

Louisville Revitalization Commission

**Monday, August 12, 2019
Library Meeting Room
951 Spruce Street, Louisville CO 80027
7:30 AM**

- I. Call to Order
- II. Roll Call
- III. Approval of Agenda
- IV. Approval of July 15, 2019 Meeting Minutes
- V. Public Comments on Items Not on the Agenda (Limit to 3 Minutes)
- VI. Reports of Commission
- VII. Business Matters of Commission
 - a. Discussion/Direction of Agreement Regarding Property Tax TIF Revenue Sharing, Highway 42 Revitalization Area
 - b. Consideration of Approval of Resolution 19-01, Approving An Agreement with Economic and Planning Systems, Inc. for Consulting Services
 - c. Discussion/Direction of Preliminary 2020 LRC Budget and Possible 2019 Budget Amendment
 - d. Discussion/Direction of LRC Regular Meeting Date and Time, 2nd Monday of the Month at 7:30 am
- VIII. Items for Next Regular Meeting September 9, 2019, 7:30 am Library Meeting Room
 - a. Resolution on 2020 LRC Budget
 - b. Resolution on Agreement Regarding Property Tax TIF Revenue Sharing
- IX. Commissioners' Comments
- X. Adjourn

City of Louisville

City Manager's Office *749 Main Street* *Louisville CO 80027*
303.335.4533 (phone) *303.335.4550 (fax)* *www.LouisvilleCO.gov*

Louisville Revitalization Commission

Minutes

**Monday, July 15, 2019
Louisville Public Library
Spruce Room
749 Main St**

Call to Order – Chair Steve Fisher called the meeting to order at 7:30 am in the Louisville City Library at 951 Spruce Street, Louisville, CO.

Commissioners Present: Chair Steve Fisher
Debra Baskett
Rich Bradfield
Alex Gorsevski

Staff Present: Heather Balsler, City Manager
Rob Zuccaro, Planning and Building Safety Director
Kathleen Kelly, Attorney to the City of Louisville
Dawn Burgess, Executive Assistant to the City Manager

Others Present: Jim Tienken, Mike Kranzdorf, Chief John Willson, Chris Schmidt,

Approval of Agenda

Approved

Approval of June 10, 2019 Minutes:

Approved as presented

Public Comments on Items Not on the Agenda

Chris Schmidt with the Louisville Fire Protection District thanked everyone for revenue sharing agreement. It is still being reviewed. There is an open house Saturday in Station 2.

Reports of Commission

None

Business Matters of Commission

- **Project Updates**

- i. Parcel O

Planning and Building Safety Director Rob Zuccaro said staff has been working with property owners on with a General Development Plan (GDP) amendment for parts of Parcel O in Centennial Valley. He provided a history of Parcel O saying this parcel includes the former Sam's Club property and Kohl's. There are height and setback zoning requirements. The development started back in 1980s. There have been 8 amendments to the GDP since 1983. There is roughly 200K sf of vacant or underutilized commercial space (Sam's club and Kohl's). Market consultants were hired to do a redevelopment study. They tried to see where market, resident, fiscal desires intersected. Consultants found we should expect for new retail development 150K new retail in entire trade area. Louisville should expect 30K sf – may be bumped up to 70K sf with creative zoning.

The consultants tested several possible redevelopment scenarios against market feasibility, financial feasibility, community support and fiscal impact to the City:

- Re-tenant buildings
- Partial redevelopment
- Major redevelopment

The preferred scenario was partial redevelopment and the report made several recommendations for the City to consider. The GDP amendment implements many of the elements of the partial redevelopment scenario. The GDP has retail concurrency with new residential development where every 12 units requires 1000 sf of retail/restaurant and 4000 sf of other commercial uses.

A traffic study has also been done. The traffic study shows that residential distributes traffic at different times and there is no significant impacts to traffic when compared to existing development.

Ownership – Sam's Club under contract with Ascent. Koebel owns Kohl's. The City will need to work with the property owners on the GDP amendment, as they will need to sign-off on the proposal. There is a lot of competition to capture retail considering other regional developments underway.

Jim Tienken asked when Ascent Church will close on the purchase of the former Sam's Club. We should have two scenarios based on whether they close on the purchase or not. Zuccaro said they are working with a consultant to review redevelopment options if the former Sam's building is repurposed. Covenants are still an issue on the property. Per property owner, if zoning is in alignment, that will help with covenant discussion.

Commissioner Bradfield questions that residential does not pay its way. Zuccaro said we are seeing increases in internet sales tax collection but it has not been modeled. Commissioner Bradfield encourages staff to look into what state is doing. What they are doing changes the equation with how models look. Houses can become point of sale, convenient, minimize travel, minimizes traffic.

Zuccaro noted that church property on 96th is for sale. They were looking at development scenario but have run into hurdles. Cost of development on 96th was higher than Ascent anticipated. There are 3 different property owners to coordinate with as well.

Jim Tienken said he would like to know what church is doing. He echo's Mike Kranzdorf's point: does church have financing to redevelop? Zuccaro said having anyone, church or any user, reuse big boxes impacts ability for implementing some of the desired design changes in the area. Jim Tienken said no models show Sam's Club remaining. Zuccaro noted that the City is modeling that now. We are working cooperatively with property owners.

Commissioner Bradfield said it looks like staff is marching step by step in the direction Council has directed. You are attempting to work with property owners and that seems sensible. Zuccaro said we are trying something new. City Manager Balsler said doing the same thing will give us the same result. We can't assume every scenario. As things change, we will remodel.

ii. Terraces on Main

This item went before City Council on June 11th. It was continued to September 17th. We are looking at quotes for 3rd party review. LRC has to pay for it. Will that change anything for developer? 3rd party will confirm or not Boulder Creek Boulders (BCB) findings. This is not budgeted for. We will bring to Council first for approval, then bring to LRC for approval.

- **LRC Criteria Approved by City Council on June 11, 2019 for Consideration for Approval by LRC**

In the packet are criteria agreements from:

1. June 11th City Council packet
2. redlines as a result of meeting
3. then clean version.

City Manager Balsler has reviewed changes. A strong document agreed upon by council and LRC is helpful.

If LRC and Council choose to do this the document may change. Other circumstances we have not anticipated may arise. Attorney Kelly said this gives developers a roadmap.

Commissioner Gorsevski asked how this will work in practice if a developer goes thru development process then ask for assistance or will they go to LRC first? City Manager Balsler said it will depend on the project. Seems like developer has the money. Attorney Kelly said the developer must get approval first.

Jim Teinken noted that BCB has invested designs but current model is not profitable.

Commissioner Bradfield said is there a roadmap. On LRC website is an application, contact info. This is what TIF criteria attempts to do. Diagrams could be created to show developers the process. He said we have 14 years left. Anything we can do to make it easier and more transparent would be beneficial.

Mike Kranzdorf noted he still finds the criteria very subjective and hard to interpret.

Motion to approve was made by Chair Steve Fisher
Motion was seconded by Commissioner Bradfield
Passed unanimously.

Discussion Items for Monday, August 12, 2019

Fire District Revenue Sharing Draft Agreement
Delo Lofts East/West Application

Commissioners Comments:

City Manager Balser said a proposal has been submitted on Phillips 66 site. It is on the website. LRC would not be involved unless they request TIF. City Manager Balser said Stan Zemler has been brought on as Interim Economic Development Director. He will be working on Economic Development strategy with Council. She may go out with job description or RFP soon. Mike Kranzdorf likes the consultant model.

Adjourn: The meeting adjourned at 8:45 am.

**SUBJECT: DISCUSSION/DIRECTION OF AGREEMENT REGARDING
PROPERTY TAX TIF REVENUE SHARING, HIGHWAY 42
REVITALIZATION AREA**

DATE: AUGUST 12, 2019

PRESENTED BY: HEATHER BALSER, CITY MANAGER

SUMMARY/CURRENT DISCUSSION: At the June 11, 2019 LRC meeting Commissioners, the Fire District representatives and staff discussed the following principles for a future agreement:

Beginning with the 2020 calendar year, the LRC would provide to the Fire District 25% of TIF revenues generated by the existing mill levy plus 100% of revenues from the Fire District's mill levy increase. And if the mill levy increase is not approved by the voters, the LRC would provide the Fire District with 50% of TIF revenues generated by the existing mill levy.

Attached is a draft of the TIF revenue sharing agreement between the LRC, City, and Fire District. It is based on the agreement with Boulder County, but a little bit simpler because some of those provisions (ie, regarding renegotiation) don't apply. Also, there was no discussion of a cap on the amount of revenue sharing, so that was also not included.

Please review Section 1 specifically, which is broken out into two subsections to address whether the District's tax increase passes or not and the effect that would have on the revenue sharing. The proposed IGA in your packet goes on to say that payments will be made during the month of January following the calendar year of collection until the 25th anniversary of the date of approval of the Highway 42 Revitalization Area Urban Renewal Plan (the lifetime of the TIF provision in the Plan). So payments would continue for collections made through 2033, with the last payment made in January 2034.

Representatives from the Fire District plan to be at the meeting for further discussion. The Fire District and their attorneys have reviewed the draft IGA.

Section 5 of the amended and restated cooperation agreement between the LRC and the City requires the LRC to notify the City Council in writing of its intention to enter into a financial obligation extending beyond the end of the LRC's current fiscal year, and the LRC may not commit to such a financial obligation unless a majority of the City Council has adopted a resolution determining the city's interests in connection with such financial obligation are adequately protected. In addition to this requirement in the cooperation agreement, the City is a party to the TIF revenue sharing agreement. Therefore, the TIF revenue sharing agreement will need to be approved by City Council.

However, before the LRC forwards this agreement to the City Council, the updated projections and assumptions should be reviewed by both the LRC and the Fire District to ensure the sharing formula, including the effect of outstanding bonds, is acceptable to both parties.

PREVIOUS BACKGROUND PROVIDED:

The Louisville Fire Protection District is a taxing entity in the City of Louisville. They have an approved 6.686 mill charge on real and personal property. This represents currently 7.48% (6.686 / 89.339) of the property tax bill in town.

Louisville Fire is considering a 2019 vote to increase their mill levy to create additional revenue for needed expansions of their operations. The Fire District recently had a joint meeting on April 26, 2019 with the Louisville City Council and provided information in the packet. Below is a link to the agenda and packet materials from that meeting:

<http://www.louisvilleco.gov/home/showdocument?id=23075>

There is not a cooperation agreement between the LRC and Louisville Fire to share TIF revenue. The LRC has one revenue sharing agreement which is with Boulder County. That agreement is to share back 25% of the County's share of the total mill levy when the Highway 42 Urban Renewal Plan was adopted in 2006.

PREVIOUS DISCUSSION:

The Louisville Fire Protection District met with City Staff in April of this year to request the LRC consider sharing 50% of the TIF revenues generated from the Fire District's mill levy on property tax increment in future budget years.

The LRC in 2018 had total TIF revenue of \$1,309,269, of which \$99,974 was generated from increment associated with the Fire District's mill levy on real property in the Highway 42 Urban Renewal District. This revenue represents 2.31% of the Fire District's 2018 actual property tax revenue figure (\$4,323,036).

Assuming a 50% return of Fire District mill levy revenues, if in place for the 2018 budget year, the amount would be approximately \$50,000. If the LRC TIF revenue projection is correct for 2019, the 50% share amount for 2019 would be \$63,000. Should the Fire District receive an increase in their mill levy, the estimated value of the share back would increase.

FINANCIAL IMPACT:

Please see the attached spreadsheet which reviews the initial assumption regarding the financial impact at 25% only, 25% and the Fire District retaining 100% of its new mill levy and a 50% collection. This spreadsheet needs further review and updating.

SUBJECT:	DISCUSSION/DIRECTION OF AGREEMENT REGARDING PROPERTY TAX TIF REVENUE SHARING, HIGHWAY 42 REVITALIZATION AREA
DATE:	AUGUST 12, 2019

PAGE 3 OF 3

RECOMMENDATION:

Discussion/Direction on agreement regarding property tax TIF revenue sharing with the Fire District.

ATTACHMENTS:

- 1) Agreement Regarding Property Tax TIF Revenue Sharing, Highway 42 Revitalization Area
- 2) Draft Fire District Spreadsheet
- 3) June 10 LRC Minutes (Discussion with Fire District and LRC on Future Agreement)
- 4) Cooperation Agreement

AGREEMENT REGARDING PROPERTY TAX TIF REVENUE SHARING
Highway 42 Revitalization Area

This Agreement regarding Property Tax TIF Revenue Sharing (the “Agreement”) is made as of _____, 2019, by and among the LOUISVILLE REVITALIZATION COMMISSION, a body corporate and politic of the State of Colorado (the “Commission”), the CITY OF LOUISVILLE, a Colorado municipal corporation (the “City”), and the LOUISVILLE FIRE PROTECTION DISTRICT, a fire protection district organized pursuant to Title 32 of the Colorado Revised Statutes (the “District”), collectively, the “Parties” and individually a “Party.”

RECITALS

A. Pursuant to the Colorado Urban Renewal Law, Section 31-25-101, *et seq.*, C.R.S. (the Act), the City Council of the City passed and adopted Resolution No. 37 approving the Highway 42 Revitalization Area Urban Renewal Plan (the “Plan”) to carry out the urban renewal project (the “Urban Renewal Project”) described in the Plan for the area described therein (the “Urban Renewal Area”).

B. The Act provides, and the Plan contains, a provision authorizing the financing of the Urban Renewal Project (“TIF Financing”). TIF Financing provides that taxes, if any, levied after the effective date of the approval of the Plan upon taxable property in the Urban Renewal Area each year shall be divided for a period not to exceed twenty-five (25) years from the effective date of the Plan and that a portion of said property tax revenues (the “TIF Revenue”) shall be allocated to and paid into a special fund of the Commission to pay the principal of, interest on, and any premiums due in connection with bonds of, loans or advances to, or indebtedness incurred by, the Commission to carry out the Urban Renewal Project.

C. Section 31-25-107(11) of the Act permits and authorizes the Parties to enter into this Agreement for payment from that portion of the TIF Revenue produced by the District property tax levy, or any portion of such levy, the costs of additional District infrastructure or services necessary to offset the impacts of the Urban Renewal Project and for the sharing of revenues.

D. The District intends to refer to the registered electors of the District a ballot issue at the November 5, 2019 election, requesting an increase in the District’s mill levy to help pay increased expenses associated with the District’s costs of infrastructure, services, and equipment to the City and its residents. If the District is unsuccessful at the November 5, 2019 election, the District may submit the mill levy increase question to its voters again at a future election, such as May of 2020 or November of 2020. The District may also seek voter approval for additional mill levy increases from time to time in future years.

E. The Parties by this Agreement desire to provide for a sharing of a percentage of the TIF Revenue calculated, produced, and allocated to the Commission from the District’s current property tax levy, including any additional revenues resulting should the District’s voters

approve a mill levy increase at the November 2019 election or at one or more elections in the future.

AGREEMENT

NOW THEREFORE, in consideration of the foregoing the Parties agree as follows:

1. District TIF Revenue Sharing. Commencing on January 1, 2020 (the “Effective Date”):

A. If the District’s mill levy increase is not approved by the voters at the November 5, 2019 election, the Commission agrees to pay to the City, within ten (10) days of receipt thereof, fifty percent (50%) of all revenue allocated to and collected by the Commission based on the District’s existing mill levy of 6.86 mills. If voters approve a mill levy increase at any future election after November 5, 2019, District TIF revenue shall thereafter be shared as set forth in subsection 1.B, below.

B. If the voters approve an increase in the District’s current 6.686 mills at the November 5, 2019 election, or at one or more future elections, the Commission agrees to pay to the City, within ten (10) days of receipt thereof, twenty-five percent (25%) of all revenue allocated to and collected by the Commission based on the District’s existing mill levy of 6.686 mills, plus one hundred percent (100%) of all additional revenues resulting from any future voter-approved increase(s) to the District’s current 6.686 mills.

2. Payments to District. Provided this Agreement has not been terminated in accordance with Section 3, commencing on the Effective Date and continuing until the twenty-fifth (25th) anniversary of the date of approval of the Plan (the “Term”), the City shall pay to the District all revenues received from the Commission pursuant to Section 1 on or before the 31st day of January following the calendar year of collection.

3. Termination Event. The Commission or the City may terminate this Agreement by delivering to the District written notice of the termination of the Urban Renewal Plan, including its TIF component.

4. Agreement Confined to District TIF Revenue. This Agreement applies only to the District TIF Revenue collected in the Urban Renewal Area during the Term, and does not include any other revenues of the City or the Commission. If area is subsequently included in the Plan by a modification of the Plan, and such modification results in TIF Revenues being allocated to the Commission for an additional period beyond twenty-five (25) years from the effective date of the Plan, then the Commission shall pay the District TIF Revenues as set forth in Section 1, above, for such additional period.

5. Obligation Subordinate. The obligation of the Commission to pay that portion of the District TIF revenue to the City based on the District’s 6.686 mills, as set forth in Section 1,

is and shall be subordinate to any payment of the principal of, the interest on, and any premiums due in connection with bonds of, loans or advances to, or indebtedness incurred by, whether funded, refunded, assumed, or otherwise, the Commission for financing or refinancing, in whole or in part, the Urban Renewal Project. Notwithstanding the foregoing, the Commission will use reasonable good faith efforts, consistent with its obligations to carry out the Urban Renewal Project, to structure any such financing or refinancing in a manner to accommodate and provide for the payment of the District TIF revenue in accordance with this Agreement.

6. Books and Accounts; Financial Statement. During the Term, the City and the Commission will keep, or cause to be kept, proper and current books and accounts in which complete and accurate entries shall be made of the District TIF revenue received by the Commission and the City and the amounts subject to sharing with the District pursuant to Section 1 of this Agreement. Upon reasonable notice, and at the sole expense of the District, all such books and accounts related to the District TIF revenue shall be open to inspection during normal business hours by such accountants or other agents as the District may from time to time designate.

7. Notices. Any notice required or permitted by this Agreement shall be in writing and shall be given by personal service, by certified mail or registered mail, or by reputable overnight courier service, all postage and fees prepaid, addressed to the Party to whom such notice is to be given at the address set forth on the signature page below, or at such other address as has been previously furnished in writing, to the other Party or Parties. Notices shall be deemed given upon such personal, courier or express mail delivery or on the third business day following deposit in the U.S. mail as provided above.

8. Delays. Any delays in or failure of performance by any Party of its obligations under this Agreement shall be excused if such delays or failure are a result of acts of God, acts of public enemy, acts of the Federal, state or local government, acts of any other Party, acts of third parties, litigation concerning the validity of this Agreement or relating to transactions contemplated hereby, fire, floods, strikes, labor disputes, accidents, regulations or order of civil or military authorities, shortages of labor or materials, or other causes, similar or dissimilar, which are beyond the control of such Party. Notwithstanding the foregoing, where any of the above events shall occur that temporarily interrupt the ability of the Commission and/or the City to transfer or pay the District TIF Revenues, as soon as the event causing such interruption shall no longer prevail, the Commission and the City shall transfer and pay the total amount of District TIF Revenues then owing to date as determined according to the provisions of Sections 1 and 2, above.

9. Default. Time is of the essence, subject to Section 8, above. If any payment or any other material condition, obligation, or duty is not timely made, tendered, or performed by any Party, then any other Party may exercise any and all rights available at law or in equity, including damages, but such damages shall be limited to the actual amount that such Party is entitled to receive or retain under this Agreement. No special or punitive damages shall be payable hereunder.

10. Section Captions. The captions of the Sections are set forth only for the convenience and reference of the Parties and are not intended in any way to define, limit, or describe the scope or intent of this Agreement.

11. Integration and Amendment. This Agreement represents the entire agreement among the Parties with respect to the subject matter and there are no oral or collateral agreements or understandings with respect to the subject matter. This Agreement may be amended only by an instrument in writing signed by the Parties. Course of performance, no matter how long, shall not constitute or be construed as an amendment to this Agreement.

12. Waiver. The District waives any right to contest in any manner the validity of the Plan, or any of the provisions of the Plan, including, without limitation, the right of the Commission to use the TIF Financing provisions described in Recital B. A waiver by any Party to this Agreement of the breach of any term or provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach by either Party.

13. Governing Law and Venue. This Agreement shall be governed by the laws of the State of Colorado and venue shall lie in the District Court for the County of Boulder.

14. No Third-party Beneficiaries. This Agreement is intended to describe the rights and responsibilities only as to the Parties hereto. This Agreement is not intended and shall not be deemed to confer any rights on any person or entity not named as a Party hereto.

15. No Presumption. The Parties to this Agreement and their attorneys have had a full opportunity to review and participate in the drafting of the final form of this Agreement. Accordingly, this Agreement shall be construed without regard to any presumption or other rule of construction against the Party causing the Agreement to be drafted.

16. Severability. If any provision of this Agreement is found to be invalid, illegal or unenforceable, the validity and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

17. Execution Required. This Agreement shall not be binding upon any Party hereto unless and until the Parties have each executed and delivered this Agreement to each of the other Parties.

18. Parties Not Partners. Notwithstanding any language in this Agreement or any other agreement, representation, or warranty to the contrary, the Parties shall not be deemed to be partners or joint venturers, and no Party shall be responsible for any debt or liability of any other Party.

IN WITNESS WHEREOF, this Agreement is executed by the Parties hereto in their respective names as of the date set forth above.

LOUISVILLE REVITALIZATION
COMMISSION

ATTEST:

Secretary

Chair
749 Main Street
Louisville, CO 80227

CITY OF LOUISVILLE

ATTEST:

City Clerk

Mayor
749 Main Street
Louisville, CO 80227

APPROVED AS TO FORM:

City Attorney

LOUISVILLE FIRE PROTECTION DISTRICT

ATTEST:

Board Secretary

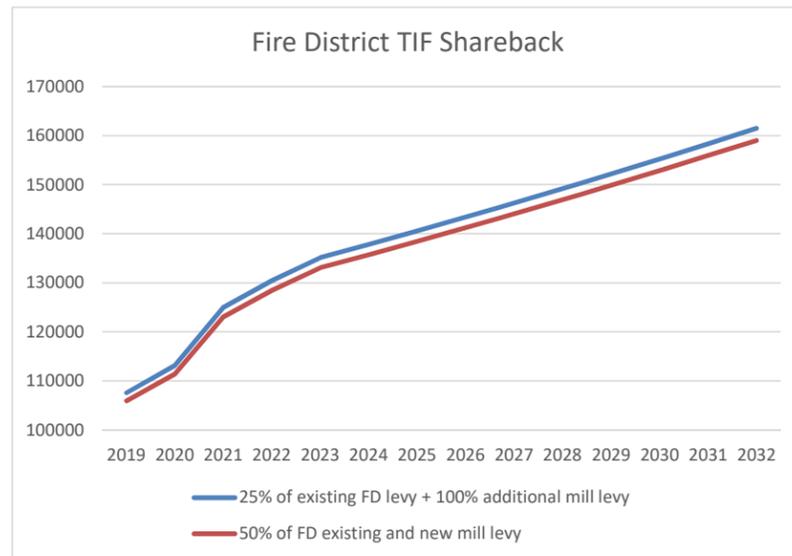
Chairman, Board of Directors
895 Via Appia
Louisville, CO 80027

APPROVED AS TO FORM:

District Attorney

= Actual Values Res AV % 7.20%
 Comm AV % 29%

																TOTAL	
Assumptions:																	
Organic Value Growth	2%																
Mill Levy	87.560	89.335	89.335	89.335	89.335	89.335	89.335	89.335	89.335	89.335	89.335	89.335	89.335	89.335	89.335	89.335	
Tax Year as of January 1	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032		
Year Tax paid	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033		
Assessed Value Base	41,986,395	42,826,123	43,682,645	44,556,298	45,447,424	46,356,373	47,283,500	48,229,170	49,193,754	50,177,629	51,181,181	52,204,805	53,248,901	54,313,879	55,400,157		
Assessed Value Total	61,021,831	62,242,268	64,902,669	66,872,308	70,097,570	72,088,877	73,934,575	75,413,266	76,921,532	78,459,962	80,029,161	81,629,745	83,262,340	84,927,586	86,626,138		
+ DELO Res	-	675,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	675,000
+ DELO Comm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
+ DELO Lofts	-	-	-	954,000	-	-	-	-	-	-	-	-	-	-	-	-	954,000
+ Coal Creek Station	-	-	339,417	577,800	577,800	396,000	-	-	-	-	-	-	-	-	-	-	1,891,017
+ North End Res	-	712,800	-	-	-	-	-	-	-	-	-	-	-	-	-	-	712,800
+ North End Comm	-	-	217,500	217,500	-	-	-	-	-	-	-	-	-	-	-	-	435,000
+ TEBO	-	-	101,500	101,500	-	-	-	-	-	-	-	-	-	-	-	-	203,000
Total Assessed Value plus Projects	61,021,831	63,630,068	65,561,086	68,723,108	70,675,370	72,484,877	73,934,575	75,413,266	76,921,532	78,459,962	80,029,161	81,629,745	83,262,340	84,927,586	86,626,138		
Total TIF Assessed Value	19,035,436	20,803,945	21,878,441	24,166,809	25,227,946	26,128,505	26,651,075	27,184,096	27,727,778	28,282,334	28,847,980	29,424,940	30,013,439	30,613,707	31,225,982		
TIF Revenue	1,666,743	1,858,520	1,954,510	2,158,942	2,253,739	2,334,190	2,380,874	2,428,491	2,477,061	2,526,602	2,577,134	2,628,677	2,681,251	2,734,876	2,789,573		38,116,935
Existing FD Mill levy																	
Additional FD Mill Levy																	
existing FD levy *.25	0.25	31,818	34,774	36,570	40,395	42,169	43,674	44,547	45,438	46,347	47,274	48,219	49,184	50,167	51,171	52,194	
100% of additional FD mill levy		66,624.03	72,813.81	76,574.54	84,583.83	88,297.81	91,449.77	93,278.76	95,144.34	97,047.22	98,988.17	100,967.93	102,987.29	105,047.04	107,147.98	109,290.94	
25% of existing FD levy + 100% additional mill levy		98,441.76	107,587.60	113,144.36	124,978.65	130,466.32	135,123.56	137,826.03	140,582.55	143,394.20	146,262.09	149,187.33	152,171.08	155,214.50	158,318.79	161,485.16	1,955,742.23
% of LRC revenue to FD		5.91%	5.79%	5.79%	5.79%	5.79%	5.79%	5.79%	5.79%	5.79%	5.79%	5.79%	5.79%	5.79%	5.79%	5.79%	
50% of FD existing and new mill levy	0.5	96,947.48	105,954.49	111,426.90	123,081.56	128,485.93	133,072.47	135,733.92	138,448.60	141,217.57	144,041.92	146,922.76	149,861.22	152,858.44	155,915.61	159,033.92	1,926,055.33
% of LRC revenue to FD		5.82%	5.70%	5.70%	5.70%	5.70%	5.70%	5.70%	5.70%	5.70%	5.70%	5.70%	5.70%	5.70%	5.70%	5.70%	



Louisville Revitalization Commission

Minutes

**Monday, June 10, 2019
Louisville Public Library
Library Conference Room
951 Spruce Street (NW entrance)**

Call to Order – Chair Steve Fisher called the meeting to order at 7:30 am in the Louisville City Library at 951 Spruce Street, Louisville, CO.

Commissioners Present: Chair Steve Fisher
Alexis Adler
Rich Bradfield
Hank Dalton
Bob Tofte

Staff Present: Heather Balsler, City Manager
Aaron DeJong, Economic Development Director
Rob Zuccaro, Planning and Building Safety Director
Kathleen Kelly, Attorney to the City of Louisville
Dawn Burgess, Executive Assistant to the City Manager

Others Present: Jim Tienken, Mike Kranzdorf, John Willson, Chris Schmidt,
Debra Baskett

Welcome to New Commission members Rich Bradfield and Deb Baskett

Approval of Agenda

Approved

Approval of May 13, 2019 Minutes:

Approved as presented

Public Comments on Items Not on the Agenda

None

Reports of Commission

Chair Fisher thanked Aaron DeJong and Hank Dalton for their service on the board.

City Manager Balser said she looks to fill the Economic Development Director position on an interim basis while looking for a permanent replacement.

Business Matters of Commission

- **Fire District revenue sharing request**

DeJong discussed a shareback request, saying any new mill levies would go back to district. City Manager Balser said the desire to look at scenario at 25% as that is what the County agreement is. 25% of existing and 100% of new revenues.

Can start to draft agreement to take to Council. It would start January 1, 2020.

Chris Schmidt, FPD could be happy with 25%/100%

Commissioner Bradfield asked if mill levy request does not pass, and the need is obvious, would the District want 25% now and then ask for more later? Yes.

Commissioner Tofte and Chair Fisher suggested writing the draft agreement to include a contingency that if the mill levy is not approved by the voters, then the share-back would be 50%.

Commissioner Adler is in agreement with Commissioner Tofte and Chair Fisher; she wants to support fire district. Commissioner Dalton agrees.

Draft agreement to go to LRC first then to Council.

Mike Kranzdorf – could you accept 50% and not go to public? Chief John Willson - No, we can bring down current request if the Fire Protection District has a guaranteed revenue source. Currently, in town residents get discount on ambulance rate. Businesses that have employees, those employees can be considered in-district for that service.

Chief Willson said there have been 141 calls in-district with no help needed, 26 calls needed assistance, 96 out of district calls. Other districts are adding resources. Commissioner Bradfield wants to make sure funds are not piggybacked on by other districts. Chief Willson said that is evaluated every month with the Chiefs of other districts. Board President Chris Schmidt said the

district has been under pressure to join consortium. They don't want Louisville tax dollars subsidizing other districts.

- **Draft UR Assistance Criteria**

Goal today is to see if LRC agrees that this criteria is useful for analysis. City Manager Balser asked the LRC to review the criteria. LRC and Council do not have to have the same criteria. Staff does not need direction but will communicate what Council decides on Tuesday at council meeting. Once formalized, the applicant could see if their project fits.

Both LRC and Council have to approve an agreement. Commissioner Adler said based on the previous meeting, one of her takeaways was Council wants historic preservation as part of project. Economic Development Director DeJong went through changes to the draft, adding an objective count: the applicant has to meet a minimum of 3 criteria. "Proposed projects must address at least 3 of the objectives outlined in the Plan."

Commissioner Dalton said Council not united, we need to provide to them a simple set of criteria to meet their needs. We want to provide assurance to applicants that they need to meet these criteria. Renewal means to do something different. He thinks the historic preservation item is conflicting. This needs to be discussed with Council in a constructive way.

Commissioner Adler asked how we define negative impacts on #7. DeJong said it is not as objective as it could be.

Commissioner Tofte said "does not cause" is a hard phrase. Commissioner Dalton thinks #7 should be stricken.

Planning and Building Safety Director Zuccaro said there are not historic preservation specific review criteria for a Planned Unit Development. The Downtown Design Guidelines use terms such as "traditional" material, scale, etc. It is not necessarily about the goals of the historic preservation plan but the goals of preservation of downtown character.

Commissioner Bradfield said #7 is overly broad.

"Broadly consistent with goals of historic preservation plan." Would it make sense to incorporate the word "traditional"? There are also downtown design guidelines.

Should the applicant get through PUD process then come to LRC? Language would have to reflect a downtown project versus not in downtown but still in URA.

Other projects – completion of Grain Elevator, Voltage project, (both have approved PUDs)

There is only 140,000 sf of projects that could be developed downtown.

City Manager Balser said staff will go back and provide Council with LRC's recommended language.

Commissioner Dalton suggested members could attend the City Council meeting and give comments as individuals.

Last paragraph on page 3 should be first.

Commissioner Bradfield asked if the city has a roadmap that lays out process. No, Terraces is the first project.

Mike Krandorf believes this muddies the waters. He agrees with Commissioner Dalton. If the project meets PUD requirements, the applicant should be eligible to ask for assistance. There really isn't a basis for agreement.

City Manager Balser said based on this conversation, staff can reference this discussion and possible suggested language. Perhaps have a joint meeting with Council.

Commissioner Adler noted that page 2, letter I, are there thoughts around working about alternative transportation? Letter E may address it.

- **Project Updates**

DeJong said that, thanks to City Manager Balser, approvals have been short circuited for Short St. Intersection improvements are under way.

Terraces – will be discussed at Tuesday's meeting.

Ascent Church is under contract. Church would use back portion and use retail in frontage of building. Due diligence is a long process. Parcel O rezoning going to Planning Commission to allow 250 residential units this week.

Discussion Items for Monday, July 8, 2019

- 1) Delo Lofts East/West Application
- 2) Agreement with Fire District

Commissioners Comments:

None

Adjourn: The meeting adjourned at 8:48 am.

**RESOLUTION NO. 73
SERIES 2015**

**A RESOLUTION APPROVING AN AMENDED AND RESTATED COOPERATION
AGREEMENT BETWEEN THE CITY OF LOUISVILLE AND THE LOUISVILLE
REVITALIZATION COMMISSION**

WHEREAS, the City of Louisville (the “City”) is a home-rule city and municipal corporation duly organized and existing under and pursuant to Article XX of the Colorado Constitution and Charter of the City; and

WHEREAS, the Louisville Revitalization Commission (the “LRC”) is a public body corporate and politic authorized to transact business and exercise its powers as an urban renewal authority under and pursuant to the Colorado Urban Renewal Law, Part 1 of Article 25 of Title 31, C.R.S. (the Act); and

WHEREAS, the Act and Section 18, Article XIV of the Colorado Constitution authorize the City and the LRC to enter into cooperation agreements, and the Act specifically authorizes the City and the LRC to enter into agreements respecting action to be taken pursuant to any of the powers set forth in the Act; and

WHEREAS, in 2006, the City and the LRC entered into a Cooperation Agreement respecting operating funds, support services, general oversight of the LRC to be provided by the City to the LRC, and related matters, which such Agreement was approved by Resolution No. 49, Series 2006; and

WHEREAS, on April 5, 2011, the City and the LRC entered into an Amended and Restated Cooperation Agreement respecting the same matters; and

WHEREAS, the City desires to update and revise certain provisions of the Agreement and for such purpose there is proposed another Amended and Restated Cooperation Agreement between the City and the LRC;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LOUISVILLE, COLORADO:

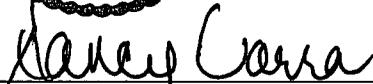
Section 1. The proposed Amended and Restated Cooperation Agreement between the City of Louisville and the Louisville Revitalization Commission (the “Agreement”), a copy of which is attached hereto and incorporated herein by this reference, is hereby approved.

Section 2. The Mayor is authorized to execute the Agreement on behalf of the City, except that the Mayor is hereby further granted authority to negotiate and approve such revisions to said Agreement as the Mayor determines are necessary or desirable for the protection of the City, so long as the essential terms and conditions of the Agreement are not altered.

Section 3. The Mayor, City Manager and City Staff are further authorized to do all things necessary on behalf of the City to perform the obligations of the City under the Agreement, and are further authorized to execute and deliver any and all documents necessary to accomplish the terms, conditions and provisions of the Agreement.

PASSED AND ADOPTED this 17th day of November, 2015.





Nancy Varra, City Clerk



Robert P. Muckle, Mayor

AMENDED AND RESTATED COOPERATION AGREEMENT

This Amended and Restated Cooperation Agreement (the Cooperation Agreement) is made as of Nov. 17, 2015, by and between the CITY OF LOUISVILLE, COLORADO (the City) and the LOUISVILLE REVITALIZATION COMMISSION (the LRC). The City and the LRC are sometimes referred to herein individually as a Party and collectively as the Parties.

RECITALS

A. The City is a home-rule city and municipal corporation duly organized and existing under and pursuant to Article XX of the Colorado Constitution and Charter of the City (the Charter).

B. The LRC is a public body corporate and politic authorized to transact business and exercise its powers as an urban renewal authority under and pursuant to the Colorado Urban Renewal Law, Part 1 of Article 25 of Title 31, C.R.S. (the Act).

C. The Act and Section 18, Article XIV of the Colorado Constitution authorize the Parties to enter into cooperation agreements, and the Parties desire to enter into this Cooperation Agreement respecting operating funds, support services, and general oversight of the LRC to be provided by the City to the LRC and related matters.

AGREEMENT

NOW THEREFORE, in consideration of the foregoing and the following terms and conditions, the Parties agree as follows.

1. Advance of Operating Funds by the City. The City may annually advance to the LRC an amount of operating funds (Operating Funds) to be determined by appropriation by the City Council of the City. Operating Funds shall be used by the LRC for operating, administrative, consulting and other costs incurred by the LRC in accordance with the Act, including, without limitation, the costs and expenses of Support Services described in Section 2, below. Operating Funds shall be paid directly to the LRC to be used in accordance with the Act, this Cooperation Agreement and the City-approved LRC budget.

2. Support Services. The City agrees to provide administrative and legal support services (Support Services) to the LRC in connection with its operations. The City Manager shall serve as Director of the LRC as provided in the Act and shall have discretion to employ those City staff members as may be required to carry out the duties and operations of the LRC. Support Services may include, without limitation, planning, financing and accounting, engineering, legal, and administrative and outside consulting services.

3 LRC Budget By December 31 of each year, the LRC shall adopt a budget (the LRC Budget) for the ensuing fiscal year (which shall be the calendar year), which LRC Budget shall be submitted to the City for review and approval prior to LRC adoption. The LRC Budget shall contain a statement of sources and uses of all funds that are available or that the LRC reasonably expects to become available to LRC to finance its activities, undertakings, and obligations for each budget year. It is the intention of the Parties that the LRC shall use its reasonable best efforts to use other sources of revenue available under the Act as the primary source of its Operating Funds and payment for Support Services as such revenue becomes available to the LRC. Such revenue shall include, without limitation, tax allocation or tax increment revenues that may become available pursuant to any urban renewal plan approved by the City Council of the City.

4. Reimbursement for Operating Funds and Support Services. The Parties shall establish a procedure for documenting the reasonable costs and expenses (the Costs and Expenses) related to the Operating Funds and Support Services provided by the City. The Costs and Expenses shall constitute an indebtedness of the LRC to be repaid to the City from sources of revenue available under the Act as such revenue becomes available to the LRC. Such revenue shall include, without limitation, tax allocation or tax increment revenues that may become available pursuant to an urban renewal plan approved by the City Council of the City.

a. It is agreed that the Costs and Expenses incurred by the City up to and including expenses on December 31, 2014 total \$9,894.00. At the election of the City, such amount may be evidenced by a note approved by the Parties and executed by LRC

b. Upon request of the LRC, the City agrees to give reasonable consideration to subordinating its right to repayment of Costs and Expenses to any bonds, loans, advances, indebtedness, or other obligation of the LRC.

c. Notwithstanding the foregoing, the Parties agree that all Costs and Expenses related to the 550 S. McCaslin Urban Renewal Plan shall be paid by the City

5. Approval of Certain Contracts; Bonds and Other Obligations of the LRC. The Parties agree that the City Council of the City shall provide direction to LRC and oversight of LRC activities as follows

a. Any proposed expenditure by the LRC which has not been previously approved as part of the LRC budget shall be subject to the prior review and approval of the City Council.

b. Prior to issuing bonds or any other capital financial obligations or financial obligations extending beyond the end of the current fiscal year of the LRC, the LRC shall notify the City Council in writing of its intention to do so, and shall promptly furnish to the City

Council such information and documents relating to such bonds or other capital or long-term financial obligations as the City Council may request. The LRC shall not commit to or proceed with any such bonds or other capital or long-term financial obligations unless a majority of the City Council has adopted a resolution determining that the City's interests in connection with such bonds or other obligations are adequately protected.

c. Allocation of any municipal sales tax increment shall occur only upon City Council approval. For any such requested approval, the LRC shall submit a financing plan outlining the proposed amounts and purpose for which the municipal sales tax increments are proposed to be used. City Council may approve or deny such request in its discretion.

d. The LRC shall provide to the City Council for review and approval any redevelopment agreement or other contract contemplated to carry to out the purposes of any urban renewal plan or to apply to property in any urban renewal area, prior to the LRC's final approval thereof. Any such approval shall be by City Council resolution.

e. The LRC shall comply with applicable City codes, rules, and regulations related to any other urban renewal activities of the LRC. The City Council shall be informed of the activities, functions, operations, and financial condition of the LRC in the form of reports to the City Council not less than quarterly, and at any other time as requested by the City Council.

f. The City agrees that it will make reasonable efforts to act within thirty days of a request for review of any document, agreement, obligation, or action required by this Cooperation Agreement. Unless otherwise required by law or provided herein, any approval or other action of the City Council shall be by motion or resolution.

6. Continuing Cooperation; Additional Agreements. The Parties shall cooperate to carry out and complete the urban renewal plans approved by the City Council. It is contemplated that additional agreements may be required to plan and carry out urban renewal projects in accordance with the provisions of any such urban renewal plan and the Act. The Parties agree to cooperate and give timely consideration to any additional agreements or amendments to this Cooperation Agreement that may be necessary or convenient in connection with such activities and undertakings; provided, however, nothing in this Cooperation Agreement shall preclude or require the commitment of additional revenue, financing, or services by either Party in connection with such activities and undertakings.

7. Obligations Subject to Act, Charter, and Constitution. The covenants, duties and actions required of the Parties under this Cooperation Agreement shall be subject to and performed in accordance with the provisions and procedures required and permitted by the Charter, the Act, any other applicable provision of law, and the Colorado Constitution.

8. Enforced Delay. Neither Party shall be considered in breach of, or in default in, its obligations with respect to this Cooperation Agreement in the event of delay in the performance of such obligations due to causes beyond its control and without its fault, it being the purpose and intent of this provision that if such delay occurs, the time or times for performance by either Party affected by such delay shall be extended for the period of the delay

9. No Third Party Beneficiaries. Neither the City nor the LRC shall be obligated or liable under the terms of this Cooperation Agreement to any person or entity not a party hereto.

10. Severability In case any one or more of the provisions contained in this Cooperation Agreement or any application thereof, shall be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions of this Cooperation Agreement, or any other application thereof, shall not in any way be affected or impaired thereby.

11 Binding Effect. Subject to compliance with Section 13, below, this Cooperation Agreement shall be binding upon and inure to the benefit of the Parties, their successors, legal representatives, and assigns

12 City and LRC Separate Nothing in this Cooperation Agreement shall be interpreted in any manner as constituting the City or its officials, representatives, consultants, or employees as the agents of the LRC, or the LRC or its officials, representatives, consultants, or employees as the agents of the City. Each entity shall remain a separate legal entity pursuant to applicable law. Neither of the Parties hereto shall be deemed to hereby assume the debts, obligations, or liabilities of the other. The LRC shall be responsible for carrying out its duties and functions in accordance with the Act and other applicable laws and regulations, and nothing herein shall be construed to compel either Party to take any action in violation of law.

13. Assignment This Cooperation Agreement shall not be assigned in whole or in part by either Party without the prior written approval of the other Party.

14 Governing Law This Cooperation Agreement shall be governed by, and construed in accordance with, the laws of the State of Colorado

15 Headings Section headings in this Cooperation Agreement are for convenience of reference only and shall not constitute a part of this Cooperation Agreement for any other purpose.

16 Additional or Supplemental Agreements, Organizational Matters The Parties mutually covenant and agree that they will execute, deliver and furnish such other instruments, documents, materials, and information as may be reasonably required to carry out the Cooperation Agreement. The LRC's organizational documents shall provide, as permitted by

C.R.S. § 31-25-104, that one City Councilmember shall be a member of the LRC. The LRC as an entity will not formally or legally oppose or object to any measure that may be proposed pursuant to C.R.S. § 31-25-115 to transfer the existing authority to the City Council.

17 Entire Agreement; Amendment. This Cooperation Agreement constitutes the entire agreement between the Parties pertaining to the subject matter hereof. No addition to or modification of the Cooperation Agreement shall be effective, except by written agreement authorized and executed by the Parties.

IN WITNESS WHEREOF, the Parties have caused this Cooperation Agreement to be duly executed and delivered by their respective officers as of the date first above written.



Shirley Carra
City Clerk

THE CITY OF LOUISVILLE,
a Colorado municipal corporation

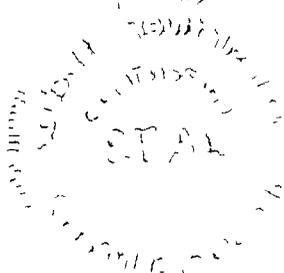
Robas P. French
Mayor

LOUISVILLE REVITALIZATION COMMISSION

Attest

[Signature]
Secretary

[Signature]
Chairman



**SUBJECT: CONSIDERATION OF APPROVAL OF RESOLUTION NO. 19-01
– APPROVING AN AGREEMENT WITH ECONOMIC AND
PLANNING SYSTEMS, INC. FOR CONSULTING SERVICES**

DATE: AUGUST 12, 2019

PRESENTED BY: HEATHER BALSER, CITY MANAGER

SUMMARY/CURRENT DISCUSSION:

Presented for approval is a contract with Economic and Planning Systems (EPS) to conduct a third-party review of the financial information provided as part of the application for property tax increment financing (TIF) rebate assistance made by Boulder Creek Builders for the Terraces on Main project.

The City Council and Louisville Revitalization Commission (LRC) recently adopted a policy to guide the review of TIF applications, which includes a requirement that the financial information provided by the applicant be reviewed by an independent third-party to verify the financial assumptions in the application:

Applicants must submit all pertinent project financial information related to the project and the developer organization, including estimated development costs and a financing and operating plan. All financial information shall be referred by the City to a qualified professional for third-party review at LRC expense.

The City contacted four companies known to provide these review services to request a proposal. Staff received two proposals for service and recommends awarding the contract to EPS. EPS provided the lowest cost proposal and demonstrated the expertise and experience to complete the review. The total cost for the review is not to exceed \$11,170.

As required by the Amended and Restated Cooperation Agreement between the LRC and the City, the City Council approved this proposed expenditure by the LRC at its August 6, 2019 City Council meeting.

FISCAL IMPACT:

The policy requires that the LRC pay for the third-party review. This will require a future LRC budget amendment, should the contract be approved by the LRC. Additionally, any amendments to the LRC budget must be approved by the City Council in accordance with the Cooperation Agreement between the LRC and City. There are additional 2019 LRC budget amendment items under consideration, all of which will be presented during a single public hearing to be scheduled for a later LRC and City Council meeting.

SUBJECT: RESOLUTION NO. 19-01

DATE: AUGUST 12, 2019

PAGE 2 OF 2

RECOMMENDATION:

Staff recommends approval of the resolution and contract with EPS to conduct a review of the TIF rebate assistance application for the Terraces on Main project.

ATTACHMENT(S):

1. Resolution NO. 19-01
2. Proposed Contract with EPS for Review of TIF Application for Terraces on Main
3. LRC Property Tax Increment Financing Rebate Assistance Policy
4. March 11, 2019 LRC packet with Terraces on Main TIF Application for Direct Assistance

**LOUISVILLE REVITALIZATION COMMISSION
RESOLUTION NO. 19-01**

**A RESOLUTION APPROVING AN AGREEMENT WITH ECONOMIC &
PLANNING SYSTEMS, INC. FOR CONSULTING SERVICES**

WHEREAS, the Louisville Revitalization Commission (the “LRC”) has received a request for property tax increment financing (“TIF”) rebate assistance for a private development within the area of the Highway 42 Revitalization Area Urban Renewal Plan; and

WHEREAS, the Property Tax Increment Financing Rebate Assistance Policy (the “TIF Assistance Policy”) adopted by the LRC on July 15, 2019 requires applicants for rebates or other financial assistance to submit all pertinent financial information related to the project and the developer organization, which shall be referred to a qualified professional for third-party review at LRC expense; and

WHEREAS, the applicant for TIF rebate assistance has submitted the required information, and Economic & Planning Systems, Inc. (“EPS”) has been identified as a qualified professional to perform this third-party review; and

WHEREAS, the TIF Assistance Policy requiring this third-party review was adopted by the LRC after approval of its 2019 budget, and therefore the expenditure has not been previously approved as part of the LRC budget; and

WHEREAS, Section 5.a of the Amended and Restated Cooperation Agreement between the City of Louisville and the LRC requires “any proposed expenditure by the LRC which has not been previously approved as part of the LRC budget shall be subject to the prior review and approval of the City Council”; and

WHEREAS, at its regular City Council meeting held on August 6, 2019, the City Council approved the expenditure by the LRC for this third-party review; and

WHEREAS, the LRC has reviewed the proposed Agreement by and between the Louisville Revitalization Commission and Economic & Planning Systems, Inc. for Consulting Services, a copy of which Agreement accompanies this Resolution, finds its terms acceptable, and by this Resolution desires to approve the same.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE LOUISVILLE REVITALIZATION COMMISSION:

Section 1. The Agreement by and between the Louisville Revitalization Commission and Economic & Planning Systems, Inc. for Consulting Services is hereby approved in the form of such Agreement accompanying this Resolution.

Section 2. The LRC Chair is authorized to execute the Agreement and is further authorized to negotiate and approve such revisions to the proposed Agreement as the Chair determines are in the best interests of the LRC, provided the essential terms and conditions of the proposed Agreement are not altered.

ADOPTED this 12th day of August, 2019.

ATTEST:

Chair

Secretary

8/7/2019 2:46 PM [kmk] R:\Louisville\Urban Renewal\Resolutions\EPS Contract for Third-Party Review of TIF Application.doc

**AN AGREEMENT BY AND BETWEEN THE LOUISVILLE REVITALIZATION
COMMISSION AND ECONOMIC AND PLANNING SYSTEMS, INC.
FOR CONSULTING SERVICES**

1.0 PARTIES

This AGREEMENT FOR CONSULTING SERVICES (this “Agreement”) is made and entered into this ____ day of _____, 20__ (the “Effective Date”), by and between the **LOUISVILLE REVITALIZATION COMMISSION**, hereinafter referred to as the “Commission”, and Economic and Planning Systems, Inc., a California Corporation, hereinafter referred to as the “Consultant”.

2.0 RECITALS AND PURPOSE

- 2.1 The Commission desires to engage the Consultant for the purpose of providing services to conduct a third-party review of financial information submitted for a tax increment financing rebate assistance application as further set forth in the Consultant’s Scope of Services (which services are hereinafter referred to as the “Services”).
- 2.2 The Consultant represents that it has the special expertise, qualifications and background necessary to complete the Services.

3.0 SCOPE OF SERVICES

The Consultant agrees to provide the Commission with the specific Services and to perform the specific tasks, duties and responsibilities set forth in Scope of Services attached hereto as Exhibit “B” and incorporated herein by reference.

4.0 COMPENSATION

- 4.1 The Commission shall pay the Consultant for services under this agreement a total not to exceed the amounts set forth in Exhibit “C” attached hereto and incorporated herein by this reference. The Commission shall not pay mileage and other reimbursable expenses (such as meals, parking, travel expenses, necessary memberships, etc.), unless such expenses are (1) clearly set forth in the Scope of Services, and (2) necessary for performance of the Services (“Pre-Approved Expenses”). The foregoing amounts of compensation shall be inclusive of all costs of whatsoever nature associated with the Consultant’s efforts, including but not limited to salaries, benefits, overhead, administration, profits, expenses, and outside consultant fees. The Scope of Services and payment therefor shall only be changed by a properly authorized amendment to this Agreement. No Commission employee has the authority to bind the Commission with regard to any payment for any services which exceeds the amount payable under the terms of this Agreement.
- 4.2 The Consultant shall submit monthly an invoice to the Commission for Services rendered and a detailed expense report for Pre-Approved Expenses incurred during the previous month. The invoice shall document the Services provided during the preceding month,

identifying by work category and subcategory the work and tasks performed and such other information as may be required by the Commission. The Consultant shall provide such additional backup documentation as may be required by the Commission. The Commission shall pay the invoice within thirty (30) days of receipt unless the Services or the documentation therefor are unsatisfactory. Payments made after thirty (30) days may be assessed an interest charge of one percent (1%) per month unless the delay in payment resulted from unsatisfactory work or documentation therefor.

5.0 PROJECT REPRESENTATION

- 5.1 The Commission designates Stan Zemler as the responsible Commission staff to provide direction to the Consultant during the conduct of the Services. The Consultant shall comply with the directions given by Stan Zemler and such person's designees.
- 5.2 The Consultant designates Daniel R. Guimond as its project manager and as the principal in charge who shall be providing the Services under this Agreement. The primary services shall not be provided by persons other than Daniel Guimond, Principal, Andrew Knudtsen, Managing Principal, and Tim Morzel, Vice President. Should any of the representatives be replaced, and such replacement require the Commission or the Consultant to undertake additional reevaluations, coordination, orientations, etc., the Consultant shall be fully responsible for all such additional costs and services.

6.0 TERM

- 6.1 The term of this Agreement shall be from the Effective Date to December 31, 2019, unless sooner terminated pursuant to Section 13, below. The Consultant's Services under this Agreement shall commence on the Effective Date and Consultant shall proceed with diligence and promptness so that the Services are completed in a timely fashion consistent with the Commission's requirements.
- 6.2 Nothing in this Agreement is intended or shall be deemed or construed as creating any multiple-fiscal year direct or indirect debt or financial obligation on the part of the Commission within the meaning of Colorado Constitution Article X, Section 20 or any other constitutional or statutory provision. All financial obligations of the Commission under this Agreement are subject to annual budgeting and appropriation by the Louisville City Council and the Commission, in their sole discretion. Notwithstanding anything in this Agreement to the contrary, in the event of non-appropriation, this Agreement shall terminate effective December 31 of the then-current fiscal year.

7.0 INSURANCE

- 7.1 The Consultant agrees to procure and maintain, at its own cost, the policies of insurance set forth in Subsections 7.1.1 through 7.1.4. The Consultant shall not be relieved of any liability, claims, demands, or other obligations assumed pursuant to this Agreement by reason of its failure to procure or maintain insurance, or by reason of its failure to procure or maintain insurance in sufficient amounts, durations, or types. The coverages required

below shall be procured and maintained with forms and insurers acceptable to the Commission. All coverages shall be continuously maintained from the date of commencement of services hereunder. The required coverages are:

- 7.1.1 Workers' Compensation insurance as required by the Labor Code of the State of Colorado and Employers Liability Insurance. Evidence of qualified self-insured status may be substituted.
 - 7.1.2 General Liability insurance with minimum combined single limits of ONE MILLION DOLLARS (\$1,000,000) each occurrence and TWO MILLION DOLLARS (\$2,000,000) aggregate. The policy shall include the Commission, its officers and its employees, as additional insureds, with primary coverage as respects the Commission, its officers and its employees, and shall contain a severability of interests provision.
 - 7.1.3 Comprehensive Automobile Liability insurance with minimum combined single limits for bodily injury and property damage of not less than FOUR HUNDRED THOUSAND DOLLARS (\$400,000) per person in any one occurrence and ONE MILLION DOLLARS (\$1,000,000) for two or more persons in any one occurrence, and auto property damage insurance of at least FIFTY THOUSAND DOLLARS (\$50,000) per occurrence, with respect to each of Consultant's owned, hired or non-owned vehicles assigned to or used in performance of the services. The policy shall contain a severability of interests provision. If the Consultant has no owned automobiles, the requirements of this paragraph shall be met by each employee of the Consultant providing services to the Commission under this Agreement.
 - 7.1.4 Professional Liability coverage with minimum combined single limits of ONE MILLION DOLLARS (\$1,000,000) each occurrence and ONE MILLION DOLLARS (\$1,000,000) aggregate.
- 7.2 The Consultant's general liability insurance, automobile liability and physical damage insurance, and professional liability insurance shall be endorsed to include the Commission, and its elected and appointed officers and employees, as additional insureds, unless the Commission in its sole discretion waives such requirement. Every policy required above shall be primary insurance, and any insurance carried by the Commission, its officers, or its employees, shall be excess and not contributory insurance to that provided by the Consultant. Such policies shall contain a severability of interests provision. The Consultant shall be solely responsible for any deductible losses under each of the policies required above.
- 7.3 Certificates of insurance shall be provided by the Consultant as evidence that policies providing the required coverages, conditions, and minimum limits are in full force and effect, and shall be subject to review and approval by the Commission. No required coverage shall be cancelled, terminated or materially changed until at least 30 days' prior written notice has been given to the Commission. The Commission reserves the right to request and receive a certified copy of any policy and any endorsement thereto.

- 7.4 Failure on the part of the Consultant to procure or maintain policies providing the required coverages, conditions, and minimum limits shall constitute a material breach of contract upon which the Commission may immediately terminate this Agreement, or at its discretion may procure or renew any such policy or any extended reporting period thereto and may pay any and all premiums in connection therewith, and all monies so paid by the Commission shall be repaid by Consultant to the Commission upon demand, or the Commission may offset the cost of the premiums against any monies due to Consultant from the Commission.
- 7.5 The parties understand and agree that the Commission is relying on, and does not waive or intend to waive by any provision of this Agreement, the monetary limitations or any other rights, immunities, and protections provided by the Colorado Governmental Immunity Act, § 24-10-101 et seq., C.R.S., as from time to time amended, or otherwise available to the Commission, its officers, or its employees.

8.0 INDEMNIFICATION

To the fullest extent permitted by law, the Consultant agrees to indemnify and hold harmless the Commission, and its elected and appointed officers and its employees, from and against all liability, claims, and demands, on account of any injury, loss, or damage, which arise out of or are connected with the services hereunder, if and to the extent such injury, loss, or damage is caused by the negligent act, omission, or other fault of the Consultant or any subcontractor of the Consultant, or any officer, employee, or agent of the Consultant or any subcontractor, or any other person for whom Consultant is responsible. The Consultant shall investigate, handle, respond to, and provide defense for and defend against any such liability, claims, and demands. The Consultant shall further bear all other costs and expenses incurred by the Commission or Consultant and related to any such liability, claims and demands, including but not limited to court costs, expert witness fees and attorneys' fees if the court determines that these incurred costs and expenses are related to such negligent acts, errors, and omissions or other fault of the Consultant. The Commission shall be entitled to its costs and attorneys' fees incurred in any action to enforce the provisions of this Section 8.0. The Consultant's indemnification obligation shall not be construed to extend to any injury, loss, or damage which is caused by the act, omission, or other fault of the Commission.

9.0 QUALITY OF WORK

Consultant's professional services shall be in accordance with the prevailing standard of practice normally exercised in the performance of services of a similar nature in the Denver metropolitan area.

10.0 INDEPENDENT CONTRACTOR

It is the expressed intent of the parties that the Consultant is an independent contractor and not the agent, employee or servant of the Commission, and that:

- 10.1. Consultant shall satisfy all tax and other governmentally imposed responsibilities including but not limited to, payment of state, federal, and social security taxes, unemployment taxes, worker's compensation and self-employment taxes. No state, federal or local taxes of any kind shall be withheld or paid by the Commission.
- 10.2. **Consultant is not entitled to worker's compensation benefits except as may be provided by the Consultant nor to unemployment insurance benefits unless unemployment compensation coverage is provided by the Consultant or some entity other than the Commission.**
- 10.3. Consultant does not have the authority to act for the Commission, or to bind the Commission in any respect whatsoever, or to incur any debts or liabilities in the name of or on behalf of the Commission.
- 10.4. Consultant has and retains control of and supervision over the performance of Consultant's obligations hereunder and control over any persons employed by Consultant for performing the Services hereunder.
- 10.5. The Commission will not provide training or instruction to Consultant or any of its employees regarding the performance of the Services hereunder.
- 10.6. Neither the Consultant nor any of its officers or employees will receive benefits of any type from the Commission.
- 10.7. Consultant represents that it is engaged in providing similar services to other clients and/or the general public and is not required to work exclusively for the Commission.
- 10.8. All Services are to be performed solely at the risk of Consultant and Consultant shall take all precautions necessary for the proper and sole performance thereof.
- 10.9. Consultant will not combine its business operations in any way with the Commission's business operations and each party shall maintain their operations as separate and distinct.

11.0 ASSIGNMENT

Except as provided in section 22.0 hereof, Consultant shall not assign or delegate this Agreement or any portion thereof, or any monies due or to become due hereunder without the Commission's prior written consent.

12.0 DEFAULT

Each and every term and condition hereof shall be deemed to be a material element of this Agreement. In the event either party should fail or refuse to perform according to the terms of this Agreement, such party may be declared in default.

13.0 TERMINATION

- 13.1 This Agreement may be terminated by either party for material breach or default of this Agreement by the other party not caused by any action or omission of the other party by giving the other party written notice at least thirty (30) days in advance of the termination date. Termination pursuant to this subsection shall not prevent either party from exercising any other legal remedies which may be available to it.
- 13.2 In addition to the foregoing, this Agreement may be terminated by the Commission for its convenience and without cause of any nature by giving written notice at least fifteen (15) days in advance of the termination date. In the event of such termination, the Consultant will be paid for the reasonable value of the services rendered to the date of termination, not to exceed a pro-rated daily rate, for the services rendered to the date of termination, and upon such payment, all obligations of the Commission to the Consultant under this Agreement will cease. Termination pursuant to this subsection shall not prevent either party from exercising any other legal remedies which may be available to it.

14.0 INSPECTION AND AUDIT

The Commission and its duly authorized representatives shall have access to any books, documents, papers, and records of the Consultant that are related to this Agreement for the purpose of making audits, examinations, excerpts, and transcriptions.

15.0 DOCUMENTS

All computer input and output, analyses, plans, documents photographic images, tests, maps, surveys, electronic files and written material of any kind generated in the performance of this Agreement or developed for the Commission in performance of the Services are and shall remain the sole and exclusive property of the Commission. All such materials shall be promptly provided to the Commission upon request therefor and at the time of termination of this Agreement, without further charge or expense to the Commission. Consultant shall not provide copies of any such material to any other party without the prior written consent of the Commission.

16.0 ENFORCEMENT

- 16.1 In the event that suit is brought upon this Agreement to enforce its terms, the prevailing party shall be entitled to its reasonable attorneys' fees and related court costs.
- 16.2 This Agreement shall be deemed entered into in Boulder County, Colorado, and shall be governed by and interpreted under the laws of the State of Colorado. Any action arising out of, in connection with, or relating to this Agreement shall be filed in the District Court of Boulder County of the State of Colorado, and in no other court. Consultant hereby waives its right to challenge the personal jurisdiction of the District Court of Boulder County of the State of Colorado over it.

17.0 COMPLIANCE WITH LAWS; WORK BY ILLEGAL ALIENS PROHIBITED

- 17.1 Consultant shall be solely responsible for compliance with all applicable federal, state, and local laws, including the ordinances, resolutions, rules, and regulations of the Commission; for payment of all applicable taxes; and obtaining and keeping in force all applicable permits and approvals.
- 17.2 Exhibit A, the “Commission Public Services Contract Addendum-Prohibition Against Employing Illegal Aliens”, is attached hereto and incorporated herein by reference. There is also attached hereto a copy of Consultant’s Pre-Contract Certification which Consultant has executed and delivered to the Commission prior to Consultant’s execution of this Agreement.

18.0 INTEGRATION AND AMENDMENT

This Agreement represents the entire Agreement between the parties and there are no oral or collateral agreements or understandings. This Agreement may be amended only by an instrument in writing signed by the parties.

19.0 NOTICES

All notices required or permitted under this Agreement shall be in writing and shall be given by hand delivery, by United States first class mail, postage prepaid, registered or certified, return receipt requested, by national overnight carrier, or by facsimile transmission, addressed to the party for whom it is intended at the following address:

If to the Commission:

Louisville Revitalization Commission
Attn: Economic Development Director
749 Main Street
Louisville, Colorado 80027
Telephone: (303) 335-4550
Fax: (303) 335-4550

If to the Consultant:

Economic & Planning Systems, Inc.
Attn. Daniel R. Guimond
730 17th Street Suite 630
Denver, Colorado 80202
Telephone: (303) 623-3557
Fax: (303) 623-9049

Any such notice or other communication shall be effective when received as indicated on the

delivery receipt, if by hand delivery or overnight carrier; on the United States mail return receipt, if by United States mail; or on facsimile transmission receipt. Either party may by similar notice given, change the address to which future notices or other communications shall be sent.

20.0 EQUAL OPPORTUNITY EMPLOYER

- 20.1 Consultant will not discriminate against any employee or applicant for employment because of race, color, religion, age, sex, disability or national origin. Consultant will take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, color, religion, age, sex, disability, or national origin. Such action shall include but not be limited to the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Consultant agrees to post in conspicuous places, available to employees and applicants for employment, notice to be provided by an agency of the federal government, setting forth the provisions of the Equal Opportunity Laws.
- 20.2 Consultant shall be in compliance with the applicable provisions of the American with Disabilities Act of 1990 as enacted and from time to time amended and any other applicable federal, state, or local laws and regulations. A signed, written certificate stating compliance with the Americans with Disabilities Act may be requested at any time during the life of this Agreement or any renewal thereof.

21.0 NO THIRD PARTY BENEFICIARIES

It is expressly understood and agreed that enforcement of the terms and conditions of this Agreement, and all rights of action relating to such enforcement, shall be strictly reserved to Commission and Consultant, and nothing contained in this Agreement shall give or allow any such claim or right of action by any other third party on such Agreement. It is the express intention of the parties that any person other than Commission or Consultant receiving services or benefits under this Agreement shall be deemed to be an incidental beneficiary only.

22.0 SUBCONTRACTORS

Consultant may utilize subcontractors identified in its qualifications submittal to assist with non-specialized works as necessary to complete projects. Consultant will submit any proposed subcontractor and the description of its services to the Commission for approval. The Commission will not work directly with subcontractors.

23.0 AUTHORITY TO BIND

Each of the persons signing below on behalf of any party hereby represents and warrants that such person is signing with full and complete authority to bind the party on whose behalf of whom such person is signing, to each and every term of this Agreement.

In witness whereof, the parties have executed this Agreement to be effective on the date first above written.

LOUISVILLE REVITALIZATION COMMISSION:

By: _____
Steve Fisher, Chair

Attest: _____
Alex Gorseveski, Secretary

CONSULTANT:
Economic and Planning Systems, Inc.

By: 
Daniel R. Guimond
Title: Principal

Exhibit A

Commission of Louisville Public Services Contract Addendum Prohibition Against Employing Illegal Aliens

Prohibition Against Employing Illegal Aliens. Contractor shall not knowingly employ or contract with an illegal alien to perform work under this Agreement. Contractor shall not enter into a contract with a subcontractor that fails to certify to the Contractor that the subcontractor shall not knowingly employ or contract with an illegal alien to perform work under this Agreement.

Contractor will participate in either the E-verify program or the Department program, as defined in C.R.S. § § 8-17.5-101(3.3) and 8-17.5-101(3.7), respectively, in order to confirm the employment eligibility of all employees who are newly hired for employment to perform work under the public contract for services. Contractor is prohibited from using the E-verify program or the Department program procedures to undertake pre-employment screening of job applicants while this Agreement is being performed.

If Contractor obtains actual knowledge that a subcontractor performing work under this Agreement for services knowingly employs or contracts with an illegal alien, Contractor shall:

- a. Notify the subcontractor and the Commission within three days that the Contractor has actual knowledge that the subcontractor is employing or contracting with an illegal alien; and
- b. Terminate the subcontract with the subcontractor if within three days of receiving the notice required pursuant to this paragraph the subcontractor does not stop employing or contracting with the illegal alien; except that the Contractor shall not terminate the contract with the subcontractor if during such three days the subcontractor provides information to establish that the subcontractor has not knowingly employed or contracted with an illegal alien.

Contractor shall comply with any reasonable request by the Department of Labor and Employment made in the course of an investigation that the Department is undertaking pursuant to the authority established in C.R.S. § 8-17.5-102(5).

If Contractor violates a provision of this Agreement required pursuant to C.R.S. § 8-17.5-102, Commission may terminate the Agreement for breach of contract. If the Agreement is so terminated, the Contractor shall be liable for actual and consequential damages to the Commission.

Pre-Contract Certification in Compliance with C.R.S. Section 8-17.5-102(1)

The undersigned hereby certifies as follows:

That at the time of providing this certification, the undersigned does not knowingly employ or contract with an illegal alien; and that the undersigned will participate in the E-Verify program or the Department program, as defined in C.R.S. § § 8-17.5-101(3.3) and 8-17.5-101(3.7), respectively, in order to confirm the employment eligibility of all employees who are newly hired for employment to perform under the public contract for services.

Proposer:

Economic & Planning Systems, Inc.

By Daniel R. M. O.

Title: Principal

August 2, 2019
Date

Exhibit B Scope of Services

Scope of Work

Project Description

The City of Louisville has requested that Economic & Planning Systems (EPS) submit a scope of work and budget for a review of a request for tax increment financing (TIF) revenues submitted by Boulder Creek Neighborhoods (the "Developer"). The Developer is requesting TIF in order to assist with the redevelopment of 712-722 Main Street into a 2-3 story, 22,020 square foot office and retail building. The Developer has stated that the project is not financially viable without assistance from the City due to the fact that rental rates in the City of Louisville do not support current construction costs.

Task 1: Project Initiation

EPS will complete a project kick-off with City staff to discuss key objectives, issues, and deliverables and to outline a project schedule. Following this kick-off, EPS will also meet with the applicant to better understand their TIF request and to address any outstanding questions.

Task 2: "But-for" Analysis

The Developer has provided an overview of their project as well as a high level financial pro forma. In addition to this information, EPS will request more detailed financial models or documents relating to the ongoing costs and revenues of the proposed project. This analysis will provide the basis for beginning to define a project gap and a reasonable level of public investment. In other words, this analysis will answer the questions: 1) "but for" the public investment the Project is financially infeasible; and 2) what level of public investment is appropriate to provide the Developer with a reasonable rate of return given current financial conditions and the associated level of development risk.

This analysis will evaluate the performance of the project under alternative scenarios that evaluate project feasibility with and without TIF revenues. At a minimum, EPS will run two versions of the model that will include the following:

- **Baseline Scenario** – The Baseline Scenario will reflect assumptions and estimates provided by the Developer and will be used to ensure that there are not technical model inaccuracies in the Developer's request for TIF. This model will also be used to determine a baseline from which to test alternative assumptions.
- **Alternative Scenario(s)** – Based on EPS' review of the project assumptions and Developer's pro forma, along with discussions with City staff, EPS may develop one to two alternative scenarios that reflect any potential revisions to key model inputs. The results of this model will be used to estimate potential project funding gaps and determine project sensitivities to various model inputs, lease rates, vacancy rates, operating costs, and other key variables. This analysis will help the City determine if the level of TIF is appropriate or if there are excess returns generated in the project, potentially justifying a lower amount of public investment through TIF.

Task 3: Financial Model and Memo Report

The analysis outlined in this scope of work will be detailed in a comprehensive financial model and summary memo report including key project components, TIF revenue estimates, project feasibility with and without TIF revenues, and a range of sensitivity analyses.

Task 4: Presentations

If requested, EPS will make a presentation to the Louisville Revitalization Commission and a second presentation to City Council summarizing our analysis and findings. These presentations will be made by Andrew Knudtsen and will provide an overview of the methodology used to estimate the need for public financing, a summary of the initial assumptions used by the Developer, any changes that are recommended by EPS, and the final estimated public financing that the project requires in order to move forward.

Exhibit C Budget

EPS agrees to complete the above work program on a time and charges basis up to a maximum of \$11,170. Additional meetings and presentations not included in the above work program will be billed on a time and materials basis. The approximate breakdown of level of effort by task and staff level is shown in **Table 1**.

Table 1. Budget by Task

Description	Principal	Vice President	Research/ Production	Total
Billing Rate	\$240	\$180	\$100	
Labor Costs				
Task 1: Project Initiation	2	4	0	\$1,200
Task 2: "But-For" Analysis	4	12	2	\$3,320
Task 3: Financial Model and Memo Report	4	10	2	\$2,960
Task 4: Council and LRC Presentation	<u>6</u>	<u>10</u>	<u>2</u>	<u>\$3,440</u>
Total Hours	16	36	6	\$10,920
Dollars by Person	\$3,840	\$6,480	\$600	
Direct Costs				
Travel & Miscellaneous				\$250
Subtotal				\$250
Total Project Cost				\$11,170

Source: Economic & Planning Systems

LOUISVILLE REVITALIZATION COMMISSION

Property Tax Increment Financing Rebate Assistance Policy

Implementation Date: 7/15/19

Introduction:

The Louisville Revitalization Commission (“LRC”) is the Urban Renewal Authority for the City of Louisville, Colorado (“City”). The LRC’s mission includes implementing the Highway 42 Revitalization Area Urban Renewal Plan (the “Plan”) which was adopted by the City of Louisville in December 2006.

The purpose of the Plan is to reduce, eliminate and prevent the spread of blight within the Urban Renewal Area (“URA”) and to stimulate growth and reinvestment within the Area boundaries, on surrounding blocks and throughout the Louisville downtown business district.

Policy on Use of Property Tax Increment Rebates:

It is the principal goal of the urban renewal effort to afford maximum opportunity, consistent with the sound needs of the City as a whole, to redevelop and rehabilitate the Area by private enterprise. The rehabilitation and redevelopment of properties within the Urban Renewal Area will be accomplished through the improvement of existing structures and infrastructure, attraction of new investment and reinvestment, and preventing deterioration of properties in the Area. It is the City’s general intent to use urban renewal funds to support public infrastructure improvements that are needed to facilitate private investment and reinvestment in the plan area.

In unique situations, and on a case-by-case basis, in the sole and absolute discretion of the LRC and the City, certain forms of financial and other economic assistance may be awarded to a private property owner to undertake projects to redevelop or rehabilitate properties contained in the Area. Projects that are awarded support must demonstrate that they would provide exceptional and unique public benefits to qualify and would not be reasonably expected to be feasible without City financial or other economic support.

Property Tax Increment Rebates for Private Development:

It is the policy of the LRC and the City that consideration may be given to requests for financial assistance by the use of property tax increment rebates to private property owners within the LRC authority to collect incremental property taxes from taxable new construction in the Area and to provide assistance to projects meeting the goals and objectives in the Highway 42 Urban Renewal Plan and which are also deemed to be in the best interests of the City.

To be considered for assistance, proposed projects must support the overall goals of the City and the Plan which specifically include promoting an environment which allows for a range of uses and product types which can respond to market conditions over time along with furthering the goals and objectives of the Louisville Comprehensive Plan; Highway 42 Framework Plan, Historic Preservation Plan and other relevant policies, while leveraging the community's investment in public improvement projects in the Area.

In addition to eliminating and preventing blight, proposed projects must address at least three or more of the objectives outlined in the Plan. Those objectives include:

- A. Improve relationship between the URA and surrounding areas
- B. Provide uses supportive of and complementary to planned improvements
- C. Encourage a mix of uses and/or mixed-use projects
- D. Promote a variety of products to address multiple income segments
- E. Provide ease of vehicular and pedestrian circulation and improve connections
- F. Encourage continued presence of businesses consistent with the plan vision
- G. Mitigate impacts from future transportation improvements
- H. Encourage public-private partnerships to implement the plan
- I. Encourage shared parking among projects in the area
- J. Landscape streetscapes to unify uses and plan components.

As specifically related to the use of property tax increment financing, a proposed project must clearly demonstrate that the project will provide the clear and present potential to generate substantial increases to the property tax values directly attributable to the project which could support the sharing of the incremental property tax increments between the property owners and the LRC.

Criteria for Evaluation

After a property owner submits an application for property tax increment rebate assistance, the project will be evaluated based on how the project provides positive impacts to the community and how the project addresses the following criteria:

1. The elimination or prevention of blight in the URA
2. The ability to stimulate growth and reinvestment in the URA
3. The economic benefits to the community from the project
4. The effect of the project on surrounding property
5. The increase in property value created from the project
6. For property within downtown Louisville, the project is consistent with the City's historic preservation goals and objectives.

In addition to the criteria listed above, the LRC will give special consideration to projects that will also provide potential sales and other forms of tax revenue increases to the City and/or other significant community benefits, which might include but would not be limited to; providing outdoor and indoor public spaces, public art, affordable housing,

transportation infrastructure improvements, parking beyond the needs of the project and historic building restoration or improvements.

Potential Property Tax Increment Rebate Consideration

The LRC and the City may consider awarding a 50% property tax increment rebate for a period up to five (5) years from the direct collection of the incremental property taxes attributable to the project. However, for projects that provide extraordinary community benefits or will generate substantial sales and other taxes for the City, the LRC and the City Council may consider awarding up to a 90% property tax increment rebate for a period of up to ten (10) years. No assistance will be granted to a project beyond the 2033 LRC budget year.

Project Transfer Criteria

Transfers of a property tax increment rebate agreement may be made under at least one of the following circumstances:

- The new entity is wholly or significantly owned by the previous owners of the project
- The project is being transferred to at least one of the business/tenant (or an entity owned and controlled by the business/tenant) occupying the building
- To a non-related entity only after the project receives a Certificate of Occupancy after construction is complete, and only with the written consent of the City and LRC.

A property tax increment rebate agreement will contain an expiration date, upon which the agreement will expire if the project is not timely completed.

Applicants for tax increment property tax rebates or other financial assistance must first obtain the City's required land-use approvals for the project prior to receiving approval by the LRC and by the City for the financial assistance.

Applicants must submit all pertinent project financial information related to the project and the developer organization, including estimated development costs and a financing and operating plan. All financial information shall be referred by the City to a qualified professional for third-party review at LRC expense

All information submitted to the LRC or to the City is subject to public disclosure consistent with the requirements of the Colorado Open Records Act, the City of Louisville Charter, and related City, policies and ordinances.

The application for property tax increment rebate assistance may be found on the City's website at the following address:

<http://www.louisvilleco.gov/home/showdocument?id=22682>

Contact Information

For additional information on Louisville's Urban Renewal assistance options, please contact dburgess@louisvilleco.gov.

Louisville Revitalization Commission

**Monday, March 11, 2019
Louisville Public Library
Library Conference Room
951 Spruce Street (Northwest entrance)
7:30 AM**

- I. Call to Order
- II. Roll Call
- III. Approval of Agenda
- IV. Approval of February 11, 2019 Meeting Minutes
- V. Public Comments on Items Not on the Agenda (Limit to 3 Minutes)
- VI. Welcome to New LRC Commissioner
- VII. Reports of Commission
- VIII. Business Matters of Commission
 - a. RESOLUTION: A Resolution approving the Property Tax Increment Rebate Agreement with 712 Main LLC and 722 Main LLC
 - i. Staff Presentation
 - ii. Public Comments (Please limit to three minutes each)
 - iii. Commissioner Questions and Comments
 - iv. Action
 - b. Outline for TIF 101 Discussion in April
- IX. Items for Next Regular Meeting April 8, 2019, 7:30 am Library Meeting Room
 - a. Discuss Delo Lofts East / West application
 - b. Review Budget and consider addition of line item for bond sinking fund/bond retirement.
 - c. Urban Renewal document refresher discussion
 - d. Develop list of items to discuss with City Council (after the TIF 101 discussion)
- X. Commissioners' Comments
- XI. Adjourn

Louisville Revitalization Commission

Minutes

**Monday, February 11, 2019
Louisville Public Library
Library Conference Room
951 Spruce Street (NW entrance)**

Call to Order – Chair Steve Fisher called the meeting to order at 7:30 am in the Louisville City Library at 951 Spruce Street, Louisville, CO.

Commissioners Present: Chair Steve Fisher
Hank Dalton
Alex Gorsevski
Mayor Pro Tem Jeff Lipton
Bob Tofte

Staff Present: Heather Balsler, City Manager
Aaron DeJong, Economic Development Director
Rob Zuccaro, Planning and Building Safety Director
Kathleen Kelly, Attorney to the City of Louisville
Dawn Burgess, Executive Assistant to the City Manager

Others Present: John Leary, Bill Cordell, Jim Tienken, Steve Erickson,
Dave Sinkey, Eric Hartronft

Approval of Agenda
Approved as presented

Approval of January 14, 2019 Minutes:
Approved as presented

Public Comments on Items Not on the Agenda
None

Welcome to Jeff Lipton

Reports of Commission
None

Business Matters of Commission

- **Resolution 19-01: A Resolution approving the Property Tax Increment**

Staff presentation

Economic Development Director Aaron DeJong gave a presentation on the Terraces on Main Project. The PUD is subject to approval by Council. It is a 22,000 sf office and retail building proposed to be built at 712-722 Main. First floor retail, first and second floor office space, third story rooftop area, 18 parking stalls.

Estimated construction cost is \$6.6m

Planned to go before Council on March 5th (NOTE: After this meeting the date was moved to March 19, 2019). This project is the first application seeking financial direct assistance for redevelopment.

The staff analysis concluded the project will remove blight factors, has a positive effect on property values, and advances the goals the Urban Renewal Area. The project shows the assistance is needed to achieve a reasonable financial return. The LRC directed staff to prepare and agreement for LRC review.

Main Terms of the TIF Rebate Agreement

- Developer will need CO from City
- Once project is complete the LRC will begin making annual TIF rebate payments to developer equal to 90% of the increased taxes paid on property, less other defined LRC financial obligations
- Total payment of \$1,110,000
- Rebate Agreement terminates on February 18, 2023 if the project is not completed.

Staff recommends approval by LRC of Resolution 19-01 for Terraces on Main TIF Rebate Agreement.

Public Comments

None

Commissioner Questions and Comments

Gorsevski asked about parking. Original plan was to do split level parking providing 35 spaces. Current parking is 18 spaces

Tofte – if property is sold within 10 years, rebate can be assigned? Yes

Fisher – first direct financial assistance request? Yes.

First TIF request was Safeway, mostly for stormwater, sidewalk, and parking lot improvements.

Fisher – we can make whole this commitment early? No penalty for early repayment.

Schedule for construction? No schedule, per Dave. Project is marginal from a financial perspective. Over next couple of years, need to flesh out rental rates. 7% return is difficult to attract investors.

Action

Commissioner Dalton moved to approve the Resolution. Commissioner Gorsevski seconded.

Discussion

Mayor Pro Tem Lipton said he will abstain on vote stating here has not been any foundational work by Council. Council will have policy questions. Policy issues could be: have not been presented with TIF sharing issue before. If you approve this one, will you approve others as use-by-right? What is the high community benefit? Use-by-right, does it provide significant community benefit?

Mayor Pro Tem Lipton said the LRC has to deal with this in their role as will Council. Council needs to think of other project that may pursue this assistance.

Commissioner Dalton said City Council will have to deal with the parking issue. There are policy issues City Council will have to address. He said Council may say they have not been properly prepared. LRC sends items to council to think about.

Commissioner Tofte said he is comfortable tying monies to be given for specific items rather than money given for direct financial assistance.

DeJong said the assistance will go towards the construction of the building, parking improvement fee, public walkway, underground electrical.

John Leary said he does not understand the parking. This project will create a 40 space deficit. DeJong said this building needs to provide 23 spaces, in accordance with the Downtown Design Guidelines and Overlay.

Building and Planning Safety Director Rob Zuccaro said less parking is required downtown; it is less desirable to have parking on a lot by lot basis. There is a

different ratio for parking if this was built in a different area of the city. He said we are not here to discuss parking policy. That is a Council discussion.

Dave Sinkey of Boulder Creek Builders said they are two plus years and \$100k into this PUD process. He asked Mayor Pro Tem Lipton why he thinks this is a use by right? He said that as a business person in the community, his company would benefit from better guidance from Council, using this project as a test case.

Commissioner Dalton encouraged everyone to vote affirmatively to get this in front of Council.

Chair Fisher called for a vote:

Gorsevski – yes

Dalton – yes

Fisher – yes

Tofte – no

Lipton - abstain

The resolution approved by a 3-1 vote. (NOTE: after the meeting the Urban Renewal Plan states a redevelopment agreement must be approved by a majority of the entire LRC, not just those in attendance. The item will need to be reconsidered).

This item is planned to go after PUD go on March 5th. (NOTE: After the meeting, the date was changed to March 19, 2019)

- **Review of City Council Parking Discussion held on January 22, 2019**

On January 22nd Commissioner Dalton and Andy Johnson gave a presentation related to a conceptual parking structure to City Council.

Many members of the public attended and voiced that they felt a parking structure would be too character changing for downtown and not necessary. Council agreed and told the LRC to stop working on a parking structure.

Commissioner Gorsevski said the meeting was instructive. Everyone was critical. We are looking backward, not forward. We need to think more broadly. How big is the problem? Is it just in the summer? Is it just Friday night? People brought up self-driving cars though Gorsevski thinks that is a ways away. People are interested in green solutions. Solutions other than people driving and parking cars.

Commissioner Dalton said if Council wants to move on parking issue which they now believe is not an issue, they need to decide how to move. Council needs to rely on staff and themselves to decide what they want to do about parking, if anything. He does not see any consensus from Council on any one or two things related to parking.

Commissioner Fisher asked if we have a signal at Short St will that relieve parking? DeJong does not think so. City Manager Balsler said the signal is a partnership with CDOT, Boulder County, City. And part of a much larger project.

Mayor Pro Tem Lipton said the LRC did exactly what Council asked you to do. Council needed to know that for future planning. The intent was never to approve a structure; the LRC provided the information Council asked for. He said there is less urgency and parking is less perceived as an issue. It is not perfect but not the urgency we had 5 years ago. He said the status quo won't remain status quo if we build out downtown to its potential and that the renderings energized emotions.

- **Future discussion meetings with City Council**

No more parking discussions – how might we allocate funds?

Mayor Pro Tem Lipton said there has been little collaboration between LRC and Council. His goal is to enhance collaboration so the LRC is not running into brick wall. He would like to develop common vision; do foundation work to make conversations productive and do a better job that Council has understanding of urban renewal.

Chair Fisher said City Attorney Kelly will give the LRC an Urban Renewal refresher in April.

There are 8 or 10 applicants for LRC – maybe move refresher to April? There was discussion about inviting all of City Council to the meeting where Ms. Kelly gives the Urban Renewal refresher to the LRC.

March meeting Staff will provide an outline for the refresher.

Mayor Pro Tem Lipton plans to attend LRC and provide regular reports to Council.

Commissioner Dalton said there are a lot of process items over the next few months unless we generate discussion about what projects/infrastructure issues LRC attention and money, we ought to begin looking at them. City Manager Balsler said there are old lists of infrastructure and staff and the LRC can also look at how other municipalities are using their TIF.

Discussion Items for Monday, March 11, 2019

Review Budget and consider addition of line item for bond sinking fund/bond retirement

(Postponed till April but provide outline) Urban Renewal document refresher

List of items to discuss with Council

Invite Council to April meeting for URA refresher

Commissioners Comments:

Commissioner Gorsevski asked for a Sam's Club update. DeJong said Council wanted McCaslin study update. He said Council was presented with 3 options, redevelopment of parcel by parcel. Council asked staff to move forward with GDP for private development community to see. DeJong will forward last Tuesday packet. Mayor Pro Tem Lipton asked LRC to look at option 2.

Jim Tienken asked what is planned for modifying the restrictive covenants. DeJong said the City will be working with property owners to adjust them.

Adjourn:

The meeting adjourned at 8:31 am.

SUBJECT: RESOLUTION APPROVING A REBATE AGREEMENT FOR TERRACES ON MAIN PROJECT AT 712-722 MAIN STREET

DATE: MARCH 11, 2019

PRESENTED BY: AARON M. DEJONG, ECONOMIC DEVELOPMENT

SUMMARY:

Terraces on Main Street is an office and retail redevelopment project proposed by Boulder Creek Neighborhoods at 712-722 Main Street in downtown Louisville. The redevelopment consists of a new 22,020 sf office and retail building with 18 parking stalls. Boulder Creek Neighborhoods is requesting a 90% rebate of the expected increase in property taxes generated by the redevelopment.

This resolution, if approved, approves the attached TIF Rebate Agreement with 712 Main LLC and 722 Main LLC. The agreement must also be approved by the Louisville City Council in accordance with the Amended and Restated Cooperation Agreement last approved on November 17, 2015.

This resolution is coming back the LRC for consideration as redevelopment rebate agreements must be approved by a majority of the LRC board, not just a majority of those in attendance. At the February meeting, the vote was 3-1 in favor. Four votes are needed.

BACKGROUND:

Boulder Creek Neighborhoods has submitted plans to the City to redevelop 712-722 Main Street into a 2-3 story, 22,020 office and retail building with 18 off-street parking stalls. The properties currently have two single-story buildings totaling 7,558 sf which have been converted to office space for Boulder Creek Neighborhoods. The first floor is designed to accommodate retail and service-retail uses.

Boulder Creek submitted plans to the City for a larger project in 2018 that included a larger third story and additional parking along the alley. City Council requested the project be resubmitted with changes. Boulder Creek in response has provided the resubmitted plans currently proceeding through the development process.

The assistance requested is for direct financial assistance to facilitate the redevelopment project as the developer states the project is not financially feasible since the rental rates that can be achieved in the Louisville market today do not support the development costs. The assistance requested is 90% rebate of the increased property taxes resulting from the new value of development above the existing value of the property.

The LRC reviewed the application at their January 2019 meeting and directed staff to prepare a TIF Rebate Agreement with the Developer for the project. Staff and the applicant have finalized the attached agreement for LRC and City Council consideration.

DISCUSSION:

The LRC with previous applications have reviewed projects based on it furthering the following three goals:

- Removing Blight Factors
- Effect on Property Values
- Advancement of the Urban Renewal Area

Since this application is the first to submit for direct financial assistance to private development (previous projects have requested assistance with building infrastructure), staff also analyzed the project's need for financial assistance to construct the project.

Several Colorado municipalities have provided direct assistance to private developments. Through conversations with colleagues running other authorities or doing research on websites, the following is a list of such projects spurred by TIF assistance directly:

- [Colorado National Bank](#) in Denver – Restoration and redevelopment of the historic building into a luxury hotel. \$10,000,000 TIF reimbursement assistance to the project.
- [2460 Welton](#) development in Denver – redevelopment of a vacant lot into a residential and retail mixed use building. \$1,350,000 in developer reimbursement through property tax TIF.
- [Marriott](#) in Colorado Springs - \$15,000,000 TIF bond to construct a parking structure for a new Marriott property.
- Cannon Mine Café and The Post in Lafayette – tenant improvement assistance through existing TIF revenues
- [Hilton Garden Inn](#) in Arvada - \$3,200,000 in land contribution and lodging tax revenues
- [Arvada Ridge Marketplace](#) – \$6,670,000 Sales and Property Tax Pledge to encourage the redevelopment

This analysis does not go into the detail of the planning related components of the project. Boulder Creek Neighborhoods has resubmitted PUD documents to the City's Planning Department and will be reviewed by the Planning Commission and City Council separately.

The following is staff's analysis of the project and how it does or does not meet the three goals plus the need for public assistance.

Removing Blight Factors

The 2006 Louisville Highway 42 Revitalization Area Conditions survey identified properties that contributed to the blight conditions that were present in the area. Those blight conditions are as follows:

- a. Deteriorating Structures
- b. Faulty Street Layout
- c. Faulty Lots
- d. Unsanitary/unsafe Conditions
- e. Deteriorating Site or other improvements
- f. Unusual Topography or Inadequate Public Improvements
- h. Danger to Life or Property from Fire or Other Causes
- k.5 High Service Requirements or Site Underutilization

The determination of blight for the Highway 42 Urban Renewal Plan is for the entire defined district. It is not a determination for each and every parcel within the UR Area. Therefore, all of the properties within the UR Area are determined to have blighting factors present.

The Conditions Survey in 2006, which was used to determine whether blighting factors exist in the UR Area, identified 712-722 Main Street contributing to two of the identified blight factors.

The first is Condition F. Unusual topography or inadequate public improvements. The reason is due to the downtown area being reliant upon overhead power and telecommunications infrastructure. It is considered an impediment to modern development and redevelopment in the current real estate market.

The second blight factor is Condition H. Danger to life or property from fire or other causes. The reason stated is most commercial structures lack sprinkler systems.

Boulder Creek in their application have noted the properties in their estimation meet additional blighting factors which include the following:

- a. Deteriorating Structures
The buildings are becoming functionally obsolescent due to age and type of structure.
- c. Faulty lot layout in relation to size, adequacy, accessibility, or usefulness
The proposed lots will allow for additional square footage which will enhance the vibrancy of downtown
- e. Deterioration of site or other improvements
The buildings are becoming obsolete.

In summary, Staff finds the Project will address blighting factors present in the Highway 42 Urban Renewal Area in the following ways:

- Unusual topography or inadequate public improvements. The new development will have underground utility service, removing this identified contributor to the blight factor. A new sidewalk will be constructed with the project. The project will also provide additional parking spaces and parking fee-in-lieu revenue for additional parking.
- Danger to life or property from fire or other causes. The new development will have fire suppression systems required of all new development in Louisville.
- Faulty lot layout in relation to size, adequacy, accessibility, or usefulness. A mixed-use building designed for retail and office uses can better mitigate the deep lot and building profile these properties need to better utilize the land. The two parcels are being combined to mitigate the deep lot and facilitates a better designed office and retail building.

Effect of Project on Property Values

The project when completed will have significant positive impact on property value. The following are the assumptions for valuing the property after the Terraces on Main project is completed:

	<u>Value per sf</u>	<u>Total Value</u>
Existing development (2017 value)	\$222.30	\$1,680,190
Per sf value of new development (office, retail, and parking)	\$250	\$6,604,250

Attached is a 10-year TIF valuation analysis for the Terraces on Main project. Boulder Creek’s TIF 90% rebate request for a 10 year period would equal \$1,109,500 assuming the 90% rebate applies to the increases in property taxes levied on the development less its pro-rata share of the County’s 7.15% shareback and City Staff payments.

The total annual TIF generated from this project at full buildout would be \$119,500 in 2022. This is a significant increase in downtown commercial property values and is worthy of due consideration for assistance from the LRC.

Advancement of the Urban Renewal Area

The Highway 42 Urban Renewal Plan was approved December 2006. The stated purpose of the Highway 42 Urban Renewal Plan is as follows:

The purpose of the Highway 42 Revitalization Area Urban Renewal Plan is to reduce, eliminate and prevent the spread of blight within the Urban Renewal Area and to stimulate growth and reinvestment within the Area boundaries, on surrounding blocks and throughout downtown. In particular, this Urban Renewal Plan is intended to promote local objectives with respect to appropriate land uses, private investment and public improvements provided that the delineation of such objectives shall not be construed to require that any particular project

necessarily promote all such objectives. Specifically, the Plan promotes an environment which allows for a range of uses and product types which can respond to market conditions over time; further the goals and objectives of the Louisville Comprehensive Plan, Highway 42 Framework Plan and any other relevant policy document; and, leverage the community's investment in public improvement projects in the Area.

While the principal goal of the urban renewal effort is, as required by the Act, to afford maximum opportunity, consistent with the sound needs of the City of Louisville (the "City") as a whole to redevelop and rehabilitate the Area by private enterprise, it is not intended to replace the efforts of area business development or marketing organizations.

The rehabilitation and redevelopment of properties within the Urban Renewal Area will be accomplished through the improvement of existing structures and infrastructure, attraction of new investment and reinvestment, and prevention of deterioration of properties in the Area. The effort will involve the Commission and City with participation and cooperation by the private sector.

The Plan's purpose clearly states the desire eliminate blight and to stimulate growth and reinvestment. This project would be a significant reinvestment in downtown of over \$5,500,000 adding new business opportunities. The office and retail mixed-use design meets the evolving market conditions in downtown by increasing amenities and office space.

The Development and Design Objectives within the Highway 42 Urban Renewal Plan area as follows:

The development objectives for the Urban Renewal Area include establishment of a variety of uses that will allow projects to respond to changing market conditions. Proposed land uses within the Urban Renewal Area include commercial, office, residential, commuter, public, and parking. Design objectives for the Urban Renewal Area also promote flexibility, adaptability to a range of uses and product types and consistency with prevailing market conditions. Other objectives include:

- a) Eliminate and prevent blight*
- b) Improve relationship between this area and surrounding areas (neighborhoods, downtown, open space)*
- c) Increase property values*
- d) Provide uses supportive of and complementary to planned improvements (transit)*
- e) Encourage a mix of uses and/or mixed-use projects*
- f) Promote a variety of products to address multiple income segments*
- g) Provide ease of vehicular and pedestrian circulation and improve*

- connections*
- h) Encourage continued presence of businesses consistent with the plan vision*
 - i) Provide a range of financing mechanisms for private property re-investment and investment*
 - j) Mitigate impacts from future transportation improvements*
 - k) Encourage public-private partnerships to implement the plan*
 - l) Adjust parking ratios to reflect future densities*
 - m) Encourage shared parking among projects in area*
 - n) Develop higher design standards including flexible lighting and signage standards*
 - o) Landscape streetscapes to unify uses and plan components*

The proposed project meets the development and design objectives for several reasons:

- It will address the UR Area's blighting factors, as described above.
- It will enhance the downtown area with additional office and retail space.
- The resulting property values will be significantly more than the current value of the property.
- The office/retail mixed-use design will add to downtown.
- The project will enhance pedestrian circulation through new sidewalks adjacent to the project.
- The project will house multiple businesses in downtown.
- Assisting the development is an example of public-private partnerships.
- The project is expecting to pay the parking improvement fee, which will encourage shared parking through the City's parking program.
- The design meets the downtown design guidelines.

Staff finds the Terraces on Main project meets the intent of the Highway 42 Urban Renewal Plan and advances its goals.

Need for Financial Assistance

As the Applicant is requesting direct financial assistance from the LRC by way of Tax Increment Financing, analysis needs to be conducted to determine whether the development needs the assistance to be successful. In urban renewal terms, this is the "but for" test. The development will not happen "but for" the assistance being provided. The applicant has submitted a 10-year cash flow projection, a sources and uses summary and a summary of development costs to review its need for assistance.

Within the submitted financial documents, several assumptions are being made to model the financial performance of the project. The main assumptions are:

- Triple Net lease rate of \$29 per square foot (psf) for Retail, \$27.50 psf for office, and \$5 psf for basement storage space. Vacancy rate of 5%. Rental rates increase 2% annually.

- Acquisition for new ownership entity of \$1,387,750 representing paying off existing debt. Remaining equity will be rolled into the new ownership entity.
- Total construction cost and related costs of \$5,695,940. This assumes demolition, core and shell, architectural, and tenant finish costs per square foot of \$250.
- Exit in year 10 by way of a property sale based on 95% occupancy in 2028 with a capitalization rate of 7.5%.
- Debt financing with 25 year term, 5% annual interest, payments made monthly.

All of these assumptions appear to be reasonable from a proforma exercise as they are within the range of the downtown Louisville market and pricing expectations.

Attached is a 10-year TIF valuation analysis for the Terraces on Main project. Boulder Creek's 90% TIF rebate request for a 10 year period would equal \$1,109,500 assuming the 90% rebate applies to the increases in property taxes levied on the development less its pro-rata share of the County's 7.15% shareback and City Staff payments.

The key component of determining if the project needs the assistance is if the rate of return meets, exceeds, or is below a reasonable range for a project commensurate with its risk profile. In Colorado, commercial real estate development is highly speculative, takes a significant amount of time, expertise, and planning to receive approval for development, and the rental market can swing wildly with the macro economic conditions. Commercial projects tend to move forward when a project proforma identifies a capital rate of return greater than 15% annual return over a long period of time. Projects with a proforma less than that either don't move forward, have characteristics which allow for returns to be less (i.e. an owner occupied project), or they need assistance to get the profit expectations higher to better reflect the associated risk.

Boulder Creek is modeling a 10 year rate of return on equity of .15% if no TIF assistance, and 7.28% if assistance is provided.

Achieving a proforma capital rate of return on equity of 7.28% with TIF assistance is a low expected return given the risk profile of a Louisville downtown redevelopment project. Without the TIF assistance, the expected rate of return of .15% is too low for a for-profit developer to choose to move forward with the project.

Staff finds the request for TIF assistance to meet the "but for" test in that the project would not move forward without the public assistance.

Redevelopment Agreement

Staff and the Applicant prepared the attached TIF Rebate Agreement upon the direction given by the LRC at their January 2019 meeting. Below is a summary of the main terms of the agreement:

1. Developer will construct and receive a Certificate of Occupancy (CO) from the City for the Project.
2. Once the project is complete, the LRC will begin making annual TIF Rebate payments to Developer equal to 90% of the increased taxes paid on the property less other defined LRC financial obligations (the 2015 Cooperation Agreement, the Tri-Party Agreement, and LRC operating expenses).
3. Total maximum Rebate payments is \$1,110,000. Annual payments will continue until the payment cap is met or the TIF revenue collection period for the Highway 42 Urban Renewal Area expires.
4. The agreement terminates on February 18, 2023 if the project has not be completed.
 - a. This date represents the three year initial term of the PUD plus one year for construction.
5. Assignment of the TIF Rebate Agreement is permitted if the assignment is to;
 - a. Any entity who is an affiliate of the Developer provided such assignment is of the Agreement in its entirety to a single entity;
 - b. A successor in title to 100% of the Developer's ownership interest in the Project; and
 - c. A lender to the Developer provided such assignment is limited to a collateral assignment or pledge of the amounts payable to the Developer

FISCAL IMPACT:

The TIF Rebate Agreement is based upon the increased property tax revenue generated by the redevelopment. It is a commitment to rebate future revenues not currently being received by the LRC. This agreement does not commit existing TIF revenue, so there is not current year fiscal impact. Future year LRC budgets will incorporate this rebate commitment once the redevelopment project is complete.

This agreement does not impact the City's budget as the committed property tax rebate payments are an obligation of the LRC, a separate organization from the City.

RECOMMENDATION:

Staff recommends approving the attached resolution approving the TIF Rebate Agreement with 712 Main LLC and 722 Main LLC to provide financial assistance to the planned redevelopment project. If approved, the agreement will go to the Louisville City Council for their consideration in accordance with the Amended and Restated Cooperation Agreement last approved on November 17, 2015.

SUBJECT: RESOLUTION APPROVING 712-722 MAIN STREET AGREEMENT

DATE: MARCH 11, 2019

PAGE 9 OF 9

ATTACHMENTS:

1. Resolution
2. Staff Presentation
3. Property Tax TIF Rebate Agreement with 712 Main LLC and 722 Main LLC
4. Application for Assistance from Boulder Creek Neighborhoods
5. Staff TIF Estimate

**LOUISVILLE REVITALIZATION COMMISSION
RESOLUTION NO. 19- _____**

**A RESOLUTION APPROVING THE PROPERTY TAX INCREMENT REBATE
AGREEMENT WITH 712 MAIN LLC AND 722 MAIN LLC.**

WHEREAS, the Louisville Revitalization Commission (LRC) is charged with addressing issues contributing to blight within the Urban Renewal Area; and

WHEREAS, 712 Main LLC and 722 Main LLC has requested assistance from the LRC in the redevelopment of property at 712 and 722 Main Street, which is located within the Urban Renewal Area; and

WHEREAS, the LRC assistance to redevelop the property will reduce, eliminate and prevent the spread of blight within the Urban Renewal Area and stimulate growth and reinvestment within the Area boundaries; and

WHEREAS, a Property Tax Increment Rebate Agreement, attached hereto, has been developed to outline certain financial terms regarding financial assistance for new public and/or private improvements; and

WHEREAS, a majority of the entire LRC must approve redevelopment or rebate agreements in accordance with the Highway 42 Urban Renewal Plan; and

WHEREAS, the LRC is willing to assist in public and private improvements associated with the redevelopment project.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE LOUISVILLE REVITALIZATION COMMISSION:

Section 1. The Property Tax Increment Rebate Agreement with 712 Main LLC and 722 Main LLC (the “Agreement”) is hereby approved, subject to approval by the Louisville City Council.

Section 2. The Chair of the Louisville Revitalization Commission is hereby approved to sign the Agreement once approved by the Louisville City Council in accordance with the Amended and Restated Cooperation Agreement between the LRC and City of Louisville dated November 17, 2015.

CONTINUED ON NEXT PAGE

**THE RESOLUTION APPROVING THE PROPERTY TAX INCREMENT
REBATE AGREEMENT WITH 712 MAIN LLC AND 722 MAIN LLC IS
ADOPTED** this 11th day of March, 2019.

ATTEST:

Chair

Secretary


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Terraces on Main Project Assistance Application

Louisville Revitalization Commission


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Terraces on Main

- Project Summary
 - 22,262 square foot office and retail building
 - First floor retail design
 - First and second floor office
 - Third story services for rooftop area
 - 18 parking stalls
 - \$6,600,000 estimated construction costs

Terraces on Main 
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Terraces on Main

- First application seeking direct financial assistance for a redevelopment
 - Provided application,
 - 10 year projection
 - Sources and uses budget

Assistance In Other Cities 
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- [Colorado National Bank](#) in Denver – Restoration and redevelopment of the historic building into a luxury hotel. \$10,000,000 TIF reimbursement assistance to the project.
- [2460 Welton](#) development in Denver – redevelopment of a vacant lot into a residential and retail mixed use building. \$1,350,000 in developer reimbursement through property tax TIF.
- [Marriott](#) in Colorado Springs - \$15,000,000 TIF bond to construct a parking structure for a new Marriott property.
- Cannon Mine Café and The Post in Lafayette – tenant improvement assistance through existing TIF revenues
- [Hilton Garden Inn](#) in Arvada - \$3,200,000 in land contribution and lodging tax revenues
- [Arvada Ridge Marketplace](#) – \$6,670,000 Sales and Property Tax Pledge to encourage the redevelopment


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Terraces on Main

- Staff Analysis
 - Previous used categories:
 - Removing Blight Factors
 - Effect on Property Values
 - Advancement of the Urban Renewal Area
 - Additional analysis
 - Need for Financial Assistance

Terraces on Main 

- Removing Blight Factors
 - F. Unusual topography or inadequate public improvements
 - Providing underground utility service; noted condition in UR Plan
 - H. Danger to life or property from fire or other causes
 - Fire suppression system in new development; noted condition in UR Plan

Terraces on Main 

- Removing Blight Factors
 - C. Faulty lot layout in relation to size, adequacy, accessibility, or usefulness
 - Mixed-use building can mitigate the deep lot and building profile of the existing properties. Higher and better use of the property with redevelopment.
 - Applicant noted two other blight factors:
 - Deteriorating Structures and Deterioration of Site
 - Staff felt these factors were not met.

Terraces on Main 

- Effect on Property Values
 - How significant is the increase of property values?
 - 10 year TIF analysis shows \$119,500 in new revenue after construction.
 - Approximately \$5,000,000 in new taxable property value in the UR District

Terraces on Main 

- Advancement of Urban Renewal Area
 - Purpose of UR Plan:
 - “Reduce, eliminate and prevent the spread of blight ... and to stimulate growth and reinvestment within the Area boundaries, on surrounding blocks and throughout downtown”
 - Terraces redevelopment would be a significant reinvestment for the downtown area
 - Adds additional office and retail space in the area

Terraces on Main 

- Advancement of Urban Renewal Area
 - Several Plan Objectives met as well;
 - It will address three blighting factors, as described above.
 - Enhance the downtown area with additional office and retail space.
 - Property values will be significantly more than the current value
 - The office/retail mixed-use design will add to downtown.
 - Enhance pedestrian circulation through new sidewalks
 - Project will house multiple businesses in downtown.
 - Example of public-private partnerships.
 - Encourage shared parking through the City’s parking program.
 - Meets the downtown design guidelines.

Terraces on Main 

- Need for Financial Assistance
 - Will the project not happen ‘but for’ the assistance?
 - Main Assumptions:
 - NNN lease rate of
 - \$29 per square foot (psf) for Retail,
 - \$27.50 psf for office, and
 - \$5 psf for basement storage space.
 - Vacancy rate of 5%. Rental rates increase 2% annually.
 - Acquisition for new ownership entity of \$1,387,750 representing paying off existing debt.
 - Total construction cost and related costs of \$5,695,940. This assumes demolition, core and shell, architectural, and tenant finish costs per square foot of \$250.
 - Exit in year 10 by way of a property sale based on 95% occupancy in 2028 with a capitalization rate of 7.5%.
 - Debt financing with 25 year term, 5% annual interest, payments made monthly.

Terraces on Main 

- Need for Financial Assistance
 - Applicant stating they need 90% TIF rebate to further the project
 - Approximately \$110,000 per year
 - Rate of Return
 - Without assistance = .15%
 - With assistance = 7.28%
 - Projects with similar risk profile have a range of 10-15% return

Terraces on Main 

- TIF Rebate Agreement
 - Developer will construct and receive a Certificate of Occupancy (CO) from the City for the Project.
 - Once the project is complete, the LRC will begin making annual TIF Rebate payments to Developer equal to 90% of the increased taxes paid on the property less other defined LRC financial obligations (the 2015 Cooperation Agreement, the Tri-Party Agreement, and LRC operating expenses).

Terraces on Main 

- TIF Rebate Agreement
 - Total maximum Rebate payments is \$1,110,000. Annual payments will continue until the payment cap is met or the TIF revenue collection period for the Highway 42 Urban Renewal Area expires.
 - The agreement terminates on February 18, 2023 if the project has not be completed.
 - This date represents the three year initial term of the PUD plus one year for construction.
 - Assignment of the TIF Rebate Agreement is permitted to similarly owned entities

Terraces on Main 

Staff recommends the LRC approve Resolution approving the TIF Rebate Agreement with 712 Main LLC and 722 Main LLC

- Applicant presentation
- Comments
- LRC Discussion / Direction

PROPERTY TAX INCREMENT REBATE AGREEMENT

This Property Tax Increment Rebate Agreement (this “Rebate Agreement”) is made as of _____, 2019, by and between the LOUISVILLE REVITALIZATION COMMISSION (the “LRC”) and 712 MAIN LLC AND 722 MAIN ST LLC limited liability companies in the State of Colorado (the “Developer”) (The LRC and Developer are collectively the “Parties”).

RECITALS

A. The LRC is a public body corporate and politic authorized to transact business and exercise its powers as an urban renewal authority under and pursuant to the Colorado Urban Renewal Law, Part 1 of Article 25 of Title 31, C.R.S. (the “Act”).

B. The Developer is the owner of certain real property legally described as follows: Lot 8 and 9, Block 3, Town of Louisville located in the SE ¼ Section 8, R69W of the 6th P.M. City of Louisville (the “Property”).

C. The Developer proposes to redevelop the Property as a mixed-use development to include the construction of one mixed-use building consisting of 22,020 sf of office and retail uses and 5,802 sf parking area (the “Project”), to include associated public and private infrastructure improvements (the “Project Improvements”). A more detailed description of the Project Improvements is attached as Exhibit A.

D. The Project is located within the area (the “Plan Area”) described in the Highway 42 Revitalization Area Urban Renewal Plan (the “Plan”). Completion of the Project and Project Improvements will remove barriers to development and remediate blight and adverse conditions within the Plan Area, and will be carried out in furtherance of the purposes of the Act and Plan.

E. The LRC finds that entering into this Rebate Agreement will promote the redevelopment of an area within the Plan Area and LRC boundaries and will remediate adverse conditions within the Plan Area in a manner consistent with the Plan, and will provide a mechanism for assisting in the financing of Project Improvements that benefit the City of Louisville (the “City”) and its residents.

F. The Plan provides for financing the activities and undertakings of the LRC by means of property tax allocation or tax increment financing (“Property Tax TIF”) in accordance with Section 31-25-107(9) of the Act.

G. The LRC previously entered into that certain Amended and Restated Cooperation Agreement dated November 17, 2015 (the “2015 Cooperation Agreement”), which provides that the LRC shall repay to the City Costs and Expenses incurred by the

City for the provision of Operating Funds and Support Services for the LRC, as further defined and set forth in the 2015 Cooperation Agreement.

H. The LRC also previously entered into that certain Tri-Party Agreement with the County of Boulder dated December 5, 2006 (the "Tri-Party Agreement") which provides that commencing on January 1, 2015, there shall be paid to the County certain County TIF Revenues, as further defined and set forth in the Tri-Party Agreement.

I. The LRC also previously executed that certain Term Sheet for the Core Area Infrastructure Project dated May 13, 2013 (the "Core Area Term Sheet"), which provides for the potential future issuance of LRC bonds payable from Property Tax TIF revenues from the Highway 42 Core Project Area as further defined and set forth in the Core Area Term Sheet.

J. The LRC intends that LRC financing assistance for the construction of the Project Improvements be limited to certain Property Tax TIF revenue received by the LRC from the Property (and no other properties in the Plan Area) and available to the LRC after payment of any amounts required to be paid pursuant to the 2015 Cooperation Agreement, the Tri-Party Agreement, and amounts the LRC may reasonably require for ongoing operating, administrative, consulting and other costs (the "LRC Operating Expenses"), and subordinate to bonds issued pursuant to the Core Area Term Sheet, all in accordance with the terms and conditions set forth herein.

K. The LRC is authorized to enter into this Rebate Agreement pursuant to the Act, including without limitation C.R.S. Section 31-25-105(1)(b), which authorizes an urban renewal authority to enter into agreements to carry out the purposes of the Act.

AGREEMENT

NOW THEREFORE, in consideration of the foregoing and the following terms and conditions, the Parties agree as follows:

1. Construction of Project. In conjunction with the development of the Project, Developer will finance, design and construct the Project and Project Improvements with its own funds.

2. LRC Financial Assistance. Commencing with the first full fiscal year following issuance of a certificate of occupancy for the Project and ending on the first to occur of (i) payment to Developer of \$1,110,000.00 of Pledged Revenue Payments or (ii) expiration of the Property Tax TIF provision of the Plan ("Pledged Revenue Term"), and in accordance with Section 31-25-107(9)(a)(II) of the Act, the LRC shall deposit within a special fund (the "Special Fund") all property tax revenues received by the LRC as a result of the property tax mill levies imposed upon the valuation of the Property, limited to

amounts generated from new valuation resulting from completion of the Project Improvements (by obtaining a Certificate of Occupancy for the new building) above the January 1, 2018 assessed valuation of the Property (\$320,030 for Parcel 157508423009 plus \$167,226 for Parcel 157508423005, for a total assessed valuation of \$487,256), and except for such amounts as the LRC may reasonably require for payment of obligations under the 2015 Cooperation Agreement, the Tri-Party Agreement, and payment of LRC Operating Expenses (which shall be limited to the Property's pro-rata share of such expenses) (the "Pledged Revenues"). This Rebate Agreement is limited solely to Pledged Revenues from the Property and includes no revenues generated from any other properties in the Plan Area. An illustrative example of the method for calculations is attached as Exhibit B. The Special Fund may be a new or existing fund and the Pledged Revenues may be comingled with other funds, all as shall be determined by the City Finance Director.

a. The Pledged Revenue shall be used to reimburse Developer for costs associated with the Project Improvements as shown in Exhibit A, and paid according to the payment schedule set forth below (the "Pledged Revenue Payments"). The Pledged Revenue available for reimbursement of costs associated with Project Improvements shall be transferred from the Special Fund to Developer within sixty (60) days after receipt of such funds by the LRC.

b. Notwithstanding any provisions of this Rebate Agreement to the contrary, the Parties agree:

- (i) The Pledged Revenue Payments shall be limited to no more than ninety percent (90%) of all Pledged Revenue generated from the Property.
- (ii) The total of all Pledged Revenue Payments made according to this Rebate Agreement is limited to \$1,110,000 or whatever lesser amount is generated from the Property during the Pledged Revenue Term prior to the time that the Property Tax TIF provision of the Plan expires.
- (iii) If, in any year, no Property Tax TIF revenue is generated by the Property and received by the LRC, no rebate payments under this Rebate Agreement shall be due to the Developer for that year.
- (iv) If, in any year, the LRC receives no Property Tax TIF revenues because there is for the Plan Area no increment value in excess of the base value for the Plan Area, no rebate payments under this Rebate Agreement shall be due to the Developer for that year.

- (v) If, in any year, the LRC receives Property Tax TIF revenues but the amount received is less than the amount necessary to pay all obligations that are on parity with this Rebate Agreement, then the rebate payments made to the Developer under this Rebate Agreement for such year shall be on a pro-rata basis.
- (vi) The LRC may prepay at any time without penalty any amounts payable under this Rebate Agreement, and may make payment with any source of funds available to the LRC.
- (vii) The LRC may use for any lawful purpose amounts not required for payments under this Rebate Agreement.

c. The Parties shall each keep, or cause to be kept, proper and current books and accounts in which complete and accurate entries shall be made for costs associated with the Project and amounts paid out from the Special Fund.

3. Entire Agreement. This instrument shall constitute the entire agreement between the LRC and Developer and supersedes any prior agreements between the Parties and their agents or representatives, all of which are merged into and revoked by this Rebate Agreement with respect to its subject matter. Contact information is as follows:

If to Developer:

712 Main St LLC and 722 Main St LLC
Attn: David Sinkey
712 Main Street
Louisville, CO 80027
Phone: (303) 544-5857
dsinkey@livebouldercreek.com

If to LRC:

Louisville Revitalization Commission
Attn: Economic Development
749 Main Street
Louisville, CO 80027
303.335.4531
aarond@louisvilleco.gov

4. Termination. This Rebate Agreement shall terminate and become void and of no force or effect upon the LRC if, by February 18, 2023, Developer has not completed the Project Improvements (as evidenced by a successful final inspections for the Project Improvements); or should fail to comply with any City code after proper notice and reasonable opportunity to cure the same. This Rebate Agreement shall automatically

terminate upon expiration or termination of the Property Tax TIF provision of the Plan, and upon such expiration or termination, the Parties' obligations hereunder shall terminate, whether or not any Pledged Revenues have been paid to Developer.

5. Subordination. The LRC's obligations pursuant to this Rebate Agreement are subordinate to the LRC's obligations for the repayment of any current bonded indebtedness, to the extent such obligations are in effect as of the date of this Rebate Agreement, and to the LRC's obligations for the repayment of any bonds issued pursuant to the Core Area Term Sheet and, further, are contingent upon the existence of a surplus of Property Tax TIF revenues in excess of the Property Tax TIF revenues necessary to meet such existing or future bonded indebtedness. The LRC shall meet its obligations under this Rebate Agreement only after the LRC has satisfied all other obligations with respect to the use of Property Tax TIF revenues for such existing or future bond repayment purposes. For the purposes of this Rebate Agreement, the terms "bonded indebtedness," "bonds," and similar terms describing the possible forms of indebtedness include all forms of indebtedness incurred by the LRC, including, but not limited to, general obligation bonds, revenue bonds, revenue anticipation notes, tax increment notes, tax increment bonds, and all other forms of contractual indebtedness of whatsoever nature that is in any way secured or collateralized by Property Tax TIF revenues of the LRC as of the date of this Rebate Agreement, including, the 2015 Cooperation Agreement, the Tri-Party Agreement, and such terms also include any bonds issued pursuant to the Core Area Term Sheet and payment of the Property's pro-rata share of LRC Operating Expenses, to all of which this Rebate Agreement is expressly subordinate. The LRC further shall have the right to issue other bonds that are on parity with or are junior to this Rebate Agreement.

6. Governing Law: Venue. This Rebate Agreement shall be governed and construed in accordance with the laws of the State of Colorado. In the event of a dispute concerning any provision of this Rebate Agreement, the Parties agree that prior to commencing any litigation, they shall first engage in good faith the services of a mutually acceptable, qualified, and experience mediator, or panel of mediators for the purpose of resolving such dispute. In the event such dispute is not fully resolved by mediation or otherwise within 60 days a request for mediation by either Party, then either Party may commence legal proceedings regarding the dispute. The venue for any lawsuit concerning this Rebate Agreement shall be in the District Court for Boulder County, Colorado.

7. Legal Challenge; Escrow. The LRC shall have no obligation to make any payment hereunder during the pendency of any legal challenge to this Rebate Agreement. The Parties covenant that neither will initiate any legal challenge to the validity or enforceability of this Rebate Agreement, and the Parties will cooperate in defending the validity or enforceability of this Rebate Agreement against any challenge by any third Party. Any funds appropriated for payment under this Rebate Agreement shall be escrowed in a separate LRC account in the event there is a legal challenge to

this Rebate Agreement. In the event performance of any material term of this Rebate Agreement is rendered impossible as the result of any legal challenge, the LRC at its option may terminate this Rebate Agreement, in which case the Parties' obligations hereunder shall terminate; provided, however, that the LRC shall pay to Developer any Pledged Revenues accrued and appropriated for payment under this Rebate Agreement prior to such termination, to the extent permitted by law and any applicable court order.

8. Assignment. This Rebate Agreement is personal to Developer and Developer may not assign any of the obligations, benefits or provisions of the Rebate Agreement in whole or in any part without the expressed written authorization of the LRC, which consent shall not be unreasonably withheld; provided, that an assignment shall be permitted (i) to any entity who is an affiliate of the Developer provided such assignment is of the Agreement in its entirety to a single entity; (ii) to a successor in title to 100% of the Developer's ownership interest in the Project; and (iii) to a lender to the Developer provided such assignment is limited to a collateral assignment or pledge of the amounts payable to the Developer hereunder. Any purported assignment, transfer, pledge, or encumbrance made without such prior written authorization shall be void.

9. No Joint Venture. Nothing in this Rebate Agreement is intended or shall be construed to create a joint venture between the LRC and Developer and the LRC shall never be liable or responsible for any debt or obligation of Developer.

NEXT PAGE IS THE SIGNATURE PAGE

This Rebate Agreement is enacted this _____ day of _____, 20__.

712 MAIN ST LLC

A Colorado Limited Liability Company

By: _____
David Sinkey

ATTEST:

Print Name

**LOUISVILLE
COMMISSION**

REVITALIZATION

Steve Fisher
Chair

ATTEST:

Alex Gorsevski, Secretary

722 MAIN ST LLC

A Colorado Limited Liability Company

By: _____
David Sinkey

ATTEST:

Print Name

EXHIBIT A

Description of Project Improvements

New Structure

- Construction of a new 3-level office and retail building of 22,262 square feet and 5,802 square feet parking area for 18 parking stalls.

Estimated Cost: \$5,500,000

Parking Improvement Fee

Parking improvement fee for 5 stalls not provided on-site but needed to achieve the Project's parking requirements

Estimated Cost: \$91,305

Public Walks

- New walkway along Main Street

Estimated Cost: \$30,000

Electrical

- New underground electrical service infrastructure

Estimated Cost: \$75,000

Total Project Improvements Cost: \$5,696,305

Exhibit B

Calculations to determine TIF Rebate for a Budget Year

Amounts described are for illustrative purposes only and are not amounts for the property subject to this agreement.

Taxable Value of Parcel for Budget Year (Value as January 1 of the previous Year)	\$200,000.00
Less: Taxable Value of Parcel for Base Year	<u>\$100,000.00</u>
Equals: Taxable Increment	\$100,000.00
Multiplied by Mill Levy (tax per \$1000 of taxable valuation)	85.187
Equals: Property Tax Increment from Property ($\$100,000 * 85.187 / 1000$)	\$8,518.70
Less: Property's portion of Tri-Party Agreement (Assessed Value of Property / Total Assessed Value of Urban Renewal Area * Total Increment collected * Tri-Party Agreement payment percentage) $\$200,000 / \$30,000,000 * \$65,000 * 14.3\%$	\$61.96
Less: Property's portion of 2015 Cooperation Agreement (Taxable Value of Property / Total Value of Urban Renewal Area * 2015 Cooperation Agreement payment for Budget Year) $\$200,000 / \$30,000,000 * \$31,000$	\$206.66
Less: Property's Portion of LRC Operating Expenses (Taxable Value of Property / Total Value of Urban Renewal Area * LRC Operating Expenses payment for Budget Year) $\$200,000 / \$30,000,000 * \$32,000$	<u>\$213.33</u>
Equals: Total Pledged Revenues	\$8,036.75

Annual payment is 90% of Pledged Revenue calculated.

Louisville Revitalization Commission

Application for Assistance

Parties interested in assistance from the Louisville Revitalization Commission must provide the following information to be considered.

Project Name: 712-722 Main Street PUD (Terraces on Main Street)

Applicant Name: Boulder Creek Neighborhoods

Main Contact: Rick Woodruff

Address: 712 Main St, Louisville, Co. 80027

Phone: 303-591-5914 Email: rwoodruff@livebouldercreek.com

Project Location: Downtown Louisville

Name, Address & Phone of Property Owner of Project Location (if different than Applicant): _____

N/A

Summary of Project: The redevelopment consists of a two story office/retail redevelopment and a basement. The building is 26,417 sf and includes

an elevator, stairs and 18 parking spaces. The developer will need to pay for 5 additional parking spaces to meet the amount needed per code. The two current

buildings, 712 and 722 Main St., will be demolished and the new building will be developed on the same two lots.

Estimated Total Cost of Project: \$7,100,000

Summary of Request for Assistance: Applicant is requesting a TIF consisting of 90% of the property taxes above the current property

taxes paid.

Additional Items to be submitted as Attachments:

- 1) Detailed description of the Project with supporting visuals (i.e. plans, designs).
- 2) Applicant's experience with similar projects, if applicable.
- 3) Detailed description of the request for assistance from the Urban Renewal Authority.
- 4) Description of the community benefits resulting from the Project, including the blight conditions the project will address (complete Attachment C with description).
- 5) Discussion of how the project improves the project property and neighboring properties.
- 6) Financials for the project. Applicant must provide a 10-year proforma for the project, a Sources and Uses Budget for the entire project, and assumptions for retail sales and assessed value of the Project for residential and commercial uses by year. (not required is requested assistance is only for public infrastructure)
- 7) Timeframe of implementation of the Project
- 8) Discussion of Project risks.

Applicant Signature: _____

Name: _____

Date: _____

*Submitted applications and attachments are public documents and the information provided will be provided to and used by public entities to evaluate and describe the project.

Louisville Revitalization Commission

Blight Conditions Description for Project

Project Name: 712-22 Main Street PUD (Terraces on Main St)

Please provide a short description of how the project addresses the following blight conditions identified in the Urban Renewal Area.

a) Slum, deteriorated, or deteriorating structures;	The current building's are becoming functionally obsolescent due to their age and type of structure
b) Predominance of defective or inadequate street layout;	N/A
c) Faulty lot layout in relation to size, adequacy, accessibility, or usefulness;	The current lots will allow for additional square footage which will enhance the vibrancy of downtown
d) Unsanitary or unsafe conditions;	N/A
e) Deterioration of site or other improvements;	Building Obsolescence
f) Unusual topography or inadequate public improvements or utilities;	N/A
g) Defective or unusual conditions of title rendering the title nonmarketable;	N/A
h) The existence of conditions that endanger life or property by fire or other causes;	N/A
i) Buildings that are unsafe or unhealthy for persons to live or work	N/A
j) Environmental contamination of buildings or property;	N/A
k.5) The existence of health, safety, or welfare factors requiring high levels of services	N/A

Question #1: Project Description

Project Overview:

The redevelopment of 712-722 Main Street is intended to provide additional office and retail space downtown. The existing one-story buildings, originally constructed in 1968/1960, totaling 7,558 sf, will be replaced by a new 22,020 sf building with a main floor parking garage that will provide 18 total spaces for the project. The intent of the design regarding parking is to provide the majority of required parking on-site, with the ability to convert the parking to commercial space if it is more desirable from the City's point of view, or the owners' perspective in the future. This could be due to future increases in the City's public parking capacity, changing demographics and attitudes towards private vehicles as primary transportation, or other factors. The building is also designed with a 5,560 sf basement which is not currently served by the on-site parking, and currently designated for storage and utility use.

If the basement is converted to be used as commercial space in the future, or if the space currently shown as parking on the main level is converted to commercial space, then the fee in lieu of on-site parking would be provided for the lost spaces, as well as the demand generated by the habitable space.

Architectural Design Concept:

Downtown buildings require particular attention to design and massing to relate to the existing architectural fabric of Downtown and to contribute to the history and vibrancy of Downtown. Louisville's Main Street is characterized by a diverse, eclectic mix of building styles and periods of Louisville's history, including our current time.

The building presents a one and two story facade at the street. Of particular importance to this project is the proximity to the historic building to the south, currently housing the Huckleberry Restaurant, formerly Louisville's bank at the turn of the last century. To respect this one-story historic structure, the southern half of the Main Street facade is designed at one-story, actually lower than the historic parapet. The second level steps up from the one story portion 26 feet back from the Main Street façade to accommodate this transition to the one story historic building.

The building facade at Main Street is envisioned as a composition of three parts: a pair of 2-story storefront facades, patterned after typical western false front buildings in scale and pattern; and a low, one-story retail storefront replacing the mid-century modern building in that location, with similar form and simple detail. The three storefronts divide the 95 feet of facade into modules that were historically used and that are prevalent today in Downtown. The rhythm of the buildings on the east side of the 700 block cycles from one story to two story, with alternating horizontal and vertical emphasis, with paired buildings such as the Singing

Cook/Book Cellar, and the Huckleberry buildings. These varying elements form the context for the new building at 712/722 Main. As the buildings being replaced are mid-century, it is appropriate to take cues from the simple, straight-lined architecture of that era.

The materials for the Main Street façade are wood, metal, and storefront glazing. A natural IPE hardwood siding, or similar wood is proposed for the major elements at pedestrian level, with a combination of black anodized and wood storefront detailing. Natural finish metals such as patina copper and dark mill finish steel provide accents. The northern portion of the second level features a synthetic wood siding due to the fire ratings at the property line. Storefront windows are generous to promote commerce and provide interest at the pedestrian level.

The southern half of the facade retains a significant setback from the property line, similar to the existing condition. This allows for outdoor seating, sheltered by an overhang, extending the season beyond that of the temporary patios. This relief from the street begins with a smaller area of setback at the northern part of the facade, then a minimum of 36" additional sidewalk width is maintained to a maximum of 7.5 feet at the southern end.

The small third story elevator/stair lobby is set back 40 feet from the front of the property to minimize its impact when viewed from Main Street. This is the design standard specified in the Downtown Design Handbook and Framework Plan. The Framework Plan states "In general, no more than 50 percent of the building footprint should be a third story". The lobby and service area on the third level represent approximately 10% of the building footprint.

The building design provides a break between the second level and the small third level lobby, which is set in on all sides, and accentuated with a change in material/color to make the third level subordinate to the rest of the building. The projecting stair tower and balconies help to create interest, along with the varied materials along the alley façade. The second level steps back from the north and south property lines to create an additional break in the massing between the first and second levels, which is a location for a vegetated 'green roof' planter to soften the architecture at the alley. We have proposed that a mural be provided along the north wall, visible from the alley, which will add further interest to the alley façade and streetscape, and help to promote this alley as 'Via Artista' as it has been named.

The color palette has been carefully studied and selections made to enhance the overall design. The wood tones with metal accents along the storefront and second level at Main Street present a natural, warm materiality to enhance the pedestrian experience, and to create a sense of scale at the street level. The colors of the second and third levels progressively lighten towards the upper levels to diminish the scale and impact of the upper stories against the sky.

Waiver Request:

Where a 20' rear setback at the alley is required, and provided for the majority of the building mass, we are requesting to project a stair tower and balconies into the setback to break down the scale and mass of the building, instead of providing a monolithic rear wall at the alley facade.

Construction Process Downtown:

Construction for the project shall require careful coordination with the City and with adjacent businesses and property owners. The contractor selected to do the work shall be required to have experience with zero-lot-line construction in tight urban areas. Hartronft Associates has extensive experience with this type of construction in Boulder, Denver, Louisville and elsewhere. The owners and architect have met with adjacent building owners and discussed the potential impacts, and required coordination with these owners before, and during construction. The Applicants are committed to minimizing the impacts of this construction on their neighbors and Downtown.

Demolition of the existing buildings and foundations will be one of the most disruptive events due to the equipment used, noise generated, and proximity to existing construction. Existing adjacent buildings will be inspected before and after such disruptive operations. Dust mitigation will be required. Staging can be primarily on-site for building demolition process. Foundation excavation and caisson drilling operations will also generate some noise and dust, but less than caused by demolition. Similar measures will be in place. The foundation excavation shall require shoring which is typical for this type of construction. A typical method would involve drilled reinforced concrete piers carrying vertical steel supports that retain the adjacent soil with shoring which is typically incorporated into the foundation system. Care will be taken to avoid impacts to any adjacent foundations.

The alley will be the primary access point for construction traffic, and during times when such activity is heavy, the contractor will employ traffic control personnel with a plan acceptable to the City and reviewed with nearby affected properties. The Main Street sidewalk access will be maintained with pedestrian protection measures as appropriate. Any street, alley, or sidewalk closures for utility work, crane or other equipment staging, paving and sidewalk replacement, etc. shall be coordinated with the City and shall require approval by the City of Louisville. It is anticipated that the owners will obtain nearby off-site staging area for material storage, equipment staging, worker parking, etc. Workers will be instructed to refrain from utilizing downtown public parking.

Question #2: Applicants Experience with similar projects.

- Boulder Creek Neighborhoods (BCN) does is not a commercial builder, but has significant experience in constructing residential, townhomes and commercial properties.
- In addition the CFO for BCN, Rick Woodruff, has over 30 years of commercial development experience along the Northern Front Range of Colorado. This includes 3 years of experience as the Director of Real Estate for King Soopers and 26 years with WW Reynolds Companies which is located in Boulder Colorado.

Question #3: Detailed description of the request for assistance from the URA

- Applicant is requesting the URA/LRC approve a TIF for the property that allows for the developer to capture 90% of the property tax increase over the current taxes being paid. Without this assistance the project is not financially feasible since the rental rates that can be achieved in the Louisville Market today do not support the cost to build the project.

Question #4: Description of the community benefits resulting from the project. Blight assessment is added as an additional attachment

- By replacing the two current old and outdated properties the following benefits should be achieved by the community
 - Viable retail and service-retail space that the current buildings do not provide
 - New architecture that would create a focal point for mid-block downtown Louisville
 - Additional office space to help the surrounding merchants and restaurants during daytime hours

Question #5: How does the project improve the project property and neighboring properties.

- By providing substantially more space than the current property this should help the surrounding merchants viability
- The current buildings on the property are do not allow the property to be used for its highest and best use

Question #6: Financial Analysis

- 10 Year Cash Flow Attached
- Sources and Uses Attached
- Development Costs Attached

Question #7: Timeframe for implementation of the project

- Assuming the project is approved, building plans are approved and the requisite financing has been achieved by June 30, 2019 the following are the time frames anticipated
 - June/July 2019 startup and building demolition
 - August 2019 to July 2020 building construction
 - August 2020 building opening

Question #8: Project risks

- Interest Rate risks during the construction
- Being able to lease the building at the proposed rents
- Cyclical nature of the commercial real estate market
- Finding a permanent loan when the project is complete if the market is in a downturn
- Increasing costs of labor and materials
- Black Swans

Redevelopment of 712/22 Recap

Development Costs

Core and Shell	\$	165	/sf
TI			
1st and 2nd	\$	60	/sf
Basement	\$	15	/sf
712 Loan Balance	\$	980,500	
722 Loan Balance	\$	407,250	
Total Cost for 2 Story	\$	7,083,690	
Total Cost for 3 Story	\$	<u>9,998,037</u>	
Diff	\$	(2,914,347)	

Pro-Forma

Rents

Retail	4,736	\$	29.00	SF same as with 3 story
Basement	5,115	\$	5.00	SF same as with 3 story
2nd Floor	10,686	\$	27.50	SF same as with 3 story
Total	20,537	\$	22.24	

Loan \$5,695,000
Equity \$ 1,703,015

Cash Flow \$ 2,610
ROE 0.15%

Cash Flow w/TIF and no Vac \$ 124,054
ROE 7.3%

TIF Calculation

Current Taxes Paid	\$	42,665
Taxes with New Bldg	\$	165,052
TIF at 90%	\$	110,149

IRR Calculation 9.28%

2 Story Proforma with Traditional Financing
Basement included

Assumptions

Vacancy		5%	
NNN Cost	\$ 11.00	/sf	Class A office
Utilities	\$ -	/sf	Tenant responsible for its own utilities
Reserves	\$ 1.00	/sf	
Development Costs	\$ 7,398,015		

Current Rent for 712 & 722 \$ 149,604

PGI	SF	Pure Net	Annual Rent
Retail	4,736	\$ 29.00	\$ 137,344
Basement	5,115	\$ 5.00	\$ 25,575
2nd Floor	10,686	\$ 27.50	\$ 293,872
3rd Floor	-	\$ -	\$ -
	20,537	\$ 22.24	\$ 456,791

Ground Floor SF			
Rentable	4372	100%	4372
Common	1455	25%	364
			4,736

Less Vacancy 5% \$ (22,840)

Common added to 2nd and 3rd			1,091
2nd Floor	9595	1,091	10,686
3rd Floor	0	-	-
	9,595	1091	10,686

Effective Gross Income \$ 433,951

Expenses

NNN's	\$ (11,295)	NNN's on Vacancy
Utilities	\$ -	
Reserves	(20,537)	
Total	\$ (31,833)	

Net Operating Income \$ 402,119

Value	Capped @	6.0%	\$ 6,701,977
		6.5%	\$ 6,186,440
		7.0%	\$ 5,744,551

Proj Rents		
30%	\$ 2,010,593	
50%	\$ 3,093,220	
20%	\$ 1,148,910	
	\$ 6,252,723	304.46 /sf

Financing

LTV	75.0%	\$ 4,689,542
LTC	80.0%	\$ 5,918,412
Loan Amount		\$ 5,695,000

LTV to create a 1.2 DSCR		
\$	7,398,015	Development Cost
\$	1,703,015	Equity Need

Interest Rate	5.00%
Term	10
Amortization Period	25
Annual Payments	\$ (399,509)

DSCR 1.01

Equity Needed \$ 1,703,015

Return		
NOI	\$ 402,119	
Less:		
Debt Cost	\$ (399,509)	
TIF Credit	\$ -	

TIF Credit				
Current Taxes	Actual	Assessed	Mill	Amount
	712 \$	1,103,550	\$ 320,030	87.561 \$ 28,022
	722 \$	576,640	\$ 167,226	87.561 \$ 14,642
Total	\$	1,680,190	\$ 487,256	\$ 42,665

Cash Flow before CapX and Taxes \$ 2,610

Taxes on New Building				
The Terraces	\$	6,500,000	\$ 1,885,000	87.561 \$ 165,052
% TIF Rebated				90% \$ 110,149

Return on Equity 0.15%

Without Vacancy \$ 13,905 0.82%

Without Vacancy and with TIF \$ 124,054 7.28%

Development Costs

Using \$165/sf Co SF or Unit

2 Story

Cost of 724 Land	3588	\$ - /sf	\$ -
712 and 722 Demo	7,637	\$ 15.00 /sf	\$ 114,555
Parking	11	\$ 12,000 /space	\$ 132,000
Core and Shell Constr	20,538	\$ 165.00 /sf	\$ 3,388,770
Tenant Finish			
Lower Level	5,115	\$ 15.00	\$ 76,725
New	15,422	\$ 60.00	\$ 925,335
A&E	20,538	\$ 10.00 sf	\$ 205,380
Leg/Ent/Etc.	20,538	\$ 2.50 /sf	\$ 51,345
Commissions	15,422	\$ 6.00 /sf	\$ 92,534
Loan Fees and CPI			\$ 203,916
Contingency	20,538	\$ 10.00 /sf	\$ 205,380
Development Fee			\$ 300,000
			\$ 5,695,940
712 Loan Balance			\$ 980,500
722 Loan Balance			\$ 407,250
			<u>\$ 1,387,750</u>
	Other		<u>\$ -</u>
			\$ 1,387,750
Total Capital Need			\$ 7,083,690

Terraces on Main Commerical expansion
TIF Estimate

2017 estimated value	1,680,190	
new value	6,604,250	as of Jan 1, 2021
County Payment %	7.15%	Assumed \$250 psf taxable value
Staff Payment %	3%	
Mill Levy	87.56	
Organic Value Appreciation	3%	
Comm Assessment Rate	29%	
% Available for Rebate	90%	

Valuation Year	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	
Tax Year	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	
Base Valuation	1,680,190	1,730,596	1,782,514	1,835,989	1,891,069	1,947,801	2,006,235	2,066,422	2,128,414	2,192,267	2,258,035	2,325,776	2,395,549	2,467,416	
New Construction Valuation	1,680,190	1,730,596	1,782,514	1,835,989	6,604,250	6,802,378	7,006,449	7,216,642	7,433,142	7,656,136	7,885,820	8,122,394	8,366,066	8,617,048	
Estimated TIF Revenue	-	-	-	-	119,678.99	123,269.36	126,967.44	130,776.46	134,699.75	138,740.75	142,902.97	147,190.06	151,605.76	156,153.93	
LESS:															
County Payment	-	-	-	-	8,557.05	8,813.76	9,078.17	9,350.52	9,631.03	9,919.96	10,217.56	10,524.09	10,839.81	11,165.01	
Staff Payment	-	-	-	-	3,590.37	3,698.08	3,809.02	3,923.29	4,040.99	4,162.22	4,287.09	4,415.70	4,548.17	4,684.62	
Subtotal	-	-	-	-	107,531.57	110,757.52	114,080.24	117,502.65	121,027.73	124,658.56	128,398.32	132,250.27	136,217.77	140,304.31	
Total Available with Rebate %	-	-	-	-	96,778.41	99,681.76	102,672.22	105,752.38	108,924.96	112,192.70	115,558.49	119,025.24	122,596.00	126,273.88	TOTAL 1,109,456.04

**SUBJECT: INTENDED TOPICS FOR TIF 101 DISCUSSION FOR APRIL 2019
LRC MEETING**

DATE: MARCH 11, 2019

PRESENTED BY: AARON M. DEJONG, ECONOMIC DEVELOPMENT

SUMMARY:

The Louisville Revitalization Commission (LRC) has requested a “TIF 101” topic for their April meeting. Staff wanted to provide a brief discussion of the intended topics to see if there are other topics Commissioners would like incorporated into the April discussion.

BACKGROUND:

The following is a brief description of the various topics we plan to discuss in April.

Urban Renewal Statute

Urban Renewal Authorities are governed under Colorado Urban Renewal Law (C.R.S. 31-25-101). The statute outlines the formation, powers, plan approval process, financing options, coordination with other governing bodies, and other topics related to Urban Renewal Authorities (which the LRC is the City’s designated Urban Renewal Authority). The overarching purpose of the Urban Renewal law is to remediate and prevent the spread of slum and blighted areas within Colorado municipalities.

Determining Blight

A step in the Urban Renewal Area approval process is the determination whether blighting factors exist in the Area. A conditions survey is conducted to analyze the Area related to each of the 11 blighting factors outlined in the Urban Renewal Statute. Those blighting factors include:

- (a) Slum, deteriorated, or deteriorating structures;
- (b) Predominance of defective or inadequate street layout;
- (c) Faulty lot layout in relation to size, adequacy, accessibility, or usefulness;
- (d) Unsanitary or unsafe conditions;
- (e) Deterioration of site or other improvements;
- (f) Unusual topography or inadequate public improvements or utilities;
- (g) Defective or unusual conditions of title rendering the title nonmarketable;
- (h) The existence of conditions that endanger life or property by fire or other causes;
- (i) Buildings that are unsafe or unhealthy for persons to live or work in because of building code violations, dilapidation, deterioration, defective design, physical construction, or faulty or inadequate facilities;

- (j) Environmental contamination of buildings or property;
- (k) (Deleted by amendment, L. 2004, p. 1745, § 3, effective June 4, 2004.)
- (k.5)** The existence of health, safety, or welfare factors requiring high levels of municipal services or substantial physical underutilization or vacancy of sites, buildings, or other improvements; or
- (l)** If there is no objection by the property owner or owners and the tenant or tenants of such owner or owners, if any, to the inclusion of such property in an urban renewal area, "blighted area" also means an area that, in its present condition and use and, by reason of the presence of any one of the factors specified in paragraphs (a) to (k.5) of this subsection (2), substantially impairs or arrests the sound growth of the municipality, retards the provision of housing accommodations, or constitutes an economic or social liability, and is a menace to the public health, safety, morals, or welfare. For purposes of this paragraph (l), the fact that an owner of an interest in such property does not object to the inclusion of such property in the urban renewal area does not mean that the owner has waived any rights of such owner in connection with laws governing condemnation.

Determining whether blight factors exist within such an Urban Renewal Area is a legislative determination made by the City Council of the municipality. Once such determination is made, the blighting factors are determined to exist for all properties within the Urban Renewal Area.

Urban Renewal Plans

Within Louisville, there are two Urban Renewal Areas under the jurisdiction of the LRC. They are the Highway 42 Urban Renewal Area and the 550 S. McCaslin Urban Renewal Area.

The [Highway 42 Revitalization Area](#) was established in 2006 by the City Council by Resolution 37-2006. Nine (9) blight factors were determined present for the Highway 42 area. They are:

- a) Slum, deteriorated, or deteriorating structures;
- b) Predominance of defective or inadequate street layout;
- c) Faulty lot layout in relation to size, adequacy, accessibility, or usefulness;
- d) Unsanitary or unsafe conditions;
- e) Deterioration of site or other improvements;
- f) Unusual topography or inadequate public improvements or utilities;
- h) The existence of conditions that endanger life or property by fire or other causes;
- i) Buildings that are unsafe or unhealthy for persons to live or work in because of building code violations, dilapidation, deterioration, defective design, physical construction, or faulty or inadequate facilities;
- j) Environmental contamination of buildings or property;

- k.5) The existence of health, safety, or welfare factors requiring high levels of municipal services or substantial physical and underutilization of vacancy of sites, buildings, or other improvements.

The [550 S. McCaslin Urban Renewal Area](#) was established in 2015 by the City Council by Resolution 58-2015. Four (4) blight factors were determined present for the 55 S. McCaslin area. They are:

- a) Faulty lot layout in relation to size, adequacy, accessibility, or usefulness;
- b) Deterioration of site or other improvements;
- c) Defective or unusual conditions of title rendering the title nonmarketable;
- d) The existence of health, safety, or welfare factors requiring high levels of municipal services or substantial physical underutilization or vacancy of sites, buildings, or other improvements.

Urban Renewal Plans are documents that lay out the qualifying conditions, objectives, implementation, and financing tools for the LRC to implement.

City/LRC Cooperation Agreement

When the City approved the initial Urban Renewal Plan for the Highway 42 Area the City also approved a [Cooperation Agreement](#) between the City and the LRC, which Agreement was amended and restated in 2015. Highlights of the Amended and Restated Cooperation Agreement include:

- The City provides administrative and legal support services to the LRC in connection with its operations.
- The LRC's budget must be submitted to the City Council for review and approval prior to LRC adoption each year.
- Any LRC expenditure not included in its annual budget must be reviewed and approved by the City Council.
- Prior to issuing bonds (or any other capital financial obligation or financial obligation extending beyond the end of the current fiscal year) must be approved by resolution adopted by a majority of the City Council finding the City's interests in connection with such bonds or other obligations are adequately protected.
- As provided in the Urban Renewal Plan, the City Council must approve allocation of any municipal sales tax increment.
- Also as provided in the Urban Renewal Plan, the City Council must approve by resolution any redevelopment agreement or other contract with developers or property owners.

Tri-Party Agreement with the City, LRC, and Boulder County

When the Highway 42 Urban Renewal Plan was approved, a [Tri-Party Agreement](#) among the City, LRC, and Boulder County was executed to commit a portion of the TIF revenues back to the County during the life of the TIF collection period (25 years). The original agreement committed to the LRC paying to the County 14.3% of annual TIF revenues starting January 1, 2015, not to exceed \$6,150,000 in total payments to the

County. There is a renegotiation clause in the agreement that states if the County does not enter into a similar agreement with another Boulder County municipality within the first 7 years of the Plan, the County reimbursement percentage changes to 7.15% of TIF revenues and maximum payment is \$3,075,000.

Property Tax Increment Financing

Tax Increment Financing (TIF) is a unique mechanism that enables an urban renewal authority or board to use the net new tax revenues generated by projects within a designated urban renewal area to help finance future improvements. TIF is new source of tax revenue, not an additional tax, which would not be available but for the increased property value that is largely attributable to the new investment. When a redevelopment project is being planned, the urban renewal authority or board analyzes how much additional property and/or sales taxes may be generated once it is completed. That “tax increment” then can be used by the urban renewal entity either to finance the issuance of bonds or to reimburse developers for a portion of their project costs. In either case, the new tax revenue that is created must be used for improvements that have a public benefit and that support the redevelopment effort by eliminating blight, such as site clearance, streets, utilities, parks, the removal of hazardous materials or conditions, or site acquisition. (Source: Denver Urban Renewal Authority)

Property tax increment financing has been implemented for the Highway 42 Area, but not for the 550 S. McCaslin area.

Sales Tax Increment Financing

Urban Renewal Law also allows for Authorities to collect the increase of sales taxes generated within an Area above the base amount established when the area was established. Similar to property tax increment, sales tax increment funds can go towards projects that meet the requirement of the Urban Renewal Plan.

Sales tax increment financing is not available in either urban renewal area in Louisville.

Condemnation

Another power Authorities may use is the ability to condemn private property if the Authority (and in Louisville, also the City Council) finds it is necessary for the “public good” and usually as a last resort. Most municipalities are extremely reluctant to use their condemnation powers for many reasons, not the least of which is the lengthy acquisition and negotiation process.

LRC Financial Assistance

In 2013, the LRC established an application for assistance for property owners to request the LRC’s help in completing a project. The application envisions two ways in which the LRC can assist a development:

- Infrastructure Projects

Assistance is generally provided to projects for public infrastructure improvements needed to facilitate the revitalization of property within the Urban Renewal Area. Typical public infrastructure investments may include but are not limited to unifying streetscape elements, improving access and circulation, improving streets and parks, providing for railroad corridor improvements and grade separation, providing for parking, completing utilities. The infrastructure can be either public infrastructure or infrastructure that is privately owned, but needed to enhance the public benefit of the project.

The LRC has completed three major infrastructure investments to date. They include the South Street Pedestrian Gateway, the Delo area public infrastructure, and the Alfalfa's/Centre Court apartments sidewalk and on-site detention project. The LRC utilizes an [Urban Renewal Assistance Application](#) for property owners to request assistance for their project.

- **Direct Financial Assistance**

LRC assistance can also come in the form of direct financial assistance to achieve financial feasibility for the project. If a project requests direct financial assistance, additional information is required of the applicant to determine whether the project needs it. Project seeking direct financial assistance uses the same [application](#) as for public infrastructure, except for the added requirement to provide financial information showing the project will not occur but for the assistance.

Several Colorado municipalities have provided direct assistance to private developments. Through conversations with colleagues running other authorities or doing research on websites, the following is a list of such projects spurred by TIF assistance directly:

- [Colorado National Bank](#) in Denver – Restoration and redevelopment of the historic building into a luxury hotel. \$10,000,000 TIF reimbursement assistance to the project.
- [2460 Welton](#) development in Denver – redevelopment of a vacant lot into a residential and retail mixed use building. \$1,350,000 in developer reimbursement through property tax TIF.
- [Marriott](#) in Colorado Springs - \$15,000,000 TIF bond to construct a parking structure for a new Marriott property.
- Cannon Mine Café and The Post in Lafayette – tenant improvement assistance through existing TIF revenues
- [Hilton Garden Inn](#) in Arvada - \$3,200,000 in land contribution and lodging tax revenues
- [Arvada Ridge Marketplace](#) – \$6,670,000 Sales and Property Tax Pledge to encourage the redevelopment

The decision to approve a TIF agreement for a project is not a part of the Planned Unit Development (PUD) process. The PUD process relates to whether the project meets

SUBJECT: URBAN RENEWAL 101 TOPICS

DATE: MARCH 11, 2019

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the regulatory requirements (e.g. zoning, design, layout) within the City's codes and ordinances. The discussion of approving financial assistance through Urban Renewal is legislative and independent of the PUD process. An assistance agreement can be considered at any time during the PUD approval process, if the project needs a PUD approval. To date, all approved assistance agreements were considered either concurrent or after a project's development/PUD process.

ATTACHMENTS:

Related documents are linked throughout the memo. Please click on the link in the text to be directed to the particular document.

**SUBJECT: DISCUSSION/DIRECTION PRELIMINARY 2020 LRC BUDGET
AND POSSIBLE 2019 BUDGET AMENDMENT**

DATE: AUGUST 12, 2019

**PRESENTED BY: HEATHER BALSER, CITY MANAGER
KEVIN WATSON, FINANCE DIRECTOR**

SUMMARY:

The Louisville Revitalization Commission (LRC) must approve a budget each year for the Urban Revitalization District (URD). The annual budget proposed by the LRC must be submitted to Louisville City Council for review and approval prior to final LRC adoption.

Attached is a very preliminary budget for the URD. Staff requests a general discussion with the Commission and seeks input as to other programs and projects the Commission might want to include for 2020. Staff would also like input on any possible budget amendments for 2019 (highlighted in red in the budget).

Staff will be available at the meeting to review each element of the budget (both 2019 and 2020) and to facilitate the discussion.

RECOMMENDATION:

The information is presented for discussion and direction on possible changes and modifications for formal action at the next LRC meeting.

ATTACHMENTS:

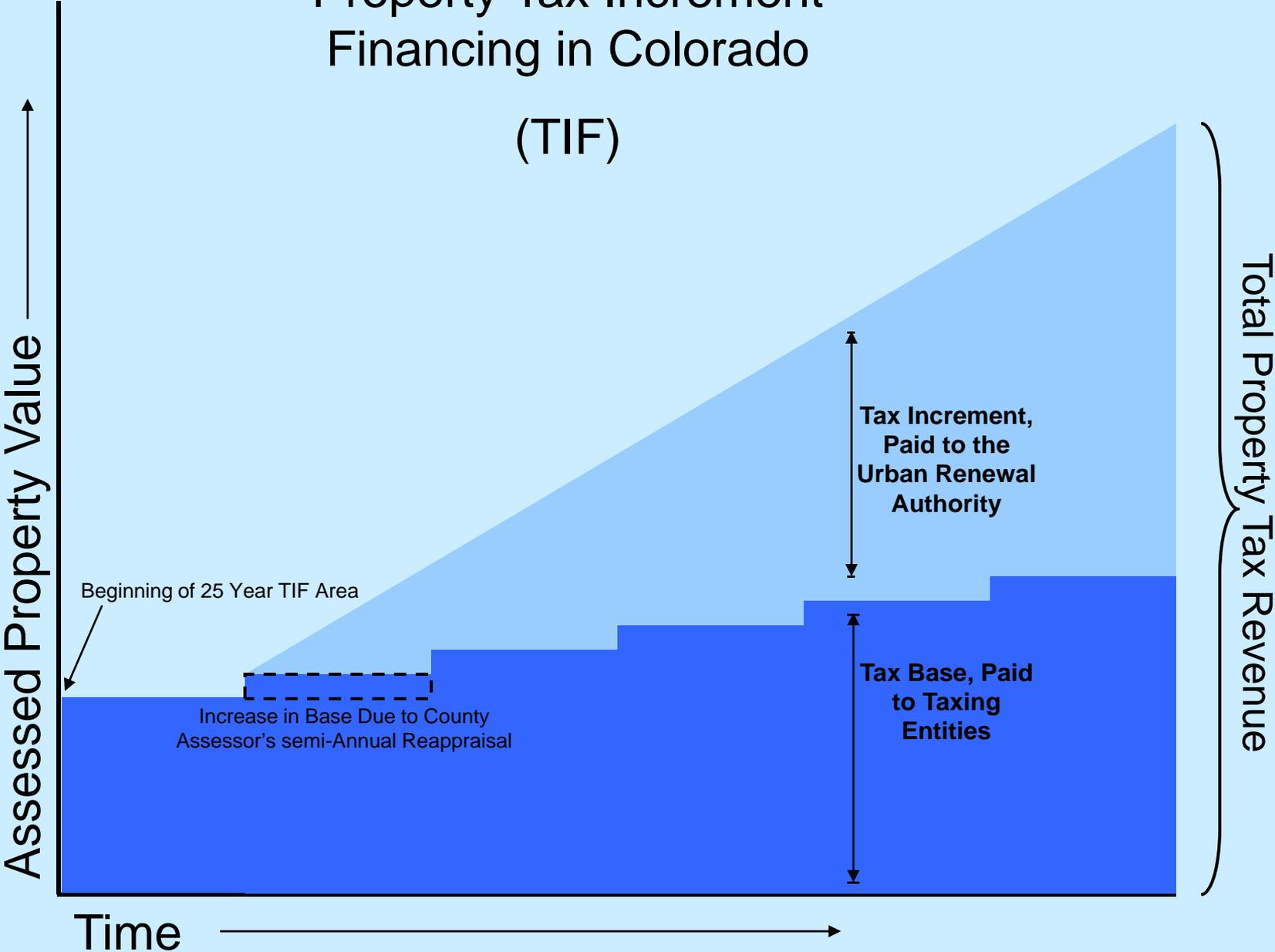
- 1) Draft 2020 Budget
- 2) Graphic Depicting Property Tax Increment Financing in Colorado

City of Louisville, Colorado
Urban Revitalization District
Preliminary Budget for 2020

	2017	2018	2019		2020
	Actual	Actual	Budget	Estimate	Budget
Beginning Fund Balance	3,398,940	768,444	921,851	921,851	411,191
Revenue:					
Property Tax	795,640	1,259,070	1,615,382	1,675,100	2,199,710
Interest Earnings	21,770	30,379	2,000	25,000	30,000
Total Revenue	817,410	1,289,448	1,617,382	1,700,100	2,229,710
Expenditures:					
Support Services - COL	25,577	34,900	60,000	60,000	60,000
Cap Contr - COL - Underpass	75,000	300,118	948,107	948,110	-
Cap Contr - COL - South St Reconstruct	178,327	24,905	-	-	-
Regional Detention Land Comp - COL	202,500	-	-	-	-
Cap Contr - COL - Undergrounding	-	-	170,000	170,000	-
Cap Contr - COL - Downtown Lights	-	-	70,000	70,000	72,000
TIF Refund - Boulder County	56,035	88,673	115,500	119,770	157,280
TIF Refund - Fire District	-	-	-	-	130,060
TIF Rebate - Loftus Developmen	102,911	192,123	-	-	-
Bond Maint Fees - Paying Agent	6,500	7,150	7,150	7,150	7,150
Professional Services - Investment Fees	3,176	3,484	200	3,500	750
Professional Services - Other	1,221	21,870	-	24,470	20,000
Payments from Construction Acct - DELO	2,465,745	127,518	-	310,000	-
Principal-Bonds	-	-	153,391	153,390	-
Interest-Bonds	330,914	335,300	344,374	344,370	333,640
Total Expenditures	3,447,906	1,136,041	1,868,722	2,210,760	780,880
Ending Fund Balance	768,444	921,851	670,511	411,191	1,860,021

Property Tax Increment Financing in Colorado

(TIF)



**SUBJECT: DISCUSSION/DIRECTION OF LRC REGULAR MEETING DATE
AND TIME, 2ND MONDAY OF THE MONTH AT 7:30 AM**

DATE: AUGUST 12, 2019

PRESENTED BY: HEATHER BALSER, CITY MANAGER

SUMMARY:

The current date and time of the regular LRC meeting date is the 2nd Monday of each month at 7:30 am. This is stated in the bylaws (attached). A Commissioner has requested the Commission discuss changing the regular meeting time from 7:30 am to a later time of day. Changes to either date or time of the LRC's regular meeting will require an amendment to the bylaws.

RECOMMENDATION:

The information is presented for discussion and direction on possible changes to the regular meeting date and time. Should that be the direction, staff will come back at the next meeting with a proposed amendment to the bylaws.

ATTACHMENTS:

- 1) LRC Bylaws

BYLAWS OF THE LOUISVILLE REVITALIZATION COMMISSION
(includes all amendments through March 2009)

ARTICLE I: THE COMMISSION

Section 1. Status and Name. The Louisville Revitalization Commission is an urban renewal authority organized and existing under and by virtue of the Urban Renewal Law, C.R.S. § 31-25-101 et seq., as amended. The name of the authority shall be, and the authority shall do business in the name of, the "Louisville Revitalization Commission."

Section 2. Seal. The seal of the Commission shall be in the form of a circle and shall bear the name Louisville Revitalization Commission.

Section 3. Office. The office of the Commission shall be considered the Louisville City Hall, 749 Main Street, Louisville, CO 80027, or such other place in the City of Louisville, Colorado as the Commission members may designate from time to time.

Section 4. Number of Members. The Louisville Revitalization Commission shall consist of five (5) members whom the Mayor with consent of City Council shall appoint. Not more than one member of the Commission may be an official of the municipality. Members shall be residents of the City at the time of their appointment and at all times while serving on the Commission.

Section 5. Term of Members. Each member shall be appointed for a staggered term, such that at least one member's term expires each year, and thereafter five-year terms.

ARTICLE II: OFFICERS AND PERSONNEL

Section 1. Officers. The officers of the Louisville Revitalization Commission shall be a Chair, a Vice-Chair, and a Secretary who shall be elected by the Commission from its membership.

Section 2. Chair. The Chair shall preside at all meetings of the Commission. Except as otherwise authorized by resolution of the Commission, the Chair shall have the authority to sign contracts, deeds, checks or drafts for the payment of monies, and other legal instruments of the Commission.

Section 3. Vice Chair. The Vice-Chair shall perform the duties of the Chair in the Chair's absence from the City or the incapacity of the Chair. During any vacancy in the office of the Chair, the Vice-Chair shall perform such duties of the Chair until such time as the Commission shall select a new Chair from among its

members. The Vice-Chair shall have the authority to sign checks or drafts for payments of monies as provided in Article VI, Section 5 of these Bylaws. In the event of the absence or the incapacity of both the Chair and Vice-Chair, the remaining members shall select some other member of the Commission to temporarily perform the duties of the Chair.

Section 4. Secretary. The Secretary shall attest to all contracts, documents, and instruments authorized to be executed by the Commission. The Secretary shall have the authority to sign checks or drafts for payments of monies as provided in Article VI, Section 5 of these Bylaws. In the event of the absence of the Secretary, the Chair shall designate, in writing or verbally at a meeting of the Commission, some other member of the Commission to perform duties of the Secretary.

Section 5. Additional Duties. The officers of the Commission shall perform such duties and functions as may from time to time be required or authorized by the Commission or these Bylaws.

Section 6. Election of Officers. The Chair, Vice-Chair and Secretary of the Commission shall be elected annually by the Commission at its first meeting of each year and shall assume their duties upon election. Officers shall hold office for one year or until their successors are selected and qualified.

Section 7. Vacancies. If the office of the Chair, Vice-Chair or Secretary is vacant, the Commission shall select a successor from its membership to serve for the unexpired term of said office.

Section 8. Personnel. The Commission may from time to time authorize the employment of such personnel as it deems necessary to exercise its powers, duties, and functions as prescribed by the Urban Renewal Law and all other laws applicable thereto.

Section 9. Absences of Members. In the event any member of the Commission fails to attend three consecutive meetings, and such absences are not excused by the Chair, such absences shall be grounds for removal from the Commission as neglect of duty and inefficiency in compliance with Colorado law.

ARTICLE III: MEETINGS

Section 1. Regular Meetings. A regular meeting shall be held on the second Monday of each month at 7:30 AM at the Louisville Public Library, 951 Spruce Street, Louisville, Colorado or at such time and place as designated by the Commission. In the event any regular meeting falls on a legal holiday, it shall be held on the following Monday unless the Commission designates otherwise. Notice and the agenda for each regular meeting shall be posted, and

published on the City's website, at least seventy-two hours in advance of the meeting.

Section 2. Special Meetings and Business at Special Meetings.

A. Except for an emergency special meeting governed by Subsection B, each special meeting of the Commission shall be called by the Secretary on the request of any three members of the Commission, and shall be held on at least forty-eight hours written notice.

B. An emergency special meeting shall be called by the Secretary on the request of the Chair or any three members of the Commission, and shall be held on at least twenty-four hours written notice to each member of the Commission. An emergency special meeting shall not be called unless:

(i) Each member requesting the meeting has determined that the meeting is urgently necessary in order to take action on an unforeseen matter requiring immediate action; and

(ii) The basis for the determination described in Paragraph (i) is stated in the notice of the meeting.

C. The meeting notice required by Subsection A or B shall be served personally or left at the member's usual place of residence. The notice need not be served if the member has waived the notice in writing.

D. The Commission shall not take action on any item of business at any special meeting unless:

(i) The item to be acted on has been stated in the notice of the meeting; or

(ii) The item to be acted on is reasonably related to the item which was stated in the notice of the meeting.

Section 3. Study Sessions Meetings.

A. The Commission declares the following policy relating to study sessions:

(i) The purpose of study session meetings is to enable members of the Commission to obtain information about and discuss matters of public business in a less formal atmosphere.

(ii) Full debate and deliberations about matters that may be the subject of formal action should occur at formal meetings of the Commission to permit members of the public to

participate meaningfully in, and to understand the grounds for, any formal action contemplated or taken by the Commission.

B. Each study session meeting of the Commission shall be held on at least 72 hours notice to each member of the Commission. All study session meetings shall be open to the public.

C. No preliminary or final policy decision, fiscal decision, rule, regulation, resolution, ordinance, action approving a contract, action calling for the payment of money, or other formal action, shall be made or taken at any study session.

D. At any study session, any member of the public who in good faith believes that a study session is proceeding in violation of Subsection C of this Section shall be entitled to submit a brief written objection to the official presiding over the study session; the written objection shall specify the ground for the objection. The presiding official shall exercise his or her discretion in determining whether the study session is in compliance with this Section, and shall conduct the study session in accordance with that determination. The Commission may adopt laws or regulations, consistent with this Section, to prevent the abuse of this Subsection D.

E. The Commission shall cause to be made a written summary or other record of each study session within five days after each study session. The summary shall be retained permanently in the records of the Commission.

F. Nothing in this Section shall preclude the Commission or its members from discussing or acting on procedural matters relating to the conduct of the study session, or from providing direction on matters to be scheduled for final action at a later regular or special meeting.

Section 4. Quorum. The powers of the Commission shall be vested in the members thereof in office from time to time. Three members shall constitute a quorum, but a smaller number may adjourn from time to time until a quorum is established. When a quorum is in attendance, action may be taken by the Commission upon an affirmative vote of three of the Commissioners present.

Section 5. Order of Business and Manner of Conducting Business.

A. At the regular meetings of the Commission the following shall be, by way of illustration and not limitation, the order of business:

Roll call
Approval of Agenda
Consent Agenda
Public comments
Reports of the Commission
Business Matters of the Commission
Members' comments
Adjournment and place and time of next meeting.

Section 6. Manner of Voting. The affirmative and negative votes shall be entered upon the minutes of every meeting, except in the case of officer elections when the vote may be by ballot, and except where there is a unanimous vote.

Section 7. Open Meetings, Executive Sessions and Public Records. In addition to the requirements of these Bylaws, the Commission shall comply with all applicable provisions of the open meetings laws and public records laws of the State. The Commission may hold an executive session for the same purposes and in accordance with same procedures applicable to executive sessions of the Louisville City Council. The Commission shall by resolution designate a person as the custodian of the records of the Commission.

Section 8. Notice, Discussions, and Meeting Locations.

A. It is the specific intent of the Commission to provide the public with notice of all meetings. For this purpose a variety of communication media of the community may be utilized, including posting and the City's website. For purposes of these Bylaws, "posting" or "posted" means placing, in areas accessible by the public, at the Louisville City Hall, the Louisville Library, the Louisville Recreation Center, and one additional location that is open to the public during hours different from the regular business hours of the Louisville City Hall.

B. Notice of regular and special meetings of the Commission shall be provided to the public in accordance with the requirements these Bylaws and other applicable provisions of the open meetings laws and public records laws of the State. The agenda for any non-emergency meeting of the Commission shall contain an itemized list of all subjects on which substantive discussions are reasonably expected or which may be the subject of formal action.

C. The Commission shall not engage in substantive discussions relating to, or take formal action on, any subject at a non-emergency meeting when that subject was not listed in the agenda for that meeting and is not substantially related to any subject listed in the agenda, provided, however, that the

Commission may engage in substantive discussions and take formal action on a matter of public business not on the agenda, upon a finding by the presiding officer that such discussions or action will promote the general welfare, it is important that the matter be acted upon before the next formal Commission meeting, and it would be injurious to await action on the matter until the next formal Commission meeting.

D. For purposes of Subsection C of this Section, a subject is not substantially related to a subject listed in the agenda when a person reading the agenda before the meeting would not have reasonably expected that the subject would be substantively discussed or formally acted upon at the meeting.

E. At any non-emergency meeting of the Commission, any member of the public who in good faith believes that a meeting is proceeding in violation of Subsection C of this Section shall be entitled to submit a brief written objection to the official presiding over the meeting; the written objection shall specify the ground for the objection. The presiding official shall exercise his or her discretion in determining whether the meeting is in compliance with this Section, and shall conduct the meeting in accordance with that determination. The written objection shall be retained permanently in the records of the Commission. The Commission may adopt laws or regulations, consistent with this Section, to prevent the abuse of this Subsection E.

F. For purposes of this Section, "substantive discussions" means debate, deliberation or other discussion about the merits, benefits, advantages or disadvantages of any proposed or possible resolution of any issue that will be or may be the subject of formal action by the Commission.

G. All meetings of the Commission shall occur in public building and public facilities accessible to all members of the public.

Section 9. Agenda, Materials and Communications File.

A. To the extent possible, a preliminary agenda for all Commission meetings shall be provided to each member at least seven days in advance of such meeting. To the extent possible, and excluding emergency meetings, the agenda and all documents and materials requiring action by the Commission at any meeting shall be provided each member seventy-two hours in advance of such meeting.

B. The agenda for any non-emergency meeting of the Commission shall contain an itemized list of all subjects on which substantive discussions are reasonably expected to occur or

which may be the subject of formal action. The notice of each emergency meeting shall be posted at least twenty-four hours in advance of the meeting and shall include specific agenda information to the extent such information is available.

C. The Commission shall make available to the public, at least on the City of Louisville website and Louisville Library, agenda-related materials for the Commission. If agenda-related materials are unavailable in electronic format, each such item shall be described on the web site; further, the Commission shall adopt (by reference to a City of Louisville plan or otherwise) a plan for making available on the web all agenda-related material. For purposes of this Section, "agenda-related materials" means the agenda, all reports, correspondence and any other documents forwarded to the Commission that provide background information or recommendations concerning the subject matter of any agenda item, excluding any documents or records which may or must be withheld from disclosure pursuant to state or federal statutes or constitutional provisions, or common law. If agenda-related materials are unavailable in electronic format, each such item shall be described on the web site.

D. Any letter, memo, map, drawing, plan or other document that is not agenda-related material or contained in the Commission's communications file and that is submitted to the Commission during a meeting shall be immediately made available to the public either by making copies available to the public at the meeting or by displaying the document at the meeting so that the public can view the document. No discussion or consideration of such a document by the Commission shall occur unless the document has been made available to the public as provided in this subsection D. The foregoing shall not be construed to require the dissemination, display or disclosure of any document or record which otherwise may or must be withheld from disclosure pursuant to state or federal statutes or constitutional provisions, or common law.

E. The Commission shall maintain and make available to the public the Commission's communications file. For purposes of this Subsection E, "communications file" means a paper or digital file, organized chronologically and accessible to any person during normal business hours, containing a copy of any letter, memorandum or other public record that the secretary of the Commission has distributed to, or sent on behalf of, the chairperson of the Commission, or a quorum of the Commission concerning a matter that has been placed on the Commission's agenda within the previous thirty days or is scheduled or requested to be placed on the agenda within the next thirty days. The file may, but need not contain, voluminous reports, studies or analyses not created by officers or employees serving the

Commission provided that their omission is noted in the file. Excepted from the file shall be commercial solicitations, agenda-related material, and any document or record which may or must be withheld from disclosure pursuant to state or federal statutes or constitutional provisions, or common law.

Section 10. Payment of Bills. Payment of bills may be considered by the Commission at any regular or special meeting, but no bill shall be approved unless a copy of the bill has been furnished to each member of the Commission prior to approval thereof.

ARTICLE IV: AMENDMENTS TO BYLAWS

Section 1. Amendment to Bylaws. The Bylaws of the Commission may be amended only if there has been notice of such proposal at the previous meeting.

ARTICLE V: OPEN GOVERNMENT AND PUBLIC RECORDS

Section 1. Open Government. Each member of the Commission shall participate in at least one City-sponsored open government-related seminar, workshop or other program at least once every two years. Such program shall provide information on at least these topics relating to municipal government: the theories and policies underlying and laws relating to ethics, open government, open meetings, open records, and promoting citizen participation in municipal government.

Section 2. Public Records.

A. The provisions of these Bylaws relating to open records shall be liberally construed with State open records laws to promote the prompt disclosure of Commission records to citizens at no cost or no greater than the actual cost to the Commission. The Commission shall strictly construe exceptions provided under the State statutes authorizing certain public records to be exempt from disclosure to the public.

B. Commission records shall be open for inspection by any person in accordance with these Bylaws and the State statutes concerning public records. To the extent State open records laws or Commission enactments other than these Bylaws conflict with the provisions of these Bylaws, whichever provides greater access to Commission records and less expense to the person requesting the records shall control disclosure by the Commission.

C. No fee shall be charged for the inspection of Commission records.

D. No fee shall be charged for locating Commission records and making them available for copying, except that the actual labor cost to the Commission of locating Commission records may be charged and a reasonable deposit may be required if the records request seeks voluminous records, or records dating over a period of two or more years, and locating the records has exceeded two hours. The Commission may adopt regulations, consistent with the open records policy of these Bylaws, to prevent the abuse by persons of open records requests.

E. No photocopy charges shall be assessed for the first 25 pages of Commission records provided to a requester on a single request, or for electronic records. When electronic records responsive to a request are readily available, the Commission shall offer to make such records available as an alternative to paper copies. Photocopy charges per page shall not be greater than the Commission's actual cost. Where requested Commission records are voluminous, nothing shall prohibit the Commission from arranging for a private copy service to make the photocopies and requiring the requester to reimburse the Commission for actual costs paid to the private copy service.

F. Any letter, memo, map, drawing, plan or other document that is not an agenda-related material or contained in a communications file and that is submitted to the Commission during a meeting shall be immediately made available to the public either by making copies available to the public at the meeting or by displaying the document at the meeting so that the public can view the document. No discussion or consideration of such a document by the Commission shall occur unless the document has been made available to the public as provided in this Subsection F.

ARTICLE VI: GENERAL

Section 1. Committee. The Chair may appoint members of the Commission to such committees as deemed necessary to perform any functions for the purpose of advising the Commission.

Section 2. Conflict of Interest. No member, officer, or employee of the Commission (including by illustration only, consultants, experts, legal counsel), nor any immediate member of the family of any such member, officer, or employee shall acquire, nor shall any such member, officer, or employee retain any interest, direct or indirect, in any project or in any property included or planned to be included in any project, nor shall he/she have any interest, direct or indirect, in any contract of proposed

contract for materials or services to be furnished or used in connection with any project. If any commissioner, officer, or employee of the Commission owns or controls an interest, direct or indirect, in any property included or planned to be included in any project, such information shall immediately be disclosed in writing to the Commission, and such disclosure shall be entered upon the minutes of the Commission. Upon such disclosure, such commissioner, officer, or employee shall not participate in any action by the Commission affecting the carrying out of the project planning or undertaking of the project unless the Commission determines that, in the light of such personal interest, the participation of such member in any such act would not be contrary to the public interest. Acquisition or retention of any such interest or willful failure to disclose shall constitute misconduct in office. Notwithstanding the foregoing, the Commission shall comply with all applicable laws regarding conflicts of interest.

Section 3. Membership. Upon the vacancy of membership of the Commission, the Commission may give notice of such vacancy, invite applications therefor, interview persons regarding such membership, and submit recommendations for the appointment to the Commission to the Mayor of the City of Louisville.

Section 4. Contracts. Contracts with persons, firms, agencies, companies, the United States, and other public entities shall be authorized by motion duly recorded upon the minutes of the Commission meeting or by written resolution, and a copy of any such resolutions and contracts shall be kept with the journal for the proceedings of the Commission.

Section 5. Commission Checks. Two signatures shall be required on all checks or drafts for payments of monies of the Commission from amongst the following officials: Chair, Vice-Chair, or Secretary.

Adopted as amended this 28th day of December, 2006.

Chair

ATTEST:

Secretary