

WESTMINSTER ECONOMIC DEVELOPMENT AUTHORITY

MEETING OF MONDAY, JANUARY 11, 1999

1. Roll Call
2. Approval of Minutes of Previous Meeting (November 9, 1998)
3. New Business
  - A. 1999 WEDA Budget Adoption
4. Adjournment

WESTMINSTER ECONOMIC DEVELOPMENT AUTHORITY

MEETING OF MONDAY, FEBRUARY 22, 1999

1. Roll Call
2. Approval of Minutes of Previous Meeting (December 21, 1998 and January 11, 1999)
3. New Business
  - A. Resolution No. 31 re Appropriating \$400,000 Carryover Revenues for Final Payment to Colorado & Santa Fe General Partners II
  - B. Resolution No. 32 re Revision to WEDA Indenture of Trust
4. Adjournment

WESTMINSTER ECONOMIC DEVELOPMENT AUTHORITY

MEETING OF MONDAY, MARCH 15, 1999

1. Roll Call
2. Approval of Minutes of Previous Meeting (February 22, 1999)
3. New Business
  - A. Resolution No. 33 re Amending the Loan from the Water Fund to WEDA
4. Adjournment

CITY OF WESTMINSTER, COLORADO  
MINUTES OF THE WESTMINSTER ECONOMIC DEVELOPMENT AUTHORITY  
MONDAY, JANUARY 11, 1999 AT 8:35 P.M.

ROLL CALL:

Present at roll call were Chairperson Heil and Boardmembers Atchison, Dixon, Merkel, Scott and Smith. Also present were William Christopher, Executive Director; Martin McCullough, City Attorney and Michele Kelley, Secretary. Absent was Boardmember Allen.

CONSIDERATION OF MINUTES:

A motion was made by Merkel and seconded by Atchison to accept the minutes of the meeting of November 9, 1998 with no additions or corrections. The motion carried unanimously.

1999 WESTMINSTER ECONOMIC DEVELOPMENT AUTHORITY BUDGET ADOPTION:

A motion was made by Atchison and seconded by Merkel to adopt WEDA Resolution No. 30 approving the 1999 budget for the Westminster Economic Development Authority as presented, and appropriate the funds as referenced in Attachment A to the resolution. The motion carried unanimously.

ADJOURNMENT:

The meeting was adjourned at 8:36 P.M.

\_\_\_\_\_  
Chairperson

ATTEST:

\_\_\_\_\_  
Secretary

CITY OF WESTMINSTER, COLORADO  
MINUTES OF THE WESTMINSTER ECONOMIC DEVELOPMENT AUTHORITY  
MONDAY, FEBRUARY 22, 1999 AT 7:42 P.M.

ROLL CALL:

Present at roll call were Chairperson Heil and Board Members Allen, Atchison, Dixon, Merkel, Scott and Smith. Also present were William Christopher, Executive Director; Martin McCullough, City Attorney and Michele Kelley, Secretary. Absent none.

CONSIDERATION OF MINUTES:

A motion was made by Merkel and seconded by Allen to accept the minutes of the meeting of December 21, 1998 with no additions or corrections. The motion carried unanimously.

A motion was made by Merkel and seconded by Atchison to accept the minutes of the meeting of January 11, 1999 with no additions or corrections. The motion carried unanimously.

RESOLUTION NO. 31 APPROPRIATION OF CARRYOVER REVENUES:

A motion was made by Merkel and seconded by Allen to adopt WEDA Resolution No. 31 appropriating \$400,000 of carryover revenues realized during 1998 to be used as part of the final payment to Colorado & Santa Fe General Partners II for the Westminster Plaza acquisition. The motion carried unanimously.

RESOLUTION NO. 32 REVISION TO WEDA INDENTURE OF TRUST:

A motion was made by Merkel and seconded by Allen to adopt WEDA Resolution No. 32 approving a revision to the WEDA Indenture of Trust, recognizing the draw down of \$300,000 excess funds from the Revenue Fund held in trust at the bank to be used as the remaining part of the final payment to Colorado & Santa Fe General Partners II for the Westminster Plaza acquisition. The motion carried unanimously.

ADJOURNMENT:

The meeting was adjourned at 7:46 P.M.

\_\_\_\_\_  
Chairperson

ATTEST:

\_\_\_\_\_  
Secretary

CITY OF WESTMINSTER, COLORADO  
MINUTES OF THE WESTMINSTER ECONOMIC DEVELOPMENT AUTHORITY  
MONDAY, MARCH 15, 1999 AT 8:05 P.M.

ROLL CALL:

Present at roll call were Chairperson Heil and Board Members Allen, Atchison, Dixon, Merkel and Smith. Also present were William Christopher, Executive Director; Vicky Bunsen, Assistant City Attorney and Michele Kelley, Secretary. Absent none.

CONSIDERATION OF MINUTES:

A motion was made by Merkel and seconded by Atchison to accept the minutes of the meeting of February 22, 1999 with no additions or corrections. The motion carried unanimously.

RESOLUTION NO. 33 AMENDING LOAN FROM THE WATER FUND TO WEDA:

A motion was made by Dixon and seconded by Merkel to adopt WEDA Resolution No. 33 amending the May 19, 1997 loan from the City of Westminster Water and Wastewater Enterprise and the Westminster Economic Development Authority to clarify that repayment will be made at such time as excess tax increment revenue is available. The motion carried unanimously.

ADJOURNMENT:

The meeting was adjourned at 8:07 P.M.

\_\_\_\_\_  
Chairperson

ATTEST:

\_\_\_\_\_  
Secretary

**To:** Westminster Economic Development Authority Members

**Date:** January 11, 1999

**Subject:** Resolution No. re 1999 WEDA Budget

**Prepared by:** John Carpenter, Director of Community Development

### **Introduction**

The Board of Directors of the Westminster Economic Development Authority (WEDA) are requested to adopt the attached Resolution approving the budget for the year 1999.

### **Summary**

Pursuant to the Westminster Municipal Code, the Authority was created to provide a regulatory and financial vehicle for improving and redeveloping property and facilities within the Urban Renewal Area, centered around Federal Boulevard and 72nd Avenue. Accordingly, WEDA was given the authority to provide funding for administration, planning, and financing of revitalization and redevelopment projects. The Authority's principal revenue source is income from tax increments within the Urban Renewal Area.

Staff is recommending a budget of \$328,900 for 1999 to cover debt and administration obligations. Debt obligation, related to the redevelopment of the Westminster Plaza Shopping Center, accounts for 73% of the proposed budget. The remainder of the budget is used to fund the Revitalization Coordinator position and related administrative responsibilities. Ninety-nine percent (99%) of the revenue for 1999 is generated from tax increment. The balance of revenues is generated from interest.

### **Background**

The Westminster Economic Development Authority (Authority), organized by City Council on September 14, 1987 was established to revitalize and redevelop the City's older commercial areas in the vicinity of 72nd Avenue and Federal Boulevard. In 1996, the Authority authorized the Staff to begin the process of redeveloping the Westminster Plaza Shopping Center. Per the Authority's direction, staff initiated eminent domain proceedings to acquire and redevelop the Westminster Plaza site. In conjunction with the acquisition effort, WEDA authorized the issuance of bonds to provide financing for the project. The bonds are to be repaid from the tax increment generated from the redeveloped shopping center, anchored by a new Safeway store. The new Safeway opened December 16, 1998. Repayment of the bonds started in March, 1998.

In addition to the bond payments, WEDA continues to facilitate improvements and redevelopment throughout South Westminster. Such projects currently underway include plans to rejuvenate the Westminster Square shopping center, plans for improving the vacant 6 acre parcel on the backside of Safeway, and plans for improvement or redevelopment of other smaller commercial properties. The South Westminster Revitalization Projects Coordinator position is to be retained in the WEDA budget to provide continued support to these and other efforts and opportunities.

Based upon these priorities, Staff is recommending a \$328,900 budget as detailed in Attachment A.

**Staff Recommendation**

Adopt Resolution No.            approving the 1999 budget for the Westminster Economic Development Authority as presented, and appropriate the funds as referenced in Attachment A.

Respectfully submitted,

William M. Christopher  
Authority Manager

Attachments



WESTMINSTER ECONOMIC DEVELOPMENT AUTHORITY RESOLUTION

RESOLUTION NO.

WHEREAS, the Board of Directors of the Westminster Economic Development Authority has not yet adopted a formal operating budget for fiscal year 1999; and

WHEREAS, the Westminster Economic Development Authority has received revenue and anticipates receiving additional revenues, and

WHEREAS, there is the need for the Westminster Economic Development Authority to administer studies and programs related to revitalization and redevelopment of South Westminster; and

WHEREAS, the Authority is obligated to pay debt service related to the redevelopment of the Westminster Plaza shopping center; and

WHEREAS, a proposed budget was prepared and submitted to the Board of Directors on January 11, 1999 for its review; and

WHEREAS, proper notice was published two consecutive weeks prior to the scheduled public meeting for this budget in the Westminster Window newspaper pursuant to the requirements of Section 29-1-106 Colorado Revised Statutes; and

WHEREAS, no objections have been filed by any elector of the Authority to the proposed budget;

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of the Westminster Economic Development Authority of Adams County, Colorado:

1. That the attached budget is hereby approved and the amounts stated herein are hereby appropriated for the fiscal year 1999.
2. That the City of Westminster Finance Director is hereby directed to cause a certified copy of the attached budget to be filed in the office of the Division of Local Government, Department of Local Affairs, 1313 Sherman Street, Room 520 Denver, Colorado, 80203.

PASSED AND ADOPTED this 11th day of January, 1999.

ATTEST:

\_\_\_\_\_  
Chairperson

\_\_\_\_\_  
Secretary

ATTACHMENT A  
WESTMINSTER ECONOMIC DEVELOPMENT

1998 Estimated - 1999 Budget

	1998 Estimated	1999 Budget
Beginning Balance - January 1	\$120,000	\$960,115
Revenues		
Real Property Taxes	8,719	8,565
Sales Taxes	295,664	210,446
Interest	218,045	2,000
Sales of Assets	236,049	0
Rental Income	42,011	0
Transfers in fm Gen Fund	100,000	0
Total Revenue	900,488	221,011
Total Available	\$1,020,48	\$1,181,126
Expenditures:		
General Operating:		
Personnel Services	\$54,506	\$56,750
Professional Services	5,500	3,000
Commodities	367	250
Debt Service	0	268,900
Total Expenditures	\$60,373	\$328,900
Excess Revenue over (under)		
Expenditures	\$840,115	\$(107,889)
Ending Balance - December 31	\$960,115	\$852,226

TO: Westminster Economic Development Authority

DATE: February 22, 1999

SUBJECT: Final Settlement of \$700,000 for Westminster Plaza

PREPARED BY: Mary Ann Parrot, Finance Director

### **Introduction**

Board action is requested on the attached resolutions which will authorize the final payment of \$700,000 to Colorado & Santa Fe Partners II, as part of the Westminster Plaza agreement approved November 9, 1998. This is the final payment to be made; funds are available and will be appropriated upon approval of this item.

The two resolutions for the Board to consider are as follows:

- Resolution No. 31 appropriating \$400,000 of carryover funds to be used as part of the payment
- Resolution No. 32 approving a revision to the bond indenture for WEDA, thus permitting the draw down of \$300,000 from excess funds held in trust at the bank in the Revenue Fund.

### **Summary**

On November 9, 1998, City Council, acting as Board of Directors of the Westminster Economic Development Authority, approved a final settlement of \$6,700,000 for settlement with Colorado & Santa Fe General Partners II, as full and complete for the Westminster Plaza. At that time, partial payments totaling \$6 million were made; the remaining (and final) payment of \$700,000 was to be made by the end of February 1999.

Funds are available from the below listed sources, thus saving the need to issue additional WEDA bonds.

- \$400,000 of carryover revenues realized during 1998 to be used as part of the final payment to Colorado & Santa Fe General Partners II.
- \$300,000 from excess funds in the WEDA accounts held by the trustee bank, to be used as the other part of the final payment of \$700,000

### **Staff Recommendation**

1. Adopt Resolution No. 31 appropriating \$400,000 of carryover revenues realized during 1998 to be used as part of the final payment to Colorado & Santa Fe General Partners II for the Westminster Plaza acquisition.
2. Adopt Resolution No. 32 approving a revision to the WEDA Indenture of Trust, recognizing the draw down of \$300,000 excess funds from the Revenue Fund held in trust at the bank to be used as the remaining part of the final payment to Colorado & Santa Fe General Partners II for the Westminster Plaza acquisition.

### **Background Information**

Payment arrangements have been made for the final \$700,000 for the Westminster Plaza acquisition from available funds as follows:

- \$400,000 from funds available from interest earnings on bond funds, funds from the sale of the property to the developer and rent received from tenants.
- \$300,000 from funds available at the trust bank deposited as a “back-up reserve” at the time the WEDA bonds were issued, in December 1997. These monies were deposited from WEDA fund balance of 1997, and were partially used to pay debt service in 1997. The remainder is no longer needed because the project is producing tax increment cash flows adequate to meet debt service requirements in the future years

In order to accomplish both these payment arrangements as outlined above, WEDA Board of Directors approval is required as follows: Approve a revision to the WEDA Indenture of Trust (a supplemental indenture), recognizing the draw down of \$300,000 excess funds from the Revenue Fund held in trust at the bank.

Alternatives evaluated and not recommended include:

- Option 1: Pay \$400,000 from available funds, negotiate a note payable with Colorado & Santa Fe for the remaining \$300,000. This option is not recommended, as it would mean additional interest cost incurred to WEDA, which is not necessary at this time.
- Option 2: Issue “completion bonds” permitted by the indenture. This option is also not recommended for the same reason, as above; it is not necessary to incur the additional interest costs at this time.

Respectfully submitted,

William M. Christopher  
City Manager

Attachments

WESTMINSTER ECONOMIC DEVELOPMENT AUTHORITY  
RESOLUTION NO. \_\_\_\_

APPROPRIATING FUNDS FOR FINAL SETTLEMENT OF THE WESTMINSTER PLAZA

WHEREAS, the Board of Directors of the Westminster Economic Development Authority has previously adopted a formal operating budget and appropriated funds for fiscal year 1999; and

WHEREAS, financing for the final settlement of the Westminster Plaza was not previously included in the Westminster Economic Development Authority 1999 Budget appropriation; and

WHEREAS, the Authority now desires to appropriate \$400,000 of carryover, previously accumulated from interest earnings on bond funds, the sale of the property to the developer and rent received from tenants in 1998, to finance the final settlement of the Westminster Plaza;

NOW, THEREFORE, BE IT RESOLVED BY THE WESTMINSTER ECONOMIC DEVELOPMENT AUTHORITY:

Section 1. The 1999 appropriation for WEDA, initially approved by Resolution No. 30 in the amount of \$328,900 is hereby increased by \$400,000 which, when added to the fund balance as of WEDA action on February 22, 1999 will equal \$728,900. The actual amount in WEDA on the date this ordinance becomes effective may vary from the amount set forth in this section due to intervening Authority actions. This increase is due to the appropriation of 1999 carryover revenues.

Section 2. The \$400,000 increase in WEDA shall be allocated to Revenue and Expense accounts, which shall be amended as follows:

Description	Current Budget	\$ Increase	Final Budget
REVENUES			
Carryover 68-0090-000	(\$107,889.)	<u>\$400,000.</u>	\$292,111.
Total Change to Revenues		<u>\$400,000.</u>	
EXPENSES			
Land Purchases 68-10-88-501-068	\$7,944,513.	<u>\$400,000.</u>	\$8,344,513.
Total Change to Expenditures		<u>\$400,000.</u>	

Passed and adopted this 22nd day of February, 1999

ATTEST:

\_\_\_\_\_  
Chairperson

\_\_\_\_\_  
Secretary

**WESTMINSTER ECONOMIC DEVELOPMENT AUTHORITY**

**RESOLUTION NO. - \_\_\_**

A RESOLUTION AUTHORIZING A FIRST SUPPLEMENTAL INDENTURE.

WHEREAS, the Westminster Economic Development Authority (the "Authority") has heretofore issued its \$2,100,000 of its Tax-Exempt Tax Increment Adjustable Rate Revenue Bonds (Westminster Plaza Urban Renewal Project) Series 1997A (the "Series 1997A Bonds") and \$4,360,000 of its Taxable Convertible Tax Increment Adjustable Rate Revenue Bonds (Westminster Plaza Urban Renewal Project) Series 1997B (the "Series 1997B Bonds" and, together with the Series 1997A Bonds, the "Series 1997 Bonds"); and

WHEREAS, the Authority and U.S. Bank National Association as trustee, (the "Trustee") the Trustee have heretofore entered into an Indenture of Trust dated as of December 1, 1997, (the "Indenture") in connection with the Series 1997 Bonds; and

WHEREAS, the Authority and the Trustee now desire to amend the Indenture in accordance with Section 9.01(n) thereof in order to make certain Authority funds available to the Authority for other Authority purposes; and

WHEREAS, there has been presented to the Authority at this meeting a proposed form of a First Supplement to Indenture of Trust (the "First Supplement") between the Authority and the Trustee;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE WESTMINSTER ECONOMIC DEVELOPMENT AUTHORITY, COLORADO, THAT:

Section 1. The form of the First Supplement is hereby approved. The Authority shall enter into and perform its obligations under the First Supplement in the form of such document presented at this meeting with only such changes therein as are not inconsistent herewith; and the Chairman is hereby authorized and directed to execute the First Supplement and the Secretary is hereby authorized to attest the First Supplement and to affix the seal of the Authority thereto. Such document is to be executed in substantially the form hereinabove approved, provided that such document may be completed, corrected or revised as deemed necessary by the parties thereto in order to carry out the purposes of this resolution.

The approval hereby given to the document referred to above includes an approval of such additional details therein as may be necessary and appropriate for its completion, deletion therefrom and addition thereto as may be approved by bond counsel prior to the execution thereof. The execution of any instrument by the appropriate officers of the Authority herein authorized shall be conclusive evidence of the approval by the Authority of such instrument in accordance with the terms hereof.

Section 2. The officers and employees of the Authority are hereby authorized and directed to take all action necessary or appropriate to effectuate the provisions of this resolution.

Section 3. If any section, paragraph, clause or provision of this resolution or the question shall for any reason be held invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this resolution or the question.

Section 4. All acts, orders and resolutions, and parts thereof, inconsistent with this resolution be, and the same hereby are, repealed to the extent only of such inconsistency. This repealer shall not be construed to revive any act, order or resolution, or part thereof, heretofore repealed.

Section 5. This resolution shall be in full force and effect upon its passage and approval.

PASSED AND ADOPTED this 22<sup>nd</sup> day of February, 1999.

(SEAL)

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Chairman of the Board of Commissioners

Attest:

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Secretary

STATE OF COLORADO )  
 ) SS.  
WESTMINSTER ECONOMIC )  
DEVELOPMENT AUTHORITY )

I, the Secretary of the Westminster Economic Development Authority, do hereby certify that:

1. The foregoing pages are a true and correct copy of a resolution (the "Resolution") passed and adopted by the Board of Commissioners (the "Board") at a regular meeting held on February 22, 1999 .

2. The Resolution was duly moved and seconded and the Resolution was adopted at the meeting of February 22, 1999, by an affirmative vote of a majority of the members of the Board as follows:

Those Voting Aye:	Board Member Fred Allen Board Member Herb Atchison Board Member Sam Dixion Chairperson Nancy M. Heil Vice-Chairperson Ann N. Merkel Board Member Glenn Scott Board Member Suzanne Smith
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Those Voting Nay:	None
Those Absent:	None
Those Abstaining:	None

3. The members of the Board were present at such meetings and voted on the passage of such Resolution as set forth above.

4. The Resolution was approved and authenticated by the signature of the Chairman of the Board, sealed with the Authority seal, attested by the Secretary and recorded in the minutes of the Board.

5. There are no bylaws, rules or regulations of the Board which might prohibit the adoption of said Resolution.

6. Notice of the meeting of February 22, 1999 in the form attached hereto as Exhibit A was posted in at the Westminster City Hall, 4800 W. 92nd Street, in the City of Westminster, not less than twenty-four hours prior to the meeting in accordance with law.

WITNESS my hand and the seal of said Authority affixed this \_\_\_\_ day of \_\_\_\_\_, 1999.

\_\_\_\_\_  
Secretary

(SEAL)

Exhibit A

(Form of Notice of Meeting)

FIRST SUPPLEMENT TO INDENTURE OF TRUST  
DATED AS OF DECEMBER 1, 1997  
BETWEEN WESTMINSTER ECONOMIC DEVELOPMENT AUTHORITY  
AND U.S. BANK NATIONAL ASSOCIATION, AS TRUSTEE

This First Supplement is dated as of February 22, 1999, between WESTMINSTER ECONOMIC DEVELOPMENT AUTHORITY (the "Authority") and, U.S. BANK NATIONAL ASSOCIATION D/B/A COLORADO NATIONAL BANK as trustee, (the "Trustee").

WHEREAS, the Authority and the Trustee have heretofore entered into and Indenture of Trust dated as of December 1, 1997, (the "Indenture"); and

WHEREAS, the Authority and the Trustee now desire to amend the Indenture in accordance with Section 9.01(n) thereof;

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties have agreed to and do agree as follows:

Section 1. Section 3.03 of the Indenture is amended by the addition of a new paragraph (d) to read as follows:

(d) Notwithstanding any other provision of this Indenture, the Trustee shall transfer in 1999 to the Authority monies held in the Revenue Fund in aggregate amount of not to exceed \$300,000; provided that the Revenue Fund Balance will remain on deposit in the Revenue Fund after giving effect to the transfer.

Section 2. This First Supplement shall be governed and construed in accordance with the laws of the State of Colorado.

Section 3. This First Supplement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 4. Except as modified by this First Supplement all provisions of the Indenture remain in full force and effect.

IN WITNESS WHEREOF, WESTMINSTER ECONOMIC DEVELOPMENT AUTHORITY, has caused this First Supplement to be executed on its behalf by its Chairman, and its corporate seal to be hereunto affixed and attested by its Secretary, and to evidence its acceptance and approval hereof, U.S. BANK NATIONAL ASSOCIATION, has caused this First Supplement to be executed on its behalf by one of its authorized officers and its corporate seal to be hereunto affixed and attested by one of its authorized officers, all as of the date first above written.

WESTMINSTER ECONOMIC DEVELOPMENT AUTHORITY

(SEAL)

\_\_\_\_\_  
Chairman

ATTEST:

\_\_\_\_\_  
Secretary

Trustee

U.S. BANK NATIONAL ASSOCIATION, as

By: \_\_\_\_\_  
Title: \_\_\_\_\_

(S E A L)

By: \_\_\_\_\_  
Title: \_\_\_\_\_

Allied Irish Banks PLC, New York Branch consents to this First Supplement to Indenture of Trust.

ALLIED IRISH BANKS PLC,  
New York Branch

By: \_\_\_\_\_

Title: \_\_\_\_\_

TO: Board of Directors, Westminster Economic Development Authority

DATE: March 15, 1999

SUBJECT: Resolution No. 33 re Amending the Loan from the Water Fund to WEDA

PREPARED BY: Mary Ann Parrot, Finance Director  
Vicky Bunsen, Assistant City Attorney

### **Introduction**

Board of Directors action is requested to approve WEDA Resolution No. 33, which amends the May 19, 1997, loan from the City of Westminster Water and Wastewater Enterprise and the Westminster Economic Development Authority. Staff has determined the language in the current loan document is confusing and requires clarification. In addition, a clause regarding reference to "an attached amortization schedule" needs to be deleted. These items are "housekeeping" in nature and will guarantee clarity in the future.

### **Summary**

The Enterprise loaned \$3,600,000 to the Authority in order to assist with the financing of the Westminster Plaza redevelopment. The original loan document referred to an approximate starting date for payments and an amortization schedule. The loan terms were changed when the WEDA financing was completed in December 1997, but the documents were not completely revised to reflect the changes. Staff recommends the loan terms be changed to delete the reference to "amortization schedule" and reword the phrase regarding interest accrual.

### **Staff Recommendation**

Adopt Resolution No. 33 amending the May 19, 1997 loan from the City of Westminster Water and Wastewater Enterprise and the Westminster Economic Development Authority to clarify that repayment will be made at such time as excess tax increment revenue is available.

### **Background Information**

The Enterprise loaned \$3,600,00 to the Authority on May 19, 1997, in order to help finance the redevelopment of the Westminster Plaza Shopping Center, a blighted commercial area located at the northwest corner of 72<sup>nd</sup> Avenue and Federal Boulevard. The loan document estimated the repayment would begin around December 1, 2000, and referred to an amortization schedule.

WEDA also issued bonds in 1997 and the tax increment revenue in the urban renewal area is pledged to service this debt. Tax increment cannot be used to repay the Enterprise loan until such revenue exceeds the bond debt service. Since the date upon which this happens is somewhat uncertain, any amortization schedule cannot be finally prepared until this date is known. This was reflected in the WEDA bond documents, but the revisions to the loan document were not clear, as they retained a reference to an amortization schedule.

Thus, it is recommended that the loan be amended to omit reference to a specific start date and amortization schedule. The change recommended will provide for repayment if, when and, as tax increment revenues become available. This language is the same as was used in the Enterprise loan to the Heritage at Westmoor Golf Course Enterprise.

The alternative is not to revise the document. This is not recommended as it leaves the legal and historical record in conflict with prior approved action.

Respectfully submitted,

Bill Christopher  
City Manager

Attachments

WESTMINSTER ECONOMIC DEVELOPMENT AUTHORITY  
CITY OF WESTMINSTER, COLORADO

RESOLUTION NO. \_\_\_\_\_

INTRODUCED BY DIRECTORS

SERIES OF 1999

A RESOLUTION AMENDING THE LOAN FROM THE CITY OF WESTMINSTER WATER AND WASTEWATER ENTERPRISE TO THE WESTMINSTER ECONOMIC DEVELOPMENT AUTHORITY

WHEREAS, the Board of Commissioners has entered into an agreement to borrow from and repay \$3,600,000 to the City of Westminster Water and Wastewater Enterprise; and

WHEREAS, the Board wishes to amend that loan to provide for repayment at such time that tax increment revenues are available after the payment of debt service for previously issued bonds;

NOW, THEREFORE, the Board of the Westminster Economic Development Authority resolves that:

The Chair is hereby authorized to execute an amendment of the Agreement dated May 19, 1997, between the City of Westminster, Colorado, Water and Wastewater Enterprise and the Westminster Economic Development Authority which amendment revises Paragraph I to read as follows:

I. LOAN

- a. The Enterprise agrees to loan to the Authority three million six hundred thousand dollars (\$3,600,000.00) (the "Loan" amount) subject to the repayment provisions set forth below.
- b. The Authority agrees to repay to the Enterprise the Loan amount IF, WHEN AND AS NET REVENUES BECOME AVAILABLE. "NET REVENUES" MEANS ~~over a period of 20 years at 5% interest per annum in annual payments due December 1, commencing approximately December 1, 2000, or as excess tax increments are available after payment of debt service on WEDA Bonds issued December 15, 1997. , in accordance with the amortization schedule attached hereto and incorporated herein by the reference.~~ WITHOUT LIMITING THE FOREGOING, THE PARTIES AGREE THAT THE AUTHORITY'S OBLIGATIONS PUSUANT TO THIS AGREEMENT ARE DEEMED TO BE SUBORDINATE TO ANY CURRENT OR FUTURE INDEBTEDNESS OF THE AUTHORITY.
- c. THE UNPAID BALANCE OF THE LOAN AMOUNT SHALL ACCRUE SIMPLE INTEREST AT THE RATE OF FIVE (5) PERCENT PER ANNUM. PAYMENTS DUE HEREUNDER SHALL BE APPLIED FIRST TO ACCRUED INTEREST AND THEN TO PRINCIPAL.

PASSED AND ADOPTED this 15th day of March 1999.

ATTEST:

\_\_\_\_\_  
Chairperson

\_\_\_\_\_  
Secretary