



## TOWN BOARD REGULAR MEETING

July 28, 2014 - 7:00 P.M.

Town Board Chambers, 301 Walnut Street, Windsor, CO 80550

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### AGENDA

#### A. CALL TO ORDER

1. Roll Call
2. Pledge of Allegiance
3. Review of Agenda by the Board and Addition of Items of New Business to the Agenda for Consideration by the Board
4. Board Liaison Reports
  - Town Board Member Baker – Water & Sewer Board; Poudre River Trail Corridor Board
  - Town Board Member Morgan – Parks, Recreation & Culture; Great Western Trail Authority
  - Town Board Member Melendez – Downtown Development Authority; Chamber of Commerce
  - Town Board Member Rose – Clearview Library Board
  - Town Board Member Bishop-Cotner – Historic Preservation Commission; North Front Range/MPO alternate
  - Town Board Member Adams – Tree Board; Student Advisory Leadership Team (SALT)
  - Mayor Vazquez – Windsor Housing Authority; North Front Range/MPO
5. Public Invited to be Heard

*Individuals wishing to participate in Public Invited to be Heard (non-agenda item) are requested to sign up on the form provided in the foyer of the Town Board Chambers. When you are recognized, step to the podium, state your name and address then speak to the Town Board.*

*Individuals wishing to speak during the Public Invited to be Heard or during Public Hearing proceedings are encouraged to be prepared and individuals will be limited to three (3) minutes. Written comments are welcome and should be given to the Deputy Town Clerk prior to the start of the meeting.*

#### B. CONSENT CALENDAR

1. Minutes of the July 14, 2014 Regular Town Board Meeting – P. Garcia
2. Advisory Board Appointments – P. Garcia
3. Resolution No. 2014-38 – A Resolution Approving One No-Surface-Occupancy Oil and Gas Lease, and Related Terms, between the Town of Windsor, Colorado, and Extraction Oil & Gas, LLC, and Authorizing the Mayor to Execute the Same (0.575 Net Mineral Acres, in part of the Southeast Quarter of Section 21, Township 6 North, Range 67 West, in Weld County, Town of Windsor) – I. McCargar
4. Resolution No. 2014-39 – A Resolution Approving One No-Surface-Occupancy Oil and Gas Lease, and Related Terms, between the Town of Windsor, Colorado, and Extraction Oil & Gas, LLC, and Authorizing the Mayor to Execute the Same (0.17881 net mineral acres, in part of the Southwest Quarter of Section 23, Township 6 North, Range 67 West, in Weld County, Town of Windsor) – I. McCargar

5. Resolution No. 2014-40 – A Resolution Approving One No-Surface-Occupancy Oil and Gas Lease, and Related Terms, between the Town of Windsor, Colorado, and Grizzly Petroleum Company, LLC, and Authorizing the Mayor to Execute the Same (five small parcels of land totaling 2.03 net mineral acres, all in Section 16, Township 6 North, Range 67 West, in Weld County, Town of Windsor) – I. McCargar

#### C. BOARD ACTION

1. Ordinance No. 2014-1476 – An Ordinance Repealing, Amending and Re-Adopting Sections 7-1-40 and 7-1-50 of the *Windsor Municipal Code* with Respect to the Abatement of Nuisances Within the Town of Windsor  
*Super-majority vote required for adoption on second reading*
  - Second reading
  - Legislative action
  - Staff presentation: Ian D. McCargar, Town Attorney; John Michaels, Chief of Police
2. Resolution No. 2014-41 - A Resolution of the Windsor Town Board Approving an Agreement for Certain Economic Inducements and Development Incentives between the Town of Windsor and P&L Properties, LLC, and Authorizing the Mayor to Execute the Same on the Town's Behalf
  - Legislative action
  - Staff presentation: Stacy Johnson, Director of Economic Development
3. Resolution No. 2014-42 – A Resolution Appointing Myles Baker to Serve as the Mayor *Pro Tem* for the Town of Windsor, Colorado, Pursuant to § 3.2 of the Windsor Home Rule Charter
  - Legislative action
  - Staff presentation: Ian D. McCargar, Town Attorney
4. Resolution No. 2014-43 - A Resolution Re-Appointing and Re-Affirming Local Board and Commission Service by Current Town Board Members
  - Legislative action
  - Staff presentation: Ian D. McCargar, Town Attorney
5. June Financial Report
  - Staff presentation: Dean Moyer, Director of Finance & Information Systems

#### D. COMMUNICATIONS

1. Communications from the Town Attorney
2. Communications from Town Staff
3. Communications from the Town Manager
4. Communications from Town Board Members

- E. An executive session pursuant to § 24-6-402 (4) (e), C.R.S., for the purpose of determining positions relative to matters that may be subject to negotiations, developing strategy for negotiations, and instructing negotiators – Economic Development Prospects (Stacy Johnson)

An executive session pursuant to § 24-6-402 (4) (b), C.R.S., to confer with the Town Attorney for the purposes of receiving legal advice on specific legal questions - Recent legislation (Ian D. McCargar)

F. ADJOURN



## TOWN BOARD REGULAR MEETING

July 14, 2014 - 7:00 P.M.

Town Board Chambers, 301 Walnut Street, Windsor, CO 80550

### AGENDA

#### A. CALL TO ORDER

Mayor Vazquez called the regular meeting to order at 7:02 p.m.

1. Roll Call Mayor
- John Vazquez  
Myles Baker  
Christian Morgan  
Jeremy Rose  
Kristie Melendez  
Robert Bishop-Cotner  
Ivan Adams

Also present:

Town Manager	Kelly Arnold
Town Attorney	Ian McCargar
Town Clerk/Assistant to Town Manager	Patti Garcia
Chief of Police	John Michaels
Director of Finance	Dean Moyer
Director of Finance	Joe Plummer
Management Assistant	Kelly Unger

#### 2. Pledge of Allegiance

Town Board Member Bishop-Cotner led the Pledge of Allegiance.

#### 3. Review of Agenda by the Board and Addition of Items of New Business to the Agenda for Consideration by the Board

**Town Board Member Melendez motioned to approve the agenda as presented; Town Board Member Baker seconded the motion. Roll call on the vote resulted as follows:**

**Yeas – Baker, Morgan, Rose, Melendez, Bishop-Cotner, Adams, Vazquez  
Nays – None. Motion passed.**

#### 4. Board Liaison Reports

- Town Board Member Baker – Water & Sewer Board; Poudre River Trail Corridor Board  
Town Board Member Baker stated that the Water & Sewer Board had not met since the last Town Board meeting. The Poudre River Trail Corridor Board met on July 3, 2014 at which an update on potential land purchases by Greeley. It was also reported that as of July 2, 2014 the Poudre Trail was 100% open; it had been closed due to recent flooding in the area. Mr. Baker also reported the Board authorized \$15,000 for river bank repairs
- Town Board Member Morgan – Parks, Recreation & Culture; Great Western Trail Authority  
Town Board Member Morgan reported that both the Parks, Recreation & Culture and Great Western Trail Authority July meetings were cancelled.
- Town Board Member Melendez – Downtown Development Authority; Chamber of Commerce  
Town Board Member Melendez reported the Chamber of Commerce met July 9, 2014 at which many upcoming events were discussed including the New Teacher Breakfast, the Business Expo and Salsa on 5<sup>th</sup> which is being held August 23, 2014. The Chamber also

conducted a wrap up of the All Town Barbeque and acknowledged the success of the event and thanked the volunteers.

- Town Board Member Rose – Clearview Library Board  
Town Board Member Rose reported that the Clearview Library Board met a couple of weeks ago for their June meeting at which they discussed on first reading a change to signatory authority for some of their financials. A majority of the meeting was spent discussing prospects and potential for a library expansion.
- Town Board Member Bishop-Cotner – Historic Preservation Commission; North Front Range/MPO alternate  
Town Board Member Bishop-Cotner stated that the Historic Preservation Commission meeting had been cancelled. He was unable to attend the NFRMPO meeting but understood that Kelly Arnold, Town Manager, was in attendance. Mr. Arnold stated he would forward an email update of the meeting to the Town Board members.
- Town Board Member Adams – Tree Board; Student Advisory Leadership Team (SALT)  
Town Board Member Adams reported that the Tree Board meeting had been cancelled. He stated that the Tree Board had conducted Sick Tree Day at which over 50 homes were visited and trees were looked at. Mr. Adams reported that there were 35 experts involved in Sick Tree Day this year.
- Mayor Vazquez – Windsor Housing Authority; North Front Range/MPO  
Mayor Vazquez reported that the Windsor Housing Authority would be meeting on July 15, 2014.

5. Proclamation – National Park and Recreation Month  
Mayor Vazquez read the proclamation

6. Presentation of SAFEbuilt Scholarship – Dave Thomsen, SAFEbuilt  
Russ Weber, representing SAFEbuilt, reported on the scholarship and stated that this is an opportunity for SAFEbuilt to give back to the community that they serve; this is the 3<sup>rd</sup> year they have presented a scholarship. The recipient for the 2014 scholarship was announced as Taryn Melendez who will be attending CU-Boulder in the fall of 2014. Ms. Melendez thanked everyone for their support and Mayor Vazquez wished her the best of luck and success at college.

7. Public Invited to be Heard

*Individuals wishing to participate in Public Invited to be Heard (non-agenda item) are requested to sign up on the form provided in the foyer of the Town Board Chambers. When you are recognized, step to the podium, state your name and address then speak to the Town Board.*

*Individuals wishing to speak during the Public Invited to be Heard or during Public Hearing proceedings are encouraged to be prepared and individuals will be limited to three (3) minutes. Written comments are welcome and should be given to the Deputy Town Clerk prior to the start of the meeting.*

Mayor Vazquez opened the meeting for public comment to which there was none.

## B. CONSENT CALENDAR

1. Minutes of the June 23, 2014 Regular Town Board Meeting – P. Garcia
2. Report of Bills for June 2014 – D. Moyer

**Town Board Member Adams motioned to approve the Consent Calendar as presented; Town Board Member Bishop-Cotner seconded the motion. Roll call on the vote resulted as follows:  
Yeas – Baker, Morgan, Rose, Melendez, Bishop-Cotner, Adams, Vazquez  
Nays – None. Motion passed.**

#### C. BOARD ACTION

1. Ordinance No. 2014-1475 – An Ordinance amending Section 16-21-20(c)(5) of the Windsor Municipal Code to redefine the calculation of outdoor accessory storage within the Limited Industrial (I-L) zoning district

*Super-majority vote required for adoption on second reading*

- Second reading
- Legislative action
- Staff presentation: Josh Olhava, Associate Planner

**Town Board Member Melendez motioned to approve Ordinance No. 2014-1475, An Ordinance amending Section 16-21-20(c)(5) of the Windsor Municipal Code to redefine the calculation of outdoor accessory storage within the Limited Industrial (I-L) zoning district, on Second Reading; Town Board Member Baker seconded the motion.**

Director of Planning Plummer reported on the ordinance noting the proposed amendment simplifies and clarifies how outdoor storage space is calculated in the Limited Industrial zoning districts. The Planning Commission recommended approval of the amendment as presented on June 18, 2014. The Town Board approved the ordinance on first reading on June 23, 2014; there have been no changes since first reading.

Mayor Vazquez opened the meeting for public comment, to which there was none.

**Roll call on the vote resulted as follows:**

**Yeas – Baker, Morgan, Rose, Melendez, Bishop-Cotner, Adams, Vazquez  
Nays – None. Motion passed.**

2. Ordinance No. 2014-1476 – An Ordinance Repealing, Amending and Re-Adopting Sections 7-1-40 and 7-1-50 of the Windsor Municipal Code with Respect to the Abatement of Nuisances Within the Town of Windsor

- First reading
- Legislative action
- Staff presentation: Ian D. McCargar, Town Attorney; John Michaels, Chief of Police

**Board Member Baker motioned to approve Ordinance No. 2014-01476, An Ordinance Repealing, Amending and Re-Adopting Sections 7-1-40 and 7-1-50 of the Windsor Municipal Code with Respect to the Abatement of Nuisances within the Town of Windsor on First Reading; Town Board Member Morgan seconded the motion.**

Town Attorney McCargar presented the agenda item explaining that the ordinance is a product of a recent work session discussion. Mr. McCargar noted that the main purpose of the ordinance is to increase due process when Code Enforcement learns of a nuisance on private

property. It guarantees the property owner the right to a hearing except in emergency circumstances where there are imminent health, safety and welfare concerns. The ordinance requires that notice be provided to the property owner before Town representatives could enter the property in non-emergency situations; this process would be handled by the Municipal Court with notice and opportunity to be heard to the property owner. Mr. McCargar noted that Police Chief Michaels and Town Prosecutor Emil have both participated in the drafting of the proposed Code amendments.

**Roll call on the vote resulted as follows:**

**Yeas – Baker, Morgan, Rose, Melendez, Bishop-Cotner, Adams, Vazquez**

**Nayes – None. Motion passed.**

3. Resolution No. 2014-37 - A Resolution Approving and Adopting Revisions to the Schedule of Water and Sewer Plant Investment Fees Imposed by the Town Of Windsor

- Legislative action
- Staff presentation: Dean Moyer, Director of Finance

**Town Board Member Adams motioned to Approve Resolution No. 2014-37; Town Board Member Melendez seconded the motion.**

Director of Finance Moyer reported on the resolution stating that the implementation of tap fee increases had been discussed at the June 16, 2014 work session. Mr. Moyer reviewed the existing and proposed amounts; ¾" water tap be increased by \$2,675 and the same size sewer tap by \$700. At the work session, the Town Board discussed phasing the increases with the first phase taking place January 1, 2015 which would include half of the water tap fee increase and the full sewer tap increase and the second phase would take place January 1, 2016 and it would implement the balance of the water tax fee.

Town Board Member Adams inquired who would be affected by the increases; it would affect only new customers who want to tap into the Town's water system such as brand new homes and businesses – new construction only.

**Roll call on the vote resulted as follows:**

**Yeas – Baker, Morgan, Rose, Melendez, Bishop-Cotner, Adams, Vazquez**

**Nayes – None. Motion passed.**

D. COMMUNICATIONS

1. Communications from the Town Attorney

Town Attorney McCargar reminded the Town Board of the Executive Session following the regular meeting and the Kern Board meeting that would convene immediately following the Executive Session.

2. Communications from Town Staff

Management Assistant Unger reported on the current efforts related to the Strategic Plan acknowledging the draft 2014-2016 Strategic Plan booklet that was distributed to the Town Board. The booklet will be available for distribution and discussion at Coffee with the Mayor, Advisory Board and Commission meeting, National Night Out and at the Town Hall meeting on August 18. Ms. Unger also noted that Community Voice, which is an online citizen engagement tool, would be activated on Tuesday, July 15, to allow community members to provide their comments online regarding the draft Plan.

4. Communications from the Town Manager

Town Manager Arnold noted the 2<sup>nd</sup> quarter report from the Liquor Licensing Authority was include in the packet along with a report from the State CDBG contract update and how they are progressing with the Windsor Housing Authority project. A Northern Integrated Supply Project (NISP) update was also in the packet which will be provided monthly which will be discussed more at the Capital Project work session on August 4.

5. Communications from Town Board Members

None.

- E. An executive session pursuant to § 24-6-402 (4) (b), C.R.S., to confer with the Town Attorney for the purposes of receiving legal advice on specific legal questions. Recent legislation (I. McCargar) **Town Board Member Melendez moved to go into an executive session pursuant to § 24-6-402 (4) (b), C.R.S., to confer with the Town Attorney for the purposes of receiving legal advice on specific legal questions; Recent legislation; Town Board Member Adams seconded the motion. Roll call on the vote resulted as follows:**

**Yeas – Baker, Morgan, Rose, Melendez, Bishop-Cotner, Adams, Vazquez  
Nayes – None. Motion passed.**

The meeting moved to Executive Session at 7:29 p.m.

**Town Board Member Melendez motioned to return to the Regular Meeting at 8:24 p.m.; Town Board Member Rose seconded the motion. Roll call on the vote resulted as follows:**

**Yeas – Baker, Morgan, Rose, Melendez, Bishop-Cotner, Adams, Vazquez  
Nayes – None. Motion passed.**

The Executive Session was closed and the Town Board returned to the Regular Meeting.

Upon returning to the regular meeting, Mayor Vazquez advised that if any participants in the Executive Session believed the session contained any substantial discussion of any matters not included in the motion to convene the Executive Session, or believed any improper action occurred during the Session in violation of the Open Meetings Law, such concerns should now be stated. Hearing none, the Regular Meeting resumed.

F. ADJOURN

Upon a motion duly made, the Regular Meeting was adjourned at 8:24 p.m.

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Patti Garcia, Town Clerk



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## MEMORANDUM

**Date:** July 28, 2014  
**To:** Mayor and Town Board  
**Via:** Kelly Arnold, Town Manager  
**From:** Patti Garcia, Town Clerk/Assistant to Town Manager  
**Re:** Advisory Board Appointments  
**Item #:** B.2.

**Background / Discussion:**

Town Board Members conducted advisory board interviews on Monday, July 28, 2014 and provided a recommendation of the following appointments:

Windsor Housing Authority

Kelly Hall – Vacated term expiring March, 2016

Board of Adjustment

Ken Gerlach – Four year term expiring September, 2017

**Financial Impact:**

None.

**Relationship to Strategic Plan:**

1.C. Provide and support ample opportunities for residents to be actively involved in the town governance process and in serving the community.

**Recommendation:**

Approve the recommended appointments.

**Attachments:**

Applications of those being recommended for appointment.

Rec'd  
6/11/14



Advisory Board/Commission Application

To be considered a candidate for a board or commission, please complete this application and return it to the Town Clerk's Office, 301 Walnut Street, Windsor, CO 80550, fax to (970) 686-7180 or email to [pgarcia@windsorgov.com](mailto:pgarcia@windsorgov.com). Application deadlines vary. Late applications will be kept on file for one year for future vacancies.

Qualifications: All positions require residency within the Town of Windsor and some positions require a particular area of experience or vocation.

Additional information can be found on the Town's website under Boards and Commissions or contact the Town Clerk's office at (970) 674-2400.

Candidates will be invited to an interview with the Town Board and appointments are made by the Town Board as a whole.

Name of Board or Commission: Windsor Housing Authority

Name: Kelly Hall

Address: 1006 Teton Court, Windsor

Day Phone: 970.219.3897 Night Phone: 970.686-5592

E-Mail Address: Kelly.hall@hp.com mkellyhall@yahoo.com

How long have you been a resident in Windsor? \_\_\_\_\_

Current Occupation: marketing Employer: Hewlett-Packard (HP)

Do you currently serve, or have you served previously, on a board or commission? If so, which one(s)?

Library Board - 6 years, various Boards thru HP, Library Foundation Board

Why do you want to become a member of this particular board or commission? Affordable housing is important to our community. Advocating for current & future housing projects is important to me and I have a great deal of respect for John Moore.

Briefly explain what you believe are the two most important issues facing this board or commission, and how do you believe this board or commission should address each issue?

- 1) I won't presume to know the most important issues facing the Board by simply researching on-line & reading the by-laws and 6 months of meeting minutes. It appears the current projects are running smoothly and the Board functions well. I appreciate that the Windsor Housing Authority is leveraging the expertise of the Loveland Housing Authority to determine the best ways to accomplish its goals. I expect the Board could do a better job promoting the good work they are doing - to create an increasingly positive image of affordable housing in Windsor. If chosen for this Board, I will listen to learn from the "experts" and do further research on my own.

List any abilities, skills, licenses, certificates, specialized training, or interests you have which are applicable to this board or commission:

I have a Masters degree in Education and I write well.  
I am an excellent project manager - with skills honed at HP.  
I love to learn new things and I listen well and ask good questions.

Please specify any activities which might create a conflict of interest that would prevent you from official action if you should be appointed to this board or commission:

no conflicts

Have you attended a meeting of the board or commission you are applying to or talked to anyone currently on the board? Yes  No

Comments: I have spoken casually to John Moore at Town events.

If not appointed at this time, would you be interested in serving on any other advisory boards or commissions at the Town of Windsor? If so, please list any preferences: No. It is important to be passionate about the issues the Board faces - affordable housing is  
*All applicants are strongly encouraged to attend a regularly scheduled meeting of the board or commission for which they are applying. important to me.*

*The Town of Windsor will make reasonable accommodations for access to Town services, programs, and activities and will make special communication arrangements for persons with disabilities. Please call (970) 674-2400 for assistance.*

I certify that all statements on this form are true and complete. I further understand that false statements shall be sufficient cause for rejection of this application or for grounds to apply the penalty provisions of the Code of Ethics.

Signature: (Kelly) Margaret K. Hall Date: 8 June 2014



BOA

RECEIVED MAY 14 2014

6 PM

Advisory Board/Commission Application

To be considered a candidate for a board or commission, please complete this application and return it to the Town Clerk's Office, 301 Walnut Street, Windsor, CO 80550, fax to (970) 686-7180 or email to pgarcia@windsorgov.com. Application deadlines vary. Late applications will be kept on file for one year for future vacancies.

Qualifications: All positions require residency within the Town of Windsor and some positions require a particular area of experience or vocation.

Additional information can be found on the Town's website under Boards and Commissions or contact the Town Clerk's office at (970) 674-2400.

Candidates will be invited to an interview with the Town Board and appointments are made by the Town Board as a whole.

Name of Board or Commission: Planning Commission

Name: Kenneth Gerlach

Address: 948 Larch Drive

Day Phone: 303-413-4406 Night Phone: 970-674-9295

E-Mail Address: gerlach\_k@msn.com

How long have you been a resident in Windsor? 10 years

Current Occupation: Support Architect Employer: SAP Americas

Do you currently serve, or have you served previously, on a board or commission? If so, which one(s)?

I currently serve on the planning commission.

Why do you want to become a member of this particular board or commission? I enjoy being part

of this group and hope to be re-appointed.

Briefly explain what you believe are the two most important issues facing this board or commission, and how do you believe this board or commission should address each issue?

1) Oil and Gas mining/extraction, we need to work with Town Board to establish clear and workable legal restrictions/requirements to further minimize their impact.

2) Revitalizing existing town structures and environments, as well as extending existing property capabilities to handle more modern needs of families.

List any abilities, skills, licenses, certificates, specialized training, or interests you have which are applicable to this board or commission:

7 years as a planning commissioner, as well as state and national training conferences.

Please specify any activities which might create a conflict of interest that would prevent you from official action if you should be appointed to this board or commission:

None

Have you attended a meeting of the board or commission you are applying to or talked to anyone currently on the board?  Yes  No

Comments: Current member

If not appointed at this time, would you be interested in serving on any other advisory boards or commissions at the Town of Windsor? If so, please list any preferences: YES, Board of

Adjustments or Parks and Recreation.

*All applicants are strongly encouraged to attend a regularly scheduled meeting of the board or commission for which they are applying.*

*The Town of Windsor will make reasonable accommodations for access to Town services, programs, and activities and will make special communication arrangements for persons with disabilities. Please call (970) 674-2400 for assistance.*

I certify that all statements on this form are true and complete. I further understand that false statements shall be sufficient cause for rejection of this application or for grounds to apply the penalty provisions of the Code of Ethics.

Signature:  Date: 5-14-14



355 Eastman Park Dr., Ste. 200 · Windsor, CO 80550  
Telephone: (970) 674-9888 · Fax: (970) 674-9535  
Email: ken@lolaw.us

Kenneth F. Lind  
George H. Ottenhoff  

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Chrysten S. Hinze

Date: July 17, 2014  
To: Kelly Arnold; Ian McCargar, Town Attorney  
From: Kenneth F. Lind, Esq., Special Counsel for Oil and Gas Matters  
Re: One Proposed Oil and Gas Lease with Extraction Oil & Gas, LLC.

**Proposed Oil and Gas Lease #1:**

Our law firm was contacted by Extraction Oil & Gas, LLC to review and present to the Town of Windsor a proposed Oil and Gas Lease. The Lease covers one parcel of land located in the Southeast Quarter of Section 21, Township 6 North, Range 67 West, of the 6th P.M. in Weld County, Colorado (being better identified as Tract B, Cornerstone 3<sup>rd</sup> Filing and Replat of Tract “A” of the Cornerstone 1<sup>st</sup> Filing, a Subdivision of the Town of Windsor) and consists of approximately 0.575 net mineral acres, more or less. The significant terms of the Lease are as follows:

1. Primary Term: two (2) years;
2. Lease royalty: 20%;
3. Bonus consideration: \$2,000.00 per net mineral acre;
4. The net mineral acreage: 0.575 acres;
5. Initial bonus payment: \$1,150.00;
6. Surface use: This Lease is a “No Surface Occupancy” Oil and Gas Lease prohibiting all activities of any type regarding oil and gas development upon the surface of the subject properties;
7. Development plan: This acreage is part of an overall drilling program by Extraction in and near the Town of Windsor.

**Comments on Proposed Oil and Gas Leases:**

The recommendation of the proposed Oil and Gas Lease takes into consideration the following:

1. The terms and conditions of this Oil and Gas Lease are identical to the term, royalty and bonus money paid by Extraction to the Town of Windsor which was approved on May

12, 2014. The term, royalty and bonus money are superior to most Leases that have been signed in the Southeast Quarter of Section 21 by other owners.

2. Our law firm did contact one other company. Due to the small acreage involved, there was no interest to submit an offer.
3. Additionally, by execution of this Lease, the Town will no longer be considered a non-consent mineral owner and subject to all of the negative aspects of forced pooling. The proposed Lease is substantially better in all aspects than being force pooled.
4. Extraction Oil & Gas, LLC, while being a relatively new oil and gas drilling company, has acquired all of the Leases and drilling interests of Tekton Windsor, LLC which had entered into numerous Leases with the Town as well as doing substantial completion and drilling work around the Town of Windsor.

**Recommendation:**

Approval of Oil and Gas Lease.

**Attachments:**

Letter from R.K. Pinson & Associates on behalf of Extraction Oil & Gas, LLC dated July 11, 2014 and providing additional information for this Oil and Gas Lease  
Proposed Town of Windsor Lease for Parcel in Section 21  
Aerial Photograph showing Parcel  
Resolution No. 2014-\_\_\_\_\_

# R. K. PINSON & ASSOCIATES, LLC

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621 17<sup>th</sup> Street, Suite 945  
Denver, CO 80293  
(720) 627-6181  
Fax (720) 627-6182  
E-mail: kpinson@rkpinson.com

July 11, 2014

Kenneth F. Lind  
Lind & Ottenhoff, LLP  
355 Eastman Park Drive, Suite 200  
Windsor, CO 80550

RE: Oil and Gas Leases  
Section 21, 6N-67W  
Section 23, 6N-67W  
Weld Co., CO

Dear Mr. Lind,

Pursuant to our conversation, please find enclosed two Oil and Gas Leases which provides for a 20% royalty interest, a two (2) year term and a bonus consideration of \$2,000.00 per net mineral acre which includes paid up rentals for a combined 0.75381 net acre tract. Extraction Oil & Gas, LLC will provide you with a check reflecting the total bonus consideration of \$1,507.62 for Section 21 and Section 23, once an executed copy of the Lease has been delivered.

Thank you for your consideration and please do not hesitate to call myself or Aaron Koury at (720) 382-5228 if you have any questions.

Sincerely,

Matthew Zions  
mzions@rkpinson.com

## NON-SURFACE USE OIL AND GAS LEASE

(Paid Up)

THIS AGREEMENT, is made and entered into on this 14th day of July 2014, by and between **Town of Windsor a Colorado Municipal Corporation, 301 Walnut Street, Windsor, CO 80550**, party of the first part, hereinafter called Lessor (whether one or more), and **Extraction Oil & Gas, LLC, 1888 Sherman Street, Suite 200, Denver, CO 80203**, party of the second part, hereinafter called Lessee.

1. WITNESSETH, That the Lessor, for and in consideration of Ten and More Dollars (\$10.00), cash in hand paid, receipt of which is hereby acknowledged and of the covenants and agreement hereinafter contained on the part of Lessee to be paid, kept, and performed, has exclusively granted, demised, leased and let and by these presents does exclusively grant, demise, lease and let unto the Lessee, for the purpose of exploring for, developing, producing, transporting and marketing oil (including but not limited to distillate and condensate), gas (including casinghead gas and helium and all other constituents), of whatsoever nature or kind, including all hydrocarbon and non-hydrocarbon substances produced in association therewith and other substances covered hereby on the leased premises as hereinafter described, or lands pooled or unitized herewith, in primary and/or enhanced recovery.

The lands covered hereby, hereinafter called "leased premises" are described as follows: all that certain tract of land, together with any reversionary rights, after-acquired interests, accretion and riparian rights, streets, alleys, easements, and rights of way therein, situated in the County of **Weld**, State of **Colorado**, described as follows, to wit:

### Township 6 North, Range 67 West

**Section 21; Tract B, Cornerstone 3<sup>rd</sup> Filing and Replat of Tract "A" of the Cornerstone 1<sup>st</sup> Filing , a Subdivision of the Town of Windsor, County of Weld, State of Colorado, being a part of the SE4**

**Weld County Assessor Parcel Number: 080721425999**

**Containing 0.575 acres, more or less**

In consideration of the cash bonus paid to Lessor by Lessee for execution of this lease, Lessor agrees to execute any additional or supplemental instruments to more accurately reflect the lands covered, the legal capacity of the Lessor, or other title curative documents to clarify ownership.

2. It is agreed that this lease shall remain in force for a term of **Two (2) years** from the above date, (herein called "primary term") and as long thereafter as oil or gas of whatsoever kind or nature, or either of them, are produced from the leased premises or on acreage pooled therewith, or drilling operations are continuing as hereinafter provided. If, at the expiration of the primary term, oil or gas is not being produced on the leased premises or on acreage pooled therewith but Lessee is then conducting operations for drilling, reworking or dewatering thereon, then this lease shall continue in force so long as operations are being continuously prosecuted on the leased premises or on acreage pooled therewith; with no cessation of more than one hundred twenty (120) consecutive days. If after discovery of oil or gas on the leased premises or on acreage pooled therewith, and after the expiration of the primary term, production shall cease from any cause, this lease nevertheless shall continue in force so long as operations for drilling, reworking or dewatering on any existing or succeeding well are being conducted with no cessation of more than one hundred twenty (120) consecutive days and, if such operations result in production, so long thereafter as oil or gas is produced from the leased premises or on acreage pooled therewith. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises or on acreage pooled therewith.

3. This is a paid-up lease. In consideration for the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term or pay any delay rentals.

4. In consideration of the premises the Lessee covenants and agrees to pay Lessor **1/5<sup>th</sup>** of the proceeds received by Lessee for all oil (including but not limited to condensate and distillate) and **1/5<sup>th</sup>** of the proceeds received by Lessee for all gas of whatsoever nature or kind (with all of its constituents) sold from the leased premises or on acreage pooled therewith, but in no event more than **1/5<sup>th</sup>** of the actual amount received by Lessee, payments to be made monthly.

5. During any period (whether before or after expiration of the primary term hereon) when gas is not being so sold or used and the well or wells are shut in and there is no current production of oil or operations on the leased premises or on acreage pooled therewith sufficient to keep this lease in force, Lessee shall pay or tender a royalty of Ten Dollars (\$10.00) per year per net royalty acre retained hereunder, such payment or tender to be made, on or before the anniversary date of this lease next ensuing after the expiration of ninety (90) days from the date such well is shut in or dewatering operations are commenced and thereafter on the anniversary date of this lease during the period such well is shut in or dewatering operations are being conducted, to the royalty owners. When such payment or tender is made it will be considered that gas is being produced within the meaning of the entire lease. Failure to pay shut in payments in a timely manner shall not terminate this lease until Lessor has given Lessee notice of said breach via certified mail and Lessee has had 30 days from receipt of such notice to remedy said breach.

6. If, after the commencement of production, whether oil, gas, condensate or water from a dewatering well, from a well situated on the leased premises, or on leases within the pooled, spaced or communitized unit and regardless of whether any well is drilled vertically or horizontally and producing in a conventional manner or producing as part of a dewatering well or project, the royalties paid to Lessor during the 12-month period, beginning with date of first production, are less than Lessor would have received as a shut-in royalty as provided for in paragraph 5 of this lease, then Lessee shall tender to Lessor a minimum royalty equal to the difference between the royalties actually paid Lessor and the amount Lessor would have received as a shut-in royalty

payment as provided for herein. Payment, if due, of this minimum royalty shall be due and payable within 90 days from the end of such 12 month period of time. For the purposes of this lease, tender of such minimum royalty shall be considered as oil and or gas producing in "paying quantities" and shall serve to perpetuate this lease regardless of Lessee's profitability to produce, operate and maintain this lease or unit. The obligation to make this payment shall continue both during and after the primary term. Failure to make this minimum royalty payment in a timely manner shall not serve to terminate this lease until Lessor has given Lessee notice of such failure via certified mail and Lessee shall have 30 days from receipt of such notice to remedy the failure by tendering to Lessor the minimum royalty contemplated herein.

7. Lessee, at its option, is hereby granted the right and power at any time and from time to time as a recurring right, either before or after production, to pool the leased premises or any portion or portions thereof, with other lands or interest, as to any or all depths or zones, and as to any or all substances, covered by this lease, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. Likewise, units previously formed to include depths or zones not producing oil or gas, or separately for the production of either, may be reformed to exclude such non-producing depths or zones. In exercising its pooling rights hereunder, Lessee shall file of record a written declaration describing the unit and stating the effective date of pooling. The unit formed by such pooling for an oil well (other than a horizontal well) shall not exceed 320 acres plus a maximum acreage tolerance of 10% and for a gas well or a horizontal well shall not exceed 640 acres plus a maximum acreage tolerance of 10%; provided that a larger unit may be formed for an oil or gas well, whether vertical or horizontal, to conform to any well spacing or density pattern that may be prescribed or permitted by the governmental authority having jurisdiction to do so. Production, drilling or reworking operations, including dewatering operations, anywhere on the unit shall be treated as if such operations were upon or such production was from the leased premises except that the production on which Lessor's royalty is calculated shall be that proportion of the total unit production which the net acreage covered by this lease and included in the unit bears to that total gross acreage in the unit, but only to the extent such proportion of the unit production is sold by Lessee. Lessee shall have the right but not the obligation to commit all or any part of the leased premises or interest therein to one or more unit plans or agreements for the cooperative development or operation of one or more oil and/or gas reservoirs or portions thereof, if in Lessee's judgment such plan or agreement will prevent waste and protect correlative rights, and if such plan or agreement is approved by the federal, state or local governmental authority having jurisdiction. When such a commitment is made, this lease shall be subject to the terms and conditions of the unit plan or agreement, including any formula prescribed therein for the allocation of production.

8. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties herein provided shall be paid to the Lessor only in the proportion which his interest bears to the whole and undivided fee.

9. Lessee shall have the right to use free of cost, gas and oil produced on the leased premises or on acreage pooled therewith for its operations thereon, except water from wells or ponds of Lessor. Lessee shall bury its pipelines below plow depth and no well shall be drilled nearer than 500 feet to any house or barn now on the premises, without the written consent of the Lessor. Lessee shall pay for all damages, if any, caused by its operations on said land. Lessee shall have the right within six months after cessation of production to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.

10. If the estate of either party hereto is assigned, and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to the heirs, executors, administrators, representatives, successors and assigns of the parties hereto. However, no change or division in the ownership of the land or royalties shall enlarge the obligations or diminish the rights of Lessee. No change in the ownership of the land or royalties shall be binding on the Lessee until after the Lessee has been furnished with a written and recorded transfer or assignment or a true copy thereof. In case Lessee assigns this lease, in whole or in part, Lessee shall be relieved of all obligations with respect to the assigned portion or portions arising subsequent to the date of the assignment.

11. All express or implied covenants of the lease shall be subject to all Federal and State laws, Executive orders, rules and regulations, and this lease shall not be terminated in whole or in part, nor shall Lessee be held liable for damages, for failure to comply therewith, if compliance is prevented by, or such failure is the result of any such law, order, rule or regulation.

12. This lease shall be effective as to each Lessor on execution hereof as to his or her interest and shall be binding on those signing, notwithstanding some of the Lessors above named may not join in the execution hereof. The word "Lessor" as used in this lease means the party or parties who execute this lease as Lessor, although not named above.

13. Lessee may at any time and from time to time surrender this lease as to any part or parts of the leased premises by delivering or mailing a release thereof to Lessor, or by placing a release of record in the proper county.

14. Lessor agrees that the Lessee shall have the right at any time and from time to time to redeem for Lessor by payment any mortgages, taxes or other liens on the leased premises, in the event of default of payment by Lessor, and be subrogated to the rights of the holder thereof.

15. Notwithstanding anything to the contrary herein contained, without the further written consent of Lessor, Lessee, its successors or assigns, shall not have the right to occupy or use the surface of the Premises for any reason, including the installation of equipment or facilities associated with any drilling or production operations. Further, other than the use of existing roads, it is understood that Lessee, its successors or assigns shall not access the surface of the Premises without the consent of Lessor. Provided, however, nothing in this Article 16 shall be deemed to diminish or in any way restrict the rights granted in this Lease to use the subsurface of the Premises.

16. It is understood and agreed that Lessee may drill directionally or horizontally into the Premises and/or into land pooled with the Premises pursuant to paragraph seven (7) (the pooling clause) hereof. Lessee shall have the full, unrestricted and exclusive right, power and authority to produce the oil, gas hydrocarbons, and associated substances lying under or beneath or recoverable from the Premises, either by means of any well or wells the surface drillsites of which are located on other lands, and which said well or wells are drilled directionally or horizontally through and into the Premises, and/or into land pooled with the Premises, the producing intervals of which are bottomed under the Premises or under such pooled area and produce oil, gas and hydrocarbons and associated substances therefrom. Lessor hereby grants unto Lessee such rights-of-way, easements and servitudes in and through the subsurface of the Premises as Lessee may require for boring well holes, casing same, and otherwise completing, producing and maintaining wells either in the Premises or in any land included in the same operating unit as hereinabove provided in this Lease with the Premises or any part thereof. For the purposes of this Lease, wells drilled directionally or horizontally under and into and/or producing from the Premises, the surface drillsites of which are located on other lands, shall be considered to have been drilled in the Premises from drillsites on other lands in the vicinity of the Premises.





TOWN OF WINDSOR

RESOLUTION NO. 2014-38

A RESOLUTION APPROVING ONE NO-SURFACE-OCCUPANCY OIL AND GAS LEASE, AND RELATED TERMS, BETWEEN THE TOWN OF WINDSOR, COLORADO, AND EXTRACTION OIL & GAS, LLC, AND AUTHORIZING THE MAYOR TO EXECUTE THE SAME (0.575 NET MINERAL ACRES, in part of the Southeast Quarter of Section 21, Township 6 North, Range 67 West, in Weld County, Town of Windsor).

WHEREAS, the Town of Windsor ("Town") is a Colorado Home Rule Municipality, with all powers and authority vested pursuant to law; and

WHEREAS, the Town is the owner of certain mineral interests located beneath Town-owned property within Section 21, Township 6 North, Range 67 West, 6th P.M, Weld County, Colorado; and

WHEREAS, under Colorado law, the owners of mineral interests have a right to exploit, extract and put to beneficial use all minerals beneath the surface of the land; and

WHEREAS, the oil and gas deposits located within Weld County have drawn increasing interest from oil and gas extraction firms; and

WHEREAS, as is the case within Weld County, the Town's oil and gas interests have become a source of interest to oil and gas extraction firms; and

WHEREAS, Extraction Oil & Gas, LLC ("Extraction") has approached the Town with terms and conditions for the leasing of Town-owned oil and gas rights beneath Town-owned property, consisting of approximately 0.575 net mineral acres; and

WHEREAS, the Town's Oil and Gas Special Counsel has negotiated the proposed Lease Agreement with Extraction, the terms and conditions of which are set forth in the attached "Oil and Gas Lease", incorporated herein by this reference as if set forth fully; and

WHEREAS, the terms and conditions of the attached Oil and Gas Lease are consistent with the market and with prevailing oil and gas exploration practices within Weld County; and

WHEREAS, the attached Oil and Gas Lease specifically provides that no oil and gas activity will take place on the surface of any Town-owned property; and

WHEREAS, the Town's Oil and Gas Special Counsel has recommended that the attached Oil and Gas Lease be approved by the Town Board; and

WHEREAS, the Town Board has concluded that the attached Oil and Gas Lease is beneficial to the public interest, in that it allows the Town to derive revenue from existing Town-owned resources; and

WHEREAS, the within Resolution is deemed to promote the public health, safety and welfare.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN BOARD OF THE TOWN OF WINDSOR, COLORADO as follows:

1. The attached Oil and Gas Lease is hereby approved.
2. The Mayor is hereby authorized to execute the attached Oil and Gas Lease on behalf of the Town.

Upon motion duly made, seconded and carried, the foregoing Resolution was adopted this 28<sup>th</sup> day of July, 2014.

TOWN OF WINDSOR, COLORADO

By: \_\_\_\_\_  
John S. Vazquez, Mayor

ATTEST:

\_\_\_\_\_  
Patti Garcia, Town Clerk



355 Eastman Park Dr., Ste. 200 · Windsor, CO 80550  
Telephone: (970) 674-9888 · Fax: (970) 674-9535  
Email: ken@lolaw.us

Kenneth F. Lind  
George H. Ottenhoff  

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Chrysten S. Hinze

Date: July 17, 2014  
To: Kelly Arnold; Ian McCargar, Town Attorney  
From: Kenneth F. Lind, Esq., Special Counsel for Oil and Gas Matters  
Re: One Proposed Oil and Gas Lease with Extraction Oil & Gas, LLC.

**Proposed Oil and Gas Lease #2:**

Our law firm was contacted by Extraction Oil & Gas, LLC to review and present to the Town of Windsor a proposed Oil and Gas Lease. The Lease covers one parcel of land located in the Southwest Quarter of Section 23, Township 6 North, Range 67 West, of the 6th P.M. in Weld County, Colorado (being better identified as a metes and bounds description pursuant to a Warranty Deed recorded in the Weld County records as Reception No. 2917933) and consists of approximately 0.17881 net mineral acres, more or less. The significant terms of the Lease are as follows:

1. Primary Term: two (2) years;
2. Lease royalty: 20%;
3. Bonus consideration: \$2,000.00 per net mineral acre;
4. The net mineral acreage: 0.17881 acres;
5. Initial bonus payment: \$357.62;
6. Surface use: This Lease is a “No Surface Occupancy” Oil and Gas Lease prohibiting all activities of any type regarding oil and gas development upon the surface of the subject properties;
7. Development plan: This acreage is part of an overall drilling program by Extraction in and near the Town of Windsor.

**Comments on Proposed Oil and Gas Leases:**

The recommendation of the proposed Oil and Gas Lease takes into consideration the following:

1. The terms and conditions of this Oil and Gas Lease are identical to the term, royalty and bonus money paid by Extraction to the Town of Windsor which was approved on May

12, 2014. The term, bonus and royalty money are superior to most Leases that have been signed in the Southeast Quarter of Section 23 by other owners.

2. Our law firm did contact one other company which had Leases in Section 23 and also submitted a Lease offer. The Lease offer submitted by the other company offered less bonus and less royalty.
3. Additionally, by execution of this Lease, the Town will no longer be considered a non-consent mineral owner and subject to all of the negative aspects of forced pooling. The proposed Lease is substantially better in all aspects than being force pooled.
4. Extraction Oil & Gas, LLC, while being a relatively new oil and gas drilling company, has acquired all of the Leases and drilling interests of Tekton Windsor, LLC which had entered into numerous Leases with the Town as well as doing substantial completion and drilling work around the Town of Windsor.

**Recommendation:**

Approval of Oil and Gas Lease.

**Attachments:**

Letter from R.K. Pinson & Associates on behalf of Extraction Oil & Gas, LLC dated July 11, 2014 and providing additional information for this Oil and Gas Lease  
Proposed Town of Windsor Lease for Parcel in Section 23  
Aerial Photograph showing Parcel  
Resolution No. 2014-\_\_\_\_\_

# R. K. PINSON & ASSOCIATES, LLC

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621 17<sup>th</sup> Street, Suite 945  
Denver, CO 80293  
(720) 627-6181  
Fax (720) 627-6182  
E-mail: kpinson@rkpinson.com

July 11, 2014

Kenneth F. Lind  
Lind & Ottenhoff, LLP  
355 Eastman Park Drive, Suite 200  
Windsor, CO 80550

RE: Oil and Gas Leases  
Section 21, 6N-67W  
Section 23, 6N-67W  
Weld Co., CO

Dear Mr. Lind,

Pursuant to our conversation, please find enclosed two Oil and Gas Leases which provides for a 20% royalty interest, a two (2) year term and a bonus consideration of \$2,000.00 per net mineral acre which includes paid up rentals for a 0.75381 net acre tract. Extraction Oil & Gas, LLC will provide you with a check reflecting the total bonus consideration of \$1,507.62 for Section 21 and Section 23, once an executed copy of the Lease has been delivered.

Thank you for your consideration and please do not hesitate to call myself or Aaron Koury at (720) 382-5228 if you have any questions.

Sincerely,



Matthew Zions  
mzions@rkpinson.com

## NON-SURFACE USE OIL AND GAS LEASE

(Paid Up)

THIS AGREEMENT, is made and entered into on this 14th day of July 2014, by and between Town of Windsor a Colorado Municipal Corporation, 301 Walnut Street, Windsor, CO 80550, party of the first part, hereinafter called Lessor (whether one or more), and Extraction Oil & Gas, LLC, 1888 Sherman Street, Suite 200, Denver, CO 80203, party of the second part, hereinafter called Lessee.

1. WITNESSETH, That the Lessor, for and in consideration of Ten and More Dollars (\$10.00), cash in hand paid, receipt of which is hereby acknowledged and of the covenants and agreement hereinafter contained on the part of Lessee to be paid, kept, and performed, has exclusively granted, demised, leased and let and by these presents does exclusively grant, demise, lease and let unto the Lessee, for the purpose of exploring for, developing, producing, transporting and marketing oil (including but not limited to distillate and condensate), gas (including casinghead gas and helium and all other constituents), of whatsoever nature or kind, including all hydrocarbon and non-hydrocarbon substances produced in association therewith and other substances covered hereby on the leased premises as hereinafter described, or lands pooled or unitized herewith, in primary and/or enhanced recovery.

The lands covered hereby, hereinafter called "leased premises" are described as follows: all that certain tract of land, together with any reversionary rights, after-acquired interests, accretion and riparian rights, streets, alleys, easements, and rights of way therein, situated in the County of Weld, State of Colorado, described as follows, to wit:

### Township 6 North, Range 67 West

**Section 23: A parcel of land being a part of the Southwest quarter, County of Weld, State of Colorado and being more particularly described as in the Warranty deed recorded in Reception No. 2917933:**  
Commencing at the west sixteenth corner common to said section 23 and section 26 and assuming the south line of the southeast quarter of the southwest quarter to bear north 90°00'00" east with all other bearings herein relative thereto:  
Thence north 00°00'47" east along the west line of the E/2 of said SW/4 a distance of 50.00 feet to the point of beginning;  
Thence continuing north 00°00'47" east along said west line a distance of 15.00 feet; Thence north 90°00'00" east a distance of 519.24 feet to the west right-of-way of Metal Container Court as described in Trillium Corporation Annexation as recorded in Weld County records under Reception No. 2457329;  
Thence south 00°18'42" east along said west right-of-way a distance of 15.00 feet to the north right-of-way of Eastman Park Drive; Thence south 90°00'00" west along said north right-of-way a distance of 519.33 feet to the point of beginning.

Containing 0.17881 acres, more or less

In consideration of the cash bonus paid to Lessor by Lessee for execution of this lease, Lessor agrees to execute any additional or supplemental instruments to more accurately reflect the lands covered, the legal capacity of the Lessor, or other title curative documents to clarify ownership.

2. It is agreed that this lease shall remain in force for a term of **Two (2) years** from the above date, (herein called "primary term") and as long thereafter as oil or gas of whatsoever kind or nature, or either of them, are produced from the leased premises or on acreage pooled therewith, or drilling operations are continuing as hereinafter provided. If, at the expiration of the primary term, oil or gas is not being produced on the leased premises or on acreage pooled therewith but Lessee is then conducting operations for drilling, reworking or dewatering thereon, then this lease shall continue in force so long as operations are being continuously prosecuted on the leased premises or on acreage pooled therewith; with no cessation of more than one hundred twenty (120) consecutive days. If after discovery of oil or gas on the leased premises or on acreage pooled therewith, and after the expiration of the primary term, production shall cease from any cause, this lease nevertheless shall continue in force so long as operations for drilling, reworking or dewatering on any existing or succeeding well are being conducted with no cessation of more than one hundred twenty (120) consecutive days and, if such operations result in production, so long thereafter as oil or gas is produced from the leased premises or on acreage pooled therewith. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises or on acreage pooled therewith.

3. This is a paid-up lease. In consideration for the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term or pay any delay rentals.

4. In consideration of the premises the Lessee covenants and agrees to pay Lessor **1/5<sup>th</sup>** of the proceeds received by Lessee for all oil (including but not limited to condensate and distillate) and **1/5<sup>th</sup>** of the proceeds received by Lessee for all gas of whatsoever nature or kind (with all of its constituents) sold from the leased premises or on acreage pooled therewith, but in no event more than **1/5<sup>th</sup>** of the actual amount received by Lessee, payments to be made monthly.

5. During any period (whether before or after expiration of the primary term hereon) when gas is not being so sold or used and the well or wells are shut in and there is no current production of oil or operations on the leased premises or on acreage pooled therewith sufficient to keep this lease in force, Lessee shall pay or tender a royalty of Ten Dollars (\$10.00) per year per net royalty acre retained hereunder, such payment or tender to be made, on or before the anniversary date of this lease next ensuing after the expiration of ninety (90) days from the date such well is shut in or dewatering operations are commenced and thereafter on the anniversary date of this lease during the period such well is shut in or dewatering operations are being conducted, to the royalty owners. When such payment or tender is made it will be considered that gas is being produced within the meaning of the entire lease. Failure to pay shut in payments in a timely manner shall not terminate this lease until Lessor has given Lessee notice of said breach via certified mail and Lessee has had 30 days from receipt of such notice to remedy said breach.

6. If, after the commencement of production, whether oil, gas, condensate or water from a dewatering well, from a well situated on the leased premises, or on leases within the pooled, spaced or communitized unit and regardless of whether any well is drilled vertically or horizontally and producing in a conventional manner or producing as part of a dewatering well or project, the royalties paid to Lessor during the 12-month period, beginning with date of first production, are less than Lessor would have received as a shut-in royalty as provided for in paragraph 5 of this lease, then Lessee shall tender to Lessor a minimum royalty equal to the difference between the royalties actually paid Lessor and the amount Lessor would have received as a shut-in royalty payment as provided for herein. Payment, if due, of this minimum royalty shall be due and payable within 90 days from the end of such 12 month period of time. For the purposes of this lease, tender of such minimum royalty shall be considered as oil and or gas producing in "paying quantities" and shall serve to perpetuate this lease regardless of Lessee's profitability to produce, operate and maintain this lease or unit. The obligation to make this payment shall continue both during and after the primary term. Failure to make this minimum royalty payment in a timely manner shall not serve to terminate this lease until Lessor has given Lessee notice of such failure via certified mail and Lessee shall have 30 days from receipt of such notice to remedy the failure by tendering to Lessor the minimum royalty contemplated herein.

7. Lessee, at its option, is hereby granted the right and power at any time and from time to time as a recurring right, either before or after production, to pool the leased premises or any portion or portions thereof, with other lands or interest, as to any or all depths or zones, and as to any or all substances, covered by this lease, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. Likewise, units previously formed to include depths or zones not producing oil or gas, or separately for the production of either, may be reformed to exclude such non-producing depths or zones. In exercising its pooling rights hereunder, Lessee shall file of record a written declaration describing the unit and stating the effective date of pooling. The unit formed by such pooling for an oil well (other than a horizontal well) shall not exceed 320 acres plus a maximum acreage tolerance of 10% and for a gas well or a horizontal well shall not exceed 640 acres plus a maximum acreage tolerance of 10%; provided that a larger unit may be formed for an oil or gas well, whether vertical or horizontal, to conform to any well spacing or density pattern that may be prescribed or permitted by the governmental authority having jurisdiction to do so. Production, drilling or reworking operations, including dewatering operations, anywhere on the unit shall be treated as if such operations were upon or such production was from the leased premises except that the production on which Lessor's royalty is calculated shall be that proportion of the total unit production which the net acreage covered by this lease and included in the unit bears to that total gross acreage in the unit, but only to the extent such proportion of the unit production is sold by Lessee. Lessee shall have the right but not the obligation to commit all or any part of the leased premises or interest therein to one or more unit plans or agreements for the cooperative development or operation of one or more oil and/or gas reservoirs or portions thereof, if in Lessee's judgment such plan or agreement will prevent waste and protect correlative rights, and if such plan or agreement is approved by the federal, state or local governmental authority having jurisdiction. When such a commitment is made, this lease shall be subject to the terms and conditions of the unit plan or agreement, including any formula prescribed therein for the allocation of production.

8. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties herein provided shall be paid to the Lessor only in the proportion which his interest bears to the whole and undivided fee.

9. Lessee shall have the right to use free of cost, gas and oil produced on the leased premises or on acreage pooled therewith for its operations thereon, except water from wells or ponds of Lessor. Lessee shall bury its pipelines below plow depth and no well shall be drilled nearer than 500 feet to any house or barn now on the premises, without the written consent of the Lessor. Lessee shall pay for all damages, if any, caused by its operations on said land. Lessee shall have the right within six months after cessation of production to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.

10. If the estate of either party hereto is assigned, and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to the heirs, executors, administrators, representatives, successors and assigns of the parties hereto. However, no change or division in the ownership of the land or royalties shall enlarge the obligations or diminish the rights of Lessee. No change in the ownership of the land or royalties shall be binding on the Lessee until after the Lessee has been furnished with a written and recorded transfer or assignment or a true copy thereof. In case Lessee assigns this lease, in whole or in part, Lessee shall be relieved of all obligations with respect to the assigned portion or portions arising subsequent to the date of the assignment.

11. All express or implied covenants of the lease shall be subject to all Federal and State laws, Executive orders, rules and regulations, and this lease shall not be terminated in whole or in part, nor shall Lessee be held liable for damages, for failure to comply therewith, if compliance is prevented by, or such failure is the result of any such law, order, rule or regulation.

12. This lease shall be effective as to each Lessor on execution hereof as to his or her interest and shall be binding on those signing, notwithstanding some of the Lessors above named may not join in the execution hereof. The word "Lessor" as used in this lease means the party or parties who execute this lease as Lessor, although not named above.

13. Lessee may at any time and from time to time surrender this lease as to any part or parts of the leased premises by delivering or mailing a release thereof to Lessor, or by placing a release of record in the proper county.

14. Lessor agrees that the Lessee shall have the right at any time and from time to time to redeem for Lessor by payment any mortgages, taxes or other liens on the leased premises, in the event of default of payment by Lessor, and be subrogated to the rights of the holder thereof.

15. Notwithstanding anything to the contrary herein contained, without the further written consent of Lessor, Lessee, its successors or assigns, shall not have the right to occupy or use the surface of the Premises for any reason, including the installation of equipment or facilities associated with any drilling or production operations. Further, other than the use of existing roads, it is understood that Lessee, its successors or assigns shall not access the surface of the Premises without the consent of Lessor. Provided, however, nothing in this Article 16 shall be deemed to diminish or in any way restrict the rights granted in this Lease to use the subsurface of the Premises.





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6N 67W

TOWN OF WINDSOR

RESOLUTION NO. 2014-39

A RESOLUTION APPROVING ONE NO-SURFACE-OCCUPANCY OIL AND GAS LEASE, AND RELATED TERMS, BETWEEN THE TOWN OF WINDSOR, COLORADO, AND EXTRACTION OIL & GAS, LLC, AND AUTHORIZING THE MAYOR TO EXECUTE THE SAME (0.17881 NET MINERAL ACRES, in part of the Southwest Quarter of Section 23, Township 6 North, Range 67 West, in Weld County, Town of Windsor).

WHEREAS, the Town of Windsor ("Town") is a Colorado Home Rule Municipality, with all powers and authority vested pursuant to law; and

WHEREAS, the Town is the owner of certain mineral interests located beneath Town-owned property within Section 23, Township 6 North, Range 67 West, 6th P.M, Weld County, Colorado; and

WHEREAS, under Colorado law, the owners of mineral interests have a right to exploit, extract and put to beneficial use all minerals beneath the surface of the land; and

WHEREAS, the oil and gas deposits located within Weld County have drawn increasing interest from oil and gas extraction firms; and

WHEREAS, as is the case within Weld County, the Town's oil and gas interests have become a source of interest to oil and gas extraction firms; and

WHEREAS, Extraction Oil & Gas, LLC ("Extraction") has approached the Town with terms and conditions for the leasing of Town-owned oil and gas rights beneath Town-owned property, consisting of approximately 0.17881 net mineral acres; and

WHEREAS, the Town's Oil and Gas Special Counsel has negotiated the proposed Lease Agreement with Extraction, the terms and conditions of which are set forth in the attached "Oil and Gas Lease", incorporated herein by this reference as if set forth fully; and

WHEREAS, the terms and conditions of the attached Oil and Gas Lease are consistent with the market and with prevailing oil and gas exploration practices within Weld County; and

WHEREAS, the attached Oil and Gas Lease specifically provides that no oil and gas activity will take place on the surface of any Town-owned property; and

WHEREAS, the Town's Oil and Gas Special Counsel has recommended that the attached Oil and Gas Lease be approved by the Town Board; and

WHEREAS, the Town Board has concluded that the attached Oil and Gas Lease is beneficial to the public interest, in that it allows the Town to derive revenue from existing Town-owned resources; and

WHEREAS, the within Resolution is deemed to promote the public health, safety and welfare.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN BOARD OF THE TOWN OF WINDSOR, COLORADO as follows:

1. The attached Oil and Gas Lease is hereby approved.
2. The Mayor is hereby authorized to execute the attached Oil and Gas Lease on behalf of the Town.

Upon motion duly made, seconded and carried, the foregoing Resolution was adopted this 28<sup>th</sup> day of July, 2014.

TOWN OF WINDSOR, COLORADO

By: \_\_\_\_\_  
John S. Vazquez, Mayor

ATTEST:

\_\_\_\_\_  
Patti Garcia, Town Clerk



355 Eastman Park Dr., Ste. 200 · Windsor, CO 80550  
Telephone: (970) 674-9888 · Fax: (970) 674-9535  
Email: ken@lolaw.us

Kenneth F. Lind  
George H. Ottenhoff  

---

Chrysten S. Hinze

Date: July 17, 2014  
To: Kelly Arnold; Ian McCargar, Town Attorney  
From: Kenneth F. Lind, Esq., Special Counsel for Oil and Gas Matters  
Re: One Proposed Oil and Gas Lease for five small parcels of land with Grizzly Petroleum Company, LLC.

**Proposed Oil and Gas Lease #3:**

Our law firm was contacted by Grizzly Petroleum Company, LLC (a subsidiary or wholly owned Company of Great Western Oil and Gas Company, LLC) to review and present to the Town of Windsor a proposed Oil and Gas Lease. The Lease covers five parcels of land located in Section 16, Township 6 North, Range 67 West, of the 6th P.M. in Weld County, Colorado and consisting of a total of approximately 2.03 net mineral acres, more or less. The significant terms of the Lease are as follows:

1. Primary Term: one (1) year;
2. Lease royalty: 20%;
3. Bonus consideration: \$1,200.00 per net mineral acre;
4. The net mineral acreage: 2.03 acres;
5. Initial bonus payment: \$2,436.00;
6. Surface use: This Lease is a “No Surface Occupancy” Oil and Gas Lease prohibiting all activities of any type regarding oil and gas development upon the surface of the subject properties;
7. Development plan: This acreage is part of a drilling program by Grizzly Petroleum Company, LLC mainly involving the Windsor Lake area which involves the Town of Windsor and Kern Reservoir and Ditch Company which is the subject of a separate Lease.

**Comments on Proposed Oil and Gas Leases:**

The recommendation of the proposed Oil and Gas Lease takes into consideration the following:

1. This Lease is generally considered as a “clean up” Lease as it covers five small parcels of land in the vicinity of Windsor Lake. Other adjoining lands were the subject of a Lease entered into between the Town of Windsor and Grizzly dated September 12, 2011. The royalty and bonus money offered under this Lease has the same terms as approved by the Town on the main Lease in 2011.
2. Our law firm has not contacted any other company due to the fact that all surrounding acreage owned by the Town of Windsor was previously leased to Grizzly in 2011 and it is best to stay with the same company for such small acreage.
3. Additionally, by execution of this Lease, the Town will no longer be considered a non-consent mineral owner and subject to all of the negative aspects of forced pooling. The proposed Lease is substantially better in all aspects than being force pooled.
4. Grizzly Petroleum Company, LLC is associated with Great Western Oil and Gas Company, LLC which is involved with numerous oil and gas operations in and around the Town of Windsor.

**Recommendation:**

Approval of Oil and Gas Lease.

**Attachments:**

Letter from Great Western Oil and Gas Company, LLC dated July 9, 2014 and providing additional information for this Oil and Gas Lease  
Proposed Town of Windsor Lease for Parcels in Section 16  
Aerial Photographs showing Parcels  
Resolution No. 2014-\_\_\_\_\_  
Order of Payment

1801 Broadway  
Suite 400  
Denver, Colorado 80202



Lee Michael  
Contract Landman  
Tel: 303-534-3628 ext. 107  
lee@baselineminerals.com

July 9, 2014

Town of Windsor  
301 Walnut Street  
Windsor, CO 80550

RE:

**Township 6 North, Range 67 West of the 6<sup>th</sup> P.M.**  
**Section 16:** Multiple tracts, see lease for full descriptions.

**County of Weld, State of Colorado**  
Containing **2.03 acres**, more or less.

Dear Mineral Interest Owner,

Great Western Oil and Gas Company, LLC, is interested in leasing the above described lands for Oil and Gas purposes. Our Leases are taken under the name of Grizzly Petroleum Company, LLC. A review of public records indicates that you own a mineral interest under the said lands. The enclosed Lease, dated July 9, 2014, covers your interest in Minerals under the above described tract(s), located in Weld County, Colorado, and provides for a **one (1) year primary term**, and **20.00% Royalty** in the event of production, subject to proportionate reduction.

Great Western Oil and Gas Company, LLC, is one of the top Oil and Gas operators in Weld County, and is very conscientious of your rights as a land owner. You may visit our website, [www.gwogco.com](http://www.gwogco.com) to find out more information about us.

Please find enclosed, **Oil and Gas Lease** covering your land(s), an **Order for Payment**, representing the Total Bonus Payment for the Lease, in the amount of **\$2,436.00**, subject to approval of Title, and **W-9 forms** for Tax Purposes.

1. Please sign the Lease and all documents **Exactly** as your name appears, in the presence of a Notary Public.
2. Return the signed and notarized Lease, along with your completed W-9 form and your signed Order for Payment, to 1801 Broadway, Suite 400, Denver, CO, 80202, in the enclosed pre-addressed, stamped envelope.
3. **\*Note** – All Required & Acknowledged Documents should be received by Lessee within Thirty (30) days from the Date of the attached Lease, or Lease Offer will be considered Terminated and Withdrawn, unless contacted by Lessor(s).

Thank you for your time and consideration regarding this matter, and if you should have any questions regarding this Lease Package, please feel free to contact me at the phone number or email listed above.

Sincerely,

A handwritten signature in blue ink, appearing to read "Lee Michael", written over a light blue circular scribble.

Lee Michael  
Contract Landman

## OIL AND GAS LEASE

THIS AGREEMENT, dated the 9th day of July, 2014, is made and entered into by and between **Town Of Windsor, a Colorado Municipal Corporation**, whose address is 301 Walnut Street, Windsor, CO 80550, hereinafter called Lessor (whether one or more) and **Grizzly Petroleum Company, LLC**, whose address is 1801 Broadway, Suite 500, Denver, CO 80202, hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of TEN AND MORE (\$10.00+) DOLLARS cash in hand paid, the receipt of which is hereby acknowledged, and the covenants and agreements hereinafter contained, has granted, demised, leased and let, and by these presents does grant, demise, lease and let exclusively unto the said Lessee, the land hereinafter described, with the exclusive right for the purpose of drilling, mining, exploring by geophysical and other methods, and operating for and producing therefrom oil and all gas of whatsoever nature or kind, with rights of way and easements for roads, laying pipe lines, and erection of structures thereon to produce, save and take care of said products, all that certain tract of land situated in the County of Weld, State of Colorado, described as follows, to-wit:

**FOR DESCRIPTION, SEE EXHIBIT "A" ATTACHED HERETO AND BY THIS REFERENCE MADE A PART HEREOF:**

**NOTWITHSTANDING ANYTHING CONTAINED HEREIN TO THE CONTRARY, THIS IS A NO SURFACE OCCUPANCY LEASE. IT IS AGREED THAT LESSEE, ITS SUCCESSORS AND ASSIGNS SHALL NOT CONDUCT ANY DRILLING OPERATIONS OR LOCATE ANY PRODUCTION FACILITIES UPON THE LEASED LANDS, NOR WILL ANY ACCESS TO THE SURFACE OF THE LEASED LANDS BE PERMITTED WITHOUT EXPRESS WRITTEN CONSENT OF LESSOR.**

1. It is agreed that this lease shall remain in force for a term of **One (1) year** from this date, and as long thereafter as oil or gas of whatsoever nature or kind is produced from said leased premises or on acreage pooled therewith, or drilling operations are continued as hereinafter provided. If, at the expiration of the primary term of this lease, oil or gas is not being produced on the leased premises or on acreage pooled therewith but Lessee is then engaged in drilling or re-working operations thereon, then this lease shall continue in force so long as operations are being continuously prosecuted on the leased premises or on acreage pooled therewith; and operations shall be considered to be continuously prosecuted if not more than ninety (90) days shall elapse between the completion or abandonment of one well and the beginning of operations for the drilling of a subsequent well. If after discovery of oil or gas on said land or on acreage pooled therewith, the production thereof should cease from any cause after the primary term, this lease shall not terminate if Lessee commences additional drilling or re-working operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises or on acreage pooled therewith.

In the event a well or wells is drilled and completed on the lands, or on the lands pooled therewith, for the purpose of developing coalbed gas, the word "operations" shall mean, in addition to those matters covered in the preceding paragraph. (1) operations of said wells to remove water or other substances from the coalbed, or to dispose of such water or other substances, even though such operations do not result in the production of hydrocarbons in paying quantities, or (2) shutting-in or otherwise discontinuing production from said wells to allow for surface or underground mining affecting the drillsite or wellbore.

2. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the primary term surrender this lease as to all or any portion of said land and as to any strata or stratum by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligation thereafter accruing as to the acreage surrendered.

3. In consideration of the premises the said Lessee covenants and agrees:

1<sup>st</sup> To deliver to the credit of Lessor, free of cost, in the pipe line to which Lessee may connect wells on said land, the equal **Twenty per-cent (20%)** part of all oil produced and saved from the leased premises.

2<sup>nd</sup> To pay Lessor on gas and casinghead gas produced from said land (1) when sold by Lessee, **Twenty per-cent (20%)** of the net proceeds derived from such sale or (2) when used by Lessee off said land or in the manufacture of gasoline or other products, the market value, at the mouth of the well, of **Twenty per-cent (20%)** of such gas and casinghead gas, Lessor's interest, in either case, to bear **Twenty per-cent (20%)** of the cost of compressing, dehydrating and otherwise treating such gas or casinghead gas to render it marketable or usable and **Twenty per-cent (20%)** of the cost of gathering and transporting such gas and casinghead gas from the mouth of the well to the point of sale or use.

3<sup>rd</sup> To pay Lessor for gas produced from any oil well and used off the premises or in the manufacture of gasoline or any other product, a royalty of **Twenty per-cent (20%)** of the proceeds, at the mouth of the well, payable monthly at the prevailing market rate.

4. Where gas from a well capable of producing gas is not sold or used, Lessee may pay or tender as royalty to the royalty owners One Dollar (\$1.00) per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of ninety (90) days from the date such well is shut in and thereafter on or before the anniversary date of this lease during the period such well is shut in. If such payment or tender is made, it will be considered that gas is being produced within the meaning of this lease.

5. If said Lessor owns a less interest in the above-described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon.

7. When requested by Lessor, Lessee shall bury Lessee's pipeline below plow depth.

8. No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of Lessor.

9. Lessee shall pay for damages caused by Lessee's operations on said land.

10. Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.

11. The rights of Lessor and Lessee hereunder may be assigned in whole or part. No change in ownership of Lessor's interest (by assignment or otherwise) shall be binding on Lessee until Lessee has been furnished with notice, consisting of certified copies of all recorded instruments or documents and other information necessary to establish a complete chain of record title from Lessor, and then only with respect to payments thereafter made. No other kind of notice, whether actual or constructive, shall be binding on Lessee. No present or future division of Lessor's ownership as to different portions or parcels of said land shall operate to enlarge the obligations or diminish the rights of Lessee, and all Lessee's operations may be conducted without regard to any such division. If all or any part of this lease is assigned, no leasehold owner shall be liable for any act or omission of any other leasehold owner.

12. Lessee, at its option, is hereby given the right and power at any time and from time to time as a recurring right, either before or after production, as to all or any part of the land described herein and as to any one or more of the formations hereunder, to pool or unitize the leasehold estate and the mineral estate covered by this lease with other land, lease or leases in the immediate vicinity for the production of oil and gas, or separately for the production of either, when in Lessee's judgment it is necessary or advisable to do so, and irrespective of whether authority similar to this exists with respect to such other land, lease or leases. Likewise, units previously formed to include formations not producing oil or gas, may be reformed to exclude such non-producing formations. The forming or reforming of any unit shall be accomplished by Lessee executing and filing of record a declaration of such unitization or reformation, which declaration shall describe the unit. Any unit may include land upon which a well has theretofore been completed or upon which operations for drilling have theretofore been commenced. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total number of surface acres covered by this lease and included in the unit bears to the total number of surface acres in such unit.



**EXHIBIT "A"**

This Exhibit "A" is attached to and made a part of that certain Oil and Gas Lease Between Town of Windsor, a Colorado Municipal Corporation, as Lessor and Grizzly Petroleum Company, LLC, as Lessee, dated July 9<sup>th</sup>, 2014, covering lands in Weld County, Colorado.

**TOWNSHIP 6 NORTH, RANGE 67 WEST, 6<sup>TH</sup> P.M.**

**Section 16:** Beginning at the point of intersection of The Colorado and Southern Railway Company's Northerly right-of-way line and the East line of Fifth Street produced, in the Town of Windsor, Colorado, said point being on a line radial to a 00°30' curve, 200 feet from the center line of the said Railway Company's main line track, and in the Southwest corner of Lot B in the said Town of Windsor; thence Easterly along the said Northerly right-of-way line, which is also the Southerly line of said Lot B, and is parallel with and 200 feet Northerly, radially, from the center line of the said main line track, 138.5 feet to the Southeast corner of said Lot B; thence Southeast along the produced Easterly line of said Lot B to a point 100 feet from said right-of-way line on a line radial to the said 00°30' curve; thence Westerly parallel with said right-of-way line to the said produced East line of Fifth Street; thence North to the place of beginning.

**Section 16:** Commencing at point 10.4 feet North of the Northeast corner of Block 5 of the Town of Windsor, thence in a Northwesterly direction, parallel with the North boundary of said Block 5 to a point 10.4 feet North of the Northwest corner of said Block 5, thence North 14.6 feet, thence in a Southeasterly direction parallel with the North boundary of said Block 5 to a point 25 feet North of the Northeast corner of said Block 5, (thence South to point of beginning.

**Section 16:** Commencing at a point about 143.2 feet South of center of Colorado and Southern Railroad right-of-way on West line of Section 16, Township 6 North, Range 67 West, thence South to North Street, Town of Windsor, Colorado, thence East about 400 feet, thence Northwest parallel with said Colorado and Southern right-of-way, to point of beginning, being all that parcel of ground bounded on the North by railroad right-of-way, on the West by West section line of Section 16 and on the South by North Street, Town of Windsor, Colorado, less and except that parcel conveyed to the Forbes-McKay Post 109, American Legion Club by Warranty Deed recorded February 11, 1950 in Book 1262 at page 548; and less and except that parcel conveyed to the Department of Highways, State of Colorado by Quitclaim Deed recorded June 9, 1966 at Reception No. 1490800.

**Section 16:** North 50 feet of Lots 1, 3 and 5, Block 6, Town of Windsor Subdivision

**Section 16:** Block B, Lake View Addition

Containing 2.03 acres, more or less.

TOWN OF WINDSOR, A COLORADO MUNICIPAL CORPORATION

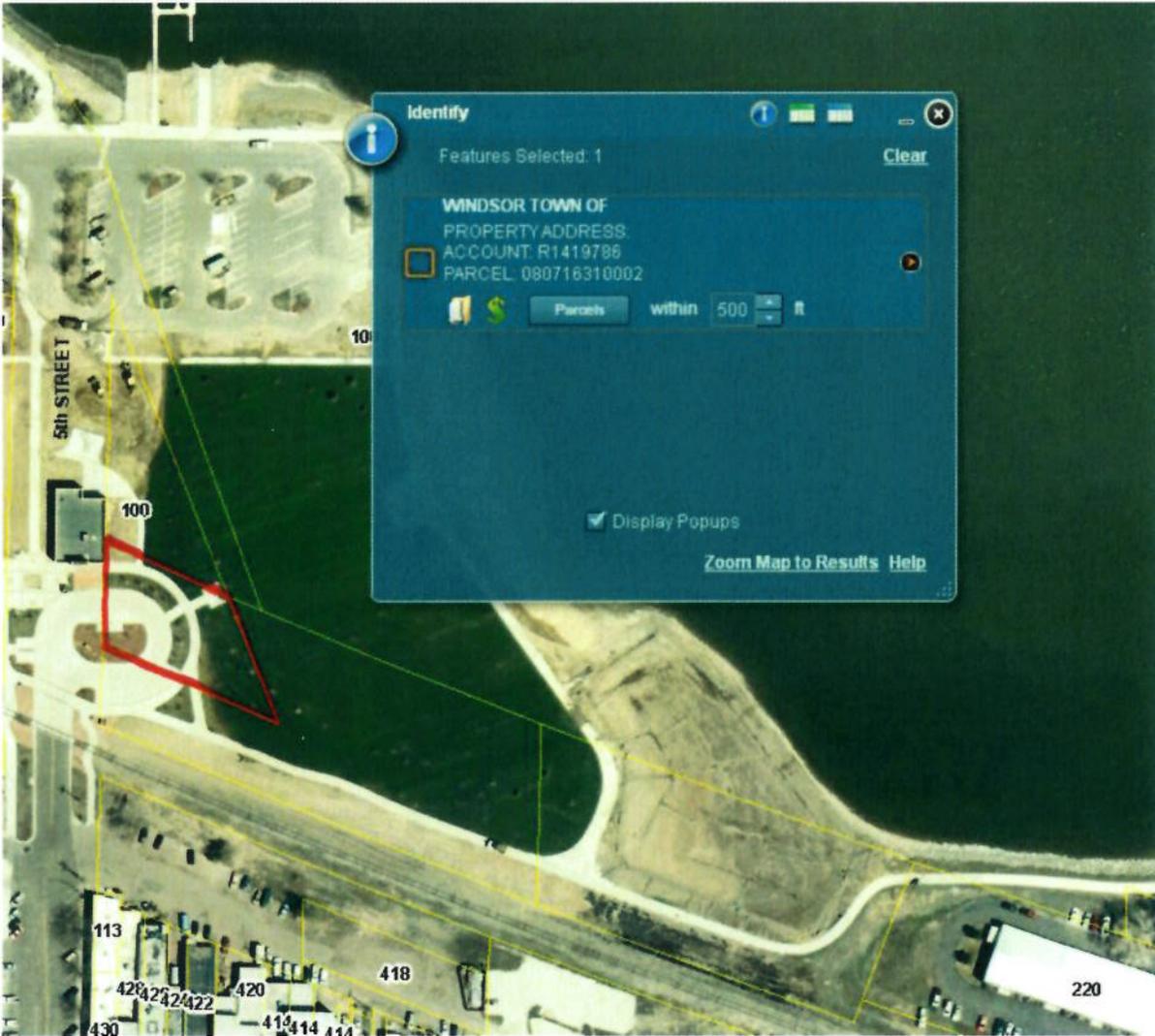
By: \_\_\_\_\_  
John Vazquez, Mayor



Beginning at the point of intersection of The Colorado and Southern Railway Company's Northerly right-of-way line and the East line of Fifth Street produced, in the Town of Windsor, Colorado, said point being on a line radial to a 00°30' curve, 200 feet from the center line of the said Railway Company's main line track, and in the Southwest corner of Lot B in the said Town of Windsor; thence Easterly along the said Northerly right-of-way line, which is also the Southerly line of said Lot B, and is parallel with and 200 feet Northerly, radially, from the center line of the said main line track, 138.5 feet to the Southeast corner of said Lot B; thence Southeast along the produced Easterly line of said Lot B to a point 100 feet from said right-of-way line on a line radial to the said 00°30' curve; thence Westerly parallel with said right-of-way line to the said produced East line of Fifth Street; thence North to the place of beginning.



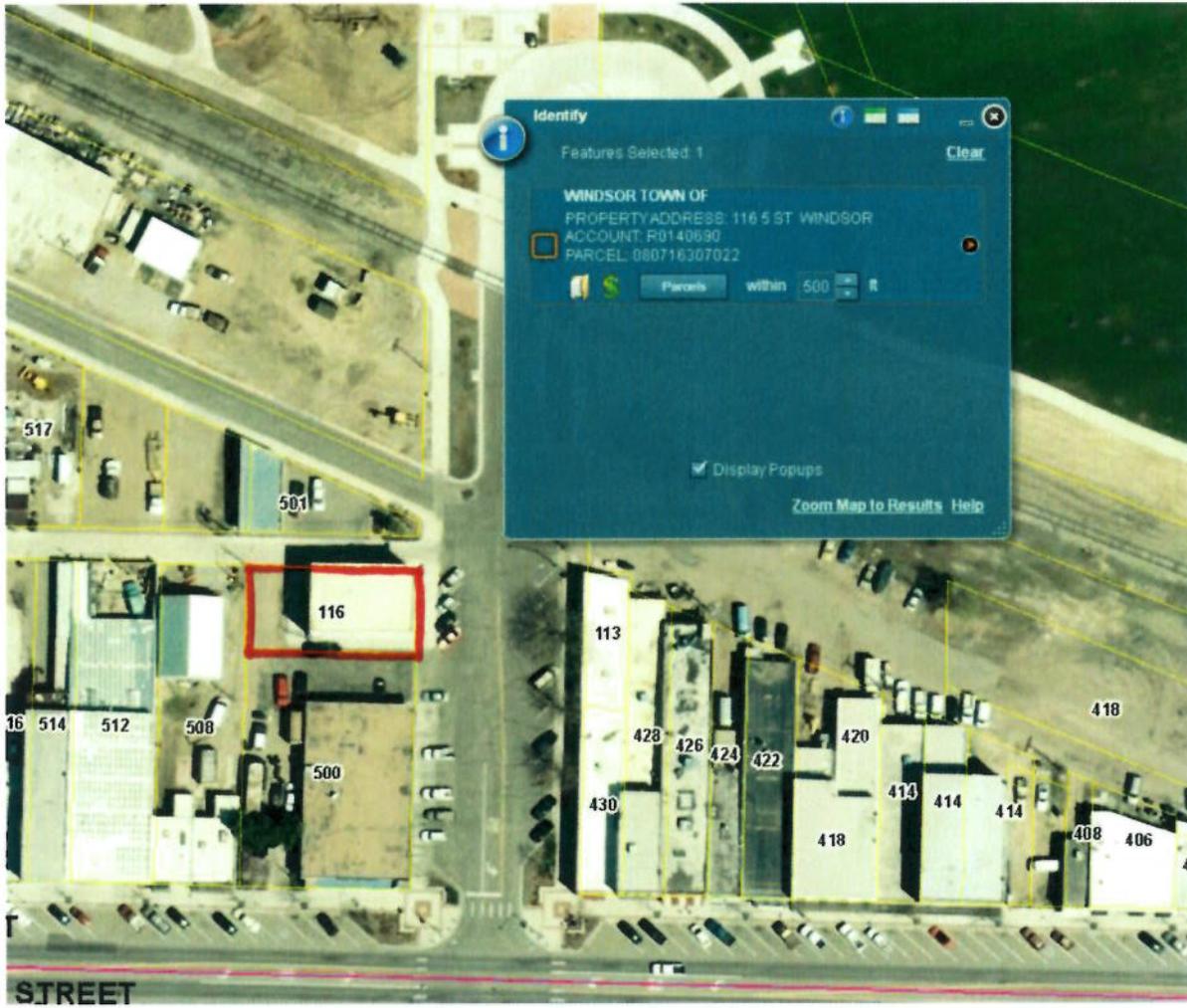
Commencing at point 10.4 feet North of the Northeast corner of Block 5 of the Town of Windsor, thence in a Northwesterly direction, parallel with the North boundary of said Block 5 to a point 10.4 feet North of the Northwest corner of said Block 5, thence North 14.6 feet, thence in a Southeasterly direction parallel with the North boundary of said Block 5 to a point 25 feet North of the Northeast corner of said Block 5, thence South to point of beginning



Commencing at a point about 143.2 feet South of center of Colorado and Southern Railroad right-of-way on West line of Section 16, Township 6 North, Range 67 West, thence South to North Street, Town of Windsor, Colorado, thence East about 400 feet, thence Northwest parallel with said Colorado and Southern right-of-way, to point of beginning, being all that parcel of ground bounded on the North by railroad right-of-way, on the West by West section line of Section 16 and on the South by North Street, Town of Windsor, Colorado, less and except that parcel conveyed to the Forbes-McKay Post 109, American Legion Club by Warranty Deed recorded February 11, 1950 in Book 1262 at page 548; and less and except that parcel conveyed to the Department of Highways, State of Colorado by Quitclaim Deed recorded June 9, 1966 at Reception No. 1490800



North 50 feet of Lots 1, 3 and 5, Block 6, Town of Windsor Subdivision





1801 Broadway  
Suite 400  
Denver, Colorado 80202



Lee Michael  
Contract Landman  
Tel: 303-534-3628 ext. 107  
lee@baschuy.com

July 9, 2014

## ORDER OF PAYMENT

On approval of the agreement associated herewith and on approval of title to same, Great Western Oil and Gas Company, LLC will make payment as indicated herein by check within 45 banking days of receipt of said agreement. No default shall be declared for failure to make payment until 15 days after receipt by Great Western Oil and Gas Company, LLC of written notice of Payee's intention to declare such default. In the event title research reveals that the Payee owns less than the full and undivided 100% interest in the property covered by the agreement, it is understood and agreed that the amount referenced below shall be proportionately reduced according to the percentage of the interest that the payee owns.

PAYEE: Town of Windsor

Address: 301 Walnut Street  
Windsor, CO 80550

PHONE NUMBER: \_\_\_\_\_

AMOUNT: Two Thousand Four Hundred Thirty-Six and 00/100 \$2,436.00

This payment is for the following Agreement, which covers property described as follows:

**Township 6 North, Range 67 West of the 6<sup>th</sup> P.M.**

**Section 16: Multiple tracts, see lease for full descriptions.**

Agreement Type: Oil and Gas Lease  
Dated: July 9, 2014  
Gross Acres: 2.03  
Percentage Owned: 100%  
Consideration: \$1,200.00 per net mineral acre  
Term: 1 Year  
Royalty: 20.00%

Completed by:  
  
Lee Michael

Acknowledged by:  
  
\_\_\_\_\_  
  
Town of Windsor

**For Office Use Only:**  
Sent via Certified mail on \_\_\_\_\_  
Check # \_\_\_\_\_ in the amount of \$ \_\_\_\_\_

TOWN OF WINDSOR

RESOLUTION NO. 2014-40

A RESOLUTION APPROVING ONE NO-SURFACE-OCCUPANCY OIL AND GAS LEASE, AND RELATED TERMS, BETWEEN THE TOWN OF WINDSOR, COLORADO, AND GRIZZLY PETROLEUM COMPANY, LLC, AND AUTHORIZING THE MAYOR TO EXECUTE THE SAME (five small parcels of land totaling 2.03 NET MINERAL ACRES, all in Section 16, Township 6 North, Range 67 West, in Weld County, Town of Windsor).

WHEREAS, the Town of Windsor ("Town") is a Colorado Home Rule Municipality, with all powers and authority vested pursuant to law; and

WHEREAS, the Town is the owner of certain mineral interests located beneath Town-owned property within Section 16, Township 6 North, Range 67 West, 6th P.M, Weld County, Colorado; and

WHEREAS, under Colorado law, the owners of mineral interests have a right to exploit, extract and put to beneficial use all minerals beneath the surface of the land; and

WHEREAS, the oil and gas deposits located within Weld County have drawn increasing interest from oil and gas extraction firms; and

WHEREAS, as is the case within Weld County, the Town's oil and gas interests have become a source of interest to oil and gas extraction firms; and

WHEREAS, Grizzly Petroleum Company, LLC ("Grizzly") has approached the Town with terms and conditions for the leasing of Town-owned oil and gas rights beneath Town-owned property, consisting of approximately 2.03 net mineral acres; and

WHEREAS, the Town's Oil and Gas Special Counsel has negotiated the proposed Lease Agreement with Grizzly, the terms and conditions of which are set forth in the attached "Oil and Gas Lease", incorporated herein by this reference as if set forth fully; and

WHEREAS, the terms and conditions of the attached Oil and Gas Lease are consistent with the market and with prevailing oil and gas exploration practices within Weld County; and

WHEREAS, the attached Oil and Gas Lease specifically provides that no oil and gas activity will take place on the surface of any Town-owned property; and

WHEREAS, the Town's Oil and Gas Special Counsel has recommended that the attached Oil and Gas Lease be approved by the Town Board; and

WHEREAS, the Town Board has concluded that the attached Oil and Gas Lease is beneficial to the public interest, in that it allows the Town to derive revenue from existing Town-owned resources; and

WHEREAS, the within Resolution is deemed to promote the public health, safety and welfare.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN BOARD OF THE TOWN OF WINDSOR, COLORADO as follows:

1. The attached Oil and Gas Lease is hereby approved.
2. The Mayor is hereby authorized to execute the attached Oil and Gas Lease on behalf of the Town.

Upon motion duly made, seconded and carried, the foregoing Resolution was adopted this 28<sup>th</sup> day of July, 2014.

TOWN OF WINDSOR, COLORADO

By: \_\_\_\_\_  
John S. Vazquez, Mayor

ATTEST:

\_\_\_\_\_  
Patti Garcia, Town Clerk



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## MEMORANDUM

**Date:** July 28, 2014  
**To:** Mayor and Town Board  
**Via:** Regular meeting materials, July 28, 2014  
**From:** Ian D. McCargar, Town Attorney  
**Re:** Nuisance Code amendments  
**Item #:** C.1

**Background / Discussion:**

Staff is recommending revisions to the Chapter 7, Article I of the *Windsor Municipal Code*, known generally as the Nuisance Code. These revisions are intended to provide greater notice and hearing rights than are currently in place. Although there will still be the ability to enter into property on very limited notice in emergency situations, most nuisance violations will fall into the proposed new rules.

The proposed amendments give the property owner and occupant a right to hearing prior to Town representatives entering the property for non-emergency nuisance abatement activity. Notice can be mailed or contained within a summons into the Municipal Court.

Both Chief Michaels and Town Prosecutor Emil have actively participated in drafting these Code amendments, and both are satisfied that these new provisions are an improvement in this area. There have been no changes or modifications to the ordinance since first reading.

**Financial Impact:** None.

**Relationship to Strategic Plan:** Community Spirit and Pride.

**Recommendation:** Adopt the attached Ordinance on second reading.

**Attachments:** Ordinance No. 2014-1476 –An Ordinance Repealing, Amending and Re-Adopting Sections 7-1-40 and 7-1-50 of the Windsor Municipal Code with Respect to the Abatement of Nuisances Within the Town of Windsor

TOWN OF WINDSOR

ORDINANCE NO. 2014-1476

AN ORDINANCE REPEALING, AMENDING AND RE-ADOPTING SECTIONS 7-1-40 AND 7-1-50 OF THE *WINDSOR MUNICIPAL CODE* WITH RESPECT TO THE ABATEMENT OF NUISANCES WITHIN THE TOWN OF WINDSOR

WHEREAS, the Town of Windsor (“Town”) is a Colorado home rule municipal corporation, with all powers and authority vested under Colorado law; and

WHEREAS, the Town has in place a comprehensive regulatory system for the use of property within its corporate limits, the purpose of which is the protection of the public health, safety and welfare; and

WHEREAS, Chapter 7, Article I of the *Windsor Municipal Code* (“Nuisance Code”) addresses the manner in which private property may be entered by Town representatives for the purpose of abating nuisances found therein; and

WHEREAS, the Town Board is sensitive to the requirements of due process whenever Town representatives enter into privately-held property, particularly with respect to basic principles of notice, right to hearing and an impartial decision-maker; and

WHEREAS, the Town Prosecutor and Chief of Police have recommended revisions to certain sections of the Nuisance Code, in order to better-observe due process and provide for the fair disposition of nuisance violations; and

WHEREAS, the Town Board has reviewed the proposed revisions set forth herein, and believes that adoption of this Ordinance promotes the public health, safety and welfare.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN BOARD OF THE TOWN OF WINDSOR, COLORADO, AS FOLLOWS:

**Section 1.** Section 7-1-40 of the *Windsor Municipal Code* is hereby repealed, amended and re-adopted to read as follows:

**Sec. 7-1-40. Notice to owner; failure to comply; issuance of citation; procedure.**

- (1) **Imminent or emergency matters.** In the event a nuisance exists under this Article which presents an imminent threat to the public health, safety or welfare, the following procedures shall be followed:

- (a) **Authorization.** The Windsor Police Department may apply under oath to the Municipal Court for an *ex parte* order authorizing immediate abatement of the nuisance. The Municipal Judge is empowered to administratively issue *ex parte* orders for the immediate abatement of any nuisance which presents an imminent threat to the public health, safety or welfare.
- (b) **Determination administrative.** In conjunction with the application for an *ex parte* order under sub-section (1) (a) of this Section, the Windsor Police Department may issue a citation to the property owner, the property occupant, or both. Notwithstanding the issuance of a citation under this sub-section, the determination and issuance of an *ex parte* order shall remain an administrative matter except as provided below.
- (c) **Contents.** Every *ex parte* order issued pursuant to this sub-section (1) shall authorize the immediate abatement of any such nuisance, and shall contain a finding by a preponderance of the evidence that a nuisance exists upon the subject property which presents an imminent threat to the public health, safety or welfare, shall recite the facts supporting such a finding, and shall be supported by sworn testimony or affidavit upon personal knowledge.
- (d) **Mailing and posting.** The Municipal Court shall mail a copy of every *ex parte* order issued pursuant to this sub-section (1) within twenty-four (24) hours of its issuance to the property owner address as maintained by the County Assessor's Office by first class United States mail. The Municipal Court shall further direct the Windsor Police Department to post a copy of such *ex parte* order in a conspicuous location upon the premises.
- (e) **Right to hearing; No citation; Administrative Procedure.** Every *ex parte* order issued pursuant to this sub-section (1) shall contain a notice to the property owner that upon written request, a hearing before the Municipal Court will be scheduled. Such property owner's request for hearing shall be in writing, shall contain the requestor's mailing address and shall be delivered to the Municipal Court within ten (10) days of the mailing specified in subsection (1) (d) above. Upon receipt of the property owner's request for a hearing, the Municipal Court shall schedule a hearing and provide written notice of the same to the Municipal Prosecutor, who shall represent the Town in the matter. The court shall also provide written notice of the hearing date and time to the requesting property owner by first-class United States mail to the address appearing on the request for hearing. Failure of the

property owner to request a hearing as provided in this subsection within ten (10) days of issuance the *ex parte* order shall be deemed a waiver of any objections to the *ex parte* order authorized in this Section, and shall be deemed a waiver of any objections to the Town's lien rights for nuisance abatement costs provided in Section 7-1-50. In cases in which a citation is issued to the property owner, the determination of guilt or innocence, and the amount, if any, of nuisance abatement costs to which the Town may be entitled shall be determined as provided in sub-section (1) (f) below.

At the administrative hearing, the following provisions shall apply:

- i. The Municipal Court shall determine whether, based on a preponderance of the evidence, a nuisance existed upon the subject property and, if so, whether the Town should have been authorized to enter upon the subject property for the purpose of abating the nuisance. The property owner shall be given an opportunity to be heard and present evidence on these questions. Upon a finding in the affirmative on both questions, the Municipal Court shall order determining that the entry and abatement was lawful, assessing the costs of nuisance abatement, and authorizing the remedies available under Section 7-1-50.
- ii. In the event that the administrative hearing results in a finding that no nuisance constituting an imminent threat to the public health, safety and welfare existed at the time the *ex parte* order was issued, the Municipal Court shall make such a finding and shall deny the Town any right to recover nuisance abatement costs incurred by the Town in conjunction with the matter. In this event, the Town shall have no lien rights.

(f) **Right to hearing/Citation Issued/Criminal Procedure.** In cases in which a citation has been issued to the property owner, the determination of a nuisance prohibited by this Article shall be made in conjunction with the usual and customary practices of the Municipal Court presiding in criminal matters. In the event of a conviction, or approval of a deferred sentence, arising out of any citation issued for a violation of this Article, as a condition of sentencing or deferral, the Municipal Court shall order the defendant to pay all costs incurred by the Town for abatement of the nuisance in addition to any other sentence or assessment of court costs. The standard of proof for determination of the amount

of nuisance abatement costs shall be by a preponderance of the evidence as a sentencing matter.

(g) **Determination final, lien rights, citation to owner.** In cases in which a citation is issued to the property owner, and a conviction, or deferred sentence results, the Municipal Court's determination of nuisance abatement costs made in accordance with sub-section (1) (e) above shall be final, and shall entitle the Town to enforcement of such sums as provided in Section 7-1-50 below, including the right to a lien for such sums.

(h) **Determination final, lien rights, citation to occupant(s).** In cases in which a citation is issued to the property occupant(s), and a conviction, or deferred sentence results, the court's determination of nuisance abatement costs made in accordance with sub-section (1) (f) above shall be final, and shall entitle the Town to enforcement of such sums as provided in Section 7-1-50 below. In such cases, the Town's enforcement remedies shall include the right to a lien for such sums.

(2) **Non-emergency matters.** For all cases in which a nuisance exists under this Article which is not alleged or found to be an imminent threat to the public health, safety or welfare, the procedures set forth in this sub-section (2) shall be followed.

(a) **Notice.** The Town shall give notice to every person owning any lots, tracts or parcels of land within the Town, upon receiving notification from any source that a nuisance exists in violation of the provisions of this Chapter. Said notice shall direct the person to comply with the provisions of this Article within five (5) days after the date of such notice if the property owner resides within the Town and seven (7) days if the property owner resides outside the Town. Every notice issued pursuant to this sub-section (2) shall state that, if the work required is not done within the time specified, the Town shall cause the same to be done at the expense of the property owner. The notice required by this sub-section shall state that the cost of such work shall constitute a lien upon such property as provided in Section 7-1-50 below.

(b) **Citation, notice without citation.** The Windsor Police Department may (but shall not be required to) issue a citation to the property owner, the property occupant, or both. In cases in which no citation is issued to the owner or occupant, or both, of the property, the notice given pursuant to sub-section

(2) (a) shall set forth a date and time certain at which the Windsor Police Department or Town Prosecutor will appear before the Municipal Court to obtain an order for entry into the property and abatement of the nuisance. In cases in which a citation is issued to the owner or occupant, or both, of the property, the return date on the citation shall serve as the date upon which the Windsor Police Department or Town Prosecutor, will appear before the Municipal Court to obtain an order for entry into the property and abatement of the nuisance.

- (c) **Notice, service.** Every notice issued pursuant to sub-section (2) (a) shall be served by mailing a copy of the notice via first-class United States mail to the record owner of such property as maintained by the County Assessor's Office, and by posting on the property in a conspicuous place. Service on one owner of the property shall be deemed service on all owners.
- (d) **Authority to issue administrative orders, mailing and posting.** The Municipal Court Judge is empowered to issue administrative orders for the abatement of any nuisance determined to exist under this sub-section (2), after notice and an opportunity for hearing as described herein. Every such order shall be mailed by the Municipal Court within twenty-four (24) hours of its issuance to the property owner address maintained by the County Assessor's Office by first-class United States mail. At or prior to the time of nuisance abatement by the Town, a copy of the administrative order for nuisance abatement shall be posted on the property in a conspicuous place.
- (e) **Disposition of citation.** In cases in which a citation has been issued to the property owner, the determination of a nuisance prohibited by this Article shall be made in conjunction with the usual and customary practices of the Municipal Court presiding in criminal matters. In the event of a conviction or approval of a deferred sentence arising out of any citation issued for a violation of this Article, the Municipal Court shall order that the Town may immediately enter into the property for the purpose of nuisance abatement. As a condition of sentencing, the Municipal Court shall order the defendant to pay all costs which may be incurred by the Town for abatement of the nuisance in addition to any other sentence or assessment of court costs.

**Section 2.** Section 7-1-50 of the *Windsor Municipal Code* is hereby repealed, amended and re-adopted to read as follows:

**Sec. 7-1-50. Lien for nuisance abatement costs.**

- (1) **Lien Certification, administrative matters.** In all cases in which the determination of nuisance abatement costs is made by the Municipal Court as an administrative matter, the Municipal Court shall issue a Certification of Nuisance Abatement Costs containing the amount of nuisance abatement costs determined as due and owing to the Town. Such Certification shall be mailed by the Municipal Court by first-class United States mail to both the owner of the property and to the property address if different from the owner's address. Such Certification may be recorded in the books and records of the County Clerk and Recorder as evidence of the principal amount due.
- (2) **Lien Certification, disposition of citations.** In all cases where the determination of nuisance abatement costs is made by the Municipal Court in the context of criminal sentencing, the Municipal Court shall issue a Certification of Nuisance Abatement Costs containing the amount of nuisance abatement costs determined as due and owing to the Town. Such Certification shall be mailed by the Municipal Court by first-class United States mail to both the owner of the property and to the property address if different from the owner's address. Such Certification may be recorded in the books and records of the County Clerk and Recorder as evidence of the principal amount due.
- (3) **Lien Certification, enforcement of sentencing orders.** In all cases where the Municipal Court has issued a sentencing order pursuant to Section 7-1-40 (2) (e), a representative of the Windsor Police Department shall certify under oath in writing, the costs of nuisance abatement incurred by the Town in carrying out such order. Such Certification may be recorded in the books and records of the County Clerk and Recorder as evidence of the principal amount due.
- (4) **Lien perpetual.** The amount of any nuisance abatement costs incurred by the Town pursuant to this Article shall constitute a perpetual lien on the property upon which nuisance abatement measures were undertaken in accordance with this Article.
- (5) **First and prior lien; rate of interest.** The attachment of such lien is not dependent on the recording of written notice, and the lien is prior and superior to all other

liens, claims, titles and encumbrances, whether or not prior in time, except liens for general taxes. The lien remains attached to the property from the date the nuisance abatement costs are incurred until all nuisance abatement costs, together with simple interest at the rate of eight percent (8%) per annum from the date the costs were incurred, are paid.

- (6) **Owner responsibility; lien not affected by changes in ownership.** The Town is not required to seek payment of nuisance abatement costs from any person other than the owner of the property. No change of ownership, occupancy or possession affects the application of this Section, and the failure of any owner to discover that property was purchased against which a lien for nuisance abatement costs exists in no way affects such owner's liability for payment in full.
- (7) **Foreclosure rights.** The Town may enforce its lien by a suit for foreclosure and sale of the property subject to the lien. The proceeds of the sale shall be applied to the unpaid nuisance abatement costs and allowable court costs in the manner provided for foreclosure of statutory liens.
- (8) **Tax assessment rights.** The lien may also be enforced by certification of assessment upon the property to the treasurer of the county wherein the property is located for collection by the county in the same manner as delinquent general taxes and special assessments upon such property are collected or by any other means provided by law.
- (9) **Civil suit.** Unpaid nuisance abatement costs, together with simple interest at eight percent (8% per annum and costs of collection, may also be collected by civil suit against the owner of the property, commenced at any time after the charges become due.
- (10) **Remedies not exclusive.** The remedies provided under this Section are cumulative and supplemental to each other.

Introduced, passed on first reading and ordered published this 14th day of July, 2014.

TOWN OF WINDSOR, COLORADO

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John S. Vazquez, Mayor

ATTEST:

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Patti Garcia, Town Clerk

Passed on second reading, and ordered published this 28th day of July, 2014.

TOWN OF WINDSOR, COLORADO

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John S. Vazquez, Mayor

ATTEST:

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Patti Garcia, Town Clerk



## MEMORANDUM

**Date:** July 28, 2014  
**To:** Mayor and Town Board  
**Via:** Kelly Arnold, Town Manager  
**From:** Stacy Johnson, Director of Economic Development  
**Re:** 4<sup>th</sup> Street Pub – Incentive Request  
**Item #:** C.2

### **Background / Discussion:**

In March of 2014 Stacy Johnson began talking with Eric Peratt & James Lohr the owners of building located at 201/205 4<sup>th</sup> Street. They are trying to renovate and remodel the entire building located in downtown Windsor. Most recently they have had a request for the entire 2<sup>nd</sup> floor of the building for a pub type restaurant. However this type of use requires several additional upgrades to the building including water and sewer line upsizing.

The request from the owners of building is to waive the administrative, water plant and sewer plant investment fees of approximately \$17,222.06. They will install a new 1" water line and upsize the sewer line which are required for the space to be used for a restaurant type use.

If the project progresses as expected, the restaurant would like to be up and running by August 1, 2015.

### **Below is a project review:**

Pub/Restaurant in Windsor:

Total Initial Project Investment =	<b>\$783,721.00</b> (not including building purchase)
Building Size	3,750 sq. ft. building (2 <sup>nd</sup> floor)
Building Renovation Cost (building owner)	\$630,512.00 (\$304,915 restaurant)
Equipment/FF&E (Lessee)	\$153,209.00
Per year income projections from sales tax	over \$30,000
Per year income from property tax	TBD

### **Financial Impact:**

Fee waivers/reimbursements: **\$17,222.06\*** (approximately)  
*\*the water & sewer funds are both enterprise funds and would be required to be back filled in the amount of \$16,889.00.*

### **Relationship to Strategic Plan:**

Diversify, Grow & Strengthen the Local Retail and Industrial Economy

### **Attachments:**

Fee estimate  
Cost analysis

Memo  
Page 2

Incentive Agreement  
Resolution No. 2014-41

## Building Permit Fee Estimate for Commercial or Industrial buildings

**NOTICE**  
**The Plan Review Fee  
 Fire District Fee and  
 Administrative Fee  
 shown on this  
 estimate shall be  
 collected at the time  
 the bulding permit  
 application is  
 submitted**

Date:	6/26/2014
Name of requestor:	Eric Peratt
Ph/Fx # or e-mail add:	<a href="mailto:pinkees@frii.com">pinkees@frii.com</a>
Subdivision Name:	
Address:	201-205 4th Street outside permit
Lot size in SF:	
Use:	restaurant/ office
Building Size in SF:	7500

Town of Windsor  
 Planning Department  
 301 Walnut Street  
 Windsor, CO 80550  
 970 674-2436  
 fx 970 674-2456

ESTIMATE ONLY: ALL FEES ARE SUBJECT TO CHANGE WITHOUT NOTICE. ESTIMATED FEES ARE REFLECTIVE OF THE CURRENT AMOUNTS IN EFFECT AT THE TIME OF THIS ESTIMATE REQUEST. PLEASE CONTACT THE PLANNING DEPARTMENT FOR ANY FEE CHANGES AS YOU ARE GETTING CLOSER TO SUBMITTAL OF A BUILDING PERMIT APPLICATION. **SEE PAGES 2-3 FOR FEE EXPLANATION.**

Line #

1	Valuation	\$200,000
2	Electrical Valuation	\$12,500

	3 Building Fee	Based on valuation - see schedule	\$1,068.65
4	Electrical Fee	Based on valuation - see schedule	\$264.50
5	Construction Meter	Always \$57.50	\$0.00
6	Plan Review Fee	65% of line 3	\$694.62
7	Administrative Fee	25% of lines 3, 4, and 5	\$333.29
8	Raw Water	Contact Town Engineer	N/A
9	Water Plant Investment	Based on tap size	\$10,895.00
10	Sewer Plant Investment	Based on tap size	\$5,994.00
11	Drainage Fee	per Ordinance 2003-1148 - see schedule	
12	Water Meter and Yoke	Based on tap size	\$992.00
13	Irrigation Meter	Based on tap size	N/A
14	Fire District Fee	Fire district fee schedule	\$1,250.00
15	Windsor Use Tax	3.2% of 1/2 of Valuation - Line 1	N/A
16	Larimer County Use Tax	0.60% of 1/2 of Valuation - Line 1	N/A
17	Road Impact Fee	Per Ordinance 2008-1318 - see schedule	N/A
18	CAC Development Fee		
18	<b>TOTAL</b>		<b>\$21,492.06</b>

## Building Permit Fee Estimate for Commercial or Industrial buildings

- 1 Valuation is based upon materials and labor for entire building/project, not inclusive of the land, infrastructure, landscaping, etc.
- 2 Electrical valuation is based upon materials and labor for electrical portion of building/project, not inclusive of the land, infrastructure, landscaping, etc.
- 3 Building Permit Fee: \$690.65 for the first \$100,000 plus \$3.78 for each additional \$1,000.00 or fraction thereof.  
Formula for this permit:  $100 \times \$3.78 + \$690.65 = \$1,068.65$
- 4 Electrical Permit Fee: \$2001 and up = \$115.00 plus \$11.50 for each additional \$1,000.00 or fraction thereof.  
Formula for this permit:  $13 \times \$11.50 + \$115.00 = \$264.50$
- 5 Construction Meter: NA
- 6 Plan Review Fee: 65% of line #3 for new commercial bldgs & new 8+ unit multi-family, 30% of line #3 for all other residential and some finishes.
- 7 Administrative Fee: 25% of lines 3, 4, and 5
- 8 Raw Water Fee: Site specific and dependent upon water district, type of project, and location - please contact Town Engineer at 970 686-7476.
- 9 Water Plant Investment - Based upon water tap size - \$10,895
- 10 Sewer Plant Investment - Based upon water tap size - \$5,994

## Building Permit Fee Estimate for Commercial or Industrial buildings

- 11 Drainage fee: Based upon lot square footage - Formula: Impervious Rate Factor dependent upon use and land coverage x \$0.1838 x Area in Square feet - Please see Ordinance 2003-1148 for detailed information - NA
- Formula for this permit:  $x \$0.1838 \times 31,799 = \$3331.45$  \*\*\*Please note that this fee is an estimate based upon the expected lot coverage, but the fee may be lower, based upon percentage of lot coverage and landscaping, which will be determined upon submittal of a site plan to the Planning Department.
- 12 Water Meter Yoke & Pit - Based upon water tap size - \$992.00
- 13 Irrigation Meter - NA
- 14 Fire District Fee - Based on Valuation
- 15 Windsor Use Tax: 3.2% of 1/2 of the Valuation
- Formula for this permit: NA
- 16 Larimer County Use Tax: 0.6% of 1/2 of the Valuation
- Formula for this permit: NA
- 17 Road Impact Fee: Based upon proposed use in this building - Please see Ordinance 2008-1318 for detailed information. If a detailed estimate is required, a minimum of \$50.00 is charged and additional consultant fees may be due to determine this cost. The road impact fees are due at issuance of the building permit and should be included in the estimated permit costs.
- Formula for this permit: NA, paid on the tenant finish
- 18 This total is an estimate based upon today's fees. These fees may change in the future.

<b>Pub Restaurant 201/205 4th St.</b>				
Jason Shaeffer				
<b>Expenses:</b>				
FF&E	\$153,209.00			
<b>Investment by Lessee</b>	<b>\$153,209.00</b>			
<b>Income:</b>	<b>Windsor Sales Tax (3.0%) REVENUE</b>			
Year 1	min \$30,000			
<b>Eric Peratt &amp; James Lohr</b>				
<b>Expenses:</b>				
Total core and shell finish estimate	\$325,597.00			
Tenant finish related cost	\$304,915.00			
<b>Investment by owner</b>	<b>\$630,512.00</b>			
<b>Potential Available Fees for Reimbursement to Pub/Restaurant</b>				
*based off of information provided by Windsor Commercial Fee estimate form				
Administrative Fee	\$333.29			
Raw Water	\$0.00			
Water Plant Investment*	\$10,895.00			
Sewer Plant Investment*	\$5,994.00			
Drainage Fee	\$0.00			
Windsor Use Tax (TBD?)	\$0.00			
	\$17,222.29			
Water Meter Fee \$900-\$1,203				
*enterprise funds - need to be reimbursed	\$16,889.00			
<b>Investment in building</b>	<b>\$783,721.00</b>			
<b>Total sales tax revenue at 3% (5 years) estimated</b>	<b>over \$200,000</b>	*confirmed to be accurate with existing similar type restaurants in area		
<b>Incentive request</b>	<b>\$17,222.29</b>	<b>Payback less than one year</b>		

**AGREEMENT  
FOR  
CERTAIN ECONOMIC INDUCEMENTS AND DEVELOPMENT  
INCENTIVES**

THIS AGREEMENT FOR CERTAIN ECONOMIC INDUCEMENTS AND DEVELOPMENT INCENTIVES (“Agreement”) is executed effective as of July \_\_\_\_, 2014 (“Effective Date”), by and between the TOWN OF WINDSOR, COLORADO, a Colorado home rule municipal corporation (“Town”), and P&L PROPERTIES, LLC, a Colorado limited liability company (“Owner”).

RECITALS:

Owner is the owner of record of certain real property within the Town’s corporate limits, legally described as set forth in Exhibit A hereto, incorporated herein by this reference as if set forth fully (“Property”).

Owner intends to make improvements to the second floor of the building presently located upon the Property for the purpose of establishing a bar and restaurant open to the public upon the Property (“Facility”).

Construction of the Facility will provide substantial economic benefits to the Town, including but not limited to, increased property tax revenues, increased sales tax revenues, new employment opportunities and increased customer traffic to the downtown area.

Subject to the terms and conditions herein, Owner is requesting, and the Town desires to grant, certain economic inducements and incentives to facilitate the construction of the Facility.

It is an appropriate and lawful function of Colorado municipalities to encourage industrial development through economic inducements and incentives.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Town and Owner agree as follows:

1. The foregoing Recitals are fully incorporated herein by this reference with the same force and effect as though restated below.
2. On or before the Effective Date, Owner anticipates having a contractual arrangement in place, under which a bar and restaurant firm operated by Jason Shaeffer (“Firm”) will

have the right to occupy the second floor of the building presently located upon the Property.

3. Notwithstanding anything to the contrary stated herein, Owner shall have no obligation to construct the Facility. This Agreement does not create any obligation to construct the Facility at any time, under any circumstances. Likewise, the Town's obligation to provide Owner with the economic inducements and incentive described below is subject both to Owner's construction of improvements to the Facility and, through the Firm, operation of the Facility as a bar and restaurant open to the public. If any of the foregoing conditions do not come to pass, the Town shall have no obligation to provide inducements or incentives under this Agreement.
4. Provided that Owner enters into a contractual arrangement with the Firm for operation of a bar and restaurant open to the public, and constructs improvements to the Facility for the operation of a bar and restaurant open to the public, Owner intends that bar and restaurant operations within the Facility will commence on or about October 1, 2015.
5. The Town has evaluated the public benefit of the proposed development of the Property, and the value of providing economic inducements and incentives to encourage and sustain such development. In reliance upon certain documentation provided to the Town, the Town has determined that construction and operation of the Facility will be of substantial economic benefit to the Town.

Without limiting the generality of the foregoing and for purposes of clarification, the Firm, with Owner's consent, has represented to the Town that the cost of improvements necessary for operation of the Facility will be approximately \$630,512.00. The Owner has represented that taxable retail sales generated by the Facility will be approximately \$7,078,210.00 during the first five (5) years of Facility operation as a bar and restaurant open to the public. The Town's evaluation of inducements and incentives primarily and substantially relies upon the information provided by Owner regarding the Facility and sales tax revenue expected as a result of its operations. Owner presented such information in order to induce the Town to enter into this Agreement, and the Town has reasonably relied upon such information prior to entering into this Agreement.

As a result of the Owner's representations regarding the cost and nature of the Facility-related improvements to the Property, the Town has determined that the Administrative Fee, Water Plant Investment Fee and Sewer Plant Investment Fee would ordinarily be assessed as follows:

Administrative Fee:	\$333.29
Water Plant Investment Fee:	\$10,895.00
Sewer Plant Investment Fee:	<u>\$5994.00</u>
Total Fees:	\$17,222.06

6. Notwithstanding the aforementioned estimate of *Total Fees*, the total value of the incentives and inducements in the aggregate and the value of each such incentive and inducement contemplated herein shall not be final until the Town's issuance of a building permit for the Facility improvements in keeping with customary building permit policy. Accordingly, the total value of the incentives and inducements, and the value of each as contemplated herein, may increase or decrease (if at all); such are dependent upon the value of such incentives and inducements as stated in the building permit, as issued by the Town. In other words, the building permit shall be determinative of the total value of the incentives and inducements in the aggregate, and the value of each, as contemplated herein.
  
7. In light of the foregoing, the Town agrees as follows:
  - a. The Town will waive the Administrative Fee simultaneously with the building permit issued for the Facility improvements. The Owner will not be required to pay the Administrative Fee at the time of building permit issuance, but will be required to pay all other building permit-related fees.
  
  - b. The Town will waive the Water Plant Investment Fee and Sewer Plant Investment Fee ("Fees") simultaneously with the building permit issued for the Facility improvements, subject to the timing requirements set forth in Section 8 below. The Owner will not be required to pay the Fees at the time of building permit issuance. The Owner understands and agrees that waiver of the Fees requires the Town to internally transfer a sum equal to the Fees from the General Fund to each of the enterprise funds to which the Fees would ordinarily be paid by the Owner in the absence of this Agreement.
  
  - c. The Town will waive the Administrative Fee and Fees so long as the Facility is open for business as a bar and restaurant open to the public on or before August 1, 2015 ("Firm Opening Date"), subject to the Town's right to partial reimbursement set forth in Section 9 below.
  
8. In light of the foregoing, the Owner agrees as follows:
  - a. Owner shall enter into a written lease with the Firm on or before October 1, 2014 ("Firm Lease Date"), which lease shall expressly grant the Firm the right to

occupy the Facility for the purpose of operating a bar and restaurant open to the public by no later than the Firm Opening Date.

- b. The Town shall be under no obligation to waive the Administrative Fee or the Fees for any building permit issued after the Firm Lease Date if the Owner does not present a copy of the written lease with the Firm or memorandum verifying its terms. Likewise, the Town shall be under no obligation to waive the Administrative Fee or the Fee for any building permit issued after the Firm Opening Date.
  - c. If no building permit is issued prior to the Firm Lease Date or the Town has not waived the Administrative Fee or the Fees in conjunction with building permit issuance before the Firm Lease Date, then reimbursement under this subparagraph shall not be required.
  - d. If no building permit is issued prior to the Firm Opening Date or the Town has not waived the Administrative Fee or the Fees in conjunction with building permit issuance before the Firm Opening Date, then reimbursement under this subparagraph shall not be required.
  - e. Owner shall complete the Facility improvements and shall receive a Certificate of Occupancy for the operation of a bar and restaurant open to the public within the Facility prior to the Firm Opening Date. In the event the Owner fails to receive a Certificate of Occupancy for the operation of a bar and restaurant open to the public within the Facility prior to the Firm Opening Date, then the entire Administrative Fee and Fees shall be immediately due and payable to the Town.
9. In the event the Firm opens a bar and restaurant open to the public within the Facility, but for any reason later ceases the operation of a bar and restaurant open to the public prior to the first anniversary of the Firm Opening Date (or the first date upon which the Facility is open for business as a bar and restaurant open to the public, if prior in time to the Firm Opening Date), then the Owner shall reimburse the Town a pro-rated portion of all Administrative Fees and Fees paid by the Town, determined in accordance with the following formula:

Total Administrative Fees and Fees waived by the Town, divided by 12 (rounded to the nearest dollar), multiplied by the number of calendar months remaining prior to the first anniversary date = reimbursement owed to the Town.

For example, assume the Town waives total Administrative Fees and Fees of \$17,222.06. Further assume that the Facility opens for business as a bar and restaurant open to the public on the Firm Opening Date. If the Facility ceases bar and restaurant operations three calendar months after the Firm Opening Date, nine calendar months will remain before the anniversary date.

$\$17,222.06 \text{ divided by } 12 = \$1,435.17$

$1435.17 \times 9 = \$12,916.53$  reimbursement due to Town

10. Any reimbursement owed to the Town under this Agreement shall be due and payable on the first anniversary of the Firm Opening Date (or the first date upon which the Facility is open for business as a bar and restaurant open to the public, if prior in time to the Firm Opening Date). If not paid when due, the reimbursement shall bear interest at the rate of five percent (5%) until paid in full.
11. In addition to any reimbursement and interest, if any, due to the Town, the Owner shall pay the Town's attorney fees for any Town efforts directed at collection of amounts due and owing to the Town.
12. Any reimbursement owed and not paid when due to the Town under this Agreement, plus interest and attorney fees, if any, shall constitute a lien on the Property, with its priority established by reference to the date upon which this Agreement is recorded with the Weld County Clerk and Recorder.
13. This writing constitutes the entire agreement between the parties with respect to its subject matter, and supersedes any prior written or oral communication, negotiations, agreements, representations and understandings between them with respect to its subject matter.
14. This Agreement may not be modified, enlarged or altered, except in writing, signed by both parties.
15. Neither party may assign the benefits or burdens of this Agreement without the express written consent of the other, provided that such consent shall not be unreasonably withheld, delayed or conditioned.
16. This Agreement shall be governed by and construed in accordance with the law of the State of Colorado. Venue for all purposes shall be deemed proper in the District Court of Weld County, Colorado.

17. A waiver by either party of a breach of any of the provisions of this Agreement shall not constitute a continuing waiver or a waiver of any subsequent breach of the same or another provision of this Agreement.
18. If any part, term or provision of this Agreement is held by the courts to be illegal or otherwise unenforceable, such illegality or unenforceability shall not affect the validity of any other part, term of provision, and the rights of the parties shall be construed as if the part, term or provision in question was never part of this Agreement.
19. This Agreement shall be deemed to run with the land and, upon its execution by the parties, shall be recorded with the Weld County Clerk and Recorder. Upon execution by the parties, this Agreement shall be binding upon the parties, their respective successors and assigns.

In witness whereof, the parties have executed this Agreement as of the Effective Date.

TOWN OF WINDSOR, COLORADO

P&L PROPERTIES, LLC

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John S. Vazquez, Mayor

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Eric Peratt, Member

EXHIBIT A  
TO  
AGREEMENT FOR CERTAIN ECONOMIC INDUCEMENTS AND DEVELOPMENT  
INCENTIVES

Lower level legal description:

The North fifty feet of Lots 26, 28, 30 and 32, All in Block 11, in the Town of Windsor, County of Weld, State of Colorado and all of the first story or ground floor of the two-story brick building upon said Lot, said first story extending to and including the joists of the second floor, according to the terms of a certain Deed and Agreement made by W-R Ehrlich Company, a Colorado limited liability limited partnership, formerly known as W-R Ehrlich Company, a Colorado limited partnership to Windsor Lodge No. 69 A.F. and A.M., a Masonic body of the County of Weld and State of Colorado, said instrument being recorded in Book 217 Page 548 of the Weld County records, located in the Northeast Quarter of the Northwest Quarter of Section 21, Township 6 North, Range 67 West of the 6<sup>th</sup> P.M., in Weld County, Colorado, County of Weld, State of Colorado.

Also known by street and number as: 201, 203, 205 4<sup>th</sup> Street, Windsor, CO 80550

Upper level legal description:

An undivided one half interest in and to the North 50 feet of Lots 26, 28, 30 and 32, Block 11 and all of the North 5 feet of the South 140 feet of Lot 32, Block 11, also the entire upper or second story of the building known as the Opera House on the said Lots, extending from, but not including, the joists in the floor of the second story, to and including the roof of the said building, together with any and all stairways leading thereto, with the continuous and uninterrupted right of ingress and egress to and from the said second story, over and upon five feet of the entire South end of the land described, and five feet of the entire West end of that portion of Lot numbered 26 above described Town of Windsor, County of Weld, State of Colorado.

Also known by street and number as: 205 ½ 4<sup>th</sup> Street, Windsor, CO 80550

TOWN OF WINDSOR, COLORADO

RESOLUTION NO. 2014-41

A RESOLUTION APPROVING AN AGREEMENT FOR CERTAIN ECONOMIC INDUCEMENTS AND DEVELOPMENT INCENTIVES BETWEEN THE TOWN OF WINDSOR, COLORADO, AND P&L PROPERTIES, LLC, WITH RESPECT TO THE DEVELOPMENT OF PROPERTY FOR COMMERCIAL PURPOSES WITHIN DOWNTOWN WINDSOR

WHEREAS, the Town of Windsor (“Town”) is a Colorado home rule municipality with all powers and authority provided by Colorado law; and

WHEREAS, P&L Properties, LLC, (“P&L”) is a Colorado limited liability company proposing to make substantial improvements to the property known as 201, 203, 205 and 205 ½ 4<sup>th</sup> Street, with the objective of establishing a bar and restaurant open to the public; and

WHEREAS, the Town has determined that making certain economic incentives and inducements available to qualified commercial enterprises is a lawful tool by which sales tax, property tax, employment and other public benefits may be achieved; and

WHEREAS, Title 31, Article 15, Part 9 of the Colorado Revised Statutes provides that it is a proper exercise of municipal powers to provide economic inducements and incentives to new facilities that bring jobs and tax revenue to the community; and

WHEREAS, P&L has joined in the presentation to the Town of data and specifications intended to justify an offer of economic inducements and incentives from the Town; and

WHEREAS, based upon the data and specifications provided with P&L’s participation, and in reliance thereon, the Town has offered economic inducements and incentives, *to wit*: development-related fee waivers; and

WHEREAS, the Town and P&L have negotiated the attached Agreement for Certain Economic Inducements and Development Incentives (“Agreement”), which terms are incorporated herein by this reference as if set forth fully; and

WHEREAS, the attached Agreement has been reviewed by the Town Board, Town Manager and Town Attorney; and

WHEREAS, the Town Board wishes to approve the attached Agreement, and authorize the Mayor to execute it on the Town’s behalf.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN BOARD OF THE TOWN OF WINDSOR, COLORADO, AS FOLLOWS:

1. The attached Agreement for Certain Economic Inducements and Development Incentives, incorporated herein by this reference as if set forth fully, is hereby approved.
2. The Mayor is hereby authorized to execute the attached Agreement on behalf of the Town.
3. The Town Attorney is authorized to make necessary revisions to the Agreement in keeping with its essential purposes.

Upon motion duly made, seconded and carried, the foregoing Resolution was adopted this 28<sup>th</sup> day of July, 2014.

TOWN OF WINDSOR, COLORADO

By: \_\_\_\_\_  
John S. Vazquez, Mayor

ATTEST:

\_\_\_\_\_  
Patti Garcia, Town Clerk



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## MEMORANDUM

**Date:** July 28, 2014  
**To:** Mayor and Town Board  
**Via:** Regular meeting materials, July 28, 2014  
**From:** Ian D. McCargar, Town Attorney  
**Re:** Appointment of Mayor *Pro Tem*  
**Item #:** C.3

**Background / Discussion:**

Section 3.2 (C) of the Windsor Home Rule Charter provides:

By a two-thirds ( $\frac{2}{3}$ ) vote of all members of the Town Board in office at the time, a Board Member shall be appointed as Mayor *pro tem*, for a term of two years, to perform the responsibilities of the Mayor when the Mayor is absent or is otherwise unable to perform the responsibilities of the Mayor.

During the work session held July 21, 2014, staff was directed to present a Resolution under which Myles Baker would be appointed to serve as Mayor *Pro Tem*. Attached is a Resolution to this effect.

The Resolution will require five (5) affirmative votes to carry.

**Financial Impact:** None

**Recommendation:** Adopt the attached Resolution.

**Attachments:** Resolution Appointing Myles Baker To Serve As The Mayor Pro Tem For The Town Of Windsor, Colorado, Pursuant To § 3.2 Of The Windsor Home Rule Charter

TOWN OF WINDSOR

RESOLUTION NO. 2014-42

A RESOLUTION APPOINTING MYLES BAKER TO SERVE AS THE MAYOR *PRO TEM* FOR THE TOWN OF WINDSOR, COLORADO, PURSUANT TO § 3.2 OF THE WINDSOR HOME RULE CHARTER

WHEREAS, the Town of Windsor (hereinafter, "Town") is a Colorado home rule municipality with all powers and authority provided under Colorado law; and

WHEREAS, the Town has concluded its April, 2014, municipal election and has administered the oath of office as required; and

WHEREAS, the term of appointment of the former Mayor *Pro Tem*, Kristie Melendez, has expired; and

WHEREAS, the Town Board has considered its membership and the requirements of § 3.2 of the Windsor Home Rule Charter and, upon due consideration, believes that Myles Baker is a qualified and capable candidate for the office of Mayor *Pro Tem*.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN BOARD OF THE TOWN OF WINDSOR, COLORADO, AS FOLLOWS:

1. Myles Baker is hereby appointed to serve as Mayor *Pro Tem* for a term of two (2) years, or until such time as his eligibility for such office expires.
2. The Town Board offers its gratitude to former Mayor *Pro Tem*, Kristie Melendez, for her service to the Town in this capacity.

Upon motion duly made, seconded and carried by a vote of two-thirds in the affirmative, the foregoing Resolution was adopted this 28<sup>th</sup> day of July, 2014.

TOWN OF WINDSOR, COLORADO

By \_\_\_\_\_  
John S. Vazquez, Mayor

ATTEST:

\_\_\_\_\_  
Patti Garcia, Town Clerk



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## MEMORANDUM

**Date:** July 28, 2014  
**To:** Mayor and Town Board  
**Via:** Regular meeting materials, July 28, 2014  
**From:** Ian D. McCargar, Town Attorney  
**Re:** Re-appointment of Board & Commission Liaison positions  
**Item #:** C.4

**Background / Discussion:**

Assuming adoption of the Resolution for appointment of Myles Baker to serve as Mayor *Pro Tem*, staff was directed to re-arrange two board and commission appointments. Specifically, it was requested that Mr. Baker assume the alternate position to the NFRMPO, and that Mr. Adams assume the position as liaison to the Cache la Poudre River Trail Authority. Mr. Bishop-Cotner may assume the Planning Commission liaison position, pending on communication from the Planning Commission Chair.

The attached Resolution re-affirms earlier appointments and carries out the foregoing instructions. For the time being, the attached Resolution leaves the Planning Commission liaison slot vacant.

The Resolution will require a simple majority of participating affirmative votes to carry.

**Financial Impact:** None

**Recommendation:** Adopt the attached Resolution.

**Attachments:** A Resolution Re-Appointing and Re-Affirming Local Board and Commission Service by Current Town Board Members

TOWN OF WINDSOR

RESOLUTION NO. 2014-43

A RESOLUTION RE-APPOINTING AND RE-AFFIRMING LOCAL BOARD AND COMMISSION SERVICE BY CURRENT TOWN BOARD MEMBERS

WHEREAS, the Windsor Town Board is privileged to share its members with various boards, commissions and authorities, all of which serve the interests of the Town and its citizens; and

WHEREAS, the April, 2014, municipal election resulted in the election of three Town Board members, each of whom has expressed a desire to serve as board and commission liaisons; and

WHEREAS, the power to make appointments of Town Board members to board and commission positions is vested in the Mayor, who has directed that the appointments be made upon the consent of a simple majority of the Town Board participating in the vote.

NOW, THEREFORE, the following board and commission appointments are recognized:

1. Planning Commission liaison: None appointed at this time; liaison position will be considered upon communication from Planning Commission Chair.
2. Parks, Recreation and Culture Advisory Board liaison: Christian Morgan
3. Cache la Poudre Trail Authority representative: Ivan Adams
4. Water and Sewer Board liaison: Myles Baker
5. Chamber of Commerce representative: Kristie Melendez
6. North Front Range Metropolitan Planning Organization representative: John S. Vazquez, with Myles Baker serving as an alternate.
7. Historic Preservation Commission liaison: Robert Bishop-Cotner
8. Tree Board liaison: Ivan Adams
9. Windsor Housing Authority appointee: John S. Vazquez
10. Clearview Library Board liaison: Jeremy Rose
11. Student Advisory Leadership Team (SALT) representative: Ivan Adams
12. Downtown Development Authority liaison: Kristie Melendez
13. Great Western Trail Authority appointee: Christian Morgan

Upon motion duly made, seconded and carried, the foregoing Resolution was adopted this 28<sup>th</sup> day of July, 2014.

TOWN OF WINDSOR, COLORADO

By \_\_\_\_\_

John S. Vazquez, Mayor ATTEST:

\_\_\_\_\_  
Patti Garcia, Town Clerk

## 2014 MONTHLY FINANCIAL REPORT

### Special points of interest:

- Highest June sales tax collection on record at \$558,229.
- Single Family Residential (SFR) building permits total 138 through June. This is down from the June 2013 number of 213.
- 51 business licenses were issued in June, 24 of which were sales tax vendors.

### Highlights and Comments

- \* We recorded our highest gross sales tax collection for the single month of June.
- \* June 2014 year-to-date gross sales tax increased 21.74% over June 2013.
- \* Construction use tax through June is at 44.38% of the annual budget at \$776,619.
- \* Year-to-date total revenue through June exceeded expenditures by roughly \$2.2M.



**Windsor Trail Parallel to South 7th Street**

This segment of the Windsor Trail extends from New Liberty Road to Laku Lake Road. The project total cost is expected to be \$219,796 with a Colorado Safe Routes to School grant of \$120,346. The trail is about half finished, hoping all of the concrete will be finished by the start of school.

### Inside this issue:

Sales, Use and Property Tax	2
Year-to-Date Sales Tax	4
Monthly Sales Tax	5
All Fund Expenditures	6
General Fund Expenditures	7

### Items of Interest

- Summer construction season is upon us. See a list of Town projects at our website under Our Community/Town Projects.
- Summer Concerts began on June 5, continues through August 7 in Boardwalk Park.
- Visit us at [www.windsorgov.com](http://www.windsorgov.com) and look for live streaming of Town Board and Planning Commission meetings.

**Sales, Use and Property Tax Update****June 2014**

Benchmark =50%	Sales Tax	Construction Use	Property Tax	Combined
Budget 2014	\$5,944,547	\$1,749,737	\$4,146,285	\$11,840,569
Actual 2014	\$3,983,231	\$776,619	\$2,873,350	\$7,633,200
% of Budget	67.01%	44.38%	69.30%	64.47%
Actual Through June 2013	\$3,271,893	\$1,077,979	\$2,839,108	\$7,188,980
Change From Prior Year	21.74%	-27.96%	1.21%	6.18%

Ideally through the sixth month of the year you would like to see 50% collection rate on your annual budget number. We have reached that benchmark in two of the three tax categories, and are very close on the third.

At this point last year we had collected \$2.8M in property taxes, or 69.3% of the annual budget. We are on the exact pace this year.

**Building Permit Chart****June 2014**

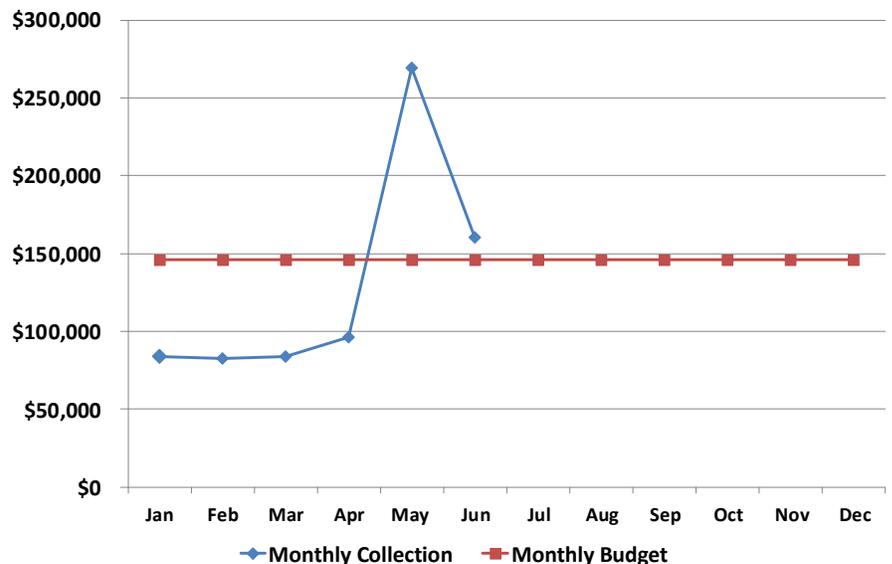
	SFR	Commercial	Industrial	Total
Through June 2014	138	3	1	142
Through June 2013	213	0	11	224
% change from prior year				-36.61%
2014 Budget Permit Total				373
% of 2014 Budget				38.07%

**Building Permits and Construction Use Tax**

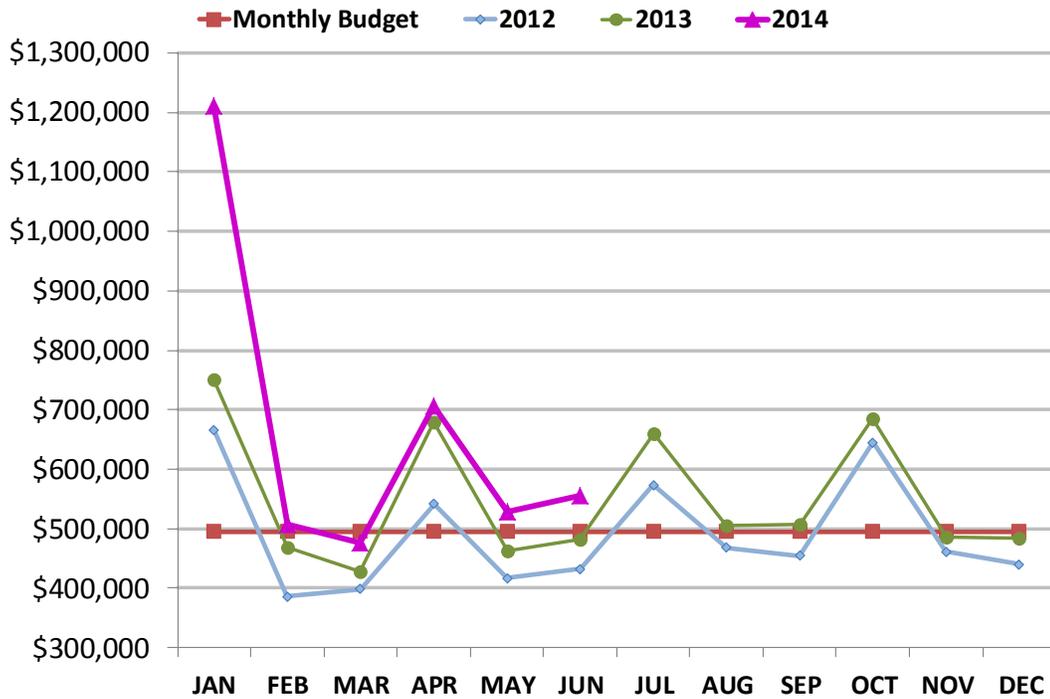
We are showing a 36.61% decrease in number of permits as compared to June. We issued 138 SFR permits through June 2014 as compared to 213 through June of 2013.

Construction use tax is above our required monthly collection for the second month this year.

We issued 34 SFR permits in the month of June, making it our second strongest month for building permits in 2014.

**Construction Use Tax Collections**

### Sales Tax Collections in Dollars



Gross Sales tax collections for June 2014 were approximately \$73,000 higher than June 2013.

### June Facts

June is a “single collection” month, meaning that the collections are for sales made in May. June produced a strong collection month, surpassing the two previous years in collections as well as our monthly budget collections requirement.

We did not receive any voluntary compliance or audit payments in June, adding strength to the positive indicator of higher collections than last year.

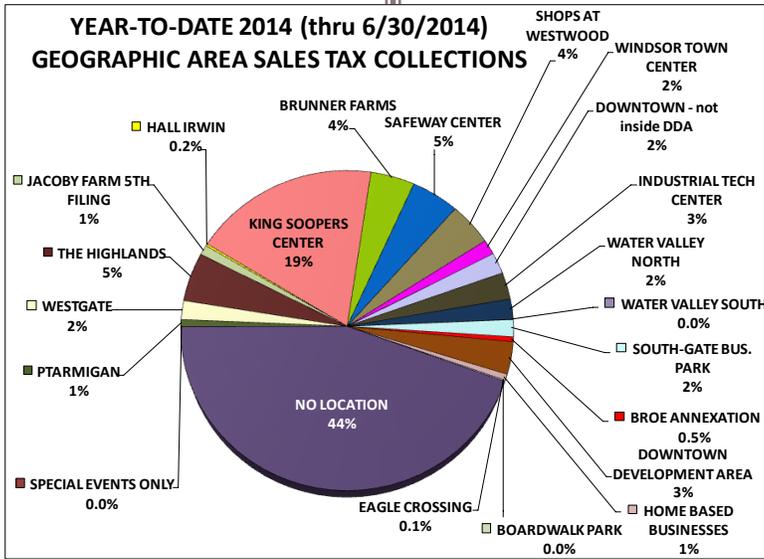
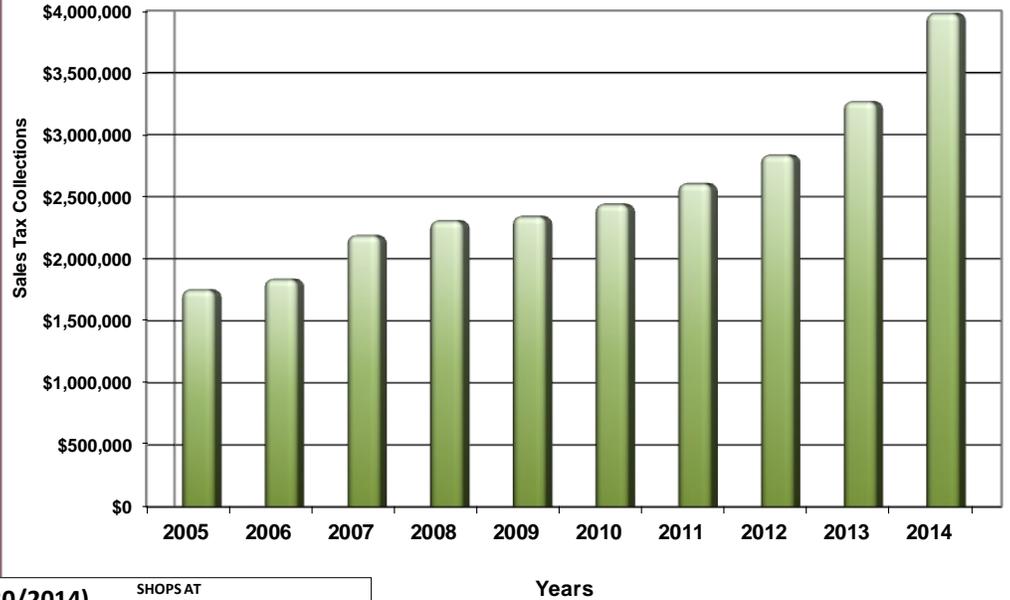
### Looking Forward

We budgeted \$6M in sales tax for 2014, making our average monthly collection requirement \$500,000. We were above that mark for the fifth month out of six for this year. In January we received a large “outlier” payment from a local manufacturer of \$319,175. Reducing January’s collection by this amount down to \$891,348, through the first six months of 2014 we are averaging \$610,676 in collections per month. If we maintain this average through the end of the year, we will come in at \$7.3-\$7.6 in collections.

Through June we have collected \$3.9M in sales tax.

This is roughly \$700,000 higher than through June 2013.

### Year-to-Date Sales Tax Collections Through June 2005-2014



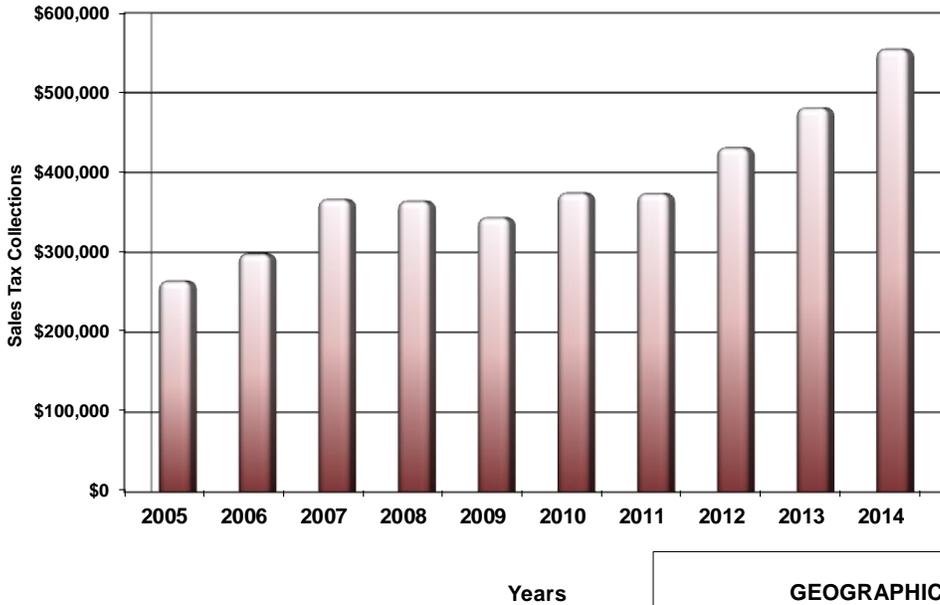
*Our sales tax base is still anchored through groceries and utilities.*

## Year-to-Date Sales Tax

Our sales tax base has not changed a great deal over the past decade, with groceries and utilities leading our industry sectors in sales tax collection. Some of this increase can be attributed to an overall increase in prices and cost of living.

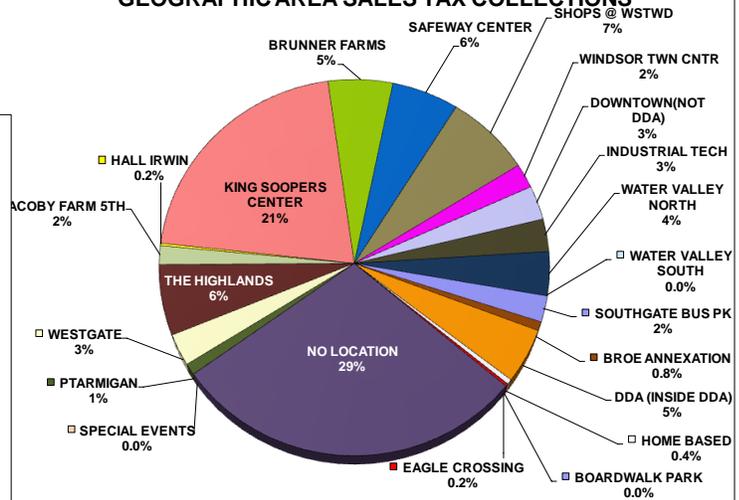
- Groceries, liquor, general merchandise, utilities and auto parts all increased collections over June 2013.
- Our current year to date collections through June of \$3,428,002 are higher than the entire year of collections for 2006. It also exceeds each of the individual annual collections of all of the years preceding 2006.
- The Highlands sales tax area moved equal to the Safeway Center in terms of year to date sales tax collections. This area encompasses the Highland Meadows Golf Course, Wagner Equipment and other businesses along Crossroads Boulevard.

### Sales Tax Collections Month of June 2005-2014



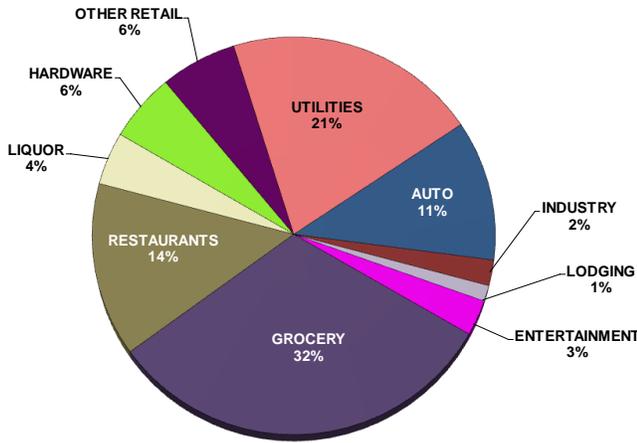
*In the month of June 2014, we have collected \$555,229 in sales tax.*

### JUNE 2014 GEOGRAPHIC AREA SALES TAX COLLECTIONS



### JUNE 2014

*(This graph IS NOT inclusive of all tax payers)*



*Geographic area chart now shows a breakdown between the DDA and the rest of the Downtown*

## Monthly Sales Tax

- June gross collections of \$559,229 were 15.23% higher than June 2013. June 2014 was the highest June collection on record.
- Our sales tax base is necessity driven, as demonstrated in the pie graph above. Necessities of food, utilities and automobiles comprised 78% of our June sales tax collections.
- The King Soopers Center leads the way in collections by business with a physical presence in Windsor.
- The DDA collections were up roughly \$4,600 over June 2013.

**All Funds Expense Chart****June 2014**

Benchmark =50%

<u>General Government</u>	<u>Current Month</u>	<u>YTD Actual</u>	<u>2014 Budget</u>	<u>% of Budget</u>
General Fund	\$1,044,912	\$6,185,016	\$12,716,127	49%
Special Revenue	\$41,831	\$450,183	\$2,439,201	18%
Internal Service	\$217,824	\$1,611,227	\$3,104,165	52%
Other Entities(WBA)	\$12,090	\$72,545	\$145,080	50%
<b>Sub Total Gen Govt Operations</b>	<b>\$1,316,657</b>	<b>\$8,318,971</b>	<b>\$18,404,573</b>	<b>45%</b>
<b><u>Enterprise Funds</u></b>				
Water-Operations	\$257,338	\$1,229,362	\$3,467,536	35%
Sewer-Operations	\$251,771	\$751,727	\$1,591,886	47%
Drainage-Operations	\$41,138	\$215,962	\$402,276	54%
<b>Sub Total Enterprise Operations</b>	<b>\$550,246</b>	<b>\$2,197,051</b>	<b>\$5,461,698</b>	<b>40%</b>
<b>Operations Total</b>	<b>\$1,866,903</b>	<b>\$10,516,022</b>	<b>\$23,866,271</b>	<b>44%</b>

*plus transfers to CIF and Non-Potable for loan*

*Operations expenditures are on track as a whole, expending 44% of the annual budget compared to the benchmark of 50%.*

<u>General Govt Capital</u>	<u>Current Month</u>	<u>YTD Actual</u>	<u>2014 Budget</u>	<u>% of Budget</u>
Capital Improvement Fund	\$276,246	\$1,540,531	\$5,339,148	29%
<b><u>Enterprise Fund Capital</u></b>				
Water	\$194,330	\$3,680,199	\$7,134,081	52%
Sewer	\$3,324	\$6,650	\$512,875	1%
Drainage	\$12,215	\$64,623	\$1,894,231	3%
<b>Sub Total Enterprise Capital</b>	<b>\$209,869</b>	<b>\$3,751,472</b>	<b>\$9,541,187</b>	<b>39%</b>
<b>Capital Total</b>	<b>\$486,115</b>	<b>\$5,292,003</b>	<b>\$14,880,335</b>	<b>36%</b>
<b>Total Budget</b>	<b>\$2,353,018</b>	<b>\$15,808,025</b>	<b>\$38,746,606</b>	<b>41%</b>

*Through June, operating and capital expenditures combined to equal 41% of the 2014 Budget.*

**All Funds Expenditures**

We are where we always are at this time of year. We are slightly behind the operations benchmark, but will catch up quickly in the next two months of summer operations.

We are behind our general capital benchmark but slightly ahead in the water fund capital expenditures. This is driven mostly by the purchase of the Kyger property in early March. In a few months we will begin paying for projects completed during the summer construction season. Our capital budget should catch up to the benchmark at that time.

### General Fund Expense Chart

Department		Current Month	YTD Actual	2014 Budget	% of Budget
410	Town Clerk/Customer Service	\$46,440	\$281,130	\$612,550	45.9%
411	Mayor & Board	\$9,184	\$209,251	\$477,796	43.8%
412	Municipal Court	\$2,985	\$9,448	\$19,930	47.4%
413	Town Manager	\$23,303	\$154,965	\$322,910	48.0%
415	Finance	\$41,964	\$322,152	\$606,852	53.1%
416	Human Resources	\$32,727	\$185,356	\$409,870	45.2%
418	Legal Services	\$27,615	\$166,372	\$329,869	50.4%
419	Planning & Zoning	\$48,558	\$276,653	\$610,990	45.3%
420	Economic Development	\$11,947	\$116,944	\$193,297	60.5%
421	Police	\$215,568	\$1,445,015	\$2,853,407	50.6%
428	Recycling	\$4,694	\$16,477	\$42,770	38.5%
429	Streets	\$80,858	\$450,402	\$1,009,692	44.6%
430	Public Works	\$30,927	\$218,371	\$430,818	50.7%
431	Engineering	\$46,497	\$312,012	\$618,026	50.5%
432	Cemetery	\$8,617	\$51,998	\$118,590	43.8%
433	Community Events	\$39,180	\$85,520	\$113,566	75.3%
450	Forestry	\$22,777	\$141,711	\$324,531	43.7%
451	Recreation Programs	\$169,772	\$847,602	\$1,708,136	49.6%
452	Pool/Aquatics	\$35,973	\$63,578	\$186,568	34.1%
454	Parks	\$100,800	\$558,435	\$1,206,005	46.3%
455	Safety/Loss Control	\$17	\$1,358	\$16,760	8.1%
456	Art & Heritage	\$25,879	\$145,554	\$264,560	55.0%
457	Town Hall	\$18,631	\$124,712	\$238,634	52.3%
<b>Total General Fund Operations</b>		<b>\$1,044,912</b>	<b>\$6,185,016</b>	<b>\$12,716,127</b>	<b>48.6%</b>

### General Fund Expenditures

The general fund operations are getting closer to the budget benchmark as we finish the second quarter.

As one would expect through June, operations connected with community events are slightly ahead of the budget benchmark.

Finance is slightly ahead of the benchmark due to contract payments made to sales tax auditors.

Economic Development is ahead of the pace due to annual payments for memberships being made early in the year.

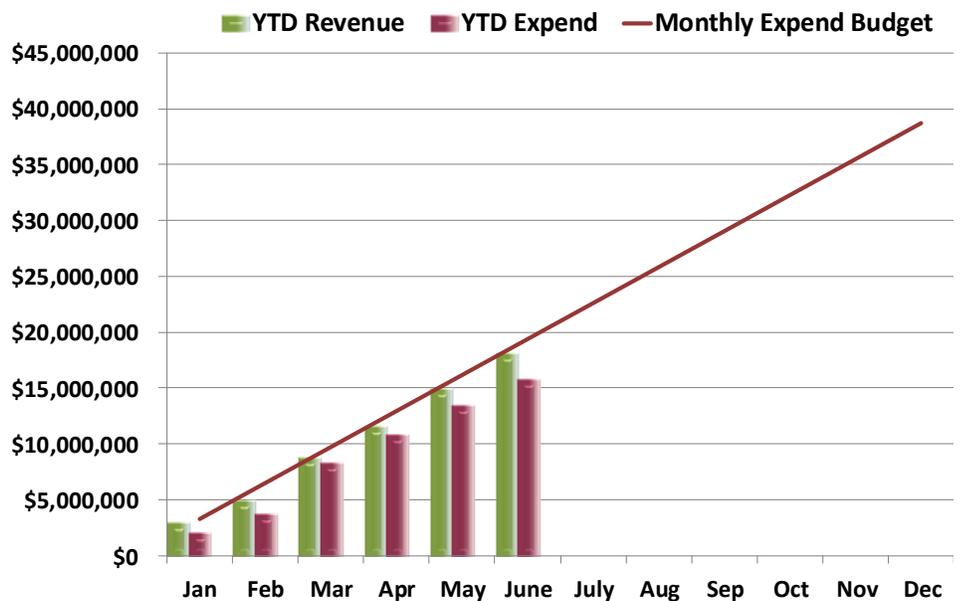
### Revenue and Expenditure

The chart on the right shows monthly revenue compared to monthly expenditure as well as a trend line showing the total 2014 budget expended equally over twelve months.

Our monthly budgeted total expenditures equal \$3,228,884. In June we collected \$3,098,598 in total revenue. The chart on the right reflects our actual results through June.

June YTD revenue total exceeded expenditures by roughly \$2.2M.

### Combined Revenue and Expenditures



## Our Vision:

WINDSOR'S hometown feel fosters an energetic COMMUNITY SPIRIT AND PRIDE that makes our town a special place in Northern Colorado.

WINDSOR has a VIBRANT DOWNTOWN AND LAKE which is a community focal point and destination.

WINDSOR has a STRONG LOCAL ECONOMY with diverse business sectors that provide jobs and services for residents.

WINDSOR promotes quality development through MANAGED GROWTH.

WINDSOR residents enjoy a friendly community with HOUSING OPPORTUNITIES, CHOICES for LEISURE, CULTURAL ACTIVITIES, and RECREATION, and MOBILITY for all.

WINDSOR is a GOOD ENVIRONMENTAL STEWARD.



### 2014 Monthly Financial Report

Town of Windsor  
301 Walnut Street  
Windsor, CO 80550  
Phone: 970-674-2400  
Fax: 970-674-2456

The 2014 Budget continues to focus on fiscal responsibility while building a long-term sustainable community through strategic investments and emphasizing the maintenance of existing infrastructure. In order to achieve these goals, the 2014 Budget emphasizes the importance of funding the key day-to-day tools that lead to success. These tools are employees, technology, and providing services most highly rated by citizens.

*The Town of WINDSOR strengthens community through the fiscally responsible and equitable delivery of services, support of hometown pride, and encourages resident involvement.*

**We're on the Web**

[www.windsorgov.com](http://www.windsorgov.com)