



**REGULAR MEETING OF THE AURA BOARD OF COMMISSIONERS
5601 Olde Wadsworth Boulevard, Ste. 210, Arvada, Colorado
5:30 p.m., Wednesday, September 6, 2017**

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
9. New Business
 - A. Economic Analysis – Jesse Silverstein – Development Research Partners
10. Development Update
11. Public Comment – Five Minute Limit
12. Comments from Commissioners
13. Committee Reports
14. Staff Reports
15. Adjournment

**SUMMARY OF MINUTES OF REGULAR MEETING
ARVADA URBAN RENEWAL AUTHORITY BOARD OF COMMISSIONERS
WEDNESDAY, AUGUST 2, 2017
5601 OLDE WADSWORTH BLVD., SUITE 210, ARVADA, CO 80002**

REGULAR MEETING

1. **Call to Order** – Chair Fred Jacobsen called the meeting to order at 5:30 p.m.
2. **Moment of Reflection and Pledge of Allegiance**
3. **Roll Call of Members:** Chair Fred Jacobsen, Vice Chair Alan Parker, Treasurer Tony Cline, Commissioners Michelle DeLaria, Moni Piz Wilson, Sue Dolan, Marc Williams

Commissioner Williams moved to excuse the absence of Sue Dolan.

The following votes were cast on the Motion:

Voting yes: Jacobsen, Parker, Cline, DeLaria, Williams

Absent: Moni Piz Wilson, Sue Dolan

The Motion was approved.

Commissioner Williams moved to excuse the absence of Moni Piz Wilson.

The following votes were cast on the Motion:

Voting yes: Jacobsen, DeLaria, Williams

Voting no: Cline, Parker

Absent: Moni Piz Wilson, Sue Dolan

The Motion was approved.

AURA staff present: Maureen Phair, Executive Director; Mike Polk, Legal Counsel; Clark Walker, Deputy Director; Carrie Briscoe, AURA Coordinator; Peggy Salazar, Administrative Specialist

4. Approval of Minutes

The Summary of Minutes of the AURA Board meeting on June 2, 2017, stands approved as submitted.

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

None.

6. Public Hearing

None.

7. Study Session

None.

8. Old Business

- A. Arvada Super Walmart Presentation – Justin Miller, General Manager
Maureen Phair explained that Mr. Miller would not be presenting today. His presentation will be rescheduled for the September 2017 meeting.

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9. New Business

- A. Petition filed concerning AURA
Maureen Phair brought this matter to the Board's attention for informational purposes only. The City of Arvada will be handling the matter directly.
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10. Development Update

Super Walmart – Grand opening is scheduled for August 9, 2017 at 8:00 am. The monument sign has been installed on Ralston Road. Technology has been installed along the perimeter of the parking lot to keep shopping carts contained within the property. The landscaping has been completed. Ms. Phair also spoke to the future of Walmart. She referenced the article “Clash of the Titans – “Walmart vs. Amazon”.

Ralston Creek Streetscape – Streetscape around USBank is currently underway. The landscape in front of KFC/Taco Bell will start in one week. Xcel Energy will be able to underground power lines in the area now that an easement has been granted.

The Shops at Ralston Creek (Ralston Creek North Phase One) –This project's streetscape has been delayed because of the delays on Walmart's side.

Ralston Creek North Phase Two – Loftus and Carmel Partners have signed a Purchase and Sales agreement. They are currently in their due diligence stage. Carmel has submitted their concept plan during a pre-submittal meeting with the City. They received comments and will bring back a revised plan to the AURA Board in September.

Gateway at Arvada Ridge – Construction on the 298-unit, 4-story apartment complex has begun. It is estimated to open the beginning of summer 2018.

Solana – They will host a ribbon cutting ceremony Thursday, August 3, 2017. AURA's Board will participate.

Trammell Crow (9-acre TOD Site) – Their PDP for the apartments was submitted on July 7, 2017. They are waiting on the next round of comments from City Planning in the next week. They hope to get their PDP approval in the fall of 2017. Ms. Phair also summarized the various projects they have been awarded recently. Public improvement summary provided. This summary is also available on the AURA website. Commissioner Williams suggested also including the analysis from economic development concerning sales tax that will be generated by the new residents. Commissioner DeLaria suggested putting the attached documents on AURA letterhead. Commissioner Williams reiterated that each project page on the AURA website needs to focus on the blight represented by “before” pictures followed by the economic impact of the project. Commissioner DeLaria also suggested including in our summary of AURA that AURA's redeveloped areas contribute “X” amount to today's City sales tax base. Commissioner Parker suggested looking at the estimated sales and property tax revenue in comparison with the current tax revenues. These ideas will be considered by AURA staff.

Ms. Phair directed the Board to the Development Update and Project Summary sheet provided in the packet.

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11. Public Comment – Five Minute Limit

Chair Jacobsen went over the public comment ground rules.

Chris Kimmerle – 12563 W 75th PI, Arvada, CO – He asked how many parking spaces would be built in the 9-acre apartment building parking garage. His question is why is AURA/City guaranteeing a profit to the developer?

Cheri Wissel – 13660 W 59th Dr, Arvada, CO – She is concerned by the blight that is being created in Arvada. She would like to see more detail concerning the projects to be able to do her own analysis of the projects.

Staff will answer questions posed in public comment outside of the AURA board meeting.

12. Comments from Commissioners

Commissioner DeLaria suggested that AURA Staff work with City Staff to identify key attributes associated with the cost of services associated with the people that live in Arvada. There was further discussion on whether this information is part of AURA's mission.

Commissioner Williams announced that there was a groundbreaking ceremony for the Fitzmorris Recreation Center today. He also commented on the intent of the construction of 56th Avenue. This road was built to accommodate the RTD traffic into the Olde Town Transit Hub. He also commented on the closing of the Walmart store at 64th and Indiana. He reiterated that Arvada has been successful in urban renewal and an example in the regional at large.

13. Committee Reports

None.

14. Staff Reports

Flash Report

Website Update – We need to figure out a way to rename some of our headings (301 re-direct). Also, staff will look into the contact AURA feature.

2018 Budget Review

Transit Framework Plan Update

Udi's FF&E – appraised at \$24,400

15. Executive Session

Commissioner DeLaria moved to convene into Executive Session to conference with an attorney for the local public body for the purposes of receiving legal advice on specific legal questions, determine positions relative to matters that may be subject to negotiations; developing strategy for negotiations; and instructing negotiators, and to review the Summary of Minutes of the Executive Session of June 2, 2017.

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Mike Polk said that the topics for discussion are provided for in CRS 24-6-402(4)(b)(e)

The following votes were cast on the Motion:

Voting yes: Jacobsen, Parker, Cline, DeLaria, Williams

Absent: Piz Wilson, Dolan

The Motion was approved.

The AURA Board convened into the Executive Session at 6:53 p.m. and reconvened into the Regular Meeting at 8:45 p.m.

Regular Meeting

Commissioner Williams moved that the Arvada Urban Renewal Authority Board of Commissioners approve the Summary of Minutes for the Executive Session of June 2, 2017.

The following votes were cast on the Motion:

Voting yes: Jacobsen, Parker, Cline, Dolan, DeLaria, Williams

Absent: Piz Wilson, Dolan

The Motion was approved.

16. Adjournment

The meeting was adjourned by Chair Jacobsen at 8:46 p.m.

Fred Jacobsen, Chair

ATTEST:

Maureen Phair, Executive Director

Carrie Briscoe, Recording Secretary



Carrie Briscoe <cbriscoe@arvada.org>

Proposed Scope of Work for Economic Analysis

1 message

Maureen Phair <mphaire@arvada.org>

Fri, Sep 1, 2017 at 2:40 PM

To: Alan Parker <aparker5617@msn.com>, Carrie Briscoe <cbriscoe@arvada.org>, Clark Walker <cwalker@arvada.org>, "fred@smsg.com" <fred@smsg.com>, Marc Williams <mwilliams@arvada.org>, Michelle Delaria <mdelaria1@hotmail.com>, Mike Polk <mike-p@arvada.org>, Moni Piz Wilson <moni@grandmaspasta.com>, Peggy Moya <psalazar@arvada.org>, Sue Dolan <suedolan@dominos-now.com>, Tony Cline <commissionercline@gmail.com>

Hi all,

Per the Board's request to quantify the economic benefit of urban renewal to the citizen's of Arvada, the City and other taxing entities, we have engaged Development Research Partners (DRP). Patty Silverstein, DRP's President and Chief Economist, is a well known and respected economist in the Rocky Mountain Region.

DRP has submitted a draft scope of work for the Board to consider and will be at our meeting on Wednesday to discuss and receive your comments/suggestions - please see the draft below. As you can see, this is a very comprehensive analysis.

Depending on the Board suggestions, the economic analysis will run somewhere around \$35,000, we have money in our budget for this study. If the Board prefers, we can discuss the scope on Wednesday but make any decisions during the October meeting.

Enjoy the holiday weekend.

Mo

Hi Maureen –

Jesse and I are pleased to submit the following scope of work to address your need to highlight the benefits of urban renewal activities in Arvada. Please note that we provide this to start the discussion, so we look forward to your thoughts. I will be in touch next week to get your feedback. Thanks!

SCOPE OF WORK

AURA was established in 1981 by the Arvada City Council and is responsible for revitalizing urban areas designated throughout the community by creating successful, high-quality projects. There are five designated urban renewal development areas throughout Arvada currently. In these areas, state law gives AURA the ability to assemble land and provide Tax Increment Financing (TIF), which is a vehicle where sales and property taxes may be leveraged to help finance redevelopment projects. These redevelopment projects bring a variety of economic and fiscal benefits to the community. The purpose of this project is to estimate and highlight the value that these urban renewal projects bring to the city of Arvada. Metrics measuring economic, fiscal, and financial benefits will be developed for each development area. Additionally, community lifestyle benefits will be evaluated. The metrics developed can be used in technical documents, public outreach and education, and talking points for various public forums.

The redevelopment areas include a mix of existing homes and businesses, and new homes and businesses made possible through the AURA investment. DRP proposes to estimate the benefits of the new homes and business activities that otherwise would not exist but for AURA's urban renewal activities. It is recommended that the benefits be calculated for each development area individually, which then can be summed to estimate the overall benefits of AURA activities.

Task 1: Economic and Fiscal Benefits of Annual Operations

Economic impact analysis is the analytical approach used to assess the measurable direct and indirect benefits (generally, business-to-business and consumer-to-business activity) resulting from a project over a specified time. The benefits will be estimated for a "typical operating year," defined to be the most recently completed calendar year (2016). Only those benefits that can be measured or quantified are included.

Fiscal impact analysis is a narrower concept that measures only the direct, public (governmental) costs and public revenues associated with a project. This analysis will provide an estimate of sales/use tax, property tax, and other governmental revenues associated with the development projects.

The following spending patterns will need to be estimated according to spending within the development areas, spending in Arvada but outside of the development areas, and spending outside of Arvada in order to isolate the value of the development areas, to the extent possible. The economic and fiscal benefits will be calculated within the framework of several categories of impacts and activities:

- 1.1 **Business Operations:** The on-going operations of new businesses located in the development areas result in dollars being spent in the community on wages and salaries, operating materials, maintenance, and the like. (Key Indicators: # Jobs, Average Wages, Annual Business Spending, Sales/Use and Property Tax Revenue, Other Government Revenue)
- 1.2 **Employee Spending:** Employees of the new businesses located in the development areas receive paychecks and spend that money on a variety of household purchases including such items as local retail activity and housing. (Key Indicators: Annual Employee Spending, Value of Housing Supported, Sales and Property Tax Revenue, Other Government Revenue)
- 1.3 **Resident Spending:** Residents of the new housing units make local purchases, both in the development area and outside of the development area, providing sales tax revenue. (Key Indicators: # Households, # Residents, Average Household Income, Household Spending, Household Taxable Spending, Sales and Property Tax Revenue, Other Government Revenue)
- 1.4 **Visitor Spending:** Some of the new businesses, most notably hotel operations, attract new visitors into the community. These visitors spend dollars on lodging, restaurants, entertainment, and other retail, providing sales tax revenue. (Key Indicators: # Visitors, Visitor Spending, Visitor Taxable Spending, Sales Tax Revenue, Other Government Revenue)

All of these spending categories will be combined to establish the typical annual economic and fiscal benefits of new development in the Arvada urban renewal areas. Estimates for each development area will be calculated separately, which may be combined to estimate the annual value of all AURA activities.

Task 2: Economic and Fiscal Benefits of Construction Activity

Dollars spent by AURA and private developers to construct new physical structures provide a one-time economic benefit to Arvada. The impact of construction needs to be accounted for separately from the on-going operations, as these impacts occur only during that period in which the construction activity occurs. Construction impacts include expenditures on construction labor, construction materials, and project soft costs. (Key Indicators: Value of Construction, Construction Workers, Construction Spending, Development Fees, Sales/Use Tax Revenue)

Task 3: Return on Public Investment

Urban renewal agencies have a fiduciary responsibility to make investments in the community's best interests. DRP will evaluate various financial indicators to measure the financial impacts from public investments. The following measures will be calculated for each development area, which may be combined to estimate the total value of AURA activities.

- 3.1 **Net Revenue Collections:** Entails measuring the total collections from city fees collected (net of encumbered tax increments) and would include various fees collected from residents and businesses. This can be reported as a lump sum amount and/or as an Internal Rate of Return on TIF investments made over the TIF period.
- 3.2 **Dollars Leveraged:** Defined as the ratio of dollars of private investment per dollar of public investment, this measure is simple to explain, insightful, and relatively easy to understand. Investment Ratios applicable to each development area include:

- Total Private Investment\$/URA Investment\$
- Developer Funded Public Infrastructure\$/URA Invested\$
- Developer Public Infrastructure Investment/City Infrastructure Investment\$
- Cumulative TIF\$/Total Cumulative Private Development Investment\$

3.3 Incremental Property and Sales Tax Bounce Back: Once the TIF period ends, incremental property and sales tax will be unencumbered and revenue will resume to the impacted districts – the bounce back. It would be informative to the public to publish a bounce back schedule for each development area that indicates when the TIF encumbrance expires (or expired) and the anticipated (or actual) incremental tax revenues that bounce back to each tax district. As a retrospective, it will be useful to also compare the amount of bounce back revenues compared to an inflation-adjusted base estimate of revenues if the incremental development had not occurred.

Task 4: Community Lifestyle

Urban renewal authorities provide measurable benefits to communities, residents, businesses, and local governments. In addition, AURA enhances the quality of life in Arvada through their redevelopment activities. DRP proposes to include an evaluation of urban renewal activities, which may include some of the following points:

- Improved entrepreneurial environment
- Improvement in age and variety of housing stock with new housing construction
- Increased availability of household goods and services
- Improved ability to maintain local road infrastructure
- Improvements to storm drainage and flood control
- Increases in open space and parks funding

Information Needed

In order to complete the analysis, DRP will need access to various pieces of information. This information includes, but is not limited to, the following:

1. City sales tax collection data: current and historical, by retail category, by URA boundaries, and for the City as a whole, if possible
2. Detailed construction data for any current and planned construction projects (description of project, construction timeline, detailed construction costs or cost estimates).
3. TIF related data on each development area including base assessment, tax increments generated, and TIF investment.

Patty Silverstein

President & Chief Economist

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Development Research Partners

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ARVADA URBAN RENEWAL AUTHORITY

Respecting our past. Engaging our future.

AURA Flash Report

Balances as of July 31, 2017

FOR DISCUSSION PURPOSES ONLY

UNOFFICIAL & UNAUDITED

CASH & INVESTMENTS

	Account Balance	Change from previous month	Net to AURA
Wells Fargo Bank			
General - Checking (0193)	188,859	5.66%	188,859
Ralston Fields - Checking (4061)	822,955	-5.05%	822,955
Ralston Fields Investments (9353)	342,283	0.07%	342,283
First Bank of Arvada			
0.20% CD Maturity 10/11/18 (9977)	317,568	0.00%	317,568
Vectra Bank Colorado			
0.90% General Fund 04/08/19 (6319)	1,027,279	0.07%	1,027,279
0.65% General Fund 09/03/18 (6202)	1,011,967	0.11%	1,011,967
0.65% Ralston Fields Fund 09/03/18 (6210)	1,011,967	0.11%	1,011,967
0.65% Ralston Fields Fund 09/03/18 (6228)	1,011,967	0.11%	1,011,967
NET CASH AVAILABLE TO AURA			5,734,845

REAL ESTATE OWNED

Date Acq.	Name	Address	Purchase Price	Debt/Discount	Net Value
2013	TOD Parcel	5580 Vance Street	660,000	659,990	10
2004	Water Tower	Lot K	0	0	0
2015	Ralston Road Café	9543 Ralston Road	800,000	500,000	300,000
2016	Arvada Square	9465 Ralston Road	4,963,065	3,865,808	1,097,257
2017	TOD Parcel - Gun Club		10	0	10
NET VALUE OF REAL ESTATE OWNED					1,397,277

LONG TERM RECEIVABLES

Borrower	Current Loan Balance	Credit	Net Receivable
Udi's Loan (Payable by 2019)	212,200	100,000	112,200
NET LONG TERM RECEIVABLES			\$112,200

GENERAL FUND SOURCES OF GROSS INCOME As of July 31, 2017

	2017 Budget	Actual Collected YTD
Ralston Fields	0	880,000
Olde Town Station	40,000	-
Jefferson Center	169,000	19,747
Northwest Arvada	217,000	217,000
Village Commons	100,000	-
Tenant Rents (Independence Center & Arvada Square)	90,000	120,493
Loan Receipts (Udi's)	70,740	-
Interest & Misc. *\$15778 reimbursement of site expenses at Ralston Creek North	16,250	25,477
Safeway Sale Proceeds	2,000,000	2,000,000
TOTAL SOURCES OF INCOME	\$2,702,990	\$3,262,717

GENERAL FUND EXPENSES As of July 31, 2017

	2016 Budget	Expended YTD
Operating Expenses	1,063,461	327,438
TOTAL EXPENSES	\$1,063,461	\$327,438