



Barbara Kirkmeyer, Chair
Beth Block
Mark Grajeda, Vice Chair
Timothy Hoskens
Kay Palmer Marsh
Gary Montoya
Vincent Ornelas
Eugene Reynolds
Carol Ruckel
Zoe A. Stieber

AGENDA

**Fort Lupton Urban Renewal Authority
Regular Meeting
Tuesday, April 19, 2016
6:00 P.M.**

- 1. Call To Order – Roll Call**
- 2. Approval Of The Agenda**
- 3. Consent Agenda**
 - a. Approval of the Minutes of the April 5, 2016 Meeting
- 4. Public Comment**
- 5. New Business**
 - a. Intergovernmental Agreements
 - b. Budget
 - c. New Building and Construction Improvements Update
- 6. Old Business**
- 7. Staff Reports**
 - a. Executive Director
 - b. City Liaisons
- 8. Board Reports**
- 9. Adjournment**

**RECORD OF PROCEEDINGS
FORT LUPTON URBAN RENEWAL AUTHORITY
APRIL 5, 2016**

The Fort Lupton Urban Renewal Authority met at the City Complex, 130 South McKinley Avenue, the regular meeting place of the Board, on Tuesday, April 5, 2015. Authority member Eugene Reynolds called the meeting to order at 6:17 p.m. and invited everyone to join him in the Pledge of Allegiance.

ROLL CALL

Planner Alyssa Knutson called roll. Those present were Mark Grajeda, Barbara Kirkmeyer (6:30 p.m.), Gary Montoya, Eugene Reynolds, Carol Ruckel, Kay Marsh and Zoe Stieber. Also present were City Administrator Claud Hanes and Planner Alyssa Knutson.

APPROVAL OF AGENDA

The agenda was amended to include the acceptance of Timothy Hosken's resignation and the appointment of a new Vice Chairman. It was moved by Carol Ruckel and seconded by Gary Grajeda approving the agenda as amended. Motion carried unanimously.

CONSENT AGENDA

The following was on the Consent Agenda: Approval of the Minutes of the March 15, 2016 Meeting.

It was moved by Mark Grajeda and seconded by Carol Ruckel, as presented. Motion carried unanimously.

PERSON TO ADDRESS THE AUTHORITY

No one signed up to address the Authority.

NEW BUSINESS

FLURA Attorney Engagement Agreement

City Administrator Claud Hanes indicated the Engagement Agreement with Malcolm Murray of Murray Dahl Kuechenmeister was part of the Authority's packet. There were no comments or concerns; it was moved by Carol Ruckel and seconded by Zoe Stieber to approve the Engagement Agreement with Malcolm Murray of Murray Dahl Kuechenmeister. The motion carried unanimously by a voice vote.

Presentation: Urban Renewal 101

Malcolm Murray, with Murray Dahl Kuechenmeister, began his presentation stating a portion of his speech describes the Council's role in setting up the Urban Renewal Authority. He (Murray) indicated the formation of an Authority is usually Council driven and Council run. The Authority is established, the Mayor appoints the Authority and the plan is approved by the

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Council. A Plan is considered to be the Authority's "Charter". The Plan describes the Authority's role and there is a lot of interaction between the Council and Authority. Council has the authorization to implement eminent domain and to purchase property. The Authority can make recommendations to the Council and then it up to Council to proceed. There are division of responsibility between the Council and Authority. The Authority can be abolished by a resolution enacted by the Council, or be abolished by an ordinance initiated by the voters.

Mr. Murray described the Powers of the Authority; adopt bylaws, enter into contracts with public and private entities. The Authority is already working on Intergovernmental Agreements with Weld County, the School District and Fire District. The Authority can work with the municipality to plan, zone and rezone. The Authority can acquire property or have an interest in property, however the Fort Lupton Plan doesn't allow the Authority to condemn someone's property. The Authority can borrow money via the issuance of bonds. They (Authority) can own property, prepare property for redevelopment for "fair value". The Authority can make and submit plans for development to the municipality, borrow money and also provide relocation assistance.

Mr. Murray indicated for "Real Purposes" the Authority can acquire and assemble land for redevelopment, prepare the property for redevelopment, remediate environmental issues, demolition and site preparation. The Authority can convey property acquired to private parties.

Redevelopment can be financed; the Authority can use sales tax and property tax increments to assist the redevelopment, borrow money through bonds, loans or reimbursement agreements. The Authority is not limited or regulated to TABOR.

The Urban Renewal Activities (Plan) must be approved before the Authority can act. The Council approves the plan by resolution and is not subject to referendums. The Authority defines what the plan is and what powers can be exercised. Mr. Murray indicated the details of the plan will be discussed later.

Disposal of property; the Authority may sell, lease or transfer subject to covenants, conditions or any restriction. Purchasers or recipients must use the property consistent with the "Plan". A Competitive bidding process is defined in the Statues. Bid requests must be advertise, may consider the legal and financial capabilities of the applicants. The Authority may accept proposal(s) in what best benefits the public interest and the "Plan". The property must be sold for "fair value" taking into account all aspects of the property.

Mr. Murray stated the Authority doesn't have the ability to implement Tax Increment Financing from sales tax. However he did describe how the process works. He stated the process for sales taxes is as follows; the base is the sales taxes collected in the 12 months preceding the adoption of the Plan, which establishes the "base" and then from then on, the Authority receives the additional sales tax above the "base".

As for property taxes, the base is the most recently approved certification of value prior to the adoption of the plan. Additional property taxes are generated because the value increases is what

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the Authority receives. Currently there are questions on how the increments are calculated. The State is reviewing this procedure. The Statute endorses the opinion if there are changes to the property, it would change the value, which would be above the base.

The last item Mr. Murray discussed was the impact of House Bill 1348; it requires intergovernmental agreements with counties and special districts for payment of incremental property tax, and outlines a process to determine division of incremental property taxes. The applicability is currently uncertain and is subject to additional legislation and as far as TABOR issues the legislators are also looking at adding additional legislation. A new bill has been introduced, which should help with clarification, such as bonding and bond payments.

The newly proposed bill doesn't address the situations with Intergovernmental Agreements with counties and special districts.

The Authority asked specific questions to how House Bill 1348, impacts the Council/Authority, intergovernmental agreements, share backs and the process of the Authority receiving their funds. It was stated that once a project is suggested, the process of describing "Blight" needs to be found.

Chairperson Barb Kirkmeyer thanked Mr. Murray for the information.

Presentation: Frederick Urban Renewal Authority

Matt LeCerf, Executive Director of the Frederick Urban Renewal Authority indicated he was going to share information about Frederick's approach to Urban Renewal. More from a "Lesson Learned" approach. He provided information about internal and external communications; remembering all entities involved need to work together for the sake of the citizens. It's about building the community you (FLURA) wants.

Currently Frederick's Urban Renewal Authority has six (6) areas in place and working on the 7th. The Authority is to eliminate blight as defined in the Colorado Urban Renewal Law. The Authority needs to consider if the project feasible, for both the City and the developer.

Oil and gas is included in the base of the taxing process. When an oil and gas wells are constructed the well is then at its peak production, then the base is figured high; once production drops off the value is low and the municipality will never see an increment. Frederick has decided to amend the Urban Renewal Plan, and will only have the land as part of the base and will not consider any structures on the property from oil and gas. Also by amending the plan, Intergovernmental Agreements will remain the same and will not need to be amended. If Council is going to consider Eminent Domain, the municipality needs to respect property owner rights.

Frederick's approach to Urban Renewal for identifying the Urban Renewal area; large areas may include a project area, however generally larger areas of blight need improvements and may be partnered with other investment. The large area can be used to look at the overall picture.

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Frederick has decided to consider small areas; generally the project is poised for development or close to experiencing development. Again communication to all parties involved – the word “blight” can be intimidating. The City stills needs to make a finking of blight in the area prior to a Plan being adopted by the Authority. Mr. LeCerf stated to make sure there is communication between the Authority and staff.

Keep everyone involved in the development informed. Monies can be used for infrastructure, demolition, not for building an “out-of-ground” structure. Know what their vision are and understand it.

The negotiation and relationships; know what the impact of House Bill 15-1348. Your project is possibly dead without cooperation among all of the entities affected. Keep all of the taxing entities in the loop as much as possible. Share what information you can with them. Respect those taxing entities concerns and issues. Work with the entities on how “share back” works for everyone, currently and in the future – 25 years from now.

Chairperson Barb Kirkmeyer thanked Mr. LeCerf for sharing Frederick’s experience with the operations of a Urban Authority.

Accept the Resignation of Timothy Hoskens and Appoint a New Vice Chairperson

It was moved by Kay Marsh and seconded by Mark Grajeda to accept Timothy Hoskens’ resignation to the Fort Lupton Urban Renewal Authority. Motion carried unanimously by a voice vote.

It was moved by Zoe Stieber and seconded by Eugene Reynolds to appoint Mark Grajeda as the Vice Chairperson to the Fort Lupton Urban Renewal Authority. Motion carried unanimously by a voice vote.

OLD BUSINESS

There was no Old Business to discuss.

STAFF REPORTS

Executive Director Claud Hanes provided information regarding Assistant City Administrator Aaron Herrera’s fight with cancer. Also a golf tournament has been set up for Mr. Herrera (May 14, 2016). Mr. Hanes indicated he will be working with the bank to set up accounts and obtain signers for the Authority’s account.

Also, City Planner Todd Hodges, Planner Alyssa Knutson and City Administrator Claud Hanes met with the owners of the Star Theater, since they (the owner) requested a demolition permit from the City. There was discussion regarding the possibility of using FLURA money to help with the façade of the building. There was also discussion about designating the building as

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being “historic”. The City’s opinion about the classification is for the owner to request such a category.

Alyssa Knutson stated that Mayor Holton will appoint Vincent Ornelas to the Authority since Timothy Hoskens resigned. Staff will then request application for the “alternates” position on the Board.

Ms. Knutson also asked the Authority to email her with questions, comments or concerns since Mr. Herrera is out of the office until further notice.

BOARD REPORTS

Mark Grajeda stated the Fire District is ready to begin dialogue between the District and the Authority; start the discussion regarding the Intergovernmental Agreement.

Zoe Stieber would like to have staff disperse the approved minutes to the other taxing entities and would like to receive information about building permits issued that affect the Urban Renewal Authority designated area.

Carol Ruckel inquired about property that is annexed into the City, is it automatically added to the Urban area. The answer is no, the area needs to be amended to include such area.

Chairperson Kirkmeyer, inquired about what items could be added to the next agenda; begin working the City’s Intergovernmental Agreement, and budget information. Staff will provide Mr. Murray with copies of the draft Intergovernmental Agreements, so he is prepared to move forward.

There was one last question from the Authority; what is happening with George’s Hardware Store on Denver Avenue. Staff indicated they haven’t heard if the sale to Dollar Tree went through, however the property owner did indicate he had back up purchase agreements for the purchase of the building.

There being no further business, the meeting adjourned at 8:04 p.m. The next FLURA meeting will be held on April 19th.

Respectfully submitted,

Nanette S. Fornof, City Clerk

Approved by Fort Lupton Urban Renewal Authority

Barbara Kirkmeyer, Chairperson

Budget Message

December 7, 2015

Honorable Mayor & City Council Members:

In accordance with Colorado Revised Statutes, I am pleased to present the Requested Budget for the 2015 fiscal year. This budget has been prepared using the cash basis of accounting and is intended to serve the community, authority board, management, and staff as:

1. A plan of financial operations estimating the proposed expenditures for the next fiscal year and the proposed means of financing those expenditures.
2. An operational plan for the use and deployment of manpower, materials, and other resources during the next fiscal year.

The Fort Lupton Urban Renewal Authority (FLURA) was registered with the State of Colorado in 2014 and the Fort Lupton Core Urban Renewal Area Plan was formally adopted on May 18, 2015 by City Council. 2016 will be the first year FLURA will receive tax-increment financing revenue. This revenue can be used to promote redevelopment, reinvestment and beautification within the City of Fort Lupton, which will assist in creating a thriving community that is economically diverse.

In 2015, the City of Fort Lupton budgeted \$50,000 in its general fund to pay the legal fees and other expenses required to establish FLURA. \$40,883 of the unspent funds were loaned to FLURA in 2015 with the understanding that FLURA will reimburse the City when adequate funds become available.

Budget Unit Summary

AGENCY/DEPARTMENT NAME: FORT LUPTON URBAN RENEWAL AUTHORITY

BUDGET TITLE & NUMBER: 89-750

DEPARTMENT DESCRIPTION:

Resources	Actual Last Year	Budgeted Current Year	Projected Current Year	Requested Next Year	Final Next Year
Personnel Services	-	-	-	-	-
Supplies	-	-	-	-	-
Purchased Services	-	-	-	-	-
Fixed Cost	-	-	-	-	-
Capital Outlay	-	-	-	44,681	44,681
Gross City Cost	-	-	-	44,681	44,681
Transfers-out					
Transfers-in	-	-	-	-	-
Revenue	-	-	40,883	3,798	3,798
Net City Cost	-	-	(40,883)	40,883	40,883
Budgeted Positions	-	-	-	-	-

SUMMARY OF CHANGES:

2016 will be the first year a TIF increment will generate revenue for the Urban Renewal Authority. It will also be the first time a budget for expenditures will be approved.

OBJECTIVES:

PERFORMANCE MEASURES

	2014 Actual	2015 Estimated	2016 Projected
Efficiency Measures			

Finance Recommendation:

Approve as requested.

Council Action:

SUMMARY

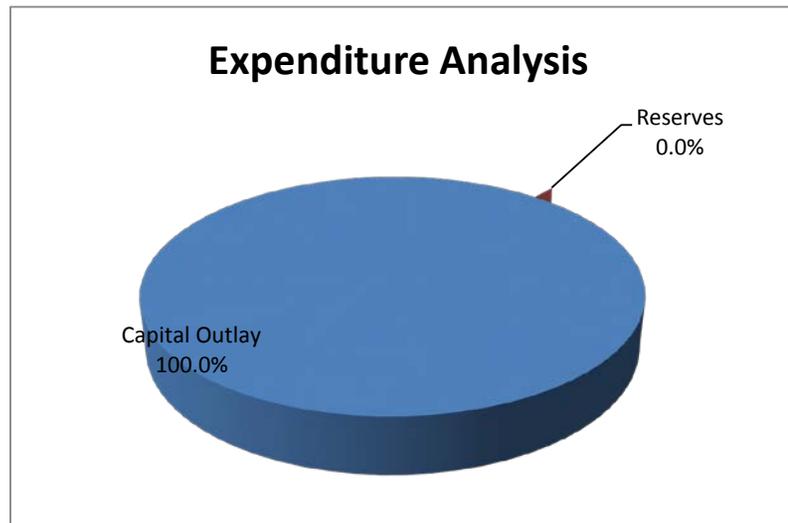
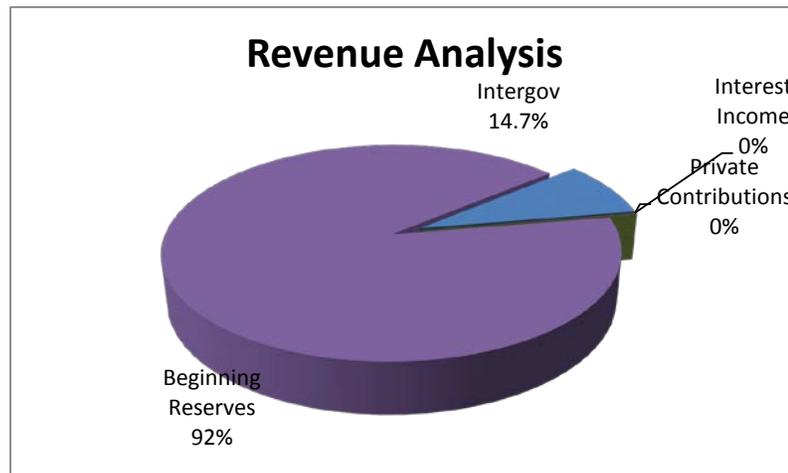
STORM WATER DRAINAGE FACILITY FUND

BUDGET SUMMARY

Description	2014 Actual	2015 Amended Budget	2015 Projected Year End	2016 Requested Budget
REVENUE SUMMARY				
Intergovernmental	-	-	-	3,768
Interest Income	-	-	-	30
Private Contributions	-	-	40,883	-
Beginning Reserves	-	-	-	40,883
TOTAL REVENUES	-	-	40,883	44,681

BUDGET SUMMARY

Capital Outlay	-	-	-	44,681
Reserves	-	-	40,883	-
Gross City Cost	-	-	40,883	44,681



REVENUE**URBAN RENEWAL AUTHORITY****BUDGET DETAIL**

Account	Description	12/31/2014	12/31/2015	12/31/2015	12/31/2016	12/31/2016
		2014 Actual	2015 Amended Budget	2015 Projected Year End	2016 Requested Budget	2016 Budget Final
31101	TIF Increment	-	-	-	3,768	3,768
39200	Donations	-	-	40,883	-	-
31610	Interest Earned	-	-	-	30	30
39399	Unappropriated Reserves	-	-	-	40,883	40,883
	TOTAL	-	-	40,883	44,681	44,681

REVENUE SUMMARY

Intergovernmental	-	-	-	3,768	3,768
Interest Income	-	-	-	30	30
Private Contributions	-	-	40,883	-	-
Beginning Reserves	-	-	-	40,883	40,883
TOTAL REVENUES	-	-	40,883	44,681	44,681

OPERATIONS

URBAN RENEWAL AUTHORITY

BUDGET DETAIL

Account	Description	12/31/2014	12/31/2015	12/31/2015	12/31/2016	12/31/2016
		2014 Actual	2015 Amended Budget	2015 Projected Year End	2016 Requested Budget	2016 Budget Final
57500	Capital Projects	-	-	-	44,681	44,681
	Total Capital Outlay	-	-	-	44,681	44,681
59040	Fund Balance Reserves	-	-	40,883	-	-
	Total Reserves	-	-	40,883	-	-
	TOTAL	-	-	40,883	44,681	44,681

BUDGET SUMMARY

Capital Outlay	-	-	-	44,681	44,681
Reserves	-	-	40,883	-	-
Gross City Cost	-	-	40,883	44,681	44,681