

City Council

Study Session Agenda

April 23, 2013
Louisville Public Library, 1st Floor Meeting Room
951 Spruce Street
7:00 PM

- | | |
|------------------|---|
| 7:00 p.m. | I. Call to Order |
| 7:00 – 7:30 p.m. | II. Update – Horticulture & Forestry Advisory Board |
| 7:30 – 8:00 p.m. | III. Update – Open Space Advisory Board |
| 8:00 – 8:45 p.m. | IV. Discussion – Term Sheet for Highway 42 Core Project Area Improvements |
| 8:45 – 8:50 p.m. | V. City Manager’s Report
a. Advanced Agenda |
| 8:55 – 9:00 p.m. | VI. Discussion Items for Study Session on May 14, 2013 and Identification of Future Agenda Items |
| 9:00 p.m. | VII. Adjourn |

SUBJECT: UPDATE – HORTICULTURE AND FORESTRY ADVISORY BOARD

DATE: APRIL 23, 2013

PRESENTED BY: PARKS & RECREATION DEPARTMENT ON BEHALF OF THE CITY OF LOUISVILLE HORTICULTURE AND FORESTRY ADVISORY BOARD

SUMMARY:

The City of Louisville Horticulture and Forestry Advisory Board (HFAB) appreciates the opportunity to communicate directly with the City Council on April 23rd. The topics of discussion will include the following:

- 1) Introduction of Board and Council Members
- 2) 2012 HFAB Accomplishments
- 3) 2013 HFAB Goals

HFAB Members: Mike Frontczak, Theresa Rounds, Ellen Toon, Shelly Alm, Beverlee White, Eric Gustafson, Mark Newland, Neal Griggsmiller.

Staff Members: Joe Stevens, Parks & Recreation Director
Chris Lichty, Supervisor of Forestry and Horticulture

FISCAL IMPACT:

None

RECOMMENDATION:

Discussion

ATTACHMENT(S):

1. Presentation

Horticulture & Forestry Advisory Board (HFAB)

A few of the things we do:

- ▣ Represent the Louisville Community on public landscape projects
- ▣ Work with city staff to promote healthy horticultural practices in public and private landscapes
- ▣ Provide educational horticulture opportunities for the community

HFAB Accomplishments

Arbor Day Planting

Parks & Open Space

2012 Arbor Day Tree Planting

Thursday, April 19, 2012
At Louisville Middle School
1341 Main St.
(in front of school)



Trees will be planted with two 8th Grade Science classes. First planting at 8:40am and second planting at 9:30am. Students will learn about the benefits of trees and proper tree planting techniques.

Tree Planting funds provided by a grant from Colorado Tree Coalition (C.T.C.) and Xcel Energy Foundation.



Please feel free to stop by and support these students help the environment while adding trees to their school.

Sponsored by the City of Louisville and the Horticulture and Forestry Advisory Board.



700 West Street • Louisville, Colorado 80027 • TEL: 303.233.4100 • www.boulder.gov



Educational Talk



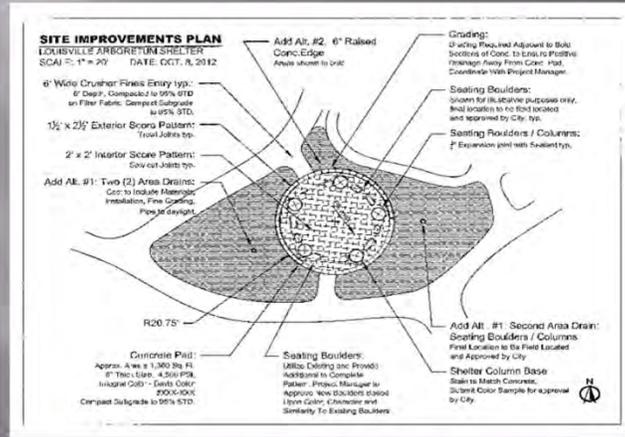
- Very successful talk!
- Seating was limited and room was filled to capacity
- In the future, a larger venue will be needed

Pergola Improvement



As originally constructed in 2008

Project goal was to expand the seating area in order to maximize the use of the shelter



After surrounding sod is installed and established, this shelter will become part of the City's rentable shelters' list



New Fitness Stations at the Arboretum



Landscape Plan Review

- ▣ Pergola Improvement – Texas Hybrid Bluegrass
- ▣ McCaslin/Washington St. Underpass Landscape
- ▣ Planting Plan for North End Phase II Development
- ▣ 2012 Comprehensive Plan
- ▣ Open Space Native Plant List
- ▣ Steel Ranch South Landscape Review
- ▣ Discussion on Tree/Sign Issues

HFAB 2013 Goals

- Ribbon Cutting Event for Arboretum Improvements
- Arbor Day Event
- Educational Events
- Landscape Review
- HFAB supports the following projects:
 - Restroom at the Arboretum
 - Renovation of Xeric Demonstration Garden and included a Memory Walk
 - Arboretum Sign on Via Appia



SUBJECT: UPDATE – OPEN SPACE ADVISORY BOARD

DATE: APRIL 23, 2013

**PRESENTED BY: PARKS & RECREATION DEPARTMENT ON BEHALF OF THE
CITY OF LOUISVILLE OPEN SPACE ADVISORY BOARD**

SUMMARY:

The City of Louisville Open Space Advisory Board (OSAB) appreciates the opportunity to communicate directly with the City Council on April 23rd. The topics of discussion will include the following:

- 1) Introduction of Board and Council Members
- 2) 2012 OSAB Accomplishments
- 3) 2013 OSAB Goals

OSAB Members: Tom Davinroy, Helen Moshak, Alison Gorsevski, Linda Smith, Spencer Guthrie, Michael Schantz, Laura Scott Denton and Missy Davis.

Staff Members: Joe Stevens, Parks & Recreation Director
Ember Brignull, Open Space Manager

FISCAL IMPACT:

None

RECOMMENDATION:

Discussion

ATTACHMENT(S):

1. Presentation

ACCOMPLISHMENT 2 (Continued):

B) Board Members Attended & Assisted with the following Education Events:

- Open Space 101
- Volunteer Raptor Monitoring Training
- Snakes Alive!
- 5th Annual Family Fishing Frenzy
- Mystery of Bird Migration Slide Show
- Noxious Weed ID Training
- Spring Snake Count Event
- 5th Annual Pull for Colorado
- Greenwood Wildlife Rehabilitation Center Program
- Bird Walk on Coal Creek
- Open Space Open House
- Clever Coyotes!
- Discover Davidson Mesa (Geocache)
- Keep It Clean Partnership: Aquatic Exploration
- Birds of Prey Foundation
- Get to know your H2O
- Spooktacular Critters

Over 550 Citizens Reached!

ACCOMPLISHMENT 3:

Review & Make Recommendations Regarding:

A) Development & Construction Plans

- Steel Ranch Construction Plans
- Underpass Design at McCaslin & Washington
- CTC to Coal Creek Trail Alignment
- Mayhoffer 15 Trail Alignment
- Overlook Underpass Concept



OSAB 2013 Goals

- 1) Attend McCaslin Underpass & Trailhead Ribbon Cutting
- 2) Continue to Enhance Education Programs and Community Outreach
 - Trail courtesy, partnering with Parks and Recreation
- 3) Develop and Implement a Way-Finding Program
- 4) Participate in Joint Meetings
 - Meet with City of Boulder Open Space & Mountain Parks or City of Boulder Parks and Recreation.
 - Meet with Boulder County Parks & Open Space
 - Annual All County Board Meeting
 - Regional Way-Finding Sub-Committee
 - Consider focusing on an issue and inviting interested jurisdictions (coyote/wildlife management plans).

OSAB 2013 Goals

- 5) Support Development of Resource Monitoring Plans and Inventory Protocols (flora/fauna).
- 6) Support Repeating Existing Studies: Bird Monitoring, Flora Monitoring in Prairie Dog Colonies etc.
- 7) Review the 2004 Open Space Master Plan to Prepare for the 2014 Capital Improvement Project Regarding Revisions to the Document.
- 8) Provide Input on the Capital Improvement and Operational Budgets.

OSAB 2013 Goals

9) New Trails Construction Plan – Identification, Public Process and Budgeting

10) Development of a Comprehensive Wildlife Management Plan, with a Priority on Coyote Management

11) Review of Conservation Trust Open Space & Parks Fund Spending and Benchmarking of Expenditures for Open Space Acquisition and Operation

12) Invest in Interpretative / Educational / Volunteer Coordination, Staffing and Resources

**SUBJECT: TERM SHEET FOR HIGHWAY 42 CORE PROJECT AREA
IMPROVEMENTS**

DATE: APRIL 23, 2013

PRESENTED BY: AARON DEJONG, ECONOMIC DEVELOPMENT

SUMMARY:

The Louisville Revitalization Commission (LRC) developed a Term Sheet to describe the general conditions under which the LRC would issue Tax Increment Financing (TIF) revenue bonds to fund public infrastructure in the Urban Renewal Area. The City Council must give approval to any financial obligation of the LRC as specified in the Cooperation Agreement between City Council and the Louisville Revitalization Commission dated December 6, 2006.

BACKGROUND:

The LRC is the City's Urban Renewal Authority and is charged with implementing the Highway 42 Revitalization Area Urban Renewal Plan approved in December 2006.

The LRC has the authority to collect TIF revenue from improvements made within the Urban Renewal Area that increases property taxes over a base valuation (generally the valuation of property as of January 1, 2007). The increased property taxes above the base valuation accrue to the LRC to invest in projects that remove blight and encourage reinvestment within the Urban Renewal Area.

The City and the LRC have previously committed to funding the pedestrian gateway at the intersection of South Street and the BNSF railroad. This investment creates the potential for the core area of the Highway 42 Revitalization area to be redeveloped by providing better connectivity for all citizens and visitors to interact with areas within the Urban Renewal Area. An interior street network east of the railroad tracks and west of Highway 42 is necessary for any meaningful redevelopment of the area as well as to help facilitate potential additional revenue for businesses and the city.

DISCUSSION:

DELO, LLC, a development entity controlled by RMCS, LLC, is planning to redevelop approximately 10 acres of property they own (previously the site of the Aggregate Industries concrete plant) between Griffith and South Streets along the BNSF railway. The attached concept map shows the general plan for the redevelopment project.

It should be noted DELO has submitted preliminary PUD documents to the Planning Department. The private bond issue being contemplated in this term sheet is for the public infrastructure, it is not an endorsement of the private development plans, which may benefit from the new public infrastructure.

DELO's property is identified in the Urban Renewal Plan as one that contributes to eight of the blighting factors identified within the Urban Renewal Area. Among other things, the area's faulty street layout has limited any development within this subarea of the Urban Renewal Area.

DELO, LLC applied to the LRC for financial assistance in January 2013 to construct public infrastructure that would remediate the faulty street layout for the area. Generally, the scope of the public infrastructure needed for DELO's development and other properties within the area are:

- Construction of new streets and sidewalks
 - Cannon from South to Griffith
 - Short from Cannon to Highway 42
- New water utilities within the following streets;
 - Cannon Street from Lafayette to South
 - South Street From BNSF to Highway 42
- New storm water utilities within the following corridors;
 - Lafayette from BNSF to Highway 42
 - Cannon from Griffith to Lafayette
- New sanitary sewer utilities within the following streets;
 - Lafayette from BNSF to Short
 - Short from Cannon to Highway 42
- Landscaping and public amenities along streets
- Street lighting, earthwork, traffic control, surveying, project management (10%), contingency (10%)

DELO has estimated the public infrastructure to cost \$3,500,000. The Public Works staff has reviewed initial cost estimates. The final scope of the public infrastructure will be identified through the DELO entitlement process. This new public infrastructure will not only be used by the DELO project, the new streets and utilities will remove access barriers for all adjacent property owners, particularly between Cannon Street and Highway 42.

The LRC provided direction to staff at their January 28, 2013 meeting that the LRC 1) is willing to help finance public infrastructure improvements in the subarea; 2) understands the funds will be borrowed from investors found by DELO, LLC; and 3) requests a term sheet be prepared outlining the financial components of the borrowing.

The LRC doesn't have current funding available to finance the project. A TIF revenue bond must be issued to generate the capital necessary to construct the infrastructure. City staff worked with DELO to develop a term sheet consistent with the LRC's direction. That term sheet outlines the financial terms of such a bond. The draft term sheet is attached and the following is a description of the main provisions:

Dated Date

The closing date for the bonds will be 30 days after execution of a subdivision plat and final PUD approvals.

Issuing the bonds at this time provides for the greatest surety to potential investors and to the LRC that the infrastructure being paid by the bonds has a redevelopment project tied to its completion.

Par Amount

The amount of the bonds is not to exceed \$3,500,000. The actual amount of the bonds issued will be determined by a third-party financial consultant. The consultant will identify the revenue stream anticipated by the redevelopment within the Highway 42 Core Project Area.

LRC and staff conducted an analysis to determine a preliminary amount of bonds which can be serviced by anticipated improvements within the Highway 42 Core Project Area. The following assumptions were made in the analysis;

1. The DELO project would consist of;
 - a. Two apartment buildings with 130 apartments and 12,000 SF of commercial space,
 - b. 30 cluster homes, and
 - c. 59 rowhomes.
2. DELO estimates total private development costs of \$53,000,000.
3. Redevelopment of the Tebo property between South and Short would be into a 45,000 SF retail building valued at \$75 per building SF.
4. Other properties would not redevelop but increase in value by 30% due to having new streets serving them.
5. Interest rate of seven percent on the revenue stream.
6. Payment of other financial obligations of the LRC.

The increased property tax revenue generated from these projects is conservatively estimated to support a \$3,100,000 bond issuance. A copy of the analysis is attached.

Purpose

The bonds will pay for public improvements within the Highway 42 Core Project as generally identified above. The actual public infrastructure needed in the area will be determined during the planning application process for DELO's private development.

Final Maturity

The term of the bonds will end December 1, 2033, giving an 18-year term period. This date is the end of the TIF collection period for the Urban Renewal Area.

Interest Rate

The agreed interest rate is seven percent simple interest.

A seven percent interest rate is much higher than traditional municipal financing that has the full faith and credit of the issuing entity. This higher interest rate is necessary because the bonds would have a much different risk profile as the bonds are only paid back through the increased tax revenue from the Highway 42 Core Project Area; the bond holders assume the risk of the subarea not generating the tax increment revenue necessary to finance the debt. The bond holders are not guaranteed a payment from any other funding source.

Tax Status

These bonds are eligible to be double tax-exempt, bank qualified, and not subject to the Alternative Minimum Tax.

Redemption

The bonds may be redeemed after the 5 year anniversary of the bond issuance. Should the subarea meet or exceed property tax estimations used to determine the bond amount, the bonds can be refinanced at a lower rate because the risk profile would change significantly and more traditional financing institutions would be interested in the bonds.

Rating

These bonds will have no rating. The risk profile is too great to receive a rating.

Pledged Revenue

The bonds will only be paid through the increased property tax revenue from the Highway 42 Core Project Area. The base value is the property values as of January 1, 2012 (for taxes collected in 2013) by the Boulder County Assessor's office.

The revenues are subordinate to the LRC's other financial obligations. Those obligations include;

- 1) The Intergovernmental Agreement with Boulder County to share back a portion of TIF revenues
- 2) The Intergovernmental Agreement with the City of Louisville for administrative services
- 3) The Intergovernmental Agreement with the City of Louisville for funding of the South Street Gateway Underpass

The revenues from the subarea remaining after these other obligations will be used as principal and interest payments on the bonds. Payments by the LRC to the bondholders are contingent on the availability of TIF revenues.

It is important to note the bonds are only being repaid from the TIF revenue of this subarea, the bond purchasers, not the City of Louisville or the LRC, carry the risk of TIF revenues not being sufficient to cover bond payments. No guarantee is being provided by either entity should revenues not meet expectations.

Denominations

The bonds may be sold in increments no less than \$500,000. These bonds have a risk profile that should only be undertaken by entities that have the ability to absorb such risk.

Additional Bonds

No additional bonds may be serviced from revenues generated within the Highway 42 Core Project Area without the consent of the bondholders.

Closing Conditions

Several conditions must be met before the bonds are issued for the public infrastructure. They are;

- The DELO project must have an approved subdivision plat and final PUD documents.
- All needed Right-of-Way must be dedicated to the City for the public infrastructure.
- An executed redevelopment agreement outlining the actual public infrastructure being constructed with the bond proceeds.
- Evidence that the developer for the DELO project has obtained the necessary financing to complete the approved project.
- Approved final construction plans for the public infrastructure
- A third-party financial construction report showing that the discharge of the debt due to non-payment will be remote. This is an IRS requirement for tax-exempt bond issuances.

The bond amount may not be sufficient to complete the needed public infrastructure that is identified through the development process. Any costs not covered by the LRC financial contribution or from the City through its service utility funds will be the obligation of the developer. It is important to ensure the public infrastructure project has the funds available to complete them.

FISCAL IMPACT:

This TIF revenue bond does not have a fiscal impact on the City of Louisville. The bond is paid through increased property tax revenue generated from projects within the subarea denoted in Exhibit A of the Term Sheet. Only those revenues will facilitate the principal and interest payments. The LRC is a separate governmental entity and its financial commitments do not burden the City of Louisville.

SUBJECT: TERM SHEET FOR HIGHWAY 42 CORE PROJECT AREA IMPROVEMENTS

DATE: APRIL 23, 2013

PAGE 6 OF 6

If the TIF generated within the Highway 42 Core Project Area is more than anticipated, then an additional principle payment will be made with the excess revenues. If the TIF generated is less than is needed to facilitate the debt, the bondholders will realize a loss on their investment.

RECOMMENDATION:

This is for discussion purposes only. Staff would like feedback on the Term Sheet and will bring a final recommendation to the City Council at a future meeting for consideration

ATTACHMENT(S):

1. Term Sheet
2. Highway 42 Core Project Area map
3. Staff financial analysis
4. Concept map of the DELO redevelopment

Louisville Revitalization Commission
DELO Project
Term Sheet
As of 4/11/13

DRAFT FOR DISCUSSION PURPOSES ONLY

- Dated Date:** Closing date (30 days after final subdivision plat and final PUD approvals.)
- Par Amount:** Not to Exceed \$3,500,000. Final amount will be determined by LRC with reference to the financial consultant report and approved plans.
- Purpose:** Bond funds will be used to finance public infrastructure improvements within the Highway 42 Core Project Area.
- Final Maturity:** December 1, 2033. Any amounts remaining unpaid will be discharged.
- Interest Rate:** 7%. Simple interest calculated on a 30/360 basis.
- Interest Payment Dates:** December 1 of each year, commencing the first December 1, after closing.
- Tax Status:** Tax-exempt, Bank Qualified, Non-AMT
- Redemption:** LRC may redeem bonds at its option after the 5 year anniversary of the Closing Date at par. The pledged revenues after paying accrued but unpaid interest shall be used on each December 1 to prepay principal.
- Rating:** None
- Pledged Revenue:** The property tax increment revenues from the Highway 42 Core Project Area (as described in the map attached as Exhibit A). The base value for determining the increment will be the 2012 assessed value as determined by the Boulder County assessor (for taxes collected in 2013). The pledge is subordinate to obligations to the City pursuant to two Cooperation Agreements and to the County pursuant to an IGA.
- Denominations:** \$500,000 Denominations or integral multiples of \$1,000 above \$500,000.
- Additional Bonds:** No debt payable from the Pledged Revenue without consent of bondholders.
- Closing Conditions:** Approval of the final subdivision plat and final PUD for the DELO project.
- Dedication of ROW for infrastructure.
- Execution of Redevelopment Agreement, in form and substance satisfactory to LRC and the City.
- Evidence that the developer has obtained private financing.

Approval of final construction plans for infrastructure. (Note: Developer shall be responsible for infrastructure costs in excess of amounts available from financing.)

A report of a financial consultant, selected by LRC, showing that the discharge of the debt due to non-payment will be remote.

Such other matters as are required by bond counsel to deliver an opinion that the bonds are validly issued and the interest is tax-exempt.

Dated _____, 2013

LOUISVILLE REVITALIZATION COMMISSION

By: _____

Title: _____



EXHIBIT A

Highway 42 Core Project Area



EXPLANATION

-  Highway42CoreArea
-  Louisville City Limits

DELO Redevelopment

Apartment Value per unit	145000
Cluster Home Value per unit	165000
Townhome Value per unit	450000
comm value per sf	75
res rollback	7.96%
comm rollback	29%

Mill levy From Analysis Tab	84.45	84.45	84.45	84.45	84.45	84.45	84.45	84.45	84.45	84.45	84.45	84.45	84.45	84.45	84.45	84.45	84.45	84.45	TOTAL
Valuation Year as of Jan 1	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2031	
Year Tax Paid	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2031	2032	
Apartment Units	75	55																	
Cluster Units		30																	
Townhomes	20	20	19																
Total Value	19,875,000	21,925,000	8,550,000	-															
comm sf	12,000	-																	
Comm Value	900,000	-	-																
Total Value																			
res AV Phase 1	1,582,050	1,745,230	680,580	-	-	-	-												
comm AV Phase 1	261,000	-	-	-	-	-	-												
Cumulative DELO AV	1,843,050	3,588,280	4,268,860	4,268,860	4,268,860	4,268,860	4,268,860	4,268,860	4,268,860	4,268,860	4,268,860	4,268,860	4,268,860	4,268,860	4,268,860	4,268,860	4,268,860	4,268,860	4,268,860
Cumulative Tebo AV			765,650	765,650	765,650	765,650	765,650	765,650	765,650	765,650	765,650	765,650	765,650	765,650	765,650	765,650	765,650	765,650	765,650
Cumulative Other AV	-	1,229,580	1,229,580	1,229,580	1,229,580	1,229,580	1,229,580	1,229,580	1,229,580	1,229,580	1,229,580	1,229,580	1,229,580	1,229,580	1,229,580	1,229,580	1,229,580	1,229,580	1,229,580
TIF Generated	155,646	406,868	529,002	529,002	529,002	529,002	529,002	529,002	529,002	529,002	529,002	529,002	529,002	529,002	529,002	529,002	529,002	529,002	529,002
less County payment	(11,128.66)	(29,091.08)	(37,823.67)	(37,823.67)	(37,823.67)	(37,823.67)	(37,823.67)	(37,823.67)	(37,823.67)	(37,823.67)	(37,823.67)	(37,823.67)	(37,823.67)	(37,823.67)	(37,823.67)	(37,823.67)	(37,823.67)	(37,823.67)	(37,823.67)
less 25% Underpass reduction	(36,129)	(94,444)	(122,795)	(122,795)	(122,795)	(122,795)	(122,795)	(122,795)	(122,795)	-	-	-	-	-	-	-	-	-	-
Staff cost	(11,935)	(19,112)	(21,789)	(20,919)	(20,026)	(19,614)	(19,239)	(19,090)	(18,953)	(18,829)	(18,716)	(18,900)	(19,085)	(19,272)	(19,461)	(19,652)	(19,844)	(19,844)	(19,844)
Remaining TIF available	96,453	264,221	346,595	347,465	348,358	348,770	349,145	349,294	472,226	472,350	472,463	472,279	472,094	471,907	471,718	471,527	471,334	471,334	6,698,197
Interest Rate	7%																		
Present Value of all Remaining TIF for life of URA	\$ 3,109,779	two year lag																	

