



Agenda Memorandum

Agenda Item - {{section.number}}.A.

City Council Meeting
May 12, 2025



Strategic Priority 1: Access to Opportunity

Advance access to opportunity and prosperity for all in Westminster through diverse housing choices, increased mobility options, safe and walkable neighborhoods, and strong social networks.



Strategic Priority 5: Resilient Infrastructure

Maintain and invest in resilient infrastructure that creates the highest return for safety, community connectivity, enjoyment of life, and local economic success.

Subject: Authorizing the City Manager to Execute Two Intergovernmental Cooperation Agreements for the Reimbursement of Costs Incurred by the City in the North Huron Urban Renewal Area and in the South Sheridan Urban Renewal Area

Prepared By: Lindsey Kimball, Community Services Director
Heather Cronenberg, Real Estate Development Manager
Chad Smith, Senior Financial Analyst

Recommended City Council Action:

Authorize the City Manager to execute two Intergovernmental Cooperation Agreements between the City of Westminster and the Westminster Economic Development Authority, in substantially the form attached hereto, to allow the Westminster Economic Development Authority to reimburse costs incurred by the City of Westminster associated with public improvements and other contractual obligations in the North Huron Urban Renewal Area and South Sheridan Urban Renewal Area.

Summary Statement:

- The North Huron Urban Renewal Area (North Huron URA) urban renewal plan, approved January 26, 2004, and the South Sheridan Urban Renewal Area (South Sheridan URA) urban renewal plan approved March 29, 2004, are two of seven urban renewal areas (URAs) under the Westminster Economic Development Authority (WEDA) umbrella.
- Both plans provide for WEDA to undertake certain actions that would eliminate blight and make each respective URA more attractive for private investment. Such actions may include street and traffic improvements, streetscape improvements, storm water and other drainage improvements, landscaping, parks and recreation facilities, utility improvements, and public

arts projects (collectively, the Improvements).

- The City and WEDA have both contributed funds toward constructing the Improvements.
- The City will continue to incur costs that may be chargeable to WEDA as the result of development and redevelopment in these URAs.
- The Intergovernmental Cooperation Agreements (ICAs) establish City and WEDA obligations for the reimbursement of costs from the respective URAs to the City for the maintenance of Improvements and other contractual obligations associated with the URAs.
- The ICA associated with the South Sheridan URA would be a new agreement between WEDA and the City.
- The ICA associated with the North Huron URA is an amendment adding clarifying language surrounding Superior Obligations of the URA.
- It is permissible to use tax increment revenue to reimburse the City for current and future maintenance and other contractual obligation costs associated with the URAs.
- Pursuant to Article XIV of the Colorado Constitution, and Title 29, Article 1, Part 2, C.R.S., the City and WEDA are authorized to cooperate and contract with one another to provide any function, service or facility lawfully authorized to each governmental entity.

Fiscal Impact:

\$0 in expenditures

Source of Funds:

Not applicable

Policy Issue(s):

Should the City support entering ICAs with the WEDA Board to provide for the reimbursement of costs for maintenance and other contractual obligations associated with the North Huron Urban Renewal Area and the South Sheridan Urban Renewal Area, provided all other superior covenants and superior obligations of WEDA have been met?

Alternative(s):

Do not authorize the execution of the proposed ICAs between the City and WEDA. This alternative is not recommended, because the costs borne by the City for maintenance of improvements associated with the URAs and other contractual obligations are expenses that are a proper and legal use of URA project funds, tax increment revenues, and interest earnings.

Background Information:

Pursuant to Article XIV of the Colorado Constitution and Title 29, Article 1, Part 2, C.R.S., the City and WEDA are authorized to cooperate and contract with one another to provide any function, service, or facility lawfully authorized to each entity. Accordingly, the City desires to enter into an ICA with the WEDA Board to reimburse costs incurred by the City relative to these URAs.

The ICAs accomplish several things:

- Recognize that the City-approved North Huron URA Plan includes as one of its primary objectives providing an efficient system of streets, roads, and other transportation facilities necessary to support urban development in the URA and thereby eliminate blight.
- Recognize that the City-approved South Sheridan URA Plan includes as one of its primary

objectives the renovation and/or redevelopment of deteriorated and outdated retail, manufacturing, and office buildings.

- Recognize that both URA Plans provide for WEDA to undertake certain actions that would eliminate blight and make the URA more attractive for private investment. Such actions may include street and traffic improvements, streetscape improvements, storm water and other drainage improvements, landscaping, parks and recreation facilities, utility improvements, and public arts projects.
- Recognize that the City incurs costs for maintenance and other contractual obligations associated with such Improvements.
- Provide that reimbursement of City-incurred costs will be subordinate to any current or future bonded indebtedness (Superior Obligations) of WEDA, including but not limited to tax increment notes, tax increment bonds, and similar indebtedness backed by revenues of WEDA.
- As necessary, the City and WEDA will negotiate in good faith the amount due from WEDA under each ICA, based on the costs incurred or expected to be incurred by the City, and the funds available to WEDA after first meeting all its Superior Obligations.

One recent example of the use of these ICAs was on November 25, 2024, when the WEDA Board authorized the reimbursement of City costs associated with traffic signal, asphalt and concrete, traffic signal equipment, uninterrupted power supply updates, and signal corrosion control projects within the North Huron URA. The amendment to the North Huron ICA will continue to allow WEDA to reimburse the City for these costs; however, the amendment clarifies that these expenses are subordinate to the current indebtedness backed by the tax increment revenues of the North Huron URA.

As redevelopment within the South Sheridan URA continues, the proposed South Sheridan ICA will help facilitate the reimbursement of City costs, similar to those outlined in the North Huron URA example.

This recommended action supports the City's Strategic Plan Goals of Access to Opportunity, Community Health and Safety, Economic Vitality, and Resilient Infrastructure by providing funds to assist the City in maintaining public improvements and keeping the development areas attractive.

Respectfully submitted,



Jody L. Andrews
City Manager

Attachments:

Attachment 1 – North Huron URA Map

Attachment 2 – South Sheridan URA Map

Attachment 3 – First Amendment ICA - N Huron

Attachment 4 – First Amendment ICA - S Sheridan