

STUDY SESSION AGENDA

CITY COUNCIL CITY OF WHEAT RIDGE, COLORADO

7500 W. 29th Ave.
Wheat Ridge CO

May 21, 2018

6:30 p.m.

Individuals with disabilities are encouraged to participate in all public meetings sponsored by the City of Wheat Ridge. Call Sara Spaulding, Public Information Officer 303-235-2877 at least one week in advance of a meeting if you are interested in participating and need inclusion assistance.

Citizen Comment on Agenda Items

1. West Metro Fire District Update
2. Electric Security Fences Special Use Permit
3. Clear Creek Crossing Financial Agreement- joint meeting with WRURA
4. Opioid Litigation
5. NRS Steering Committee Selection Process
6. Staff Report(s)
7. Elected Officials' Report(s)

ADJOURNMENT

Memorandum

TO: Mayor and City Council

FROM: Patrick Goff, City Manager

DATE: May 14, 2018

SUBJECT: West Metro Fire Rescue Update

West Metro Fire Rescue is a full service, all hazard, internationally-accredited fire and rescue agency, headquartered in Lakewood, Colorado with crews at 17 stations. The District covers more than 108 square miles in two Colorado counties and serves nearly 280,000 residents in the cities and towns of Lakewood, Morrison, Golden, Wheat Ridge and Edgewater. The District also serves sections of Jefferson and Douglas County and unincorporated Littleton, Colorado. West Metro generally serves Wheat Ridge south of Clear Creek.

West Metro Fire Rescue was recently awarded a Class 1 ISO rating, the highest level recognized nationally by the Insurance Services Office. The rating is a gauge of a fire agency's ability to serve its residents and business owners, and is awarded based on a number of key factors including staffing, apparatus, training, 911 communications and water supply. For business or homeowners in West Metro's district, the Class 1 rating is expected to result in millions of dollars in savings on property insurance.

West Metro Fire Chief Don Lombardi has requested a brief amount of time with City Council at the May 21 study session to provide an update on the ISO rating and other issues.

Memorandum

TO: Mayor and City Council

FROM: Kenneth Johnstone, Community Development Director

THROUGH: Patrick Goff, City Manager

DATE: May 15, 2018 (for May 21 Study Session)

SUBJECT: Electrically Charged Fences – Special Use Permit Ordinance

ISSUE:

The City recently received a request to install an electrically charged fence around the perimeter of the Ketelsen Camper sales facility off Kipling and the I-70 South Frontage Road. A similar request had been initiated in 2014. Historically, the City has determined such fences to be prohibited in the City based on a finding that they represent “a hazard to the health or safety of any person.” Council requested discussion of the topic and an initial discussion occurred at the May 7, 2018 Study Session.

PRIOR ACTIONS:

The consensus direction from Council at the May 7 study session was for staff to draft an ordinance that would allow such fences to be permitted in certain parts of the City upon review and approval of a special use permit (SUP).

FINANCIAL IMPACT:

There would be minimal direct financial impact to the City, other than the fees and use tax associated with building permits for said fences. Private property owners may see financial benefit in the form of reduced property theft and vandalism.

BACKGROUND:

As stated above, historically, staff has interpreted electric fences to be a prohibited fence type. Chapter 26-603 of the Code defines various types of permitted fences, including: masonry walls, ornamental iron, woven wire and chain link (with some limitations), wood, hedges, and barbed wire (with some limitations). The code also defines fence types prohibited: “any fence, if in the opinion of the chief building inspector, public works director or chief of police that would constitute a hazard to the health or safety of any person.” Based on this language, electric fences have been treated as a prohibited fence type.

In the May 7, 2018 staff memo, staff provided some anecdotal information as to how other jurisdictions address electrified fences. While many jurisdictions choose to prohibit these fences entirely, several also allow them, though generally in limited locations. As directed at the study

session, the City Attorney has drafted an ordinance amending Chapter 26 of the Code to allow electrically charged fences, at a maximum height of 9 feet, through review and approval of a special use permit application.

Staff felt it would be appropriate to somewhat limit the scope of where such fences could be installed in the City. The special use permit review process in itself is limiting. Each such application needs to be evaluated relative to the extent which said application is consistent with the nine (9) criteria for review found in Section 26-114. Further, we have proposed that they be allowed only in the following zone districts: Commercial-One, Commercial-Two, Industrial/Employment, Planned Commercial and Planned Industrial. In defining “electrically charged fences,” staff’s draft language also suggests such fences are permitted “where necessitated by a demonstrated need for heightened security due to the nature of the use surrounded by the fence, based upon such circumstances as excessive criminal or theft activity and the like.”

RECOMMENDATIONS:

Staff is requesting consensus direction from City Council on the draft ordinance regarding electrically charged fences. If Council so directs, a 1st reading on the ordinance could be scheduled for June 11, a Planning Commission public hearing could be conducted on June 21 and a City Council public hearing could be conducted on June 25, 2018.

ATTACHMENTS:

1. Draft Ordinance

CITY OF WHEAT RIDGE, COLORADO
INTRODUCED BY COUNCIL MEMBER _____
COUNCIL BILL NO. _____
ORDINANCE NO. _____
Series 2018

TITLE: AN ORDINANCE AMENDING CHAPTER 26 OF THE WHEAT RIDGE CODE OF LAWS CONCERNING ELECTRICALLY CHARGED FENCES

WHEREAS, the City of Wheat Ridge is a home rule municipality having all powers conferred by Article XX of the Colorado Constitution; and

WHEREAS, pursuant to its home rule authority and C.R.S. § 31-23-101, the City, acting through its City Council (the "Council"), is authorized to adopt ordinances for the protection of the public health, safety or welfare; and

WHEREAS, in the exercise of this authority, the City Council has previously adopted Chapter 26 of the Wheat Ridge Code of Laws (the "Code") entitled zoning and development; and

WHEREAS, the City Council wishes to amend said Chapter 26 to provide for the regulation of electrically charged fences as a special use in certain zone districts and under specific conditions to ensure the safety and security of property owners and the general public.

NOW THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF WHEAT RIDGE, COLORADO:

Section 1. Section 26–123 of the Code is amended by the addition of the following definition to be placed in the appropriate alphabetical order:

Electrically charged fence. A fence not exceeding 9 feet in height which is constructed for the purpose of carrying and supporting wires which are electrically charged so as to deter unauthorized persons from climbing on or over such fence, which fence shall be erected in association with other perimeter fencing, and which may be permitted only as a special use under section 26-114 where necessitated by a demonstrated need for heightened security due to the nature of the use surrounded by the fence, based upon such circumstances as excessive criminal or theft activity and the like.

Section 2. Section 26–114 (special uses) of the Code, subsection B (Applicability) is amended to read as follows:

B. Applicability. The requirements of this subsection shall apply to all uses listed as "special uses" within the provisions set forth for any particular zone district. REVIEW OF A SPECIAL USE APPLICATION FOR AN ELECTRICALLY CHARGED FENCE IS PERMITTED IN THE ZONE DISTRICTS LISTED IN ARTICLE 2 OF THIS CHAPTER, AND IN ADDITION THERETO, THE PLANNED

COMMERCIAL DISTRICT (PCD) AND THE PLANNED INDUSTRIAL DISTRICT (PID).

Section 3. Section 26–204 of the Code is amended by including "electrically charged fence" within the Table of Uses-Commercial and Industrial Districts, to permit such use as a special use (S) in the C-1, C–2 and I–E zone districts.

Section 4. Section 26–313 of the Code, concerning Planned Commercial Development (PCD) district regulations, is amended by the addition of a new subsection J, to read as follows:

J. "In addition to other uses permitted in the PCD district, electrically charged fences are permitted as special uses upon approval of a special use permit under Section 26–114."

Section 5. Section 26–314 of the Code, Planned Industrial Development (PID), is amended by the addition of a new subsection I to read as follows:

I. "In addition to other uses permitted in the PID district, electrically charged fences are permitted as special uses upon approval of a special use permit under Section 26–114."

Section 6. Section 26-603 of the Code is amended by the addition of a new subsection J, to read:

J. "Notwithstanding this section, an electrically charged fence, if approved as a special use pursuant to section 26–114, may be constructed to a maximum height of 9 feet."

Section 7. Severability, Conflicting Ordinances Repealed. If any section, subsection or clause of this Ordinance shall be deemed to be unconstitutional or otherwise invalid, the validity of the remaining sections, subsections and clauses shall not be affected thereby. All other ordinances or parts of ordinances in conflict with the provisions of this Ordinance are hereby repealed.

Section 8. Effective Date. This Ordinance shall take effect upon adoption, as permitted by Section 5.11 of the Charter.

INTRODUCED, READ, AND ADOPTED on first reading by a vote of ____ to ____ on this ____ day of _____, 2018, ordered published in full in a newspaper of general circulation in the City of Wheat Ridge, and Public Hearing and consideration on final passage set for _____, 2018 at 7:00 p.m., in the Council Chambers, 7500 West 29th Avenue, Wheat Ridge, Colorado.

READ, ADOPTED AND ORDERED PUBLISHED on second and final reading by a vote of ____ to ____, this ____ day of _____, 2018.

SIGNED by the Mayor on this _____ day of _____, 2018.

Bud Starker, Mayor

ATTEST:

Janelle Shaver, City Clerk

Approved as to Form

Gerald E. Dahl, City Attorney

First Publication: _____

Second Publication:

Wheat Ridge Transcript

Effective Date:

Published:

Wheat Ridge Transcript and www.ci.wheatridge.co.us

Memorandum

TO: Mayor and City Council

FROM: Patrick Goff, City Manager

DATE: May 16, 2018

SUBJECT: Clear Creek Crossing Public Finance Agreement

ISSUE:

Evergreen Development Company is proposing to develop the Clear Creek Crossing site as a mixed-use development including employment, residential, commercial and lodging uses and has submitted a request for public financing to assist in the construction of public improvements for the project. The City contracted with Economic and Planning Systems (EPS) to complete a review of the estimated public revenues generated by the project as well as a review of the estimated public revenues necessary for the project to achieve financial feasibility. Attached is a comprehensive analysis, which will be reviewed and discussed with City Council at the May 21 study session.

There are still a number of next steps that are necessary in order to provide the City Council with the information necessary in order to fully evaluate Evergreen's request for public financing. After an initial review with City Council on May 21, staff will bring back recommendations to City Council at the June 4 study session. In addition, following is a list of additional approvals required to move this project forward.

1. IGA between the City and the Longs Peak Metropolitan District (the District) for Construction of the I-70 and 32nd Avenue Interchange – **Approved March 26, 2018**
 - This IGA assigns roles and responsibilities for actual construction and funding of the I-70/32nd Avenue interchange. The District will provide pre-construction services, bidding and contracting and construction of the improvements in accordance with the requirements of this IGA with the City.
2. IGA between the City and the Colorado Department of Transportation (CDOT) to Approve a Contract with CDOT for Construction Oversight and Maintenance Responsibilities Associated with the Interstate 70 and 32nd Avenue Interchange Improvements – **Approved March 26, 2018**
 - This IGA approved a contract with CDOT for construction oversight and maintenance responsibilities associated with the I-70/32nd Avenue interchange.
3. IGA between the City and the District for Hook Ramp Cost Reimbursement – **Approved March 26, 2018**
 - The City has \$10 million available from 2E bonds to pay for all costs related to the project. Actual costs will not be known until bids are received for the project this

spring and the work is actually completed. The City is responsible for all costs for the project exceeding \$10 million. This Agreement sets forth the terms by which the District will reimburse the City for project costs that exceed \$10 million.

4. Termination and Release of Annexation Agreement – **Scheduled for June 25**
 - On December 20, 2004, the City entered into an Annexation Agreement with Cabela's Retail Inc. and Coors Brewing Company, which included a proposed planned commercial district for development of approximately 230 acres of property. Evergreen Clear-Creek Crossing L.L.C purchased a certain portion of the property in 2016 and the City approved an Official Development Plan on March 26, 2018 for a mixed-use commercial development, which is in conflict with the proposal outlined in the Annexation Agreement. The City and Evergreen agree that the Annexation Agreement should be terminated in order to avoid any confusion about the development of the property.
5. Termination of the 2006 IGA between the City and the District – **Scheduled for June 25**
 - On December 11, 2006 the City and the District entered into an IGA concerning the financing and construction of public improvements necessary for the development of a planned commercial project anchored by a Cabela's superstore. Development of the property and public improvements subject to this IGA were not completed. The City, the District and Evergreen will enter into a Public Finance Agreement setting forth terms for the financing and construction of the public improvements for the Clear Creek Crossing project.
6. Ordinance Providing for an Admissions Tax Credit, a Sales Tax Credit and a Lodging Tax Credit Against Certain Public Improvement Fees Paid at Clear Creek Crossing – **Scheduled for 1st reading June 11; Public Hearing June 25**
 - The City will consider entering into a Public Finance Agreement (PAF) with the District and Evergreen concerning the finance and construction of certain public improvements in association with the Clear Creek Crossing project. The PAF contemplates the City sharing a portion of the sales tax, lodging tax and admissions tax revenues with the District to finance the construction of public improvements for the project. This ordinance will grant credits against these revenue sources that will be shared with the District for payment of the bonds issued to construct those public improvements.
7. PIF Collecting Agent Agreement – **Scheduled for June 25**
 - This Agreement appoints the City as Collecting Agent for purposes of receiving, collecting, administering, remitting and disbursing all PIF revenue paid pursuant to the Public Finance Agreement. Under this Agreement, the City accepts the responsibility of receiving the PIF revenue and, after deduction of a collection fee, submitting the PIF revenue to the District for payment of the bonds issued to construct the public improvements for this project.
8. Public Finance Agreement – **Scheduled for June 25**
 - The City will consider entering into a Public Finance Agreement (PAF) with the District and Evergreen concerning the finance and construction of certain public improvements in association with the Clear Creek Crossing project. This IGA will supersede and replace the financing terms set forth in the 2006 IGA.

9. Amended and Restated Longs Peak Metropolitan District Service Plan – **Scheduled for June 25**

- Metropolitan districts in Colorado have become a common tool for financing the public infrastructure portion of large development projects. All special districts in Colorado organized under Title 32 of the Colorado Revised Statutes are required to file a service plan with the City in which the district is proposed. City Council approved the original Service Plan for the District on March 13, 2006. That Service Plan was specific to the proposed Cabela's project which was never completed. An Amended and Restated Service Plan is required for the Clear Creek Crossing project.

ATTACHMENTS:

1. EPS Review of Clear Creek Crossing Request for Public Financing

The Economics of Land Use



To: City of Wheat Ridge and Wheat Ridge Urban Renewal Authority

From: Andrew Knudtsen and Tim Morzel, Economic & Planning Systems

Subject: Review of Clear Creek Crossing Request for Public Financing; EPS #163122

Date: May 16, 2018

This memorandum provides a summary of Economic & Planning Systems' (EPS) review of a request for public financing submitted by Evergreen Development Company ("Developer"). The Developer is proposing to develop the Clear Creek Crossing ("Project") site as a mixed-use development including residential, commercial and lodging uses. The Project occupies roughly 83 acres to the southwest of the intersection of Highway 58 and I-70. The Developer is currently proposing to complete major infrastructure and site-work improvements on the site before selling finished pads to final users who will complete the vertical development on the site.

EPS was contracted by the City of Wheat Ridge to complete a review of the estimated public revenues generated by the Project as well as a review of the estimated public revenues necessary for the Project to achieve financial feasibility. This memorandum provides a summary and evaluation of the following key project issues:

- Anticipated development program
- Estimated costs related to infrastructure and site-work
- Request for public funding defined by type and amount
- Estimate of potential public revenues generated by the Project
- Summary of next steps

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ATTACHMENT 1

Development Program

The proposed Project is anticipated to include approximately 300 apartment units, 200 hotel rooms, and roughly 192,400 square feet of commercial space, which is currently anticipated to include a number of larger format entertainment users, as shown in **Table 1** and **Figure 1**. The Project is anticipated to be completed over a two-year period with the majority of development occurring in 2020 and a limited amount (28,900 square feet) occurring in 2022.

Table 1
Clear Creek Crossing Development Program

Description	Type	Amount	Metric
Residential			
Pad 1	Apartments	<u>300</u>	units
Subtotal		300	units
Commercial			
Pad 3	Inline Retail/Plaza	23,400	sf
Pad 4	Restaurant	7,400	sf
Pad 5a	Restaurant	5,800	sf
Pad 5b	Retail/Restaurant	7,500	sf
Pad 6	Retail/Restaurant	6,000	sf
Pad 7	Fast Food	3,200	sf
Pad 8	Fuel	6,210	sf
Pad 9	Fast Food	4,200	sf
Pad 11	Entertainment 1	49,810	sf
Pad 12	Entertainment 2	50,000	sf
Pad 13	Retail/Restaurant	11,700	sf
Pad 14	Retail/Restaurant	11,700	sf
Pad 15	Restaurant	<u>5,500</u>	sf
Subtotal		192,420	sf
Hospitality			
Pad 10	Hotel	100	rooms
Pad 16	Hotel	<u>100</u>	rooms
Subtotal		200	rooms

Source: Evergreen Development Co.; Economic & Planning Systems

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Figure 1
Clear Creek Crossing Site Plan



Summary of Project Costs

Total project costs are estimated at \$40.1 million, as shown in **Table 2**. Project costs are broken into two phases. Phase 1 is estimated at \$15.1 million and includes improvements associated with the construction of hook ramps connecting Creek Creek Drive to 32nd Avenue and constructing an interchange at the intersection of I-70 and 32nd Avenue. Approximately \$10.0 million in Phase I costs are estimated to be funded through 2E funds.

Phase 2 is estimated at \$25.1 million and includes infrastructure improvements associated with the development of the remainder of the site, such as the construction and installation of utilities, new roadways, and improvements to on-site stormwater, sewer, and wetland improvements.

Table 2
Project Cost Summary

Description	Phase 1 2E Funded	Phase 2 LPMD	Phase 2 CMWD	Phase 2 EVGRE	PROJECT TOTAL
Demolition, Grading, and Erosion Control	\$ -	\$ 2,400,090	\$ -	\$ 3,277,122	\$ 5,677,212
Pad Development	\$ -	\$ -	\$ -	\$ -	\$ -
Storm Sewer / Wetlands	\$ -	\$ 4,277,694	\$ -	\$ -	\$ 4,277,694
40th Ave. And Clear Creek Drive	\$ -	\$ 886,973	\$ -	\$ -	\$ 886,973
Clear Creek Drive	\$ -	\$ 1,223,899	\$ -	\$ -	\$ 1,223,899
CCC Signage	\$ -	\$ 1,093,533	\$ -	\$ 162,242	\$ 1,255,775
Dry Utilities	\$ 688,089	\$ 229,194	\$ -	\$ 1,495,535	\$ 2,412,818
Trails And Sidewalks	\$ -	\$ 1,090,514	\$ -	\$ -	\$ 1,090,514
Applewood Sanitary Sewer	\$ -	\$ 1,529,777	\$ -	\$ -	\$ 1,529,777
Consolidated Mutual Water	\$ -	\$ -	\$ 685,032	\$ -	\$ 685,032
Retaining Wall And Main Access Drives	\$ 549,525	\$ 959,112	\$ -	\$ -	\$ 1,508,637
Clear Creek Dr., Ramps To 32nd Ave	\$ 2,055,158	\$ -	\$ -	\$ -	\$ 2,055,158
I-70 and 32nd Avenue Interchange	\$ 8,551,199	\$ -	\$ -	\$ -	\$ 8,551,199
SUBTOTAL	\$ 11,843,971	\$ 13,690,786	\$ 685,032	\$ 4,934,899	\$ 31,154,688
Construction Contingency	\$ 592,199	\$ 684,539	\$ 34,252	\$ 246,745	\$ 1,557,734
Design Contingency	\$ 164,639 [1]	\$ 684,539	\$ 34,252	\$ 246,745	\$ 1,130,174
SUBTOTAL	\$ 12,600,808	\$ 15,059,865	\$ 753,535	\$ 5,428,389	\$ 33,842,597
Liability Insurance	\$ 81,905	\$ 97,889	\$ 4,898	\$ 35,285	\$ 219,977
Subcontractor Default Insurance	\$ 163,811	\$ 195,778	\$ 9,796	\$ 70,569	\$ 439,954
Builders Risk Insurance	\$ 63,004	\$ 75,299	\$ 3,768	\$ 27,142	\$ 169,213
CMAR General Conditions	\$ 1,645,329	\$ 1,797,085	\$ -	\$ 647,766	\$ 4,090,180
SUBTOTAL	\$ 14,554,857	\$ 17,225,916	\$ 771,997	\$ 6,209,150	\$ 38,761,920
Construction Management Fee	\$ 509,420	\$ 602,907	\$ 27,020	\$ 217,320	\$ 1,356,667
TOTAL COST	\$ 15,064,277	\$ 17,828,823	\$ 799,017	\$ 6,426,471	\$ 40,118,588

[1] Clark Creek Drive Only

Source: Economic & Planning Systems

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Request for Public Funding

The developer is currently proposing to use a variety of public financing mechanisms to fund infrastructure improvements on the site. Some of these mechanisms (credit PIF and TIF) require the approval of the City, while others can be initiated by the developer or are already in place (add-on PIF and Metro District). A description of each of the public financing mechanisms proposed for use on the site is provided below.

- Public Improvement Fee – Public Improvement Fee (PIF) is a fee based on sales transactions imposed by a private development entity within its boundaries and used for funding infrastructure improvements. The fee resembles a sales tax, but it is an additional charge over and above the required state and local sales taxes. In addition to an additive PIF, which can be imposed by a private developer, the developer is also requesting a “credit” PIF that would replace a portion of the City’s existing sales tax and requires the City’s approval.
- Tax Increment Financing – Urban renewal authorities (URAs) are enabled by state statute to halt or prevent blight. The proposed Project is located in the I-70 and Kipling Urban Renewal Area that was established by the Wheat Ridge Urban Renewal Authority (URA) in August 2009. The TIF clock in the plan area started in December 2015 and will remain in existence for 25 years or through 2040. During this period, the URA can use tax increment financing (TIF) to reimburse a developer for eligible public improvements made within the plan area. The source of revenue to cover these eligible costs is the incremental property tax revenues generated by the Project.
- Metropolitan District – In addition to the public funding mechanisms described above, the developer is proposing to use revenues generated by an existing Metropolitan District to fund additional costs related to infrastructure and site-work. A Title 32 Metropolitan District (Metro District) is an independent special district formed to develop and/or operate public infrastructure improvements such as roads, utilities, parks, or public parking. A metro district is most often created by a land developer, which requires the City’s approval of a service plan, with the revenues generated by the additional mill levy used to pay for public improvements, such as trunk infrastructure costs. The Project is currently within the Longs Peak Metro District, which has an existing mill levy of 55.0000 mills. Developers typically apply a mill levy that is lower than the maximum allowed, to provide a buffer to bond holders. In the event assessed valuation drops, the mill rate will be increased to insure that the debt service can continue to be supported.

A summary of the specific developer request for public funding is summarized below and in **Table 3** by funding type and amount.

- Public Improvement Fee – The developer is proposing to include a 0.50 percent additive or add-on PIF to the total tax rate for each of the three City sales tax rates. The developer is also requesting a series of credit PIFs that include a 1.50 percent credit on the general merchandise tax, a 2.50 percent credit on the admission tax, and a 5.0 percent credit on the accommodation tax. The developer is requesting that the add-on and credit PIF remain in place through 2048 (30 years from the time of approval).
- Tax Increment Financing – In addition to the add-on and credit PIF, the developer is requesting that 100 percent of the incremental property tax generated by the property through the end of the plan area term (2040) is shared back with the Project to be used for public improvements.

- **2E Funds** – The City has also approved the use of 2E funds to fund specific infrastructure improvements on the site. Currently, the Project is estimated to receive \$10.0 million in 2E funds that will go towards the installation of ramps connecting Clear Creek Drive to 32nd Avenue and an interchange at the intersection of I-70 and 32nd Avenue.
- **Metropolitan District** – Finally, the Developer is proposing to use 30.0000 mills of the 55.0000 available from the existing Metro District to fund infrastructure improvements. It is expected that the developer will issue a 30-year bond that will be retired in 2048.

The City of Wheat Ridge has three primary sources of sales tax revenue that include taxes on general merchandise, admissions, and accommodations. The City's portion of each of these tax rates are summarized in **Table 3**. Approval of the current proposal will result in the following reduction in City sales tax revenues generated by development at this location:

- General Merchandise Tax – From 3.50 percent to 2.0 percent
- Admission Tax – From 4.0 percent to 1.50 percent
- Accommodation Tax – From 10.0 percent to 5.0 percent

Table 3
Clear Creek Crossing Public Funding Request

Description		Rate	End Date
CITY OF WHEAT RIDGE TAX RATES			
General Merchandise		3.50%	
Admission Tax		4.00%	
Accommodation Tax		10.00%	
DEVELOPER PROPOSAL			
Add-on Public Improvement Fee (PIF)			
General Merchandise	<i>Developer imposed</i>	0.50%	2048
Admission Tax	<i>Developer imposed</i>	0.50%	2048
Accommodation Tax	<i>Developer imposed</i>	0.50%	2048
Credit Public Improvement Fee (PIF)			
General Merchandise	<i>Requires City approval</i>	1.50%	2048
Admission Tax	<i>Requires City approval</i>	2.50%	2048
Accommodation Tax	<i>Requires City approval</i>	5.00%	2048
Tax Increment Financing (TIF)	<i>Requires City/URA approval</i>	90.3658 mills [1]	2040
2E Funds	<i>Estimate</i>	\$10,000,000	one-time
Metropolitan District			
Operations	<i>Existing</i>	25.0000 mills	N/A
Infrastructure Improvements	<i>Existing</i>	30.0000 mills	N/A

[1] 2017 mill levy

Source: Evergreen Development Co.; Economic & Planning Systems

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Public Funding Market Assumptions

The amount of sales tax and property tax revenues that can be generated by the Project at build-out is derived through estimates of commercial sales and property value. Commercial sales will drive general merchandise, admissions, and accommodations sales tax revenues, while property values determine the amount of property taxes generated by the Project. It is important to note that while EPS has completed a high level review of appropriate retail sales and market values in Wheat Ridge, it will be necessary for the Developer to complete a more comprehensive market study in order to fully assess anticipated sales tax and property tax revenues.

Development Value

The Developer has submitted estimates for development values that are based on a value per unit or room for multifamily and hotel development and a value per square foot for commercial development. Development values provided by the developer are \$150,000 per unit for multifamily, \$35,000 per room for lodging, and range from \$100 per square foot to \$250 per square foot for commercial, as shown in **Table 4**.

Based on information compiled from comparable sales and assessor data, EPS has provided a range of estimated market values for residential and commercial development value. Based on this range, EPS has determined a "most likely" value for development at this location that is used to estimate property values and corresponding property taxes generated by the development. The value of multifamily development is estimated at \$225,000 per unit, lodging is estimated at \$75,000 per room, and the value of commercial development ranges from \$200 per square foot for inline retail space to \$400 per square foot for fast food, and some restaurants.¹

Annual Commercial Sales

The Developer has also submitted estimates of annual sales by development type. Commercial sales are estimated to range from \$125 per square foot (per year) for general retail space as well as retail and restaurant space to \$450 per square foot for restaurant space, as shown in **Table 5**. Lodging sales are estimated at \$102 per room (per night). For the development as a whole, annual sales are estimated at \$213 per square foot.

Based on additional market research and extensive experience estimating annual sales per square foot for bond issuances such as this, EPS has developed a range for estimated sales per square by type, as shown in **Table 5**. Annual sales are estimated to range from \$200 per square foot for general retail to \$450 per square foot for restaurant space. Lodging sales are also estimated at \$102 per room. Average sales for the development as a whole are estimated at \$240 per square foot.

¹ The market values summarized in **Table 4** reflect actual market values. The estimate of potential property tax revenues accounts for a discount that is typically present in the assessor's estimate of development value. For the purposes of this analysis, the estimates of property tax developed by EPS reflect a 15 percent discount between the actual market value of the development and the assessor's estimate of market value (this discount is not applied to the Developer's estimate of value).

Table 4
Estimate of Development Value (Land and Constructed Improvements)

Description	Type	Developer Estimate		Market Range		EPS Estimate	Difference
				Low	High		
Residential							
Pad 1	Apartments	\$150,000	per unit	\$200,000 - \$250,000		\$225,000	\$75,000
Commercial							
Pad 3	Inline Retail/Plaza	\$100	per sf	\$100	- \$300	\$200	\$100
Pad 4	Restaurant	\$250	per sf	\$200	- \$400	\$300	\$50
Pad 5a	Restaurant	\$250	per sf	\$200	- \$400	\$300	\$50
Pad 5b	Retail/Restaurant	\$100	per sf	\$100	- \$300	\$200	\$100
Pad 6	Retail/Restaurant	\$250	per sf	\$200	- \$400	\$300	\$50
Pad 7	Fast Food	\$250	per sf	\$300	- \$500	\$400	\$150
Pad 8	Fuel	\$250	per sf	\$400	- \$500	\$450	\$200
Pad 9	Fast Food	\$250	per sf	\$300	- \$500	\$400	\$150
Pad 11	Entertainment 1	\$100	per sf	\$100	- \$200	\$150	\$50
Pad 12	Entertainment 2	\$100	per sf	\$250	- \$350	\$300	\$200
Pad 13	Retail/Restaurant	\$100	per sf	\$100	- \$300	\$200	\$100
Pad 14	Retail/Restaurant	\$100	per sf	\$100	- \$300	\$200	\$100
Pad 15	Restaurant	\$250	per sf	\$200	- \$400	\$300	\$50
	Average	\$130				\$242	
Hospitality							
Pad 10	Hotel	\$35,000	per room	\$50,000 - \$100,000		\$75,000	\$40,000
Pad 16	Hotel	\$35,000	per room	\$50,000 - \$100,000		\$75,000	\$40,000

Source: Evergreen Development Co.; Economic & Planning Systems

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Table 5
Estimate of Annual Sales per Sq. Ft.

Description	Type	Developer Estimate		Market Range			EPS Estimate	Difference
				Low		High		
Residential								
Pad 1	Apartments	N/A	per unit	N/A	-	N/A	N/A	N/A
Commercial								
Pad 3	Inline Retail/Plaza	\$125	per sf	\$200	-	\$250	\$200	\$75
Pad 4	Restaurant	\$450	per sf	\$400	-	\$500	\$450	\$0
Pad 5a	Restaurant	\$450	per sf	\$300	-	\$500	\$450	\$0
Pad 5b	Retail/Restaurant	\$300	per sf	\$150	-	\$350	\$300	\$0
Pad 6	Retail/Restaurant	\$450	per sf	\$150	-	\$350	\$450	\$0
Pad 7	Fast Food	\$350	per sf	\$400	-	\$500	\$450	\$100
Pad 8	Fuel	\$350	per sf	\$300	-	\$500	\$350	\$0
Pad 9	Fast Food	\$405	per sf	\$400	-	\$500	\$450	\$45
Pad 11	Entertainment 1	\$155	per sf	\$150	-	\$200	\$155	\$0
Pad 12	Entertainment 2 [1]	\$193	per sf	\$150	-	\$200	\$193	\$0
Pad 13	Retail/Restaurant	\$125	per sf	\$200	-	\$250	\$225	\$100
Pad 14	Retail/Restaurant	\$125	per sf	\$200	-	\$250	\$225	\$100
Pad 15	Restaurant	\$350	per sf	\$400	-	\$500	\$450	\$100
	Average	\$213					\$240	
Hospitality								
Pad 10	Hotel	\$102	per room	\$85	-	\$125	\$102	\$0
Pad 16	Hotel	\$102	per room	\$85	-	\$125	\$102	\$0

[1] Approximately 55% of total sales are estimated to be general merchandise sales and 45 percent are estimated to be admissions sales.

Source: Evergreen Development Co.; Economic & Planning Systems

\\EPSCDC02\Proj\163122-Wheat Ridge Clear Creek Crossing\Models\163122-MODEL-05-08-2018.xlsm]T-Sales

Public Funding Revenue Estimate

Project Bond Terms

In order to fund upfront infrastructure improvements, the Developer expects to use the future cash flows generated by the various public financing mechanisms described in previous sections of this memo to issue a bond. It is anticipated that some combination of TIF, PIF (credit and add-on), and a metro district will be used to service the debt payments on the bond. For the purposes of this analysis and based on estimates provided by the Developer, the bond is estimated to be structured based on the following terms:

- Issue Date – 09/01/2018
- Maturity Date – 12/01/2048
- Interest Rate – 6.0 percent
- Capitalized Interest Period – 24 months

Estimate of Total Public Revenue and Bond Amount

Based on the proposed public financing agreement, the market assumptions outlined in previous sections of this memo, and the terms of the bond outlined above, EPS has developed an estimate of the total public revenues generated by the Project between 2018 and 2048 as well as an estimate of the total bond amount and the bond proceeds. As a point of comparison, an estimate of the total public revenues and potential bond amount based on the Developer's original market assumptions are summarized as well.

Between 2018 and 2048, the Project is estimated to generate a total of \$97.9 million in public revenues (excluding the revenues generated by the proposed metro district and add-on PIF), as shown in **Table 6**. Of this total, the City of Wheat Ridge is estimated to receive approximately \$48.3 million or 49.3 percent of total revenues. These revenues are made up of the City's remaining share of the sales tax on general merchandise, admissions, and accommodations, as well as a potential rebate to the City that is based on the total revenues remaining after estimated debt service payments.²

During this same time period, the Project is estimated to receive \$49.7 million in public revenues or 50.7 percent of total public revenues. In addition to revenues generated by the property tax TIF and the credit PIFs, the Project is also estimated to receive \$25.6 million as a result of the proposed metro district and add-on PIFs. Combined, the Project is estimated to receive \$75.3 million in revenues generated by public financing mechanisms. The annual cash flows associated with these combined revenues are estimated to be sufficient to service a \$25.0 million project bond amount with a face value (par value) of \$36.5 million.

² The public revenue surplus that the City is estimated to receive is based on the cash flows that remain after debt service and is based on an assumed debt coverage ratio of 1.20 and a required reserve of approximately \$2.8 million.

Table 6
Estimate of Project Tax Revenues, 2018-2048

Description		Developer Market Inputs	EPS Market Inputs
TOTAL PUBLIC REVENUES [2]		\$80,645,043	\$97,958,968
City of Wheat Ridge Revenues			
Property Tax (URA)	90.3658 mills, 0% through 2040	\$0	\$0
General Merchandise Tax [1]	3.0% total, 1.5% credit to project	\$17,729,164	\$20,219,018
Admission Tax	4.0% total, 2.5% credit to project	\$2,655,484	\$2,655,484
Accommodation Tax	10.0% total, 5.0% credit to project	\$8,779,273	\$8,779,273
Project Rebate to City	surplus revenues after debt service	<u>\$12,783,039</u>	<u>\$16,605,957</u>
Subtotal	A	\$41,946,961	\$48,259,732
% of Total		52.0%	49.3%
Project Revenues			
City/URA Contribution			
Property Tax TIF Revenue	90.3658 mills, 100% through 2040	\$20,546,877	\$32,881,095
General Merchandise Credit PIF	1.5% credit	\$17,729,164	\$20,219,018
Admission Credit PIF	2.5% credit	\$4,425,807	\$4,425,807
Accommodation Credit PIF	5.0% credit	<u>\$8,779,273</u>	<u>\$8,779,273</u>
Subtotal		\$51,481,122	\$66,305,193
Less: City Surplus Rebate		<u>-\$12,783,039</u>	<u>-\$16,605,957</u>
Net Total	B	\$38,698,082	\$49,699,236
% of Total		48.0%	50.7%
Developer Election			
Metro District Revenues	30.0000 mills	\$10,998,752	\$17,076,550
General Merchandise Tax Add-on PIF	0.5% add-on PIF	\$5,909,721	\$6,739,673
Accommodation Tax Add-on PIF	0.5% add-on PIF	\$877,927	\$877,927
Admission Tax Add-on PIF	0.5% add-on PIF	<u>\$885,161</u>	<u>\$885,161</u>
Subtotal	C	\$18,671,562	\$25,579,311
Total Project Revenues	B + C	\$57,369,644	\$75,278,548
Estimated Potential Bond		\$19,017,840	\$25,027,528

[1] Does not account for the 0.5 percent that is used to fund specific capital projects.

[2] Does not include revenues generated by the metro district or the proposed add-on PIF.

Source: Economic & Planning Systems

\\EPSC02\Proj\163122-Wheat Ridge Clear Creek Crossing\Models\163122-MODEL-05-08-2018.xlsm]T-Pub Rev Summ

Next Steps

This memorandum provides an overview and summary of the Project as it is currently proposed. The estimates of potential public revenues summarized in this memo reflect information provided by the Developer as well as estimates developed by EPS that reflect revisions to annual commercial sales and property values. There are a number of next steps that are necessary in order to provide City staff, the Wheat Ridge Urban Renewal Authority, and the Wheat Ridge City Council with the information necessary in order to fully evaluate the Developer's request for public financing.

- 1. Finalize Market Assumptions** – The market assumptions regarding sales per square foot and property value are based on a high level evaluation of the Wheat Ridge market that was completed by both the Developer and EPS. While the estimates of sales per square foot used by the Developer and EPS vary only slightly, there is a considerable difference between the estimates of property value used by the Developer and EPS. These differences in the estimate of property values result in a significant difference in the amount of property tax revenue that will be generated by the project at build-out. The greater the assessed valuation, the larger the TIF proceeds, and the lower the credit PIF will be.

In order to finalize the estimates of potential public revenues generated by the project, it will be necessary for the Developer and EPS to reconcile the differences in market assumptions identified in this memo. Following this high level reconciliation, it will be necessary for the Developer to complete a comprehensive market study that certifies the assumptions used to estimate sales tax and property tax revenues.

- 2. Evaluate Alternative Public Financing Scenarios** – The terms of the public financing agreement summarized in this memo reflect the Developer's current proposal and require additional evaluation. Subsequent analysis will provide a summary of potential public revenues generated by alternative public financing scenarios such as alternative credit PIF amounts and the proportion of total property tax increment shared with the project over the remainder of the TIF term.
- 3. Evaluation of Project Need** – The Developer has stated that \$20 million in bond proceeds serviced by public revenue sources are necessary in order for the Project to be financially feasible. Based on the current proposal, roughly one-third of total revenues that service the bond are generated by financing mechanisms that do not impact tax revenue received by the City (i.e. add-on PIF and metro district). Two-thirds of the total revenue that services the bond is generated by tax revenues that would otherwise be received by the City and the URA (i.e. credit PIF, TIF).

Based on an evaluation of the Developer's financial pro forma and estimated Project returns, EPS will provide recommendations regarding an appropriate rate of return for a project of this type, a high level summary of best practices in public financing in Colorado, and an estimate of the amount of public subsidy the Project requires in order to achieve a rate of return that reflects the level of risk associated with a project of this nature. EPS will provide this analysis, accounting for the different sources of revenue supporting the necessary bond and how the City and URA should incorporate the segregation of funding in their analysis. This analysis will provide City staff, the URA, and Council with the information necessary to make a final determination regarding the amount of public revenues that should be shared with this Project.

Memorandum

TO: Mayor and City Council

FROM: Patrick Goff, City Manager

DATE: May 14, 2018

SUBJECT: National Opioid Litigation

The opioid epidemic has been called the worst drug crisis in American history. It is estimated that between 26.4 million and 36 million people abuse opioids worldwide. The epidemic has hit nearly everyone, regardless of race. Every racial demographic has seen more overdoses since 1999, with heroin spiking especially in 2010. *Source: National Institute on Drug Abuse*

Communities across the United States have shouldered real costs in trying to combat the opioid epidemic. The annual estimated economic burden of prescription opioid abuse in the United States totals \$78.4 billion. This breaks down to an average aggregate distribution as follows:

Lost Productivity: \$42 billion (53.3%)
Health Insurance: \$26.1 billion (33.3%)
Criminal Justice: \$7.6 billion (9.7%)
Substance Abuse Treatment: \$2.8 billion (3.6%)
Source: The Centers for Disease Control and Prevention

Opioid litigation began in 2014 when the nation's first lawsuit against the manufactures of opioids was filed on behalf of the City of Chicago. Today there are now over 500 governmental agencies involved in the litigation against not only the opioid manufacturers but also the pharmaceutical distributors and retail pharmacies.

The law firm of Speights & Worrich contacted the City recently to determine if the City had an interest in joining the national opioid litigation. Councilmembers Hoppe and Duran asked that this item be brought forward to a study session for further discussion. Samuel Mitchell from Speights & Worrich has been invited to the May 21 study session to provide an update on the opioid litigation and answer council questions.

Memorandum

TO: Mayor and City Council

FROM: Patrick Goff, City Manager

DATE: May 15, 2018

SUBJECT: NRS Steering Committee Selection Process

ISSUE:

City Council identified an update to the 2005 Neighborhood Revitalization Strategy (NRS) as a major priority in the current Strategic Plan. The 2005 NRS represented a community conversation, and consensus, about the City's competitiveness and what to do about it. The City entered into a contract with czb LLC for an update to the 2005 NRS that will include an extensive public outreach effort to determine how the City makes the most of the assets it has resurrected, nurtured, invested in, grown and must now optimize and to answer the question, "What does the City want to be in the coming decades?"

czb proposes to approach the challenge of community engagement and neighborhood strategy development through their time-tested approach of working closely with a City Council-impaneled Steering Committee. Attached is a guideline created by czb that has been proven invaluable in the selection and impaneling of a steering committee tasked with leading a community planning endeavor. The Committee will be responsible for oversight, direction setting, outreach, and ultimately, becoming a voice for Wheat Ridge on neighborhoods and resident quality of life.

BACKGROUND:

On July 25, 2005, the City Council adopted a resolution accepting the Neighborhood Revitalization Strategy (NRS) Report, *Repositioning Wheat Ridge*, and adopted its findings and recommendations as guiding principles for revitalizing the City. The strategies and recommendations contained in the NRS are focused on leveraging the City's strengths and addressing its challenges to assist in returning the City to a vibrant community with a healthy housing market and the thriving commercial centers needed to generate fiscal stability.

The NRS report's primary conclusion was that for the City to regain its strength and reinvent itself as a thriving, economically-diverse community with broad commercial and residential opportunities, Wheat Ridge needed to overhaul how the City and residents manage change, and develop methods to regain the share of strong households that has been lost over the past 25 years. The NRS provided nine strategies to help accomplish these goals and recommended that the City create the non-profit organization, Wheat Ridge 2020 (now Localworks), to assist in its implementation.

The Report recommended the nine following strategies:

1. Develop new market rate housing at key locations throughout the City
2. Acquire, upgrade, and sell out-of-date housing stocks throughout the City
3. Improve existing multi-family rental property throughout the City
4. Redevelop the Wadsworth Corridor
5. Develop West 44th into an Orchard District
6. Accelerate and shape the development of 38th Avenue
7. Develop a Town Center
8. Continue the development of Wheat Ridge Open Space
9. Develop signage and enhance gateways and general appearance (beautification)

RECOMMENDATION:

Staff recommends City Council follow the guidelines presented by czb to select and impanel a Steering Committee by July 1, 2018. The following steps are recommended:

1. Create a Steering Committee application that will enable City Council to identify, recruit screen and select qualified individuals based on the parameters outlined in czb's "Building a Steering Committee" guidelines – Deadline May 28
2. Distribute and promote broadly the application in the Wheat Ridge Transcript, Facebook, the City website and other social media outlets, and through word-of-mouth – Applications due June 22
3. Selection of Steering Committee
 - a. Option #1 – Staff and czb select a slate of candidates based on the parameters outlined in czb's guidelines. Submit slate to City Council at the July 9 regular meeting for approval
 - b. Option #2 – City Council selects a committee of councilmembers to review the applications and present a slate of candidates to the entire City Council for review at the July 2 study session and/or approval at the July 9 regular meeting
 - c. Option #3 – The entire City Council reviews the applications at the July 2 study session and selects a slate of candidates based on the parameters outlined in czb's guidelines for approval at the July 9 regular meeting
4. Once the Steering Committee is selected, czb will schedule a kick-off meeting with the Committee in July to confirm project details and set expectations for the process

ATTACHMENTS:

1. Building a Steering Committee for the 2019 NRS Update
2. Neighborhood Revitalization Strategy Update Scope of Work

BUILDING A STEERING COMMITTEE FOR THE 2019 NRS UPDATE

Community engagement is an undisputed cornerstone of good planning. Good planning depends on both the depth of dialogue surfaced among stakeholders, and the extent to which participants broadly and accurately reflect the community. Achieving depth is a function of time and pressure on one hand, and skilled facilitation and leadership on the other. Broad and accurate representation is a derivative of outreach, intentionality, and experience.

Enduring engagement work validates future decision making. It gives a defensible basis for making hard choices many would prefer to avoid. Achieving these aims transparently and with integrity is not going to occur via social media or the latest engagement app, though such tools can add value if used thoughtfully.

CHOOSING INDIVIDUAL COMMITTEE MEMBERS

At the core of good engagement is a broadly representative Steering Committee whose integrity is not in question. Members must possess three non-negotiable qualities that all openly agree are present.

1. They must have a track record of honesty.
2. They must have technical abilities to engage with the subject matter.
3. They must be able to play well with others.

Other things to note for individual members:

- Dissent from prevailing views is not a disqualifier; a dissenting view is usually essential for progress.
- In place of lengthy experience and proven technical skill, a combination of good intent, earnestness, a capacity to learn, and first-hand experience with a germane issue are more than sufficient.
- Being quirky is not a disqualifier. Indeed a person who colors a bit outside the lines adds not just diversity of viewpoint but color and flavor, and these are essential qualities.
- The work in the NRS update will not be pleasing to everyone 100% of the time, so residents and stakeholders with the ability to play well in the sandbox are prized.
- Those who have proven themselves to be inherently disagreeable should not be considered for membership on this important committee. Likability matters and empathy is important.

PRINCIPLES FOR COMMITTEE COMPOSITION

There are overall principles that have proved invaluable in the selection and impaneling of a Steering Committee tasked with leading a community planning endeavor.

The SIZE of the group should be 16-22 people

- The Committee should be comprised of individuals who understand the level and nature of the work involved. This includes the work of mastering content on the technical side plus exercising leadership when growth and adaptation by the community are called for. The group's size allows for enough diversity to capture a range of technical and leadership abilities, assuming that all members meet a minimum threshold.

- Members should be able to commit to the whole project end to end. Not everyone can make every meeting. But everyone should be able to be reliably prepared and present for 90 percent of the meetings. The group's size allows for work to continue even during the inevitable absences of individual members.
- All recognized geographies should be represented; none overtly over-represented and none acutely under-represented. The group's size allows for the entire area of the city to be represented.

The Committee should have BALANCE in a number of important respects.

- Roughly half should be women and half men.
- Roughly 25% should be new voices; the other 75% can be the usual suspects.
- For a project like the NRS update, about 50% of the committee should be home owners and 50% renters, to the greatest extent possible.
- Not everyone need be a resident of Wheat Ridge, but they must be critical stakeholders. This will usually mean inclusion of a few business owners or a hospital or other executive.
- No less than half of the Committee should be fairly new to Wheat Ridge, in which "new" is defined as having moved into the community in the last ten years.
- At least two members of a committee this size should be genuinely new (less than two years) and at least two should be members who have been in the community at least 25 years.
- Representation from rental property owners is important, which means at minimum one person who is a landlord.

A high functioning committee will have KEY ATTRIBUTES.

- It should have co-chairs, not a single chair.
- The committee should expect close working relations, frequently informal. House parties, BBQs, meetings at coffee shops, bakeries, etc. should be expected. Members should expect to host at least one meeting at their private residence during the project, unless circumstances simply do not allow for that.
- The group will work hard during the course of the project.
- Everybody on the committee should be comfortable with and willing to share mobile numbers and email addresses.

CONTENT MASTERY is not a pre-requisite but it must be obtainable along the way.

- Members will have to welcome the work of learning the subjects at hand: neighborhood dynamics, real estate finance, and related econometric material.
- Members will be called upon to lead small group discussions and make large group and perhaps community-wide presentations.

Proposal to Wheat Ridge, Colorado

Neighborhood Revitalization Strategy Update

Community Engagement for
Neighborhood Vibrancy and
Competitiveness



Submitted by czb
APRIL 2018





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- 2 Cover Letter
- 3 Firm Summary and General Qualifications
- 4 Project Structure
- 5 Team for Wheat Ridge NRS Update
- 7 Scope of Work
- 9 Project Timeline
- 10 Project Budget

To the Wheat Ridge City Council and staff:

It was an honor and an incredible learning experience for czb, in partnership with Winston Associations, to co-create a Neighborhood Revitalization Strategy (NRS) with your community in 2005. In the time since the NRS was completed, much has changed. My friend Jeff Winston has retired and sold his firm. Our own firm has grown and evolved and we are a dozen years wiser for it. What has not changed is our longstanding commitment to solid analysis, meaningful public engagement, and sharp strategy that can be implemented by a city willing to work for the future it wants.

In 2005 Wheat Ridge was a 1970s era suburb that had fallen behind its competition in the work of retaining and attracting the region's strongest working, moderate and middle income households. Its future was not certain but it had the wherewithal to look for help and the tenacity and discipline to implement recommendations it was provided in the 2005 NRS. The NRS represented a community conversation, and consensus, about the city's competitiveness and what to do about it.

Between 2005 and 2018, a number of things transpired which now place Wheat Ridge in a very different position:

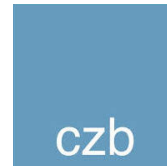
- The city took seriously the recommendation of the NRS and faithfully pursued its implementation.
- The metro area went through a historically exceptional period of demographic and economic growth, which had positive spillover effects in Wheat Ridge.
- The city experienced half a generation of demographic turnover, with some households leaving and new ones arriving.

Owing to Wheat Ridge's grit and a number of other factors, the question today is less "how do we compete?" than "how do we make the most of the assets we have resurrected, nurtured, invested in, grown, and must now optimize?" To answer that question, czb has been asked to update the 2005 NRS for a new time and what follows herein is our proposal to do so. If the City Council accepts our proposal, our team very much looks forward to working with you once again.

Sincerely,

Charles Buki
President, czbLLC

Firm Summary and General Qualifications

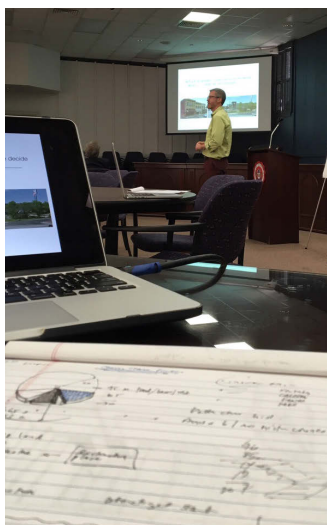


czb is a Virginia-based planning practice with experience in over 40 states since 2001. We specialize in market-based economic analysis, housing analysis, and strategy development for communities seeking to shape their futures and willing to put in the effort to obtain the outcomes they want.

The professionals who comprise czb are seasoned experts in their respective fields of urban planning and design, econometric analysis, historic preservation, real estate development and finance, affordable housing and community development, and demand-based strategy and policy development. Communities never succeed or fail solely because of a single factor like design or jobs or affordable housing and, in recognizing this, czb has built an interdisciplinary team of some of the finest community development minds in the United States.

In our experience, communities set the course for their future in direct proportion to the degree to which they stay ahead of trends and capably manage a range of influential forces – internal as well as external. These interconnected forces are economic, demographic, political, and social in nature. Furthermore, they are filtered through and strongly shaped by the core values of a community's residents and stakeholders. When events and influences are capably managed, the community's values play a large role in determining policy. But good policy relies on data as well.

To do this successfully – to manage change so that outcomes reflect local aspirations – requires incorporating community values into policy-making as well as continually collecting and analyzing the right data to guide the community (and its political leaders) in making what are often difficult choices. **What czb does better than any planning practice in the United States is help communities clarify what's at stake, get the information they need to make good decisions, and help them grow their capacity to manage and implement change.**



Firm name and address:

czbLLC
2001 Mount Vernon Avenue
Alexandria, VA 22301

Year established: 2001

Business type: S corporation,
Virginia

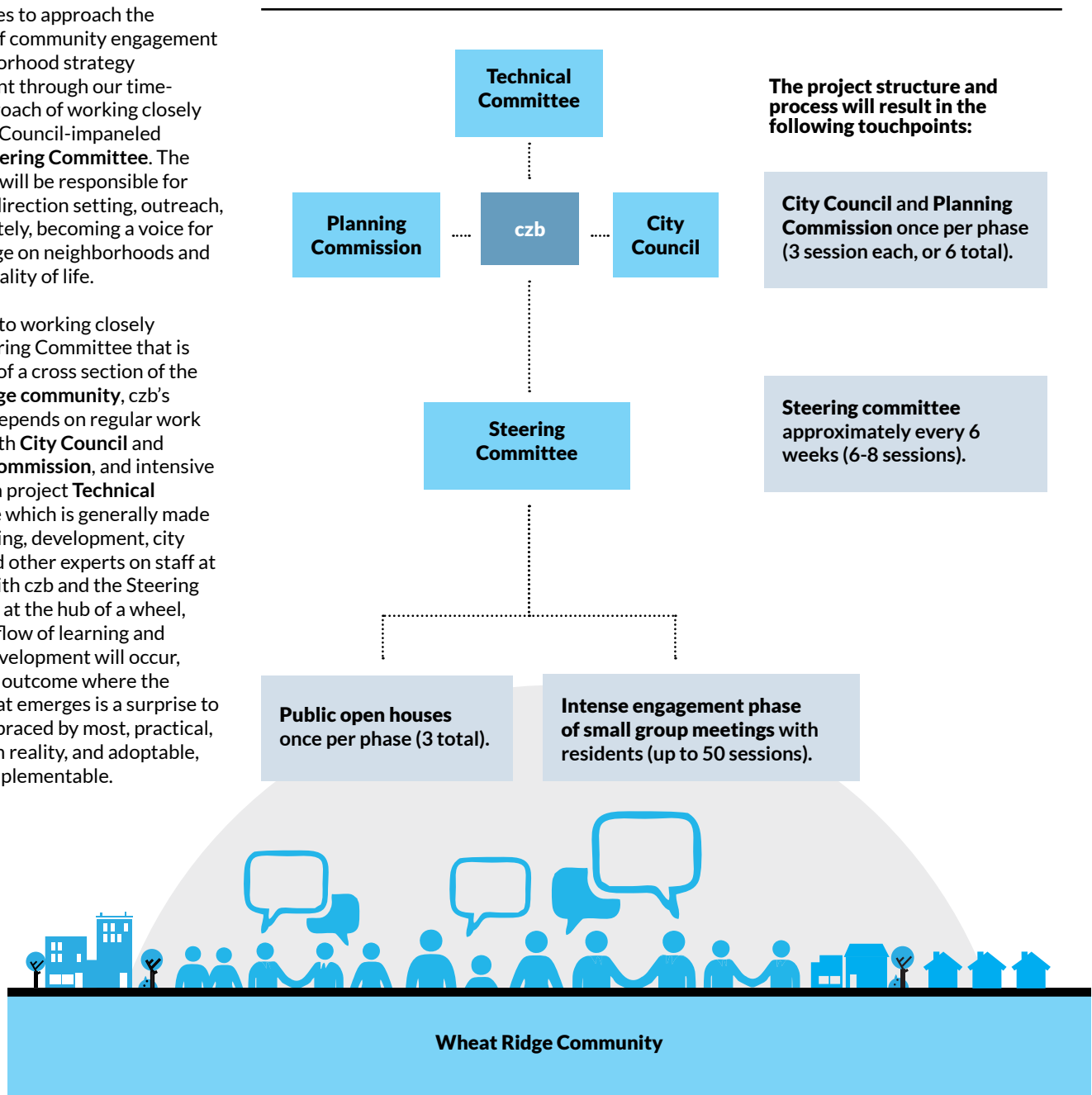
Primary contact:

Charles Buki, *President*
cbuki@czb.org
703-548-3708

Project Structure

czb proposes to approach the challenge of community engagement and neighborhood strategy development through our time-tested approach of working closely with a City Council-impaneled **Project Steering Committee**. The committee will be responsible for oversight, direction setting, outreach, and, ultimately, becoming a voice for Wheat Ridge on neighborhoods and resident quality of life.

In addition to working closely with a Steering Committee that is comprised of a cross section of the **Wheat Ridge community**, czb's approach depends on regular work sessions with **City Council** and **Planning Commission**, and intensive work with a project **Technical Committee** which is generally made up of planning, development, city finance, and other experts on staff at the city. With czb and the Steering Committee at the hub of a wheel, a constant flow of learning and strategy development will occur, creating an outcome where the strategy that emerges is a surprise to no one, embraced by most, practical, grounded in reality, and adoptable, and thus implementable.



Team for Wheat Ridge NRS Update

czb



Charles Buki

Charles Buki, czb founder and President, has more than 20 years of experience in the field of community development, with a particular expertise in helping communities identify their top priorities, understand complex trade-offs, and develop realistic action plans that are tied to durable planning principles. Over the past two years alone, he has led planning processes in Canton, OH, Erie, PA, Geneva, NY, and Ashland, WI, among others. In the past 18 months, he has also led neighborhood revitalization strategy work in Des Moines, Baltimore, Buffalo, and Rochester, NY.

Role: Principal-in-Charge; lead on strategy development



Thomas Eddington, ASLA, AICP

Thomas Eddington, ASLA, AICP, will serve as the project manager on this project and has over 20 years of experience in all aspects of land use planning, community development, and public engagement. As the Planning Director for Park City, UT, between 2008 and 2015, Thomas led the development of a new master plan for the city in 2014, along with the development of groundbreaking housing strategies.

Role: Project Lead; lead on land use planning, urban design, and public engagement



Karen Beck Pooley, Ph.D.

Karen Beck Pooley, Ph.D., brings to the czb team more than 15 years of experience in working on housing and community development issues. Karen handles all of czb's econometric analysis (including all GIS-based analysis) and has become one of the nation's leading experts in understanding how investments in housing and community development interact with neighborhood marketability.

Role: Demographic and socioeconomic analysis, housing market analysis, and mapping



Eric Ameigh

Eric Ameigh has been a planner and local government professional for over 15 years. He has deep experience in housing and neighborhoods across a variety of market types, serving as the first ever Director of Neighborhood Initiatives in Geneva, NY, and later as a policy-focused project manager in Boulder, CO, working on a wide variety of issues, including affordable housing and redevelopment. In Geneva, Eric led Healthy Neighborhoods work to grow the capacity of residents to improve their blocks, and founded and facilitated the Problem Properties Task Force which coordinated the work of code enforcement, public works, police, and city legal staff to address chronic offenders.

Role: Project management and public engagement



Peter Lombardi

Peter Lombardi is a planner and policy analyst who came to czb after previous assignments in policy research and nonprofit neighborhood revitalization. He served as founding chairman of the Chautauqua County Land Bank Corporation in western New York and worked as Deputy Director for the Jamestown Renaissance Corporation. At czb, he has led or supported planning and revitalization projects across the Great Lakes region, developing expertise related to inner ring suburbs in metro areas such as Erie, Buffalo, and Rochester.

Role: Planning and policy development, public engagement support

Scope of Work

Wheat Ridge has acknowledged that the city has changed and continues to change, even if feelings about the nature of the city's development are not uniformly shared. Now is the time to determine what the city wants to be in 2040 and to leverage its newfound prosperity to meet the vision.

czb proposes to update the 2005 NRS for a new, more prosperous era in Wheat Ridge. We will do this by crafting and facilitating a process that will result in a neighborhood development vision that can be backed by the community. To do this, re-engaging the Wheat Ridge community in a deep and penetrating way is necessary.

Wheat Ridge will require a fresh evaluation of data and highly structured and well facilitated community conversations about what kind of a community it wants to be. These efforts will likely presage a future update to the city's 2009 comprehensive plan, which will soon be due for a refresh, or perhaps even an overhaul.

czb proposes to deliver an engagement process and eventual written product via three sequential but overlapping phases:

Phase 1: Analysis



PHASE 1: Analysis

PURPOSE

To generate a preliminary portrait of city finances, civic life, residential life, market strength, and existing policies and programs that can form the basis of determining whether the Wheat Ridge community likes everything just the way it is, and favors continuity and little change in direction, or whether some change is desired.

WORK

Quantitative Analysis: During this initial phase, czb will work with the City of Wheat Ridge and local market experts to build upon czb's existing knowledge of the Wheat Ridge market. This will be done through a rapid but comprehensive exploration of market conditions and trends using a variety of data sources, including the indicators report prepared by Development Research Partners in 2016.

Qualitative Data: Our quantitative work will be complemented by two key qualitative processes. The first is a series of interviews and conversations with local experts in the development and real estate community, local leaders facing politically challenging issues, and others who can inform a picture of the current state of Wheat Ridge. The second is a review and analysis of the data from the city's upcoming community survey that should provide a current picture of concerns and desires that exist amongst Wheat Ridge residents.

PROCESS

In the early part of the first phase, we will hold a kickoff with the steering committee to confirm project details and set expectations for the process. We will also share early insights and observations from our emerging analysis.

Subsequent steering committee meetings will focus on the implications of the analysis and training the group for the engagement activities ahead in Phase 2.

We will hold one working session each with Planning Commission and City Council.

There will be one large, open public meeting, likely in the form of an open house, to introduce the project to the general public and generate interest for participation in Phase 2.

DELIVERABLES:

- Preliminary analysis
- Final analysis
- Phase 2 engagement plan
- Interim report #1, including report card on 2005 NRS

Phase 2: Values-Based Engagement



PHASE 2: Values-Based Engagement

PURPOSE

An intensive phase of engagement where residents put a stake in the ground and assert what kinds of neighborhoods and community life they want, and are willing to pay for.

WORK

The core of the values-based engagement phase will be small group work with residents from all parts of Wheat Ridge so that new and long-time residents, renters and home owners, landlords and small business owners can articulate their expectations when it comes to housing and neighborhoods and quality of life. Through a series of carefully designed meetings, held over 4-5 months, around case studies involving market dynamics, planning and zoning, entitlements, economic development, and regional competition for strong households, Wheat Ridge residents will slowly shape the community's long term approach to neighborhood development. We estimate that this process, assuming steering committee commitment and sufficient public interest, can directly engage roughly 500 people, which is a far richer engagement experience than is possible using any other method.

PROCESS

40-50 small group meetings facilitated by steering committee members and supported by czb, directly reaching as many as 500 people.

czb will continue to meet with the steering committee on a regular basis to both prepare for and process the results of the small group meetings.

We will hold one working session each with Planning Commission and City Council.

There will be one large, open public meeting, likely in the form of an open house, to share all analysis and public input gathered to date, and to preview preliminary strategy ideas that will be refined in Phase 3.

DELIVERABLES:

- Completed engagement phase
- Interim report #2

Phase 3: Strategy Development



PHASE 3: Strategy Development

PURPOSE

The Phase 1 analysis and the values-based engagement work from Phase 2 will be combined to develop the neighborhood strategy, inclusive of both action steps for the conditions that are foreseeable, and a decision making framework for those that are not. The strategy will have a "big picture" orientation, while also helping the city think through discrete neighborhood issues such as accessory dwelling units, short-term rentals, and others.

WORK

czb will write the updated NRS and prepare and deliver public presentations of the draft strategy.

PROCESS

czb will continue to meet with the steering committee on a regular schedule for the purpose of developing and refining the strategy.

We will hold one working session each with Planning Commission and City Council.

There will be one large, open public meeting, likely in the form of an open house, to present the draft strategy and to gather final public feedback before finalizing it.

DELIVERABLES:

- Updated NRS

OPTIONAL Phase 1 Task: Retail Analysis



Optional Phase 1 Task: Retail Analysis

Our analysis will focus on housing market dynamics and residential development trends to understand what is happening and what is possible in Wheat Ridge neighborhoods. The city, however, may seek to understand its retail picture and the way its commercial corridors both relate to residential neighborhoods and how their future redevelopment might work in tandem with a neighborhood strategy. To that end, we have included an optional task for a retail analysis, to be completed by Michael Berne of MJB Consulting, that would help the city understand the competitive position of its retail market and its existing retail locations.

MJB Consulting (MJB) is an award-winning, New York City- and San Francisco Bay Area-based retail planning and real estate consultancy retained across the U.S., Canada and the U.K. to undertake market analyses, devise tenancing strategies and spearhead recruitment efforts.

Clients include municipal governments, quasi-public/non-profit development corporations, business improvement districts, and institutions as well as private developers, landlords and retailers. MJB has previously partnered with czb and is currently engaged in multiple projects in the Denver metro area making its potential addition to the project both valuable and seamless.

Analysis for Wheat Ridge would include a forecast of potential uses, an analysis of retail development incentives, and strategies for new entertainment and specialty retail uses. More specifically, the scope of this analytic work will include the following:

- Focus groups with existing merchants.
- Interviews with commercial real estate brokers and self-leasing landlords who are actively leasing retail space in Wheat Ridge. These individuals should be able to provide critical information on the city as well as any competitors and, ideally, will have information about square footages, prevailing rents, parking ratios, and tenant interest.
- MJB Consulting has devised a research methodology called “total immersion.” From the moment they step foot in a study area, they “live like a local” (to the extent possible), walking the streets, refueling in the cafes, visiting the community’s “Third Place(s)”, chatting with residents, reading the local weeklies and blogs, eating at the restaurants, staying the weekend, sampling the nightlife, etc. because they feel that this is the only way to truly understand a place, its people and its potential.
- Review of City policies and initiatives with specific relevance to retail, including (but not limited to) the existing zoning and approvals process, redevelopment plans, and business assistance provision and resources.
- Survey and assessment of nearby competition. We will visit and assess other business districts and shopping centers in the vicinity that compete with Wheat Ridge for both customers and for tenants, including location, visibility/access, anchors, in-line occupancy/tenancy, core demographic/psycho-graphic, etc. We will strive to identify the niches that Wheat Ridge can serve in a regional marketplace that includes significant competition across the region.
- Creation of a trade area demographic/psychographic profile. Data will be retrieved from ESRI and our team will draw on MJB’s proprietary lifestyle segmentation scheme.
- Forecast the potential for future development of retail, office, and housing uses.

Based on the review of the Wheat Ridge market, interviews with focus groups and stakeholders, and survey and assessment data, MJB Consulting will develop a business retention/attraction strategy based on providing a mix of business types, with a focus on strategy for new employment, entertainment, and specialty retail to complement, support, and enhance the residential neighborhood focus of the NRS.

Project Timeline

	MAY	JUNE	JULY	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY
Scoping													
Contract													
Kickoff													
Phase 1													
Phase 2													
Phase 3													
Steering Committee													
Small Group Discussions													
Large Community Meetings													
Planning Commission													
City Council													
Technical Advisory Committee													
Analysis Complete													
Values and Principles Complete													
Preliminary Strategy (DRAFT)													
Refined Strategy													
FINAL Strategy													

Project Budget

	czb Personnel					
	Eric Ameigh	Thomas Eddington	Peter Lombardi	Charles Buki	Karen Pooley	Brenda Stynes
ROLE	<i>Management and Engagement</i>	<i>Project Lead and Engagement</i>	<i>Planning</i>	<i>Strategy</i>	<i>Analysis</i>	<i>Communications</i>
Analysis	80	60	80	40	96	
Engagement	100	200	80	80		
Strategy	80	80	80	40		80
Total Hours	260	340	240	160	96	80
Hourly Rate	\$135	\$135	\$135	\$175	\$135	\$65
Fees	\$35,100	\$45,900	\$32,400	\$28,000	\$12,960	\$5,200
Trips	15	7	4	3	0	0
Cost per Trip	\$50	\$1,500	\$2,000	\$1,500	\$0	\$0
Expenses	\$750	\$10,500	\$8,000	\$4,500	\$0	\$0
SUBTOTAL	\$35,850	\$56,400	\$40,400	\$32,500	\$12,960	\$5,200
Project Total	\$183,310					
Optional Retail Analysis	\$30,000					
Total with Retail Analysis	\$213,310					