



**REGULAR MEETING OF THE AURA BOARD OF COMMISSIONERS  
5601 Olde Wadsworth Boulevard, Ste. 210, Arvada, Colorado  
5:30 p.m., Wednesday, June 5, 2019**

**AGENDA**

**REGULAR MEETING – 5:30 P.M.**

1. Call to Order
2. Moment of Reflection and Pledge of Allegiance
3. Roll Call of Members
4. Approval of the Summary of Minutes
5. Public Comment of Issues not scheduled for Public Hearing – Three Minute Limit
6. Public Hearing – None
7. Study Session
8. Old Business
  - A. Micro Housing Update – Tim Masters and Jim Allen, TJC Limited
  - B. Cooperation Agreement between the Arvada Urban Renewal Authority and Haskins Metropolitan District
9. New Business
  - A. 2018 Auditor Report and Financial Statements – Steve Sauer, BKD and Lisa Yagi, Assistant Finance Director, City of Arvada
  - B. 9940 West 59<sup>th</sup> Place Presentation – Curtis Westphal
10. Development Update
11. Public Comment – Five Minute Limit
12. Comments from Commissioners
13. Committee Reports
14. Staff Reports
15. Executive Session
  - A. Legal Advice, Pursuant to CRS 24-6-402 (4)(b) Relating to Arvada Square
  - B. Instructions to Negotiators, Pursuant to CRS 24-6-402(4)(e) Relating to Urban Renewal
16. Adjournment

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**SUMMARY OF MINUTES OF REGULAR MEETING  
ARVADA URBAN RENEWAL AUTHORITY BOARD OF COMMISSIONERS  
WEDNESDAY, May 1, 2019  
5601 OLDE WADSWORTH BLVD., SUITE 210, ARVADA, CO 80002**

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**REGULAR MEETING**

**Call to Order** – Chair Fred Jacobsen called the meeting to order at 5:30 p.m.

**Moment of Reflection and Pledge of Allegiance**

**Roll Call of Commissioners:** Chair Fred Jacobsen, Vice Chair Alan Parker, Treasurer Tony Cline, Commissioners Moni Piz Wilson, Sue Dolan, Tim Steinhaus, Marc Williams

AURA staff present: Maureen Phair, Executive Director; Corey Hoffmann, Legal Counsel; Carrie Briscoe, Project Manager; Peggy Salazar, Administrative Specialist

Also present: Two guests.

- A. Oath of Office for Commissioner Tim Steinhaus – Carrie Briscoe administered the Oath of Office to Commissioner Tim Steinhaus, who was appointed to the AURA Board by City Council on April 1, 2019.
- B. Election of Officers – Chair Jacobsen relinquished the chair to Maureen Phair to conduct the election for Chair. Ms. Phair opened the floor for nominations for Chair. Commissioner Williams nominated Fred Jacobsen as Chair of the Arvada Urban Renewal Authority. No other nominations were made. Commissioner Williams closed the nominations and asked for a vote on the nomination to re-elect Fred Jacobsen as Chair.

The following votes were cast on the Motion:

Voting yes: Jacobsen, Cline, Dolan, Parker, Piz Wilson, Steinhaus, Williams

**The Motion was approved.**

Ms. Phair relinquished the chair to Chair Jacobsen whom opened the floor for nominations for Vice Chair. Commissioner Williams nominated Alan Parker as Vice Chair. No other nominations were made. Chair Jacobsen closed the nominations and asked for a vote on the nomination to re-elect Alan Parker as Vice Chair. Commissioner Williams nominated Sue Dolan as Treasurer. Chair Jacobsen closed the nominations and asked for a vote on the nomination to re-elect Fred Jacobsen as Chair, re-elect Alan Parker as Vice Chair and elect Sue Dolan as Treasurer.

The following votes were cast on the Motion:

Voting yes: Jacobsen, Cline, Dolan, Parker, Piz Wilson, Steinhaus, Williams

**The Motion was approved.**

- C. Oath of Office for Elected Officers – Carrie Briscoe, administered the Oath of Office to the elected officers, Chair Jacobsen and Vice Chair Parker were re-elected and Commissioner Dolan was elected as Treasurer.

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**4. Approval of Minutes**

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The Summary of Minutes of the AURA Board meeting on April 3, 2019, stand approved.

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**5. Public Comment on Issues Not Scheduled for Public Hearing – Three Minute Limit**

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None

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**SUMMARY OF MINUTES OF REGULAR MEETING  
ARVADA URBAN RENEWAL AUTHORITY BOARD OF COMMISSIONERS  
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**6. Public Hearing**

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None

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**7. Study Session**

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None

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**8. Old Business**

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None

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**9. New Business**

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None

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**10. Development Update**

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Maureen Phair, Executive Director provided the following development updates:

Ralston Creek Village (Berkeley Town Homes) and Olde Town Residence – The City of Arvada identified conflicts with the intersection of Holland and the east/west street as the two developments connect. The developer will be resubmitting their PDP.

Trammell Crow Phase II – AURA contracted with an architect to see if the site can support a conference center, hotel, retail and parking. The architect identified parking on the site for retail and hotel, but not the conference center. A meeting was held with the City staff to discuss parking. A future meeting will be held to discuss parking, size of facility and operations to explore the viability of conference center, hotel, retail and parking.

Vacant Kmart – AURA staff spoke with owners and they are weighing the returns on reusing/reenacting the building vs redeveloping the site into a residential (market rate apartments) with commercial along Ralston Road, vertical mixed-use. A decision is expected within two weeks.

Micro Housing – The developer is finalizing a draft site plan and will hold a pre-submittal meeting with the City this month. AURA staff met with a cemetery representative regarding the triangular piece along Kipling. The Chairman presented this request to the Board and they were not interested in selling the property.

Walmart Outparcel – A meeting was set in May, 2019

City Stores – AURA staff met with the City staff about AURA obtaining this property and if they were in agreement. A surveyor was hired to create two parcels; City Stores and community gardens. The next step is to take the property through the City's subdivision process.

Gateway at Arvada Ridge – Ribbon cutting was held on Monday, April 8.

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Police Activity report on Arvada Big Box Retail – Walmart has been open 1.5 years and some claim Walmart brings crime. The AURA staff asked the Arvada Police Department if Walmart has more crime than the other large format retailers in Arvada. The report dates include March 19 through April 19. Walmart, Super Target, Target on north Wadsworth, Home Depot, Costco, Lowes and Sam’s Club. The loss prevention employee from Walmart is receiving an award from APD for going above and beyond.

**11. Public Comment – Five Minute Limit**

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None.

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**12. Comments from Commissioners**

Commissioner Jacobsen shared a report issued by Bryan Archer, Arvada Director of Finance, regarding spending limit with various City department heads for expenses. Commissioner Jacobsen asked the Board to consider increasing expenditure approval to not exceed \$25,000 for Executive Director to pay without Board approval. If the decision is made to increase the spending limit the by-laws would need to be amended. After a lengthy discussion no change will be made with current approval limit.

Commissioner Jacobsen suggested partnering with the City of Arvada to instill a preventative plan to maintain future projects.

Commissioner Parker noted concern about further testing for G-Line.

Commissioner Cline recommended watching “Seattle is Dying” documentary about homeless problem and possible solutions.

Commissioner Piz Wilson shared her excitement about the mural displayed on her business to welcome the G-Line riders.

Commissioner Steinhaus stated appreciation for the opportunity to be a part of AURA Board.

Commissioner Dolan thanked the Board for electing her as Treasurer.

Commissioner Williams shared his enthusiasm about the displayed mural welcoming G-Line riders to Arvada. With emphasis Commissioner Williams stated the interviewing process for City Council to appoint commissioners to the AURA Board.

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**13. Committee Reports**

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None.

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**14. Staff Reports**

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Maureen Phair provided the following updates:

2018 Auditor Report and Financial Statements are in draft form for review by the Finance Committee.

Ms. Phair noted the flash report and communications report.

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The Denver Post article announced the G-Line and talked about Arvada and AURA.

The ULI Fall Conference will be held on September 18 - 21, 2019 in D.C. Attendees will focus on one topic and provide an informational report to the Board.

Michelle DeLaria will be recognized by City Council on May 20.

Corey Hoffmann, Legal Counsel, stated that the County Assessor is developing guidelines for Urban Renewal Authorities.

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**15. Executive Session**

A. Instructions to Negotiators – Ralston Creek North, Pursuant to CRS 24-6-402(4)(e)

Corey Hoffmann, Legal Counsel, said the topic for discussion is provided for in CRS 24-6-402(4)(e).

Commissioner Williams moved to convene into Executive Session to discuss Instructions to Negotiations.

The following votes were cast on the Motion:

Voting yes: Jacobsen, Cline, Parker, Piz Wilson, Dolan, Steinhaus, Williams

**The Motion was approved.**

The AURA Board convened into Executive Session at 7:10 p.m. and reconvened the Regular Meeting at 8:16 p.m.

**Regular Meeting**

Commissioner Williams moved that the Arvada Urban Renewal Authority Board of Commissioners authorize Ms. Phair to pursue an environmental company for remediation efforts for Ralston Creek North.

The following votes were cast on the Motion:

Voting yes: Jacobsen, Cline, Parker, Piz Wilson, Dolan, Steinhaus, Williams

**The Motion was approved.**

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**16. Adjournment**

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The meeting was adjourned by Chair Jacobsen at 8:20 p.m.

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Fred Jacobsen, Chair

ATTEST:

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Maureen Phair, Executive Director

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Carrie Briscoe, Recording Secretary

**ARVADA URBAN RENEWAL AUTHORITY**  
**AGENDA INFORMATION SHEET**

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**Agenda No.:** Item 8B  
**Meeting Date:** June 5, 2019  
**Title:** Cooperation Agreement between the Arvada Urban Renewal Authority and Haskins Metropolitan District

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**ACTION PROPOSED:** Approve the Cooperation Agreement between the Arvada Urban Renewal Authority and Haskins Metropolitan District.

**INFORMATION ABOUT THE ITEM:**

Haskins Station is a large housing development planned for the “back leg of the dog”, the project has 477 housing units made up of single family, paired homes, townhomes, and apartments. Remington Homes came to us to ask for financial assistance and it was determined that there was not a need for AURA to get involved. The project received approval from City Council and is moving forward.

To help finance the public improvements, Remington Homes is creating a metro district. These additional mills will come through AURA’s office and we will forward those funds back to the developer – similarly to how we treat the additional mills at Arvada Ridge and Candelas. This Cooperation Agreement allows the mills to flow through our office.

AURA staff brought this item to the Board for their review on April 3, 2019, at that time we proposed a 1% processing fee. The Board asked staff to propose a 1% fee or \$10,000 annually, whichever is greater.

We proposed this change to Remington Homes and they recently submitted the following proposal:

The metro district is adding an additional 65.277 mills to the properties in their district that will generated about \$900,000 annually at build out – these mills are broken down as follows:

- 55.277 mills – or \$760,000 annually, will be pledged to service the bonds the District will issue. The bonds will finance the infrastructure and yield approximately \$8.4 million.
  - The City is requiring Remington to help pay for the regional improvements in and around the intersection of 52<sup>nd</sup> Avenue and Ward Road at a cost of \$2,225,213. This amount is included in the bond receipts and makes up approximately 27% of the total.
- 10 mills – or \$140,000 annually, will be used for operations.
- The additional mills will begin producing substantial revenue in 2022.

The process to return the District's additional mill levy will be straight forward as the County now provides this information as part of their tax disbursement process, therefore, requiring less AURA staff time.

In light of the level of work required to process the payment and the District's regional contribution to the City, Remington is proposing an annual fee of \$3,000 beginning in 2022.

**FINANCIAL IMPACT:** AURA is not financially involved in the development of Haskin's Station; we will receive all of the incremental property taxes produced from this development, beginning in 2020 through 2028. The estimated revenue to AURA will be approximately \$3- 4 million total. In addition, AURA will receive a \$3,000 annual fee to process the funds beginning in 2022 until 2028 when the URA expires for a total of \$24,000.

**STAFF RECOMMENDATION:** Staff recommends approving the Cooperation Agreement between the Arvada Urban Renewal Authority and Haskins Metropolitan District.

**SUGGESTED MOTION:** I move that the AURA Board approve the Cooperation Agreement Between the Arvada Urban Renewal Authority and Haskins Metropolitan District.

**COOPERATION AGREEMENT  
BETWEEN THE  
ARVADA URBAN RENEWAL AUTHORITY AND  
HASKINS STATION METROPOLITAN DISTRICT**

THIS COOPERATION AGREEMENT (“**Agreement**”) is made and executed effective the \_\_\_\_\_ day of \_\_\_\_\_, 2019, by and between the **ARVADA URBAN RENEWAL AUTHORITY**, a body corporate and politic of the State of Colorado ( “**AURA**”); and **HASKINS STATION METROPOLITAN DISTRICT** (the “**District**”). AURA, and the District are referred to herein individually as a “Party” and collectively as the “Parties.”

**RECITALS**

WHEREAS, AURA is carrying out the Ralston Fields Urban Renewal Plan adopted by AURA on September 5, 2003 (the “**Plan**”), which Plan provides that AURA may utilize tax increment financing as contemplated by § 31-25-107(9)(a), C.R.S., the relevant portion of the Colorado Urban Renewal Law (§ 31-25-101 *et seq.*); and

WHEREAS, the District is a quasi-municipal corporation and political subdivision of the State of Colorado, duly organized and existing under the constitution and the laws of the State of Colorado; and

WHEREAS, the District’s boundaries overlap AURA’s jurisdictional boundaries such that the District has the authority to impose a mill levy within AURA’s jurisdictional boundaries, subject to the limitations set forth in the District’s Service Plan; and

WHEREAS, the Urban Renewal Law provides that a plan may include a provision that provides that taxes, if any, levied after the effective date of the approval of the Plan upon taxable property in the area described in the Plan (the “**Urban Renewal Area**”) shall be divided each year for a period not to exceed twenty-five (25) years from the effective date of the Plan and that a portion of said property tax revenues (the “**TIF Revenue**”) shall be allocated to and paid into a special fund of the urban renewal authority to pay the principal of, and interest on, and any premiums due in connection with bonds of, loans or advances to, or indebtedness incurred by the urban renewal authority for financing an urban renewal project; and the Plan contains such a provision; and

WHEREAS, AURA, and the District recognize that a division of taxes pursuant to § 31-25-107(9)(a), C.R.S., on property within the boundaries of the District without an agreement concerning the sharing of TIF Revenue that results from the District’s mill levy on taxable property in the Urban Renewal Area may hinder the effectuation of the Plan and urban renewal projects within the Urban Renewal Area and may hinder the District's ability to provide services within the Urban Renewal Area; and

WHEREAS, the District is cooperating with AURA to facilitate carrying out the Plan and urban renewal projects within the Urban Renewal Area, and AURA hereby finds that the

improvements and activities to be undertaken by the District as set forth in the District Service Plan are in furtherance of the Plan; and

WHEREAS, AURA and the District desire to enter into this Agreement for the transfer to the District of property tax revenues that AURA receives from the District's mill levy on taxable property in the Urban Renewal Area; and

WHEREAS, AURA and the District are authorized to enter into this agreement pursuant to law, including without limitation § 31-25-112, C.R.S.; and

WHEREAS, AURA, and the District have determined it is in the best interest of the Parties to enter into this agreement to facilitate carrying out the Plan and urban renewal projects within the Urban Renewal Area; and

NOW THEREFORE, in consideration of the foregoing recitals and the covenants, promises and agreements of each of the Parties hereto, it is agreed by and among the Parties hereto as follows:

## AGREEMENT

1. Incorporation of Recitals. The foregoing recitals are incorporated into and made a part of this Agreement.

2. District Tax Levy Allocation.

(a) AURA agrees to remit to the District all of the increase in property tax revenues calculated, produced, and allocated to AURA as a result of the levy of the District upon taxable property within the Urban Renewal Area pursuant to and in accordance with § 31-25-107(9)(a)(II), C.R.S. of the Act and the rules and regulations of the Property Tax Administrator of the State of Colorado (the "**District Tax Levy Allocation**"), after deducting an AURA Administrative Fee of Three **Thousand Dollars (\$3,000.00) per year**, in order that the District may use such revenues in furtherance of the Plan. The AURA Administrative Fee shall cover such costs associated with collection, accounting and distribution of the District Tax Levy Allocation.

(b) Commencing on the date of this Agreement and for the period of time that that the provisions of the Plan authorizing the receipt by AURA of TIF Revenue are in effect pursuant to § 31-25-107(9)(a)(II), C.R.S., AURA shall transfer to the District on or before August 1st of each year, commencing on August 1, 2022, all revenues attributable to the District received during the previous calendar year with the deduction of the AURA Administrative Fee (the "**TIF Remittance**"), in order that the District may use such revenues in furtherance of the Plan.

(c) If the City approves a modification of the Plan which results in TIF Revenues from the District Tax Levy Allocation being allocated to AURA for an additional period beyond the period currently authorized by the Colorado Urban Renewal Law, which is twenty-five (25) years from the effective date of the Plan, then AURA shall continue to make the

TIF Remittance transfers to the District for the duration of such additional period, in order that the District may continue to use such revenues in furtherance of the Plan.

3. Use of District Tax Levy Allocation. The District agrees to use TIF Revenues received pursuant to this Agreement in accordance with the statutory authority granted to the District under its Service Plan and §§ 32-1-101, *et seq.*, C.R.S. and in furtherance of the Plan.

4. Agreement Confined to District Tax Levy Allocation Revenue. This Agreement applies only to the District Tax Levy Allocation revenues, as calculated, produced, collected and allocated to AURA within the Urban Renewal Area described by the plan in accordance with § 31-25-107(9)(a)(II), C.R.S. and the rules and regulations of the Property Tax Administrator of the State of Colorado, and does not include any other revenues of the City or AURA.

5. Subordination. In the sole discretion of AURA, the obligation of AURA to pay revenues from the District Tax Levy Allocation to the District may be made subordinate to any payment of the principal of, the interest on, and any premiums due in connection with bonds of, loans or advances to, or indebtedness incurred by AURA for financing or refinancing, in whole or in part, the Urban Renewal Project specified in the Plan.

6. Delays. Any delays in or failure of performance by any party of its obligations under this Agreement shall be excused if such delays or failure are a result of acts of God; acts of public enemy; acts of the Federal or state government; acts of any other party; acts of third parties; litigation concerning the validity of this Agreement or relating to transactions contemplated hereby; fire, floods, strikes, labor disputes, accidents, regulations or order of civil or military authorities; shortages of labor or materials; or other causes, similar or dissimilar, which are beyond the control of such party. Notwithstanding the foregoing, where any of the above events shall occur which temporarily interrupt the ability of AURA to transfer or pay District Tax Levy Allocation revenues as provided in Paragraph 2, as soon as reasonably possible after the event causing such interruption no longer prevails, AURA shall transfer and pay the total amount of the District Tax Levy Allocation revenue that has been received by AURA that is then owing to date, as determined according to the provisions of Paragraph 2 to this Agreement.

7. Notification of Intended Amendments to the Plan; Agreement Not Part of Plan. AURA agrees to notify District in writing of any proposed amendments to the Plan, whether or not such amendment would constitute a substantial modification under the Colorado Urban Renewal Law, at least ninety (90) days prior to the public hearing at which the City will consider such amendment. Both parties agree that this Agreement shall not, upon signature, become part of the Plan, but rather, is a stand-alone agreement authorized pursuant to § 31-25-107(11), C.R.S. Notice provided to the District of the proposed amendment pursuant to this paragraph shall act as compliance with the provisions of § 31-25-107(3.5)(a), C.R.S., requiring notice to the Board of Directors of substantial modification to the Plan.

8. Termination and Subsequent Legislation. This Agreement may be terminated at any time upon the mutual written agreement of AURA and the District. Additionally, in the event of termination of the Plan, including the provision authorizing AURA to receive TIF Revenues, AURA may terminate this Agreement by delivering written notice to the District. The

Parties further agree that in the event legislation is adopted after the effective date of this Agreement that invalidates or materially effects any provisions hereof, the Parties will negotiate in good faith for an amendment to this Agreement that most fully implements the original intent, purpose and provisions of this Agreement.

9. Enforcement. AURA agrees that it shall use commercially reasonable efforts to cause remittance to the District of all moneys which may qualify as TIF Remittance.

10. Notices. All notices, demands, requests or other communications to be sent by one party to the other hereunder or required by law shall be in writing and shall be deemed to have been validly given or served by delivery of same in person to the addressee or by courier delivery via Federal Express or other nationally-recognized overnight air courier service, by electronically-confirmed email transmission, or by depositing same in the United States mail, postage prepaid, addressed as follows:

To AURA: Arvada Urban Renewal Authority  
5601 Olde Wadsworth Boulevard, Suite 210  
Arvada, Colorado 80002  
Attention: Maureen Phair, Executive Director

With a Copy To: AURA Counsel  
Corey Y. Hoffmann  
Hoffmann, Parker, Wilson & Carberry, P.C.  
511 16<sup>th</sup> Street, Suite 610  
Denver, Colorado 80202

To the District: Haskins Station Metropolitan District  
White Bear Ankle Tanaka & Waldron, PC  
2154 East Commons Ave., Suite 2000  
Centennial, Colorado 80122  
Attention: Kristin Tompkins, Esq.

With a Copy To: White Bear Ankle Tanaka & Waldron, PC  
2154 East Commons Ave., Suite 2000  
Centennial, Colorado 80122  
Attention: Kristin Tompkins, Esq.

All notices, demands, requests or other communications shall be effective upon such personal delivery, one (1) business day after being deposited with United Parcel Service or other nationally-recognized overnight air courier service, on the date of transmission if sent by electronically-confirmed or email transmission, or three (3) business days after deposit in the United States mail. By giving the other party hereto at least ten (10) days written notice thereof in accordance with the provisions hereof, each of the Parties shall have the right from time to time to change its address or contact information.

11. No Election Required. The Parties acknowledge that, according to the decision of the Colorado Court of Appeals in *Olson v. City of Golden*, 53 P.3d 747 (2002), an urban renewal authority is not a local government and therefore is not subject to the provisions of Article X, Section 20 of the Colorado Constitution. Accordingly, AURA may enter into this Agreement and agree to remit the District Tax Levy Allocation in accordance with the terms and provisions of this Agreement without electoral authorization, and such obligations are not subject to annual appropriation.

12. Entire Agreement. This instrument embodies the entire agreement of the Parties with respect to the subject matter hereof. There are no promises, terms, conditions, or obligations other than those contained herein; and this Agreement shall supersede all previous communications, representations, or agreements, either verbal or written, between the Parties hereto. No modification to this Agreement shall be valid unless agreed to in writing by the Parties hereto.

13. Binding Effect. This Agreement shall inure to the benefit of and be binding upon the Parties hereto and their successors in interest.

14. No Third-Party Enforcement. It is expressly understood and agreed that the enforcement of the terms and conditions of this agreement, and all rights of action relating to such enforcement, shall be strictly reserved to the undersigned Parties and nothing in this agreement shall give or allow any claim or right of action whatsoever by any other person not included in this Agreement. It is the express intention of the undersigned Parties that any entity other than the undersigned Parties receiving services or benefits under this Agreement shall be an incidental beneficiary only.

15. No Waiver of Immunities. Nothing contained herein shall be construed as a waiver, in whole or in part, by any Party hereto, of the rights, protections, and privileges afforded under the Colorado Governmental Immunity Act, § 24-10-101, *et seq.*, C.R.S., or under any other law. No portion of this Agreement shall be deemed to have created a duty of care that did not previously exist with respect to any person not a party to this Agreement.

16. Severability. If any provision of this Agreement is found to be invalid, illegal or unenforceable, the validity and enforceability of the remaining provisions shall not in any way be affected or impaired thereby. Further, in the event of any such holding of invalidity, illegality or unenforceability (as to any or all parties hereto), the Parties agree to take such action(s) as may be necessary to achieve to the greatest degree possible the intent of the affected provision of this Agreement.

17. No Assignment. No Party may assign any of its rights or obligations under this Agreement without the express prior written consent of the other Parties. Any attempted assignment in violation of this provision shall be void and of no force and effect.

18. Paragraph Captions. The captions of the paragraphs are set forth only for the convenience and reference of the Parties and are not intended in any way to define, limit, or describe the scope or intent of this Agreement.

19. Execution in Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original and all of which shall constitute but one and the same instrument.

20. Governing Law. This Agreement and the provisions hereof shall be governed by and construed in accordance with the laws of the State of Colorado.

21. No Presumption. The Parties to this Agreement and their attorneys have had a full opportunity to review and participate in the drafting of the final form of this Agreement. Accordingly, this Agreement shall be construed without regard to any presumption or other rule of construction against the party causing the Agreement to be drafted.

22. Days. If the day for any performance or event provided for herein is a Saturday, a Sunday, a day on which national banks are not open for the regular transactions of business, or a legal holiday pursuant to § 24-11-101(1), C.R.S., such day shall be extended until the next day on which such banks and state offices are open for the transaction of business.

23. Parties Not Partners. Notwithstanding any language in this Agreement or any other agreement, representation, or warranty to the contrary, the Parties shall not be deemed to be partners or in a joint venture, and no Party shall be responsible for any debt or liability of any other Party.

24. Effective Date; Automatic Termination. This Agreement shall be effective as of the date executed on behalf of each Party.

***[Remainder of page intentionally left blank, signature page follows.]***

IN WITNESS WHEREOF, the Parties hereto have caused their duly authorized officials to execute this Agreement effective as of the day and year first above written.

**AURA:**

**ARVADA URBAN RENEWAL AUTHORITY**, a  
body corporate and politic of the State of Colorado

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Alan Parker, Vice Chair

ATTEST:

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Maureen Phair, Recording Secretary

**DISTRICT:**

**HASKINS STATION METROPOLITAN DISTRICT**, a quasi-municipal corporation and political subdivision of the State of Colorado

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Officer of the District

ATTEST:

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Secretary

# 9940 West 59<sup>th</sup> Place

## Ralston Valley Gardens 4 Live / Work Studios

The purpose of this Application is to obtain a short-term construction loan from AURA to repurpose the existing building from office use to Live/Work.

Live / Work is a permitted use in the Planned Unit Development Business Professional (PUD B-P) Zone. The Loan will serve 3 purposes:

- 1) upgrades required by the International Building Code to meet fire safety and monitoring, handicap accessible ramps and bathrooms, and energy conservation measures
- 2) Functional upgrades to bring the 1958 residential floor plan up to the demands of the market in 2019. Reconfigure the interiors to be flex space by removing partitions, opening up spaces and providing movable walls that increase the opportunities for the spaces to meet the needs of a business incubator
- 3) Upgrades to the exterior that will serve as a catalyst and a model of good site design practices to the surrounding uses on this block. As owner for the past 4 years it became apparent that the once viable commercial area has struggled since traffic was rerouted to Kipling Street. Now, with the renaissance occurring to the east it is time for the business owners in the triangle to make reinvest in their street presence so as to capitalize on the close proximity to market area that is rebounding.

When completed in the Fall of 2019 the 4 units will serve as an incubator for young businesses looking for affordable commercial space that can also can also double as the operator's residence. The location is 2 blocks from ground zero of the revitalized Ralston Creek Plan. This project will fill some of the need identified in the 2004 Urban Renewal Plan for vibrant energized mixed uses. The Plan envisioned a main street concept on the site of the old Chucky Cheese and Safeway. Due to market forces that concept fragmented into apartments along the creeks and commercial along the arterials. There is no mix as there is for example in Belmar in Lakewood where residents live above shops and to encourage activity is 24/7. Workshops in Advance Arvada propose this idea along

Ralston Road by rezoning the neighborhood commercial to “mixed use”. The closest example of what is possible under MX is in the new Century project called Westtown at the corner of 64<sup>th</sup> and McIntyre. The zoning on the corner is Business Professional Residential (BPR). It permits the interface of commercial and residential. There are approximately 15 units of Live/Work on the first floor of the 3 story condominiums. I have interviewed the sales agents, architect, and the buyers to learn the how and the why. And the success of those live/work units have served as an impetus to venture into this new sector of the real estate market

## HISTORY

The property is located at 9940 W 59<sup>th</sup> Place and is currently a 4-unit office building. It was originally built as 4 apartments in 1958 and used as such until 1974 when it was rezoned to commercial with an asphalt parking lot with 19 parking spaces. Title work shows it was once owned by Mr. Bottinger of Ink Print. The plumbing in the crawl space of unit 4 shows that there was a beauty salon there at one time and the mail that continues to arrive suggests that some of the units were used for accounting offices.

My friend in Parker bought it in 2013 and tried to find office tenants. This has proved difficult. The property is hidden on a back street. It has remained 50% vacant for the entire 26 months. The only prospect he has was a dog wash that he decided would put bathtubs in each of the two bedrooms. Not wanting to tie up his money for 6 months to downzone the property to multi-family he sold it to me. The tenants I inherited were a deck & fence contractor that had operated out of Unit #4 for many many years. The back yard was to store his building materials. And in Unit #2 was a counseling service for persons convicted of driving under the influence that met for a few hours every Wednesday night. The fence contractor moved out to be in a larger space and the DUI Councilor fell behind in his rent and was asked to leave.

The inside is much the same as when it was built 57 years ago. The kitchens and bathrooms are still there so the conversion back to residential use should be fairly straightforward. There is a shortage of the larger 2 and 3 bedroom units in this area. Alta Vista neighborhood has very low vacancy rate. These are 910 square feet to 1,011 square feet in size and will fill some of that need.

To make it look more residential, areas of the asphalt up close to the building will be removed and landscaped with 6 trees. Some of the 19 parking spaces will be shifted around to 59<sup>th</sup> Place to make room for the landscape. The 23-foot wide drive aisle shared with the in-line store will remain.

The façade of the building will be repainted, the old aluminum windows replaced to be more energy efficient, and fenced patios will added to the back of

each unit similar to the other 4-plexes on this side of the block. Pictures will be presented at the meeting.

Live/Work is not an accepted concept in the lending world. This has been a learning process. There are institutional hurdles to funding mixed use projects. I have met with First Bank, Vectra Bank, US Bank, Colorado Business Bank, and lenders that do SBA Loans. The problem is that a 30 year loan on a live/work project cannot be sold if it has commercial uses. It must be purely residential. That forces this to go thru the much more involved commercial underwriting standards: environmental reports, lease up projections, market studies. The higher interest rates and shorter amortization period put this residential hybrid at a competitive disadvantage. Examples of higher carrying costs for a commercial use than residential use are having to pay twice as much for property tax and twice as much for insurance.

An overview of the construction costs:

Site work:

\$1,500	pin survey (Done)
\$3,000	Drawing as built plans to scale (Done)
\$4,500	Removing dead and dying trees that are a safety hazard

Permitting:

\$1,500	pre-application meeting with City of Arvada (done for multi-family in 2015, need to reapply for Live/Work.
\$1,000	pre-application meeting with Fire Marshall ( done )
\$5,500	Meeting with architect to go over live work building code requirements and draw up plans in AutoCAD to submit for permit.

Fire Safety upgrades:

\$10,400	Install dedicated 2 inch diameter water line to feed fire sprinklers with adequate volume of water. ( Done )
\$19,000	Install fire sprinkler system in all units ( plan is done, have 3 bids, need to award contract. Submit and wait 8 weeks to get approved by Fire Marshall)
\$10,000	Install fire alarm monitoring system for fire suppression system ( have 3 bids, Need to award contract)
\$3,200	Install security system, smoke and carbon monoxide detectors.

Compliance with the Americans with Disability Act.

\$2,000	Wheel chair access ramp for Unit #3
\$12,000	Install 5 foot an 11 foot ADA bathroom in Unit #3
\$2,500	Replace damaged glass in storefront door in Unit #3 , install outswing and hold open device.

Upgrades to Building

\$16,000	4 kitchens
\$12,000	4 bathrooms

\$20,000	Floor Coverings
\$8,000	Exterior Doors
\$7,200	Paint exterior
\$5,400	Paint interior
\$6,200	Trim and Baseboard

Landscape:

\$9,300	6 trees, 22 shrubs, sod
\$2,600	Demolition and repairs to asphalt in parking lot
\$3,000	Misc exterior repairs
\$4,600	4 courtyard screens/ fences

Total request \$150,000.

Period: 9 months

Collateral: first lien on the land and structure that I own free and clear.

My qualifications to perform will be presented on June 5<sup>th</sup>.

If there are any questions I can be reached at:

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