



**CITY COUNCIL AGENDA**

**NOTICE TO READERS:** City Council meeting packets are prepared several days prior to the meetings. Timely action and short discussion on agenda items is reflective of Council’s prior review of each issue with time, thought and analysis given. Many items have been previously discussed at a Council Study Session.

Members of the audience are invited to speak at the Council meeting. Citizen Communication (Section 4) is reserved for comments on any issues or items pertaining to City business except those for which a formal public hearing is scheduled under Section 10 when the Mayor will call for public testimony. Please limit comments to no more than 5 minutes duration.

- 1. Pledge of Allegiance
- 2. Roll Call
- 3. Consideration of Minutes of Preceding Meeting (February 8, 2016)
- 4. Citizen Communication (5 minutes or less)
- 5. Report of City Officials
  - A. City Manager's Report
- 6. City Council Comments
- 7. Presentations
  - A. Proclamation Recognizing Total Beverage and their work with the Westminster Legacy Foundation

The "Consent Agenda" is a group of routine matters to be acted on with a single motion and vote. The Mayor will ask if any Council member wishes to remove an item for separate discussion. Items removed from the consent agenda will be considered immediately following adoption of the amended Consent Agenda.

- 8. Consent Agenda
  - A. Financial Report for January 2016
  - B. Construction Engineering Services for the Little Dry Creek Trail: Federal to Lowell Project
  - C. Municipal Service Center Gasoline Release Remediation Contract
  - D. Additional Expenditure Authorization for Vehicle Purchases to Sill-TerHar Motors, Inc.
  - E. 2016 Water Treatment Chemicals Purchase
  - F. Sheridan Boulevard Waterline Repair and Replacement Project Final Design
- 9. Appointments and Resignations
- 10. Public Hearings and Other New Business
  - A. Councillor’s Bill No. 5 re Proposed Economic Development Agreement with Zimmer Biomet Spine, Inc.
  - B. Resolution No. 13 Updating City Council’s Rules and Regulations Related to Order of Business
- 11. Old Business and Passage of Ordinances on Second Reading
  - A. Second Reading of Councillor’s Bill No. 3 Authorizing Proposed EDA with Local Foods
  - B. Second Reading of Councillor’s Bill No. 4 Authorizing Proposed EDA with WT Investment Limited, LLC
- 12. Miscellaneous Business and Executive Session
  - A. City Council
  - B. Executive Session:
    - 1. Review and discussion of City facility security measures pursuant to WMC 1-11-3(C)(6) and CRS 24- 6-402(4) (d).
    - 2. Discussion of strategy and progress on negotiations related to the Downtown Westminster Redevelopment and the possible sale, trade or exchange of property interests and provide instructions to the Authority’s negotiators as authorized by WMC 1-11-3(C)(4) and (7) CRS 24-6-402 (4)(a) and (e)(I).

**13. Adjournment**

**NOTE:** Persons needing an accommodation must notify the City Clerk no later than noon on the Thursday prior to the scheduled Council meeting to allow adequate time to make arrangements. You can call 303-658-2161/TTY 711 or State Relay or write to [mparker@cityofwestminster.us](mailto:mparker@cityofwestminster.us) to make a reasonable accommodation request.

## **GENERAL PUBLIC HEARING PROCEDURES ON LAND USE MATTERS**

- A.** The meeting shall be chaired by the Mayor or designated alternate. The hearing shall be conducted to provide for a reasonable opportunity for all interested parties to express themselves, as long as the testimony or evidence being given is reasonably related to the purpose of the public hearing. The Chair has the authority to limit debate to a reasonable length of time to be equal for both positions.
- B.** Any person wishing to speak other than the applicant will be required to fill out a "Request to Speak or Request to have Name Entered into the Record" form indicating whether they wish to comment during the public hearing or would like to have their name recorded as having an opinion on the public hearing issue. Any person speaking may be questioned by a member of Council or by appropriate members of City Staff.
- C.** The Chair shall rule upon all disputed matters of procedure, unless, on motion duly made, the Chair is overruled by a majority vote of Councillors present.
- D.** The ordinary rules of evidence shall not apply, and Council may receive petitions, exhibits and other relevant documents without formal identification or introduction.
- E.** When the number of persons wishing to speak threatens to unduly prolong the hearing, the Council may establish a time limit upon each speaker.
- F.** City Staff enters a copy of public notice as published in newspaper; all application documents for the proposed project and a copy of any other written documents that are an appropriate part of the public hearing record;
- G.** The property owner or representative(s) present slides and describe the nature of the request (maximum of 10 minutes);
- H.** Staff presents any additional clarification necessary and states the Planning Commission recommendation;
- I.** All testimony is received from the audience, in support, in opposition or asking questions. All questions will be directed through the Chair who will then direct the appropriate person to respond.
- J.** Final comments/rebuttal received from property owner;
- K.** Final comments from City Staff and Staff recommendation.
- L.** Public hearing is closed.
- M.** If final action is not to be taken on the same evening as the public hearing, the Chair will advise the audience when the matter will be considered. Councillors not present at the public hearing will be allowed to vote on the matter only if they listen to the tape recording of the public hearing prior to voting.



# 2015 CITY OF WESTMINSTER STRATEGIC PLAN



## VISIONARY LEADERSHIP, EFFECTIVE GOVERNANCE AND PROACTIVE REGIONAL COLLABORATION

*The City of Westminster has articulated a clear vision for the future of the community. The vision is implemented through collaborative and transparent decision making. Westminster is proactively engaged with our partners to advance the common interests of the region.*

- Develop communication, management and planning tools that move the City toward its vision while providing excellent government.
- Collaborate with state agencies, counties, school districts, neighboring cities and other governmental and non-governmental entities.



## VIBRANT, INCLUSIVE AND ENGAGED COMMUNITY

*Westminster provides options for an inclusive, demographically diverse citizenry in unique settings with community identity, ownership and sense of place, with easy access to amenities, shopping, employment and diverse integrated housing options. Members of the community are empowered to address community needs and important community issues through active involvement with City cultural, business and nonprofit groups.*

- Advance strategies that demonstrate Westminster is a regional leader in providing affordable/workforce housing.
- Develop programs and strategies that build a unique sense of community in Westminster.
- Lead the development of cultural opportunities in Westminster.
- Identify the distinct neighborhoods of Westminster and help them begin to work together, as neighbors, to grow the sense of place and community in their neighborhoods.



## BEAUTIFUL, DESIRABLE, SAFE AND ENVIRONMENTALLY RESPONSIBLE CITY

*Westminster thoughtfully creates special places and settings. The City is an active steward, protecting and enhancing natural resources and environmental assets. The City promotes and fosters safe and healthy communities.*

- Make a Citywide commitment to sustainability.
- Promote ongoing excellent management and maintenance of the City's parks and open space system.
- Provide opportunities for residents, visitors and employees to improve their personal wellness – physically, emotionally and intellectually.



## DYNAMIC, DIVERSE ECONOMY

*Westminster is a local government that fosters social, economic and environmental vitality and cultivates and strengthens a wide array of economic opportunities.*

- Develop an economic development strategy that contributes to City vision attainment and is executed through collaborative work between the City of Westminster, the business community, residents and other partners of Westminster.



## FINANCIALLY SUSTAINABLE GOVERNMENT PROVIDING EXCELLENCE IN CITY SERVICES

*Westminster leads the region in a culture of innovation that exceeds expectations in providing value in all city services – the city shall be known for “the Westy Way.”*

- Develop and maintain comprehensive municipal capital infrastructure master plan and financing strategy.
- Promote the organizational culture of Service, Pride, Integrity, Responsibility, Innovation and Teamwork.
- City Manager will develop an annual program of specific department business process improvement reviews.



## EASE OF MOBILITY

*Westminster pursues multi-modal transportation options to ensure the community is convenient, accessible and connected by local and regional transportation options through planning, collaboration, advocacy and execution. Transportation objectives include walkability, bike friendly, drivability, and mass-transit options.*

- Improve the walkability and bikeability of Westminster.
- Improve mass-transit options throughout Westminster.

### VISION:

**Westminster is the next Urban Center of the Colorado Front Range.** It is a vibrant inclusive, creative, and well-connected City. People choose Westminster because it is a dynamic community with distinct neighborhoods and a resilient local economy that includes: a spectrum of jobs; diverse, integrated housing; and shopping, cultural, entertainment, and restaurant options. It embraces the outdoors and is one of the most sustainable cities in America.

### MISSION:

Our job is to deliver exceptional value and quality of life through S-P-I-R-I-T (Service, Pride, Integrity, Responsibility, Innovation, Teamwork).

CITY OF WESTMINSTER, COLORADO  
MINUTES OF THE CITY COUNCIL MEETING  
HELD ON MONDAY, FEBRUARY 8, 2016 AT 7:00 P.M.

PLEDGE OF ALLEGIANCE

Mayor Atchison led the Council, Staff, and audience in the Pledge of Allegiance.

ROLL CALL

Mayor Herb Atchison, Mayor Pro Tem Alberto Garcia, and Councillors Bruce Baker, Shannon Bird, Maria De Cambra, Emma Pinter, and Anita Seitz were present at roll call. Also present were Acting City Manager Stephen P. Smithers, City Attorney David Frankel, and City Clerk Michelle Parker.

CONSIDERATION OF MINUTES

Upon a motion by Councillor Baker, seconded by Councillor Seitz, the Council unanimously approved the minutes of the regular meeting of January 25, 2016, as presented.

PRESENTATIONS

Clerk's Note: Mayor Atchison changed the order of business to move Presentations before Citizen Communication.

Mayor Pro Tem Garcia presented the World Spay Day Proclamation to Cassie Stenstrom, Executive Director of SpayToday, Neuter Now! The non-profit organization provides affordable and accessible services to the community and seeks to reduce overpopulation through sterilization of pets and rescued animals. Accepting the Proclamation along with Ms. Stenstrom were staff members Dr. Angelina Piccoli, Marina Wilson, Bonnie Krone, and Board President, Traci O'Brien.

CITIZEN COMMUNICATION

Maria del Carmen Guzman Weese, 10490 Hobbit Lane, expressed her disappointment with Councillor Baker's public comments on immigration.

Linda Graybeal, 504 W. 95<sup>th</sup> Place, Stefanie Godfrey, 6204 W. 92<sup>nd</sup> Place, and Adrienne Martinez, 1284A Milo Circle in Lafayette, all expressed concerns about traffic and safety along 92<sup>nd</sup> Avenue. They all urged Council to install a traffic light at 92<sup>nd</sup> Avenue and Ingalls or to find alternate ways to make this busy intersection safer. They spoke of recent accidents, including one that resulted in a fatality.

Stephen-John Nalty of 3455 Wyandot Street in Denver, read remarks about sovereignty and government.

Jeremy Rodriguez, representing the Office of Congressman Ed Perlmutter, updated Council on upcoming events which included: the Baby Boomer Career Fair on February 19; Government in Grocery on March 5; the Senior Resource Fair on March 11; the Congressional Art Competition at Red Rocks Community College on May 6, and the Veterans History Project at Westminster High School, premiering on May 20.

Eric Brandt, PO Box 133 in Westminster, was concerned that the Council was not listening to citizens and was trying to silence people. Mr. Brandt approached the dais saying he wanted to demonstrate an example of police use-of-force. He also made remarks about holding the Council accountable.

Brian Head, 10421 King Circle, representing the Westminster Chamber of Commerce, thanked the Mayor and Mayor Pro Tem for their leadership. He invited Council, City staff and citizens to attend the Chamber's upcoming Awards Gala. He said the Chamber was looking forward to working with the Council in 2016.

Jane Smith expressed concern that citizens with prepared comments at public meetings were told Council was cutting their time from 5 minutes to 3 minutes because of large crowds. She stated that meetings should go as long as necessary without cutting public comment.

David Kofel, 200 West 92<sup>nd</sup> Ave. in Federal Heights, expressed his belief that a traffic light on 92<sup>nd</sup> Avenue will never be built because of the high cost, citing a similar experience in Federal Heights.

Clerk's Note: The Mayor called for a short recess at 7:50 p.m. The meeting reconvened at 7:55 p.m. with all members present.

### CITY MANAGER'S REPORT

Mr. Smithers, Acting City Manager, reported that there would be a WEDA meeting at conclusion of the regular meeting. He also reported that there would be a post-meeting with 2 items, including a legislative update from the City's lobbyist, and amendments to the Westminster Station Intergovernmental Agreement with the Regional Transportation District. He also reported that due to the Presidents Day holiday next Monday, there will not be a Study Session. There will be a Study Session on February 29<sup>th</sup> to make up for it.

### COUNCIL REPORTS

Councillor Seitz was excited about the Broncos Super Bowl 50 win. She reported that the Citizens Fire Academy is accepting applications, and said it was a good opportunity to see how first responders operate. She also spoke about the opportunity for Westminster residents to get a Perennial Garden in a Box with a \$25 discount; the Second Saturday Art Walk at the Penguin Building; and the availability of scholarships for college-bound students from the Westminster Rotary Club. She also thanked Adrienne Martinez for talking to Council about the loss of her fiancé, and expressed that Council does welcome and weigh citizen input.

Councillor Bird cheered the Broncos win. She also thanked the Westminster Rotary Club, and noted that they have added three new scholarships. Since 1999, they have donated over \$800,000 to 440 students, and she thanked them for helping students pursue advanced education. She also reported that the South Westminster Arts Group was hosting a creative writing class, and that every other Saturday there is a free art clinic for kids at the Rodeo Community Art Center.

Councillor De Cambra said she was expressing her Bronco Pride by wearing team colors. She expressed how difficult it was to sit and listen to comments, and that she was moved by the citizens' communication. She echoed appreciation for Adrienne Martinez's comments. She made clear that not all members of the Council shared the same opinion on immigration, and shared her own personal story of being a first generation Venezuelan-American. Further, she added that we value diversity in Westminster, and on our staff. Councillor De Cambra went on to say that freedom of speech is very important to her, whether she agrees with what is said or not. But to be clear, she expressed that the use of profanity and obscenities was not acceptable. Everyone should feel welcome at Council meetings.

Mayor Pro Tem Garcia reported that one of Westminster's fire engines would be in the Super Bowl parade Tuesday, and that it would also be Bronco Pride Day at the City. He also thanked Adrienne Martinez for sharing her moment of incredible tragedy to make sure no other family goes through the same. He was pleased to recognize the Westminster Youth Advisory Panel, who served at a Denver homeless shelter recently by bringing and distributing food, supplies, and clothing. He explained that the panel is made up of a diverse group of teens from Westminster, representing all 3 local school districts, and displayed passion and commitment to Westminster and the community.

Councillor Pinter thanked everyone for coming out to the meeting. She reflected on the theme of what it means to be an American. She noted that tonight everyone heard about a wide range of topics from pets to immigration, to small businesses and public safety. She also shared her own personal story of being a first generation American, and talked about the legacy of public service she inherited from her family, and the importance of serving your community and neighbors. She was grateful that citizens have a public forum in which to comment and for her opportunity to serve the City of Westminster.

Councillor Baker also reflected on what it means to be an American, and wondered what kind of legacy would be left to Americans who come after us. He stated that decisions reverberate through the community and what we do makes a difference in the future. He believed that the City of Westminster actually brings to life the values we all claim to have and isn't afraid of having a conversation about serious issues. He commented that although tonight's conversation was full of emotion, it was very good. He expressed thanks to citizens for their patience in engaging with the Council.

#### CONSENT AGENDA

The following items were presented on the consent agenda for City Council's action: authorize the Mayor to enter into an Intergovernmental Agreement with the Adams County Housing Authority that includes approximately \$3,250,000 in direct support as well as investment within the Westminster Station Area necessary to facilitate a 70-unit affordable housing vertically mixed-use development in substantially the same form as the agreement provided to Council; authorize the City Manager to execute a contract with Alta Planning + Design, Inc. in the amount of \$100,175 for the development of a multi-modal transportation needs assessment, plus a contingency of \$10,018 for a total authorized expenditure of \$110,193; authorize the purchase of asphalt and crackseal materials from the low price Multiple Assembly of Procurement Officials bidder each quarter during 2016 in an amount not to exceed \$921,600 for asphalt and \$80,000 for crackseal materials; and pass Councillor's Bill No. 2 on final reading to rezone the Alto project from C-1 and R-4 to Planned Unit Development (PUD).

Councillor Baker moved to approve the consent agenda, excluding Item 8B. The motion was seconded by Councillor Pinter and carried unanimously.

#### MULTI-MODAL TRANSPORTATION NEEDS ASSESSMENT CONTRACT

Councillor Seitz moved, seconded by Councillor De Cambra, to authorize the City Manager to execute a contract with Alta Planning + Design, Inc. in the amount of \$100,175 for the development of a multi-modal transportation needs assessment, plus a contingency of \$10,018 for a total authorized expenditure of \$110,193. Following discussion, the motion passed 6:1, with Councillor Baker voting no.

#### COUNCILLOR'S BILL NO. 3 RE PROPOSED EDA WITH LOCAL FOODS CAMPUS INC.

Mayor Pro Tem Garcia moved, seconded by Councillor Seitz, to pass Councillor's Bill No. 3 on first reading authorizing the City Manager to execute and implement an Economic Development Agreement (EDA) with Local Foods Campus Inc. in a form substantially the same as provided to Council. After discussion, the vote passed on roll call by a 5:2 margin, with Mayor Atchison and Councillor Baker voting no.

#### COUNCILLOR'S BILL NO. 4 RE PROPOSED EDA WITH WT INVESTMENT LIMITED, LLC

Councillor Bird moved to pass Councillor's Bill No. 4 on first reading, seconded by Councillor De Cambra, authorizing the City Manager to execute and implement an Economic Development Agreement (EDA) with WT Investment Limited LLC, in a form substantially the same as presented to Council, so long as the language in Section 1, paragraph (b), subsection two is amended to read, "Owner shall submit plans and receipts evidencing the expenditure of funds that qualify for reimbursement with Grant proceeds."

Following discussion, the motion and amended language passed by a margin of 5:2. Mayor Atchison and Councillor Baker voted no.

ADJOURNMENT

There was no further business to come before the City Council, and the Mayor adjourned the meeting at 8:41 p.m.

ATTEST:

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
City Clerk



## Agenda Item 7 A

### Agenda Memorandum

City Council Meeting  
February 22, 2016



**SUBJECT:** Proclamation Recognizing Westminster Total Beverage

**Prepared By:** Laura Magnetti, Marketing Analyst

### Recommended City Council Action

Mayor Atchison and City Council to present a proclamation recognizing Westminster Total Beverage for their commitment to the Westminster community.

### Summary Statement

City Council is requested to acknowledge the many years of dedication and commitment to Westminster and the Westminster Legacy Foundation.

- For the past 13 years, Total Beverage has been a major sponsor of the Westminster Legacy Foundation's Wine Tasting fundraising event.
- With the support and help from Total Beverage, the event has grown to 500 participants, nets approximately \$25,000 annually, and has become the signature event for the Westminster Legacy Foundation.
- The funds raised have provided financial support to more than 50 non-profit agencies serving Westminster residents, which would not be possible without Westminster Total Beverage's support.
- Westminster Total Beverage generously provides advertising, ticket sales, all beverage vendors and silent auction items.
- Westminster Total Beverage exhibits the values of SPIRIT (Service, Pride, Integrity, Responsibility, Innovation, and Teamwork), which are paramount to the City of Westminster.
- John Fredrickson of Westminster Total Beverage will be present to accept the proclamation.

**Expenditure Required:** \$0

**Source of Funds:** N/A



**Policy Issue**

None identified

**Alternative**

None identified

**Background Information**

In 1999, Westminster City Council directed the Parks and Recreation Advisory Board to develop the criteria for forming a nonprofit, tax-exempt public foundation whose goal would be to support various City projects, programs and to generally improve the quality of life for Westminster residents.

One of the main missions of the foundation was to raise funds to contribute to a wide scope of community causes. Since its formation, this goal has been pursued with successful fundraising efforts, most notably a wine tasting event and a golf tournament. With support from Westminster Total Beverage, approximately \$700,000 has been awarded in grants or capital projects supporting open space and parks, social services and programs, culture and education, public safety, and youth and senior programs.

The foundation has recently grown to include new business leaders in the community with a strong desire to create a larger impact in Westminster. They are in the process of evolving to become a more recognizable and active foundation. A major component of this transformation includes a shift to focus on one high-impact capital project.

The Westminster Legacy Foundation supports all the City's Strategic Plan goals. The Westminster Legacy Foundation is a 501(c)3 non-profit organization that engages people who care with causes that enrich our community. Westminster Total Beverage, in partnership with the Westminster Legacy Foundation, demonstrates the shared values of SPIRIT with the City of Westminster. Recognizing the leadership and community support by Westminster Total Beverage supports the following City Strategic Plan Goals: Vibrant, Inclusive and Engaged Community; Visionary Leadership, Effective Governance and Proactive Regional Collaboration; and Dynamic, Diverse Economy.

Respectfully submitted,

Donald M. Tripp  
City Manager

Attachment: Proclamation

**WHEREAS**, the Westminster City Council established the Westminster Legacy Foundation in 1999 to expand funding of “good works” throughout the community using the option of a 501c3 organization; and

**WHEREAS**, the Foundation has worked in cooperation with the Westminster City government over the years in funding noteworthy special projects including the Jessica Ridgeway Park, the Nancy Heil tribute sculpture, and the Armed Services Tribute Garden; and

**WHEREAS**, the Foundation has played an important financial role in supporting a plethora of non-profit human services organizations over the past 13 years, which serve a variety of populations in the Westminster community;

**WHEREAS**, the Foundation has raised in excess of \$700,000 over the years to support these special projects and provide ongoing financial support to such organizations as CASA, the Senior Hub, Growing Home, 7:10 Rotary Club, Brothers Redevelopment, Inc., Butterfly Pavilion, Yellow Ribbon Campaign and approximately 50 other organizations; and

**WHEREAS**, the funds raised by the Foundation are significantly generated from the annual wine tasting event which in large part is thanks to the stellar effort, coordination and generosity provided by Total Beverage of Westminster; and

**WHEREAS**, the Westminster City Council and the Westminster Legacy Foundation Board of Directors wish to publicly acknowledge and thank the ownership and management of Total Beverage of Westminster.

**NOW, THEREFORE I, HERB ATCHISON**, Mayor of the City of Westminster, on behalf of the entire City Council and Staff do hereby publicly proclaim the City’s sincere appreciation to Total Beverage of Westminster for their long-term community service in supporting the Westminster Legacy Foundation.

Dated this 22<sup>nd</sup> day of February, 2016.

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Herb Atchison



Agenda Memorandum

City Council Meeting  
February 22, 2016



**SUBJECT:** Financial Report for January 2016

**Prepared By:** Tammy Hitchens, Finance Director

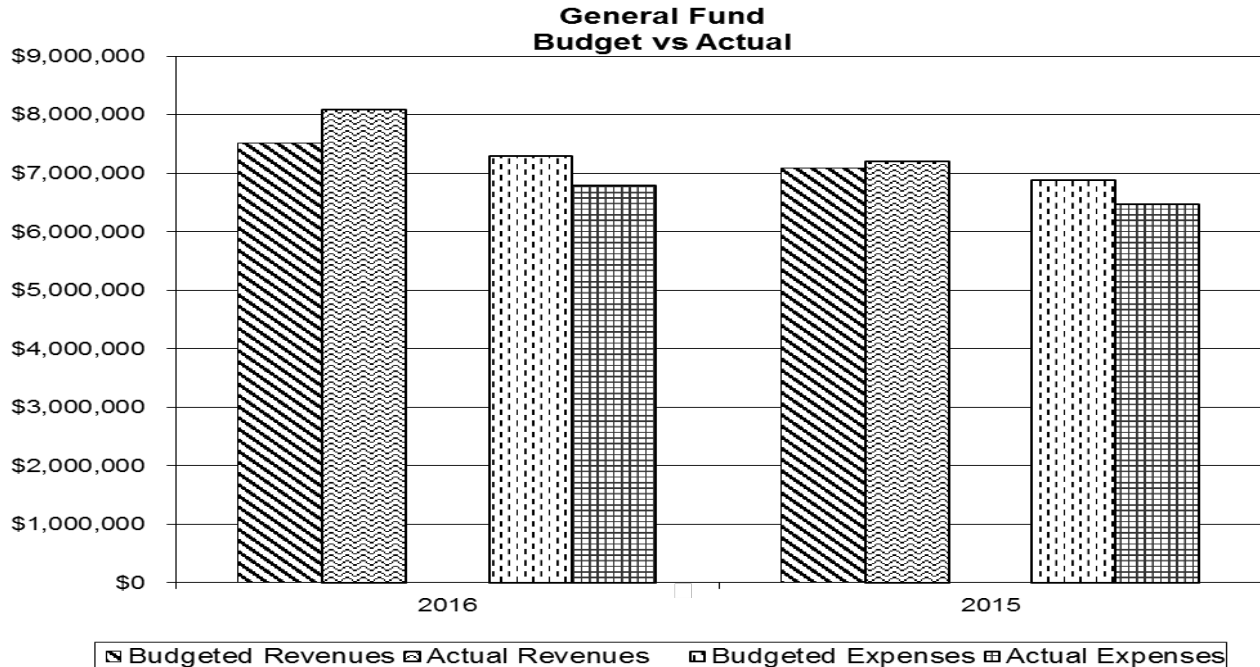
**Recommended City Council Action**

Accept the Financial Report for January as presented.

**Summary Statement**

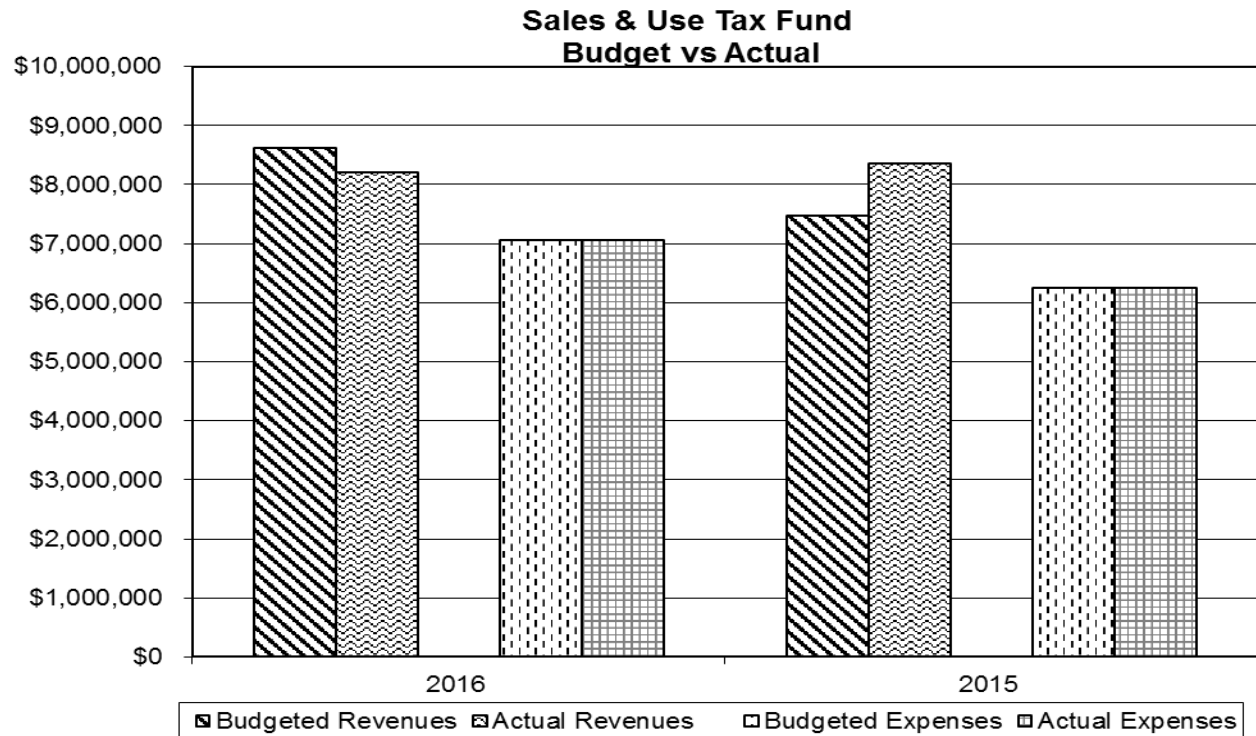
City Council is requested to review and accept the attached monthly financial statement. The Shopping Center Report is also attached. Unless otherwise indicated, “budget” refers to the pro-rated budget. The budget numbers that are presented reflect the City’s amended adopted budget. Both revenues and expense are pro-rated based on 10-year historical averages.

Current projections show General Fund revenues exceeding expenditures by \$1,089,852. The following graph represents Budget vs. Actual for 2015-2016.

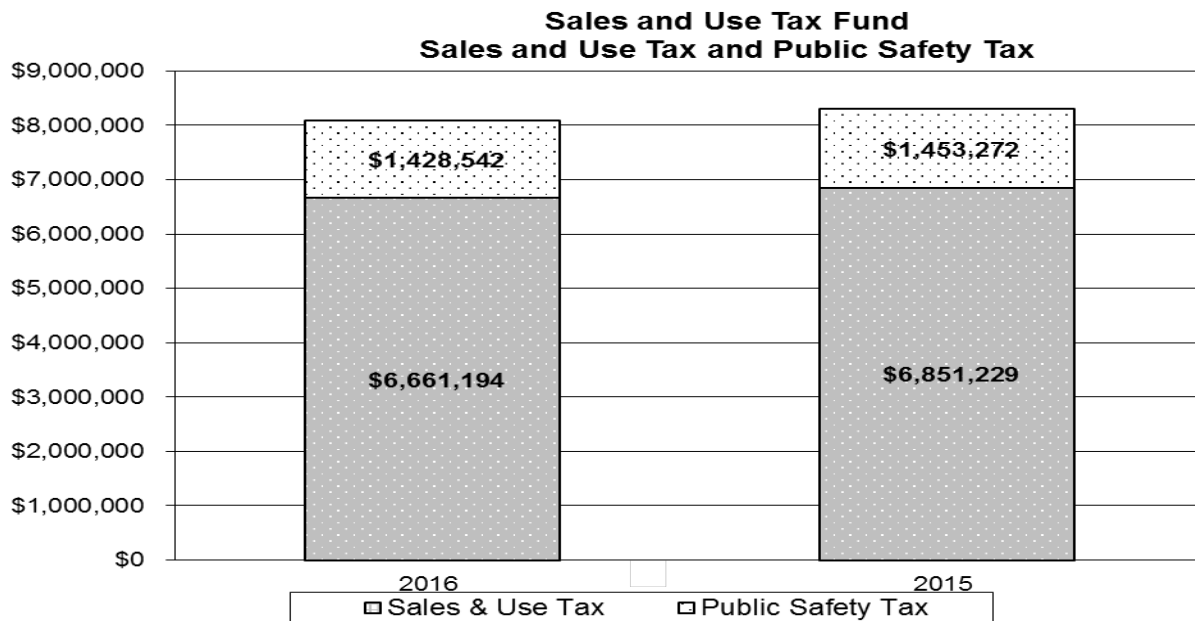


Current projections show the Sales and Use Tax Fund revenues under expenditures by \$405,031. On a year-to-date cash basis, total sales and use tax is down 2.8% from 2015; however, adjusting for tax payments not received until February, Sales and Use tax is up 2.7%. Key components are listed below:

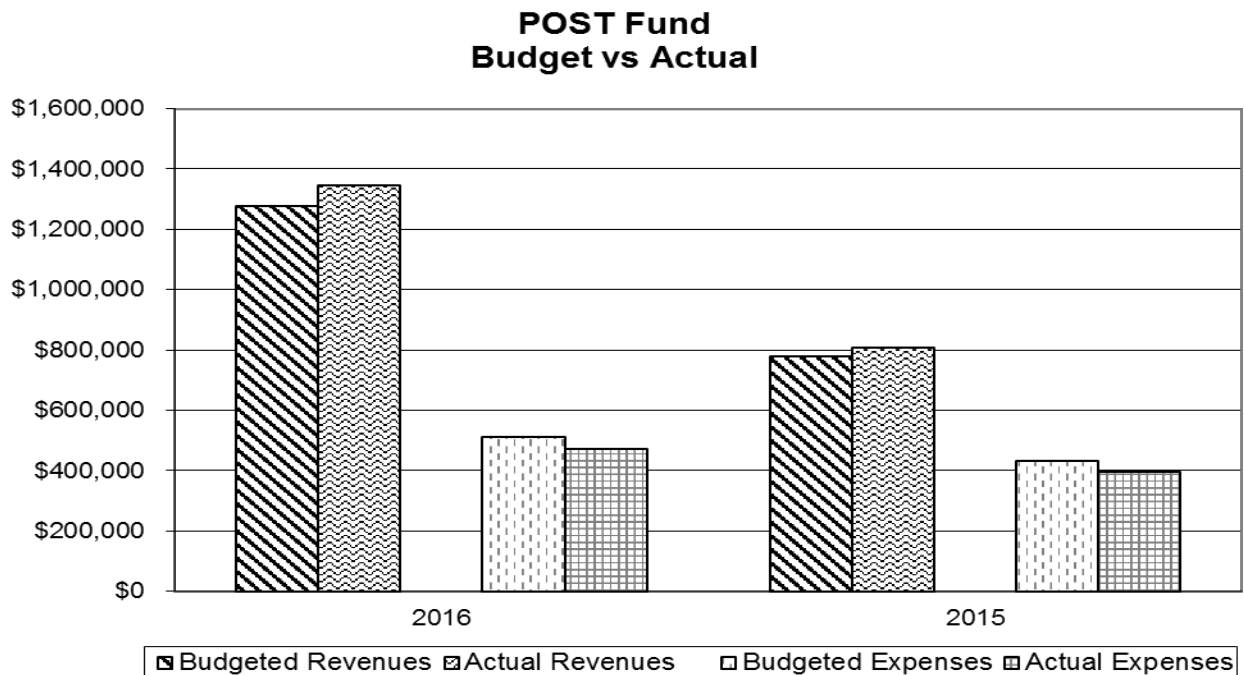
- On a year-to-date basis, across the top 25 shopping centers, total sales and use tax receipts are up 5.0% from the prior year.
- Sales tax receipts from the top 50 Sales Taxpayers, representing about 57.4% of all collections, are up 7.6% for the month when compared to 2015.
- Urban renewal areas make up 36.6% of gross sales tax collections. After urban renewal area and economic development assistance adjustments, 83.0% of this money is being retained for General Fund use in operating the City.



The graph below reflects the contribution of the Public Safety Tax to the overall Sales and Use Tax revenue.

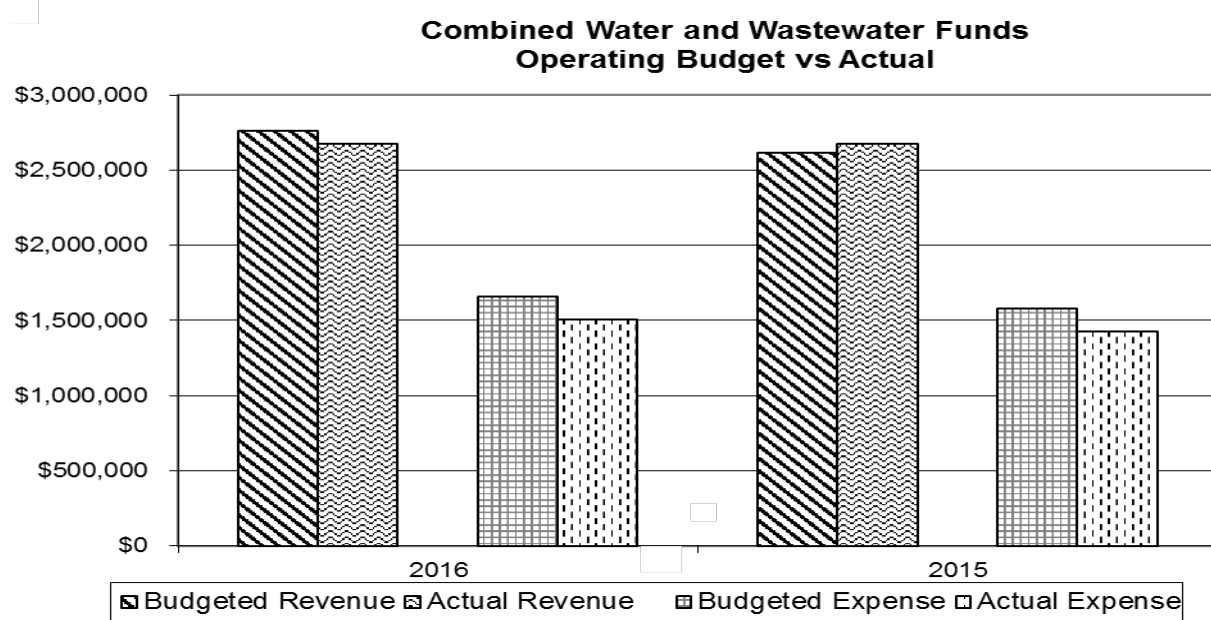


Current projections show Parks, Open Space and Trails (POST) Fund revenues and carryover exceeding expenditures by \$106,073.

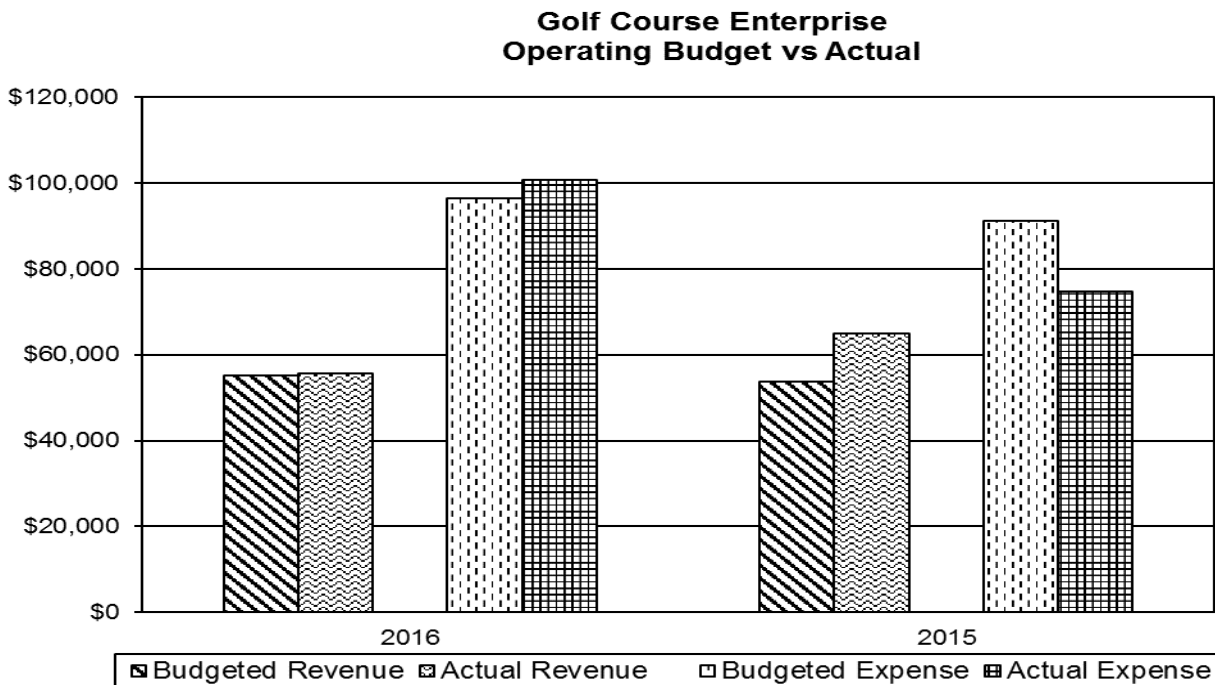


The year over year increase in revenue is primarily attributable to carryover as well as a license fee granting developer access to parkland property for the installation of drainage improvements.

Overall, current projections show combined Water and Wastewater Fund revenues under expenditures by \$767,846, mostly due to tap fees. Operating projections show combined Water and Wastewater Fund revenues exceeding expenditures by \$64,640.



Current projections show combined Golf Course Fund revenues and carryover under expenditures by \$2,218. Operating projections show combined Golf Course Fund revenues under expenditures by \$3,688.



The expense variance between years is due mostly to salary, energy, maintenance and commodity costs. The 2016 budget to actual expense variance relates mostly to salaries. The 2015 budget to actual revenue variance relates mostly to driving range and green fees as well as merchandise sales.

**Policy Issue**

A monthly review of the City’s financial position is the standard City Council practice; the City Charter requires the City Manager to report to City Council on a quarterly basis.

**Alternative**

Conduct a quarterly review. This is not recommended, as the City’s budget and financial position are large and complex, warranting a monthly review by the City Council.

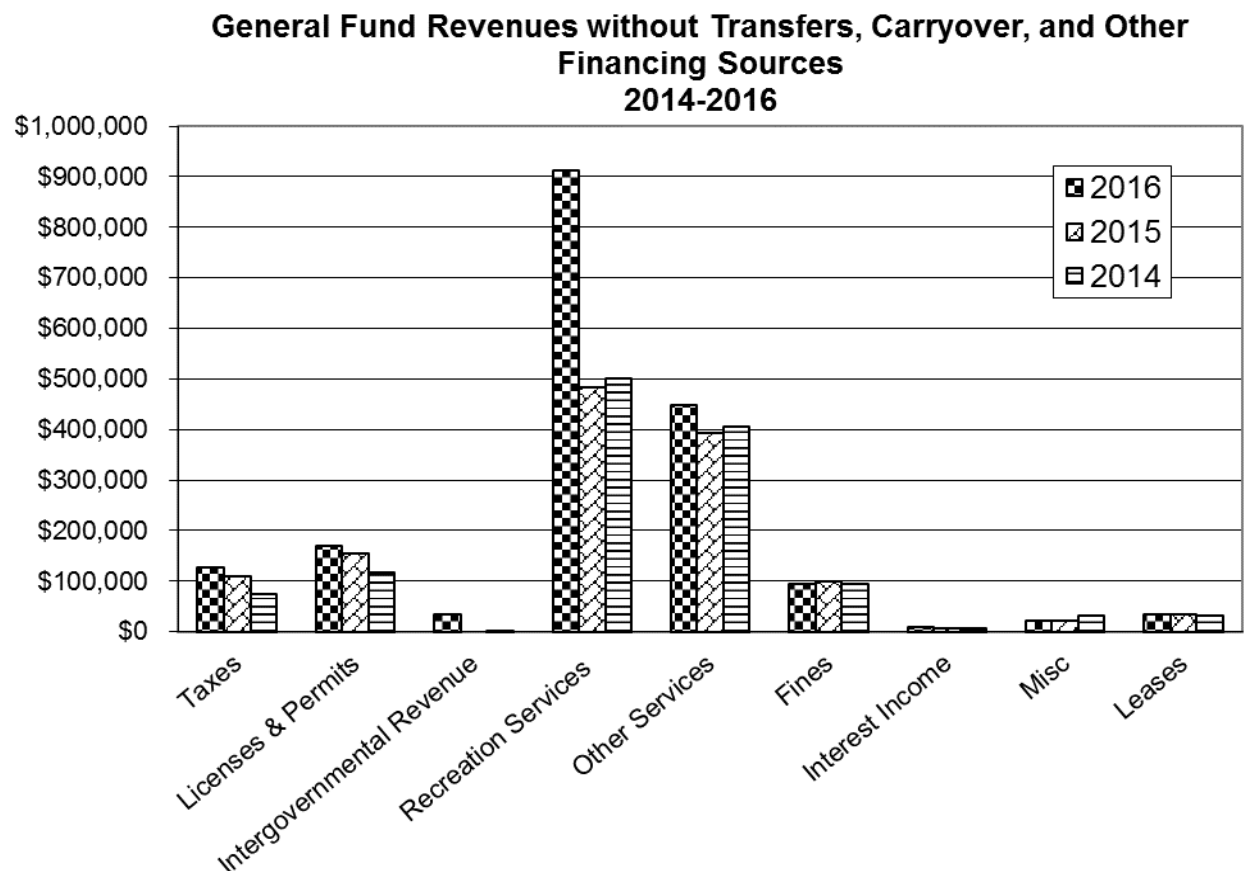
**Background Information**

This section includes a discussion of highlights of each fund presented.

**General Fund**

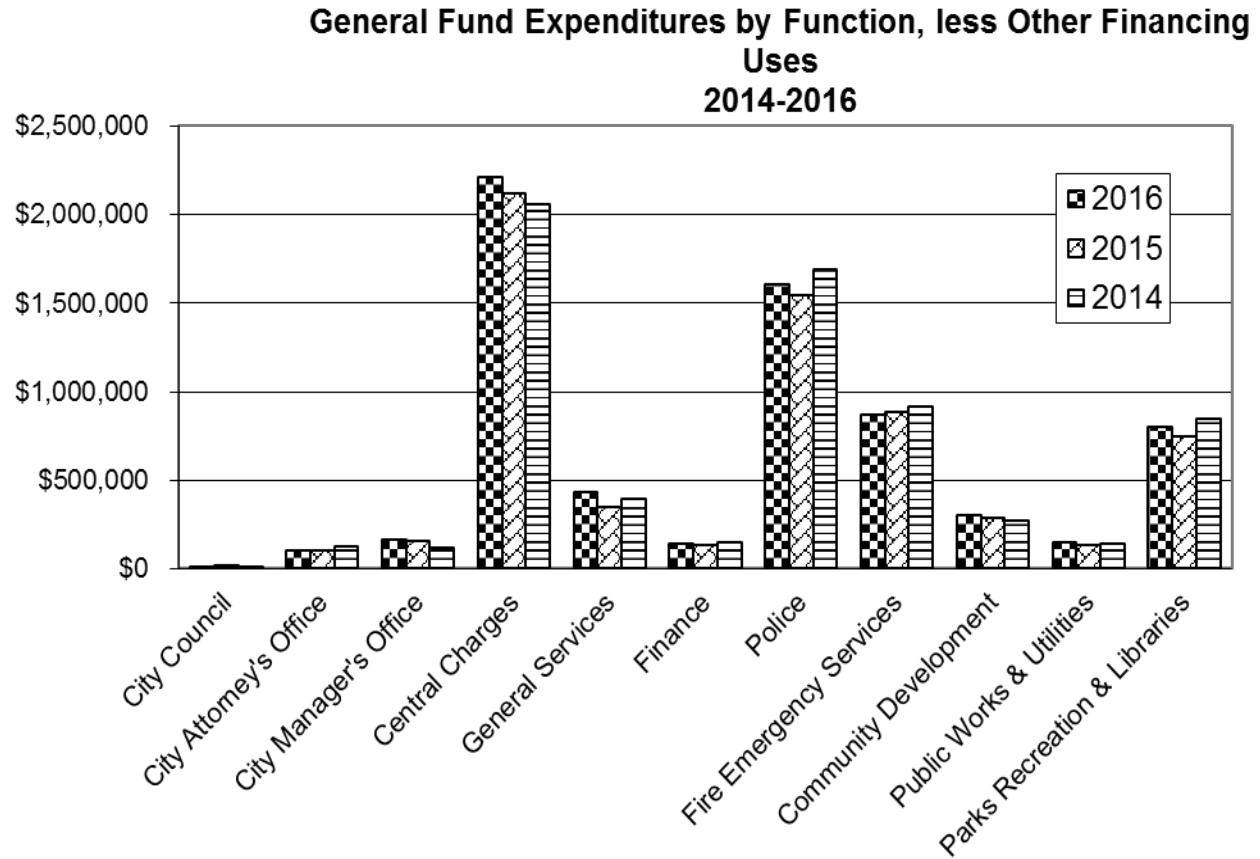
This fund reflects the result of the City’s operating departments: Police, Fire, Public Works (Street Operations), Parks Recreation and Libraries, Community Development, and the internal service functions: City Manager, City Attorney, Finance, and General Services.

The following chart represents the trend in actual revenues from 2014-2016 year-to-date.



Recreation Services includes boat permit revenue that historically has been collected beginning in March. Additionally, pass revenue increased at the recreation centers due to Fitness Week and other pass promotions. The increase in Other revenue is mostly due to street/infrastructure, EMS and miscellaneous fee revenue.

The following chart identifies where the City is focusing its resources. The chart shows year-to-date spending for 2014-2016.



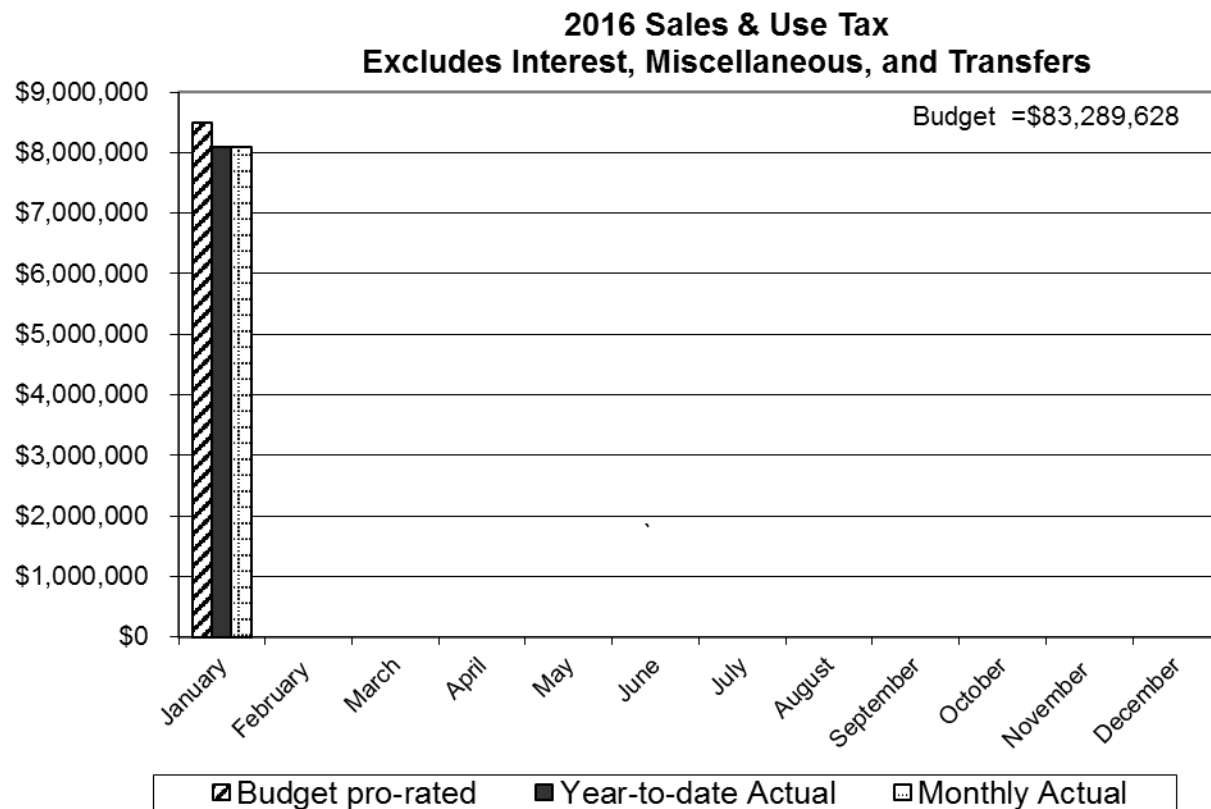
Central Charges is higher in 2016 compared to previous years mostly due to an increase in personnel services and contract services. General Services is slightly higher in 2016 due to personnel service and capital outlay. Police is higher than the prior year due to an increase in personnel and contract services. The slight increase in Parks Recreation & Libraries is due to contract service costs.



**Sales and Use Tax Funds (Sales & Use Tax Fund and Parks, Open Space and Trails Sales & Use Tax Fund)**

These funds are the repositories for the 3.85% City Sales & Use Tax. The Sales & Use Tax Fund provides monies for the General Fund, the General Capital Improvement Fund, and the Debt Service Fund. The Parks, Open Space and Trails (POST) Sales & Use Tax Fund revenues are pledged to meet debt service on the POST bonds, pay bonds related to the Heritage Golf Course, buy open space land, make park improvements on a pay-as-you-go basis, and maintain parks, open space and trails. The Public Safety Tax (PST) is a 0.6% sales and use tax to be used for funding public safety-related expenditures.

This chart indicates how the City's Sales and Use Tax revenues are being collected on a monthly basis. This chart does not include Parks, Open Space and Trails Sales & Use Tax.



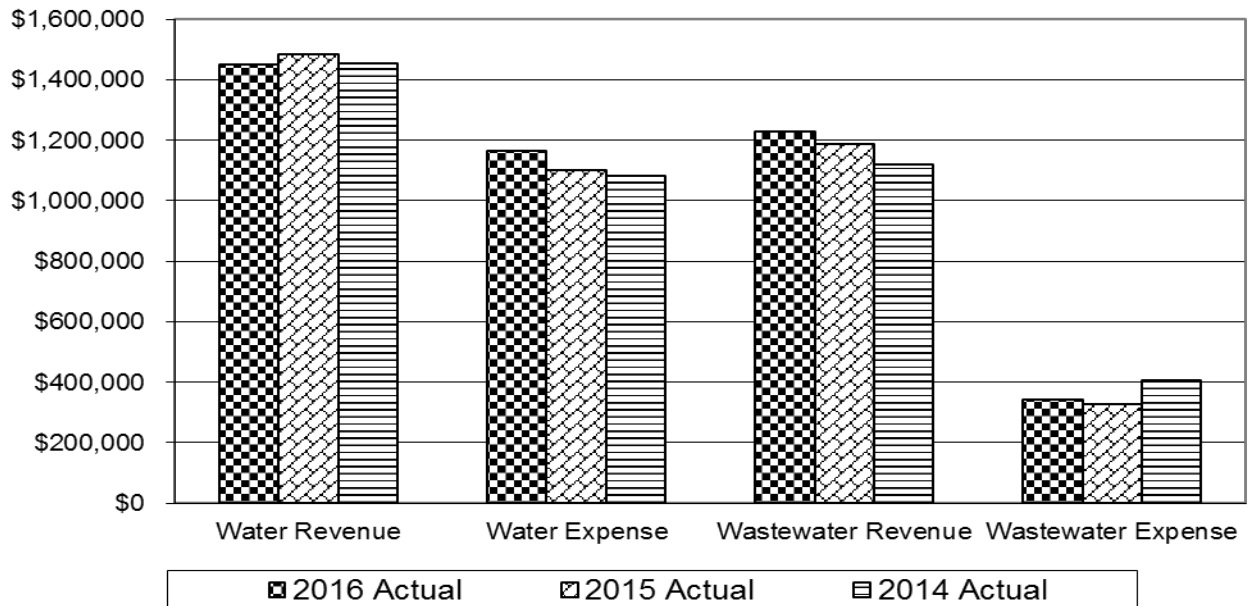
The budget to actual variance is due to a timing difference in the receipt of tax payments that will be resolved in February.

**Water, Wastewater and Storm Water Drainage Funds (The Utility Enterprise)**

This fund reflects the operating results of the City’s water, wastewater and storm water systems. It is important to note that net revenues are used to fund capital projects and reserves.

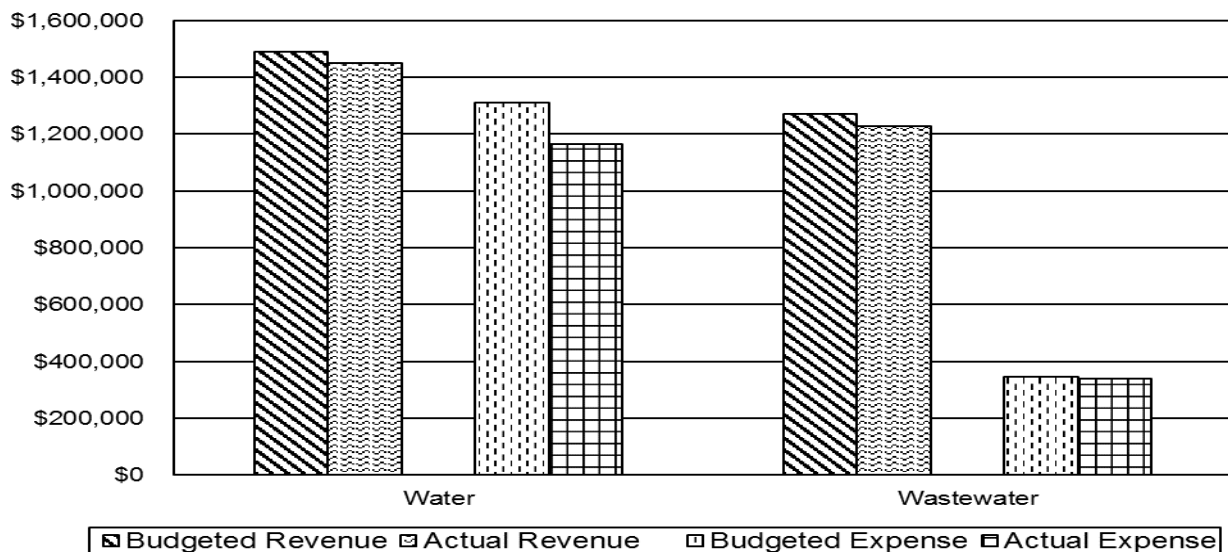
The following graphs represent segment information for the Water and Wastewater funds.

**Water and Wastewater Funds  
Operating Revenues and Expenditure  
2014-2016**



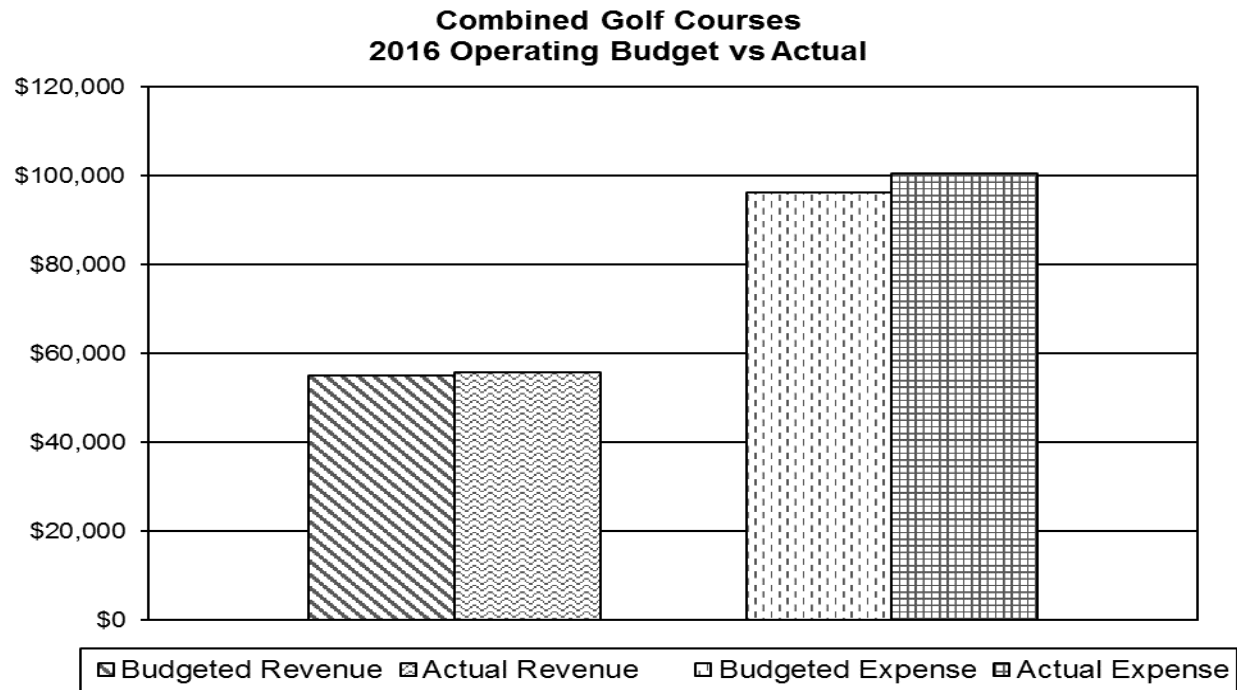
Fluctuations in revenue are mostly due to the effect of climatic variations on water consumption as well as changes in billing rates.

**Water and Wastewater Funds  
2016 Operating Budget vs Actual**

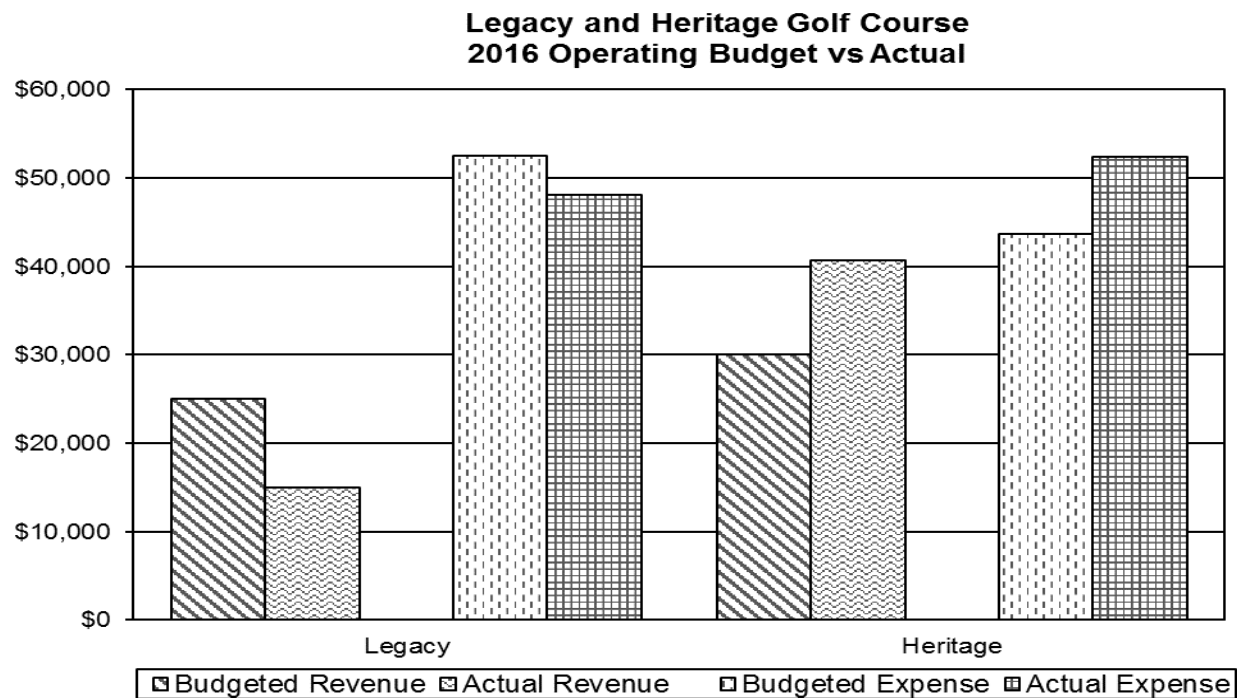


**Golf Course Enterprise (Legacy and Heritage Golf Courses)**

This enterprise reflects the combined operations of the City's two municipal golf courses.

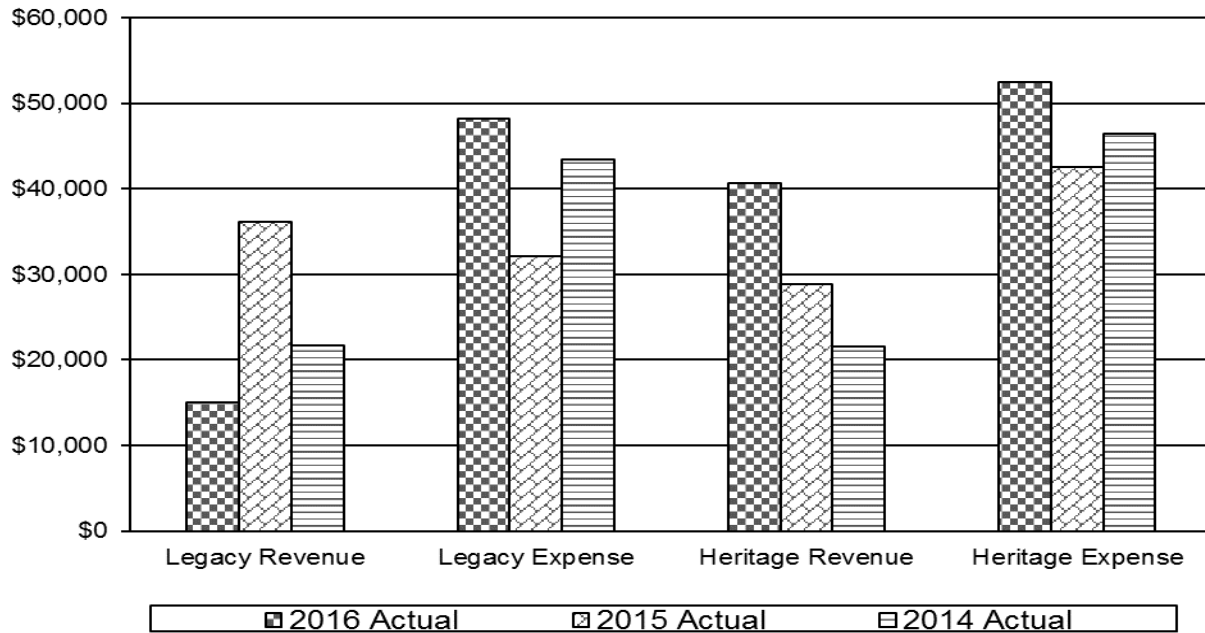


The following graphs represent the information for each of the golf courses.



Green Fees are driving the revenue variances at both courses. The unfavorable expenditure variance at Heritage is mainly due to salaries, electricity and gas, and maintenance and repair of equipment.

**Legacy and Heritage Golf Courses  
Operating Revenue and Expenditures  
2014-2016**



2016 Legacy revenue was lower than 2015 and Heritage revenue was higher than 2015 as a result of green fees. Expense at both golf courses was up in personnel and contractual services.

This financial report supports City Council’s Strategic Plan Goal of Financially Sustainable Government Providing Excellence in City Services by communicating timely information on the results of City operations to assist with critical decision making.

Respectfully submitted,

Donald M. Tripp  
City Manager

Attachments: Financial Statements  
Shopping Center Report

**City of Westminster  
Financial Report  
For One Month Ending January 31, 2016**

Description General Fund	Budget	Pro-rated for Seasonal Flows	Notes	Actual	(Under) Over Budget	%
						Budget
<b>Revenues</b>						
Taxes	5,987,490	83,402		125,923	42,521	151.0%
Licenses & Permits	1,778,151	116,307		169,427	53,120	145.7%
Intergovernmental Revenue	6,111,815	36,882		33,997	(2,885)	92.2%
Charges for Services						
Recreation Services	7,455,835	457,211		912,108	454,897	199.5%
Other Services	10,514,715	393,339		449,052	55,713	114.2%
Fines	1,585,000	117,763		93,125	(24,638)	79.1%
Interest Income	85,000	5,911		9,640	3,729	163.1%
Miscellaneous	1,671,321	18,726		20,817	2,091	111.2%
Leases	401,779	34,387		34,387	0	100.0%
Interfund Transfers	74,926,633	6,243,886		6,243,886	0	100.0%
<b>Total Revenues</b>	<b>110,517,739</b>	<b>7,507,814</b>		<b>8,092,362</b>	<b>584,548</b>	<b>107.8%</b>
<b>Expenditures</b>						
City Council	268,525	15,426		10,908	(4,518)	70.7%
City Attorney's Office	1,429,560	95,634		102,203	6,569	106.9%
City Manager's Office	3,002,689	223,583		166,927	(56,656)	74.7%
Central Charges	28,829,139	2,352,863		2,209,080	(143,783)	93.9%
General Services	6,827,038	408,148		432,071	23,923	105.9%
Finance	2,354,605	153,710		143,972	(9,738)	93.7%
Police	23,348,727	1,701,954		1,603,848	(98,106)	94.2%
Fire Emergency Services	13,731,425	981,559		869,545	(112,014)	88.6%
Community Development	5,359,640	350,468		304,714	(45,754)	86.9%
Public Works & Utilities	9,258,731	136,794		147,498	10,704	107.8%
Parks, Recreation & Libraries	16,107,660	879,782		803,851	(75,931)	91.4%
<b>Total Expenditures</b>	<b>110,517,739</b>	<b>7,299,921</b>		<b>6,794,617</b>	<b>(505,304)</b>	<b>93.1%</b>
<b>Revenues Over(Under)</b>						
<b>Expenditures</b>	<b>0</b>	<b>207,893</b>		<b>1,297,745</b>	<b>1,089,852</b>	

**City of Westminster  
Financial Report  
For One Month Ending January 31, 2016**

Description	Budget	Pro-rated for Seasonal Flows	Notes	Actual	(Under) Over Budget	% Budget
<b>Sales and Use Tax Fund</b>						
<b>Revenues</b>						
Sales Tax						
Sales Tax Returns	56,964,603	6,325,171		5,970,166	(355,005)	94.4%
Sales Tx Audit Revenues	729,000	60,507		100,310	39,803	165.8%
S-T Rev. STX	<u>57,693,603</u>	<u>6,385,678</u>		<u>6,070,476</u>	<u>(315,202)</u>	95.1%
Use Tax						
Use Tax Returns	10,320,000	527,245		567,492	40,247	107.6%
Use Tax Audit Revenues	785,000	65,155		23,226	(41,929)	35.6%
S-T Rev. UTX	<u>11,105,000</u>	<u>592,400</u>		<u>590,718</u>	<u>(1,682)</u>	99.7%
Total STX and UTX	<u><u>68,798,603</u></u>	<u><u>6,978,078</u></u>		<u><u>6,661,194</u></u>	<u><u>(316,884)</u></u>	95.5%
Public Safety Tax						
PST Tax Returns	14,182,525	1,498,237		1,403,845	(94,392)	93.7%
PST Audit Revenues	308,500	25,606		24,697	(909)	96.5%
Total Rev. PST	<u>14,491,025</u>	<u>1,523,843</u>		<u>1,428,542</u>	<u>(95,301)</u>	93.7%
Interest Income	51,000	4,246		11,400	7,154	268.5%
Interfund Transfers	1,333,647	111,137		111,137	0	100.0%
Total Revenues	<u><u>84,674,275</u></u>	<u><u>8,617,304</u></u>		<u><u>8,212,273</u></u>	<u><u>(405,031)</u></u>	95.3%
<b>Expenditures</b>						
Central Charges	<u>84,674,275</u>	<u>7,056,190</u>		<u>7,056,190</u>	<u>0</u>	100.0%
<b>Revenues Over(Under) Expenditures</b>	<u><u>0</u></u>	<u><u>1,561,114</u></u>		<u><u>1,156,083</u></u>	<u><u>(405,031)</u></u>	

**City of Westminster  
Financial Report  
For One Month Ending January 31, 2016**

Description POST Fund	Budget	Pro-rated for Seasonal Flows	Notes	Actual	(Under) Over Budget	% Budget
<b>Revenues</b>						
Sales & Use Tax	6,045,813	625,124		595,073	(30,051)	95.2%
Interest Income	10,500	875		1,740	865	198.9%
Miscellaneous	70,000	5,833	(1)	102,592	96,759	1758.8%
Interfund Transfers	96,353	8,029		8,029	0	100.0%
Sub-total Revenues	<u>6,222,666</u>	<u>639,861</u>		<u>707,434</u>	<u>67,573</u>	110.6%
Carryover	638,180	638,180		638,180	0	100.0%
Total Revenues	<u>6,860,846</u>	<u>1,278,041</u>		<u>1,345,614</u>	<u>67,573</u>	105.3%
<b>Expenditures</b>						
Central Charges	5,606,386	444,410		453,095	8,685	102.0%
Park Services	1,254,460	66,880		19,695	(47,185)	29.4%
Total Expenditures	<u>6,860,846</u>	<u>511,290</u>		<u>472,790</u>	<u>(38,500)</u>	92.5%
<b>Revenues Over(Under)</b>						
<b>Expenditures</b>	<u>0</u>	<u>766,751</u>		<u>872,824</u>	<u>106,073</u>	

(1) Budget to actual variance reflects fee for a license granting developer access to parkland property for installation of drainage improvements.

**City of Westminster  
Financial Report  
For One Month Ending January 31, 2016**

Description	Budget	Pro-rated for Seasonal Flows	Notes	Actual	(Under) Over Budget	% Budget
<b>Water and Wastewater Funds - Combined</b>						
<b>Operating Revenues</b>						
License & Permits	75,000	6,250		8,340	2,090	133.4%
Rates and Charges	52,554,395	2,723,233		2,666,435	(56,798)	97.9%
Miscellaneous	410,000	34,166		1,530	(32,636)	4.5%
Total Operating Revenues	<u>53,039,395</u>	<u>2,763,649</u>		<u>2,676,305</u>	<u>(87,344)</u>	96.8%
<b>Operating Expenditures</b>						
Central Charges	6,649,235	554,103		556,691	2,588	100.5%
Finance	676,238	74,386		16,623	(57,763)	22.3%
Public Works & Utilities	23,047,053	756,205		722,881	(33,324)	95.6%
Parks, Recreation & Libraries	152,467	3,354		3,330	(24)	99.3%
Information Technology	3,619,222	271,442		207,981	(63,461)	76.6%
Total Operating Expenditures	<u>34,144,215</u>	<u>1,659,490</u>		<u>1,507,506</u>	<u>(151,984)</u>	90.8%
<b>Operating Income (Loss)</b>	<u>18,895,180</u>	<u>1,104,159</u>		<u>1,168,799</u>	<u>64,640</u>	
<b>Other Revenue and Expenditures</b>						
Tap Fees	12,475,191	1,039,599		187,107	(852,492)	18.0%
Interest Income	370,000	30,833		42,939	12,106	139.3%
Sale of Assets	0	0		7,900	7,900	
Other Financing Sources	48,000,000	0		0	0	
Debt Service	(8,224,962)	0		0	0	
Reserve Transfer In	8,573,594	714,466		714,466	0	100.0%
Reserve Transfer Out	(4,666,003)	(388,834)		(388,834)	0	100.0%
Total Other Revenue (Expenditures)	<u>56,527,820</u>	<u>1,396,064</u>		<u>563,578</u>	<u>(832,486)</u>	
<b>Revenues Over(Under) Expenditures</b>	<u>75,423,000</u>	<u>2,500,223</u>	(1)	<u>1,732,377</u>	<u>(767,846)</u>	

(1) Net revenues are used to fund capital projects and reserves.



**City of Westminster  
Financial Report  
For One Month Ending January 31, 2016**

Description	Budget	Pro-rated for Seasonal Flows	Notes	Actual	(Under) Over Budget	% Budget
<b>Water Fund</b>						
<b>Operating Revenues</b>						
License & Permits	75,000	6,250		8,340	2,090	133.4%
Rates and Charges	37,296,395	1,451,733		1,439,113	(12,620)	99.1%
Miscellaneous	400,000	33,333		1,280	(32,053)	3.8%
<b>Total Operating Revenues</b>	<u>37,771,395</u>	<u>1,491,316</u>		<u>1,448,733</u>	<u>(42,583)</u>	
<b>Operating Expenditures</b>						
Central Charges	4,634,951	386,246		387,257	1,011	100.3%
Finance	676,238	74,386		16,623	(57,763)	22.3%
Public Works & Utilities	16,169,234	576,727		551,267	(25,460)	95.6%
PR&L Standley Lake	152,467	3,354		3,330	(24)	99.3%
Information Technology	3,619,222	271,442		207,981	(63,461)	76.6%
<b>Total Operating Expenditures</b>	<u>25,252,112</u>	<u>1,312,155</u>		<u>1,166,458</u>	<u>(145,697)</u>	88.9%
<b>Operating Income (Loss)</b>	<u>12,519,283</u>	<u>179,161</u>		<u>282,275</u>	<u>103,114</u>	
<b>Other Revenue and (Expenditures)</b>						
Tap Fees	10,285,828	857,152		146,784	(710,368)	17.1%
Interest Income	285,000	23,750		30,389	6,639	128.0%
Sale of Assets	0	0		7,900	7,900	
Other Financing Sources	17,000,000	0		0	0	
Debt Service	(6,008,705)	0		0	0	
Reserve Transfer In	8,573,594	714,466		714,466	0	100.0%
<b>Total Other Revenues (Expenditures)</b>	<u>30,135,717</u>	<u>1,595,368</u>		<u>899,539</u>	<u>(695,829)</u>	
<b>Revenues Over(Under) Expenditures</b>	<u>42,655,000</u>	<u>1,774,529</u>	(1)	<u>1,181,814</u>	<u>(592,715)</u>	

(1) Net revenues are used to fund capital projects and reserves.

**City of Westminster  
Financial Report  
For One Month Ending January 31, 2016**

Description	Budget	Pro-rated for Seasonal Flows	Notes	Actual	(Under) Over Budget	% Budget
<b>Wastewater Fund</b>						
<b>Operating Revenues</b>						
Rates and Charges	15,258,000	1,271,500		1,227,322	(44,178)	96.5%
Miscellaneous	10,000	833		250	(583)	30.0%
Total Operating Revenues	<u>15,268,000</u>	<u>1,272,333</u>		<u>1,227,572</u>	<u>(44,761)</u>	96.5%
<b>Operating Expenditures</b>						
Central Charges	2,014,284	167,857		169,434	1,577	100.9%
Public Works & Utilities	6,877,819	179,478		171,614	(7,864)	95.6%
Total Operating Expenditures	<u>8,892,103</u>	<u>347,335</u>		<u>341,048</u>	<u>(6,287)</u>	98.2%
<b>Operating Income (Loss)</b>	<u>6,375,897</u>	<u>924,998</u>		<u>886,524</u>	<u>(38,474)</u>	
<b>Other Revenue and Expenditures</b>						
Tap Fees	2,189,363	182,447		40,323	(142,124)	22.1%
Interest Income	85,000	7,083		12,550	5,467	177.2%
Other Financing Sources	31,000,000	0		0	0	
Debt Service	(2,216,257)	0		0	0	
Reserve Transfer Out	(4,666,003)	(388,834)		(388,834)	0	100.0%
Total Other Revenues (Expenditures)	<u>26,392,103</u>	<u>(199,304)</u>		<u>(335,961)</u>	<u>(136,657)</u>	
<b>Revenues Over(Under) Expenditures</b>	<u>32,768,000</u>	<u>725,694</u>	(1)	<u>550,563</u>	<u>(175,131)</u>	

(1) Net revenues are used to fund capital projects and reserves.

**City of Westminster  
Financial Report  
For One Month Ending January 31, 2016**

Description	Budget	Pro-rated for Seasonal Flows	Notes	Actual	(Under) Over Budget	% Budget
<b>Storm Drainage Fund</b>						
<b>Revenues</b>						
Charges for Services	4,134,605	305,961		302,848	(3,113)	99.0%
Interest Income	27,000	2,250		593	(1,657)	26.4%
Miscellaneous	456,611	38,051		0	(38,051)	
Sub-total Storm Drainage Revenues	<u>4,618,216</u>	<u>346,262</u>		<u>303,441</u>	<u>(42,821)</u>	87.6%
Carryover	59,894	59,894		59,894	0	100.0%
Total Revenues	<u>4,678,110</u>	<u>406,156</u>		<u>363,335</u>	<u>(42,821)</u>	89.5%
<b>Expenditures</b>						
General Services	86,200	431		0	(431)	
Community Development	202,984	12,585		12,484	(101)	99.2%
PR&L Park Services	200,000	4,040		4,000	(40)	99.0%
Public Works & Utilities	351,563	0		0	0	
Total Expenditures	<u>840,747</u>	<u>17,056</u>		<u>16,484</u>	<u>(572)</u>	96.6%
<b>Revenues Over(Under) Expenditures</b>	<u>3,837,363</u>	<u>389,100</u>	(1)	<u>346,851</u>	<u>(42,249)</u>	

(1) Net revenues are used to fund capital projects and reserves.

**City of Westminster  
Financial Report  
For One Month Ending January 31, 2016**

Description	Budget	Pro-rated for Seasonal Flows	Notes	Actual	(Under) Over Budget	% Budget
<b>Golf Courses Combined</b>						
<b>Operating Revenues</b>						
Charges for Services	3,366,750	55,034		55,641	607	101.1%
Total Revenues	<u>3,366,750</u>	<u>55,034</u>		<u>55,641</u>	<u>607</u>	101.1%
<b>Operating Expenditures</b>						
Central Charges	234,158	21,788		18,836	(2,952)	86.5%
Recreation Facilities	2,660,386	74,486		81,733	7,248	109.7%
Total Expenditures	<u>2,894,544</u>	<u>96,274</u>		<u>100,569</u>	<u>4,296</u>	104.5%
<b>Operating Income (Loss)</b>	<u>472,206</u>	<u>(41,240)</u>		<u>(44,928)</u>	<u>(3,688)</u>	
<b>Other Revenues and Expenditures</b>						
Interest Income	0	0		1,470	1,470	
Debt Service	(818,137)	(225,025)		(225,025)	0	100.0%
Interfund Transfers In	680,029	56,669		56,669	0	100.0%
Interfund Transfers Out	(199,658)	(199,658)		(199,658)	0	100.0%
Carryover	210,560	210,560		210,560	0	100.0%
Total Other Revenue (Expenditures)	<u>(127,206)</u>	<u>(157,454)</u>		<u>(155,984)</u>	<u>1,470</u>	
<b>Revenues Over(Under) Expenditures</b>	<u>345,000</u>	<u>(198,694)</u>	(1)	<u>(200,912)</u>	<u>(2,218)</u>	

(1) Net revenues are used to fund capital projects and reserves.

**City of Westminster  
Financial Report  
For One Month Ending January 31, 2016**

Description	Budget	Pro-rated for Seasonal Flows	Notes	Actual	(Under) Over Budget	% Budget
<b>Legacy Ridge Fund</b>						
<b>Operating Revenues</b>						
Charges for Services	1,786,900	25,017		14,960	(10,057)	59.8%
Total Revenues	<u>1,786,900</u>	<u>25,017</u>		<u>14,960</u>	<u>(10,057)</u>	59.8%
<b>Operating Expenditures</b>						
Central Charges	142,775	13,564		10,461	(3,103)	77.1%
Recreation Facilities	1,324,902	38,988		37,662	(1,326)	96.6%
Total Expenditures	<u>1,467,677</u>	<u>52,552</u>		<u>48,122</u>	<u>(4,429)</u>	91.6%
<b>Operating Income (Loss)</b>	<u>319,223</u>	<u>(27,535)</u>		<u>(33,162)</u>	<u>(5,627)</u>	
<b>Other Revenues and Expenditures</b>						
Interest Income	0	0		900	900	
Debt Service	(160,125)	(110,580)		(110,580)	0	100.0%
Interfund Transfers Out	(199,658)	(199,658)		(199,658)	0	100.0%
Carryover	140,560	140,560		140,560	0	100.0%
Total Other Revenue (Expenditures)	<u>(219,223)</u>	<u>(169,678)</u>		<u>(168,778)</u>	<u>900</u>	
<b>Revenues Over(Under) Expenditures</b>	<u>100,000</u>	<u>(197,213)</u>	(1)	<u>(201,941)</u>	<u>(4,727)</u>	

(1) Net revenues are used to fund capital projects and reserves.

**City of Westminster  
Financial Report  
For One Month Ending January 31, 2016**

Description	Budget	Pro-rated for Seasonal Flows	Notes	Actual	(Under) Over Budget	% Budget
<b>Heritage at Westmoor Fund</b>						
<b>Operating Revenues</b>						
Charges for Services	1,579,850	30,017		40,681	10,664	135.5%
Total Revenues	<u>1,579,850</u>	<u>30,017</u>		<u>40,681</u>	<u>10,664</u>	135.5%
<b>Operating Expenditures</b>						
Central Charges	91,383	8,224		8,375	151	101.8%
Recreation Facilities	1,335,484	35,498		44,072	8,574	124.2%
Total Expenditures	<u>1,426,867</u>	<u>43,722</u>		<u>52,447</u>	<u>8,725</u>	120.0%
<b>Operating Income (Loss)</b>	<u>152,983</u>	<u>(13,705)</u>		<u>(11,766)</u>	<u>1,939</u>	
<b>Other Revenues and Expenditures</b>						
Interest Income	0	0		570	570	
Debt Service	(658,012)	(114,444)		(114,444)	0	100.0%
Interfund Transfers	680,029	56,669		56,669	0	100.0%
Carryover	70,000	70,000		70,000	0	100.0%
Total Other Revenue (Expenditures)	<u>92,017</u>	<u>12,225</u>		<u>12,795</u>	<u>570</u>	
<b>Revenues Over(Under) Expenditures</b>	<u>245,000</u>	<u>(1,480)</u>	(1)	<u>1,029</u>	<u>2,509</u>	

(1) Net revenues are used to fund capital projects and reserves.

**CITY OF WESTMINSTER  
GENERAL RECEIPTS BY CENTER  
JANUARY 2016 MONTH AND YEAR-TO-DATE**

Center Location Major Tenant	Current Month			Last Year			Percentage Change		
	General Sales	General Use	Total	General Sales	General Use	Total	Sales	Use	Total
<b>THE ORCHARD</b> 144TH & I-25 JC PENNEY/MACY'S/TARGET	837,939	17,978	855,917	769,946	12,255	782,201	9	47	9
<b>WESTFIELD SHOPPING CENTER</b> NW CORNER 92ND & SHER WALMART 92ND	499,266	604	499,870	465,183	1,534	466,717	7	(61)	7
<b>SHOPS AT WALNUT CREEK</b> 104TH & REED TARGET	401,798	2,225	404,023	357,539	1,897	359,436	12	17	12
<b>NORTHWEST PLAZA</b> SW CORNER 92 & HARLAN COSTCO	321,253	1,377	322,630	301,581	972	302,553	7	42	7
<b>SHERIDAN CROSSING</b> SE CORNER 120TH & SHER KOHL'S	284,195	2,050	286,245	259,581	5,189	264,770	9	(60)	8
<b>PROMENADE SOUTH/NORTH</b> S/N SIDES OF CHURCH RANCH BLVD SHANE/AMC	238,498	29,914	268,412	211,312	20,705	232,017	13	44	16
<b>NORTH PARK PLAZA</b> SW CORNER 104TH & FEDERAL KING SOOPERS	256,623	1,251	257,874	253,462	1,524	254,986	1	(18)	1
<b>INTERCHANGE BUSINESS CENTER</b> SW CORNER 136TH & I-25 WALMART 136TH	239,501	411	239,912	223,970	7,207	231,177	7	(94)	4
<b>BROOKHILL I &amp; II</b> N SIDE 88TH OTIS TO WADS HOME DEPOT	232,725	784	233,509	230,004	1,813	231,817	1	(57)	1
<b>SHOENBERG CENTER</b> SW CORNER 72ND & SHERIDAN WALMART 72ND	230,503	1,405	231,908	225,547	862	226,409	2	63	2
<b>CITY CENTER MARKETPLACE</b> NE CORNER 92ND & SHERIDAN BARNES & NOBLE	229,372	897	230,269	221,197	987	222,184	4	(9)	4
<b>STANDLEY SHORES CENTER</b> SW CORNER 100TH & WADS KING SOOPERS	184,896	1,382	186,278	174,034	299	174,333	6	362	7
<b>VILLAGE AT THE MALL</b> S SIDE 88TH DEPEW-HARLAN LOWE'S	127,902	185	128,087	126,476	1,676	128,152	1	(89)	0
<b>WESTMINSTER CROSSING</b> 136TH & I-25 LOWE'S	76,610	327	76,937	70,632	750	71,382	8	(56)	8

**CITY OF WESTMINSTER  
GENERAL RECEIPTS BY CENTER  
JANUARY 2016 MONTH AND YEAR-TO-DATE**

Center Location Major Tenant	Current Month			Last Year			Percentage Change		
	General Sales	General Use	Total	General Sales	General Use	Total	Sales	Use	Total
<b>ROCKY MOUNTAIN PLAZA</b> SW CORNER 88TH & SHER GUITAR STORE	71,726	33	71,759	68,947	357	69,304	4	(91)	4
<b>BRADBURN VILLAGE</b> 120TH & BRADBURN WHOLE FOODS	66,227	747	66,974	49,187	52,004	101,191	35	(99)	(34)
<b>WESTMINSTER MALL</b> 88TH & SHERIDAN JC PENNEY	66,851	55	66,906	75,597	572	76,169	(12)	(90)	(12)
<b>LUCENT/KAISER CORRIDOR</b> 112-120 HURON - FEDERAL LUCENT TECHNOLOGY	13,857	49,176	63,033	14,696	54,933	69,629	(6)	(10)	(9)
<b>WESTMINSTER PLAZA</b> FEDERAL-IRVING 72ND-74TH SAFEWAY	58,410	397	58,807	67,633	850	68,483	(14)	(53)	(14)
<b>BROOKHILL IV</b> E SIDE WADS 90TH-92ND MURDOCH'S	47,480	1,042	48,522	44,994	3,107	48,101	6	(66)	1
<b>VILLAGE AT PARK CENTRE</b> NW CORNER 120TH & HURON CB & POTTS	46,143	867	47,010	47,312	2,355	49,667	(2)	(63)	(5)
<b>NORTHVIEW</b> 92ND AVE YATES TO SHERIDAN H MART	45,235	245	45,480	23,909	1,325	25,234	89	(82)	80
<b>CHURCH RANCH CORPORATE CENTER</b> CHURCH RANCH BOULEVARD LA QUINTA	17,734	24,482	42,216	69,267	4,780	74,047	(74)	412	(43)
<b>LAKE ARBOR PLAZA</b> W SIDE HARLAN/INDUS PRK ASPEN AUTO BODY	13,272	19,336	32,608	20,458	24,742	45,200	(35)	(22)	(28)
<b>BOULEVARD SHOPS</b> 94TH & WADSWORTH CORRIDOR AMERICAN FURNITURE WAREHOUSE	29,664	652	30,316	28,790	603	29,393	3	8	3
	<u>4,637,680</u>	<u>157,822</u>	<u>4,795,502</u>	<u>4,401,254</u>	<u>203,298</u>	<u>4,604,552</u>	<u>5</u>	<u>(22)</u>	<u>4</u>

*Note: Figures reflect adjustments made for timing differences in receipt of some tax returns*





Agenda Memorandum

City Council Meeting  
February 22, 2016



**SUBJECT:** Construction Engineering Services Contract for the Little Dry Creek Trail: Federal Boulevard to Lowell Boulevard Project

**Prepared By:** Seth Plas, Senior Engineer

**Recommended City Council Action**

Authorize the City Manager to execute a contract with RockSol Consulting Group, Inc. in the amount of \$127,498 for construction engineering services on the Little Dry Creek Trail Project; and authorize a project contingency of \$53,782 for a total authorized expenditure of \$181,280.

**Summary Statement**

- In 2012, City staff, in collaboration with Adams County, applied for and was awarded a Denver Regional Council of Governments (DRCOG) grant to construct a 10-foot wide concrete trail connecting to the Little Dry Creek regional trail system and a pedestrian bridge allowing access to the Westminster Station platform from the proposed Creekside Drive.
- The total budget for this project is \$1,030,000. The Federal grant and required local agency match are distributed in the following manner:
  - Westminster: \$324,000 (DRCOG grant) plus \$81,000 (local agency match)
  - Adams County: \$500,000 (DRCOG grant) plus \$125,000 (local agency match)
- An Intergovernmental Agreement (IGA) between the City and Adams County, approved by City Council on January 26, 2015, details that the City will manage the project with reimbursement from the County upon completion of the construction.
- On December 14, 2015, the City Council awarded the construction contract to Concrete Express, Inc. (CEI) in the amount of \$777,487.70 with a contingency of \$252,512 for a total authorized expenditure of \$1,030,000. Since the awarded construction contract is well below the budget, the contingency was authorized to be used on additional construction activities in order to utilize the full DRCOG grant award.
- City staff is recommending that the contract for construction engineering services for this project be awarded to RockSol Consulting Group at a fee of \$127,498. RockSol will provide construction administration, inspections, materials testing and preparation of documentation in accordance with the CDOT requirements.
- Authorization of \$53,782 for a construction engineering contingency is also recommended. This larger than normal contingency amount is recommended for potential increased construction contract time that may be necessary for the contractor to perform the additional scope within the DRCOG grant.

**Expenditure Required:** \$181,280 (\$127,498 contract + \$53,782 contingency)

**Source of Funds:** Stormwater Fund - Little Dry Creek Regional Detention Project

## **Policy Issue**

Should the City execute a contract with RockSol Consulting Group, Inc. for construction engineering services for the Little Dry Creek Trail: Federal Boulevard to Lowell Boulevard Project?

## **Alternative**

RockSol is recommended for this task since this company presented the most comprehensive proposal based on a City staff review. This firm has extensive experience working with the Colorado Department of Transportation (CDOT) on similar federal-aid projects.

The City Council could choose to direct staff to select one of the other firms that submitted a proposal or advertise the construction engineering services contract a second time in hope of receiving additional proposals. However, the City received a total of four proposals for this job, and all of the proposals were acceptable. RockSol was deemed to have the most comprehensive proposal for this project. City staff recommends executing a contract with RockSol for construction engineering services for the Little Dry Creek Trail: Federal Boulevard to Lowell Boulevard Project to RockSol.

## **Background Information**

In 2012, City staff, in collaboration with Adams County, applied for and was awarded a Denver Regional Council of Governments (DRCOG) grant. The scope of the grant included the construction of a 160-foot pedestrian bridge spanning Little Dry Creek and approximately 3,000-feet of 10-foot wide concrete trail as part of the Little Dry Creek Regional Trail system. The project will improve the existing trail system segment from Lowell Boulevard to Federal Boulevard that was deteriorating.

The construction contract for this project was awarded to Concrete Express, Inc. (CEI) by City Council on December 14, 2015, with \$1,030,000 as the total authorized expenditure. This amount equates to the total federal grant awarded to the City and Adams County from DRCOG and the required local agency matching funds. There was a significant gap between the low-bid from CEI for construction (\$777,488) and the total budget (\$1,030,000) equaling \$252,512. In an attempt maximize the federal funds, City staff are working with CDOT to incorporate additional construction activities to the project. The additional scope proposed includes secondary trails, a sidewalk along Creekside Drive and infrastructure needed to install lighting on the pedestrian bridge.

Administration of the federal funding is performed by CDOT. Administration of the construction contract is the City's responsibility. As such, Staff solicited proposals from engineering firms to assist in the daily inspection and preparation of all of the federally required paperwork for the project. Four proposals were received and reviewed by City staff, who concluded that the proposal submitted by RockSol is the most comprehensive and thorough of the proposals submitted. RockSol has extensive CDOT experience. The team identified to perform the construction engineering services is comprised mostly of retired CDOT employees with over 55 years of experience. In addition, RockSol, a Westminster-based company, previously worked on the successful 112<sup>th</sup> Avenue Traffic Signal Project for the City, which was a federal-aid project. For this past project, RockSol provided the City with excellent service and exceptional documentation as required for federally aided projects. Based on all of these factors, Staff recommends RockSol for this assignment.

Staff reviewed the fee proposals submitted separately by the firms after the recommendation to hire RockSol was initially determined. There were discrepancies in the “on-site” and administrative man-hours needed to perform the necessary inspections and federally required documentation for the project in conformance with CDOT procedures. Therefore, comparing the total fees submitted would not be an “apples-to-apples” comparison. In order to get a fair comparison, the fees were tabulated by cost per man-hour as shown in the table below:

<i>FIRM</i>	<i>TOTAL FEE</i>	<i>MAN-HOURS</i>	<i>COST/MAN-HOURS</i>
JR Engineering	\$ 110,690.00	895	\$ <b>123.68</b>
RockSol	\$ 127,497.44	1030	\$ <b>123.78</b>
Martin/Martin	\$ 74,763.33	580	\$ <b>128.90</b>
Bowman	\$ 74,300.00	526	\$ <b>141.25</b>

Marin/Martin’s submitted fee proposal totaled \$66,500; however, materials testing was not included in that fee. By averaging the material testing fees of the remaining three firms that submitted proposals, \$8,263 was added to Martin/Martin’s total fee in the above table. Due to the extensive reimbursement process administered by CDOT, the hours required to perform construction engineering services is more time-consuming than typical for a City-funded project. This process includes, but is not limited to, Davis-Bacon wage certified payrolls, employee interviews, “Buy America” certifications and Disadvantaged Business Enterprise payment documentation. Based on RockSol’s extensive CDOT experience, the total hours needed to perform the assigned tasks are, more likely than not, closer to 1,000 man-hours. Therefore, the fee proposed by RockSol is deemed by City staff to be reasonable.

The fee of \$127,497.44 proposed by RockSol is 16% of the awarded construction costs. This percentage is comparable to percentages of construction engineering fees paid by CDOT on past projects. It is also below the CDOT Construction Engineering “pool” rate of 26%. CDOT uses a pool rate to determine construction engineering fees for its projects, which is based on averages for these services for all of the “pool” of projects throughout the State.

If staff is successful in incorporating additional construction activities into this project to utilize the maximum federal-aid funding, the construction contract time will be extended to allow the contractor the necessary time to perform the additional work. Staff is requesting authorization for the higher contingency to account for the increased hours for RockSol to continue construction engineering services if the contractor performs the additional work. The total authorized expenditure for construction engineering services in the amount of \$181,280 accounts for 16% of the total construction budget of \$1,030,000 as determined by the federal-aid grant award funding.

After the completion of this project, commuters traveling from the south of the Westminster Station will be able to have ADA access to the station using the pedestrian bridge. The concrete trail will be multi-modal; therefore, bicyclists as well as pedestrians will be able to enjoy the future park located between Lowell Boulevard and Federal Boulevard.

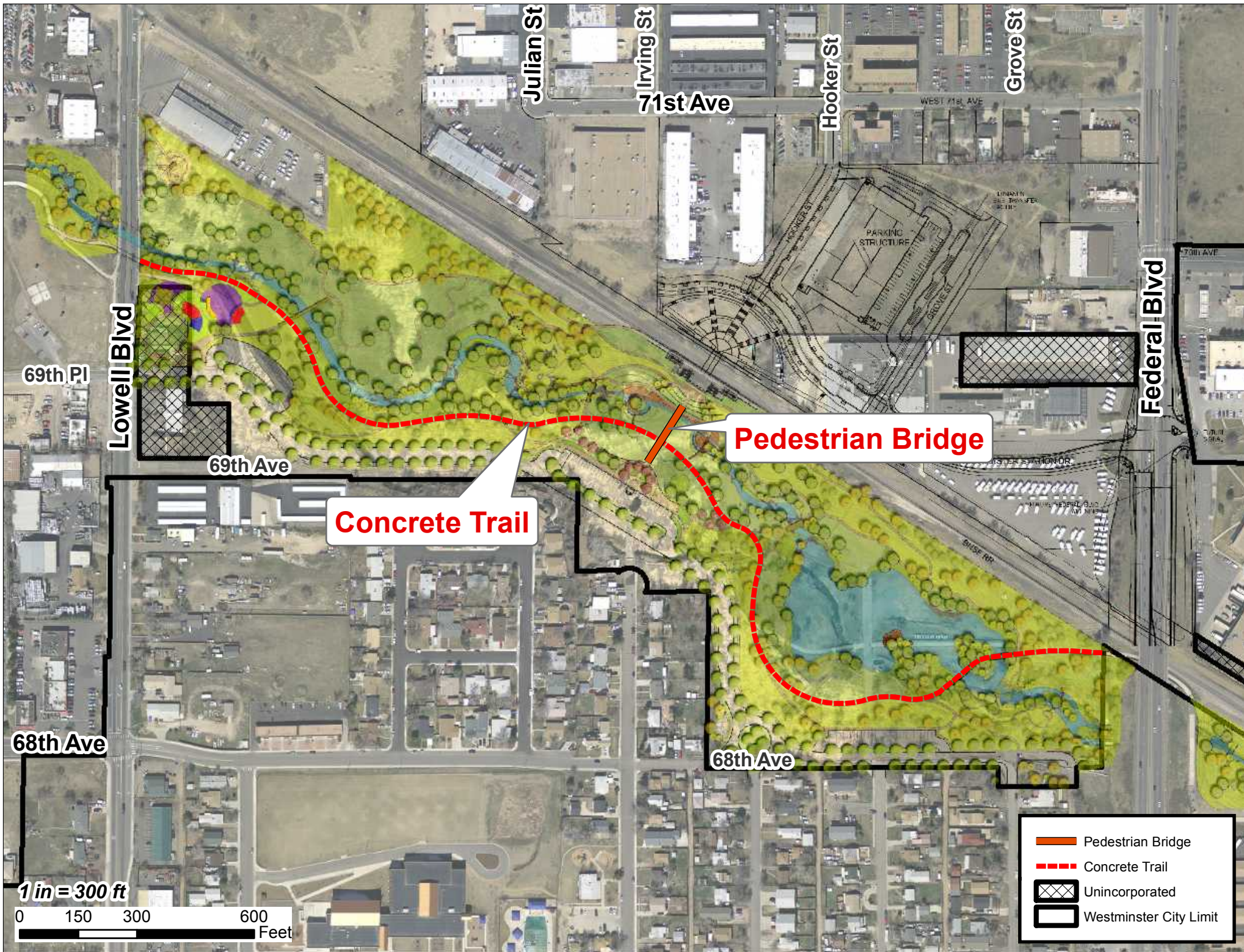
This project meets Council’s Strategic Plan goals of Proactive Regional Collaboration; Beautiful, Desirable, Safe and Environmentally Responsible City; and Ease of Mobility by providing an improved trail system and Westminster Station access.

Respectfully submitted,

Donald M. Tripp  
City Manager





Attachments: Vicinity Map





**Concrete Trail**

**Pedestrian Bridge**

-  Pedestrian Bridge
-  Concrete Trail
-  Unincorporated
-  Westminster City Limit

1 in = 300 ft  
 0 150 300 600 Feet





## Agenda Item 8 C

### Agenda Memorandum

City Council Meeting  
February 22, 2016



**SUBJECT:** Municipal Services Center Gasoline Release Remediation Contract

**Prepared By:** Martee Erichson, Risk Manager  
Nick Butel, Environmental Health and Safety Analyst

#### **Recommended City Council Action**

Authorize the City Manager to execute a second contract amendment with A.G. Wassenaar to conduct analysis and remediation activities at the Municipal Services Center (MSC) increasing from the first amendment amount of \$32,100 to \$147,000 with the second contract amendment, plus a contingency of \$15,000, for a total authorized expenditure of \$162,000.

#### **Summary Statement**

- A release of gasoline from 1984 to 1986 from a former underground storage tank system located at the MSC resulted in over 100,000 gallons of gasoline being released into the ground.
- Petroleum releases from fueling facilities are regulated by the Colorado Division of Oil and Public Safety (OPS). The City is under a Corrective Action Plan (CAP) with OPS to clean up the release.
- The City has limited the spread of gasoline and recovered the majority of mobile gasoline in a multi-stage remediation project. Currently, the remediation effort will determine the distribution of gasoline and gasoline byproducts still underground. This information will be used to engineer a cost efficient remediation plan to clean up the remaining gasoline byproduct.

**Expenditure Required:** \$162,000

**Source of Funds:** General Capital Improvement Fund – MSC Gasoline Recovery Remediation Project

**Policy Issue**

Should City Council authorize a contract amendment with A.G. Wassenaar for an in-depth analysis at the MSC site to determine the distribution of gasoline and gasoline byproduct still remaining underground?

**Alternatives**

1. City Council could decline approval of the contract amendment and authorize proceeding with some form of remediation based on historical data and analysis previously done on the site. This action is not recommended as the characteristics of the site have changed over time. A thorough analysis of newly collected data will result in a more successful remediation of the remaining product underground.
2. City Council could choose to rebid the project. In 2013, the City received competitive bids from qualified environmental remediation companies on the MSC cleanup site. A.G. Wassenaar was the low-cost bidder at that time and has developed experience and knowledge of this complex cleanup site. Staff recommends proceeding with the contract amendment with A.G. Wassenaar.

**Background Information**

The current fueling facility at the Municipal Services Center (MSC) consists of one diesel and one unleaded gasoline Aboveground Storage Tank (AST), above ground piping, and fuel dispensers. The current facility replaced an underground system that consisted of one 10,000 gallon diesel Underground Storage Tank (UST), one 10,000 gallon unleaded gasoline UST, one 10,000 gallon leaded gasoline UST, fuel lines, and three pump islands. In 1986, gasoline was detected underground and was found to be the result of a leaking gasoline line between the tanks and fueling islands. The quantity of gasoline released was estimated to be over 100,000 gallons.

This underground release of gasoline resulted in contamination of soil and groundwater underneath the MSC. The spread of gasoline in the subsurface followed the groundwater flow direction southeast, traveling away from the MSC, underneath 88th Avenue, into the Lake Arbor Golf Course and Lake Arbor neighborhood. It should be noted that homes in this area are connected to municipal water and no registered groundwater wells are threatened by the groundwater contamination plume. To intercept the flow of gasoline into the neighborhood and golf course, an interceptor trench was installed along the southern right-of-way between 88th Avenue and the neighborhood and the golf course. Recovery wells were also installed in addition to the interceptor trench, and a significant amount of the gasoline was recovered. The remaining portion of gasoline and gasoline constituents in soil and groundwater will be addressed in the next stages of the project.

The upcoming stage of remediation is to determine the distribution of gasoline and gasoline byproducts underground and to then use this information to engineer a cost efficient remediation plan to clean up the remaining gasoline byproduct.

This project helps achieve the City Council's Strategic Plan Goals of "Beautiful, Desirable, Safe and Environmentally Responsible City" and "Financially Sustainable Government Providing Excellence in City Services" by contributing to the objectives of an environmentally safe and well-maintained City infrastructure and facilities.

Respectfully submitted,

Donald M. Tripp  
City Manager

**SECOND AMENDMENT TO THE  
AGREEMENT TO FURNISH SERVICES BETWEEN THE  
CITY OF WESTMINSTER AND A.G. WASSENAAR, INC.  
FOR CONSULTING AND REMEDIATION SUPPORT FOR THE  
GASOLINE RECOVERY SYSTEM AT THE MUNICIPAL SERVICE CENTER  
DATED FEBRUARY 6, 2014**

The City of Westminster (hereinafter referred to as "City") and A. G. WASSENAAR, Inc., (hereinafter referred to as "Consultant") agree to amend the Agreement described above as follows:

1. Article I, THE PROJECT, amended to read as follows with new language appearing in underline and deleted language appearing in ~~strikethrough~~:

The project consists of gasoline recovery services at the Municipal Service Center for calendar year 2016 ~~2015~~, as more specifically described the Scope of Services, attached to this ~~First~~ Second Amendment and incorporated herein as Appendix CD (hereinafter, the "2015 2016 Project").

2. Article IV, CONSULTANT'S FEE, shall be amended to read as follows with new language appearing in underline and deleted language appearing in ~~strikethrough~~:

Hourly Basis per Scheduled Rates. The compensation for the 2015 2016 Project shall be according to the fees described in Appendix CD, including reimbursable expenses as described therein. The maximum amount billable under this Agreement for the 2015 2016 Project shall be one hundred and forty -seven thousand dollars (\$147,000) ~~thirty two thousand one hundred dollars (\$32,100)~~. The Consultant shall submit invoices to the City for services rendered during the preceding month, such invoices to be in the form and detail reasonably be required by the City. Reimbursable expenses shall be itemized. The City agrees to pay the Consultant within thirty (30) days of receipt of properly documented invoices.

3. Article V, COMMENCEMENT & COMPLETION OF PROJECT, shall be replaced to read as follows:

The 2015 2016 Project, as defined by this First Amendment, shall take place during the 2015 2016 calendar year.

4. All other terms and conditions of this Agreement shall remain in effect.

SIGNATURE PAGE FOLLOWS

This Amendment is dated the \_\_\_\_\_ day of \_\_\_\_\_, 2016.

A.G. WASSENAAR, INC.

By: Brian Glade  
Printed Name: BRIAN GLADE  
Title: VP

CITY OF WESTMINSTER

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Attest: Juanita DeFuer  
Title: City Clerk

Attest: \_\_\_\_\_  
City Clerk

(Corporate Seal  
if applicable)



Rev'd 10/12

(Seal)

APPROVED AS TO LEGAL FORM:

Hueraham  
Title: Deputy CA  
Date: 2-10-16  
File no.: \_\_\_\_\_





2180 South Ivanhoe Street, Suite 5  
Denver, Colorado 80222-5710  
303-759-8373  
www.agwassenaar.com

February 4, 2015

City of Westminster  
4800 West 92nd Avenue  
Westminster, Colorado 80031

Attention: Nick Butel, Environmental Health and Safety Analyst

Subject: Environmental Tasks-2016  
Westminster Municipal Service Center  
Westminster, Colorado  
Project Number E14151.E3

Mr. Butel,

In 1986, a release of unleaded gasoline from an underground fuel line associated with three former underground storage tanks (USTs) was discovered at the Westminster Municipal Service Center (MSC) located at 6575 West 88th Avenue in Westminster, Colorado. The quantity released is unknown, but based on a January 2000 Site Characterization Report, it was suspected to exceed 100,000 gallons.

Impacted soils, groundwater, and light non-aqueous phase liquid (LNAPL), or free product, are present at the MSC site. Periodic groundwater monitoring has been conducted at the site since at least 1991.

Historically, a variety of remediation technologies have been applied at the MSC site. These efforts have removed approximately 51,300 gallons of free product to prevent the migration of contamination into a down-gradient residential neighborhood. The remediation systems are no longer operating, as they were deemed to no longer be economically justifiable. Components of all the systems remain in place; however, they are no longer functional.

Groundwater gauging and sampling events conducted in 2015 indicate limited free product in EW-8 and its vicinity, and persistent concentrations of dissolved phase constituents in groundwater across the site.

#### **RECOMMENDED SCOPE OF WORK**

---

A. G. Wassenaar, Inc. (AGW) is pleased to submit the following cost estimate for environmental tasks to be conducted in 2016 at the MSC. This work was requested after several collaborative meetings and phone calls with AGW and the City of Westminster on January 7, 21, and 25, 2016, and includes:

- Site-wide high resolution investigation using a membrane interface probe (MIP), hydraulic profiling tool (HPT), and Ultra-Violet Optical Screening Tool (UVOST)
- Follow-up limited subsurface investigation
- One sampling event of all accessible wells associated with remediation design
- Preparation and submittal of investigation report

- Data analysis and engineering
- Preparation and design of site-wide remediation plan
- One semiannual groundwater sampling event of limited wells
- Repair of up to an estimated fifteen monitoring wells
- Purge water disposal, and
- Reporting to the Colorado Department of Labor and Employment, Division of Oil and Public Safety (OPS).

## **HIGH RESOLUTION SITE CHARACTERIZATION INVESTIGATION**

---

In order to have a thorough understanding of the magnitude and extent of impacted soil and groundwater at the site, to prepare a conceptual site model, to assist with remediation design, and to allow for the most accurate cost estimate for cleanup of the site, AGW will complete a high resolution site characterization using a membrane interface probe (MIP) hydraulic profiling tool (HPT), and Ultra-Violet Optical Screening Tool (UVOST). AGW has estimated 50 locations for the MIP/HPT and 10 locations for the UVOST. The cost estimate submitted with this proposal accounts for 10 days using the MIP/HPT and UVOST equipment, which should allow for additional borings to be advanced if necessary to fill in any data gaps. The following tasks will be required for this phase of the work:

- investigation design
- subcontractor coordination
- access requests (Arvada, Westminster)
- utility locating
- traffic control
- concrete coring
- potholing
- permitting
- completion of MIP/HPT/UVOST investigation

In order to verify data collected during the MIP/HPT/UVOST investigation, AGW will also conduct a limited subsurface investigation. It is estimated that approximately 10 soil borings will be conducted in the general vicinity of the MIP borings. This will allow confirmation of the MIP readings and give specific laboratory data to validate the field qualitative data. In addition, soil samples will be collected for analysis of parameters which will need to be understood for various remediation compounds. The subsurface investigation will coincide with the MIP/HPT/UVOST investigation to avoid additional traffic control. The investigation will include the following tasks:

- investigation design
- subcontractor coordination
- access requests (CDOT, Arvada, Westminster)
- utility locating
- potholing
- advancement of soil borings
- collection of approximately 100 soil samples and 10 groundwater samples for laboratory analysis
  - BTEX and TPH
  - Terminal electron acceptors

## APPENDIX D

- Persulfate soil oxidant demand
- Soil buffering capacity
- Fraction of organic carbon (Foc)

Estimated Cost: \$ 100,600.00

### GROUNDWATER SAMPLING OF ALL ACCESSIBLE WELLS

At your request, AGW will collect groundwater samples from all accessible wells at the site. At this time, we estimate that AGW will sample approximately 50 monitoring wells. One monitoring well consistently contains free product and will not be sampled (EW-8). The wells are either 1" or 2" monitoring wells, 4" extraction wells, or 36" culverts (RW-East and RW-West). With the exception of the large culvert wells, 3 well volumes worth of groundwater will be purged from all wells and stored onsite in drums for offsite disposal. Grab samples will be collected from RW-East and RW-West.

Estimated Cost: \$16,600.00

### AQUIFER TESTING

To evaluate hydraulic conductivity at the site, AGW will complete aquifer (slug) tests at the site using an InSitu® Level Troll 700 Professional logging device and a portable computer. Aquifer testing will be performed using the falling-head and rising-head test methods at two monitoring wells associated with the site.

Following completion of the field aquifer test activities, AGW will plot the data using Starpoint Software Inc.'s Super Slug software. The Bouwer and Rice Method will be used to calculate the hydraulic conductivity for the rising-head and falling-head methods at each location.

Estimated Cost: \$ 2,400.00

### INVESTIGATION REPORT

AGW will prepare a report presenting the methods and results from the MIP/HPT/UVOST, the Limited Subsurface Investigation, the site-wide groundwater sampling event, and the aquifer testing. The report will also be prepared in the required Monitoring and Remediation Report (MRR) format required by OPS.

Estimated Cost: \$ 5,500.00

Data analysis, engineering, and remediation design

Once all data has been collected from the MIP/HPT/UVOST investigation, the limited subsurface investigation, and sampling of all accessible groundwater wells at the site, AGW will conduct a thorough engineering analysis of all soil and groundwater field observations, field measurements, and analytical results. This data will be used to prepare a detailed remediation design and associated cost estimate.

Estimated Cost: \$ 6,900.00

**NOVEMBER 2016 SEMIANNUAL GROUNDWATER SAMPLING AND REPORTING (10 WELLS)**

---

AGW anticipates that the well sampling completed above will satisfy the OPS requirement for the May 2016 sampling event. Therefore, a second semiannual sampling event will be conducted in November 2016, and will only include select monitoring wells.

Estimated Cost: \$2,900.00

**MONITORING WELL REPAIR (UP TO 15 WELLS, \$300.00 PER WELL)**

---

During AGW's sampling event of all wells on the site, detailed notes will be taken regarding the condition of each well so that recommendations for repair measures can be presented. For the purposes of this proposal, AGW is estimating that 15 wells will need repair and that those repairs will cost approximately \$350/well. This cost may be revised upon our well inspections.

Estimated Cost: \$4,500.00

**DISPOSAL OF PURGE WATER DRUMS (2 EVENTS)**

---

It is anticipated that a significant number of drums will be required to containerize purge water generated during the sampling event of 50 wells, many of which are 4" in diameter. This water will be stored on-site and disposed of properly.

Estimated Cost: \$3,200.00

**PROJECT MANAGEMENT (12 MONTHS)**

---

Miscellaneous project management costs are anticipated for a project of this magnitude that are not built into the other tasks described above. These may include, but are not limited to: client meetings, phone calls, invoicing, communication with OPS, project management software, subcontractor invoicing, and others.

Estimated Cost: \$4,400.00

**ESTIMATED PROJECT COSTS**

---

It is anticipated that AGW can complete all of the above tasks in 2016. AGW has estimated a total cost for 2016 of approximately \$147,000.00.


These costs include engineering, field services, laboratory testing, and expenses, and are based on our standard unit rates and estimated man-hours to complete the project. We will invoice for our services on a monthly schedule anticipate payment within thirty (30) days.

**APPENDIX D**

If you have any questions regarding the proposed services, please do not hesitate to call. We look forward to the opportunity to assist you with this project.

Sincerely,

A. G. WASSENAAR, INC.



\_\_\_\_\_

Brian J. Glade, P.E.  
Vice President

rap/BJG/dd



**Agenda Memorandum**

City Council Meeting  
February 22, 2016



**SUBJECT:** Additional Expenditure Authorization for Vehicle Purchases to Sill-Terhar Motors

**PREPARED BY:** Matthew E. Booco, Fleet Manager

**Recommended City Council Action**

Authorize the additional expenditure to Sill-TerHar Motors for the purchase of one Police Department patrol vehicle in the amount of \$31,095 to the previous Council approval of \$404,235, increasing the total authorized expenditure to \$435,330.

**Summary Statement**

- City Council is requested to approve the purchase of one additional Police Department patrol vehicle to Sill-TerHar Motors based on the State of Colorado bid award.
- This vehicle is for the replacement of Unit # 8757, a 2014 Ford Interceptor sedan that was involved in an accident and was determined to be a total loss. The replacement cost will be paid from the City's Property and Liability Fund.
- On January 25, 2016, City Council approved the purchase of thirteen Police Department patrol vehicles through the State of Colorado bid award. This expenditure at Sill-TerHar Motors totaled \$404,235 and will be charged to the General Capital Outlay Replacement Fund (GCORF). The proposed purchase of one additional patrol vehicle for \$31,095 would bring the total 2016 expenditure with Sill-TerHar Motors to \$435,330.
- A future Council agenda memorandum will be presented to Council early in 2016 to authorize the emergency lights and equipment installation on all patrol vehicles referenced above.
- The City saves a substantial amount by purchasing vehicles through cooperative bid awards such as the State of Colorado bid process when possible.

**Expenditure Required:** \$31,095

**Source of Funds:** Property & Liability Fund Account

**Policy Issue**

Should City Council authorize an additional expenditure of \$31,095 for the purchase of one additional Police Department patrol vehicle from Sill-TerHar Motors?

**Alternatives**

1. City Council could decide not to approve the additional expenditure authorization to Sill-TerHar Motors and instruct Staff to re-bid this patrol vehicle. This alternative is not recommended because the State of Colorado bid reflects a lowered price based on the purchasing power of many political subdivisions in Colorado.
2. Council could choose to not approve the purchase of one additional patrol vehicle. This alternative is not recommended because the Police Department relies on having an adequate number of patrol vehicles to conduct daily patrol operations.

**Background Information**

The original 2016 PST GCORF account projected the replacement of seven Ford Crown Victoria patrol cars with Ford Interceptor Sedans with emergency equipment and lighting at a cost of \$38,500 apiece, and to “rebuild” the last seven Ford Crown Victoria’s at a cost of \$23,500 each. City Council replaced all 14 vehicles with the Interceptor Utility Wagon based on police officer needs and fuel mileage reports from three surrounding jurisdictions. The new Interceptor Utility Wagon increases officer visibility, equipment storage and occupant room. The cost for the Ford Interceptor Utility Wagon, not including emergency equipment and lighting, is \$31,095 each. The thirteen Interceptor Utility Wagons meet the anticipated 2016 replacement schedule and the money from the 14<sup>th</sup> patrol vehicle is needed to add one Animal Management van to the Police Department. Council approved this expenditure on January 25, 2016, Item #8E.

After City Council approval, Unit # 8757 was in an accident and needed to be replaced. This replacement will cause the total expenditure with Sill-TerHar Motors to exceed the initial Council approval of \$404,235. While it could be argued that each transaction represents a separate purchase, City Staff believes that a more prudent approach is to treat each transaction as a cumulative larger purchase with the vendors requiring Council approval.

A separate request will brought to Council in early 2016 for purchase of emergency equipment. The emergency equipment including lights, control console, push bumper, prisoner cage(s) and seat and ready buckle type straps are unique to the Interceptor Utility Wagon and the equipment cannot be transferred from the wrecked 2014 Ford Interceptor sedan. The estimated cost to outfit each Ford Interceptor Utility Wagon with emergency equipment will be \$12,000 per vehicle.

This recommended purchase meets Council’s Strategic Plan Goal of “Financially Sustainable Government Providing Excellence in City Services” by spending tax dollars in a responsible manner, ensuring the number of Police patrol vehicles available to the department are adequate and that vehicles are replaced at the lowest price possible.

Respectfully submitted,

Donald M. Tripp  
City Manager



Agenda Memorandum

City Council Meeting  
February 22, 2016



**SUBJECT:** 2016 Water Treatment Chemicals Purchase

**Prepared By:** Tom Scribner, Water Treatment Superintendent  
Stephen Gay, Utilities Operations Manager

**Recommended City Council Action**

1. Authorize Staff to proceed with 2016 calendar year purchases of water chemicals through Multiple Assembly of Procurement Officials (MAPO) bids from PVS Technologies, Harcros Chemical Company, and DPC Industries;
2. Based on the recommendation of the City Manager, find that the public interest would best be served by authorizing negotiated purchases from the sole source providers Mississippi Lime Company in an amount not to exceed \$132,000 for lime, DPC Industries in an amount not to exceed \$87,600 for sodium hydroxide, and Thatcher Chemical Company in an amount not to exceed \$77,720 for ACH and ferric sulfate; and
3. Allow the purchase of these water treatment chemicals from other sources should the listed vendors be unable to deliver product. The total authorized amount of the above water treatment chemical purchases is not to exceed \$926,748 in 2016.

**Summary Statement**

- As a part of the water treatment process, raw water from Standley Lake undergoes extensive chemical treatment processes to remove contaminants. A number of chemicals for this process will be purchased in 2016, which individually or when combined by a vendor, will exceed \$75,000.
- In 2016, the Multiple Assembly of Procurement Officials (MAPO) issued a bid for water treatment chemicals. This pricing is being recommended for the purchase of chemicals from PVS Technologies (ferric chloride), Harcros Chemical Company (sodium permanganate) and DPC Industries (sodium hypochlorite).
- Staff is recommending a sole source purchase of chemicals from three vendors, based on specific product and availability requirements: lime from the Mississippi Lime Company, ACH and ferric sulfate from Thatcher Company, and sodium hydroxide from DPC Industries.
- Staff is also requesting the authority to purchase chemicals as needed from other vendors to provide flexibility in situations where the low bid vendors are unable to deliver materials to the City in a timely manner. These purchases will be completed in compliance with the City’s purchasing processes.
- Because potable water consumption and chemical treatment fluctuate in response to a number of variables, Staff has estimated the chemical purchases required for 2016 by basing the quantity of water to be treated in the City’s five year running average for potable water consumption.
- Adequate funds were authorized within the Public Works and Utilities’ operating budget and are available for this expenditure.

**Expenditure Required:** Not to exceed \$926,748

**Source of Funds:** Utility Fund - Utilities Operations Water Plants Operating Budget



**Policy Issues**

1. Should City Council authorize the purchase of water treatment chemicals using a combination of City bids and the most recent Multiple Assembly of Procurement Officials (MAPO) bids?
2. Should City Council authorize the purchase of water treatment chemicals from other sources if the low bid vendors cannot deliver product in a timely fashion?
3. Should City Council authorize the purchases identified as a sole source (i.e., lime, sodium hydroxide, ACH and ferric sulfate) from the vendors as recommended?

**Alternatives**

1. Council could choose to execute a separate bid for each of the City’s water treatment chemical purchases with individual chemical supply vendors. Staff does not recommend this alternative, as a combination of MAPO bids and individual bids are used to identify the best value for chemical purchases, depending on the chemicals’ cost, availability and quality of the required products.
2. City Council could reject the purchase of materials as needed from other vendors. Staff does not recommend this alternative because the ability to purchase materials from other vendors provides the City flexibility if the low bid vendors are unable to deliver supplies in a timely manner. As each of these chemicals plays a critical role in the water treatment process, the ability to purchase products and have them delivered in a timely manner is imperative to providing safe, high-quality drinking water to customers.
3. Council could choose not to allow the purchase of water treatment chemicals from sole source vendors as proposed. Staff does not recommend this alternative, as some of these chemicals are provided only by these vendors, experience with the few other vendors providing these chemicals in the past has been problematic or the price offered is lower than MAPO pricing. Based on these reasons, sole source is recommended in these cases.

**Background Information**

Drinking water is a manufactured product. Raw water from Standley Lake must undergo extensive chemical and mechanical treatment processes to purify the water by removing pathogens, dissolved metals, decomposing organic matter, gases and particulates. Other chemicals are added to prevent corrosion of domestic plumbing and to provide disinfection all the way to the customer’s tap.

As part of the 2015-2016 Budget, City Council approved funds for treatment chemicals for the City’s water treatment facilities. Information regarding each of the major chemicals and its approximate usage and bid price for 2016 are shown in the table below. The unit prices indicated on the bid tabulation for the chemicals are for purchases on an as-needed basis.

<u>CHEMICAL</u>	<u>APPROX. QUANTITY</u>	<u>BID PRICE</u>	<u>APPROX. EXPENDITURE</u>	<u>VENDOR</u>	<u>BID TYPE</u>
Ferric Chloride	524 Tons	\$596/Dry Ton	\$312,304	PVS Technologies	MAPO BID
12.5% Sodium Hypochlorite	96 Tons	\$2,280/Dry Ton	\$218,880	DPC Industries	MAPO BID
Sodium Permanganate	12 Tons	\$8,187/Dry Ton	\$98,244	Harcros Chemical	MAPO BID

Lime	500 Tons	\$264/Dry Ton	\$132,000	Mississippi Lime	SOLE SOURCE
25% Sodium Hydroxide	200 Tons	\$438/Dry Ton	\$87,600	DPC Industries	SOLE SOURCE
ACH	75 Tons	\$622/Wet Ton	\$46,650	Thatcher Chemical	SOLE SOURCE
60% Ferric Sulfate	130 Tons	\$239/Wet Ton	\$31,070	Thatcher Chemical	SOLE SOURCE
Total	1,537 Tons		\$926,748		

Ferric Chloride and ACH are used for coagulation and clarification in the treatment process at the Semper and Northwest Water Treatment Facilities (WTF). Ferric Sulfate is used by the City’s Reclaimed WTF for the same purpose. Lime and sodium hydroxide are used for control of pH and alkalinity in the water to minimize corrosion of distribution system pipes and home plumbing. Sodium hypochlorite is used for disinfection and permanganate is used to remove contaminant metals such as iron and manganese and to control taste and odor.

The primary chemical bid was put out on behalf of MAPO, a cooperative of state, municipal, county, special district, school district and other local government agencies. This is a competitive bid, meets the City’s bid requirements, and offers greater volume and lower prices to the City than the City can obtain on its own. The low bids for three of the primary chemicals: ferric chloride from PVS Technologies, sodium hypochlorite from DPC Industries, and sodium permanganate from Harcros Chemical meet all specifications and requirements set by the City.

Mississippi Lime Company produces lime that is uniquely suited to the City’s water treatment needs. This product best meets the City’s requirements for finely ground, grit free lime that is also supported by a local Denver rail storage terminal. This ensures a rapid and responsive delivery schedule as well as a reliable storage supply depot. During the high consumption demand months of summer, the City has as little as ten days of lime storage in the lime silo when it is full. A responsive delivery service is essential to avoid running out of lime. Staff is recommending that Council authorize a sole source purchase of lime from Mississippi Lime Company in the amount of \$132,000.

Staff recommends authorizing sole source purchases of ACH (\$46,650) and 60% ferric sulfate (\$31,070) from the Thatcher Chemical Company (Thatcher). Neither of these two chemicals appears on the MAPO bid vendors’ list. The ACH is proprietary and must be purchased directly from the manufacturer or their local agent, in this case, Thatcher. Ferric sulfate is used in the reclaimed water treatment process and is not a commonly produced chemical. Staff is aware of two vendors that offer the product and has experienced delivery issues with the other vendor in the past. Staff has successfully purchased the product from Thatcher in prior years, and as Thatcher has a local supply depot, is comfortable that the company can provide the product in a timely manner. Cumulatively, the purchase amount of these two chemicals from Thatcher totals \$77,720, which exceeds the \$75,000 threshold.

Finally, Staff recommends authorizing the sole source purchase of sodium hydroxide (\$87,600) from DPC Industries. While DPC Industries (DPC) did not offer the product through the MAPO bid process, the company is offering this chemical at a price that is significantly lower than the MAPO low bid price for the second year in a row. Should the price ever exceed the MAPO low bid, Staff will instead purchase the product from the MAPO low bid vendor.

To ensure the ability to purchase needed chemicals throughout the year, Staff is also requesting the authority to purchase chemicals from vendors other than the low bidders should City stockpiles become depleted and the low bid vendors are unable to deliver materials in a timely manner. Raw water quality, weather and water demand are all unpredictable factors that influence the water treatment process and may require the use of different chemicals to address different variables.

While Staff actively manages the treatment process, the ability to purchase materials from alternative vendors would provide Staff with flexibility if the City's chemical supplies are in short supply, the low bid vendors are unable to deliver supplies in a timely manner, or the City is unable to adjust the treatment process to compensate. If the City's stock piles of specific chemicals are depleted, Staff would look to alternative vendors to provide materials as required to treat and provide safe drinking water. Staff will return to Council to request additional funds for water treatment through the end of 2016 if actual chemical costs are predicted to exceed the authorized spending authority.

The estimated quantity of water to be treated is based on the City's five year running average for potable water consumption, as well as Staff's estimation of the amount of chemicals to have on hand. Because factors that influence chemical usage such as raw water quality, weather and water demand cannot be predicted, Staff has presented a conservative budget estimate for these chemicals based on this running average. The chemical quantities identified in the previous table include a contingency for these factors. The total amount of these chemical purchases is anticipated to be \$926,748. Funds for these chemicals were approved by City Council in the Adopted 2016 Annual Budget.

In addition, to the specific chemicals included within this agenda memorandum, a variety of other chemicals are utilized by the treatment facilities during the year that are purchased in smaller quantities and well below the bid approval threshold. The funding for these other chemical purchases is included in the total approved annual chemical budget in the Utilities Operations Water Plants Operating Budget.

This project meets Council's Strategic Plan goals of "Beautiful, Desirable, Safe and Environmentally Responsible City" and "Financially Sustainable Government Providing Excellence in City Services" by keeping the City's water supply clean and safe and improving the service level of the treatment plants at the best possible price.

Respectfully submitted,

Donald M. Tripp  
City Manager



**Agenda Memorandum**

City Council Meeting  
February 22, 2016



**SUBJECT:** Sheridan Boulevard Waterline Rehabilitation and Replacement Project–Final Design

**Prepared By:** Andy Walsh, Senior Engineer  
Stephen Grooters, Senior Projects Engineer

**Recommended City Council Action**

Authorize an amendment to the design contract with J&T Consulting, Incorporated (J&T) to provide final design services for the Sheridan Boulevard Waterline Rehabilitation and Replacement (R&R) Project in the amount of \$316,418 plus a contingency of \$32,000 for a total of \$348,418, and increasing the total authorized expenditure with this consultant from the previously approved amount of \$129,480 to \$477,898.

**Summary Statement**

- The City has an extensive network of water mains to deliver potable water to customers. Some large-diameter pipes, referred to as transmission mains, transfer large quantities of water from one region of the City to another.
- In 2014, Staff completed an evaluation of the City’s water distribution system to prioritize water main R&R projects. The transmission main in Sheridan Boulevard was identified as a priority.
- The project to repair or replace the transmission main in Sheridan Boulevard will be a multi-year effort extending from 70th Avenue to 120th Avenue. The design for the first phase is from 70<sup>th</sup> Avenue to 88<sup>th</sup> Avenue (see attached map).
- The project has a special emphasis on coordinating various other construction projects that overlap this area, especially near Sheridan Boulevard and 88<sup>th</sup> Avenue.
- In September of 2015, City Council authorized preliminary design for the first phase of the Sheridan Boulevard transmission main replacement. Preliminary design is now complete, and the project team is requesting City Council authorization to proceed with the final design.
- J&T was selected through a competitive proposal process for the preliminary design that anticipated negotiating a contract for final design. Staff recommends awarding the final design contract to J&T based on the team’s successful performance on the preliminary design, familiarity with the City’s infrastructure, ability to streamline project tasks, and competitive pricing.
- Upon successful completion of the final design contract, Staff will return to Council with a construction services contract with J&T and a construction contract (or contracts) with the contractor.
- Construction is anticipated to start in fall 2016, with completion anticipated by mid-2017.
- Adequate funds were budgeted and are available for this project.

**Expenditure Required:** \$348,418

**Source of Funds:** Utility Capital Improvement Fund - Sheridan Blvd. Water Main R&R Project

## **Policy Issue**

Should City Council authorize the final design engineering contract with J&T for final design services of the Sheridan Boulevard Waterline R&R Project?

## **Alternatives**

1. City Council could decline to approve the contract and place the project on hold. This is not recommended since replacement of the Sheridan Boulevard waterlines is a priority project for the City and timing is critical for coordination with other utility work planned along the Sheridan Boulevard corridor.
2. Council could choose to request proposals for the final design of the improvements. This is not recommended because J&T was selected through a competitive proposal process for preliminary design, which anticipated additional project tasks such as final design. It is Staff's assessment that J&T provides the best value to the City based on its successful completion of the preliminary design work, its strong knowledge of the City's water distribution system, and its ability to streamline final design work.

## **Background Information**

The Public Works and Utilities Department maintains over 560 miles of water distribution system pipelines ranging in size from 4 inches to 54 inches. Over time, these mains age and require replacement. Prioritizing their replacement is based on a number of variables including pipe criticality, vulnerability, age, break history, water quality considerations, and coordination with other City projects and with projects from CDOT or other agencies. In 2014, Staff completed an evaluation of the City's water distribution system that identified the transmission main along Sheridan Boulevard as a priority for R&R. The large size of this project requires repair or replacement to be implemented using a phased approach.

The first phase of the Sheridan Boulevard waterline R&R focuses on the area from roughly 88th Avenue South to 70th Avenue. Piping in this area was installed between 1967 and 1970 and ranges in diameter between 12 and 16 inches. Replacement of this section of the transmission main was planned and budgeted as part of the 2015/16 Capital Improvement Project budget adopted by City Council. In September 2015, City Council authorized preliminary design for the current phase of the Sheridan Boulevard transmission main replacement. Preliminary design is now complete and the project team is requesting City Council authorization to proceed with final design. Timing for the project is especially important for coordination with other City utility work in this area, including: 1) water and sewer R&R projects on 88th Avenue for the new downtown; 2) water main replacement as part of the Pressure Zone 3 Expansion Project; and 3) sewer replacement for the Little Dry Creek Interceptor Sewer R&R Project.

Staff believes that this project remains a high priority for the City's utility system. As such, Staff is seeking Council approval for a contract amendment with J&T for final design. As reported to City Council in September 2015, the current preliminary design contract anticipated negotiating final design of the project and returning to City Council for approval. It is Staff's assessment that J&T provides the best value because its team successfully completed the preliminary design work and will be able to streamline tasks during final design. Staff negotiated a scope of work and competitive fee with J&T for this next step of the project and is now seeking Council approval. Staff's analysis of the fee is that it is competitive since: 1) the hourly rates for J&T's key staff closely match the range of rates that competitors proposed previously for the predesign phase; 2) the hourly rates for J&T's key staff are those used for the predesign phase; 3) the scope and fee demonstrates a clear understanding of the project and City goals, objectives, and schedule; and 4) the total engineering fee for predesign and final design is actually less than the design budget anticipated by Staff, based on the other projects recently completed on the water distribution system.

The requested expenditure for final design with contingency is \$348,418. Adequate funds for the project were approved by City Council and are available for this expenditure. Final design is anticipated to commence immediately following Council's official action. Construction of the project is anticipated to begin in fall of 2016. Because of the size of the project and the extent of work in this area of the City,

construction is currently anticipated for a duration of approximately one year. The remaining phases of the Sheridan Boulevard waterline R&R project that extend north of 88<sup>th</sup> Avenue to 120th Avenue will occur in future years and based on future budget and overall priorities within the utility system.

Staff is sensitive to the various construction projects that overlap with the areas of this project and the impacts this construction will have on our customers, especially along the 88th Avenue and Sheridan Boulevard corridor. The final design phase will include public outreach and also incorporate methods of limiting impacts to water service and traffic flow. Construction management services will be negotiated with J&T and presented to City Council at a later date, once the scope and schedule for construction is established.

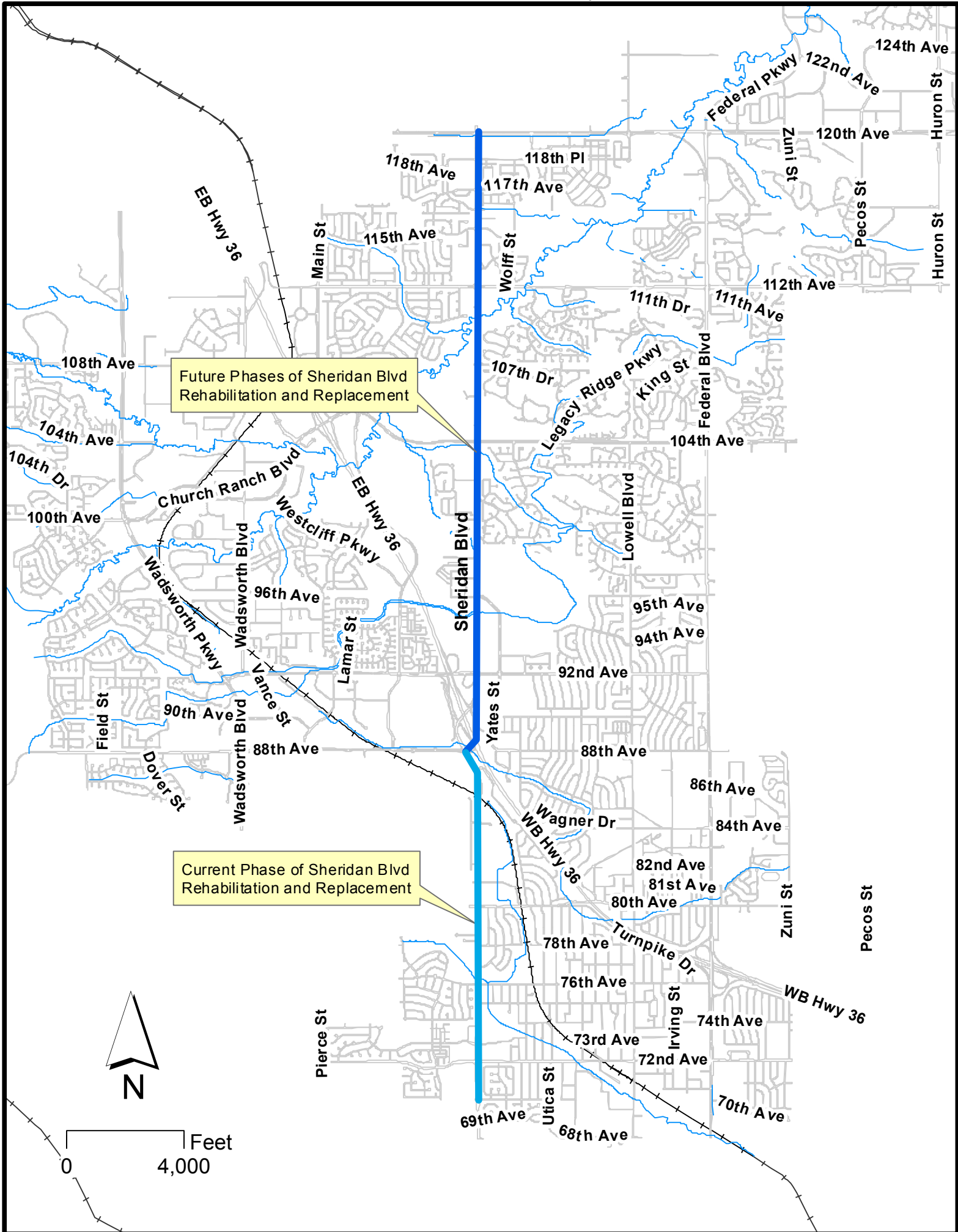
Final design of the Sheridan Boulevard waterlines helps achieve the City Council’s Strategic Plan Goal of “Financially Sustainable Government Providing Excellence in City Services” and “Beautiful, Desirable, Safe and Environmentally Responsible City” by properly designing and constructing utility infrastructure in a cost-effective and reliable manner.

Respectfully submitted,

Donald M. Tripp  
City Manager

Attachment - Map

# Sheridan Waterline Map





City Council Meeting  
February 22, 2016



**SUBJECT:** Councillor's Bill No. 5 re Proposed Economic Development Agreement with Zimmer Biomet Spine, Inc.

**Prepared By:** Chris Gray, Economic Development Officer

**Recommended City Council Action**

Pass Councillor's Bill No. 5 on first reading authorizing the City Manager to execute and implement an Economic Development Agreement (EDA) with Zimmer Biomet Spine, Inc.

**Summary Statement**

- Zimmer Biomet, together with its subsidiaries, designs, develops, manufactures, and markets orthopedic reconstructive devices, spinal and trauma devices, biologics, dental implants, and related surgical products
- The Company was founded in 1927 and is headquartered in Warsaw, Indiana.
- Through a recent merger transaction, the Company currently has two spine operation facilities, one of which is headquartered in Broomfield, Colorado.
- The new company spine unit, Zimmer Biomet Spine, Inc., is looking to consolidate its Broomfield and Midwest operations into one office. The company searched for a new location to house 207 employees. It considered Westmoor Park in Westminster and two options in Broomfield. The company has chosen the Westmoor location and will enter a long term lease on 104,000 square feet of office there.
- The average wage of the workforce will be \$79,000.
- The proposed Economic Development Agreement includes fee and tax rebates comprised of an estimated \$43,120 in permit fee rebates, \$67,500 in construction use tax rebates, and \$57,000 in furniture, fixtures and equipment use tax rebates, up to a maximum of \$167,620.
- Assistance is based on the City's desire to attract and retain primary jobs and to cultivate and offer a wide array of employment opportunities in the community.
- Should Zimmer Biomet Spine, Inc., decide to move its new operation out of Westminster prior to July 31, 2021, the assistance would have to be reimbursed to the City by the company.

**Expenditure Required:** Approximately \$167,620 (Rebates)

**Source of Funds:** The EDA with Zimmer Biomet Spine, Inc., will be funded through revenue received from permit fees, construction use tax, and sales and use tax on equipment, furniture and fixture purchases for the company's project



## **Policy Issue**

Should the City provide assistance to Zimmer Biomet Spine, Inc., based upon the City's goal to create and maintain a dynamic, diverse economy by cultivating and strengthening a wide array of economic opportunities?

## **Alternatives**

Offer No Assistance: One alternative to offering the above business assistance package is to offer nothing to Zimmer Biomet Spine, Inc. The company is choosing Westminster over other location options in metro Denver. The City could have lost the project had assistance not been offered. Also, the City's values of attracting quality companies and jobs and filling existing vacant space would not be supported.

Provide Less: Another alternative is to provide less assistance than what is recommended. The recommended assistance package represents 1.3% ( $\$167,620 / \$12,800,000 = 1.3\%$ ) of the company's total investment in construction, equipment, furniture and fixtures and is considered modest.

Provide More: A third alternative would be to provide a greater amount of assistance than recommended. Staff has recommended an assistance package that is 42.1% of the total 3-year projected revenue. There is room for additional funding.

## **Background Information**

Zimmer Biomet is a global leader in musculoskeletal healthcare. The company was founded in 1927 and is headquartered in Warsaw, Indiana. Zimmer designs, manufactures and markets orthopedic reconstructive products; sports medicine, biologics, extremities and trauma products; spine, bone healing, craniomaxillofacial and thoracic products; dental implants; and related surgical products. Zimmer has operations in more than 25 countries around the world and sells products in more than 100 countries. The consolidated company's annual revenues were \$4.67 billion in 2014.

In June, 2015, Zimmer Holdings, Inc. completed the acquisition of Biomet, Inc. The combined companies became Zimmer Biomet Holdings, Inc. The acquisition included Biomet's spine division located in Broomfield. The company's newly combined spine unit, to be called Zimmer Biomet Spine, Inc., is completing a search for about 100,000 square feet of office space for its headquarters. The new office will house 167 employees currently located in Broomfield and Minneapolis. The company plans to add 40 more new employees at the facility over the next two to three years. The company has considered two location options in Broomfield and one in Westmoor Technology Park in Westminster.

Attracting the Zimmer Biomet Spine office to Westminster will bring an annual payroll of \$13 million that will grow to \$16 million over the ensuing two to three years. The average annual wage of the workforce will be \$79,000. Sixty-five percent of the employees will work in professional occupations and 32 percent will work in technical and production capacities.

Additionally, Zimmer Biomet Spine plans to invest \$9.0 million in tenant improvements in its leased space and \$3.8 million in furniture, fixtures and equipment over the next two to three years. The company will also transfer \$2.5 million of existing assets to a new Westminster office.

It is estimated that the company's new operation will generate approximately \$398,114 in direct new fee and tax revenues for the City over its first three years of operation.

Based on a three-year estimate of City revenue generated by the project and a desire to support Zimmer Biomet Spine's relocation to Westminster, Staff recommends the following assistance:

<b>Proposed Assistance</b>	<b>Approximate Value</b>
<u>Building Permit Fee Rebate</u> 50% of the building related fees (excluding water and sewer tap fees) will be rebated ( $\$86,240 \times 50\% = \$43,120$ )	\$43,120
<u>Construction Use Tax Rebate</u> 50% of the General Use Tax (excludes the City's .25% Open Space Tax and .6% Public Safety Tax) on construction materials for this project will be rebated ( $\$9,000,000$ construction valuation $\times 50\% \times 3\% = \$135,000$ Use Tax $\times 50\% = \$67,500$ )	\$67,500
<u>Sales/Use Tax on Equipment and Furnishings</u> Based on \$6,842,800 in equipment and furnishings purchased six months before and six months after move in, the City will rebate 50% of the Sales/Use Tax (excludes the City's .25% Open Space Tax and .6% Public Safety Tax) collected on the purchased equipment and furnishings. ( $\$3,800,000 \times 3\% = \$114,000$ Sales/Use Tax $\times 50\% = \$57,000$ )	\$57,000
<b>Total Proposed Assistance Package Not To Exceed</b>	<b>\$167,620</b>

This assistance package is based upon the City's goal to maintain a "Dynamic, Diverse Economy" by cultivating and strengthening a wide array of economic opportunities. The proposed assistance package supports an effort to encourage Zimmer Biomet Spine, Inc., to relocate and grow in Westminster.

Respectfully submitted,

Donald M. Tripp  
City Manager

Attachments: Ordinance  
Exhibit A – Agreement

BY AUTHORITY

ORDINANCE NO.

COUNCILLOR'S BILL NO. **5**

SERIES OF 2016

INTRODUCED BY COUNCILLORS

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**A BILL  
FOR AN ORDINANCE AUTHORIZING THE ECONOMIC DEVELOPMENT AGREEMENT  
WITH ZIMMER BIOMET SPINE, INC.**

WHEREAS, the successful attraction and retention of expanding primary businesses in the City of Westminster maintains and increases the pool of high paying jobs and is therefore an important public purpose; and

WHEREAS, it is important for the City of Westminster to remain competitive with other local governments in creating assistance for businesses to expand or relocate in the City; and

WHEREAS, Zimmer Biomet Spine, Inc. plans to relocate the headquarters of its spine business unit to Westminster and enter a long-term lease for 104,000 square feet of office space and employ approximately 200 workers; and

WHEREAS, a proposed Economic Development Agreement between the City and Zimmer Biomet Spine, Inc. is attached hereto as Exhibit "A" and incorporated herein by this reference.

NOW, THEREFORE, pursuant to the terms of the Constitution of the State of Colorado, the Charter and ordinances of the City of Westminster, and Resolution No. 53, Series of 1988:

THE CITY OF WESTMINSTER ORDAINS:

Section 1. The City Manager of the City of Westminster is hereby authorized to enter into an Economic Development Agreement with Zimmer Biomet Spine, Inc. in substantially the same form as the one attached as Exhibit "A" and, upon execution of the Agreement, to fund and implement said Agreement.

Section 2. This ordinance shall take effect upon its passage after second reading.

Section 3. This ordinance shall be published in full within ten days after its enactment.

INTRODUCED, PASSED ON FIRST READING, AND TITLE AND PURPOSE ORDERED PUBLISHED this 22nd day of February, 2016.

PASSED, ENACTED ON SECOND READING, AND FULL TEXT ORDERED PUBLISHED this 14th day of March, 2016.

\_\_\_\_\_  
Mayor

ATTEST:

APPROVED AS TO LEGAL FORM:

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
City Attorney's Office

**Exhibit "A"**  
**ECONOMIC DEVELOPMENT AGREEMENT**  
**FOR**  
**ZIMMER BIOMET SPINE, INC.**

THIS ECONOMIC DEVELOPMENT AGREEMENT ("Agreement") is made and entered into this \_\_\_ day of March, 2016 ("Effective Date"), between the CITY OF WESTMINSTER (the "City") and Zimmer Biomet Spine, Inc., a Delaware corporation doing business in Colorado (the "Company").

WHEREAS, the City wishes to provide assistance to aid in the relocation of a business unit of the Company to the City; and

WHEREAS, the Company will enter into a long term lease for approximately 104,000 square feet of office space at 10225 Westmoor Drive, Building 6 (the "new facility") for the purpose of housing the business unit headquarters for the company's spine division;

WHEREAS, establishment of the new facility is expected to result in the transfer of approximately 160 employment positions to the new facility and the creation of an additional 40 employment positions by December 31, 2018, thus providing primary job growth within the City; and

WHEREAS, City Council finds the execution of this Economic Development Agreement will provide benefit and advance the public interest and welfare of the City and its citizens by securing the location of this economic development project within the City.

In consideration of the mutual promises set forth below, the City and the Company agree to the following:

1. Building Permit Fee Rebates. The City shall rebate to the Company 50% of the building permit fees that are otherwise required under W.M.C. Section 11-9-3 (E) for the build-out and remodeling of the Company's new facility ("Building Permit Fees"). The rebate described in this Section 1 shall apply to all Building Permit Fees paid to the City during the Rebate Period in connection with the build-out and remodeling of the new facility whether paid directly by the Company, by the building landlord or by contractors or other third parties conducting work at the new facility on behalf of the Company. The "Rebate Period" shall be the time period commencing on the Effective Date and ending on April 30, 2017. This rebate excludes water and sewer tap fees. Based on the Company's construction estimates, the Building Permit Fee rebate will be approximately \$43,120.

2. Use Tax Rebate-Construction. The City shall rebate to the Company 50% of the Building Use Tax (excludes the .25% Open Space Tax and .6% Public Safety Tax) payable as a result of the build-out and remodeling of the new facility as required under W.M.C. Sections 4-2-9 and 4-2-3 ("Building Use Tax").

- a. The rebate described in this Section 2 shall apply to all Building Use Tax paid to the City during the Rebate Period in connection with the build-out and remodeling of the new facility whether paid directly by the Company, by the building landlord or by contractors or other third parties conducting work at the new facility on behalf of the Company. Based on the Company's construction estimates, the Building Use Tax rebate on construction materials will be approximately \$67,500.
- b. The amount of the rebate shall be calculated on the actual amount of Building Use Tax due and paid to the City based upon the approved Construction Project Cost Report referenced in Section 4(a)(iv).

3. Sales and Use Tax Rebate – Furniture and Fixtures. For the period of 6 months prior and 36 months after a Certificate of Occupancy is issued or a final inspection is passed for the new facility, the City will rebate 50% of the Westminster General Sales and Use Tax (excludes the City's .25% Open Space Tax and .6% Public Safety Tax) on equipment and furnishings purchased by the Company for the new facility ("Sales and Use Tax"). Based on the Company's investment estimates, the Sales and Use Tax rebate will be approximately \$57,000.

- a. The Sales and Use Tax rebate shall include use tax paid directly to the City by the Company, and/or sales tax collected from the Company and remitted to the City by City licensed businesses.
- b. The Sales and Use Tax rebates will be based on the documentation prescribed by the City and provided by the Company which illustrates purchases or delivery of any such furnishings, fixtures, or equipment that occurred within the City of Westminster for the new facility and that taxes were paid to and collected by the City.

#### 4. Payments of Rebates.

- a. The total of all rebates hereunder is not to exceed \$167,620. The Company will file returns and pay City sales and use taxes due no less frequently than on a calendar quarter. Rebates shall be calculated for each calendar quarter based upon revenue actually received by the City in connection with the build-out, remodeling, opening and operation of the new facility.
  - i. If the total amount of a quarterly rebate due to the Company is at least \$1,000, the rebate will be paid within thirty (30) days following the end of the calendar quarter.
  - ii. If the total amount of a quarterly rebate due to the Company is less than \$1,000, such rebate will be added to the next quarterly rebate due until the total amount to be rebated is at least \$1,000. The accumulated amount of such rebates will then be paid within thirty (30) days following the end of the most recent calendar quarter reported.
  - iii. Payments shall commence for the calendar quarter during which final occupancy approval is granted.
  - iv. No payment of the Building Use Tax Rebate on construction material provided for in Section 2 above will be made until the City approves a Construction Project Cost Report for the remodeling of the Company's new facility at 10225 Westmoor Drive and the Company obtains a release from the general contractor(s) related to the City's disclosure of confidential tax information used in reconciling the building use tax. A form of the Construction Project Cost Report and general contractor release is attached hereto as Exhibit A.
  - v. No rebate payment shall be made until the Company has obtained a City of Westminster business license for the new facility.
  - vi. All payments by the City shall be made electronically to the Company's designated financial institution or other account.
- b. In the event the Company fails to comply in any material respect with provisions of the City regulations or code relative to the development, use, occupancy or operation of the project the City may, after providing the Company with not less than ten (10) days advance written notice, suspend payment of the quarterly installments until the Company complies with such provisions of the City regulations or code.

5. Entire Agreement. This Agreement shall constitute the entire agreement between the City and the Company and supersedes any prior agreements between the parties and their agents or representatives related to the same subject matter, all of which are merged into and revoked by this Agreement with respect to its subject matter.

6. Termination. This Agreement shall terminate and become void and of no force or effect at the election of the City: (i) if the Company has not moved into the new facility by June 30, 2017, or (ii) should the Company not comply with the City regulations or code, after having received written notice of any such non-compliance and failed to cure, or diligently pursue a cure, within thirty (30) days of such written notice of non-compliance.

7. Business Termination. In the event the new facility ceases to conduct business operations within the City at any time prior to July 31, 2021 for reasons solely within the discretion or control of Company, including but not limited to reorganization, restructuring, dissolution or bankruptcy, then the

Company shall pay to the City within sixty (60) days of business termination the total amount of fees and taxes that were paid by or for the Company for the new facility to the City and were subsequently rebated by the City to the Company pursuant to this Agreement.

8. Subordination. The City's obligations pursuant to this Agreement are subordinate to the City's obligations for the repayment of any current or future bonded indebtedness and are contingent upon the existence of a surplus in sales and use tax revenues in excess of the sales and use tax revenues necessary to meet such existing or future bond indebtedness. The City shall meet its obligations under this Agreement only after the City has satisfied all other obligations with respect to the use of sales tax revenues for bond repayment purposes. For the purposes of this Agreement, the terms "bonded indebtedness," "bonds," and similar terms describing the possible forms of indebtedness include all forms of indebtedness that may be incurred by the City, including, but not limited to, general obligation bonds, revenue bonds, revenue anticipation notes, tax increment notes, tax increment bonds, and all other forms of contractual indebtedness of whatsoever nature that is in any way secured or collateralized by sales and use tax revenues of the City. The City reasonably believes as of the date hereof that sufficient sales and use tax reserves will exist to satisfy the City's obligations hereunder. In the event the City is unable to timely provide a refund as provided hereunder by operation of this Section 8 or Section 9, the Company may terminate this Agreement, at which point this Agreement will become null and void in all respects.

9. Annual Appropriation. Nothing in this Agreement shall be deemed or construed as creating a multiple fiscal year obligation on the part of the City within the meaning of Colorado Constitution Article X, Section 20, and the City's obligations hereunder are expressly conditional upon annual appropriation by the City Council.

10. Governing Law: Venue. This Agreement shall be governed and construed in accordance with the laws of the State of Colorado. This Agreement shall be subject to, and construed in strict accordance with, the Westminster City Charter and the Westminster Municipal Code. In the event of a dispute concerning any provision of this Agreement, the parties agree that prior to commencing any litigation, they shall first engage in good faith the services of a mutually acceptable, qualified, and experienced mediator, or panel of mediators for the purpose of resolving such dispute. The venue for any lawsuit concerning this Agreement shall be in the District Court for Jefferson County, Colorado.

ZIMMER BIOMET SPINE, INC.

CITY OF WESTMINSTER

\_\_\_\_\_

\_\_\_\_\_

Donald M. Tripp  
City Manager

NOTARY:

ATTEST:

\_\_\_\_\_

\_\_\_\_\_

Michelle Parker  
City Clerk

APPROVED AS TO LEGAL FORM:

\_\_\_\_\_  
City Attorney's Office

*Adopted by Ordinance No.*

DM 177036.2



## Agenda Item 10 B

### Agenda Memorandum

City Council Meeting  
February 22, 2016



**SUBJECT:** Resolution No. 13 Updating City Council's Rules and Regulations Related to Order of Business

**Prepared By:** David Frankel, City Attorney

### Recommended City Council Action

Adopt Resolution No. 13 Updating City Council's Rules and Regulations related to City Council's order of business.

### Summary Statement

- Council has requested a change in the order of business for Council meetings.
- The proposed change will move Presentations ahead of Citizen Communication on City Council's agenda.

**Expenditure Required:** \$0

**Source of Funds:** N/A

**SUBJECT:** Resolution Updating Council's Rules and Regulations  
Related to Order of Business

Page 2

**Policy Issue**

Should the City Council make changes to the City Council Rules and Regulations to alter the regular order of business on Council agendas as outlined in the resolution attached?

**Alternatives**

City Council could decide not to adopt the attached resolution or direct Staff to make additional or different changes.

**Background Information**

Pursuant to Part VII, Section 9 of Council Rules and Regulations, "These rules may be amended or new rules adopted by a majority vote of all members of the Council. Any such alteration or amendments shall be submitted in writing at the preceding regular meeting and shall be placed on the agenda under the order of new business. This requirement shall be waived only by unanimous consent of all members of Council."

The proposed change is to Part II, Section 1, "The Order of Business." The proposed change would move the "Presentations" portion of the agenda ahead of "Citizen Communications".

This action supports the City Council's goal of "Financially Sustainable City Government Providing Excellence in City Services."

Respectfully submitted,

Donald M. Tripp  
City Manager

Attachment: Resolution



RESOLUTION

RESOLUTION NO. **13**

INTRODUCED BY COUNCILLORS

SERIES OF 2016

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**A RESOLUTION AMENDING COUNCIL RULES AND REGULATIONS**

NOW, THEREFORE, be it resolved, by the City Council of the City of Westminster that the Council rules are hereby amended as follows:

**PART II – COUNCIL PROCEDURES**

**1. THE ORDER OF BUSINESS:** The order of business at all regular meetings of the Council, as reflected by the printed agenda, shall be transacted in the following order, unless the Council, by a vote of a majority of those members present, change the order.

1. Pledge of Allegiance
2. Roll Call
3. Consideration of Minutes of Preceding Meeting
4. Presentations
- ~~5.~~4. Citizen Communication
- ~~6.~~5. Report of City Officials
  - A. City Manager's Report
- ~~7~~ 6. City Council Comments
- ~~7.~~ Presentations
8. Consent Agenda
9. Appointments and Resignations
10. Public Hearings and Other New Business
11. Old Business and Passage of Ordinances on Second Reading
12. Miscellaneous Business and Executive Session
13. Adjournment

(Resolutions 55, 1987; 41, 1990; 17, 1992; 61, 1993; 51, 1994; 31, 2004; 16, 2006; 5, 2011; 13, 2016)

Reading of the minutes of the previous meeting shall be dispensed with unless requested by a Council member. The Mayor, or presiding officer, shall ask for additions and/or corrections to the minutes and shall then call for a vote of approval.

City Staff shall open and tabulate bids prior to the Council meeting and shall provide a written recommendation to Council regarding the lowest qualified bid and acceptance or rejection of bids. (Res. 39, 1984)

PASSED AND ADOPTED this 22<sup>nd</sup> day of February, 2016.

ATTEST:

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
Mayor

APPROVED AS TO LEGAL FORM:

\_\_\_\_\_  
City Attorney's Office



# Agenda Item 11 A

## Agenda Memorandum

City Council Meeting  
February 22, 2016



**SUBJECT:** Second Reading for Councillor’s Bill No. 3 re Proposed Economic Development Agreement with Local Foods Campus Inc.

**Prepared By:** John L. Hall, Economic Development Director

### Recommended City Council Action

Pass Councillor’s Bill No. 3 on second reading authorizing the City Manager to execute and implement an Economic Development Agreement (EDA) with Local Foods Campus Inc. in a form substantially the same as the attached document.

### Summary Statement

- This Councillor’s Bill was passed on first reading on February 8, 2016.
- Local Foods Campus Inc. (“LFC”) is a new business that will specialize in the sale of local foods and products to the Westminster community. Sixty-percent of the all foods and products sold will be locally sourced.
- LFC is a Colorado C Corporation seeking to establish their first retail store and restaurant accelerator in Westminster. Specifically, LFC seeks to lease approximately 29,000 square feet of vacant retail space at the Hidden Lake Shopping Center formerly occupied by Albertson’s, which has been vacant for approximately 7 years.
- LFC’s plans include the following product and service areas within the 29,000 space: grocery and produce sales, wine and spirits, wellness counter, coffee and juice bar, demonstration kitchen, small restaurant sales space, shared commercial kitchen, back stock and storage, and independent vendor stalls.
- City Council met in executive session on January 4, 2016, and reviewed a proposed incentive package for LFC of approximately \$953,000, including a rebate of 70% of the sales taxes generated by LFC over five years, to site its new business in Westminster. Council provided staff direction at that time, which is reflected in the attached Economic Development Agreement.
- Assistance is based on the City’s desire to attract unique retail commercial businesses to the City and pursue activities that build a unique sense of community in Westminster.
- It has been the City’s practice to provide assistance to viable retail sales tax generating businesses that diversify product offerings to residents while also expanding the City’s tax base.

**Expenditure Required:** Approximately \$953,000 (Rebates)

**Source of Funds:** The EDA with Local Foods Campus Inc. will be comprised of rebates of a portion of the sales taxes generated by the project

Respectfully submitted,

Donald M. Tripp  
City Manager

Attachments: Ordinance  
Exhibit A – Agreement

ORDINANCE NO. **3818**

COUNCILLOR'S BILL NO. **3**

SERIES OF 2016

INTRODUCED BY COUNCILLORS  
**Garcia - Seitz**

**A BILL  
FOR AN ORDINANCE AUTHORIZING THE ECONOMIC DEVELOPMENT AGREEMENT  
WITH LOCAL FOODS CAMPUS INC.**

WHEREAS, the successful attraction and retention of locally-owned retail businesses provides the opportunity to diversify product offerings to residents while also expanding the City's tax base, and is therefore an important public purpose; and

WHEREAS, it is important for the City of Westminster to remain competitive with other local governments in creating assistance for businesses to expand or relocate in the City; and

WHEREAS, Local Foods Campus Inc. plans to occupy an existing building that has been vacant for seven years; and

WHEREAS, a proposed Economic Development Agreement between the City and Local Foods Campus Inc. is attached hereto as Exhibit "A" and incorporated herein by this reference.

NOW, THEREFORE, pursuant to the terms of the Constitution of the State of Colorado, the Charter and ordinances of the City of Westminster, and Resolution No. 53, Series of 1988:

**THE CITY OF WESTMINSTER ORDAINS:**

Section 1. The City Manager of the City of Westminster is hereby authorized to enter into an Economic Development Agreement with Local Foods Campus Inc., in substantially the same form as the one attached as Exhibit "A" and, upon execution of the Agreement, to fund and implement said Agreement.

Section 2. This ordinance shall take effect upon its passage after second reading.

Section 3. This ordinance shall be published in full within ten days after its enactment.

INTRODUCED, PASSED ON FIRST READING, AND TITLE AND PURPOSE ORDERED PUBLISHED this 8th day of February, 2016.

PASSED, ENACTED ON SECOND READING, AND FULL TEXT ORDERED PUBLISHED this 22nd day of February, 2016.

\_\_\_\_\_  
Mayor

ATTEST:

APPROVED AS TO LEGAL FORM:

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
City Attorney's Office

**ECONOMIC DEVELOPMENT AGREEMENT  
WITH  
LOCAL FOODS CAMPUS, INC.**

THIS ECONOMIC DEVELOPMENT AGREEMENT, the "Agreement", is made and entered into this day of \_\_\_\_\_, 2016, between the CITY OF WESTMINSTER (the "City"), and LOCAL FOODS CAMPUS, INC. ("LFC"), a Colorado C Corporation, collectively, the "Parties."

WHEREAS, the City wishes to provide certain assistance to LFC to facilitate the location of a local foods retail store within the Hidden Lake Shopping Center (the "Site"), located in the former Albertson's grocery store site, 5005 W. 72<sup>nd</sup> Avenue, Westminster, CO 80030; and

WHEREAS, City Council finds the execution of this Agreement will serve to provide benefit and advance the public interest and welfare of the City and its citizens by securing the location of this project within the City.

In consideration of the mutual promises set forth below the City and LFC agree as follows:

1. Sales Tax Rebate. The City shall rebate to LFC, subject to the "Local" requirement set forth in Section 2 below, an amount equal to seventy percent (70%) of the sales tax collected at the Site and paid to the City by LFC for the period of time commencing on the first day of a new month after which LFC's first retail sales transaction occurs at the new local foods retail store on the Site (the "Sales Tax Rebate Start Date") and for sixty (60) consecutive months thereafter ("Termination Date"). Such rebate (the "Rebate") shall be attributable to the imposition of the City's 3.0% general sales tax but excluding the City's .25% open space tax and the City's .6% public safety tax. The sales tax rebate shall not continue past the Termination Date and shall be administered as follows:

- (a) Restricted to LFC Sales. Rebate provided by the City to LFC pursuant to this Agreement shall be calculated based on the sales tax collected by LFC and actually paid to the City by LFC. Other businesses that may engage in retail sales on the Site are expressly excluded from this Agreement and this rebate.
- (b) Payment. The Rebate will be paid to LFC in quarterly payments made within sixty (60) days after the end of each calendar quarter. The Rebate will be submitted electronically by the City to the financial institution designated by LFC. The Rebate will begin accruing on the Sales Tax Rebate Start Date, as defined above, and no Rebate shall be paid until the Rebate reaches the minimum Rebate threshold of one thousand dollars (\$1,000.00). When the minimum Rebate threshold is reached, the accumulated amount of Rebate will be paid to LFC within sixty (60) days following the end of the most recent calendar quarter.
- (c) Calculating Rebate / Reporting Requirements. Qualification for Rebate shall be based on the documentation prescribed by the City and provided by LFC. Such documentation shall be submitted by LFC on forms provided by the City within thirty (30) days after the end of a calendar quarter ("Quarterly Documentation"). LFC shall file monthly or quarterly sales tax returns, as required by sales volume in accordance with the City's generally applicable sales tax filing requirements. Rebate shall be calculated based on Quarterly Documentation even if LFC's tax returns are filed monthly. Rebate eligibility shall be determined by the City's review of Quarterly Documentation. Once LFC has qualified for Rebate in a quarter, LFC remains qualified for Rebate within the quarter regardless of actual sales of "Local" products within that calendar quarter.
- (d) Documentation Requirements. Quarterly Documentation shall be on forms required by the City showing full audit record-keeping details including, but not limited to, a comprehensive list by SKU of all items ever offered for sale at any time during the

quarter; “Local” or “not Local” designation for each item; and taxes collected and paid to the City.

- (e) Third-Party Audit Cooperation. From time to time and within its discretion, the City may select a third-party auditor to conduct an audit of LFC’s inventory or sales or both. If so, LFC agrees to fully cooperate with said audit. Upon receipt of an audit finding of material non-compliance with the terms of this Agreement, City may deduct the actual cost of such audit from future Rebate payments and may seek to recover, also by withholding future Rebate payments, the amount of Rebate the audit shows to have been improperly paid to LFC.
- (f) End of Sales Tax Rebate. The Rebate shall end on the Termination Date, as defined above, with the final payment made by the City within sixty (60) days after the calendar quarter ending on or after the Termination Date.
- (g) Suspension of Rebate. No Rebate shall be earned for any quarter in which LFC fails to meet the requirements for percentage of “Local” items offered for sale as set forth in Section 2 below. Rebate may resume for the next quarter in which Section 2 below is satisfied. In case of suspension of Rebate, the Termination Date is not affected and remains at sixty (60) months following the Sales Tax Rebate Start Date.
- (h) Early Termination of Rebate. This Agreement may be terminated by the City sixty (60) days after the end of any one (1) calendar quarter in which LFC fails to file the reports required by this Agreement or fails to cooperate with a third-party inventory or sales audit process.

2. “Local” Foods, Goods and Products. To be eligible for the Rebate, sixty percent (60%) of the total number of LFC’s items offered for sale on the Site during the calendar quarter – as determined by the item’s SKU and regardless of dollar value - shall be of items qualified as “Local.” For purposes of this Agreement, “Local” means the item is grown, processed, made or manufactured in Colorado, and is not solely packaged in Colorado. Exhibit A, attached hereto and incorporated herein, contains the initial list of items agreed upon by the Parties to be “Local” that will be offered for sale on the Site during the calendar quarter. Exhibit B, attached hereto and incorporated herein, contains the initial list of items agreed upon by the Parties to be “not Local” that will be offered for sale on the Site during the calendar quarter. These lists shall be updated from time to time (but no more frequently than quarterly) in writing and upon agreement of the Parties so as to accurately reflect the current items being offered for sale by LFC.

3. Entire Agreement. This instrument shall constitute the entire agreement between the City and LFC and supersedes any prior agreements between the parties and their agents or representatives, all of which are merged into and revoked by this agreement with respect to its subject matter.

4. Termination.

- (a) The City may terminate the Agreement with no further obligation by the City for non-compliant reporting or lack of cooperation as set forth in Section 1(h) above.
- (b) This Agreement shall terminate and become void and of no force or effect if the Sales Tax Rebate Start Date has not occurred on or before June 30, 2017.
- (c) In the event that LFC ceases business operations on the Site for a period of 12 consecutive months after the Sales Tax Rebate Start Date, this Agreement shall terminate. Should this Business Termination occur, aside from termination of this Agreement, there shall be no other liability, penalty or remedy owed by or from LFC, its directors, respective heirs, personal and legal representatives, agents,

employees, guardians, successors and assigns, to the City arising out of this Agreement.

5. Financial Benefits Assignable. This Agreement and any of its financial benefits provided to LFC may be pledged or assigned to another entity by LFC upon receipt of prior written permission from the City, which permission shall not be unreasonably withheld.

6. Subordination. The City's obligations pursuant to this agreement are subordinate to the City's obligations for the repayment of any current or future bonded indebtedness and are contingent upon the existence of a surplus in sales and use tax revenues in excess of the sales and use tax revenues necessary to meet such existing or future bond indebtedness. The City shall meet its obligations under this Agreement only after the City has satisfied all other obligations with respect to the use of sales tax revenues for bond repayment purposes. For the purposes of this Agreement, the terms "bonded indebtedness," "bonds," and similar terms describing the possible forms of indebtedness include all forms of indebtedness that may be incurred by the City, including, but not limited to, general obligation bonds, revenue bonds, revenue anticipation notes, tax increment notes, tax increment bonds, and all other forms of contractual indebtedness of whatsoever nature that is in any way secured or collateralized by sales and use tax revenues of the City.

7. Annual Appropriation. Nothing in this agreement shall be deemed or construed as creating a multiple fiscal year obligation on the part of the City within the meaning of Colorado Constitution Article X, Section 20, and the City's obligations hereunder are expressly conditional upon annual appropriation by the City Council.

8. General Provisions.

- (a) Governing Law: Venue. This agreement shall be governed and construed in accordance with the laws of the State of Colorado. This agreement shall be subject to, and construed in strict accordance with, the Westminster City Charter and the Westminster Municipal Code. In the event of a dispute concerning any provision of this agreement, the parties agree that prior to commencing any litigation, they shall first engage in good faith the services of a mutually acceptable, qualified, and experience mediator, or panel of mediators for the purpose of resolving such dispute. The venue for any lawsuit concerning this agreement shall be in the District Court for Adams County, Colorado.
- (b) Headings. Headings, captions or titles used in this Agreement are for ease of reference only and do not have any substantive meaning or interpretative value.
- (c) Savings Clause. In the event that any of the terms or provisions of this Agreement are declared invalid or unenforceable by any Court of competent jurisdiction, the remaining terms and provisions that are not effected thereby shall remain in full force and effect.
- (d) Opportunity for Counsel. Each party recognizes that this is a legally binding contract and acknowledges and agrees that they have had the opportunity to consult with legal counsel of their choice. Each party has cooperated in the drafting, negotiation and preparation of this Agreement. Hence, in any construction to be made of this Agreement, the same shall not be construed against either party on the basis of that party being the drafter of such language. LFC agrees and acknowledges that it has read and understands this Agreement, is entering into it freely and voluntarily, has been advised to seek counsel prior to entering into this Agreement, has had ample opportunity to do so, and is authorized to sign on behalf of LFC.
- (e) Attorney Fees. In the event it becomes necessary for either party to bring an action against the other to enforce any provision of this Agreement, in addition to any other

relief that may be granted, the prevailing party in such action shall be entitled to an award of its reasonable attorney fees as determined by the Court.

- (f) Electronic Copies and Signature. The Parties acknowledge that this Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The Parties agree that signature pages may be executed via ink signature or electronic mark and the executed signature pages may be delivered using pdf or similar file type transmitted via electronic mail, cloud based server, e-signature technology or other similar electronic means. Further, the Parties acknowledge and agree that the original of this Agreement, including the signature page, may be scanned and stored in a computer database or similar device, and that any printout or other output readable by sight, the reproduction of which is shown to accurately reproduce the original of this Agreement, may be used for any purpose as if it were the original, including proof of the content of the original writing.

LOCAL FOODS CAMPUS, INC.

CITY OF WESTMINSTER

\_\_\_\_\_  
\_\_\_\_\_,  
\_\_\_\_\_

\_\_\_\_\_  
Donald M. Tripp  
City Manager

ATTEST:

ATTEST:

\_\_\_\_\_

\_\_\_\_\_  
Michelle Parker  
City Clerk

APPROVED AS TO LEGAL FORM:

\_\_\_\_\_  
City Attorney's Office

*Adopted by Ordinance No.*





**Agenda Memorandum**

City Council Meeting  
February 22, 2016



**SUBJECT:** Second Reading for Councillor's Bill No. 4 re Proposed Economic Development Agreement with WT Investment Limited, LLC

**Prepared By:** John L. Hall, Economic Development Director

**Recommended City Council Action**

Pass Councillor's Bill No. 4 on second reading authorizing the City Manager to execute and implement an Economic Development Agreement (EDA) with WT Investment Limited LLC. in a form substantially the same as the attached document.

**Summary Statement**

- This Councillor's Bill was passed on first reading on February 8, 2016 with a request to amend the language in Section (1)(b)(ii). The original language stated, "Owner shall submit plans detailing Qualifying Leasehold Improvements valued at least one hundred fifty thousand (\$150,000);" and was modified to read, "Owner shall submit plans and receipts evidencing the expenditure of funds that qualify for reimbursement with Grant proceeds." The requested amended language is reflected in the attached document.
- WT Investment Limited LLC is a Boulder based Colorado limited liability company that owns the Hidden Lake Shopping Center, including the former Albertson's grocery store space located at 5005 W. 72<sup>nd</sup> Avenue.
- WT Investment Limited LLC seeks to lease 29,000 square feet of the former Albertson's space to Local Foods Campus Inc., ("LFC"). LFC is a new business that will specialize in the sale of local foods and products to the Westminster community. Sixty-percent of the all foods and products sold will be locally sourced.
- In anticipation of entering into a lease with LFC, WT Investments LLC has made and will make substantial improvements to the former Albertson's space. These improvements include, but are not limited to demolition, cleaning and installation of grease traps, a fire suppression sprinkler system, façade improvements, heating, ventilation and air conditioning systems, interior flooring and walls, and electrical upgrades.
- Since initiating negotiations with LFC, WT Investments LLC has invested \$170,000 and expects to make additional investments of up to \$300,000.
- The former Albertson's space has been vacant for more than seven years.
- City Council met in executive session on January 4, 2016, and reviewed a proposed incentive package for WT Investments LLC totaling \$150,000 in the form of a grant. Council provided staff direction at that time, which is reflected in the attached Economic Development Agreement.
- Assistance is based on the City's desire to attract unique retail commercial businesses to the City and pursue activities that build a unique sense of community in Westminster.

**Expenditure Required:** \$150,000

**Source of Funds:** 2015 Carryover – General Fund

Respectfully submitted,

Donald M. Tripp  
City Manager

Attachments: Ordinance  
Exhibit A – Agreement

BY AUTHORITY

ORDINANCE NO. **3819**

COUNCILLOR'S BILL NO. **4**

SERIES OF 2016

INTRODUCED BY COUNCILLORS  
**Bird – De Cambra**

**A BILL  
FOR AN ORDINANCE AUTHORIZING THE ECONOMIC DEVELOPMENT AGREEMENT  
WITH WT INVESTMENT LIMITED, LLC**

WHEREAS, the development of viable commercial spaces is necessary for the successful attraction and retention of retail businesses, which provide the opportunity to diversify product offerings to residents while also expanding the City's tax base, and is therefore an important public purpose; and

WHEREAS, it is important for the City of Westminster to remain competitive with other local governments in creating assistance for businesses to expand or relocate in the City; and

WHEREAS, Local Foods Campus Inc. plans to occupy an existing building that has been vacant for seven years and is owned by WT Investment Limited, LLC; and

WHEREAS, a proposed Economic Development Agreement between the City and WT Investment Limited, LLC is attached hereto as Exhibit "A" and incorporated herein by this reference.

NOW, THEREFORE, pursuant to the terms of the Constitution of the State of Colorado, the Charter and ordinances of the City of Westminster, and Resolution No. 53, Series of 1988:

**THE CITY OF WESTMINSTER ORDAINS:**

Section 1. The City Manager of the City of Westminster is hereby authorized to enter into an Economic Development Agreement with WT Investment Limited, LLC, in substantially the same form as the one attached as Exhibit "A" and, upon execution of the Agreement, to fund and implement said Agreement.

Section 2. This ordinance shall take effect upon its passage after second reading.

Section 3. This ordinance shall be published in full within ten days after its enactment.

INTRODUCED, PASSED ON FIRST READING, AND TITLE AND PURPOSE ORDERED PUBLISHED this 8th day of February, 2016.

PASSED, ENACTED ON SECOND READING, AND FULL TEXT ORDERED PUBLISHED this 22nd day of February, 2016.

\_\_\_\_\_  
Mayor

ATTEST:

APPROVED AS TO LEGAL FORM:

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
City Attorney's Office

**ECONOMIC DEVELOPMENT AGREEMENT  
WITH  
WT INVESTMENT LIMITED, LLC**

THIS AGREEMENT is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2016, between the CITY OF WESTMINSTER (the "City"), and WT INVESTMENT LIMITED, a Colorado limited liability company, with a business address of 2450 Central Ave., #P2-P4, Boulder, CO, 80030 ("Owner").

WHEREAS, the City wishes to provide certain assistance to the Owner, to facilitate the operation of a local foods campus by Local Foods Campus, Inc. ("LFC") in the former Albertson's grocery store site, 5005 W. 72<sup>nd</sup> Avenue, #200, Westminster, CO 80030, within the Hidden Lake Shopping Center (the "Site"); and

WHEREAS, WT Investment Limited is the Owner of the Site, as documented by special warranty deed filed with the Adams County Clerk and Recorder at Reception No. 2011000043618 on July 11, 2011, for Lot 5A Hidden Lake Center Sub Filing 1; and

WHEREAS, Owner has entered into a lease agreement allowing LFC's occupation of the Site, Owner has made and intends to make leasehold improvements to the Site for LFC, and Owner anticipates operation of LFC's local foods campus on the Site; and

WHEREAS, City Council finds the execution of this Agreement will serve to provide benefit and advance the public interest and welfare of the City and its citizens by securing the location and operation of this local foods campus project within the City.

In consideration of the mutual promises set forth below, the City and the Owner agree as follows:

1. Leasehold Improvement Grant. The City shall grant to the Owner a lump sum payment of \$150,000 for any leasehold improvements made prior to June 30, 2017, and necessary to accommodate operation of a local food campus by LFC (hereinafter, "Qualifying Leasehold Improvements") as follows:

- (a) Grant Amount. The City shall grant to the Owner \$150,000 (the "Grant").
- (b) Payment of Grant. The Grant will be paid to the owner in a lump sum after the occurrence of both of the following conditions:
  - i. Owner shall execute a lease with LFC, an executed copy of which shall be provided to the City;
  - ii. Owner shall submit plans and receipts evidencing the expenditure of funds that qualify for reimbursement with Grant proceeds;
- (c) Within sixty (60) days of completion of both of the foregoing conditions, the City will submit payment of the Grant electronically to the financial institution designated by the Owner. Absent completion of all of the foregoing conditions, the City shall have no obligation to Owner, except as set forth in Section 3 below.

2. Entire Agreement. This instrument shall constitute the entire agreement between the City and the Owner and supersedes any prior agreements between the parties and their agents or representatives, all of which are merged into and revoked by this Agreement with respect to its subject matter.

3. Sunset Clause. In the event Owner does not satisfy all of the conditions of this Agreement on or before June 30, 2017, this Agreement shall expire without obligation to the City; provided, however, that if Owner can meet the conditions of Section 1(b) above to prove Qualifying Leasehold Improvements of some amount less than one hundred fifty thousand dollars (\$150,000) on or before June 30, 2017, the City may make a partial disbursement of the Grant according to the terms of this Agreement.

4. Subordination. The City's obligations pursuant to this agreement are subordinate to the City's obligations for the repayment of any current or future bonded indebtedness and are contingent upon the existence of a surplus in sales and use tax revenues in excess of the sales and use tax revenues necessary to meet such existing or future bond indebtedness. The City shall meet its obligations under this agreement only after the City has satisfied all other obligations with respect to the use of sales tax revenues for bond repayment purposes. For the purposes of this Agreement, the terms "bonded indebtedness," "bonds," and similar terms describing the possible forms of indebtedness include all forms of indebtedness that may be incurred by the City, including, but not limited to, general obligation bonds, revenue bonds, revenue anticipation notes, tax increment notes, tax increment bonds, and all other forms of contractual indebtedness of whatsoever nature that is in any way secured or collateralized by sales and use tax revenues of the City.

5. Annual Appropriation. Nothing in this agreement shall be deemed or construed as creating a multiple fiscal year obligation on the part of the City within the meaning of Colorado Constitution Article X, Section 20, and the City's obligations hereunder are expressly conditioned upon annual appropriation by the City Council.

6. General Provisions.

- (a) Governing Law: Venue. This Agreement shall be governed and construed in accordance with the laws of the State of Colorado. This Agreement shall be subject to, and construed in strict accordance with, the Westminster City Charter and the Westminster Municipal Code. In the event of a dispute concerning any provision of this Agreement, the parties agree that prior to commencing any litigation, they shall first engage in good faith the services of a mutually acceptable, qualified, and experience mediator, or panel of mediators, for the purpose of resolving such dispute. The venue for any lawsuit concerning this agreement shall be in the District Court for Adams County, Colorado.
- (b) Headings. Headings, captions or titles used in this Agreement are for ease of reference only and do not have any substantive meaning or interpretative value.
- (c) Savings Clause. In the event that any of the terms or provisions of this Agreement are declared invalid or unenforceable by any Court of competent jurisdiction, the remaining terms and provisions that are not effected thereby shall remain in full force and effect.
- (d) Opportunity for Counsel. Each party recognizes that this is a legally binding contract and acknowledges and agrees that they have had the opportunity to consult with legal counsel of their choice. Each party has cooperated in the drafting, negotiation and preparation of this Agreement. Hence, in any construction to be made of this Agreement, the same shall not be construed against either party on the basis of that party being the drafter of such language. Owner agrees and acknowledges that it has read and understands this Agreement, is entering into it freely and voluntarily, has been advised to seek counsel prior to entering into this Agreement, has had ample opportunity to do so, and is authorized to sign on behalf of Owner.
- (e) Electronic Copies and Signature. The Parties acknowledge that this Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The Parties agree that signature pages may be executed via ink signature or electronic mark and the executed signature pages may be delivered using pdf or similar file type transmitted via electronic mail, cloud based server, e-signature technology or other similar electronic means. Further, the Parties acknowledge and agree that the original of this Agreement, including the signature page, may be scanned and stored in a computer database or similar device, and that any printout or other output readable by sight, the reproduction of which is shown to accurately reproduce the original of this Agreement, may be used for any purpose as if it were the original, including proof of the content of the original writing.

WT INVESTMENT LIMITED, LLC

CITY OF WESTMINSTER

\_\_\_\_\_  
By:  
Title: LLC Manager

\_\_\_\_\_  
Donald M. Tripp  
City Manager

NOTARY:  
STATE OF COLORADO)  
                                          ) ss.  
COUNTY OF ADAMS  )

ATTEST:  
\_\_\_\_\_  
Michelle Parker  
City Clerk

The foregoing instrument was  
acknowledged before me this \_\_\_\_ day of  
\_\_\_\_\_, \_\_\_\_\_, by  
\_\_\_\_\_ as Manager of  
WT Investment Limited, LLC.

APPROVED AS TO LEGAL FORM:

WITNESS my hand and official seal.

\_\_\_\_\_  
City Attorney's Office

My commission  
expires:\_\_\_\_\_

Notary Public

*Adopted by Ordinance No.*