

## **Arvada Urban Renewal Authority (AURA) Board Meeting, March 4, 2015**

Notes taken by Nancy Young

*Buckingham withdraws from Arvada Square - now what?  
Streetscape Arvada Plaza/Arvada Square*

5:30 pm. The meeting was called to order. Commissioners present were - Jacobson, Bolin, Cline, Delaria, and Williams. Commissioner Parker was excused by motion, second, and vote. Commissioner Piz Wilson arrived about 10 minutes late. Two citizens were present.

There were no public comments.

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Buckingham has withdrawn from the partnership to develop the Arvada Square. No reason for the withdrawal was revealed. The other two partners, Larimer Square and Dan Cohen, are still interested in pursuing the development and brought in Evergreen (one of the original competitors for this project) as their new partner.

New considerations have surfaced at this site.

A portion of the site, particularly on the northern boundary, is within a “floodway”, as defined by FEMA (Federal Emergency Management Agency). Construction within a floodway is prohibited, in contrast to a “floodplain”, which is somewhat less likely to experience flooding. As a result, the project’s housing density will need to be reduced.

The floodway could be “engineered” out of the project. Such engineering, however, could create increased flood risk for homes on Brooks Drive. The Safeway is not in the floodway, although it sits between the floodway and Ralston Creek.

In regard to flood risk, there was a discussion about a “0.2%” flood risk zone (500-year flood) covering much of the Arvada Square and Arvada Plaza. This risk is small, and it can be addressed by any developments in these two areas.

NOTE: This discussion was based on updated FEMA flood maps dated 2007. It is anticipated that additional updates are pending.

Other new considerations regarding the site include AURA’s increased preference for for-sale housing within the development, along with senior housing.

Ms. Phair, Executive Director of AURA, met with Loftus, the runner-up in the original bidding competition. She noted that Loftus had done extensive work, like detailed retail and engineering studies, in this competition. Buckingham did not prepare similar studies. The original Loftus proposal included 2-story retail on the corner, listed a number of regional chain outlets that would be a good fit for the location, and suggested artist studios in half of the Safeway building. It also called for 272 housing units with a mix of walk-ups, townhomes, and elevator buildings.

Since real estate is a small community, word about Buckingham's withdrawal has spread. AURA has received two additional, unsolicited bids for this project from Drake and Paragon (Dick Schierburg, who constructed the apartments near Target on Kipling and Ridge Road). Drake would pair with Newtown (currently engaged in a project at 64th and McIntyre), while Paragon would partner with Ryland Homes.

The AURA Board was faced with the challenge of what to do next. The choices presented were:

1. Continue with the originally selected partnership of Larimer Square and Dan Cohen, now partnered with Evergreen.
2. Select Loftus, #2 in the original selection process.
3. Open a new competitive process, to allow all four proposals to be considered, based on the new considerations.

The concerns and considerations of the AURA Board members are summarized below.

- We should focus on the "right" developer. Since Loftus was one of two finalists in the original process, we should allow them to present how they would address the new information on the floodway and AURA's preferences to include for-sale housing and senior living. The Board could afterwards open a new competition if the Loftus proposal did not meet their expectations.
- The entire process should be started anew to allow all contenders an opportunity to address the changed conditions.
- Originally, most AURA Board members preferred the Loftus proposal. However, the Buckingham presentation was so "glitzy" and compelling, Board members were swayed in their favor. In particular, Buckingham stated that they would retain ownership, a major consideration.
- Ms. Phair noted that the Board especially liked three aspects of the Buckingham presentation: the beer garden, the "curvy" roads, and the for-sale component.
- Loftus' original proposal included a specific, brand-new, financing item called PACE [acronym not defined during this meeting; it apparently involves some "green" element]. If AURA had selected Loftus, the use of PACE would have been the first in the state of Colorado. Some Commissioners were concerned about this element of the financing.
- Ms. Phair noted that the real estate market has been on the upswing in recent years, and that it could reverse trend at any time. AURA needs to take advantage of current market conditions.
- It was mentioned that the ICSC [acronym not defined] would be held in May. Loftus has an interest in having brochures available for distribution at what appears to be a conference.
- The selection of a developer is "not a race". AURA needs to assure that a developer addresses the floodway and the AURA Board's strong preference for "for-sale" housing and senior living.

The Board determined, by consensus (no motion was made) to invite Loftus to make a presentation that incorporates the new information. This presentation will be on March 18th.

The Ralston Streetscape plan was updated by Ms. Phair. This plan calls for applying a standard streetscape to three corners of the Arvada Plaza that will not be developed by Walmart.

Ms. Phair outlined the costs of this project:

- \$114,000 consulting contract with Pacland, who is also working with Walmart
- \$673,000 cost to design and construct the streetscape
- \$715,00 to maintain the streetscape until the urban renewal district expires in 2028.
- Total streetscape cost: \$1,388,000 (\$1.4 million rounded). Excludes King Soopers and Kmart.
- Commissioner comments on this proposal:
- We need to order our priorities. Since there is nothing behind the proposed streetscapes, it doesn't make sense to spend the money.
- Will this streetscape need to be torn out when these three properties are developed, as they almost certainly will be at some point?
- Any developer of those corner properties will want AURA to pay for the streetscape so the developer can "make the numbers work".
- In other parts of Arvada, developers are required to provide the streetscape. Ms. Phair noted that developers can be required to install the streetscape only when there is a full renovation.
- Ms. Phair also noted that, in Olde Town, AURA provided the streetscape in front of Roadies and the Eli Green House on Olde Wadsworth. These property owners stated that the streetscape was beyond their available funds. Therefore, AURA funded this work so the area would all "look nice".
- By doing this project now, using the same contractor as Walmart, the entire streetscape will be on the same irrigation and electric systems.
- Ms. Phair noted that on the north side of Ralston, there are two properties that will not be part of the Arvada Square development - the emergency room and the gas station. The gas station is definitely a redevelopment site.
- Maintenance is a big issue, especially since repairs will be needed over time, like breaks in the irrigation system.
- This project looks like we would be creating random improvements.
- Ms. Phair stated that AURA is "place-making" in this area, i.e., creating a special place that can be easily recognized as such by visitors. Having a standard streetscape throughout the area is an important element of making a place "special".
- She also noted that if these three individual property owners were to be responsible for the maintenance, the streetscape would most likely be maintained differently by each. The result would not be unifying as would a streetscape with consistent maintenance throughout.
- The only way to assure consistent maintenance by multiple property owners is to involve Code Enforcement. However, Code Enforcement will only respond when a complaint is made.
- The area could be "hardscaped" with just sidewalks and signage.
- Ms. Phair pointed out that the plans call for 4 feet of property on the east side of Independence to create a bike lane, rather than having a wider sidewalk for use by both bikes and pedestrians. If AURA does not install the streetscape at the corner of W. 57th and Independence, then the east side of Independence will not look nice. There will not be any consistency - part of the street will be unfinished in contrast to the streetscape to be installed by Walmart.

The consensus (no motion or vote was taken) was to hardscape these three properties now and install signage. In the future, developers of these properties will be required to install and maintain the streetscape.

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#### Development update by Ms. Phair

- Walmart's final development plans are to be approved no later than May 4.
- Auto Zone has special-ordered the sewer pipe and plans to break ground about March 23.
- Park Place is now past the critical point of pouring cement.
- Trammel Crow TOD is being worked on.
- Solana, an \$83.4 million project, has received Council approval and plans to break ground this summer.
- Hilton Hotel has signed the DDA (Development and Disposition Agreement) and has started the entitlement process with the City of Arvada

It now appears that the Gold Line will not open until the fall of 2016.

#### Public comment (5-minute session)

John Kiljan noted that residents' concerns with the Arvada Square was focused on rental apartments, with owner-occupied homes being preferred. He also asked for updates on the legislative status of the construction defects law.

#### Commissioner Comments:

- Commissioner Delaria, as a member of the Citizens Capital Improvements Project Committee (CCIPC) stated that the CCIPC has established ranking criteria and has begun ranking projects. She stated that the two projects that consistently appear near the top are the Ralston Road Corridor (especially filling in sidewalk gaps) and the left turn from Kipling into the Kipling Gold Line station.
- Commissioner Cline thanked the staff for their work, noting that even though the Commissioners might not vote in favor of the staff recommendation, the work in bringing information to the Board is appreciated.
- Board Chairperson Jacobson noted that AURA needs to clearly explain the financing arrangements of projects. For example, the Vineyard Church is not paying property taxes at the site of the proposed Hilton Hotel. There appears to be some misunderstanding of the financing arrangements for the hotel. Commissioner Delaria suggested that deal points could be posted on the AURA website.
- Staff Report by Ms. Phair:
- Two Fridays ago, she made a presentation to the Chamber of Commerce to about 100 attendees.
- On Tuesday, she met with a group of CU graduate students and showed them around Olde Town.

- Austin Briggs, reporter for YourHub (a Denver Post publication) met with her for an hour on Tuesday about an article on development projects in Arvada, which total \$222 million for PPOT (\$20 mm), Solana (\$83 mm), Trammell Crow TOD (to be determined, but estimated at around \$70 mm), the Hilton Hotel (\$19 mm), and the parking garage (\$30 mm). NOTE: These are the numbers stated by Ms. Phair.

At 7:05 pm, it was motioned to enter executive session. The purpose of the session was to discuss the sale of property and provide instructions to negotiators. The public session was therefore ended.