

**MINUTES
RENEWAL WHEAT RIDGE
JUNE 16, 2020**

1. GENERAL

Call the Meeting to Order

The meeting of Renewal Wheat Ridge was called to order by Chair Pettit at 6:00 p.m. via Zoom Meetings.

Roll Call of Members

Virtual Board Members Present: Shane Nicolson
 Christopher Bird
 Walt Pettit
 Marcia Hughes
 Celeste Tanner
 Kristi Davis
 Janeece Hoppe

Board Members Absent:

Also Virtually Attending: Steve Art – Executive Director
 Tim Morzel – EPS
 Andrew Knutsen - EPS
 Chris Tavano – Cured Grape
 Rich Wilson – Forum Group
 Andrew Browning – Forum Group
 Kevin Fultz – Forum Group
 Toby Kropp – Forum Group
 Eugene Khang – Liquid Artworks
 Noah Nemmers - Baseline

Staff Steve Art
 Corey Hoffmann –Legal Counsel

Approval of Minutes

The minutes of the April 21, 2020 were motioned for approval by Hughes and seconded by Nicolson. Unanimous. Hoppe Abstain

Public Forum

None

Agenda

1. Presentations

Funding of Storm water and Sanitation Lines serving the TOD Station area – The Forum Group presented on the request to assist in the funding of storm water and sanitation lines serving the entire TOD area at the Ward Road Station.

Art explained the request based upon the activity assisting the entire subdivision, not just the Forum development. Art informed the board this is the type of improvements and need for Tax Increment Financing (TIF) assistance. Art explained that Forum, being the last in the ground, is now facing paying for improvements that aid the entire subdivision and the housing to the north.

Art informed the Board that he is only seeking consensus this evening to provide legal the authorization to move forward with drafting a reimbursement agreement to be approved at a future meeting.

Art turned over the conversation to Rich Wilson of Forum who explained the proposed activity and the reason that Forum is making the request. Wilson introduced his team and identified the regional purpose for these improvements.

Wilson displayed a PowerPoint and opened a discussion regarding funding for the storm water and sanitation line. Wilson informed the Board that Forum reached out to all the utility districts for a ‘will serve’ authorization. Fruitdale Sanitation asked for a capacity study which showed a few lines were over their 80% capacity limit and needed upsizing. Fruitdale said there would a request for Forum pay for the improvements. Wilson showed the line which needs to be improved in the City of Arvada. There is also an active development in Arvada on the site. It’s desired to get the improvements done before the development initiates.

Additionally, the storm facility on the south of the Forum site may have to be evaluated and changed. Wilson mentioned that the city, via Mark Westberg wants additional study on the operations of the drains. Wilson displayed the potential relocation areas of the improvements along with estimated costs.

Noah Lemmers of Baseline spoke about the storm pipe installed and specifics of the design. He spoke of the street inlets and how that capacity is handled.

Pettit asked if Fruitdale has any other capacity to pay for more of the improvements. Wilson responded that Fruitdale has already put their share forward and the private end is responsible for the remainder.

Tanner asked if these improvements were for future growth, and not just what’s needed today. Lemmers said it appears they are over-sizing to meet needs.

Hughes asked if the capacity increase they are being asked to pay is in Arvada, and why isn’t Arvada paying for it? Wilson said they have not done a specific flow pattern on the area to calculate their impact on the lines. He spoke to the City of Arvada issue and did not have an answer. Westberg said the oversizing is a large impact and will help serve future development.

Regarding the Arvada question, it's because the Fruitdale district covers multiple municipalities and they don't look at City lines. These lines, while in Arvada, serve Wheat Ridge.

Hoppe asked if other municipalities are to participate, who makes that communications and how does future Arvada development affect this improvement. Westberg said these improvements are serving Wheat Ridge.

Hoppe asked how old the storm water improvements are? Westberg said they were done in 2010/2011 before we knew the total development of the area. He said the request is for the worst case scenario.

Tanner asked the timing for Fruitdale to do work on the southern line and could Fruitdale do the work with a reimbursement agreement to perform the work.

Pettit asked if the storm water improvements serve Wheat Ridge only, the same as the sanitation line. Westberg responded that it does serve mainly Wheat Ridge and only a minor portion of Arvada and the County

Hoppe asked for a consensus to bring this forward at a future meeting. It was provided.

Right Coast Pizza – Art informed the Board that he is only seeking consensus this evening to provide legal the authorization to move forward with drafting a reimbursement agreement to be approved at a future meeting. The request is for approximately \$45,000 in improvements.

Art gave background on the request for future funding of an outdoor patio and addition of a restroom to The Right Coast Pizza on 38th Avenue. Art introduced Mark Escow, owner of Right Coast who detailed the proposed activity. Escow spoke of capacity and the need for a new facility. Escow is working with Lucid Studios of Wheat Ridge to calculate the need for a new restroom. With 6' spacing due to COVID, current capacity is about 16. The patio, if completed may seat an additional 16 customers and maybe more in how they design the site. The eventual capacity would be 79.

Escow spoke about the new apartments and increased traffic. He wants the patio to have a family environment.

Tanner asked about the cost of the restroom versus the patio. Escow thinks an ADA restroom is about \$30,000. Art spoke about the funding source being the 38th Avenue plan and that consensus is the only thing sought this evening.

Hoppe asked where a new restroom would be located. Escow said it would be on the east side of the building. She asked, when, would Escow know about the need for the restroom. Hoppe asked about access to the patio. Would a new opening be created in the wall on the east? He thinks the existing footprint will work.

Davis asked about public improvement and if these qualify. She wanted to know about 'skin in the game' and asked if Escow could bring more equity to the activity. Escow said a private

investment at this time, during COVID and not having business during the prime season, limits what he can provide. It's a struggle at this time.

Tanner thinks this patio will help the streetscape and is a public improvement.

Escow mentioned they support the community and wants to continue supporting Wheat Ridge. Hoppe asked Escow to speak to the investment they've made into the property; private equity. Escow detailed how they took the shell building and built it to where it stands today.

Davis wants to assure, that as an authority, we make sure this creates a public benefit. She would like to see if the WR Business District can participate.

The Chair asked for a consensus and it was provided.

2. Action Items

Cured Grape – Art introduced the request for the adoption of Resolution 08-2020 for the execution of a Grant Agreement with Chris Tavano the owner of the proposed Cured Grape. The new restaurant concept will be located in the newly developed West End 38 Apartments. Art informed the Board the grant is for \$30,000 which will be reimbursed upon completion of the restaurant.

Art explained the funding which is identified in the General Fund account.

Art introduced Chris Tavano who provided more information on the new restaurant. Tavano spoke about his desire and that he is still interested in the site. He is looking for ways to expand seating in the COVID time. They have had focus groups throughout the community and have received good feedback. They are going to have to increase their plate prices. They are still shooting at opening this year.

It was motioned by Nicolson and seconded by Hoppe to adopt Resolution 08-2020.
Unanimous.

The Forum Group – Art first explained the title of the report states Resolution 09, when it should be 11. If a motion is introduced, Resolution 11-2020 should be stated.

Art introduced the request for the adoption of Resolution 11-2020 for a Tax Increment Financing Agreement (TIF) with The Forum Group (Forum). Art provided background on development of the Ward Station and other development occurring near the tracks. Art gave a short background on the previous proposed development on the same site which RWR denied in 2019. Art explained the difference in the two products and the funding.

Hoffmann explained that the agreement used is a standard URA agreement which was reviewed by Forum. Hoffmann also detailed the Lookback Agreement and how the URA is protected. He wants the Board to know that the Lookback Agreement protects the URA if there is a windfall upon a disposition.

Art informed the Board the request is for 100% of the property tax increment generated from the development until 2040 or \$8.92 million.

Art then turned over the discussion to Rich Wilson of Forum who detailed the activity and provided a PowerPoint presentation of the overall development. Wilson detailed the 'ask' from the Board. Wilson spoke that a multi-family development meets the desires of the City and the goals of RWR.

Wilson showed a PowerPoint of the development location. Forum wants to enhance the area and showed some improvements on the site. He showed placemaking areas of the development and spoke that a parking structure is needed to make this activity feasible. The apartments have an interior courtyard. The proposal is for 280 units of one and two bedroom apartments. Sits on 2.82 acres. Interior amenities include a pool, soaking shelf, spa, grilling areas and fire pits. Exterior improvements were also detailed. He spoke of the plaza space being utilized by the community and the landscape character of the activity.

Wilson spoke of the competition and the rents that can be paid at this location, but Forum sees this as an opportunity area with more density of the previous proposal

Tim Morzel of Economic and Planning Systems (EPS) was introduced who detailed the financial analysis of the activity and spoke to the 'But For' Proposition and the need for TIF assistance to make the activity a reality. Morzel spoke about the Yield on Cost method of 6.25% as a cost hurdle. A 10% IRR hurdle was used also and both arrived at approximately a similar hurdle of about 11.76 million. Based on a 5% discount rate, the gap closure can be brought to \$4.61 million, well below the hurdle rate of \$11.76 million.

Morzel also spoke to the Lookback Agreement and how it works. Morzel and EPS did the calculations and Hoffmann provided the language. The trigger event will be the sale of the property. At time of sale, EPS or a similar firm will evaluate the cash flows and the industry standard. He addressed what is defined as developer return and how the Lookback is calculated. He showed a slide on what defines the developer cash flow to define return. He spoke to the provisions of the Lookback Agreement and what occurs if there is a windfall on the activity at time of sale.

Tanner asked about the future sale and the target date of April 1 to start the IRR. Morzel responded the April 1, 2021 date is the date that will be used for discounting of future TIF revenues. Tanner asked why the sanitation and storm water are not part of this Agreement. Art responded they are separate because one is site specific and the other serves the entire area.

It was motioned by Davis and seconded by Nicolson to adopt Resolution 11-2020. Unanimous.

Colorado Plus/Liquid Artworks - Art introduced the request for the adoption of Resolution 10-2020 for the execution of a Grant Agreement with Colorado Plus/Liquid Artworks in the

amount of \$80,000 toward development of a new exterior seating area on the west side of the existing restaurant.

Art provided background on the request from Eugene Khang for the improvements to the established facility on 38th Avenue. Art informed the Board that reimbursement would not occur until after the improvements are complete.

Art introduced Khang who briefly spoke about the development. Khang spoke that March and April were brutal times for restaurants and at this time the improvements will focus on the patio project and the interior improvements will come at a later date. He thinks the patio is very important and he estimates that 80% of his customers want more patio space. He spoke about the curb appeal of the new patio. At 50% capacity right now, he needs to focus on the patio and interior later. It will eliminate 10 parking spaces and leave 63 spaces for customer use.

Nicolson spoke and said he is happy that Khang is putting a lot of his private revenues into the project. Nicolson thinks this patio is a great

Hoppe asked Art if interior improvements were included. Art responded that no interior improvements are part of this agreement.

Pettit asked for a timeframe to start. Khang said he wants to start before the cold season.

Davis thanked Khang for the improvements.

It was motioned by Hoppe and seconded by Nicolson to adopt Resolution 10-2020.
Unanimous.

Amendment #1 – OK26 LLC – Art introduced the request for the adoption of Resolution 12-2020 for an Amendment #1 to the agreement with OK26, LLC to extend the dates of the start of construction and the end of construction. Due to the COVID-19 pandemic, the activity has not started and the owners have requested an extension to have the work starting by December 31, 2020 and ending by December 31, 2021; although this is a long timeframe, they expect to start much sooner. This timeframe just provides a cushion.

It was motioned by Nicolson and seconded by Hughes to adopt Resolution 12-2020.
Unanimous.

Staff/Board Reports

Art provided an update on the Corners and Applewood activities as well as the Clear Creek Crossing activity.

Adjournment – the meeting adjourned at 8:05 pm

Walt Pettit, Chair

Steve Art, Executive Director