

**MINUTES
LAKEWOOD REINVESTMENT AUTHORITY
CITY OF LAKEWOOD**

6:00 P.M

September 22, 2008

Minutes are not a verbatim transcription, but rather an attempt to capture the intent of the speaker by the City Clerk.

ITEM 1 – CALL TO ORDER

Chairman Murphy called the meeting to order at 6:00 p.m. in the City Council Chambers, Lakewood Civic Center South, 480 South Allison Parkway, Lakewood, Colorado.

ITEM 2 – ROLL CALL

Those present were: Bob Murphy, Chairman

Diana Allen
Doug Anderson
Cindy Baroway
Karen Kellen
Sue King
Debbie Koop
Adam Paul
Ed Peterson
Tom Quinn
Vicki Stack

Others in attendance: Mike Rock, City Manager
Larry Dorr, Finance Director
Malcolm Murray, Legal Advisor for LRA

Full and timely notice of this Lakewood Reinvestment Authority meeting had been given and a quorum was present.

ITEM 3 – PUBLIC COMMENT

None.

ITEM 4 -- RESOLUTION LRA 2008-1 -- DESIGNATING THE PUBLIC PLACE FOR POSTING NOTICES OF PUBLIC MEETINGS OF THE LAKEWOOD REINVESTMENT AUTHORITY DURING 2008 PURSUANT TO C.R.S. 24-6-402

No public comments were made.

A motion was made by Mrs. Allen and seconded by Mr. Peterson, to adopt Resolution LRA 2008-1.

VOTE: Ayes: 11 Nays: 0 The motion passed unanimously.

Chairman Murphy said Item 5, Item 6, and Item 7 will be considered under one public hearing. The City Clerk read said items into the record.

ITEM 5 – RESOLUTION LRA 2008-2 – OF THE BOARD OF COMMISSIONERS OF THE LAKEWOOD REINVESTMENT AUTHORITY AUTHORIZING THE WADSWORTH STATION AND THE OAK STREET STATION BETTERMENTS AS A WEST COLFAX AVENUE CORRIDOR REINVESTMENT PROJECT, KNOWN AS THE BETTERMENT PROJECT, AND DESIGNATING CONSTRUCTION IMPROVEMENTS TO BE INCLUDED THEREIN

ITEM 6 – RESOLUTION LRA 2008-3 -- THE BOARD OF COMMISSIONERS OF THE LAKEWOOD REINVESTMENT AUTHORITY AUTHORIZING AND APPROVING A LOAN FROM FIRSTBANK OF COLORADO TO CONSTRUCT CERTAIN PUBLIC IMPROVEMENTS AND DIRECTING THE EXECUTION AND DELIVERY BY THE AUTHORITY OF A PROMISSORY NOTE IN THE ORIGINAL PRINCIPAL AMOUNT OF \$2,975,000; APPROVING DOCUMENTS IN CONNECTION THEREWITH; AND RATIFYING PRIOR ACTIONS

ITEM 7 – RESOLUTION LRA 2008-4 – OF THE BOARD OF COMMISSIONERS OF THE LAKEWOOD REINVESTMENT AUTHORITY AUTHORIZING THE COOPERATION AGREEMENT BETWEEN THE CITY OF LAKEWOOD AND THE LAKEWOOD REINVESTMENT AUTHORITY REGARDING THE RTD STATION BETTERMENTS

Chairman Murphy said these Resolutions deal with the Betterments at the Wadsworth Bridge Station and the Oak Street Station. This is actually Stage 3 of a long-term vision by the City. Each stage involved extensive public input. He gave a brief overview of each stage, and noted that these projects do not involve any property acquisitions; neither will it create any general service debt obligations. Our dollar commitment is capped. Tonight's presentation will discuss the betterments or enhancements to existing structures.

John Plotkin, Chairman, Planning Commission & Chairman of Advisory Committee, introduced members of the Colfax Avenue Corridor Citizens Plan Advisory Committee. Said Committee recommends that the LRA designate Wadsworth Station and Oak Street Station Betterments as West Colfax Avenue Corridor Reinvestment Project. The proposed corridor runs from Sheridan to Simms (roughly one block north and south of Colfax). He said the Advisory Committee also recommended and City Council adopted it.

In regards to enhanced restrictions on the use of eminent domain—there are no eminent domain restrictions on what’s being recommended for approval. RTD is independently developing the West Corridor Light Rail, roughly following 13th Street, with major stations at Sheridan and Wadsworth – Oak and Union. The design by RTD is very simple and it contains no form of Lakewood signature. It provides limited prospect for design modifications or enhancements, except as funded by the City of Lakewood in Lakewood. The stations are owned, operated and controlled by RTD—not by Lakewood and there will be no acquisition by Lakewood in association with the stations. He noted that the stations are within the Transit Mixed-Use Zones that surround RTD owned property. This project will provide betterments to the West Wadsworth and Oak Street stations as a Colfax Corridor reinvestment project funded through tax increment financing.

The Advisory Committee met several times with the architects, discussed their designs, and the RTD base that will be improved. He briefly discussed the betterments noting that Wadsworth and Oak Street Stations will serve as major stations and as gateways to Lakewood for transit riders. Since the Wadsworth Station will be built above Wadsworth and visible from a distance, from north and south, the design should be attractive with a Lakewood identity/signature. The Committee feels that this project will generate appropriate development in the Transit Mixed-Use Zones around these stations and in turn bring in appropriate development along the Colfax Reinvestment Corridor. He showed RTD’s standard design and the Betterment design for both the Wadsworth Station and the Oak Street Station, and said the Advisory Committee unanimously and enthusiastically endorses these betterments, and feels they will be attractive/user-friendly stations. It will give a “Lakewood Signature” from bland to creative and unique, as we hope to communicate to our own citizens and people traveling on the light rail into Lakewood.

Carrie Mesch, resident of Two-Creeks Neighborhood and Co-Chair of the Advisory Committee, gave a brief overview of community outreach, reaction and funding for the project. She feels that stakeholders were well represented on the Committee, and that they were very thorough with their concerns—both financial and the effects of the betterments, i.e., the appearance – is it ‘welcoming’. Also safety concerns were discussed often. The Committee feels that the betterments provide more safety with the extra lighting, glass elevators and glass walls. Also, it sets an example for attracting more businesses to this area and sending a message that we are improving and we welcome new development along West Colfax. Letters of recommendation were submitted from the Board of West Colfax Community Association, Two Creeks Neighborhood Association and the Eiber Neighborhood Association Board in support of the proposed betterments at the 13th and Wadsworth Light Rail/surround area and the Oak Street Light Rail Station. Lakewood citizens and members of the Colfax Avenue Corridor Citizens’ Plan Advisory Group, Nancy Calahan and Fran Yehle, also submitted letters of support for the proposed light rail projects. She also noted that Home Depot and Colfax Center Redevelopment are now contributing to the Lakewood Reinvestment Authority.

Chairman Murphy opened the public hearing on Item 5, Item 6, and Item 7. Each item will be voted on individually.

There were no public comments.

Chairman Murphy asked about tax increment financing in some of the special districts in Lakewood.

David Abbink, Deputy Chief, West Metro Fire Protection District, said West Metro would receive revenues from property taxes as they would from any other situation in the District.

Mrs. Allen wanted to know if we would get funds to pay for future projects.

Larry Dorr, Treasurer, Lakewood Reinvestment Authority, said this project financing would not inhibit future projects because future projects will generate its own incremental property and sales tax revenue, and that revenue can be used to create redevelopment on those particular projects. He added that both the Home Depot and Colfax Center Redevelopment projects were not projects that required tax increment financing, so that revenue can be used to fund this project.

Mr. Anderson commented on the loan agreement, Item 4.8 Additional Debt, and asked if Home Depot were to leave the Colfax market, would there be funds available for any additional projects as things currently exist?

Mr. Dorr said when he noted that it would not inhibit future project financing, he meant those projects that would require additional funding. The loan agreement does say to the extent that this increment grows and would be needed to finance projects that would not develop any additional incremental property/sales taxes. That's not allowed until the coverage ratio kicks in. Thus, to the extent that projects were governmental or not taxable, then there would be some challenges. However, he does not foresee this happening. If Home Depot closed up shop, they would also have to tear down their building because they need to pay property taxes on their building and improvements.

Mr. Anderson asked if there was a pre-payment penalty that stipulates one-third over the first five years not being prepaid without additional fees and percentages.

Mr. Dorr said that's correct and it was one of the negotiation points. He does not anticipate any more than one-third will be paid in the first five years, but certainly, more than one-third can be paid in years five, 10, 15. However, he does foresee the potential growth of increments and the opportunity to pay off the debt sooner and save on interests, etc.

Mrs. Stack asked what additional taxing entities are planned.

Mr. Dorr said in regards to the West Colfax project, he's not aware of any plans for any Metropolitan Districts throughout the West Colfax Corridor at this time. However, it could be the function of some future project and of course, it would be a creation of the Metropolitan District and typically approved by the City Council and by a vote of the property holders within that district. In this reinvestment project overview, it's referred to as one of the future or potential tools for new projects in the Corridor. He's not aware of any at this time. In regards to the project before LRA today, there are no metropolitan/taxing districts contemplated for the betterment stations projects.

Mrs. Baroway asked if the loan amount is \$250,000 and we're bringing in \$270,000, how would the overage of \$20,000 a year allow us to do other projects?

Mr. Dorr said, hypothetically, if there is a project area in the Corridor and it's a 20-acre site where a re-developer is interested in building a mixed-use project of residential, office and retail. That renewal would create additional revenue. So the revenue to the Reinvestment Authority would go from \$270,000 to \$1,000,000, but in order to finance that redevelopment, it (redevelopment) would require that residual revenue. The residual revenue (difference between \$1,000,000 and \$270,000) would be used to finance that redevelopment. The first \$270,000 would pay for the station betterment. It's envisioning a scenario where the revenues go up to the Urban Renewal Authority by some amount greater than \$270,000 and that money could then be used to finance the outside projects.

Mike Rock, City Manager, inserted that projects generate revenue, thus, one implies the other – there is revenue to do a new project—a new project generates new revenue. We don't contemplate any projects that we would undertake that would not generate revenue. A zero revenue generation project is not one in which the City would be involved. Therefore, if we were to redevelop any site along Colfax that site would be expected to generate revenue, otherwise, we would not redevelop it. He gave the example of Belmar and the revenue it generated by new development was reinvested into the project.

Mrs. Baroway asked how do the betterments generate new revenue—we are not getting revenue from the betterments—that is something we want to do because it will be a great thing for the City. In looking at the loan payment amount, it appears to be half in a year – principal and interest—then the \$250,000. In essence, it's actually \$125,000 that's being paid back in a year.

Mr. Dorr said payments are twice a year of \$125,000.

Mr. Rock said we don't anticipate doing any more bridge betterment projects. This was a unique set of circumstances the Committee pointed out, it's a one-time shot with the light rail project. Traditionally, urban renewal projects up and down the corridor, as they exist on the Alameda Corridor or the Colfax Corridor, are projects that are anticipated to generate revenue. The revenue generated is applied to the new project.

Mrs. Stack asked if there was anything to determine how much weight the canvas could withstand without crumbling, i.e. wind, snow, etc.

Mr. Al Colussy, Klipp Architecture, designer of the bridge betterments, presented a graphic showing the canvas and noted that there are building codes requirements in terms of snow loading and wind loading. The material has to support all the worst case scenarios prescribed by the international building codes for snow loading and wind. He also noted that there are uplift design criteria, overturning moment and snow load, as well. Additionally, the federal requirements through RTD is having a worst case scenario in terms of an emergency, i.e., both trains arriving at the station at the same time and having an emergency evacuation. The design criteria for this is eight inch diameter steel columns, with a very firm support into the structural deck all the way through and transfers down columns into the ground.

Mr. Quinn said these are RTD stations with the betterments the City wants. He wanted to know how much control would the City of Lakewood over the betterments to make sure they are designed and built the way we want them to be.

Mr. Colussy said the appropriate end of the default condition falls back to Klipp Architecture in terms of what they've done. The design team hired by RTD who's been working on this for the past several years, have issued progress drawings and they describe them as 100% in terms of being complete. However, that 100% is really a misnomer in that it provides for RTD to do their final review of the design in concept and parallel with a budget that corresponds to that. Our task over the last several weeks has been to take copies and review them item-by-item in detail to make certain what you're getting in terms of the base structural design and station aesthetics, and at the same time also making sure that what's not to be built so the City of Lakewood receives the appropriate credit for the canopy pieces and/or other components, so that the City of Lakewood's dollars are maximized.

Mr. Anderson asked about a study on the lighting at the station.

Mr. Colussy said there are requirements for certain foot-candle level on the platform. They have completed said levels based on their fixture design proposed for the canopy. In checking the foot-candle levels at the perimeter of the platform, basically where the trains arrive, they found that the foot-candle levels drop down very dramatically—almost to the point of 1.2., whereas the normal foot-candle level at the platform would be about five foot-candles, in terms of a safety standpoint. He wanted to make it clear to all that they have foot-candle level readings at 25 ft. in the air, which would add to the light source, but they made sure that they minimize any light source visibility on grade from the fixtures that are anywhere from 25-35 ft. in the air, thus, no light pollution.

Mrs. Stack asked how would the RTD deferrals—windscreen on Wadsworth—work with our betterments project.

Becky Clark, Director of Lakewood Reinvestment Authority, said we've taken a look at the items that were deleted and to make sure that we're receiving credits, whatever form they may come. We took note that there were six windscreens in the original plan. RTD took away all six and as part of the betterment package to make it better. We placed two windscreens back and wanting to receive credit. We will receive credit for Wadsworth.

Mrs. Koop asked about bike racks and that the stations are as pedestrian-friendly as possible.

Mrs. Clark said Mr. Colussy was able to identify that the bike racks were taken away and they were placed in the wrong ledger side—the City of Lakewood side. We are talking about betterments above the platform, so this has been brought to RTD's attention and it's now on their ledger side, and now they are required to put in the bike racks, not the City of Lakewood. We have not seen the finished design.

Chairman Murphy asked about the responsibility for maintenance of the bridge.

Mr. Rock said we will negotiate a separate maintenance agreement, but the starting point as understood by both parties (City of Lakewood and RTD) is that RTD is responsible for maintaining the structures to the extent that you approve betterments that create more things to be maintained, i.e. larger canopies, new windscreens, etc. City of Lakewood would be responsible for incremental difference between the costs of maintaining the basic structure and the costs of maintaining the betterments. RTD would still perform the maintenance, we would negotiate a rate for said maintenance and have the ability to review it to make sure we're only paying our fair costs. The intent is that as all the corridors are eventually built out, different corridors may have different levels of betterments and its most appropriate that the entity benefiting from the betterments pay that incremental cost rather than having it passed on to all the users.

Mr. Quinn said it seems the theory is that building a better station will lead to more use and enhanced economic activity in the area, and he wanted to know if there were any examples where other cities have done this successfully and seen an increase in economic activities.

Mrs. Clark said yes, enhanced economic activity is what we hope to see. In regards to other cities, there are few examples in state, but one is City Center Englewood, which was one the first line to open. Betterments were put on that and it has attracted more visibility. The out-of-state examples would be Washington, DC line, the Dallas Area Rapid Transit Line, specifically Mockingbird Station. Some of these were put in by the individual entity themselves rather than the transit organization.

Mrs. Stack wanted to know if the verbiage would be changed in the packet regarding issuance date of the bonds. (Late summer is stated in the document).

Larry Dorr responded that when this initial package was drawn up some weeks ago, late summer was the initial estimate time. He said with approval from the LRA Board, said bonds are to be issued this week. The rate, terms and conditions are fixed by 1st Bank and they won't be changing.

Mr. Rock said for the record, they are not bonds – it is a loan agreement.

A motion was made by Mrs. Allen and seconded by Mr. Peterson to adopt Resolution LRA 2008-2.

Mr. Anderson said he will vote “no” on all three resolutions. He feels that taking out a loan on a liability fundamentally goes against his business logic and sense. He also feels that the funds could be used elsewhere. During discussion, it was noted that there are no projects planned that would not bring in additional revenue. However, an urban renewal on Colfax brings to mind how thoroughly embarrassed he is of the median strips on Colfax. They are devoid of any appeal whatsoever. Median strips and sidewalks don't bring in any income. One might envision projects that include median strips and sidewalks, but right now we have a small amount of money and we hope to expand it into a large amount of money through the use of debt on a liability and we're not looking at the most important things. Also, who will this benefit?

Mrs. Kellen wanted to congratulate all on the Committee for their hard work. She feels this is a great project, but she does not think it was the best place for the light rail for Lakewood. However, that decision is over and there's nothing we can do about it. So now we must make the best of the situation. She feels light rail will bring huge benefits to the City of Lakewood, and when she sees a bridge sitting above Wadsworth for all to see, she wants something that will tell people that “this City is a class act. It is a great place to live, a great place to have a business.” This place knows quality and will not stand for the minimalist stuff that RTD is going to put there when we have an opportunity to do something different-when we have the funding available through TIF to make a difference at the stations –to make them hospitable and a place where people don't mind waiting for the train. She feels the trains will get a lot of use and there will be many people at the station. Also, she feels that the betterments will help to encourage businesses to build quality developments, which is what we want in the City of Lakewood. Ultimately, this will be an asset to the City – not just a liability.

Mrs. Stack agreed with Mrs. Kellen. We need something that will draw more people into the area and we need more than just a plain site. She feels that the betterments will help the neighborhood accept this project.

Mr. Peterson complimented all the citizens who devoted countless hours to this endeavor. He said we could maximize the benefits that will arise out of this large project, and one way to do that is by doing things like the betterments. He noted too that the medians

along Colfax are not pretty and they don't speak to a vibrant and active corridor—but they've been there for a long time and we can fix them at a future date and hopefully we will through the LRA and other sources. This is a one-time shot and it has a huge component of vision with it. We need to take advantage of opportunities that are presented to us when they are presented and be flexible enough to move forward.

Mr. Quinn said he's impressed with the level of involvement with this project by the Advisory Group, citizens and Staff. This is something citizens worked on--not just an idea Staff came up with. He feels this will benefit all the citizens of Lakewood in the long term, and building good infrastructure, well designed aesthetically pleasing RTD stations will bring more economic development to the City.

Mrs. Koop said at the neighborhood meetings she has attended there's been nothing but positive response to this project. She, too, appreciates the hard work the Committee, citizens and Staff have put into this project.

Chairman Murphy said he, too, will support this resolution and the other two that are associated with it. He said it takes vision for good economic development. This is Stage III of a vision we first started formulating in late 2004 early 2005, and it will create a signature station at our largest light rail stop at 13th and Wadsworth, and a badly needed gateway to Colfax Avenue. It will help to stimulate economic development and help with some of the progress along Colfax Avenue in future years.

VOTE: Ayes: 10 Nays: 1 (Anderson) The motion passed.

A motion was made by Mrs. Allen and seconded by Mr. Peterson to adopt Resolution LRA 2008-3

VOTE: Ayes: 10 Nays: 1 (Anderson) The motion passed.

A motion was made by Mrs. Allen and seconded by Mr. Peterson to adopt Resolution LRA 2008-4

VOTE: Ayes: 10 Nays: 1 (Anderson) The motion passed.

ITEM 8 – RESOLUTION LRA 2008-5 -- AUTHORIZING A REVISED BUDGET FOR THE YEAR 2008 FOR THE LAKEWOOD REINVESTMENT AUTHORITY AND FURTHER ADOPTING THE ANNUAL BUDGET FOR THE LAKEWOOD REINVESTMENT AUTHORITY FOR THE FISCAL YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2009 AND ENDING ON DECEMBER 31, 2009, ESTIMATING THE AMOUNT OF MONEY TO BE DERIVED FROM TAX INCREMENT FINANCING AND SETTING FORTH THE APPROPRIATIONS FOR EACH FUND

Becky Clark, Director, Lakewood Reinvestment Authority, said currently there are three planned areas with three planned projects. She stated that the LRA Board is the City Council, Legal Counsel is Malcolm Murray, and serving as staff through an intergovernmental agreement are Mike Rock, Executive Director; Becky Clark, Director; Larry Dorr, Treasurer; and only one full-time employee, Rachel Griffin. She noted that the function of the LRA is limited -- it is to take in the Tax Increment Financing, which consists of both property tax and sales tax. Property taxes fund the majority of these projects and sales tax is passed through from the LRA and given to the City's General Fund. She recommended that the Board adopt the budget as presented.

Chairman Murphy opened the public hearing for comments.

There were no public comments.

A motion was made by Mrs. Allen and seconded by Mr. Peterson to adopt Resolution LRA 2008-5.

VOTE: Ayes: 10 Nays: 1 (Anderson) The motion passed.

ITEM 9 – APPROVAL OF MINUTES OF LAKEWOOD REINVESTMENT AUTHORITY

Lakewood Reinvestment Authority
Board Meeting

September 24, 2007

A motion was made by Mrs. Allen and seconded by Mr. Peterson to adopt the minutes of the Lakewood Reinvestment Authority Board Meeting of September 24, 2007.

VOTE: Ayes: 11 Nays: 0 The motion passed unanimously.

ITEM 10 – GENERAL BUSINESS

None.

ITEM 11 – ADJOURNMENT

There being no further business to come before the Authority; Chairman Murphy adjourned the meeting at 7:17 p.m.

Submitted by:

Margy Greer, City Clerk