

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

**1. GENERAL**

**Call the Meeting to Order**

The meeting of Renewal Wheat Ridge was called to order by Chair Rogers at 6:067 p.m. in the Council Chambers of the Municipal Building, 7500 West 29<sup>th</sup> Avenue, Wheat Ridge, Colorado.

**Roll Call of Members**

Board Members Present:                   Tim Rogers  
  James Bahrenburg  
  Walt Pettit  
  Val Nosler Beck  
  Shane Nicolson  
  Kristi Davis  
  Michele Koons

Board Members Absent:

Also Attending:                           Steve Art – Executive Director  
  Corey Hoffmann – Legal Counsel  
  Tim Morzel – EPS  
  Rich Majors - HRD  
  Pat Henry - HRD

The meeting was called to order at 6:02

**Approval of Minutes**

The minutes of the October 2, 2018 were amended to include language regarding the Executive Session. The minutes were motioned for approval by Nicolson and seconded by Pettit.  
Unanimous

**Public Forum** – No comments were received.

1. **Presentations** – Art presented a proposal for the development of approximately 210 market rate apartments to be built along the TOD line at Ward Road. The project, called TRAX will be developed by Pat Henry and his group.

The request for the apartments come from the City’s desire to have a more dense housing product adjacent to the line and the current entitlement would allow townhomes along the line at the station. The City has been working with Mr. Henry and his group on the development and

the financial gap which currently exists to construct the product. The gap is \$9,528,943 of which RWR's portion, if an agreement is approved will be just under \$7,000,000.

The other funding sources to fill the gap come from \$1,200,000 of 2E funds, and a deferral of park fees. Art continued that the RWR portion of the agreement will be derived from 100% of the TIF from TRAX and a townhome project directly to the north. The TRAX project will also dedicate 80% of the TIF from the Toll Brothers townhome development on the shuttered Jolly Rancher site. Of the 80% of the TIF generated, 50% of that amount will be used to repay the deferred park fees. Once that debt is repaid, about 7 years, a full 100% of the 80% will be dedicated to the TRAX project.

Art handed over the further explanation of the project to Tim Morzel of EPS and Rich Majors of the HRD group. Morzel went through his Powerpoint which included a background of EPS and the elements of the Plan which allow Tax Increment Financing (TIF). Morzel outlined the TRAX project. He spoke of eligible costs, developer returns and project generation potential. He mentioned the parking garage is the greatest cost related to the project and the element which requires public subsidy.

Morzel spoke of the "but for" analysis and the return of 7% required by this development as a reasonable return. The entire activity has a cost of just over \$54MM and the net operating income of just over \$3.1MM. This provides a return on cost of 5.77%. In order to get to the 7%, the gap is the requested amount.

With all the assistance, the City is participating with just over \$1.4MM. TIF will cover the remainder.

Majors provided more information on the TRAX activity. HRD hired an architect to design the project and to evaluate the financials of activity. He spoke of the rents needed to make this project pencil out. With that, they've added amenities that residents will require in order to pay the over \$2 per sq. ft. rent.

Davis asked if this was for the apartments and townhomes, or just for the apartments. It was reported it was just for apartments. She wanted to know about commercial and retail around the area. Art responded that commercial will be part of the Toll Bros project. Davis questioned the use of 2E funds. Majors responded that 2E funds are for street construction and drainage. Art explained that the Toll Bros and the Remington projects do not have any extraordinary costs and therefore would not need TIF support.

Henry spoke about the density of the area and not until full build-out would retail come to life. You need a base before you can build the request for retail.

Bahrenberg asked the closeness of this project to the Clear Creek Crossing. It's about a mile by straight line to the project.

Rogers asked about drainage from Rainbow Ridge. Majors responded that City staff identified the need for more storage and capacity from existing and new development. The 2E funds are not only for TRAX but for Remington. Rogers asked about Traffic generation and impact on

roads. Majors and Art responded that this traffic was not enough to cause an impact. Davis spoke of the impact from Haskins Ranch and the request to punch through 52<sup>nd</sup> into this project. The conversation was held on traffic generation. Rogers brought up the Ward Road ULI TAP report that envisioned more commercial growth as opposed to residential.

Hoffmann spoke of what he is hearing. Where does the City fit into this project? It's the URA's job to fulfil the vision of the City. He is hearing a disconnect between the activity and the needs of the activity.

Rogers asked about how we use increment from another project for this project. Hoffmann spoke that you can use the generation from another project for this activity. Rogers also wanted to know how this project justifies over \$9MM when Clear Creek Crossing only needed \$5MM? Morzel spoke this is a unique project for housing.

Beck spoke about the amenities and the new residents and the original vision of the station area.

Art spoke that it sounds as if the Board wants more information before proceeding. Davis also wanted to know if the 2E funds could be pulled out of the URA deal and be done by the City. It is explained the 2E funds are a City expense and not a RWR decision, but it is a part of the overall development costs.

Majors said they will either do the apartments or 45 more townhomes. But they want to do what's right for the City and that is the construction of the apartments.

Nicholson wanted more information and to ask for a future meeting with City staff to give a vision of the station area; to assist the Board on making a decision. Koons said she does not have a full vision of the station and would let other Board members help fill in the gaps.

Art will set up the next meeting on December 4 and have a presentation from Community Development and the City Manager regarding the station area vision.

## **2. Action Items - None**

## **3. Other Matters**

Board and Staff Updates – Art updated the board on activities in the areas.

Art also told the group of a planned lunch with the new Assessor and County Treasurer to discuss TIF.

**Adjournment** – the meeting adjourned at 7:28 pm

  
**Tim Rogers, Chair**

  
**Steve Art, Executive Director**