



City Council Communication

Date	Agenda No.	Subject
9/17/2013	8(a)	Resolution approving a redevelopment assistance agreement with Dillon Companies, Inc., a Kansas Corporation (d/b/a King Soopers), for the redevelopment and construction of a new, larger store at 100 W. Littleton Boulevard, Littleton, Colorado

Presented By: Michael Penny, City Manager

POLICY QUESTION:

Does Council support the proposed development incentive proposal for King Soopers

BACKGROUND:

Kings Soopers has been evaluating options for the store located at the Southeast corner of Littleton Blvd. and Broadway. The current facility is 49,667 square feet. The options evaluated were closing the store and relocating at a different location, keeping the existing store and expanding into the old Walgreens space (23,123 square feet) or a complete demo and rebuild including the old Walgreens space.

After more than a year of analysis and discussions, the recommendation is to demolish the existing store including the old Walgreens location and rebuild a new store at 77,200 square feet. This store will be the same square footage as the new King Soopers in Englewood at Belleview and Federal.

In addition to the physical expansion of the building, staff expects the redevelopment to include over a million dollars in drainage and water quality improvements as well as parking lot improvements. Much of the infrastructure improvements will have a public benefit to it.

STAFF ANALYSIS:

The incentive package is for a maximum of \$500,000 over a six year period. The incentive includes a 50% reduction in development fees up-to \$118,681 and the remaining in sales tax sharing for up to six years beginning at the first full year of the new store being opened. The resolution matches the incentive value which Englewood negotiated with King Soopers. Per Council direction on incentives, the City will retain the sales tax base which we've collected historically and then we will share the new revenue on a 50/50 split up to the sixth year. At that point, the city will collect 100% of the sales tax collected. This results in no net revenue loss during the agreement period.

FISCAL IMPACTS:

The gross impact over a six year period is a maximum of \$500,000. \$118,681 in fee reduction and \$381,319 in sales tax share back.

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STAFF RECOMMENDATION:

The significant investment being made by King Soopers will have positive ramifications on this area of town. Staff believes that this will be the start of a significant redevelopment of the area. Therefore the benefit of seeing this new store built is well beyond just the grocery value. This project has not received final approval from Corporate King Soopers. Part of the final decision will be based upon Council's action on the incentive proposal. Staff recommends Council approve this resolution.

PROPOSED MOTION:

I move to approve the resolution authorizing a development incentive package for King Soopers.

Attachments:

Resolution 38

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CITY OF LITTLETON, COLORADO

Resolution No. 38

Series, 2013

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LITTLETON, COLORADO, APPROVING A REDEVELOPMENT ASSISTANCE AGREEMENT WITH DILLON COMPANIES, INC., A KANSAS CORPORATION (D/B/A KING SOOPERS), FOR THE REDEVELOPMENT AND CONSTRUCTION OF A NEW, LARGER STORE AT 100 W. LITTLETON BOULEVARD, LITTLETON, COLORADO.

WHEREAS, the successful attraction and retention of high quality development to the City of Littleton provides employment opportunities, community service delivery, and increased revenue for citizen services and therefore serves an important public purpose; and

WHEREAS, it is important for the City of Littleton to attract new sales tax revenue in the City and remain competitive with other local governments in creating assistance for redevelopment of existing space in the City; and

WHEREAS, King Soopers plans to demolish a 49,650 square foot store and reconstruct a 77,200 square foot store at 100 W. Littleton Boulevard in Littleton; and

WHEREAS, on May 7, 2013, the Council adopted the Economic Plan (the "Economic Plan"), which encourages the use of incentives for redevelopment projects such as this; and

WHEREAS, there has been proposed a Redevelopment Assistance Agreement between the City and Dillon Companies, Inc., a Kansas corporation, a copy of which is attached hereto as Exhibit "A" and incorporated herein by this reference; and

WHEREAS, the City Council finds that the proposed Redevelopment Assistance Agreement is consistent with and in furtherance of the Economic Plan of the City, and desires to approve the Agreement and authorize its execution and implementation;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LITTLETON, COLORADO, THAT:

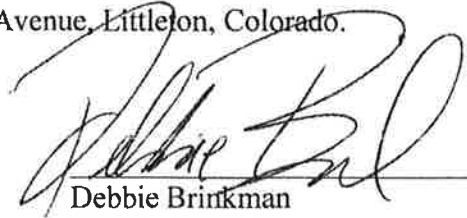
The proposed Redevelopment Assistance Agreement between the City of Littleton and Dillon Companies, Inc., a Kansas corporation, a copy of which is attached hereto as Exhibit A, is hereby approved and the Council President is authorized to affix her signature thereto.

Resolution No. ___
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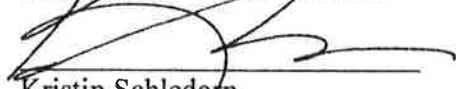
47 INTRODUCTION, READ AND ADOPTED at a regularly scheduled meeting of the
48 City Council of the City of Littleton, Colorado, on the 17th day of September, 2013, at 7:00
49 p.m. at the Littleton Center, 2255 West Berry Avenue, Littleton, Colorado.

50 ATTEST:

51 
52 Wendy Heffner
53 Wendy Heffner
54 CITY CLERK


Debbie Brinkman
PRESIDENT OF CITY COUNCIL

55 APPROVED AS TO FORM:

56 
57 Kristin Schledorn
58 Kristin Schledorn
59 DEPUTY CITY ATTORNEY

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