

**A G E N D A**  
**Council Update**  
**Training Room**  
**December 17, 2019**  
**5:45 p.m.**

- I. **CALL TO ORDER AND REVIEW OF UPDATE AGENDA**
  
- II. **REVIEW OF THE FORMAL COUNCIL MEETING AGENDA**
  
- III. **COUNCIL DISCUSSION**
  
- IV. **BRIEFINGS**
  - A. Thornton Development Authority – Discussion Regarding Thornton Shopping Center (Estimated 15 Minutes)
  
  - B. Executive Session pursuant to C.R.S. 24-6-402(4)(e), determining positions relative to matters that are subject to negotiations, developing strategy for negotiations, and instructing negotiators regarding the redevelopment of the Grain Elevator (Estimated 30 Minutes)

# TDA UPDATE COMMUNICATION

Meeting Date: December 17, 2019	Agenda Item: A	Agenda Location: N/A	Goal(s):	Legal Review: N/A	<input type="checkbox"/> 1 <sup>st</sup> Reading <input type="checkbox"/> 2 <sup>nd</sup> Reading
Subject: Discussion Regarding Thornton Shopping Center					
Recommended by: John Cody 			Approved by: Kevin Woods 		Ordinance previously introduced by:  _____
Presenter(s): John Cody, Economic Development Director Chad Howell, Redevelopment Administrator					

**SYNOPSIS:**

Staff has been working for about one year with developer Flywheel Capital (Flywheel) to make possible a Purchase and Sale Agreement (PSA) that leads to redeveloping the Thornton Shopping Center into a mix of attractive uses including retail and residential. The City is aware that significant contamination from dry cleaning chemicals is present both on-site and off-site, and public investment will likely be necessary to make redevelopment economically feasible. In January of 2019, the Thornton Development Authority (TDA) approved expending up to \$150,000 to complete additional testing on the property, to assist Flywheel in compiling an accurate estimate of cleanup costs.

Flywheel's due diligence period in the PSA currently expires on January 30, 2020. Major tasks accomplished during this period included completion of the additional testing, submitting a revised Corrective Action Plan to the Colorado Department of Public Health and Environment (CDPHE), and seeking bids for the cleanup work. The estimated cost of cleanup has now risen to \$13.1 million and Flywheel is seeking to partner with RE Solutions, a firm specializing in redeveloping distressed real estate, in order to bring those costs down.

In an effort to provide community updates and offer opportunities for public input, the City has established a Thornton Shopping Center Redevelopment web page at <https://www.thorntonco.gov/business/Pages/thornton-shopping-center-redevelopment.aspx>

**RECOMMENDATION:**

For informational purposes only.

**BUDGET/STAFF IMPLICATIONS:**

There are currently no budget or staff implications. However, the general expectation is that the TDA will provide about \$6.5 million in cleanup assistance; sufficient TDA funds are currently available.

**ALTERNATIVES:**

For informational purposes only.

**BACKGROUND (ANALYSIS/NEXT STEPS/HISTORY):** (includes previous City Council action)

- a) Flywheel and RE Solutions formalize their partnership

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- b) Flywheel completes City Development review/Council acceptance, reimbursement agreement for environmental remediation with the TDA is negotiated
- c) Flywheel closes on property with the TDA funds in escrow and initiates the 18-24 month redevelopment process
- d) City reaps the benefits of a revitalized site

# Thornton Shopping Center Update

December 17, 2019

- Flywheel Capital (Flywheel) intends to purchase, raze, clean up, and redevelop the entire 16 acre site into a mix of retail, commercial, and multi-family uses;
- Thornton Development Authority (TDA) funded environmental testing is complete;
- The Colorado Department of Public Health and Environment (CDPHE) has tentatively approved the revised cleanup plan;
- The estimate for cleanup has grown to \$13.1 million, of which the TDA will fund about \$6 million;
- Flywheel is negotiating a partnership with RE Solutions, in an effort to reduce cleanup costs; and
- Closing deadline has currently been extended until January 30, 2020.

# Moving Forward:

- The redevelopment plans have not been formally submitted; we expect a Pre-App meeting will be scheduled soon;
- The project will need to initiate Conceptual Site Plan review process and meet Planned Development (PD) rezoning standards, as well as the redevelopment desires of Council;
- Ongoing Family Dollar (due to lease rights) and Post Office (to maintain their presence) negotiations could increase pre-development costs;
- City assistance with tenant relocations and demolition is assumed, at additional cost; and
- TDA and Flywheel will need to negotiate an incentive agreement whereby TDA agrees to reimburse cleanup costs.