolidated Service Plan for the Districts
2. Map of Lee Farm property (cross-hatched in orange) is attached to this coversheet as Attachment A
3. Letter from James Manire is attached to this coversheet as Attachment B

RESOLUTION #R-15-2016**A RESOLUTION OF THE LOVELAND CITY COUNCIL APPROVING
THE CONSOLIDATED SERVICE PLAN FOR LEE FARM
METROPOLITAN DISTRICTS NOS. 1 – 4**

WHEREAS, pursuant to Section 32-1-204.5, C.R.S., as amended, the Consolidated Service Plan for Lee Farm Metropolitan Districts Nos. 1, 2, 3, and 4 (collectively the “Districts”) has been submitted to the City Council (the “City Council”) of the City of Loveland, Colorado (the “City”); and

WHEREAS, a copy of said Consolidated Service Plan is attached hereto as Exhibit A and incorporated herein by reference (the “Service Plan”); and

WHEREAS, the boundaries of the proposed Districts are wholly contained within the boundaries of the City; and

WHEREAS, notice of the hearing before the City Council for its consideration of the Service Plan was duly published in the *Loveland Reporter-Herald* on December 28, 2015, as required by law, as evidenced by the “Affidavit of Publication,” attached hereto as Exhibit B and incorporated herein by reference; and

WHEREAS, notice of the hearing before the City Council was also duly mailed by first class mail, on December 30, 2015, to interested persons, defined as follows: (1) the Colorado Division of Local Government; (2) the governing body of any municipality or special district which has levied an ad valorem tax within the next preceding tax year, and which has boundaries within a radius of three (3) miles of the proposed Districts’ boundaries; and (3) the property owners within the proposed Districts as listed on the records of the Larimer County Assessor, as evidenced by the Certificate of Mailing attached hereto as Exhibit C and incorporated herein by reference; and

WHEREAS, pursuant to the provisions of Title 32, Article 1, C.R.S., as amended, the City Council opened a public hearing on the Service Plan for the proposed Districts on January 19, 2016, and continued the public hearing until February 2, 2016, at which time the public hearing was held; and

WHEREAS, the City Council has considered the Service Plan, and all other testimony and evidence presented at the hearing.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LOVELAND, COLORADO:

Section 1. That the hearing before the City Council was open to the public; that all interested parties were heard or had the opportunity to be heard; and that all relevant testimony and evidence submitted to the City Council was considered.

Section 2. That evidence satisfactory to the City Council for finding each of the following was presented at the hearing:

- a. there is sufficient existing and projected need for organized service in the area to be serviced by the proposed Districts;
- b. the existing service in the area to be served by the proposed Districts is inadequate for present and projected needs;
- c. the proposed Districts are capable of providing economical and sufficient service to the area within their proposed boundaries;
- d. the area to be included within the proposed Districts has, or will have, the financial ability to discharge the proposed indebtedness on a reasonable basis;
- e. adequate service is not or will not be available to the area through the City or other existing municipal or quasi-municipal corporations within a reasonable time and on a comparable basis;
- f. the facility and service standards of the proposed Districts are compatible with the facility and service standards of the City;
- g. the proposal is in substantial compliance with any Master Plan adopted by the City pursuant to Section 31-23-206, C.R.S., as amended;
- h. the proposal is in substantial compliance with any duly adopted City, County, regional and State long-range water quality management plans for the area; and
- i. the creation of the proposed Districts will be in the best interest of the area proposed to be served.

Section 3. That the City Council hereby determines that the requirements of Sections 32-1-202 (1), (2), and (3), C.R.S., relating to the filing of the Service Plan for the Districts, and the requirements of Sections 32-1-204 (1) and (1.5), C.R.S., relating to notice of the hearing by City Council, and the requirements of Section 32-1-204.5, C.R.S., relating to the approval by the City Council have been fulfilled in a timely manner.

Section 4. That the City Council hereby approves the Service Plan for the Districts as submitted.

Section 5. That a certified copy of this Resolution shall be filed in the records of the City and the Larimer County Clerk and Recorder, and submitted to the petitioners under the Service Plan for the purpose of filing in the District Court of Larimer County.

Section 6. That the City Council's findings in this Resolution and its approval of the Service Plan are conditioned upon the proponents of the Service Plan having reimbursed the City for all the charges and fees it has incurred with its bond counsel and public finance consultant relating to their review of the Service Plan and creation of the Districts.

Section 7. That this approval of the Service Plan shall be further conditioned upon the owner of the real property contained within Lee Farm Metropolitan Districts Nos. 1 – 4 (the "Owners") providing to the Loveland City Attorney a mill levy disclosure statement signed by the Owners in a form acceptable to the City Attorney, which statement shall be recorded with the Larimer County Clerk and Recorder, and further conditioned upon an agreement between the City and the Owners, in a form acceptable to the City Manager and City Attorney, requiring the Owners to provide the mill levy disclosure statement to all prospective purchasers of lots in Lee Farm Metropolitan Districts Nos. 1 – 4 prior to any purchaser entering into the contract to purchase a lot from the Owners, or their successors and assigns.

Section 8. That nothing herein limits the City's powers with respect to the Districts, the properties within the Districts, or the improvements to be constructed by the Districts.

Section 9. That the City's findings are based solely upon the evidence in the Service Plan, including projections provided by the developer/proponent of the Districts, and such other evidence presented at the public hearing and the City has not conducted any independent investigation of the evidence. The City makes no guarantee as to the financial viability of the Districts or the achievability of the results as set forth in the Service Plan.

Section 10. That this Resolution shall be effective as of the date of its adoption.

Adopted this 16th day of February, 2016.

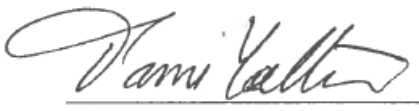
CITY OF LOVELAND, COLORADO, a Colorado
municipal corporation

By: _____
Cecil Gutierrez, Mayor

ATTEST:

By: _____
City Clerk

APPROVED AS TO FORM:



City Attorney

**EXHIBIT A
TO RESOLUTION**

**Consolidated Service Plan for
Lee Farm Metropolitan Districts Nos. 1 – 4**

CONSOLIDATED SERVICE PLAN
FOR
LEE FARM METROPOLITAN DISTRICTS NOS. 1, 2, 3, AND 4

Prepared by

Icenogle Seaver Pogue, P.C.
4725 S. Monaco St., Suite 225
Denver, Colorado 80237

Approved by Loveland City Council February 2, 2016

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LIST OF EXHIBITS

EXHIBIT A – Map of Districts

EXHIBIT B - Legal Descriptions of the Districts

EXHIBIT C – Public Improvements Diagram

EXHIBIT D - Cost Estimates

EXHIBIT E - Financing Plan

EXHIBIT F - Statutory Contents of this Service Plan

I. INTRODUCTION

A. General Overview

1. Scope of Service Plan. This consolidated service plan (“Service Plan”) for Lee Farm Metropolitan Districts Nos. 1, 2, 3, and 4, City of Loveland, Larimer County, Colorado, (the “Districts”) constitutes a combined Service Plan for four special districts proposed for organization to serve the needs of a new development known as Lee Farm in the City of Loveland, Colorado (the “City”) in Larimer County (the “County”). The Districts’ boundaries will contain approximately 246 acres for primarily residential development. Construction of public improvements is anticipated to occur over the next 1 to 10 years with build-out of all homes anticipated to occur in 2026.

A map depicting the Districts’ boundaries is attached hereto and incorporated herein as Exhibit A, and the legal description of the Districts’ boundaries is attached hereto and incorporated herein as Exhibit B.

Considerable public improvements will be designed, acquired, installed, constructed, financed, operated, and/or maintained to provide the required water, wastewater, streets, and other public improvements needed for the area. This Service Plan addresses the public improvements which will be provided by the Districts and demonstrates how the four special districts proposed to serve the development will work in tandem to provide the necessary public improvements and services.

2. Multiple District Structure. This Service Plan is submitted in accordance with Part 2 of the Special District Act (§§ 32-1-201, *et seq.*, C.R.S.). It defines the powers and authorities of, as well as the limitations and restrictions on, the Districts. The use of a consolidated Service Plan for the Districts will help assure proper coordination of the powers and authorities of the independent Districts and will help avoid confusion regarding the separate, but coordinated, purposes of the Districts which could arise if separate service plans were used. Unless otherwise specifically noted herein, general provisions of this Service Plan apply to all Districts. Where possible, however, specific reference is made to an individual District to help distinguish the powers and authorities of each District. The “Financing Plan” discussed in Section VII refers to a consolidated preliminary financial plan for the Districts which may be used by the Districts for designing, acquiring, installing, constructing, financing, operating, or maintaining public improvements of the Districts. Lee Farm Metropolitan District No. 1 shall be referred to as the “Service District,” and Lee Farm Metropolitan Districts Nos. 2, 3, and 4 shall be referred to as the “Financing Districts.” The Service District and the Financing Districts are sometimes collectively referred to as the “Districts” and individually as the “District”; unless the context dictates otherwise, the singular includes the plural, and the plural includes the singular.

The Service District will be responsible for managing the design, acquisition, installation, construction, financing, operation, and/or maintenance of public improvements needed for the development until such time as any such public improvements may be required to be conveyed to the City pursuant to Section I.A.7 and Section III of this Service Plan. The

Districts will be responsible for providing the funding needed to support the Financing Plan for capital public improvements and for operations dependent on development within the Districts and the ultimate size of the tax base that follows.

Various agreements are expected to be executed by the Districts clarifying the nature of the functions and services to be provided by each District. The agreements will be designed to help assure the orderly development of essential services and public improvements resulting in a development which will be both an aesthetic and economic asset to the City.

The establishment of Lee Farm Metropolitan District No. 1 as the Service District, which is anticipated to initially own and operate the public improvements throughout the development, and the establishment of Lee Farm Metropolitan Districts Nos. 2, 3, and 4 as the Financing Districts, which will generate the majority of the tax revenue sufficient to pay the costs of the capital public improvements, will create several benefits for the inhabitants of the development, the City, and other affected municipalities. In general, those benefits are: (a) coordinated administration of the design, acquisition, installation, construction, financing, operation, and/or maintenance of public improvements, and delivery of those public improvements in a timely manner; (b) maintenance of reasonably uniform mill levies and reasonable tax burdens on all areas of the Districts through proper management of the financing and operation of public improvements; and (c) assurance that public improvements required by the City are designed, acquired, installed, constructed, financed, operated, and/or maintained in a timely and cost effective manner by which to protect residents, bondholders, and the City from the risk of development. Each of these concepts is addressed in greater detail in the following paragraphs.

3. Benefits of Multiple District Structure.

a. Coordinated Services. As presently planned, development of the property within the Districts will proceed in phases, each of which will require the extension of public services and public improvements. The multiple district structure is intended to better assure that the design, acquisition, installation, construction, financing, operation, and maintenance of each phase of public improvements will be primarily administered by a single board of directors consistent with a long-term construction and operations program. Use of the Service District as the entity responsible for the design, acquisition, installation, construction, financing, operation, and maintenance of each phase of public improvements is designed to facilitate a well-planned financing effort through all phases of construction and to assist in assuring coordinated extension of services.

The multiple district structure also is anticipated to help assure that public improvements and services needed for future build-out of the development will be provided when they are needed, and not sooner. Absent an appropriate mechanism to assure timely completion of future public improvements, the Developer (as hereinafter defined) might be influenced to cause public improvements to be completed well before they are needed simply to assure that they can be provided with tax-exempt financing. Appropriate development agreements between the Service District and the Developer will allow the postponement of financing for public improvements which are not needed until well into the future, thereby

helping residents avoid the long-term carrying costs associated with financing public improvements before development within the Districts dictates. This, in turn, allows the full costs of public improvements to be allocated over the full build-out of the Districts and helps avoid disproportionate cost burdens being imposed on the early phases of development.

b. Uniform Mill Levy. Allocation of the responsibility for paying Debt (as hereinafter defined) will be managed through development of a unified financing plan for necessary public improvements and through development of an integrated operating plan for long-term operations and maintenance. Use of the multiple district structure, with the Service District managing these functions, is intended to provide for a more reasonable capital improvement schedule and more reasonable long-term operations and maintenance responsibilities. Intergovernmental agreements between and/or among the Districts are anticipated to implement the Financing Plan in a way that yields roughly uniform mill levies throughout the Districts.

c. Bond Interest Rates. The use of the Service District and the Financing Districts in tandem to issue Debt to provide for the cost of public improvements in the Districts is designed to allow for the issuance of Debt at competitive interest rates. The multiple district structure is designed to allow the Districts to coordinate the timing and issuance of Debt in such a way as to help increase assurance that public improvements required by the City are designed, acquired, installed, constructed, and/or financed in conformance with the time and in the manner desired by the City. The combination of appropriate management and control of the timing of financing, and the ability of the Districts to obtain attractive interest rates, will benefit residents and the City. Consequently, the multiple district structure is designed to lower risk and allow Debt to be issued to finance public improvements at lower rates than if a single special district is organized.

4. Configuration of Districts. In order to implement the multiple district structure, the boundaries of the Service District and the Financing Districts need to be carefully configured. The Service District will contain approximately .009 acres, and the Financing Districts will contain approximately 246 acres. Housing types within the development are anticipated to include single-family attached residences, single-family detached residences, multi-family residences, and patio homes, with average prices from \$325,000 to greater than \$610,000, and are anticipated to total approximately 736 units. The estimated projected population of the Districts at full build-out is approximately 2,200 persons based upon an assumption of three individuals per unit.

The “service area” (the area legally permitted to be served) for the Districts will consist of the entire area of the development, which may include property both within and without the Districts’ boundaries. The Districts will have the power to levy taxes as permitted by law but may only impose taxes within their respective legal boundaries.

Only boundary adjustments which add to, or subtract from, the total acreage of the Districts shall be considered a material modification of this Service Plan and shall require the prior written approval of the City Council. No additional approval from the City Council shall be required for boundary adjustments which do not increase or decrease the total acreage of the

Districts; so long as the total acreage of the Districts does not change, the Districts' individual boundaries may be adjusted as the Districts deem necessary to account for development pace, infrastructure phasing requirements, and other market conditions; provided, however, without prior written approval of the City Council, no property may be excluded from a District and included into another District where both Districts have issued Debt. Such adjustments shall be effected pursuant to §§ 32-1-401 and §§ 32-1-501, *et seq.*, C.R.S.

5. Long-Term District Plan. After all Debt instruments have been issued by the Districts and adequate provision has been made for payment of all of the Districts' Debt, the electorate of the Districts will have the opportunity to consider either the consolidation of the Service District and the Financing Districts into a single entity, or the dissolution of the Service District and/or the Financing Districts in accordance with state law. The Service District and the Financing Districts may consider consolidation and/or dissolution at the time each District's Debt has been paid and adequate provision has been made for operation of all of the Districts' public improvements. Additionally, the City may request, and the Districts shall undertake upon such request, initiation of consolidation proceedings in accordance with Title 32, Section 1, Part 6 of the Colorado Revised Statutes. Ultimately, control of these decisions will rest with the electorate in each District. At any time after the Districts' Debt obligations have been fully discharged and so long as the Districts have no ongoing operations or maintenance obligations, the City may file an application with the Districts' boards pursuant to § 32-1-701(3), C.R.S., and the Districts shall thereupon dissolve in a prompt and orderly manner. In such event, the authorized purposes and powers of the Districts shall automatically be curtailed and expressly limited to taking actions reasonably necessary to dissolve, and the boards of directors of the Districts and the City Council will be deemed to have agreed to the dissolution without election pursuant to § 32-1-704(3)(b) C.R.S., and the Districts shall thereupon dissolve. In the event the Districts have not issued any Debt prior to February 2, 2021, the Districts shall initiate dissolution proceedings unless the City Council consents to the continued existence of the Districts beyond said date, as evidenced by a resolution after a public hearing thereon. In the absence of such City Council consent, the authorized purposes and powers of the Districts shall automatically be curtailed and expressly limited to taking actions reasonably necessary to dissolve, and the boards of directors of the Districts and the City Council will be deemed to have agreed to the dissolution without election pursuant to § 32-1-704(3)(b) C.R.S., and the Districts shall thereupon dissolve.

6. City Policy. Notwithstanding anything contained herein to the contrary, the Districts shall be subject to and comply with all applicable provisions of the City's Charter, Code, ordinances, resolutions, rules, regulations, standards, and policies ("City Policy").

7. Dedication of Public Improvements. The Districts shall, in accordance with City Policy, dedicate, or cause to be dedicated on their behalf, all public improvements customarily dedicated to the City. These public improvements include, but are not limited to: public water and wastewater improvements, all public streets and those streets dedicated by plat, public storm drainage and detention improvements, all public sidewalks, as well as all rights-of-way and easements necessary for access to public improvements. Public improvements which are to be dedicated to the City shall be designed and constructed in accordance with state and federal laws, regulations, and standards, and in accordance with City Policy. It is anticipated that

the Districts shall own and maintain or cause to be maintained all neighborhood parks, all recreational public improvements, and any potable or non-potable irrigation systems. However, in accordance with City Policy, and upon agreement by the City and the District(s), the City may accept, but shall not be required to accept, dedication of neighborhood parks, open space, recreational public improvements, and potable and non-potable irrigation systems. Any parking lots, parking structures, and other off-street parking facilities shall not be dedicated to the City, but shall be owned, operated, and maintained by the Districts.

Operations and maintenance of those public improvements dedicated to the City in accordance with City Policy shall rest with the City. However, the Districts shall maintain all landscaping in the public rights-of-way unless such obligation is expressly accepted by the City. In the event the Districts construct or install enhanced amenities which exceed City standards, the City and the Districts shall agree as to the operation and maintenance of such enhanced amenities prior to the City's acceptance of any such public improvements. All park and recreation and landscaping public improvements, including waterways and associated landscaping not dedicated to and accepted by the City, shall be owned, operated, and maintained by the Districts, either directly or by contract with another entity such as a property owners' association.

Storm sewer systems, including inlets and underground pipes within public rights-of-way, shall be conveyed to the City for purposes of reporting on Municipal Separate Storm Sewer System (MS4) Reports. The Districts shall retain such easements as are necessary to operate and maintain landscaping and related public improvements associated with such storm drainage and detention areas. The Districts shall further retain such easements as are necessary to operate and maintain all detention ponds, their respective outlet works, water quality components, and outlet pipes from the detention ponds to the point of terminus.

The Districts may, at their sole cost and expense, acquire all property required by the City for the design, acquisition, installation, construction, financing, operation, and/or maintenance of public improvements to be provided by the Districts pursuant to this Service Plan. The Districts may acquire any interests in property, leases, and easements necessary to the functions or the operation of the Districts, except that the Districts shall not pay more than fair market value and reasonable settlement costs for any interest in real property and shall not pay for any interest in real property which must otherwise be dedicated for public use or the Districts' use in accordance with any governmental ordinance, regulation, or law and in accordance with City Policy. Accordingly, the Districts shall not purchase from the Developer any interest in real property that is customarily dedicated by developers to the City at no cost to the City and in accordance with City Policy.

In the event that the City determines that public improvements have been constructed in accordance with City Policy and will be accepted by the City in accordance with City Policy, an initial acceptance letter shall be issued by the City specifying that the public improvements dedicated to the City shall be warranted by the District or the Developer, for a period of two calendar years from the date of such initial acceptance, or such other warranty period as may be required by City Policy. Should the public improvements conform to the City's specifications and standards, the City shall issue a "Final Acceptance" form letter to the

Districts at the completion of the applicable warranty period. The City shall not unreasonably withhold or delay Final Acceptance of District public improvements, provided that such public improvements are in conformance with City Policy. At the City's discretion, dedication of public improvements may take place after the expiration of the applicable warranty period.

Failure of the Districts to comply with these dedication requirements shall be deemed to be a material departure from this Service Plan. Such dedication requirements shall not be amended without the prior approval of the City Council.

8. Existing Services and Districts. There are currently no other entities in existence in the area of the proposed development which have the ability and desire to undertake the design, financing, construction, operation, and/or maintenance of the public improvements which are needed for the development. It is also the Developer's understanding that the City does not consider it feasible or practicable to provide the necessary services and public improvements for the development, as further described herein. Consequently, use of the Districts is deemed necessary for the provision of public improvements in the development.

In order to minimize the proliferation of new governmental structures and personnel, the Districts intend to utilize existing entities, to the extent possible for operations and maintenance of public improvements. Consequently, while the Districts will finance capital public improvements and coordinate the provision of services, the Districts are expected to utilize existing entities and personnel as much as possible. Double taxation can be avoided by the Districts undertaking the necessary capital financing with Debt levies, and existing service providers furnishing day-to-day operations and maintenance with service charges and operating levies. As described above, public improvements, including sanitary sewer and water improvements (other than potable or non-potable irrigation systems), storm drainage, streets, and traffic safety and signalization improvements, will be conveyed to the City by the Districts and subsequent operations and maintenance of these public improvements shall rest with the City. Park and recreation public improvements may be conveyed to the City or may be owned, operated, and maintained by the Districts, as described in greater detail above. The timing for conveyance of the public improvements will be developed by mutual agreement of the District(s) and the appropriate party as generally described above and in Section V hereof.

9. Property Owners Associations. Certain services may be provided within the Districts by one or more property owners associations expected to be organized as Colorado non-profit organizations comprised of all or a portion of the property owners in the Districts. The associations may provide architectural control services, community organizations, community events and activities, community marketing, animal control, security, recreational amenity maintenance, common area maintenance, and other programs which may be beyond the scope or financial capacity of the Districts. The District(s), as further provided in Section II.B.10, also have the power and authority, but not the obligation, to provide covenant enforcement and design review services.

B. General Financial Information and Assumptions

The 2015 certified assessed valuation of all taxable property within the boundaries of the Districts was approximately \$0.00. The initial assessed valuation of property within the Service District is expected to be approximately \$0.00, and the initial assessed valuation within the Financing Districts is expected to be approximately \$0.00. At build-out, the total assessed valuation within the Districts is estimated to be approximately \$25,896,000.

The anticipated cost of public improvements necessary to provide access to and appropriate services within the Districts is estimated in Exhibit D. As shown in Exhibit D, the total cost of the estimated public improvements is \$39,922,509.74. Costs are shown for each category of public improvements anticipated to be constructed. The Districts may obtain financing for the capital public improvements needed for the development through the issuance of Debt instruments by the Districts. General obligation Debt will be payable from revenues derived from ad valorem property taxes and from other legally available sources. At the time Debt instruments are proposed to be issued, alternative financing plans may be employed and utilized by the Districts as long as such alternative financing plan does not result in any material economic deviation or a change in the risk to property owners.

The Financing Plan demonstrates that the cost of public improvements described herein can be defrayed with the imposition of reasonable mill levies based on anticipated development within the Districts. The figures contained herein depicting costs of public improvements and operations shall not constitute legal limits on the financial powers of the Districts; provided, however, that the Districts shall not be permitted to issue Debt which is not in compliance with the bond registration and issuance requirements of state law.

C. Contents of Service Plan

This Service Plan consists of a preliminary financial analysis and preliminary engineering plan showing how the public improvements and services for the Districts can be provided and financed by the Districts. Numerous items are included in this Service Plan in order to satisfy the requirements of law for formation of special districts. Those items are listed in Exhibit F attached hereto. Each of the requirements of law is satisfied by this Service Plan.

The assumptions contained within this Service Plan were derived from a variety of sources. Information regarding the present status of property within the Districts, as well as the current status and projected future level of similar services, was obtained from the Developer. Construction cost estimates were assembled by CWC Consulting Group, Inc. and Pinnacle Consulting Group, Inc., which have experience in the costing and construction of similar public improvements. Legal advice in the preparation of this Service Plan was provided by Icenogle Seaver Pogue, P.C., which represents numerous special districts. Preparation of the Financing Plan was provided by Stan Bernstein and Associates. The proponent of the Districts is True Life Companies, an investment and asset management company with experience in all phases of real estate development including land acquisition, entitlements and engineering, land development, vertical construction, sales, and marketing (the "Proponent"). For purposes of this Service Plan, the term "Developer" shall mean The True Life Companies, its affiliates, and its respective

successors and assigns. As of the date of submission of this Service Plan, the Proponent has a contract to purchase the real property comprising the Districts, to which the City's approval of this Service Plan is a condition precedent to closing.

D. Modification of Service Plan

This Service Plan has been designed with sufficient flexibility to enable the Districts to provide required services and public improvements under evolving circumstances without the need for numerous amendments. While the assumptions upon which this Service Plan are generally based are reflective of current zoning for the property within the Districts, the cost estimates and Financing Plan are sufficiently flexible to enable the Districts to provide necessary services and public improvements without the need to amend this Service Plan as zoning changes. Modification of the general types of services and public improvements, and changes in proposed configurations, locations, or dimensions of various public improvements shall be permitted to accommodate development needs consistent with then-current zoning for the property and consistent with City Policy.

II. NEED FOR NEW DISTRICTS AND GENERAL POWERS

A. Need for Metropolitan Districts

The property within the Districts' boundaries currently is undeveloped. No other entities exist which will finance the design, acquisition, installation, construction, operation, or maintenance of the public improvements needed for the Districts. The intergovernmental agreements referred to in Section V hereof will address and define the activities to be undertaken by various entities with regard to public improvements. In order to make the most efficient utilization of existing governmental entities, the Districts may enter into cost sharing agreements for the design, acquisition, installation, and/or construction of certain public improvements and for operations and maintenance of certain public improvements.

B. General Powers of Districts

Each District will have power and authority, but not the obligation, to provide the services and public improvements described in this Section both within and outside its boundaries in accordance with state law. The powers and authorities of each District will be allocated and further refined in one or more intergovernmental agreements among the Districts, which may be voted upon and approved by their respective electorates. For purposes of the Special District Control Act, such intergovernmental agreements shall not constitute an amendment of this Service Plan. The intergovernmental agreements will, however, constitute binding agreements among the Districts regarding implementation of the powers and authorities contained in this Service Plan.

The Districts shall have the power and authority, but not the obligation, to provide the services and public improvements listed below, all of which shall be in conformance with City Policy and/or the standards and specifications of other entities which may operate and maintain the completed public improvements. In accordance with City Policy, the Districts will obtain

City approval of civil engineering plans and a permit from the City for construction and installation of all public improvements.

1. Sanitation and Storm Drainage. The Districts shall have the power and authority, but not the obligation, to provide for the design, acquisition, installation, construction, financing, operation, and maintenance of storm or sanitary sewers, or both, flood and surface drainage improvements including, but not limited to, underdrains, culverts, dams, retaining walls, access ways, inlets, detention ponds and paving, roadside swales and curbs and gutters, wastewater lift stations, force mains, and wetwell storage facilities, and all necessary or proper equipment and appurtenances incident thereto, together with all necessary, incidental, and appurtenant facilities, land and easements, and all necessary extensions of and improvements to said public improvements. The Districts shall not design, acquire, install, construct, finance, operate, or maintain any sewer treatment or disposal works or facilities.

2. Water. The Districts shall have the power and authority, but not the obligation, to provide for the design, acquisition, installation, construction, financing, operation, and maintenance of a complete potable water and non-potable irrigation water system, including but not limited to, water rights, water supply, transmission and distribution systems for domestic and other public or private purposes, together with all necessary and proper water rights, equipment, and appurtenances incident thereto which may include, but shall not be limited to, transmission lines, distribution mains and laterals, storage facilities, land and easements, together with extensions of and improvements to said systems. The Districts shall not design, acquire, install, construct, finance, operate, or maintain any water well, water treatment, or water storage works or facilities for use as part of a domestic potable water system without prior consent of the City Council; however, nothing in this Section shall be interpreted to limit the Districts' power and authority to acquire water rights and water supply for any potable or non-potable water system.

3. Streets. The Districts shall have the power and authority, but not the obligation, to provide for the design, acquisition, installation, construction, financing, operation, and maintenance of street and roadway improvements, including, but not limited to, curbs, gutters, culverts, storm sewers and other drainage facilities, acceleration and deceleration lanes, detention ponds, retaining walls and appurtenances, as well as sidewalks, bike paths and pedestrian ways, bridges, median islands, parking facilities, paving, lighting, grading, landscaping and irrigation, undergrounding of public utilities, snow removal equipment, or tunnels and other street improvements, together with all necessary, incidental, and appurtenant facilities, land and easements, together with extensions of and improvements to said public improvements.

4. Traffic and Safety Controls. The Districts shall have the power and authority, but not the obligation, to provide for the design, acquisition, installation, construction, financing, operation, and maintenance of traffic and safety protection facilities and services through traffic and safety controls and devices on arterial streets, highways, collector streets, local streets, and all other public streets and roadways as well as other public improvements, including, but not limited to, signalization at intersections, traffic signs, area identification signs, directional assistance and driver information signs, together with all necessary, incidental, and

appurtenant facilities, land easements, together with extensions of and improvements to said public improvements.

5. Parks and Recreation. The Districts shall have the power and authority, but not the obligation, to provide for the design, acquisition, installation, construction, financing, operation, and maintenance of public park and recreation facilities and programs, including, but not limited to, grading, soil preparation, sprinkler systems, playgrounds, playfields, parks, bike and hiking trails, pedestrian trails, pedestrian bridges, open space, picnic areas, swimming pools, basketball courts, fitness centers, resident clubhouse facilities, volleyball courts, common area landscaping and weed control, outdoor lighting of all types, community events, cultural activities, water bodies, irrigation facilities, and other active and passive recreational facilities, programs, and events, together with all necessary, incidental, and appurtenant facilities, land and easements, and all necessary extensions of and improvements to said public improvements.

6. Transportation. The Districts shall have the power and authority, but not the obligation, to provide for the design, acquisition, installation, construction, financing, operation, and maintenance of public transportation system improvements, including, but not limited to, transportation equipment, park and ride facilities and parking lots, parking structures, roofs, covers, and facilities, including structures for repair, operations and maintenance of such facilities, together with all necessary, incidental, and appurtenant facilities, land and easements, and all necessary extensions of and improvements to said public improvements.

7. Television Relay and Translator. The Districts shall have the power and authority, but not the obligation, to provide for the design, acquisition, construction, completion, installation, financing, operation, and maintenance of television relay and translator facilities including, but not limited to, cable television and communication facilities, satellite television facilities, Internet and other telecommunication facilities, together with all necessary, incidental, and appurtenant facilities, land and easements, and all necessary extensions of and improvements to said public improvements.

8. Mosquito and Pest Control. The Districts shall have the power and authority, but not the obligation, to provide for the eradication and control of mosquitoes, rodents, and other pests, including, but not limited to, the elimination or treatment of breeding grounds and purchasing, leasing, contracting, or otherwise using equipment or supplies for mosquito and pest control.

9. Security. The Districts shall have the power and authority, but not the obligation, to furnish security services for any area within the Districts' boundaries. Prior to furnishing any security services, the Districts shall provide written notification to, consult with, and obtain the prior written consent of the City's Chief of Police and any applicable master association or similar body having authority in its charter or declaration to furnish security services within the Districts' boundaries.

10. Covenant Enforcement. The Districts shall have the power and authority, but not the obligation, to provide covenant enforcement and design review services within the Districts if the Districts and the governing body of a master association or similar body contract

for such services, or if the declaration, rules and regulations, or any similar document containing the covenants to be enforced for the area within the Districts name the Districts as the enforcement or design review entity. The Districts shall have the power to provide covenant enforcement and design review services only if revenues used to provide such services are derived from the area in which the service is furnished.

11. Legal Powers. The powers and authorities of the Districts can be exercised by their respective boards of directors to the extent necessary to provide the public improvements and services contemplated in this Service Plan upon determination by the respective boards of directors that such public improvements and services are needed and in the best interests of the applicable District. The foregoing public improvements and services, along with all other activities permitted by law, if determined to be in the best interests of the respective Districts by their respective boards of directors, will be undertaken in accordance with, and pursuant to, the procedures and conditions contained in the Special District Act, other applicable statutes, and this Service Plan, as any or all of the same may be amended from time to time.

12. Other. In addition to the powers enumerated above, the boards of directors of the Districts shall also have the following authority:

a. To amend this Service Plan as needed, subject to the appropriate statutory procedures, provided that any material modification of this Service Plan shall be made only with the prior written approval of the City Council in accordance with § 32-1-207, C.R.S. Each District shall have the right to amend this Service Plan independent of participation of the other Districts, provided that a District shall not be permitted to amend those portions of this Service Plan which affect, impair, or impinge upon the rights or powers of another District without such other District's consent; and

b. To forego, reschedule, or restructure the design, acquisition, installation, construction, financing, operation, or maintenance of certain public improvements in order to better accommodate the pace of growth, resource availability, and potential inclusions of property within the Districts, or if the development of the public improvements would best be performed by another entity; and

c. Except as otherwise limited herein, to exercise all necessary and implied powers under Title 32, C.R.S. in the reasonable discretion of the boards of directors of the respective Districts as necessary to further the exercise of the powers expressly authorized by this Service Plan.

13. Condemnation. Absent the prior written approval of the City Council, the Districts shall not exercise their statutory power of eminent domain or dominant eminent domain for the purpose of condemning property outside of the Districts' boundaries, including any property owned by the City. Additional approval from the City Council shall not be required prior to the Districts' exercise of their statutory power of eminent domain or dominant eminent domain with respect to property within the Districts' boundaries; provided, however, that the Districts shall not exercise their statutory power of dominant eminent domain to condemn

property owned by the City, and located within the Districts' boundaries, without the prior written consent of the City Council.

14. Subdistrict Limitation. Absent the prior written approval of the City Council, the Districts shall not divide into one or more subdistricts pursuant to Section 32-1-1101(1)(f), C.R.S.

15. Special Assessments. Absent the prior written approval of the City Council, the Districts may not establish any special improvement districts pursuant to Section 32-1-1101.7, C.R.S., nor shall the Districts levy any special assessments pursuant to 32-1-1101(1)(g), C.R.S.

III. DESCRIPTION OF PUBLIC IMPROVEMENTS

The Service District and the Financing Districts will be permitted to exercise their statutory powers and their respective authorities as set forth herein to design, acquire, install, construct, finance, operate, and maintain the public improvements described in Section II of this Service Plan either directly or by contract. A depiction of the public improvements anticipated to be provided by the Districts is set forth in Exhibit C, attached hereto and incorporated herein by this reference. Where appropriate, the Districts may contract with various public and/or private entities to undertake such functions. The Districts also may petition existing governmental entities for inclusion of part or all of the property within the Districts into an existing service area. There are currently no other entities within the boundaries of the proposed Districts providing the following services, nor shall the services provided by the Districts duplicate or interfere with those services provided by the City. Public improvements which are to be dedicated to the City shall be designed and constructed in accordance with City Policy and applicable state and federal laws, regulations, and standards.

Detailed information for each type of public improvement needed for the Districts is set forth in the following pages. It is important to note that the preliminary layouts contained in this Section and in Exhibit C are conceptual in nature only and that modifications to the type, configuration, and location of public improvements will be necessary as development proceeds. All public improvements will be designed in such a way as to assure that the public improvement and service standards will be compatible with those of the City and of other municipalities and special districts which may be affected thereby. To the extent required by City Policy, the Districts will provide letters of credit or other surety required by City Policy to the City to provide security for public improvements to be constructed by the Districts.

The following Sections contain general descriptions of the contemplated public improvements which will be financed by the Districts.

A. General

The design, acquisition, installation, construction, financing, operation, or maintenance of all planned public improvements will be scheduled to allow for proper sizing and phasing to keep pace with the need for service. All descriptions of the specific public improvements to be

designed, acquired, installed, constructed, financed, operated, or maintained, and their related costs, are estimates only and are subject to modification as engineering, development plans, economics, requirements of the City, and construction design or scheduling may require. As depicted herein, many of the public improvements permitted to be designed, acquired, installed, constructed, financed, operated, or maintained by the Districts are anticipated to be necessary in the initial years of development.

B. General Design Standards

Any public improvements determined by the respective Districts' boards of directors to be designed, acquired, installed, constructed, financed, operated, or maintained by the District(s) and that are within the municipal boundaries of the City, including without limitation, those specifically listed herein, must be designed and installed by the District(s) in conformance with current standards adopted by the District(s) and in accordance with City Policy. The intergovernmental agreements discussed in Section V hereof describe the procedures which will be followed to assure compliance with the requirements of this Service Plan.

1. Wastewater System. The Districts have the power and authority, but not the obligation, to provide for the design, acquisition, installation, construction, financing, operation, and maintenance of sanitary sewer lines, and any sanitary sewer lines constructed by the Districts will be designed and installed to conform to the current standards and recommendations of the Colorado Department of Health, City Policy, the rules and regulations adopted by the Districts or other affected municipalities, and sound engineering judgment.

All major elements of the sanitary sewer lines required for proper operation may be designed, acquired, installed, constructed, financed, operated, or maintained by the Districts. Operations and maintenance of any wastewater facilities constructed by the Districts will be provided by the Districts until such facilities are dedicated to the City in accordance with the terms of this Service Plan and City Policy.

2. Storm Drainage.

a. Generally. The Districts have the power and authority, but not the obligation, to design, acquire, install, construct, finance, operate, and maintain the necessary storm drainage system to serve the development. The proposed elements of the storm drainage system will provide a network of underdrains, culverts, roadside swales, pipes, detention and water quality ponds, inlet and outlet structures, and curbs and gutters designed and installed in accordance with City Policy and sound engineering judgment. The Districts are authorized to design, acquire, install, construct, finance, operate, and/or maintain all public storm drainage improvements as needed to serve the property within the Districts. Specific public drainage improvements within individual development parcels may ultimately be designed, acquired, installed, constructed, financed, operated, and/or maintained by individual Developers and/or builders as specified by future approved development plans.

All major public storm drainage improvements ultimately constructed by the Districts must be designed to conform to the standards and recommendations for public storm

drainage improvements pursuant to City Policy, the rules and regulations of the Districts, and standards of other affected jurisdictions.

b. Culverts. Culverts, if required by City policy, will be installed under all roadways that intersect storm drainage channels. Culverts will be designed to pass flows as required by City Policy, and may include headwalls, wing walls, inlet and outlet structures, and riprap protection to enhance their hydraulic capacity and reduce bank or channel erosion.

For any public storm drainage improvement constructed by the Districts, an overall drainage plan will be developed that will identify the major public improvements necessary to convey the storm runoff from the Districts. This plan will include all public improvements required to convey the flows generated within the Districts. This plan must maintain the flexibility to modify the major drainage public improvements as more detailed information is generated during the design of the individual phases. The overall drainage plan will include the utilization of storm sewers, drainage channels, streets, gutters, culverts, and ponds.

3. Potable Water System.

a. Overall Plan. The Districts have the power and authority, but not the obligation, to design, acquire, install, construct, finance, operate, and maintain a complete potable water system subject to the limitations in Section II.B.2 above. The water system will be comprised of a water distribution system consisting of buried water mains, fire hydrants, and related appurtenances located predominately within the Districts' boundaries. Pursuant to Section II.B.2, the District has the power and authority, but not the obligation, to acquire water rights and water supply. When design, acquisition, installation, construction, and/or financing are finalized, the system will serve each development tract from adjacent streets and roads. All major elements of the water facilities ultimately constructed by the Districts will be designed and installed in accordance with City Policy. Operations and maintenance of all water facilities ultimately constructed by the Districts will be provided by the District(s) until such public improvements are dedicated to the City in accordance with the terms of this Service Plan and City Policy.

b. Design Criteria. The proposed domestic potable water distribution system is expected to include pressurized water mains. Any water system components constructed by the Districts will be constructed and installed in accordance with City Policy and applicable standards of all entities with jurisdiction over the Districts. The water system will also be designed based on applicable fire protection requirements.

4. Non-Potable Irrigation Water System.

a. District Authority. The Districts have the power and authority, but not the obligation, to provide for the design, financing, acquisition, installation, operation, construction, operation, and maintenance of a non-potable irrigation water system, including but not limited to, water rights, water supply, treatment, storage, transmission and distribution

systems for public or private purposes, together with all necessary and proper reservoirs, treatment works and facilities, wells, water rights, equipment and appurtenances incident thereto which may include, but shall not be limited to, transmission lines, distribution mains and laterals, storage facilities, land and easements, together with extensions of and improvements to such public improvements within and without the boundaries of the Districts.

b. Overall Plan. The Districts may, in the discretion of their respective boards of directors, choose to provide for a non-potable irrigation water system, which may ultimately serve both public and private property. At this time, the Districts have not included in the Financing Plan the provision of a non-potable irrigation water system, and the Districts shall not be obligated to provide such a system. If ultimately constructed, the non-potable irrigation water system will be constructed in accordance with City Policy and financed through the Districts to service the greenbelts, open spaces, landscaping, parks, and common areas within the Districts. In addition, the Districts may choose to design, acquire, install, construct, finance, operate, or maintain a non-potable irrigation water system designed to serve individual units within the development. If a non-potable irrigation water system is provided, the Districts shall have the right to purchase any and all water rights and water supply necessary for proper operation of the system from the Developer or any other entity or individual as the Districts deem appropriate.

5. Street System and Traffic Safety.

a. General. The Districts have the power and authority, but not the obligation, to design, acquire, install, construct, finance, operate, and maintain a street and roadway system to serve the development. Any existing and proposed elements of the street system will provide a network of arterial streets, collector streets, local streets, and other public streets and roadways to serve the flow of traffic within the Districts. Any facilities, traffic controls, signals, and signage constructed by the Districts will be designed and installed in accordance with City Policy and sound engineering judgment.

b. Streets. Any arterial streets, collector streets, local streets, and other public streets and roadways designed, acquired, installed, constructed, financed, operated, or maintained by the Districts will be designed, located, and installed to conform to the standards and recommendations of the Colorado Department of Transportation (where applicable), City Policy, and the rules and regulations adopted by the Districts.

Traffic controls and signage may be provided along arterial streets, collector streets, local streets, and other public streets and roadways to enhance the flow of traffic within the project. Street lights may be designed, acquired, installed, constructed, financed, operated, and maintained by the Districts along all public streets and roadways.

c. Landscaping. Landscaping may be installed by the Districts along the roadway rights-of-way and trail easements in accordance with City Policy. The Districts may also install and maintain landscaped highlights along the internal streets and entry features at major entrances.

d. Signals and Signage. Signals and signage may be designed, acquired, installed, constructed, financed, operated, and maintained by the Districts as required by traffic studies, the Districts' rules and regulations, City Policy, and the Colorado Department of Transportation, if applicable. Additional signage may be installed as needed to accommodate development.

6. Park and Recreation.

The Districts have the power and authority, but not the obligation to, provide for the design, acquisition, installation, construction, financing, operation, and maintenance of public park and recreation facilities and programs. Any park and recreational public improvements and/or services that the Districts determine to undertake must be constructed in accordance with plans and specifications approved by the City. All park and recreational public improvements ultimately constructed by the Districts will be constructed in accordance with engineering and design requirements appropriate for the surrounding terrain, and shall be compatible with and comply with City Policy or the standards of other local public entities, as applicable, and per approved plans.

C. Services of Districts

The Districts will require operating funds to plan and cause the public improvements authorized herein to be completed. Such costs are expected to include reimbursement of organizational, legal, engineering, accounting, and Debt issuance costs, and costs related to compliance with state reporting and other administrative requirements. An overall Financing Plan showing the anticipated operating costs for the first budget year and thereafter, phasing of Debt issues, and related matters is attached as Exhibit E. Operating costs may increase depending upon the final design of the public improvements and the entity designated responsible for operations and maintenance of the public improvements as set forth in Section III. Notwithstanding the projections set forth in the Financing Plan, such amounts are therefore subject to increase and may be paid from any legally available revenues, including, but not limited to, fees or charges legally imposed by the Districts. Organizational costs and capital costs expended for public improvements prior to the date of organization, if any, will be reimbursed to the Developer by the Districts out of their initial revenue sources including Debt issue proceeds. The Districts may acquire completed public improvements from the Developer with Debt proceeds. Certain public improvements may be required to be conveyed by the Districts to the City. Alternatively, the Developer may dedicate certain public improvements directly to the City, with reimbursement to the Developer to come from the Districts. The Districts' first year's operating budget is estimated to be approximately \$105,000.

As discussed herein, it is anticipated that the Districts will enter into one or more intergovernmental agreements which are expected to provide that the obligation of the Financing Districts to pay the Service District for operating expenses incurred for the provision of services shall constitute "debt" of the Financing District. Accordingly, mill levies certified to make necessary payments to the Service District will be characterized as debt service mill levies notwithstanding that they are imposed to pay contractual obligations for operations and maintenance services provided by the Service District. As provided in Section VII.A herein, the

obligations of the Districts pursuant to the intergovernmental agreements described in this paragraph shall not count against the Debt Limit, as the term Debt Limit is defined herein. The District(s) shall be permitted to borrow its initial operations and maintenance funds from private entities until such time as it is able to generate operating revenues from the Districts.

D. Estimated Cost of Public Improvements

The estimated cost of the public improvements to be designed, acquired, installed, constructed, and/or financed by the Districts are shown in Exhibit D and include contingencies, supervision for the administrative oversight process including necessary approvals, and construction management for onsite management of ongoing capital construction.

IV. DEVELOPMENT PROJECTIONS

The Developer is targeting several prominent home-builders as candidates to purchase individual parcels within the Districts' boundaries. The absorption rates for the development are incorporated into the Financing Plan attached hereto.

V. PROPOSED AGREEMENTS

A. Intergovernmental Agreements Between or Among the Districts

As noted in this Service Plan, one or more intergovernmental agreements are expected to be entered into between and/or among the Districts which are designed to facilitate ensuring that the public improvements described within this Service Plan are designed, acquired, installed, constructed, financed, operated, and/or maintained in the manner and at the time contemplated herein. The relationship between the Service District and the Financing Districts, including the means for designing, acquiring, installing, constructing, financing, operating, and/or maintaining the public improvements and services needed to serve the development, will be established by means of these intergovernmental agreements. The intergovernmental agreements contemplated herein will establish procedures and standards for the approval of the design of public improvements, transfer of funds between the Districts, and operation and maintenance of the public improvements. These intergovernmental agreements will also provide for coordinated administration of management services for the Districts.

B. Additional Intergovernmental Agreements and Agreements with Private Entities

To the extent practicable, the Districts may enter into additional intergovernmental and private agreements to better ensure long-term provision and effective management of the public improvements and services. Agreements may also be executed with property owners' associations and other service providers. Any additional intergovernmental agreements are authorized pursuant to Colorado Constitution, Article XIV, § 18 (2)(a) and § 29-1-201, *et seq.*, C.R.S.

VI. OPERATION AND MAINTENANCE COSTS

Estimated costs for operation and maintenance functions are presented in the Financing Plan at Exhibit E.

VII. FINANCIAL PLAN

The Financing Plan demonstrates one method that might be used by the Districts to finance the cost of public improvements. Due to the support expected to be received from the Developer, the Financing Plan demonstrates that the cost of public improvements described herein can be provided with reasonable mill levies assuming reasonable increases in assessed valuation and assuming the rate of build-out estimated in the Financing Plan.

A. Debt Limitation

To enable the Districts to design, acquire, install, construct, finance, operate, and/or maintain the public improvements contemplated by this Service Plan, it is anticipated that the Districts will incur Debt. For purposes of this Service Plan, “Debt” shall be defined to mean principal on general obligation or revenue bonds, notes, contracts, agreements, certificates of indebtedness, interim certificates or receipts, other multiple fiscal year obligations, including, but not limited to, loans from financial institutions, or other documents or instruments evidencing loans or advances to the Districts. The maximum amount of Debt which may be incurred by the Districts collectively shall be \$22,000,000 (“Debt Limit”). The Debt Limit may be increased with the prior approval of the City Council as evidenced by a resolution after a public hearing thereon, and any attempted issuance of Debt in violation of this provision shall be deemed to be a material departure from the Service Plan. Debt may be restructured to accomplish a refunding or reissuance, provided the principal amount of Debt does not exceed the Debt Limit set forth above. So as to avoid the “double-counting” of any Debt, any refunded Debt shall not count against the Debt Limit, but all Debt issued for the purpose of refunding existing Debt shall count against the Debt Limit. Obligations of the Districts set forth in the intergovernmental agreements among the Districts discussed herein will not count against the Debt Limit. The Debt Limit shall not be increased unless first approved by the City Council and as permitted by statute. Any change in Debt Limit shall be considered a material modification of the Service Plan.

B. Approval of Debt Issuance

It is currently anticipated that the Financing Districts will issue Debt in amounts sufficient to permit the Service District to construct all or a portion of the needed public improvements. Alternatively, the Service District may issue revenue bonds with repayment to come from the ad valorem taxes collected by the Finance Districts, and/or any other legally available source, to permit construction of the needed public improvements. The timing of issuance of Debt may be adjusted from time to time to meet development requirements. Despite the amount of Debt authorization voted by the Districts’ electorate, the Debt Limit serves as the ultimate cap for the Debt the Districts shall incur. Prior to the issuance of any Debt, the Districts must provide the City Attorney with an opinion prepared by nationally recognized bond counsel

evidencing that the Districts have complied with all Service Plan requirements relating to such Debt. The Districts shall not issue any Debt after February 2, 2036, except with the prior approval of the City Council as evidenced by a resolution after a public hearing thereon, and any attempted issuance in violation of this provision shall be deemed to be a material departure from the Service Plan. Developer advances for operations or capital costs, including capital loans, shall not accrue interest. All Debt instruments and any repayment obligations to the Developer entered into by the Districts shall provide that the Districts' obligations thereunder shall be discharged forty (40) years after the date such Debt is issued or such obligation is entered into regardless of whether the obligations are paid in full. Regardless of the date of issuance, all Debt of the Districts must be repaid within fifty (50) years of the original date of the City Council's approval of this Service Plan. Any obligations outstanding fifty (50) years from the original date of the City Council's approval of this Service Plan will be extinguished.

C. Identification of District Revenue

All Debt issued by the Districts may be payable from any and all legally available revenues of the Districts, including general ad valorem taxes to be imposed upon all taxable property within the Districts, subject to the following limitations:

1. The maximum mill levy the Districts may impose for the payment of principal of and interest on Debt shall be 50 mills ("the "Debt Mill Levy Cap"). The Districts also may impose a mill levy to defray operations and maintenance expenses of the Districts, provided that the debt mill levy and operations and maintenance mill levy together shall not exceed 65 mills (the "Total Mill Levy Cap"). The Total Mill Levy Cap shall be subject to adjustment if the laws of the state change with respect to the assessment of property for taxation purposes, the ratio for determining assessed valuation changes, or other similar changes occur. In any of these events, the Total Mill Levy Cap shall be automatically adjusted so that the collective tax liability of property owners within the Districts neither increases nor decreases as a result of any such changes, thereby maintaining a constant level of tax receipts of the Districts and overall tax payments from property owners. The Districts shall not impose or attempt to impose a mill levy on any of the property conveyed or dedicated to the City as provided in this Service Plan. Except as otherwise provided in this Section VII.C.1, the Total Mill Levy Cap shall not be increased unless first approved by the City Council and as permitted by statute. Any such increase in the Total Mill Levy Cap shall be considered a material modification of the Service Plan.

2. Any Debt issued by the Districts must be issued in compliance with the requirements of § 32-1-1101(6), C.R.S., as amended. The Districts anticipate issuing Debt that is exempt from registration by virtue of being credit enhanced or issued exclusively to "accredited investors" as such term is defined under §§ 3(b) and (4)(2) of the Federal Securities Act of 1933. This will ensure that appropriate development risk associated with current and future development within the development remains with the Developer until such time as the assessed valuation within the Districts is sufficient to support the Debt service requirements of the Districts with the imposition of the maximum allowable Total Mill Levy Cap. It is anticipated that the initial funding for both capital and ongoing administrative requirements of the Districts will be provided by the Developer in the form of advances in exchange for bonds or for

promissory notes, short-term reimbursement agreements, or other acceptable agreements, which will provide for repayment to the Developer from Debt proceeds or other legally available sources of revenue, and the refinancing of the same shall not require prior City approval.

3. In addition to revenues from the Districts' mill levies and revenues described in Section VII.C.4 below, the Districts may receive revenue from specific ownership taxes, Developer advances, interest income, oversizing and reimbursement agreements with the City or other entities, and any other legally permissible sources.

4. In the event the Developer enters into an oversizing and/or reimbursement agreement with the City, the following shall apply:

a. If the Districts purchase from the Developer public improvements designed, acquired, installed, constructed, or financed pursuant to an oversizing and/or reimbursement agreement with the City, and the Developer has obtained reimbursement from the City at the time of the Districts' purchase, the purchase price of the public improvements to be paid by the Districts shall be the costs of the public improvements as certified by the Districts' engineer less the amount of the reimbursement received by the Developer; or

b. If the Districts purchase from the Developer public improvements designed, acquired, installed, constructed, or financed pursuant to an oversizing and/or reimbursement agreement with the City, and the Developer has not yet obtained reimbursement from the City at the time of the Districts' purchase, the purchase price of the public improvements to be paid by the Districts shall be the costs of the public improvements as certified by the Districts' engineer, and the Developer shall immediately assign to the Districts any and all rights to reimbursement from the City for said public improvements.

c. The District shall have the power and authority, but not the obligation, to impose fees, rates, tolls, penalties, or charges for services, programs, or facilities furnished by the Districts as authorized by § 32-1-1001(1)(j), C.R.S.

The Districts shall have the authority to use all available revenues authorized by the Service Plan in any legally permissible manner.

D. Security for Debt

The Districts shall not pledge any revenue or property or other assets of the City as security for the indebtedness described and contemplated herein.

E. Filings with City and Quinquennial Review

Pursuant to § 32-1-1101.5, C.R.S., and at the City's request, the Districts shall submit an application for a quinquennial finding of reasonable diligence in every fifth calendar year after the calendar year in which the Districts' ballot issue to incur general obligation indebtedness was approved by its electors. In the event that the City determines that a public hearing is necessary on such application, such hearing shall be held in accordance with § 32-1-1101.5(2)(a), C.R.S.,

and a determination for continuation of the authority of the boards of the Districts to issue any remaining authorized general obligation debt shall be made at that time. At the City's sole discretion, the Districts shall pay an administrative fee for any review required by the City under this Section.

F. Other Financial Information

The balance of the information contained in this Section VII is preliminary in nature. Upon approval of this Service Plan, the Districts will continue to develop and refine cost estimates contained herein and prepare for Debt issuances. All construction cost estimates assume construction to applicable local, state, and/or federal requirements.

In accordance with Section VII.C.4 above, in addition to ad valorem property taxes, and in order to offset the expenses of the anticipated construction as well as operations and maintenance, the Districts will also rely upon various other revenue sources authorized by law. These will include the power to assess fees, rates, tolls, penalties, or charges as provided in § 32-1-1001(1)(j), C.R.S., as amended from time to time. It is anticipated that a system of user charges may also be established for any recreation public improvements and other public improvements not owned and operated by the City. The Districts shall not be required to obtain any additional City Council approval prior to assessing any fees, rates, tolls, penalties, or charges authorized pursuant to § 32-1-1001(1)(j), C.R.S., as the same may be amended from time to time.

The Financing Plan does not project any significant accumulation of fund balances which might represent receipt of revenues in excess of expenditures under Colorado Constitution, Article X, § 20 ("TABOR"). To the extent annual District revenues exceed expenditures in this manner, the Districts will comply with the provisions of TABOR and either refund the excess or obtain voter approval to retain such amounts. Initial spending and revenue limits of the Districts, as well as mill levies, will be established by elections which satisfy TABOR requirements.

The estimated costs of the public improvements permitted to be designed, acquired, installed, constructed, and/or financed by the Districts, including the costs of engineering services, legal services, administrative services, initial proposed indebtedness, and other major expenses related to the public improvements to be designed, acquired, installed, constructed, and/or financed, are set forth in Exhibit D of this Service Plan. The maximum net effective interest rate on Debt shall be twelve percent (12%). The proposed maximum underwriting discount shall be five percent (5%). The Districts' Debt, when issued, shall mature not more than 40 years from date of issuance. The estimated costs of the organization of the Districts, including legal, engineering, administrative, and financial services, are expected to be approximately \$107,500. Organizational costs will be reimbursed to the Developer by the Districts out of their initial revenue sources including Debt issue proceeds.

G. Enterprises

The Districts' boards of directors may not set up enterprises to manage, fund, or operate such public improvements, services, or programs as may qualify for enterprise status using the

procedures and criteria provided by TABOR without the prior written consent of the City. To the extent provided by law, any enterprise created by the Districts will remain under the control of the boards of directors of the Districts. Additionally, the Districts and the boards may not establish 63-20 corporations without the prior written consent of the City.

H. Conservation Trust Fund

The District shall claim no entitlement to funds from the Conservation Trust Fund, the Great Outdoor Colorado Fund, or any other grant moneys for which the City may be eligible, without the prior written consent of the City.

I. Elections; Other Requirements

All elections will be conducted as provided by the Uniform Election Code of 1992 (as amended), including the Local Government Election Code, §§ 1-13.5-101, *et seq.*, C.R.S., Colorado Constitution Article XI, § 6, and TABOR. The election questions may include TABOR ballot issues and questions. Thus, the ballot may deal with the following topics as well as any other topics authorized by law (in several questions, but not necessarily using the exact divisions shown here):

1. Approval of new taxes,
2. Approval of maximum operational mill levies,
3. Approval of Debt limits,
4. Approval of property tax revenue limitations, and
5. Approval of total revenue limits.

Ballot issues may be consolidated as approved in court orders. Future elections to comply with TABOR are anticipated and may be held as determined by the elected boards of directors of the Districts.

VIII. ANNUAL REPORT

A. General

The Districts shall be responsible for submitting an annual report to the City not later than March 1 of each calendar year that the Districts are in existence.

B. Reporting of Significant Events

The annual report required by this Section VIII shall include information as to any of the following events that occurred during the preceding calendar year:

- (1) Boundary changes made or proposed.
- (2) Intergovernmental agreements entered into or proposed to be entered into.
- (3) Changes or proposed changes in the Districts' policies.
- (4) Changes or proposed changes in the Districts' operations.
- (5) Any changes in the financial status of the Districts, including revenue projections or operating costs.
- (6) A summary of any litigation involving the Districts.
- (7) Proposed plans for the year immediately following the year summarized in the annual report.
- (8) Construction contracts entered into.
- (9) Status of the Districts' public improvement construction schedule.
- (10) A list of all public improvements constructed by the Districts that have been dedicated to and accepted by the City.
- (11) If requested by the City, copies of minutes of all meetings of the Districts' boards of directors.

C. Summary of Financial Information

In addition, the annual report shall include a summary of the following information:

- (1) Assessed value of taxable property within the Districts' boundaries.
- (2) Total acreage of property within the Districts' boundaries.
- (3) Audited financial statements of the Districts, to the extent audit financial statements are required by state law.
- (4) Annual budget of the Districts.
- (5) Resolutions regarding issuance of Debt or other financial obligations, including relevant financing documents, credit agreements, and official statements.
- (6) The Districts' Debt (stated separately for each class of Debt).
- (7) The Districts' Debt service (stated separately for each class of Debt).
- (8) The Districts' tax revenue.
- (9) Other revenues of the Districts.
- (10) The Districts' public improvements expenditures.
- (11) Other expenditures of the Districts.

IX. CONCLUSIONS

It is submitted that this Consolidated Service Plan for Lee Farm Metropolitan Districts Nos. 1, 2, 3, and 4, as required by § 32-1-203(2), C.R.S., establishes that:

1. There is sufficient existing and projected need for organized service in the area to be served by the Districts;
2. The existing service in the area to be served by the Districts is inadequate for present and projected needs;

3. The Districts are capable of providing economical and sufficient service to the area within their boundaries;

4. The area included in the Districts will have the financial ability to discharge the proposed indebtedness on a reasonable basis;

5. Adequate service is not, and will not be, available to the area through the City, or other existing municipal or quasi-municipal corporations, including existing special districts, within a reasonable time and on a comparable basis;

6. The facility and service standards of the Districts are compatible with the facility and service standards of the City within which the Districts are to be located;

7. The proposal is in substantial compliance with a master plan adopted by the City pursuant to § 31-23-206, C.R.S.;

8. The proposal is in compliance with any duly adopted county, regional, or state long-range water quality management plan for the area; and

9. The creation of the Districts is in the best interests of the area proposed to be served.

Therefore, it is requested that the Loveland City Council, which has jurisdiction to approve this Service Plan by virtue of §§ 32-1-204.5, *et seq.*, C.R.S., as amended, adopt a resolution approving this "Consolidated Service Plan for Lee Farm Metropolitan Districts Nos. 1, 2, 3, and 4" as submitted.

Respectfully submitted,

By: 

Alan D. Pogue
Icenogle Seaver Pogue, P.C.
Counsel to Proponents of the Districts

EXHIBIT A
Map of Districts



EXHIBIT B
Legal Descriptions of the Districts

DISTRICT 1**DESCRIPTION**

A parcel of land in Section 4, Township 5 North, Range 69 West, of the Sixth Principal Meridian, in the City of Loveland, County of Larimer, State of Colorado, said parcel being more particularly described as follows:

Basis of Bearings: BEARINGS ARE BASED ON THE WEST LINE OF THE NORTHWEST ONE-QUARTER OF SECTION 4, TOWNSHIP 5 NORTH, RANGE 69 WEST OF THE 6TH P.M., SAID TO BEAR NORTH 00°09'00" EAST, A DISTANCE OF 2,698.81 FEET FROM THE WEST ONE-QUARTER CORNER OF SECTION 4 BEING MONUMENTED BY A 2.5" ALUMINUM CAP STAMPED "T5N R69W, E ¼ + S5, 2002, PLS 20676" TO THE CALCULATED POSITION OF THE NORTHWEST CORNER OF SECTION 4 AS SHOWN ON THE LEE FARM ADDITION (ANNEXATION) PREPARED BY INTERMILL LAND SURVEYING, INC. DATED 05/09/06 AND APPROVED BY THE CITY COUNCIL OF THE CITY OF LOVELAND BY ORDINANCE NO. 5063, PASSED ON SECOND READING ON THE 9TH DAY OF MAY, 2006.

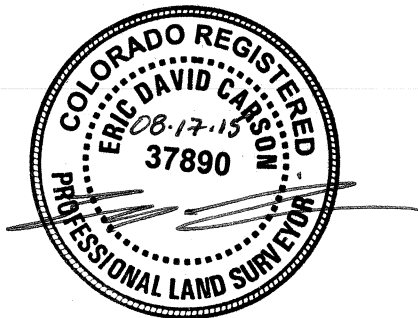
CWC CONSULTING GROUP, INC. RELIED SOLELY ON THE LEE FARM ADDITION (ANNEXATION) PREPARED BY INTERMILL LAND SURVEYING, INC. DATED 05/09/06 AND SIGNED 05/09/06 BY ROBERT GEORGE PERSICHITTE.

Commencing (P.O.C.) at said West One-Quarter Corner of Section 4; Thence South 00°08'28" West along the West Line of the Southwest One-Quarter of said Section 4, a distance of 488.64 Feet to the North Line of Tract A of Vanguard – Famleco Second Addition; Thence North 88°20'18" East along said North Line of Tract A of Vanguard – Famleco Second Addition and along the North Line of Tract C of Vanguard – Famleco Eighth Subdivision and along the North Line of Vanguard-Famleco Ninth Subdivision, a distance of 4,345.11 Feet to the **POINT OF BEGINNING (P.O.B.)**;

Thence North 01°39'42" West, a distance of 20.00 Feet; Thence North 88°20'18" East, a distance of 20.00 Feet; Thence South 01°39'42" East, a distance of 20.00 Feet to said North Line of Vanguard – Famleco Ninth Subdivision; Thence South 88°20'18" West along said North Line of Vanguard – Famleco Ninth Subdivision, a distance of 20.00 Feet to the **POINT OF BEGINNING (P.O.B.)**.

The above described parcel description contains 400 Square Feet or 0.009 Acre, more or less.

I hereby certify that the above parcel description was prepared under my direct supervision.



Eric D. Carson, PLS

Prepared For and on Behalf of
CWC Consulting Group Inc.
210 Front Street
Castle Rock, Colorado 80104
Phone: (303) 395-2700
Direct: (303) 980-9104
Email: ericc@cwc-consulting.com

District 1

North: 6878.1767' East: 9053.4409'

Segment #1 : Line

Course: N01°39'42"W Length: 20.00'

North: 6898.1683' East: 9052.8609'

Segment #2 : Line

Course: N88°20'18"E Length: 20.00'

North: 6898.7482' East: 9072.8525'

Segment #3 : Line

Course: S01°39'42"E Length: 20.00'

North: 6878.7566' East: 9073.4325'

Segment #4 : Line

Course: S88°20'18"W Length: 20.00'

North: 6878.1767' East: 9053.4409'

Perimeter: 80.00' Area: 400.00 Sq. Ft.

Error Closure: 0.0000 Course: N00°00'00"E

Error North: 0.00000 East: 0.00000

Precision 1: 80000000.00

DISTRICT 2

DESCRIPTION

A parcel of land in Section 4, Township 5 North, Range 69 West, of the Sixth Principal Meridian, in the City of Loveland, County of Larimer, State of Colorado, said parcel being more particularly described as follows:

Basis of Bearings: BEARINGS ARE BASED ON THE WEST LINE OF THE NORTHWEST ONE-QUARTER OF SECTION 4, TOWNSHIP 5 NORTH, RANGE 69 WEST OF THE 6TH P.M., SAID TO BEAR NORTH 00°09'00" EAST, A DISTANCE OF 2,698.81 FEET FROM THE WEST ONE-QUARTER CORNER OF SECTION 4 BEING MONUMENTED BY A 2.5" ALUMINUM CAP STAMPED "T5N R69W, E ¼ + S5, 2002, PLS 20676" TO THE CALCULATED POSITION OF THE NORTHWEST CORNER OF SECTION 4 AS SHOWN ON THE LEE FARM ADDITION (ANNEXATION) PREPARED BY INTERMILL LAND SURVEYING, INC. DATED 05/09/06 AND APPROVED BY THE CITY COUNCIL OF THE CITY OF LOVELAND BY ORDINANCE NO. 5063, PASSED ON SECOND READING ON THE 9TH DAY OF MAY, 2006.

CWC CONSULTING GROUP, INC. RELIED SOLELY ON THE LEE FARM ADDITION (ANNEXATION) PREPARED BY INTERMILL LAND SURVEYING, INC. DATED 05/09/06 AND SIGNED 05/09/06 BY ROBERT GEORGE PERSICHITTE.

Commencing at said West One-Quarter Corner of Section 4; Thence South 00°08'28" West along the West Line of the Southwest One-Quarter of said Section 4, a distance of 488.64 Feet to the North Line of Tract A of Vanguard – Famleco Second Addition; Thence North 88°20'18" East along said North Line of Tract A of Vanguard – Famleco Second Addition and along the North Line of Tract C of Vanguard – Famleco Eighth Subdivision and along the North Line of Vanguard-Famleco Ninth Subdivision, a distance of 2,862.13 Feet to the **POINT OF BEGINNING**;

Thence North 01°39'42" West, a distance of 714.36 Feet;

Thence South 89°00'22" West, a distance of 432.44 Feet;

Thence North 00°59'38" West, a distance of 354.44 Feet to a point of curve to the left having a radius of 175.00 Feet and a central angle of 36°38'13";

Thence northerly along the arc a distance of 111.90 Feet;

Thence North 60°34'57" East, a distance of 186.39 Feet to a point of curve to the right having a radius of 325.00 Feet and a central angle of 28°25'25";

Thence easterly along the arc a distance of 161.23 Feet;

Thence North 89°00'22" East, a distance of 157.77 Feet;

Thence North 00°39'18" West, a distance of 515.88 Feet to the South Line of Buck First Subdivision;

Thence North 89°20'42" East along said South Line of Buck First Subdivision, a distance of 2,386.31 Feet to the West Line of the 10-Foot Right-of-Way Dedication for North Wilson Avenue as recorded at Reception No. 2006-0030651;

Thence South 00°00'27" West along said West Line of the 10-Foot Right-of-Way Dedication, a distance of 1,356.49 Feet;

Thence South 00°01'10" West continuing along said 10-Foot Right-of-Way Dedication, a distance of 419.12 Feet to the North Line of Vanguard-Famleco Ninth Subdivision;

Thence South 88°20'18" West along said North Line of Vanguard-Famleco Ninth Subdivision, a distance of 856.44 Feet;

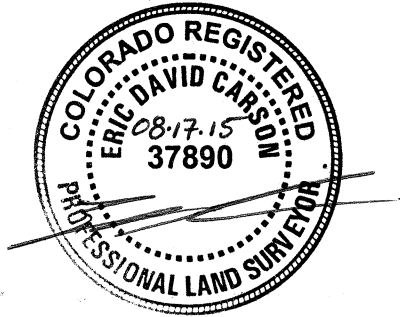
Thence North 01°39'42" West, a distance of 20.00 Feet;

Thence South 88°20'18" West, a distance of 20.00 Feet;

Thence South 01°39'42" East, a distance of 20.00 Feet to said North Line of Vanguard-Famleco Ninth Subdivision;
Thence South 88°20'18" West along said North Line of Vanguard-Famleco Ninth Subdivision, a distance of 1482.98 Feet to the **POINT OF BEGINNING**.

The above described parcel description contains 4,515,264 Square Feet or 103.656 Acres, more or less.

I hereby certify that the above parcel description was prepared under my direct supervision.



Eric D. Carson, PLS

Prepared For and on Behalf of
CWC Consulting Group Inc.
210 Front Street
Castle Rock, Colorado 80104
Phone: (303) 395-2700
Direct: (303) 980-9104
Email: ericc@cwc-consulting.com

District 2

North: 6835.1739' East: 7571.0823'

Segment #1 : Line

Course: N01°39'42"W Length: 714.36'

North: 7549.2335' East: 7550.3677'

Segment #2 : Line

Course: S89°00'22"W Length: 432.44'

North: 7541.7324' East: 7117.9927'

Segment #3 : Line

Course: N00°59'38"W Length: 354.44'

North: 7896.1191' East: 7111.8447'

Segment #4 : Curve

Length: 111.90' Radius: 175.00'; Delta: 036°38'13" Tangent: 57.94'

Chord: 110.00' Course: N19°18'44"W; Course In: S89°00'22"W Course Out: N52°22'10"E

RP North: 7893.0836' East: 6936.8710'; End North: 7999.9329' East: 7075.4647'

Segment #5 : Line

Course: N60°34'57"E Length: 186.39'

North: 8091.4821' East: 7237.8223'

Segment #6 : Curve

Length: 161.23' Radius: 325.00'; Delta: 028°25'25" Tangent: 82.31'

Chord: 159.58' Course: N74°47'40"E; Course In: S29°25'03"E Course Out: N00°59'38"W

RP North: 7808.3863' East: 7397.4525'; End North: 8133.3374' East: 7391.8151'

Segment #7 : Line

Course: N89°00'22"E Length: 157.77'

North: 8136.0741' East: 7549.5614'

Segment #8 : Line

Course: N00°39'18"W Length: 515.88'

North: 8651.9204' East: 7543.6640'

Segment #9 : Line

Course: N89°20'42"E Length: 2386.31'

North: 8679.1999' East: 9929.8181'

Segment #10 : Line

Course: S00°00'27"W Length: 1356.49'

North: 7322.7099' East: 9929.6405'

Segment #11 : Line

Course: S00°01'10"W Length: 419.12'

North: 6903.5899' East: 9929.4983'

Segment #12 : Line

Course: S88°20'18"W Length: 856.44'

North: 6878.7553' East: 9073.4185'

Segment #13 : Line

Course: N01°39'42"W Length: 20.00'

North: 6898.7469' East: 9072.8385'

Segment #14 : Line

Course: S88°20'18"W Length: 20.00'

North: 6898.1669' East: 9052.8469'

Segment #15 : Line

Course: S01°39'42"E Length: 20.00'

North: 6878.1753' East: 9053.4269'

Segment #16 : Line

Course: S88°20'18"W Length: 1482.98'

North: 6835.1726' East: 7571.0705'

Perimeter: 9195.74' Area: 4515264.46 Sq. Ft.

Error Closure: 0.0119 Course: S84°08'36"W

Error North: -0.00121 East: -0.01181

Precision 1: 772752.10

DISTRICT 3

DESCRIPTION

A parcel of land in Section 4, Township 5 North, Range 69 West, of the Sixth Principal Meridian, in the City of Loveland, County of Larimer, State of Colorado, said parcel being more particularly described as follows:

Basis of Bearings: BEARINGS ARE BASED ON THE WEST LINE OF THE NORTHWEST ONE-QUARTER OF SECTION 4, TOWNSHIP 5 NORTH, RANGE 69 WEST OF THE 6TH P.M., SAID TO BEAR NORTH 00°09'00" EAST, A DISTANCE OF 2,698.81 FEET FROM THE WEST ONE-QUARTER CORNER OF SECTION 4 BEING MONUMENTED BY A 2.5" ALUMINUM CAP STAMPED "T5N R69W, E ¼ + S5, 2002, PLS 20676" TO THE CALCULATED POSITION OF THE NORTHWEST CORNER OF SECTION 4 AS SHOWN ON THE LEE FARM ADDITION (ANNEXATION) PREPARED BY INTERMILL LAND SURVEYING, INC. DATED 05/09/06 AND APPROVED BY THE CITY COUNCIL OF THE CITY OF LOVELAND BY ORDINANCE NO. 5063, PASSED ON SECOND READING ON THE 9TH DAY OF MAY, 2006.

CWC CONSULTING GROUP, INC. RELIED SOLELY ON THE LEE FARM ADDITION (ANNEXATION) PREPARED BY INTERMILL LAND SURVEYING, INC. DATED 05/09/06 AND SIGNED 05/09/06 BY ROBERT GEORGE PERSICHITTE.

Commencing at said West One-Quarter Corner of Section 4; Thence South 00°08'28" West along the West Line of the Southwest One-Quarter of said Section 4, a distance of 488.64 Feet to the North Line of Tract A of Vanguard – Famleco Second Addition; Thence North 88°20'18" East along said North Line of Tract A of Vanguard – Famleco Second Addition, a distance of 954.81 Feet to the Southerly prolongation of the East Line of the Grant of Easement recorded in Book 2053 at Page 383, also being the **POINT OF BEGINNING**;

Thence North 00°28'23" West along said Southerly prolongation of the East Line of the Grant of Easement and along the East Line of said Grant of Easement, a distance of 1,850.46 Feet to the South Line of Tract A Buck Third Subdivision;

Thence North 89°20'42" East along said South Line of Tract A Buck Third Subdivision and the South Line of Buck Second Subdivision and the South Line of Buck First Subdivision, a distance of 1,894.51 Feet;

Thence South 00°39'18" East, a distance of 515.88 Feet;

Thence South 89°00'22" West, a distance of 157.77 Feet to a point of curve to the left having a radius of 325.00 Feet and a central angle of 28°25'25";

Thence westerly along the arc a distance of 161.23 Feet;

Thence South 60°34'57" West, a distance of 186.39 Feet to the point of a non-tangent curve to the right, of which the radius point lies South 52°22'09" West, a radial distance of 175.00 Feet;

Thence southerly along the arc, through a central angle of 36°38'13", a distance of 111.90 Feet;

Thence South 00°59'38" East, a distance of 354.44 Feet;

Thence North 89°00'22" East, a distance of 432.44 Feet;

Thence South 01°39'42" East, a distance of 714.36 Feet to the North Line of Vanguard-Famleco Ninth Subdivision;

Thence South 88°20'18" West along said North Line of Vanguard-Famleco Ninth Subdivision and along the North Line of Tract C of Vanguard - Famleco Eighth Subdivision and along the North Line of Tract A of Vanguard - Famleco Second Addition, a distance of 1,907.32 Feet to the **POINT OF BEGINNING**.

The above described parcel description contains 3,231,533 Square Feet or 74.186 Acres, more or less.

I hereby certify that the above parcel description was prepared under my direct supervision.



Eric D. Carson, PLS

Prepared For and on Behalf of
CWC Consulting Group Inc.
210 Front Street
Castle Rock, Colorado 80104
Phone: (303) 395-2700
Direct: (303) 980-9104
Email: ericc@cwc-consulting.com

District 3

North: 6779.8661' East: 5664.5601'

Segment #1 : Line

Course: N00°28'23"W Length: 1850.46'

North: 8630.2631' East: 5649.2822'

Segment #2 : Line

Course: N89°20'42"E Length: 1894.51'

North: 8651.9205' East: 7543.6684'

Segment #3 : Line

Course: S00°39'18"E Length: 515.88'

North: 8136.0742' East: 7549.5657'

Segment #4 : Line

Course: S89°00'22"W Length: 157.77'

North: 8133.3375' East: 7391.8195'

Segment #5 : Curve

Length: 161.23' Radius: 325.00'; Delta: 028°25'25" Tangent: 82.31'

Chord: 159.58' Course: S74°47'40"W; Course In: S00°59'38"E Course Out: N29°25'03"W

RP North: 7808.3864' East: 7397.4568'; End North: 8091.4822' East: 7237.8266'

Segment #6 : Line

Course: S60°34'57"W Length: 186.39'

North: 7999.9330' East: 7075.4691'

Segment #7 : Curve

Length: 111.90' Radius: 175.00'; Delta: 036°38'13" Tangent: 57.94'

Chord: 110.00' Course: S19°18'44"E; Course In: S52°22'10"W Course Out: N89°00'22"E

RP North: 7893.0837' East: 6936.8753'; End North: 7896.1192' East: 7111.8490'

Segment #8 : Line

Course: S00°59'38"E Length: 354.44'

North: 7541.7325' East: 7117.9970'

Segment #9 : Line

Course: N89°00'22"E Length: 432.44'

North: 7549.2335' East: 7550.3720'

Segment #10 : Line

Course: S01°39'42"E Length: 714.36'

North: 6835.1739' East: 7571.0866'

Segment #11 : Line

Course: S88°20'18"W Length: 1907.32'

North: 6779.8664' East: 5664.5687'

Perimeter: 8286.69' Area: 3231533.34 Sq. Ft.

Error Closure: 0.0086 Course: N88°00'31"E

Error North: 0.00030 East: 0.00860; Precision 1: 963569.77

DISTRICT 4

DESCRIPTION

A parcel of land in Section 4, Township 5 North, Range 69 West, of the Sixth Principal Meridian, in the City of Loveland, County of Larimer, State of Colorado, said parcel being more particularly described as follows:

Basis of Bearings: BEARINGS ARE BASED ON THE WEST LINE OF THE NORTHWEST ONE-QUARTER OF SECTION 4, TOWNSHIP 5 NORTH, RANGE 69 WEST OF THE 6TH P.M., SAID TO BEAR NORTH 00°09'00" EAST, A DISTANCE OF 2,698.81 FEET FROM THE WEST ONE-QUARTER CORNER OF SECTION 4 BEING MONUMENTED BY A 2.5" ALUMINUM CAP STAMPED "T5N R69W, E ¼ + S5, 2002, PLS 20676" TO THE CALCULATED POSITION OF THE NORTHWEST CORNER OF SECTION 4 AS SHOWN ON THE LEE FARM ADDITION (ANNEXATION) PREPARED BY INTERMILL LAND SURVEYING, INC. DATED 05/09/06 AND APPROVED BY THE CITY COUNCIL OF THE CITY OF LOVELAND BY ORDINANCE NO. 5063, PASSED ON SECOND READING ON THE 9TH DAY OF MAY, 2006.

CWC CONSULTING GROUP, INC. RELIED SOLELY ON THE LEE FARM ADDITION (ANNEXATION) PREPARED BY INTERMILL LAND SURVEYING, INC. DATED 05/09/06 AND SIGNED 05/09/06 BY ROBERT GEORGE PERSICHITTE.

Beginning at said West One-Quarter Corner of Section 4;

Thence North 00°09'00" East along the West Line of the Northwest One-Quarter of said Section 4, a distance of 2,679.81 Feet to the South Line of the 19-Foot Right-of-Way Dedication for West 43rd Street as recorded at Reception No. 2006-0030652;

Thence North 89°20'42" East along said South Line of the 19-Foot Right-of-Way Dedication for West 43rd Street, a distance of 891.97 Feet to the Northerly prolongation of the West Line of Tract A of Buck Third Subdivision;

Thence South 00°00'27" West along said Northerly prolongation of the West Line of Tract A of Buck Third Subdivision and the West Line of Tract A of Buck Third Subdivision, a distance of 1,301.00 Feet to the South Line of said Tract A of Buck Third Subdivision;

Thence North 89°20'42" East along said South Line of Tract A of Buck Third Subdivision, a distance of 39.17 Feet to the East Line of the Grant of Easement recorded in Book 2053 at Page 383;

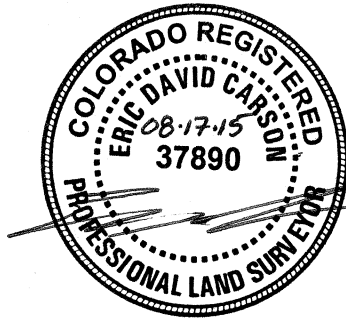
Thence South 00°28'23" East along said East Line of the Grant of Easement and along the Southerly prolongation of said East Line of the Grant of Easement, a distance of 1,850.46 Feet to the North Line of Tract A of Vanguard - Famleco Second Addition;

Thence South 88°20'18" West along said North Line Tract A of Vanguard - Famleco Second Addition, a distance of 954.81 Feet to the West Line of the Southwest One-Quarter of said Section 4;

Thence North 00°08'28" East along said West Line of the Southwest One-Quarter of Section 4, a distance of 488.64 Feet to the **POINT OF BEGINNING**.

The above described parcel description contains 2,918,097 Square Feet or 66.990 Acres, more or less.

I hereby certify that the above parcel description was prepared under my direct supervision.



Eric D. Carson, PLS

Prepared For and on Behalf of
CWC Consulting Group Inc.
210 Front Street
Castle Rock, Colorado 80104
Phone: (303) 395-2700
Direct: (303) 980-9104
Email: ericc@cwc-consulting.com

District 4

North: 7240.8170' East: 4711.3580'

Segment #1 : Line

Course: N00°09'00"E Length: 2679.81'

North: 9920.6178' East: 4718.3737'

Segment #2 : Line

Course: N89°20'42"E Length: 891.97'

North: 9930.8145' East: 5610.2854'

Segment #3 : Line

Course: S00°00'27"W Length: 1301.00'

North: 8629.8145' East: 5610.1151'

Segment #4 : Line

Course: N89°20'42"E Length: 39.17'

North: 8630.2623' East: 5649.2826'

Segment #5 : Line

Course: S00°28'23"E Length: 1850.46'

North: 6779.8654' East: 5664.5605'

Segment #6 : Line

Course: S88°20'18"W Length: 954.81'

North: 6752.1783' East: 4710.1520'

Segment #7 : Line

Course: N00°08'28"E Length: 488.64'

North: 7240.8168' East: 4711.3555'

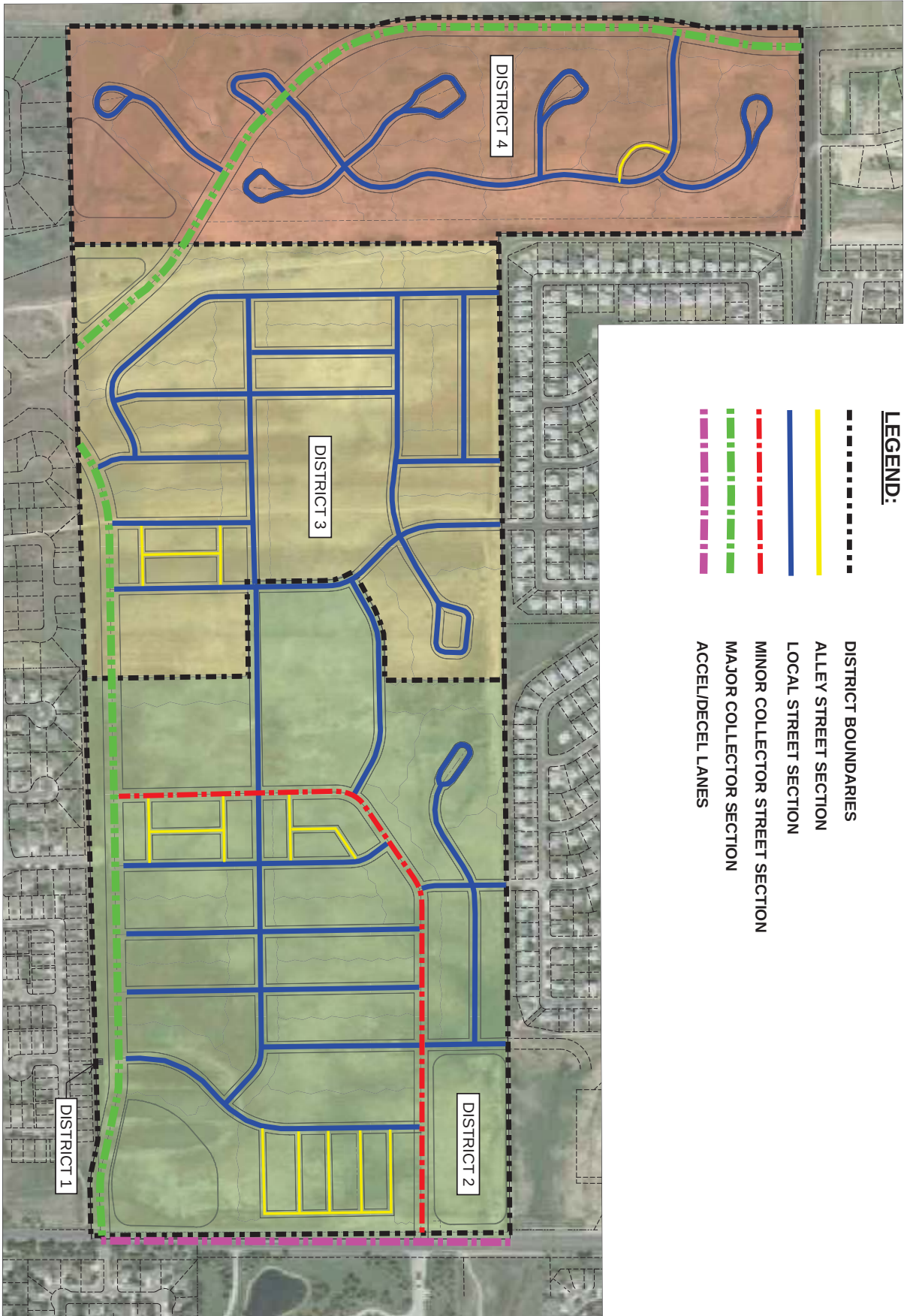
Perimeter: 8205.85' Area: 2918096.56 Sq. Ft.

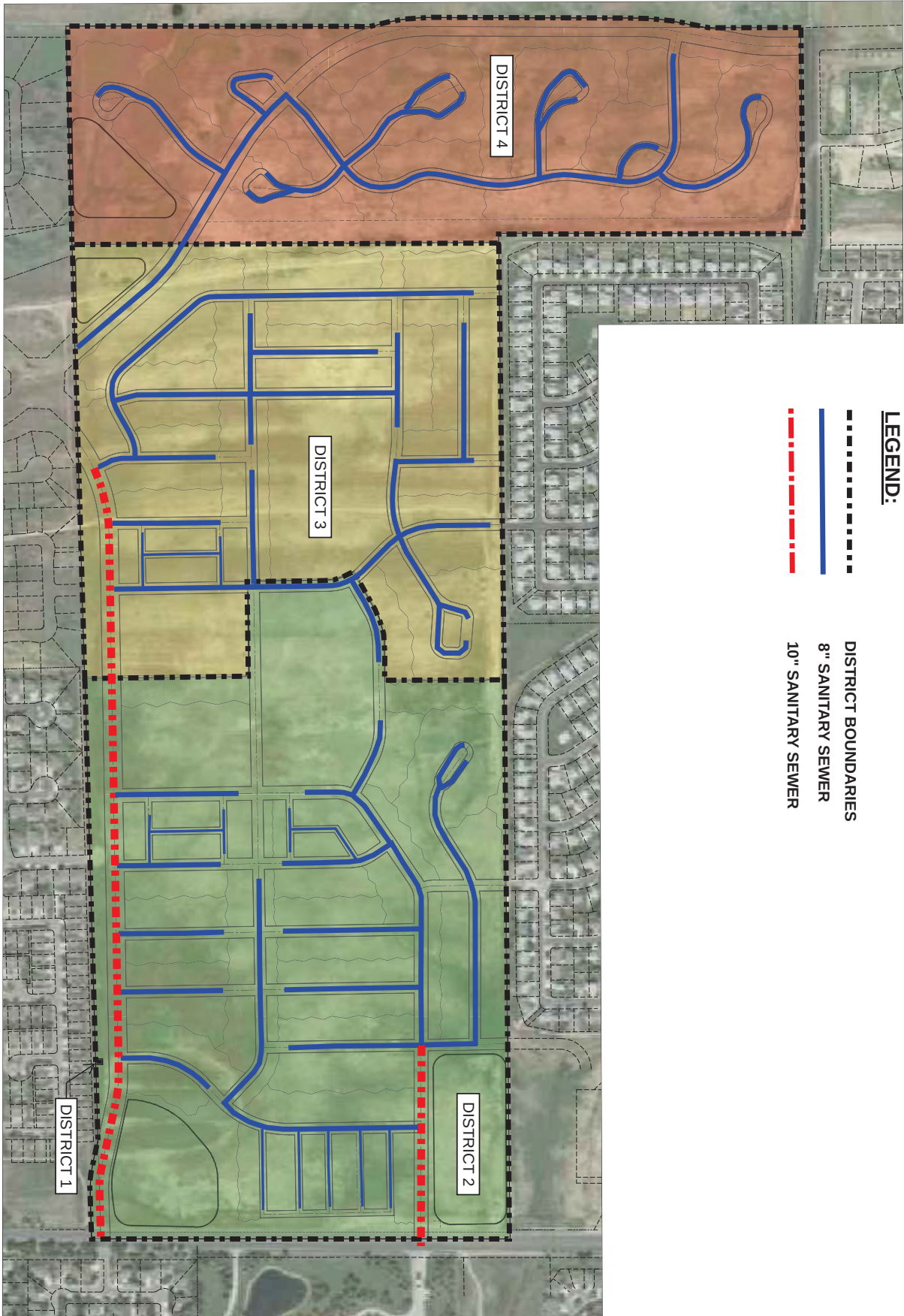
Error Closure: 0.0026 Course: S85°26'38"W

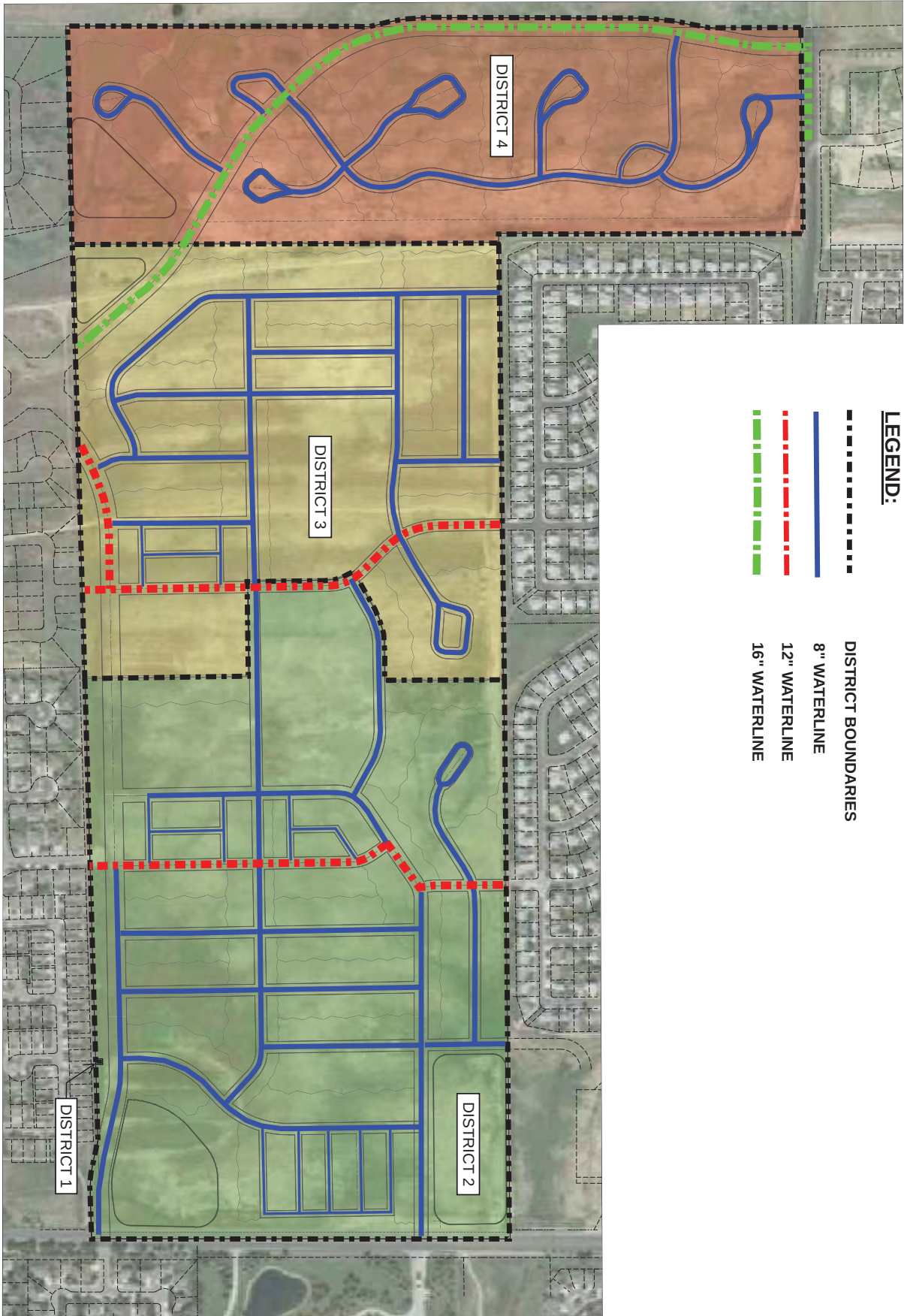
Error North: -0.00020 East: -0.00254

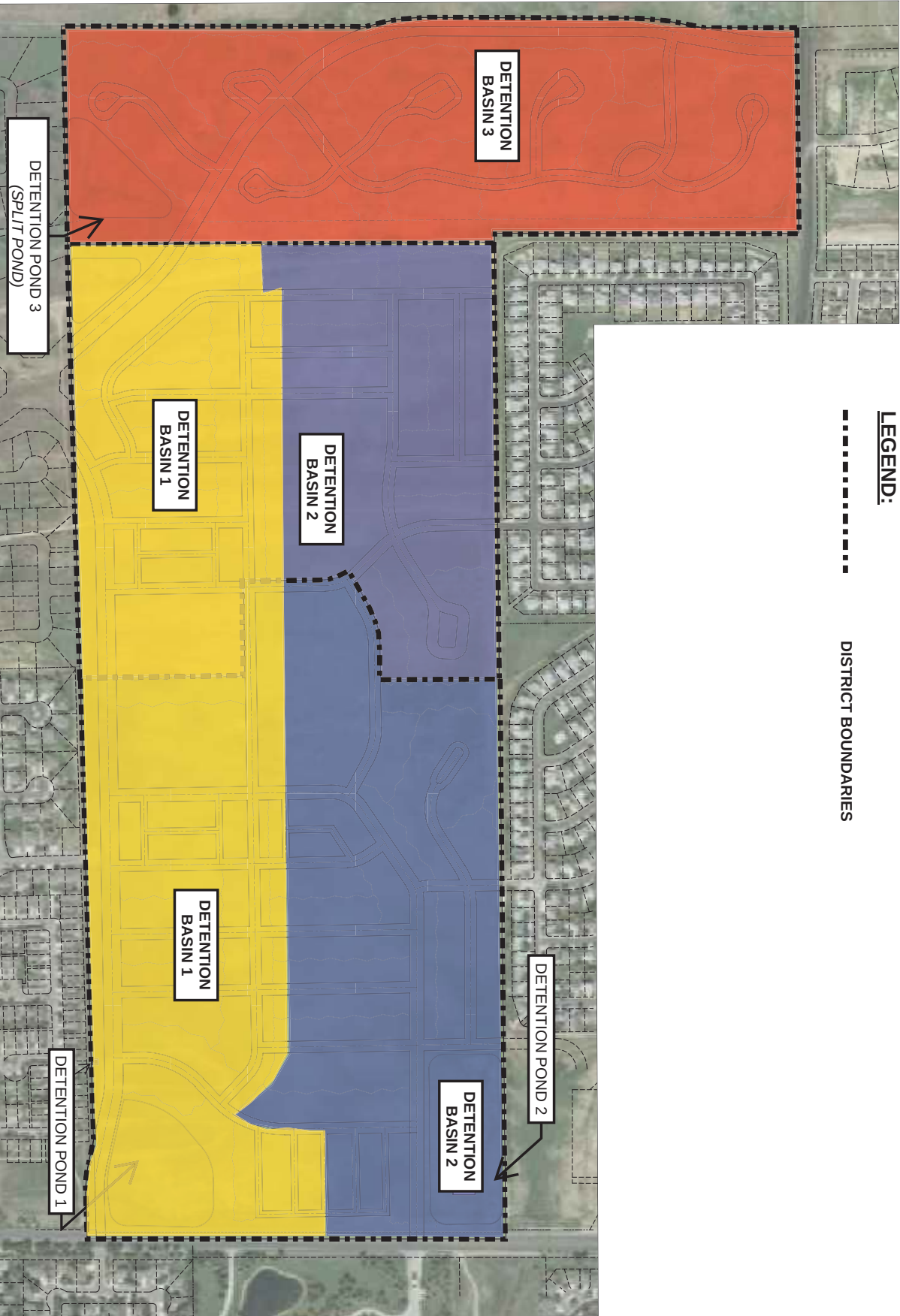
Precision 1: 3156100.00

EXHIBIT C
Public Improvements Diagram









OPINION OF PROBABLE LANDSCAPE COSTS

Landscape Zone		DISTRICT				SUBTOTAL	
	Description	DISTRICT 1 (AC)	DISTRICT 2 (AC)	DISTRICT 3 (AC)	DISTRICT 4 (AC)	Area (SF)	Cost
A. 1. Central Park	Manicured turf, shrub beds, trees, 6" walk and irrigation		8.0			349,370	\$1,397,479
A. 2. Recreation Center Facility	Main building, pool house and lap pool, picnic structure, walls		1.0				\$3,509,000 ¹⁴
B. Manicured - High Impact	Manicured turf, shrub beds, trees, 6" walk and irrigation		2.3	0.8		135,432	\$677,162
C. Manicured - Streetscape	Manicured turf, shrub beds, trees, 6" walk and irrigation		1.2	2.0		142,388	\$498,360
D. Trail Corridor and Perimeter	Mix of native grass seed and manicured turf, trees, 6" walk and irrigation		7.6	2.5	6.5	719,257	\$2,157,770
E. Enhanced Native Planting	Native grass seed, minimal trees and irrigation		12.1	3.3	10.0	1,109,150	\$2,218,300
TOTAL		32.2	8.7	16.5	2,455,597	56.4	\$10,458,070

Assumptions:

1. It is understood that some elements contained in this Opinion of Cost are not designed, and will require specific design and construction approval prior to final estimating. This Opinion of Cost is general in nature and will need to be revised as specific design are developed. Further Owner coordination/development programming and design refinement to occur before final estimates can occur.
2. Costs do not include soft and indirect fees such as permits, entitlements, survey/layout/setting and general conditions.

3. Costs do not include erosion control, earthwork, overlot grading, drainage structures, or fine grading.
4. Costs do not include Civil Engineering work such as parking lots.
5. Costs do not include architectural work such as buildings or site structures unless otherwise noted.
6. Costs do not include tap fees or water use fees.
7. Costs do not include site/landscape lighting.
8. Costs do not include amenities such as playgrounds and site furnishings.

9. Costs do not include regulatory or directional signage, utilities.
10. Costs do not include wet/dry above and below ground utilities.
11. Costs do not include any items outside scope of work.
12. Costs do not include any items between back of curb to right-of-way line.
13. Any additional unforeseen costs may apply.
14. All costs are shown in 2015 dollars.

Note:
A. Recreation Center estimate based on May 28, 2015 budget estimate.

Average Cost (\$/SF) **\$4.26**

LANDSCAPE ZONE LEGEND

		Type A Zone Central Park
		Type B Zone Manicured - High Impact
		Type C Zone Manicured - Streetscape
		Type D Zone Trail Corridor and Perimeter
		Type E Zone Enhanced Native Planting



DESIGN

AUGUST 13, 2015

LOVELAND, COLORADO

Exhibit F: Landscape Intensity Zones

Lee Farm



EXHIBIT D
Cost Estimates

Lee Farms Metropolitan District		No. 1 - No. 4 Summary				
Preliminary Estimated Project Construction Costs						
August 27, 2015						
Project Cost Estimate Prepared by: CWC Consulting Group and Pinnacle Consulting Group Inc.						
Drawings Prepared by: CWC Consulting Group						
246.3 Total Acres 739 Total Residential Units 0 Commercial Sqft 0 Industrial Sqft		Lee Farms Metropolitan District # 1 - 4 Capital Costs	Lee Farms Metropolitan District # 1 - 4 Org and Form Cost	Lee Farms Metropolitan District # 1 - 4 Total District Costs	Lee Farms Metropolitan District # 1 - 4 Future Inclusion Costs	Lee Farms Metropolitan District # 1 - 4 Total District & Incl Costs
Land						
Land Cost						
Raw Water (Potable Water) / Additional Fees						
Land Cost		\$0.00		\$0.00		\$0.00
Indirect Construction Costs						
Permits and Fees		\$130,000.00		\$130,000.00		\$130,000.00
Engineering, Design and Const Management		\$4,174,256.37		\$4,174,256.37		\$4,174,256.37
Planning (30% of estimated planning costs)		\$165,000.00				
Engineering		\$973,000.00				
Design		\$598,000.00				
Engineering during construction		\$285,000.00				
Engineer Admin, Inspection, Certification						
Facility Inspection and Certification						
As-builts		\$90,000.00				
Construction Surveying		\$480,350.00				
Material Testing		\$665,100.00				
Safety Inspection		\$29,000.00				
Project Mgmt., Const. Mgmt, Const. Admin		\$1,861,806.37				
Legal and Accounting		\$100,000.00		\$100,000.00		\$100,000.00
Formation and Organization						
Legal			\$50,000.00	\$50,000.00		\$50,000.00
Engineering (Mapping)			\$15,000.00	\$15,000.00		\$15,000.00
Financial			\$7,500.00	\$7,500.00		\$7,500.00
Management / Administration			\$35,000.00	\$35,000.00		\$35,000.00
Indirect Cost		\$4,404,256.37	\$107,500.00	\$4,511,756.37		\$4,511,756.37
Direct Construction Costs						
Removals/Erosion Control/Mobilization		\$970,225.45		\$970,225.45		\$970,225.45
Earthwork		\$3,263,125.00		\$3,263,125.00		\$3,263,125.00
Over Excavation		\$0.00				
General Grading and Excavation		\$3,263,125.00				
Sanitary Sewer		\$3,735,639.00		\$3,735,639.00		\$3,735,639.00
Site Perimeter Drain (Under Drain)		\$85,000.00		\$85,000.00		\$85,000.00
Domestic Water		\$4,822,201.00		\$4,822,201.00		\$4,822,201.00
Storm Sewer		\$2,043,108.00		\$2,043,108.00		\$2,043,108.00
Slurry Barrier Wall (Around Pound)		\$0.00		\$0.00		\$0.00
Streets (Concrete, Asphalt Paving)		\$9,243,410.00		\$9,243,410.00		\$9,243,410.00
Irrigation Non-pot System (Incl. Raw Water)		\$0.00		\$0.00		\$0.00
Landscaping		\$4,149,594.92		\$4,149,594.92		\$4,149,594.92
Park Amenities		\$1,300,000.00		\$1,300,000.00		\$1,300,000.00
Dry Utilities (Sleeving)		\$102,800.00		\$102,800.00		\$102,800.00
Street Signs, Markings and Traffic Control		\$495,650.00		\$495,650.00		\$495,650.00
Miscellaneous (Repairs, clean up and Weather)		\$450,000.00		\$450,000.00		\$450,000.00
Construction Contingency		\$3,900,000.00		\$3,900,000.00		\$3,900,000.00
Offsite Improvements & Regional Improvements		\$850,000.00		\$850,000.00		\$850,000.00
Wilson Avenue Accel and Deccel		\$450,000.00				
Cascade Avenue Roundabout (cost share)		\$400,000.00				
Road Oversizing Reimbursement		\$0.00				
Direct Cost		\$35,410,753.37		\$35,410,753.37		\$35,410,753.37
TOTAL		\$39,815,009.74	\$ 107,500.00	\$39,922,509.74		\$39,922,509.74

Formation and Capital Cost by dwelling unit			
Year			Capital Cost
Const.	% of Construction		Per Build Out
2016	9.47%	\$	3,781,563.85
2017	28.55%	\$	11,398,713.88
2018	37.89%	\$	15,126,255.38
2019	21.65%	\$	8,643,574.50
2020	2.44%	\$	972,402.13
2021	0.00%	\$	-
2022	0.00%	\$	-
2023	0.00%	\$	-
2024	0.00%	\$	-
2025	0.00%	\$	-
2026	0.00%	\$	-
2027	0.00%	\$	-
	100.00%		\$39,922,509.74

Development Cost is based on one year prior to home build out schedule.

Lee Farms Metropolitan District		No. 2			
Preliminary Estimated Project Construction Costs					
				August 27, 2015	
Project Cost Estimate Prepared by: CWC Consulting Group and Pinnacle Consulting Group Inc. Drawings Prepared by: CWC Consulting Group					
103 Acres		Lee Farms	Lee Farms	Lee Farms	
310 Residential Units		Metropolitan District	Metropolitan District	Metropolitan District	Lee Farms
		# 2	# 2	# 2	Metropolitan District
		Capital Costs	Org and Form Cost	Total District Costs	# 2
					Total District & Incl Costs
Land					
Land Cost		n/a			
Raw Water (Potable Water) / Additional Fees		n/a			
Land Cost		\$0.00		\$0.00	\$0.00
Indirect Construction Costs					
Permits and Fees		\$60,000.00		\$60,000.00	\$60,000.00
Engineering, Design and Const Management		\$1,699,796.50		\$1,699,796.50	\$1,699,796.50
Planning (30% of estimated planning costs)		\$75,000.00			
Engineering		\$373,000.00			
Design		\$248,000.00			
Engineering during construction		\$95,000.00			
Engineer Admin, Inspection, Certification					
Facility Inspection and Certification					
As-builts		\$30,000.00			
Construction Surveying		\$201,500.00			
Material Testing		\$279,000.00			
Safety Inspection		\$12,000.00			
Const. Mgmt, Const. Admin (+/-6% of Direct Cost)		\$759,296.50			
Legal and Accounting		\$40,000.00		\$40,000.00	\$40,000.00
Formation and Organization					
Legal				\$0.00	\$0.00
Engineering (Mapping)				\$0.00	\$0.00
Financial				\$0.00	\$0.00
Management / Administration				\$0.00	\$0.00
Indirect Cost		\$1,799,796.50		\$1,799,796.50	\$1,799,796.50
Direct Construction Costs					
Removals/Erosion Control/Mobilization		\$350,613.00		\$350,613.00	\$350,613.00
Earthwork		\$1,171,500.00		\$1,171,500.00	\$1,171,500.00
Over Excavation		\$0.00			
General Grading and Excavation		\$1,171,500.00			
Sanitary Sewer		\$1,593,354.00		\$1,593,354.00	\$1,593,354.00
Site Perimeter Drain (Under Drain)		\$0.00		\$0.00	\$0.00
Domestic Water		\$1,864,137.00		\$1,864,137.00	\$1,864,137.00
Storm Sewer		\$929,825.00		\$929,825.00	\$929,825.00
Slurry Barrier Wall (Around Pound)		\$0.00		\$0.00	\$0.00
Streets (Concrete, Asphalt Paving)		\$4,302,719.00		\$4,302,719.00	\$4,302,719.00
Irrigation Non-pot System (Incl. Raw Water)		\$0.00		\$0.00	\$0.00
Landscaping		\$1,750,382.00		\$1,750,382.00	\$1,750,382.00
Park Amenities		\$750,000.00		\$750,000.00	\$750,000.00
Dry Utilities (Sleeving)		\$45,000.00		\$45,000.00	\$45,000.00
Street Signs, Markings and Traffic Control		\$228,400.00		\$228,400.00	\$228,400.00
Miscellaneous (Repairs, clean up and Weather)		\$150,000.00		\$150,000.00	\$150,000.00
Construction Contingency		\$1,600,000.00		\$1,600,000.00	\$1,600,000.00
Offsite Improvements & Regional Improvements		\$450,000.00		\$450,000.00	\$450,000.00
Wilson Avenue Accel and Deccel		\$450,000.00			
Cascade Avenue Roundabout (cost share)		\$0.00			
Road Oversizing Reimbursement		\$0.00			
Direct Cost		\$15,185,930.00		\$15,185,930.00	\$15,185,930.00
TOTAL		\$16,985,726.50		\$16,985,726.50	\$16,985,726.50

Formation and Capital Cost by dwelling unit			
Year			Capital Cost
Const.		% of Construction	Per Build Out
2016		22.58%	\$ 3,835,486.63
2017		38.71%	\$ 6,575,119.94
2018		38.71%	\$ 6,575,119.94
2019		0.00%	\$ -
2020		0.00%	\$ -
2021		0.00%	\$ -
2022		0.00%	\$ -
2023		0.00%	\$ -
2024		0.00%	\$ -
2025		0.00%	\$ -
2026		0.00%	\$ -
2027		0.00%	\$ -
		100.00%	\$16,985,726.50

Development Cost is based on one year prior to home buildout schedule.

Lee Farms Metropolitan District		No. 4			
Preliminary Estimated Project Construction Costs					
Project Cost Estimate Prepared by: CWC Consulting Group and Pinnacle Consulting Group Inc.					August 27, 2015
Drawings Prepared by: CWC Consulting Group					
67 Acres 98 Residential Units	Lee Farms Metropolitan District # 4 Capital Costs	Lee Farms Metropolitan District # 4 Org and Form Cost	Lee Farms Metropolitan District # 4 Total District Costs	Lee Farms Metropolitan District # 4 Future Inclusion Costs	Lee Farms Metropolitan District # 4 Total District & Incl Costs
Land					
Land Cost					
Raw Water (Potable Water) / Additional Fees					
Land Cost	\$0.00		\$0.00		\$0.00
Indirect Construction Costs					
Permits and Fees	\$30,000.00		\$30,000.00		\$30,000.00
Engineering, Design and Const Management	\$1,063,012.20		\$1,063,012.20		\$1,063,012.20
Planning (30% of estimated planning costs)	\$45,000.00				
Engineering	\$310,000.00				
Design	\$185,000.00				
Engineering during construction	\$95,000.00				
Engineer Admin, Inspection, Certification					
Facility Inspection and Certification					
As-builts	\$30,000.00				
Construction Surveying	\$63,700.00				
Material Testing	\$88,200.00				
Safety Inspection	\$8,500.00				
Const. Mgmt, Const. Admin (+/-6% of Direct Cost)	\$547,612.20				
Legal and Accounting	\$30,000.00		\$30,000.00		\$30,000.00
Formation and Organization					
Legal			\$0.00		\$0.00
Engineering (Mapping)			\$0.00		\$0.00
Financial			\$0.00		\$0.00
Management / Administration			\$0.00		\$0.00
Indirect Cost	\$1,123,012.20		\$1,123,012.20		\$1,123,012.20
Direct Construction Costs					
Removals/Erosion Control/Mobilization	\$372,052.00		\$372,052.00		\$372,052.00
Earthwork	\$996,375.00		\$996,375.00		\$996,375.00
Over Excavation	\$0.00				
General Grading and Excavation	\$996,375.00				
Sanitary Sewer	\$774,485.00		\$774,485.00		\$774,485.00
Rock Excavation	\$85,000.00		\$85,000.00		\$85,000.00
Domestic Water	\$1,273,969.00		\$1,273,969.00		\$1,273,969.00
Storm Sewer	\$548,673.00		\$548,673.00		\$548,673.00
Slurry Barrier Wall (Around Pound)	\$0.00		\$0.00		\$0.00
Streets (Concrete, Asphalt Paving)	\$2,496,418.00		\$2,496,418.00		\$2,496,418.00
Irrigation Non-pot System (Incl. Raw Water)	\$0.00		\$0.00		\$0.00
Landscaping	\$1,138,598.00		\$1,138,598.00		\$1,138,598.00
Park Amenities	\$50,000.00		\$50,000.00		\$50,000.00
Dry Utilities (Sleeving)	\$22,950.00		\$22,950.00		\$22,950.00
Street Signs, Markings and Traffic Control	\$118,350.00		\$118,350.00		\$118,350.00
Miscellaneous (Repairs, clean up and Weather)	\$150,000.00		\$150,000.00		\$150,000.00
Construction Contingency	\$1,100,000.00		\$1,100,000.00		\$1,100,000.00
Offsite Improvements & Regional Improvements	\$0.00		\$0.00		\$0.00
Wilson Avenue Accel and Deccel	\$0.00				
Cascade Avenue Roundabout (cost share)	\$0.00				
Road Oversizing Reimbursement	\$0.00				
Direct Cost	\$9,126,870.00		\$9,126,870.00		\$9,126,870.00
TOTAL	\$10,249,882.20		\$10,249,882.20		\$10,249,882.20

Formation and Capital Cost by dwelling unit			
Year			
Const.	% of Construction	Capital Cost	Per Build Out
2016	0.00%	\$	-
2017	0.00%	\$	-
2018	40.82%	\$	4,183,625.39
2019	40.82%	\$	4,183,625.39
2020	18.37%	\$	1,882,631.42
2021	0.00%	\$	-
2022	0.00%	\$	-
2023	0.00%	\$	-
2024	0.00%	\$	-
2025	0.00%	\$	-
2026	0.00%	\$	-
2027	0.00%	\$	-
	100.00%		\$10,249,882.20

Development Cost is based on one year prior to home buildout schedule.

EXHIBIT E
Financing Plan

Stan Bernstein and Associates, Inc.
Financial Planners and Consultants
For Local Governments, Municipal Bond Underwriters, and Real Estate Developers
 PO Box 5342
 Vail, CO 81658
 970-390-9162; amy.bernstein.greer@gmail.com

MEMORANDUM

TO: Mr. Brock Chapman, Managing Director, The True Life Companies
 Alan Pogue, ESQ, Icenogle Seaver Pogue, P.C.
 Peggy Dowswell, CPA, Pinnacle Consulting Group, Inc.
 Chad Walker, Pinnacle Consulting Group, Inc.

FROM: Amy Greer

DATE: October 26, 2015

SUBJECT: Draft 2 – Financial Model – Lee Farm Metropolitan Districts #1 - #4

INTRODUCTION AND SCOPE

Stan Bernstein and Associates, Inc. has assembled preliminary Financial Models for Lee Farm Metropolitan Districts #1 - #4 (the District) based upon key assumptions provided by officials of The True Life Companies (the Developer) and its consultants Pinnacle Consulting Group, Inc. The Financial Models were assembled in order to provide a conceptual understanding of (i) the amount of limited tax General Obligation Bonds that could ultimately be supported by the District; (ii) and how the Service District could fund its General Fund administrative and operating expenditures (as presented on Exhibit I). Detailed land use, values, and buildout assumptions (as well as related assessed valuation estimates) for Districts #2 - #4 were provided by the Developer and Pinnacle Consulting Group, Inc., and are presented on Schedules 2, 3, and 4.

The Financial Model presents, to the best knowledge and belief of the Developer (based upon assumptions provided by the Developer), the District's expected cash position and results of cash receipts and disbursements for the forecast period. Accordingly, the Financial Model reflects the Developer's judgment, as of the date of this report, of the expected conditions within the District's boundaries and the District's expected course of action. The assumptions disclosed in the Financial Model are those of the Developer and have not been independently reviewed by Stan Bernstein and Associates, Inc.

October 26, 2015

Page 2 of 5

FUTURE RATES OF RESIDENTIAL BUILDOUT AND RELATED ASSESSED VALUATION

The financial planning concept is that as the construction of future residential product occurs within the boundaries of Districts #2 - #4, incremental assessed valuation will generate property tax revenues for each of the Districts.

For financial planning purposes it is assumed that a portion (10.0 mills) of the property tax revenues generated from the 55.0 mills assumed to be levied by Financing Districts #2 - #4 will be transferred to the Service District's General Fund and used to fund administrative and operating expenditures. The property tax revenues not transferred to the General Fund will be available to make annual interest and principal payments on outstanding limited tax General Obligation Bonds. This draft assumes that Districts' #3 and #4 will transfer available property tax revenues to District #2 and that all General Obligation Bonds will be issued by District #2.

This draft indicates that District #2 could support limited tax General Obligation Bonds as presented:

December 1, 2020	\$5,500,000
December 1, 2022	\$4,100,000
December 1, 2025	\$3,800,000
December 1, 2030	<u>\$ 2,400,000</u>
	<u>\$15,800,000</u>

It is possible that the timing of these bond issues could be accelerated by using various forms of credit enhancement. It is assumed that the bonds would be issued at average interest rates of 6.0% and mature serially over a 30-year period. Costs of Bond Issuance have been estimated to be 7.0% of the par amount of the bonds. It is also possible that if buildout rates and assessed valuations lag expectations, and/or if administrative and operating expenditures exceed expectations, the amount of the bonds that could be supported will be less than shown on the previous page, and the timing of the issuance of these bonds will not occur as soon as indicated.

It is assumed that the net proceeds of the limited tax General Obligation Bonds (\$14,694,000) will be used to reimburse the Developer for a portion of the infrastructure costs expected to be originally funded by the Developer (as presented on Exhibit III).

DISTRICTS #2 - #4 LAND USE AND RELATED ASSESSED VALUATION - SCHEDULES 2 – 4

The key assumptions with respect to future residential buildout, and related assessed valuation buildup, within the boundaries of the Districts are presented in detail on

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Page 3 of 5

Schedules 2, 3, and 4. These assumptions were provided by officials of the Developer. The assessed valuation estimates assume an average annual inflationary increase of approximately 1% (2% biennially - this assumption was provided by Pinnacle Consulting Group, Inc.).

The Financial Model is based upon a total of 736 residential units completed by 2026. The Developer has provided the information contained in Schedules 2 - 4, and believes these assumptions to be reasonable and appropriate to use for financial modeling purposes at this time.

DISTRICTS #2 - #4 – CASH FLOW – EXHIBITS III, IV AND V

Exhibit III, IV and V present the estimated revenues and expenditures for Districts #2 - #4.

The primary revenue source for each district consists of property tax revenues generated from a 55.0 mill levy (reduced to 44.0 mills by 2040). Other sources of revenue include specific ownership tax revenues (estimated to be 8.0% of property tax revenues per Pinnacle Consulting Group, Inc.) and interest earnings.

Expenditures for each district include an annual transfer of 10.0 mills (higher in early years) to the Service District's General Fund. A 1.5% County Treasurer's collection fee has also been assumed.

SERVICE DISTRICT GENERAL FUND - CASH FLOW – EXHIBIT I

Exhibit I presents the estimated revenues and expenditures for the Service District's General Fund (Service District #1).

The primary ongoing general fund revenue source is assumed to be property tax revenue transfers of 10.0 mills (higher in early years) from Districts #2 - #4 and annual user fees for pool, recreation center and maintenance (assumed to be \$500 annually per unit). Additional revenue sources include Developer Contributions during 2016 - 2019 totaling \$975,000 (assumed to be repaid in later years), and interest income.

Operations and Maintenance costs are assumed to be funded by the mill levy transfer from Districts #2 - #4 and annual pool, recreation center and maintenance user fees.

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DISTRICT #2 DEBT SERVICE – CASH FLOW – EXHIBIT

III

Exhibit III presents the cash flow forecasts for the Series 2020, Series 2022, Series 2025 and Series 2030 limited tax General Obligation Bonds, and demonstrates that the annual debt service requirements can be maintained, and the bonds redeemed, on a reasonable basis.

General obligation bonds are issued when the certified assessed valuation of the District will result in an outstanding debt to assessed ratio of 50% or less. Sizing of general obligation bonds so that the debt to assessed valuation ratio is always 50% or less will result in the lowest interest rates (and perhaps eliminate the need for debt service reserve funds).

Interest rates of 6.0% and 30-year amortization have been assumed for all issues.

SERVICE DISTRICT CAPITAL PROJECTS FUND – CASH FLOW – EXHIBIT

II

Exhibit III presents the detailed capital infrastructure requirements, the assumed Developer Capital Advances, and the repayment of the Developer Capital Advances from net bond proceeds.

The detailed capital expenditure requirements are presented by year. It is assumed that all capital expenditures will initially be funded from Developer Contributions (i.e., Loans). It is assumed that these Developer Contributions/Loans (the cumulative amount of the Developer Contributions/Loans without interest appears on the bottom line of Exhibit V) will be reimbursed to the Developer from net general obligation bond proceeds.

Disclaimer

The assumptions disclosed in the Financial Plan are those of the Developer and have not been independently reviewed by Stan Bernstein and Associates, Inc. Those assumptions identified are believed to be the significant factors in determining financial feasibility; however, they are likely not to be all-inclusive. There will usually be differences between forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material. Key assumptions – like those relating to market values of real property improvements and the buildout schedule of such property – are particularly sensitive in terms of the timing necessary to create the tax base for the District. A small variation in these variables, and to their timing, can have a large effect on the forecasted results. There is a high probability that the forecasted results will differ from realized future tax base factors and such variations can be material. Additionally, other key assumptions relating to inflation, assessment ratios,

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interest rates, and infrastructure, administrative, and operating costs may, and likely will, vary from those assumed.

Because Stan Bernstein and Associates, Inc. has not independently evaluated or reviewed the assumptions that the Financial Model is based upon, we do not vouch for the achievability (and disclaim any opinion) of the information presented on the accompanying Exhibit I and Schedule 1. Furthermore, because of the inherent nature of future events, which are subject to change and variation as events and circumstances change, the actual results may vary materially from the results presented on Exhibit I and Schedule 1. Stan Bernstein and Associates, Inc. has no responsibility or obligation to update this information or this Financial Model for events occurring after the date of this report.

LEE FARM METROPOLITAN DISTRICT #1 (SERVICE DISTRICT)
CASH FLOW FORECAST - BUDGETARY BASIS
GENERAL FUND
FOR THE YEARS ENDING DECEMBER 31, 2015 - 2035

DRAFT DATED 10-27-2015
SUBJECT TO CHANGE & REVISION

EXHIBIT I - CASH FLOW FORECAST - GENERAL FUND

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
1 INCREMENTAL RESIDENTIAL UNITS ADDED (SCHEDULE 1)	<u>0</u>	<u>0</u>	<u>44</u>	<u>119</u>	<u>182</u>	<u>154</u>	<u>79</u>	<u>60</u>	<u>56</u>	<u>21</u>	<u>12</u>	<u>9</u>
2 CUMULATIVE RESIDENTIAL UNITS ADDED	<u>0</u>	<u>0</u>	<u>44</u>	<u>163</u>	<u>345</u>	<u>499</u>	<u>578</u>	<u>638</u>	<u>694</u>	<u>715</u>	<u>727</u>	<u>736</u>
3												
4 ASSUMED MILL LEVY TRANSFER FROM LFMD #2	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>55</u>	<u>46</u>	<u>16</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>
5 ASSUMED MILL LEVY TRANSFER FROM LFMD #3	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>16</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>
6 ASSUMED MILL LEVY TRANSFER FROM LFMD #4	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>
7 ASSESSED VALUATION LFMD #2	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,377,447</u>	<u>5,252,156</u>	<u>8,970,094</u>	<u>10,433,601</u>	<u>10,433,601</u>	<u>10,642,274</u>	<u>10,642,274</u>	<u>10,855,119</u>
8 ASSESSED VALUATION LFMD #3	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,120,640</u>	<u>5,921,280</u>	<u>8,286,062</u>	<u>10,018,520</u>	<u>11,361,646</u>	<u>11,588,879</u>
9 ASSESSED VALUATION LFMD #4	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>359,579</u>	<u>1,245,748</u>	<u>2,304,393</u>	<u>3,451,895</u>
10												
11 ASSUMED ANNUAL USER FEE FOR POOL, REC CENTER, AND MAINTENANCE	<u>0</u>	<u>0</u>	<u>0</u>	<u>500</u>	<u>500</u>	<u>500</u>	<u>500</u>	<u>500</u>	<u>500</u>	<u>500</u>	<u>500</u>	<u>500</u>
12												
13 REVENUES:												
14 DEVELOPER CONTRIBUTION (REPAYMENT)	0	105,000	255,000	370,000	245,000	0	0	0	(60,000)	(100,000)	(125,000)	(125,000)
15 ANNUAL USER FEES FOR POOL, REC CENTER & MAINTENANCE	0	0	0	22,000	81,500	172,500	249,500	289,000	319,000	347,000	357,500	363,500
16 IGA PROPERTY TAX TRANSFER FROM LFMD #2	0	0	0	0	75,760	241,599	143,522	104,336	104,336	106,423	106,423	108,551
17 IGA PROPERTY TAX TRANSFER FROM LFMD #3	0	0	0	0	0	0	33,930	59,213	82,861	100,185	113,616	115,889
18 IGA PROPERTY TAX TRANSFER FROM LFMD #4	0	0	0	0	0	0	0	0	3,596	12,457	23,044	34,519
19 INTEREST INCOME - OTHER @ .25%	<u>0</u>	<u>0</u>	<u>7</u>	<u>14</u>	<u>25</u>	<u>33</u>	<u>41</u>	<u>50</u>	<u>91</u>	<u>93</u>	<u>102</u>	<u>99</u>
20 TOTAL REVENUES	<u>0</u>	<u>105,000</u>	<u>255,007</u>	<u>392,014</u>	<u>402,285</u>	<u>414,132</u>	<u>426,993</u>	<u>452,599</u>	<u>449,884</u>	<u>466,158</u>	<u>475,685</u>	<u>497,558</u>
21												
22 EXPENDITURES - (PER PINNACLE CONSULTING)												
23 LANDSCAPING	0	44,600	91,324	106,191	109,376	112,658	116,037	119,518	123,104	126,797	130,601	134,519
24 POOL	0	0	0	101,095	104,128	107,252	110,469	113,783	117,197	120,713	124,334	128,064
25 RECREATION CENTER	0	0	43,430	43,430	44,733	46,075	47,457	48,881	50,347	51,858	53,413	55,016
26 ADMINISTRATION	<u>0</u>	<u>57,441</u>	<u>117,618</u>	<u>136,765</u>	<u>140,868</u>	<u>145,094</u>	<u>149,447</u>	<u>153,930</u>	<u>158,548</u>	<u>163,305</u>	<u>168,204</u>	<u>173,250</u>
27 TOTAL EXPENDITURES	<u>0</u>	<u>102,041</u>	<u>252,372</u>	<u>387,481</u>	<u>399,105</u>	<u>411,078</u>	<u>423,410</u>	<u>436,113</u>	<u>449,196</u>	<u>462,672</u>	<u>476,552</u>	<u>490,849</u>
28												
29 EXCESS REVENUES AND BONDS OVER EXPENDITURES	<u>0</u>	<u>2,959</u>	<u>2,636</u>	<u>4,533</u>	<u>3,180</u>	<u>3,054</u>	<u>3,582</u>	<u>16,486</u>	<u>687</u>	<u>3,486</u>	<u>(868)</u>	<u>6,710</u>
30												
31 FUND BALANCE - JANUARY 1	<u>0</u>	<u>0</u>	<u>2,959</u>	<u>5,594</u>	<u>10,128</u>	<u>13,308</u>	<u>16,362</u>	<u>19,944</u>	<u>36,430</u>	<u>37,118</u>	<u>40,604</u>	<u>39,737</u>
32												
33 FUND BALANCE - DECEMBER 31	<u>0</u>	<u>2,959</u>	<u>5,594</u>	<u>10,128</u>	<u>13,308</u>	<u>16,362</u>	<u>19,944</u>	<u>36,430</u>	<u>37,118</u>	<u>40,604</u>	<u>39,737</u>	<u>46,446</u>

SEE CONSULTANT'S REPORT AND DISCLAIMER.

LEE FARM METROPOLITAN DISTRICT #1 (SERVICE DISTRICT)
 CASH FLOW FORECAST - BUDGETARY BASIS
 GENERAL FUND
 FOR THE YEARS ENDING DECEMBER 31, 2015 - 2035

EXHIBIT I - CASH FLOW FORECAST - GENERAL FUND

	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>2031</u>	<u>2032</u>	<u>2033</u>	<u>2034</u>	<u>2035</u>	<u>TOTALS</u>
1 INCREMENTAL RESIDENTIAL UNITS ADDED (SCHEDULE 1)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>736</u>
2 CUMULATIVE RESIDENTIAL UNITS ADDED	<u>736</u>	<u>736</u>	<u>736</u>	<u>736</u>	<u>736</u>	<u>736</u>	<u>736</u>	<u>736</u>	<u>736</u>	<u>736</u>
3										
4 ASSUMED MILL LEVY TRANSFER FROM LFMD #2	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>	
5 ASSUMED MILL LEVY TRANSFER FROM LFMD #3	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>	
6 ASSUMED MILL LEVY TRANSFER FROM LFMD #4	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>	
7 ASSESSED VALUATION LFMD #2	<u>10,855,119</u>	<u>11,072,221</u>	<u>11,072,221</u>	<u>11,293,666</u>	<u>11,293,666</u>	<u>11,519,539</u>	<u>11,519,539</u>	<u>11,749,930</u>	<u>11,749,930</u>	<u>170,732,397</u>
8 ASSESSED VALUATION LFMD #3	<u>11,588,879</u>	<u>11,820,656</u>	<u>11,820,656</u>	<u>12,057,069</u>	<u>12,057,069</u>	<u>12,298,211</u>	<u>12,298,211</u>	<u>12,544,175</u>	<u>12,544,175</u>	<u>158,326,128</u>
9 ASSESSED VALUATION LFMD #4	<u>4,119,775</u>	<u>4,739,043</u>	<u>4,739,043</u>	<u>4,833,824</u>	<u>4,833,824</u>	<u>4,930,501</u>	<u>4,930,501</u>	<u>5,029,111</u>	<u>5,029,111</u>	<u>50,546,347</u>
10										
11 ASSUMED ANNUAL USER FEE FOR POOL, REC CENTER, AND MAINTENANCE	<u>500</u>	<u>500</u>	<u>500</u>	<u>500</u>	<u>500</u>	<u>500</u>	<u>500</u>	<u>500</u>	<u>500</u>	
12										
13 REVENUES:										
14 DEVELOPER CONTRIBUTION (REPAYMENT)	(125,000)	(125,000)	(100,000)	(100,000)	(115,000)	0	0	0	0	0
15 ANNUAL USER FEES FOR POOL, REC CENTER & MAINTENANCE	368,000	368,000	368,000	368,000	368,000	368,000	368,000	368,000	368,000	5,513,500
16 IGA PROPERTY TAX TRANSFER FROM LFMD #2	108,551	110,722	110,722	112,937	112,937	115,195	115,195	117,499	117,499	2,012,207
17 IGA PROPERTY TAX TRANSFER FROM LFMD #3	115,889	118,207	118,207	120,571	120,571	122,982	122,982	125,442	125,442	1,595,985
18 IGA PROPERTY TAX TRANSFER FROM LFMD #4	41,198	47,390	47,390	48,338	48,338	49,305	49,305	50,291	50,291	505,463
19 INTEREST INCOME - OTHER @ .25%	<u>116</u>	<u>124</u>	<u>121</u>	<u>141</u>	<u>135</u>	<u>50</u>	<u>223</u>	<u>353</u>	<u>453</u>	<u>2,272</u>
20 TOTAL REVENUES	<u>508,754</u>	<u>519,443</u>	<u>544,440</u>	<u>549,987</u>	<u>534,980</u>	<u>655,532</u>	<u>655,706</u>	<u>661,586</u>	<u>661,685</u>	<u>9,629,427</u>
21										
22 EXPENDITURES - (PER PINNACLE CONSULTING)										
23 LANDSCAPING	138,555	142,711	146,992	151,402	155,944	160,623	165,441	170,405	175,517	2,622,314
24 POOL	131,906	135,863	139,939	144,137	148,461	152,915	157,503	162,228	167,095	2,367,082
25 RECREATION CENTER	56,666	58,366	60,117	61,921	63,778	65,692	67,663	69,692	71,783	1,060,319
26 ADMINISTRATION	<u>178,447</u>	<u>183,801</u>	<u>189,315</u>	<u>194,994</u>	<u>200,844</u>	<u>206,869</u>	<u>213,075</u>	<u>219,468</u>	<u>226,052</u>	<u>3,377,334</u>
27 TOTAL EXPENDITURES	<u>505,574</u>	<u>520,741</u>	<u>536,364</u>	<u>552,455</u>	<u>569,028</u>	<u>586,099</u>	<u>603,682</u>	<u>621,792</u>	<u>640,446</u>	<u>9,427,050</u>
28										
29 EXCESS REVENUES AND BONDS OVER EXPENDITURES	<u>3,180</u>	<u>(1,298)</u>	<u>8,076</u>	<u>(2,468)</u>	<u>(34,048)</u>	<u>69,433</u>	<u>52,024</u>	<u>39,793</u>	<u>21,239</u>	<u>202,377</u>
30										
31 FUND BALANCE - JANUARY 1	<u>46,446</u>	<u>49,626</u>	<u>48,328</u>	<u>56,404</u>	<u>53,936</u>	<u>19,888</u>	<u>89,322</u>	<u>141,345</u>	<u>181,138</u>	<u>0</u>
32										
33 FUND BALANCE - DECEMBER 31	<u>49,626</u>	<u>48,328</u>	<u>56,404</u>	<u>53,936</u>	<u>19,888</u>	<u>89,322</u>	<u>141,345</u>	<u>181,138</u>	<u>202,377</u>	<u>202,377</u>

SEE CONSULTANT'S REPORT AND DISCLAIMER.

LEE FARM METROPOLITAN DISTRICT #1 (SERVICE DISTRICT)
CASH FLOW FORECAST - BUDGETARY BASIS
CAPITAL PROJECTS FUND
FOR THE YEARS ENDING DECEMBER 31, 2015 THROUGH 2030

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DRAFT DATED 10-27-2015
SUBJECT TO CHANGE & REVISION

EXHIBIT II - CAPITAL PROJECTS FUND
UNINFLATED

	<u>Totals</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
1 CAPITAL EXPENDITURES: (Source: Pinnacle Consulting Group, Inc.)									
2									
3 INDIRECT CONSTRUCTION COSTS									
4 PERMITS AND FEES	130,000	0	0	0	0	0	0	0	0
5 ENGINEERING AND DESIGN	4,174,256	0	0	0	0	0	0	0	0
6 LEGAL AND ACCOUNTING	<u>100,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
7 SUBTOTAL INDIRECT CONSTRUCTION COSTS	<u>4,404,256</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
8									
9 FORMATION AND ORGANIZATION									
10 LEGAL	50,000	0	0	0	0	0	0	0	0
11 ENGINEERING	15,000	0	0	0	0	0	0	0	0
12 FINANCIAL	7,500								
13 MANAGEMENT/ADMINISTRATIVE	<u>35,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
14 SUBTOTAL FORMATION AND ORGANIZATION	<u>107,500</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
15									
16 DIRECT CONSTRUCTION COSTS									
17 REMOVALS	970,225	0	0	0	0	0	0	0	0
18 EARTHWORK	3,263,125	0	0	0	0	0	0	0	0
19 SANITARY SEWER	3,735,639	0	0	0	0	0	0	0	0
20 SITE PERIMETER DRAIN	85,000								
21 DOMESTIC WATER	4,822,201	0	0	0	0	0	0	0	0
22 STORM SEWER	2,043,108	0	0	0	0	0	0	0	0
23 STREETS (CONCRETE, ASPHALT)	9,243,410	0	0	0	0	0	0	0	0
24 IRRIGATION SYSTEM	0	0	0	0	0	0	0	0	0
25 LANDSCAPING	4,149,595	0	0	0	0	0	0	0	0
26 PARK AMENITIES	1,300,000								
27 DRY UTILITIES	102,800	0	0	0	0	0	0	0	0
28	495,650								
29 MISCELLANEOUS	450,000	0	0	0	0	0	0	0	0
30 CONSTRUCTION CONTINGENCY	3,900,000	0	0	0	0	0	0	0	0
31 OFFSITE IMPROVEMENTS	<u>850,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
32 SUBTOTAL PUBLIC PROJECTS	<u>35,410,753</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
33									
34 TOTAL CAPITAL EXPENDITURES BY YEAR	<u>39,922,510</u>	<u>39,922,510</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
35									
36 CAPITAL EXPENDITURE FUNDING SOURCES:									
37 DEVELOPER CAPITAL LOANS	39,922,510	39,922,510	0	0	0	0	0	0	0
38 REPAYMENT OF DEVELOPER CAPITAL LOANS	(16,694,000)	0	0	0	0	0	(5,115,000)	0	(3,813,000)
39 NET G.O. BOND PROCEEDS TRANSFERRED FROM DIST. 2	14,694,000	0	0	0	0	0	5,115,000	0	3,813,000
40 TRANSFER OF EXCESS REVENUE FROM DIST #2	2,000,000	0	0	0	0	0	0	0	0
41 DEVELOPER PERMANENT CONTRIBUTION	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
42 TOTAL CAPITAL EXPENDITURE FUNDING SOURCES	<u>39,922,510</u>	<u>39,922,510</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
43									
44 EXCESS FUNDING SOURCES OVER CAPITAL EXPENDITURES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
45									
46 FUND BALANCE - JANUARY 1	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
47									
48 FUND BALANCE - DECEMBER 31	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
49									
50									
51 CUMULATIVE DEVELOPER CAPITAL LOANS OUTSTANDING (w/o interes	<u>23,228,510</u>	<u>39,922,510</u>	<u>39,922,510</u>	<u>39,922,510</u>	<u>39,922,510</u>	<u>39,922,510</u>	<u>34,807,510</u>	<u>34,807,510</u>	<u>30,994,510</u>

SEE CONSULTANT'S REPORT AND DISCLAIMER.

LEE FARM METROPOLITAN DISTRICT #1 (SERVICE DISTRICT)
CASH FLOW FORECAST - BUDGETARY BASIS
CAPITAL PROJECTS FUND
FOR THE YEARS ENDING DECEMBER 31, 2015 THROUGH 2030

P. 231

EXHIBIT II - CAPITAL PROJECTS FUND
UNINFLATED

	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>TOTALS</u>
CAPITAL EXPENDITURES: (Source: Pinnacle Consulting Group, Inc.)									
INDIRECT CONSTRUCTION COSTS									
PERMITS AND FEES	0	0	0	0	0	0	0	0	130,000
ENGINEERING AND DESIGN	0	0	0	0	0	0	0	0	4,174,256
LEGAL AND ACCOUNTING	0	0	0	0	0	0	0	0	100,000
SUBTOTAL INDIRECT CONSTRUCTION COSTS	0	0	0	0	0	0	0	0	4,404,256
FORMATION AND ORGANIZATION									
LEGAL	0	0	0	0	0	0	0	0	50,000
ENGINEERING	0	0	0	0	0	0	0	0	15,000
FINANCIAL									
MANAGEMENT/ADMINISTRATIVE	0	0	0	0	0	0	0	0	35,000
SUBTOTAL FORMATION AND ORGANIZATION	0	0	0	0	0	0	0	0	107,500
DIRECT CONSTRUCTION COSTS									
REMOVALS	0	0	0	0	0	0	0	0	970,225
EARTHWORK	0	0	0	0	0	0	0	0	3,263,125
SANITARY SEWER	0	0	0	0	0	0	0	0	3,735,639
SITE PERIMETER DRAIN									
DOMESTIC WATER	0	0	0	0	0	0	0	0	4,822,201
STORM SEWER	0	0	0	0	0	0	0	0	2,043,108
STREETS (CONCRETE, ASPHALT)	0	0	0	0	0	0	0	0	9,243,410
IRRIGATION SYSTEM	0	0	0	0	0	0	0	0	0
LANDSCAPING	0	0	0	0	0	0	0	0	4,149,595
PARK AMENITIES									
DRY UTILITIES	0	0	0	0	0	0	0	0	102,800
MISCELLANEOUS	0	0	0	0	0	0	0	0	450,000
CONSTRUCTION CONTINGENCY	0	0	0	0	0	0	0	0	
OFFSITE IMPROVEMENTS	0	0	0	0	0	0	0	0	850,000
SUBTOTAL PUBLIC PROJECTS	0	0	0	0	0	0	0	0	35,410,753
TOTAL CAPITAL EXPENDITURES BY YEAR	0	0	0	0	0	0	0	0	39,922,510
CAPITAL EXPENDITURE FUNDING SOURCES:									
DEVELOPER CAPITAL LOANS	0	0	0	0	0	0	0	0	39,922,510
REPAYMENT OF DEVELOPER CAPITAL LOANS	0	0	(3,534,000)	(1,000,000)	0	0	0	(3,232,000)	(16,694,000)
NET G.O. BOND PROCEEDS TRANSFERRED FROM DIST. 2	0	0	3,534,000	0	0	0	0	2,232,000	14,694,000
TRANSFER OF EXCESS REVENUE FROM DIST #2	0	0	0	1,000,000	0	0	0	1,000,000	2,000,000
DEVELOPER PERMANENT CONTRIBUTION	0	0	0	0	0	0	0	0	0
TOTAL CAPITAL EXPENDITURE FUNDING SOURCES	0	0	0	0	0	0	0	0	39,922,510
EXCESS FUNDING SOURCES OVER CAPITAL EXPENDITURES	0	0	0	0	0	0	0	0	0
FUND BALANCE - JANUARY 1	0	0	0	0	0	0	0	0	0
FUND BALANCE - DECEMBER 31	0	0	0	0	0	0	0	0	0
CUMULATIVE DEVELOPER CAPITAL LOANS OUTSTANDING (w/o interes	30,994,510	30,994,510	27,460,510	26,460,510	26,460,510	26,460,510	26,460,510	23,228,510	23,228,510

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EXHIBIT III - CASH FLOW FORECAST - DISTRICT #2

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
1 INCREMENTAL UNITS ADDED (SCHEDULE 2)	0	0	44	119	114	39	0	0	0	0	0
2 CUMULATIVE UNITS ADDED	0	0	44	163	277	316	316	316	316	316	316
3 ASSESSED VALUATION (SCH. 2)	0	0	0	0	1,377,447	5,252,156	8,970,094	10,433,601	10,433,601	10,642,274	10,642,274
4 MILL LEVY	0.00	0.00	0.00	0.00	55.00	55.00	55.00	55.00	55.00	55.00	50.00
5											
6 REVENUES:											
7 PROPERTY TAXES	0	0	0	0	75,760	288,869	493,355	573,848	573,848	585,325	532,114
8 SPECIFIC OWNERSHIP TAXES @ 8% OF PROP. TAXES	0	0	0	0	6,061	23,109	39,468	45,908	45,908	46,826	42,569
9 IGA PROPERTY TAX TRANSFER FROM LFMD #3	0	0	0	0	0	0	87,286	284,536	399,313	483,371	488,015
10 IGA PROPERTY TAX TRANSFER FROM LFMD #4	0	0	0	0	0	0	0	0	14,467	57,422	96,482
11 INTEREST INCOME - OTHER @ .25%	0	0	0	0	0	2	152	310	1,271	1,811	2,690
12 TOTAL REVENUES	0	0	0	0	81,820	311,980	620,262	904,602	1,034,806	1,174,756	1,161,870
13											
14 EXPENDITURES:											
15 1.5% WELD COUNTY TREASURER'S COLLECTION FEE	0	0	0	0	1,136	4,333	7,400	8,608	8,608	8,780	7,982
16 IGA TRANSFER TO LFMD #1	0	0	0	0	75,760	241,599	143,522	104,336	104,336	106,423	106,423
17 SERIES 2020 G.O. BONDS DEBT SERVICE (SCH.)	0	0	0	0	0	0	400,000	400,800	401,300	401,500	401,400
18 SERIES 2022 2G.O. BONDS DEBT SERVICE (SCH.)	0	0	0	0	0	0	0	0	296,000	298,000	299,700
19 SERIES 2025 G.O. BONDS DEBT SERVICE (SCH.)	0	0	0	0	0	0	0	0	0	0	0
20 SERIES 2030 G.O. BONDS DEBT SERVICE (SCH.)	0	0	0	0	0	0	0	0	0	0	0
21 ADMINISTRATIVE ALLOWANCE	0	0	0	0	4,000	4,120	4,244	4,371	4,502	4,637	4,776
22 BOND PAYING AGENT FEES	0	0	0	0	0	2,000	2,000	2,000	4,000	4,000	4,000
23 TOTAL EXPENDITURES	0	0	0	0	80,896	252,052	557,165	520,115	818,746	823,340	824,281
24											
25 EXCESS REVENUES OVER (UNDER) EXPENDITURES	0	0	0	0	924	59,928	63,097	384,487	216,061	351,416	337,589
26											
27 BOND PROCEEDS AND TRANSFERS TO LFMD #1 CAPITAL PROJECTS FUND:											
28 TRANSFER OF NET G.O. BOND PROCEEDS TO LFMD #1 CAPITAL PROJECTS FUND	0	0	0	0	0	(5,115,000)	0	(3,813,000)	0	0	(3,534,000)
29 TRANSFER OF EXCESS REVENUE TO CAPITAL PROJECTS FUND	0	0	0	0	0	0	0	0	0	0	0
30 PROCEEDS FROM G.O. BONDS (SCH. 2)	0	0	0	0	0	5,500,000	0	4,100,000	0	0	3,800,000
31 COSTS OF BOND ISSUANCE	0	0	0	0	0	(385,000)	0	(287,000)	0	0	(266,000)
32 TOTAL BOND PROCEEDS AND TRANSFERS TO LFMD # 1 CAPITAL PROJECTS FUND	0	0	0	0	0	0	0	0	0	0	0
33											
34 FUND BALANCE - JANUARY 1	0	0	0	0	0	924	60,853	123,949	508,436	724,497	1,075,913
35											
36 FUND BALANCE - DECEMBER 31	0	0	0	0	924	60,853	123,949	508,436	724,497	1,075,913	1,413,502
37											
38 TOTAL NON-RATED G.O. BONDS OUTSTANDING @ 12/31	0	0	0	0	0	5,500,000	5,430,000	9,455,000	9,325,000	9,185,000	12,835,000
39 % OF NON-RATED G.O. BONDS OUTSTANDING/ASSESSED VALUE	0	0	0	0	0	49.59%	33.20%	49.56%	42.57%	37.79%	49.56%
40 TOTAL ASSESSED VALUE LFMD #2, #3, #4	0	0	0	0	1,377,447	5,252,156	11,090,734	16,354,881	19,079,243	21,906,542	24,308,312

SEE CONSULTANT'S REPORT AND DISCLAIMER.

EXHIBIT III - CASH FLOW FORECAST - DISTRICT #2

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
1 INCREMENTAL UNITS ADDED (SCHEDULE 2)	0	0	0	0	0	0	0	0	0	0	0
2 CUMULATIVE UNITS ADDED	<u>316</u>	<u>316</u>	<u>316</u>	<u>316</u>	<u>316</u>	<u>316</u>	<u>316</u>	<u>316</u>	<u>316</u>	<u>316</u>	<u>316</u>
3 ASSESSED VALUATION (SCH. 2)	<u>10,855,119</u>	<u>10,855,119</u>	<u>11,072,221</u>	<u>11,072,221</u>	<u>11,293,666</u>	<u>11,293,666</u>	<u>11,519,539</u>	<u>11,519,539</u>	<u>11,749,930</u>	<u>11,749,930</u>	<u>11,984,928</u>
4 MILL LEVY	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>46.00</u>	<u>46.00</u>
5											
6 REVENUES:											
7 PROPERTY TAXES	542,756	542,756	553,611	553,611	564,683	564,683	575,977	575,977	587,496	540,497	551,307
8 SPECIFIC OWNERSHIP TAXES @ 8% OF PROP. TAXES	43,420	43,420	44,289	44,289	45,175	45,175	46,078	46,078	47,000	43,240	44,105
9 IGA PROPERTY TAX TRANSFER FROM LFMD #3	497,741	497,637	507,554	507,443	517,554	517,437	527,745	527,620	538,130	484,560	494,205
10 IGA PROPERTY TAX TRANSFER FROM LFMD #4	146,016	174,804	201,486	201,381	205,373	205,263	209,330	209,212	213,356	191,808	195,601
11 INTEREST INCOME - OTHER @ .25%	3,534	1,361	1,759	2,268	2,787	852	972	1,149	1,336	1,585	1,514
12 TOTAL REVENUES	<u>1,233,468</u>	<u>1,259,978</u>	<u>1,308,699</u>	<u>1,308,993</u>	<u>1,335,572</u>	<u>1,333,409</u>	<u>1,360,102</u>	<u>1,360,036</u>	<u>1,387,318</u>	<u>1,261,689</u>	<u>1,286,732</u>
13											
14 EXPENDITURES:											
15 1.5% WELD COUNTY TREASURER'S COLLECTION FEE	8,141	8,141	8,304	8,304	8,470	8,470	8,640	8,640	8,812	8,107	8,270
16 IGA TRANSFER TO LFMD #1	108,551	108,551	110,722	110,722	112,937	112,937	115,195	115,195	117,499	117,499	119,849
17 SERIES 2020 G.O. BONDS DEBT SERVICE (SCH.)	401,000	400,300	399,300	398,000	401,400	399,200	401,700	398,600	400,200	401,200	401,600
18 SERIES 2022 2G.O. BONDS DEBT SERVICE (SCH.)	296,100	297,500	298,600	299,400	299,900	300,100	300,000	299,600	298,900	297,900	296,600
19 SERIES 2025 G.O. BONDS DEBT SERVICE (SCH.)	278,000	275,000	277,000	273,700	275,400	276,800	277,900	273,700	274,500	275,000	275,200
20 SERIES 2030 G.O. BONDS DEBT SERVICE (SCH.)	0	0	0	0	0	174,000	172,200	175,400	173,300	176,200	173,800
21 ADMINISTRATIVE ALLOWANCE	4,919	5,067	5,219	5,376	5,537	5,703	5,874	6,050	6,232	6,419	6,611
22 BOND PAYING AGENT FEES	6,000	6,000	6,000	6,000	6,000	8,000	8,000	8,000	8,000	8,000	8,000
23 TOTAL EXPENDITURES	<u>1,102,712</u>	<u>1,100,560</u>	<u>1,105,145</u>	<u>1,101,502</u>	<u>1,109,644</u>	<u>1,285,210</u>	<u>1,289,509</u>	<u>1,285,185</u>	<u>1,287,444</u>	<u>1,290,326</u>	<u>1,289,930</u>
24											
25 EXCESS REVENUES OVER (UNDER) EXPENDITURES	<u>130,756</u>	<u>159,418</u>	<u>203,553</u>	<u>207,491</u>	<u>225,928</u>	<u>48,199</u>	<u>70,593</u>	<u>74,851</u>	<u>99,875</u>	<u>(28,636)</u>	<u>(3,199)</u>
26											
27 BOND PROCEEDS AND TRANSFERS TO LFMD #1 CAPITAL PROJECTS FUND:											
28 TRANSFER OF NET G.O. BOND PROCEEDS TO LFMD #1 CAPITAL PROJECTS FUND	0	0	0	0	(2,232,000)	0	0	0	0	0	0
29 TRANSFER OF EXCESS REVENUE TO CAPITAL PROJECTS FUND	(1,000,000)	0	0	0	(1,000,000)	0	0	0	0	0	0
30 PROCEEDS FROM G.O. BONDS (SCH. 2)	0	0	0	0	2,400,000	0	0	0	0	0	0
31 COSTS OF BOND ISSUANCE	0	0	0	0	(168,000)	0	0	0	0	0	0
32 TOTAL BOND PROCEEDS AND TRANSFERS TO LFMD # 1 CAPITAL PROJECTS FUND	<u>(1,000,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(1,000,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
33											
34 FUND BALANCE - JANUARY 1	<u>1,413,502</u>	<u>544,258</u>	<u>703,676</u>	<u>907,229</u>	<u>1,114,719</u>	<u>340,648</u>	<u>388,846</u>	<u>459,439</u>	<u>534,290</u>	<u>634,165</u>	<u>605,528</u>
35											
36 FUND BALANCE - DECEMBER 31	<u>544,258</u>	<u>703,676</u>	<u>907,229</u>	<u>1,114,719</u>	<u>340,648</u>	<u>388,846</u>	<u>459,439</u>	<u>534,290</u>	<u>634,165</u>	<u>605,528</u>	<u>602,330</u>
37											
38 TOTAL NON-RATED G.O. BONDS OUTSTANDING @ 12/31	<u>12,630,000</u>	<u>12,415,000</u>	<u>12,185,000</u>	<u>11,945,000</u>	<u>14,085,000</u>	<u>13,780,000</u>	<u>13,455,000</u>	<u>13,115,000</u>	<u>12,755,000</u>	<u>12,370,000</u>	<u>11,965,000</u>
39 % OF NON-RATED G.O. BONDS OUTSTANDING/ASSESSED VALUE	<u>47.55%</u>	<u>44.93%</u>	<u>44.10%</u>	<u>42.38%</u>	<u>49.97%</u>	<u>47.93%</u>	<u>46.80%</u>	<u>44.73%</u>	<u>43.50%</u>	<u>41.36%</u>	<u>40.00%</u>
40											
41 TOTAL ASSESSED VALUE LFMD #2, #3, #4	<u>25,895,893</u>	<u>26,563,772</u>	<u>27,631,921</u>	<u>27,631,921</u>	<u>28,184,559</u>	<u>28,184,559</u>	<u>28,748,250</u>	<u>28,748,250</u>	<u>29,323,215</u>	<u>29,323,215</u>	<u>29,909,680</u>

SEE CONSULTANT'S REPORT AND DISCLAIMER.

EXHIBIT III - CASH FLOW FORECAST - DISTRICT #2

	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047
1 INCREMENTAL UNITS ADDED (SCHEDULE 2)	0	0	0	0	0	0	0	0	0	0	0
2 CUMULATIVE UNITS ADDED	316	316	316	316	316	316	316	316	316	316	316
3 ASSESSED VALUATION (SCH. 2)	11,984,928	12,224,627	12,224,627	12,469,120	12,469,120	12,718,502	12,718,502	12,972,872	12,972,872	13,232,329	13,232,329
4 MILL LEVY	46.00	46.00	46.00	44.00	44.00	44.00	44.00	44.00	44.00	44.00	44.00
5											
6 REVENUES:											
7 PROPERTY TAXES	551,307	562,333	562,333	548,641	548,641	559,614	559,614	570,806	570,806	582,222	582,222
8 SPECIFIC OWNERSHIP TAXES @ 8% OF PROP. TAXES	44,105	44,987	44,987	43,891	43,891	44,769	44,769	45,665	45,665	46,578	46,578
9 IGA PROPERTY TAX TRANSFER FROM LFMD #3	494,065	503,898	503,750	485,419	485,261	494,912	494,745	504,582	504,405	514,432	514,243
10 IGA PROPERTY TAX TRANSFER FROM LFMD #4	195,469	199,333	199,193	191,761	191,612	195,393	195,235	199,086	198,918	202,839	202,662
11 INTEREST INCOME - OTHER @ .25%	1,506	1,482	1,531	1,572	1,504	1,436	1,418	1,398	1,440	1,478	1,578
12 TOTAL REVENUES	1,286,451	1,312,033	1,311,793	1,271,285	1,270,909	1,296,124	1,295,781	1,321,537	1,321,234	1,347,549	1,347,283
13											
14 EXPENDITURES:											
15 1.5% WELD COUNTY TREASURER'S COLLECTION FEE	8,270	8,435	8,435	8,230	8,230	8,394	8,394	8,562	8,562	8,733	8,733
16 IGA TRANSFER TO LFMD #1	119,849	122,246	122,246	124,691	124,691	127,185	127,185	129,729	129,729	132,323	132,323
17 SERIES 2020 G.O. BONDS DEBT SERVICE (SCH.)	401,400	400,600	399,200	402,200	399,300	400,800	401,100	399,900	399,900	397,800	399,800
18 SERIES 2022 2G.O. BONDS DEBT SERVICE (SCH.)	300,000	297,800	300,300	297,200	298,800	299,800	300,200	300,000	299,200	297,800	295,800
19 SERIES 2025 G.O. BONDS DEBT SERVICE (SCH.)	275,100	274,700	274,000	278,000	276,400	274,500	277,300	274,500	276,400	277,700	278,400
20 SERIES 2030 G.O. BONDS DEBT SERVICE (SCH.)	176,400	173,700	176,000	173,000	175,000	176,700	173,100	174,500	175,600	176,400	176,900
21 ADMINISTRATIVE ALLOWANCE	6,810	7,014	7,224	7,441	7,664	7,894	8,131	8,375	8,626	8,885	9,152
22 BOND PAYING AGENT FEES	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
23 TOTAL EXPENDITURES	1,295,829	1,292,495	1,295,406	1,298,762	1,298,085	1,303,274	1,303,710	1,304,766	1,306,017	1,307,642	1,309,108
24											
25 EXCESS REVENUES OVER (UNDER) EXPENDITURES	(9,377)	19,538	16,387	(27,477)	(27,176)	(7,149)	(7,929)	16,771	15,217	39,907	38,175
26 BOND PROCEEDS AND TRANSFERS TO LFMD #1 CAPITAL PROJECTS FUND:											
27 TRANSFER OF NET G.O. BOND PROCEEDS TO LFMD #1 CAPITAL PROJECTS FUND	0	0	0	0	0	0	0	0	0	0	0
28 TRANSFER OF EXCESS REVENUE TO CAPITAL PROJECTS FUND	0	0	0	0	0	0	0	0	0	0	0
29 PROCEEDS FROM G.O. BONDS (SCH. 2)	0	0	0	0	0	0	0	0	0	0	0
30 COSTS OF BOND ISSUANCE	0	0	0	0	0	0	0	0	0	0	0
31 TOTAL BOND PROCEEDS AND TRANSFERS TO LFMD # 1 CAPITAL PROJECTS FUND	0	0	0	0	0	0	0	0	0	0	0
32											
33 FUND BALANCE - JANUARY 1	602,330	592,952	612,490	628,878	601,400	574,224	567,075	559,146	575,917	591,133	631,041
34											
35 FUND BALANCE - DECEMBER 31	592,952	612,490	628,878	601,400	574,224	567,075	559,146	575,917	591,133	631,041	669,215
36											
37 TOTAL NON-RATED G.O. BONDS OUTSTANDING @ 12/31	11,530,000	11,075,000	10,590,000	10,075,000	9,530,000	8,950,000	8,335,000	7,685,000	6,995,000	6,265,000	5,490,000
38 % OF NON-RATED G.O. BONDS OUTSTANDING/ASSESSED VALUE	37.79%	36.30%	34.03%	32.38%	30.02%	28.20%	25.75%	23.74%	21.18%	18.97%	16.30%
39 TOTAL ASSESSED VALUE LFMD #2, #3, #4	29,909,680	30,507,873	30,507,873	31,118,031	31,118,031	31,740,391	31,740,391	32,375,199	32,375,199	33,022,703	33,022,703

SEE CONSULTANT'S REPORT AND DISCLAIMER.

LEE FARM METROPOLITAN DISTRICT # 2
CASH FLOW FORECAST - BUDGETARY BASIS
CAHS FLOW AND DEBT SERVICE FUND
FOR THE YEARS ENDING DECEMBER 31, 2015 - 2030

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EXHIBIT III - CASH FLOW FORECAST - DISTRICT #2

	<u>2048</u>	<u>2049</u>	<u>2050</u>	<u>2051</u>	<u>TOTALS</u>
1 INCREMENTAL UNITS ADDED (SCHEDULE 2)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>316</u>
2 CUMULATIVE UNITS ADDED	<u>316</u>	<u>316</u>	<u>316</u>	<u>316</u>	<u>316</u>
3 ASSESSED VALUATION (SCH. 2)	<u>13,496,976</u>	<u>13,496,976</u>	<u>13,766,916</u>	<u>13,766,916</u>	13,766,916
4 MILL LEVY	<u>44.00</u>	<u>44.00</u>	<u>44.00</u>	<u>44.00</u>	
5					
6 REVENUES:					
7 PROPERTY TAXES	593,867	593,867	605,744	605,744	17,874,236
8 SPECIFIC OWNERSHIP TAXES @ 8% OF PROP. TAXES	47,509	47,509	48,460	48,460	1,429,939
9 IGA PROPERTY TAX TRANSFER FROM LFMD #3	524,463	524,264	534,680	534,468	14,977,734
10 IGA PROPERTY TAX TRANSFER FROM LFMD #4	206,654	206,466	210,530	210,330	5,327,483
11 INTEREST INCOME - OTHER @ .25%	1,673	1,819	1,975	2,373	49,534
12 TOTAL REVENUES	<u>1,374,167</u>	<u>1,373,925</u>	<u>1,401,389</u>	<u>1,401,375</u>	<u>39,658,926</u>
13					
14 EXPENDITURES:					
15 1.5% WELD COUNTY TREASURER'S COLLECTION FEE	8,908	8,908	9,086	9,086	268,114
16 IGA TRANSFER TO LFMD #1	134,970	134,970	137,669	137,669	4,069,533
17 SERIES 2020 G.O. BONDS DEBT SERVICE (SCH.)	400,600	400,200	328,600	0	11,940,400
18 SERIES 2022 2G.O. BONDS DEBT SERVICE (SCH.)	298,200	299,700	300,300	530,000	8,893,400
19 SERIES 2025 G.O. BONDS DEBT SERVICE (SCH.)	278,500	278,000	276,900	870,200	7,772,800
20 SERIES 2030 G.O. BONDS DEBT SERVICE (SCH.)	177,100	172,000	171,900	171,500	3,664,700
21 ADMINISTRATIVE ALLOWANCE	9,426	9,709	10,000	10,300	220,311
22 BOND PAYING AGENT FEES	8,000	8,000	8,000	6,000	214,000
23 TOTAL EXPENDITURES	<u>1,315,704</u>	<u>1,311,487</u>	<u>1,242,456</u>	<u>1,734,756</u>	<u>37,043,258</u>
24					
25 EXCESS REVENUES OVER (UNDER) EXPENDITURES	<u>58,463</u>	<u>62,438</u>	<u>158,934</u>	<u>(333,381)</u>	<u>2,615,669</u>
26					
27 BOND PROCEEDS AND TRANSFERS TO LFMD #1 CAPITAL PROJECTS FUND:					
28 TRANSFER OF NET G.O. BOND PROCEEDS TO LFMD #1 CAPITAL PROJECTS FUND	0	0	0	0	(14,694,000)
29 TRANSFER OF EXCESS REVENUE TO CAPITAL PROJECTS FUND	0	0	0	0	(2,000,000)
30 PROCEEDS FROM G.O. BONDS (SCH. 2)	0	0	0	0	15,800,000
31 COSTS OF BOND ISSUANCE	0	0	0	0	(1,106,000)
32 TOTAL BOND PROCEEDS AND TRANSFERS TO LFMD # 1 CAPITAL PROJECTS FUND	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(2,000,000)</u>
33					
34 FUND BALANCE - JANUARY 1	<u>669,215</u>	<u>727,678</u>	<u>790,116</u>	<u>949,050</u>	<u>0</u>
35					
36 FUND BALANCE - DECEMBER 31	<u>727,678</u>	<u>790,116</u>	<u>949,050</u>	<u>615,669</u>	<u>615,669</u>
37					
38 TOTAL NON-RATED G.O. BONDS OUTSTANDING @ 12/31	<u>4,665,000</u>	<u>3,795,000</u>	<u>2,945,000</u>	<u>1,550,000</u>	
39 % OF NON-RATED G.O. BONDS OUTSTANDING/ASSESSED VALUE	<u>13.85%</u>	<u>11.05%</u>	<u>8.57%</u>	<u>4.42%</u>	
40 TOTAL ASSESSED VALUE LFMD #2, #3, #4	<u>33,683,157</u>	<u>33,683,157</u>	<u>34,356,821</u>	<u>34,356,821</u>	

SEE CONSULTANT'S REPORT AND DISCLAIMER.

SCHEDULE 1 - GENERAL OBLIGATION BOND ISSUES
AND DEBT SERVICE REQUIREMENTS

BOND ISSUES

SIZE OF GENERAL OBLIGATION BOND ISSUES				
BOND ISSUE DATE	NET PROCEEDS	CAPITALIZED INTEREST	OTHER COSTS	GROSS BOND ISSUE
12/01/2020 NON-RATED	5,115,000	0	385,000	5,500,000
12/01/2022 NON-RATED	3,813,000	0	287,000	4,100,000
12/01/2025 NON-RATED	3,534,000	0	266,000	3,800,000
12/01/2030 NON-RATED	2,232,000	0	168,000	2,400,000
TOTALS	14,694,000	0	1,106,000	15,800,000

ANNUAL DEBT SERVICE REQUIREMENTS

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
0	0	0	0	0	0	400,000	400,800	401,300	401,500	401,400
0	0	0	0	0	0	0	0	296,000	298,000	299,700
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	400,000	400,800	697,300	699,500	701,100

DETAILED ANNUAL DEBT SERVICE REQUIREMENTS:

12/01/2020 NON-RATED	NEW \$ 30 YR	PRINCIPAL	0	0	0	0	0	0	70,000	75,000	80,000	85,000	90,000
		INTEREST @ 6.0%	0	0	0	0	0	0	330,000	325,800	321,300	316,500	311,400
		TOTAL DEBT SERVICE	0	0	0	0	0	0	400,000	400,800	401,300	401,500	401,400
		TOTAL G.O. BONDS OUTSTANDING @ 12/31	0	0	0	0	0	5,500,000	5,430,000	5,355,000	5,275,000	5,190,000	5,100,000
12/01/2022 NON-RATED	NEW \$ 30 YR	PRINCIPAL	0	0	0	0	0	0	0	0	50,000	55,000	60,000
		INTEREST @ 6.0%	0	0	0	0	0	0	0	0	246,000	243,000	239,700
		TOTAL DEBT SERVICE	0	0	0	0	0	0	0	0	296,000	298,000	299,700
		TOTAL G.O. BONDS OUTSTANDING @ 12/31	0	0	0	0	0	0	0	4,100,000	4,050,000	3,995,000	3,935,000
12/01/2025 NON-RATED	NEW \$ 30 YR	PRINCIPAL	0	0	0	0	0	0	0	0	0	0	0
		INTEREST @ 6.0%	0	0	0	0	0	0	0	0	0	0	0
		TOTAL DEBT SERVICE	0	0	0	0	0	0	0	0	0	0	0
		TOTAL G.O. BONDS OUTSTANDING @ 12/31	0	0	0	0	0	0	0	0	0	0	3,800,000
12/01/2030 NON-RATED	NEW \$ 30 YR	PRINCIPAL	0	0	0	0	0	0	0	0	0	0	0
		INTEREST @ 6.0%	0	0	0	0	0	0	0	0	0	0	0
		TOTAL DEBT SERVICE	0	0	0	0	0	0	0	0	0	0	0
		TOTAL G.O. BONDS OUTSTANDING @ 12/31	0	0	0	0	0	0	0	0	0	0	0
TOTAL G.O. NON-RATED BONDS OUTSTANDING @ 12/31			0	0	0	0	0	5,500,000	5,430,000	9,455,000	9,325,000	9,185,000	12,835,000

Note 1: Series 2016 and future Series debt service payments will continue at the same level as 2044 until the bonds are redeemed in year 30.

SEE CONSULTANT'S REPORT AND DISCLAIMER.

LEE FARM METROPOLITAN DISTRICT #1 (SERVICE DISTRICT)
CASH FLOW FORECAST - BUDGETARY BASIS
DEBT SERVICE FUND
FOR THE YEARS ENDING DECEMBER 31, 2015 - 2051

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SCHEDULE 1 - GENERAL OBLIGATION BOND ISSUES
AND DEBT SERVICE REQUIREMENTS

BOND ISSUES

SIZE OF GENERAL OBLIGATION BOND ISSUES															
BOND ISSUE DATE	NET PROCEEDS	CAPITALIZED INTEREST	OTHER COSTS	GROSS BOND ISSUE	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
12/01/2020 NON-RATED	5,115,000	0	385,000	5,500,000	401,000	400,300	399,300	398,000	401,400	399,200	401,700	398,600	400,200	401,200	401,600
12/01/2022 NON-RATED	3,813,000	0	287,000	4,100,000	296,100	297,500	298,600	299,400	299,900	300,100	300,000	299,600	298,900	297,900	296,600
12/01/2025 NON-RATED	3,534,000	0	266,000	3,800,000	278,000	275,000	277,000	273,700	275,400	276,800	277,900	273,700	274,500	275,000	275,200
12/01/2030 NON-RATED	2,232,000	0	168,000	2,400,000	0	0	0	0	0	174,000	172,200	175,400	173,300	176,200	173,800
TOTALS	14,694,000	0	1,106,000	15,800,000	975,100	972,800	974,900	971,100	976,700	976,100	979,600	971,900	973,600	974,100	973,400
DETAILED ANNUAL DEBT SERVICE REQUIREMENTS:															
12/01/2020 NON-RATED	NEW \$ 30 YR	PRINCIPAL	95,000	100,000	105,000	110,000	120,000	125,000	135,000	140,000	150,000	160,000	170,000		
		INTEREST @ 6.0%	306,000	300,300	294,300	288,000	281,400	274,200	266,700	258,600	250,200	241,200	231,600		
		TOTAL DEBT SERVICE	401,000	400,300	399,300	398,000	401,400	399,200	401,700	398,600	400,200	401,200	401,600		
		TOTAL G.O. BONDS OUTSTANDING @ 12/31	5,005,000	4,905,000	4,800,000	4,690,000	4,570,000	4,445,000	4,310,000	4,170,000	4,020,000	3,860,000	3,690,000		
12/01/2022 NON-RATED	NEW \$ 30 YR	PRINCIPAL	60,000	65,000	70,000	75,000	80,000	85,000	90,000	95,000	100,000	105,000	110,000		
		INTEREST @ 6.0%	236,100	232,500	228,600	224,400	219,900	215,100	210,000	204,600	198,900	192,900	186,600		
		TOTAL DEBT SERVICE	296,100	297,500	298,600	299,400	299,900	300,100	300,000	299,600	298,900	297,900	296,600		
		TOTAL G.O. BONDS OUTSTANDING @ 12/31	3,875,000	3,810,000	3,740,000	3,665,000	3,585,000	3,500,000	3,410,000	3,315,000	3,215,000	3,110,000	3,000,000		
12/01/2025 NON-RATED	NEW \$ 30 YR	PRINCIPAL	50,000	50,000	55,000	55,000	60,000	65,000	70,000	70,000	75,000	80,000	85,000		
		INTEREST @ 6.0%	228,000	225,000	222,000	218,700	215,400	211,800	207,900	203,700	199,500	195,000	190,200		
		TOTAL DEBT SERVICE	278,000	275,000	277,000	273,700	275,400	276,800	277,900	273,700	274,500	275,000	275,200		
		TOTAL G.O. BONDS OUTSTANDING @ 12/31	3,750,000	3,700,000	3,645,000	3,590,000	3,530,000	3,465,000	3,395,000	3,325,000	3,250,000	3,170,000	3,085,000		
12/01/2030 NON-RATED	NEW \$ 30 YR	PRINCIPAL	0	0	0	0	0	30,000	30,000	35,000	35,000	40,000	40,000		
		INTEREST @ 6.0%	0	0	0	0	0	144,000	142,200	140,400	138,300	136,200	133,800		
		TOTAL DEBT SERVICE	0	0	0	0	0	174,000	172,200	175,400	173,300	176,200	173,800		
		TOTAL G.O. BONDS OUTSTANDING @ 12/31	0	0	0	0	2,400,000	2,370,000	2,340,000	2,305,000	2,270,000	2,230,000	2,190,000		
TOTAL G.O. NON-RATED BONDS OUTSTANDING @ 12/31			12,630,000	12,415,000	12,185,000	11,945,000	14,085,000	13,780,000	13,455,000	13,115,000	12,755,000	12,370,000	11,965,000		

Note 1: Series 2016 and future Series debt service payments will continue at the same level as 2044 until the bonds are redeemed in year 30.

SEE CONSULTANT'S REPORT AND DISCLAIMER.

LEE FARM METROPOLITAN DISTRICT #1 (SERVICE DISTRICT)
CASH FLOW FORECAST - BUDGETARY BASIS
DEBT SERVICE FUND
FOR THE YEARS ENDING DECEMBER 31, 2015 - 2051

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SCHEDULE 1 - GENERAL OBLIGATION BOND ISSUES
AND DEBT SERVICE REQUIREMENTS

BOND ISSUES

SIZE OF GENERAL OBLIGATION BOND ISSUES															
BOND ISSUE DATE	NET PROCEEDS	CAPITALIZED INTEREST	OTHER COSTS	GROSS BOND ISSUE	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047
12/01/2020 NON-RATED	5,115,000	0	385,000	5,500,000	401,400	400,600	399,200	402,200	399,300	400,800	401,400	401,100	399,900	397,800	399,800
12/01/2022 NON-RATED	3,813,000	0	287,000	4,100,000	300,000	297,800	300,300	297,200	298,800	299,800	300,200	300,000	299,200	297,800	295,800
12/01/2025 NON-RATED	3,534,000	0	266,000	3,800,000	275,100	274,700	274,000	278,000	276,400	274,500	277,300	274,500	276,400	277,700	278,400
12/01/2030 NON-RATED	2,232,000	0	168,000	2,400,000	176,400	173,700	176,000	173,000	175,000	176,700	173,100	174,500	175,600	176,400	176,900
TOTALS	14,694,000	0	1,106,000	15,800,000	976,500	973,100	973,500	977,400	974,500	975,100	978,900	975,600	975,500	973,300	974,000

DETAILED ANNUAL DEBT SERVICE REQUIREMENTS:

12/01/2020 NON-RATED	NEW \$ 30 YR	PRINCIPAL	180,000	190,000	200,000	215,000	225,000	240,000	255,000	270,000	285,000	300,000	320,000
		INTEREST @ 6.0%	221,400	210,600	199,200	187,200	174,300	160,800	146,400	131,100	114,900	97,800	79,800
		TOTAL DEBT SERVICE	401,400	400,600	399,200	402,200	399,300	400,800	401,400	401,100	399,900	397,800	399,800
		TOTAL G.O. BONDS OUTSTANDING @ 12/31	3,510,000	3,320,000	3,120,000	2,905,000	2,680,000	2,440,000	2,185,000	1,915,000	1,630,000	1,330,000	1,010,000
12/01/2022 NON-RATED	NEW \$ 30 YR	PRINCIPAL	120,000	125,000	135,000	140,000	150,000	160,000	170,000	180,000	190,000	200,000	210,000
		INTEREST @ 6.0%	180,000	172,800	165,300	157,200	148,800	139,800	130,200	120,000	109,200	97,800	85,800
		TOTAL DEBT SERVICE	300,000	297,800	300,300	297,200	298,800	299,800	300,200	300,000	299,200	297,800	295,800
		TOTAL G.O. BONDS OUTSTANDING @ 12/31	2,880,000	2,755,000	2,620,000	2,480,000	2,330,000	2,170,000	2,000,000	1,820,000	1,630,000	1,430,000	1,220,000
12/01/2025 NON-RATED	NEW \$ 30 YR	PRINCIPAL	90,000	95,000	100,000	110,000	115,000	120,000	130,000	135,000	145,000	155,000	165,000
		INTEREST @ 6.0%	185,100	179,700	174,000	168,000	161,400	154,500	147,300	139,500	131,400	122,700	113,400
		TOTAL DEBT SERVICE	275,100	274,700	274,000	278,000	276,400	274,500	277,300	274,500	276,400	277,700	278,400
		TOTAL G.O. BONDS OUTSTANDING @ 12/31	2,995,000	2,900,000	2,800,000	2,690,000	2,575,000	2,455,000	2,325,000	2,190,000	2,045,000	1,890,000	1,725,000
12/01/2030 NON-RATED	NEW \$ 30 YR	PRINCIPAL	45,000	45,000	50,000	50,000	55,000	60,000	60,000	65,000	70,000	75,000	80,000
		INTEREST @ 6.0%	131,400	128,700	126,000	123,000	120,000	116,700	113,100	109,500	105,600	101,400	96,900
		TOTAL DEBT SERVICE	176,400	173,700	176,000	173,000	175,000	176,700	173,100	174,500	175,600	176,400	176,900
		TOTAL G.O. BONDS OUTSTANDING @ 12/31	2,145,000	2,100,000	2,050,000	2,000,000	1,945,000	1,885,000	1,825,000	1,760,000	1,690,000	1,615,000	1,535,000
		TOTAL G.O. NON-RATED BONDS OUTSTANDING @ 12/31		11,530,000	11,075,000	10,590,000	10,075,000	9,530,000	8,950,000	8,335,000	7,685,000	6,995,000	6,265,000

Note 1: Series 2016 and future Series debt service payments will continue at the same level as 2044 until the bonds are redeemed in year 30.

SEE CONSULTANT'S REPORT AND DISCLAIMER.

LEE FARM METROPOLITAN DISTRICT #1 (SERVICE DISTRICT)
CASH FLOW FORECAST - BUDGETARY BASIS
DEBT SERVICE FUND
FOR THE YEARS ENDING DECEMBER 31, 2015 - 2051

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SCHEDULE 1 - GENERAL OBLIGATION BOND ISSUES
AND DEBT SERVICE REQUIREMENTS

BOND ISSUES

SIZE OF GENERAL OBLIGATION BOND ISSUES					
BOND ISSUE DATE	NET PROCEEDS	CAPITALIZED INTEREST	OTHER COSTS	GROSS BOND ISSUE	
					<u>2048</u> <u>2049</u> <u>2050</u> <u>2051</u> <u>TOTALS</u>
12/01/2020 NON-RATED	5,115,000	0	385,000	5,500,000	400,600 400,200 328,600 0 11,940,400
12/01/2022 NON-RATED	3,813,000	0	287,000	4,100,000	298,200 299,700 300,300 530,000 8,893,400
12/01/2025 NON-RATED	3,534,000	0	266,000	3,800,000	278,500 278,000 276,900 870,200 7,772,800
12/01/2030 NON-RATED	2,232,000	0	168,000	2,400,000	177,100 172,000 171,900 171,500 3,664,700
TOTALS	14,694,000	0	1,106,000	15,800,000	977,300 977,900 905,800 1,400,200 28,606,600

DETAILED ANNUAL DEBT SERVICE REQUIREMENTS:

12/01/2020 NON-RATED	NEW \$ 30 YR	PRINCIPAL	340,000	360,000	310,000	0	5,500,000
		INTEREST @ 6.0%	60,600	40,200	18,600	0	6,440,400
		TOTAL DEBT SERVICE	400,600	400,200	328,600	0	11,940,400
		TOTAL G.O. BONDS OUTSTANDING @ 12/31	670,000	310,000	0	0	0
12/01/2022 NON-RATED	NEW \$ 30 YR	PRINCIPAL	225,000	240,000	255,000	500,000	4,100,000
		INTEREST @ 6.0%	73,200	59,700	45,300	30,000	4,793,400
		TOTAL DEBT SERVICE	298,200	299,700	300,300	530,000	8,893,400
		TOTAL G.O. BONDS OUTSTANDING @ 12/31	995,000	755,000	500,000	0	0
12/01/2025 NON-RATED	NEW \$ 30 YR	PRINCIPAL	175,000	185,000	195,000	800,000	3,430,000
		INTEREST @ 6.0%	103,500	93,000	81,900	70,200	4,342,800
		TOTAL DEBT SERVICE	278,500	278,000	276,900	870,200	7,772,800
		TOTAL G.O. BONDS OUTSTANDING @ 12/31	1,550,000	1,365,000	1,170,000	370,000	370,000
12/01/2030 NON-RATED	NEW \$ 30 YR	PRINCIPAL	85,000	85,000	90,000	95,000	1,220,000
		INTEREST @ 6.0%	92,100	87,000	81,900	76,500	2,444,700
		TOTAL DEBT SERVICE	177,100	172,000	171,900	171,500	3,664,700
		TOTAL G.O. BONDS OUTSTANDING @ 12/31	1,450,000	1,365,000	1,275,000	1,180,000	1,180,000
		TOTAL G.O. NON-RATED BONDS OUTSTANDING @ 12/31	4,665,000	3,795,000	2,945,000	1,550,000	1,550,000

Note 1: Series 2016 and future Series debt service payments will continue at the same level as 2044 until the bonds are redeemed in year 30.

SEE CONSULTANT'S REPORT AND DISCLAIMER.

DRAFT DATED 10-27-2015
SUBJECT TO CHANGE & REVISION

**SCHEDULE 2 - DEVELOPERS ESTIMATED BUILDOUT
 AND ASSESSED VALUATION FROM BUILDOUT**

BUILDOUT/LANDUSE (INCLUDING LOT VALUES):										
Description of Units/Planning Area	Planned Number Units	Average Per Unit Price	Total Gross Volume	2015	2016	2017	2018	2019	2020	TOTALS
Residential										
Phase I SFD	49	425,060	20,827,940	0	0	16	24	9	0	49
Phase I Patio	27	369,675	9,981,225	0	0	12	15	0	0	27
Phase I Paired	61	358,015	21,838,915	0	0	16	24	21	0	61
Phase II SFD	45	433,561	19,510,245	0	0	0	16	24	5	45
Phase II Patio	42	377,069	15,836,898	0	0	0	12	18	12	42
Phase II Paired	52	365,175	18,989,100	0	0	0	16	24	12	52
Phase II TH/Flex	40	325,000	13,000,000	0	0	0	12	18	10	40
Total Incremental Residential	316	379,697	119,984,323	0	0	44	119	114	39	316
Total Cumulative Residential				0	0	44	163	277	316	316
SOURCE: West Range Development										
Estimated Values (Uninflated):										
Phase I SFD				0	0	6,800,960	10,201,440	3,825,540	0	20,827,940
Phase I Patio				0	0	4,436,100	5,545,125	0	0	9,981,225
Phase I Paired				0	0	5,728,240	8,592,360	7,518,315	0	21,838,915
Phase II SFD				0	0	0	6,936,976	10,405,464	2,167,805	19,510,245
Phase II Patio				0	0	0	4,524,828	6,787,242	4,524,828	15,836,898
Phase II Paired				0	0	0	5,842,800	8,764,200	4,382,100	18,989,100
Phase II TH/Flex				0	0	0	3,900,000	5,850,000	3,250,000	13,000,000
Estimated Value Of Buildout - Entire Project (Uninflated)				0	0	16,965,300	45,543,529	43,150,761	14,324,733	119,984,323
Estimated Value Of Buildout - Entire Project (Assume Home Price Inflates 2% annually beg. In 2018)				0	0	16,965,300	46,454,400	44,894,052	15,201,521	123,515,273
Proj. Assessed Value - Incremental (7.96%):										
Total Incremental Assessed Valuation - All Sources				0	0	1,350,438	3,697,770	3,573,567	1,210,041	9,831,816
Proj. Assessed Value By Year - Cumulative (Uninflated):				0	0	1,350,438	5,048,208	8,621,775	9,831,816	9,831,816
Proj. Assessed Value By Year - Cumulative (inflated 2% Every Other Year Beg. In 2018):				0	0	1,377,447	5,252,156	8,970,094	10,433,601	10,433,601
Year Assessed Valuation Certified To LFMD #2	2016	2017	2018	2019	2020	2021				
Year Taxes Received By LFMD #2	2017	2018	2019	2020	2021	2022				
SEE CONSULTANT'S REPORT AND DISCLAIMER.										

EXHIBIT IV - CASH FLOW FORECAST - DISTRICT #3

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
1 INCREMENTAL RESIDENTIAL UNITS (SCHEDULE 3)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>68</u>	<u>115</u>	<u>71</u>	<u>42</u>	<u>35</u>	<u>0</u>
2 CUMULATIVE RESIDENTIAL UNITS (SCH. 3)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>68</u>	<u>183</u>	<u>254</u>	<u>296</u>	<u>331</u>	<u>331</u>
3 ASSESSED VALUATION (SCH. 3)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,120,640</u>	<u>5,921,280</u>	<u>8,286,062</u>	<u>10,018,520</u>
4 MILL LEVY	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>55.00</u>	<u>55.00</u>	<u>55.00</u>	<u>55.00</u>
5										
6 REVENUES:										
7 PROPERTY TAXES	0	0	0	0	0	0	116,635	325,670	455,733	551,019
8 SPECIFIC OWNERSHIP TAXES @ 8% OF PROP. TAXES	0	0	0	0	0	0	9,331	26,054	36,459	44,081
9 INTEREST INCOME - OTHER @ .25%	0	0	0	0	0	0	0	0	0	0
10 TOTAL REVENUES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>125,966</u>	<u>351,724</u>	<u>492,192</u>	<u>595,100</u>
11										
12 EXPENDITURES:										
13 1.5% LARIMER COUNTY TREASURER'S COLLECTION FEE	0	0	0	0	0	0	1,750	4,885	6,836	8,265
14 IGA TRANSFER TO LFMD #1	0	0	0	0	0	0	33,930	59,213	82,861	100,185
15 IGA TRANSFER TO LFMD #2	0	0	0	0	0	0	87,286	284,536	399,313	483,371
16 ADMINISTRATIVE ALLOWANCE							3,000	3,090	3,183	3,278
17 BOND PAYING AGENT FEES	0	0	0	0	0	0	0	0	0	0
18 TOTAL EXPENDITURES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>125,966</u>	<u>351,724</u>	<u>492,192</u>	<u>595,100</u>
19										
20 EXCESS REVENUES OVER (UNDER) EXPENDITURES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
21										
22 FUND BALANCE - JANUARY 1	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
23										
24 FUND BALANCE - DECEMBER 31	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

SEE CONSULTANT'S REPORT AND DISCLAIMER.

LEE FARM METROPOLITAN DISTRICT # 3
CASH FLOW FORECAST - BUDGETARY BASIS
GENERAL FUND AND DEBT SERVICE FUND COMBINED
FOR THE YEARS ENDING DECEMBER 31, 2015 - 2030

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EXHIBIT IV - CASH FLOW FORECAST - DISTRICT #3

	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>2031</u>	<u>2032</u>	<u>2033</u>	<u>2034</u>	<u>2035</u>
1 INCREMENTAL RESIDENTIAL UNITS (SCHEDULE 3)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
2 CUMULATIVE RESIDENTIAL UNITS (SCH. 3)	<u>331</u>	<u>331</u>	<u>331</u>	<u>331</u>	<u>331</u>	<u>331</u>	<u>331</u>	<u>331</u>	<u>331</u>	<u>331</u>	<u>331</u>
3 ASSESSED VALUATION (SCH. 3)	<u>11,361,646</u>	<u>11,588,879</u>	<u>11,588,879</u>	<u>11,820,656</u>	<u>11,820,656</u>	<u>12,057,069</u>	<u>12,057,069</u>	<u>12,298,211</u>	<u>12,298,211</u>	<u>12,544,175</u>	<u>12,544,175</u>
4 MILL LEVY	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>46.00</u>
5											
6 REVENUES:											
7 PROPERTY TAXES	568,082	579,444	579,444	591,033	591,033	602,853	602,853	614,911	614,911	627,209	577,032
8 SPECIFIC OWNERSHIP TAXES @ 8% OF PROP. TAXES	45,447	46,356	46,356	47,283	47,283	48,228	48,228	49,193	49,193	50,177	46,163
9 INTEREST INCOME - OTHER @ .25%	0	0	0	0	0	0	0	0	0	0	0
10 TOTAL REVENUES	<u>613,529</u>	<u>625,799</u>	<u>625,799</u>	<u>638,315</u>	<u>638,315</u>	<u>651,082</u>	<u>651,082</u>	<u>664,103</u>	<u>664,103</u>	<u>677,385</u>	<u>623,195</u>
11											
12 EXPENDITURES:											
13 1.5% LARIMER COUNTY TREASURER'S COLLECTION FEE	8,521	8,692	8,692	8,865	8,865	9,043	9,043	9,224	9,224	9,408	8,655
14 IGA TRANSFER TO LFMD #1	113,616	115,889	115,889	118,207	118,207	120,571	120,571	122,982	122,982	125,442	125,442
15 IGA TRANSFER TO LFMD #2	488,015	497,741	497,637	507,554	507,443	517,554	517,437	527,745	527,620	538,130	484,560
16 ADMINISTRATIVE ALLOWANCE	3,377	3,478	3,582	3,690	3,800	3,914	4,032	4,153	4,277	4,406	4,538
17 BOND PAYING AGENT FEES	0	0	0	0	0	0	0	0	0	0	0
18 TOTAL EXPENDITURES	<u>613,529</u>	<u>625,799</u>	<u>625,799</u>	<u>638,315</u>	<u>638,315</u>	<u>651,082</u>	<u>651,082</u>	<u>664,103</u>	<u>664,103</u>	<u>677,385</u>	<u>623,195</u>
19											
20 EXCESS REVENUES OVER (UNDER) EXPENDITURES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
21											
22 FUND BALANCE - JANUARY 1	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
23											
24 FUND BALANCE - DECEMBER 31	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

SEE CONSULTANT'S REPORT AND DISCLAIMER.

LEE FARM METROPOLITAN DISTRICT # 3
CASH FLOW FORECAST - BUDGETARY BASIS
GENERAL FUND AND DEBT SERVICE FUND COMBINED
FOR THE YEARS ENDING DECEMBER 31, 2015 - 2030

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EXHIBIT IV - CASH FLOW FORECAST - DISTRICT #3

	<u>2036</u>	<u>2037</u>	<u>2038</u>	<u>2039</u>	<u>2040</u>	<u>2041</u>	<u>2042</u>	<u>2043</u>	<u>2044</u>	<u>2045</u>	<u>2046</u>
1 INCREMENTAL RESIDENTIAL UNITS (SCHEDULE 3)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
2 CUMULATIVE RESIDENTIAL UNITS (SCH. 3)	<u>331</u>	<u>331</u>	<u>331</u>	<u>331</u>	<u>331</u>	<u>331</u>	<u>331</u>	<u>331</u>	<u>331</u>	<u>331</u>	<u>331</u>
3 ASSESSED VALUATION (SCH. 3)	<u>12,795,058</u>	<u>12,795,058</u>	<u>13,050,960</u>	<u>13,050,960</u>	<u>13,311,979</u>	<u>13,311,979</u>	<u>13,578,218</u>	<u>13,578,218</u>	<u>13,849,783</u>	<u>13,849,783</u>	<u>14,126,778</u>
4 MILL LEVY	<u>46.00</u>	<u>46.00</u>	<u>46.00</u>	<u>46.00</u>	<u>44.00</u>	<u>44.00</u>	<u>44.00</u>	<u>44.00</u>	<u>44.00</u>	<u>44.00</u>	<u>44.00</u>
5											
6 REVENUES:											
7 PROPERTY TAXES	588,573	588,573	600,344	600,344	585,727	585,727	597,442	597,442	609,390	609,390	621,578
8 SPECIFIC OWNERSHIP TAXES @ 8% OF PROP. TAXES	47,086	47,086	48,028	48,028	46,858	46,858	47,795	47,795	48,751	48,751	49,726
9 INTEREST INCOME - OTHER @ .25%	0	0	0	0	0	0	0	0	0	0	0
10 TOTAL REVENUES	<u>635,659</u>	<u>635,659</u>	<u>648,372</u>	<u>648,372</u>	<u>632,585</u>	<u>632,585</u>	<u>645,237</u>	<u>645,237</u>	<u>658,142</u>	<u>658,142</u>	<u>671,305</u>
11											
12 EXPENDITURES:											
13 1.5% LARIMER COUNTY TREASURER'S COLLECTION FEE	8,829	8,829	9,005	9,005	8,786	8,786	8,962	8,962	9,141	9,141	9,324
14 IGA TRANSFER TO LFMD #1	127,951	127,951	130,510	130,510	133,120	133,120	135,782	135,782	138,498	138,498	141,268
15 IGA TRANSFER TO LFMD #2	494,205	494,065	503,898	503,750	485,419	485,261	494,912	494,745	504,582	504,405	514,432
16 ADMINISTRATIVE ALLOWANCE	4,674	4,814	4,959	5,107	5,261	5,418	5,581	5,748	5,921	6,098	6,281
17 BOND PAYING AGENT FEES	0	0	0	0	0	0	0	0	0	0	0
18 TOTAL EXPENDITURES	<u>635,659</u>	<u>635,659</u>	<u>648,372</u>	<u>648,372</u>	<u>632,585</u>	<u>632,585</u>	<u>645,237</u>	<u>645,237</u>	<u>658,142</u>	<u>658,142</u>	<u>671,305</u>
19											
20 EXCESS REVENUES OVER (UNDER) EXPENDITURES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
21											
22 FUND BALANCE - JANUARY 1	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
23											
24 FUND BALANCE - DECEMBER 31	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

SEE CONSULTANT'S REPORT AND DISCLAIMER.

LEE FARM METROPOLITAN DISTRICT # 3
CASH FLOW FORECAST - BUDGETARY BASIS
GENERAL FUND AND DEBT SERVICE FUND COMBINED
FOR THE YEARS ENDING DECEMBER 31, 2015 - 2030

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EXHIBIT IV - CASH FLOW FORECAST - DISTRICT #3

	<u>2047</u>	<u>2048</u>	<u>2049</u>	<u>2050</u>	<u>2051</u>	<u>TOTALS</u>
1 INCREMENTAL RESIDENTIAL UNITS (SCHEDULE 3)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>331</u>
2 CUMULATIVE RESIDENTIAL UNITS (SCH. 3)	<u>331</u>	<u>331</u>	<u>331</u>	<u>331</u>	<u>331</u>	<u>331</u>
3 ASSESSED VALUATION (SCH. 3)	<u>14,126,778</u>	<u>14,409,314</u>	<u>14,409,314</u>	<u>14,697,500</u>	<u>14,697,500</u>	
4 MILL LEVY	<u>44.00</u>	<u>44.00</u>	<u>44.00</u>	<u>44.00</u>	<u>44.00</u>	
5						
6 REVENUES:						
7 PROPERTY TAXES	621,578	634,010	634,010	646,690	646,690	17,765,370
8 SPECIFIC OWNERSHIP TAXES @ 8% OF PROP. TAXES	49,726	50,721	50,721	51,735	51,735	1,421,230
9 INTEREST INCOME - OTHER @ .25%	0	0	0	0	0	0
10 TOTAL REVENUES	<u>671,305</u>	<u>684,731</u>	<u>684,731</u>	<u>698,425</u>	<u>698,425</u>	<u>19,186,600</u>
11						
12 EXPENDITURES:						
13 1.5% LARIMER COUNTY TREASURER'S COLLECTION FEE	9,324	9,510	9,510	9,700	9,700	266,481
14 IGA TRANSFER TO LFMD #1	141,268	144,093	144,093	146,975	146,975	3,792,377
15 IGA TRANSFER TO LFMD #2	514,243	524,463	524,264	534,680	534,468	14,977,734
16 ADMINISTRATIVE ALLOWANCE	6,470	6,664	6,864	7,070	7,282	150,008
17 BOND PAYING AGENT FEES	0	0	0	0	0	0
18 TOTAL EXPENDITURES	<u>671,305</u>	<u>684,731</u>	<u>684,731</u>	<u>698,425</u>	<u>698,425</u>	<u>19,186,600</u>
19						
20 EXCESS REVENUES OVER (UNDER) EXPENDITURES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
21						
22 FUND BALANCE - JANUARY 1	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
23						
24 FUND BALANCE - DECEMBER 31	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

SEE CONSULTANT'S REPORT AND DISCLAIMER.

DRAFT DATED 10-27-2015
SUBJECT TO CHANGE & REVISION

SCHEDULE 3 - DEVELOPERS ESTIMATED BUILDOUT
AND ASSESSED VALUATION FROM BUILDOUT

BUILDOUT/LANDUSE (INCLUDING LOT VALUES):			
Description of Units/Planning Area	Planned Number Units	Average Per Unit Price	Total Gross Volume
Residential			
Phase III SFD	31	442,232	13,709,192
Phase III Patio	33	384,610	12,692,130
Phase III Paired	34	372,479	12,664,286
Phase III TH/Flex	46	331,500	15,249,000
Phase III Flex	40	331,500	13,260,000
Phase IV SFD	85	460,357	39,130,345
Phase IV Flex	62	338,130	20,964,060
Total Incremental Residential	331	385,707	127,669,013
Total Cumulative Residential			
SOURCE: West Range Development			

Estimated Values (Uninflated):

Phase III SFD	0	0	0	0	7,075,712	6,633,480	0	0
Phase III Patio	0	0	0	0	4,615,320	6,922,980	1,153,830	0
Phase III Paired	0	0	0	0	5,959,664	6,704,622	0	0
Phase III TH/Flex	0	0	0	0	3,978,000	5,967,000	5,304,000	0
Phase III Flex	0	0	0	0	3,978,000	5,967,000	3,315,000	0
Phase IV SFD	0	0	0	0	0	7,365,712	11,048,568	11,048,568
Phase IV Flex	0	0	0	0	0	4,057,560	6,086,340	6,086,340
Estimated Value Of Buildout - Entire Project (Uninflated)	0	0	0	0	25,606,696	43,618,354	26,907,738	17,134,908
Estimated Value Of Buildout - Entire Project (Assume Home Price Inflates 2% annually beg. In 2020)	0	0	0	0	25,606,696	44,490,721	27,994,811	18,183,701

Proj. Assessed Value - Incremental (7.96%):

Total Incremental Assessed Valuation - All Sources	0	0	0	0	2,038,293	3,541,461	2,228,387	1,447,423
Proj. Assessed Value By Year - Cumulative (Uninflated):	0	0	0	0	2,038,293	5,579,754	7,808,141	9,255,564
Proj. Assessed Value By Year - Cumulative (inflated 2% Every Other Year Beg. In 2018):	0	0	0	0	2,120,640	5,921,280	8,286,062	10,018,520

Year Assessed Valuation Certified To LFMD #3

2016	2017	2018	2019	2020	2021	2022	2023
------	------	------	------	------	------	------	------

Year Taxes Received By LFMD #3

2017	2018	2019	2020	2021	2022	2023	2024
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SCHEDULE 3 - DEVELOPERS ESTIMATED BUILDOUT
 AND ASSESSED VALUATION FROM BUILDOUT

BUILDOUT/LANDUSE (INCLUDING LOT VALUES):						
Description of Units/Planning Area	Planned Number Units	Average Per Unit Price	Total Gross Volume	2023	2024	TOTALS
Residential						
Phase III SFD	31	442,232	13,709,192	0	0	31
Phase III Patio	33	384,610	12,692,130	0	0	33
Phase III Paired	34	372,479	12,664,286	0	0	34
Phase III TH/Flex	46	331,500	15,249,000	0	0	46
Phase III Flex	40	331,500	13,260,000	0	0	40
Phase IV SFD	85	460,357	39,130,345	21	0	85
Phase IV Flex	<u>62</u>	<u>338,130</u>	<u>20,964,060</u>	14	0	<u>62</u>
Total Incremental Residential	<u>331</u>	<u>385,707</u>	<u>127,669,013</u>	<u>35</u>	<u>0</u>	<u>331</u>
Total Cumulative Residential				<u>331</u>	<u>331</u>	<u>331</u>
SOURCE: West Range Development						

Estimated Values (Uninflated):

Phase III SFD	0	0	13,709,192
Phase III Patio	0	0	12,692,130
Phase III Paired	0	0	12,664,286
Phase III TH/Flex	0	0	15,249,000
Phase III Flex	0	0	13,260,000
Phase IV SFD	9,667,497	0	39,130,345
Phase IV Flex	<u>4,733,820</u>	<u>0</u>	<u>20,964,060</u>
Estimated Value Of Buildout - Entire Project (Uninflated)	<u>14,401,317</u>	<u>0</u>	<u>127,669,013</u>
Estimated Value Of Buildout - Entire Project (Assume Home Price Inflates 2% anr	<u>15,588,449</u>	<u>0</u>	<u>131,864,378</u>

Proj. Assessed Value - Incremental (7.96%):

Total Incremental Assessed Valuation - All Sources	<u>1,240,841</u>	<u>0</u>	<u>10,496,404</u>
Proj. Assessed Value By Year - Cumulative (Uninflated):	<u>10,496,404</u>	<u>10,496,404</u>	<u>10,496,404</u>
Proj. Assessed Value By Year - Cumulative (inflated 2% Every Other Year Beg. In 201	<u>11,361,646</u>	<u>11,588,879</u>	<u>11,588,879</u>

Year Assessed Valuation Certified To LFMD #3

2024 2025

Year Taxes Received By LFMD #3

2025 2026

LEE FARM METROPOLITAN DISTRICT # 4
CASH FLOW FORECAST - BUDGETARY BASIS
GENERAL FUND AND DEBT SERVICE FUND COMBINED
FOR THE YEARS ENDING DECEMBER 31, 2015 - 2030

DRAFT DATED 10-27-2015
SUBJECT TO CHANGE & REVISION

EXHIBIT V - CASH FLOW FORECAST - DISTRICT #4

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
1 INCREMENTAL RESIDENTIAL UNITS (SCHEDULE 4)	0	0	0	0	0	0	8	18	21	21
2 CUMULATIVE RESIDENTIAL UNITS (SCHEDULE 4)	0	0	0	0	0	0	8	26	47	68
3 ASSESSED VALUATION (SCH. 4)	0	0	0	0	0	0	0	0	359,579	1,245,748
4 MILL LEVY	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>55.00</u>	<u>55.00</u>
5										
6 REVENUES:										
7 PROPERTY TAXES	0	0	0	0	0	0	0	0	19,777	68,516
8 SPECIFIC OWNERSHIP TAXES @ 8% OF PROP. TAXES	0	0	0	0	0	0	0	0	1,582	5,481
9 INTEREST INCOME - OTHER @ .25%	0	0	0	0	0	0	0	0	0	0
10 TOTAL REVENUES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>21,359</u>	<u>73,997</u>
11										
12 EXPENDITURES:										
13 1.5% LARIMER COUNTY TREASURER'S COLLECTION FEE	0	0	0	0	0	0	0	0	297	1,028
14 IGA TRANSFER TO LFMD #1	0	0	0	0	0	0	0	0	3,596	12,457
15 IGA TRANSFER TO LFMD #2	0	0	0	0	0	0	0	0	14,467	57,422
16 ADMINISTRATIVE ALLOWANCE									3,000	3,090
17 BOND PAYING AGENT FEES	0	0	0	0	0	0	0	0	0	0
18 TOTAL EXPENDITURES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>21,359</u>	<u>73,997</u>
19										
20 EXCESS REVENUES OVER (UNDER) EXPENDITURES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
21										
22 FUND BALANCE - JANUARY 1	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
23										
24 FUND BALANCE - DECEMBER 31	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

SEE CONSULTANT'S REPORT AND DISCLAIMER.

LEE FARM METROPOLITAN DISTRICT # 4
CASH FLOW FORECAST - BUDGETARY BASIS
GENERAL FUND AND DEBT SERVICE FUND COMBINED
FOR THE YEARS ENDING DECEMBER 31, 2015 - 2030

EXHIBIT V - CASH FLOW FORECAST - DISTRICT #4

	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>2031</u>	<u>2032</u>	<u>2033</u>	<u>2034</u>	<u>2035</u>
1 INCREMENTAL RESIDENTIAL UNITS (SCHEDULE 4)	<u>12</u>	<u>9</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
2 CUMULATIVE RESIDENTIAL UNITS (SCHEDULE 4)	<u>80</u>	<u>89</u>	<u>89</u>	<u>89</u>	<u>89</u>	<u>89</u>	<u>89</u>	<u>89</u>	<u>89</u>	<u>89</u>	<u>89</u>
3 ASSESSED VALUATION (SCH. 4)	<u>2,304,393</u>	<u>3,451,895</u>	<u>4,119,775</u>	<u>4,739,043</u>	<u>4,739,043</u>	<u>4,833,824</u>	<u>4,833,824</u>	<u>4,930,501</u>	<u>4,930,501</u>	<u>5,029,111</u>	<u>5,029,111</u>
4 MILL LEVY	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>50.00</u>	<u>46.00</u>
5											
6 REVENUES:											
7 PROPERTY TAXES	115,220	172,595	205,989	236,952	236,952	241,691	241,691	246,525	246,525	251,456	231,339
8 SPECIFIC OWNERSHIP TAXES @ 8% OF PROP. TAXES	9,218	13,808	16,479	18,956	18,956	19,335	19,335	19,722	19,722	20,116	18,507
9 INTEREST INCOME - OTHER @ .25%	0	0	0	0	0	0	0	0	0	0	0
10 TOTAL REVENUES	<u>124,437</u>	<u>186,402</u>	<u>222,468</u>	<u>255,908</u>	<u>255,908</u>	<u>261,027</u>	<u>261,027</u>	<u>266,247</u>	<u>266,247</u>	<u>271,572</u>	<u>249,846</u>
11											
12 EXPENDITURES:											
13 1.5% LARIMER COUNTY TREASURER'S COLLECTION FEE	1,728	2,589	3,090	3,554	3,554	3,625	3,625	3,698	3,698	3,772	3,470
14 IGA TRANSFER TO LFMD #1	23,044	34,519	41,198	47,390	47,390	48,338	48,338	49,305	49,305	50,291	50,291
15 IGA TRANSFER TO LFMD #2	96,482	146,016	174,804	201,486	201,381	205,373	205,263	209,330	209,212	213,356	191,808
16 ADMINISTRATIVE ALLOWANCE	3,183	3,278	3,377	3,478	3,582	3,690	3,800	3,914	4,032	4,153	4,277
17 BOND PAYING AGENT FEES	0	0	0	0	0	0	0	0	0	0	0
18 TOTAL EXPENDITURES	<u>124,437</u>	<u>186,402</u>	<u>222,468</u>	<u>255,908</u>	<u>255,908</u>	<u>261,027</u>	<u>261,027</u>	<u>266,247</u>	<u>266,247</u>	<u>271,572</u>	<u>249,846</u>
19											
20 EXCESS REVENUES OVER (UNDER) EXPENDITURES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
21											
22 FUND BALANCE - JANUARY 1	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
23											
24 FUND BALANCE - DECEMBER 31	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

SEE CONSULTANT'S REPORT AND DISCLAIMER.

LEE FARM METROPOLITAN DISTRICT # 4
CASH FLOW FORECAST - BUDGETARY BASIS
GENERAL FUND AND DEBT SERVICE FUND COMBINED
FOR THE YEARS ENDING DECEMBER 31, 2015 - 2030

EXHIBIT V - CASH FLOW FORECAST - DISTRICT #4

	<u>2036</u>	<u>2037</u>	<u>2038</u>	<u>2039</u>	<u>2040</u>	<u>2041</u>	<u>2042</u>	<u>2043</u>	<u>2044</u>	<u>2045</u>	<u>2046</u>
1 INCREMENTAL RESIDENTIAL UNITS (SCHEDULE 4)	0	0	0	0	0	0	0	0	0	0	0
2 CUMULATIVE RESIDENTIAL UNITS (SCHEDULE 4)	89	89	89	89	89	89	89	89	89	89	89
3 ASSESSED VALUATION (SCH. 4)	<u>5,129,693</u>	<u>5,129,693</u>	<u>5,232,287</u>	<u>5,232,287</u>	<u>5,336,932</u>	<u>5,336,932</u>	<u>5,443,671</u>	<u>5,443,671</u>	<u>5,552,545</u>	<u>5,552,545</u>	<u>5,663,595</u>
4 MILL LEVY	<u>46.00</u>	<u>46.00</u>	<u>46.00</u>	<u>46.00</u>	<u>44.00</u>	<u>44.00</u>	<u>44.00</u>	<u>44.00</u>	<u>44.00</u>	<u>44.00</u>	<u>44.00</u>
5											
6 REVENUES:											
7 PROPERTY TAXES	235,966	235,966	240,685	240,685	234,825	234,825	239,522	239,522	244,312	244,312	249,198
8 SPECIFIC OWNERSHIP TAXES @ 8% OF PROP. TAXES	18,877	18,877	19,255	19,255	18,786	18,786	19,162	19,162	19,545	19,545	19,936
9 INTEREST INCOME - OTHER @ .25%	0	0	0	0	0	0	0	0	0	0	0
10 TOTAL REVENUES	<u>254,843</u>	<u>254,843</u>	<u>259,940</u>	<u>259,940</u>	<u>253,611</u>	<u>253,611</u>	<u>258,683</u>	<u>258,683</u>	<u>263,857</u>	<u>263,857</u>	<u>269,134</u>
11											
12 EXPENDITURES:											
13 1.5% LARIMER COUNTY TREASURER'S COLLECTION FEE	3,539	3,539	3,610	3,610	3,522	3,522	3,593	3,593	3,665	3,665	3,738
14 IGA TRANSFER TO LFMD #1	51,297	51,297	52,323	52,323	53,369	53,369	54,437	54,437	55,525	55,525	56,636
15 IGA TRANSFER TO LFMD #2	195,601	195,469	199,333	199,193	191,761	191,612	195,393	195,235	199,086	198,918	202,839
16 ADMINISTRATIVE ALLOWANCE	4,406	4,538	4,674	4,814	4,959	5,107	5,261	5,418	5,581	5,748	5,921
17 BOND PAYING AGENT FEES	0	0	0	0	0	0	0	0	0	0	0
18 TOTAL EXPENDITURES	<u>254,843</u>	<u>254,843</u>	<u>259,940</u>	<u>259,940</u>	<u>253,611</u>	<u>253,611</u>	<u>258,683</u>	<u>258,683</u>	<u>263,857</u>	<u>263,857</u>	<u>269,134</u>
19											
20 EXCESS REVENUES OVER (UNDER) EXPENDITURES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
21											
22 FUND BALANCE - JANUARY 1	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
23											
24 FUND BALANCE - DECEMBER 31	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

SEE CONSULTANT'S REPORT AND DISCLAIMER.

LEE FARM METROPOLITAN DISTRICT # 4
 CASH FLOW FORECAST - BUDGETARY BASIS
 GENERAL FUND AND DEBT SERVICE FUND COMBINED
 FOR THE YEARS ENDING DECEMBER 31, 2015 - 2030

EXHIBIT V - CASH FLOW FORECAST - DISTRICT #4

	<u>2047</u>	<u>2048</u>	<u>2049</u>	<u>2050</u>	<u>2051</u>	<u>TOTALS</u>
1 INCREMENTAL RESIDENTIAL UNITS (SCHEDULE 4)	0	0	0	0	0	89
2 CUMULATIVE RESIDENTIAL UNITS (SCHEDULE 4)	89	89	89	89	89	89
3 ASSESSED VALUATION (SCH. 4)	<u>5,663,595</u>	<u>5,776,867</u>	<u>5,776,867</u>	<u>5,892,405</u>	<u>5,892,405</u>	
4 MILL LEVY	<u>44.00</u>	<u>44.00</u>	<u>44.00</u>	<u>44.00</u>	<u>44.00</u>	
5						
6 REVENUES:						
7 PROPERTY TAXES	249,198	254,182	254,182	259,266	259,266	6,431,139
8 SPECIFIC OWNERSHIP TAXES @ 8% OF PROP. TAXES	19,936	20,335	20,335	20,741	20,741	514,491
9 INTEREST INCOME - OTHER @ .25%	0	0	0	0	0	0
10 TOTAL REVENUES	<u>269,134</u>	<u>274,517</u>	<u>274,517</u>	<u>280,007</u>	<u>280,007</u>	<u>6,945,630</u>
11						
12 EXPENDITURES:						
13 1.5% LARIMER COUNTY TREASURER'S COLLECTION FEE	3,738	3,813	3,813	3,889	3,889	96,467
14 IGA TRANSFER TO LFMD #1	56,636	57,769	57,769	58,924	58,924	1,386,023
15 IGA TRANSFER TO LFMD #2	202,662	206,654	206,466	210,530	210,330	5,327,483
16 ADMINISTRATIVE ALLOWANCE	6,098	6,281	6,470	6,664	6,864	135,657
17 BOND PAYING AGENT FEES	0	0	0	0	0	0
18 TOTAL EXPENDITURES	<u>269,134</u>	<u>274,517</u>	<u>274,517</u>	<u>280,007</u>	<u>280,007</u>	<u>6,945,630</u>
19						
20 EXCESS REVENUES OVER (UNDER) EXPENDITURES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
21						
22 FUND BALANCE - JANUARY 1	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
23						
24 FUND BALANCE - DECEMBER 31	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

SEE CONSULTANT'S REPORT AND DISCLAIMER.

LEE FARM METROPOLITAN DISTRICT # 4
 FORECASTED BUILDOUT AND ASSESSED VALUATION
 FOR THE YEARS ENDING DECEMBER 31, 2015 THROUGH 2020

DRAFT DATED 10-27-2015
 SUBJECT TO CHANGE & REVISION

SCHEDULE 4 - DEVELOPERS ESTIMATED BUILDOUT
 AND ASSESSED VALUATION FROM BUILDOUT

BUILDOUT/LANDUSE (INCLUDING LOT VALUES):

Description of Units/Planning Area	Planned Number Units	Average Per Unit Price	Total Gross Volume
Residential			
Phase V-A Estate Lots	47	532,097	25,008,559
Phase V-B Estate Lots	42	<u>602,718</u>	<u>25,314,156</u>
Total Incremental Residential	<u>89</u>	<u>565,424</u>	<u>50,322,715</u>
Total Cumulative Residential			

SOURCE: West Range Development

Estimated Values (Uninflated):

Phase V-A Estate Lots	0	0	0	0	0	0	4,256,776	6,385,164
Phase V-B Estate Lots	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,616,308</u>
Estimated Value Of Buildout - Entire Project (Uninflated)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,256,776</u>	<u>10,001,472</u>
Estimated Value Of Buildout - Entire Project (Assume Home Price Inflates 2% annually beg. In 2022)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,256,776</u>	<u>10,201,501</u>

Proj. Assessed Value - Incremental (7.96%):

Total Incremental Assessed Valuation - All Sources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>338,839</u>	<u>812,040</u>
Proj. Assessed Value By Year - Cumulative (Uninflated):	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>338,839</u>	<u>1,150,879</u>
Proj. Assessed Value By Year - Cumulative (inflated 2% Every Other Year Beg. In 2018):	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>359,579</u>	<u>1,245,748</u>

Year Assessed Valuation Certified To LFMD #4

2016 2017 2018 2019 2020 2021 2022 2023

Year Taxes Received By LFMD #4

2017 2018 2019 2020 2021 2022 2023 2024

EXHIBIT F
Statutory Contents of this Service Plan

1. A description of the proposed services;
2. A financial plan showing how the proposed services are to be financed;
3. A preliminary description of how the proposed services are to be provided;
4. A map of the Districts' boundaries and an estimate of the population and valuation for assessment of the Districts;
5. A general description of the facilities to be constructed and the standards of such construction, including a statement of how the facility and service standards of the Districts are compatible with facility and service standards of the City and of municipalities and special districts which are interested parties pursuant to §32-1-204(1), C.R.S.;
6. A general description of the estimated cost of acquiring land, engineering services, legal services, administrative services, initial proposed indebtedness and estimated proposed maximum interest rates and discounts, and other major expenses related to the organization and initial operation of the Districts;
7. A description of any arrangement or proposed agreement with any political subdivision for the performance of any services between the Districts and such other political subdivisions;
8. Information satisfactory to establish that each of the following criteria as set forth in §32-1-203, C.R.S., has been met:
 - a. That there is sufficient existing and projected need for organized service in the area to be served by the Districts;
 - b. That the existing service in the area to be served by the Districts is inadequate for the present and projected needs;
 - c. That the Districts are capable of providing economical and sufficient service to the area within their boundaries;
 - d. That the area to be included in the Districts has, or will have, the financial ability to discharge the proposed indebtedness on a reasonable basis;
 - e. That adequate service is not, or will not be available to the area through the City, other existing municipal or quasi-municipal corporations, including existing special districts, within a reasonable time and on a comparable basis;

f. That the facility and service standards of the Districts are compatible with the facility and service standards of the City within which the Districts are to be located;

g. The proposal is in substantial compliance with any master plan adopted pursuant to § 31-23-206, C.R.S.;

h. That the proposal is in compliance with any duly adopted city, county, regional, or state long-range water quality management plan for the area; and

i. That the continued existence of the Districts will be in the best interests of the area proposed to be served.

**EXHIBIT B
TO RESOLUTION**

Affidavit of Publication

AFFIDAVIT OF PUBLICATION

REPORTER-HERALD

State of Colorado
County of Larimer

I, the undersigned agent, do solemnly swear that the LOVELAND REPORTER-HERALD is a daily newspaper printed, in whole or in part, and published in the City of Loveland, County of Larimer, State of Colorado, and which has general circulation therein and in parts of Larimer and Weld counties; that said newspaper has been continuously and uninterruptedly published for a period of more than six months next prior to the first publication of the annexed legal notice of advertisement, that said newspaper has been admitted to the United States mails as second-class matter under the provisions of the Act of March 3, 1879, or any, amendments thereof, and that said newspaper is a daily newspaper duly qualified for publishing legal notices and advertisements within the meaning of the laws of the State of Colorado; that a copy of each number of said newspaper, in which said notice of advertisement was published, was transmitted by mail or carrier to each of the subscribers of said newspaper, according to the accustomed mode of business in this office.

The annexed legal notice or advertisement was published in the regular and entire edition of said daily newspaper once; and that one publication of said notice was in the issue of said newspaper dated **December 28, 2015**.


Agent

Subscribed and sworn to before me this 28th day of
December, 2015 in the County of Boulder, State of Colorado.


Notary Public

Fee \$ 38.61
Account # 222605
Ad # 5662627

RITA MARIE HANNER-WARD
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20144042768
MY COMMISSION EXPIRES NOVEMBER 4, 2018

STATE OF COLORADO, CITY OF LOVELAND
NOTICE OF PUBLIC HEARING
IN RE THE ORGANIZATION OF LEE FARM METROPOLITAN DISTRICTS
NOS. 1 - 4, CITY OF LOVELAND, STATE OF COLORADO

PUBLIC NOTICE IS HEREBY GIVEN that there has been filed with the City of Loveland, Colorado, a Consolidated Service Plan and related documents for proposed special districts to be known as Lee Farm Metropolitan Districts Nos. 1 - 4 (the "Districts"). A map of the Districts and the Consolidated Service Plan are on file in the office of the City Clerk, 500 East Third Street, Suite 230, Loveland, Colorado, and are available for public inspection. The Districts are generally located west of Wilson Avenue between West 35th Street and West 49th Street in the City of Loveland. They consist of approximately 246 acres for primarily residential development. The Districts will provide for the design, acquisition, installation, construction, financing, operations, and maintenance of streets, traffic and safety signals, sewer, water, and parks and recreation facilities within the boundaries of the Districts. A mill levy cap of 65 mills is proposed for the Districts, subject to certain adjustment provisions.

NOTICE IS HEREBY FURTHER GIVEN that the Loveland City Council, Larimer County, State of Colorado, will hold a public hearing at or about 6:30 p.m. on January 19, 2016 in the City Council Chambers, 500 East Third Street, Loveland, Colorado, for the purpose of considering the Consolidated Service Plan and to form a basis for adopting a Resolution approving, disapproving or conditionally approving the Consolidated Service Plan for Lee Farm Metropolitan Districts Nos. 1 - 4. All protests and objections must be submitted in writing to the City Council for the City of Loveland at or prior to the public hearing or any continuance or postponement thereof in order to be considered.

NOTICE IS FURTHER GIVEN that pursuant to Section 32-1-203(3.5), C.R.S., as amended, any person owning property in the proposed Districts who requests that his or her property be excluded from the Districts prior to approval of the Consolidated Service Plan shall submit the request to the City Council for the City of Loveland no later than ten (10) days prior to the hearing, but the City Council for the City of Loveland shall not be limited in its action with respect to exclusion of territory based upon the request. Any request for exclusion shall be acted upon before final action of the City Council for the City of Loveland under Section 32-1-205, C.R.S. All protests and objections to the proposed Districts shall be deemed to be waived unless presented at the time and in the manner specified by the City of Loveland.

BY ORDER OF CITY COUNCIL FOR THE CITY OF LOVELAND,
STATE OF COLORADO
Published: Loveland Reporter Herald December 28, 2015 - 5662627

**EXHIBIT C
TO RESOLUTION**

Certificate of Mailing

STATE OF COLORADO, CITY OF LOVELAND, COUNTY OF LARIMER

CERTIFICATION OF MAILING NOTICE OF HEARING AND PUBLICATION

IN RE THE ORGANIZATION OF LEE FARM METROPOLITAN DISTRICTS NOS. 1 – 4,
CITY OF LOVELAND, COUNTY OF LARIMER, STATE OF COLORADO

IT IS HEREBY CERTIFIED by the undersigned, as follows:

1. That, the City Council of Loveland, Larimer County, Colorado, set a public hearing for Tuesday, the 19th day of January, 2016, at 6:30 p.m., at 500 East Third Street, Loveland, Colorado 80537, considering the Consolidated Service Plan and related documents for Lee Farm Metropolitan Districts Nos. 1 – 4 (the "Districts").
2. That, as a part of said action, directions were given that copies of the Notice of Public Hearing be mailed, by first class mail, not more than thirty days nor less than twenty days prior to said hearing, to interested persons, defined as follows: (1) the owners of record of all property within the Title 32 special districts as such owners of record are listed in the Larimer County Assessor's records; (2) the Division of Local Government; (3) the governing body of any municipality or special district which has levied an ad valorem tax within the next preceding tax year, and which has boundaries within a radius of three (3) miles of the Districts' boundaries.
3. That, in compliance with said directions, a copy of the Notice of Public Hearing, attached as Exhibit A, was deposited in the United States first class mail on December 30, 2015 to owners of record of all property within the Title 32 special districts; the Division of Local Government; and the governing body of any municipalities and special district which has levied an ad valorem tax within the next preceding tax year and which has boundaries within a three (3) mile radius of the Districts' boundaries, as per the listings attached as Exhibit B.
4. That, as a part of said action, directions were given that the Notice of Public Hearing be published one time in a newspaper of general circulation within the Districts. In compliance with said directions, a copy of the Notice of Public Hearing, attached as Exhibit A, was published on December 28, 2015 in *The Loveland Reporter-Herald*, an Affidavit of Publication is attached as Exhibit C.

IN WITNESS WHEREOF, I have hereunto set my hand this 8th day of January, 2016.

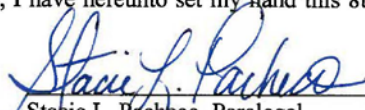

Stacie L. Pacheco, Paralegal

EXHIBIT A

NOTICE OF PUBLIC HEARING

STATE OF COLORADO, CITY OF LOVELAND

NOTICE OF PUBLIC HEARING

IN RE THE ORGANIZATION OF LEE FARM METROPOLITAN DISTRICTS NOS. 1 – 4, CITY OF LOVELAND, STATE OF COLORADO

PUBLIC NOTICE IS HEREBY GIVEN that there has been filed with the City of Loveland, Colorado, a Consolidated Service Plan and related documents for proposed special districts to be known as Lee Farm Metropolitan Districts Nos. 1 – 4 (the “Districts”). A map of the Districts and the Consolidated Service Plan are on file in the office of the City Clerk, 500 East Third Street, Suite 230, Loveland, Colorado, and are available for public inspection. The Districts are generally located west of Wilson Avenue between West 35th Street and West 43rd Street in the City of Loveland. They consist of approximately 246 acres for primarily residential development. The Districts will provide for the design, acquisition, installation, construction, financing, operations, and maintenance of streets, traffic and safety signals, sewer, water, and parks and recreation facilities within the boundaries of the Districts. A mill levy cap of 65 mills is proposed for the Districts, subject to certain adjustment provisions.

NOTICE IS HEREBY FURTHER GIVEN that the Loveland City Council, Larimer County, State of Colorado, will hold a public hearing at or about 6:30 p.m. on January 19, 2016 in the City Council Chambers, 500 East Third Street, Loveland, Colorado, for the purpose of considering the Consolidated Service Plan and to form a basis for adopting a Resolution approving, disapproving or conditionally approving the Consolidated Service Plan for Lee Farm Metropolitan Districts Nos. 1 – 4. All protests and objections must be submitted in writing to the City Council for the City of Loveland at or prior to the public hearing or any continuance or postponement thereof in order to be considered.

NOTICE IS FURTHER GIVEN that pursuant to Section 32-1-203(3.5), C.R.S., as amended, any person owning property in the proposed Districts who requests that his or her property be excluded from the Districts prior to approval of the Consolidated Service Plan shall submit the request to the City Council for the City of Loveland no later than ten (10) days prior to the hearing, but the City Council for the City of Loveland shall not be limited in its action with respect to exclusion of territory based upon the request. Any request for exclusion shall be acted upon before final action of the City Council for the City of Loveland under Section 32-1-205, C.R.S. All protests and objections to the proposed Districts shall be deemed to be waived unless presented at the time and in the manner specified by the City of Loveland.

**BY ORDER OF CITY COUNCIL FOR THE CITY
OF LOVELAND, STATE OF COLORADO**

EXHIBIT B

Property Owners within the Boundaries of the Districts
 Taxing Entities within a 3-mile radius of the Boundaries of the Districts
 Division of Local Government

LEE FARM METROPOLITAN DISTRICTS NOS. 1 – 4

City of Loveland
 Attn: Finance Director
 City Manager's Office
 500 East Third Street, Suite 330
 Loveland, Co 80537

Larimer County
 P. O. Box 1190
 Fort Collins, CO 80522

Larimer County Pest Control
 P. O. Box 1190
 C/O Larimer County
 Fort Collins, CO 80521

Northern Colorado Water Conservancy District
 Mr. Eric Wilkinson
 220 Water Avenue
 Berthoud, CO 80513-9245

Thompson R-2J School District
 2890 N. Monroe Avenue
 Loveland, CO 80537

Thompson Valley Health Services District
 4480 Clydesdale Parkway
 Loveland, CO 80538

US 34/Crossroads Corridor Renewal Plan
 City of Loveland-Long Range Plng.
 500 East Third
 Loveland, CO 80537

Little Thompson Water District
 835 East Highway 56
 Drawer G
 Berthoud, CO 80513

Poudre River Public Library District
 c/o Seter & Vander Wall P.C.
 7400 E. Orchard Rd., Ste. 3300
 Greenwood Village, CO 80111

Health District of Northern Larimer County
 120 Bristlecone Drive
 Fort Collins, CO 80524

Poudre R-1 School District
2407 La Porte Avenue
Fort Collins, CO 80521-2297

Poudre Valley Fire Protection District
102 Remington Street
Fort Collins, CO 80524

Fort Collins - Loveland Water District
5150 Snead Drive
Fort Collins, CO 80525-3764

Centerra Metropolitan District No. 3
Icenogle Seaver Pogue, P.C.
4725 S. Monaco Street, Suite 225
Denver, CO 80237

South Fort Collins Sanitation District
5150 Snead Drive
Fort Collins, CO 80525-3764

Loveland Rural Fire Protection District
C/O Gregory A. White
1423 West 29th Street
Loveland, CO 80538

Larimer County G.I.D. No. 8 Namaqua Hills
Attn: County Commissioners
c/o Larimer County Engineering Department
P.O. Box 1190
Fort Collins, CO 80522

Larimer County P.I.D. 44 Horseshoe View Est South
Attn: County Commissioners
C/O Larimer County
P.O. Box 1190
Fort Collins, CO 80522

City of Fort Collins
Attn: Rita Harris
City Clerks Office
P.O. Box 580
Fort Collins, CO 80522

Deer Meadows Metropolitan District
Attn: Leslie H. Larsen
Spencer Fane & Grimshaw LLP
1700 Lincoln Street, Suite 3800
Denver, CO 80203

Cascade Ridge Metropolitan District
Attn: Jill A. Neuffer
Spencer Fane & Grimshaw LLP
1700 Lincoln Street, Suite 3800
Denver, CO 80203

Loveland General Improvement District 1
500 East Third
Loveland, CO 80537

Larimer County G.I.D. No. 10 Homestead
Estates
County Commissioners
c/o Larimer County Engineering Department
P.O. Box 1190
Fort Collins, CO 80522

Harmony Technology Park Metro District No. 3
Attn: Clint C. Waldron
c/o White Bear Ankele P.C.
2154 E. Commons Avenue, Suite 2000
Centennial, CO 80122

Loveland Urban Renewal Authority
C/O Matt Robenalt
Loveland Long Range Planning Division
500 East Third
Loveland, CO 80537

Larimer County P.I.D. No. 31 Foothills Shadow
County Commissioners
c/o Larimer County Engineering Department
P.O. Box 1190
Fort Collins, CO 80522

Estes Park School R-3
Attn: Brian Lund
1605 Brodie Avenue
Estes Park, CO 80517

Larimer County G.I.D. No. 1991-1 Arapahoe Pines
County Commissioners
c/o Larimer County Engineering Department
P.O. Box 1190
Fort Collins, CO 80522

Johnstown Fire Protection District
1013 North Second Street
Johnstown, CO 80534

Larimer County P.I.D. No. 27 Crown Point
C/O Larimer County Engineering Dept.
P.O. Box 1190
Fort Collins, CO 80522

G A Lee Farm LLC
P.O. Box 151
Florence, OR 97439-0006

East Larimer County Water District
Attn: Mike Scheid
P.O. Box 2044
Fort Collins, CO 80522

Division of Local Government
1313 Sherman Street
Room 521
Denver, CO 80203

EXHIBIT C
AFFIDAVIT OF PUBLICATION

AFFIDAVIT OF PUBLICATION

REPORTER-HERALD

State of Colorado
County of Larimer

I, the undersigned agent, do solemnly swear that the LOVELAND REPORTER-HERALD is a daily newspaper printed, in whole or in part, and published in the City of Loveland, County of Larimer, State of Colorado, and which has general circulation therein and in parts of Larimer and Weld counties; that said newspaper has been continuously and uninterruptedly published for a period of more than six months next prior to the first publication of the annexed legal notice of advertisement, that said newspaper has been admitted to the United States mails as second-class matter under the provisions of the Act of March 3, 1879, or any amendments thereof, and that said newspaper is a daily newspaper duly qualified for publishing legal notices and advertisements within the meaning of the laws of the State of Colorado; that a copy of each number of said newspaper, in which said notice of advertisement was published, was transmitted by mail or carrier to each of the subscribers of said newspaper, according to the accustomed mode of business in this office.

The annexed legal notice or advertisement was published in the regular and entire edition of said daily newspaper once; and that one publication of said notice was in the issue of said newspaper dated December 28, 2015.


Agent

Subscribed and sworn to before me this 28th day of
December, 2015 in the County of Boulder, State of Colorado.

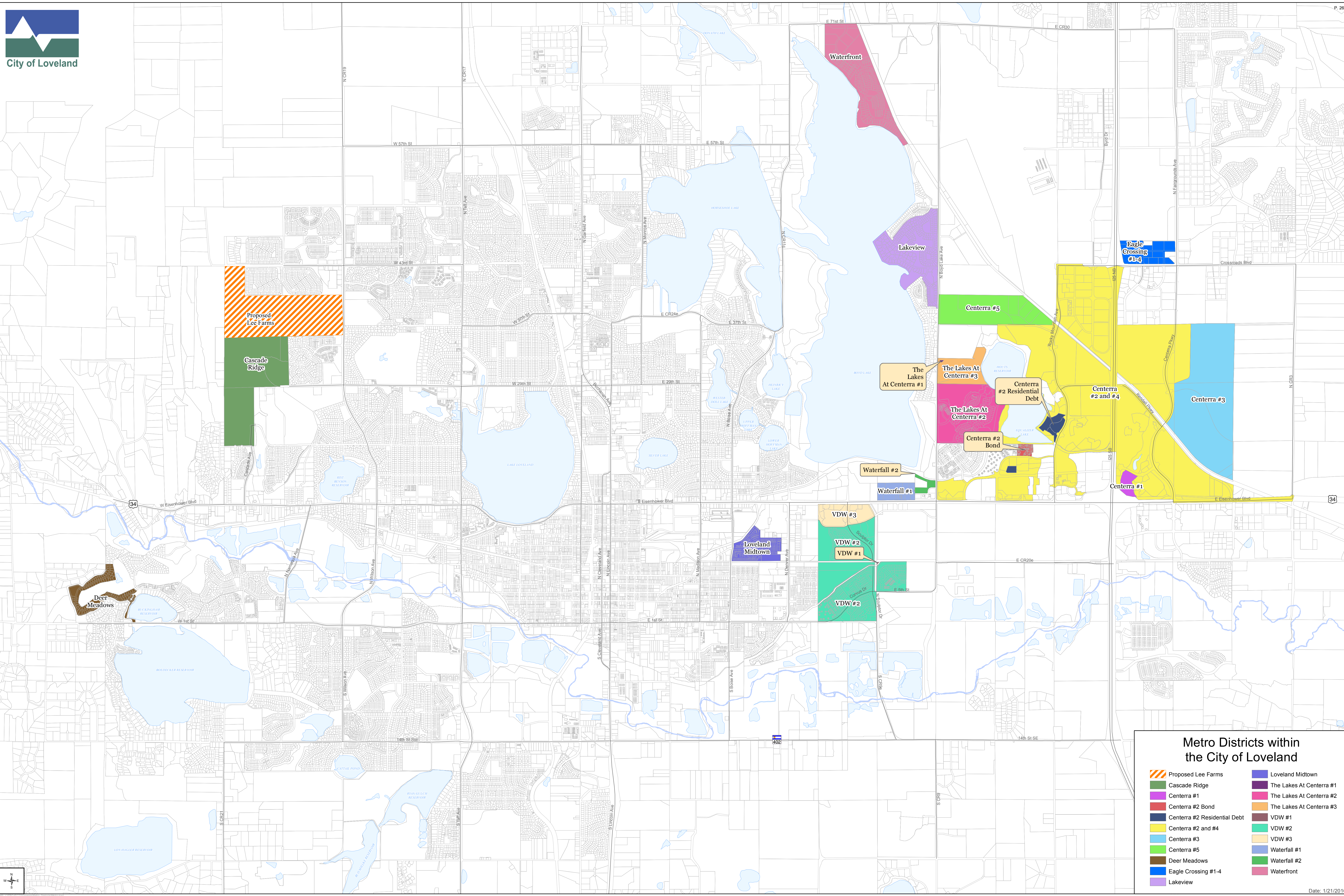

Notary Public

Fee \$ 38.61
Account # 222605
Ad # 5662627

RITA MARIE HANNER-WARD
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20144042758
MY COMMISSION EXPIRES NOVEMBER 4, 2018

STATE OF COLORADO/CITY OF LOVELAND
NOTICE OF PUBLIC HEARINGS
IN RE THE ORGANIZATION OF LES FARM METROPOLITAN DISTRICTS
HOS 1-4 CITY OF LOVELAND, STATE OF COLORADO

PUBLIC NOTICE IS HEREBY GIVEN that there has been filed with the City of Loveland, Colorado, the Consolidated Service Plan and related documents for proposed special districts to be known as Les Farm Metropolitan Districts Nos. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 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Metro Districts within the City of Loveland

	Proposed Lee Farms		Loveland Midtown
	Cascade Ridge		The Lakes At Centerra #1
	Centerra #1		The Lakes At Centerra #2
	Centerra #2 Bond		The Lakes At Centerra #3
	Centerra #2 Residential Debt		VDW #1
	Centerra #2 and #4		VDW #2
	Centerra #3		VDW #3
	Centerra #5		Waterfall #1
	Deer Meadows		Waterfall #2
	Eagle Crossing #1-4		Waterfront
	Lakeview		

Date: 1/21/2016



James Manire, Director
8055 E. Tufts Avenue, Suite 500
Denver, CO 80237

February 2, 2016

Mr. Alan Krcmarik
Executive Fiscal Advisor
City of Loveland
500 East 3rd Avenue
Loveland, CO 80537

Dear Mr. Krcmarik:

FirstSouthwest, a Division of Hilltop Securities Inc., ("FirstSouthwest") has been retained by the City of Loveland, Colorado, to review the Financing Plan submitted in conjunction with the proposed formation of four new metropolitan districts to be known as Lee Farm Metropolitan Districts Nos. 1, 2, 3 and 4 (the "Districts"). In this capacity, we have reviewed the projections contained in Exhibit E to the Service Plan for the Districts, and have participated in related discussions with City staff and with counsel to the developer.

FirstSouthwest's review of the Financing Plan is based on the assumptions provided by the developers. Our report should not be viewed as an independent confirmation of the developer's assumptions relating to the real estate market, property valuations, construction buildout, or absorption rates.

In the course of our review, along with other members of the City's review team, I have participated in discussions with representatives of the developer. I have found the developer to be responsive to my comments and to my requests for some specific limits on District Debt to be included in the Service Plan. I have a high level of confidence that the resulting Service Plan does a good job of balancing the financial flexibility needed by the developer with the interests of future homeowners within the Districts.

Lee Farm Metropolitan Districts Nos. 1, 2, 3 and 4: Expected Development

The Districts are being formed to finance public infrastructure to serve approximately 246 acres of currently undeveloped property within the City. The Districts will be generally located within an area bounded by W. 43rd Street on the north, W. 35th Street on the South, and N. Wilson Avenue on the East.

The four Districts are intended to be operated in a coordinated manner to allow for the phasing of new construction over the development period. District 1 is a "Service District", and Districts 2, 3, and 4 are "Financing Districts". The Multiple District Structure is commonly used to facilitate development in Colorado, and the Lee Farm proposal is fairly typical of his approach.



Service Districts, generally created on very small parcels, receive revenue transfers from the much larger Financing Districts. The Lee Farm Service Plan anticipates that District 1, the Service District, will provide all the operational and administrative services for the four Districts, using revenue transferred from the Financing Districts for that purpose. The Plan identifies District 2 as the issuer of all the public debt for the project, which it would repay from revenues generated within its own boundaries as well as from capital transfers it receives from Districts 3 and 4. The Plan allows the Districts to make boundary changes in order to manage the phases of the development buildout, so long as there is no new property added to the current boundaries.

Expected Development

Lee Farm is a residential project, and does not anticipate any commercial development within the Districts. As described in the Plan, housing types within the development are expected to include single-family attached residences, single-family detached residences, multi-family residences, and patio homes, with average prices from \$325,000 to greater than \$610,000, and are anticipated to total approximately 736 units.

When development is completed, the assessed valuation of the property within the Districts is projected to be \$25,896,000. This corresponds to an estimated market value of more than \$325 million. The estimated population within the Districts at full build-out is approximately 2,200 persons based upon an assumption of three individuals per unit.

District Debt Program

The developers are proposing to form the Districts for the purpose of financing a portion of the estimated \$39,922,509 of public infrastructure costs needed to support the project (Service Plan Exhibit D). The Service Plan provides that the Districts may issue up to \$22 million of bonds or other Debt to fund or reimburse the developers for these infrastructure costs (the "Debt Limit"). The Debt Limit will remain in effect unless revised by the City Council in a future Service Plan amendment.

In addition, unless approved by the City Council in a future amendment to the Service Plan: 1) each individual Debt issue must be repaid within 40 years; 2) no Debt may be issued after February 2, 2036; and, 3) regardless of the date of issuance, all Debt of the Districts must be repaid within 50 years of the original date of the approval of the Service Plan by the City Council. Any Debt outstanding 50 years from of the original date of the City Council's approval of the Service Plan will be extinguished.

Debt issued by the Districts will be repaid primarily from property taxes. The Districts will be permitted to levy property taxes up to 65 mills (the "Mill Levy Cap") for debt service, administrative and operating costs, and for the repayment of amounts due to the developers for operating advances and capital contributions. Other sources of District revenue will include specific ownership taxes, developer advances, and fees related to the recreational facilities to be constructed by the Districts.



The Proposed Financing Plan

The Financing Plan provided in Exhibit E includes the following assumptions:

\$39,922,509 needed for public infrastructure will be advanced by the developer as development occurs. The Service Plan stipulates that no interest will be charged on these advances.

The Financing Plan projects that the first residential units will be completed in 2017. Residential development will continue until all 736 of the projected units are completed in 2025.

Taxes are shown to be levied by the Districts at the rate of 50 to 55 mills through 2034. From 2035 through 2051, the projected mill levy is 44 mills.

There are four bond issues included in the Plan, occurring in 2020, 2022, 2025, and 2030. The combined amount is \$15,800,000. The assumed interest rate is 6.00%. Although not a conservative assumption, this is still within a reasonable range of the borrowing rate for non-rated, limited-tax bonds issued by metropolitan districts in recent years. Actual rates may be higher when issued, but increased interest costs would be somewhat offset by the greater revenue which would be generated if property values are also inflated.

The revenue generated under the assumptions in the model is sufficient to repay the projected \$15,800,000 of Debt by the year 2051. After estimated issuance costs, the bond issues reimburse \$14,694,000 of the developer's capital contributions. As presented in the model, the developer absorbs the remaining unreimbursed capital contributions, which amount to more than \$23 million.

Comments and Conclusions

The financial projections included in a service plan for a new metropolitan district are only a general indication of how a new district may execute its debt program. The Lee Farm financial projections do not constitute a commitment to construct the improvements or to pursue the development on any specific timetable. The timing and amounts of the Debt issued will be subject to market conditions at the time. The ability to issue Debt in the future will also depend on the level of development achieved within the Districts and on the level of taxes imposed by the Districts.

The Lee Farm Financing Plan demonstrates that \$15.8 million of Debt can be supported. The Service Plan does permit the issuance of up to \$22 million, which provides for some additional capacity to offset possible increases in the construction budget. This addresses one of the major concerns expressed by the developer, and represents a reasonable



accommodation given the other debt constraints which have been accepted by the developer and included in the plan.

Regardless of how the Districts' Debt program is finally executed, the Lee Farm Service Plan provides three significant protections for future homeowners. The maximum amount of Debt cannot exceed \$22 million; the maximum mill levy cannot exceed 65 mills; and all Debt must be repaid within 50 years of the original adoption of the Service Plan. In my opinion, the combined effect of these constraints is significant, and provides a level of taxpayer protection not found in all metro district service plans. The Financing Plan is a reasonable representation of the Districts' ability to discharge future obligations.

Sincerely,

A handwritten signature in blue ink that reads "James Manire". The signature is written in a cursive style with a large, looping initial "J".

James Manire
Director



CITY OF LOVELAND
ECONOMIC DEVELOPMENT OFFICE
Civic Center • 500 East Third • Loveland, Colorado 80537
(970) 962-2304 • FAX (970) 962-2900 • TDD (970) 962-2620

AGENDA ITEM: 18
MEETING DATE: 2/16/2016
TO: City Council
FROM: Mike Scholl, Economic Development Manager
PRESENTER: Mike Scholl

TITLE:

A Resolution Of The Loveland City Council Approving The Execution Of An Exclusive Negotiation Agreement With Brinkman Capital, LLC For The South Catalyst Project

RECOMMENDED CITY COUNCIL ACTION:

Approve the Resolution as recommended.

OPTIONS:

1. Adopt the action as recommended.
2. Deny the action. The City would be without a development partner for the South Catalyst project.
3. Adopt a modified action. If the Council modified the Exclusive Negotiation Agreement, it would need to be reviewed by Brinkman Capital, LLC prior to final approval.
4. Refer back to staff for further development and consideration. Council could direct staff to make changes, this would delay the approval and subsequent negotiations on the South Catalyst project.

SUMMARY:

This is an administrative action. At the January 19, 2016 regular meeting, the City Council directed City staff to bring the Exclusive Negotiation Agreement with Brinkman Capital, LLC to Council for consideration. The Exclusive Negotiation Agreement is a contract with the developer as the City's exclusive development partner. If approved, City staff along with the downtown stakeholder groups will begin negotiation on a development agreement for the South Catalyst project. Both parties anticipate completing the draft terms of agreement prior to the August 2, 2016 deadline.

BUDGET IMPACT:

- ☐ Positive
☐ Negative
☒ Neutral or negligible

The City is requesting a \$10,000 refundable deposit from Brinkman Capital, LLC to secure the Exclusive Negotiation Agreement from the City. While the Exclusive Negotiation Agreement does not require an appropriation, the outcome of the negotiations will require a significant public investment.

BACKGROUND:

The Exclusive Negotiation Agreement, which will be for six months, is a formal contract with the developer that lays out the deliverables and expectations from the City for the negotiation. The

basis and starting point for the negotiation is the proposal submitted by Brinkman Capital, LLC to the City on November 13, 2015 in response to the Downtown Request for Proposals (RFP). The Exclusive Negotiation Agreement will bind the City to Brinkman Capital, LLC as our exclusive development partner for the South Catalyst Project. The City and Brinkman Capital, LLC expect to have a completed draft of a development agreement at the end of the six month period of exclusivity. The Exclusive Negotiation Agreement includes the following timeline:

February 2, 2016	Effective Date of the Exclusive Negotiation Agreement
April 4, 2016	Preliminary site plan
May 2, 2016	Preliminary Pro Forma, Construction Budget and Definition of the Project Site
August 2, 2016	Complete Preliminary Term Sheet

There is no administrative extension in the Exclusive Negotiation Agreement. The term sheet expires on August 2, and any extension would need to be granted by the City Council.

The RFP:

On October 6, 2015, the City issued a Request for Proposal (RFP) for a development partner for the South Catalyst project. Brinkman Capital, LLC submitted a response along with Momentum Development/Prime West. The RFP Review Committee appointed by City Council, reviewed both responses and recommended Brinkman Capital, LLC as the preferred development partner for the City.

The recommendation was discussed at the January 19, 2016 regular City Council meeting. At the meeting, the Council gave direction to staff to bring the Exclusive Negotiation Agreement back to Council for consideration at the earliest possible meeting.

The Project:

The South Catalyst Project is a large scale infill development intended to accelerate downtown revitalization and have a broad impact on the downtown as a whole. The project has been contemplated by the City since 2009. The project under consideration will need to be economically viable and generate benefits and activity for the surrounding downtown area. Specifically, the City is interested in developments that will achieve some mix of the following:

- bring new employees downtown
- increase retail opportunities
- increase the number of residential units; and
- provide unique entertainment attractions that will bring people downtown such as a movie theater

The proposal and project concept that was submitted by Brinkman Capital, LLC incorporated all four of the elements listed above.

Brinkman Partners:

Brinkman Partners (<http://www.brinkmanpartners.com/>) are an integrated real estate development firm, which includes development, commercial brokerage services, general contracting and property management. They have extensive experience in downtown redevelopment and were the City's partner on the Gallery Flats project.

REVIEWED BY CITY MANAGER:

A handwritten signature in black ink, appearing to read "William D. Cahill". The signature is fluid and cursive, with the first name "William" and last name "Cahill" clearly distinguishable.

LIST OF ATTACHMENTS:

Resolution with Exhibit A - Exclusive Negotiation Agreement

RESOLUTION #R-16-2016

A RESOLUTION OF THE LOVELAND CITY COUNCIL APPROVING THE EXECUTION OF AN EXCLUSIVE NEGOTIATION AGREEMENT WITH BRINKMAN CAPITAL, LLC FOR THE SOUTH CATALYST PROJECT

WHEREAS, on October 6, 2015, the City of Loveland (“City”) issued a Request for Proposal (RFP) for a development partner for the South Catalyst Project; and

WHEREAS, the South Catalyst Project is intended to accelerate downtown revitalization and has been contemplated by the City since 2009. The project under consideration must be economically viable and generate benefits and activity for the surrounding downtown area; and

WHEREAS, the RFP Review Committee, appointed by City Council to review RFP responses, recommended Brinkman Capital, LLC (“Brinkman”) as the preferred development partner for the City; and

WHEREAS, Brinkman is an integrated real estate development firm which includes development, commercial brokerage services, general contracting and property management. Brinkman has experience in downtown redevelopment and was the City’s partner on the Gallery Flats project; and

WHEREAS, the recommendation of Brinkman was discussed at the January 19, 2016 regular City Council meeting and City Council directed staff to prepare an Exclusive Negotiation Agreement for City Council’s consideration at the earliest possible meeting.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LOVELAND, COLORADO:

Section 1. That the Exclusive Negotiation Agreement attached hereto as **Exhibit A** is approved.

Section 2. That the City Manager and the City Clerk are hereby authorized and directed to execute the Exclusive Negotiation Agreement on behalf of the City of Loveland.

Section 3. That this Resolution shall be effective as of the date of its adoption.

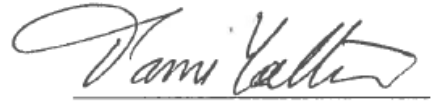
Adopted this 16th day of February, 2016.

By: _____
Cecil Gutierrez, Mayor

ATTEST:

By: _____
City Clerk

APPROVED AS TO FORM:



City Attorney

EXHIBIT A

EXCLUSIVE NEGOTIATION AGREEMENT

EXCLUSIVE NEGOTIATION AGREEMENT

THIS EXCLUSIVE NEGOTIATION AGREEMENT (the "Agreement") dated _____, 2016, is made by and between the CITY OF LOVELAND, COLORADO, a body corporate and politic of the State of Colorado (the "City") and Brinkman Capital, LLC, a Colorado limited liability company (the "Developer"), which may be referred to individually herein as a "Party" or collectively herein as the "Parties."

In consideration of the following mutual covenants and other good and valuable consideration, the sufficiency and adequacy of which are hereby acknowledged, the Parties agree as follows:

1. Development Project. Pursuant to a competitive bidding procedure established by the City, the Developer's affiliate, Brinkman Development, LLC ("Brinkman Development") submitted a proposal dated November 13, 2015 ("Proposal"), concerning the redevelopment of the real property that is depicted on the attached map, labeled **Exhibit A**, and incorporated herein by this reference, and which includes the street rights of way on 2nd Street and 3rd Street between Lincoln and Cleveland Avenues as well as any public alleyways (the "Property").

The Parties acknowledge that the Proposal is conceptual and a starting point for negotiations.

The Proposal provides for construction on the Property of the following:

- A three- or four-story commercial building with approximately 57,000 square feet.
- A four- or five-story mixed-use building with approximately 78,000 square feet to include up to 100 multifamily apartment units, with some ground floor office and/or retail space.
- A single-story, 22,250 square foot movie theater with four to six movie screens.
- One or two stories of approximately 28 for-sale condominium units that are comprised of approximately 28,080 square feet.
- A parking structure with an estimated 370 parking spaces sized to the needs of the development, the downtown and ground floor retail. Parking spaces within the structure may be above or below grade.
- Approximately seven artist studios.
- Improvements to the Greeley Loveland Irrigation Canal ("GLIC") and the areas adjacent to Lincoln Avenue that serve as a gateway to downtown.
 - Both parties agree that any improvements to GLIC are subject to additional input from the community, project design team, and City's review team and are subject to review by representatives from GLIC.
 - Both parties acknowledge that the cost of any public improvements are subject to further negotiation.

Such Property and Proposals described in Section 1 above shall be referred to collectively in this Agreement as the "Project."

The City acknowledges that the Developer, in entering into this agreement, will be seeking significant financial participation as indicated in their Proposal and which is outlined in Exhibit B. Further, both parties agree that the information in Exhibit B is based on a conceptual design that

is subject to change and is merely a starting point for negotiations and nothing in this Agreement is commitment by the City to such financial participation.

On January 19, 2016, the RFP Review Committee, appointed by the Loveland City Council ("City Council") recommended the Developer as the City's "preferred developer" with which to enter into an exclusive negotiation agreement for redevelopment of the Property as described above as the Project. Such selection and the execution of this Agreement shall not be deemed acceptance of the Proposal or the Developer by the City. The Project shall not be deemed accepted until the Parties execute a mutually agreeable Disposition and Re-Development Agreement (the "DRA"), which may differ *substantially from the Project*; provided, however, failure of the Parties to agree upon a material revision or alteration of the Project, without more, shall not constitute a violation of this Agreement, including the obligation of the Parties to negotiate in good faith.

2. Exclusive Negotiations. The Parties agree that for a period beginning on February 16, 2016 and expiring on August 2, 2016 (the "Negotiation Period"), they will negotiate exclusively and in good faith with one another in an effort to reach a mutually acceptable DRA. The Negotiation Period may be extended only by written amendment of this Agreement authorized and executed by the Parties, and such amendment must be approved by City Council.

3. Deposit. Upon execution of this Agreement, the Developer shall deliver to the City a good faith deposit of Ten Thousand Dollars (\$10,000) in the form of a company check (the "Deposit"). The Deposit shall be held by the City during the term of this Agreement and all extensions. The City shall retain the Deposit in an interest bearing account. All interest earned on the Deposit shall be added to and become part of the Deposit. If, in spite of the Parties' best efforts and good faith negotiations, they are unable to agree upon a mutually acceptable DRA, the Deposit, and all interest earned thereon, shall be promptly returned to the Developer by the City. The Developer agrees that the City shall retain the Deposit, and all interest earned thereon, as liquidated damages if the Developer breaches this Agreement by failing or refusing to meet at reasonable intervals or in accordance with a mutually established schedule to negotiate with the City's representatives or if the Developer otherwise fails to negotiate in good faith (collectively, "Deposit Retention Events"). The Developer agrees to provide the City with a proposed schedule of meetings.

4. DRA Timeline. The Parties agree to adhere to the following timeline for the development of the DRA:

DATE	ITEM
FEBRUARY 16	Effective date of this Agreement
APRIL 4	Preliminary site plan that includes the location of various elements of the Project, including the parking structure and any new or relocated infrastructure
MAY 2	Preliminary pro forma and construction

	budget and definition of the Project site
AUGUST 16	Complete preliminary term sheet that includes the major terms and conditions, including, financing, for the DRA; Complete first draft of the DRA to be brought before City Council for review and consideration.

5. Developer's Duties and Covenants. The Developer warrants and covenants as follows:

a. Developer inspected and is reasonably familiar with the general character and location of the Property. For purposes of this section, Developer assumes all areas of land have had a Phase 2 environmental study performed and the City will provide the Developer with all documentation regarding the environmental conditions, including all actions taken by the City to abate, remediate and/or cure any known environmental conditions.

b. The Developer understands and acknowledges that the Property is subject to certain legal requirements, including to the Downtown Urban Renewal Plan, as amended, and the Loveland Downtown Development Authority and, when appropriate, the restrictions, covenants, conditions and obligations required by the City and all applicable law. The Parties will jointly seek reasonable modifications to any such requirements that may be required by the terms of the final DRA, as agreed upon by the Parties.

c. Developer hereby certifies to the best of Developer's actual knowledge that it possesses the legal ability and the ability to obtain adequate financing to develop the Property by constructing the improvements contemplated by the Proposal. Subject to normal financing contingencies and market conditions, the Developer knows of no reason or circumstance that will preclude its ability to obtain adequate financing. This warranty by Developer is subject to the Project not materially deviating from the current Proposal.

d. The Developer will disclose to the City, prior to the execution of the DRA, its principals, officers, stock holders, partners, joint venturers, members, guarantors, and other interested persons that will be involved in the ownership of the special purpose entity(ies) that will develop, own and operate the real property and improvements located thereon of the Project. The City acknowledges and agrees that the ownership composition of such entities have not been finalized.

e. As part of the Developer's obligations under this Agreement, the Developer shall reasonably cooperate with the City, its bond advisors, underwriters, attorneys, legal advisers, consultants, City staff and others involved in the financing and completion of the Project.

f. The Developer shall submit to the City periodic reports as reasonably requested by the City, regarding the progress of studies, reports, plans, designs and other activities that affect

the negotiation of the DRA. Reports made by the Developer at scheduled meetings shall satisfy this Agreement.

g. The Developer shall provide at its own expense) the professional services necessary to complete the preliminary site design and conceptual rendering for the Project (“Professional Expenses”), in a form reasonably satisfactory to the City.

h. The Developer shall provide tenant commitment(s) for the retail space, at terms that are reasonably satisfactory to the City. Developer agrees to provide market comparable to the City in an effort to verify market rates.

i. The Developer shall provide, market studies (“Market Studies”) that demonstrate retail and housing demand, in a form reasonably acceptable to the City.

j. The Developer shall complete, at its own expense, site design and conceptual design renderings for the Project, in a form reasonably acceptable to the City.

k. The City agrees to dedicate sufficient staff to ensure timely input and review of conceptual design renderings.

l. The City agrees to make available space for meetings at no cost to the Developer, to provide all documents related to the project site, electronic CAD files prepared by the civil engineer and other information as necessary.

m. The City acknowledges that it has no claim to any work product including but not limited to site design, conceptual renderings, and Market Studies. In the event that the parties fail to reach an agreement, the City is not entitled to use any work product without prior agreement from the Developer.

6. City Duties and Covenants. The City represents, warrants, and covenants as follows:

a. To provide current and future (the environmental and clearing studies planned for Spring, 2016) site data in the City’s possession, including maps and civil surveys, required to complete the preliminary Project site design and concept design, full utility and parcel maps, and title work on those portions of the Property to be conveyed;

b. Access to and prioritization of the City’s internal design review team; and

c. Right of Developer to include within the Project Proposal the additional property located at 3rd Street, should it be brought under purchase contract by the Developer during the term of this Agreement and expiring one year following completion of the Project as evidenced by a certificate of occupancy.

7. Developer and City Duties. The Developer and the City agree to complete the following

no later than the close of business on August 16, 2016, subject to the Project timeline set forth in Section 3 above:

- a. A term sheet describing the terms and conditions of the DRA;
- b. The first draft of the DRA to be brought before City Council for review and consideration;
- c. Subject to further change and revision as the Project progresses, The Project budget and redevelopment pro-forma; and
- d. To dedicate staff as needed to complete a term sheet and DRA as set forth in this Agreement, including bi-weekly meetings at the City beginning Monday, February 8, 2016 through the completion of the draft DRA.

8. Access to Property. At any reasonable time, the Developer, its employees, agents or contractors may enter upon the Property at the sole risk of the Developer for the purpose of making inspections or conducting such reasonable tests, investigations, studies, audits, surveys and reviews and for the purpose of removing samples from the Property in connection with the design and construction of the Project. Immediately after such entry on the Property, the Developer shall restore the Property to substantially the same condition it was in prior to such entry. The Developer shall indemnify and hold harmless the City, and City Council members, employees, agents, consultants, insurance provider and attorneys for any loss, damage or claims of any loss or damage (including reasonable legal fees) resulting from any such entry, tests and surveys. The City may require the Developer and any other person seeking such entry to sign reasonable and customary license agreements and other documents confirming the terms of this provision.

9. Indemnification. The Developer shall indemnify and hold harmless the City, its officials, officers, employees, agents, and insurance provider for and against any loss, damage, or claims of any loss or damage, including reasonable legal fees, resulting from any action, representation, commitment or activity of the Developer in connection with the proposed redevelopment of the Property.

10. No Assignment. This Agreement may not be assigned, in whole or in part, by either Party without the prior written consent of the other Party. The City recognizes that the Developer intends to form separate, special purpose entity(ies) to develop, own and operate real property and the improvements thereon of the Project, and that assignments may be required in connection with such activities. Approval of any such assignment(s) shall not be unreasonably withheld by the City.

11. Covenant Against Contingent Fees and Costs. The City shall not be liable for any fees or costs, including real estate commissions or brokerage fees, or costs of studies, reports, or other documents that may arise as a consequence of any transaction involving this Agreement or the Property or any part thereof. The Parties represent that neither has engaged a broker, agent or

finder in connection with this Agreement or in connection with the sale and transfer of the Property or any part thereof.

12. City not a Partner. Notwithstanding any language in this Agreement or any other agreement, representation or warranty to the contrary, the City shall not be deemed to be a partner or joint venturer of the Developer or any operator or manager of the Project, and the City shall not be responsible for any debt of the Developer.

13. Defaults; Remedies. Upon a default by the other Party, and provided that such Party has not cured the default within twenty (20) days of the receiving written notice thereof, the remedies of the respective Parties under this Agreement shall be as follows:

a. If the Developer fails to substantially observe or perform any covenant, obligation or agreement required under this Agreement, the sole and exclusive remedy of the City shall be to cancel and rescind the Agreement, except in the case of a Deposit Retention Event, the sole and exclusive remedy of the City shall be to cancel and rescind the Agreement.

b. If the City fails to substantially observe or perform any covenant, obligation or agreement required under this Agreement, Developer shall be entitled to cancel and rescind the Agreement. The Developer shall not be entitled to any other legal or administrative remedy, action or proceeding including, without limitation, the right to seek damages, specific performance, or to seek any other right or remedy at law or in equity. The Developer shall be responsible for bearing all of its costs and expenses, direct or indirect, in connection with the Project, this Agreement or the DRA.

14. No Other Rights or Remedies. Notwithstanding any language in the Agreement or any other Agreement, document or communication to the contrary, the Project shall not be deemed accepted by the Parties until the DRA is executed by both Parties. The rights and remedies of the Parties are specifically limited to those set forth in this Agreement and no rights to specific enforcement or in the nature of equitable conversion will be deemed to have been created with respect to the Project, the Property or otherwise.

15. Non-liability for Certain Persons. No City Council member, employee, agent, consultant, underwriter, insurance provider, or attorney of the City shall be personally liable to the Developer under this Agreement or in the event of any default or breach by the City under this Agreement.

16. Conflicts of Interest. None of the following shall have any personal interest, direct or indirect, in this Agreement: a member of the governing body or an employee of the City who exercises responsibility concerning the Project, or an individual or firm retained by the City, who has performed or will perform consulting or legal services in connection with the Project. Nor shall any of the above persons or entities make any decisions relating to this Agreement that affect his or her personal interest or the interest of any corporation, partnership or association in which he or she is directly or indirectly interested.

17. Notices. A notice or demand under this Agreement by any Party to the other shall be in writing and sufficiently given if delivered in person or via overnight courier service with guaranteed next-day delivery or by certified mail, return receipt required, postage prepaid, and;

a. in the case of the Developer, is addressed or delivered to the Developer as follows:

Brinkman Capital, LLC
Attn: Jay Hardy
3528 Precision Drive, Suite 100
Fort Collins, CO 80528

with a copy to:

Liley, Rogers & Martell L.L.C.
Attn: Lucia Liley
300 S. Howes Street
Fort Collins, CO 80521

b. in the case of the City, is addressed or delivered to the City as follows:

City Manager
City of Loveland
500 E. Third Street, Suite 330
Loveland, CO 80537

with a copy to:

City Attorney
City of Loveland
500 E. Third Street, Suite 330
Loveland, CO 80537

or at such other address with respect to any such Party as that Party may, from time to time, designate in writing and forward to the other as provided in this Section.

18. Authorized Contacts for Communications. The Developer and the City agree that each shall designate one individual as a point of contact for all communications pursuant to this Agreement. The City designates Mike Scholl, Economic Development Manager, as its contact and the Developer designates Jay Hardy as its contact.

19. Applicable Law and Venue. The laws of the State of Colorado shall govern the interpretation and enforcement of this Agreement and exclusive venue shall be in the Larimer County District Court.

20. Confidentiality. Pursuant to the Colorado Open Records Act, C.R.S. §§ 24-72-201 *et seq.* (“Act”), all information provided to the City is subject to public disclosure unless it meets one of the exceptions set forth in the Act. To avoid disclosure of trade secrets, privileged information, or confidential commercial, financial, geological, or geophysical data (“Confidential Information”), the Developer must clearly mark all Confidential Information as such and provide a written, detailed justification to the City of the protected nature of the Confidential Information under Colorado law. This justification must address, at a minimum, the specific competitive harm that may result from any disclosure, the intrinsic value of the Confidential Information to the Developer, and any safeguards the Developer uses to protect the Confidential Information from disclosure. By executing this Agreement, the Developer agrees to hold the City harmless from any claim arising from the release of Confidential Information not clearly marked as such by the bidder or lacking written, detailed justification supported by Colorado law.

IN WITNESS WHEREOF, the City and the Developer have caused this Agreement to be duly executed as of the day first above written.

DEVELOPER:
BRINKMAN CAPITAL, LLC,
a Colorado limited liability company

By: BRINKMAN REAL ESTATE SERVICES, LLC
 a Colorado limited liability company
 its Manager

By: _____
 Kevin Brinkman, Manager

CITY:
CITY OF LOVELAND, COLORADO

By: _____
Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

Exhibit A



Downtown Project Area

Project Area

Possible Additional Area

NOTE: All calculations were made using best available data and should be considered approximate.



Exhibit B

Developer Requested Assistance – By product type (see proforma gap analysis)

Project	Land	Fee Waivers	Financial need (NPV)
Movie Theater	X	X	\$ 1,798,641
Mixed Use building	X	X	\$ -
Office	X	X	\$ 147,655
Live/Work units	X	X	\$ 793,588
Condominiums	X	X	\$ -
Artist Studios	X	X	\$ 120,430
Parking Structure	X	X	\$ 5,091,797
			\$ 7,952,111