

**MINUTES
RENEWAL WHEAT RIDGE
November 6, 2012**

1. GENERAL

1.1 Call the Meeting to Order

The meeting of Renewal Wheat Ridge was called to order by Chair Adams at 6:03 p.m. in the Police Training Room, Second Floor of the Municipal Building, 7500 West 29th Avenue, Wheat Ridge, Colorado, on November 6, 2012.

1.2 Roll Call of Members

Board Members Present: Rick Adams
Jim Bahrenberg
Kristi Davis
Jesse Hill
Janet Leo

Absent: Tom Radigan
Walt Pettit

Also Attending: Steve Art, Economic Development/
Urban Renewal Manager
Corey Hoffmann, RWR Attorney
Deborah Baker, Recording Secretary

Approved Revised Agenda

It was moved by Jesse Hill and seconded by Jim Bahrenberg to approve the revised agenda. Motion passed 5-0.

1.3 Approval of Minutes – October 2, 2012

Jesse Hill requested the following amendment to the minutes of October 2, 2012: Part 2.3, second paragraph, change “agreed” to “discussed.” All approved.

1.4 Public Forum - (This is the time for any person to speak on any subject not appearing on the agenda.)

No members of the public were present to speak.

Chair ADAMS stated he would like to rearrange the agenda to have the speaker on Perrins Row make his presentation, then return to the agenda at the conclusion of the presentation. All agreed.

Mr. Richard Onslager of Crosswire Investments LLC stated that he owns an undeveloped parcel located at the southwest corner of 38th and DePew. The site has been vacant for more than 14 years as the market has not supported an investment use. Crosswire is applying to Renewal Wheat Ridge for property tax increment rebates to facilitate the otherwise unviable Perrin's Row Townhome Project.

The project contemplates up to 35,000 square feet of new construction of townhomes varying in size from 1,166 square feet to 1,479 square feet. The proposed townhomes are modeled after the successful Central Park Row Homes developed at Stapleton. The builder for this project will be New Town Builders, a builder who has done high quality work all over the metro area. Mr. Onslager is confident this builder can bring a great product to the site.

The Perrins Row project would deliver a much needed attractive modern housing alternative to a blighted portion of the city. The new residents will feed the local retail business. The otherwise marginal project can be made viable with the approval of the Tax Increment Rebate. With the recent upswing in the housing market he thinks the time is right to proceed, and he is applying for TIF since there are no other options to fund the project.

In response to Chair Adams' question, Mr. Onslager replied that New Town Builders are buying the lots from him over a 2-year period. Mr. Onslager clarified that his investment is the land and the \$500K in improvements and he would deliver the 28 buildables to New Town Builders.

In response to Commissioner Bahrenberg's request for clarification, Mr. Onslager stated that the 1,200 square foot units would sell for \$228K. Commissioner DAVIS asked for clarification that there would be some 1,400 square foot units also, which Mr. Onslager confirmed. The platting he proposes would give flexibility for varying unit sizes.

In response to Chair Adams' question about paragraph 4 in the presentation regarding property tax increment, Mr. Onslager said it is unknown when the reassessment will be completed by Jefferson County and what the baseline will be going forward.

Corey Hoffman interjected that the base has not yet been set. In the 2001 Redevelopment Plan for this corridor, it indicates that TIF districts may be set up in the future. The City Council has not yet started the clock. When they start the clock, the base is set. It is unknown what the increment will be until the base is known, and that will remain unknown until the clock starts. Mr. Onslager is correct in saying that in these type of agreements a percentage of the TIF is identified that one wants to share back and term of years, and whichever you get to first - the not to exceed number, or the time runs out - is how it is valued over the 25 years or less.

Chair Adams asked how a TIF agreement would affect other entities involved, such as the county or schools. Mr. Hoffmann responded that the way an Urban Renewal Authority earns their money is the increment, those dollars of the base, which aren't the taxing entities dollars. That is the revenue that the Urban Renewal Authorities use. Mr. Hoffmann replied that if the City agrees to this TIF, an impact report to the county would need to be completed. It is the City's money and they may choose to negotiate a share back.

Mr. Hoffmann stated that in 2001 it was determined that if TIF is used, the Plan has to be amended. At that time the statute was a little different; it was easy to amend the Plan. Today it will require a substantial modification because the Authority would be requesting a change in the basic terms and conditions. The amendment would have to go through the entire process as for a new Plan. It would have to go through the Planning Commission, then to City Council for approval of the amendment. During the amendment process the impact report to the county would be required, notice would be given to property owners, and taxing entities would become involved. While the amended Plan is being considered, the taxing entities would review the project and would notify you that they either are in agreement or would want to negotiate their share. Mr. Hoffmann suggests that the entire TIF cannot be committed until it is known where they sit, and that will become known as the process unfolds.

Chair Adams confirmed that the task of RWR at this time is to decide whether the City should continue to negotiate in good faith. Mr. Hoffmann suggested it is a good idea to send it to City Council with the recommendation to consider an amendment to the Urban Renewal Plan because that is what would be required in order to implement TIF financing for this project.

In response to Chair Adams' question, Mr. Hoffmann responded that the process would be the same as for a property tax increment. At Jesse Hill's request, Mr. Hoffmann explained how the payments would work with the property tax increment.

In response to Steve Art's question, Mr. Onslager stated that his goal is to make his financial model work with a specified income stream for the future. Mr. Hoffmann added that it is typical to have a third party evaluation after City Council action to look at pro forma and advise on appropriate expectations.

Mr. Hoffmann confirmed that RWR is charged with making a general recommendation to City Council whether to pursue the TIF or not, and if Council approves, it returns to RWR for implementation.

Mr. Onslager answered Jesse Hill's question regarding his estimate for the eligible improvements portion. This would include upgraded facades.

Mr. Onslager stated that the property has been vacant since he has owned it.

Steve Art reminded that discussion and recommendations are the only expected outcome for this meeting.

Corey Hoffmann stated that it is unusual to ask for 100 percent TIF. It reduces the City's flexibility, but it also depends on what the City Council wants. They may want to start the clock on a broader area, with the idea that there is going to be an increment generated on both sides

In response to Jim Bahrenberg's question, Mr. Hoffmann replied that the property cannot be divided in order to start the clock on one section only.

Chair Adams asked Steve Art to inform our City Manager of RWR support for this project, and we will proceed forward.

2. ACTION ITEMS

2.1 2013 Budget Approval

Open and conduct a public hearing regarding the adoption of the 2013 budget for the Urban Renewal Authority

Chair Adams opened the public hearing.

Steve Art stated that approximately 30 days ago this Board reviewed the draft budget which was recommended to go forward. Substantially the budget has not changed. The only addition is a line item upon the potential \$730K sale of Phase 2 to Wazee. No other changes were made to the budget.

It was moved by Kristi Davis and seconded by Jim Bahrenberg to adopt Resolution 08-2012 for Town Center and Wheat Ridge Cyclery Urban Renewal Authority Budget for the calendar year 2013. All approved.

No members of the public were available to comment.

Chair Adams closed the public hearing.

2.2 Ratification of Storm Water Maintenance Agreement

It was moved by Janet Leo and seconded by Jim Bahrenberg to ratify a storm water maintenance agreement as required by the subdivision improvement agreement for Town Center North between RWR and the City of Wheat Ridge. All approved.

2.3 Adoption of a Resolution approving a Permanent Easement

It was moved by Jesse Hill and seconded by Kristi Davis to adopt Resolution

09-2012 for a permanent easement at Town Center North. All approved.

3. **INFORMATIONAL/OTHER MATTERS**

3.1 **Other Items**

- a. Corey Hoffmann provided the Board with a letter about his firm's rates changing. It should not have an impact on the RWR budget.
- b. Steve Art reported that Chair Adams is vacating his position. No immediate action is needed. His position is at-large, so it could be filled from anywhere in the City. This group provides the best source of candidates, so please consider the Vice Chair role. He will check on the requirements.

In response to Jesse Hill's question, Steve Art replied that the mock annual report has been submitted to CML.

4. **ADJOURNMENT**

The meeting was adjourned at 7:10 p.m.


Kristi Davis, Chair


Steve Art, Urban Renewal Manager

