

**Town of Lyons, Colorado  
Board of Trustees  
BOT Agenda Cover Sheet  
Agenda Item No: XIV. 2.  
Meeting Date: March 15, 2021**

**TO:** Mayor Angelo and Members of the Board of Trustees  
**FROM:** Victoria Simonsen, Town Administrator  
**DATE:** March 11, 2021  
**ITEM:** Discussion / Direction on DRCOG Funding for US 36 / Broadway Improvements and St. Vrain Corridor Regional Trail Projects

---

ORDINANCE  
 MOTION / RESOLUTION  
 INFORMATION

---

- I. REQUEST OR ISSUE:** Staff would like to update the Board of Trustees on the two Transportation Improvement Projects (US 36 Broadway Improvements and the St. Vrain Corridor Regional Trail) prior to formal action being taken by DRCOG at their March 17, 2021 meeting. Staff would also like to share their ideas on how to fund the local match, if accepted.
- II. RECOMMENDED ACTION / NEXT STEPS:** If the Board chooses to accept the grants and move forward, staff need approval to contract for \$2,500 with Highland Ditch to initiate the review process. This amount was not included in the 2021 budget.
- III. FISCAL IMPACTS:** Both the DRCOG Technical Advisory Committee and the Policy Advisory Committee has recommended the following federal / local match to the full DRCOG Board for their consideration:

<u>Project</u>	<u>Federal Funds</u>	<u>Local Match</u>	<u>Percentage</u>
US-36 Multimodal Improvements	\$ 2,154,000	\$ 303,000	88 / 12 %
St. Vrain Trail Extension	\$ 1,048,000	\$ 152,000	87 / 13 %

Staff understands that this is a significant amount of money for our town to match. We do see the ability to split some of the expenses between two fiscal years. However, TIP funding is a five-year cycle and these projects would not be up for consideration again until the 2025-2029 cycle. In addition, the extra CARES Act funding is infusing further dollars into the Lyons projects (Both TAC and PAC recommended \$188K additional funds to US 36).

Staff has come up with the following options to fund the local match:

US 36 Improvements: The town set aside \$300K for street capital improvements that could be used toward this project. The improvements will create 51 additional parking stalls for visitors and improves the 'frontage' lane for business deliveries along Broadway. We have already been told by two businesses that they are planning to expand their business to have a Broadway 'front' if this grant is accepted. If the Board is not comfortable using these funds, there is a possibility of breaking up the expenses between Conservation Trust due to the trail expansion, utility funds as appropriate, Urban Renewal funds, and CIP.

In regard to the \$152K match for the St. Vrain Trail, the town had budgeted \$125K for the 4<sup>th</sup> Avenue pedestrian bridge, that has since been funded by a different grant. That leaves approximately \$27K needed for this project. This could come from Conservation Trust, Parks reserves or savings from capital projects budgeted, but recently awarded, from GOCO.

#### **IV. BACKGROUND INFORMATION:**

The St. Vrain Corridor Trail project has been considered previously but was abandoned when time frames for completion and negotiations with Highland Ditch failed. To update the Board on these issues, a schedule is attached and an update with each lessee is below:

##### Spirit Hounds Distillery

Spirit Hounds was notified on February 8<sup>th</sup>, 2021 that the Town may proceed with the St. Vrain Regional Trail Extension per the 2018 design for the trail. They were also informed of their lease provision that allows the Town to improve the property for a trail with 90 days' notice to the lessee. Additionally, on February 17<sup>th</sup>, 2021, Town staff met with Spirit Hounds virtually to review the trail alignment. Spirit Hounds concurred with the trail plans and indicated they would like to be involved in the fencing design adjacent to their property. Staff would like to note there is a substantial budget in the grant agreement for fencing.

##### Highland Ditch Company

The Highland Ditch Company (Highland) was notified on February 8<sup>th</sup>, 2021 that the Town may proceed with the St. Vrain Regional Trail Extension per the 2018 design for the trail. This project will impact Highland in two ways: first, a bridge will cross their irrigation ditch which requires a crossing agreement to be executed. Second, in order to achieve the desired trail alignment and avoid interfering with Clark's Hardware operations, a 15-foot strip of property will need to be purchased by the Town from Highland Ditch Company. This same strip of land was quit claim deeded from the Town to Highland in 1996 following acquisition from the BNSF Railroad Company for \$10.

On February 19, 2021, Highland provided a Reimbursement Letter to be completed by the Town along with a request a \$2,500 fee in order to cover Highland's engineering, legal, and administrative costs. On March 5, 2021 Philip Strom spoke to Wade Gonzales from Highland about the Town purchasing the Highland property and Mr. Gonzales was optimistic about the project and indicated Highland is willing to work with the Town to complete the project. While he did not want to go into specifics or negotiations prior the Reimbursement Letter execution, he noted he had been thinking about the project details and Highland's access needs. In reviewing the negotiations from 2018 on the same property purchase, the discussions were left with Highland requesting the Town permit and fund the construction of a new flume estimated at approximately \$85,000 in

exchange for the property; staff believes this would be the worst case price for the purchase.

Staff is recommending the Town enter into the Reimbursement Letter agreement to begin negotiations immediately on both the lot purchase and bridge crossing agreement. The Board should note that the cost of \$2,500 would likely not be funded by the grant as it is a cost prior to the award of the grant. Additionally, staff anticipates a majority of the Highland property purchase may not be eligible for reimbursement under the grant due to strict federal requirements on acquisition which would likely result in a much lower property value which would be covered by the grant.

#### Blue Mountain Stone

Blue Mountain Stone was notified on February 8<sup>th</sup>, 2021 that the Town may proceed with the St. Vrain Regional Trail Extension per the 2018 design for the trail. They were also informed of their lease provision that allows the Town to improve the property for a trail with 90 days' notice to the lessee. Additionally, on February 24, 2021, Town staff met with Raul Vasquez at Blue Mountain Stone to review the trail alignment. Mr. Vasquez concurred with the trail plans and his only concern was the security of his business and requested secure fencing installed throughout his property. He even indicated he may be willing to assist with the fence installation. Staff would like to note there is a substantial budget in the grant agreement for fencing.

#### Clarks Hardware

Clarks Hardware was notified on February 8<sup>th</sup>, 2021 that the Town may proceed with the St. Vrain Regional Trail Extension per the 2018 design for the trail. Their lease agreement is different than the others in the area, in that they have a lease on the property for another twenty years. After reaching out with no response, staff was able to talk with Lon Clark on March 9 to discuss the project. Mr. Clark indicated that as long as the trail remained on the south side of his storage building, they had no problem with it moving forward. If it had to be aligned between the main store and storage building, that was going to be another issue, as this would interfere with his business and selling the property.

**V. LEGAL ISSUES:** The town attorney will need to review the contracts prior to adoption. Notice of lease changes will need to be issued, per the agreements.

**VI. CONFLICTS OR ENVIRONMENTAL ISSUES:** See above.

**VII. SUMMARY AND ALTERNATIVES:** Staff would like to discuss both projects and determine the level of interest from the Board to accept the grants if awarded at the DRCOG meeting this week. If the Board is not wanting to accept one, or both, of the grants, we need to notify DRCOG immediately so they can reappropriate to another project.

**PROPOSED MOTION:** I MOVE TO APPROVE the expenditure of \$2,500 to Highland Ditch to formally initiate the letter of reimbursement.

#### Attachments:

Boulder County Subregional PAC Memo  
Boulder County COVID Funding Recommendations  
Preliminary Schedule for St. Vrain Trail Construction

Preliminary Schedule for US 36 Multimodal Improvements