

**MEETING OF THE BOARD OF DIRECTORS OF THE
SALIDA NATURAL RESOURCE CENTER DEVELOPMENT CORPORATION
A COLORADO NON-PROFIT CORPORATION**

City Council Chambers
448 East 1st Street
City of Salida, Colorado
Tuesday, April 19, 2016 11:00 a.m.

The NRCDC Board may take action on and of the following agenda items as presented or modified prior to or during the meeting, and items necessary or convenient to effectuate the agenda items.

- I.** MEETING CALLED TO ORDER
- II.** PUBLIC COMMENT
- III.** APPROVAL OF MINUTES – April 5, 2016
- IV.** TREASURER'S REPORT
- V.** SCHEDULED ITEMS
 - 1. Discussion with Belmont on tax-credit housing project
 - 2. Update on land sale with Lowry
 - 3. Resolution 2016-02, Cost Reimbursement Agreement
 - 4. Payment to Ferbraches
 - 5. Board Appointments
 - 6. Updates on potential property sales or development
 - a. Colorado Parks & Wildlife
 - b. Workforce Housing
 - c. Light Industrial
 - d. Recreation Area
- VI.** UNSCHEDULED ITEMS
- VII.** EXECUTIVE SESSION: For the purpose of determining positions relative to matters that may be subject to negotiations, developing strategy for negotiations, and/or instructing negotiators, under C.R.S. Section 24-6-402(4)(e). AND THE FOLLOWING ADDITIONAL DETAILS ARE PROVIDED FOR IDENTIFICATION: To discuss negotiations for the possible disposition of land and development opportunities.
- VIII.** REPORT/ACTION ON EXECUTIVE SESSION MATTERS
- IX.** ADJOURN

**MINUTES
OF THE BOARD OF DIRECTORS OF
SALIDA NATURAL RESOURCE CENTER DEVELOPMENT CORPORATION
A COLORADO NON-PROFIT CORPORATION**

A meeting of the Corporation was held April 5, 2016, at 448 E. 1st Street, Salida, Colorado 81021 beginning at 11:00 a.m. Directors present were Tim Glenn, Ray Kitson and Bob Grether, Ron Mazzeo, Susan Hughes, Jim McConaghy, and Dan Tibbetts. Dara MacDonald and Dan Osborn were also in attendance.

Public Comment: None.

Approval of Minutes: Minutes of March 1st were unanimously approved.

Treasurer's Report: McConaghy reviewed the balance sheet & P&L to date with the Board. He also discussed the 2015 Financial Statements that were prepared by Stotler & Young.

Scheduled Items:

1. NRCDC Master Plan Review
There was discussion about the status of the Master Plan and agreement that it will be a guiding document for discussions with developers and understanding that it will change over time. Osborn updated the Board on the status of discussions with Belmont and the areas of land they are planning to pursue. Belmont is planning to attend the April 19th NRCDC Board meeting.
2. Resolution 2016-01, Bylaws change
MacDonald explained the proposed changes: The motion to approve was approved 5-2 with Mazzeo & Tibbetts opposed.
3. Mission Statement
There was discussion on the Mission Statement proposed by the City Council. The Board agreed with the mission statement noting that it is consistent with their actions and activities.
4. Update on sale with Lowry
MacDonald provided an overview of the discussions with LCI. Topics included an update on the area of land being considered for the trade, the scope of the trade and land value versus the value of extension of utilities under Hwy 50' to 200' west of the underpass. MacDonald updated the Board that there will be an agreement on the next agenda for reimbursement of design and engineering of the utility extension. The NRCDC Board direction is that the updated appraisal will value the land that Lowry wishes to purchase assuming infrastructure extended across Hwy 50 to 200' west of the culvert.

5. Updates on potential property sales or development
 - a. Colorado Parks & Wildlife – MacDonald updated that the hospital and CPW are working through issues around paying for the relocation of CR 154.
 - b. Workforce Housing – Discussed earlier in the meeting.
 - c. Light Industrial – MacDonald brought up the concern of natural gas volume for the east end of Salida. Staff will continue pursuing grant opportunities to offset the cost of gas main extensions.
 - d. Recreation Area – No updates

Unscheduled Items

1. Board member removal
The Board discussed the removal of Walt Harder from the Board. Kitson, Grether, Glenn and Hughes expressed concerns about the process for his removal. Discussion suggested that removal of any member should come to the NRCDC Board first for their input. Potential changes to the Bylaws to make that change will be on the next NRCDC agenda. MacDonald will follow up with the Mayor regarding filling the vacancy on the Board.
2. CR 107 culvert removal
Lorri Lau asked about the removal and replacement of the culvert. MacDonald responded updating on culvert removal and the process for placement of a culvert in the future.

Executive session

None held.

Report/action on executive sessions matters - None

Adjourn – 12:11 p.m.

The undersigned have executed these minutes effective this 19th day of April, 2016.

RAY KITSON, PRESIDENT

DARA MACDONALD, SECRETARY

NRCDC Monthly Status Activity Summary

Current Account Balances	15-Apr-16
Operations and Maintenance	\$ 10,941.55
Revenue and Payment	\$ 84,857.95
Surplus (Restricted)	<u>\$ 140,036.25</u>
Total	\$ 235,835.75

Invoices	Amount	Invoice #	Bill Date
City of Salida - February expenses	\$ 8,465.53	201604045282	4/8/2016
Atmos Energy	\$ 470.56		
Xcel Energy	\$ -		Paid
Waste Management	\$ 211.77		4/19/2016
Monthly management fee	\$ 1,020.10		
Salida utilities	\$ 257.90		
Michael Scott - legal services	\$ -		
Stotler & Young - accounting	\$ 60.00		
Janitorial	\$ 693.95		
Impresco - janitorial supplies	\$ -		
Land & Water Concepts	\$ 5,751.25		

Receivables

Deposited

Monthly lease payment	\$ 33,576.24	received around the 25th
Monthly loan payment	\$ (27,959.60)	pd on the 4th
Current loan balance	\$ 4,468,842.88	
Original loan balance in August 2013	\$ 4,722,000.00	
Loan balance on January 1, 2016	\$ 4,503,751.05	
Principal paid in 2016	\$ 34,908.17	

LCI Vandaveer Purchase Cost recovery for Infrastructure

Phase 1

Extension of utilities from east side of Hwy 50 to 200' west of underpass

Estimated cost: \$ 508,350

Cost recovery expectation: \$0.00

Phase 1A

Extension of utilities and trail from Phase 1 to gasoline crossing on CR 104

Estimated cost: \$ 377,900

12" sewer main	\$	138,600
Manholes	\$	16,500
8" water main (HDPE)	\$	85,400
Hydrants	\$	26,400
8" water valve	\$	17,600
CR 104 cut & repair	\$	60,000
Gravel fines trail	\$	22,400
Survey & engineering	\$	11,000

Cost Recovery sought (80% of infrastructure) \$ 302,320

Cost recovery per remaining 33.6 acres \$ 8,998 per acre (excludes parks, roads, recreation areas)

Phase 2

Improvements from gasoline at CR 104 to CR 107

Estimated cost: \$ 406,800

8" water main (HDPE)	\$	183,000
Hydrants	\$	35,200
8" water valve	\$	17,600
New road & trail	\$	138,000
Entrance culvert CR 107	\$	11,000
Survey & engineering	\$	22,000

Cost Recovery sought (80% of infrastructure) \$ 325,440

Cost recovery per remaining 33.6 acres \$ 9,686 per acre (excludes parks, roads, recreation areas)

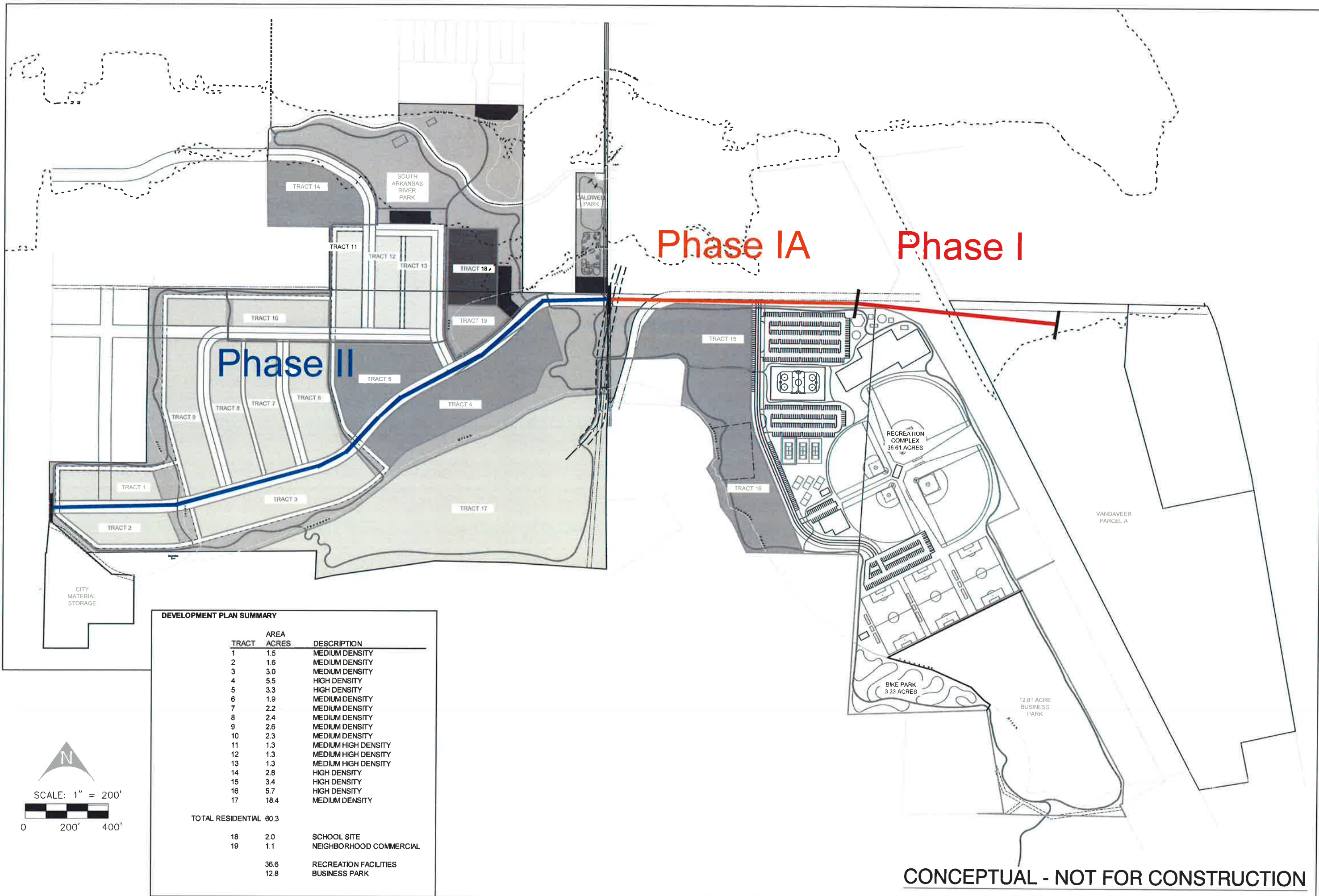
Total cost recovery sought \$ 627,760

Cost recovery per remaining 33.6 acres \$ 18,683 per acre (excludes parks, roads, recreation areas)

LCI Vandaveer Purchase Cost recovery for Infrastructure

Land to be acquired by Lowry	40.2		\$ 573,800
	<u>Acres</u>	<u>\$ per ac.</u>	<u>Value</u>
Unimproved useable land	20.6	\$ 25,000	\$ 515,000
Tract 1	1.5		
Tract 2	1.6		
Tract 3	3.0		
Tract 4	5.5		
Tract 17	9.0		
Open Space & right of way	19.6	\$ 3,000	\$ 58,800
Alleys & right of way	1.9		
Open Space	8.3		
Unseable estimate for Tract 17	9.4		

*Land area for Road connecting CR 104 to CR 107 not included in purchase

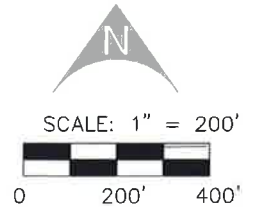


**VANDAVEER
 MASTER PLAN**
 SALIDA, COLORADO

NOTE: LAND AND WATER CONCEPTS, LLC AND WALKER ENGINEERING ASSUME NO RESPONSIBILITY FOR ANY DAMAGES, INCLUDING STRUCTURAL FAILURES OR ERRORS BY OTHERS, IN ANY INSTANCE THE MAXIMUM LIABILITY OF LAND AND WATER CONCEPTS, LLC AND WALKER ENGINEERING SHALL BE LIMITED TO THE AMOUNT OF THE SERVICES PERFORMED. IT IS RECOMMENDED THAT YOU CONSULT WITH THE LOCAL BUILDING OFFICIAL(S) PRIOR TO THE START OF ACTUAL CONSTRUCTION.

DEVELOPMENT PLAN SUMMARY

TRACT	AREA ACRES	DESCRIPTION
1	1.5	MEDIUM DENSITY
2	1.6	MEDIUM DENSITY
3	3.0	MEDIUM DENSITY
4	5.5	HIGH DENSITY
5	3.3	HIGH DENSITY
6	1.9	MEDIUM DENSITY
7	2.2	MEDIUM DENSITY
8	2.4	MEDIUM DENSITY
9	2.6	MEDIUM DENSITY
10	2.3	MEDIUM DENSITY
11	1.3	MEDIUM HIGH DENSITY
12	1.3	MEDIUM HIGH DENSITY
13	1.3	MEDIUM HIGH DENSITY
14	2.8	HIGH DENSITY
15	3.4	HIGH DENSITY
16	5.7	HIGH DENSITY
17	18.4	MEDIUM DENSITY
TOTAL RESIDENTIAL 80.3		
18	2.0	SCHOOL SITE
19	1.1	NEIGHBORHOOD COMMERCIAL
36.6 RECREATION FACILITIES		
12.8 BUSINESS PARK		



CONCEPTUAL - NOT FOR CONSTRUCTION

**SALIDA NATURAL RESOURCE CENTER DEVELOPMENT CORPORATION
RESOLUTION 2016-02**

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SALIDA NATURAL RESOURCE CENTER DEVELOPMENT CORPORATION A COLORADO NON-PROFIT CORPORATION APPROVING A COST RECOVERY AGREEMENT WITH LOWRY CONSTRUCTION INC.

WHEREAS, with approval of Resolution 2015-07 on November 3, 2015, the Salida Natural Resource Center Development Corporation (“NRCDC”) entered into a Letter of Intent to Purchase Land between the NRCDC and Lowry Construction Inc. (“LCI”); and

WHEREAS, on November 17, 2015, the Salida City Council approved the non-binding Letter of Intent to Purchase Land between the NRCDC and LCI; and

WHEREAS, subsequently the NRCDC has been engaged in productive discussions with LCI about the land purchase and wishes to continue working in partnership with LCI towards completion of the purchase; and

WHEREAS, extension of utilities across US Highway 50 is a critical step in the ability for anyone to develop a large portion of the Vandaveer Ranch property; and

WHEREAS, LCI is willing to design the utility crossing in anticipation of applying for a permit from the Colorado Department of Transportation, but wishes to be reimbursed for the expense should the land purchase not be completed within one year; and

WHEREAS, the NRCDC is willing to reimburse LCI for the actual incurred expense of design of the utility crossing in an amount not to exceed \$15,000 should the parties not complete purchase/sale of the property within one year.

NOW THEREFORE, BE IT RESOLVED BY THE SALIDA NATURAL RESOURCE CENTER DEVELOPMENT CORPORATION, THAT:

1. The Salida Natural Resource Center Development Corporation incorporates the foregoing recitals as its conclusions, facts, determinations, and findings.
2. The Salida Natural Resource Center Development Corporation hereby approves the Cost Recovery Agreement.

RESOLVED, APPROVED, AND ADOPTED this 19th day of April, 2016.

**SALIDA NATURAL RESOURCE
CENTER DEVELOPMENT CORPORATION**

Ray Kitson, President

ATTEST:

Resolution 2016-02

Dara MacDonald, Secretary

COST RECOVERY AGREEMENT

This agreement is between the Salida Natural Resource Center Development Corporation (NRCDC) and Lowry Construction Inc. (LCI). Prior to the sale of approximately 20.6 acres of useable land and 19.6 acres of open space (the Property) within the Vandaveer Ranch site owned by NRCDC, LCI has agreed to spend up to \$15,000 for design and engineering of the drainage and utility extension to be routed under US Highway 50 using the existing underpass near Chaffee County Road 104.

While the NRCDC and LCI intend to close on the sale of the Property, the NRCDC will require such engineering and design work to extend utilities across US Highway 50 regardless of whether LCI is the eventual purchaser of the Property.

Therefore, in the event that the contract between NRCDC and LCI for the sale of the Property is terminated, or LCI does not take title to the Property within 1 year of the date of this agreement, NRCDC shall pay to LCI the actual amount incurred by LCI for design and engineering of the drainage and utility extension up to \$15,000. In the event that LCI takes title to the Property, NRCDC is under no obligation to reimburse LCI for any costs related to the design and engineering of the drainage and utility extension.

This agreement shall be construed and governed by the laws of the State of Colorado, shall not be amended except by written instrument signed by the NRCDC and LCI, and shall inure to the benefit of and be binding upon the NRCDC, LCI and their respective heirs, representatives, successors, and assigns. Venue for any action arising out of this agreement shall be Chaffee County, Colorado.

Lowry Construction, Inc

Date

President

Salida Natural Resource Center Development Corporation

Date