

AGENDA

URA Finance Committee

January 14, 2021

3:00 pm – 4:00 pm

1. November 12, 2020 Meeting Minutes
2. North College Community Investment Plan Appropriation Options
3. Lyric Cinema Café Reimbursement Acceleration

This meeting will be held digitally via Microsoft Teams. To join this meeting, please use the link below:

https://teams.microsoft.com/l/meetup-join/19%3ameeting_ZDM4M2ZIOTEtOGY4My00MmIxLWE3YWltM2ZhZjNmNjNhOTZk%40thread.v2/0?context=%7b%22Tid%22%3a%2247fa2f5f-0d0a-4a68-b431-6d1a27b66660%22%2c%22Oid%22%3a%220fa9b750-1577-4182-9bd5-e34aea8d9a3e%22%7d

If you are unable to join the video conference call, you may dial +1 970-628-0892 on your phone. The conference ID is 934 779 842#.

Other business:

AGENDA

URA Finance Committee

November 12, 2020

8:30 am – 9:30 am

Meeting started at 8:30am by Chair Troxell

Present: Joe Wise, Christophe Febvre, Wade Troxell, Ross Cunniff, Ken Summers

Staff: Darin Atteberry, Josh Birks, Clay Frickey, Travis Storin

1. Approval of October 8, 2020 Meeting Minutes

Motion: Ross Cunniff. Second: Joe Wise. Passed 4-0-0

2. North College Community Investment Plan Finance Options

Frickey delivered a presentation about the investment plan. He provided a summary of the project to date and next steps following this meeting. He then explained the positives and negatives of two financing approaches: pay as you go and bonding. He then introduced the concept of repayments for the URA's investment in infrastructure and how the URA can use those funds as a revenue source. He then also explained how waiving repayments could also be a development incentive. He concluded by asking the Finance Committee their level of support for the two finance options and how to handle repayments in the investment plan.

Birks explained that the purpose of the conversation is not to have a tactical discussion about these specific tools. The purpose, rather, is to understand under what conditions should the Board consider using these tools and how should we express this in the investment plan.

Commissioner Cunniff stated a concern with considering bonding right now. For repayments, he stated a desire to better understand the specifics of repayments before providing comment. To further elaborate on bonding, he stated that he is hearing about potential trend of increasing commercial foreclosures. This would impact the property tax revenue of the URA negatively. He further stated that he would be more supportive of bonding once the economy rebounds.

Commissioner Wise stated his preference for pay as you go. He would support bonding for projects that would be potentially transformative. He then stated that he would only support

bonding with the City's moral obligation pledge and if the bonds had minimal risk. He then explained that bonding is an important financial tool to leave on the table and should be an option in the investment plan. For repayments, he requested more specifics on how the repayments would work before providing feedback. He stated that he would only support waiving repayments in certain cases.

Commissioner Febvre expressed that he would support bonding if the risk is appropriate. He expects Fort Collins to rebound economically so it is important to ensure bonding is an option for the URA to explore. One of the issues he noticed the URA is trying to address is gentrification and rising property values. The URA tool only works if property values rise. This objective then encourages gentrification. He sees waiving repayments as a small way to counterbalance the rise in property values. He then asked how we can use the investment plan and preserve bonding as an option to address potentially transformative projects the school district has been discussing with other partners in the North College plan area.

Commissioner Summers expressed his support for pay as you go. He then asked how the community hub will work. He was wondering if the URA is contemplating issuing bonds without development partners on board and a specific development plan in mind.

Frickey responded by explaining the community hub is a long-term goal. He explained we would spend a significant amount of time clarifying exactly what the community hub is and developing partnerships to create a successful community hub before issuing an RFP for qualified developers to build the community hub.

Commissioner Summers expressed his thanks for the explanation and then asked if we are contemplating issuing bonds without a specific objective or project in mind. He expressed concern with issuing bonds without a specific purpose.

Frickey responded that we would only issue bonds with a specific purpose in mind. He gave an example about the stormwater project and how bonds could help bring that project about quicker.

Executive Director Atteberry stated that we are talking about preserving bonding as an option. He stated that as City Manager, he would advise the City to preserve bonding as an option and thinks the URA should do the same.

Quander stated that the URA Board would have to decide on bond issuances. This conversation is merely about whether we should preserve the bonding tool in the investment plan and under what circumstances should we consider issuing bonds.

Chair Troxell expressed his support for preserving the bonding tool in the investment plan. He stated we should evaluate whether we should issue bonds once we have projects in mind. He

then informed the Finance Committee about a presentation he heard from the Everitt Real Estate school and how they expressed Northern Colorado is in an envious position to recover economically. He thought the Board would find the presentation interesting and suggested they present to the Board.

Commissioner Wise agreed with Executive Director Atteberry and Chair Troxell about preserving the bonding tool in the investment plan. He clarified that he would not support using bonding for a project like stormwater. He views stormwater facilities as being the responsibility of the City. He sees the URA's funding as being supplemental for City infrastructure projects.

Commissioner Cunniff concurred that the City should be the primary funding source for infrastructure projects and should issue debt for those projects, not the URA. He also stated that issuing bonds as the URA seems iffy with respect to TABOR.

Frickey summarized the feedback from the committee that staff will incorporate into the final investment plan.

The meeting adjourned at 9:14 AM.

URA FINANCE COMMITTEE AGENDA ITEM SUMMARY

Staff: Clay Frickey, Redevelopment Program Manager

Date: January 14, 2021

SUBJECT FOR DISCUSSION

North College 2021 Community Investment Plan Appropriation Options

EXECUTIVE SUMMARY

The URA Board adopted a Community Investment Plan for the North College plan area that will provide guidance on the Board's future investments in the plan area. The Community Investment Plan identifies a series of short-term strategies that will help accomplish the goals of the plan. The URA Board will need to appropriate funds for these short-term investments. Staff proposes two potential ways to appropriate funds and seeks the Finance Committee's guidance on which of these methods the Finance Committee prefers.

1. Appropriate funds as needed
2. Appropriate funds all at once

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

1. Which method of appropriating funds does the Finance Committee support?

BACKGROUND/DISCUSSION

The URA Board adopted the North College Community Investment Plan in November 2020. The Community Investment Plan is an outcome of the workshop series convened by URA staff to understand how the URA could best support the North College community through the investment of incremental tax revenues. This document will guide the URA's investment in that plan area for the duration of the plan area's life cycle. The Community Investment Plan is structured around three outcomes. These outcomes are:

1. Complete, Vibrant Neighborhood
2. Community Hub
3. Infrastructure Improvements

Each outcome contains strategies that will help achieve each outcome by timeframe. The plan identifies short-term investments and strategies that will occur in 2021 and 2022. The short-term strategies in the Community Investment Plan are:

Complete, Vibrant Neighborhood

- Cultivate partnerships
- Small business support

Community Hub

- Community based design process

Infrastructure Improvements

- Continue existing projects

All the short-term strategies in the Community Investment Plan require coordination with other partners to be successful. Not all these projects will be ready for action and investment at the same time. As such, staff offers two potential approaches to appropriating funds for the Community Investment Plan.

Option 1: Appropriate funds as needed

The first option would have the URA Board consider appropriations for different strategies as they are ready for action. This allows staff time to build the necessary partnerships before appropriating funds. Our appropriations will be more accurate to actual project cost since staff will have more coordination opportunities with partnering agencies. This will also give the Board additional opportunities to discuss each strategy and appropriation in further detail. An item by item, as needed approach to appropriating funds will mean more resolutions for the URA Board to adopt. This is less efficient than taking one appropriation to the Board that includes all potential activities for the plan area for the year.

Option 2: Appropriate funds all at once

The second option would be for staff to present one appropriation for all anticipated activities for the Community Investment Plan for the year. This would result in efficiency, necessitating only one action by the URA Board rather than individual agenda items and actions from the Board for individual projects. This would also give the Board a good sense of the overall investment made by the Board for 2021. In order to put together an accurate appropriation, staff would need additional time to collaborate with partners on developing an implementation plan for each action item.

North College 2021 Community Investment Plan Appropriation Options



- URA adopted North College Community Investment Plan
- Contains short-term strategies
- Need to appropriate funds to accomplish strategies



Appropriation Options

1. Appropriate funds as needed
2. Appropriate funds all at once



Option 1 – Appropriate Funds As Needed

- Specific appropriations for specific strategies
 - Deeper analysis
 - More accurate appropriation
- Requires more Board action



Option 2 – Appropriate Funds All at Once

- Requires only one Board action
- Good overview of all investments for the year
- Requires more time to prepare



Question For the Finance Committee

1. Which method of appropriating funds does the Finance Committee support?

URA FINANCE COMMITTEE AGENDA ITEM SUMMARY

Staff: Clay Frickey, Redevelopment Program Manager

Date: January 14, 2021

SUBJECT FOR DISCUSSION

Lyric Cinema Café Reimbursement Acceleration

EXECUTIVE SUMMARY

URA staff was approached by Great Western Bank to explore ways to accelerate reimbursement for eligible costs for the Lyric. The Lyric has been impacted severely by the COVID-19 pandemic and is looking for ways to improve their cash flow during the pandemic. Staff has prepared three potential ways to accelerate reimbursement to the Lyric for the Finance Committee's consideration:

1. Continue to fulfill Redevelopment Agreement as is.
2. Remit 100% of tax increment to the Lyric during the pandemic.
3. Reimburse the Lyric for all eligible costs.
4. Make one-time acceleration payment.

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

1. How would the Finance Committee like to proceed with support for the Lyric Cinema Café?
2. Which of the options presented by staff does the Finance Committee prefer?
3. What additional information would be helpful to bring to the URA Board for discussing this item?

BACKGROUND/DISCUSSION

The URA and Lyric Cinema Café entered into a Redevelopment Agreement in 2017. The Redevelopment Agreement states that the URA will provide up to \$252,650 in support for eligible costs, equivalent to 50% of the expected tax increment generation from this project. Prior to reimbursing the Lyric for eligible costs, the URA will collect the first \$43,650 of tax increment generation to pay the City for right-of-way acquisition. Based on tax increment generated in 2020, the Lyric will have fulfilled its obligation to pay the City \$43,650 for its right-of-way repay obligation. The Lyric will receive \$653.41 in tax increment revenue in 2021. This leaves a balance of \$216,888.62 to be paid to the Lyric. The table below provides an overview of the historical payments the URA has remitted to the Lyric.

Increment Year	Property Taxes	Pre-Project Base (per RA)	Tax Increment	50% Payment	Balance Owed to City	Balance Owed to Lyric	Payment Due	Balance Remaining to be Paid to Lyric
					\$43,650.00			\$252,650.00
2018	\$8,708.59	\$7,563.00	\$1,145.59	\$572.80	\$43,077.21			\$252,077.21
2019	\$42,098.18	\$7,563.00	\$34,535.18	\$17,267.59	\$17,267.59			\$234,809.62
2020	\$43,405.00	\$7,563.00	\$35,842.00	\$17,921.00	\$0.00	\$653.41	1/31/2021	\$216,888.62

A loan officer from Great Western Bank contacted the URA in 2020 inquiring about accelerating payments for the Lyric. Normally, the URA would pass incremental tax revenue to the developer as the URA receives incremental tax revenues from the County. Theaters have struggled during the COVID-19 pandemic. The Lyric has operated at limited capacity or been forced to close during the pandemic. This has caused a substantial impact to the Lyric's cash flow. Accelerating payments to the Lyric would provide additional cash flow to the Lyric and help them weather the pandemic.

Staff have developed three potential methods of accelerating payments to the Lyric during the pandemic should the Finance Committee support accelerated reimbursement.

Option 1: Continue to fulfill Redevelopment Agreement as is.

The default stance would be to fulfill the Redevelopment Agreement as agreed upon by the URA and the Lyric. This option would require no action by the Board or modifications to the existing Redevelopment Agreement. Pursuing this option would also mean a key cultural use in the North College plan area moves through 2021 in a precarious financial situation.

Option 2: Remit 100% of tax increment to the Lyric during the pandemic.

Under this option, the URA would remit 100% of the tax increment to the Lyric while it is operating at less than full capacity. The current Redevelopment Agreement indicates that the Lyric receives 50% of incremental tax revenues after satisfying its right-of-way repayment to the City. For 2021, this would mean remitting an additional \$17,921 to the Lyric. This would generate additional cash flow for the Lyric while retaining financial flexibility for the URA. It is unclear if \$17,921 in additional support is enough of a cash infusion to solve the Lyric's cash flow issue.

Option 3: Reimburse the Lyric for all eligible costs.

This option would mean that the URA reimburse the Lyric in total for all eligible construction expenses. The remaining balance owed to the Lyric after making normal 2021 payments is \$216,888.62. The URA has enough cash on hand to make this reimbursement. This would provide a significant amount of financial support to the Lyric and free up future revenues for the URA to invest in other community priorities. Such a large reimbursement could limit the URA's investment in other priorities in the short term.

Option 4: Make one-time acceleration payment.

For Option 4, the URA and Lyric would agree on a one-time acceleration payment that is not the full amount of all reimbursable eligible costs. This one-time acceleration payment would fulfill the URA's reimbursement obligations for 2021. For subsequent years, the URA would continue to remit 50% of the tax increment generated by the Lyric to the lender in accordance with the Redevelopment Agreement. This would provide the Lyric an infusion of cash and retain flexibility for the URA to invest in other community priorities.

RECOMMENDATION

Staff recommends exploring Option 4, a one-time acceleration payment based on the short-term needs of the Lyric. This would allow staff and the Lyric to find an agreeable amount of financial support for the Board's consideration. This also preserves some long-term support for the project in the form of ongoing reimbursement from incremental tax revenues.

ATTACHMENTS (numbered Attachment 1, 2, 3,...)

1. Lyric Redevelopment Agreement

REDEVELOPMENT AGREEMENT
LYRIC CINEMA

This Agreement is made and entered into effective as of the 16 day of March, 2017, by and between the Fort Collins Urban Renewal Authority, a body corporate and politic of the State of Colorado (the "Authority"), and 1209 N. COLLEGE LLC, a Colorado limited liability company (the "Developer").

RECITALS

WHEREAS, the Developer is the owner of the property that is the subject of this Agreement (the "Property") described as follows:

Lots 4 through 10 and part of Lots 11 and 26 lying South of the Union Pacific Railroad and all of Lots 27 through 34, Block 5, Riverside Park, EXCEPT those portions contained in Book 1854 at Page 700 and Book 2038 at Page 947 and Deed recorded March 16, 2012 at Reception No. 20120017448, all located in the City of Fort Collins, County of Larimer, State of Colorado; and

WHEREAS, the City of Fort Collins, Colorado (the "City") is a home rule municipality and political subdivision of the State of Colorado (the "State") organized and existing under the City's home rule charter (the "Charter") pursuant to Article XX of the Constitution of the State; and

WHEREAS, on January 5, 1982, the Fort Collins City Council (the "Council") adopted Resolution 82-10, making findings and establishing the Authority as an urban renewal authority pursuant to Colorado Revised Statutes, Part 1 of Title 31, Article 25, as amended (the "Act"); and

WHEREAS, by Resolution 2004-151, adopted on December 21, 2004, the Council found and declared that the North College Urban Renewal Plan Area described in such Resolution (the "Plan Area") is a blighted area, as described in the Act, appropriate for an urban renewal project; and

WHEREAS, by Resolution 2004-152, adopted on December 21, 2004, the Council adopted the North College Urban Renewal Plan (the "Plan") for the Plan Area and the Property is in the Plan Area; and

WHEREAS, as clarified in Resolution 2015-106 adopted by Council on December 1, 2015, the Plan authorizes the Authority to promote and assist various urban renewal

undertakings and activities within the Plan Area as part of a single urban renewal project (the "North College Project"); and

WHEREAS, the purpose of this Agreement is to assist one such undertaking as part of the North College Project to eliminate blight in the Plan Area consistent with the purposes, policies, goals and objectives of the Authority, the Plan and the Act; and

WHEREAS, pursuant to the Plan, the property taxes for property within the Plan Area have been divided as authorized in the Act to establish property tax increment for the Authority to collect and use to fund urban renewal undertakings and activities benefiting the Plan Area; and

WHEREAS, by entering into this Agreement, the Developer is agreeing to pursue the urban renewal undertakings and activities hereafter described as the "Project" to eliminate and prevent blight, by clearing, rehabilitating and redeveloping the Property as part of the North College Project and consistent with the Plan and the Act; and

WHEREAS, the Developer will be obtaining financing for the Project from the Great Western Bank (the "Lender"); and

WHEREAS, the Authority's Board of Commissioners has determined by its adoption of Resolution No. 082 on January 3, 2017, which approved this Agreement that the Developer's proposed urban renewal undertakings and activities under this Agreement will be consistent with and in furtherance of the Plan.

AGREEMENT

NOW THEREFORE, in consideration of the promises and the mutual obligations of the Parties contained herein, and other good and valuable consideration, the receipt and adequacy of which are acknowledged, the Parties agree as follows.

SECTION 1. DEFINITIONS

In this Agreement, unless the context clearly requires otherwise, the following words and terms when capitalized shall have the following meanings:

Building means the improvements identified in **Exhibit A** attached hereto and incorporated herein.

Certificate of Occupancy means a final, unconditional certificate of occupancy issued for the Building by the City's building official under Code Chapter 5, or a conditional certificate of occupancy, provided that the Authority, in its sole discretion, first determines that the

conditional certificate of occupancy is sufficient given the circumstances and purposes of the Authority.

Certificate of Valuation means the certification by the Larimer County Assessor's Office determining the estimated actual value of the Project upon Completion of Construction, which certification is attached hereto as **Exhibit B** and incorporated herein.

Charter means the City's Municipal Charter.

Code means the City's Municipal Code.

Commence Construction and Commencement of Construction each mean to obtain a building permit under Code Chapter 5 to construct the Building, and that the Developer diligently pursues the construction of the Building under the permit in a manner to Complete Construction of the Project in accordance with the Schedule of Performance.

Complete Construction and Completion of Construction each mean that: (1) construction of the Project is complete under applicable laws, ordinances and regulations; (2) a Certificate of Occupancy has been issued for the Building; and (3) the Building has been constructed for the future use contemplated under this Agreement in accordance with the Schedule of Performance.

Control or Controlled by, with respect to any entity, means possession of the power to direct or cause the direction of the management and policies of the entity, whether through the ownership of the majority of voting rights or securities, by contract, or otherwise.

Developer Financing means the financing that the Developer will use to design and construct the Project as described in Section 2.1 of this Agreement.

Development Agreement means the development agreement for the Project required by the Land Use Code, once the same has been approved by the City and recorded against the Property in the Larimer County, Colorado records.

Eligible Costs means the reasonable and necessary expenditures to design and Complete Construction of the Funded Improvements, as identified in **Exhibit C** attached hereto and incorporated herein, incurred by the Developer subsequent to the date of this Agreement, as certified by the Developer and, at the Authority's option, verified by an appropriate expert retained by the Authority. Eligible Costs shall not include any late payment penalties and interest paid or owed by the Developer for such expenditures.

Final Development Plan means the final development plan for the Project that has been approved by the City under the Land Use Code.

Funded Improvements means the improvements, activities and undertakings listed in **Exhibit C** that the Developer will construct, satisfy and complete as part of the Project and for which the Eligible Costs will be incurred.

Land Use Code means the City's Land Use Code.

Party or Parties means a party or the parties to this Agreement, as first identified above.

Pre-Project Tax Base Amount means the amount representing the taxes paid on the Property in 2016 for the tax year 2015 before the construction of the Project and certified as such by the Larimer County Assessor's Office as shown on **Exhibit B**, which the Parties agree for the purpose of this Agreement is \$7,563.

Project means the design, construction and reconstruction of all improvements, infrastructure, parking, streets, rights-of-way, buildings, structures, signage, and landscaping to be constructed or installed on the Property pursuant to the Final Development Plan and Development Agreement, and includes, but is not limited to, the Funded Improvements and the Building.

Outside Date means the date by which the Parties agree a certain event must have occurred in order for the Developer to be in compliance with the terms of this Agreement, as set forth in the Schedule of Performance.

Reimbursement Cap means the maximum Reimbursement Obligations of \$252,650 for the Eligible Costs, to the extent those Eligible Costs are required to be paid under the terms and conditions of this Agreement.

Reimbursement Obligation means the Authority's obligations under this Agreement to reimburse the Developer for the Eligible Costs up to the Reimbursement Cap.

Related Entity means any entity wholly owned or Controlled by the Developer. For this definition, the term "owned" means the ownership of 100% of the ownership interests in the entity.

Schedule of Performance means the schedule that governs the times for the performance by the Developer and the Authority attached hereto as **Exhibit D** and incorporated herein.

Target Date means the date by which the Parties agree a certain event is reasonably expected to have occurred, as set forth in the Schedule of Performance.

Tax Increment means the total of property taxes that the Authority is entitled to receive each year from the Larimer County Treasurer under the Plan from the Property as authorized in the Act and as calculated in Section 3.3.1 of this Agreement.

SECTION 2. DEVELOPER OBLIGATIONS

2.1 Developer Financing. The Developer represents and agrees that it has the financial and legal ability and can bear the economic risk of financing and achieving Completion of Construction of the Project under the terms and conditions of this Agreement. The Parties acknowledge and agree that the terms and conditions of the Developer Financing will be determined by separate agreements and instruments to which the Authority will not be a party, which agreements and instruments shall not alter or affect the respective rights and obligations of the Developer and the Authority under this Agreement, including, without limitation, the Developer Financing the Developer will obtain from the Lender. The Authority acknowledges, subject to the foregoing, that the Developer and other parties to the Developer Financing are entitled to establish, modify or amend the Developer Financing, without the consent of the Authority.

2.2 Demolition, Clearance, Recycling and Preparation of the Property. To the extent required for the Project, the Developer agrees to demolish and clear any existing improvements from the Property and prepare the Property for construction of the Project. This work shall be performed in accordance with the requirements of all laws, rules, and regulations, including those of the City. This shall include, without limitation, safely removing all asbestos and lead paint contaminants in accordance with all applicable federal, state and local laws and regulations. The Developer must also carry out its demolition and removal activities in a manner that will preserve the ability to recycle all materials including doors, windows, cabinets, fixtures, concrete, masonry, wood, metal, and cardboard generated by the demolition and removal of existing improvements from the Property, except if and to the extent the type or condition of such materials preclude the recycling of the same in accordance with all applicable laws. Compliance with the provisions of this Section 2.2 shall be certified through receipts, signed affidavits or other documentation acceptable to the Authority and the Developer shall preserve and make available such documentation to the Authority for its review to ensure the Developer's compliance with this Section 2.2.

2.3 Design and Construction of the Project. The Developer is responsible for obtaining and reviewing all information that the Developer believes is necessary or desirable to fulfill its obligations under this Agreement. The Developer agrees to design and construct the Project in accordance with this Agreement. The Schedule of Performance sets forth the Target Dates and Outside Dates for obtaining Developer Financing and Completion of Construction of the Project, and other deadline dates. The Developer, subject to the approval of the Authority, which approval shall not be unreasonably withheld, conditioned or delayed, shall have sole responsibility for the design, development and construction of the Funded Improvements, the Building, and the Project, including without limitation, design, construction, selection, and supervision of any architects, engineers, and consultants. For construction of the Project, the Developer agrees to select contractors that the Developer's architect deems qualified by experience to construct a Project of this quality and caliber. Regardless of the costs incurred by

the Developer for the Project, the Authority's Reimbursement Obligation shall not exceed the Reimbursement Cap.

2.4 Approval of the Construction Documents and Modifications to the Final Development Plan. The Developer shall prepare and obtain the approval of the City and the Authority, including, but not limited to, the City's development review process and independent review by the Authority, of all construction documents related to construction of the Project and the Final Development Plan. Approval by the Authority shall not be unreasonably withheld, conditioned or delayed.

2.5 Construction of the Project. The Developer shall Commence Construction and Complete Construction of the Project in accordance with the City's applicable standards and requirements. These activities will occur on or before the dates specified in the Schedule of Performance. All construction activities shall conform to all applicable laws, codes, ordinances, and policies, including, but not limited to, those of the City.

2.6 Books and Accounts; Financial Statement. The Developer shall keep, or cause to be kept, proper and current books and accounts in which complete and accurate entries shall be made of amounts paid out, and such other calculations, allocations and payments to construct the Project.

2.7 Inspection of Records. All books, records and reports in the possession of the Developer relating to the Project shall at all reasonable times and subject to twenty-four (24) hours advance notice be open to inspection (at the Authority's expense) by such accountants or other agents as the Authority may from time to time designate.

2.8 Restrictions on Assignment and Transfer. Except as hereinafter permitted, prior to Completion of Construction of the Project the Developer shall not assign or transfer all or any part of or any interest in this Agreement or the Property without the prior written approval of the Authority, which approval shall not be unreasonably withheld, conditioned or delayed. For purposes of this Section 2.8 (a) an assignment or transfer shall include a change of the parties in Control of the Developer and (b) unreasonably withheld, conditioned or delayed shall mean failing to approve within ten (10) business days without identifying legitimate concerns of the Authority related to, but not limited to, the generation of the Tax Increment, the capacity of the assignee or transferee to Complete Construction, and the preservation and promotion of the Plan. The Developer shall, upon the Developer's gaining of knowledge thereof, promptly notify the Authority of any and all changes in the identity of the parties in Control of the Developer and the degree of Control thereof. No voluntary or involuntary successor in interest of the Developer shall acquire any rights or powers under this Agreement except as expressly set forth herein. Approval of an assignment or transfer by the Authority shall not relieve the Developer of its obligations to Complete Construction of the entire Project, unless the Authority agrees in writing. The foregoing restriction on assignment and transfer in this Section 2.8 shall terminate upon Completion of Construction of the Project.

Notwithstanding the foregoing, but subject to the Authority's receipt and prior written approval of all relevant documents confirming such transfer or assignment, which approval shall not be unreasonably withheld, conditioned or delayed, the Developer may: (i) assign this Agreement and transfer the Property to a Related Entity of the Developer; (ii) collaterally assign its right to receive reimbursement under this Agreement to any lender that provides all or any portion of the Developer Financing, provided that any document assigning the Developer's right to receive reimbursement hereunder shall expressly provide that no reimbursement will be made by the Authority unless and until Completion of Construction of the entire Project by the Developer under the terms of this Agreement; and (iii) enter into a contract to sell all or a portion of the Project upon or after Completion of Construction, provided that no such sale may occur prior to Completion of Construction without the Authority's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed. Except when a permitted assignee expressly assumes such obligation, no permitted assignment of this Agreement or transfer of the Property shall relieve the Developer of its obligation to complete Construction of the entire Project under this Agreement.

Any assignment or transfer of the Developer's rights or obligations under this Agreement without the Authority's prior written consent or approval as required by this Section 2.8 shall be deemed null and void and of no effect.

2.9 Progress Reports. Until Completion of Construction of the Project, the Developer shall make reports in such detail and at such times as the Authority may reasonably request as to Developer's progress with respect to the Commencement of Construction and to the progress of the Completion of Construction as described in the Schedule of Performance.

SECTION 3. AUTHORITY OBLIGATIONS

3.1 Reimbursement Obligation/Reimbursement Cap. The Authority agrees to reimburse the Developer for the Eligible Costs as hereafter provided in satisfaction of the Reimbursement Obligation, but in a total amount not exceed the Reimbursement Cap.

3.2 Conditions for Reimbursement.

3.2.1 The Reimbursement Obligation is conditioned upon the Developer's Completion of the Project in conformance with all Project-related requirements set forth in this Agreement, including, without limitation, those in Sections 2.2, 2.3, 2.4, and 2.5 of this Agreement. If this condition is not met by the Outside Date specified in the Schedule of Performance, the Authority shall have no Reimbursement Obligation to the Developer and this Agreement shall be deemed terminated.

3.2.2 The Reimbursement Obligation and any payments required to be made thereunder are further conditioned upon verification by the Authority that all of

Developer's representations and warranties, as set forth in Section 5.1 of this Agreement, have been met and kept current. The Authority may delay payment of any payment under this Agreement until the Developer provides reasonable evidence of full compliance with said representations and warranties as requested by the Authority in the reasonable exercise of its discretion.

- 3.2.3 The Reimbursement Obligation is limited to reimbursement for Eligible Costs for the Funded Improvements. As a condition to reimbursement for Eligible Costs, the Developer shall provide the Authority with documentation of the Eligible Costs in a form acceptable to the Authority. If this requirement is not met by the Outside Date specified in the Schedule of Performance, including lien waivers and releases for labor and materials provided for the Project for or related to the Funded Improvements, the Authority shall have no Reimbursement Obligation to the Developer and this Agreement shall be deemed terminated. After the Developer has submitted all required documentation of the Eligible Costs, the Authority shall have forty-five (45) business days thereafter to review such documentation, including using an expert to review the documentation as the Authority determines to be appropriate, and to notify the Developer of the Authority's determination of eligibility, the costs determined to be Eligible Costs reimbursable, and the total of the Reimbursement Obligation. The Authority's failure to complete its review of the documentation and to notify the Developer of the results of that review within that forty-five (45) business day period, shall be deemed approval by the Authority of the Developer's submitted Eligible Costs.

3.3 Reimbursement Payments for Eligible Costs. After the Developer has timely satisfied all of the conditions in Section 3.2 of this Agreement, the Authority shall reimburse the Developer for the Eligible Costs portion of the Reimbursement Obligation in the following manner:

- 3.3.1 The Reimbursement Obligation for Eligible Costs in the total amount of \$252,650 shall be paid by the Authority to the Developer commencing in 2019 and terminating on February 1, 2031. During that period, no later than January 31st of each year, the Authority shall pay to the Developer fifty percent (50%) of the Tax Increment that was generated from the Property and paid for the previous calendar year. The Tax Increment generated by the Project on the Property for each previous year shall be calculated by subtracting the Pre-Project Tax Base Amount from the total property taxes actually paid for the Property in that previous calendar year.
- 3.3.2 The Authority's total of all reimbursement payments for Eligible Costs shall not exceed a total cumulative amount of \$252,650. In addition, in the event the Developer's actual costs are less for any estimated line item of Eligible Costs as set out in Exhibit B, the Developer shall be entitled to transfer those saving for

reimburse to any line item of Eligible Costs where the estimated amount is exceed by the actual costs, so long as the total cumulative amount of reimbursed Eligible Costs does not exceed \$252,650. The Authority shall continue to annually make these reimbursement payments to the Developer until the earlier of either: (1) the full payment of the \$252,650; or (2) February 1, 2031. Upon the occurrence of either of these events, the Authority shall have no further obligation to the Developer for reimbursements under this Section 3.3.

- 3.3.3 Notwithstanding the foregoing, the first \$43,650 to be paid by the Authority to the Developer under this Section 3.3 shall be paid to the City in satisfaction of the Developer's right-of-way repay obligation owed to the City under the Development Agreement as a result of the construction of the Project. In addition, after this first \$43,650 has been paid to the City, the Developer and Authority agree that the Authority's subsequent payments to the Authority under this Section 3.3 shall be made directly to the Lender so long as the Developer has any balance owing to the Lender for Developer Financing. These payments by the Authority under this Section 3.3.3 to the City and the Lender shall be deemed payments for the benefit of the Developer in satisfaction of the Reimbursement Obligation hereunder and, therefore, counted toward and subject to the Reimbursement Cap.

3.4 Authority Right to Pre-Pay. The Authority reserves the right to pre-pay any amount due hereunder without penalty, in its discretion.

3.5 Limitation. The Authority shall not enter into any agreement or transaction that impairs the rights of the Developer under this Agreement, including, without limitation, the right to receive reimbursement for the Eligible Costs allocated to it under the procedures established in this Agreement; provided, however, nothing herein shall preclude the Authority from entering into other financial obligations, or other financial obligations regarding the Plan and the Plan Area, so long as the Authority in its reasonable discretion concludes its actions do not and will not in the future interfere with its obligations under this Agreement.

3.6 Subrogation. Notwithstanding anything herein to the contrary, the Authority's Reimbursement Obligation to the Developer under this Agreement shall be subrogated and junior in priority to any and all other existing indebtedness the Authority has incurred in connection with other urban renewal undertakings and activities under the Plan prior to the date of this Agreement, which shall include, without limitation, all bonds issued, redevelopment agreements entered into, and any other debt obligations incurred by the Authority under the Plan for other undertakings and activities in the Plan Area prior to the date of this Agreement (collectively, "Existing Authority Debt"). Therefore, the Developer acknowledges and agrees that in the event in any year under this Agreement the Authority does not have sufficient funds to make all or any of portion of its reimbursement payments to the Developer under this Section 3 because of the Authority's payment obligations for Existing

Authority Debt, the Authority's obligation to the Developer for that year shall be limited to only those Plan Area funds the Authority has available after payment of all of its obligations for Existing Authority Debt.

SECTION 4. INSURANCE AND INDEMNIFICATION

4.1 Insurance. At all times after the date of this Agreement during which the Developer is engaged in preliminary work on the Property or adjacent streets and during the period from the Commencement of Construction until Completion of Construction of the Project, the Developer shall carry, or cause its general contractor to carry, and, upon request, will provide to the Authority certificates of insurance as follows:

- a. Builder's risk insurance (with a deductible not to exceed \$5,000) in an amount equal to 100% of the projected replacement value of the Improvements at the date of Completion of Construction;
- b. Comprehensive general liability insurance (including operations, contingent liability, operations of subcontractors, completed operations, and contractual liability insurance) and umbrella liability insurance with a combined single limit for both bodily injury and property damage of not less than \$1,000,000. Such insurance may carry a deductible in an amount not to exceed \$10,000 per claim for property damage and \$5,000 per claim for employee benefits; and
- c. Worker's compensation insurance, with statutory coverage, including the deductible permitted by statute.

All such insurance policies shall be issued by responsible companies selected or approved by the Developer, subject to the reasonable Approval of the Authority. Prior to Commencement of Construction, the Developer shall deliver to the Authority policies or certificates evidencing or stating that such insurance is in force and effect. Each policy shall contain a provision that the insurer shall not cancel or modify it without giving written notice to the Developer and to the Authority at least 30 days before the date the cancellation or modification becomes effective and shall name the Authority and the City as additional insureds, specifying that the insurance shall be treated as primary insurance.

4.2 Indemnification. The Developer shall defend, indemnify, assume all responsibility for and hold the Authority, the Authority's commissioners, the City, the City's council members, and the officers and employees of the City and the Authority harmless (including, without limitation, for attorneys' fees and costs) from all claims or suits for and damages to property and injuries to persons, including accidental death, that may be caused by acts or omissions of the Developer under this Agreement or in connection with the Project, whether such activities

are undertaken by the Developer or anyone directly or indirectly employed by or under contract to the Developer and whether such damage shall accrue or be discovered before or after termination of this Agreement.

SECTION 5. REPRESENTATIONS AND WARRANTIES

5.1 The Developer represents and warrants, as of the date of this Agreement, as follows, with a continuing obligation to notify the Authority of changes to the same through the completion of payment of the Reimbursement Obligation by the Authority:

- a. The Developer is a limited liability company that is qualified to do business in the State of Colorado, and has the legal capacity and the authority to enter into and perform its obligations under this Agreement. The Developer has duly authorized the execution, delivery and performance of this Agreement;
- b. The execution and delivery of this Agreement and such documents and the performance and observance of their terms, conditions and obligations have been duly and validly authorized by all necessary action to make this Agreement and such documents and such performance and observance are valid and binding upon the Developer;
- c. To the Developer's current, actual knowledge, after reasonable inquiry, the execution and delivery of this Agreement and the documents required hereunder and the consummation of the transactions contemplated by this Agreement will not:
 - i. conflict with or contravene any law, order, rule or regulation applicable to the Developer or to its governing documents;
 - ii. result in the breach of any terms or provisions of, or constitute a default under, any agreement or other instrument to which the Developer is a party or by which the Developer may be bound or affected; or
 - iii. permit any party to terminate any such agreement or instruments or to accelerate the maturity of any indebtedness or other obligation of the Developer;
- d. To the Developer's current, actual knowledge, after reasonable inquiry, there is no litigation, proceeding, initiative, referendum, or investigation or any threat of the same contesting the powers of the Developer with respect to this Agreement not disclosed in writing to the Authority; and

e. The Developer has the legal ability to perform its obligations under this Agreement and has the financial ability, through borrowing or otherwise, to complete the Funded Improvements, the Building and the Project, subject to the terms and conditions of this Agreement. This Agreement constitutes a valid and binding obligation of the Developer, enforceable according to its terms, except to the extent limited by bankruptcy, insolvency and other laws of general application affecting creditors' rights and by equitable principles, whether considered at law or in equity.

5.2 The Authority represents and warrants as of the date of this Agreement the following:

a. The Authority is an urban renewal authority duly organized and existing under applicable law and has the right, power, legal capacity, and the authority to enter into this Agreement and has authorized the execution, delivery and performance of this Agreement by proper action of its Board of Commissioners;

b. To the Authority's current, actual knowledge, after reasonable inquiry, the Authority knows of no litigation or threatened litigation, proceeding or investigation contesting the powers of the Authority or its officials with respect to this Agreement not disclosed to the Developer;

c. To the Authority's current, actual knowledge, after reasonable inquiry, the execution and delivery of this Agreement and the documents required hereunder and the consummation of the transactions contemplated by this Agreement will not:

- i. conflict with or contravene any law, order, rule or regulation applicable to the Authority or to its governing documents,
- ii. result in the breach of any terms or provisions of, or constitute a default under, any agreement or other instrument to which the Authority is a party or by which it may be bound or affected, or
- iii. permit any party to terminate any such agreement or instruments or to accelerate the maturity of any indebtedness or other obligation of the Authority; and

d. This Agreement constitutes a valid and binding obligation of the Authority, enforceable according to its terms, except to the extent limited by bankruptcy, insolvency and other laws of general application affecting creditors' rights and by equitable principles, whether considered at law or in equity. The Authority will defend the validity of this Agreement in the event of any litigation

arising hereunder that names the Authority as a party or which challenges the authority of the Authority to enter into or perform its obligations hereunder.

SECTION 6. DEFAULT AND REMEDIES

6.1 Default by Developer. "Default" by Developer under the Agreement shall mean one or more of the following events:

- a. The Developer fails to obtain the Developer Financing as required and set forth in the Schedule of Performance;
- b. The Developer, in violation of Section 2.8 of this Agreement, assigns this Agreement or transfers any part of the Property, or any rights in the same;
- c. There is any change in Control of the Developer or in the identity of the parties in Control of the Developer that violates this Agreement;
- d. The Developer fails to provide approved construction documents as required by this Agreement;
- e. The Developer fails to Commence Construction within a reasonable period of time after: (i) approval of the Final Development Plan, final construction drawings and issuance of permits by the City, and (ii) funding of the Developer Financing; or the Developer fails to Commence Construction on or before the Outside Deadline required by the Schedule of Performance;
- f. The Developer fails to complete its obligations by the Outside Deadlines in the Schedule of Performance; or
- g. The Developer fails to materially observe or perform any other covenant, obligation or agreement required of it under this Agreement.

If any Default is not cured within the time allowed in Section 6.3 of this Agreement then the Authority may exercise any remedy available under this Agreement.

6.2 "Default" by the Authority under the Agreement shall mean one or more of the following events:

a. The Authority fails to pay the Reimbursement Obligation in violation of this Agreement; or

b. The Authority fails to materially observe or perform any covenant, obligation or agreement required of it under this Agreement.

6.3 Grace Periods. Upon a Default by either Party, that Party shall, upon written notice from the non-defaulting Party, proceed diligently to cure or remedy the Default and shall have cured the Default within 30 days (60 days if the Default relates to the Outside Date for Completion of Construction) after receipt of such notice, or shall have commenced the cure and diligently pursued it to completion within a reasonable time if the cure cannot reasonably be accomplished within 30 days (or 60 days if the Default relates to the Outside Date for Completion of Construction). There shall be no grace period for the Submission of Documentation for Eligible Costs to URA by the Outside Date as set forth in **Exhibit D**.

6.4 Remedies on Default. Whenever any Default occurs and is not cured under Section 6.3, the non-defaulting Party may take any one or more of the following actions:

a. Suspend performance under this Agreement until it receives assurances from the defaulting Party, deemed reasonably adequate by the non-defaulting Party, that the defaulting Party will cure its Default and continue its performance under this Agreement;

b. Cancel and rescind this Agreement; or

c. Take whatever legal or administrative action or institute such proceedings as may be necessary or desirable in its opinion to enforce observance or performance of this Agreement, including, without limitation, specific performance or to seek any other right or remedy at law or in equity, including damages.

6.5 Delays; Waivers. Any delay by either Party in instituting or prosecuting any actions or proceedings or otherwise asserting its rights under the Agreement shall not operate as a waiver of such rights or deprive it of or limit such rights. No waiver in fact made by a Party with respect to any specific default by the other Party under the Agreement shall be considered or treated as a waiver of the rights with respect to any other defaults by the other Party under the Agreement or with respect to the particular default except to the extent expressly waived in writing. The Parties intend that this provision will enable each Party to avoid the risk of being limited in the exercise of a remedy provided in the Agreement by waiver, laches or otherwise in the exercise of such remedy at a time when it may still hope to resolve the problems created by the default involved.

6.6 Enforced Delays. Any delays in or failure of performance by any Party of its obligations under this Agreement shall be excused if such delays or failure result from acts of God, fires, floods, strikes, labor disputes, accidents, regulations, order of civil or military authorities, shortages of labor or materials, or other causes, similar or dissimilar, that are beyond the control of such Party.

6.7 Rights and Remedies Cumulative. The rights and remedies of the Parties to the Agreement are cumulative, and the exercise by either Party of any one or more of such remedies shall not preclude the exercise by it, at the same or different times, of any other such remedies for any other default or breach by any other Party.

SECTION 7. MISCELLANEOUS

7.1 Conflicts of Interest. None of the following shall have any personal interest, direct or indirect, in this Agreement: A member of the governing body of the Authority or of the City; an employee of the Authority or of the City who exercises responsibility concerning the Project, or an individual or firm retained by the City or the Authority who has performed consulting services for the Project. None of the above persons or entities shall participate in any decision relating to this Agreement that affects his or her personal interests or the interests of any corporation, partnership or association in which he or she is directly or indirectly interested.

7.2 Antidiscrimination. The Developer, for itself and its successors and assigns, agrees that in the completion of the Funded Improvements, the Building and the Project provided for in this Agreement and in the use and occupancy of the Property, the Developer will not discriminate against any employee or applicant for employment otherwise qualified because of race, color, creed, religion, sex, sexual orientation, age, disability (subject to the availability of a reasonable accommodation of the disability), marital status, ancestry, or national origin.

7.3 Title of Sections. Any titles of the several parts and sections of this Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting its provisions.

7.4 No Third-Party Beneficiaries. No third-party beneficiary rights are created in favor of any person not a party to this Agreement except with respect to those rights and protections granted to the City under this Agreement.

7.5 Venue and Applicable Law. Any action arising out of this Agreement shall only be brought in the Larimer County District Court and the laws of the State of Colorado shall govern the interpretation and enforcement of this Agreement, without giving effect to its conflicts of law provisions.

7.6 Non-liability of Officials, Agents and Employees. No council member, board member, commissioner, official, employee, consultant, attorney or agent of the Authority or the City shall

be personally liable to the Developer under this Agreement or in the event of any default or breach by the City or Authority or for any amount that may become due to the Developer under this Agreement. No official, employee, consultant, attorney or agent of the Developer shall be personally liable to the Authority or the City under this Agreement or in the event of any default or breach by the Developer or for any amount that may become due to the Authority or the City under this Agreement.

7.7 Authority and City Not a Partner. Notwithstanding any language in this Agreement or any other agreement, representation, or warranty to the contrary, neither the Authority nor the City shall be deemed or represented as a partner or joint venturer of the Developer or any contractor or subcontractor performing work on the Property or the Funded Improvements, the Building or the Project. Neither the Authority nor the City shall be responsible for any debt or liability of the Developer, or its managers or members, or such contractor or subcontractor.

7.8 Integrated Contract. This Agreement is an integrated contract and invalidation of any of its provisions by judgment or court order shall in no way affect any of the other provisions, which shall remain in full force and effect unless the Parties otherwise agree to a written amendment.

7.9 Counterparts. This Agreement may be executed in counterparts, each of which shall constitute one and the same instrument.

7.10 Notices. A notice, demand, or other communication under this Agreement by any party to the other shall be in writing and sufficiently given if delivered in person or if it is delivered by overnight courier service with guaranteed next-day delivery or by certified mail, return receipt requested, postage prepaid, and:

a. In the case of the Developer, is addressed to or delivered to the Developer, as follows:

1209 N. College LLC
Attn: Mr. Ben Mozer
109 S. Sherwood Street
Fort Collins, CO 80521

b. In the case of the Authority, is addressed to or delivered to the Authority as follows:

Executive Director
Fort Collins Urban Renewal Authority
300 LaPorte Avenue
PO Box 580
Fort Collins, CO 80522

And

City Attorney
City of Fort Collins
300 LaPorte Avenue
PO Box 580
Fort Collins, CO 80522

or at such other substituted address as the affected party may, from time to time, designate in writing and forward to the other as provided in this Section. Notice provided by in-person delivery or by overnight courier shall be considered delivered as of the verified date of delivery. Notice provided by regular U.S. Mail shall be considered delivered three (3) days after the date of deposit with the U.S. Postal Service.

7.11 Good Faith of Parties. In performance of the Agreement or in considering any requested extension of time or in giving any approval, the Parties agree that each will act in good faith and will not act unreasonably, arbitrarily, capriciously or unreasonably withhold, condition or delay any approval required by this Agreement.

7.12 Exhibits Merged. All Exhibits attached to the Agreement are expressly integrated herein.

7.13 Days. If the day for any performance or event provided for herein is a Saturday, Sunday or other day on which either national banks or the office of the Clerk and Recorder of Larimer County, Colorado, is not open for the regular transaction of business, the day for performance shall be deemed to be the next day on which the banks or Clerk and Recorder are open for the transaction of business.

7.14 Further Assurances. Each Party agrees to execute such documents and take such action as shall be reasonably requested by the other Party to confirm, clarify or effectuate this Agreement.

7.15 Certifications. Each Party agrees to execute such documents as the other Party may reasonably request to verify or confirm the status of this Agreement and of the performance of the obligations hereunder and such other matters as the requesting Party may reasonably request.

7.16 Amendments. This Agreement shall not be amended except by written instrument. Each amendment, which shall be in writing and signed and delivered by the Parties, shall be effective to amend the provisions hereof.

7.17 Survival of Representations, Warranties and Covenants. No representations or warranties whatever are made by any Party except as expressly set forth in this Agreement. The representations, warranties and indemnities made by the Parties and the covenants and agreements to be performed or complied with by the respective Parties shall be deemed to be continuing. Nothing in this Section shall affect the obligations and indemnities of the Parties with respect to covenants and agreements in this Agreement that are permitted or required to be performed in whole or in part after issuance of a Certificate of Occupancy.

7.18 Minor Changes. This Agreement has been approved in substantially the form submitted to the governing bodies of the Parties. The officers executing the Agreement have been authorized to make, and may have made, minor changes in the Agreement and the attached Exhibits as they have considered necessary. So long as such changes followed the intent and understanding of the Parties at the time of approval by the governing bodies, the execution of the Agreement shall constitute conclusive evidence of the approval of such changes by the respective Parties.

7.19 Joint Draft. The Parties agree they drafted this Agreement jointly with each having the advice of legal counsel and an equal opportunity to contribute to its content.

7.20 Binding Effect. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective permitted successors and permitted assigns.

IN WITNESS WHEREOF, the Authority and the Developer have caused the Agreement to be duly executed as of the day first above written.

DEVELOPER:

1209 N. COLLEGE LLC

By: 

Name: Ben Mozer

Title: Manager

AUTHORITY:

THE FORT COLLINS URBAN RENEWAL AUTHORITY

12/28/16

Page 18

By:



Darin Atteberry, Executive Director

ATTESTED:

By:



City Clerk

APPROVED AS TO FORM:

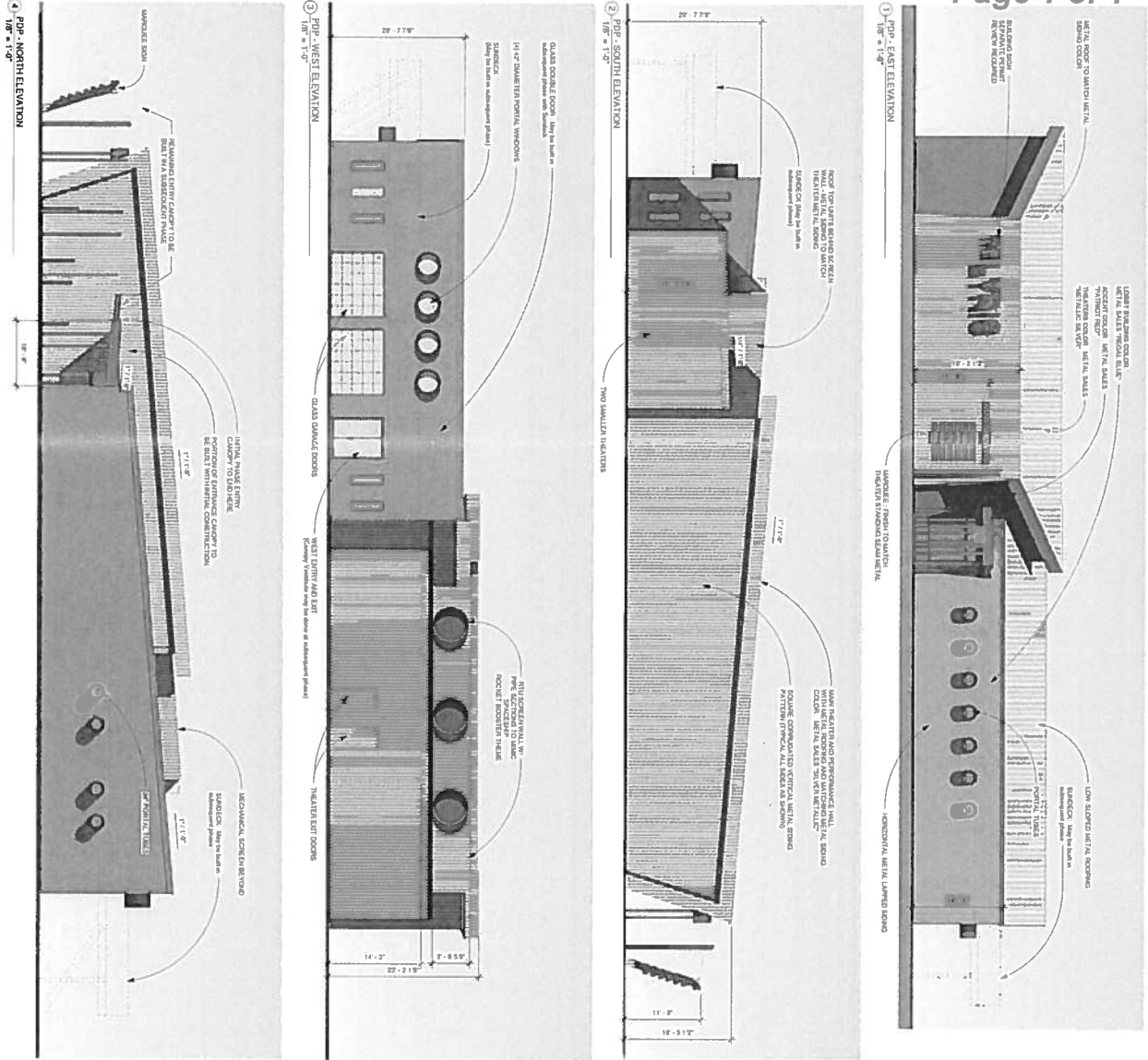
By:



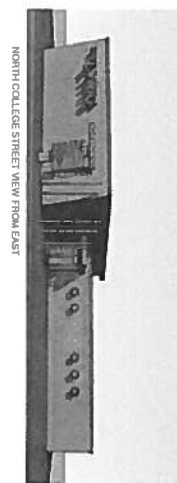
Authority Legal Counsel



Exhibit A



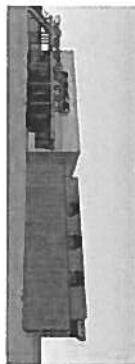
NOTE: SEPARATE PERMIT REQUIRED PRIOR TO INSTALLATION OF SIGN
STANDARD AND ADDRESS SIGNAGE ARE NOT PERMITTED WITH THIS PLANNED
DOCUMENT AND MUST BE APPROVED BY SEPARATE CITY PERMIT PRIOR
TO CONSTRUCTION. SIGNS MUST COMPLY WITH CITY SIGN CODE
UNLESS A SPECIFIC VARIANCE IS GRANTED BY THE CITY.



NORTH COLLEGE STREET VIEW FROM EAST

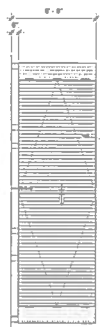


NORTH COLLEGE STREET VIEW FROM SOUTHEAST



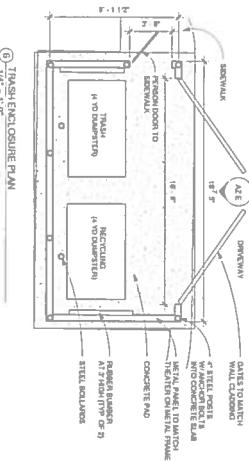
SOUTHWEST VIEW FROM PARKING LOT

TRASH ENCLOSURE



TRASH ENCLOSURE - NORTH
ELEVATION

VERTICAL METAL CORRUGATED
SIDING TO MATCH THEATER
SIDING ON METAL FRAME



⑥ TRASH ENCLOSURE PLAN
1/4" = 1'-0"

urban/interior design

ARCHITECT

urbarnatural design inc.
252 lindem street
fort collins, colorado
970.846.0267
brian@urbarnaturalch.com
mrs@urbarnaturalch.com

CIVIL ENGINEER:

NORTHERN
ENGINEERING

301 North Homers Street
Suite 100
Fort Collins, Colorado
970.221.4158
contact: Randall Provencio

LANDSCAPE ARCHITECT:



POP FINAL PLAN SUBMITTAL



THE LYRIC
GLOZER LLC

[illegible]BUILDING
ELEVATION

author	UR-12-14
	SEPTEMBER 15, 2016
by	UR DOS barn

A.Z.E

INCOME APPROACH

Effective Date of Valuation: 1 Jan 2018

Date of Appraisal: 29 Dec 2016

Parcel 97024-34-002

1209 N. College Ave FtC

The Lyric Venue**Lyric**

2017 / 2018

Typical Income

Typical Expense

Taxes payable 2019

100% Complete

POTENTIAL GROSS INCOME	INC/sf	x	Sf	Gross Income
Movie / Music Theatre / 1st Floor	\$14.00	x	7,500	\$105,000
Restaurant	\$18.00	x	3,000	\$54,000
2nd Floor	\$8.00	x	500	\$4,000
TOTAL	\$14.82		11,000	\$163,000

VACANCY & COLLECTION LOSS		less	5%	\$8,150
INCOME less V & C				\$154,850
ADDITIONAL INCOME- CAM per SF	\$6.50	x	11,000	\$71,500
EFFECTIVE GROSS INCOME				\$226,350

OPERATING EXPENSES			
Management		5%	\$11,318
CAM		32%	\$71,500
Insurance		\$0.30	\$3,300
Reserves for Replacement		3%	\$6,791
Total Expenses		41%	\$92,908

EFFECTIVE GROSS INCOME	\$226,350
less OPERATING EXPENSES	\$92,908
NET OPERATING INCOME	\$133,442

VALUE (NET INCOME/OAR)	\$133,442	divided by	8.00%	\$1,668,025
-------------------------------	------------------	------------	--------------	--------------------

VALUE PER SQUARE FOOT-Comm	\$152
-----------------------------------	--------------

Value x Assessment Rate x Mill Levy = tax liability				Approx	2017
	Value	Assessment	Mill		Annual
	2nd Floor	Rate	Levy		Taxes
2018	\$1,668,025	29%	0.096219	comm	\$46,543.75
2016	\$285,880	29%	0.091219	comm	\$7,562.53
	Difference				\$38,981.22

Taxes per Sf

\$4.23

2018 Mill levy subject to change, values based on preliminary figures,
median lease rates from 2016 data and proposed increase in square
footage and occupancy.

Total reimbursement capped at \$252,650.

Reimbursement limited to the following:

<u>Eligible Items</u>	<u>Amount</u>	<u>Reimbursement Category</u>
Stormwater Improvements - Total	\$ 164,563	Stormwater Improvements
<i>Mobilization/General Site Conditions</i>	\$ 1,250	<i>Stormwater Improvements</i>
<i>CDPHE - Permit</i>	\$ 11,500	<i>Stormwater Improvements</i>
<i>Testing Allowance</i>	\$ 500	<i>Stormwater Improvements</i>
<i>Site Grading / Excavation</i>	\$ 5,475	<i>Stormwater Improvements</i>
<i>Drainage Basin / Rain Garden Drain</i>	\$ 28,055	<i>Stormwater Improvements</i>
<i>Retaining Wall @ South Property Line</i>	\$ 15,855	<i>Stormwater Improvements</i>
<i>Valley Pan @ South Property Line</i>	\$ 2,568	<i>Stormwater Improvements</i>
<i>Traffic Control</i>	\$ 800	<i>Stormwater Improvements</i>
<i>Storm Drainage - RCP / MHs / ADS / Inlets</i>	\$ 83,600	<i>Stormwater Improvements</i>
<i>Stormwater Contingency (10%)</i>	\$ 14,960	<i>Stormwater Improvements</i>
Right-of-Way Repay (N. College Imps.)	\$ 43,650	Right-of-Way Repay
Landscaping Improvements	\$ 44,437	Landscaping
Total Reimbursement Cap.	\$ 252,650	

Action	Responsible Party	Target Date	Outside Date
Planning Approval	Developer	2/1/17	5/1/17
Execution of Development Agreement	Developer	2/1/17	5/1/17
Deliver Proof of Insurance	Developer	2/1/17	5/1/17
Commence Construction of Cinema Site / Facility	Developer	5/1/17	9/1/17
Complete Construction of Cinema Site / Facility	Developer	12/1/17	1/1/18
Submit Documentation for Eligible Costs to URA	Developer	1/1/18	5/1/18

Lyric Cinema Café Reimbursement Acceleration



- Entered into Redevelopment Agreement in 2017
- Lyric heavily impacted by COVID-19
- Bank seeking ways to improve cash flow
- Balance will be \$216,888.62 after 1/31/21



Summary of Payments to Date

Increment Year	Property Taxes	Pre-Project Base (per RA)	Tax Increment	50% Payment	Balance Owed to City	Balance Owed to Lyric	Payment Due	Balance Remaining to be Paid to Lyric
					\$43,650.00			\$252,650.00
2018	\$8,708.59	\$7,563.00	\$1,145.59	\$572.80	\$43,077.21			\$252,077.21
2019	\$42,098.18	\$7,563.00	\$34,535.18	\$17,267.59	\$17,267.59			\$234,809.62
2020	\$43,405.00	\$7,563.00	\$35,842.00	\$17,921.00	\$0.00	\$653.41	1/31/2021	\$216,888.62

1. Continue to fulfill Redevelopment Agreement as is.
2. Remit 100% of tax increment to the Lyric during the pandemic.
3. Reimburse the Lyric for all eligible costs.
4. Make one-time acceleration payment.

Option 1 - Continue to fulfill Redevelopment Agreement as is

- Requires least amount of action
- Honors existing agreement
- Does not provide any assistance to business in need

Option 2 - Remit 100% of tax increment to the Lyric during the pandemic.

- Provides additional support during pandemic
 - Additional \$17,921 in 2021
- Minimal impact on URA finances
- Modifies existing Redevelopment Agreement
- Unclear if this meets Lyric's needs

Option 3 - Reimburse the Lyric for all eligible costs

- Pays Lyric balance of \$216,888.62 in 2021
- Provides significant assistance to Lyric
- Removes long-term financial obligation to URA
- Impacts ability to invest in other priorities



Option 4 - Make one-time acceleration payment

- Payment to help weather pandemic
- Continue paying out per Redevelopment Agreement
- Requires coordination with Lyric
- Alters long-term cash flow for Lyric

Staff recommends pursuing Option 4, a one-time acceleration payment

Questions for the Finance Committee

1. How would the Finance Committee like to proceed with support for the Lyric Cinema Café?
2. Which of the options presented by staff does the Finance Committee prefer?
3. What additional information would be helpful to bring to the URA Board for discussing this item?