

**MINUTES
RENEWAL WHEAT RIDGE
JANUARY 15, 2019**

1. GENERAL

Call the Meeting to Order

The meeting of Renewal Wheat Ridge was called to order by Chair Rogers at 6:12s 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 Bahrenburg
 Walt Pettit
 Kristi Davis
 Shane Nicolson
 Michele Koons

Board Members Absent: Val Nosler Beck

Also Attending: Steve Art – Executive Director
 Hillary Graham – Legal Counsel
 Tim Morzel
 Will Damrath
 Tom Metzger

Art told the Board that its first presentation from Gold's Center was cancelled because the client was not ready for the presentation and wanted more time to prepare.

Approval of Minutes

The minutes of the December 4, 2018 were motioned for approval by Pettit and seconded by Nicolson. Unanimous

Public Forum – No comments were received

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).

1. Presentations

Art introduced the item to the Board and informed the Board that U.S. Retailers/Regency requested assistance in redevelopment of Applewood Shopping Center.

Art introduced Will Damrath and Tom Metzger of Regency. Damrath began and spoke to the Board about the operations of Regency and the overview of the company. He then spoke about development plans for the Applewood Center and the need for assistance for the development of the center and the attraction of retailers. Damrath had a presentation and detailed it with the Board. This included the configuration of the improved center specifically the Walmart site. Damrath spoke about the lease deal they had with Walmart and how the store opted to move from the center.

Damrath spoke about the competition for tenants between this center and Clear Creek Crossing, but he did speak of the hospital occupancy on CCC and how it's a game changer because a hospital drives shoppers.

With the lack of retail, new tenants were offering lower lease rates. But, he feels the tenant mix offered is great for the center. The costs to rehabilitating the building is over \$20MM while their initial estimate was \$10-\$12MM.

Davis asked about the closing of Qdoba. Damrath mentioned they do not own that property. She asked about the RTD station. Damrath said they are moving to another site and they have plans for this to be a restaurant site.

He then spoke about the elevations of the center and thinks the elevations are great. He then detailed the financial gap. He told the Board about the required 38th Avenue landscaping, pedestrian access, new lighting, storm water quality, water main extensions and fire department requirements, new landscaping along Youngfield Street, reconfiguration of the access point into Applewood along Youngfield, and a raised median along Youngfield. He then showed the public improvements costs at over \$5.9MM.

He made a formal request that RWR assist in funding the project. Metzger mentioned that structural upgrades are needed. Davis asked if Regency is interested in purchasing the Qdoba site. Damrath told the Board they are interested in owning that site. Davis asked about Applejacks and the impact of the new laws. Damrath said that ownership is interested in a remodel of the building.

Tim Morzel of EPS provided a financial outlook for the project to show the 'but for' proposition. Morzel's company took an initial look at the financial analysis for property and sales tax generation. Morzel outlined the I70 Kipling Corridors URA plan and how this conforms to the plan. He spoke of the three criteria they use to evaluate projects. 1. Eligible Costs, 2. Developer Return, and 3. Project Revenue Generation Potential.

Morzel detailed the return on cost to evaluate the But For Analysis. It calculates to 6.75% and the normal range is from 6% to a high of 8%. So, this falls into the range. Without a public subsidy, the project has a return on cost of 5.13%, with a gap of over \$4.88MM.

The numbers show about \$220,000 generated annually in property tax until 2040 thus generating (at a 5% discount rate) of about \$3.2MM.

Art told the Board that exact numbers are not generated yet and if the Board provides consensus staff will continue to negotiate and bring an agreement forward for Board approval.

Davis asked about the undergrounding of the power lines by Xcel. Is that cost included? Metzger spoke about an improved sidewalks and landscaping. Xcel only undergrounds the lines.

Rogers asked if the new movement on Youngfield is in the costs. At this time, Damrath reports, the configuration has not been designed, but it is planned as part of this project. Rogers asked if there was anything RWR could do to additionally enhance the site.

Rogers asked if there is a consensus to move forward with funding the project. The Board provided an consensus to move forward.

2. Action Items

Resolution 02-2019 – Public Postings. Art presented that annually, the board and City Council should approve a place for posting meeting items.

It was motioned by Bahrenberg and seconded by Nicolson to adopt Resolution 02-2019. Unanimous.

Resolution 03-2019 – Art presented on the need for a First Amendment to the Purchase and Sales Agreement for the Yukon Court parcel that expired on January 3, 2019. The resolution and agreement will extend that period to May 15, 2019.

It was motioned by Petit and seconded by Nicolson to adopt Resolution 03-2019. Unanimous.

Other Matters

Art updated the Board on the CVS and park property sale and what occurred at the previous nights meeting. He also told the Board about the health issues of Councilmember Fitzgerald and that the Council heard public testimony but delayed the decision on the sale of the park property. Davis then commented on the public hearing and the Council feelings toward offering a TIF to CVS. Davis would be against providing a TIF to CVS. Nicolson is also against providing TIF funding for the move. Nicolson wanted to know if this remediates blight. Art and Graham reported that it does remediate blight. Davis felt the TIF was being used by CVS to pay for the park and move Appleridge. Something we can do as a board

Adjournment – the meeting adjourned at 7:12 pm



Tim Rogers, Chair



Steve Art, Executive Director