



Legislation Text

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Agenda Date: 01/07/2020

Subject:
LIFT Discussion

Prepared By: Samma Fox, Assistant to the City Manager

PURPOSE:

To discuss Littleton Invests for Tomorrow (LIFT).

PRESENTATIONS:

Staff Presenter(s):	Mark Relph, City Manager Reid Betzing, City Attorney
Additional Presenter(s):	N/A

SUMMARY:

On December 16, 2014, the City executed a cooperation and loan agreement with LIFT to allow for LIFT to borrow up to \$200,000.00 from the City. Repayments were to be made annually unless the parties mutually agreed with final repayment being made by December 16, 2019. LIFT borrowed \$150,000.00 from the City since that time.

Due in part to the December 16, 2019 deadline, the council approved amending the Cooperation and Loan Agreement (CLA) with LIFT on November 19, 2019. The amendments are as follows:

- 2.1 was changed to provide clarity in the time period in which the City would remit the Collected Sales Tax Revenues (TIF) to LIFT
- 2.2 was changed from first quarter to last quarter to allow LIFT more time to use the TIF
- 3.1 was changed to extend the loan to November 17, 2020, which is approximately one year from the proposed approval date of the amendment
- Added a partial repayment of the loan, \$75,000 plus interest, and a refund of \$134,998 of TIF would be remitted to the City of Littleton on or before December 31, 2019
- Provided conditions to hire an executive director by February 1, 2020
- Provided a date of September 30, 2020 for LIFT to develop and present to council plans for the use of the urban renewal funds.

On December 12, 2020, LIFT met and voted to authorize the Chair to write a letter to city council regarding renegotiation of the agreement and voted to table the main motion indefinitely. LIFT also had an item on the agenda to amend their budget to provide for the partial payment of the loan and refund of TIF, which was not approved.

PRIOR ACTIONS OR DISCUSSIONS:

- 10/22/2019 - Joint meeting with the LIFT Board - Review of LIFT Report

- 11/12/2019 - Council Study Session - Discussing LIFT and the city loan
- 11/19/2019 - Council Regular Meeting - Approving an amendment to the CLA

ANALYSIS:

Staff Analysis

According to the CLA, as of December 16, 2019, LIFT was is in default of their loan from the City of Littleton in the amount of \$154,443.75.

Council Goal, Objective, and/or Guiding Principle

N/A

Fiscal Impacts

As of November 30, 2019, LIFT holds \$428,926.38 in its' bank accounts.

LIFT's only "outstanding indebtedness and other obligations" is the loan agreement with the city. The principal amount of the loan is \$150,000, with a total balance of \$154,443.75 as of 12/31/19. This was due in full to the City of Littleton on December 16, 2019.

Alternatives

1. Amend the loan agreement a second time to extend current deadlines that have been missed by LIFT not acting on the amended loan agreement.
2. Schedule a meeting with LIFT to negotiate the amended loan agreement.
3. Send a demand letter for the repayment of the LIFT's outstanding loan obligation to the City.
4. Do nothing and allow for LIFT to remain in default.
5. Abolish LIFT and Repeal the Columbine Square Urban Renewal Area.

STAFF RECOMMENDATION:

Staff believes that if the CLA is not amended, LIFT should return at a minimum the principal loan amount plus interest in the amount of \$154,443.75. As to other alternatives, staff will defer to council as those are policy decisions.