

Memorandum

To: Mayor and Council
From: Tom Baker, Jeff Simonson
Date: March 2, 2016
Re: Kuersten RFP

Purpose: The purpose of this item is to ask Council for some additional policy direction in order to complete the RFP for the Kuersten property.

Background and Discussion: At Council's February 16th meeting, Council directed staff to prepare an RFP for the Kuersten property. Council pointed out that while they had an interest in senior housing and senior care facilities, the Council's overall goal was to create "Family Supporting Jobs". Jeff Simonson created the RFP and staff would like Council direction on specific elements for that document.

The RFP talks about a public/private partnership and staff would like Council to discuss what the town's can be in that partnership.

Following is a list of fees and costs that any development will need to address. In order to make this an attractive RFP Council can discuss which items they may be willing to absorb as part of the public/private partnership. The following table lists fees and costs, makes suggestions on how to sort them into public or private, and provides thoughts on that particular suggestion. Note: These are only suggestion and provide some background on how we may think about any negotiations with a developer on the Kuersten property.

**Public/Private Partnership
Fees and Costs**

Fees/Costs	Public	Private	Comments
• Water rights dedication (or) fee	X		Providing Elk Creek water rights to the town is difficult and expensive for most developers, which can make this an attractive fee for the Public partner to absorb. The town has Ruedi water.
• Recreation fee	X		Recreation is a General Fund expense and one that Council can absorb. Recreation is also a department that can apply for GOCO grants.
• Transportation fee	X	X	Transportation is also a General Fund expense; however, it seems all of our dealings with CDOT are costly and CDOT funds are rare. Requiring Public and Private partners pay their share can be helpful with roundabout and Bruce Road improvements.
• Water tap fee		X	The Town has debt service on our WTP and Council has a very firm policy to not waive this fee. They can, however, be deferred.

• Sewer tap fee		X	The Town has debt service on our WWTP and Council has a very firm policy to not waive this fee. They can, however, be deferred.
• Southside interceptor project cost	X		This project will cost in the \$2M range. The Council's Utility Plan identifies an approach for the Town, with a DOLA grant, to fund this project and to modestly increase utility rates between now and 2021, see attached Utility Plan.
• Planning review fee	X		This is a General Fund fee that Council can absorb.
• Development application fee	X		This is a General Fund fee that Council can absorb.
• Building plan review fee	X		This is a General Fund fee that Council can absorb.

Staff would also like Council to verify that our goal is to understand the range of concepts that may be thought of for the property given Council's goal of "Creating Family Supporting Jobs".

Both David and Jeff are reviewing the RFP and will have additional questions at the meeting.

Request: Staff requests Council have a policy discussion of the above elements and other questions that arise and give additional direction to staff to develop the RFP.

Staff will complete work on the RFP with Council's direction and bring it to a future meeting for Council approval.

**Utility Plan
Reserve Fund Target
2016-2022**

<u>Year</u>	<u>Project/Action</u>	<u>Revenue</u>	<u>Expense</u>	<u>Year End Reserve Fund Balance</u>
2016	Water Treatment Plan Improvements		\$816,000 Grant Match	\$1,016,000
2016	Expected Surplus	\$160,000		\$1,176,000
2017	2% Increase in Service Fee	\$36,000		
2017	Expected Surplus	\$160,000		
2017	Raw Water Improvements		\$400,000 Grant Match	\$972,000
2018	Expected Surplus, which includes 2017 Service Fee Increase	\$196,000		\$1,168,000
2019	Expected Surplus, which includes 2017 Service Fee Increase	\$196,000		\$1,364,000
2020	Expected Surplus, which includes 2017 Service Fee Increase	\$196,000		\$1,560,000
2020	Southside Interceptor		\$1,000,000	\$560,000
2021	Expected Surplus, which includes 2017 Service Fee Increase	\$196,000		\$756,000
2022	Expected Surplus, which includes 2017 Service Fee Increase	\$196,000		\$952,000