



AGENDA
LAKEWOOD REINVESTMENT AUTHORITY
VIRTUAL MEETING
May 20, 2024
6:00 PM

To watch the LRA Meeting live, please use one of the following links:

City of Lakewood Website: Lakewood.org/CouncilVideos

Lakewood Speaks: Lakewoodspeaks.org

In accordance with City Council Policy 5.1(A), all virtual meeting participants are advised that technological issues, whether caused by the City's equipment or the user's equipment, shall not be grounds for canceling a public meeting.

How to Connect to Provide Public Comment: Online participants may post written comments of any length to LakewoodSpeaks.org, an online forum for public comments.

The Lakewood Reinvestment Authority does not discriminate on the basis of race, age, national origin, color, creed, religion, sex, sexual orientation or disability in the provision of services. People with disabilities needing reasonable accommodation to attend or participate in a City service program, can call 303-987-7080 or TDD 303-987-7057. Please give notice as far in advance as possible so we can accommodate your request.

ITEM 1 – CALL TO ORDER

ITEM 2 – ROLL CALL

ITEM 3 – APPROVAL OF LRA MEETING MINUTES

MINUTES OF THE OCTOBER 23, 2024 HYBRID MEETING
MINUTES OF THE MARCH 4, 2024 LRA VIRTUAL MEETING

ITEM 4 – RESOLUTION LRA-2024-1 – APPROVING AUTHORIZATION OF A PUBLIC IMPROVEMENT LOAN AGREEMENT WITH 10785 W COLFAX OWNER, LP FOR THE EXPEDITED DEMOLITION OF DILAPIDATED, DERELICT AND DISTRESSED VACANT BUILDINGS WITHIN THE WEST COLFAX AVENUE CORRIDOR URBAN RENEWAL PROJECT AREA

ITEM 5 – RESOLUTION LRA 2024-2 – AUTHORIZING AN ADDITIONAL APPROPRIATION TO THE 2024 LRA BUDGET FOR THE EXPENDITURE OF FUNDS FOR THE PURPOSES OF FUNDING A PUBLIC IMPROVEMENT LOAN AGREEMENT WITH 10785 W COLFAX OWNER, LP FOR THE EXPEDITED DEMOLITION OF DILAPIDATED, DERELICT AND DISTRESSED VACANT BUILDINGS WITHIN THE WEST COLFAX AVENUE CORRIDOR URBAN RENEWAL PROJECT AREA

ITEM 6 – ADJOURNMENT

**LAKEWOOD REINVESTMENT AUTHORITY
SPECIAL MEETING – VIRTUAL MEETING
MARCH 4, 2024**

ITEM 1 - CALL TO ORDER

[VIEW LINK](#)

Chairman Strom called the virtual meeting to order at 6:06 p.m.

ITEM 2 - ROLL CALL

[VIEW LINK](#)

Those present were:

Chair Wendi Strom, Presiding
Cindy Baroway
Isabel Cruz
Erin Kenworthy
Andy Kerr
Jacob LaBure
Roger Low
Sophia Mayott-Guerrero
Paula Nystrom
Richard Olver
Dave Rein
Jeslin Shahrezaei
Glenda Sinks
Rebekah Stewart
Carolyn Wolfrum

Absent: None

Others in attendance: Robert Smith, LRA Executive Director
Jay Robb, City of Lakewood City Clerk

ITEM 3 – PRESENTATION: URBAN RENEWAL BASICS AND FORMING NEW URBAN RENEWAL PROJECT AREAS

[VIEW LINK](#)

LRA Executive Director Robert Smith provided a presentation concerning urban renewal in Colorado and the process for forming new urban renewal areas and responded to questions from the Commissioners.

3 Public Comments received via Lakewood Speaks, See Page 3

ITEM 4 – PRESENTATION: Executive Report –

[VIEW LINK](#)

Robert Smith, LRA Executive Director, provided a brief executive report.

1 Public Comments received via Lakewood Speaks, See Page 3

ITEM 5 – ADJOURNMENT
[VIEW LINK](#)

Chair Strom adjourned the meeting at 7:08 PM.

Submitted by

Jay Robb, LRA Clerk

Item 3 - URA Basics - Forming New Urban Renewal Areas

Joshua Comden Mar 4, 2024 · 6:26pm

Since URA's avoid residential areas, does that include avoiding Mixed-Use-Core, Mixed-Use-Residential, Mixed-Use-Neighborhood zones? Thanks!

Roque I Cervantes Mar 4, 2024 · 1:13pm

3104.o in effect legal tender.

Leslie A. Aguillard Mar 3, 2024 · 1:01pm

There is no reason except "money" to whack down trees in order to put up houseing. Work around the trees. It will be more beautiful and better for everyone. I am so tired of contractors just taking short cuts for their own sakes. Do the right thing. Save the trees!! Plant MORE trees!!

Item 4 - Executive Report

Chris Dinan Mar 4, 2024 · 6:24pm

I would like to reiterate the bike lane on Garrison between Jewel and W Mexico is dangerous the way it is laid out. I was exciting my vehicle and almost was ran over by a group of bicyclists. I am not sure how this designed came to be, but it is dangerous to the public, including bicyclists.

**LAKEWOOD REINVESTMENT AUTHORITY
HYBRID MEETING
OCTOBER 23, 2023**

ITEM 1 - CALL TO ORDER

[VIEW LINK](#)

Chairman Adam Paul called the HYBRID MEETING to order at 6:30 p.m.

ITEM 2 - ROLL CALL

[VIEW LINK](#)

Members in attendance: Chairman Adam Paul presiding

Commissioners: Cindy Baroway; Mary Janssen; Barb Franks; Andy Kerr; Sophia Mayott-Guerrero; Jeslin Shahrezaei; Rebekah Stewart; Wendi Strom; Sharon Vincent; Carolyn Wolfrum; Susan Miller.

Absent: Charley Able; Richard Olver; Anita Springsteen;

ITEM 3 – PUBLIC COMMENT

[VIEW LINK](#)

Public Comment on Lakewood Speaks: 6 See Page 3

There was no public comment.

ITEM 4 – RESOLUTION LRA-2023-13 – AUTHORIZING A REVISED BUDGET FOR THE YEAR 2023 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 2024, AND ENDING ON DECEMBER 31, 2024, ESTIMATING THE AMOUNT OF MONEY TO BE DERIVED FROM TAX INCREMENT AND SETTING FORTH THE APPROPRIATIONS FOR EACH FUND

[VIEW LINK](#)

PUBLIC INPUT: None.

Lakewood Speaks Comments: 1 – See Page 5

Chairman Paul opened the public hearing at 6:33 p.m. and introduced Mr. Robert Smith, Economic Development Director.

Mr. Smith summarized the 2024 budget for the LRA and the revisions to the Authority's 2023 budget.

Mr. Smith responded to questions from the Commissioners regarding the 2024 and 2023 revised budget for the LRA.

Commissioner Strom moved to adopt the Resolution. The motion was seconded.

Commissioner Strom made a motion to approve Resolution LRA 2023-13. It was seconded.

Commissioners asked questions and discussion occurred.

Vote on the Motion:

AYE: Paul, Baroway, Franks, Kerr, Mayott-Guerrero,
Shahrezaei, Stewart, Strom, Vincent, Wolfrum, Miller.

NAY: Janssen

ABSENT: Able, Olver, Springsteen,

Result:

Approved 11 – 1 with Janssen voting nay, the motion passed.

Chairman Paul provided a brief statement to the council expressing his thanks for the work they have done this year.

ITEM 5 – ADJOURNMENT

[VIEW LINK](#)

Chairman Paul adjourned the meeting at 6:40 p.m.

Submitted by

Jay Robb, LRA Clerk

ITEM 3 – PUBLIC COMMENT:

Alex Plotkin · Oct 23, 2023 · 10:56am

Lakewood City Council and some of the city staff have been an unmitigated disaster when it comes to economic development. For years, any number of citizens have been asking to foster new types of development that could've boosted the creation of localized, well-paying jobs, such as been done by Boulder, Centennial, Westminster, Broomfield, etc., etc. Nothing. Actually, according to Lakewood's own numbers, the number of jobs has gone down over the last decade. While tens of thousands of people have to drive elsewhere for work. Yet, some would still argue that this is not a bedroom community. And now, since the Adam Paul/Wendi Strom special interest brigade has missed an opportunity after opportunity (or, perhaps, never even pursued them?) - this is going to pass this part of Colorado by: <https://www.cpr.org/2023/10/20/colorado-will-get-federal-planning-grant-for-quantum-computing-tech-hub/>
<https://www.whitehouse.gov/briefing-room/statements-releases/2023/10/23/fact-sheet-biden-harris-administration-announces-31-regional-tech-hubs-to-spur-american-innovation-strengthen-manufacturing-and-create-good-paying-jobs-in-every-region-of-the-country/> Yet, the majority wasted no time in creating yet another special accommodation for a development that will siphon thousands per year, per household, from the future residents. And the city council (and some city employees) are shoving through yet more rentals to turn more people in to rent slaves. While, again, telling those who voice concerns to go pound sand - very inclusive, as always. At least, this time, more of the citizens are starting to learn the true nature of those on the council who yap about "affordable housing" nonstop. Economic development - the Lakewood way.

Deborah Romero · Oct 23, 2023 · 6:20am

I 1000% support Councilor Mary Janssen's motion to lower the city's mill levy and Councilor Springsteen's resolution on 777 S. Yarrow. Both should be approved in their original form without modification. It would be refreshing to see the City Council work FOR the citizens instead of against. Those of us who comment should be considered representatives. Many, many more agree with us even when they don't communicate with you.

celia greenman · Oct 20, 2023 · 1:11pm

To City Council, Regarding the proposed Belmar West development at 777 S. Yarrow St., the project violates City zoning ordinances, sustainability goals, the Municipal Code, and the Comprehensive Plan goals: Zoning Ordinance 17.6.5.8: Existing Tree Preservation "A. Existing trees with trunks greater than 8-inch caliper, measured 1 foot above grade, within a development shall be preserved to the extent reasonably feasible and will help satisfy the landscaping requirements of this Section. Such trees shall be considered "protected" trees within the meaning of this Section. Streets, buildings, and lot layouts shall be designed to minimize the disturbance to protected trees." The tree removal is also contrary to Lakewood's Sustainability Plan to achieve tree canopy of 30 percent by 2025. Please explain why there has apparently not been any pushback from the City employees and City council to instruct the developer to design a plan with the trees and not destroy them. Destroying 69 trees is not minimizing anything at all. Municipal Code Section 14.16.040 - Calculation of land dedication requirements for park and open space, Based on the calculation, the Developer owes the City 3.3 acres of parkland. However, we are informed that the City has opted to accept an "in lieu of" cash offer from the developer, which will involve removing parkland from Belmar Park south of the library and paving it for a parking lot. Which City bureaucrat made this decision and why is it acceptable? Comprehensive Plan Goal L-N2, Action Step c. "Through the site plan review process and design guidelines, ensure that new multifamily, mixed use, and commercial developments adjacent to single-family neighborhoods are compatible by incorporating appropriate design, scale, height transition, and connectivity to seamlessly integrate with the neighborhood." The 5-story Belmar West project that will house over 1000 people and 500+ cars is contrary to the

proximal land use, which is parkland and 1-story townhouses. I want to know why someone on City staff is unilaterally making decisions that are against what the people of Lakewood want and what is stated in the City ordinances, Municipal code, and plans. I ask you to reject this project when a resolution is made to do so. Sincerely, Celia Greenman

Donna Hopkins · Oct 19, 2023 · 1:11pm

I have been a resident of Lakewood since 1984. My family has lived in the same home in the same neighborhood that entire time just because it's been a lovely area with great neighbors and easy access to everything Colorado has to offer from the mountains to the cities. In those years we have also seen many changes that are very worrisome from rises in crime, car thefts, guns going off, to more and more heavy traffic and noise. Development, new houses, new neighborhoods and new buildings keep popping up like weeds overnight destroying the scenic views we once had. And now another monstrous development right next to Belmar Park is being planned, apparently with the help of the city staff or city council to tear down and destroy 69 mature trees. I understand that the land is privately owned, but in looking over the Zoning Codes I found this about existing tree preservation: 17.6.5.8: Existing Tree Preservation A. Existing trees with trunks greater than 8-inch caliper, measured 1 foot above grade, within a development shall be preserved to the extent reasonably feasible and will help satisfy the landscaping requirements of this Section. Such trees shall be considered "protected" trees within the meaning of this Section. Streets, buildings, and lot layouts shall be designed to minimize the disturbance to protected trees. B. The Director shall determine through consultation with the City Forester when it is not feasible to preserve and retain protected tree(s) or to transplant them to another on site location. If it is determined that it is not feasible to preserve or transplant protected tree(s), the applicant shall replace such tree(s) according to this section. Replacement trees shall be used to satisfy the tree planting standards of this Section. The code above says the trees shall be considered "protected" and that buildings and lot layouts shall be designed to ..".protect trees". So I ask you to please explain why there has apparently not been any pushback from the City, the council and its employees to tell this developer to make a plan around the trees and not destroy them. Destroying 69 trees is not minimizing anything at all. Just what criteria determines the feasibility of preserving a tree? If a developer comes to you and says, "Oh, that would be too costly or that would be too hard, or I can't do the plan I want to do if I have to save trees from being destroyed." Does the city just roll over and say, "Okay, do it your way". Or do city officials abide by the codes and ordinances and tell the developer that they need to follow our city's rules? Why is Lakewood allowing this crime against nature, the environment, the animals and birds, the citizens, and the ZONING CODES to take place? I really would like a response to my questions. Donna Hopkins

Jane Gibson · Oct 19, 2023 · 11:33am

It recently came up as to lowering our mill level from the voter approved one at 4.71. I am against that reduction. We need adequate dollars to keep our services going in our city. It would be counterproductive in so many ways. Jane Gibson

ITEM 4 – RESOLUTION LRA-2023-13
PUBLIC INPUT:

Lynne Kinney · Oct 18, 2023 · 3:31pm

What a novel idea. I applaud Councilwoman Janssen for thinking out of the stagnant box and proposing this relief to the people of Lakewood. Although it may seem minute, this could make a huge difference in some people's lives. Homeowners will benefit and renters also. It's the right thing to do! Lakewood has the money, show the citizens you care.

STAFF MEMO



DATE OF MEETING: MAY 20, 2024 / AGENDA ITEM NO. 4

To: Mayor and City Council

From: Robert Smith, Executive Director of the Lakewood Reinvestment Authority

Subject: **PUBLIC IMPROVEMENT LOAN - DEMOLITION OF BUILDINGS IN W. COLFAX AVENUE CORRIDOR URA**

SUMMARY STATEMENT: This Resolution authorizes the LRA Executive Director to complete an Agreement with the Owners/Developers of the Properties commonly known as Westland (10785 W Colfax, LP – often referred to as Artesia Real Estate Investments) to lend funds up to a maximum of \$2.75M for the expedited demolition and removal of the long-vacant buildings once used by the Sears Auto Center and the Sears Retail Store.

These loan funds are not a donation nor grant and will be reimbursed to the LRA by the Developer at such time as a future redevelopment project is entitled, funded and ready for the issuance of building/construction permits, subject to the conditions more specifically set forth within the final Agreement, but in no case shall reimbursement occur after sixty (60) days from the date that the money is received from the lending institution for the development of the project or no later than July 1, 2028.

BACKGROUND INFORMATION:

- Colorado law encourages blight mitigation assistance in areas deemed Urban Renewal Project Areas, per § 31-25-101, C.R.S
- Resolution LRA-2024-1 authorizes the LRA Executive Director to complete an Agreement with the Owners/Developers of the Properties commonly known as Westland, specifically for the properties where Sears Retail Store and the Sears Auto Center formerly operated. (10795 W Colfax Avenue and 10785 W Colfax Avenue)
- Sears abandoned operations in these buildings in 2018, and they have remained vacant since.
- Abandoned or vacant structures attract various forms of crime and are often vandalized, broken into, used for unsanitary shelter, and are often associated with increased criminal activity in the surrounding area, all of which pose an unnecessary risk to community health, safety, and wellness.
- These properties are within the West Colfax Avenue Corridor Reinvestment Area and qualify for blight mitigation assistance from the Lakewood Reinvestment Authority (“LRA”).
- Lakewood City Council approved the West Colfax Avenue Corridor Reinvestment Plan on December 12, 2005, through Council Resolution 2005-79, and this Urban Renewal Plan specifically authorizes support for demolition and clearance undertakings. Passages from the plan are copied below.

“2.6 Other Findings. 2.6.1 One or more of the projects may require the demolition and clearance, subject to other restrictions, of certain property in the West Colfax Avenue Corridor Reinvestment Area as provided in this Plan. Such actions may be necessary to eliminate unhealthy, unsanitary, and unsafe conditions, eliminate obsolete and other uses detrimental to the public welfare, and otherwise remove and prevent the spread of deterioration.”

“4.1 Redevelopment and Rehabilitation Actions. Redevelopment and rehabilitation actions within the West Colfax Avenue Corridor Reinvestment Area may include such undertakings and activities as are in accordance with this Plan and the Urban Renewal Law, including without limitation: demolition and removal of buildings and improvements as set forth herein.”

- While Resolution LRA-2024-xx is the first of its kind to be considered by the Lakewood Reinvestment Authority, a similar loan for expedited demolition and removal of derelict, dilapidated, and vacant community nuisance buildings was approved by the Lakewood City Council on April 10, 2023. (Resolution 2023-15) That agreement was for the removal of the former Holiday Shopping Center on the SWC of 10th Avenue and Sheridan.
- The amount of lent funds will be no greater than Two Million, Seven Hundred Fifty Thousand and 00/100s dollars (\$2.75M).
- The total amount of funds lent will not exceed the actual realized costs for demolishing the vacant structures on the properties.
- Funds lent are for the demolition and removal of the existing structures on the “Property”. These funds are made available to the Developer for the express purpose of demolishing and removing existing structures as rapidly as possible and must be used exclusively for the stated purpose.
- These loan funds are not a donation nor grant and will be reimbursed to the LRA by the Developer at such time as a future redevelopment project is entitled, funded and ready for the issuance of building/construction permits, subject to the conditions more specifically set forth within the final Agreement, but in no case shall reimbursement occur after sixty (60) days from the date that the money is received from the lending institution for the development of the project and no later than July 1, 2028.
- The developer agrees to grant the LRA a first priority security interest in the property by signing a Promissory Note and Deed of Trust. The developer will complete, sign, and return the Deed of Trust and Promissory Note (attached) with this Agreement. The LRA requires a perfected lien on the property of 100 percent of the amount loaned. The LRA’s lien shall have priority over any lien or security interest created or arising after the execution of this Agreement and attached Promissory Note and Deed of Trust.
- Developer agrees to repay the LRA in-full upon any of the following: any material change to the collateralization of the Property (including use of the Property as collateral for any other loan or pledge of credit), any transfer of title (or portion thereof), acceptance of new financing with any conveyance of a security interest in the property, giving a security interest in the property to any third party, sale of the property, or any transfer or assignment of rights to the property to any party other than Developer.
- A Map of the properties is attached.

GENERAL LRA BACKGROUND INFORMATION:

- Urban Renewal Authorities (URA) are a tool successfully used in Colorado since the late 1950s to focus local resources on areas in need of public and private reinvestment to revitalize communities.
- Lakewood’s Reinvestment Authority (LRA) currently manages four URA areas along Colfax and Alameda Avenues.
- Municipalities may create urban renewal authorities and approve urban renewal plans. An urban renewal plan may include collection of an incremental amount of property taxes resulting from the urban renewal project to be retained for a period of up to 25 years.
- Property tax revenue collected for a specific area in the year before an urban renewal plan is approved establishes a “base” value of revenue that taxing entities continue to receive.
- New tax revenue above the “base” amount is deemed “incremental” tax revenue. This new revenue is dedicated to the urban renewal area and must be reinvested within the area to revitalize the area and eliminate “blight”.
- Taxing entities (the municipality, county, school district, etc.) receive the base tax amount, adjusted over time according to a schedule determined by the assessor. Historically, all incremental tax revenue went to the urban renewal authority.
- In 2015, Colorado’s Urban Redevelopment Fairness Act made changes to both the composition of urban renewal authority boards and to the process for approving urban renewal plans. These changes give taxing entities representatives on an urban renewal authority board.
- A new reinvestment area may only be established after a condition survey/blight study has been conducted showing that the proposed area has sufficient factors of blight, according to Colorado Revised

Statute 31-25-103 (2).

- A new reinvestment Project area may only be established after the Lakewood City Council has accepted and approved the condition survey for the proposed area and approved an Urban Renewal Plan for the new area. These actions are subject to notice and public hearing requirements.
- Prior to the Council's consideration of Finding of Blight Designation and approval of an Urban Renewal Plan, these documents were presented to Lakewood's Planning Commission and will carry (or not) the Commission's recommendation for approval by the Council.
- Once new Urban Renewal Project Areas are designated and an approved Urban Renewal Plan is in place, Intergovernmental Agreements (IGA) between the City of Lakewood, the LRA and the other taxing entities must be approved by the Boards of each respective group. The IGA's dictate each entity's respective participation in the Project Area's Urban Renewal Plan.
- Urban Renewal Boards of Commissioners are responsible for the implementation of the Urban Renewal Plan for each project area.

BUDGETARY IMPACTS: If the authorization for this Public Benefit Loan is approved, an additional Supplementary Budget Appropriation in the amount of \$2.75M will be needed to amend the 2024 LRA Budget approved by the Board of Commissioners on 10/23/2023. Specifically, this appropriation will be within the budget for the West Colfax Avenue Corridor Urban Renewal Area. On 1/1/2024, the beginning, un-audited balance of this fund was \$4.1M.

STAFF RECOMMENDATIONS: Approval of the public benefit loan and additional supplementary budget appropriation.

ALTERNATIVES: The LRA may not approve the public benefit loan and additional supplementary budget appropriation.

PUBLIC OUTREACH: This item has been promoted through the regular communication channels to be considered by the Lakewood Reinvestment Authority.

NEXT STEPS: Execution of the public benefit loan and additional supplementary budget appropriation.

ATTACHMENTS: 1. Resolution LRA-2024-1

REVIEWED BY: Kathleen E. Hodgson, City Manager
Benjamin B. Goldstein, Deputy City Manager
Alison McKenney Brown, City Attorney

LRA-2024-1

A RESOLUTION

APPROVING AUTHORIZATION OF A PUBLIC IMPROVEMENT LOAN AGREEMENT WITH 10785 W COLFAX OWNER, LP FOR THE EXPEDITED DEMOLITION OF DILAPIDATED, DERELICT AND DISTRESSED VACANT BUILDINGS WITHIN THE WEST COLFAX AVENUE CORRIDOR URBAN RENEWAL PROJECT AREA

WHEREAS, 10785 W Colfax Owner, LP (“Developer”) whose principal address is 1000 E. Cesar Chavez, Austin TX 78702, owns approximately 7.65 acres of real property located generally at 10795 W Colfax Avenue and 10785 W Colfax Ave near the NEC of the intersection of Colfax Avenue and Owens Street in Lakewood, CO 80215, such property described in the definition of “Properties” below; and

WHEREAS, Colorado law encourages blight mitigation assistance in areas deemed Urban Renewal Project Areas, per § 31-25-101, C.R.S.; and

WHEREAS, these properties are within the West Colfax Avenue Corridor Reinvestment Area, and qualify for blight mitigation assistance from the Lakewood Reinvestment Authority (“LRA”) are visibly deteriorated, with portions constituting potentially dangerous conditions, posing an unnecessary risk to community health and safety; and

WHEREAS, Developer intends to demolish vacant structures on the properties, eventually redeveloping these properties with new construction; and

WHEREAS, Abandoned or vacant structures attract various forms of crime and are often vandalized, broken into, used for unsanitary shelter, and are often associated with increased criminal activity in the surrounding area, all of which pose an unnecessary risk to community health, safety, and wellness; and

WHEREAS, Sears abandoned operations in the buildings on these properties in 2018 and the buildings have remained vacant since; and

WHEREAS, the Lakewood City Council approved the West Colfax Avenue Corridor Reinvestment Plan on December 12, 2005 through Council Resolution 2005-79, and this Urban Renewal Plan specifically authorizes support for demolition and clearance undertakings; and

WHEREAS, the expedited demolition of vacant structures on the Properties will help facilitate worthy public purposes, including mitigating blighting conditions, stimulation of economic development through the creation of new employment opportunities, encouragement of a sound tax base, and promotion of business and industry serving the general welfare of the citizens of Lakewood; and

WHEREAS, there is substantial justification for a public investment loan to foster blight mitigation within the City and desires to offer a public investment loan to Developer as an inducement to bring about both the elimination of unnecessary community health

and safety risks and the redevelopment of the area to the City as expeditiously as possible; and

WHEREAS, Developer is a private corporation which, pursuant to this investment loan agreement, will prepare the Property for future development by removing dilapidated, derelict, and distressed site improvements sooner than otherwise might be facilitated through typical development processes; and

WHEREAS, the immediate loan of funds to facilitate early demolition of dilapidated structures, and recovery of said funds via repayment in-full to the LRA, is an appropriate use of Urban Renewal funds;

WHEREAS, the perfection of a first priority security interest upon the Properties to secure funds loaned is necessary to adequately assure the City of repayment; and

WHEREAS, Developer wishes to grant the City a first priority security interest to secure the obligations of the Developer contemplated by this agreement and the Promissory Note.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Lakewood that:

SECTION 1. The LRA Executive Director is hereby authorized and directed to execute and attest, respectively, a Public Investment Loan Agreement on behalf of the Authority in accordance with the terms outlined in Attachment A of this Resolution

INTRODUCED, READ AND ADOPTED by a vote of ___ for and ___ against at a virtual meeting of the Lakewood Reinvestment Authority held on May 20, 2024, at 6:00 o'clock p.m.

Wendi Strom, Chair

ATTEST:

Jay Robb, LRA Clerk

APPROVED AS TO FORM:

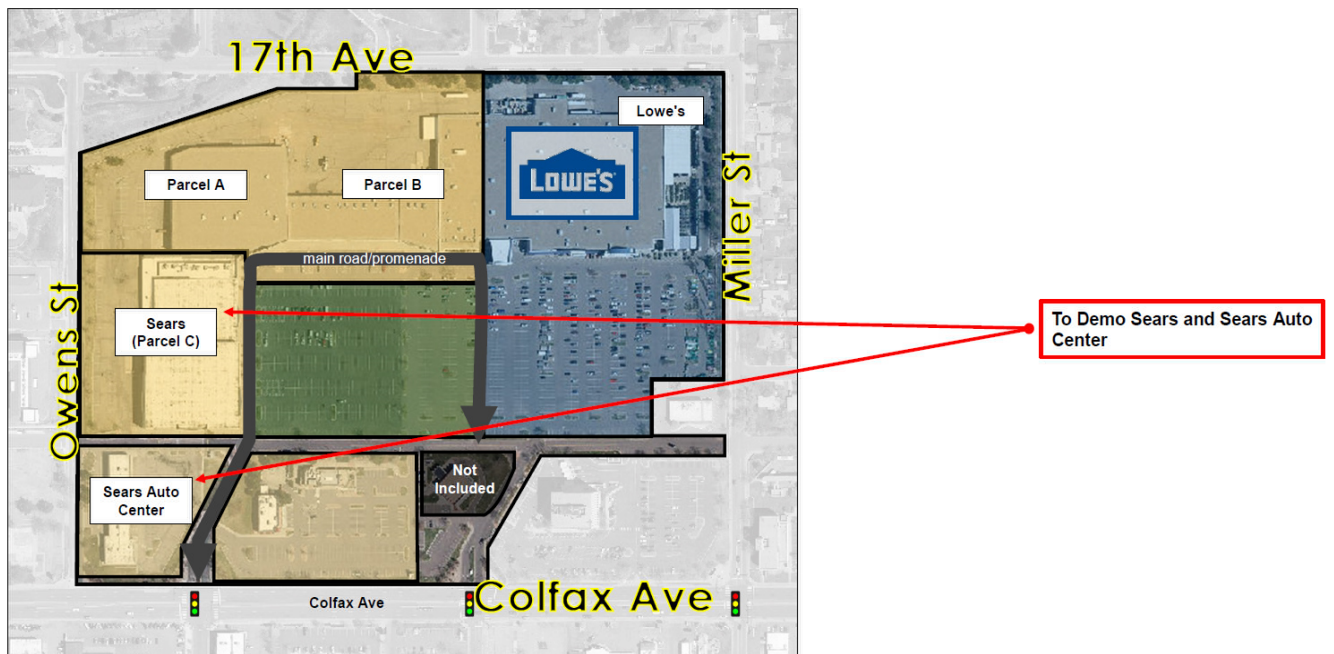
Alison McKenney Brown, LRA General Counsel

ATTACHMENT A

The Public Investment Loan Agreement Contract will include these terms, conditions and elements:

- 1.) The amount of lent funds will be no greater than Two Million, Seven Hundred Fifty Thousand and 00/100s dollars (\$2.75M).
- 2.) The total amount of funds lent will not exceed the actual realized costs for demolishing the vacant structures on the properties.
- 3.) Funds lent are for the demolition and removal of the existing structures on the "Property". These funds are made available to the Developer for the express purpose of demolishing and removing existing structures as rapidly as possible and must be used exclusively for the stated purpose.
- 4.) These loan funds are not a donation nor grant and will be reimbursed to the LRA by the Developer at such time as a future redevelopment project is entitled, funded and ready for the issuance of building/construction permits, subject to the conditions more specifically set forth within the final Agreement, but in no case shall reimbursement occur after sixty (60) days from the date that the money is received from the lending institution for the development of the project and no later than July 1, 2028.
- 5.) Developer agrees to grant the LRA a first priority security interest in the Property by signing a Promissory Note and Deed of Trust. Developer will complete, sign, and return the Deed of Trust and Promissory Note (attached) with this Agreement. The LRA requires a perfected lien on the Property of 100 percent of the amount loaned. The LRA's lien shall have priority over any lien or security interest created or arising after the execution of this Agreement and attached Promissory Note and Deed of Trust.
- 6.) Developer agrees to repay the LRA in-full upon any of the following: any material change to the collateralization of the Property (including use of the Property as collateral for any other loan or pledge of credit), any transfer of title (or portion thereof), acceptance of new financing with any conveyance of a security interest in the property, giving a security interest in the property to any third party, sale of the property, or any transfer or assignment of rights to the property to any party other than Developer.
- 7.) The beginning of demolition of structures on the property is to begin no later than June 3rd, 2024 with an expected completion of removal is no later the December 15, 2024

8.) The properties are outlined on the map below.



STAFF MEMO



DATE OF MEETING: MAY 20, 2024 / AGENDA ITEM NO. 5

To: Mayor and City Council
From: Robert Smith, Executive Director of the Lakewood Reinvestment Authority
Subject: **PUBLIC IMPROVEMENT LOAN AGREEMENT TO EXPEDITED DEMOLITION OF BUILDINGS AT 10785 W. COLFAX**

SUMMARY STATEMENT: This Resolution authorizes a supplemental appropriation to the 2004 LRA Budget to fund an Agreement with 10785 W Colfax Owner, LP for the expedited demolition and removal of dilapidated improvements on the properties commonly known as Westland. Specifically, using these funds the former Sears Retail Store and the former Sears Auto Care Center will be demolished as expeditiously as possible.

The additional appropriation will be for no more than \$2.75M and will be lent to the developer to demolish these dilapidated, derelict and distress vacant buildings. These loan funds are not a donation nor grant and will be reimbursed to the LRA by the Developer at such time as a future redevelopment project is entitled, funded and ready for the issuance of building/construction permits, subject to the conditions more specifically set forth within the final Agreement, but in no case shall reimbursement occur after sixty (60) days from the date that the money is received from the lending institution for the development of the project or no later than January 1, 2028.

BACKGROUND INFORMATION:

- Colorado law encourages blight mitigation assistance in areas deemed Urban Renewal Project Areas, per § 31-25-101, C.R.S
- Resolution LRA-2024-2 authorizes a supplemental appropriation to the LRA's 2024 Budget.
- Abandoned or vacant structures attract various forms of crime and are often vandalized, broken into, used for unsanitary shelter, and are often associated with increased criminal activity in the surrounding area, all of which pose an unnecessary risk to community health, safety, and wellness.
- These properties are within the West Colfax Avenue Corridor Reinvestment Area and qualify for blight mitigation assistance from the Lakewood Reinvestment Authority ("LRA").
- The total amount of funds lent will not exceed the actual realized costs for demolishing the vacant structures on the properties.
- This Public Benefit loan was authorized by the LRA Board of Commissioners approval of LRA Resolution 2024-2.

BUDGETARY IMPACTS: This additional Supplementary Budget Appropriation in the amount of \$2.75M will be included in the 2024 LRA Budget, originally approved by the Board of Commissioners on 10/23/2023. Specifically, this appropriation will be within the budget for the West Colfax Avenue Corridor Urban Renewal Area. On 1/1/2024, the beginning unaudited balance of this fund was \$4.1M.

STAFF RECOMMENDATIONS: The LRA may not approve the public benefit loan and additional supplementary budget appropriation.

ALTERNATIVES: The LRA may not approve the public benefit loan and additional supplementary budget appropriation.

PUBLIC OUTREACH: This item has been promoted through the regular communication channels to be considered by the Lakewood Reinvestment Authority.

NEXT STEPS: Execution of the public benefit loan and additional supplementary budget appropriation.

ATTACHMENTS: 1. Resolution LRA-2024-2

REVIEWED BY: Kathleen E. Hodgson, City Manager
Benjamin B. Goldstein, Deputy City Manager
Alison McKenney Brown, City Attorney

LRA 2024-2

A RESOLUTION

AUTHORIZING AN ADDITIONAL APPROPRIATION TO THE 2024 LRA BUDGET FOR THE EXPENDITURE OF FUNDS FOR THE PURPOSES OF FUNDING A PUBLIC IMPROVEMENT LOAN AGREEMENT WITH 10785 W COLFAX OWNER, LP FOR THE EXPEDITED DEMOLITION OF DILAPIDATED, DERELICT AND DISTRESSED VACANT BUILDINGS WITHIN THE WEST COLFAX AVENUE CORRIDOR URBAN RENEWAL PROJECT AREA

WHEREAS, the City of Lakewood (the “City”) recognizes Urban Renewal Authorities like the Lakewood Reinvestment Authority (the “Authority”) are empowered by Colorado law to prevent and eliminate the public risks associated with blight conditions through the acquisition, clearance, and disposition of dilapidated areas; and

WHEREAS, providing blight mitigation grants and loans through partnerships with private land owners in a Project Area is within the Lakewood Reinvestment Authority’s directive, and the municipal authority granted via § 31-25-101 *et seq*, C.R.S.; and

WHEREAS, the LRA wishes to amend the 2024 LRA Budget, specifically with an additional appropriation for an Agreement with 10785 W Colfax Owner, LP for the expedited demolition and removal of dilapidated improvements on the properties commonly known as Westland; and

WHEREAS, the Authority recognizes through mitigation of blighting conditions on the properties, it will create significant employment opportunities through partnerships with private entities to demolish and redevelop property owned by the Authority; and

WHEREAS, the Authority has given the Executive Director authorization to implement Agreements with 10785 W Colfax Owner, LP – Owner and Developer of the properties commonly referred to as Westland through the approval of LRA Resolution 2024-2; and

WHEREAS, the Agreement with 10785 W Colfax Owner, LP will include an expenditure of up to Two Million, Seven Hundred Fifty Thousand and 00/100s dollars (\$2,750,000.00) for the expedited demolition and removal of the improvements formerly used by a Sears Retail Store and a former Sears Autocare Center; and

WHEREAS, the Authority has or will have sufficient funds in the West Colfax Corridor Urban Renewal Project Area account for this additional appropriation to the 2024 LRA Budget,

NOW, THEREFORE, BE IT RESOLVED by the Lakewood Reinvestment Authority Commissioners, of Lakewood, Colorado, that:

SECTION 1. The Agreement with 10785 W Colfax Owner, LP serves a public purpose and furthers the health, safety, and welfare of the residents of Lakewood;

SECTION 2. The Authority hereby authorizes the expenditure of Two Million, Seven Hundred Fifty Thousand and 00/100s dollars (\$2,750,000.00) from the West Colfax Corridor Urban Renewal Project Area account for the implementation of the

Agreement 10785 W Colfax Owner, LP as an additional appropriation to 2024 LRA Budget;

SECTION 3. The Authority hereby authorizes the Executive Director to sign and commit the Authority to any necessary contracts or agreements consistent with the terms of this resolution;

SECTION 6. This Resolution shall become effective immediately upon signature after adoption.

INTRODUCED, READ AND ADOPTED by a vote of __ for and __ against at a virtual meeting of the Lakewood Reinvestment Authority held on May 20, 2024, at 6:00 o'clock p.m.

Wendi Strom, Chair

ATTEST:

Jay Robb, LRA Clerk

APPROVED AS TO FORM:

Alison McKenney Brown, LRA Counsel