



PUBLIC NOTICE OF REGULAR MEETING

The Arvada Urban Renewal Authority (AURA) Board of Commissioners will hold its regular board meeting in a hybrid format that will allow for in-person attendance at 5603 Yukon Street, #B, Arvada, CO 80002, or virtual attendance via Zoom Webinar at **3:00 p.m.** on **Wednesday, January 3, 2024.**

Anyone wishing to attend virtually may register as follows:

Register in advance for this webinar:

https://us06web.zoom.us/webinar/register/WN_gt0V_8jnSAOMHYqoecVffQ



After registering, you will receive a confirmation email containing information about joining the webinar.

If you need assistance with the virtual webinar process or have questions or comments for the AURA Board regarding the agenda items, please contact cbriscoe@arvada.org prior to noon on January 3, 2024. A recording of the meeting will be posted on AURA's website following the webinar.

Agenda information is attached.

Carrie Briscoe

Carrie Briscoe
Deputy Director/Recording Secretary



REGULAR MEETING OF THE AURA BOARD OF COMMISSIONERS
5603 Yukon St, #B, Arvada, Colorado
3:00 p.m., Wednesday, January 3, 2024

AGENDA

REGULAR MEETING – 3:00 P.M.

1. Call to Order
2. Moment of Reflection and Pledge of Allegiance
3. Roll Call of Members
 - A. Oath of Office for Commissioner – Lauren Simpson
4. Approval of the Summary of Minutes – December 6, 2023
5. Public Comment of Issues not scheduled for Public Hearing – Three Minute Limit
6. Public Hearing - None
7. Study Session - None
8. Old Business
 - A. AR-23-20 Amended A Resolution of the Board of Commissioners of the Arvada Urban Renewal Authority Ratifying the Second Amendment to Redevelopment Agreement between Garrison 57, LLC and the Arvada Urban Renewal Authority
9. New Business
 - A. AR-24-01 A Resolution of the Board of Commissioners of the Arvada Urban Renewal Authority Approving the Eighth Amendment to the Amended and Restated Disposition and Development Agreement between Ralston Creek North, LLC and the Arvada Urban Renewal Authority
 - B. AR-24-02 A Resolutions of the Board of Commissioners of the Arvada Urban Renewal Authority Approving the Loan Agreement between Ralston Gardens LLC and the Arvada Urban Renewal Authority
10. Development Update
11. Public Comment – Five Minute Limit
12. Comments from Commissioners
13. Committee Reports
14. Staff Reports
15. Executive Session
16. Adjournment

**SUMMARY OF MINUTES OF REGULAR BOARD MEETING
ARVADA URBAN RENEWAL AUTHORITY BOARD OF COMMISSIONERS
WEDNESDAY, DECEMBER 6, 2023
5603 Yukon St, Suite B, ARVADA, CO 80002 Page 1**

REGULAR MEETING

- 1. Call to Order** – Chair Paul Bunyard called the meeting to order at 3:00 p.m.
- 2. Moment of Reflection and Pledge of Allegiance**
- 3. Roll Call of Commissioners**

Those Present: Chair Paul Bunyard, Vice Chair Peter Kazura, Treasurer Sue Dolan, Tim Steinhaus, Eli Feret

Commissioner Daria Drago arrived at approximately 3:11 pm via Zoom.

AURA staff present: Maureen Phair, Executive Director; Carrie Briscoe, Deputy Director; Giles Clasen, Communications Coordinator, and Corey Hoffmann, Legal Counsel

- 4. Approval of the Summary of Minutes – November 1, 2023**

Commissioner Bunyard made a motion to approve the November 1, 2023, board meeting minutes.

The following votes were cast on the Motion:

Voting yes: Dolan, Bunyard, Kazura, Steinhaus, Drago, Feret

Voting No: None

- 5. Public Comment of Issues not scheduled for Public Hearing – Three Minute Limit**

None

- 6. Public Hearing**

None

- 7. Study Session**

None

- 8. Old Business**

A. Ralston Road Streetscape Presentation – Brandi Rice and John Kohl, Norris Design; Darin Delay, City of Arvada

John Kohl and Darin Delay explained to the board the challenges facing the streetscape and discussed targeted solutions. They emphasized the importance of attractive and robust design on the edges.

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Commissioners Bunyard and Steinhaus both commented on the interaction at the previous board meeting. Both emphasized that the board's role is to hire experts, trust their expertise, and not get caught up in the minutia of project design.

Commissioner Steinhaus made a motion that the board approve the streetscape design.

The following votes were cast on the Motion:

Voting yes: Dolan, Bunyard, Kazura, Steinhaus, Drago, Feret

Voting No: None

Executive Director Phair and City Public Works Engineer Mazedur Hossain presented the value of funding a wider sidewalk on Ralston Rd. northwest from 58th Ave.

Commissioners Dolan, Bunyard and Steinhaus said replacing the current sidewalk with a wide sidewalk is remediation of blight and meets urban renewal's role. The wider sidewalk would be a benefit to pedestrians even if it lacks some beautification elements.

B. AR-23-18 - A Resolution of the Board of Commissioners of the Arvada Urban Renewal Authority Approving the Seventh Amendment to the Amended and Restated Disposition and Development Agreement between Ralston Creek North LLC and the Arvada Urban Renewal Authority

Commissioner Dolan made a motion to approve AR-23-18

The following votes were cast on the Motion:

Voting yes: Dolan, Bunyard, Kazura, Steinhaus, Drago, Feret

Voting No: None

C. AR-23-19 - A Resolution of the Board of Commissioners of the Arvada Urban Renewal Authority Approving the Purchase and Sale Agreement between the Arvada Urban Renewal Authority and Royal Oak, LLC, and Including Ralston Creek North, LLC as a Party in Interest

Commissioner Kazura made a motion to approve AR-23-19

The following votes were cast on the Motion:

Voting yes: Dolan, Bunyard, Kazura, Steinhaus, Drago, Feret

Voting No: None

D. AR-23-20 - A Resolution of the Board of Commissioners of the Arvada Urban Renewal Authority Approving the First Amendment to the Redevelopment Agreement Garrison 57 LLC and the Arvada Urban Renewal Authority

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Commissioner Kazura made a motion to approve AR-23-20

The following votes were cast on the Motion:

Voting yes: Dolan, Bunyard, Kazura, Steinhaus, Drago, Feret

Voting No: None

9. New Business

A. Yukon Streetscape Presentation – Ryan Sotirakis, Dig Studio

AR-23-21 - A Resolution of the Board of Commissioners of the Arvada Urban Renewal Authority Approving the Proposal for Landscape Architectural Services for Olde Town Arvada (Yukon Street)

Ryan Sotirakis, Dig Studio, on how the Yukon Streetscape will fit in with and help define the Olde Town Plan.

Commissioner Steinhaus made a motion to approve AR-23-21 so long that the design extends along Grandview Ave to Olde Wadsworth Blvd and takes into consideration simple integration of the Yukon Streetscape to the west side of Yukon in the future if needed.

The following votes were cast on the Motion:

Voting yes: Dolan, Bunyard, Kazura, Steinhaus, Drago, Feret

Voting No: None

B. AR-23-22 - A Resolution of the Board of Commissioners of the Arvada Urban Renewal Authority Approving the Termination of Easements Agreement between the Arvada Urban Renewal Authority and Daniels Petroleum Company

Executive Director Phair explained to the board that the resolution eliminates the shared parking agreement between AURA and the property owner.

Commissioner Dolan made a motion to approve AR-23-22

The following votes were cast on the Motion:

Voting yes: Dolan, Bunyard, Kazura, Steinhaus, Drago, Feret

Voting No: None

10. Development Update

Executive Director Phair presented to the board the following:

Ralston Creek Monument Sign – The new sign proposed at the southwest corner of Kipling and 58th Ave is currently in the development review process with the City of

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Arvada but was placed on hold until the City understood who would maintain the sign and pay for electricity. AURA will pay for running and maintaining the sign through the end of the urban renewal district. The City will take over management after the urban renewal district sunsets. The sign permit should be approved in the next week allowing the sign fabrication to begin.

Footers – The plans will go before the City’s Design Committee in January.

Deputy Director Briscoe Presented the following:

The Caroline - Brick is being added to the facade.

Berkeley Town Homes – The model homes will be opening in December.

Ralston Commons – The State of Colorado completed a surprise inspection to confirm storm water and erosion control measures were intact.

Garrison Garden Paseo - The contract was awarded to Brinkmann, and they will begin demolition on the site in December.

Trammell Crow - Snooze opened today. Smashburger will open Dec. 18. The Marriott is expected to open in January.

Ralston Gardens – The parking lot curb and gutter work is complete. Weather permitting, the parking lot will be paved in December. The elevator and stair shafts are under construction and wood framing is expected to begin in December.

11. Public Comment – Five Minutes Limit

None

12. Comments from Commissioners

Commissioner Kazura announced that he purchased the Bucksnot Saloon in Pine.

Commissioner Bunyard said the board needs to discuss a retreat in 2024 and Bunyard said he will reach out to each board member for feedback.

13. Committee Reports

Commissioner Steinhaus said that AEDA has hired new staff and fully moved into the new AEDA offices.

Commissioner Kazura, reporting for the BID, said that the skating rink is up in Olde Town, and the Holiday Market is full.

14. Staff Reports

Executive Director Phair directed the Board to view the Flash Report in the meeting

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packet. She announced that the new Mayor, Lauren Simpson, will be joining the AURA board and will take the oath of office in January 2024. She also noted that the proposed Board meeting schedule which includes two conferences in 2024. Commissioner Steinhaus requested the July board meeting date be moved. The board agreed to explore the 2024 calendar options at a future meeting. Communications Coordinator Clasen reported on social media activity and convey to the Board the feedback received.

Legal Counsel Hoffmann said there may be new Colorado legislation targeting urban renewal in the next legislative session. The URA reform may allow a taxing body that doesn't want to participate in an urban renewal district to thwart the creation of the district. This may be followed by even greater urban renewal reform in future legislation sessions. He said he would update the board as needed.

Hoffmann added that the City of Loveland is being sued after the Loveland City Council revoked a recently passed urban renewal district.

15. Executive Session

None

16. Adjournment

Chair Bunyard adjourned the meeting at approximately 5:00 p.m.

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Paul Bunyard, Chair

ATTEST:

Maureen Phair, Executive Director

Carrie Briscoe, Recording Secretary

**ARVADA URBAN RENEWAL AUTHORITY
AGENDA INFORMATION SHEET**

Agenda No.: 8A
Meeting Date: January 3, 2023
Title: Ratify the Second Amendment to Redevelopment Agreement between AURA and Garrison 57, LLC (Arvada Point Flats)

ACTION PROPOSED: Approve

BACKGROUND: In May 2021, AURA entered into a Redevelopment Agreement with Garrison 57, LLC to construct 36 apartments on a former single-family lot located at 57th and the Paseo.

On September 1, 2021, the AURA Board approved the First Amendment to the Redevelopment Agreement to correct the park fee amount. The park fees were estimated to be \$236,828 but actually came in at \$225,230.28, which is \$11,597.72 less than estimated. The Board amended the agreement to reflect the actual park fees.

On December 6, 2023, staff erroneously presented the Board with a *second* First Amendment to correct the completion date. The original agreement had the construction completed by June 1, 2023. To make the contract compliant with the actual completion date, the contract needs to be amended to January 1, 2024.

INFORMATION ABOUT THE ITEM: When the amendment number error was realized, a Second Amendment was prepared and signed by the Chair, which is now being presented to the AURA Board for ratification.

FINANCIAL IMPACT: There is no financial impact to AURA.

STAFF RECOMMENDATION: Approval

SUGGESTED MOTION: I move that Resolution AR-23-20, An Amended Resolution of the Board of Commissioners of the Arvada Urban Renewal Authority Ratifying the Second Amendment to the Redevelopment Agreement between AURA and Garrison 57

RESOLUTION AR-23- 20 Amended

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE ARVADA URBAN RENEWAL AUTHORITY RATIFYING THE SECOND AMENDMENT TO THE REDEVELOPMENT AGREEMENT BETWEEN GARRISON 57, LLC AND THE ARVADA URBAN RENEWAL AUTHORITY

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE ARVADA URBAN RENEWAL AUTHORITY, THAT:

Section 1. The approval of the Second Amendment to the Redevelopment Agreement between Garrison 57, LLC and the Arvada Urban Renewal Authority, attached hereto as **Exhibit A**, is hereby ratified, and the Chair is authorized to execute the same on behalf of the Authority.

DATED this 12 day of December, 2023.

Paul Bunyard
Paul Bunyard, Chair

[Signature]
Recording Secretary

APPROVED AS TO FORM

Corey Y. Hoffmann, Legal Counsel

SECOND AMENDMENT TO REDEVELOPMENT AGREEMENT

THIS SECOND AMENDMENT TO REDEVELOPMENT AGREEMENT (the "**Second Amendment**") dated as of Dec 12, 2023, is made by and between ARVADA URBAN RENEWAL AUTHORITY, an urban renewal authority and a body corporate and politic of the State of Colorado (the "**Authority**"), and GARRISON 57, LLC, a Colorado limited liability company ("**Developer**"). The Authority and Developer are sometimes collectively called the "**Parties**," and individually, a "**Party**."

RECITALS

WHEREAS, the Parties entered into that Redevelopment Agreement dated May 5, 2021, and the First Amendment thereto dated September 1, 2021 for the redevelopment of the property located at 9255 West 57th Avenue, Arvada, CO, (collectively, the "**Original Agreement**") authorizing the construction by Developer and reimbursement by the Authority of certain Eligible Improvements within the Redevelopment Property (the "**Project**"); and

WHEREAS, the Developer has constructed the Project, but the Parties desire to enter into this Second Amendment to reflect the status of the timing of the completion of the Project as set forth below.

NOW, THEREFORE, in consideration of the mutual covenants and promises of the Parties contained in this Second Amendment, and other valuable consideration, the receipt and adequacy of which are acknowledged, the Parties agree to the amended provisions set forth in this Second Amendment.

AGREEMENT

1. Section 3.1 subsection c. of the Original Agreement is amended to read as follows:

- c. Developer shall have completed construction of the Project by ~~June 1, 2023~~ **January 1, 2024** in order to be entitled to reimbursement of property tax increment generated by the Redevelopment Property through the year 2028; and

2. Section 4.1 of the Original Agreement is amended to read as follows:

4. DEVELOPER.

4.1 Acquisition, Construction, and Installation of Project. This Agreement shall not obligate Developer to proceed with the Project. If Developer proceeds with the Project, Developer shall be responsible for the financing, design, acquisition, construction, and installation of the Project.

The design and construction of the Project shall comply in all material respects with all applicable codes and regulations of entities having

jurisdiction, including any City requirements. In addition, the Project shall comply with the following minimum requirement:

- a. Developer shall set aside two (2) units within the thirty-six (36) unit apartment project as affordable or attainable housing for a period of fifteen (15) years, which can be accomplished as follows:
 - i. Set rents no higher than 80% or less of the area median income (AMI) through, or
 - ii. Acceptance of "Section 8" vouchers
- b. Developer shall accomplish compliance with this Section 4.1, by providing the Authority with a letter annually for 15 years no later than December 31 of each year, in a form acceptable to the Authority, certifying that the two (2) units have remained affordable confirming the eligibility of lessors, and assuring compliance with all applicable rules and restrictions.

~~The Parties further agree that if Commencement of Construction by Developer of the Project has not occurred by June 1, 2021, this shall not constitute an Event of Default hereunder, but that the Authority shall have the right to terminate this Agreement as set forth in Section 17 prior to the date Commencement of Construction occurs.~~

3. Original Agreement. The Original Agreement remains in full force and effect and is hereby ratified by the Authority and the Developer, and nothing in this Second Amendment is intended to otherwise modify the Original Agreement except as specifically set forth herein. The Original Agreement and this Second Amendment constitute all of the agreements between the Authority and Developer regarding the Project.

IN WITNESS WHEREOF, this Agreement is executed by the Parties as of _____, 2023.

ARVADA URBAN RENEWAL AUTHORITY



Paul Bunyard, Chairperson

ATTEST:



Maureen Phair, Recording Secretary

DEVELOPER

GARRISON 57 LLC, a Colorado limited liability
company

By: _____
Manager

ARVADA URBAN RENEWAL AUTHORITY
AGENDA INFORMATION SHEET

Agenda No.: Item 9A
Meeting Date: January 3, 2024
Title: Eighth Amendment to the Amended and Restated Disposition and Development Agreement between Ralston Creek North and AURA

ACTION PROPOSED: Approve

BACKGROUND: AURA entered into a DDA with Ralston Creek North in 2015 to develop a mixed-use project on the 16-acre site referred to as Ralston Creek North. The site consists of the former Arvada Square, Independence Center, Safeway, Ralston Road Café and most recently the gas station. All of these structures have been abated and razed.

Phase 1, The Shops at Ralston Creek, is developed and open. Berkeley Homes is currently constructing 44 townhome on the former Safeway site, also known as Phase 2. Phase 3, the 27 townhomes is under contract with Royal Oak. Phase 4, 186 apartment units located at the former Arvada Square property and is being developed by Loftus. Phase 5, former gas station, will be redeveloped by City Street Investors into a beer hall/restaurant, large public plaza and another small retail building.

This amendment pertains to Phase 4 identified above.

INFORMATION ABOUT THE ITEM: In the current economic climate, banks have limited lending to real estate projects. Loftus in unable to secure a construction loan with a bank for the development of the apartment project. As a result, Loftus is working with alternative lending sources that charge a much higher interest rate, somewhere between 9-13%.

Over the past few months, Loftus has been working with Strathcona, a financing firm out of Canada. Strathcona has been very positive, assuring Loftus everything is in order and has been promising a Term Sheet by “the end of the week” since late November but has not produced one yet.

Loftus reached out to their financial broker and shared their concern about getting a term sheet and reengaged them to look at the market. On a positive note, the debt market has opened up some given the positive news in the market.

Loftus was told it is likely that they will have more options and a cheaper cost of capital which will be very helpful to land a reasonable lender - the cornerstone of making this deal work. The broker thinks he will have multiple avenues to present by mid January.

On a different note, the sub-market is starting to feel the effects of deals being put on hold. Loftus' land broker is seeing 5-10% cost reductions on several of their projects - which matches what Loftus is hearing from multiple of other sources. Unfortunately, Loftus' GC has not reduced their pricing, in fact it has gone up slightly. Loftus is considering considering having another group price the deal with an agreement that it will have to be expedited.

Loftus has set a hard deadline of April first for both groups to present their best pricing. That being said, Loftus will not make the Schedule of Performance deadline to achieve financing by January 1, 2024.

Loftus has successfully sold his auto dealership and has identified this asset for \$6.5 million in a 1031 Exchange.

To allow Loftus additional time to secure project financing, the Schedule of Performance milestone dates will be adjusted by 3.5 months as outlined below.

PHASE 4 – RESIDENCES AT RALSTON CREEK

PATH A:

Permit Final Approval, Selection of General Contractor and Financing Commitment	4/15/24
Closing (Finalize Loan)	6/15/24
Commence Construction	7/15/24
Completion of Construction	11/15/26
AURA Certificate of Completion	6 Months after Completion

PATH B:

Deadline to secure General Contractor and Financing	4/15/24
Deadline for Redeveloper to identify acceptable purchaser for Phase 4 Plans and Rights	Four months from failing to secure General Contractor and Financing (No later than 8/1/24)
Deadline for closing with approved buyer for Phase 4 Plans and Rights	Four months from identifying acceptable purchaser (No later than 12/1/24)
Transfer to AURA of Phase 4 Plans and Rights in exchange for reimbursement of expenses	TBD at AURA's election

FINANCIAL IMPACT: Delaying the project will not affect AURA's finances other than to delay the timing of our loan with the City, the interest and principal amounts will remain the same.

STAFF RECOMMENDATION: Staff recommends approval.

SUGGESTED MOTION: I move that Resolution AR-24-01, A Resolution of the Board of Commissioners of the Arvada Urban Renewal Authority Approving the Eighth Amendment of the Amended and Restated Development Agreement between AURA and Ralston Creek North.

RESOLUTION AR-24-01

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE ARVADA URBAN RENEWAL AUTHORITY APPROVING THE EIGHTH AMENDMENT TO THE AMENDED AND RESTATED DISPOSITION AND DEVELOPMENT AGREEMENT BETWEEN RALSTON CREEK NORTH, LLC AND THE ARVADA URBAN RENEWAL AUTHORITY

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE ARVADA URBAN RENEWAL AUTHORITY, THAT:

Section 1. The Eighth Amendment to the Amended and Restated Disposition and Development Agreement between Ralston Creek North LLC and the Arvada Urban Renewal Authority, attached hereto as **Exhibit A**, is hereby approved, and the Chair is authorized to execute the same on behalf of the Authority.

DATED this ___ day of _____, 2024.

Paul Bunyard, Chair

Recording Secretary

APPROVED AS TO FORM

Corey Y. Hoffmann, Legal Counsel

**Eighth Amendment to Amended and Restated
Disposition and Development Agreement
(Ralston Creek North)**

WITNESSETH

Whereas, Arvada Urban Renewal Authority, a body corporate and politic of the State of Colorado (the "**Authority**") and Ralston Creek North, LLC, a Colorado limited liability company ("**RCN**"), entered into that certain Amended and Restated Disposition and Development Agreement dated as of April 7, 2021, for the redevelopment of certain property located within the Ralston Fields Urban Renewal Project Area for a mixed-use development (hereafter, the "**Project**"), which DDA was subsequently amended by the First Amendment to the DDA as of March 2, 2022, the Second Amendment to the DDA as of March 2, 2022, the Third Amendment to the DDA as of September 7, 2022, the Fourth Amendment to the DDA as of May 3, 2023, the Fifth Amendment to the DDA as of May 3, 2023, the Sixth Amendment to the DDA as of September 21, 2023 and the Seventh Amendment to the DDA as of December 6, 2023 (collectively, the "**DDA**");

Whereas, RCN assigned its rights as Redeveloper with respect to Phase IV of the DDA to Residences at Ralston Creek, Inc. ("**RRC**") pursuant to that certain Assignment of Disposition and Development Agreement dated _____ (RCN, RRC and the Authority are each referred to as a "**Party**" and collectively the "**Parties**");

Whereas, **Exhibit C** to the DDA is a Schedule of Performance that governs the times for performance by the Parties and requires amendment to reflect various changing conditions related to the Project; and

Whereas, the Parties therefore wish to also update the Schedule of Performance to reflect the current circumstances of the Project.

In consideration of the facts set forth in the Recitals and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged and confessed, it is THEREFORE AGREED BY THE PARTIES AS FOLLOWS:

1. **Defined Terms.** All capitalized terms used but not defined in this Eighth Amendment will have the meanings set forth for such terms in the DDA. All terms that are defined in this Eighth Amendment and used in any provisions that are added to the DDA pursuant to this Eighth Amendment will have the meanings set forth for such terms in this Eighth Amendment.

2. **Schedule of Performance.** The Parties have agreed to revise the Schedule of Performance for Phase 4. As such, **Exhibit C** to the DDA is hereby replaced for all purposes with the Schedule of Performance attached to this Eighth Amendment and incorporated herein as **Exhibit C**.

3. **Ratification.** Except as amended hereby, the DDA remains unmodified and in full force and effect. In the event of any conflict between the DDA and this Eighth Amendment, the terms and provisions of this Eighth Amendment shall control.

4. **Counterparts; Electronic Delivery.** This Eighth Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Executed copies hereof may be delivered by email or other electronic means (including, without limitation, DocuSign) and upon receipt will be deemed originals and binding upon the parties hereto, regardless of whether originals are delivered thereafter.

[Signatures on the following page]

DATED THIS _____ DAY OF _____, 2024.

The Authority:

ARVADA URBAN RENEWAL AUTHORITY

By: _____

Name: _____

Title: _____

ATTEST:

By: _____

Name: _____

Title: _____

RCN:

RALSTON CREEK NORTH, LLC

By: _____

Name: _____

Title: _____

ATTEST:

By: _____

Name: _____

Title: _____

RRC:

RESIDENCES AT RALSTON CREEK, INC.

By: _____

Name: _____

Title: _____

ATTEST:

By: _____

Name: _____

Title: _____

EXHIBIT C
DDA SCHEDULE OF PERFORMANCE

PHASE 3 - ROYAL OAK

MILESTONE/EVENT	DEADLINE
Conditional Use Permit Submittal	Complete
Conditional Use Permit Approval	Complete
Pre-Application Meeting with City of Arvada	November 2023
Present and obtain AURA Board approval of site plan and building elevations	February 2024
Land Closing (upon receipt of construction permits)	October 2024
Commencement of Construction	November 2024
Completion of Construction	November 2026
AURA Certificate of Completion	June 2027

PHASE 4 – RESIDENCES AT RALSTON CREEK

PATH A:

Permit Final Approval, Selection of General Contractor and Financing Commitment	4/15/24
Closing (Finalize Loan)	6/15/24
Commence Construction	7/15/24
Completion of Construction	11/15/26
AURA Certificate of Completion	6 Months after Completion

PATH B:

Deadline to secure General Contractor and Financing	4/15/24
Deadline for Redeveloper to identify acceptable purchaser for Phase 4 and/or Phase 5 Plans and Rights	Four months from failing to secure General Contractor and Financing (No later than 8/1/24)
Deadline for closing with approved buyer for Phase 4 and/or Phase 5 Plans and Rights	Four months from identifying acceptable purchaser (No later than 12/1/24)
Transfer to AURA of Phase 4 and/or Phase 5 Plans and Rights in exchange for reimbursement of expenses	TBD at AURA's election

PHASE 5 - ARVADA BEER GARDEN

MILESTONE/EVENT	DEADLINE
Conditional Use Permit Submittal	Complete
Conditional Use Permit Approval	Complete
Pre-Application Meeting with City of Arvada	Complete
Present and obtain AURA Board approval of site plan and building elevations	On or before November 2023
Land Closing (upon receipt of construction permits)	On or before September 2024
Commencement of Construction	On or before October 2024
Completion of Construction	On or before August 2025
AURA Certificate of Completion	On or before January 2026

ARVADA URBAN RENEWAL AUTHORITY
AGENDA INFORMATION SHEET

Agenda No.: 9B
Meeting Date: January 3, 2024
Titles: Loan Agreement between Arvada Urban Renewal Authority and Ralston Gardens, LLC (Affordable Housing)

ACTION PROPOSED: Approve

BACKGROUND: On May 29, 2020, Mile High Development and AURA entered into a Disposition and Development Agreement to construct 110 affordable housing units on the former Central Stores property with parking on a Walmart Outparcel.

During the October 4, 2023 Board Meeting, Mile High Development requested a reimbursement of \$1,053,401.11 for unanticipated costs in the development of the project. The Board determined it was appropriate to reimburse the developer \$215,190.12 of the requested funds.

INFORMATION ABOUT THE ITEM: A tax credit project is not able to receive additional capital once the partnership has been formed, new capital must be in the form of a loan to the partnership with terms for repayment of the loan.

Therefore, AURA is loaning Ralston Gardens, LLC per the following:

Principle:	\$215,190.12
Terms:	40 years
Interest:	1% simple interest (or \$86,076 total interest)
Payment:	Principal and accrued interest payable 40 years after the loan has been disbursed

If AURA is not around in 2064, the City of Arvada will receive the loan repayment of \$301,266.12.

Below is an explanation for why a loan is required provided by the developer, George Thorn:

The Ralston Gardens project, as of our closing date in May 2023, is now owned in a partnership structure that includes a **majority** ownership by a tax credit partnership that was created by Key Bank and Key CDC, Key's Community Development Corporation (Key CDC). Mile High Development and Brinshore Development are Co-General Partners in this partnership and maintain a **minority** ownership through the first 15 years of this LIHTC (Low Income Tax Credit) partnership. The fifteen-year holding period, the "Compliance Period" allows for the Limited partnership to take all the tax losses generated by the project during this period. After the Compliance Period has run its' course, the Key CDC tax credit partnership

withdraws from the overall partnership and transfers its majority interest to the limited partner, in this case, the Mile High Development/Brinshore Partnership, which then owns 100% of the project.

In the case of additional capital coming into the partnership after it has been formed, new capital must be in the form of a loan to the partnership with terms for repayment of the loan. That way, the improvements built with the partnership's capital from all sources can be qualified as "basis" for tax purposes. If AURA were to have made the investment as a grant to Mile High Development, or to Ralston Gardens LLC, this would have created a taxable event for the partnership, whose sole purpose is to generate tax LOSSES, and could have resulted in a default to the partnership.

All other capital that will eventually come into Ralston Gardens LLC will be in the form of a loan, through a Loan Agreement similar to what we are proposing to AURA for its \$215,000 contribution. The lone exception is the tax credit installment payments made to the partnership by the Key CDC entity, which are in the form of Capital Contributions, which fund the project equity, so that the Investor member, the Key CDC partnership, can take tax losses as allowed under IRS Section 42 which covers all matters related to LIHTC projects.

This structure is used in all LIHTC projects, regardless of who the Investor is or who the Developer is, or where it is located in the United States.

FINANCIAL IMPACT: \$215,190.12 will come from the Ralston Fields account where there are adequate funds. If AURA is not around in 2064 when the loan is due, the City of Arvada will receive the loan repayment of \$301,266.12.

STAFF RECOMMENDATION: Approval of the Loan Agreement between Arvada Urban Renewal Authority and Ralston Gardens LLC

SUGGESTED MOTION: I move that Resolution AR-24-02, A Resolution of the Board of Commissioners of the Arvada Urban Renewal Authority Approving the Loan Agreement between Arvada Urban Renewal Authority and Ralston Gardens LLC.

RESOLUTION AR-24-02

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE ARVADA URBAN RENEWAL AUTHORITY APPROVING THE LOAN AGREEMENT BETWEEN RALSTON GARDENS LLC AND THE ARVADA URBAN RENEWAL AUTHORITY

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE ARVADA URBAN RENEWAL AUTHORITY, THAT:

Section 1. The Loan Agreement between Ralston Creek North LLC and the Arvada Urban Renewal Authority, attached hereto as **Exhibit A**, is hereby approved, and the Chair is authorized to execute the same on behalf of the Authority.

DATED this ____ day of _____, 2024.

Paul Bunyard, Chair

Recording Secretary

APPROVED AS TO FORM

Corey Y. Hoffmann, Legal Counsel

LOAN AGREEMENT

This LOAN AGREEMENT (the "**Agreement**") is made as of December __, 2023 (the "**Effective Date**") by and between ARVADA URBAN RENEWAL AUTHORITY, a body corporate and politic of the State of Colorado (the "**Authority**"), and Ralston Gardens LLC, a Colorado limited liability company ("**Ralston**").

RECITALS

A. The Authority and Mile High Development, LLC ("**Mile High**") entered into that certain Disposition and Development Agreement dated as of May 29, 2020 (the "**Purchase Agreement**"), pursuant to which Mile High agreed to purchase the IRG Parcel and the Stores Parcel (collectively, the "**Property**").

B. Pursuant to that certain Assignment and Assumption of Disposition and Development Agreement dated as of March 31, 2023, Mile High assigned to Ralston all of Mile High's right, title and interest in, under and to the Purchase Agreement and Ralston assumed all of Mile High's rights, duties and obligations under the terms of the Purchase Agreement.

C. Ralston, as successor in interest to Mile High and as the owner of the Property, is constructing an affordable housing project on the Property (the "**Project**")

D. Ralston's development of the Project has encountered certain unanticipated costs in the development of the Project in an amount estimated by Ralston to be One Million Fifty-Three Thousand Four Hundred One Dollars and eleven cents (\$1,053,401.11) (the "**Unanticipated Costs**").

E. The Authority has determined that it is appropriate for the Authority to loan Ralston the amount of Two Hundred Fifteen Thousand One Hundred Ninety and 12/100ths Dollars (\$215,190.12) to be used to pay a portion of the Unanticipated Costs (the "**Authority Loan**") as more fully set forth below.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual promises and covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Initially Capitalized Terms.** All initially capitalized terms used in this Agreement which are not otherwise expressly defined herein shall have the meanings ascribed to such terms in the Purchase Agreement.

2. **Authority Loan.** Subject to the provisions of Section 3 of this Agreement, the Authority hereby agrees to loan Ralston up to the total amount of Two Hundred Fifteen Thousand One Hundred Ninety and 12/100ths Dollars (\$215,190.12), as follows:

A. The amount of Two Hundred Thousand Dollars (\$200,000.00) for costs related to utility work in Ralston Road;

B. The amount of One Thousand Five Hundred Dollars (\$1,500.00) for the construction of a temporary retaining wall at the Paseo;

C. The amount of Two Hundred Eight and 03/100ths Dollars (\$208.03) for the cost of chipping that abandoned manhole on the North side of the Project; and

D. The amount of Thirteen Thousand Four Hundred Eighty-Two and 09/100ths Dollars (\$13,482.09) for the disposal of buried structures and utilities discovered as part of the Project.

3. **Payment of Authority Loan.** The Authority shall pay the amount of the Authority Loan to Ralston as more fully provided herein. Ralston will submit invoices to the Authority from the applicable subcontractor or other vendor who performed the scopes of work described in Section 2 above identifying that such scope of work has been performed and reflecting the amount that is due to such subcontractor or vendor for such scope of work, and which invoice shall be for an amount not less than the amount of the Authority Loan for each such scope of work set forth in Section 2 above. Within fourteen (14) days after Ralston has submitted such invoices to the Authority, the Authority shall disburse to Ralston an amount equal to the portion of the Authority Loan that relates to such scope of work provided in Section 2 above. The amount owing under the Authority Loan will accrue interest at the rate of one percent (1%) per annum from the dates such amounts are disbursed by the Authority to Ralston, until such amounts are repaid to the Authority by Ralston as more fully provided herein. The full principal balance of the Authority Loan, together with all accrued interest thereon (calculated on a simple interest basis and not compounding annually) shall be due and payable from Ralston to the Authority on the date that is forty (40) years after the date that the last installment of the Authority Loan has been disbursed from the Authority to Ralston as provided above (the “**Maturity Date**”); provided, however, if the Authority is not still an existing and/or operating entity as of the Maturity Date then Ralston will pay the full principal balance of the Authority Loan and all accrued interest thereon to the City of Arvada rather than to the Authority on the Maturity Date.

4. **Final and Entire Agreement; Integration.** This Agreement reflects the entire agreement between the Authority and Ralston regarding the Authority Loan, and supersedes any and all prior and contemporaneous agreements, negotiations, and communications, oral or written between the parties with respect to such matters. No representation, promise, inducement, or statement of intention has been made by any of the parties not embodied in this Agreement regarding the Unanticipated Costs or the Authority Loan, and no party shall be bound by or liable

for any alleged representation, promise, inducement, or statement of intention not set forth or referred to in this Agreement. No supplement, modification, or amendment to this Agreement shall be binding or effective unless executed in writing by both the Authority and Ralston.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

ARVADA URBAN RENEWAL AUTHORITY

By: _____
Paul Bunyard, Chair

ATTEST:

RALSTON GARDENS, LLC,
a Colorado limited liability company

By: _____
Name: _____
Title: _____

AURA Flash Report
Balances as of November 30, 2023

FOR DISCUSSION PURPOSES ONLY
UNOFFICIAL & UNAUDITED

CASH & INVESTMENTS

<u>Wells Fargo Bank</u>		<u>Account Balance</u>	<u>Hold</u>	<u>Net to AURA</u>
	General - Checking (0193)	384,769	-	384,769
	Ralston Fields - Checking (4061)	632,250	(220,000)	412,250
	Ralston Fields Investments (9353)	378,934	-	378,934
	Olde Town Station - Checking (0895)	251,169	-	251,169
	Village Commons - Checking (0887)	193,649	(14,000)	179,649
<u>First Bank of Arvada</u>			<u>% change from prior period</u>	
2.00%	CD Maturity 10/11/2027 (4548)	349,234	0.00%	349,234
<u>CSIP</u>				
	Ralston Fields Fund (9003)	1,126,131	0.4552%	1,126,131
<u>VectraBank</u>				
3.50%	Ralston Fields Fund - Money Market	3,530,563	0.2688%	3,530,563
5.00%	Village Commons - 6 month CD	1,012,725	0.0042%	1,012,725
5.25%	Olde Town Station - 1 year CD	1,017,848	0.4469%	1,017,848
NET CASH AVAILABLE TO AURA				8,643,272

REAL ESTATE OWNED

<u>Date Acq.</u>	<u>Name</u>	<u>Address</u>	<u>Purchase Price</u>	<u>Debt/Discount</u>	<u>Net Value</u>
2016	Arvada Square	9465 Ralston Road	4,963,065	4,963,064	1
2020	Gas Station	9205 W 58th Ave	3,000,000	2,999,990	10
2022	AURA Office Building	5603 Yukon St	1,175,000	0	1,175,000
2023	Hot Dog Building	7611 Grandview Ave	600,000	0	600,000
NET VALUE OF REAL ESTATE OWNED					1,775,011

LONG TERM PAYABLES

<u>Loan</u>	<u>Loan Start Date / Term Date</u>	<u>Original Loan Balance</u>	<u>Payments</u>	<u>Current Loan Balance</u>
Arvada Square	June 1, 2016 / June 1, 2028	5,000,000	2,149,447	2,850,553
Brooklyn's	January 1, 2016 / January 1, 2030	2,745,000	1,441,824	1,303,176
Tabernacle - Underground Utilities	2023	750,000	0	750,000
Wheat Ridge	2006/2026*	1,800,000	1,500,000	300,000
NET LONG TERM PAYABLES				\$5,203,729

GROSS INCOME & EXPENSES BY FUND As of November 30, 2023

	<u>2023 BUDGET</u>		<u>Actual Revenues YTD</u>	<u>Actual Expenses YTD</u>
	<u>Revenue</u>	<u>Expenses</u>		
Ralston Fields	15,484,500	15,800,000	7,349,185	8,582,907
Olde Town Station	1,370,069	2,066,569	1,107,176	1,050,034
Jefferson Center	18,000,000	16,765,000	20,648,709	19,684,926
Northwest Arvada	16,596,330	16,171,000	17,825,505	17,578,900
Village Commons	658,400	297,746	700,628	882,001
TOTALS	52,109,299	51,100,315	\$47,631,203	\$47,778,768

GENERAL FUND EXPENSES As of November 30, 2023

	<u>2023 Budget</u>	<u>Expended YTD</u>
Operating Expenses	608,522	517,654
TOTAL EXPENSES	\$608,522	\$517,654

*One more payment to Wheat Ridge, but 2 payments due to the City of Arvada.