

ADMINISTRATIVE MEMORANDUM

#07-04

October 19, 2007

TO: Honorable Mayor Kathleen M. Novak and City Council Members

FROM: A.J. Krieger, City Manager 

SUBJECT: Resolution Approving Vitamin Cottage Agreement Amendment- CR-104

RECOMMENDATION:

Attached to this memorandum is a resolution which, if approved, would authorize the Mayor to execute an amendment to the existing agreement between the City of Northglenn, NURA, and Vitamin Cottage Natural Food Markets, Inc. City staff recommends approval.

BACKGROUND:

In April of this year the City Council approved the original agreement. Since that time Vitamin Cottage has been preparing to construct a new store in Northglenn. The primary purpose for the proposed amendment is to accommodate Vitamin Cottage's new store design. The original agreement required construction of a store of not less than 13,776 sqft. Vitamin Cottage has since redesigned their store and the proposed amendment requires a store of not less than 12,800 sqft; a net reduction of 976 sqft. Vitamin Cottage representatives have attributed the smaller building to simply a more efficient design. The smaller store size is not anticipated to affect projected sales. The amendment also pushes back the Certificate of Commencement date to April 1, 2008.

Mechanically this agreement will function exactly as the original with Vitamin Cottage receiving a rebate of the incremental property tax that its store generates up to \$250,000.

POTENTIAL OBJECTION:

City staff is not aware of any specific opposition to the proposed amendment.

BUDGET/TIME IMPLICATIONS:

The rebate for eligible redevelopment expenses is limited entirely to incremental revenues generated by this project and captured by NURA.

STAFF REFERENCE:

If Council members have any comments or questions they may contact A.J. Krieger at akrieger@northglenn.org or 303.450.8709.

SPONSORED BY: COUNCIL MEMBER MARTIN

COUNCILMAN'S RESOLUTION

RESOLUTION NO.

No. CR-104
Series of 2007

Series of 2007

A RESOLUTION APPROVING THE FIRST AMENDMENT TO PROPERTY TAX INCREMENT REIMBURSEMENT AGREEMENT BETWEEN THE CITY OF NORTHGLENN, THE NORTHGLENN URBAN RENEWAL AUTHORITY, AND VITAMIN COTTAGE NATURAL FOOD MARKETS, INC.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF NORTHGLENN, COLORADO, THAT:

Section 1. The First Amendment to Property Tax Increment Reimbursement Agreement between the City of Northglenn, the Northglenn Urban Renewal Authority, and Vitamin Cottage Natural Food Markets, Inc., attached hereto as **Exhibit A**, is hereby approved, and the Mayor is authorized to enter into the First Amendment on behalf of the City Council of the City of Northglenn.

DATED at Northglenn, Colorado, this ____ day of _____, 2007.

KATHLEEN M. NOVAK
Mayor

ATTEST:

DIANA L. LENTZ, CMC
City Clerk

APPROVED AS TO FORM:

COREY Y. HOFFMANN
City Attorney

**FIRST AMENDMENT TO PROPERTY TAX INCREMENT REIMBURSEMENT
AGREEMENT
VITAMIN COTTAGE**

THIS FIRST AMENDMENT TO PROPERTY TAX INCREMENT REIMBURSEMENT AGREEMENT (the "First Amendment") is made and executed this ____ day of _____, 2007, by and between the CITY OF NORTHGLENN, COLORADO, a Colorado Home Rule municipal corporation, (the "City"), the NORTHGLENN URBAN RENEWAL AUTHORITY, a Colorado Urban Renewal Authority ("NURA"), and VITAMIN COTTAGE NATURAL FOOD MARKETS, INC., a Colorado corporation (the "Redeveloper").

W I T N E S S E T H

WHEREAS, the City, NURA and the Redeveloper previously entered into a Property Tax Reimbursement Agreement dated April 26, 2007, (the "Original Agreement") regarding the redevelopment of property located at 114th and Washington Street, and legally described Washington Street Carwash Subdivision, Lot 3 (the "Property");

WHEREAS, based on various issues related to the development of the Property, the Redeveloper has slightly modified the building size to be developed on the Property, and the Redeveloper further desires to remove the second pad site from the terms of the Original Agreement;

WHEREAS, the City Council of the City and the Board of NURA believe that the Original Agreement as amended by this First Amendment remains in the best interests of the City and NURA for all of the reasons set forth in the Original Agreement; and

WHEREAS, the parties wish to memorialize all aspects of their amended agreement by the execution of this First Amendment.

NOW THEREFORE, the parties hereto, for themselves, their successors and assigns (to the extent this First Amendment is assignable, as specified hereinafter), in and for the consideration of the performance of the mutual covenants and promises set forth herein, the receipt and adequacy of which are hereby acknowledged, do hereby covenant and agree as follows regarding this First Amendment:

1. Section 6 of the Original Agreement is amended to read as follows:

6. Conditions. The obligations of the City and NURA under this Agreement are specifically conditioned upon and made subject to the following contingencies:

1. Redeveloper shall acquire ownership of the Property on or before the 30th day of April, 2007.

2. Redeveloper shall obtain a Certificate of Commencement on or before the 1st day of April, 2008.

3. Redeveloper shall obtain a Certificate of Completion on or before the 31st day of December, 2008.

4. Redeveloper shall, during the term of this Agreement, maintain a Vitamin Cottage retail store of not less than 12,800 square feet, open and actively engaged in business, subject to temporary closures that shall not on a cumulative basis exceed a total of sixty (60) days during the Term, excluding closures for holidays.

Should any of these contingencies not be satisfied on or before the date specified, this Agreement shall terminate and be of no further force and effect.

2. The Original Agreement and this First Amendment contain the entire agreement between the parties and no statement, promise or inducement made by any party or the agent of any party that is not contained in the Original Agreement and this First Amendment shall be valid or binding

3. Except as modified herein, the Original Agreement is in full force and effect and is hereby ratified by the City, NURA and the Redeveloper.

DATED this day and date first above set forth.

THE CITY OF NORTHGLENN, COLORADO

KATHLEEN M. NOVAK
Mayor

ATTEST:

DIANA L. LENTZ, CMC
City Clerk

APPROVED AS TO FORM:

COREY Y. HOFFMANN
City Attorney

NORTHGLENN URBAN RENEWAL AUTHORITY

By: Philip Carney, Chairman

ATTEST:

Pat Breitenstein

APPROVED AS TO FORM:

Jeff Parker, NURA Attorney

VITAMIN COTTAGE

By: _____
Kemper Isely

Title: _____
Co-President

STATE OF COLORADO)
)
COUNTY OF) ss.

Subscribed, sworn to and acknowledged before me this ____ day of _____,
2007 by _____ as _____ of _____, a
_____.

My commission expires:

(SEAL)

Notary Public