

**AGENDA**

**WESTMINSTER ECONOMIC DEVELOPMENT AUTHORITY  
SPECIAL MEETING**

**MONDAY, FEBRUARY 23, 2015**

**AT 7:00 P.M.**

- 1. Roll Call**
- 2. Minutes of Previous Meeting** (December 22, 2014)
- 3. Public Hearings and New Business**
  - A. Public Hearing to Authorize Supplemental Appropriation to 2014 Budget
  - B. Resolution No. 162 Authorizing a Supplemental Appropriation to the 2014 Budget
  - C. Westminster Center Urban Reinvestment Project Special Legal Counsel
- 4. Adjournment**

CITY OF WESTMINSTER, COLORADO  
MINUTES OF THE WESTMINSTER ECONOMIC DEVELOPMENT AUTHORITY  
MONDAY, DECEMBER 22, 2014, AT 7:53 P.M.

ROLL CALL

Present at roll call were Chairperson Herb Atchison, Vice Chairperson Faith Winter, and Board Members Bruce Baker, Bob Briggs, Alberto Garcia, Emma Pinter, and Anita Seitz. Also present were J. Brent McFall, Executive Director, Hilary Graham, Acting Attorney, and Carla Koeltzow, Acting Secretary.

APPROVAL OF MINUTES

Board Member Briggs moved, seconded by Vice Chairperson Winter, to approve the minutes of the meeting of November 24, 2014, as written. The motion carried unanimously.

RESOLUTION NO. 160 ICA WITH ORCHARD PARK PLACE NORTH METROPOLITAN DISTRICT

Vice Chairperson Winter moved, seconded by Board Member Pinter, to adopt Resolution No. 160 authorizing the Executive Director to execute an Intergovernmental Cooperation Agreement with Orchard Park Place North Metropolitan District regarding the release of certain tax increment revenues to finance the District's improvements to property located within the Westminster Economic Development Authority's North Huron Urban Renewal Area. At roll call, the motion passed unanimously.

RESOLUTION NO. 161 ACQUISITION OF PROPERTY INTERESTS FOR THE WURP

Board Member Garcia moved to adopt Resolution No. 161 authorizing the Executive Director and the Authority's legal counsel to proceed with the acquisition of JC Penney's leasehold interest in the Downtown Westminster Specific Plan District, including the use of eminent domain, if necessary, to establish and pay the minimum just compensation for such interest as established by the Executive Director, and to incur all reasonable costs associated with the acquisition. The motion was seconded by Board Member Pinter. Upon roll call vote the motion carried by a 6:1 margin with Councillor Baker voting no.

LARAMIE COMPANY AND JOHN M MULLINS AND ASSOCIATES CONSULTANT CONTRACTS

Vice Chairperson Winter moved to authorize the Executive Director to enter into one-year agreements with the Laramie Company and John M Mullins and Associates, Inc. to provide consultant services regarding the redevelopment of the Westminster Center Urban Reinvestment Project property. Board Member Briggs seconded the motion.

There was discussion among the Board Members concerning entering into these one year contracts just before a new Executive Director is hired. It was then moved by Board Member Baker, seconded by Seitz, to table this item to give the Board more time to discuss the pros and cons of entering into these contracts at this time. The motion to table was called to a vote by the Chairperson. With only Board Member Baker voting in favor, the motion did not pass.

The original motion to approve the agreements was then back before the Board. The motion passed by a 6:1 margin with Board Member Baker voting no.

MCFALL ASSOCIATES CONSULTANT CONTRACT - REDEVELOPMENT OF WURP PROPERTY

Board Member Pinter moved to authorize the Chairman of the Board to enter into a one year agreement with McFall Associates, LLC, to provide consulting services regarding the redevelopment of the Westminster Center Urban Reinvestment Project property. The motion was seconded by Board Member Garcia. The motion passed by a 5:2 margin with Members Baker and Briggs voting no.

ADJOURNMENT

With no further business for the Authority's consideration, Chairperson Atchison adjourned the meeting at 8: 30 p.m.

ATTEST:

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Chairperson

\_\_\_\_\_  
Acting Secretary

# WEDA Agenda Item 3 A - B

## Agenda Memorandum

Westminster Economic Development Authority Meeting  
February 23, 2015



**SUBJECT:** Public Hearing and Resolution No. 162 re: Westminster Economic Development Authority Supplemental Appropriation to the 2014 budget

**Prepared By:** Karen Creager, Special Districts Accountant

### Recommended Board Action

1. Hold a Public Hearing on the budget amendment for the Westminster Economic Development Authority.
2. Adopt Resolution No. 162 authorizing a supplemental appropriation to the 2014 Westminster Economic Development Authority budget.

### Summary Statement

- When necessary, City Staff (Staff) prepares a resolution to appropriate unanticipated revenues and adjust the budget side of transactions that occur during the year. Typically supplemental appropriations are prepared on a periodic basis for the Westminster Economic Development Authority (WEDA) to simplify administrative procedures and reduce paper work.
- This supplemental appropriation covers activity for the 4<sup>th</sup> Quarter 2014.
- 2014 Amendments:
  - North Huron Urban Renewal Area (URA)
    - \$179 Interest earnings
    - \$2,192,272 Carryover
  - Westminster Center Urban Reinvestment Plan (WURP) Area URA
    - \$16,200 Sale of asset
    - \$216,553 Rents
- A public hearing is required pursuant to Section 29-1-108 of the Colorado Revised Statutes.

**Expenditure Required:** \$2,425,204

**Source of Funds:** Carryover from prior years, interest earnings, rents and sale of asset revenues

## **Policy Issue**

Should the WEDA Board appropriate funds as set forth in the attached Resolution?

## **Alternatives**

1. In accordance with the Compass Mortgage Corporation Loan Agreement, use of the loan proceeds is to be applied solely to capital expenditures in the North Huron URA. Interest earnings on the unspent loan proceeds carry the same restriction. Alternatively, the Board could decide to appropriate the loan proceeds not previously appropriated in 2012 along with the corresponding interest earnings to a different project in the North Huron URA instead of Orchard Parkway. This alternative is not recommended at this time as WEDA has contractually committed to reimburse the City for costs incurred for the construction of Orchard Parkway, the most immediate need in the area. If WEDA does not reimburse the City for costs incurred, the City would need to determine an alternative funding source to cover the construction of Orchard Parkway. At the time the Orchard Parkway project is completed, and if there are remaining funds available, the Board could then authorize the use of those excess funds on another project in the North Huron URA.
2. The Board could decide not to appropriate the rent revenue and sale of asset revenue to the WURP project. Although the rent revenues are not restricted in their use, Staff recommends continuing to use the rents from the remaining tenants at the former Mall site to cover costs associated with providing service to the tenants and the continued redevelopment at that site. Additionally, the sale of asset revenue was the result of trading necessary parking lot maintenance services at the site for the asset.

## **Background Information**

### *Carryover*

When the loan for North Huron was refinanced in 2012, additional project funds of \$6.5M for Orchard Parkway were included as part of the refinancing. Pursuant to an intergovernmental cooperation agreement, WEDA committed to reimburse the City for costs incurred for the construction of Orchard Parkway. The flow of funds for Orchard Parkway provides for the City's General Capital Improvement Fund to initially pay the cost of construction and for WEDA to reimburse those costs. The additional project funds were intentionally left unappropriated in WEDA in 2012 and preserved to be appropriated as needed for reimbursement to the City. Staff has developed a schedule for the actual cost reimbursement on a monthly basis. In order to provide the necessary budget to fund the reimbursements to the City made for the 4<sup>th</sup> quarter and any remaining retainage, Staff is requesting appropriation of the balance of prior year loan proceeds of \$2,192,272, which are now characterized as carryover, to the Orchard Parkway Capital Improvement Project.

### *Interest Earnings*

The unspent project funds for Orchard Parkway described in the Carryover section above will continue to earn interest until spent. Interest earned on project funds for the 4th quarter is \$179. The loan agreement specifies that the interest earned on the project funds must be spent on projects in the North Huron URA; therefore, the interest earned in the 4th quarter is requested to be appropriated to the Orchard Parkway project.

### *Rental income*

Although only a few tenants continue to operate at the Mall site during the redevelopment, monthly rents are received from those tenants. There are unappropriated rents totaling \$216,553 received in 2014. Therefore, Staff is requesting that the rents be appropriated to the WURP project to continue to provide services for the tenants and the redevelopment efforts.

*Sale of asset*

When the former Westminster Mall site was purchased, WEDA retained some equipment included as part of the purchase including a parking lot sweeper. This sweeper has been used to maintain the parking lot areas around the businesses still operating at the site. Unfortunately, the sweeper became too expensive to keep in service. Staff made the decision to send the sweeper to auction. However, one of the vendors under contract to perform parking lot maintenance and snow removal services requested to trade the sweeper for such services. WEDA entered into a contact with TJK Services, Inc. to trade the sweeper for services valued at \$16,200. To accurately reflect the cost of these services on WEDA's books, the expense was recorded as well as the offsetting sale of asset revenue. This revenue is now requested to be appropriated to cover the expenses charged to the WURP City Participation capital project.

The amendments listed in the attached resolution will bring WEDA's accounting records up-to-date to reflect the various detailed transactions.

The action requested in this agenda memorandum relates to City Council's Strategic Plan goals of "Dynamic, Diverse Economy" and "Vibrant & Inclusive Neighborhoods." These goals are met by ensuring revenues are appropriated to expenditure accounts so the funds can be utilized as intended including continued improvements in the North I-25 development area and the redevelopment efforts at the former Westminster Mall site.

Respectfully submitted,

Donald M. Tripp  
Executive Director

Attachment: WEDA Resolution

WESTMINSTER ECONOMIC DEVELOPMENT AUTHORITY

RESOLUTION NO. **162**  
SERIES OF 2015

INTRODUCED BY BOARD MEMBERS

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**2014 WESTMINSTER ECONOMIC DEVELOPMENT AUTHORITY  
BUDGET SUPPLEMENTAL APPROPRIATION**

WHEREAS, the Westminster Economic Development Authority (WEDA) initially adopted the 2014 budget on October 8, 2012; and

WHEREAS, proper notice for this amendment was published on February 19, 2015, pursuant to the requirements of Section 29-1-106 Colorado Revised Statutes; and

WHEREAS, a public hearing for this amendment was held on February 23, 2015, pursuant to the requirements of Section 29-1-108 Colorado Revised Statutes; and

WHEREAS, as necessary a resolution to make adjustments to the budget is presented to the Board; and

WHEREAS, there are adjustments to be made to the 2014 budget; and

WHEREAS, the revenue adjustment consists of an increase of \$2,425,204; and

WHEREAS, the expense adjustment consists of an increase of \$2,425,204.

NOW, THEREFORE, BE IT RESOLVED by the Board of the Westminster Economic Development Authority:

Section 1. The \$2,425,204 increase shall be allocated to WEDA Revenue and Expenditure accounts as described below:

REVENUES

Description	Account Number	Current Budget	Amendment	Revised Budget
Carryover	6800.40020.0183	\$3,347,792	\$2,192,272	\$5,540,064
Interest	6800.42520.0183	4,009	179	4,188
Rents	6800.40900.0191	192,590	216,553	409,143
Sale of Asset	6800.40035.0187	0	16,200	16,200
Total Change to Revenues			<u>\$2,425,204</u>	

EXPENDITURES

Description	Account Number	Current Budget	Amendment	Revised Budget
Appropriation Holding - City Participation	80968005952.80400.8888	\$1,653,762	\$232,753	\$1,886,515
Appropriation Holding-Orchard Pkwy	81268030997.80400.8888	4,324,718	<u>2,192,451</u>	6,517,169
Total Change to Expenses			<u>\$2,425,204</u>	

Section 2. The resolution shall be in full force and effect upon its passage and approval.

PASSED AND ADOPTED 23rd day of February, 2015.

ATTEST:

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Chairperson

\_\_\_\_\_  
Secretary

# WEDA Agenda Item 3 C

## Agenda Memorandum

Westminster Economic Development Authority Meeting  
February 23, 2015



**SUBJECT:** Westminster Center Urban Reinvestment Project Special Legal Counsel

**Prepared By:** Susan Grafton, Economic Development Director  
David Frankel, City Attorney

### Recommended Board Action

Authorize the Executive Director to enter into an agreement in a form acceptable to the City Attorney's Office with Murray Dahl Kuechenmeister & Renaud, LLP for legal representation related to the Westminster Center Urban Reinvestment Project and general urban renewal and eminent domain matters in an amount not to exceed \$150,000.

### Summary Statement

- Malcolm Murray has served as special legal counsel in the past in connection with the Westminster Center Urban Reinvestment Project, and the City's various other urban renewal projects, including Mandalay and Orchard Town Center Urban Renewal Projects.
- City Council and the Authority have previously found merit in approving special legal counsel to assist the City Attorney's Office as needed, rather than expanding staff.
- Funds for this expense are budgeted and are available as part of the Westminster Center Urban Reinvestment Project (WURP) CIP account.

**Expenditure Required:** Not to exceed \$150,000

**Source of Funds:** WEDA Budget - Westminster Center Urban Reinvestment Project

**Policy Issue**

Should the Westminster Economic Development Authority (WEDA) retain special legal counsel to assist the City and WEDA in connection with the Westminster Center Urban Reinvestment Project and general urban renewal and eminent domain issues as needed?

**Alternative**

Do not retain this type of special legal counsel assistance or seek such assistance from another firm. This alternative is not recommended given the need for specialized legal services in urban renewal law and potential eminent domain matters related to the redevelopment of the Westminster Mall site and other City and WEDA projects. Mr. Murray has extensive knowledge, experience and background related to WEDA and the City's urban renewal and redevelopment efforts, in particular the Westminster Center Reinvestment Project. Mr. Murray's proposed fee of \$250 per hour is well within the Denver area market for such services.

**Background Information**

Malcolm Murray is a partner in the firm of Murray Dahl Kuechenmeister & Renaud LLP. His practice specializes in urban renewal and land use matters and eminent domain litigation for both public and private entities. In addition to WEDA, he currently advises the Denver Urban Renewal Authority, the Lakewood Reinvestment Authority, the Steamboat Springs Redevelopment Authority, and the Parker Authority for Reinvestment on urban renewal matters. Mr. Murray is a graduate of the University of Denver College of Law and has a M.A. in Government from Georgetown University and a B.S. from the United States Military Academy at West Point.

Mr. Murray's expertise is in redevelopment projects pursuant to the Colorado urban renewal law. Mr. Murray has been providing a significant amount of legal work to the City and WEDA related to the negotiation and drafting of agreements with the WURP redeveloper. Mr. Murray has also been an important resource in connection with the acquisition of JCPenney's leasehold interest in the former Westminster Mall Site. In addition Mr. Murray has been providing special legal counsel services related to the South Westminster Transit Oriented Development Project and assisting as needed staff in other urban renewal and eminent domain matters.

Action on this item addresses the following Strategic Plan goals: Dynamic Diverse Economy and Vibrant and Inclusive Neighborhoods.

Respectfully submitted,

Donald M. Tripp  
Executive Director