

AGENDA

WESTMINSTER ECONOMIC DEVELOPMENT AUTHORITY SPECIAL MEETING

MONDAY, June 24, 2013

AT 7:00 P.M.

- 1. Roll Call**
- 2. Minutes of Previous Meeting** (April 22, 2013)
- 3. Purpose of Special WEDA Meeting is to consider**
 - A. Sale of the Holly Park Parcel
- 4. Old Business**
- 5. Adjournment**

CITY OF WESTMINSTER, COLORADO
MINUTES OF THE WESTMINSTER ECONOMIC DEVELOPMENT AUTHORITY
MONDAY, APRIL 22, 2012, AT 7:31 P.M.

ROLL CALL

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

APPROVAL OF MINUTES

Board Member Major moved, seconded by Briggs, to approve the minutes of the meeting of March 25, 2013, as written. The motion carried unanimously.

PUBLIC HEARING ON 1ST QUARTER 2013 BUDGET AMENDMENT

At 7:32 p.m., the Chairperson opened a public hearing to consider an amendment to the 2013 Budget. Mr. McFall reported that staff was present to answer any questions that the Board might have about that routine appropriation for the 1st Quarter. There were no questions and at 7:33 p.m. the Chairperson closed the hearing.

RESOLUTION NO. 149 AUTHORIZING SUPPLEMENTAL APPROPRIATION TO THE BUDGET

It was moved by Board Member Kaiser, seconded by Major, to adopt Resolution No. 149 authorizing a supplemental appropriation to the 2013 Budget. The motion passed unanimously on roll call vote.

SALE OF HOLLY PARK PARCEL TO HIGH POINTE HOLDING LLC

It was moved by Board Member Atchison, seconded by Briggs, to remove this item from the table this item. The motion passed unanimously.

Board Member Atchison moved to postpone indefinitely consideration of selling the Holly Park Parcel to High Pointe Holdings, LLC. The motion was seconded by Kaiser and passed unanimously.

ADJOURNMENT

There was no further business for the Authority's consideration, and the Chairperson adjourned the meeting at 7:35 p.m.

Chairperson

ATTEST:

Secretary

WEDA Agenda 3 A

Agenda Memorandum

Westminster Economic Development Authority Meeting
June 24, 2013



SUBJECT: Sale of the Holly Park Parcel

Prepared By: John Carpenter, Director of Community Development

Recommended Board Action

Authorize the Executive Director to execute a purchase and sale agreement with Boulder Creek Communities LLC to sell the Holly Park property for \$650,000, authorize the payment of \$50,000 to Boulder Creek Communities LLC for The Westminster Economic Development Authority's share of project improvements and authorize closing costs of up to \$5,000.

Summary Statement

- The Westminster Economic Development Authority (WEDA) has received an offer from Boulder Creek Communities LLC (Boulder Creek) to acquire the 5.7 acre Holly Park site located at the northwest corner of 96th Avenue and Federal Boulevard. This site was acquired by the Westminster Economic Development Authority in 2005.
- The offer is for \$650,000. The net proceeds from the sale after deducting the estimated \$5,000 in closing costs, the 5% broker fee (\$32,500) and \$50,000 in WEDA participation costs will be about \$562,500.

Expenditure Required: \$50,000 plus up to \$5,000 in closing costs

Source of Funds: Proceeds from the sale of the property

Policy Issue

Should the City accept the offer from Boulder Creek to sell the Holly Park site for \$650,000?

Alternative

City Council could reject the proposed sale price and authorize a counter offer. Staff does not recommend this option since the City's broker believes the price to reflect the current value for the site.

Background Information

In 2005, the Westminster Economic Development Authority (WEDA) acquired the 5.7 acre Holly Park site as a result of a condemnation action by WEDA for the acquisition price of \$825,000. WEDA has spent a total of \$1,245,000 on the site to date, including the acquisition cost, demolition expenses of \$81,900, regrading the site, legal fees, some costs for improvements to existing units, site maintenance and related expenses. The acquisition and other costs were funded through interfund loans of \$120,000 in General Funds and \$1,125,000 in General Capital Improvement Funds. In 2005, there were several partially completed and abandoned townhome structures on the site. Construction on the buildings ceased about three years earlier. For years, the City unsuccessfully attempted to get the owner and lender to complete construction or sell to another party that would move on developing the remaining property.

A total of 12 townhomes (out of 70 units) were completed and sold. WEDA excluded these properties from its acquisition. These townhome units are accessed from Green Court, which was partially constructed but never had its final layer of asphalt applied.

The uncompleted structures and foundations on the site were removed and the site re-graded and revegetated. A "for sale" sign was put on the site with a City employee as the contact person. In 2008, the national real estate market collapsed and no serious inquiries were received on the property. The property was listed by a commercial broker for a period of time with no success.

In 2012, the market for vacant residentially zoned properties improved, and the property was listed with Stew Mosko of the firm of Cassidy Turley, a national commercial real estate firm that is also prominent in the Denver area.

WEDA recently received an offer on the property from Boulder Creek, which has signed a Purchase and Sale Agreement prepared by the City Attorney's office. Boulder Creek intends to build about 52 single family homes and duplexes on the site in the target price range of \$215,000 to \$235,000. A new homeowner's association would be created for exterior maintenance (landscaping, snow removal, and home exterior). The small pool and clubhouse in the original Official Development Plan would be eliminated.

Boulder Creek was the builder of two successful projects in Legacy Ridge Subdivision. Townhomes were constructed along 112th Avenue and stucco clad single family homes and townhomes with tile roofs were built along Bruchez Parkway. Boulder Creek is also building several projects in the Boulder County area and specializes in highly energy efficient homes.

Boulder Creek will pay 100% of the needed cost to improve the site for development except for the cost to complete Green Court, the street that extends from 96th Avenue to 97th Avenue. Boulder Creek will pay the first \$37,000 of the costs to complete the street. WEDA and Boulder Creek will each pay 50% of the costs to improve the street in excess of \$37,000. The City's Engineering Division staff estimates the cost to complete Green Court at \$65,000. Thus, WEDA's estimated cost for Green Court is \$14,000. WEDA is also obligated to pay for correction work to the street abutting the existing developed 12 townhomes. Thus, the total estimated WEDA costs are \$50,000.

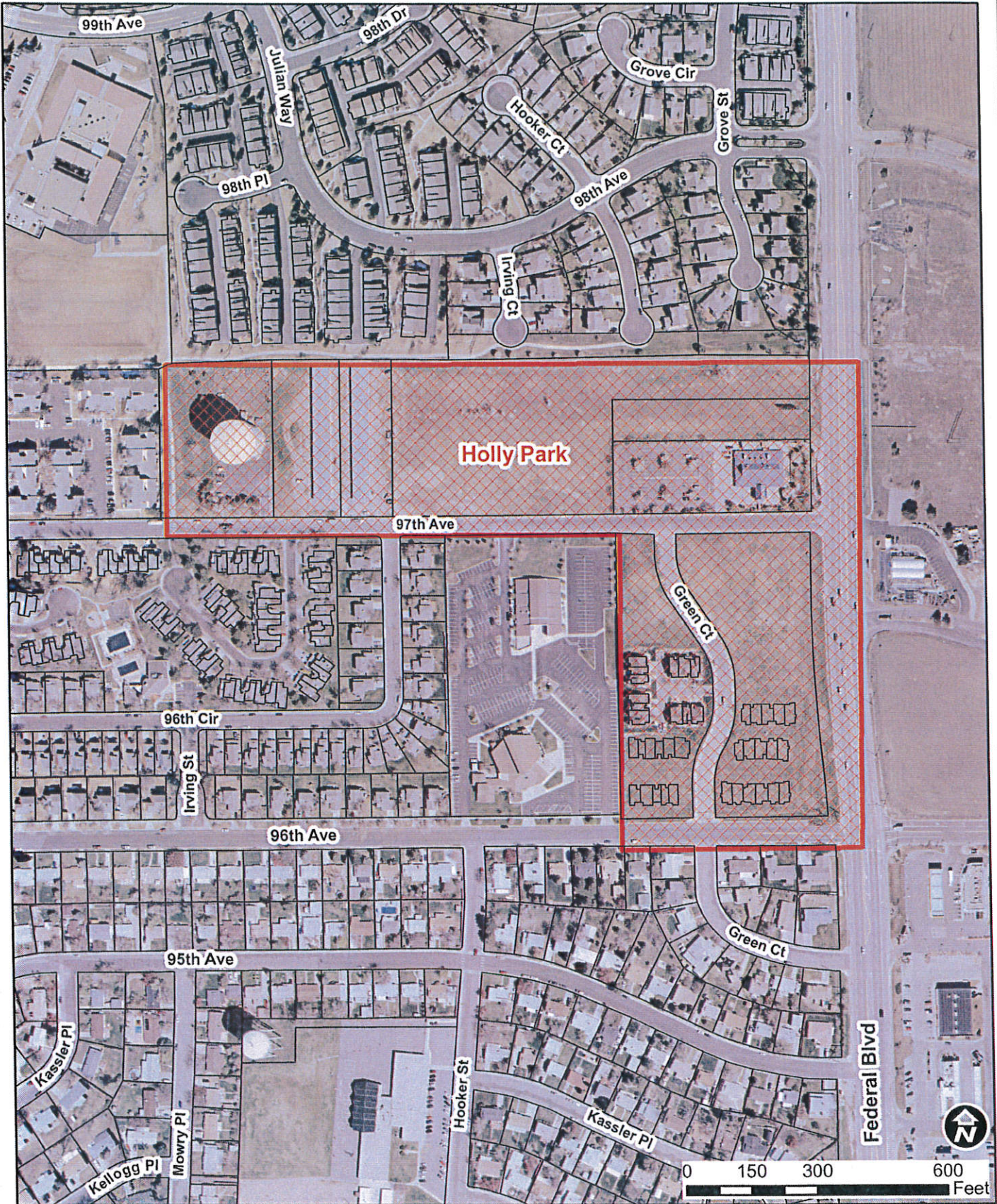
The entire Holly Park site (both WEDA owned land and the existing 12 townhomes), plus additional nearby lands are within the Holly Park Urban Renewal area (URA). The URA was created in 2004. Property and sales tax increment (TIF) is collected in the URA. The City's Finance Department anticipates receiving \$3,300 in property tax increment in 2013. To date, no tax increment has been collected in the URA. The URA will expire in 2029. The proposed single family homes and duplexes will add significant additional TIF revenues. If 58 new homes are built and the average property tax is \$1,500 per unit per year, the development will generate an additional \$87,000 per year when the project is fully built out. Assuming completion of all units by December 2015, there would be 12 years of TIF collection at about \$87,000 per year, or a total of about \$1,044,000 not factoring in inflation. This revenue stream, the \$562,500 net proceeds from the sale, prior year interest earnings and remaining project funds will be available to repay the interfund loans and accrued interest.

This proposal meets the City Council Strategic Goals of Financially Sustainable City Government Providing Exceptional Services and Vibrant Neighborhoods In One Livable Community.

Respectfully submitted,

J. Brent McFall
Executive Director

Attachments: # 1 Map – Holly Park Urban Renewal Area Map
2 Map – Holly Park Subdivision to be sold

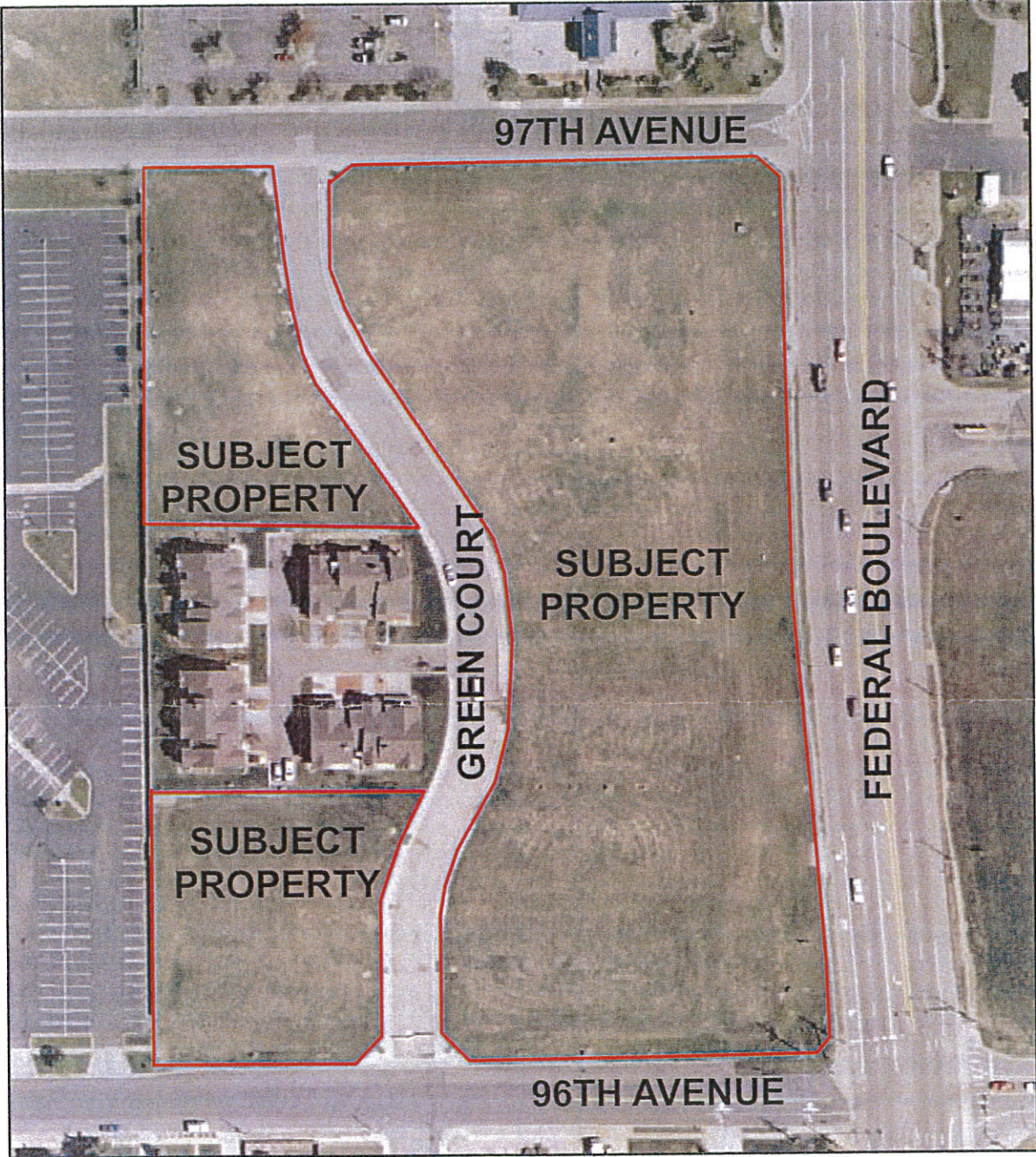


1 inch = 300 feet



Holly Park URA

Holly Park Urban Renewal Area



HOLLYPARK SUBDIVISION

