



## TOWN BOARD REGULAR MEETING

October 26, 2020 - 7:00 PM

Town Board Chambers, 301 Walnut Street, Windsor, CO 80550 Zoom Meeting, Click on the link <https://windsorgov.zoom.us/j/97075017029?pwd=VkhHQlJ6dkMrZGhWMHdtTExJek5qZz0> OR join by telephone at (888) 788-0099 or (877) 853-5247 - Webinar ID:970 7501 7029

### MINUTES

#### A. CALL TO ORDER

Mayor Rennemeyer called the meeting to order at 7:00 p.m.

##### 1. Roll call

Mayor Paul Rennemeyer  
Mayor Pro Tem Ken Bennett  
Scott Charpentier  
Barry Wilson  
Julie Cline  
Victor Tallon  
David Sislowski

Also Present:

Shane Hale, Town Manager  
Ian McCargar, Town Attorney  
Jessica Humphries, Admin Services Director  
Scott Ballstadt, Director of Planning  
John Thornhill, Community Development Director  
Eric Lucas, Public Services Director  
Stacy Miller, Economic Development Director  
Leif Lesoing, Water Resource Administrator

##### 2. Pledge of Allegiance

Mayor Rennemeyer asked that all rise for the Pledge of Allegiance.

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

**Mayor Pro Tem Bennett moved to approve the agenda, Town Board Member Tallon seconded the motion. Roll call on the vote resulted as follows; Yeas - Bennett, Charpentier, Cline, Rennemeyer, Sislowski, Tallon, Wilson; Motion Passed.**

##### 4. Proclamation

- Honorable Harold Stoll Proclamation

Mayor Rennemeyer read aloud the Honorable Harold Stoll Proclamation.

##### 5. Board Liaison Reports

- Town Board Member Charpentier - Chamber of Commerce, Clearview Library Board

Town Board Member Charpentier reported that the library board will be meeting in a few days, so no update.

Town Board Member Charpentier reported that the Chamber is continuing to have grand openings and ribbon cuttings. The next meeting will be next week.

- Town Board Member Wilson - Planning Commission, Larimer County Behavioral Health Policy Council

Town Board Member Wilson reported that neither group has met since the last meeting so there are no updates at this time.

- Mayor Pro Tem Bennett – Water and Sewer Board, 34, and I-25 Coalitions

Mayor Pro Tem Bennett reported that the Water and Sewer Board met a couple of weeks ago, and topics included an update on the MS4 program, as well as a unique sewer lift station at Village East.

- Town Board Member Cline – Tree Board, Poudre River Trail Corridor Authority, Historic Preservation Commission

Town Board Member Cline reported that the Tree Board will be meeting tomorrow and will have an update at the next meeting.

Town Board Member Cline reported that the Historic Preservation Commission met on October 14th and reviewed a letter that was put together to reach out to the local historical areas in Windsor to see if they would be interested in getting on the historic registry and list their homes. Also, the Commission reviewed the annual report for the Historic Preservation Commission.

Town Board Member Cline reported that the Poudre River Trail Corridor Authority meets every other week and at the last meeting, cited and trademarked a new name of the Poudre River Corridor Inc.; also, they are looking at other names to see if they want to trademark any others. The Authority is looking at a marketing program. Still looking for a Windsor representative to sit on the Authority.

- Town Board Member Tallon - Parks, Recreation and Culture Advisory Board, Great Western Trail Authority

Town Board Member Tallon reported that there are no updates as the boards have not meet since the last meeting.

- Town Board Member Sislowski - Windsor Housing Authority, Windsor Severance Fire District

Town Board Member Sislowski reported that there is no update on the Fire District.

Town Board Member Sislowski reported that the Housing Authority did have their monthly meeting on October 20th. There are two new Commissioners who were appointed and they were introduced. There was an election of officers with Frankie Cole taking over as Chair and Jake Martin as Vice-Chair. Diana Frick was appointed the Secretary and Lindsey Gilliam will be the Treasurer. Nancy Salazar who had been the chair of the Housing Authority, was attending her last meeting. Lindsey Gilliam also announced that she will not join the board again after the April, 2021 term. Sherri Millman will be retiring at the end of the year. There is a joint engagement for a new Windsor Housing study that was proposed and approved by the Housing Authority.

- Mayor Rennemeyer - Downtown Development Authority, North Front Range MPO

Mayor Rennemeyer reported that there has not been a North Front Range MPO meeting

since the last meeting.

Mayor Rennemeyer reported that the Downtown Development Authority met last Wednesday and heard a presentation from Michelle Vance from the Chamber regarding a brand-new event — a wine and chocolate walk on February 6th. The DDA board is partnering with the Chamber for that event. The DDA passed a resolution to support ballot measure 3A for the lodging tax as well as a presentation from Ditesco regarding the 400-alley block of the backlots project where the board approved \$170,000 to have Ditesco study the alleyway improvements. The DDA had an update on the 512 Ash demolition; it has been discovered that there are remnants of asbestos within ten to fifteen feet of the existing building which needs to be cleaned up.

6. Public Invited to be Heard

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

B. BOARD ACTION

1. Resolution 2020 - 79 - A Resolution approving the D&R Investments, LLC (Harris Constructors) Incentive Agreement

Economic Development staff met with representatives from Harris Constructors in September of 2020. Harris Constructors is a design build construction company focusing on commercial construction specializing in medical, office, restaurant and retail spaces. They operate by a code of ethics for their clients and value communication, custom building and focus on tailoring each project to the vision and budget of their clients.

They are currently leasing space in Greeley, but are looking to build or purchase an existing facility in Northern Colorado. In 2019, they purchased a lot of in Diamond Valley Business Park, but after receiving the Windsor fee estimate, they are now also considering purchasing a building or building a new building in Greeley.

Harris Constructors would like to start building their facility immediately. They have 9 current employees and plan on adding 3-5 more in the first two-three years after they are open. They also had plans to build a slightly larger footprint than they currently need with plans to attract another company to lease that space until they need it for themselves.

Below is a project review:

Harris Constructors New Development Project

Total Initial Project Investment (land, building): \$2,000,000

Building Size: 10,000 sq. ft.

(Plus, 5k mezzanine)

Total building project cost: \$2,000,000

10-year net fiscal economic impact: \$186,144

(Includes personal property tax)

Average employee Salary: \$70,000

Health Benefits: \$300/ month by company

New Full-time jobs relocated: 9

New Full-time jobs: 3-5

Per Ms. Miller, Harris Constructors is a local commercial builder in the region. They have found lot and purchased it at 975 Automation Drive. Tonight, staff is bringing forward the proposal and request from Harris Constructors. This project is a fifteen-thousand square foot flex building with a total project cost estimated to be around two-million dollars. The main use for the project is office and warehouse. They have asked for two different development fees to be waived, the Windsor Administration Fee and the Windsor Use Tax Fee. They are also asking for two fees

to be reimbursed, the Water and Sewer Plant Investment Fee and the Windsor Drainage Fee which would not be reimbursed until sixty days after certificate of occupancy. The total amount of fees waivers and reimbursements would be \$43,242.60. The effect on the Economic Development Fund in 2021 would be \$17,825.60. Staff is requesting approval of resolution 2020-79.

**Town Board Member Tallon moved to approve Resolution No. 2020-79, Town Board Member Wilson seconded the motion. Roll call on the vote resulted as follows; Yeas - Bennett, Charpentier, Cline, Rennemeyer, Sislowksi, Tallon, Wilson; Motion Passed.**

2. Resolution 2020-80 - A Resolution approving an agreement for the purchase and sale of real property between the Town of Windsor as Buyer and the Harold J. Stromberger and Deborah L. Stromberger Trusts as Sellers.

The Stromberger Farm is located at 9910 Highway 392 in Windsor, Colorado at the intersection of Highway 392 and Weld County Road 21. The farm is approximately 140 acres distributed between four parcels. Three of the parcels are south of Highway 392, with the fourth located at the NE corner of HWY 392 and Weld Country Road 21. The farm also includes: 5.3 shares of New Cache la Poudre Irrigating Company, 12 shares of Cache la Poudre Reservoir Company, and three decreed irrigation wells.

The Stromberger farm is currently for sale at an asking price of \$3.95 million. The acquisition of the farm will meet two objectives from the Town's Strategic Plan:

- Strategic Growth – Establish community separators and preserve open space
- Sustainable Infrastructure – Provide a safe and reliable water supply for the current and future community

Legal notes:

The Recitals identify the parties and the property being transferred to the Town. The property includes the land, buildings, identified water rights and irrigation wells identified in Exhibit A.

The purchase will not include oil and gas rights, growing crops or mobile tools/equipment/implements. The grain bins will be removed before closing. The portion of the large shop building that currently encroaches into the property to the east will be removed before closing.

The Town will tender earnest money of \$100,000 upon execution of the agreement, and "Additional Consideration" of \$1,000. Each of these deposits are applied to the purchase price at closing. The Additional Consideration is non-refundable if the transaction falls apart for any reason. This is basically an allowance for the Seller's legal expenses related to contract review.

The Sellers must provide us with a long list of documents and data routinely required of sellers, including documentation of water rights, oil & gas-related agreements, and any contracts affecting the land. These are often referred to as "off-record" documents that could have a material bearing on the transaction.

The Town will have due diligence rights for a period that runs through December 1. The Town will have this time to inspect the property, evaluate the water rights and well rights, conduct environmental studies on the property, survey the property, evaluate title to the property, and make any objections based on this groundwork. Each of these components allow the parties to either work around issues cooperatively, or walk away from the transaction. Termination under these due diligence rights entitles the Town to return of the earnest money. We will have until December 14 to resolve any inspection or title issues. This corresponds with the last regular Town Board meeting of the year, and allows TB this final opportunity to approve the transaction as it ultimately unfolds.

The agreement is clear that the Town takes the property "as is" without warranties, absent some agreement otherwise. This is attributable to our right to full due diligence, which presumably protects us from unknown problems. Our rights of inspection/due diligence are our protection in

this transaction. However, the agreement contains a number of environmental representations by the Sellers. This is important because we know the property has been used for oil and gas extraction and agricultural chemical application. We will be retaining an environmental firm to conduct in-depth study of the property to assure that we have reliable information on potential contamination.

Closing is dependent on two unique conditions under this agreement:

- Escrow of \$20,000 to cover our costs in case the shop building encroachment has not been removed by closing. This escrow assures the Town will have the ability to address the encroachment with a reimbursement from the Sellers.
- Negotiation of a 16-month post-closing farm lease of the property with a third party. We have been asked by the Sellers to work out the terms of the future farm lease before we close. We already have a draft farm lease in circulation.

Closing costs and the basic title insurance policy will be split equally at closing.

Per Mr. Thornhill, this is the Stromberger Farm water acquisition, a unique opportunity for the Town. This property is located on the East side of town and is four parcels which is approximately one-hundred- and forty-acres total. The farm does include 5.3 shares of The New Cache La Poudre Reservoir Company, as well as 12 shares of the Cache La Poudre Reservoir Company. The land also includes four wells, three of which are irrigation wells and the fourth well is a domestic well that is attached to the house. The asking price is \$3.95 million and staff is recommending approval of this resolution and transaction.

Mayor Rennemeyer asked what some of the items were that might come up during the due diligence. Mr. Thornhill responded that one of the main things is doing a share trace on the water rights to make sure those shares have always been used on the property and looking for anything that may make it difficult to change the water in court at a later date. Also looking for environmental reasons that may need to be cleaned up. Mayor Rennemeyer asked if the resolution is approved tonight and the due diligence comes back okay, does staff know what yearly maintenance might be on the property which would need to be added to the budget. Mr. Thornhill responded that typically what has been done in the past is whoever the tenant is on the lease will be responsible for the maintenance, there wouldn't be a lot of cost to the town if going that route. Mr. Hale stated that in the short-term, that route is the recommendation of staff. Mayor Rennemeyer asked if staff had any idea of what kind of yield the crop might bring back to the Town as far as income. Mr. McCargar stated that the Town would lease the property back to a related entity to the sellers for the first sixteen months after the Town takes title and it will be a wash. The farmer will maintain the property, will operate the farm as it has been, then the Town will have to decide to renew that lease or a similar one.

Town Board Member Wilson stated that he was happy to see the environmental study given the oil and gas event that happened in 2017. Town Board Member Wilson stated that he is very supportive of this deal and there are so many positives for the Town. Town Board Member Wilson asked if staff knew of the status of the Extraction lease that is on the property. Mr. McCargar stated that once we sign a contract, it triggers an obligation by the sellers to give the Town documents and is expecting to get information about that surface use agreement for the property as well as the lease terms for the minerals even though the Town is buying it. Mayor Rennemeyer stated that none of the land, that is being discussed, come, with mineral rights. Mr. McCargar stated that the Town is not buying oil and gas rights, but is buying sand and gravel rights.

Town Board Member Charpentier stated that he is in support of this and asked if something comes back on the environmental report, will it be accepted or will we make the sellers clean it up? Mr. Hale stated that the environmental study lets the Town know that either there is nothing to be concerned about or that the property needs to go to phase two and look deeper. Mr. McCargar responded that he believes that phase one will reveal that stuff has been going on because of the oil on the property and believes that there will be a need for a phase two. Town Board Member Charpentier asked that since we do not have the mineral rights on the property,

if it means that they can come back and put oil wells on the property at any time they want? Mr. McCargar stated that because they have surface use on the property under an existing surface use agreement, that is where it is going to be. The Oil and Gas Conservation Commission will not permit another drilling site on that property and the one that is there is it.

Mayor Rennemeyer asked where in the process do we get an appraisal on the property. Mr. Thornhill stated that the Town did not have it formally appraised but did place calls around to different entities that are buying farm and water purchases and got those values and are very comparable prices. Mr. Hale responded that in addition to those phone calls, Water Resources back end valued the water and tried to determine a price for that and then staff also looked at a price per acre estimate. Mayor Rennemeyer stated that this is staff's recommendation or best educated decision that the Town will be paying a fair price, if this is approved. Mr. Hale responded yes that based on staff analysis, this is a fair price.

Town Board Member Sislowski stated that in the contract, there are statements about three wells, but when Mr. Thornhill was talking about the property, he mentioned a fourth well and wanted clarification if the fourth well needed to be added to the description of the property. Mr. Thornhill responded that the fourth well is just a domestic well that is attached to the residence so it will come with the property. Staff did not identify it in the description because it really wasn't used in the calculation of the value of the land. Town Board Member Sislowski asked if it is a permitted well. Mr. Thornhill responded that it is permitted and stated that it was added to the disclosure documents.

Mayor Rennemeyer stated the public needs to know where the funds are coming from to pay for the purchase. Mr. Hale responded that what really flagged this purchase for the town is the water and specifically addressing the Town's non-potable water needs, so the plan is for the water enterprise to purchase this land, then through the Parks master planning, we will help determine how else to use the property. It may become future open space, a future park, a future partnership with the high school and the FFA. If it becomes part park, then the parks piece will reimburse the Water Fund for the purchase of that land. If it becomes open space, it may be Capital Improvement Fund reimbursement to the Water Fund. One way or another, there will be reimbursement to the Water Fund but how it happens over the next twelve to twenty-four months will be a broader community discussion and looking at Town Board priorities.

Town Board Member Charpentier stated that the domestic well doesn't cover a lot, but asked if the irrigation wells were transferrable to another property if they will not be used. Mr. Thornhill responded that they will be used and they provide the majority of the water for the property now.

Mayor Rennemeyer asked if the road that comes down between the two properties, is a County road or a road that the Town will need to maintain. Mr. Thornhill stated that the Town already owns the easement on the road on the West side and will have to do some maintenance on that, and if there is a lease on that property, they will have to maintain it. Mayor Rennemeyer asked what the right of way acquisition would cost the Town to obtain without this purchase. Mr. Thornhill responded that he would estimate that it would cost the Town around one-million dollars.

Town Board Member Tallon stated that he believes that this will be a great acquisition for the Town.

**Town Board Member Tallon moved to approve Resolution no. 2020-80, Mayor Pro Tem Bennett seconded the motion. Roll call on the vote resulted as follows; Yeas - Bennett, Charpentier, Cline, Rennemeyer, Sislowski, Tallon, Wilson; Motion Passed.**

## C. COMMUNICATIONS

### 1. Communications from Town Attorney

Per Mr. McCargar, no communication to report.

2. Communications from Town Staff

Per Mr. Lucas, there was a significant snow storm of about ten inches that crews are wrapping up and should be complete sometime tomorrow. Staff was successful in reaching every street in the Town with the exception of cul-de-sacs, which are not typically done until around twelve inches. On the Facebook page several hours ago, staff posted about the Riverwalk coming since there will be the groundbreaking this week. The post set an all-time high for engagement on the Town Facebook page ever; there were almost twenty-thousand views and four-hundred comments. Town Board Member Charpentier asked if the reason staff can't plow cul-de-sacs is because the truck can't turn around. Mr. Lucas responded that there are over four-hundred cul-de-sacs in the Town and the trucks can't get turned around.

Per Ms. Miller, the Town has its mini-marketing grant program that is open until October 31st, so any business looking for reimbursement needs to get in their applications. The second round for Weld Business Recovery Fund has opened up and there has only been between fifteen and eighteen applications submitted on the second round of funding. This is an assistance program that is not required to be paid back. The Town has invested in that program and it closes on November 15th.

a. Windsor Police Department September 2020 Statistical Report

3. Communications from Town Manager

Per Mr. Hale, thank you to Town Board and staff for the meeting on Saturday for the operational budget. Mr. Hale stated that he thought it was a great day and went smoothly, and reminded the Board if there are any questions to let Mayor Rennemeyer or himself know so they can address them at the follow-up operational budget meeting.

4. Communications from Town Board

D. ADJOURN

**Motion Passed.**

Upon a motion duly made, the meeting was adjourned at 8:07 p.m.

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Karen Frawley, Town Clerk