



LONGMONT URBAN
RENEWAL AUTHORITY



2014 ANNUAL REPORT



MESSAGE from the Chair and Executive Director

Welcome to the Longmont Urban Renewal Authority (LURA)'s 2014 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 the city captures new momentum from an improving real estate market.

Within the Twin Peaks Urban Renewal Area, demolition of the former Twin Peaks Mall was completed in 2014 and construction of a new retail center – **Village at the Peaks** – began in earnest. Village at the Peaks will be a new destination in the City providing a wide range of retail offerings to residents and visitors alike, including a new 12-screen movie theater, Whole Foods, Sam's Club, and a variety of local, regional and national shops and restaurants. To move this project forward, the City of Longmont and LURA are partnering with the property owner to facilitate redevelopment of the mall.



Photo: NewMark Merrill Mountain States

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 a portion of this property within the Southeast Longmont Urban Renewal Area, this site represents one of the largest infill sites near the downtown area. 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. Demolition of the former plant site began in December 2014.

Furthermore, a number of infrastructure improvements and other public projects planned within and around the two urban renewal areas are also helping 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. 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 2015, construction of Village at the Peaks will continue with an expected opening by the holiday season 2015. Demolition of the former Butterball turkey plant is also expected to be completed in early spring with plans for construction of the initial phase of the project, called **South Main Station**, to include multi-family residential and ground floor commercial space, to begin sometime by the end of the year.

We are grateful to our partners in the private sector and the community as we work toward reinvestment in these critically important areas in the city and eliminating blight to benefit the community as a whole.

Best regards,



Dennis L Coombs
Dennis Coombs
Chair



David Starnes
David Starnes
Executive Director

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 the 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.

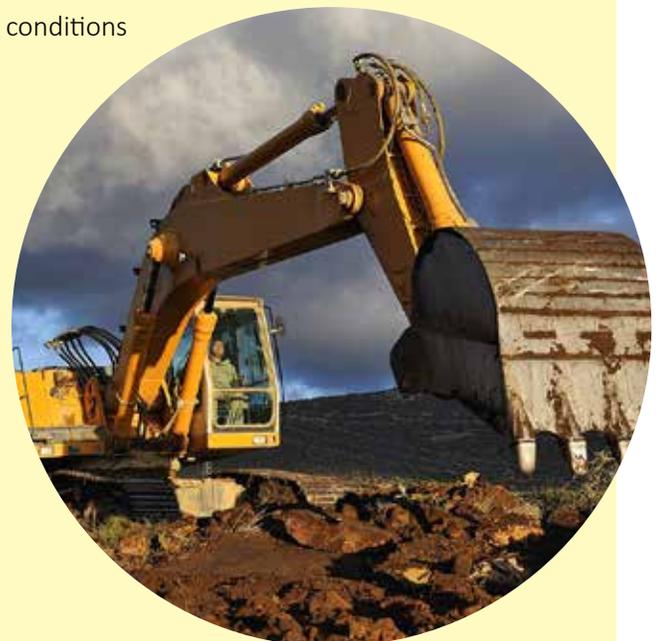
What is an Urban Renewal Area?

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:

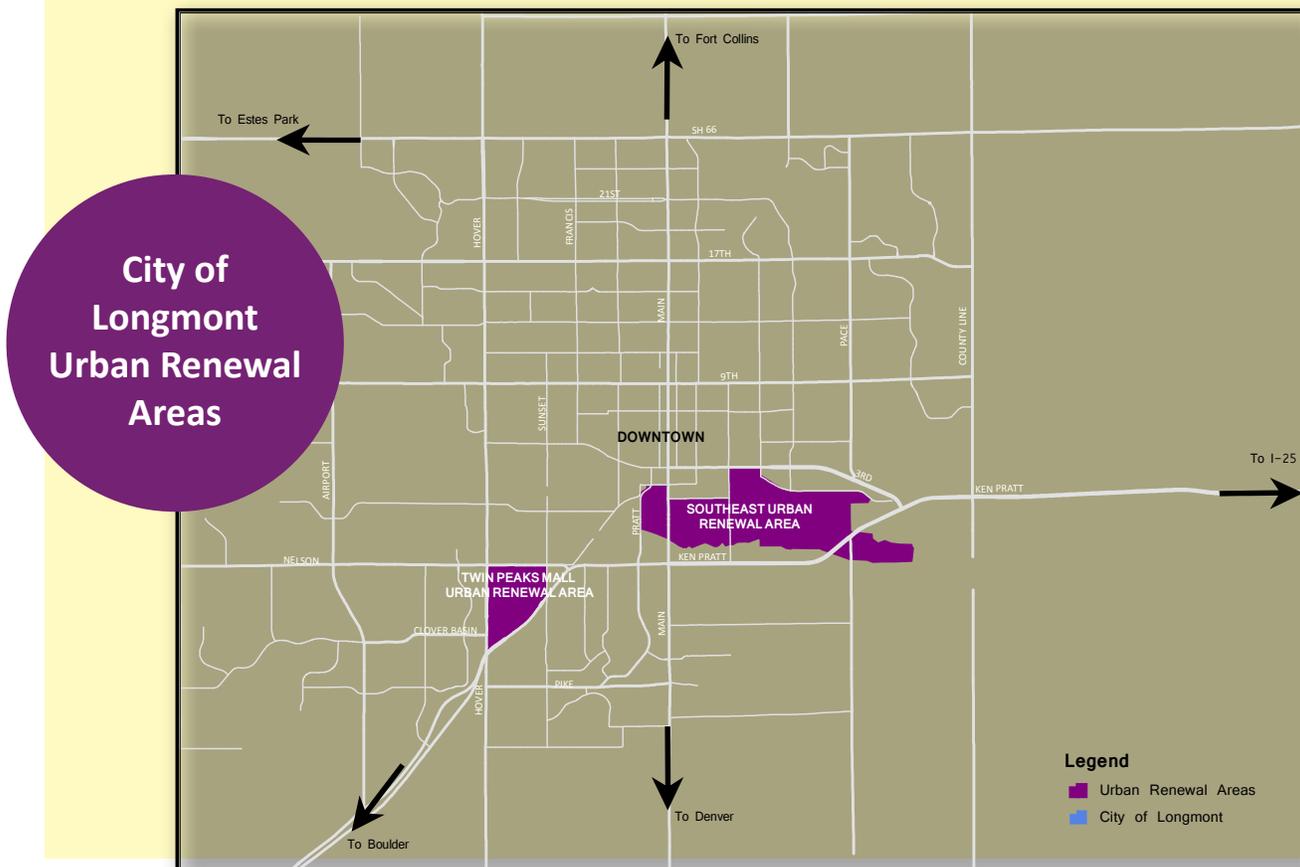
- ▶ Allows development to “pay its own way” by capturing the incremental property and sales tax generated by new development for eligible public improvements
- ▶ Improves an area’s attractiveness by eliminating blighting conditions
 - removing unsafe and unsanitary buildings, upgrading infrastructure, 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.



SOUTHEAST LONGMONT

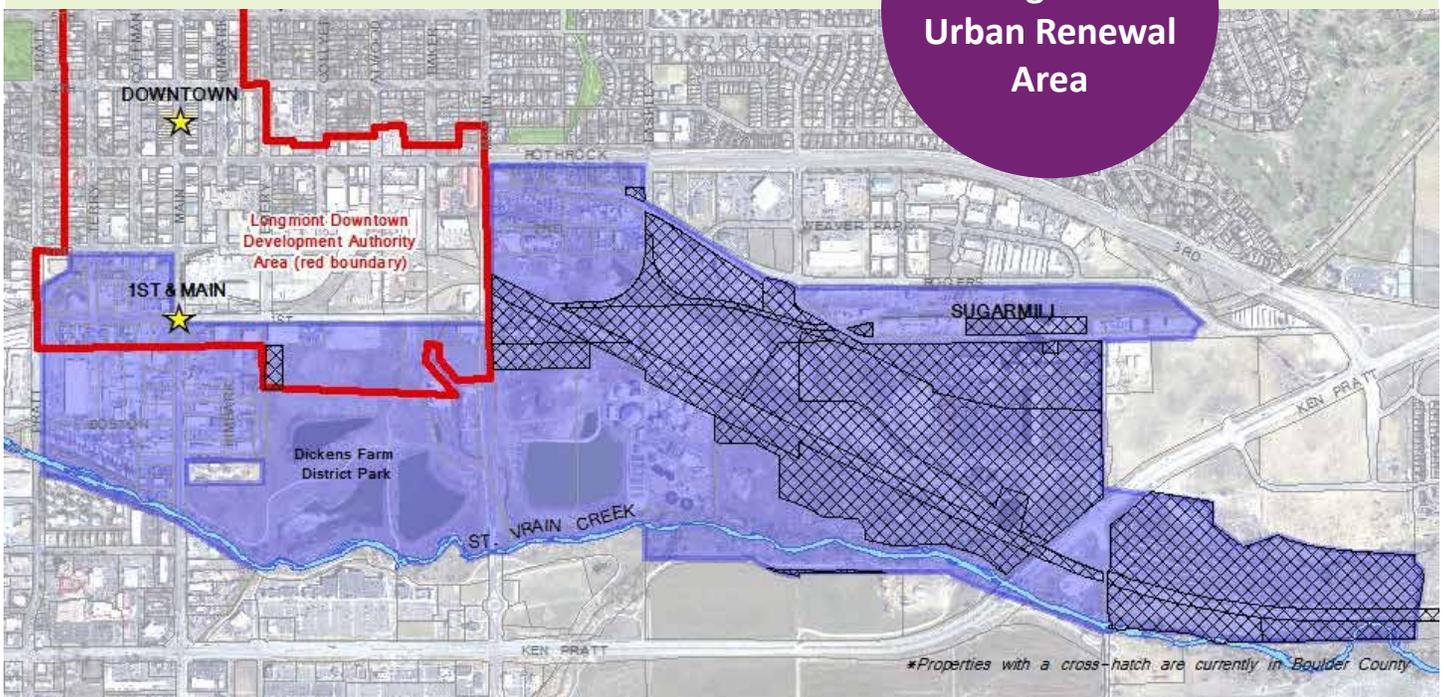
Urban Renewal District

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 2014, a tax increment finance district has not been established within the urban renewal area.

The Southeast Longmont Urban Renewal Area is 566 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.

**Southeast
Longmont
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.

A major catalyst project is in the works. In 2014, a local developer purchased the former 27.5-acre Butterball turkey plant properties with plans for a large scale redevelopment effort. The first phase of this redevelopment, named **South Main Station** will serve as a significant anchor and catalyst in the area by providing multifamily residential 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. South Main Station, located just north of the urban renewal area, will be a \$66 million redevelopment of the 150 Main property, the site of the original plant, with approximately 300 Class A, multifamily units that are “urban” in nature and 10,500 square feet of commercial space along Main Street. In addition, adjacent parcels that are part of this Phase 1 property will also be redeveloped, including the opening in 2015 of a new brewery and tap room called Wibby Brewing and adaptive reuse of a former grainery for additional commercial space, possibility collaborative office space. To facilitate this major redevelopment opportunity, the City of Longmont, along with the Longmont Downtown Development Authority, is in discussions with the property developer for a potential public/private

Photo: Shears Adkins Rockmore Architects



partnership. Future phases of this redevelopment effort include 14 acres of the former turkey plant property that is located within the Southeast Longmont urban renewal area.

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 60,000 people annually from throughout Front Range communities, even Wyoming and Nebraska to its 1st and Main location. In addition, the City is investing significant dollars in the area,

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 |

through its **Focus on South Main**, which includes reconstructing Main Street between 3rd Avenue and Ken Pratt Boulevard, extending Boston 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. In addition, **St. Vrain Blueprint** outlines design and infrastructure investment improvements for flood hazard mitigation to plan for a resilient community along the St. Vrain River corridor and to create an attractive environment for businesses, residents and visitors to the St. Vrain Greenway. The plan also presents redevelopment and economic development opportunities along the river corridor to guide future reinvestment in this important corridor of the city. This study is expected to be completed in 2015.



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 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 | 2016 |
| Main Street pavement reconstruction | \$5.2 million | 2016 |
| 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 |

South Main Station



2014



2016 Vision



TWIN PEAKS MALL AREA

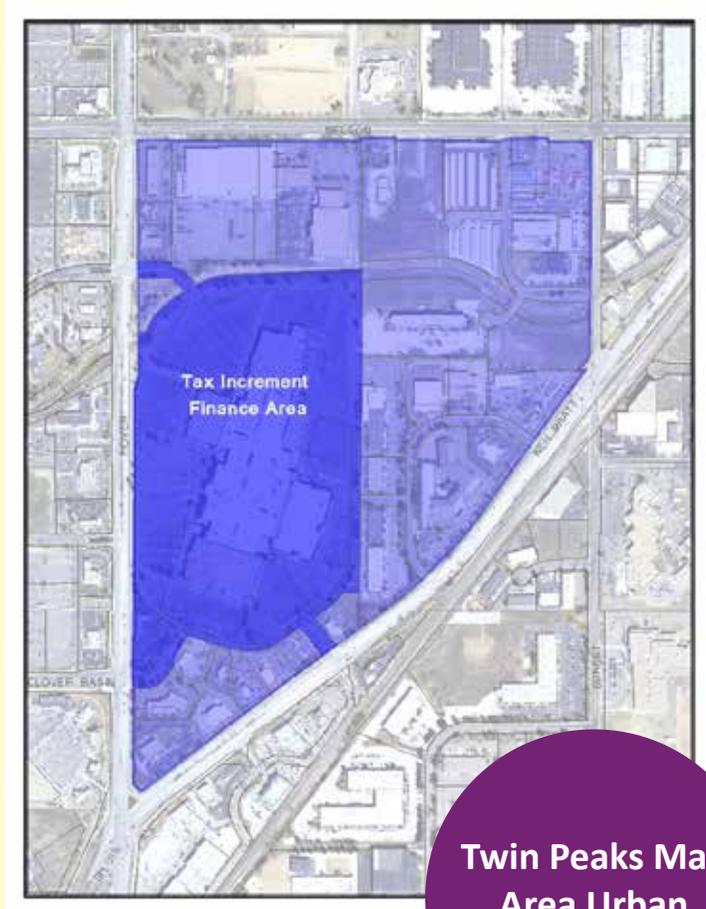
Urban Renewal District

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 Area 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.



**Twin Peaks Mall
Area Urban
Renewal Area**

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 will provide 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 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 |

Vision 2015: Village at the Peaks

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. Currently announced users include a new 12-screen Regal Cinema, 40,000 square foot Whole Foods grocery, 136,000 square foot Sam's Club, Gold's Gym, gourmet beverage store, and a number of restaurants, service and entertainment uses. In addition the redevelopment will feature a pedestrian oriented, landscaped Village that will include water features, kid's activities and other features to allow for gathering. Village at the Peaks is scheduled to be opened by year end 2015.



2014 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 2014 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 will be 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 2014, the City reimbursed the developer approximately \$15.9 million of eligible costs (of the maximum \$27.5 million allowed) under Colorado Urban Renewal Law. These reimbursed eligible costs included land acquisition, site improvements, and building façade improvements.

Twin Peaks Mall remained open until June 2014. In August 2014, demolition of the former mall began. 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. As a result, since there was not an increase in property value over the base and sales tax revenue decreased in 2014 compared to 2013, no tax increment or other pledged revenue was collected within the TIF area in 2014 as contemplated in the financing plan.

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 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
- ▶ Proceeds from the COPs used for public improvements and other eligible costs for redevelopment project

The following table breaks down the 2014 Financial Summary for LURA. Please note that a majority of LURA revenue is from a transfer from the City COP proceeds to fund one-time expenses related to the legal costs and other expenses associated with the Twin Peaks Mall redevelopment project. The City made a COP payment of \$424,151 in 2014 that was from the COP proceeds (capitalized interest). 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 2014 FINANCIAL SUMMARY

REVENUES

| | |
|---|------------|
| Property tax increment | \$0 |
| Sales tax increment | \$0 |
| Other increment | \$0 |
| Subtotal Tax Increment Revenue | \$0 |

(Twin Peaks Mall Urban Renewal Area Only)

| | |
|------------------------------|-------------|
| Interest earnings | \$876 |
| Project fees | \$0 |
| Grants and gifts | \$0 |
| Cash carried over | \$0 |
| Other ¹ | \$1,103,630 |

Subtotal Other Revenue \$1,104,506

Total Revenue \$1,104,506

EXPENDITURES

| | |
|---|-------------|
| Program administration ² | \$0 |
| URA projects and grants | \$0 |
| Debt service | \$0 |
| Restricted funds | \$0 |
| Loan repayment ³ | (\$307,976) |
| Other ⁴ | (\$538,218) |

Total Expenditures (\$846,194)

Revenue over (under) Expenditures \$258,312

- 1 Revenue source represents transfer from City COPs (Certificates of Participation) to LURA fund for legal, financial professional services and other costs for the Twin Peaks Mall redevelopment project
- 2 LURA program administration is allocated from Redevelopment & Revitalization Division and City Attorney Office staff
- 3 Represents repayment to fleet fund from loan advance
- 4 Represents legal costs and other costs associated with Twin Peaks Mall redevelopment broken out as follows: eminent domain costs and fees (\$523,156), legal consulting (\$10,403), engineering consulting services (\$2,634), and fleet fund interest on advance (\$2,025)



LURA Board of Commissioners

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Bonnie Finley, Commissioner
Gabe Santos, Commissioner
Sarah Levison, Commissioner
Jeff Moore, Commissioner

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>

