



**TOWN BOARD REGULAR MEETING**  
November 14, 2016 - 7:00 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.

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MINUTES

A. CALL TO ORDER

Mayor Melendez called the meeting to order at 7:05 p.m.

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| 1. Roll Call | Mayor<br>Mayor Pro Tem | Kristie Melendez<br>Myles Baker<br>Christian Morgan<br>Ken Bennett<br>Paul Rennemeyer<br>Brenden Boudreau<br>Ivan Adams |
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Also Present:	Town Manager Town Attorney Communications/Assistant to Town Manager Chief of Police Director of Engineering Communications Manager Director of Finance Director of Economic Development Chief Planner Senior Planner Deputy Town Clerk	Kelly Arnold Ian McCargar Kelly Unger Rick Klimek Dennis Wagner Katie Van Meter Dean Moyer Stacy Johnson Carlin Barkeen Josh Olhava Krystal Eucker
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- Pledge of Allegiance  
Town Board Member Bennett led the Pledge of Allegiance.
- Review of Agenda by the Board and Addition of Items of New Business to the Agenda for Consideration by the Board  
**Mayor Pro Tem Baker moved to modify the agenda by the addition of Item C.4, a Public Hearing to satisfy the requirements for Community Development Block Grant Funding of the John Law Residential Flood Risk Reduction Project; a legislative matter that requires no action by the Town Board in response to comments presented; Town Board Member Bennett seconded the motion. Roll call on the vote resulted as follows: Yeas –Baker, Morgan, Bennett, Rennemeyer, Boudreau, Adams, Melendez; Nays- None; Motion passed.**
- Mayor Melendez read the National Adoption Day Proclamation.  
Jackie Underwood, 315 N 11<sup>th</sup> Avenue, Greeley, CO appreciated the proclamation being read and it is anticipated to have 40 adoptions completed in 2016.
- Board Liaison Reports

- Mayor Pro Tem Baker – Parks, Recreation & Culture Advisory Board; North Front Range/MPO alternate  
Mayor Pro Tem Baker reported the call of projects passed at the MPO meeting with Windsor have one project; an intersection improvement at State Highway 257 and Eastman Park Drive. A presentation was made on the MPO's new website. Colorado will receive \$61 million from the Volkswagen Proposed Partial Consent Decree and the Governor has designated the Colorado Department of Public Health and Environment as the agency that will manage the funds. The MPO released a request for an auditor and only one firm submitted so they will be interviewed. The Fix North I-25 funding sub-committee is scheduled for December 2, 2016 and on December 7, 2016 the I-25 Collation will hold a meeting with state legislature. MPO's Terry Blackmore will be making a presentation to the Windsor Town Board in January on what is happening with the MPO.
- Town Board Member Morgan – Water & Sewer Board; Clearview Library Board  
Town Board Member Morgan reported the Library Board discussed their budget increasing but also the number of individuals being served has increased; 287,000 individuals in the Clearview Library District. The Board is also looking at ways to include Severance with drop box style vending machines for some products from the library. The Board is also looking at ways to work with school district and some of their programs.
- Town Board Member Bennett – Planning Commission; Windsor Housing Authority  
Town Board Member Bennett has no update.
- Town Board Member Rennemeyer – Historic Preservation Commission; Great Western Trail Authority.  
Town Board Member Rennemeyer reported the Great West Trail Authority discussed the new trail manager position and a trailer was purchased to spray weeds on both sides of the trail.  
Mr. Rennemeyer reported the Historic Preservation Commission met and discussed the church survey which will be presented to the Town Board at the December 5, 2016 work session.
- Town Board Member Boudreau – Chamber of Commerce; Planning Commission alternate  
Town Board Member Boudreau had no report.
- Town Board Member Adams – Tree Board; Poudre River Trail Corridor Board  
Town Board Member Adams gave a reminder of the Tree Board meeting on November 22, 2016; the Poudre River Trail Corridor Board retreat on November 20, 2016 and the Poudre River Trail Corridor Board Volunteer Recognition Dinner is scheduled for December 7, 2016.
- Mayor Melendez – Downtown Development Authority; North Front Range/MPO  
Mayor Melendez reported the next Downtown Development Authority meeting is scheduled for November 16, 2016. The Downtown Development Authority and the Clearview Library are partnering on November 26, 2016 for Small Business Saturday.

6. Public Invited to be Heard

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

B. CONSENT CALENDAR

1. Minutes of the October 24, 2016 – K. Eucker

2. Resolution No. 2016-74 - A Resolution Approving and Adopting the Second Amendment to First Amended Intergovernmental Agreement between the Town of Windsor and City of Fort Collins with Respect to the Development of the Interstate 25/State Highway 392 Interchange – I. McCargar
3. Report of Bills – D. Moyer  
**Town Board Member Adams moved to approve the consent calendar as presented; Mayor Pro Tem Baker seconded the motion. Roll call on the vote resulted as follows: Yeas –Baker, Morgan, Bennett, Rennemeyer, Boudreau, Adams, Melendez; Nays- None; Motion passed.**

#### C. BOARD ACTION

1. Resolution No. 2016-75 - A Resolution Approving an Amendment to Water Lease between the Town of Windsor, Colorado, and Front Range Energy, LLC
  - Legislative action
  - Staff presentation: Ian McCargar, Town Attorney

Per Mr. McCargar, Resolution Number 2016-75 is an amendment that has been negotiated over a lengthy period of time to modify the amount of water that the Town of Windsor delivers to Front Range Energy (FRE) under a lease that was signed when Front Range Energy became the first tenant in the Great Western Industrial Park.

That water lease incentive for FRE to come to Windsor was a 99 year lease in which Windsor would deliver up to 500 acre feet of water annually to augment FRE's well depletions on their property. Over the course of time, Windsor came to an understanding with FRE that they really didn't need the full 500 acre feet and it is unlikely that they would ever need the full 500 acre feet so the first step was to negotiate a reduction in the amount of acre feet of water that the town will provide under this lease.

The lease has FRE paying the full 99 years' worth of water in the first 10 years of the lease; \$400,000 up front and then \$160,000 per year for 10 years which is a \$2 million payment to the Town for that augmentation water. Since Windsor is reducing the amount of water they will provide to FRE, the price FRE would pay for water was reduced. FRE will be paid for the reduction of water they receive by forgiving their 2016 payment and then Windsor will write a check to FRE for \$100,000 at the beginning of 2017.

The lease will also expand what FRE can do with the water that they are pumping out of their wells. The original lease said that FRE could only use the water on their property and that has now been expanded to include any property within the corporate limits of the Windsor. The idea behind that is that the lease originally was an incentive to bring business to Windsor so as long as that water is being applied beneficially to some use in Windsor; the intent of that incentive agreement was being met.

Also, it has been clarified that the source of the water that is provided to FRE under this lease can be from any source that is legally available to the Town. There was some difference of opinion with FRE over whether the water had to come from the Town's senior water right but it has been clarified that in this document that the Town can provide FRE with the 435 acre feet per year from any source that is legally available to the Town.

Approval of Resolution Number 2016-75 is recommended.

Mr. Baker inquired if Windsor is essentially buying back the 65 acre feet of augmentation.  
Mr. McCargar stated that is correct.

Mr. Morgan inquired if FRE could sell the water to a 3<sup>rd</sup> party within Windsor's town limits.  
Mr. McCargar stated a lengthy discussion took place regarding that concern and Windsor inquired as to where the water would go if it was sold and what that purpose would be. When discussions regarding this agreement originally took place, there was a high demand for water related to the energy industry and the tension was that FRE wanted to take advantage of that market and Windsor wanted to stick with the term that required it to be used on their property; a compromise to use the water within Windsor town limits was reached.

Mr. Morgan inquired if they can sell the water for any use as long as it in Windsor town limits.  
Per Mr. McCargar; that's correct.

Mr. Morgan inquired if the water itself needs to stay in the town or can it be sold to individuals that own companies in town and transport it elsewhere.  
Mr. McCargar stated the place of use must be in town limits.

Mr. Morgan inquired if there is a report they provide that details the water that has been used.  
Mr. McCargar stated every year FRE informs the Windsor as to what is needed for augmentation and that is tied to how much they have pumped out of the ground; historically it has been between 200-300 acre feet per year.

Mr. Morgan inquired if a report will be received on who will be purchasing the water.  
Mr. McCargar stated Windsor could ask for document to verify FRE is complying with the terms of the agreement.  
Mr. Arnold stated there is no mandatory report.  
Mr. McCargar stated if the numbers stray from what has historically been the demand for ethanol production out of that plant, Windsor can require more information.

Mr. Morgan inquired as to where the water is stored.  
Mr. McCargar stated it is being stored at Kyger Reservoir although that water may be pulled from other legal water sources.

Ms. Melendez inquired as to how the process would work if FRE would need additional shares in the future.  
Mr. McCargar stated it would be the same as any other water lease.

**Town Board Member Morgan moved to approve Resolution No. 2016-75, Town Board Member Adams seconded the motion. Roll call on the vote resulted as follows: Yeas –Baker, Morgan, Bennett, Rennemeyer, Boudreau, Adams, Melendez; Nays- None; Motion passed.**

2. Resolution No. 2016-76 - A Resolution Approving an Agreement for Certain Economic Inducements and Development Incentives Between the Town of Windsor, Colorado, and

Windsor Hotel Partners, LLC, with Respect to the Development of Property for Commercial Purposes Within the Town of Windsor

- Legislative action
- Staff presentation: Stacy Johnson, Director of Economic Development

Per Ms. Johnson, Resolution Number 2016-76 relates to an incentive agreement with a Kana Hotel Group which will be known in Windsor as Windsor Hotel Group LLC once formed and the land is purchased.

The incentive request was received in August in the form of construction of a three hotel project. One hotel is a stand-alone facility and the other two are in a joint facility with meeting space. The total projected investment is currently at \$30 million. Both hotels will total over 200,000 square feet and will have 100 direct full time employees.

The location of the two hotels is approximately Crossroads Boulevard and Fairgrounds Avenue, east of the 7-Eleven.

The incentive request received in August included assistance in fee waivers and reimbursements of up to \$750,000 and to also do a 50% sales tax share back. The total amount Windsor could provide in incentives is approximately \$673,000. Fees being charged by the Loveland/Fort Collins Sanitation District include a four inch line totaling \$400,000.

Alpesh Patel is unable to attend the Town Board meeting although the developer, Martin Lind will speak on Mr. Patel's behalf.

Martin Lind, 29480 County Road 13, Windsor, CO the development of the new three hotels is a result from the Regional Tourism Project (RTA). Mr. Patel is very excited about the Windsor market. The goal was to complete the project in one phase but it will need to be completed in two phases.

Mr. Patel's companies are claimed by Hilton and Marriott and acclamation letters have been received from all the flags that he runs. Kana currently has 1400 rooms under construction.

Along the I-25 corridor from Harmony Road to the Johnstown exit, the retail market is very aggressive and that does include investives.

The incentive agreement for the Summit was estimated to have a three year payback and that is ahead of schedule. The improvements that were done for the Summit project is allowing the hotel project to be on the fast track as the streets, water and dewer is already done.

There are some projects being discussed in close proximity to the site of the proposed hotels which include a movie theater. It is being anticipated that the Windsor side of Eagle Crossing will become a busy retail area over the next year.

Mr. Baker inquired as to what the hotel brands would be.

Mr. Lind stated it was known what they would be but one hotel back out and Mr. Patel is currently in negotiations with other hotels.

Mr. Baker commented a concern of his was having a hotel advertise weekly rates.  
Mr. Lind stated there will not be a weekly rate hotel built.

Mr. Baker inquired if they will maintain ownership of the property.  
Mr. Lind stated they will.

Mr. Baker commented that there has been discussion regarding expiring Windsor debt early so would any of the incentive impact that goal.  
Mr. Arnold stated it would come out of the general fund and most of the discussion regarding expiring debt comes from the capitol fund.

Mr. Baker inquired if there would be any increased costs to Windsor having the additional three hotels.  
Ms. Johnson stated there will be police requirements but as far as infrastructure, the roads will be built out to be taken over as public maintenance.

Mr. Baker inquired about the lodging tax collection reference that will reimburse the lodging tax 100% if Windsor imposes a lodging tax.  
Mr. Johnson stated that was a request made because it was an agreement that was signed with the hotel group.  
Mr. Lind stated Windsor does not have a lodging tax currently although Mr. Lind has a private lodging tax that is being imposed and in turn will be given back to Mr. Patel for the first 10 years as the enticement to choose this site over others in the region. If Windsor would pass a lodging tax, any remaining years up to 10 years would be passed back up to 3%.

Mr. Baker commented that there are other hotels in town and if Windsor asks residents to pass a potential lodging tax, their expectation could be that the tax comes back to Windsor although it wouldn't be.  
Mr. Lind stated because of TABOR, the question would need to go to the public and it is difficult to get taxes passed. At this point there has not been an interest to put a lodging tax on the ballot. The private lodging tax will go away if a Windsor lodging tax is created. The private lodging tax is permanent until Windsor adopts one if they ever do; ten years has been offered back to Mr. Patel.

Ms. Melendez inquired as to when the ten year term starts.  
Mr. Lind stated it will start when the first room is rented.

Mr. Morgan inquired as to access to the hotel off Crossroads Boulevard.  
Mr. Lind stated when improvements are completed for what will be known as Hospitality Drive on the east side of the project, a lighted intersection will be completed and Crossroads will be built to full capacity from Wagner equipment to I-25 as part of phase 2.

Mr. Boudreau inquired as to the concept of incentive agreement being created for a competitive edge.  
Mr. Johnson stated the incentive is two-fold. The Loveland/Fort Collins Water Sanitation District has passed exorbitant fees almost tripling the amount of fees on that site; almost \$400,000 for a four inch water tap. The incentive will help offset the fees it

will take to come onto that site. The hotels are also an attraction tool to bring other sales tax producing entities to Windsor. Other entities may be attracted to the area with the hotels. Currently, there is a 1,000 hotel room gap in Northern Colorado. More events could come to the region if there were more hotel rooms.

Mr. Arnold inquired if under the flag that the hotel flies will it read Windsor, CO.  
Per Mr. Lind; yes.

Mr. Arnold commented that there could be restrictions on the use of lodging tax to primarily be used for promotional purposes. Something could be discussed with the property owner for potential promotion of Windsor as well.

Ms. Melendez inquired if Mr. Patel is in agreement with the incentives in place.  
Mr. Johnson stated he has already signed the agreement.

Mr. Baker inquired if Mr. Lind would be willing to split the future lodging tax with Windsor.  
Mr. Lind stated if the Town adopts a lodging tax the private lodging tax will be waived.

**Town Board Member Bennett moved to approve Resolution No. 2016-76, Town Board Member Adams seconded the motion. Roll call on the vote resulted as follows: Yeas –Morgan, Bennett, Rennemeyer, Adams, Melendez; Nays- Baker, Boudreau; Motion passed.**

3. Introduction and Update on the Master Planning Process for The Ranch
  - Presenter: Bob Herrfeldt, Director

Mr. Herfeldt provided a presentation on the Master Planning process for The Ranch. Mr. Herfeldt stated the Ranch has been in operation for 14 years and holds approximately 2500 events per year. The development around The Ranch has been exciting.

The budget for The Ranch is approximately \$7.2-\$7.3 million and of that Larimer County contributes \$51,000 which is enough to offset the awards and judges for the Larimer County Fair.

The Ranch is now looking ahead for the next 20 years. There are 250 acres at The Ranch and approximately 120 are currently developed which include the First National Bank Exhibition Hall, McKee Building, Budweiser Event Center and Ranch-Way Feeds Indoor Arena. The goal now is to consider growing the facility if that is what the community wants and if that is what they want how that will be funded.

A group of approximately 20-30 stakeholders of individuals that use or are impacted by the facility was created. The last 8-10 weeks have included many open houses and workshops to gather ideas on what is wanted at the facility and what is needed and also looking at the market and discussing what should be enhanced. Concerts and music/entertainment events are very desirable.

The next step in the process is to narrow down the information that has been received although there are still more workshops being held to receive information along with cost/benefit

analysis. Phase 4 of the project will take the information that has been compiled back out for public comment.

Mr. Baker inquired if public input is still being accepted and where citizen can go to provide that information.

Mr. Herrfeldt stated there are two workshops scheduled on November 16, 2016 at the Loveland Chilson Center and the second one is scheduled for November 17, 2016 at the Larimer County Courthouse in the hearing room. A website is also available for up to date information, <http://www.onegreatcountytoplay.com>.

Mr. Baker inquired as to what the vision is for County Road 5.

Mr. Herrfeldt stated he has heard that the extended built out is needed; the width of the road at Crossroads Boulevard will eventually extend up to Highway 392.

Mr. Morgan inquired if there will be any updates to the airport.

Mr. Herrfeldt stated he did not have much information on that.

4. Public Hearing to allow citizens to review and comment on the performance of the Town of Windsor in carrying out construction of the John Law Residential Flood Risk Reduction project which was financed with federal community development block grant funds provided by the State of Colorado.

**Mayor Pro Tem Baker moved to open public hearing; Town Board Member Boudreau seconded the motion. Roll call on the vote resulted as follows: Yeas –Baker, Morgan, Bennett, Rennemeyer, Boudreau, Adams, Melendez; Nays- None; Motion passed.**

Mayor Melendez invited the public to comment to which there was none.

**Town Board Member Boudreau moved to open public hearing; Town Board Member Adams seconded the motion. Roll call on the vote resulted as follows: Yeas –Baker, Morgan, Bennett, Rennemeyer, Boudreau, Adams, Melendez; Nays- None; Motion passed.**

#### D. COMMUNICATIONS

1. Communications from the Town Attorney  
None

2. Communications from Town Staff

Mr. Olhava stated enclosed in the packet material was memorandum as well as exhibits from the developer of the Highland Meadows Golf Course Subdivision 11<sup>th</sup> Filing which is a townhome development. This townhome development went through the major subdivision and site plan process and was approved by the Town Board. The project has commenced and the developer has requested modification to the elevations of the buildings as well as some upgraded material changes. The proposed request was before the Planning Commission in October for their feedback and is now before the Town Board for their feedback to see if this is an item that the Board would like staff to present as an action item in the future. If there are no concerns from the Town Board, the request could be handled administratively. Staff supports the proposed changes.

Mr. Morgan inquired as to what Ravenaa is that is on the list of roofing materials.

Mr. Olhava stated that is the name of the development.

Mr. Morgan stated there is another Ravenna in Colorado and inquired if they are involved.  
Mr. Olhava stated he is unaware.

Ms. Melendez inquired as to the motivation for the changes.

Mr. Olhava stated they wanted it to look a little different since what was originally approved was similar to another development in Windsor.

Ms. Melendez commented that the request could be handled administratively.

Mr. Arnold stated one call that he has been receiving has been concerns for Power to Play that is in that neighborhood. The Board did approve a small variance as to how the building will look and there is some concerns regarding how it will look.

3. Communications from the Town Manager

Mr. Arnold reminded the Town Board of the Kern Board meeting immediately following the close of the meeting and the joint meeting with the Town of Windsor is scheduled for November 17, 2016 and welcomed Board Members to attend.

4. Communications from Town Board Members

Mr. Baker recognized the Fossil Ridge Women's Volleyball team as they won the state championship.

Mr. Adams congratulated the Windsor High School football team as they are in the quarter finals.

E. ADJOURN

- F. Town Board Member Morgan moved to adjourn; Mayor Pro Tem Baker seconded the motion. Roll call on the vote resulted as follows: Yeas –Baker, Morgan, Bennett, Rennemeyer, Boudreau, Adams, Melendez; Nays- None; Motion passed.**

The meeting was adjourned at 8:57 p.m.



Krystal Eucker, Deputy Town Clerk