



**Minutes of Meeting  
February 24, 2015**

**A. CALL THE MEETING TO ORDER**

The meeting was called to order at 4:02 p.m. by Chair Thompson in the City Council Chambers of the Municipal Building, 7500 West 29<sup>th</sup> Avenue, Wheat Ridge, Colorado.

**B. ROLL CALL OF MEMBERS**

Authority Members Present:            Thomas Abbott  
    Chad Harr  
    Tracy Langworthy  
    Janice Thompson

Authority Members Absent:            Jennifer Walter

Also Present:                                Lauren Mikulak, Senior Planner  
    Kenneth Johnstone, Community Development  
    Director  
    Betty Maybin, Cornerstone Realty  
    Ann Wang, Accountant  
    Kim Waggoner, Recording Secretary

**C. APPROVAL OF MINUTES: January 27, 2015**

Mr. Thomas requested to strike the following from page 4, paragraph 6. "Ms. Langworthy if she would like."

**It was moved by Mr. Abbott and seconded by Ms. Langworthy to approve the minutes of January 27, 2015 as amended.**

**Motion approved 4-0.**

**D. OFFICERS REPORTS**

There were no officers' reports.

**E. PUBLIC FORUM**

No one wished to speak.

**F. NEW BUSINESS**

1. 2015 Budget

An amended budget was provided to the members. Ms. Wang stated there was an update due to the purchase documents for the properties on Otis Street and 44<sup>th</sup> Place. Ms. Wang reviewed the project lists, general expenses and projected income.

Chair Thompson inquired about the conference and meeting budget for the 2015. Ms. Wang stated it is the same amount budgeted as 2014. Ms. Mikulak indicated these funds could be used for conference registrations for Authority members. Mr. Johnstone stated they could also be used for working dinner meetings. Ms. Langworthy stated the funds could be utilized for a retreat.

Mr. Harr inquired about the city reimbursement line item. Ms. Mikulak stated it is reimbursement to the City for staff hours dedicated to the Authority including hours for herself and the Recording Secretary. She stated Ms. Payne's hours for 2014 were not provided before she left the City and therefore are not included in the 2014 reimbursement.

Mr. Harr inquired about the line item for repairs. Ms. Wang stated previously there were expenses for Fruitdale but there were none for 2014. Ms. Mikulak stated in the past there had been some repairs on the sold rehabilitated homes that were paid for by the Authority.

**It was moved by Ms. Langworthy and seconded by Mr. Abbott to approve the amended proposed budget for 2015.**

**Motion approved 4-0.**

**G. OLD BUSINESS**

1. **Update on Single Family Homes Rehab and Sales**

Ms. Mikulak stated Mr. Werhdt is out of town. There were no issues with the asbestos report. The first two building inspections are complete. A third of the contract amount has been paid out to the contractor.

Chair Thompson stated she stopped by the property today. She said the kitchen cabinets have been removed, the plumbing is in, and the wall patch work is complete. The wall texture throughout the home matches. The French doors have been removed and the living area is now open. The cabinets were removed from the laundry room. The contractor is aware of the time restraint and is diligently working to get the remodel done by the March deadline. He is focusing on the internal items first which are required to pass inspections.

Ms. Maybin stated a potential purchaser is very interested in the property. She stated that finding an income qualified buyer is a challenge at with a list price of \$240,000.

## **2. Fruitdale School**

Ms. Mikulak reminded the Authority of the recent actions related to the pending sale of Fruitdale School. At the last meeting the Authority had made a motion to extend the purchase contract by 30 days allowing the Fruitdale Building Corporation (FBC) more time to complete due diligence and commit to closing. Their primary concern at the time had been securing insurance. The FBC recently notified staff that they would be withdrawing their proposal and seeking to terminate the purchase contract based on a decision made by Mountain Phoenix Charter School Governing Council not to accept the Fruitdale building for future expansion.

Chair Thompson expressed regret that it did not work out but she is excited about the new proposal.

Ms. Langworthy stated new interest was generated for the Fruitdale School. She stated she would still like to save the building.

Mr. Abbott stated he is disappointed as he thought it would have been a great economic development generator for 44<sup>th</sup> Avenue.

**It was moved by Ms. Langworthy and seconded by Mr. Harr to terminate the Agreement for Purchase and Sale of Real Property, dated October 28, 2014 and related to the sale of the Fruitdale School Property at 10803 W. 44<sup>th</sup> Avenue for the following reason:**

### **1. The buyer has withdrawn their proposal.**

#### **Motion approved 4-0.**

Ms. Mikulak stated a recent article in the Denver Post generated more interest in Fruitdale School. She described a third proposal that had been received in July 2014 in response to the RFI from Hartman Ely Investments. The proposal was received before the RFI deadline, however, the applicant did not meet the original RFI requirement for a mandatory site visit and was deemed not eligible for full consideration. The staff memo provided for the July 22, 2014 meeting suggested that the Hartman Ely proposal could be considered fully if the Authority determined neither of the two eligible applicants were

worthy of further consideration. The Authority is now in a position to consider the proposal.

The original proposal from Hartman Ely was provided in the packet. Staff recommends allowing the applicant time to refine and prepare a more detailed proposal to present to the Authority.

Ms. Langworthy asked if the applicant was aware of the lack of systems with the building. Ms. Mikulak stated he has not toured the building yet but has expressed that he has worked with vacant buildings in similar conditions. He is aware of the financial requirements.

Mr. Harr stated perhaps the Authority should consider preferred possible uses while the applicant prepares a proposal. He would like to see some market rate housing which would benefit the area.

There was some discussion about the reverter clause.

Ms. Langworthy wanted to ensure the applicant has reviewed the financials and knows how much of an investment the project will require.

In response to Mr. Harr's inquiry, Mr. Johnstone stated the building is about 15,000 square feet.

Ms. Mikulak stated the market study, historic structure assessment, construction documents and the original RFI are all on the website and the applicant has access to them.

Discussion continued about the applicant's resume, innovation, his admiration for historic sites, the proposed uses and the current market condition.

Mr. Abbott and Chair Thompson stated they would like to move forward allowing Hartman Ely to refine and present a proposal.

Chair Thompson allowed a member of the public to speak.

**Deb Bollig**  
**4786 Flower St.**

Ms. Bollig stated she is on the committee that had submitted the proposal for the Wheat Ridge Education Center for Arts in July 2014. She asked if the proposal was a viable project.

Chair Thompson summarized the Board's discussion and findings from their July 2014 meeting and review of the original RFI responses. She indicated a central difference among the proposals was that the school proposal provided reliable revenue streams and the arts center proposal did not.

Ms. Mikulak concurred.

Ms. Bollig stated the committee could not commit to a fund raising effort until project confirmation was received. She stated some investors have been approached who would like to put their name on the building or rooms and asked if they should submit another proposal.

Ms. Mikulak stated the Authority currently has two options. If they decided to review the Hartman Ely proposal exclusively then she would not recommend that the arts center prepare a new proposal. If a new RFP is issued in the future, that would be a good time to submit another proposal.

Ms. Bollig agreed that the school was the highest and best use. She stated that the reuse of Fruitdale presents an opportunity for citizens to band together and work toward creating something they are proud of. It may not fit with the financial reality.

Ms. Langworthy stated it is challenging to get a body of people to move together unless it is very controversial. The arts center proposal would have been more appealing if it had more of an action plan. The school proposal hit a road block and it could not go forward. The Authority is looking for a group that could resolve the significant challenges associated with the reuse of the property.

Ms. Bollig stated Hartman Ely could do a lot of that. Ms. Langworthy stated he seems well versed in historic reuse and may be able to handle potential roadblocks.

Mr. Abbott stated it seems Ms. Bollig is aware of the art center proposal's deficiencies and how to fix them. He suggested they contact a developer to discuss a partnership.

Mr. Harr commented on the Hartman Ely proposal and suggested that Ms. Bollig should contact them. He stated he was contacted by someone regarding a potential reuse of the property for a Parks Department facility.

Mr. Johnstone stated there has been no recommendation to include the Fruitdale building in the Parks and Recreation Master Plan. The City does not have the funds to renovate the building. He commented on the funding gaps that make redevelopment difficult. Reuse proposals will need to have the ability to apply for philanthropic grants or other federal grants and will need to have access to reasonable and reliable funding sources. The charter school was eligible for philanthropic grants that were aligned with their mission. A housing project would generate revenue via rent. An ongoing benefactor would be required for project without clear revenue streams.

There was some discussion about the Wheat Ridge Recreation Center and how it operates financially. Ms. Thompson stated those kinds of uses have some tax subsidies. She stated the city cannot financially assist the reuse of Fruitdale. She stated the preliminary

Hartman Ely proposal does not request any assistance from the city. The arts center requested assistance with writing grant proposals.

**Craig Horlacher**  
10720 W. 45<sup>th</sup> Ave.

Mr. Horlacher stated he agreed with the memo in the packet. He asked if Jefferson County Schools had an opinion on the reuse of the property as a public charter school. Ms. Langworthy stated Jeffco Schools probably will not support it since they chose to sell it.

Mr. Horlacher stated he was not sure that affordable housing would fit in the building. He suggested office space. He also suggested the reverter clause be dealt with to make the building more appealing to buyers.

Chair Thompson stated a new developer may have the resources to deal with the reverter clause.

Mr. Harr stated the developer may come up with a creative use such as livable artist lofts and artist studios for education.

Ms. Langworthy would like to see a refined proposal from Hartman Ely before implementing conditions.

Mr. Harr agreed with Ms. Langworthy.

Chair Thompson stated there are a currently limited number of homes for sale in the Denver metro area. Ms. Maybin agreed.

Discussion continued about previous development in other areas, risk associated with adaptive reuse, impacts on the neighborhood, and possible expansion of the property to the vacant land to the rear of the building.

**It was moved by Ms. Langworthy and seconded by Mr. Abbott to provide an exclusive 60 days to Hartman Ely Investments for delivery of a refined proposal for the reuse of Fruitdale School, with the ability for the Executive Director to grant up to two 30-day extensions.**

**Motion approved 4-0.**

## **H. OTHER**

Mr. Johnstone stated a study session is on the radar for future projects.

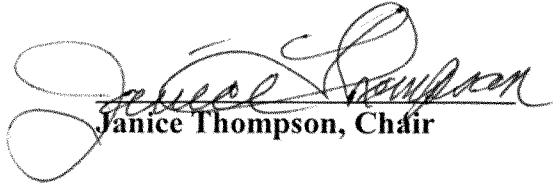
Ms. Mikulak added the budget will also need to be reviewed for future projects.


## **I. ADJOURNMENT**

**It was moved by Ms. Langworthy and seconded by Mr. Harr to adjourn the meeting at 5:14 p.m.**

**Motion carried 4-0.**

Next meeting is scheduled for March 24, 2015.

  
Janice Thompson, Chair

  
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Kim Waggoner, Recording Secretary