



AGENDA
WHEAT RIDGE URBAN RENEWAL AUTHORITY
APRIL 17, 2018

Notice is hereby given of a Public Meeting to be held before the City of Wheat Ridge Urban Renewal Authority on Tuesday, April 17, 2018 at 6:00 pm., in the Council Chambers of the Municipal Building at 7500 West 29th Avenue, Wheat Ridge, Colorado.

1. General

- 1.1 Call the Meeting to Order
- 1.2 Roll Call of Members
- 1.3 Approval of Minutes – February 20, 2018
- 1.4 Public Forum (This is the time for any person to speak on any subject not appearing on the agenda. Public comments may be limited to 3 minutes).

2. Presentations

None

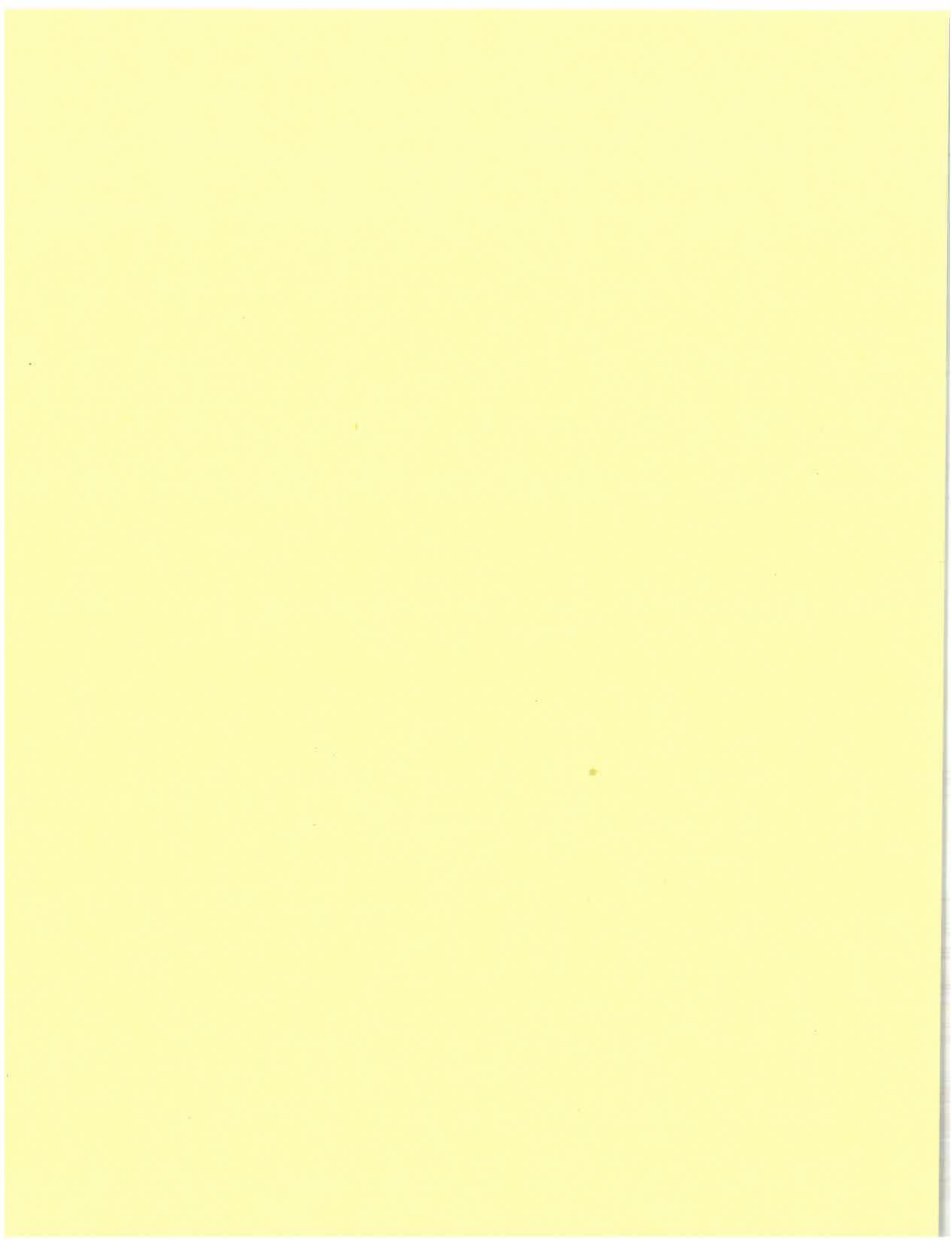
3. Action Items

- 3.1 Resolution 08-2018 – Approval of a Frist Amendment to a Redevelopment Agreement with TKG Wheat Ridge

4. Other Matters

- 4.1 Board and Staff Updates

5. Adjournment



**MINUTES
RENEWAL WHEAT RIDGE
FEBRUARY 20, 2018**

1. GENERAL

Call the Meeting to Order

The meeting of Renewal Wheat Ridge was called to order by Chair Rogers at 6:07 p.m. in the Council Chambers of the Municipal Building, 7500 West 29th Avenue, Wheat Ridge, Colorado.

Roll Call of Members

Board Members Present: Tim Rogers
James Bahrenberg
Kristi Davis
Kevin Hood
Shane Nicolson

Board Members Absent: Walt Pettit
Jesse Hill

Also Attending: Steve Art – Executive Director
Corey Hoffmann – Legal Counsel
Tim Morzel – EPS
Rich Major - TRAX
Duane Dale – Mulhern Group
Pat Henry - TRAX
Bob Turner – Quadrant
Sara Webb - TRAX
John Mullins – TRAX

Approval of Minutes

The minutes of February 2, 2018 were motioned Davis Hood by and seconded by for approval. The motion carried unanimously.

Public Forum: No public comment was received.

2.1 TRAX at TOD – Art presented the item to the board regarding the development of TRAX at the TOD station. He informed the Board of the proposed development and the desire of the City staff to have a dense product near the line. He outlined the cost implications of building a multi-family development near the tracks and that use of TIF and 2E funds may necessitate the further development. Art detailed the zoning for the property and the developers have a use-by-right to construct a much less dense product on the site.

Sara Webb of EJ Architects provided a presentation on the design elements and orientation of the development. Mullins told the Board that the image of Basecamp is being used in the design of the development.

Henry spoke about why he is willing to do this project. But he realizes there is a gap of rents he can get on this project versus Union Station. The costs are the same for both products. How do you build a product that crates a return to the developer of about 7%? It will cost about \$250,000 per unit to build the project.

Mullins says there are three components to the project. 2E funds, fee waivers and URA tax increment financing. The partners would fund the project up-front knowing that the alternate financing is available.

Majors provided a financial projection is a macular nature. The project was moved from a 5-story project to a 4-story project due to Davis-Bacon wage issues when a project is above 4 stories. He outlined the development and rent details of the project. He mentioned a feasibility study was conducted to arrive at rent rates for this project. The total project cost is about \$56 million. When all numbers are run, there appears to be a \$10 million gap.

Hood asked about blight findings. Mullins responded that public improvements are being calculated and will be presented at a future date and if it meets the requirement of blight. Mullins believes they will have final numbers in about two weeks. Mullins mentioned they are looking at some parking ideas which may open up to the public relating to the TOD station.

Rogers asked Hoffmann if this is blighted. Hoffmann reported that the land is in the URA Plan Area and therefore meets the blight conditions.

2.2 NE Corner of Kipling Street and 44th Avenue – Request for TIF Agreement. Art provided background on the project.

Duane Dale of the Mulhern Group spoke about the project at 44th and Kipling and the need for a TIF on the project. He informed the Board the project contains some fast-food pads, a hotel and a 3-story walk up residential units. Mr. Dale spoke about the C-DOT project that will affect the street configuration and a signal at what will be termed as 45th Avenue. Mr. Dales mentioned that a traffic signal is critical to the development.

Dale told the Board that the walk up apartments would number around 215. There may be some retail in the apartments such as a coffee shop. One building is along Kipling to create a hard edge along Kipling. A detention facility would be built at the southern end.

Davis asked if Dale has been to the site. She says it's a difficult site. While it is greenfield and does not have any contamination, one of the things we struggle with is the surrounding neighborhood; it's a rough part of the city. She questions if a higher quality hotel would go into the area and will it help remediate the blight in the area. Hood said the other hotels in the area are entry level models and will this product pick up the area.

Hoffmann informed the Board that RWR could make an impact and have some 'impact' on the area. The goal is not to provide infill projects, but to make a difference.

Nicolson mentioned the previous proposal for a dollar store at 44th and Vance and the Boards desire not to TIF that activity.

Art mentioned that he was disappointed that Gebele was not at the meeting to address the concerns of the Board. He mentioned some ideas for the project to be updated and that the next time they request to come before the board, they are more prepared.

1. Action Items

3.1 Resolution 06-2018 – Approval of the 2017 Annual Report. Art presented the revised (from February 2, 2018 meeting) 2017 Annual Report.

It was motioned by Hood and seconded by Nicolson for approval of Resolution 06-2108. The motion carried unanimously.

3.2 Resolution 07-2018 – Easement Agreement. Art presented the need for the Easement with the Water District. Art explained that about 4 feet of property is required from the URA owned land at Yukon Court for the required 30-foot easement from the water district.

Hoffmann spoke to the language in the document regarding the indemnification and the implications of approving the Agreement with the language included. He informed the Board that this is the standard agreement with the Water District and the language in Section 4 is 'watered down' enough that Hoffmann feels safe in recommending the execution and that Section 16 speaks to successors.

Turner provided an update on the progress of the development.

It was motioned by Davis and seconded by Nicolson for approval of Resolution 06-2108. The motion carried unanimously.

Other

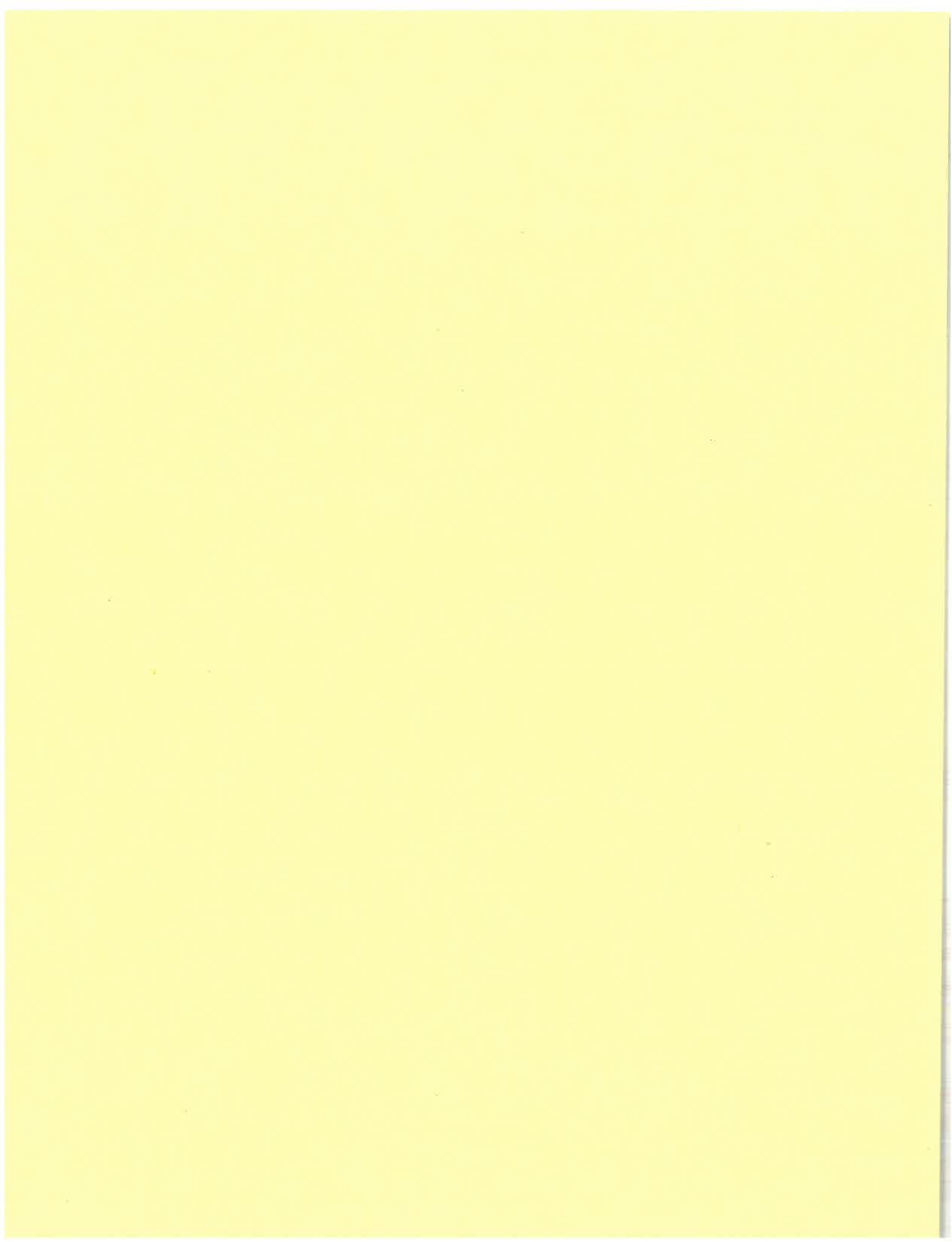
Hoffmann told the Board that the meeting with the Fire District will take place. Davis asked if the Fire District will be at the Council meeting on Monday. Hoffmann addressed this item and said the Redevelopment Agreement does not go to the Council, that only the Cooperation Agreement goes to the Council for approval.

Art updated the Board on projects. Art also gave the Board condolences on the passing of Carole Pettit, wife of Board member Walt Pettit.

The meeting was adjourned at 7:22 pm.

Tim Rogers, Chair

Steve Art, Executive Director





3.1

TO: Urban Renewal Authority Board Members

FROM: Steve Art, Executive Director

RE: Resolution 08-2018, a resolution authorizing the Board Chair or Executive Director to execute Amendment 1 to a Redevelopment Agreement between the Wheat Ridge Urban Renewal Authority and TKG Wheat Ridge

DATE: March 5, 2013

ITEM:

Request to approve a First Amendment (First Amendment) to a Redevelopment Agreement (the Agreement) between Renewal Wheat Ridge (RWR) and TKG Wheat Ridge (the "Developer") pertaining to improvements for the redevelopment of a parcel of land at the corner of Wadsworth Boulevard and West 38th Avenue; The Corners at Wheat Ridge.

PRIOR ACTION:

On June 16, 2015, RWR entered into an Agreement with the Developer for Tax Increment Financing (TIF).

FINANCIAL IMPACT:

The Amendment will have no financial impact.

BACKGROUND:

The Developer has begun vertical improvements at The Corners at Wheat Ridge. The redevelopment activity is comprised of 15 acre mixed-use development at the southwest corner of Wadsworth Boulevard and 38th Avenue. As approved in the Agreement, the Developer would cause the construction of the following:

- Up to 41,000 sq. ft. grocery store
- Up to 40,000 sq. ft. of retail shops which include fast food and other restaurants, and
- 37 owner occupied townhome units, averaging 1,540 sq. ft. per unit, and/or office space.

The Developer entered into the Agreement to provide a TIF subsidy of approximately \$6.25 million to be utilized solely for public infrastructure that include abatement and demolition of all existing structures, improvements to both Wadsworth Boulevard and 38th Avenue, public spaces within the project, and detailed in Exhibit C of the Redevelopment Agreement attached.

The Agreement is for a period of 12-years with the proposed development generating incremental property and sales tax revenues of about \$12.4 million over that period.

The Agreement defined the authorization of a Public Improvements Fee (PIF), a fee of one percent of sales collected by the developer through a third party and remitted to a special account monthly and used for debt servicing. The PIF is terminated once all the bonds have been serviced on the project. The PIF is not a City imposed tax or levy. It is a private agreement between the developer and the tenants.

All development costs are to be borne by the Developer. Upon completion of Phase I of the site, as defined in the Agreement and the site plan, RWR would provide a note to the developer for the value of those improvements. The Phase I include the public improvements along Yukon Court, West 38th Avenue and Wadsworth Boulevard. Phase I also includes all the Curbing, gutters, sidewalks, landscaping, and irrigation. Phase I also includes all public connectivity paths internal to the Project and the plaza component at the corner of West 38th Avenue and Wadsworth Boulevard. It also includes all the site drainage and detention as well as the completion of all the vertical improvement and adherence to the site plan. Phase I completion also includes the initiation of vertical construction on at least three of the residential units.

THE AMENDMENT

The Developer has requested RWR adopt a resolution approving changes to the Agreement via the First Amendment. The First Amendment asks for an amendment to four areas of the Agreement:

1. At the time of RWR's approval of the Agreement, a Subdivision Improvements Agreement had not been executed with the City of Wheat Ridge. This portion adds the date of the execution of Subdivision Improvement Agreement.
2. At the time of the Agreement, the Developer contemplated the section on the southern end of the redevelopment would be sold as a single family residential component. Since that time, the proposed use contemplates the development of a multi-family residential complex. In the Agreement, it was the responsibility of the single family residential developer to construct certain public improvements. These are now going to be the responsibility of the Developer. The First Amendment would revise Section 3.1(a)(iii) to add the following at the end of that subsection and prior to the semicolon at the end of the subsection: and (3) the sidewalk, amenity zones, pedestrian lights, irrigation, and landscaping servicing and adjacent to the parcel legally described as Lot 4, The Corners Filing No. 1, County of Jefferson, State of Colorado (the "Multifamily Parcel"). The items described in this subparagraph (3) are collectively referred to as the Multifamily Parcel Attendant Improvements.
3. As in the above, the Agreement contemplated a single family development and not a multi-family development. Therefore, Section 3.1(b)(v) is amended and restated in its entirety as follows: "A housing developer shall be secured and have begun vertical construction. The following is added as a new item (vii) in Section 3.1(b): Developer shall have completed the Multifamily Parcel Attendant Improvements.
4. Finally, the third paragraph of Exhibit "B" of the Redevelopment Agreement is amended and restated in its entirety as follows: "The Project is initially intended to include a major anchor tenant occupying a store approximately 35,000 to 50,000 square feet. The Project

shall also include other retail-related business up to 40,000 square feet and a housing project that will include market-rate housing on the Multifamily Parcel.

RECOMMENDATIONS:

Staff and legal counsel have reviewed these requests and believes them to be reasonable and makes a recommendation to authorize the adoption of Resolution 08-2018.

RECOMMENDED MOTION:

“I move to adopt resolution 08 -2018, a resolution authorizing the Board Chair or Executive Director to execute Amendment 1 to a Redevelopment Agreement between the Wheat Ridge Urban Renewal Authority and TKG Wheat Ridge.”

Or,

“I move to deny resolution 08 -2018, for the following reasons.”

Attachments:

1. Resolution 08-2018
 - a. Exhibit 1 – Amendment 1

ATTACHMENT 1

WHEAT RIDGE URBAN RENEWAL AUTHORITY
RESOLUTION NO. 08
Series of 2018

TITLE: A RESOLUTION AUTHORIZING THE BOARD CHAIR OR EXECUTIVE DIRECTOR TO EXECUTE AMENDMENT 1 TO A REDEVELOPMENT AGREEMENT BETWEEN THE WHEAT RIDGE URBAN RENEWAL AUTHORITY AND TKG WHEAT RIDGE, LLC

NOW THEREFORE, BE IT RESOLVED by the Wheat Ridge Urban Renewal Authority as follows:

It has been identified that a need to amend a Redevelopment Agreement (**Exhibit 1**) dated between the City of Wheat Ridge and the Wheat Ridge Urban Renewal Authority dba Renewal Wheat Ridge does exist. This amendment redefines the Subdivision Improvements Agreement, the Phase One Reimbursement Amount Exclusions, and Residential component of the development.

ADOPTED the 17th day of April, 2018.

WHEAT RIDGE URBAN RENEWAL AUTHORITY

Tim Rogers, Chairperson

ATTEST:

Steve Art, Urban Renewal Manager

APPROVED AS TO FORM:

Corey Y. Hoffmann, WRURA Attorney

EXHIBIT 1

First Amendment to Redevelopment Agreement

This First Amendment to Redevelopment Agreement (this "Amendment"), dated as of April 17, 2018 (the "Effective Date"), is made between Wheat Ridge Urban Renewal Authority d/b/a Renewal Wheat Ridge, an urban renewal authority and a body corporate and politic of the State of Colorado (the "Authority"), and Quadrant Wheat Ridge Corners, LLC, a Missouri limited liability company, formerly known as TKG Wheat Ridge, LLC, a Missouri limited liability company (the "Developer").

Recitals of Fact

A. The Authority and the Developer previously entered into a Redevelopment Agreement, dated June 22, 2015 (the "Redevelopment Agreement"). All capitalized and otherwise undefined terms set forth in this Amendment shall have the meanings ascribed to such terms in the Redevelopment Agreement.

B. Developer's proposed redevelopment of the Project has changed since the date of the Redevelopment Agreement, and the Parties enter into this Amendment to memorialize such changes and to conform the terms of the Redevelopment Agreement with the revised redevelopment plan for the Project.

Amendment

1. **Recitals.** The Recitals of Fact set forth above are incorporated into and constitute a material and operative portion of this Amendment.

2. **Definition of Subdivision Improvement Agreement.** The definition of Subdivision Improvement Agreement is amended and restated in its entirety as follows: "Subdivision Improvement Agreement" means that Subdivision Improvement Agreement for the Project, dated January 30, 2017, recorded in the real estate records of Jefferson County, Colorado on January 31, 2017, as document number 2017012081, as amended by the letter agreement, dated February 28, 2018.

3. **Phase One Reimbursement Amount Exclusions.** Section 3.1(a)(iii) is revised to add the following at the end of that subsection and prior to the semicolon at the end of the subsection:

“, and (3) the sidewalk, amenity zones, pedestrian lights, irrigation, and landscaping servicing and adjacent to the parcel legally described as Lot 4, The Corners Filing No. 1, County of Jefferson, State of Colorado (the "Multifamily Parcel"). The items described in this subparagraph (3) are collectively referred to as the "Multifamily Parcel Attendant Improvements".”

4. **Multifamily Parcel.**

- a. Section 3.1(b)(v) is amended and restated in its entirety as follows: “A housing developer shall be secured and have begun vertical construction.”
- b. The following is added as a new item (vii) in Section 3.1(b): Developer shall have completed the Multifamily Parcel Attendant Improvements.

5. **Exhibit B.** The third paragraph of Exhibit “B” of the Redevelopment Agreement is amended and restated in its entirety as follows: “The Project is initially intended to include a major anchor tenant occupying a store approximately 35,000 to 50,000 square feet. The Project shall also include other retail-related business up to 40,000 square feet and a housing project that will include market-rate housing on the Multifamily Parcel.

6. **No Other Modifications.** Except as modified by this Amendment, the Redevelopment Agreement remains in full force and effect.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have signed this Amendment to be effective as of the Effective Date.

Wheat Ridge Urban Renewal Authority

By: _____

Name: _____

Title: _____

Attest:

Quadrant Wheat Ridge Corners, LLC, a Missouri limited liability company

By: _____
Rodney Jones, Authorized Agent