

Arvada Urban Renewal Authority (AURA) Board Meeting, May 6, 2015

Notes taken by Nancy Young

Farewell, Movie Theater (the last theater in Arvada)?

Hello - more hi-rise housing and traffic?

Stone Leaf Pottery - the deal has died

Another Hotel in Olde Town - Marriott is suddenly interested?

Arvada defies State law - new construction defects ordinance considered

Urban Renewal Reform legislation - a new era unfolding?

6:22 pm. The meeting was called to order. Commissioners present were Jacobson, Piz-Wilson, Cline, Parker, Bolin, Delaria, and Williams. Two citizens were present.

Moni Piz-Wilson took the oath of office as she was beginning a new term on the Board of Commissioners.

The following officers were elected: Chair - Fred Jacobson, Vice Chair - Alan Parker, Treasurer - Tony Cline. All took the oath of office.

It was noted that the annual financial disclosure statements must be submitted by May 15th.

The minutes from the last meeting (April 1) were approved as written.

During the public comment session, citizen John Kiljan requested an update on the construction defects law. Commissioner Williams states that he would address that issue later in the proceedings.

Old business (presented by Ms. Phair): Stone Leaf Pottery was unable to secure financing for their proposed development at the former McDonalds site (Ralston Road, near the intersection with Kipling). Ms. Phair noted that "our broker", Scott Marcum, has been advised to market this property. It appears that he has received inquiries, primarily from auto-related businesses and a mini-storage. The property has issues - primarily the slope from Kipling down to Ralston and access (right-in, right-out from both Kipling and Ralston).

Ms. Phair, Executive Director of Arvada Urban Renewal, provided the Development Update.

- The movie theater owns the building and leases the land. The lease expires in November 2016, and the theater has indicated that they might not renew the lease. The land is owned by Jim Sullivan, who is in the process of selling it to two developers (George Thorn, Mile Hi Development and Christopher Davis, Avalon). If the theater chooses to renew the lease, the developers have no problem. Ultimately, they are interested in developing some mix of multi-family housing in that location.
- Ms. Phair was contacted by the Marriott Hotel people, who are interested in an hotel in the area. She suggested that the mini-storage site (Wadsworth ByPass at about W. 56th Avenue) might be a good location. She also referred them to Trammel Crow (development between Wadsworth ByPass and Vance, railroad to 56th). Trammel Crow is willing to do either a grocery store or an hotel, but not both.

- Arvada Plaza: Walmart plans to close on the property on Monday. IRG will begin the remediation and demolition work. By late summer, Walmart will begin construction. AutoZone expects to relocate to the new building by July 2015. Regarding the “3 corners” (KFC, USBank, and the former Valero gas station at 57th & Independence), the Bank is reviewing legal documents regarding the streetscape, and the other two landowners have been contacted.
- Arvada Square: Loftus is working with 24-Hour Fitness re the former Safeway building. 24-Hour Fitness requires only 29,000 sq. ft of space, while the existing building has 54,000 sq. ft. They are considering removing the back portion of the building and changing the front of the building to have more glass. The back area could then be redeveloped - possibly live-work units. Environmental monitoring equipment is now on-site. Loftus is seeking retailer interest in the site.
- Based on the enormous success of Jason Smith (Solona) and his community outreach, Ms. Phair suggested that Loftus follow that example. Tentatively, a community outreach meeting is scheduled for late May.
- PPOT (the 5-story, rental apartment building on historic McIlvay Park) had a “topping off” ceremony prior to this meeting, resulting in the late start. AURA Commissioners generally lauded this development. It was called a “nice buffer” between the ByPass and Olde Town. One Commissioner suggested that more such “buffers” were needed.
- The Trammel Crow TOD (transit-oriented development) continues to be delayed by the delays in constructing the parking garage (completion estimated 3Q 2016). Efforts to move the existing RTD bus station to the north or the south have encountered issues with the Federal Transit Administration. It appears that Trammell Crow will not be able to begin any construction until after the new parking garage opens in the Fall of 2016, when the RTD bus depot will be moved to the new parking structure,
- Solana Olde Town, AURA’s largest current project (valued at \$83 million) has closed on the now former Lectra Products site. This summer, they expect to close on the adjoining Enger property. Equity in this project is from AIG and the construction loan is from JP Morgan.
- Hilton Hotel (Village Commons urban renewal district): Of the 12 banks that responded to their request for a loan, they are now negotiating with 3 banks. A new location for the Vineyard Church is ongoing. On a recommendation, another church with declining membership was contacted. As stated by Ms. Phair, the Presbyterians take their time.

ADDITION re Hilton Hotel: On Monday, Ms. Phair presented a proposal To City Council regarding the City's loan to AURA (\$2.7 million) regarding the former Brooklyns. The plan would provide for a 1.5% interest rate for 15 years. She stated that the Council "was OK" with this proposal. **NOTE: This discussion did not take place during the regular Council meeting that evening. Hence it is not included in the Council meeting notes.**

Commissioners made the following comments:

Commissioner Williams

- A number of affordable housing bills were introduced this legislative session. They went nowhere.
- The construction defects bill was killed in committee. Arvada will now consider its own ordinance (like Lakewood and Parker). A Council workshop is tentatively planned for May 18. There is a long list of issues to be addressed, including the statute of limitations and fairness to homeowners. It appears that any Arvada action will include: 1) giving the builder an opportunity to cure the problem; 2) mediation/arbitration before a lawsuit can be filed; and 3) notice to homeowners of the costs of a lawsuit. It is unclear whether this action will take the form of an ordinance or whether it will be “built into” a plat determination.
- The State Legislature passed an urban renewal reform bill - totally rewritten in the last 48 hours before the session ended. Commissioner Williams described the final bill as requiring that the taxing authorities reach a compromise. If a compromise is not achieved, then a third party will resolve the issue of the contributions of each taxing authority. Commissioner Williams believes that the Governor will sign this bill (the Governor vetoed a similar bill in 2014).

Committee Reports:

Chair Jacobson noted that the AURA Board prefers to operate as a “committee of the whole”. Therefore, the only Committee is “Finance and Audit”, consisting of Commissioners Cline and Parker. Commissioner Parker, as a member of the AEDA Board, will continue to serve as liaison to that organization.

Staff Reports:

- First quarter financials are included in the packet. They are not posted on the website because they could be “misleading” to the public.
- Clark Walker has prepared a draft “project profile” for posting on the AURA website, using the Hilton Hotel deal as the example. This profile was developed based on Board member comments at the last meeting. Some Commissioners felt that the public needed more appropriate information about AURA’s projects, to include “deal points” and related information.
- There followed a lengthy discussion regarding how much information, and the accuracy of the information, that should be revealed to the public. The following are the major points discussed:
 - AURA needs to show all of the benefits of their projects, such as “use tax”, sales tax, property tax, and ancillary benefits like Hotel guests spending in Olde Town.

- This profile needs to illustrate the developer's "skin in the game" - such as the equity and loan costs incurred by the developer.
- Caution needs to be exercised. Sales tax information by entity is proprietary information.
- The profile should be simple and easy to understand, with a notation that additional information is available by contacting the AURA staff.
- This document is for general consumption. It should be a "sales brochure" with no projections or estimates, i.e., an "executive summary".

Commissioner Cline suggested that the staff had received sufficient guidance from the Board and that this item need not be brought back to the Board for final approval.

Ms. Phair noted that the June 3 meeting will be all about the financial statements. The auditors will make their presentation on the 2014 financial statements and Clark Walker will provide a 10-year outlook of AURA projects and financials. The Board needs to address the question of what level of reserves are appropriate.

Ms. Phair will arrange a meeting of the Finance/Audit Committee (Commissioners Cline and Parker) with the auditors prior to the June 3 meeting.

Ms. Phair noted that a Workshop is tentatively scheduled for June 17th. This workshop could focus on a) expansion of Red Rocks Community College; b) Arvada Ridge and the tunnel; or c) Richard Schierburg and his plans for developing property north of Ridge Road across from the Kipling station.

By motion, the Board decided to cancel the June 17 workshop and the July 1 Board meeting, with a workshop to be held on July 15th - topic to be determined.

Ms. Phair noted that Channel 20 (public television) filmed a segment in Olde Town regarding the community and AURA's role. It is unknown when the segment will be aired.

By motion, the Board entered Executive Session for the sole purpose of approving the minutes from the last executive session.

The public portion of the meeting ended about 7:55 pm.