

AGENDA

**WESTMINSTER ECONOMIC DEVELOPMENT AUTHORITY
SPECIAL MEETING**

MONDAY, NOVEMBER 24, 2014

AT 7:00 P.M.

1. Roll Call

2. Minutes of Previous Meeting (October 13, 2014)

3. Public Hearings and New Business

A. Public Hearing re Amendment to 2014 Westminster Economic Development Authority Budget

B. Resolution No. 159 Authorizing a Supplemental Appropriation to the 2014 Budget

4. Adjournment

CITY OF WESTMINSTER, COLORADO
MINUTES OF THE WESTMINSTER ECONOMIC DEVELOPMENT AUTHORITY
MONDAY, OCTOBER 13, 2014, AT 9:56 P.M.

ROLL CALL

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

APPROVAL OF MINUTES

Board Member Pinter moved, seconded by Board Member Seitz, to approve the minutes of the meeting of July 28, 2014, as written. The motion carried unanimously.

PUBLIC HEARING TO CONSIDER 2015/2016 PROPOSED BUDGET

Mr. McFall reported that staff had no formal presentation to make and was available to answer any questions from the Authority. There were no questions.

At 9:57 p.m., the Chairperson opened the public hearing. No one wished to speak and the public hearing was closed.

RESOLUTION NO. 157 ADOPTING THE 2015/2016 BUDGET

Vice Chairperson Winter moved, seconded by Board Member Garcia, to adopt Resolution No. 157 adopting the 2015/2016 proposed budget for the Westminster Economic Development Authority as presented, including the appropriation of funds as set forth authorizing a supplemental appropriation. At roll call, the motion passed unanimously.

RESOLUTION NO. 158 RE CONTRACT AND ADMINISTRATIVE AUTHORITY

Vice Chairperson Winter moved, seconded by Board Member Seitz, to adopt Resolution No. 158 outlining the Executive Director's authority to enter into contracts and make purchases on behalf of the Westminster Economic Development Authority and to delegate these activities to appointed City of Westminster Staff in a manner consistent with practices established for the City under the Westminster Municipal Code, as it may be amended from time to time, and all current and future administrative memoranda. The roll was called, and the motion passed unanimously.

ADJOURNMENT

With no further business for the Authority's consideration, Chairperson Atchison adjourned the meeting at 9:58 p.m.

ATTEST:

Chairperson

Secretary

WEDA Agenda Item 3 A-B

Agenda Memorandum

Westminster Economic Development Authority Meeting
November 24, 2014



SUBJECT: Public Hearing and Resolution No. 159 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. 159 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 3rd Quarter 2014.
- 2014 Amendments:
 - North Huron Urban Renewal Area (URA)
 - \$1,375 Interest earnings
 - \$56,300 Property tax increment
 - \$1,509,861 Carryover
 - South Sheridan URA
 - \$ 500 Property tax increment
 - South Westminster URA
 - \$250 Property tax increment
 - Westminster Center East URA
 - \$2,450 Property tax increment
 - Holly Park URA
 - \$10 Property tax increment
- A public hearing is required pursuant to Section 29-1-108 of the Colorado Revised Statutes.

Expenditure Required: \$1,570,746

Source of Funds: Interest earnings, property tax increment and carryover from prior years

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 excess funds available, the Board could then authorize the use of those excess funds on another project in the North Huron URA.
2. Property tax increment receipts have exceeded the amount budgeted. The increment amount received from the County is net of the mandatory collection fee. Additionally, North Huron URA and Westminster Center East URA are contractually obligated to return a portion of the property tax increment to other governmental entities. The Board could decide not to appropriate unanticipated property tax increment to fund the additional fee and URA contractual obligations. However, for the reasons stated above, this alternative is not recommended.
3. The costs paid for the maintenance of the area abutting the Cheyenne Ridge subdivision could be borne by the City and not WEDA. This alternative is not recommended as these expenses are a reasonable and allowable use of the available incremental revenues in the URA. The additional costs were a direct result of the development of the Orchard Town Center.

Background Information

Carryover

When necessary, carryover, consisting of prior year excess revenues, is appropriated to supplement current year revenues. For the 3rd Quarter, carryover is requested to be appropriated for the following expenditures:

- o 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. 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 3rd quarter, Staff is requesting appropriation of prior year loan proceeds of \$1,430,068, which are now characterized as carryover, to the Orchard Parkway Capital Improvement Project.
- o The City designed improvements to Huron Street between 128th Avenue and 150th Avenue concurrent with the planning for the City sponsored Orchard Town Center retail center at 144th Avenue and Huron Street. At the time, Huron Street was a two-lane country road and several residential subdivisions were located on the west side of Huron Street. One of these subdivisions is Cheyenne Ridge, located between 144th Avenue and about 146th Avenue. To create a wider buffer between the residential development and the planned commercial development to the east, The City shifted the alignment of Huron Street significantly to the east. This eastward shift was

greatest abutting the Cheyenne Ridge subdivision and to the north in unincorporated Adams County where “old Huron Street” was retained to provide access to existing rural homes. As part of the Huron Street project, Staff negotiated agreements with the Homeowner’s Association (HOA) of each residential development to install irrigated landscaping within the City owned Huron Street right-of-way (ROW) at no cost to the HOA if the HOA agreed to maintain it. Subsequently, the City installed the landscaping. After several years of the Cheyenne Ridge HOA incurring the maintenance costs in their area, the HOA contacted the City to request financial assistance with their obligation specifically because of unanticipated high water rates. Staff agreed to the following:

1. The City would pay the cost to replace dead plant material.
2. The City would maintain the Huron Street ROW north of 145th Way and pay to separate the irrigation systems so that the City’s irrigation north of 145th Way would not be a part of the HOA’s system. The City would also assume maintenance of this area since it is much wider than the landscaped Huron Street ROW areas abutting the other subdivisions, as a matter of parity. This work is complete at a cost of \$74,090.
3. While the City had hoped to commence the irrigation work in spring of 2014, it was ultimately delayed until the fall of 2014. Because of the delay, Staff offered to reimburse the HOA for the cost to maintain the ROW north of 145th Way for the 2014 irrigation season. The HOA submitted detailed bills for the City’s share totaling \$5,703.

Because these costs were ultimately incurred as a result of improvements made pursuant to the North Huron URA plan, it is appropriate to have WEDA pay these expenditures with available revenues generated in the URA.

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 3rd quarter is \$1,375. 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 3rd quarter is requested to be appropriated to the Orchard Parkway project.

Property Tax Increment

When preparing the bi-annual budget for WEDA, Staff uses the preliminary assessed valuation certified by the corresponding County to estimate the property tax increment for the first budget year. Adjustments, such as new construction, are then made to the first budget year’s preliminary assessed valuation for the second budget year. The adjusted preliminary assessed valuation is used to budget the property tax increment. In 2014, the second budget year, property tax increment receipts are higher than originally budgeted, resulting in an increase in the corresponding county collection fee. Additionally, intergovernmental cooperation agreement payments tied to property tax increment receipts were also higher than budgeted. In order to provide sufficient budget for these obligations, appropriation of a portion of these unanticipated property tax increment revenues is requested. The estimated increase in fees totals \$2,710 and the estimated increase in contractual obligation payments is \$56,800.

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 to operate in accordance with the various URA plans.

Respectfully submitted,

Stephen P. Smithers
Acting Executive Director

Attachment: WEDA Resolution

WESTMINSTER ECONOMIC DEVELOPMENT AUTHORITY

RESOLUTION NO. **159**
SERIES OF 2014

INTRODUCED BY BOARD MEMBERS

**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 November 20, 2014, pursuant to the requirements of Section 29-1-106 Colorado Revised Statutes; and

WHEREAS, a public hearing for this amendment was held on November 24, 2014, 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 \$1,570,746; and

WHEREAS, the expense adjustment consists of an increase of \$1,570,746.

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

Section 1. The \$1,570,746 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	\$1,837,931	\$1,509,861	\$3,347,792
Property tax increment	6800.40035.0183	5,958,241	56,300	6,014,541
Property tax increment	6800.40035.0184	263,650	250	263,900
Property tax increment	6800.40035.0187	3,300	10	3,310
Property tax increment	6800.40035.0189	427,583	2,450	430,033
Property tax increment	6800.40035.0190	481,017	500	481,517
Interest	6800.42520.0183	2,634	<u>1,375</u>	4,009
Total Change to Revenues			<u>\$1,570,746</u>	

EXPENDITURES

Description	Account Number	Current Budget	Amendment	Revised Budget
Contractual Svc	68010900.67800.0183	\$217,734	\$134,793	\$352,527
Contractual Svc	68010900.67800.0189	87,000	1,800	88,800
Other Fin Use	68010900.78800.0183	89,374	1,300	90,674
Other Fin Use	68010900.78800.0184	3,955	250	4,205
Other Fin Use	68010900.78800.0187	50	10	60
Other Fin Use	68010900.78800.0189	6,414	650	7,064
Other Fin Use	68010900.78800.0190	7,215	500	7,715
Appropriation Holding-Orch Pkwy	81268030997.80400.8888	2,607,464	<u>1,431,443</u>	4,038,907

Total Change to Expenses			<u>\$1,570,746</u>	
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Section 2. The resolution shall be in full force and effect upon its passage and approval.

PASSED AND ADOPTED 24th day of November, 2014.

ATTEST:

Chairperson

Secretary