



WESTMINSTER

**Westminster Economic Development Authority**

TO: The Westminster Economic Development Authority Board Members  
DATE: May 14, 2013  
SUBJECT: WEDA Post City Council Meeting Agenda for May 20, 2013  
PREPARED BY: J. Brent McFall, Executive Director

*Please Note: WEDA Study Sessions and Post meetings are open to the public, and individuals are welcome to attend and observe. WEDA was created by the Westminster City Council for the purpose of moving forward with strategic redevelopment of key areas of the City. WEDA Study Sessions and Post meetings are not intended to be interactive with the audience, as this is time set aside for WEDA Board Members to receive information, make inquiries, and to provide Staff with policy direction.*

ROLL CALL

PRESENTATIONS

None at this time.

INFORMATION ONLY

1. Westminster Economic Development Authority 1<sup>st</sup> Quarter 2013 Financial Update

EXECUTIVE SESSION

None at this time.

Items may come up between now and Monday night. The WEDA Board will be apprised of any changes to the agenda.

Respectfully submitted,

J. Brent McFall  
Executive Director



# WESTMINSTER

## Staff Report

WEDA Information Only Staff Report  
May 13, 2013



SUBJECT: Westminster Economic Development Authority 1st Quarter 2013 Financial Update

PREPARED BY: Barb Dolan, Sales Tax Manager  
Karen Creager, Special District Accountant

### Summary Statement

This report is for information only and requires no action by the Board. The report represents the unaudited financial position for each of the Westminster Economic Development Authority's (WEDA) Urban Renewal Areas (URAs) as of March 31, 2013.

### Background Information

WEDA currently includes seven separate URA's. This report presents the financial activity as of March 31, 2013. Except as noted, included in the report are the following for each URA:

- Year-to-date comparative graphs showing three years of operating revenues and expenses and debt service, as of March 31; and
- A chart with an at-a-glance look at the changes in revenues and expenses for comparable reporting periods from 2012 to 2013.

Additionally, attached are:

- A chart summarizing the unaudited financial position as of March 31, 2013; and
- A list of all current outstanding obligations of the URAs.

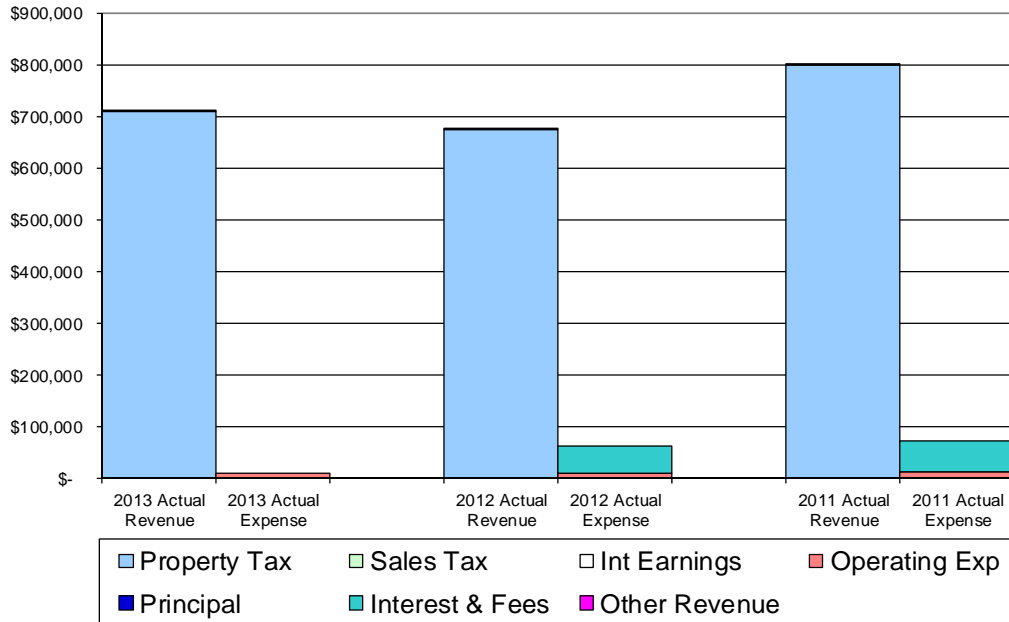
### Holly Park URA

- The General Fund and General Capital Improvement Fund loaned \$120,000 and \$1,125,000, respectively, to this URA to fund the capital project for the clean-up of the Holly Park property to ready it for resale. It is anticipated that any proceeds received from the future sale of property would be used to repay the loans.
- Tax year 2012 payable in 2013 is the first tax year that this URA's total assessed valuation is above the base valuation. Therefore, property tax increment increased in 2013 from 2012.
- Interest earnings decreased slightly in 2013 from 2012 due to continued spend down of project funds.
- Operating expenses increased in 2013 from 2012 due to the increase in the collection fee paid to the county treasurer, consistent with the increase in the property tax increment revenue.
- Due to minimal operating activity in the URA, no comparison graph is included.

Description	2013	2012	Change
Property tax increment	\$ 578	\$ -	\$ 578
Interest Earnings	139	161	(22)
Operating Exp	8	0	8

**Mandalay Gardens URA** (Shops at Walnut Creek)

**Mandalay Gardens URA Comparative Revenues vs Expenses as of 3/31/13**

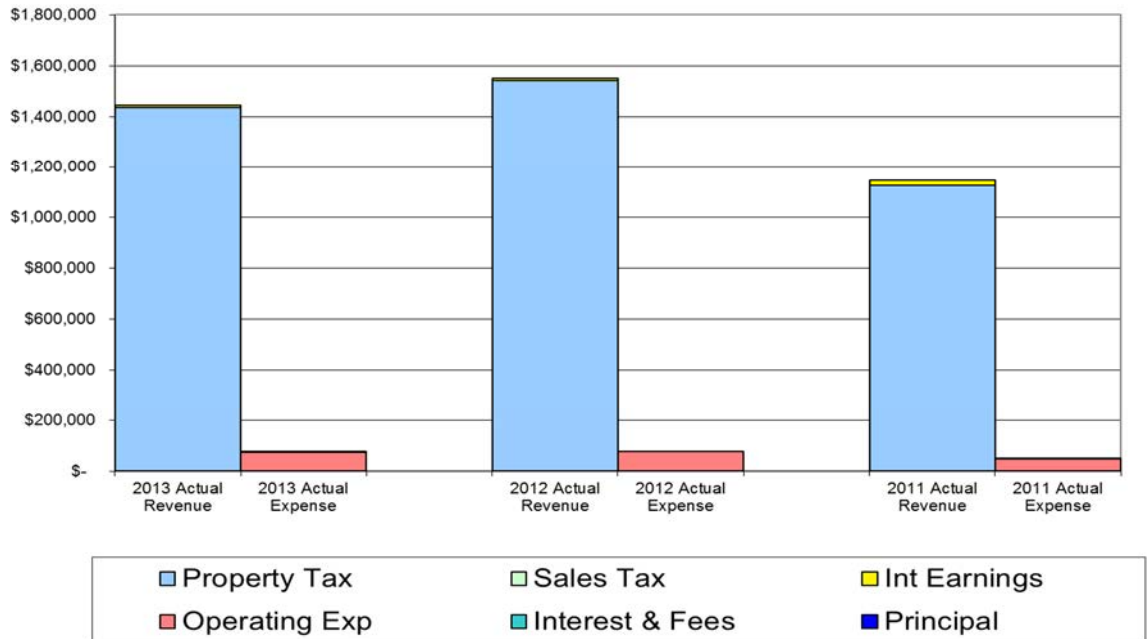


Description	2013	2012	Change
Property tax increment	\$ 710,038	\$ 675,237	\$ 34,801
Interest Earnings	351	196	155
Operating Exp	10,651	10,129	522
Interest and Fees	0	51,425	(51,425)

- Incremental assessed valuation decreased slightly in 2013 from 2012. However, actual property tax collections fluctuate from month to month, resulting in an increase in property tax increment collected in the 1<sup>st</sup> quarter of 2013 from the 1<sup>st</sup> quarter of 2012.
- The sales tax pledge has been 0% since March 2010 as funds on deposit with US Bank Trust along with anticipated property tax increment is sufficient to meet debt service requirements. Therefore, all sales tax revenue received from this URA was retained by the City.
- The Federal Reserve policy to maintain a Federal Funds rate between 0 - .25% through 2012 kept interest rates on investable funds low in 2012; however, URA funds invested as part of the City's pooled cash received slightly higher earnings in 2013 over the same period in 2012.
- Debt service expenditures decreased in 2013 from 2012. Based on the new debt service schedule, interest payments are made in June and December as opposed to the prior schedule that required monthly interest payments based on a variable rate of interest.
- Year-to-date operating expenses increased slightly in 2013 from 2012 due to an increase in the collection fee paid to the county treasurer, consistent with the increase in property tax increment revenue.

**North Huron URA**

North Huron URA Comparative Revenues vs Expenses as of 3/31/13

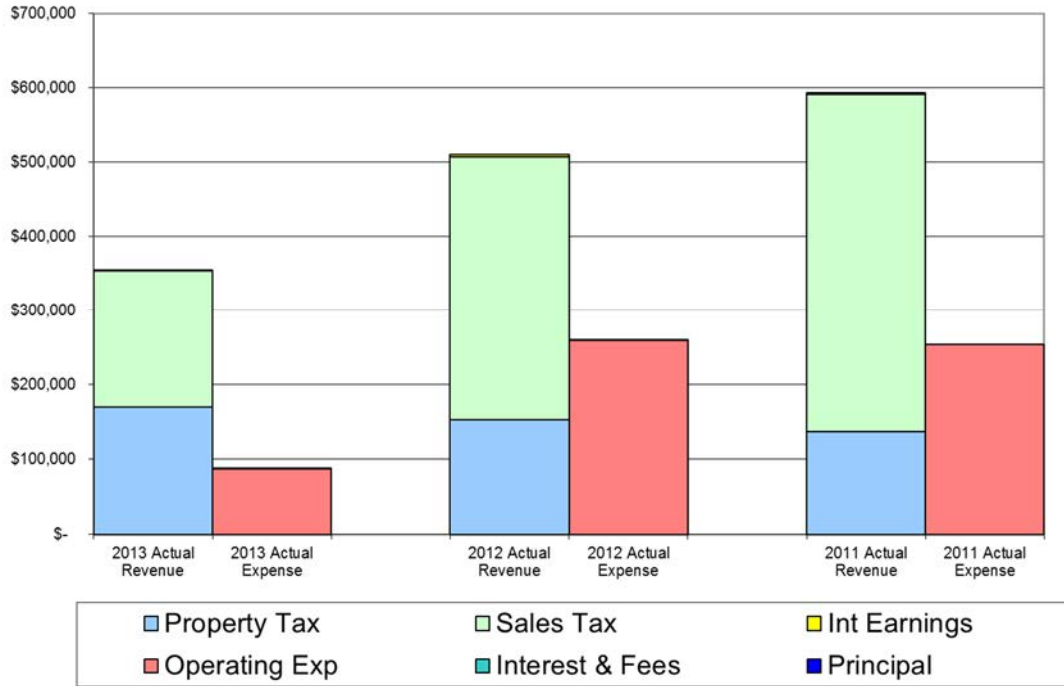


Description	2013	2012	Change
Property tax increment	\$ 1,437,013	\$ 1,543,095	\$ (106,082)
Interest Earnings	7,190	6,530	660
Operating Exp	73,782	78,878	(5,096)
Interest and Fees	43	-	43

- Incremental assessed valuation increased in 2013 from 2012. However, actual property tax collections fluctuate from month to month, resulting in a decrease in property tax increment in the 1<sup>st</sup> quarter of 2013 from the 1<sup>st</sup> quarter of 2012.
- The sales tax pledge has been 0% since March 2010 as funds on deposit with Compass Bank along with anticipated property tax increment are sufficient to meet debt service requirements. Therefore, all sales tax revenue received from this URA was retained by the City.
- Interest earnings increased in 2013 from 2012 due to the increase in funds at the Trust for the Orchard Parkway project.
- Total operating expenses decreased in 2013 from 2012 due to lower intergovernmental cooperation agreement (ICA) payments in 2013 and a decrease in the collection fee paid to the county treasurer, consistent with the decrease in property tax increment revenues.
- Debt service expenditures increased slightly in 2013 from 2012 due to fees paid to Compass Bank.

**South Sheridan URA**

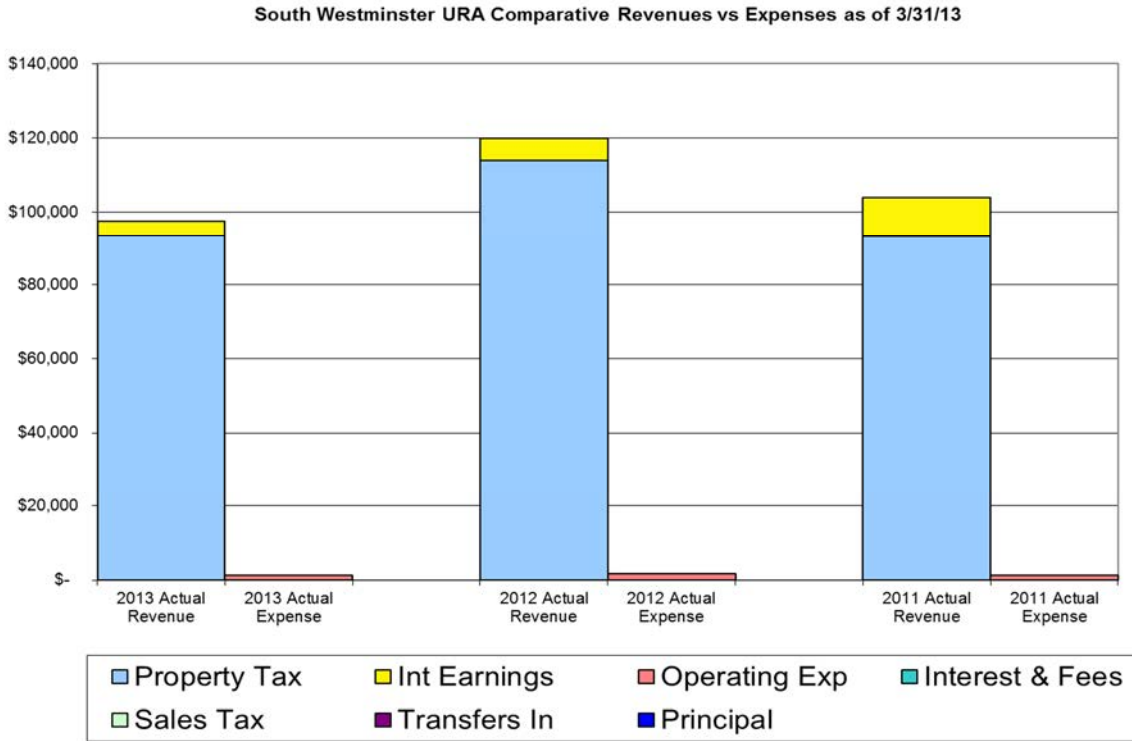
South Sheridan URA Comparative Revenues vs Expenses as of 3/31/13



Description	2013	2012	Change
Property tax increment	\$ 170,274	\$ 152,377	\$ 17,897
Sales tax increment	183,511	355,085	(171,574)
Interest Earnings	1,338	3,114	(1,776)
Operating Exp	86,712	259,493	(172,781)
Interest and Fees	30	27	3

- Incremental assessed valuation increased in 2013 from 2012 resulting in slightly higher property tax increment collections in 2013 from 2012.
- The sales tax pledge was 3% in January and February 2011, reduced to 2.3% through February 2012 and reduced again to 1.2% in May 2012. In March 2013, the pledged was decreased to 0% with property tax increment sufficient to meet URA obligations. Therefore, the City now retains all sales tax revenue received from this URA.
- Interest earnings decreased in 2013 from 2012 consistent with the reduced increment sent to the Trust in 2013.
- Operating expenses decreased primarily due to the completion of an EDA, somewhat offset by an increase in the collection fee paid to the county treasurer, consistent with the increase in property tax increment revenues.
- Debt service expenditures remained consistent in 2013 from 2012.

**South Westminster URA**

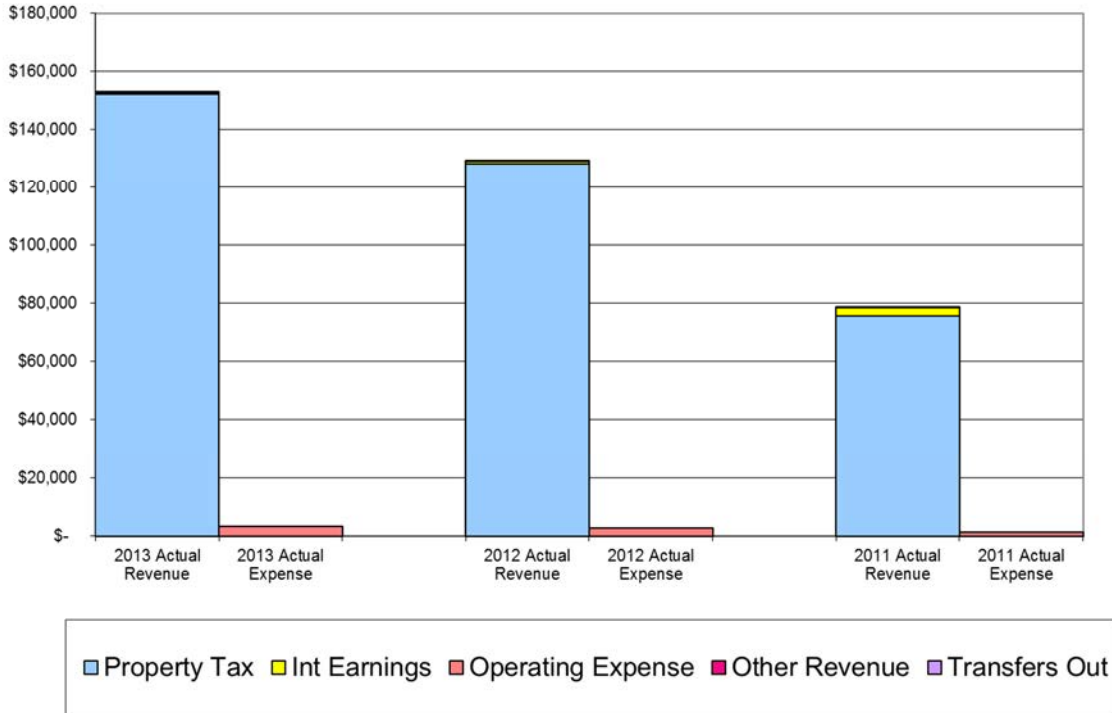


Description	2013	2012	Change
Property tax increment	\$ 93,484	\$ 113,918	\$ (20,434)
Interest Earnings	4,114	6,161	(2,047)
Other Revenue	14,439	8,681	5,758
Operating Exp	1,402	1,709	(307)

- Incremental assessed valuation increased in 2013 from 2012. However, actual property tax collections fluctuate from month to month, resulting in a decrease in property tax increment in the 1<sup>st</sup> quarter of 2013 from the 1<sup>st</sup> quarter of 2012.
- Neither Phase I nor Phase II met the sales tax base in the 1st quarter of 2013.
- Interest earnings decreased in 2013 from 2012 as a result of a lower cash balance in the URA.
- Other revenue increased due to restructuring of the Colorado Rural Housing Development Corporation note.
- Operating expenditures consisting of the collection fee paid to the county treasurer decreased in 2013 from 2012, consistent with the decrease in property tax increment revenues.

**Westminster Center East URA**

Westminster Center East URA Comparative Revenues vs Expenses as of 3/31/13

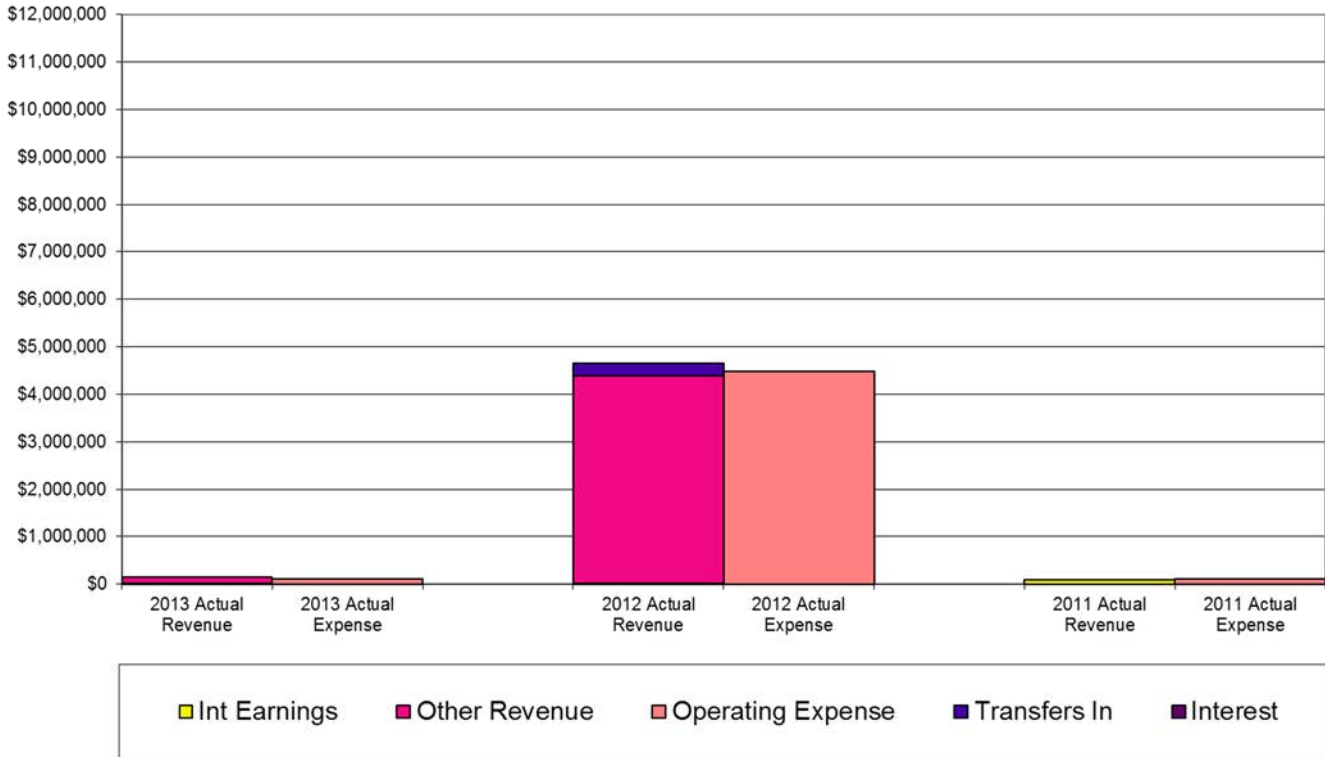


Description	2013	2012	Change
Property tax increment	\$ 152,246	\$ 128,222	\$ 24,024
Interest Earnings	572	773	(201)
Other Revenue	30	26	4
Operating Exp	3,281	2,787	494

- Incremental assessed valuation increased in 2013 from 2012, resulting in an increase in property tax increment in 2013 from 2012.
- No sales tax increment was realized in the first quarter of 2013 or 2012, since the base sales tax amount for this URA has not been met.
- Interest earnings decreased in 2013 from 2012 due to the lower cash balance in the URA.
- Other revenue increased slightly in 2013 from 2012.
- Operating expenses increased slightly in 2013 from 2012 due to the increase of collection fees paid to the county treasurer, consistent with the increase in property tax increment revenues.
- This URA has no financed debt obligations.

**Westminster Center Urban Reinvestment Project Area**

**Westminster Center Urban Reinvestment Plan Area Comparative Revenues vs Expenses as of 3/31/13**



Description	2013	2012	Change
Interest Earnings	\$ 7,623	\$ 10,139	\$ (2,516)
Transfers in	-	250,000	(250,000)
Other Revenue	128,395	4,385,602	(4,257,207)
Operating Exp	109,849	4,483,905	(4,374,056)

On April 13, 2009, City Council approved Resolution 12, Series 2009, which established the Westminster Center Urban Reinvestment Project Area (WURP) and the Reinvestment Plan. Tax increment financing approval was not requested at that time.

- Interest earnings decreased in 2013 from 2012 due to spend down of project cash.
- Transfers-in decreased in 2013 from 2012 as a transfer from the City was not budgeted for 2013.
- Other revenue decreased in 2013 from 2012 primarily due to the receipt of loan proceeds in 2012.
- Operating expenses for this URA include expenses for the redevelopment of the former Westminster Mall site. Expenses decreased in 2013 from 2012 due to reduced operating costs with the completion of site demolition. It is important to note that land purchase expenses reclassified as inventory – land held for resale - for financial reporting are not reflected in the chart above. Land held for resale additions were \$4,200,000 in 2012 and \$21,800,000 in 2011.
- This URA has no financed debt obligations.

This financial update assists the City in meeting the following Strategic Plan Goals: Strong Balanced Local Economy, Financially Sustainable City Government Providing Exceptional Services, Vibrant Neighborhoods in One Livable Community, and Beautiful and Environmentally Sensitive City by



reporting to the Board the changes in the revenues and expenses in the URAs in order to monitor the development and redevelopment efforts in the City.

Respectfully submitted,

J Brent McFall  
Executive Director

Attachments

- WEDA Unaudited and Unadjusted Financial Statements for period ending 3/31/13
- WEDA Obligations at 3/31/13

**Westminster Economic Development Authority**  
**Unaudited and Unadjusted Financial Statements**  
**For the period ending March 31, 2013**

	Holly Park	Mandalay Gardens	North Huron	South Sheridan	South Westminister	Westminister Center East	Westminister Center Urban Reinvestment Area	Total
<b>Revenues</b>								
<i>Property Tax</i>	\$ 578	\$ 710,038	\$ 1,437,013	\$ 170,274	\$ 93,484	\$ 152,246	\$ -	\$ 2,563,633
<i>Sales Tax</i>	-	-	-	183,511	-	-	-	183,511
<i>Interest</i>	139	351	7,190	1,338	4,114	572	7,623	21,327
<i>Miscellaneous</i>	-	-	-	-	14,439	30	128,395	142,864
<i>Intergovernmental</i>	-	-	-	-	-	-	-	-
<i>Other Financing Source*</i>	-	-	-	-	-	-	-	-
<i>Transfers In</i>	-	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>717</b>	<b>710,389</b>	<b>1,444,203</b>	<b>355,123</b>	<b>112,037</b>	<b>152,848</b>	<b>136,018</b>	<b>2,911,335</b>
<b>Expenses</b>								
<i>Operating</i>	8	10,651	73,782	86,712	1,402	3,281	-	175,836
<i>Capital Project -proj exp</i>	57	-	28,306	-	-	-	106,440	134,803
<i>Principal</i>	-	-	-	-	-	-	-	-
<i>Interest &amp; Fees</i>	-	-	43	30	-	-	-	73
<i>Other Financing Uses*</i>	-	-	-	-	-	-	-	-
<i>Transfers Out</i>	-	-	-	-	-	-	3,409	3,409
<b>Total Expenses</b>	<b>65</b>	<b>10,651</b>	<b>102,131</b>	<b>86,742</b>	<b>1,402</b>	<b>3,281</b>	<b>109,849</b>	<b>314,121</b>
<i>Revenues Over(under) Exp</i>	652	699,738	1,342,072	268,381	110,635	149,567	26,169	2,597,214
Beginning Fund Balance	(336,480)	4,716,540	16,024,241	2,007,848	160,074	240,053	32,672,836	55,485,112
Ending Fund Balance**	\$ (335,828)	\$ 5,416,278	\$ 17,366,313	\$ 2,276,229	\$ 270,709	\$ 389,620	\$ 32,699,005	\$ 58,082,326

\*\*Ending fund balance includes the following reserved amounts that can be spent only as indicated in the line description below:

Restricted: Debt Service	\$ -	\$ 5,388,164	\$ 9,571,617	\$ 1,953,793	\$ 270,709	\$ -	\$ 157,007	\$ 17,341,290
Restricted: Capital Improvements	-	-	7,785,877	63,793	-	-	-	7,849,670
Committed: Urban Renewal	20,573	-	-	-	-	-	2,618,516	2,639,089
Nonspendable: Inventory	850,000	-	-	-	-	-	29,250,523	30,100,523
<b>Total Earmarked Fund Balance</b>	<b>\$ 870,573</b>	<b>\$ 5,388,164</b>	<b>\$ 17,357,494</b>	<b>\$ 2,017,586</b>	<b>\$ 270,709</b>	<b>\$ -</b>	<b>\$ 32,026,046</b>	<b>\$ 57,930,572</b>

**Westminster Economic Development Authority  
Obligations at 3/31/13**

	URA	Outstanding Balance as of 1/1/13	2013		Outstanding Balance as of 3/31/13
			Add	(Delete)	
<i>Debt-Principal only</i>					
2009 WEDA Bonds	South Westminster	\$ 3,340,000	\$ -	\$ -	\$ 3,340,000
2012 WEDA Loan (new)	N Huron	59,000,000	-	-	59,000,000
2012 WEDA Bonds (new)	Mandalay	27,750,000	-	-	27,750,000
2012 WEDA Loan (new)	South Sheridan	7,130,000	-	-	7,130,000
2012 WEDA Loan (new)	WURP	4,200,000	-	-	4,200,000
Total Debt		<u>\$ 101,420,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 101,420,000</u>

*Interfund loans*

Gen Capital Improv Fund	Holly Park	\$ 1,125,000	\$ -	\$ -	\$ 1,125,000
General Fund	Holly Park	120,000	-	-	120,000
Utility Fund	South Westminster	1,625,000	-	-	1,625,000
Total Interfund loans		<u>\$ 2,870,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,870,000</u>

	URA	Maximum Payable per EDA	2013 Estimated Expense	Outstanding liability as of 12/31/13
<i>Economic Development Agreement (EDA)</i>				
Shoenberg Ventures assigned to Wal-Mart	South Sheridan	\$ 84,158	\$ (84,158)	\$ -
Total EDA		<u>\$ 84,158</u>	<u>\$ (84,158)</u>	<u>\$ -</u>