

URA

LONGMONT URBAN
RENEWAL AUTHORITY



2015 ANNUAL REPORT



MESSAGE from the Chair and Executive Director



It is our pleasure to provide you with the Longmont Urban Renewal Authority (LURA)'s 2015 Annual Report. Since 2006, LURA has worked diligently with the community and partners in the private sector to facilitate the removal of blight and spur reinvestment in targeted areas of the city. This annual report outlines the activities, projects and progress made in the City's two urban renewal areas – **Twin Peaks Mall Area and Southeast Longmont** – as LURA continues to address the challenges brought by blighted conditions to reinvigorate these vital areas.

Demolition of the former Twin Peaks Mall is now complete, and construction of a new destination retail center – **Village at the Peaks** – continued to take shape throughout 2015. By year end, eight businesses were open, including a new 12-screen Regal movie theater along with stores such as T-Mobile, Samuel's Jewelers, Golds Gym, Sports Authority, Wyatt's Wet Goods, Chuck and Don's Pet Supplies, and Party City. In addition construction of the project's many amenities, such as the pedestrian oriented, landscaped Village that includes water features, kid's activities and other features to allow for gathering continues to progress. In 2016, the remaining first phase of Village at the Peaks is expected to be completed and open for business, which will include a new Whole Foods grocery and Sam's Club, along with a number of restaurants, service and entertainment uses.

Just south of downtown, the vacant 27.5-acre former Butterball turkey plant property was purchased by a local developer in 2014 with plans to redevelop the property to a mix of uses consistent with the City's adopted vision for the area- **1st and Main Transit Revitalization Plan**. With planning moving full steam ahead, the former plant was demolished in the spring/summer of 2015. This site is expected to make way for **South Main Station**, a \$70 million infill development that will include multi-family residential and ground floor commercial space. In addition, Wibby Brewing, a craft brewer and taproom, opened in one of the former Butterball buildings in

early fall 2015 and is enjoying tremendous success. To facilitate this redevelopment and remove the blighting conditions of vacant buildings, the City and the Longmont Downtown Development Authority entered into a public/private partnership in early 2015. Redevelopment of this property will revitalize a blighted area in our community and will bring new life and vibrancy to the southern gateway of downtown.

Furthermore, the City continued to make progress on a number of infrastructure improvements and other public projects planned within and around the two urban renewal areas that is expected to help to jumpstart reinvestment in these key areas of the city. **Focus on South Main** is a series of major capital improvement projects which will help improve access and connectivity and mitigate flooding issues within the western portion of the Southeast Longmont Urban Renewal Area. In 2015, the City completed intersection improvements at Main Street and Ken Pratt Boulevard. Within the Twin Peaks Mall Urban Renewal Area, a new pedestrian tunnel across Hover Street will connect the eastern and western sides of this commercial corridor.

Looking ahead to 2016, construction of first phase of Village the Peaks and opening of additional businesses, such as Whole Foods and Sam's Club, is expected to be completed by year end. At the site of the former Butterball turkey plant, the project developer is expected to break ground on South Main Station. We also continue to plan for a new Transit Oriented Development (TOD) at the 1st and Main Transit Station Area. In addition, we continue to engage in planning and discussions with property owners regarding possible reinvestment in the area of the former sugar mill.

Without partnerships with the City, private sector, business owners, property owners and citizens, LURA would not be successful. We are grateful to all of you as we work to achieve long-term economic vitality in Longmont together and look forward towards continued reinvestment in these critically important areas in the city.

Best regards,



Dennis Coombs
Chair

A handwritten signature in blue ink that reads "Dennis L Coombs".



David Starnes
Executive Director

A handwritten signature in blue ink that reads "David Starnes".



ABOUT LURA and Urban Renewal



Who is LURA?

The Longmont Urban Renewal Authority (LURA) was created by the City of Longmont in January 2006 to assist in the redevelopment and reinvestment of blighted property within targeted areas of the city to help foster sound growth and development. The Longmont City Council acts as LURA Board of Commissioners to set policy and provide general oversight of redevelopment activities within the urban renewal areas.

LURA works with the community to address the challenges presented by blighted property and to find creative and appropriate solutions to meet community needs. This includes partnering with the private sector, working with community stakeholders, and promoting reinvestment and redevelopment efforts to eliminate and prevent the spread of blight.

What is an Urban Renewal Area?

The Colorado Urban Renewal Law provides that an Urban Renewal Area may be established for the purpose of eliminating slum or blighted areas, as defined by the statute, and clearing such areas for development or redevelopment. Longmont has two designated urban renewal areas: the **Twin Peaks Mall Urban Renewal Area** and the **Southeast Longmont Urban Renewal Area**.

What are the Benefits of Urban Renewal?

Urban renewal provides measureable benefits to communities, residents, businesses and local governments by removing and preventing the spread of blight within an area. Urban renewal:

- ▶ Allows development to “pay its own way” by capturing the incremental property and sales tax generated by new development for eligible public improvements
- ▶ Improves an area’s attractiveness by eliminating blighting conditions – removing unsafe and unsanitary buildings, upgrading infrastructure, removing and remediating environmental contamination, and making other improvements that improve the health, safety and welfare of residents and businesses
- ▶ Levels the playing field to attract private-sector investment to areas that have a high cost of entry into the market due to poor building and site conditions, inadequate infrastructure, or unsanitary or unsafe conditions
- ▶ Retains and improves economic prosperity by creating local businesses and jobs, providing housing opportunities, and stimulating investment in challenged areas of the community

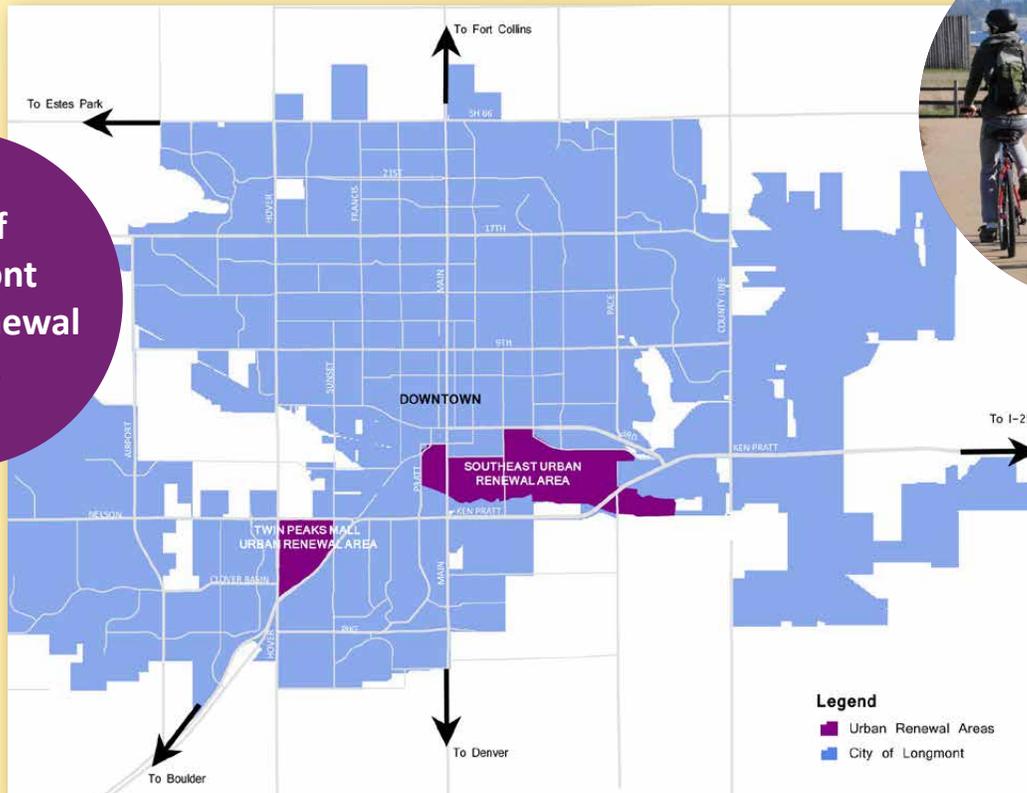


What Types of Urban Renewal Tools and Assistance May Be Available?

LURA works in areas of the city that have seen significant lack of investment and are challenged by underutilization of properties; deterioration of structures; and environmental hazards that impair the health, safety and welfare of the area and community at large. Examples of tools available as part of urban renewal assistance that LURA may use include:

- ▶ **Redevelopment Agreements**—LURA may enter into agreements with developers, property owners, other public bodies or other entities as necessary to carry out the goals of the urban renewal plan.
- ▶ **Redevelopment & Rehabilitation Actions**—LURA can develop comprehensive strategies or prepare studies to help developers and property owners respond to local economic opportunities that result in blight removal and subsequent economic investment.
- ▶ **Tax Increment Financing**—LURA can authorize the use of tax increment financing as a tool to potentially fund infrastructure and other eligible public sector improvements that provide a public benefit.
- ▶ **Financing Mechanisms / Structures**—Other types of financial structures and mechanisms such as special taxing districts and public improvement funds may be employed within the urban renewal area as necessary to carry out the goals of the urban renewal plan.
- ▶ **Property Acquisition & Land Assemblage**—LURA may acquire property in accordance with the urban renewal statutes that may be leased or temporarily held pending disposition for redevelopment.
- ▶ **Demolition, Clearance and Site Preparation**—In accordance with urban renewal statutes, LURA may undertake site preparation activities (e.g. demolition, site cleanup, environmental remediation) as necessary to facilitate disposition and redevelopment activity within the urban renewal area.
- ▶ **Relocation Assistance** – LURA can provide assistance to property and business owners affected by urban renewal projects in accordance with urban renewal statutes.

City of Longmont Urban Renewal Areas



SOUTHEAST LONGMONT

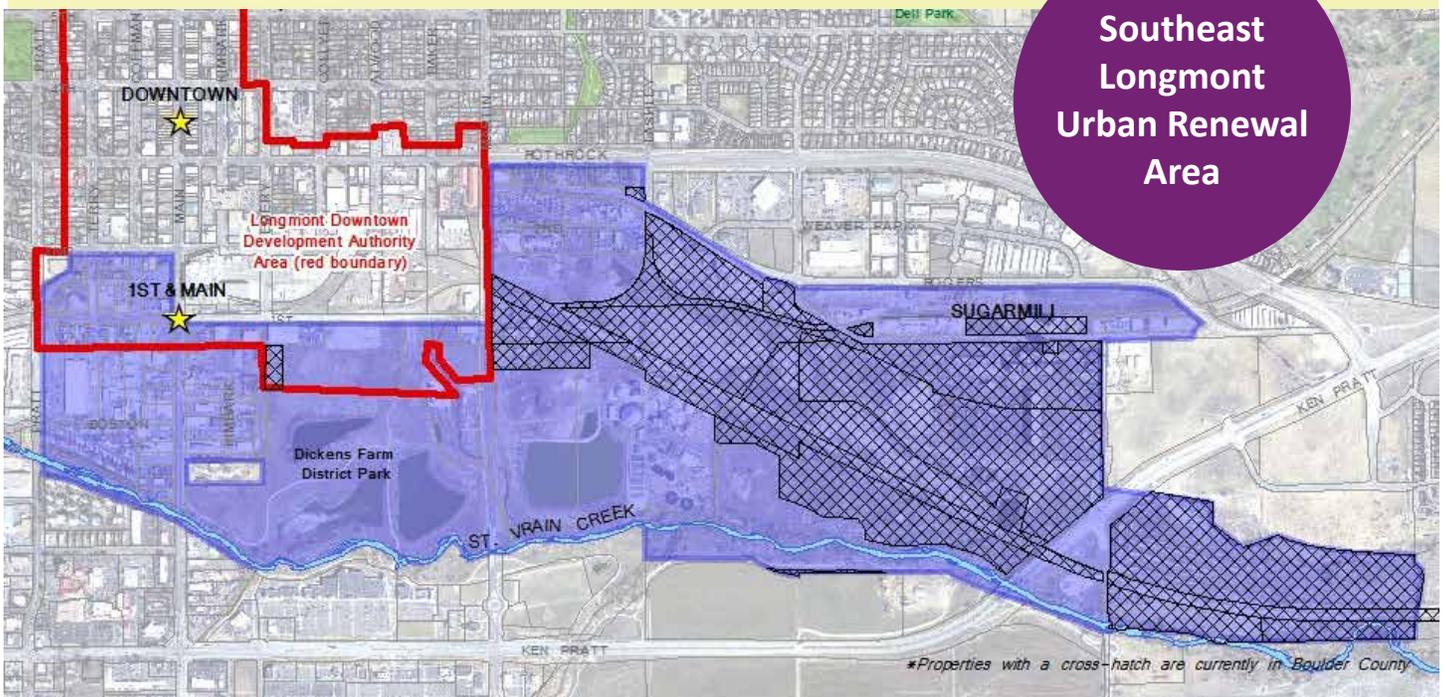
Urban Renewal District

The Southeast Longmont Urban Renewal Area occupies a key location in Longmont just south of downtown and is the southeastern gateway into the city. The City Council and community have had a long-standing interest in encouraging redevelopment and reinvestment within the area dating back to the 1980s. In 2006, the Longmont Urban Renewal Authority and City Council recognized this area's importance as an economic development catalyst by preparing and adopting a plan designating this area as an urban renewal district, the first such urban renewal area in the city. As of 2015, a tax increment finance district has not been established within the urban renewal area.



The Southeast Longmont Urban Renewal Area is 583 acres just south of downtown adjacent to Main Street and the Ken Pratt Boulevard bypass. The western portion of the urban renewal area is located within the Downtown Development Authority boundaries and the planned Regional Transportation District transit hub for bus/commuter rail as part of the FasTracks transit station site. The eastern portion of the area is predominated by the abandoned Great Western Sugar Factory, which is located outside of the City but has stood as a landmark and gateway to the City, connecting Longmont with its agricultural heritage and commerce past for over 100 years.

Today the Southeast Longmont Urban Renewal Area consists primarily of light industrial uses with commercial related strip retail and services situated along Main Street and 1st Avenue. Open space, vacant land, and railroad uses predominate towards the south and east of the area, which also includes several municipal facilities (wastewater treatment plant, recycling facility, and electric utility). The St. Vrain River runs along the southern border of the urban renewal area.



The **1st and Main Station Transit & Revitalization Plan**, adopted by the Longmont City Council in the summer of 2012, represents the community’s vision for the transformation of the western portion of the Southeast Longmont Urban Renewal Area. The collective vision is an improved Transit Station Area that includes a mix of residential and commercial uses along with public sector investment that provides improved access, connectivity and amenities. The City of Longmont is working with the Regional Transportation District (RTD) and the Longmont Downtown Development Authority (LDDA) to implement the First & Main Transit Station vision, becoming the primary transit transfer facility for the community with a planned opening in 2018. Future plans include the end of the line FasTracks commuter rail from Boulder and Denver, as well as, a possible transfer point to commuter rail further north to Loveland and Fort Collins.



While original preliminary RTD plans contemplated a station area that included surface parking and bus/rail transit components, one option presented was to pursue a **Transit Oriented Development (TOD)** at the 1st and Main site that would implement the vision of the goals outlined in the 1st & Main Station

Transit & Revitalization Plan. The City along with partners RTD and the LDDA are working to implement this vision.

The 1st and Main area is experiencing development interest. In 2014, a local developer purchased the former 27.5-acre Butterball turkey plant properties with plans for a large scale redevelopment effort. In



early spring/summer 2015, the property developer demolished the former main plant site to make way for the first phase of this redevelopment. Named **South Main Station** the first phase of this project is a \$70 million investment that will include approximately 315 Class A multifamily apartments along with 10,000 square feet of street-level retail and office space along Main Street. This project will serve as a significant anchor and catalyst in the area by providing housing and retail/commercial space that will help activate the area, remove blight, and help create a mixed use destination in a pedestrian-friendly, walkable environment, one block from the future Transit Station.

In addition, Wibby Brewing opened a brewery and taproom in the fall of 2015 in an existing building that was part of the former Butterball factory site and has enjoyed tremendous success to date. Future phases of the redevelopment of the former Butterball turkey plant, which comprise another 20 acres of



property, including 14 acres that are located within the Southeast Longmont urban renewal area contemplate potential additional high density housing and additional commercial space. This also includes the planned adaptive reuse of a former grainery for additional commercial space, possibility collaborative office space.

SOUTHEAST LONGMONT URBAN RENEWAL AREA PROFILE

Year Established	2006
Land Acreage.....	566
No. of Parcels	126
Zoning	Mixed Use / Mixed Industrial
Area Population (5 mile radius)	93,839
Employees (5 mile radius)	34,658
Average Household Income (5 mile radius)	\$83,538

Cheese Importers, a unique, destination retail store and bistro that offers natural and imported specialty foods and retail goods, continues to be a major attraction in the area, drawing more than 80,000 people annually from throughout Front Range communities, even Wyoming and Nebraska to its 1st and Main location.



The City is investing significant dollars in the area, through its **Focus on South Main**, which includes reconstructing Main Street between 3rd Avenue and Ken Pratt Boulevard, extending Boston

FOCUS ON SOUTH MAIN

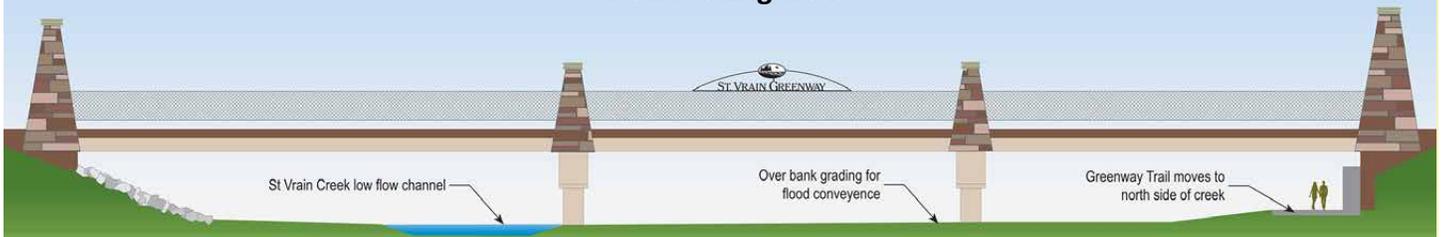
Avenue between Main Street and Martin Avenue, constructing a new Main Street bridge over the St. Vrain River and developing the 52-acre Dickens Farm Park. This public sector investment is critical to the success of reinvestment in this

area and will help lay the groundwork for future private sector investment. Most of these roadway/bridge improvements are planned to be completed in the next 1-2 years.

The City, in partnership with the Regional Transportation District (RTD) and the Longmont Downtown Development Authority, are examining transit-oriented development opportunities that would implement the goals outlined in the **1st and Main Transit and Revitalization Plan** adopted by City Council in 2012. The station area will provide service as a bus hub as well as a future end-of-line station for commuter rail.



View looking west



Why is Reinvestment and Redevelopment in the Southeast Longmont Urban Renewal Area Important?

- ▶ Reduces, eliminates and prevents the spread of blighted conditions within the area
- ▶ One of the few remaining opportunities for large-scale, high quality infill development
- ▶ Area includes the historic Sugar Mill factory, a prominent feature and icon at the eastern entrance to Longmont, which represents a potential catalyst brownfield redevelopment opportunity site
- ▶ Reinvestment in the area conforms to and implements the *Longmont Area Comprehensive Plan*'s goals to "support the redevelopment of older, obsolete industrial areas with a mix of uses in new activity centers, including residential, employment, commercial, recreational and entertainment uses," and, "eliminate conditions that would deter or inhibit future growth and revitalization efforts"
- ▶ The area's plan will leverage the community's investment in public improvement projects in the area, including new roadway improvements, parks, public facilities and transit opportunities



- ▶ Reinvestment in this area implements the community's vision for its revitalization from an economically distressed area to a high quality commercial and mixed use residential, transit- oriented enclave that provides jobs, housing and shopping opportunities
- ▶ Reinvestment in this area supports property improvements in established business areas, including those located contiguous to the Main Street corridor

Selected examples of City of Longmont Recent and Planned Capital Improvements Impacting the Southeast Longmont Urban Renewal Area

Project	Estimated Cost	Estimated Completion Date
Main Street and Ken Pratt intersection improvements	\$5.9 million	2015
Main Street pavement reconstruction	\$5.2 million	2016
Main Street over St. Vrain River bridge replacement project	\$6 million	2016
Dickens Farm Park	\$3.4 million	2016
Boston Avenue connection (Main Street to Martin Street)	\$2.4 million	2016
Rebuild of St. Vrain Greenway	\$8 million	2017
Wastewater Treatment master plan improvements	\$33 million	2017
S Pratt Parkway Bridge over St. Vrain River upgrade	\$2.5 million	2017
St. Vrain Greenway channel work (Reach 1 and 2)	\$52 million	2017
1st and Main Multimodal Transit Station (bus station)	\$17 million	2018

TWIN PEAKS MALL AREA

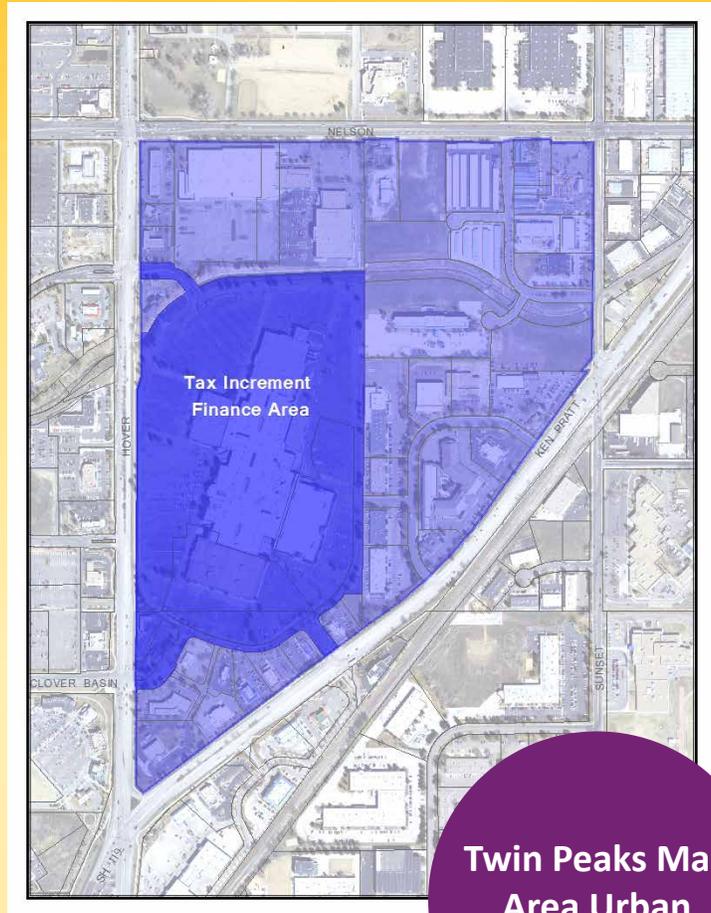
Urban Renewal District

The Twin Peaks Mall Area urban renewal area comprises approximately 175 acres in southwest Longmont. The western portion of the urban renewal area centers on the former Twin Peaks Mall that is currently the focus of a major redevelopment effort. The eastern portion of the urban renewal area consists of a variety of commercial uses, including a hotel and conference center, flex /office space and retail uses along Ken Pratt Boulevard.



Reinvestment in the Twin Peaks Mall Urban Renewal Area and redevelopment of this vital community asset has been a consistent topic of interest and discussion in the community for several years. To facilitate reinvestment in this area and to remove the blighted conditions impacting it, Longmont City Council, acting as the LURA Board of Commissioners, adopted the Twin Peaks Mall Area Urban Renewal Plan in July 2009.

In 2012, the Longmont Urban Renewal Authority received a proposal to redevelop Twin Peaks Mall and eliminate existing conditions of blight. The City of Longmont and the Longmont Urban Renewal Authority partnered with the mall owner to facilitate this redevelopment. In early 2013, LURA entered into a four-party redevelopment agreement with the mall developer, the City of Longmont and the Twin Peaks Metropolitan District that outlines the financing provisions and performance metrics for mall redevelopment. As part of this agreement, the City provided up to \$27.5 million in funding for public improvements and other eligible costs to facilitate this \$90 million redevelopment effort, in partnership with the Longmont Urban Renewal Authority.



**Twin Peaks Mall
Area Urban
Renewal Area**

TWIN PEAKS MALL AREA URBAN RENEWAL AREA PROFILE

Year Established	2009
Land Acreage.....	175
No. of Parcels	49
Zoning	Commercial-Regional / Mixed Industrial
Area Population (5 mile radius).....	95,648
Employees (5 mile radius)	35,677
Average Household Income (5 mile radius)	\$85,848



Demolition of the former mall was completed in 2014. The redevelopment will result in a new, 480,000 square foot retail center called **Village at the Peaks** that will offer a variety of retail formats, including large-scale shopping, small-scale shops, restaurants and a variety of entertainment options, which will help the center to thrive well into the future. Construction of the retail center continued in 2015 and by year-end there were 8 businesses opened. This included a new 12-screen Regal Cinema, T-Mobile, Samuel's Jewelers, Golds Gym, Sports Authority, Wyatt's Wet Goods Liquor Store, Chuck and Don's Pet Supplies, and Party City. In 2016, the remaining first phase of Village at the Peaks is expected to be completed and open for business, which will include a 40,000 square foot Whole Foods grocery, 136,000 square foot Sam's Club, and a number of restaurants, service and entertainment uses. In addition the redevelopment features a pedestrian oriented, landscaped Village that includes water features, kid's activities and other features to allow for gathering.



Photo credits: NewMark Merrill Mountain States



2015 LURA Financial Summary

The **Southeast Longmont Urban Renewal Area** was established in 2006. At that time, the Longmont City Council, acting as the Longmont Urban Renewal Authority, did not authorize the use of tax increment financing for the area. As of 2015 no TIF District has been created within that urban renewal area; therefore, no tax increment has been collected.

The **Twin Peaks Mall Area Urban Renewal Area** was established in 2009. At that time, Longmont City Council, acting as the Longmont Urban Renewal Authority, did not authorize the use of tax increment financing for the urban renewal area. A Tax Increment Finance Area was authorized for a portion of the urban renewal area in October 2012 as part of an Amended and Restated Twin Peaks Mall Area Urban Renewal Plan to facilitate redevelopment of the mall.

To facilitate the removal of blighted conditions within the Twin Peaks Mall Urban Renewal area, the City of Longmont and the Longmont Urban Renewal Authority entered into a partnership with the mall owner. In July 2014, the City issued \$30.8 million of **Certificates of Participation (COPs)** to fund up to \$27.5 million of public improvements and other eligible costs as part of the \$90+ million redevelopment project. The source of revenue to repay the COPs is property tax increment, a portion of the City sales tax increment (2%) and a Metropolitan District levy of 25 mills from the property within the established TIF area of the urban renewal area. As of December 2015, the City reimbursed the developer \$27.5 million of eligible costs (the maximum allowed pursuant to the redevelopment agreement) under Colorado Urban Renewal Law. These reimbursed eligible costs included land acquisition, site improvements, and building façade improvements.

Due to the decrease in sales due to store closings and the commencement of the redevelopment project in 2014, the assessed values of the properties that comprise the TIF area declined in 2014 (property taxes payable in 2015). As a result, since there was not an increase in property value over the base nor was there an increase in sales tax revenue over the base, no tax increment was collected within the TIF area in 2015 as contemplated in the financing plan. \$100,000 in Metro District mill levy revenue was collected in 2015.

What are Certificates of Participation?

Certificates of Participation (COPs) are a form of financing used by municipal or government entities whereby an investor purchases a share of the lease revenue of an agreement by these entities. COPs are a common traded instrument in Colorado and nationwide and have been used to finance public facilities, transportation improvements, sports facilities and private development as part of public/private partnerships. In the case for the Village at the Peaks public/private partnership, the City COPs:

- ▶ Are structured as a sale and lease-back agreement secured by City assets
- ▶ More marketable to creditors and investors and were sold at a lower cost of financing
- ▶ Sources of revenue for lease payments include: TIF revenues, Metropolitan District property tax and portion of non-earmarked City sales tax TIF
- ▶ Proceeds from the COPs used for public improvements and other eligible costs for redevelopment project

The following table breaks down the 2015 Financial Summary for LURA. In 2015, the only revenue is \$1,512 from interest earnings. Expenditures totaled \$83,600 of which \$60,000 was a transfer to the City General Fund for COP debt repayment and \$23,577 for other costs associated with the project redevelopment. The City made a COP payment of \$1,272,455 in 2015, of which \$1,112,445 was from the COP proceeds (capitalized interest), \$100,000 from the Twin Peaks Metro District mill levy and \$60,000 from LURA transfer of funds from proceeds from the COP issuance in 2014. Moving forward, the annual payments to pay off the Certificates of Participation will be from the City, not LURA, but the revenue source for these payments will be from the LURA property tax increment, a portion of the city sales tax increment and a Metropolitan District property tax levy from the property within the established TIF area of the urban renewal area.

LONGMONT URBAN RENEWAL AUTHORITY 2015 FINANCIAL SUMMARY

Beginning Balance	\$258,312
REVENUES	
Property tax increment	\$0
Sales tax increment	\$0
Other increment	\$0
Subtotal Tax Increment Revenue	\$0
<i>(Twin Peaks Mall Urban Renewal Area Only)</i>	
Interest earnings	\$1,587
Project fees	\$0
Grants and gifts	\$0
Cash carried over	\$0
Subtotal Other Revenue	\$1,587
Total Revenue	\$1,587
EXPENDITURES	
Program administration ¹	\$0
URA projects and grants	\$0
Debt service	\$0
Restricted funds	\$0
Transfer to City General Fund for COP	
debt repayment ²	(\$60,023)
Other ³	(\$23,577)
Total Expenditures	(\$83,600)
Revenue over (under) Expenditures	(\$82,013)
Ending Balance	\$176,299



1 LURA program administration is allocated from Redevelopment & Revitalization Division and City Attorney Office staff
 2 Represents transfer from LURA Fund that were proceeds from the COP issuance in 2014 to cover gap in COP debt service payment for 2015
 3 Represents costs associated with Twin Peaks Mall redevelopment broken out as follows: engineering consulting services (\$6,895), Temp wages/FICA/Medicare for in-house owner's representative (\$13,172.20), and building inspection/plan review consultant (\$3,600)

LURA Board of Commissioners

Dennis Coombs, Chair
Brian Bagley, Commissioner
Polly Christensen, Commissioner
Bonnie Finley, Commissioner
Gabe Santos, Commissioner
Jeff Moore, Commissioner
Sarah Levison, Commissioner (through November 2015)
Joan Peck, Commissioner (from November 2015)



LURA Staff

David Starnes, Executive Director
Eugene Mei, General Counsel

For more information on opportunities in Longmont's urban renewal areas, please contact David Starnes, Executive Director, at 303-651-8318, david.starnes@longmontcolorado.gov, or visit us on the web at <http://longmontcolorado.gov/departments/departments-n-z/planning-and-development-services/redevelopment-and-urban-renewal>

