



PLANNING & DEVELOPMENT MEMORANDUM
#33-2022

DATE: Oct. 24, 2022

TO: Honorable Mayor Meredith Leighty and City Council Members

THROUGH: Heather Geyer, City Manager 

FROM: Brook Svoboda, Director of Planning & Development 

SUBJECT: CR-158 – First Amendment to Karl’s Farm Cost Share Agreement

PURPOSE

To consider CR-158, a resolution approving a First Amendment to the agreement between the City of Northglenn and Karl’s Farm Metropolitan District No. 2 regarding design and construction of portions of the 120th Avenue Improvements Project.

BACKGROUND

Through the original agreement, Karl’s Farm Development agreed to pay for 100% of its roadway improvements as part of a combined project scope to fully build out the segment of 120th Avenue in front of their property.

Through the design phase of the project, their share of the project was estimated to be less than \$1.4M. However, due to unforeseen inflation, their share has increased to \$1.9M. Karl’s Farm Development has set aside \$1.4M and requested 12 months to procure the additional \$500k.

BUDGET/TIME IMPLICATIONS

On Nov. 14, a supplemental appropriation would come forward to recognize the increased revenue, in the form of a contribution from the developer, and the related increase to the project expenses.

STAFF RECOMMENDATION

Attached is CR-158, a resolution that, if approved, would authorize the Mayor to execute the First Amendment to the contract between the City and Karl’s Farm Metropolitan District No. 2 regarding design and construction of portions of the 120th Avenue Improvements Project. Staff recommends approval of CR-158.

STAFF REFERENCE

If Council members have any questions, please contact Brook Svoboda, Director of Planning & Development, at bsvoboda@northglenn.org or 303.450.8937.

CR-158 – First Amendment to Karl’s Farm Cost Share Agreement

SPONSORED BY: MAYOR LEIGHTY

COUNCIL MEMBER'S RESOLUTION

RESOLUTION NO.

No. CR-158
Series of 2022

Series of 2022

A RESOLUTION APPROVING A FIRST AMENDMENT TO THE AGREEMENT BETWEEN THE CITY OF NORTHGLENN AND KARL'S FARM METROPOLITAN DISTRICT NO. 2 REGARDING THE DESIGN AND CONSTRUCTION OF IMPROVEMENTS TO 120TH AVENUE

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF NORTHGLENN, COLORADO, THAT:

Section 1. The First Amendment to the Agreement between the City of Northglenn and Karl's Farm Metropolitan District No. 2, attached hereto as Exhibit 1, regarding reimbursement of costs for the design and construction of a portion of the improvements to 120th Avenue is hereby approved and the Mayor is authorized to execute same on behalf of the City of Northglenn, Colorado.

DATED at Northglenn, Colorado, this ____ day of _____, 2022.

JENNY WILLFORD
Mayor Pro Tem

ATTEST:

JOHANNA SMALL, CMC
City Clerk

APPROVED AS TO FORM:

COREY Y. HOFFMANN
City Attorney

FIRST AMENDMENT TO AGREEMENT BETWEEN THE CITY OF NORTHGLENN AND KARL'S FARM METROPOLITAN DISTRICT NO. 2 REGARDING THE DESIGN AND CONSTRUCTION OF PORTIONS OF 120TH AVENUE

This First Amendment to Agreement between the City of Northglenn and KF Developers, INC., Regarding the Design and Construction of Portions of 120th Avenue (the "First Amendment") is made on this ___ day of _____, 2022, between the City of Northglenn (the "City") and Karl's Farm Metropolitan District No. 2 (the "District") regarding the design, construction, and construction management of portions of 120th Avenue. The City and the District are collectively referred to as the "Parties."

WHEREAS, the City and the District previously entered into that Agreement between the City of Northglenn and KF Developers, INC., Regarding the Design and Construction of Portions of 120th Avenue, dated February 24, 2020 (the "Original Agreement") to share in the costs of the design, construction, and construction management of certain roadway improvements to 120th Avenue that serves both the Karl's Farm development and serves the City generally, as more particularly described in **Exhibit A**, attached hereto and incorporated herein by this reference (the "Roadway Improvements" or the "Project"), based on the Parties' agreed upon proportionate share of the design and construction cost, taking into account the impact on the roadway system necessitated by the Karl's Farm development proposed development;

WHEREAS, the Original Agreement estimated the total project cost including contingency for the design, construction, and construction management of the Roadway Improvements Eleven Million, Five Hundred Sixty-Eight Thousand, One Hundred Thirty-Four Dollars and three cents (\$11,568,134.03); and

WHEREAS, the apparent lowest responsible bid for the Roadway Improvements is approximately twenty-five (25%) over the estimated construction costs that were the basis for the Original Agreement, and the Parties desire to enter into thus First Amendment to adjust the respective pro-rata shares of the Parties.

TERMS

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the City and District hereby agree as follows:

1. Section 2, subsections A. and B. of the Original Agreement is amended to read as follows:

2. Contribution by the Parties to the Cost of Design, Construction and Construction Management.

A. The Parties shall contribute the total amount of in the proportionate amounts of \$12,826,867.70, reflecting an 86.74% share contribution by the City and \$1,960,851.00, reflecting a 13.26% contribution by the District (the "Funding Allocation") to the cost of design, construction, and construction management of the Roadway Improvements.

B. The Parties shall each contribute the amounts set forth above to a Special Account created by the City for the sole purpose of funding the design, construction, and construction management of the Roadway Improvements (the "Special Account"). Such amounts shall be paid into the Special Account as follows:

i. The City shall contribute its full share to the Special Account prior to award of the contract for the design, construction, and construction management of the Roadway Improvements.

ii. The District shall contribute the amount of One Million, Four Hundred Thousand Dollars (\$1,456,048) to the Special Account within ten (10) days of approval of this First Amendment. The District shall contribute the remaining amount of Five Hundred Sixty Thousand, Eight Hundred Fifty-One Dollars and fifty cents (\$504,803.) on or before November 1, 2023.

iii. The Parties acknowledge that the District hereby accepts the proposed bid in accordance with the Original Agreement, acknowledges its consent to the City's agreement to accept a bid and award the design, construction, and construction management agreement, and the full funding of the Special Account as set forth herein.

2. Integration and Amendment. The Original Agreement and this First Amendment represent the entire agreement between the City and the District with regard to the subject matter of the Roadway Improvements as defined herein, and there are no oral or collateral agreements or understandings. This First Amendment may be amended only by an instrument in writing signed by both Parties.

IN WITNESS WHEREOF, the City and the District have caused this Agreement to be executed as of the day and year first above written.


CITY OF NORTHGLENN, COLORADO

By: _____
Meredith Leighty, Mayor

ATTEST:

Johanna Small, CMC, City Clerk

KARL'S FARM METROPOLITAN DISTRICT
NO. 2



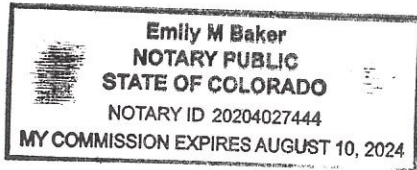
By: Daniel Frank
Its: Board Member

STATE OF COLORADO)
) ss.
COUNTY OF Arapahoe)

The foregoing instrument was subscribed, sworn to, and acknowledged before me this 10 day of October, 2022, by Daniel Frank, as the Board Member of Karl's Farm Metropolitan District No. 2.

My commission expires: August 10, 2024

(SEAL)




Notary Public

EXHIBIT A

Cost Allocation	Percent Share	Amount
Karl's Farm MD #2	13.26%	\$1,960,851.00
City	86.74%	\$12,826,867.00
	Total	\$14,787,718.00