



WESTMINSTER
COLORADO

Agenda Memorandum

Agenda Item – {{section.number}}.A.

City Council Meeting
September 9, 2024



Strategic Priority 3: Community Health and Safety

Invest in innovative and collaborative approaches to provide a continuum of services that preserve, promote, and protect the health, safety, and environment of Westminster

Subject:

First Reading of Councillor's Bill No. 28 Approving a Development Agreement with Community Reach Center for the Purpose of Developing Block 1, Lot 2, for a Behavioral Health Facility within the Municipal Center Planned Unit Development and Authorizing the Acting City Manager to Execute a Development Assistance Agreement and Stipulated Use Tax Agreement therefor; and Resolution No. 23 Approving a Purchase and Sale Agreement with Community Reach Center, Inc., for a Portion of the City-Owned Property at 3030 Turnpike Drive

Prepared By:

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Seth Plas, Assistant City Engineer

Recommended City Council Action:

1. Approve Councillor's Bill No. 28 on first reading authorizing the Acting City Manager to execute a Development Agreement with Community Reach Center, Inc., in substantially the same form as attached, for the development of a proposed behavioral health facility, and authorizing the Acting City Manager to finalize and execute a Development Assistance Agreement and Stipulated Use Tax Agreement without requiring further approval from City Council.
2. Adopt Resolution No. 23 authorizing the Acting City Manager to execute a Purchase and Sale Agreement with Community Reach Center, Inc., in substantially the same form as attached, for the sale and development of a portion of the City-owned property at 3030 Turnpike Drive.

Summary Statement:

- Community Reach Center (CRC) provides health and wellness services for youth, adults, and seniors. Since 2004, the CRC has operated a clinic adjacent to the Municipal Court in the City's former Library Building (Library).

- The Library will be deconstructed as part of the Replacement Municipal Court (Project).
- Due to the significant overlap in clientele between CRC and the Municipal Court, there is a desire for CRC to construct its new building close to the Project to maintain the synergies between the two entities. To facilitate convenient access to CRC services, Staff collaborated with CRC to identify a suitable area within the Municipal Court campus for the new building.
- CRC is interested in purchasing property from the City and funding the design and construction of a new behavioral health facility. CRC anticipates constructing a projected 4,400 square foot, one-story behavioral health facility, with construction costs anticipated at approximately \$4,600,000. CRC is responsible for the design costs and will be responsible for the building construction costs.
- The City will be responsible for site grading and City-owned utility installation to provide a “pad-ready” site for the future CRC building.
- On June 10, 2024, City Council gave Staff direction to pursue a Development Agreement and Purchase and Sale Agreement with CRC. The City proposes to sell an undeveloped portion of property adjacent to the Municipal Court to CRC for \$100.
- In order to facilitate the development of the CRC building, the City is preparing a Development Assistance Agreement and a Stipulated Use Tax Agreement, as well as a Shared Parking and Maintenance Agreement.
- The City anticipates providing development review, permit, and use tax rebates to CRC in an amount not to exceed \$150,000.

Fiscal Impact:

\$300,000 in “pad-ready” construction costs
\$150,000 in Development Assistance Agreement rebates
\$450,000

Source of Funds:

General Capital Improvement Fund: Municipal Court capital project

Policy Issue(s):

- Should City Council pass the proposed Councillor’s Bill and approve the Development Agreement with CRC and authorize the Acting City Manager to finalize the forthcoming Development Assistance Agreement and Stipulated Use Tax Agreement?
- Should City Council adopt the proposed Resolution and approve the Purchase and Sale Agreement with CRC?

Alternative(s):

- City Council could choose not to approve the Development Agreement or the Purchase and Sale Agreement between the City and CRC. Staff does not recommend this alternative because CRC has been a valuable partner in Westminster for 50 years. Providing CRC with an

opportunity to construct a new facility adjacent to the replacement Municipal Court to operate its clinic provides great benefits to the community.

- City Council could choose not to authorize the Acting City Manager to finalize the forthcoming Development Assistance Agreement and Stipulated Use Tax Agreement. Staff does not recommend this alternative because execution of the agreements will allow for a streamlined process and avoid delays in the project timeline.

Background Information:

The CRC provides mental health and wellness services for youth, adults, and seniors. Currently, it serves over 2,100 Westminster residents per year. In 2004, the CRC began operating its outpatient clinic adjacent to the Municipal Court in the former 76th Avenue Library facility. This strategic location has allowed the CRC to serve a significant number of clients who also interact with the court system.

The Library is planned to be deconstructed as part of the Project. The CRC will temporarily relocate its operations to the Harris Park Professional Building at West 73rd Avenue and Lowell Boulevard during construction. In addition, the CRC is looking towards a more permanent solution to maintain its Westminster presence. The proposed Purchase and Sale Agreement would enable CRC to design and construct a new behavioral health facility that meets its specific needs and supports its ongoing commitment to the community. It is advantageous for the CRC's new building to be constructed close to the replacement Municipal Court, given the significant overlap in clientele between the CRC and the Municipal Court. This proximity would continue to support the synergistic relationship, benefiting the clients they serve.

Staff collaborated with the CRC to identify a suitable area within the Municipal Court campus for CRC's new building. This collaborative effort aims to ensure that the new CRC facility is optimally located to serve its clientele with minimal impacts to the Project. The proposed CRC building has an anticipated construction cost of \$4,600,000 and will consist of approximately a 4,400-square-foot, one-story, behavioral health facility. A 6,300-square-foot portion of City-owned property is available for the development of the CRC's new office building, within the Municipal Court campus. CRC will be responsible for the building construction costs. The City will be responsible for constructing a "pad-ready" site for CRC to start construction on its building. This includes installing utilities from the road to the property and establishing the final grade for the building.

The Development Agreement provides the City the opportunity to purchase back the land and the fair market value of the future CRC building should they cease to operate at this location. The land value will be set at \$100.

The City anticipates providing rebates on Development Review Fees, Building Permit Fees, and Building Construction Use Tax. Park and Open Space and Public Safety Taxes will not be rebated. The rebates, anticipated at an amount not to exceed \$150,000, will reduce the financial burden on CRC, and make their project more economically feasible. The proposed Development Agreement outlines these rebates and the responsibilities of both the City and CRC.

In addition to the Development Agreement and Purchase and Sale Agreement, the City is preparing three critical agreements: a Development Assistance Agreement, a Stipulated Use Tax Agreement, and a Shared Parking and Maintenance Agreement. These agreements are forthcoming because they require final construction cost details, which are not yet available. To ensure the project moves forward without delay, the Acting City Manager's authorization includes a "not to exceed" total rebate amount of \$150,000 based on current construction estimates. The agreements will be finalized once the final construction costs are determined. The Shared Parking and Maintenance Agreement will

address the shared responsibilities for future parking and common area maintenance between the City and CRC, with expenses prorated based on the square footage of the respective properties.

The City's Strategic Priority of Community Health and Safety is met by promoting the continuity of essential services, fostering collaborative partnerships, and supporting community resilience by continuing a valuable community service in the mental health and wellness field.

Respectfully submitted,

Jody Andrews

Jody L. Andrews
Acting City Manager

Attachments:

Councillor's Bill No. 28: Development Agreement with Community Reach Center

Exhibit A to Councillor's Bill No. 28 – Development Agreement with Community Reach Center

Resolution No. 23: Purchase and Sale Agreement with Community Reach Center

Attachment A to Resolution No. 23 – Purchase and Sale Agreement with Community Reach Center