



**AGENDA FOR THE  
ENGLEWOOD CITY COUNCIL**

**Study Session**

**MONDAY, JULY 6, 2015**

**COMMUNITY ROOM**

**6:00 P.M.**

- I. Alliance for Commerce in Englewood Candidate Interview**  
Council will interview a candidate for a vacancy on the Alliance for Commerce in Englewood.
  
- II. Next Steps Real Estate Development Strategy – 6:10 p.m.**  
Deputy City Manager Michael Flaherty, Senior Planner Harold Stitt, Planner II John Voboril, and members of the consulting team will present recommendations from the Next Step Study to update Council on a proposed real estate development strategy.
  
- III. Certificate of Participation Refund for Civic Center – 7:10 p.m.**  
City Manager Eric Keck and Accounting Manager Kevin Engels will be present to discuss the Certificate of Participation Refund received for the Civic Center.



# M E M O R A N D U M

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**TO:** Mayor Penn and Council Members

**THRU:** Eric Keck, City Manager  
Mike Flaherty, Deputy City Manager

**FROM:** John Voboril, Long Range Planner II

**DATE:** July 6, 2015

**SUBJECT:** Next Steps Study Real Estate Feasibility Analysis and Implementation Strategy

The four neighborhood areas originally identified in the Englewood Light Rail Corridor Station Area Master Plan were analyzed in terms of market readiness for redevelopment:

- North Neighborhood (General Iron Works area)
- South Neighborhood (Oxford Station area)
- West Neighborhood (South Platte River area)
- CityCenter Neighborhood (CityCenter and areas immediately south of US 285 and east of Elati Street)

The North and South neighborhoods are on the verge of seeing the first private investments in redevelopment come out of the ground. Furthermore, the developer forum revealed that there is interest in future development near the Oxford Station. In order to bridge missing gaps in existing infrastructure, raise the bar on the quality of the immediate development environments, and ensure the success of the proposed developments as well as setting up the area for future interest in additional development, the City should begin taking the following steps to develop transportation connections and infrastructure site plans for the North and South neighborhoods.

## **North Neighborhood – Short Term Initiatives**

- Continue support for housing tax credits
- Assist developers with communication to the existing neighborhood
- Work with developers to market site to employment prospects
- Monitor construction defects issue

## **North Neighborhood – Long Term Initiatives**

- Sub-area planning for adjacent neighborhood
- Rail Trail Connection to Englewood Station
- Dartmouth Avenue Bicycle Improvements
- Intersection Improvements – Dartmouth at Santa Fe and Inca

### **South Neighborhood – Short Term Initiatives**

- Improved Bicycle Markings on Oxford Avenue
- Rail Trail Connection to Oxford Station
- Transit Oriented Development Overlay Zone District Regulations

### **South Neighborhood – Long Term Initiatives**

- Develop a shared use parking plan with RTD
- Consider use of tax increment financing in conjunction with retail use for site improvements
- Continue planning for intersection improvements – Oxford at Santa Fe and Navajo

### **West Neighborhood**

The West Neighborhood is generally not ripe for development at this time. However, many property owners expressed interest in general improvements in the area, as well as the key project that could change the development potential of the area, the Englewood Station Pedestrian Bridge over Santa Fe Drive. The City of Englewood should work closely with the City of Sheridan in order to develop infrastructure plans for the area, as well as advance design work on the pedestrian bridge project.

### **CityCenter Neighborhood**

As the Next Steps Study was progressing, the City Manager's Office made a new effort to reach out and engage key property stakeholders in the CityCenter neighborhood area through a visioning exercise facilitated by Galloway, a planning, architecture, and engineering consulting firm. The outreach effort has revealed that many of the potential players have been recently thinking of the long term future of the area, and show a willingness to engage in dialogue and early visioning. The City should continue to take this opportunity to engage with property owners in order to create a shared vision for the reinvention of the CityCenter area as well as immediate areas to the south and east, and begin to take steps to put the necessary administrative structures in place, such as a Downtown Development Authority.

Although the CityCenter Englewood development is not immediately ripe for redevelopment at this time, there are a number of short term initiatives that the City can pursue and help facilitate that will bolster economic activity and investment in the area. Chief among these initiatives are bicycle improvements to Floyd Avenue from Sherman to Inca Street, and the continued support of residential infill opportunities similar to the LIV Apartments project, and the Acoma redevelopment site.

### **Future Next Steps Study Funding**

The recommendations for each neighborhood should be advanced using a third installment of Station Area Master Planning funding from the Denver Regional Council of Governments.

Att: Next Steps Real Estate Development Feasibility and Implementation Presentation Slides

C: Eric Keck  
Mike Flaherty  
Dan Brotzman  
File

ENGLEWOOD FORWARD  
LIGHT RAIL CORRIDOR  
NEXT STEPS

**NEXT**

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## Real Estate Feasibility and Implementation Study

Presentation to  
Englewood City Council  
July 6, 2015

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ENGLEWOOD FORWARD  
LIGHT RAIL CORRIDOR  
NEXT STEPS  
STUDY

**NEXT**

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### Purpose / Background

- Builds upon previous Light Rail Study
- Identify market opportunities / potentials
- Outline implementation steps (near term / short term)
- Tie with transportation improvements




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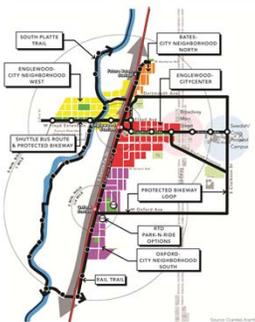
ENGLEWOOD FORWARD  
LIGHT RAIL CORRIDOR  
NEXT STEPS

**NEXT**

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### Study Areas

- North Neighborhood – Bates / Elati Area
- West Neighborhood – West of Englewood Station
- CityCenter Englewood area
- South Neighborhood – East & south of Oxford Station area




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ENGLEWOOD FORWARD  
LIGHT RAIL CORRIDOR  
NEXT STEPS

**NEXT**

Methodology

- Stakeholder Interviews
- Review of Market Data / Projections
- Discussions with Brokers and Local Officials
- Developer Forum



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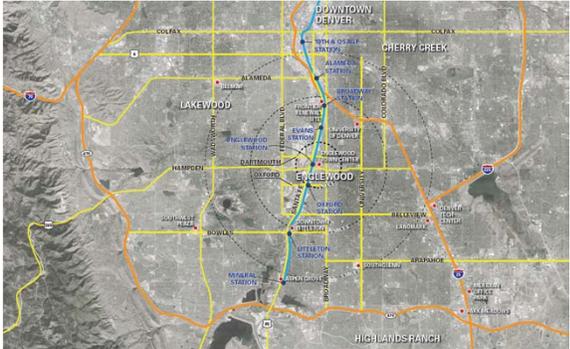
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ENGLEWOOD FORWARD  
LIGHT RAIL CORRIDOR  
NEXT STEPS

**NEXT**



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ENGLEWOOD FORWARD  
LIGHT RAIL CORRIDOR  
NEXT STEPS

**NEXT**

Overarching Positive Market Drivers

- Favorable, inner-ring location, close to better parts of Denver
- Good access (light rail, road network, etc.)
- Strong projected growth in metro (population, employment, households)
- Higher costs in Denver could push growth south



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ENGLEWOOD FORWARD  
LIGHT RAIL CORRIDOR  
NEXT STEPS

**NEXT**

Potential Negative Market Drivers

- Ho-hum image of CityCenter
- Limited visibility from Santa Fe corridor to majority of study areas
- Less experience in redevelopment
- Overall perception as a "tweener" market (for retail, office, entertainment)
- Less visibility / access compared to locations on I-25 corridor




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ENGLEWOOD FORWARD  
LIGHT RAIL CORRIDOR  
NEXT STEPS

**NEXT**

North Neighborhood – Potentials

- Residential: Several hundred units (TH & apartments)
- Retail: Limited to local serving retail (coffee shop, hair salon, etc.)
- Office: Under 20,000 SF. Smaller format tenants




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ENGLEWOOD FORWARD  
LIGHT RAIL CORRIDOR  
NEXT STEPS

**NEXT**

West Neighborhood – Potentials

- Residential: Several hundred units (TH & apartments)
- Retail: Limited to area along Santa Fe. Primarily in-line retail or highway-oriented retail
- Office / Industrial / Employment: Potential to redevelop as a key business park, mainly west of the river




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ENGLEWOOD FORWARD  
LIGHT RAIL CORRIDOR  
NEXT STEPS

**NEXT**

CityCenter Neighborhood – Potentials

- **Residential:** A few thousand units (TH or apartments) over long term
- **Retail:** Not likely to increase overall footprint. Potential to redevelop / reposition retail as area changes
- **Office:** Potential to develop as a small node of office (few hundred thousand SF)




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ENGLEWOOD FORWARD  
LIGHT RAIL CORRIDOR  
NEXT STEPS

**NEXT**

CityCenter Neighborhood – Potentials

- **Entertainment:**
  - Family oriented entertainment, combined with food and beverage (example: Dave & Busters, Gameworks)
  - Facilities tied to youth sports (mainly south of Hampden)




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ENGLEWOOD FORWARD  
LIGHT RAIL CORRIDOR  
NEXT STEPS

**NEXT**

South Neighborhood – Potentials

- **Residential:** Several hundred units (TH or apartments) over long term
- **Retail:** Limited to local serving retail (up to 20,000 SF). Lacking visibility from Santa Fe
- **Office:** Limited to no more than 10,000 SF. Limited to smaller format offices.




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ENGLEWOOD FORWARD  
LIGHT RAIL CORRIDOR  
NEXT STEPS

**NEXT**

CityCenter – Short Term

- Construct Floyd Avenue Bike Lane
- Pursue short term residential infill opportunities with property owners
- Create a Downtown Development Authority with subareas



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ENGLEWOOD FORWARD  
LIGHT RAIL CORRIDOR  
NEXT STEPS  
STUDY

**NEXT**

CityCenter – Long Term

- Work with property owners on detailed master/financial/legal plan
- Gather strategic development and legal advice
- Explore role of the Englewood Environmental Foundation
- Develop TOD Overlay District and rezone where appropriate
- Continue to refine designs for Bicycle / Pedestrian Bridge, Station Platform Shelter, Rail Trail Section in this area



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ENGLEWOOD FORWARD  
LIGHT RAIL CORRIDOR  
NEXT STEPS

**NEXT**

Oxford Station – Short Term

- Facilitate LCP and Navajo Apartment Redevelopment and broader area redevelopment
- Paint the section from the Oxford Station to Broadway; Pursue Oxford Avenue Separated Bikeway
- Refine design and pursue funding for Rail Trail Connection
- Develop TOD Zoning Regulations to facilitate Industrial Mixed Use (allowing residential)



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ENGLEWOOD FORWARD  
LIGHT RAIL CORRIDOR  
NEXT STEPS

**NEXT**

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**Oxford Station – Long Term**

- Identify locations for shared RTD / development parking
- If longer term redevelopment includes retail, consider Urban Renewal
- Continue to plan for US85/Oxford and Oxford / Navajo intersection improvements




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ENGLEWOOD FORWARD  
LIGHT RAIL CORRIDOR  
NEXT STEPS

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**North Neighborhood – Short Term**

- Continue to support current development proposal for mixed income housing development
- Assist developer with communication to neighborhoods and broader market
- Work on developer on identifying and attracting appropriate employment to project
- Monitor the construction defects issue




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ENGLEWOOD FORWARD  
LIGHT RAIL CORRIDOR  
NEXT STEPS

**NEXT**

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**North Neighborhood – Long Term**

- Develop sub-area plan focused on neighborhood
- Rail trail improvements; funding for Dartmouth Avenue Separated Bikeway; US 85 / Dartmouth Avenue Intersection Improvements; Dartmouth Avenue Intersection Improvements




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**ENGLEWOOD FORWARD**  
LIGHT RAIL CORRIDOR  
NEXT STEPS

**NEXT**

**West Neighborhood**

- Develop Englewood / Sheridan Cross-Jurisdictional Subarea Plan focusing on infrastructure
- Focus on infrastructure, key businesses, catalytic developments
- Continue to coordinate cross-jurisdictionally
- LRT bike / pedestrian bridge
- Continue to work on river improvements and connections



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Memorandum:

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To: Honorable Mayor and Members of the City Council  
From: Eric A. Keck, City Manager  
Date: 1 July 2015  
Subject: 2005 Certificate of Participation Refund

As the City Council is aware, there is an opportunity to refund the certificates of participation that pertain to the Civic Center facility. These COPs were most recently refunded in 2005 and are eligible for refinancing now. The outstanding debt on these COPs is \$10,460,000. We currently have an interest rate of 4.5%. The current interest rate environment will afford an average rate of around 2.27%. Depending upon the response from the market, it is anticipated that the City may save north of \$800,000 with the completion of this transaction.

This is a rather complex transaction that I will attempt to simplify here. The certificates of participation are actually held by the Englewood Environmental Foundation (EEF) which is a nonprofit corporation formed on 14 August 1997 to redevelop the former Cinderella City Mall. The City has a lease with EEF for the Englewood Civic Center property located at 1000 Englewood Parkway. The Englewood Environmental Foundation pays the mortgage and indenture of trust to UMB Bank from the lease funds paid by the City.

In an effort to help conserve capital, staff is recommending that we refund the 2005 Certificates of Participation through a public offering. Staff has identified a financial advisor firm to assist with this transaction. The firm Public Financial Management Group or PFM will be guiding the City through this process. Thomas Pelz of Kutak Rock will be providing counsel for this transaction. The engagement agreement to work with Public Financial Management Group is a professional service agreement of a magnitude that I have authority to sign. However, the City Council will need to approve a parameters ordinance that will define the tenets of the refunding. Time is of the essence with this particular transaction as interest rates are beginning to climb and the market is responding to the Federal Reserve Bank's intention of raising the interest rate in September of 2015. As such, staff is respectfully requesting an expedited review and approval of the COP refund including declaring an emergency ordinance for the parameters of the transaction as well as a suspension of the Council rules as it pertains to the Garrett Rule which would normally prohibit the study of an item and the approval of an ordinance on the same meeting night.

At the Council study session of 6 July 2015, staff, along with PFM and Kutak Rock, will be presenting the framework for what is best described as an exchange of the interest rate on the outstanding debt. It is not dissimilar to the refinancing of a mortgage for a home with the added complexity of being a municipality. The following is the schedule for the transaction:

2 July 2015	RFP Circulated
6 July 2015	City Council first reading and approval authorizing emergency parameters ordinance
17 July 2015	RFP Responses due
20 July 2015	City Council final approval authorizing emergency parameters ordinance
24 July 2015	Staff reviews responses and selects lender for approval
10 August	Tentative closing date

There is a considerable amount of work behind the scenes with the creation of the RFP soliciting the market's response to our refund. Staff and the consultants will be on hand at the study session on 6 July 2015 to describe the process as well as answer any questions that might arise.

If you should have any questions or comments, please do not hesitate to contact me.



**City of Englewood, CO  
Lease Revenue Certificates of Participation Refunding, Series 2015  
Request for Proposals (“RFP”)**

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***INTRODUCTION***

As financial advisor to the City of Englewood, Colorado (the “City”) Public Financial Management, Inc. (PFM) is seeking proposals on behalf of the City to provide the City with a Tax-Exempt Certificate of Participation representing an assignment of the right to receive certain lease revenues (the “Refunding” and the “2015 COP”). This Refunding will refinance the \$10,460,000 outstanding par of the Certificates of Participation (Civic Center Project), Series 2005. The award of the Refunding to the successful bidder (the “Lender”) will be based on overall borrowing cost and terms most favorable to the City, based on the City’s sole discretion. The Refunding will be a private placement and the City is not preparing a disclosure document with respect to the Refunding. The Refunding will not be a bank-qualified transaction.

A tentative calendar for the review of responses is as follows:

July 2, 2015	RFP circulated
July 6, 2015	First reading by City Council of authorizing parameters emergency ordinance
July 17, 2015	RFP Responses due
July 20, 2015	City Council final approval of authorizing parameters emergency ordinance
July 20, 2015	Englewood Environmental Foundation, Inc. approval of transaction
July 21, 2015	Distribute conditional call to Series 2005 COP holders
July 24, 2015	City staff reviews responses and selects Lender for approval
August 20, 2015	Tentative Closing Date

**The City has engaged, is represented by and will rely on the advice of PFM, as an independent registered municipal advisor, to advise it with respect to this Refunding. The City intends that this statement constitutes the “required representation” for purposes of the independent registered municipal advisor exemption set forth in SEC Rule 15Ba1-1(d)(3)(vi)(B).**

***SUBMISSION REQUIREMENTS:***

Each proposal shall include the interest rate, prepayment provisions, fees, financial reporting requirements, default rate, and other terms/conditions. An electronic copy of your response should be e-mailed to Eric Keck ([ekeck@englewoodgov.org](mailto:ekeck@englewoodgov.org)) at the City of Englewood **no later**

than 4:00 p.m. mountain time on Friday, July 17, 2015. Please also send a copy of your response (via email) to the City's Financial Advisor, Public Financial Management, Inc., addressed to David Hart ([hartd@pfm.com](mailto:hartd@pfm.com)).

Any inquiries or requests concerning clarification or solicitation for additional information shall be submitted to the City's Financial Advisor in writing, via email to David Hart ([hartd@pfm.com](mailto:hartd@pfm.com)).

1. Term: The Refunding shall have a stated maturity of approximately 8 years, final principal payment to be due on June 1, 2023.

2. Purpose: To pay and cancel the outstanding par amount and accrued interest of the Refunding Certificates of Participation (Civic Center Project), Series 2005 (the "Series 2005 COPs") and the payment of the costs of issuance of the 2015 COP.

3. Security: The Refunding will be a limited obligation of the City, and will be exclusively secured by:

(i) annually appropriated Base Rentals and any Purchase Option Price paid by the City under the Lease Purchase Agreement, dated as of August 20, 2015 (the "Lease"), between the City and the Englewood Environmental Foundation, Inc. (the "Foundation");

(ii) moneys held by the Trustee in the Certificate Fund created under the Mortgage and Indenture of Trust dated as of August 20, 2015, by and between UMB Bank, n.a., Denver, Colorado, as trustee, and the Foundation (the "Indenture"); and (iii) following an Event of Nonappropriation or an Event of Default under the Lease, any moneys received by the Trustee from the sale or sublease of the Foundation's fee interest in the Leased Property or the exercise of other remedies under the Lease and Indenture. The Lease Property is comprised of the Englewood Civic Center, which has a street address of 1000 Englewood Parkway in Englewood, Colorado, and comprises the leased property for the Series 2005 COPs.

The Series 2005 COPs are secured by, among other things, a reserve fund surety bond; however, no reserve fund will be established to secure the payment of the 2015 COP.

Potential respondents are encouraged to review the City's Budget and CAFR (located at <http://www.engagewoodgov.org/inside-city-hall/city-departments/financial-services/budget-and-financial-reports>). Also provided for your review is page 80 of the 2014 CAFR (**Appendix A**) which details outstanding lease payments on the civic center.

4. Principal Payments: The principal of the Refunding shall be fully amortized over the term of the Refunding in the manner as set forth on the attached "Preliminary Refunding Amortization Schedule" to create level annual debt service.

5. Interest Rate: Interest on the Refunding shall be calculated on the basis of a three hundred sixty (360) day year comprised of twelve (12) thirty (30) day months, payable semiannually on June 1 and December 1, commencing on December 1, 2015.

6. Extraordinary Optional Prepayment: **The City will require that an Extraordinary Optional Prepayment be allowed, without prepayment penalty, in the event of a sale of the civic center to a third party that is not affiliated with or controlled by the City.** If the interest rate quoted including this option is higher than it would be without the extraordinary optional prepayment provision, please provide a quote for both scenarios.

7. Optional Prepayment: The Refunding will not be subject to optional prepayment except with regard to extraordinary optional prepayment.

8. Interest to be Tax-Exempt: The City will enter into such covenants as shall be necessary, in the opinion of Bond Counsel, to assure compliance by the City with the Internal Revenue Code of 1986, as amended (the "Code"), and to qualify interest on the Refunding for exclusion from gross income for federal income tax purposes as set forth in the opinion of Bond Counsel hereinafter mentioned. **The City will not accept any offer with capital adequacy or other interest rate adjustment language with respect to changes to tax law.** The only interest rate adjustment provision the City will consider is one imposed by final judgment of the IRS and due from the holder which results solely from actions or inactions of the City.

9. Refunding Documents: Refunding documents, including the form of 2015 COP embodying the terms hereof and of the accepted proposal, shall be prepared by Bond Counsel for the City, who shall provide the Lender with drafts thereof on or before July 24, 2015.

10. Closing Documents: As a condition of closing the City shall deliver to the Lender the following:

- A. An Opinion of Bond Counsel substantially in the form attached to this RFP. Such other documents, certificates and instruments as shall be required by Bond Counsel, to evidence compliance with, or to comply with, the provisions of the applicable provisions of the Code, and applicable regulations thereunder, with respect to the exclusion of interest for federal income tax purposes.
- C. The City will provide for a standard lender's title insurance policy with respect to the Refunding, however, no survey, phase I environmental study or appraisal will be ordered or provided for with respect to the Leased Property.

11. Closing: It is anticipated that closing for the Refunding shall occur on or around August 20, 2015. Closing shall occur at a time and place mutually acceptable to the City and the Lender.

12. Fees and Expenses: The City shall pay all financing related costs and shall pay for the preparation of the Refunding documents and for the standard recording and filing fees. The

City shall also pay the Lender's Bank Counsel fees, if any, which shall not exceed the estimate set forth in the Lender's proposal. The Lender's proposal shall clearly set forth the amount of any fees or expenses which are to be paid on the Lender's behalf.

13. Other Conditions: The City will not accept proposals that require acceleration as a remedy for any events of default other than payment defaults.

14. Continuing Compliance: The City shall remit, when available, annual audited financial statements to the Lender, and any other information that the Lender shall reasonably request.

15. Rejection of Proposals: The City expressly reserves the right to reject any and all proposals received in connection with this request for proposals and thereafter to negotiate with any proposer or other bank. The City reserves the right to waive, if permitted by law, any irregularity or informality in any proposal. The basis for acceptance of any proposal shall be that which is in the best interest of the City as determined solely by the City.

16. Other Information/Ideas: Please provide any additional information that may be relevant to your proposal or other financing ideas/structures that may be beneficial to the City.

17. Amendment: The City reserves the right to amend or modify this Request for Proposals via email.

**Preliminary Refunding Amortization Schedule \***

<u>Period Ending</u>	<u>Principal</u>
06/01/2016	1,100,000
06/01/2017	1,040,000
06/01/2018	1,095,000
06/01/2019	1,150,000
06/01/2020	1,200,000
06/01/2021	1,265,000
06/01/2022	1,335,000
06/01/2023	1,395,000

\* Final amortization shall be set when the actual interest rate has been determined. The City reserves the right to amend the amortization schedule and size of the Refunding. Final maturity shall not be later than June 1, 2023.

***APPENDIX A***



# City of Englewood

Presentation to City Council

Refunding of Certificates of Participation (Civic Center Project), Series 2005

July 6, 2015



Public Financial Management, Inc.

1400 16th St., Suite 400

Denver, CO 80202

(720) 932-8139

# Introduction to Refunding Opportunity

- In 1998, the City executed \$21.5 million of Certificates of Participation (COP) to fund the civic center and related improvements; these were refinanced in 2005
- The 2005 COPs are now callable with 30 days notice to current holders
  - \$10,460,000 in principal remains outstanding
  - The COP amortizes on a level debt service basis annually with the final maturity in 2023
- Current low interest rates allow the City to refinance the 2005 COP for savings
  - Estimated present value savings are more than double the minimum savings threshold for refundings recommended by the Government Finance Officers Association (3%)

# Ordinance to City Council

- Ordinance seeks authority to execute a refinancing under certain limiting parameters
  - Payments limited to current term
  - New payments may not exceed existing payments within any calendar year
- Ordinance is motivated by attractiveness of current market rates
- Ordinance authorizes Mayor to approve transaction within these parameters after receiving bids from banks

# Refunding Overview

- Based on recent transactions, PFM has prepared an estimate of available savings in a refunding

<b>Potential Refunding Savings (Preliminary Analysis<sup>1</sup>)</b>	
<b>Refunding Gross Savings (\$)</b>	>\$925k
<b>Refunding Annual Gross Savings (\$)</b>	~\$100k
<b>Refunding PV Savings (\$)</b>	~\$850k
<b>Refunding PV Savings (%)</b>	~8.00%
<b>True Interest Cost</b>	~2.25%
<b>Refunded Par</b>	\$10.46 M

Notes:

1. Rates based on spread to AAA MMD benchmark as of 6/29/15; numbers are approximate