

# **AGENDA**

## **WESTMINSTER ECONOMIC DEVELOPMENT AUTHORITY SPECIAL MEETING**

**MONDAY, July 15, 2013**

**AT 7:00 P.M.**

**1. Roll Call**

**2. Minutes of Previous Meeting (July 8, 2013)**

**3. Public Hearings and New Business**

A. Public Hearing regarding a 2013 WEDA Budget Amendment

B. Resolution No. 150 authorizing a Supplemental Appropriation to the 2013 WEDA Budget

C. Prepayment of WEDA's Loan for the Sears' Property Acquisition

**4. Old Business**

A. Sale of Holly Park Parcel (Tabled 6-24-13)

**5. Adjournment**

CITY OF WESTMINSTER, COLORADO  
MINUTES OF THE WESTMINSTER ECONOMIC DEVELOPMENT AUTHORITY  
MONDAY, JULY 8, 2012, AT 7:57 P.M.

ROLL CALL

Present at roll call were Chairperson McNally, Vice Chairperson Winter and Board Members Atchison, Briggs, Kaiser, Lindsey, and Major. Also present were J. Brent McFall, Executive Director, Martin McCullough, Attorney, and Linda Yeager, Secretary.

APPROVAL OF MINUTES

Board Member Kaiser moved, seconded by Briggs, to approve the minutes of the meeting of June 24, 2013, as written. The motion carried unanimously.

WURP MASTER PLANNING PROFESSIONAL SERVICES CONTRACT WITH TORTI GALLAS

Upon a motion by Vice Chairperson Winter, seconded by Major, and based on a report of the Executive Director, the Board voted unanimously to find that the public interest was best served by entering into a negotiated contract with Torti Gallas and Partners for planning and architectural services and to authorize the Executive Director to execute a contract with Torti Gallas in an amount not to exceed \$375,000 for planning, architecture, transportation/traffic analysis related to the development of the Westminster Center Urban Reinvestment Project site.

AUTHORIZATION TO CONTRACT WITH CONSULTANTS FOR WORK RELATED TO WURP

It was moved by Vice Chairperson Winter, seconded by Major, to authorize the Executive Director to enter into such other contracts as necessary with other consultants for work related to the Westminster Center Urban Reinvestment Project in an amount not to exceed \$125,000. The motion carried unanimously.

ADJOURNMENT

There was no further business for the Authority's consideration, and following a motion by Briggs, seconded by Major, the Chairperson adjourned the meeting at 8:00 p.m.

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Vice Chairperson

ATTEST:

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Secretary

# WEDA Agenda Item 3 A-C

## Agenda Memorandum

Westminster Economic Development Authority Meeting  
July 22, 2013



**SUBJECT:** Public Hearing and Resolution No. 150 re Westminster Economic Development Authority Supplemental Appropriation to 2013 Budget and Prepayment of Westminster Economic Development Authority's Loan for the Sears' Property Acquisition

**Prepared By:** Tammy Hitchens, Finance Director  
Robert Byerhof, Treasury Manager  
Gary Newcomb, Accountant

### Recommended Board Action

1. Hold a Public Hearing on the budget amendment for the Westminster Economic Development Authority.
2. Adopt Resolution No. 150 authorizing a supplemental appropriation to the 2013 Westminster Economic Development Authority budget.
3. Authorize the Westminster Economic Development Authority's Executive Director to prepay the outstanding loan with Vectra Bank that was executed to purchase the Sears' Property.

### Summary Statement

- The Board approved the purchase and financing of the Sears' property on January 23, 2012.
- On February 29, 2012, the Westminster Economic Development Authority (WEDA) executed a loan agreement in the amount of \$4,200,000 with Vectra Bank (Bank) to purchase the Sears' Property.
- Interest was set aside in an account at the Bank and has already been appropriated.
- The loan matures on February 28, 2014; however, it may be prepaid with 30 days' notice to the Vectra Bank without incurring any prepayment penalty fees.
- In 2012, the City funded, initially from Carryover, a contingency that would be available should the City need to complete payment on the Sears note. While the plan was to have a developer on board assuming the note by the time the note was due, City Staff felt it was prudent to establish the contingency for unforeseen delays. Given the recent development with regard to the site, Staff has now determined it is fiscally prudent to prepay the note.
- Typically City Staff prepares a resolution quarterly to appropriate unanticipated revenues and adjust the budget side of transactions that occur during the year in the WEDA Fund; however, in order to have sufficient funds available to pay the Bank this appropriation is currently necessary.

**Expenditure Required:** Not to exceed \$4,200,000

**Source of Funds:** Transfers in and WEDA's Westminster Center Urban Reinvestment Project

**Policy Issues**

1. Should the WEDA Board appropriate funds as set forth in the attached Resolution?
2. Should WEDA authorize the prepayment of the Vectra Bank loan?

**Alternatives**

1. The Board could decide not to appropriate funds. This is not recommended as the revenue (transfers in from General Capital Improvement Fund) was transferred to WEDA for the specific use of paying off the Vectra Bank loan.
2. The Board could decide not to prepay the loan. This alternative is not recommended. By paying the loan off early, WEDA will save approximately \$72,865 in interest costs.

**Background Information**

On February 27, 2012 the WEDA Board authorized the financing of the Sears' property purchase with the Bank in an amount not to exceed \$4,300,000. On February 29, 2012 a loan agreement with the Bank was executed in the amount of \$4,200,000. The terms of the loan included a 2-year interest only payment structure with a balloon principal payment due on February 28, 2014.

Funds are currently available to prepay the outstanding loan and Staff reviewed the loan agreement for the prepayment provisions. With 30 days' notice to the Bank, WEDA may prepay the loan without incurring any penalty. Prepaying the outstanding loan is advantageous to WEDA given the low interest earnings' environment. WEDA currently earns 0.95% in pooled interest earnings versus the paying the interest cost on the loan at 2.96%. Assuming an August 1, 2013 prepayment date, WEDA will save \$72,865 in interest costs versus waiting until February 28, 2014 to pay off the loan.

In 2012, the City funded, initially from carryover, a contingency that would be available should the City need to complete payment on the Sears note. While the plan was to have a developer on board assuming the note by the time the note was due, City Staff felt it was prudent to establish the contingency for unforeseen delays. Since the time that the initial contingency was established, additional funds were added to the CMO capital project reserve account in the General Capital Improvement Fund. To-date the reserve totals \$2,268,000. This reserve together with WEDA project funds on hand are sufficient to prepay the loan.

Staff is requesting that a supplemental appropriation from a transfer in from the General Capital Improvement Fund (GCIF) in the amount of \$2,268,000 be approved to complete the prepayment transaction. The amendments listed in the attached resolution will bring WEDA's accounting records up-to-date to reflect the various detailed transactions.

This recommended action supports the strategic objectives of a Financially Sustainable City Government Providing Exceptional Services, a Strong, Balanced Local Economy and Vibrant Neighborhoods in One Livable Community. It does so by taking advantage of WEDA's ability to prepay a loan with funds that are currently available and reducing interest costs on the loan.

Respectfully submitted,

J. Brent McFall  
Executive Director

Attachment - Resolution

WESTMINSTER ECONOMIC DEVELOPMENT AUTHORITY

RESOLUTION NO. **150**

INTRODUCED BY BOARD MEMBERS

SERIES OF 2013

**2013 WESTMINSTER ECONOMIC DEVELOPMENT AUTHORITY BUDGET  
SUPPLEMENTAL APPROPRIATION**

WHEREAS, the Westminster Economic Development Authority (WEDA) initially adopted the 2013 budget on October 8, 2012 and

WHEREAS, proper notice for this amendment was published on July 18, 2013, pursuant to the requirements of Section 29-1-106 Colorado Revised Statutes; and

WHEREAS, a public hearing for this amendment was held on July 22, 2013, pursuant to the requirements of Section 29-1-108 Colorado Revised Statutes; and

WHEREAS, as necessary a resolution to make adjustments to the budget is presented to the Board; and

WHEREAS, there are adjustments to be made to the 2013 budget; and

WHEREAS, the revenue adjustments consist of an increase of \$2,268,000; and

WHEREAS, the expense adjustments consist of an increase of \$2,268,000.

NOW, THEREFORE, BE IT RESOLVED by the Board of the Westminster Economic Development Authority:

Section 1. The \$2,268,000 increase shall be allocated to WEDA Revenue and Expenditure accounts as described below:

REVENUES

Description	Account Number	Current Budget	Amendment	Revised Budget
TRF Gen Capital Improve	6800.45000.0750	\$0	<u>\$2,268,000</u>	\$2,268,000
Total Change to Revenues			<u>\$2,268,000</u>	

EXPENDITURES

Description	Account Number	Current Budget	Amendment	Revised Budget
WURP City Participation	80968005952.80400.8888	\$3,378,528	\$2,268,000	\$5,646,528
Total Change to Expenses			<u>\$2,268,000</u>	

Section 2. The resolution shall be in full force and effect upon its passage and approval.

PASSED AND ADOPTED 22nd day of July, 2013.

ATTEST:

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Vice Chairperson

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Secretary