



TOWN BOARD WORK SESSION MEETING

April 20, 2015 – 6:00 P.M.

Town Board Chambers

301 Walnut Street, Windsor, CO 80550

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 by noon on the Thursday prior to the meeting to make arrangements.

GOAL of this Work Session is to have the Town Board receive information on topics of Town business from the Town Manager, Town Attorney and Town staff in order to exchange ideas and opinions regarding these topics.

Members of the public in attendance who have a question related to an agenda item are requested to allow the Town Board to discuss the topic and then be recognized by the Mayor prior to asking their question.

AGENDA

1. Street & Signal Lights discussion – K. Unger
 - I. LED Street Lighting
 - a. Poudre Valley REA Conversion Options
 - b. XCEL Update and Next Steps
 - II. Traffic Signal Modifications
 - III. Street Light Poles on Main Streets
 - IV. 13th Street Pedestrian Crossing
2. Metropolitan District follow up discussion – I. McCargar/J. Mock
3. Discuss opportunities for District meetings for Comprehensive Plan input – K. Arnold
4. Future Meetings Agenda



MEMORANDUM

Date: April 20, 2015
To: Mayor and Town Board
Via: Kelly Arnold, Town Manager
From: Kelly Unger, Communications/ Assistant to the Town Manager
Re: Street Lighting Discussion
Item #: WKS - 1

Background / Discussion:

In December 2014, staff presented information during a work session on LED street lighting options. Since that time, staff has been working to find out more information not only on LED street lighting, but also street lighting options throughout the community. Staff has prepared information on the following topics:

- I. LED Street Lighting
 - a. Poudre Valley REA Conversion Options
 - b. XCEL Update and Next Steps
- II. Traffic Signal Modifications
- III. Street Light Poles on Main Streets
- IV. 13th Street Pedestrian Crossing

Below is an overview of the topics listed with background information, financial impact, and timeframes.

I. LED Street Lighting

Poudre Valley REA

Staff has been working with Poudre Valley REA to reexamine the LED pricing structure, researching potential vendors, and looking for cost saving opportunities. After analyzing the results of the Pilot Project, Poudre Valley REA prepared a cost for the LED street light conversion. The financial impact charts below shows the cost of conversion, annual cost savings of LED lights, and payback rate.

Financial Impact

The total cost for the LED street light conversion is **\$332,790**; which includes Tri-State Rebates. With an annual savings of **\$45,821** the payback rate is **7 years**.

DEVICE TYPE	UNITS	NEW ANNUAL COST	ANNUAL SAVINGS	TOTAL CONVERSION COST
70W LED Decorative	552	\$43,387	\$30,934	\$271,032
150W LED Cobra	88	\$9,430	\$5,322	\$28,952
250W LED Cobra	94	\$13,412	\$9,565	\$32,806
TOTAL	734	66,229	\$45,821	\$332,790

DEVICE TYPE	UNITS	UNIT PRICE	TOTAL FIXTURE COST	LABOR COST	TRI-STATE REBATE
70W LED Decorative	552	\$471	\$259,992	\$41,400	(\$30,360)
150W LED Cobra	88	\$334	\$29,392	\$6,600	(\$7,040)
250W LED Cobra	94	\$404	\$37,976	\$7,050	(\$12,220)
TOTAL	734		\$327,360	\$55,050	(\$49,620)

PAYBACK RATE	
Total Conversion Cost	\$332,790
Annual Savings	\$45,821
TOTAL YEARS	7 years

Next Steps

Poudre Valley REA has indicated they can complete the LED street light conversion within three **(3) months** or in phases over a longer timeframe. However, the cost of labor may increase if the project is stretched over multiple years. Poudre Valley REA is also prepared to implement the new LED standards within their territory effective immediately for future developments.

Recommendation

Town staff recommends starting by converting **residential lights**, 70W LED Decorative; the total conversion cost for residential lights is **\$271,032** for 552 street lights. Staff recommends using the reserves from the Capital Improvement budget to fund the project. Staff invited a representative from Poudre Valley REA, David White, to the Work Session to help answer questions such as LED warranty, pricing, and trends. Joining Mr. White is Gregg Mumm, from Western United Electric Supply (Wholesaler) and Jim Lindsay, Illumination Systems (Manufacture’s Rep).

XCEL Energy

Over the last few months, Xcel Energy conducted a series of outreach meetings to gather feedback on their plans for a company-owned LED street lighting product. They are currently finalizing the rate modeling for LED Street Lighting and submitted their application to the PUC. Because XCEL Energy is a national company, they anticipate a five (5) year timeframe to transition customers according to demand.

The Town will see a cost saving in new rate model which eliminates the \$0.61 cost per month for operations and maintenance. Also, there is no upfront charge to convert high pressure sodium to LED lights. LED lights have a 15 year life and include a 10 year warranty.

Recommendation

This is a voluntary program offered by XCEL; cities must opt-in to be part of the program. Town staff recommends opting-in for XCEL's LED street lighting program because there is no upfront cost to the Town and there is a monthly cost saving by converting to LED street lights. Staff recommends making our best effort to be one of the first communities on XCEL's list to make the transition.

II. Traffic Signal Modifications

The following information was received after discussion with CDOT representatives:

Main Street/9th Street Signal:

- *Background*
 - The signal at Main St./9th St. is about 20 years old and was intended to be a temporary solution when first installed.
- *Cost*
 - Estimated cost for a more permanent replacement is \$300,000.
- *Timeline*
 - This traffic signal is listed 199th on CDOT's list of 380 traffic signals for replacement. CDOT is not sure how quickly replacement could move up the list with participation from Windsor, but they indicated a 50% match would be a good effort. However, if the main reason for replacement is aesthetics, this project would not score well against other signal replacement needs.

SH 257/Eastman Park Dr. Signal and Intersection:

- *Background*
 - The signal at SH 257/Eastman Park Dr. is about 20 years old and some parts of the signal were upgraded after the 2008 tornado.
- *Cost*
 - Estimated cost for replacement, as is, \$500,000.
- *Timeline*
 - This traffic signal is listed 260th on the list of 380 traffic signals for replacement.
- *Intersection Issue*
 - Engineering staff spoke with CDOT about the possibility of a roundabout in this location to help eliminate the issue of trucks turning left through the intersection. CDOT indicated that further study is needed to define the scope of work and cost of project. The Town could request a study on the intersection by sending a letter to CDOT; the study would also be paid for by CDOT. At first glance, engineers from FHU estimated it would cost around \$1.5 million to move the signals on the southeast and northeast corners to expand the space within the intersection. However, a roundabout at this intersection may not be possible due to right-of-way constraints.

III. Street Light Poles on Main Street

Staff is working with CDOT to examine the various options to replace the cobra head poles on Main Street. From Chimney Park Dr. to 17th Street, there are a **total of 55 cobra head street lights**. In the downtown district alone, there are 18 total cobra head street lights. The estimated cost of changing existing poles ranges from **\$3,000 - \$5,000 per pole** based on style.

Staff recommends installing the modern “shoebox” style light pole in either black or brown.



Example of shoebox light pole

IV. 13th Street Pedestrian Crossing

Part of the Poudre River Trail Alignment is to include a pedestrian crossing at WCR 13. There is \$30,600 in the 2016 Capital Improvement Plan to move the trail crossing south of the river bridge WCR 13. Staff is currently working with the River West Home Owner Association for an easement for the trail relocation and believes an agreement will be reached in the next few weeks. If funds were allocated, the project could begin this year.



13th Street Pedestrian Crossing Location

JAMES M. MOCK, PLLC

MAILING ADDRESS: P.O. BOX 11196
BOULDER, COLORADO 80301

TELEPHONE: 303-915-3289
E-MAIL: JIM@MOCKLAWOFFICE.COM

MEMORANDUM

March 2, 2015

VIA HAND DELIVERY

TO: Town Board
Kelly Arnold, Town Manager
Ian McCargar, Town Attorney
Town of Windsor

FROM: James M. Mock

RE: **Title 32 Metropolitan District Review**

This Memo is intended to pick up where my presentation this evening left off, and it presumes some familiarity with how metro districts function. The memo starts broad, reviewing some of the general policy assumptions and issues I raised this evening, and then it lists some of the more detailed issues we will look at once the Town Board has given its sense of where it wants the Town to fall on the “spectrum” of metro district options available to municipalities.

If you are pressed for time, I recommend you at least see the “Policy Questions” which begin on page 3.

Normal District Practices, Policy Assumptions, Analysis, and Opinions

The following adds some additional analysis to the “Common (although not unanimously shared) Assumptions and Beliefs” portion of this evening’s discussion.

1. Metro districts are common throughout the Front Range. Some municipalities lay little, if any, regulatory scheme over the minimum standards set forth in the Special District Act, while some municipalities, like Fort Collins and Boulder, have rarely if ever authorized them. Some municipalities charge metro districts ongoing fees related to monitoring costs or as a source of revenue for public improvements.

2. Metro districts can enhance the quality and affordability of a community. They offer a way to stretch-out over time the cost of public improvements, and I believe this deferred payment enables a level of affordability at a quality point that might not otherwise be possible without a metro district. However, I am not aware of any independent studies that make the case, one way or another, that desirable and affordable development is not possible without a metro district. Such studies may exist; I simply haven't dug deep enough to find any.
3. A metro district is controlled by the project's developer until the developer has secured maximum repayment of its public infrastructure costs associated with the project. Residents have little to no meaningful control before this time.
4. The TABOR amendment's restrictions on taxation and spending are a "ceiling" protection for property owners, but it is generally inconsequential for a metropolitan district financing. The TABOR election is conducted under the developer's control and a district's bonding authority and power to levy ad valorem property taxes is established well before the time the first "end owner" acquires property.
5. A developer will usually contract for and finance public infrastructure and then convey the improvements to the municipality, district or owners' association. The developer, through its control of the metro district board, will cause the metro district to enter into a reimbursement agreement that obligates the metro district to pay the developer the costs of the infrastructure, plus interest, at such time as the metro district has available funds (either via bond issuance or present tax revenues). This is self-dealing, but it is legal and common, and there are some laws in place and developed practices to mitigate some of the risks inherent to this self-dealing.
6. Metro districts are difficult for a lay-person to understand and may seem like a non-transparent, "black box" to property owners. As such, it is possible if not likely that metro district tax and fee burdens are not reasonably factored into a residential buyer's bargaining purchase price. Municipalities should consider the degree to which they want to ensure that metro districts are fair to homeowners.
7. Metro district taxation is a significant contribution to a property's total ad valorem tax burden. This tax burden may "crowd out," or "soak up," a community's willingness to tax itself to pay for additional public services, such as fire protection, schools, recreation, and general municipal needs.

8. Metro district proponents will frequently take the position that the existence of a metro district causes developers to sell property for less than they would otherwise sell. There is some truth to this statement; however, it can also be misleading. The reality is likely more nuanced. In my view, a developer and a homebuilder will sell a platted lot or home for the maximum amount that the market will bear. A developer or homebuilder will not leave money on the table simply because the developer will be making money from a metro district reimbursement. Put another way, I submit that there is not a direct relationship between the face amount of district debt and the purchase price paid at the initial sale of a home (i.e., by loading \$1 of the cost of public improvements off on a metro district, there is not a corresponding drop of \$1 in the price of an initial sale of a home). I do not see an inherent problem here; however, it is important for policy makers to understand that infrastructure costs that are transferred to a metro district do not have a direct correspondence to the price at which a home is sold.
9. The process by which a metropolitan district expends funds and reimburses its developer for public infrastructure improvements is an exercise in legal self-dealing. A set of practices have evolved to address the potential of developer overreaching, and, in my view, the professionals that advise and manage districts do a good job of policing the line between proper public expenditure and misuse of public funds. However, opportunity still exists for mischief, and some communities regulate more stringently in this area.

Policy Questions

The following is a list of questions that municipal leaders should ask themselves from time to time with regard to metro districts. Your response to these questions will be our guidance for developing proposed changes to the Town's Model Service Plan.

1. How does the Town ensure a continued healthy balance between protection of property owners and the facilitation of desirable development?
2. To what extent should the Town allow developers to be "*made whole*" by metro districts? Is the purpose of a metro district in Windsor to enable a developer to recover all of its public infrastructure costs from the district, or is the purpose of a metro district to simply provide a limited tool to reduce some of the developer's risk and to deliver a more enhanced community? Put another way, should the Town's policy toward developers be something like: "*we will allow you to pull a*

limited income stream from this community for 20 or 30 years and you will have to make do with it” or “we will allow you to charge and re-coup whatever the market and state law will allow”?

3. Should the Town no longer authorize new metro districts?
4. Should the Town allow metro districts to the full extent of state law (including unlimited mill levies)?
5. Should the Town continue to fall somewhere between “no metro districts” and “do whatever state law allows”?
6. Should the Town only allow metro districts to finance specific, identifiable *enhancements*?
7. Should metro districts exist primarily to simply finance infrastructure, or should they be allowed to provide various ongoing community services after the infrastructure has been completed and dedicated?
8. Should the Town allow metro districts to charge the commonly-allowed 50 mills for debt service or should the Town strive to keep metro district tax burdens distinctly lower than those of other communities?
9. How long should property in Windsor be taxed to pay for its initial public infrastructure?
10. Should the Town require additional safeguards to ensure that metro district funds are spent only for public purposes?

The Take-away/Next Steps

After receiving your views on the proper role of metro districts in Windsor at our next meeting, we will then move to possible changes to the Town’s Model Service Plan. Some of the items have been broached and approved or disapproved in the limited context of the first Harmony Ridge Service Plan and RainDance-Service Plan reviews. The remainder of this memo lists items to be considered as a preview of the next area of discussion.

Issues to be covered will likely include:

1. Substantive and procedural limitations on developer reimbursements
2. Limitations on a taxing district's ability pledge its taxing authority to a master district
3. Continuation of "enhancements" requirement
4. Hard limit on the number of years a property can be subject to a debt service mill levy
5. Require bonds/loans to include debt forgiveness clause after debt service mill levy period expires
6. Review and set hard mill levy cap
7. Review "sliding mill levy" concept approved in RainDance
8. Mandatory review period x days from submission to hearing on Service Plan or amendment, subject to limited conditions
9. Deposit and Fee. Increase the Deposit for review of new Service Plans and major amendments
10. Amendments
11. Charge an annual fee
12. Town approval of Inclusion-Area and internal boundary changes
13. Access to district amenities by general public

I believe the Town Board has previously weighed in decisively on the following issues, and, absent a request from the Town Board or the Developer community to re-visit an issue, the following items will be included in my final list of recommended changes to the Model Service Plan.

List of Previously Approved or Disapproved Changes

1. A \$2,500 capital improvement fee payable on the sale of every dwelling unit

2. Ongoing operations and maintenance activities are allowed (special consent not necessary)
3. Removal of the 25-year "re-application" to provide operations and maintenance services
4. Bankruptcy limitation
5. Pledge in excess of Maximum Aggregate Mill Levy is a material modification
6. Limitation on subdistricts
7. Limitation on special improvement districts
8. Additional Annual Report items
9. Service Plan IGA
10. Town Board retains approval of use of eminent domain

I look forward to discussing the matters raised in this memo with you.



FUTURE TOWN BOARD MEETINGS
Work Sessions & Regular Meetings will be held in the Board
Chambers unless otherwise noted.

April 27, 2015 5:30 p.m.	Town Board Work Session Joint Work Session with Parks, Recreation & Culture
April 27, 2015 7:00 p.m.	Town Board Meeting
May 4, 2015 6:00 p.m.	Town Board Work Session Weld County Cooperative Planning Agreement discussion Water Conservation Plan Update
May 11, 2015 5:30 p.m./1 st floor conference room	Board/Manager/Attorney Monthly Meeting
May 11, 2015 7:00 p.m.	Town Board Meeting Kern Board Meeting
May 18, 2015 6:00 p.m.	Town Board Work Session NISP update – Brian Werner, Northern Colorado Water Conservancy District
May 25, 2015	Memorial Day
May 26, 2015	Town Board Meeting - Tentative
June 1, 2015 6:00 p.m.	Town Board Work Session Update on RTA projects and meeting with development representatives of PeliGrande
June 8, 2015 5:30 p.m./1 st floor conference room	Board/Manager/Attorney Monthly Meeting
June 15, 2015 7:00 p.m.	Town Board Meeting
June 22, 2015 6:00 p.m.	Town Board Work Session
June 29, 2015	5th Monday
July 6, 2015 6:00 p.m.	Town Board Work Session
July 13, 2015 5:30 p.m./1 st floor conference room	Board/Manager/Attorney Monthly Meeting
July 13, 2015 7:00 p.m.	Town Board Meeting Kern Board Meeting
July 20, 2015 6:00 p.m.	Town Board Work Session
July 27, 2015 6:00 p.m.	Town Board Work Session

July 27, 2015 Town Board Meeting
7:00 p.m.

Additional Events

April 23, 2015 Joint meeting with Weld County Commissioners & Town of Severance; CRC –
attending Vazquez, Melendez, Adams, Arnold

May 1, 2015 Joint meeting with Larimer County Commissioners; CRC – attending Vazquez,
Baker, Melendez, Adams, Morgan, Arnold

May 18, 2015 CML District Meeting; Fort Collins - Adams

June 16-19 Colorado Municipal League; Breckenridge – attending Vazquez, Baker,
Melendez, Adams, Morgan, Rose, Arnold

Future Work Session Topics

Development Review Discussion of Commercial/Industrial Preference vs. Residential
Parking Code Amendments