

Arvada Urban Renewal Authority (AURA) Board Meeting, February 03, 2016

Notes taken by Nancy Young

5:30 pm Commissioners present were Fred Jacobsen, Tony Cline, Alan Parker, Michelle Delaria, Marc Williams, and Page Bolin. Commissioner Moni Piz-Wilson was excused. AURA Staff: Maureen Phair - Executive Director, Clark Walker - Redevelopment Manager, Mike Polk - AURA Attorney (Deputy Arvada City Attorney), Carrie Briscoe - AURA Coordinator, and Peggy Salazar - Administrative Specialist. Lisa Yagi - City Finance Department, attended for the budget resolution.

Citizens present - 3.

Public Hearing on the Final Amendment and Appropriation for the 2015 Budget

Ms. Phair, Executive Director of AURA, noted that this action was needed for the budget to reflect unexpected events during 2015. Those events included:

- \$1.5 million received from Landon on the sale of Grandview Plaza and Reno Place [NOTE: AURA had a one-third interest in these two projects].
- \$500,000 received from the Hilton Hotel developer for the former Brooklyns/Vineyard Church site
- \$500,000 payment to the City toward the loan for the former Brooklyns/Vineyard Church site
- \$200,000 payment to AutoZone for improvements on their site in the former Arvada Plaza
- \$800,000 payment for the land and building of the Ralston Café, whose business will remain at the site
- Significantly larger property tax increment received for certain urban renewal areas due to rising property values [NOTE: due to the current positive general economic environment]
- Ms. Phair also noted that AURA pays \$80,000 per year for an option to purchase the Arvada Square. If the option is exercised, these payments will be deducted from the purchase price.

The Board approved this item unanimously.

Ms. Phair's employment contract - Amendment Four

There was no substantive discussion of this item and no public information found regarding the nature of this amendment. The Board approved this item unanimously.

Development Update

- The former Arvada Triangle development proposal has been scheduled for the Planning Commission for March 8 and for City Council on April 4. Loftus, the developer, would like to see the buildings demolished as soon as possible to present a better “look” for prospective business renters of this project.

Loftus has funds to mitigate hazards and demolish the former Big O Tire building and the small building to the north. However, he does not have funds, until his development loan is approved, to mitigate and demolish the former Safeway building. He has asked Ms. Phair if AURA would be willing to provide the funds to demolish the Safeway building, which he will repay from his construction loan. AURA owns the Safeway building. The cost of demolition will probably be less than \$150,000.

NOTE: 24-Hour Fitness has apparently ended discussions to locate in the former Safeway, although one Commissioner suggested that this action might be a negotiating strategy on their part.

The discussion addressed the economics of demolishing only two buildings, when it would be more cost effective to also demolish the Triangle Liquors/Check Cashing/former Black Forest Deli (already vacant) at the same time. The latter businesses have been given notice to vacate, anticipated by May this year.

Clarification of a complex motion on this matter revealed the following key elements of the motion:

- Ms. Phair was authorized to negotiate for the demolition of the former Safeway building for a cost not to exceed \$150,000.
- Ms. Phair was authorized to negotiate with the two remaining tenants of the Triangle (Triangle Liquors and the Check Cashing business) to encourage early removal from the site so demolition can proceed.
- Ms. Phair and Mr. Polk were authorized to amend the Loftus development agreement with AURA to include the cost of demolishing the former Safeway building, thus increasing the cost to Loftus of the land to include the cost of the Safeway demolition - from an estimated \$2.0 million to an estimated \$2.2 million, for example.

The motion passed unanimously.

Regarding the Arvada Square, Ms. Phair noted that AURA intends to exercise the option to acquire the property on June 10, 2016. She stated that she personally visited each business to give them a 1-year notice to vacate. She provided each business with information to contact the Loftus broker regarding space in that development, as well as information about AEDA (Arvada Economic Development Association) who might provide assistance to these businesses. She also noted that any business in good standing (current on the rent), can receive 2-months rent credit when they vacate the property.

She anticipates that the Arvada Square will be demolished early in 2017 to make way for Phase II development by Loftus [NOTE: Phase II is generally perceived by citizens as high density rental housing]. Loftus will attend the March 2 AURA Board meeting to address their plans for Phase II.

- PPOT (Park Place Olde Town) has completed all units and all of the interior amenities. Outdoor amenities will be completed in the spring - primarily the pool and landscaping. At that time, they plan a formal “ribbon-cutting” ceremony. The complex anticipates achieving a 50% rental rate soon. They have closed on their permanent financing with Northwestern Mutual Life Insurance.

- The former McDonald’s site has been sold for \$180,000. Richard Satkin [last name spelling unconfirmed], the developer, has also purchased the Monterey House next door, and is attempting to acquire a nearby office complex and senior day care facility. In total, he hopes to assemble 1.3 acres. It is unlikely that the Double D property could be acquired since ownership has changed in just the last year. He anticipates having a preliminary development plan by mid-year 2016. This project is expected to provide a new type of mini-storage, potentially with some “mixed-use” involved.

- Arvada Ridge - Phase III (north side of Ridge Road across from the commuter rail station) held a neighborhood meeting on January 21, attended by 3 people. The plans anticipate 298 rental units in 4-story buildings on 11 acres - renting at the very high end of the price range (NOTE: about 27 units per acre). The developer, Richard Schierburg, is considering a “work-out park” with steps leading to the water tank near the site as a dedication in lieu of park fees. He is planning to break ground in the 3rd quarter, 2016.

Ms. Phair noted that the original 2005 agreement with the developer involved 68 acres - the former Ridge Home site (now the Super Target on Kipling), the Arvada Ridge train station and nearby apartments, and this final 11 acres north of the train station. She noted that the original agreement gives the developer 60% of the incremental property tax revenue. The related Metro District issued \$11 mm in bonds for infrastructure improvements, now being paid for with incremental property taxes.

- Solana has completed the environmental clean-up and demolition on their site east of Wadsworth and east of the storage facility on W. 56th. The plan is to complete the park on the south side of Grandview and the railroad by the end of October. The first rental units are expected to be available about this time in 2017.

- Commissioner Delaria asked if any tenants in the Arvada Square have expressed interest in occupying the new space being built by Loftus. Ms. Phair noted that Triangle Liquors, the Nail Place, and Treasure Pot (Chinese restaurant) have done so. Subway, who will have a location inside the Walmart at the former Arvada Plaza, has an interest in maintaining an outside presence, but has yet to make a commitment.

- Commissioner Jacobsen expressed disappointment that only 3 citizens attended the neighborhood meeting regarding Phase III at Arvada Ridge. He noted that AURA needs better efforts to involve citizens.

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Public Comment

Citizen John Kiljan stated that he was trying to confirm a rumor that the new Loftus space rental would be 3 to 5 times the rent being paid by businesses in the Arvada Square. Ms. Phair responded that the rumor is probably true. Most businesses are currently paying about \$4 per square foot in the Arvada Square (at the low end). Comparable market rents are \$25-35 per square foot. [NOTE: Based on this information, the potential increase is 6 to 9 times rates now being paid.]

Commissioner Comments

- Several Commissioners noted being pleased with advent of the Hilton Hotel, in response to the groundbreaking ceremony this week. One Commissioner noted he would probably never use this facility.
- Commissioner Williams reported on a presentation he made to the Metro Mayors Caucus about how Arvada “pulled off” big changes in Arvada.

Staff Reports

- Ms. Phair thanked the Board for her review, noting that the review really belongs to the staff.
- Ms. Phair noted that the Visitor Center has published a new dining guide to Olde Town.
- Ms. Phair noted that there was no known business for the schedule February 17 workshop and recommended that it be cancelled. A motion to cancel the workshop was approved unanimously.
- Mr. Polk, attorney, strolled down memory lane and noted that several small property acquisitions, over time, have enabled certain AURA developments now. He also noted that Mountain Shadows in the NW urban renewal district, will refinance their bonds. In response to a Commissioner question, he noted that Moon Gulch is not located in an urban renewal area.

A motion to enter executive session to provide instructions to negotiators on financial matters passed unanimously.

6:35 pm Public session of the Board meeting ended.