

STUDY SESSION AGENDA

CITY COUNCIL CITY OF WHEAT RIDGE, COLORADO

7500 W. 29th Ave.
Wheat Ridge CO

October 15, 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. Bulk Plane Regulations in all Residential Districts
2. 38th and Johnson Park Property Sale
3. Procedure for Appointment of Elected Officials
4. Staff Report(s)
5. Elected Officials' Report(s)

ADJOURNMENT



Memorandum

TO: Mayor and City Council

FROM: Kenneth Johnstone, Director of Community Development

THROUGH: Patrick Goff, City Manager

DATE: October 5, 2018 (for October 15 City Council Study Session)

SUBJECT: Residential Bulk Plane Applied Citywide

ISSUE:

City staff began researching the topic of residential bulk plane and residential building heights early in 2016. This research was initiated, in part, based on feedback the City was receiving in regards to recent infill residential development, in particular on the City's east side. Historically, the city has regulated residential development based on setbacks from property lines, maximum building coverage and maximum building heights, but has not utilized the concept of "bulk/plane". The intent of that research was to benchmark the City's residential development standards relative to surrounding jurisdictions and advise Council of those results and of possible options for additional residential development standards.

After discussion at several City Council study sessions over the course of the summer and fall of 2016, City Council ultimately adopted residential bulk plane regulations that apply in the R-1C zone and district, which is a small lot single family zoning district, most prevalent on the City's east side. The bulk plane regulations were also adopted to be applicable on single family homes zoned R-3, which are also fairly common on the City's east side. Those regulations went into effect in November 2016.

Councilmembers Hoppe and Pond requested that a discussion item be included on a study session agenda to review the possibility of applying the R-1C bulk plane regulations in all residential zoning districts citywide.

BACKGROUND AND PRIOR ACTIONS:

At a July 18, 2016 study session, staff brought forward the results of initial research and after discussion, City Council provided consensus to move forward drafting regulations regarding residential bulk plane standards. It was noted during that meeting that looking at bigger issues related to building heights and residential development standards on a citywide level could also be pursued, but that such a review would be a secondary priority to drafting bulk plane regulations, which could be crafted more quickly and were of higher priority.

On August 22, 2016, City Council approved an emergency ordinance (effective for 90 days) that implemented a 45-degree bulk plane restriction, measured at a height of 15 feet above grade. These bulk plane regulations were applied in the R-1C zone district, which predominantly is located on the City's east side, where residential lots are generally smaller and more narrow.

At the October 3, 2016 City Council study session, residential bulk plane regulations were again discussed with City Council, with the intent of drafting permanent bulk plane standards to replace the temporary ordinance. At that time, staff recommended applying the bulk plane ordinance to all residentially zoned property in the City. The rationale for that recommendation was that on larger lots (generally on the western side of town), it would have less of an impact on property rights and the developability of properties; however, on lots where there might be a non-conforming structure, located in close proximity to a property line, it would restrict the ability to add a multi-story addition, which might otherwise have a negative impact on an adjacent property.

City Council's direction at that time was to pursue an ordinance that would only be applicable on R-1C and R-3 zoned properties with single-family homes. These properties are predominantly located on the City's east side.

Residential bulk plane was discussed a second time on October 17, 2016, for staff to receive further direction on some of the details of the draft regulations, such as the ability to apply for variances and the applicability of the regulations on sloped lots.

Planning Commission conducted a public hearing on October 20, 2016. City Council held a first reading on an ordinance on October 24, where it failed by a vote of 3-4. Subsequently, a special City Council meeting was called for on November 21, 2016, where an emergency ordinance was approved by a vote of 7-1.

Throughout the various study sessions and public hearings noted above, numerous members of the public spoke on the topic of residential bulk plane as well as the related topic of residential building heights. Some citizens argued for stricter bulk plane standards as well as consideration of further limitations on residential building heights. Ultimately, City Council decided not to take any action further restricting residential building heights, which would be a more restrictive approach than the adoption of bulk plane standards. Bulk plane restrictions also place greater limits on building heights but only on a portion of the perimeter of a residential lot.

At the October 23, 2017 City Council meeting, Council directed that City Staff create a web-based survey tool on the topic of residential bulk plane and building heights. City Council members provided draft questions and staff refined and augmented those questions into a Survey Monkey tool available through the City's web site. Notice of the survey was provided via the City's Facebook page, the City's website and City Council was notified of the survey and provided a web-link to be able to notify constituents.

Staff presented and City Council discussed the results of that survey at a November 17, 2017 study session. Generally, those results (albeit a non-scientific survey) can be summarized as follows:

- 286 people started the survey, and of those 233 fully completed the survey
- 64% of respondents supported or strongly supported implementing some form of bulk plane regulation
- 53% of respondents supported applying bulk plane throughout the City for one and two-

family dwellings (33% did not)

- Regarding residential building height, 50% did not support any reduction in maximum height (33% supported or strongly supported a reduction in maximum height)
- 84% did not support a prohibition against 2-story homes
- 42% supported a prohibition of 3-story homes (38% opposed and 20% responded “maybe”)
- Demographically, the largest percentage of respondents were from Council District I and the least amount from District IV
- The median age of respondents was approximately 52
- The median tenure of residency in Wheat Ridge was approximately 15 years

After discussion, Council’s consensus was to place questions regarding residential building height and bulk plane in the 2018 Resident Survey.

The Resident Survey, which is a statistically valid survey conducted by the National Research Center, asked several questions regarding residential building heights and residential bulk plane. Generally, those results can be summarized as follows:

- In regard to residential bulk plane, 50% supported the concept generally (13% opposed and 37% were neutral or not sure)
- 53% supported expanding the applicability of residential bulk plane to other parts of the City (16% opposed and 43% were neutral or not sure)
- Regarding building height, 54% were not in favor of further limiting residential building height for “new infill development in established neighborhoods” (23% supported further limitations and 23% were not sure)

As one further point of reference, in August 2018, staff updated research of surrounding jurisdictions in regard to building height and bulk plane. Those results are summarized below:

- Wheat Ridge is generally in line with surrounding municipalities in regard to maximum building height – Lakewood and Arvada, like Wheat Ridge are at 35 feet; Denver and Mountain Views are at 30 feet and Edgewater in the past several years reduced their maximum from 35 feet to 25/28 feet
- Wheat Ridge is somewhat unique in that the City measures height to mid-point on a peaked roof, while the norm is to measure to the peak of the roof
- Wheat Ridge, Denver and Edgewater are the only surrounding jurisdictions that utilize the bulk plane tool; however, Lakewood is considering it
- No jurisdictions are actively amending their code in regards to bulk plane; though, as noted, Lakewood, Arvada and Denver are all in the preliminary stages of discussing possible code amendments

REQUEST FOR COUNCIL DIRECTION:

It is certainly an option to apply the concept of residential bulk plane on a broader basis throughout the City or in certain zone districts beyond R-1C. For larger single-family and duplex lots, bulk plane would generally have less of an impact on the extent of the developability of said lots. As discussed previously, the one exception to that statement would be for larger lots that

might have a non-conforming structure located relatively close to a property line, applying the bulk plane may restrict the ability to add a multi-story addition, which might otherwise have a negative impact on an adjacent property.

Staff requests City Council direction whether to apply the City's residential bulk plane regulations as contained in Code section 26-642 more broadly in the City, and if so under which of the following options:

- Apply 26-642 to all SF homes and duplexes throughout the City, regardless of zoning
- Apply 26-642 to an expanded list of (but not all) residential zone districts
- Apply 26-642 to certain geographic boundaries of the City through a tool known as a zoning overlay
- 26-642, as currently adopted applies only to SF homes (R1-C does not allow duplexes). If Council's direction is to apply bulk plane more broadly, would Council want to include applicability to duplexes?

ATTACHMENTS:

1. Code section 26-642
2. Wheat Ridge Zoning Map

Sec. 26-642. - Bulk plane.

- A. *Bulk plane.* In addition to the height and setback standards of article II, building envelopes are regulated by a three-dimensional bulk plane for the purpose of preserving neighborhood compatibility, privacy, and the adequate supply of light and air.
1. *Applicability.* The bulk plane restrictions of this section shall apply to all structures on a lot for which a building permit is applied for after the effective date of Ordinance No. 1613, Series 2016. The entirety of any building envelope shall be contained within the bulk plane, unless otherwise exempted by subsection 4.
 2. *Measurement of bulk plane.* The bulk plane is a plane that begins fifteen (15) feet above every property line of a lot or parcel, which then slopes at a forty-five (45) degree angle until it intersects the bulk plane from the opposite side of the lot or parcel. See figure 26-642.2. Maximum building heights set forth in article II, chapter 26 shall apply regardless of the height at which the two (2) opposite bulk planes intersect above the lot or parcel.
 3. *Measurement of base plane.* The base plane (see figure 26-642.1) shall be measured from the existing average grade of a lot or parcel. Average grade shall be calculated as the average of the elevations taken at the midpoints of each property line. See figure 26-642.2.
 4. *Exceptions.* Encroachments into the bulk plane shall be permitted as follows:
 - a. *Chimneys.*
 - b. *[Railings.]* Open-type railings compliant with adopted City Code.
 - c. *Architectural features.* Cornice, eaves, beltcourses, sills, canopies or other similar architectural features, including bay window, may extend or project into the bulk plane not more than thirty (30) inches.
 - d. *Mechanical equipment.* Vent pipes, solar panels, swamp coolers.
 - e. *[Dormers.]* Dormers measuring no more than eight (8) feet wide; six (6) feet tall, as measured from the lowest point of intersection between the roof and the dormer to the highest point of a flat roof or mean height level between eaves and ridge for a gable, hip, gambrel or other roof; and, occupying no more than fifty (50) percent of the roof.

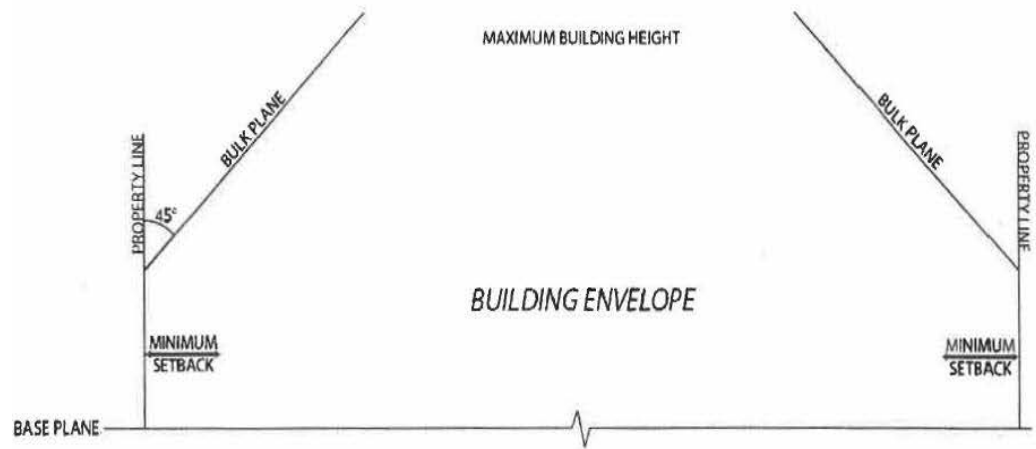


Figure 26-642.1. Section view of bulk plane building envelope, as measured from all property lines.

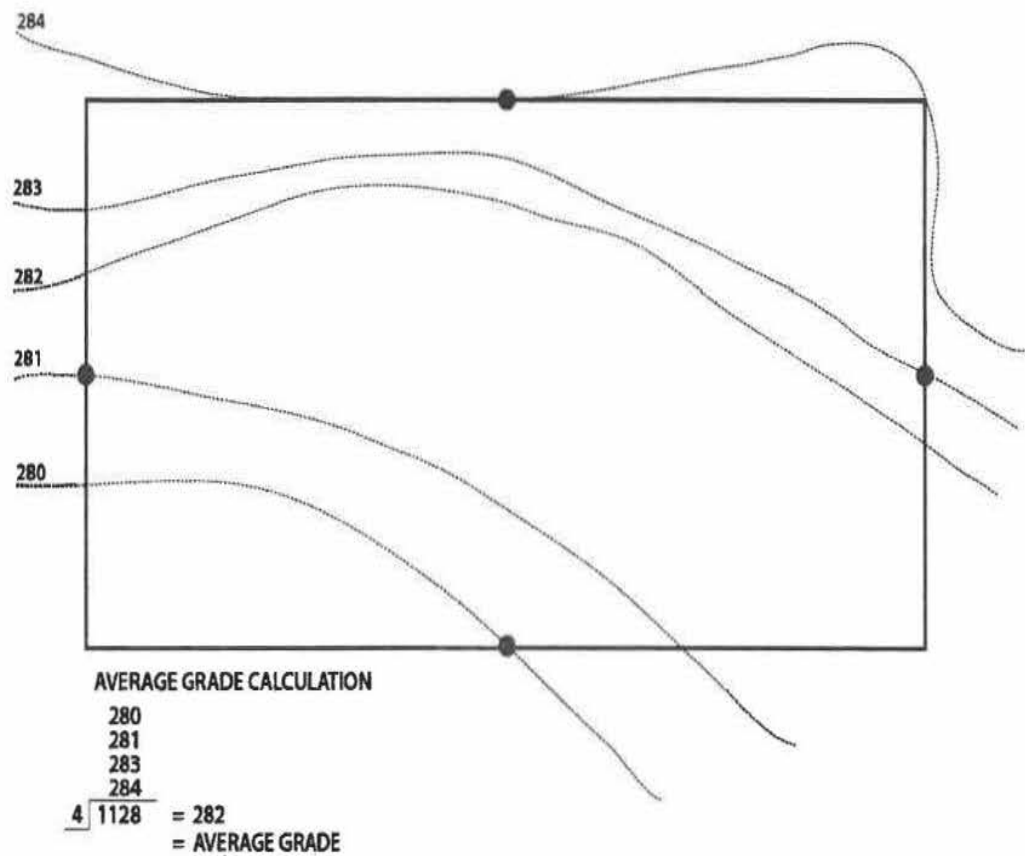


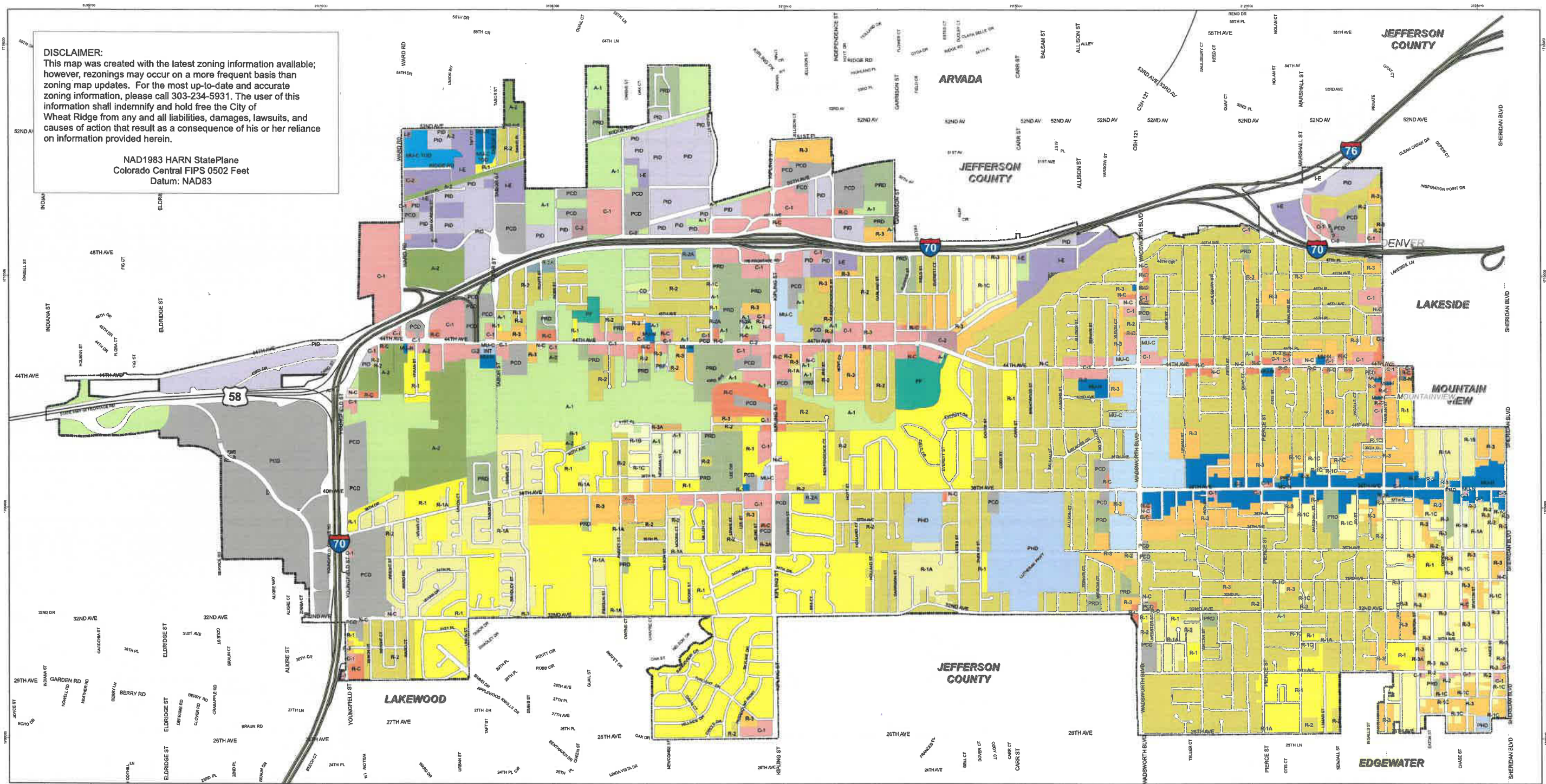
Figure 26-642.2. Average Grade Calculation.

(Ord. No. 1613, §§ 6—8, 11-21-16)

OFFICIAL ZONING MAP

DISCLAIMER:
This map was created with the latest zoning information available; however, rezonings may occur on a more frequent basis than zoning map updates. For the most up-to-date and accurate zoning information, please call 303-234-5931. The user of this information shall indemnify and hold free the City of Wheat Ridge from any and all liabilities, damages, lawsuits, and causes of action that result as a consequence of his or her reliance on information provided herein.

NAD1983 HARN StatePlane
Colorado Central FIPS 0502 Feet
Datum: NAD83



MU-C MU-Comm	R-1 Residential-1	R-2 Residential-2	PRD Planned Res Dev	R-C Restricted Comm	PBF Public Bldg & Facility	PID Planned Industrial Dev
MU-C INT*	R-1A Residential-1A	R-2A Residential-2A	A-1 Agricultural-1	C-1 Commercial-1	PF Public Facility	CD Conservation Dist
MU-C TOD**	R-1B Residential-1B	R-3 Residential-3	A-2 Agricultural-2	C-2 Commercial-2	PHD Planned Hospital Dev	City Limits
MU-N MU-Neigh	R-1C Residential-1C	R-3A Residential-3A	N-C Neighborhood Comm	PCD Planned Comm Dev	I-E Industrial - Employment	

1,200 600 0 1,200 2,400 Feet

MU-C INT* - Mixed Use - Commercial Interstate
MU-C TOD** - Mixed Use - Commercial Transit Oriented District



Memorandum

TO: Mayor and City Council

THROUGH: Patrick Goff, City Manager

FROM: Joyce Manwaring, Parks and Recreation Director

DATE: October 15, 2018

SUBJECT: Disposal of Park Property

ISSUE:

The City has the opportunity to sell the vacant parcel of park property located on the southwest corner of 38th Avenue and Johnson Street. This parcel was not originally developed as part of Discovery Park due to:

1. Maximizing efficient use of site to meet the goals of the Park Master Plan; and
2. The site's proximity to the Appleridge Café, currently located on the southeast corner of 38th Avenue and Kipling Street. (Aerial photo attached- Parcel labeled C2)

The City Charter requires a unanimous vote of city council to dispose of park property. The Wheat Ridge Charter addresses the disposal of park land in Section 16.5.

“The city shall not sell or dispose of municipally owned buildings or real property for a public purpose, without first obtaining the approval, by ordinance, of three-fourths of the entire council. Unanimous approval of the entire council, by ordinance, shall be necessary for sale or disposition of designated park land.”

PRIOR ACTION:

At the May 10, 2018 study session, this item was presented. City Council reached a consensus to continue to move forward on the disposal of the park property.

On May 10, 2010 City Council approved the sale of a portion of park property to the south of the Appleridge Café to address the issues with café site parking needs. At that time the following information was provided to Council as part of the Park Master Plan adoption action.

“The park master plan was designed to achieve a win-win situation with the existing restaurant business located on the corner. The plan identifies the northeast corner of the parkland as an area for future development. The restaurant property owner at this time does not wish to purchase the entire .85 acres. A lot will be platted for future sale when, and if, the restaurant property re-develops. This park parcel will remain vacant in the future to allow for future development, sale and or lot consolidation with the restaurant property.”

City Council approved a resolution to obtain an appraisal on the applicable portion of park property adjacent to the Appleridge Café on August 28, 2008. City Council approved the transfer of the reverter clause from this park parcel to the Baugh House property on September 28, 2009 as one of the required steps to allow for the future disposal of the park property.

BACKGROUND:

The Master Plan for the park was developed with the consideration that the corner parcel, when combined with the Appleridge Restaurant site provided opportunity for future commercial development. This action was viewed as a compromise in the community due to the commercial potential of the Kipling location of the park parcel.

Construction of the park was completed in 2010. The park meets the needs of the community through the amenities and facilities in the park. These include a skate park, a variety of play structures, a splash pad, picnic shelters, walking trails and athletic practice fields. There is adequate parking to support these activities. This portion of the site is not required to meet future park development.

FINANCIAL IMPACT:

An appraisal was completed on the property in March 2017 and has been updated. In March of 2017 the City and developer agreed on the 2017 appraised price as a basis for moving forward with the development of the property.

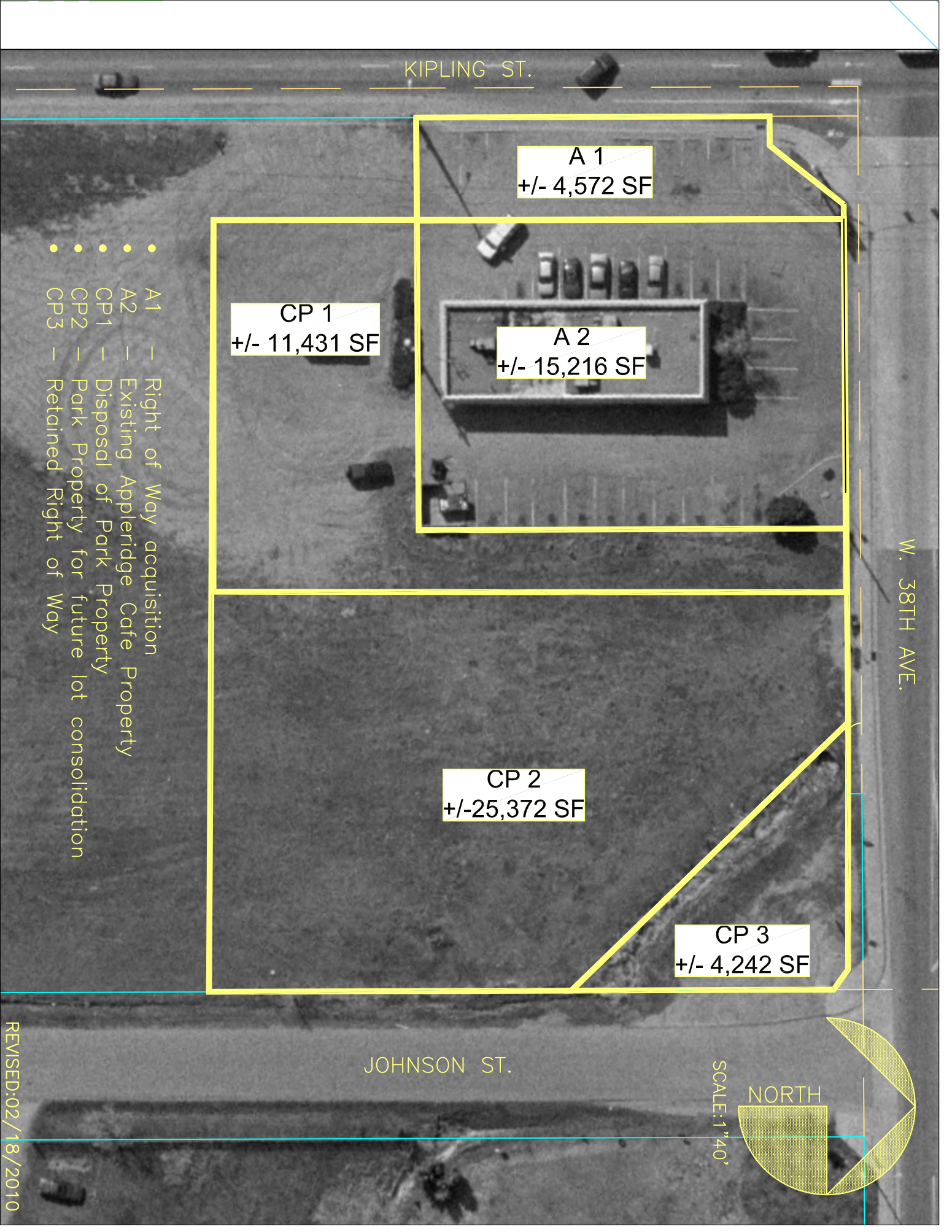
The parcel is .5 acres in size and the appraised price was \$600,000 in 2017. The updated appraisal information documents the value of the property at \$650,000. The land that is now Discovery Park, including this parcel was purchased with the City's attributable share of Open Space Funds and Jefferson County Bond Funds. Jefferson County Open Space does not have a financial interest in the property due to the removal of the reverter clause encumbrance on this portion of the park property. The original purchase price for the entire 8 acre site that is now Discovery Park, including the undeveloped area under discussion for sale, was \$1,245,500.

All proceeds from the sale of the property are required to be placed in the Open Space Fund 32 for park and recreation purposes due to the fact that open space funds were used to originally purchase the property. The funds from the sale of this park property would be used for construction of Phase II of Prospect Park Renovation. Phase I has been completed, Phase II is on hold due to the additional funding required for the Anderson Park Renovation that was originally slated for Phase II of the Prospect Park Renovation.

ATTACHMENTS:

1. Parcel Map
2. Ordinance

cc: Gerald Dahl, City Attorney



KIPLING ST.

A 1
+/- 4,572 SF

CP 1
+/- 11,431 SF

A 2
+/- 15,216 SF

CP 2
+/- 25,372 SF

CP 3
+/- 4,242 SF

W. 38TH AVE.

JOHNSON ST.

SCALE: 1" = 40'

NORTH

- A1 – Right of Way acquisition
- A2 – Existing Apperidge Cafe Property
- CP1 – Disposal of Park Property
- CP2 – Park Property for future lot consolidation
- CP3 – Retained Right of Way

REVISED: 02/18/2010

CITY OF WHEAT RIDGE, COLORADO
INTRODUCED BY COUNCIL MEMBER _____
Council Bill No. _____
Ordinance No. _____
Series 2018

TITLE: AN ORDINANCE APPROVING THE SALE OF DESIGNATED PARK LAND NEAR THE INTERSECTION OF WEST 38TH AVENUE AND JOHNSON STREET AND, IN CONNECTION THEREWITH, APPROVING AN AGREEMENT

WHEREAS, the City of Wheat Ridge, Colorado ("City") owns certain real property within the City near the intersection of West 38th Avenue and Johnson Street that is designated as park land; and

WHEREAS, a portion of said park land is adjacent to private property owned by, CVS Health Realty upon which a café business is currently located; and

WHEREAS, in 2008, the City approved a master park plan for said park property that included information regarding the reservation of this property for future consolidation with the adjacent private property; and

WHEREAS, in furtherance of both of these goals, the City and CVS Health Realty have negotiated an agreement under which the City sales the property to CVS Health Realty for the purpose of commercial development; and

WHEREAS, the property the City proposes to convey to CVS Health Realty is designated park land; and

WHEREAS, pursuant to the Wheat Ridge City Charter Section 16.5, the unanimous approval of the entire City Council, by ordinance, is necessary to sell or dispose of designated park land; and

WHEREAS, the City Council finds and determines that the sale of a portion of the park land located at West 38th Avenue and Johnson Street, under those terms and conditions set forth in the agreement concerning the same, does not impact the use or needs of the adjacent park; and

WHEREAS, the City Council therefore desires to approve the sale of said park property and, in connection therewith, to approve an agreement concerning the same.

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

Section 1. **Sale of Park Property Approved.** Pursuant to Charter Section 16.5, the City Council hereby approves the sale of certain City-owned property

designated as park land, more particularly described in **Exhibit 1**, attached hereto and incorporated herein by this reference.

Section 2. Agreement Approved. In connection with the sale of park land approved by Section 1 above, the City Council hereby approves the Agreement Concerning the Conveyance, The Mayor and City Clerk are hereby authorized and directed to execute the Agreement.

Section 3. Condition of Approval of Sale of Property. The sale of property approved by Section 1 above is expressly contingent upon the satisfaction of the condition precedent set forth in Section II.A. of the Agreement: subdivision of the property subject to sale in accordance with the Wheat Ridge Code of Laws. Should this condition precedent fail to occur, the approval set forth in Section 1 above shall never become effective.

Section 4. 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 5. Effective Date. This Ordinance shall take effect fifteen (15) days after final publication, as provided by Section 5.11 of the Charter.

INTRODUCED, READ, AND ADOPTED on first reading by the unanimous approval of the entire membership of the City Council 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 the unanimous approval of the entire membership of the City Council this ____ day of _____, 2018.

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

William "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:

EXHIBIT 1

THE CITY PARCEL

LEGAL DESCRIPTION:

THE POINT OF COMMENCEMENT IS THE NW CORNER OF SECTION 27, T3S, R69W, 6TH PM;

Thence N89°39'35"E on and along the North line of said section 27, a distance of 199.00 feet;

Thence S00°12'38"E parallel with the West line of said section 27, a distance of 35.00 feet; to the South ROW line of W. 38th Ave. and the TRUE POINT OF BEGINNING;

Thence continuing southerly parallel with the West line of said section 27, a distance of 214.63 feet

Thence S89°39'35"W parallel with the North line of said section 27, a distance of 124.00 feet;

Thence N00°12'38"W parallel with the West line of said section 27, a distance of 70.00 feet;

Thence N89°39'35"E parallel with the North line of said section 27, a distance of 105.00 feet;

Thence N00°12'38"W parallel with the West line of said section 27, a distance of 144.92 feet to the South ROW line of W. 38th Ave.;

Thence S89°29'38"E on and along the South ROW line of W. 38th Ave., a distance of 19.00 feet; to the TRUE POINT OF BEGINNING.

Containing 11,430.78 square feet or 0.2624 acres, more or less.

NOTE:

All bearings are relative to one another and are based on the bearing of the NORTH line of the NW 1/4 of said Section 27 being N 89°39'35" E. Bearings shown hereon are based on the *CURRENT CITY DATUM*, a Ground-Based modified form of the NAD83/92 State Plane Coordinate System.

EXHIBIT 2

AGREEMENT CONCERNING THE CONVEYANCE, IMPROVEMENT AND DEVELOPMENT OF PROPERTIES ADJACENT TO W. 38TH AVENUE AND KIPLING STREET

This Agreement concerning the conveyance, improvement and development of properties adjacent to West 38th Avenue and Kipling Street (the "Agreement") is made and entered into as of the ____ day of _____, 2010, by and between the City of Wheat Ridge, a Colorado home rule municipal corporation, whose address is 7500 W. 29th Avenue, Wheat Ridge, Colorado 80033 (the "City") and John Athanasopoulos, an individual whose address is 22 Morningside Drive, Wheat Ridge, Colorado 80215 (the "Owner"), collectively hereinafter the "Parties."

WHEREAS, the Owner owns certain real property abutting the east side of Kipling Street, immediately south of the intersection of Kipling Street and W. 38th Avenue, more particularly described on **Exhibit A** (the "Kipling Parcel"); and

WHEREAS, the Owner also owns certain real property adjacent to the Kipling Parcel, more particularly described on **Exhibit B**, upon which the business known as the Apple Ridge Café is located (the "Café Property"); and

WHEREAS, the City owns a parcel of real property located to the southeast of the Café Property, which has been used with the City's consent for Café Property parking and trash storage and is more particularly described in **Exhibit C** (the "City Parcel"); and

WHEREAS, the Owner wishes to convey the Kipling Parcel to the City in exchange for certain improvements which the City agrees to make to the City Parcel and the Café Property to better the Owner's use of the Café Property and the City Parcel for parking, storage, and other uses incidental to the primary use of the Café Property; and

WHEREAS, the City desires to sell, and Owner desires to purchase, the City Parcel, which is more particularly described in Exhibit C; and

WHEREAS, the Parties therefore wish to convey certain interests in their respective properties to each other with those reservations and upon those terms and conditions as more specifically set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants, promises and consideration set forth herein, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

I. THE KIPLING PARCEL

A. The Parties recognize that all parcels proposed to be conveyed pursuant to this Agreement must first be properly subdivided in accordance with the laws of the City of Wheat Ridge. The parties agree to cooperatively pursue such subdivision. Within thirty (30) days of the date a final plat containing the Kipling Parcel is recorded in the office of the Jefferson County Clerk and Recorder, pursuant to Section 26-407.B.6. of the Wheat Ridge Code of Laws, as existing or hereafter amended, the City shall commence the Purchase Process, as defined and further described by Article V of this Agreement, for the Kipling Parcel. If the Kipling Parcel is conveyed to the City, it shall be conveyed by a deed in substantially the same form as attached hereto as **Exhibit D**.

B. As sole consideration of Owner's conveyance of the Kipling Parcel, the City shall make certain improvements to the City Parcel and the Café Property in furtherance of Owner's use of the Café Property as a restaurant, such as parking and signage. The City's improvements to the City Parcel shall include the grading and paving of parking surface areas and the relocation of the existing free-standing Apple Ridge Café sign, as illustrated on **Exhibit F** to this Agreement (the "Improvements"). The cost of the Improvements shall not exceed ONE HUNDRED THREE THOUSAND DOLLARS (\$103,000.00). The Parties agree that the City shall have no obligation to commence or complete any of the Improvements if and when the City's cumulative expenditures toward the Improvements total the maximum amount provided above.

C. The City's obligation to construct the Improvements is contingent upon transfer of title to the Kipling Parcel to the City at Closing. The City shall commence construction of the Improvements within 240 business days of a successful Closing.

II. THE CITY PARCEL

A. The Parties recognize that all parcels proposed to be conveyed pursuant to this Agreement must first be properly subdivided in accordance with the laws of the City of Wheat Ridge. The parties agree to cooperatively pursue such subdivision. Within thirty (30) days of the date a final plat containing the City Parcel is recorded in the office of the Jefferson County Clerk and Recorder, pursuant to Section 26-407.B.6. of the Wheat Ridge Code of Laws, as existing or hereafter amended, Owner shall commence the Purchase Process, as defined and further described by Article V of this Agreement, for the City Parcel. If the City Parcel is conveyed to the Owner, it shall be conveyed by a deed in substantially the same form as attached hereto as **Exhibit G**.

B. As sole consideration for the estate conveyed by the deed described in Section II.A., Owner shall pay the City the sum of ONE HUNDRED TEN THOUSAND ONE HUNDRED NINETY-SEVEN AND 60/100 DOLLARS (\$110,197.60). Owner's obligation to pay this amount is contingent upon transfer of title to the City Parcel to Owner at Closing.

ARTICLES III AND IV INTENTIONALLY OMITTED

V. PURCHASE PROCESS

A. This Article shall govern the purchase process for any parcel conveyed pursuant to this Agreement (the "Subject Property"), which process shall be known as the "Purchase Process" for each such individual parcel.

B. The Party responsible for commencing the Purchase Process (the buying Party) shall do so by providing written notice of its intent to commence the Purchase Process to the selling Party as of a date certain, no earlier than the date of such notice.

C. On or before ten (10) days following commencement of the Purchase Process, the selling Party shall cause to be furnished to the buying Party, at the selling Party's expense, a current commitment for owner's title insurance policy (Title Commitment) in an amount equal to the purchase price of the Subject Property. At the selling Party's expense, the selling Party shall cause the title insurance policy to be issued and delivered to the buying Party as soon as practicable at or after Closing if Closing occurs pursuant to subsection N below. The Title Commitment shall commit to delete or insure over the standard exceptions which relate to:

1. Parties in possession not shown by public records, including the Form 100 endorsement for the same;
2. Unrecorded easements;
3. Survey matters;
4. Any unrecorded mechanic's liens;
5. Gap period (effective date of commitment to date deed is recorded); and
6. Unpaid taxes, assessments and unredeemed tax sales prior to the year of Closing.

Any additional premium expense to obtain this additional coverage shall be paid by the selling Party.

D. On or before ten (10) days following commencement of the Purchase Process, the selling Party shall cause the buying Party (and the issuer of the title insurance commitment) to receive a current survey of the Subject Property (the "Survey").

E. On or before ten (10) days following commencement of the Purchase Process, the selling Party, at its own expense, shall furnish to the buying Party: (1) a copy of any plats, declarations, covenants, conditions and restrictions burdening the Subject Property, and (2) copies of any other documents listed in the Title Commitment schedule of exceptions. The Title Commitment, together with any documents identified in this subsection as well as the Survey, constitute the Title Documents.

F. The buying Party shall have the right to inspect the Title Documents. Written notice by the buying Party of un-merchantability of title, form or content of the Title Documents or of any unsatisfactory title condition shown by the Title Documents shall be signed by or on behalf of the buying Party and delivered to the selling Party on or before ten (10) days following receipt by the buying Party of the Title Documents or

within five (5) days after receipt by the buying Party of any change to the Title Documents or endorsement to the Title Commitment (whichever is later), together with a copy of the document adding any new exception to title. If the selling Party does not receive the buying Party's notice by ten (10) days following the buying Party's receipt of the last to be received of the Title Documents, the buying Party accepts the condition of title as disclosed by the Title Documents as satisfactory.

G. The selling Party shall deliver to the buying Party, on or before ten (10) days following commencement of the Purchase Process, true copies of any matters not shown by public records and of which the selling Party is in possession, including but not limited to, all leases and surveys pertaining to the Subject Property and shall disclose to the buying Party all easements, liens, or other title matters not shown by public records of which the selling Party is aware. The buying Party shall have the right to inspect the Subject Property to investigate if any third party has any right in the Subject Property not shown by the public records (such as unrecorded easement, unrecorded lease, or boundary line discrepancy). Written notice of objection to any unsatisfactory condition disclosed by the selling Party or revealed by such inspection shall be given to the selling Party on or before ten (10) days following receipt by the buying Party of the selling Party's disclosure or completion by the buying Party of the inspection contemplated above. If the selling Party does not receive any such notice by said date, the buying Party accepts title subject to such rights, if any, of third parties of which the buying Party has actual knowledge.

H. The buying Party shall have the right to inspect the Survey. If written notice by or on behalf of the buying Party of any unsatisfactory condition shown by the Survey, notwithstanding subsection F. above, is received by the selling Party on or before ten (10) days following receipt by the buying Party of the Survey, then such objection shall be deemed an unsatisfactory title condition. If the selling Party does not receive the buying Party's notice on or before ten (10) days following receipt by the buying Party of the Survey, the buying Party accepts the Survey as satisfactory.

I. On or before ten (10) days following commencement of the Purchase Process, the selling Party agrees to deliver to the buying Party the most current version of the selling Party's Property Disclosure form completed to the best of the selling Party's actual knowledge, current as of that date.

J. On or before ten (10) days following commencement of the Purchase Process, the selling Party shall initiate at its cost a Phase I environmental assessment of the Subject Property and shall deliver the same to the buying Party as soon thereafter as is reasonably practicable. The buying Party shall also have the right to inspect the Subject Property. If the condition of the Subject Property as documented by the assessment is unsatisfactory in the buying Party's subjective discretion, the buying Party shall on or before ten (10) days following receipt by the buying Party of the Phase I environmental assessment of the Subject Property, deliver to the selling Party a written description of any unsatisfactory physical condition which the buying Party requires the selling Party to correct (Notice to Correct). If written notice is not received by the selling

Party on or before ten (10) days following receipt by the buying Party of the Phase I environmental assessment of the Subject Property, the physical condition of the Subject Property shall be deemed to be satisfactory to the buying Party. If a Notice to Correct is received by the selling Party and if both Parties have not agreed in writing to a settlement thereof on or before ten (10) days following receipt by the selling Party of the buying Party's Notice to Correct, this Agreement shall terminate unless before such termination the selling Party receives the buying Party's written withdrawal of Notice to Correct. This paragraph shall not apply to the City Parcel because a Phase I environmental assessment has been performed on these properties and is currently available to all interested parties.

K. Other than the environmental assessment required by subsection J above, the buying Party is responsible for payment of all inspection, tests, surveys, engineering reports, or for any other work performed at the buying Party's request and shall pay for any damage which occurs to the Subject Property and inclusions as a result of such activities. The buying Party shall not permit claims or liens of any kind against the Subject Property for inspections, tests, surveys, engineering reports or any other work performed on the Subject Property at the buying Party's request. Within the limitations imposed by the Colorado Constitution and Revised Statutes, the buying Party agrees to indemnify, protect and hold the selling Party harmless from and against any liability, damage, cost or expenses incurred by the selling Party to enforce this subsection, including the selling Party's reasonable attorney fees. The provisions of this subsection shall survive the termination of this Agreement.

L. The buying Party's right to object shall include those matters listed in subsections C, D, E, G, I and J. If the selling Party receives notice of un-merchantability of title or any other unsatisfactory title condition or commitment terms as provided above, the selling Party shall use reasonable efforts to correct said items and bear any nominal expense to correct the same within ten (10) days of receiving notice thereof. If such unsatisfactory title condition is not corrected to the buying Party's satisfaction or waived by the buying Party within said ten (10) period, this Agreement shall terminate and the buying Party shall have no obligation to purchase the Subject Property nor shall the buying Party be compelled to purchase the same pursuant to Section VI.A.

M. All amounts paid by the buying Party at Closing, including cash at Closing, plus the buying Party's share of the closing costs, shall be in funds which comply with all applicable Colorado laws, which include cash, electronic funds, certified check, savings and loan tellers check and cashiers check (Good Funds).

N. Delivery of the deed for the Subject Property, in the form required by this Agreement, shall be at Closing. Closing shall be fifteen (15) days after the expiration of all notice and cure periods contemplated by this Agreement (the Closing Date), or by mutual agreement at an earlier or later date. The hour and place of Closing shall be designated by mutual agreement.

O. Subject to payment of the purchase price at Closing as required herein, and compliance by the buying Party with the other terms and provisions hereof, the selling Party shall execute and deliver a deed to the buying Party, in the form required by this Agreement for the particular parcel. Except as provided herein, title shall be conveyed free and clear of all liens, including any governmental liens for special improvements installed as of the date of Closing, whether assessed or not. Title shall be conveyed subject to:

1. Those exceptions described by reference to recorded documents as reflected in the Title Documents accepted by the buying Party in accordance with subsection F. above;
2. Distribution utility easements; and
3. Those specifically described rights of third parties not shown by the public records of which the buying Party has actual knowledge and which were accepted by the buying Party in accordance with subsection G above, those exceptions disclosed by the Survey and which were accepted by the buying Party in accordance with subsection H, and those physical conditions accepted by the buying Party in accordance with subsection J.

P. Any encumbrance required to be paid shall be paid by the selling Party at or before Closing. All encumbrances, of whatever kind or nature, created or imposed upon the Subject Property during the period of the selling Party's ownership of the same shall be paid or removed by the selling Party, as appropriate, and compliance with this requirement is a condition to the buying Party's obligation to close and purchase the Subject Property.

Q. The Parties shall pay in Good Funds, their respective Closing costs and all other items required to be paid at Closing, except as otherwise provided herein. The Parties shall sign and complete all customary or reasonably required documents at or before Closing. Fees for real estate closing services shall be paid at Closing as one-half by the buying Party and one-half by the selling Party.

R. The following shall be prorated to the Closing Date except as otherwise provided:

1. Personal property taxes, if any, and general real estate taxes for the year of Closing, based on the most recent mill levy and most recent assessment.
2. Any rents due for the month of Closing. Security deposits held by the selling Party shall be credited to the buying Party.
3. Any charges for utilities provided for the month of Closing.
4. Unless otherwise agreed in writing, these prorations shall be final.

S. Possession of the Subject Property shall be delivered to the buying Party on the Closing Date. If the selling Party fails to deliver possession as specified, the selling Party shall be subject to eviction and shall be additionally liable to the selling Party for

payment of \$1500 per day (or any part of a day) from the Closing Date until possession is delivered.

T. The selling Party represents and agrees that (1) as of the execution hereof, there are no other contract purchasers of the Subject Property or holders of rights of refusal to buy the Subject Property, holding or having such rights by or through the selling Party, and (2) on and after its execution hereof, the selling Party shall not enter into any contract with any other party for purchase of the Subject Property, or granting any option or right of refusal to buy the subject property, from the date of this Agreement continuously until and while the Purchase Process for the Subject Property is in effect or until the option period expires for those parcels described in Articles III and IV of this Agreement. The Parties intend that this Agreement is exclusive with respect to the buying Party's right to purchase the Subject Properties described herein.

U. For purposes of this Article V, any item required to be provided to a party shall be delivered to such party at the address designated by Section VI.F. below, and shall be deemed received by the party on either: (a) the date of personal delivery of the item, or (b) the 3rd day after the item is deposited in the United States Mail, first class, postage pre-paid, excluding legal holidays and Sundays.

VI. MISCELLANEOUS PROVISIONS

A. Breach; Remedies. The failure of either Party to perform any act required under this Agreement, including but not limited to the conveyance of property pursuant to the valid exercise of an option granted hereunder, shall constitute a breach of this Agreement. A non-breaching Party agrees to give written notice of such breach to the other Party, together with notice that the breaching Party may cure the same within ten (10) days of the date of the notice, to prevent further enforcement action by the non-breaching Party. Each Party agrees to act in good faith to remedy any asserted breach within the ten (10) day cure period. In the event that any breach is not remedied after written notice and the expiration of the cure period, the non-breaching Party shall have the right of specific performance against the breaching Party. In no event shall any Party be entitled to claim or recover damages in any form, including actual, punitive, exemplary, consequential or economic, including lost profits.

B. Governing Law and Venue. This Agreement shall be governed by the laws of the State of Colorado, and any legal action concerning the provisions hereof shall be brought in the District Court for Jefferson County, Colorado.

C. No Waiver. Delays in enforcement or the waiver of any one or more defaults or breaches of this Agreement by either Party shall not constitute a waiver of any of the other terms or obligation of this Agreement.

D. Integration. This Agreement and any attached exhibits constitute the entire Agreement between Owner and the City, superseding all prior oral or written communications.

E. Third Parties. There are no third-party beneficiaries to this Agreement.

F. Notice. Any notice under this Agreement shall be in writing, and shall be deemed sufficient when directly presented or sent pre-paid, first class United States Mail, addressed as follows:

To the City: ATTN: _____
City of Wheat Ridge
7500 W. 29th Avenue
Wheat Ridge, Colorado 80033

To the Owner: John Athanasopoulos
22 Morningside Drive
Wheat Ridge, Colorado 80215

G. Binding Effect. This Agreement shall be a covenant running with each of the properties identified herein, shall be recorded in the office of the Jefferson County Clerk and Recorder and shall be binding upon and inure to the benefit of the Parties hereto and their respective personal representatives, heirs, successors and assigns.

H. Severability. If any provision of this Agreement is found by a court of competent jurisdiction to be unlawful or unenforceable for any reason, the remaining provisions hereof shall remain in full force and effect.

I. Modification. This Agreement may only be modified upon written agreement of the parties.

J. Assignment. Neither this Agreement nor any of the rights or obligations of the parties hereto, shall be assigned by either party without the written consent of the other.

IN WITNESS WHEREOF, the City and the Owner have executed this instrument the day and year first above appearing.

CITY OF WHEAT RIDGE, COLORADO

Jerry DiTullio, Mayor

ATTEST:

Michael Snow, City Clerk

OWNER

John Athanasopoulos

STATE OF COLORADO

)

)

SS.

County of _____

)

The foregoing instrument was acknowledged before me this ____ day of _____, 2010, by John Athanasopoulos.

Witness my hand and official seal.

My Commission expires: _____

Notary Public

EXHIBIT A

Kipling Parcel

LEGAL DESCRIPTION

A Parcel of land in the NW ¼ of Section 27, T3S, R69W of the 6th PM, described as:

Commencing at the NW corner of Section 27, T3S, R69W of the 6th PM:

Thence S.00°12'38"E. on and along the West line of said section a distance of 179.92 feet; thence N.89°39'35"E. a distance of 40.00 feet to a point lying on the east Right-of-Way line of Kipling Street, the south Right-of-Way line of W. 38th Ave., the southwesterly corner of the *Parcel* of land described at Reception Number 85033477, as recorded in the official records of the County of Jefferson, State of Colorado, and being the TRUE POINT OF BEGINNING;

Thence on a bearing of N.00°12'38"W. on and along the east Right-of-Way line of Kipling Street and parallel to the west line of the NW ¼ of Section 27, a distance of 119.92 feet to the south Right-of-Way line of W. 38th Ave.;

Thence N.89°39'35"E, on and along said south Right-of-Way line and parallel to the north line of the NW ¼ of said Section 27, a distance of 10.00 feet;

Thence N.38°23'57"E., on and along said south Right-of-Way line a distance of 32.05 feet;

Thence N.89°39'35"E., on and along said south Right-of-Way line and parallel to the north line of the NW ¼ of said Section 27, a distance of 5.00 feet;

Thence S.00°12'38"E., a distance of 144.92 feet;

Thence N.89°39'35"E., on and along the southerly property line of said *Parcel* described at Reception #85033477, a distance of 35.00 feet to the TRUE POINT OF BEGINNING.

Said Parcel contains 4,572 square feet or 0.1050 acres, more or less.

Basis of Bearings:

All bearings are relative to one another and are based on the bearing of the west line of the NW ¼, Section 27, being S.00°12'38"E. The bearings shown hereon are based on the *CURRENT CITY DATUM*, a ground-based modified form of the NAD83/92 State Plane Coordinate System, Central Zone 0502.

EXHIBIT B

CAFÉ PARCEL

LEGAL DESCRIPTION

THE POINT OF COMMENCEMENT IS THE NW CORNER OF SECTION 27, T3S, R69W, 6TH PM;

Thence N89°39'35"E on and along the North line of said Section 27, a distance of 180.00 feet;

Thence S00°12'38"E parallel with the West line of said section 27, a distance of 35.00 feet; to the South ROW line of W. 38th Ave. and the TRUE POINT OF BEGINNING;

Thence continuing S00°12'38"E and parallel with the West line of said section 27, a distance of 144.92 feet

Thence S89°39'35"W parallel with the North line of said section 27, a distance of 105.00 feet ;

Thence N00°12'38"W parallel with the West line of said section 27, a distance of 144.92 feet to the South ROW line of W. 38th Ave.;

Thence N89°39'35"E on and along the South ROW line of W. 38th Ave. parallel with the North line of said section 27, a distance of 105.00 feet; to the TRUE POINT OF BEGINNING.

Containing 15,216.56 square feet or 0.3493 acres, more or less.

NOTE:

All bearings are relative to one another and are based on the bearing of the NORTH line of the NW 1/4 of said Section 27 being N 89°39'35" E. Bearings shown hereon are based on the *CURRENT CITY DATUM*, a Ground-Based modified form of the NAD83/92 State Plane Coordinate System.

EXHIBIT C

The City Parcel

LEGAL DESCRIPTION

THE POINT OF COMMENCEMENT IS THE NW CORNER OF SECTION 27, T3S, R69W, 6TH PM;

Thence N89°39'35"E on and along the North line of said section 27, a distance of 199.00 feet;

Thence S00°12'38"E parallel with the West line of said section 27, a distance of 35.00 feet; to the South ROW line of W. 38th Ave. and the TRUE POINT OF BEGINNING;

Thence continuing southerly parallel with the West line of said section 27, a distance of 214.63 feet

Thence S89°39'35"W parallel with the North line of said section 27, a distance of 124.00 feet;

Thence N00°12'38"W parallel with the West line of said section 27, a distance of 70.00 feet;

Thence N89°39'35"E parallel with the North line of said section 27, a distance of 105.00 feet;

Thence N00°12'38"W parallel with the West line of said section 27, a distance of 144.92 feet to the South ROW line of W. 38th Ave.;

Thence S89°29'38"E on and along the South ROW line of W. 38th Ave., a distance of 19.00 feet; to the TRUE POINT OF BEGINNING.

Containing 11,430.78 square feet or 0.2624 acres, more or less.

NOTE:

All bearings are relative to one another and are based on the bearing of the NORTH line of the NW 1/4 of said Section 27 being N 89°39'35" E. Bearings shown hereon are based on the *CURRENT CITY DATUM*, a Ground-Based modified form of the NAD83/92 State Plane Coordinate System.

EXHIBIT D

GENERAL WARRANTY DEED [KIPLING PARCEL]

THIS DEED is made this ____ day of _____, 2010, between JOHN ATHANASOPOULOS ("Grantor") and THE CITY OF WHEAT RIDGE, COLORADO, a Colorado home rule municipal corporation ("Grantee"). Collectively, Grantor and Grantee may be referred to as the "Parties."

WITNESSETH, that Grantor for and in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, the delivery, receipt and sufficiency of which are hereby acknowledged, has granted, bargained, sold and conveyed, and by these presents does grant, bargain, sell, convey and confirm, unto Grantee, its successors and assigns forever, the real property, together with improvements, if any, situate in the County of Jefferson, State of Colorado, more particularly described on Exhibit A, attached hereto and fully incorporated herein by this reference (the "Property").

TOGETHER with all and singular the hereditaments and appurtenances thereto belonging, or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof, and all the estate, right, title, interest, claim, and demand whatsoever of Grantor, either in law or equity, of, in and to the Property with the hereditaments and appurtenances.

TO HAVE AND TO HOLD the Property above bargained and described with the appurtenances, unto Grantees, their successors and assigns forever. Grantor, for itself and its successors and assigns, does covenant, grant, bargain and agree to and with the Grantee, its successors and assigns, that at the time of ensealing and delivery of these presents, it is well seized of the Property, has good, sure, perfect, absolute and indefeasible estate of inheritance, in law, in fee simple, and has good right, full power and authority to grant, bargain, sell and convey the same in manner and form as aforesaid, and that the same are free and clear from all former and other grants, bargains, sales, liens, taxes, assessments, encumbrances and restrictions of whatever kind or nature whatsoever, except for taxes for the current year, a lien but not yet due and payable; easements, restrictions, reservations, covenants, and rights-of-way of record, if any, shown on the title commitment dated _____, 20____, or on the survey dated _____, 20____, and accepted by Grantee as permitted exceptions; and any lien or encumbrance created by action of Grantee.

Grantor shall and will WARRANT AND FOREVER DEFEND the Property in the quiet and peaceable possession of the Grantee, its successors and assigns, against all and every person or persons lawfully claiming the whole or any part thereof.

The singular number shall include the plural, and the plural the singular, and the use of any gender shall be applicable to all genders.

IN WITNESS WHEREOF, the Grantor has hereto executed this Deed as of the day first above written.

GRANTOR:

John Athanasopoulos

STATE OF COLORADO)
)
County of _____) ss.

The foregoing instrument was acknowledged before me this ____ day of _____, 20____, by John Athanasopoulos.

Witness my hand and official seal.

My Commission expires: _____

Notary Public

EXHIBIT E

[INTENTIONALLY OMITTED]

[illegible]

- GRADE AREA
- PROPOSED ASPHALT 7872 SF
- RELOCATE EXISTING SIGN

EXHIBIT G

GENERAL WARRANTY DEED [THE CITY PARCEL]

THIS DEED is made this ____ day of _____, 2010, between THE CITY OF WHEAT RIDGE, COLORADO, a Colorado home rule municipal corporation ("Grantor") and JOHN ATHANASOPOULOS ("Grantee"). Collectively, Grantor and Grantee may be referred to as the "Parties."

WITNESSETH, that Grantor for and in consideration of ONE HUNDRED TEN THOUSAND ONE HUNDRED NINETY-SEVEN AND 60/100 DOLLARS (\$110,197.60) and other good and valuable consideration, the delivery, receipt and sufficiency of which are hereby acknowledged, has granted, bargained, sold and conveyed, and by these presents does grant, bargain, sell, convey and confirm, unto Grantee, its successors and assigns forever, the real property, together with improvements, if any, situate in the County of Jefferson, State of Colorado, more particularly described on Exhibit A, attached hereto and fully incorporated herein by this reference (the "Property").

TOGETHER with all and singular the hereditaments and appurtenances thereto belonging, or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof, and all the estate, right, title, interest, claim, and demand whatsoever of Grantor, either in law or equity, of, in and to the Property with the hereditaments and appurtenances.

TO HAVE AND TO HOLD the Property above bargained and described with the appurtenances, unto Grantees, their successors and assigns forever. Grantor, for itself and its successors and assigns, does covenant, grant, bargain and agree to and with the Grantee, its successors and assigns, that at the time of ensealing and delivery of these presents, it is well seized of the Property, has good, sure, perfect, absolute and indefeasible estate of inheritance, in law, in fee simple, and has good right, full power and authority to grant, bargain, sell and convey the same in manner and form as aforesaid, and that the same are free and clear from all former and other grants, bargains, sales, liens, taxes, assessments, encumbrances and restrictions of whatever kind or nature whatsoever, except for taxes for the current year, a lien but not yet due and payable; easements, restrictions, reservations, covenants, and rights-of-way of record, if any, shown on the title commitment dated _____, 20____, or on the survey dated _____, 20____, and accepted by Grantee as permitted exceptions; and any lien or encumbrance created by action of Grantee;

Grantor shall and will WARRANT AND FOREVER DEFEND the Property in the quiet and peaceable possession of the Grantee, its successors and assigns, against all and every person or persons lawfully claiming the whole or any part thereof.

The singular number shall include the plural, and the plural the singular, and the use of any gender shall be applicable to all genders.

IN WITNESS WHEREOF, the Grantor has hereto executed this Deed as of the day first above written.

GRANTOR

CITY OF WHEAT RIDGE, COLORADO

, Mayor

ATTEST:

, City Clerk

STATE OF COLORADO

)

)

ss.

County of JEFFERSON

)

The foregoing instrument was acknowledged before me this ____ day of _____, 20____, by _____ as Mayor of the City of Wheat Ridge and by _____ as City Clerk of the City of Wheat Ridge.

Witness my hand and official seal.

My Commission expires: _____

Notary Public

Memorandum

TO: Mayor and City Council

THROUGH: Patrick Goff, City Manager

FROM: Steve Art, Economic Development Manager

DATE: October 10, 2018

SUBJECT: Sale of Excess Park Property for Development of CVS Pharmacy

ISSUE:

The City and Renewal Wheat Ridge (RWR) have been approached for the development of a CVS Pharmacy on the parcel at the southeast corner of Kipling Street and West 38th Avenue. The development would require CVS to acquire the Appleridge Café as well as the vacant parcel directly east of the café. The sale of the vacant parcel requires consent of 100% of the Council.

BACKGROUND:

In early 2017, CVS, through their representative AJ Barbato, approached the City regarding the development of the above stated parcels for the development of a new CVS Pharmacy. Barbato stated that negotiations were underway with the owner of the Appleridge Café for acquisition and potential relocation of the café. Appleridge was willing to have their site acquired as long as an adequate new site, within the same geographical area could be identified for relocation.

In order for the development of the new pharmacy, the developer would also need to acquire the vacant parcel to the east of the café. This parcel is owned by the City of Wheat Ridge and under the control of the Parks Division. The Parks Division has identified this parcel as a remnant piece of land with no desire to develop at any time.

The City requested the developer initiate an appraisal for the land value and purchase price. The initial appraisal was completed on March 26, 2017 by Mac Taggart & Mosier, Inc. which created a market value estimate for standalone secondary commercial premise at \$400,000 and an assemblage to the full development of the CVS at \$600,000. The developer agreed to pay the appraised amount.

During this period, the developer was able to identify a parcel that was suitable for the Appleridge café relocation. The developer went under contract to obtain the site located directly south of the Recreation Center on Kipling, just north of the lot currently under redevelopment for the Circle K convenience station. The developer entered into negotiations with the owner of the café for acquisition and relocation. The negotiations were completed in early summer 2018.

Because it had been over a year since the completion of the initial appraisal, the City requested a new appraisal based on current conditions. The second appraisal was conducted by the same

firm who identified the standalone value at \$450,000 and the market value estimate for the assemblage at \$650,000. In the letter attached to this report, CVS has agreed to purchase the vacant site at the most recent appraised value of \$650,000.

CVS anticipates requesting the use of tax increment financing (TIF) available through the Wheat Ridge Urban Renewal Authority (Authority). At this time, the amount of TIF is still being developed through a pro forma which will be evaluated the Authority. If any portion of sales tax will be utilized in the TIF, the Council will be asked to adopt a resolution approving a Cooperation Agreement with the Authority.

CVS anticipates the construction of a building just over 13,000 square feet with a drive-thru pharmacy. The new Appleridge café will be approximately 3,000 square feet.

TRAFFIC:

A formal site plan has not been submitted by the developer, but it is anticipated they will seek:

- A right-in, right-out access point along Kipling Street (approved by CDOT)
- Full access onto Johnson Street
- A right-in, right out movement along West 38th Avenue.

The City requested of CVS to provide some anticipated traffic flows from the site. The attached letter is not a full traffic study, but only a study based on International Transportation Engineers (ITE) figures from the *Trip Generation Manual*. If the project moves forward, a full traffic study will be commissioned.

The attached letter from Kimley Horn provides trip generation estimates between the development of both pads for a CVS, compared to the development of both pads with the existing Appleridge Café at its existing site and a fast food establishment with a drive-thru on the vacant pad. The ITE data shows a combined Appleridge and fast food restaurant would generate approximately 1,752 daily vehicle trips while a standalone CVS would create 1,432 trips, a difference of 320 less trips. The distribution of the traffic was not analyzed.

REQUEST

The vacant parcel is owned by the City through the Parks Department and the sale or disposition of this site would require a 100% affirmation by the City Council at a public hearing.

Staff requests Council provide consensus on moving the sale of the vacant property forward at a future Council meeting.

ATTACHMENTS

1. 2017 Appraisal
2. 2018 Appraisal
3. Purchase Agreement Letter
4. Traffic Generation Letter (Kimley/Horn)

APPRAISAL

of

LAND

**EAST OF THE SOUTHEAST CORNER
38TH AVENUE AT KIPLING STREET
WHEAT RIDGE, COLORADO**

Prepared For

CITY OF WHEAT RIDGE

Valuation Date

MARCH 26, 2017

by

Mac Taggart & Mosier, Inc.

Real Estate Appraisers and Consultants
40 South Allison Street
Lakewood, Colorado 80226
(303) 399-5615

Attachment 1

MacTaggart and Mosier, Inc.

Real Estate Appraisers and Consultants

40 South Allison Street

Lakewood, CO 80226

Ph: 303-399-5615

Fx: 303-399-5617

email: rcmosier@aol.com

March 31, 2017

City of Wheat Ridge
7500 West 29th Avenue
Wheat Ridge, CO 80033

Attn.: Steve Art, Executive Director of the
Urban Renewal Authority

Dear Mr. Art:

At your request, I have inspected the vacant land east of the southeast corner of 38th Avenue at Kipling Street in Wheat Ridge, Colorado. The purpose of the inspection was to estimate the market value of the fee simple estate in this property in its "as is" condition as of March 26, 2017, the most recent date of inspection. The intended use of the appraisal report is to serve as a basis for pricing the property for disposal. The City is the client and the sole intended user of this appraisal report. At its discretion, the prospective buyer, its attorney and accounting professional may be included as additional intended users.

The definition of market value, legal description, 15-item limiting conditions and assumptions and other pertinent data used to solve the appraisal problem are included in the attached report. The report contains a total of 21 pages and 1 exhibit. The complete appraisal process was applied, and the report is in a narrative restricted format. It is restricted in the sense that

Mr. Steve Art
City of Wheat Ridge
March 31, 2017
Page 2

it does not contain all the descriptive data and reasoning needed for a third party to fully understand the process to arrive at the value conclusion. My file is complete so that, if needed, I can draft a narrative summary appraisal report with all the descriptive data and reasoning necessary to fully understand the processes and conclusions in this appraisal.

As concluded in the report, the subject property has a:

MARKET VALUE ESTIMATES
STANDALONE SECONDARY COMMERCIAL PREMISE
\$400,000
ASSEMBLAGE TO THE CORNER PREMISE
\$600,000

Thank you for the opportunity of working with you on this appraisal assignment.

Respectfully submitted,

Richard C.
Mosier

Digitally signed by Richard C. Mosier
DN: cn=Richard C. Mosier,
o=MacTaggart and Mosier, Inc., ou,
email=rcmosier@aol.com, c=US
Date: 2017.03.31 13:28:46 -06'00'

Richard C. Mosier, MAI
Colorado General Certified
Appraiser #CG01313149

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Qualifications &	
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IDENTIFICATION OF THE SUBJECT PROPERTY

The property that is the subject of this appraisal is the vacant land east of the southeast corner of 38th Avenue at Kipling Street in Wheat Ridge, Colorado. The legal description is:

Lot 3, 38th & Kipling Park Subdivision, County
of Jefferson, State of Colorado.

The legal description above is from the plat on record in the Jefferson County Records. For additional identification the Assessor's parcel number is 39-272-18-005.

PROPERTY RIGHTS APPRAISED

The property rights appraised are those of the fee simple estate, subject only to normal encumbrances of eminent domain, taxation, police power and escheat.

OWNERSHIP AND SALES HISTORY

The owner of record is the City of Wheat Ridge. This entity has owned the property for many years and the last item on record is the plat recorded June 18, 2010. The property is not listed for sale or under contract for sale. There is an interested party (affiliated with CVS drug stores) attempting to buy the property. I have not been told of any asking price or offer amount in relation to this prospective sale.

PURPOSE OF APPRAISAL

The purpose of this appraisal is to estimate the market value of this property in an "as is" condition. The intended use of the appraisal report is to serve as a basis for pricing the property for disposal. The City is the client and the sole intended user of this appraisal report. At its discretion, the prospective

buyer, its real estate agent, its attorney and accounting professional may become additional intended users.

EFFECTIVE DATE OF VALUATION

The effective date of this appraisal is March 26, 2017, the most recent date of inspection. The written report was prepared on March 31, 2017.

SCOPE OF THE APPRAISAL

This appraisal report is in narrative restricted format with all data, reasoning and analyses to support the conclusions included in my file. The narrative in this report is intended to communicate the findings to a knowledgeable client and some of the descriptive data and reasoning to support the value estimate are omitted. The use of this report is restricted to the client as there may not be sufficient information and reasoning for a third party to understand the value conclusions. The file is complete with all data and reasoning to support the conclusions stated in this report. The complete appraisal process is applied utilizing all approaches and techniques that help solve the appraisal problem. The sales comparison is applied to value the subject property. The cost approach and the income approach are not suitable or valuing vacant land and are not applied in this case.

The appraiser has made a personal on-site inspection of the property. Records provided by the client or management of the property were collected and utilized in the appraisal process. The only record provided is the Assessor's parcel number.

The public records were investigated to determine the last sale of the subject. The assessor's office was consulted to learn the assessed value, mill levy, improvement size and layout of the subject site. Several independent sources for information on sales and rentals of improved property and sales of land were

investigated to produce the data relied upon in this report. The data was then analyzed for relevance and applicability to this specific appraisal problem and is the basis for the conclusions to value expressed in this report. Several conclusions are expressed in this appraisal that the appraiser has accepted as reasonable without proof or documentation. Certain other business and engineering disciplines are deferred to in this report, and the reader should not substitute the conclusions of the appraiser for the professional services appropriate to those disciplines.

EXTRAORDINARY ASSUMPTIONS AND HYPOTHETICAL CONDITIONS

An extraordinary assumption is one which, if proved false, would result in a significant change in the value estimate. There are no extraordinary assumptions that affect this appraisal.

A hypothetical condition is one which is known to be false, but for the purposes of the appraisal is assumed to be true. There are no hypothetical conditions in this appraisal.

DEFINITION OF MARKET VALUE

The term "Market Value", as used in this appraisal report, is defined as follows:

"The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress."

Source: The Appraisal of Real Estate, Fourteenth Edition, published by the Appraisal Institute.

TYPICAL MARKET FINANCING

Typical financing for this property type is up to 60% of

value at interest rates of 5.0% to 6.0% amortized over 3 to 5 years, fully amortizing or with large balances due at the end of the term. It is also common to carry the financing interest only until the loan is called. Any seller assisted financing approximating these terms is deemed equivalent to cash to the seller.

REASONABLE EXPOSURE TIME

Reasonable exposure to the market refers to the time before the effective date of appraisal. Of the sales researched for this appraisal only a few report exposure time and the range of exposure time is from 41 to 866 days on market. There is much more activity as of late and the estimated exposure time is 9 to 12 months.

METROPOLITAN DENVER DATA

The discussion of the economic conditions affecting the Metropolitan Denver area is available at the client's request. The National economy has come through a recession that varied in its intensity from region to region. While the West Coast, Sun Belt and Rust Belt sections of the country are hit hard by the recession, the Mountain Region is not so desperate. Coming off of three years of modest growth, the local economy was not so overheated as to be poised for a big fall. The recovery officially began in 2009 but job creation lagged and masked any appreciable signs of recovery. Over the last four years, job growth has begun again in a modest fashion and in the last two years job creation has picked up steam. The recession was exacerbated by the lack of credit for commercial mortgages and the specter of commercial loans coming due when there was no credit to refinance them. Credit is moving once again, and a brisk recovery is now underway, led by residential and particularly apartment

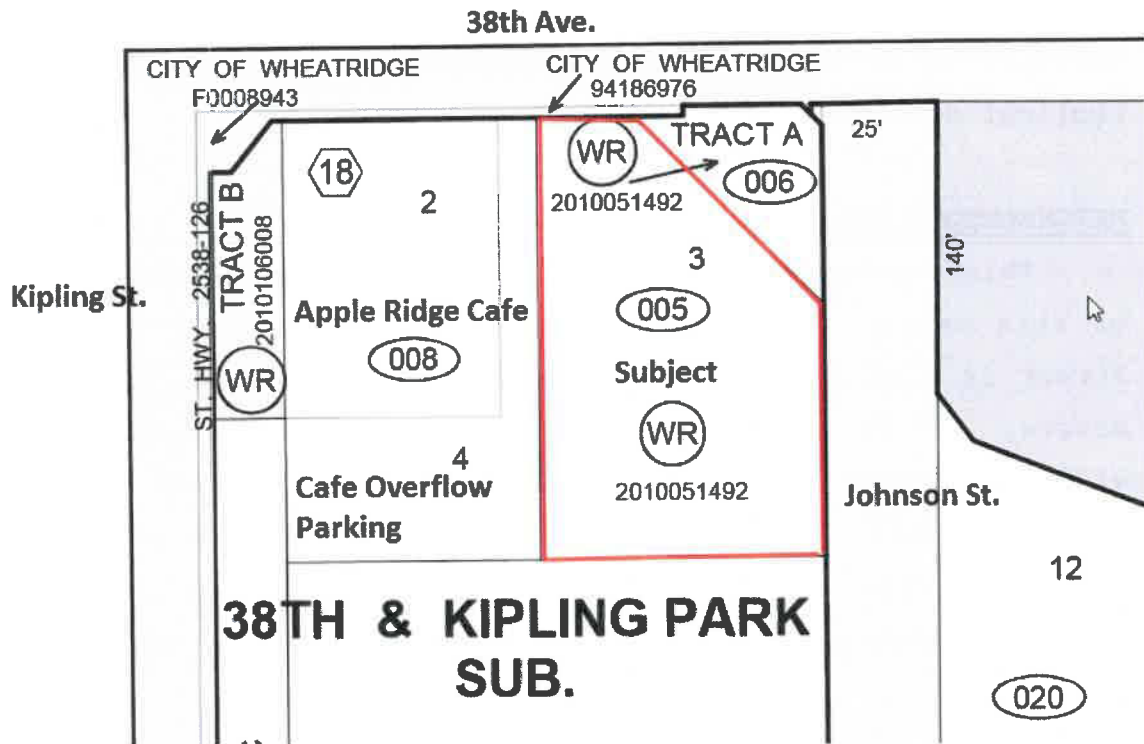
construction. Fueled by in-migration and exacerbated by a lack of condominiums for individual ownership (builder liability to homeowners and HOA's being a chief factor) the demand for apartments has escalated rents and occupancy to a point of imbalance. New apartments are being constructed to meet the demand, and a pull on the rest of the real estate markets is being felt with new construction in every sector. All the real estate activity is driven by a mature general economic expansion, and a cyclical downturn can be expected.

NEIGHBORHOOD DESCRIPTION

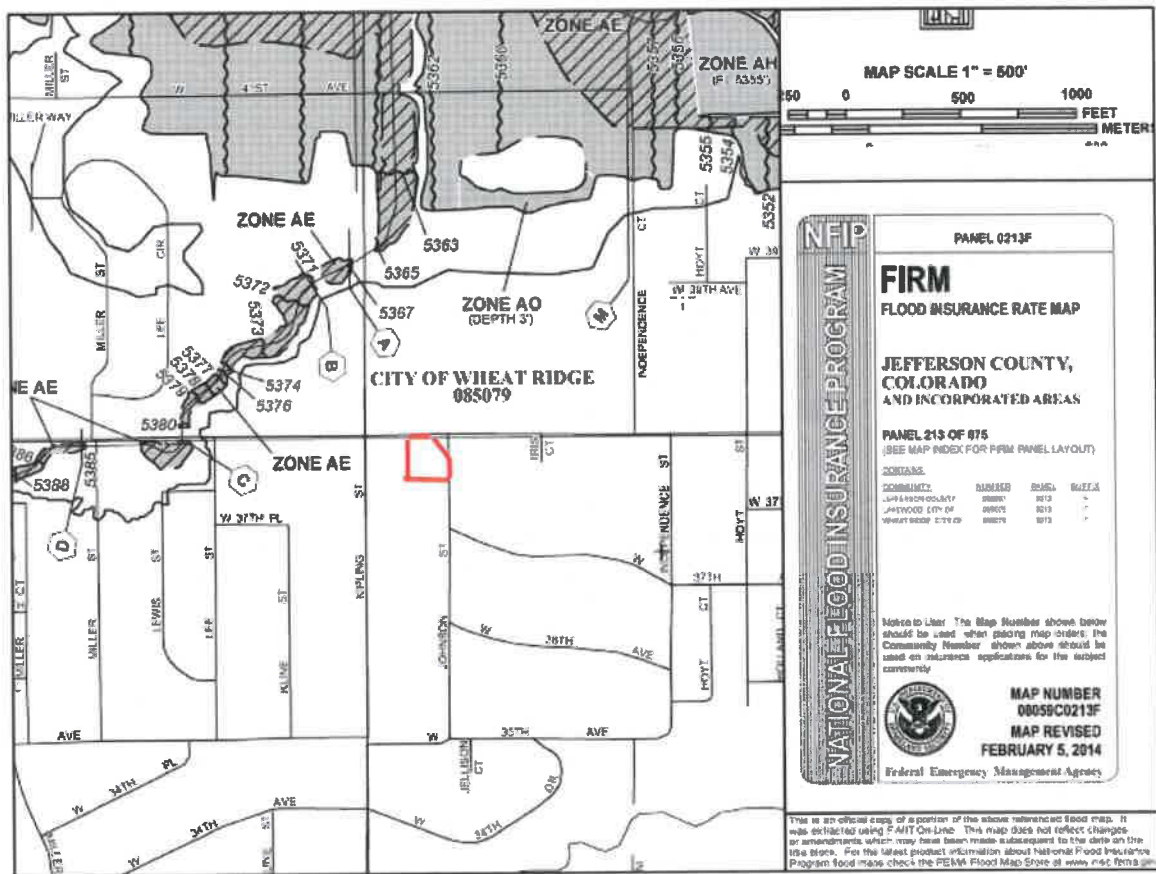
This section is omitted for the narrative restricted format of this report. It is, however, important to note that Kipling Street is a major thoroughfare through Wheat Ridge, Lakewood and Arvada. It is not an intensive commercial retail strip in the vicinity of the subject but is becoming more so with a recently-opened Sprouts Grocery store and a new Starbucks store on the southwest corner at 38th Avenue. 38th Avenue is a collector street without significant retail concentration along this stretch of the road.

The subject site in relation to this corner is just east of the Apple Ridge Café that occupies the southeast corner of 38th Avenue at Kipling Street. Originally, it was an Arctic Circle fast food restaurant dating from the 1970's. It has operated for the last few decades as a neighborhood diner with a loyal following. It sold in January, 2015 for \$750,000 and has continued to operate as a restaurant. The sale calculates to \$28.13 per square foot of land area which, as the sales comparison approach will show later, is near the prices paid for land value for corner retail sites. The significance of this property and the relationship of the subject to it is that CVC drugstores, or an agent representing them, has approached the City of Wheat Ridge

inquiring for the availability of the subject site to assemble to the corner.



ASSESSOR'S MAP; SUBJECT IN RED.



PROPERTY DESCRIPTION

The site is rectangular with a triangle missing from its northeast corner where a drainage ditch flows northwesterly through the corner. The site contains 25,378 square feet with a frontage on 38th Avenue of 46.99 feet, a depth to the south from 38th Avenue of 215.98 feet, frontage on Johnson Street of 123.14 feet, a depth to the west from Johnson Street of 137.35 feet and a shared property line with the drainage ditch (Trace A) of 128.70 feet.

Vehicular access to the site is only from Johnson Street. It has access from Lot 4 adjacent to the west that is used from time to time for overflow parking for the Apple Ridge Café,

although the subject site is not used for overflow parking for the restaurant. The adjacent land to the south is also owned by the City of Wheat Ridge upon which they have constructed a park. There is gravel paving on the subject site indicating it has been used for overflow parking for the park.

The plat shows no easements affecting the subject site. A current survey was not provided so no statement regarding easements or encroachments can be made except to say none are assumed to exist that would adversely affect the utility or value of the subject site. The site slopes downward to the northwest.

The site is not in a flood hazard area. There are no obvious signs of hazardous materials on or around the site. There have been gas stations Kipling Street and 38th Avenue that are potential sources for hydrocarbon emissions in the ground water and a Phase I environmental assessment is advisable to see if any hazardous material may have leaked underground to affect the subject site.

The soil conditions are not known and a soils engineer should be consulted in the event of recent construction of new subject improvements. The existing buildings in the immediate area show no obvious signs of heaving or subsiding soils.

The City of Wheat Ridge provides water, sanitary sewer and storm sewer utilities. Xcel Energy provides gas and electric power.

The site is zoned Planned Commercial Development along with the rest of the 38th & Kipling Park Subdivision. This is specific zoning ordinance crafted for this subdivision alone. Most of the subdivision is now a City maintained park but the northern portion is reserved for "future conveyance" and may be used for commercial uses as allowed in the RC, Residential Commercial Zone District. (The 2008 outline development plan for 38th & Kipling Park calls

the RC zone district "Residential Commercial, while the current zoning map and land use schedule calls RC zoning "Restricted Commercial" and does not list "Residential Commercial" zone district.) The RC zone district allows a wide array of commercial retail and secondary commercial uses but, oddly for CVC that enquires about this site, does not allow drug stores. Every other commodity found in a CVC or Walgreens store appears on the permitted use list for RC zoning except drug stores. A zoning clarification, variance or rezone to a more intense zone district such as C-1 or C-2 will be necessary to accommodate a CVC store. The Apple Ridge Café site that is at the corner is zoned C-1 and the parcel known as Lot 4 of 38th & Kipling Park Subdivision (that is included in the ownership of the Café) is zoned Planned Commercial Development along with the subject site. Lot 4 is already included in the corner assemblage.

PERSONAL PROPERTY

There are no items of personal property included in this appraisal.

TAXES AND ASSESSMENTS

The property at is valued at \$8,200 on the tax roll for Jefferson County. It is owned by the City of Wheat Ridge and is therefore exempt from taxation. It is valued as open space and park land which it clearly will not be if it is disposed from the City holdings.

HIGHEST AND BEST USE

Highest and best use may be defined as:

The reasonably probable and legal use of vacant land or an improved property that is physically possible, legally permissible,

appropriately supported, financially feasible, and that results in the highest value.

SOURCE: The Appraisal of Real Estate,
Fourteenth Edition, Appraisal
Institute.

The highest and best use of this property as a standalone site is for an office or a secondary commercial use that can capitalize on the 38th Avenue exposure and connection to retail uses along Kipling Street. Alternatively, it can be productively assembled with the adjacent parcel in the direction of Kipling Street to create a larger retail site with full corner access and exposure. The other corners are occupied by convenience stores on the northwest and northeast corners, and a Starbucks store backed up by the Sprouts Natural Grocery store at the southwest corner. Assembling the subject site to the corner provides the requisite site area to support a national chain store, such as CVS that has expressed an interest in the corner. At the present time the assemblage is not an accomplished fact and the highest and best use is for secondary commercial use or assemblage to the corner. The value as a potential assemblage to the corner is at least as much as its value as a secondary commercial site, and at most its value is commensurate with the value of the assembled corner site. To place a value on the subject site as a corner retail site would be an error, but the assemblage to that corner establishes a maximum amount the value can attain as part of the assemblage. Where the appropriate value falls in the range between secondary commercial and retail corner is a matter of urgency: how important to the assembled corner value is the subject property? After determining the value of the site as a secondary commercial site, I present sale properties of retail corner sites and a discussion of the premium attributable to the subject for assemblage to the corner.

The standalone highest and best use as a secondary commercial use meets three of the four tests for highest and best use: it is legal, physically possible and financially feasible. Without a potential for assemblage to the corner it is also the maximally productive use, but it has a higher site value if assembled to the corner. The additional site size gained from assembling the subject to the corner makes the corner large enough to attract national companies for their stores, such as Walgreens, CVS or major fast food companies that favor busy corners. In this respect the subject is a necessary component to the assemblage and a premium above the secondary commercial value level can be expected.

The evolution of the concept of highest and best use through this discussion comes down to this statement: the highest and best use of this property is to assemble to the parcels adjacent to the west to create a single usable site at the corner for high intensity retail commercial use.

VALUATION OVERVIEW

The sales comparison approach will be used to value the subject property as a vacant site. The cost approach and income approach find no application here to value the vacant land.

SALES COMPARISON APPROACH

The sales comparison approach measures value by comparing the subject property to other similar land parcels that have sold in the marketplace. The comparable sales are cited below. The premise of the valuation at this point is to address a standalone secondary commercial site. A premium for inclusion of the subject into an assemblage to the corner is addressed next.

Land Sales, Jefferson County
File LSGRef1704.WR.38th

Sale Location No. Grantor/Grantee	Date	Price	Area (Sq. Ft.)	Comments	Price Per SF Financing
1 7321 Sheridan Blvd. Under contract	Under contract 866 dom	\$500,000	24,829	Zoned PUD, Westminster, Lot in a Commercial Subdivision.	\$20.14 Cash to Seller.
2 9890 W. 44th Ave. Cluck Estate/ Sheard Family Trust	JUL-15	\$532,000	43,516	Zoned C-1 Wheat Ridge; Residential Improvements. Demo'd After Sale; Actual Price \$507,000, Plus Demo. \$25K = \$1,042,626.	\$12.23 Cash to Seller.
3 7960 Wadsworth Blvd. Edgemark Development Services, LLC/ Mountain Dental Specialties, LLC	May-15	\$500,000	51,836	Zoned B-2 Arvada; Vacant Pad w/o Wadsworth Frontage. Purchased for Dental Clinic.	\$9.65 Cash to Seller.
4 N of NWC Bowles Avenue @ Simms St. Market Development Corporation/ CBH Properties Ken Caryl, LLC	Nov-15	\$450,000	30,000	Zoned PD, Jefferson County; Lot in Commercial Subdivision. Purchased for Christian Brothers Automotive.	\$15.00 Cash to Seller.
5 6230 W. 38th Ave. Johnson/ Sophium Real Estate, LLC	Oct-15 41 dom	\$432,000	30,056	Zoned MJ-N Wheat Ridge Vacant Lot; For Sale	\$14.37 Cash to Seller.
6 NW of NWC 64th Avenue at Indiana St. Acom 4 Arvada Marketplace/ Doud BTS, Inc.	Sep-16	\$425,000	27,007	Zoned PUD-BP, Arvada; Vacant Site.	\$15.74 Cash to Seller.

The sales are adjusted for:

Time: Commercial property values have been increasing at about 10% per year from mid-2014. The adjustments are from 5% to 20% for time. Sale No. 1 is a contract and is adjusted downward 10% to account for the likely discount from the listing price when the sale will actually occur.

Circumstances of Sale: All of the sales occurred under normal circumstances with no undue compulsion to buy or to sell.

Financing: All of the sales were for cash or cash to seller. There are no adjustments for this feature.

Subtotal Adjustments and Adjusted Price: The price of each sale is adjusted for transactional elements of value and the adjusted price is calculated. All sales are brought to the same point in time, circumstance, and unaffected by financing. The remaining adjustments deal with physical variations in the comparable properties.

Location: Locations interior to the larger development but have retail visibility to the major street are adjusted downward 10% for location. Properties that are interior to the larger development (not on a corner) and have minimum retail exposure are on par with the subject location.

Layout and Topography: All the sales are basically level and receive no adjustment for this feature.

Size: Sale properties over 40,000 square feet are adjusted upward 10% for size.

The adjustments are applied consistently on the following spreadsheet. The sales are ranked highest to lowest in descending order of importance. Sale Nos. 6, 1 and 2 are the three best sales and receive the highest ranking. Sale No. 6 is fairly recent and Sale No. 1 is under contract. The land use for these purchases is secondary commercial. The rank times the indicated value is extended into the rightmost column. The sum of the rankings divided into the sum of the extensions is a weighted average of \$15.94 per square foot of land. The value

is (25,378 square feet land Area X \$15.94 per square foot =)
\$1,119,559, rounded to \$404,525.

VALUE ESTIMATE BY SALES COMPARISON APPROACH
STANDALONE SECONDARY COMMERCIAL PREMISE
\$400,000

Adjustment Grid to Compare to 38th Ave. E. of Kipling St.

Sale Location No. Grantor/Grantee	Price Per SF	Time	Circumst. of Sale	Financing	Subtotal Adjustments	Adjusted Price	Location /Use	Layout Topography	Size	Net Adj.	Indicated Value	Weight	Extension
1 7321 Sheridan Blvd.	\$20.14	90%	100%	100%	90%	\$18.12	-10% Interior Visibility to Maj. St.	0% Level	0%	-10%	\$18.31	5	\$81.56
2 9880 W. 44th Ave.	\$12.23	118%	100%	100%	118%	\$14.43	0% Interior Min. Ret. Exposure	0% Level	10%	10%	\$15.87	4	\$63.47
3 7960 Wadsworth Blvd.	\$9.65	120%	100%	100%	120%	\$11.57	0% Interior Min. Ret. Exposure	0% Level	10%	10%	\$12.73	2	\$25.46
4 N of NMC Bowles Avenue @ Sir	\$15.00	115%	100%	100%	115%	\$17.25	-10% Interior Visibility to Maj. St.	0% Level	0%	-10%	\$15.53	1	\$15.53
5 6230 W. 38th Ave.	\$14.37	115%	100%	100%	115%	\$16.53	0% Interior Min. Ret. Exposure	0% Level	0%	0%	\$16.53	3	\$49.59
6 NW of NMC 64th Avenue at India	\$15.74	105%	100%	100%	105%	\$16.52	0% Interior Min. Ret. Exposure	0% Level	0%	0%	\$16.52	6	\$99.14

Column Totals: 21 \$334.75
Weighted Average: \$15.94

PREMIUM FOR ASSEMBLAGE

Because the highest and best use is for assemblage to the corner to create a retail site for a national retailer, the value of the subject is influenced by: its proximity to the corner; the lack of adequate size of land at the corner; and the lack of other possibilities to acquire the necessary land. A premium over and above its value as a standalone secondary commercial site is warranted. The following sales are presented to demonstrate the going rate for corner locations for national retailers to construct new facilities. The range is from \$25.80 to \$37.64 per square foot before adjustments. After making transactional adjustments (in this case just for time) the prices are \$26.58 to \$40.65 per square foot.

Corner Sites to National Retailers

Sale Location	Date	Price	Area (Sq. Ft.)	Comments	Price Per SF Financing
No. Grantor/Grantee 7 5904 S. Kipling St. Gosch, et ux., Heckman Management/ CVS 10782 Co., LLC	Dec-16 405 dom	\$1,450,000	56,198	Zoned PD, Jefferson County; Car Wash, 3,372 SF Demo'd 2 Retail Buildings 5,447 SF Demo'd Actual Price \$1,350,000 plus Demo \$100K = \$1,450,000.	\$25.80 Cash to Seller.
8 280 S. Yarrow St. Suppa Properties, LLC EGO, Inc.	Jan-17	\$1,650,000	55,404	Zoned M-C-U, Lakewood Purchased for new retail center 17,621 SF.	\$29.78 Cash to Seller
9 NWC 72nd Ave. @ Sheridan Blvd. Cadence Development, LLC/ Legend Lake 7211 N Sheridan, LLC	Jun-16	\$705,000	18,731	Zoned PUD Westminster; Lot in a Commercial Subdivision. Same-Day Sale Tepper, et ux to Cadence, \$530,000, or \$28.30/SF "Denny's" Restaurant now under construction.	\$37.64 Cash to Seller
10 3244 S. Wadsworth Blvd. Mitchel Cory Family, LLC/ Red Robin West, Inc.	Jun-16	\$975,000	28,835	Zoned C-R Lakewood; "Perkins" Restaurant, 5,212 SF Demo'd Actual Price \$900,000 plus Demo \$75K = \$975,000. Pad in Shopping Center; Purchased for new "Red Robin" restaurant.	\$33.81 Cash to Seller.

Sale Location	Price	Circumst.	Financing	Subtotal	Adjusted
No. Grantor/Grantee	Per SF	of Sale	Adjustments	Price	Price
7 5904 S. Kipling St.	\$25.80	100%	100%	103%	\$26.58
8 280 S. Yarrow St.	\$29.78	100%	100%	103%	\$30.67
9 NWC 72nd Ave. @ Sheridan Blvc	\$37.64	100%	100%	108%	\$40.65
10 3244 S. Wadsworth Blvd.	\$33.81	100%	100%	108%	\$36.52

These sales are not used to directly value the subject site. The subject has no frontage or exposure to the major thoroughfare. But assembled to the corner, it takes on the characteristics of the larger corner site. These sales represent the maximum amount of value the subject site could obtain were it included with the corner site. To build a free-standing retail store about 50,000 square feet of land area is necessary and the corner has 26,658 square feet. The subject site (25,378 square feet) is necessary to assemble to the corner to achieve this size necessary for national retail development. This puts the subject property in an advantageous negotiating position, and the premium for assemblage will be substantial. I judge the premium to be 50% of the base value as a secondary commercial site, bringing the value to ($\$15.94 \text{ per square foot} \times 1.5 =$) $\$23.91 \text{ per square foot}$. The inventory of alternative sites along Kipling Street from 26th Avenue to I-70 suggests that the premium would not be more than 50%. The value of the subject site is ($25,378 \text{ square feet} \times \$23.91 \text{ per square foot} =$) $\$606,788$, rounded to:

**MARKET VALUE ESTIMATE
ASSEMBLAGE TO THE CORNER PREMISE
\$600,000**

VALUATION SUMMARY

Due to the proximity of this property to the corner and its complementary layout and size with relation to the corner parcel, both the standalone secondary commercial premise and the assemblage to the corner premise are presented. Those value estimates are:

MARKET VALUE ESTIMATES
STANDALONE SECONDARY COMMERCIAL PREMISE
\$400,000
ASSEMBLAGE TO THE CORNER PREMISE
\$600,000

CERTIFICATION

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct;
- the reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions and conclusions;
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved;
- I have performed no services as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment;
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment;
- my engagement in this assignment was not contingent upon developing or reporting predetermined results;
- my compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal;
- my analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Appraisal Institute's Code of Professional Ethics and Standards of Appraisal Practice, which include the Uniform Standards of Professional Appraisal Practice. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives. As of the date of this report, Richard C. Mosier has completed the requirements of the continuing education program of the Appraisal Institute;
- I have made a personal inspection of the property that is the subject of this report; and
- no one provided significant real property appraisal assistance to the person signing this certification.

Richard
C. Mosier

Digitally signed by Richard C.
Mosier
DN: cn=Richard C. Mosier,
o=MacTaggart and Mosier, Inc., ou,
email=rcmosier@aol.com, c=US
Date: 2017.03.31 13:29:17 -06'00'

Richard C. Mosier, MAI
Colorado General Certified
Appraiser #CG01313149

EXHIBIT "A"

QUALIFICATIONS OF THE APPRAISER
AND LIMITING CONDITIONS

QUALIFICATIONS OF APPRAISER

NAME : Richard C. Mosier, MAI
EDUCATION : Bachelor of Science Degree in Business
Administration; Building Industry and Real Estate
Major; University of Denver, June, 1973.

APPRAISAL DESIGNATIONS, OFFICES HELD:

MAI (Member, Appraisal Institute)
Certificate No. 6334, November, 1981
Appraisal Institute, Colorado Chapter, President 1991
Appraisal Institute, Region II Finance Officer 1993-2004
Appraisal Institute, Region II, Chair 2007
Appraisal Institute, National Board of Directors 2006-2007

APPRAISAL INSTITUTE CLASSROOM INSTRUCTOR:

AI Basic Appraisal Principles Since 2012
AI Basic Appraisal Procedures Since 2012
AI General Sales Comparison Approach Since 2013
AI General Income Capitalization Approach,
Parts 1 and 2 Since 2013
AI General Site Valuation and Cost Approach Since 2013

MEMBER OF : Denver Board of Realtors (Appraiser Member).
LICENSES : Real Estate Broker in Colorado since June, 1975
Certified General Appraiser in Colorado, #CG01313149
Certified General Appraiser in Wyoming, #376

BUSINESS AFFILIATIONS:

Mac Taggart & Mosier, Inc., President
40 South Allison Street
Lakewood, Colorado 80226

APPRAISAL EXPERIENCE:

Appraised various types of real property including single-family homes, condominiums, apartments, shopping centers, commercial buildings, restaurants, service stations, office buildings, warehouses, manufacturing plants, motels, golf courses, subdivisions and land developments, easements, conservation easements, water rights, leased fee and leasehold estates, and special purpose, residential, commercial and industrial land. Qualified expert witness in District Courts of Denver, Arapahoe, Boulder, Douglas, Elbert and Jefferson Counties, Federal Bankruptcy Court, various arbitration proceedings.

CAREER HISTORY: Associated with C. K. Mac Taggart, MAI, since graduating from college in 1973 in a research analyst capacity until 1976. Served as an associate appraiser until July, 1980, when Mac Taggart and Mosier, Inc., was formed.

REPRESENTATIVE LIST OF APPRAISAL CLIENTS:

AAA Colorado	Denver Health	Jefferson County
ANB Bank	and Hospitals	Open Space
Bank of the West	Denver Lumber Company	Kansas State Bank
Boulder County Board	Douglas County	Metro West
of Equalization	Douglas County Board	Housing Solutions
Broomfield County Board	of Equalization	PCV Murcor
of Equalization	Federal Deposit	Sage Capital
City of Lakewood	Insurance Corporation	Town of Loveland
City of Wheat Ridge	Fidelity National Title	Town of Silverthorne
City of Centennial	First Citizen's Bank	UMB Bank
Colorado State Bank	FirstBank	Wells Fargo Trust
Colorado Department	GE Capital National	Department
of Transportation	Home State Bank	Various Private
Colliers International	Jefferson County	Individuals
Comerica Bank	Dept. of Highways	

LIMITING CONDITIONS AND ASSUMPTIONS

1. Title to the property is assumed to be good and marketable.
2. No responsibility for legal matters is assumed, nor is the appraiser(s) required to give testimony or appear in court unless prior arrangements have been made in writing. If any courtroom or administrative testimony is required in connection with this report, an additional fee shall be charged for those services.
3. All information in this report has been obtained from reliable sources. The appraiser(s) cannot, however, guarantee or be responsible for the accuracy of the information furnished by others.
4. Sketches in this report are intended for illustrative purposes only.
5. If the property being appraised is a fractional interest(s) of real estate, it, when added to the value of any other fractional interest(s), may or may not equal the value of the entire fee simple estate.
6. If the property being appraised is a geographical portion of a larger parcel, it, when combined with the remaining geographical portion(s), may or may not equal the value of the whole.
7. One (or more) of the signatories of this appraisal report is a member of the Appraisal Institute. The Bylaws and Regulations of the Institute require each member to control the use and distribution of each appraisal report signed by such member. The party for whom this appraisal report was prepared may distribute copies of this report, bearing original signature(s), only in its entirety. Such copies that are distributed must contain all exhibits including these limiting conditions and assumptions.
8. Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales, or other media without the written consent and approval of the appraiser(s), particularly as to valuation conclusions, the identity of the appraiser(s) or firms with which connected, or any reference to the Appraisal Institute or to the MAI or SRA designations.

9. The distribution of the total valuation in this report between land and improvements applies only under the existing utilization and zoning of the property. Land and improvements are not severable for other valuation purposes.
10. Mechanical, electrical and plumbing systems in the improvements are presumed to be in operating condition, and no liability for the malfunction of those items is assumed by the appraiser(s). A qualified engineer is recommended for an opinion of serviceability and adequacy of those components.
11. (For proposed improvements). Completion as per the plans and specifications submitted and construction to start within a reasonable time period from the date of this report.
12. (For proposed improvements). The appraiser(s) reserves the right to inspect the subject improvements when completed to verify conformance with the plans and specifications upon which this appraisal is based.
13. Soils conditions, underground or concealed hazardous materials, or other features of the property not visibly apparent are not investigated by the appraiser(s) unless it is specifically addressed in the report. Any damages arising from such defects in the property is without warranty or liability of the appraiser(s).
14. Any damages incurred by the use of or reliance on the appraisal report is without warranty or liability except for the amount of the fee paid to the appraiser(s).
15. By the use of or reliance on this appraisal report, such user is assumed to have read and agrees to these 15 numbered limiting conditions and assumptions.

END OF APPRAISAL REPORT AND EXHIBITS

MacTaggart and Mosier, Inc.
Real Estate Appraisers and Consultants
40 South Allison Street
Lakewood, CO 80226
Ph: 303-399-5615
email: rcmosier@aol.com

August 15, 2018

City of Wheat Ridge
7500 West 29th Avenue
Wheat Ridge, CO 80033

Attn.: Steve Art, Executive Director of the
Urban Renewal Authority

Dear Mr. Art:

You are in receipt of an appraisal of the land east of the southeast corner of 38th Avenue at Kipling Street prepared March 31, 2017 with an effective date of March 26, 2017. The purpose of the inspection was to estimate the market value of the fee simple estate in this property in its "as is" condition. The intended use of the appraisal report is to serve as a basis for pricing the property for disposal. The City is the client and the sole intended user of that appraisal report. At its discretion, the prospective buyer, its attorney and accounting professional may be included as additional intended users. In that appraisal I estimated the value of the land in the standalone secondary commercial premise to be \$400,000 and the value in an assemblage to the corner premise to be \$600,000.

This letter is an update to the original appraisal. It carries an effective date of August 8, 2018, the most recent date of inspection, has the intended use of establishing a basis for

ATTACHMENT 2

pricing the property for disposal, and is prepared for the same intended user, namely the City of Wheat Ridge.

The sections of the original appraisal report that are updated, or are not changed but warrant emphasis, follow.

OWNERSHIP AND SALES HISTORY

The ownership has not changed and the owner is still the City of Wheat Ridge. It is still not under contract but the agent for CVS drug stores is proposing to buy the property. I have not been informed as to the asking price or offered amount in relation to this prospective sale.

TAXES AND ASSESSMENTS

The land is valued at \$8,155 for 2017 taxes payable in 2018, and it remains \$8,155 for 2018 taxes payable in 2019.

HIGHEST AND BEST USE

The highest and best use as a standalone site remains as an office or secondary commercial use. Combined with the corner site, the highest and best use as assembled is still for a high-intensity retail commercial use.

SALES COMPARISON APPROACH

A new search for comparable sales of secondary commercial sites reveals three new sales, Sale Nos. 7, 8 and 9 cited with the original six sales below.

Mr. Steve Art
City of Wheat Ridge
August 15, 2018
Page 3

Land Sales, Jefferson County							
File LSGRet1704.WR.38th							
Sale No.	Location	Date	Price	Area (Sq.Ft.)	Comments	Price Per SF	Financing
1	7321 Sheridan Blvd. Tepper Partners/ BTS Sheridan VZ, LLC	Aug-17	\$480,000	24,829	Zoned PUD, Westminster, Lot in a Commercial Subdivision. New Verizon Store, Sold as Net Leased Investment Jun-18.	\$19.33	Cash to Seller.
2	9890 W. 44th Ave. Cluck Estate/ Sheard Family Trust	Jul-15	\$532,000	43,516	Zoned C-1 Wheat Ridge; Residential Improvements. Demo'd After Sale; Actual Price \$507,000, Plus Demo. \$25K = \$532,000	\$12.23	Cash to Seller.
3	7960 Wadsworth Blvd. Edgemark Development Services, LLC/ Mountain Dental Specialties, LLC	May-15	\$500,000	51,836	Zoned B-2 Arvada; Vacant Pad w/o Wadsworth Frontage. Purchased for Dental Clinic.	\$9.65	Cash to Seller.
4	N of NWC Bowles Avenue @ Simms St. Market Development Corporation/ CBH Properties Ken Caryl, LLC	Nov-15	\$450,000	30,000	Zoned PD, Jefferson County; Lot in Commercial Subdivision. Purchased for Christian Brothers Automotive.	\$15.00	Cash to Seller.
5	6230 W. 38th Ave. Johnson/ Sophium Real Estate, LLC	Oct-15 41 dom	\$432,000	30,056	Zoned MU-N Wheat Ridge Vacant Lot; For Sale	\$14.37	Cash to Seller.
6	NW of NWC 64th Avenue at Indiana St. Acorn 4 Arvada Marketplace/ Doud BTS, Inc.	Sep-16	\$425,000	27,007	Zoned PUD-BP, Arvada; Vacant Site.	\$15.74	Cash to Seller
7	5290 W. Arizona Ave. Guzman/ HM Rental I, LLC	Aug-17 102 dom	\$375,000	27,878	Zoned M-G-S, Lakewood. Previous Sale Sep-16 \$220,000, or \$7.89/SF.	\$13.45	Cash to Seller.
8	1825-1975 Kipling St. Listing	Listing	\$341,000	22,651	Zoned M-E-U, Lakewood Previous Sale May-17 \$165,000, or \$7.28/SF	\$15.05	Cash to Seller.
9	8399 Ralston Rd. BB Holdings Colorado, LLC/ McClafflin Real Estate, LLC	Feb-17	\$160,600	10,500	Zoned P-1, Arvada Purchased by investor to sell to adjacent owner for parking 2 days later Feb-17 for \$200,000 or \$19.05/SF. 25% increase over normal price for assemblage.	\$15.30	Cash to Seller.

Sale Nos. 1 through 6 are the sales from the original report with only a modification for the listing is now a sale in Sale No. 1. Sale Nos. 7 through 9 are new sales generated for this update of the appraisal. All the sales are processed like they were through the original appraisal, including the application of a 10% per year time adjustment to all the sales to bring them to the current date. The adjustment grid that follows develops value indications from \$14.21 to \$19.36 per square foot. Weighting the new sales the most, the weighted average is \$17.06 per square foot.

It is important to note that the new sales indicate a lower value than the six sales from the original report. Two reasons explain this phenomenon. The new sales are generally in more marginal retail areas, and although adjustment for location has brought them more in line, the adjustment may have not been enough. And the time adjustment for the original sales at 10% per year for as long as three years results in hefty adjustments to the original sales. Property appreciation can have waned in the last year and a half, but in other segments of the Denver land market I have observed spikes in land prices and I reject a lower time adjustment. The best way to reflect the softening land appreciation, if that is what is happening, is to place a greater weight on the newer sales. Ranking the sales in descending order, with the newer sales carrying the greatest weight, the weighted average is \$17.06, calculating a value estimate of (\$17.06 per square foot X 25,378 square feet =) \$432,949, rounded to:

VALUE ESTIMATE BY SALES COMPARISON APPROACH
STANDALONE SECONDARY COMMERCIAL PREMISE
\$450,000

Mr. Steve Art
City of Wheat Ridge
August 15, 2018
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		Adjustment Grid to Compare to 38th Ave. E. of Kipling St.													
Sale No.	Location Grantor/Grantee	Price Per SF	Time	Circumst. of Sale	Financing	Subtotal Adjustments	Adjusted Price	Location /Use	Layout Topography	Size	Net Adj.	Indicated Value	Weight	Extension	
1	7321 Sheridan Blvd.	\$19.33	110%	100%	100%	110%	\$21.36	-10%	0%	0%	-10%	\$19.22	5	\$96.10	
			12					Interior Visibility to Maj. St.	Level						
2	9890 W. 44th Ave.	\$12.23	136%	100%	100%	136%	\$16.62	0%	0%	10%	10%	\$18.28	4	\$73.13	
			37					Interior Min. Ret. Exposure	Level						
3	7960 Wadsworth Blvd.	\$9.65	138%	100%	100%	138%	\$13.33	0%	0%	10%	10%	\$14.67	2	\$29.33	
			39					Interior Min. Ret. Exposure	Level						
4	4 N of NWC Bowles Avenue @ Simms St.	\$15.00	130%	100%	100%	130%	\$19.56	-10%	0%	0%	-10%	\$17.61	1	\$17.61	
			32					Interior Visibility to Maj. St.	Level						
5	6230 W. 38th Ave.	\$14.37	132%	100%	100%	132%	\$18.90	0%	0%	0%	0%	\$18.90	3	\$56.70	
			33					Interior Min. Ret. Exposure	Level						
6	NW of NWC 64th Avenue at Indiana St.	\$15.74	123%	100%	100%	123%	\$19.36	0%	0%	0%	0%	\$19.36	6	\$116.19	
			25					Interior Min. Ret. Exposure	Level						
7	5290 W. Arizona Ave.	\$13.45	110%	100%	100%	110%	\$14.86	20%	0%	0%	20%	\$17.83	9	\$160.49	
			12					Interior Min. Ret. Exposure Stagnant Retail Area	Level						
8	1825-1975 Kipling St.	\$15.05	90%	100%	100%	90%	\$13.55	10%	0%	0%	10%	\$14.90	7	\$104.33	
			Listing					Corner Visibility to Maj. St. Stagnant Retail Area	Level						
9	8399 Ralston Rd.	\$15.30	116%	100%	100%	116%	\$17.76	-10%	0%	-10%	-20%	\$14.21	8	\$113.66	
			18					Corner Visibility to Maj. St.	Level						
												Column Totals:	45	\$767.54	
												Weighted Average:		\$17.06	

PREMIUM FOR ASSEMBLAGE

Because the highest and best use is for assemblage to the corner to create a retail site for a national retailer, the value of the subject is influenced by: its proximity to the corner; the lack of adequate size of land at the corner for a national chain retail site; and the lack of other possibilities to acquire the necessary land. A premium over and above its value as a standalone secondary commercial site is warranted. The following sales are presented to demonstrate the going rate for corner locations for national retailers to construct new facilities. Sale Nos. 10 through 13 are from the original report, and Sale No. 14 was added for this update. The range is from \$21.96 to \$37.64 per square foot before adjustments. After making transactional adjustments (in this case just for time) the prices are \$23.66 to \$46.32 per square foot. The value of the assembled site of 52,036 square feet is from \$30.00 to \$35.00 per square foot, or between \$1,230,000 to \$1,820,000, rounded.

Mr. Steve Art
City of Wheat Ridge
August 15, 2018
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	Corner Sites to National Retailers						
Sale	Location			Area		Price	
<u>No.</u>	<u>Grantor/Grantee</u>	<u>Date</u>	<u>Price</u>	<u>(Sq.Ft.)</u>	<u>Comments</u>	<u>Per SF</u>	<u>Financing</u>
10	5904 S. Kipling St.	Dec-16	\$1,450,000	56,198	Zoned PD, Jefferson County; Car Wash, 3,372 SF Demo'd	\$25.80	Cash to Seller.
	Gosch, et ux., Heckman Management/ CVS 10782 Co., LLC	405 dom			2 Retail Buildings 5,447 SF Demo'd Actual Price \$1,350,000 plus Demo \$100K = \$1,450,000.		
11	280 S. Yarrow St.	Jan-17	\$1,650,000	55,404	Zoned M-C-U, Lakewood	\$29.78	Cash to Seller
	Suppa Properties, LLC				Purchased for new retail center 17,621 SF.		
	EGO, Inc.						
12	NWC 72nd Ave. @ Sheridan Blvd.	Jun-16	\$705,000	18,731	Zoned PUD Westminster; Lot in a Commercial Subdivision.	\$37.64	Cash to Seller
	Cadence Development, LLC/ Legend Lake 7211 N Sheridan, LLC				Same-Day Sale Tepper, et ux to Cadence, \$530,000, or \$28.30/SF "Denny's" Restaurant now under construction.		
13	3244 S. Wadsworth Blvd.	Jun-16	\$975,000	28,835	Zoned C-R Lakewood; "Perkins" Restaurant, 5,212 SF Demo'd	\$33.81	Cash to Seller.
	Mitchel Cory Family, LLC/ Red Robin West, Inc.				Actual Price \$900,000 plus Demo \$75K = \$975,000. Pad in Shopping Center; Purchased for new "Red Robin" restaurant.		
14	Lot 8, Gateway Village, US 40 NW of I-70	Jun-17	\$1,798,443	81,893	Zoned Commercial, Golden; Purchased for a convenience store; Adj	\$21.96	Cash to Seller
	Gateway Land Investment, LLC/ KG Store 319, LLC				new hotels.		
	Reception # 2017064129, Jun 21, 2017						

Mr. Steve Art
City of Wheat Ridge
August 15, 2018
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These sales are not used to directly value the subject site. The subject has no frontage or exposure to the major thoroughfare. But assembled to the corner, it takes on the characteristics of the larger corner site. These sales represent the maximum amount of value the subject site could obtain were it included with the corner site. To build a free-standing retail store about 50,000 square feet of land area is necessary and the corner has 26,658 square feet. The subject site (25,378 square feet) is necessary to assemble to the corner to achieve this size necessary for national retail development. This puts the subject property in an advantageous negotiating position, and the premium for assemblage will be substantial.

Sale No. 9 presented earlier is a new sale for this update and is cited at the first sale as a standalone site, selling for \$15.30 per square foot. In the second sale two days later, it sold for \$19.05 to the owner of the adjacent office building for parking. This is an increment of ($\$19.05 \text{ per square foot} / \$15.30 \text{ per square foot} =$) 1.245, or 25% for assemblage.

Sale No. 15, cited below, is the anatomy of a commercial land assemblage for a self-storage facility in Arvada. The assemblage of the site is summarized:

Assemblage for a Self-Storage Facility						
Sale Location			Area		Price	
No. Grantor/Grantee	Date	Price	(Sq.Ft.)	Comments	Per SF	
15 9989 W. 60th Ave.	Feb-16 to Apr-17	\$2,195,000	91,089	Zoned B-2, Total Assemblage for Arvada Self Storage	\$24.10	
Arvada Urban Renewal / 60th & Ralston, LLC	Feb-16	\$180,000	41,474	Vacant Site Subsidized by Arvada Urban Renewal; 838 dom	\$4.34	
Vigil / 60th & Ralston, LLC	Apr-17	\$650,000	35,850	Monterrey House Restaurant; Act. Price \$587K + Demo = \$650K	\$18.13	
Erickson / 60th & Ralston, LLC	Mar-17	\$1,365,000	13,765	3-Story Office Bldg.; Act. Price \$1,250,000 + Demo = \$1,365,000	\$99.16	



LAYOUT OF SELF-STORAGE FACILITY SITE.

The assemblage was accomplished in three parts: the original purchase at a discounted price from the Urban Renewal Authority; then a nearly simultaneous purchase over one year later of a restaurant (a large critical part of the assemblage) and an office building (a smaller part of the assemblage that enhances the layout and density but is not vital to the project). The discounted price of the original purchase makes it feasible to buy improved property and spend money on demolition. But taken altogether, the assembled price of \$24.10 is more than the price paid for other self-storage sites on the

West Side of town. Because the base for measuring assemblage premium is skewed so low (the Urban Renewal price) a premium for assemblage cannot be measured. But it is clear from the price paid for the office building (\$99.16 per square foot of land area) that the premium is extraordinarily high. Stated another way, the assemblage of the Urban Renewal site and the adjacent restaurant cost \$830,000 for 77,324 square feet, or \$10.73 per square foot of land. Adding the last 13,765 square feet of land with the office building, the cost skyrockets to \$2,195,000 or \$24.10 per square foot of land. The addition of 18% more land area added 164% to the assembled Urban Renewal site and the restaurant site to make the three-parcel assemblage.

From a 25% premium as measured by Sale No. 9 to unquantified but exorbitant premium as measured by Sale No. 15, a 50% premium used in the original appraisal is justified. The value of the subject property in the assemblage to the corner premise is (\$17.06 per square foot standalone premise X 1.5 assemblage premium = \$25.59 per square foot assembled to the corner X 25,378 square feet =) \$649,423, rounded to:

MARKET VALUE ESTIMATE
ASSEMBLAGE TO THE CORNER PREMISE
\$650,000

VALUATION SUMMARY

Due to the proximity of this property to the corner and its complementary layout and size with relation to the corner parcel, both the standalone secondary commercial premise and the

assemblage to the corner premise are presented. Those value estimates are:

MARKET VALUE ESTIMATES
STANDALONE SECONDARY COMMERCIAL PREMISE
\$450,000
ASSEMBLAGE TO THE CORNER PREMISE
\$650,000

CERTIFICATION

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct;
- the reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions and conclusions;
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved;
- I have performed no services as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment;
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment;
- my engagement in this assignment was not contingent upon developing or reporting predetermined results;
- my compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal;
- my analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Appraisal Institute's Code of Professional Ethics and Standards of Appraisal Practice, which include the Uniform Standards of Professional Appraisal Practice. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives. As of the date of this report, Richard C. Mosier has completed the requirements of the continuing education program of the Appraisal Institute;
- I have made a personal inspection of the property that is the subject of this report; and
- no one provided significant real property appraisal assistance to the person signing this certification.

Richard C. Mosier, MAI
Colorado General Certified
Appraiser #CG01313149

EXHIBIT "A"

QUALIFICATIONS OF THE APPRAISER
AND LIMITING CONDITIONS

QUALIFICATIONS OF APPRAISER

NAME : Richard C. Mosier, MAI
EDUCATION : Bachelor of Science Degree in Business Administration; Building Industry and Real Estate Major; University of Denver, June, 1973.

APPRAISAL DESIGNATIONS, OFFICES HELD:

MAI (Member, Appraisal Institute)
Certificate No. 6334, November, 1981
Appraisal Institute, Colorado Chapter, President 1991
Appraisal Institute, Region II Finance Officer 1993-2004
Appraisal Institute, Region II, Chair 2007
Appraisal Institute, National Board of Directors 2006-2007

APPRAISAL INSTITUTE CLASSROOM INSTRUCTOR:

AI Basic Appraisal Principles Since 2012
AI Basic Appraisal Procedures Since 2012
AI General Sales Comparison Approach Since 2013
AI General Income Capitalization Approach, Parts 1 and 2 Since 2013
AI General Site Valuation and Cost Approach Since 2013

MEMBER OF : Denver Board of Realtors (Appraiser Member).
LICENSES : Real Estate Broker in Colorado since June, 1975
Certified General Appraiser in Colorado, #CG01313149
Certified General Appraiser in Wyoming, #376

BUSINESS AFFILIATIONS:

Mac Taggart & Mosier, Inc., President
40 South Allison Street
Lakewood, Colorado 80226

APPRAISAL EXPERIENCE:

Appraised various types of real property including single-family homes, condominiums, apartments, shopping centers, commercial buildings, restaurants, service stations, office buildings, warehouses, manufacturing plants, motels, golf courses, subdivisions and land developments, easements, conservation easements, water rights, leased fee and leasehold estates, and special purpose, residential, commercial and industrial land. Qualified expert witness in District Courts of Denver, Arapahoe, Boulder, Douglas, Elbert and Jefferson Counties, Federal Bankruptcy Court, various arbitration proceedings.

CAREER HISTORY: Associated with C. K. Mac Taggart, MAI, since graduating from college in 1973 in a research analyst capacity until 1976. Served as an associate appraiser until July, 1980, when Mac Taggart and Mosier, Inc., was formed.

REPRESENTATIVE LIST OF APPRAISAL CLIENTS:

AAA Colorado	Denver Health	Jefferson County
ANB Bank	and Hospitals	Open Space
Bank of the West	Denver Lumber Company	Kansas State Bank
Boulder County Board	Douglas County	Metro West
of Equalization	Douglas County Board	Housing Solutions
Broomfield County Board	of Equalization	PCV Murcor
of Equalization	Federal Deposit	Sage Capital
City of Lakewood	Insurance Corporation	Town of Loveland
City of Wheat Ridge	Fidelity National Title	Town of Silverthorne
City of Centennial	First Citizen's Bank	UMB Bank
Colorado State Bank	FirstBank	Wells Fargo Trust
Colorado Department	GE Capital National	Department
of Transportation	Home State Bank	Various Private
Colliers International	Jefferson County	Individuals
Comerica Bank	Dept. of Highways	

LIMITING CONDITIONS AND ASSUMPTIONS

1. Title to the property is assumed to be good and marketable.
2. No responsibility for legal matters is assumed, nor is the appraiser(s) required to give testimony or appear in court unless prior arrangements have been made in writing. If any courtroom or administrative testimony is required in connection with this report, an additional fee shall be charged for those services.
3. All information in this report has been obtained from reliable sources. The appraiser(s) cannot, however, guarantee or be responsible for the accuracy of the information furnished by others.
4. Sketches in this report are intended for illustrative purposes only.
5. If the property being appraised is a fractional interest(s) of real estate, it, when added to the value of any other fractional interest(s), may or may not equal the value of the entire fee simple estate.
6. If the property being appraised is a geographical portion of a larger parcel, it, when combined with the remaining geographical portion(s), may or may not equal the value of the whole.
7. One (or more) of the signatories of this appraisal report is a member of the Appraisal Institute. The Bylaws and Regulations of the Institute require each member to control the use and distribution of each appraisal report signed by such member. The party for whom this appraisal report was prepared may distribute copies of this report, bearing original signature(s), only in its entirety. Such copies that are distributed must contain all exhibits including these limiting conditions and assumptions.
8. Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales, or other media without the written consent and approval of the appraiser(s), particularly as to valuation conclusions, the identity of the appraiser(s) or firms with which connected, or

any reference to the Appraisal Institute or to the MAI or SRA designations.

9. The distribution of the total valuation in this report between land and improvements applies only under the existing utilization and zoning of the property. Land and improvements are not severable for other valuation purposes.
10. Mechanical, electrical and plumbing systems in the improvements are presumed to be in operating condition, and no liability for the malfunction of those items is assumed by the appraiser(s). A qualified engineer is recommended for an opinion of serviceability and adequacy of those components.
11. (For proposed improvements). Completion as per the plans and specifications submitted and construction to start within a reasonable time period from the date of this report.
12. (For proposed improvements). The appraiser(s) reserves the right to inspect the subject improvements when completed to verify conformance with the plans and specifications upon which this appraisal is based.
13. Soils conditions, underground or concealed hazardous materials, or other features of the property not visibly apparent are not investigated by the appraiser(s) unless it is specifically addressed in the report. Any damages arising from such defects in the property is without warranty or liability of the appraiser(s).
14. Any damages incurred by the use of or reliance on the appraisal report is without warranty or liability except for the amount of the fee paid to the appraiser(s).
15. By the use of or reliance on this appraisal report, such user is assumed to have read and agrees to these 15 numbered limiting conditions and assumptions.

END OF APPRAISAL REPORT AND EXHIBITS

T.M.

C R O W L E Y

& ASSOCIATES

October 3, 2018

Steve Art
Executive Director
Wheat Ridge Urban Renewal Authority
7500 West 29th Avenue
Wheat Ridge, Colorado 80033

Steve –

Please accept this letter as confirmation of TMC Colorado 2, LLC's agreement with the appraisal price of \$650,000 contained in the updated August 15, 2018 appraisal from MacTaggart and Mosier to the City of Wheat Ridge.

TMC Colorado 2, LLC is currently under contract with the other parcels necessary to complete the development of a CVS Pharmacy and the relocation and development of the AppleRidge Café. The above price would be subject to further contingencies regarding the development timeline and permitting of the aforementioned developments and assistance from the Wheat Ridge Urban Renewal Authority.

Please let me know if you have any further questions.

Thank you,



AJ Barbato
Executive Vice President of Real Estate Development
T.M. Crowley and Associates

ATTACHMENT 3



October 9, 2018

Wheat Ridge Urban Renewal Authority
7500 West 29th Avenue
Wheat Ridge, Colorado 80033

Attn: Mr. Steve Art
Executive Director

Re: SEC 38th & Kipling Redevelopment
Trip Generation Comparison Letter

Dear Mr. Art:

This letter documents a comparison of trip generation of a proposed redevelopment to occur on the southeast corner of the 38th Avenue and Kipling Street intersection in Wheat Ridge, Colorado. Apple Ridge Café exists directly on this corner, and a vacant parcel is located to the east of this existing restaurant. A redevelopment is proposed which would include replacing the existing restaurant and vacant parcel with a proposed approximate 13,111 square foot pharmacy with drive-through window.

Apple Ridge Café is approximately 3,000 square feet. It is believed that the existing vacant parcel to the east could and would likely otherwise develop into a 3,000-square foot fast food restaurant with drive through if this redevelopment project were not to occur. Therefore, a trip generation comparison between the existing 3,000 square foot Apple Ridge Café sit down restaurant and possible adjacent 3,000 square foot fast food restaurant with drive through was compared to a pharmacy with drive through use.

Site-generated traffic estimates are determined through a process known as trip generation. Rates and equations are applied to the existing and proposed land uses to estimate traffic generated by the development during a specific time interval. The acknowledged source for trip generation rates is the *Trip Generation Manual*¹ published by the Institute of Transportation Engineers (ITE). ITE has established trip rates in nationwide studies of similar land uses. Trip generation was based on the ITE Trip Generation, 10th Edition (most current edition) average rate equations for high-turnover sit-down restaurant (ITE Code 932) for the Apple Ridge Café restaurant, fast-food restaurant with drive-through (ITE Code 934) for the adjacent vacant parcel to represent development potential, and Pharmacy/Drugstore with Drive-Through Window (ITE Code 881) for this proposed redevelopment project to provide a comparative analysis.

The following table summarizes the anticipated trip generation for the proposed 13,111 square foot pharmacy with drive through window compared with the existing 3,000 square foot Apple Ridge Café restaurant and possible adjacent 3,000 square foot fast food restaurant with drive-through window (trip generation calculations are attached).

¹ Institute of Transportation Engineers, *Trip Generation Manual*, Tenth Edition, Washington DC, 2017.

**Trip Generation Comparison
Apple Ridge Café and Adjacent Fast Food Restaurant
to Pharmacy with Drive Through (proposed restaurant)**

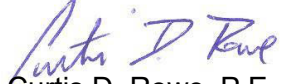
USE AND SIZE	DAILY VEHICLE TRIPS	WEEKDAY VEHICLE TRIPS					
		AM Peak Hour			PM Peak Hour		
		In	Out	Total	In	Out	Total
Existing & Possible Uses – Apple Ridge Café and Adjacent Fast Food Restaurant							
Sit-Down Restaurant (932) 3,000 Square Feet	338	16	14	30	18	11	29
Fast Food Restaurant w/ DT (934) 3,000 Square Feet	1,414	62	59	121	51	47	98
Total	1,752	78	73	151	69	58	127
Proposed Use – Pharmacy with Drive Through							
Pharmacy/Drugstore W DT (881) 13,111 Square Feet	1,432	26	24	50	68	68	136
Net Difference in Trips	-320	-52	-49	-101	-1	+10	+9

As summarized in the table, the currently proposed redevelopment of the southeast corner of the 38th Avenue and Kipling Street intersection to a pharmacy with drive through would be anticipated to generate 1,432 daily weekday trips with 50 trips occurring during morning peak hour, and 136 trips occurring during the afternoon peak hour based on ITE equations and data. Based on the ITE equations for the existing Apple Ridge Café sit-down restaurant and a possible adjacent fast food restaurant with drive through, the proposed pharmacy redevelopment is anticipated to generate less traffic over an average weekday and during the morning peak hour, with slightly more traffic generated during the afternoon peak hour. The change in use is anticipated to account for a decrease of approximately 320 daily trips, a decrease of 101 trips in the morning peak hour, and an increase of 9 trips during the afternoon peak hour. Important to note, it is believed that the traffic generated by the existing Apple Ridge Café may be greater than the volumes predicted from the ITE equations due to the known busyness of the restaurant and the amount of parking provided on site.

In summary, this traffic study letter provides a trip generation comparison for a proposed pharmacy with drive through redevelopment to be located on the southeast corner of the 38th Avenue and Kipling Street intersection in Wheat Ridge, Colorado. The redevelopment is anticipated to decrease daily and morning peak hour traffic, but only slightly increase traffic to the project site during the afternoon peak hour. If you have any questions or require anything further, please feel free to call me at (303) 228-2304.

Sincerely,

KIMLEY-HORN AND ASSOCIATES, INC.


Curtis D. Rowe, P.E., PTOE
Vice President



Project Apple Ridge Café
 Subject Trip Generation for High-Turnover (Sit-Down) Restaurant
 Designed by Curtis Rowe Date September 26, 2018 Job No. _____
 Checked by _____ Date _____ Sheet No. 1 of 1

TRIP GENERATION MANUAL TECHNIQUES

ITE Trip Generation Manual 10th Edition, Average Rate Equations

Land Use Code - High Turnover Sit-Down Restaurant (932)

Independant Variable - 1000 Square Feet Gross Floor Area (X)

Gross Floor Area = 3,000 Square Feet

X = 3.000

T = Average Vehicle Trip Ends

Peak Hour of Adjacent Street Traffic, One Hour Between 7 and 9 a.m. (900 Series Page 97)

Average Weekday	Directional Distribution:	55% ent.	45% exit.
T = 9.94 (X)	T = 30	Average Vehicle Trip Ends	
T = 9.94 * 3.000	16 entering	14	exiting

Peak Hour of Adjacent Street Traffic, One Hour Between 4 and 6 p.m. (900 Series Page 98)

Average Weekday	Directional Distribution:	62% ent.	38% exit.
T = 9.77 (X)	T = 29	Average Vehicle Trip Ends	
T = 9.77 * 3.000	18 entering	11	exiting

Weekday (900 Series Page 96)

Average Weekday	Directional Distribution:	50% entering, 50% exiting
T = 112.18 (X)	T = 338	Average Vehicle Trip Ends
T = 112.18 * 3.000	169 entering	169 exiting

P.M. Peak Hour of Generator (900 Series Page 100)

Average Weekday	Directional Distribution:	52% ent.	48% exit.
T = 17.41 (X)	T = 52	Average Vehicle Trip Ends	
T = 17.41 * 3.000	27 entering	25	exiting

Saturday Peak Hour of Generator (900 Series Page 105)

Average Saturday	Directional Distribution:	51% ent.	49% exit.
T = 11.19 (X)	T = 34	Average Vehicle Trip Ends	
T = 11.19 * 3.000	17 entering	17	exiting

Non Pass-By Trip Volumes (Per ITE Trip Generation Handbook, 3rd Edition September 2017-Page 207)

AM Peak Hour = 57% Non-Pass By	PM Peak Hour = 57% Non-Pass By
IN Out Total	
AM Peak 9 8 18	
PM Peak 10 6 17	
Daily 96 96 192	PM Peak Hour Rate Applied to Daily

Pass-By Trip Volumes (Per ITE Trip Generation Handbook, 3rd Edition September 2017 -Page 207)

AM Peak Hour = 43% Pass By	PM Peak Hour = 43% Pass By
IN Out Total	
AM Peak 7 6 14	
PM Peak 8 5 13	
Daily 73 73 146	PM Peak Hour Rate Applied to Daily

Project SEC 38th & Kipling
 Subject Trip Generation for Fast-Food Restaurant with Drive-Through Window
 Designed by CDR Date October 09, 2018 Job No. _____
 Checked by _____ Date _____ Sheet No. 1 of 1

TRIP GENERATION MANUAL TECHNIQUES

ITE Trip Generation Manual 10th Edition, Average Rate Equations

Land Use Code - Fast Food Restaurant With Drive-Through Window (934)

Independant Variable - 1000 Square Feet Gross Floor Area (X)

Gross Floor Area = 3,000 Square Feet

X = 3.000

T = Average Vehicle Trip Ends

Peak Hour of Adjacent Street Traffic, One Hour Between 7 and 9 a.m. (900 Series page 158)

Average Weekday	Directional Distribution:	51% ent.	49% exit.
T = 40.19 (X)	T = 121	Average Vehicle Trip Ends	
T = 40.19 * 3.000	62 entering	59 exiting	
	62 + 59 (*) = 121		

Peak Hour of Adjacent Street Traffic, One Hour Between 4 and 6 p.m. (900 Series page 159)

Average Weekday	Directional Distribution:	52% ent.	48% exit.
T = 32.67 (X)	T = 98	Average Vehicle Trip Ends	
T = 32.67 * 3.000	51 entering	47 exiting	
	51 + 47 = 98		

Weekday (900 Series page 157)

Average Weekday	Directional Distribution:	50% entering, 50% exiting	
T = 470.95 (X)	T = 1414	Average Vehicle Trip Ends	
T = 470.95 * 3.000	707 entering	707 exiting	
	707 + 707 = 1414		

Saturday Peak Hour of Generator (900 Series page 163)

T = 54.86 (X)	Directional Distribution:	51% ent.	49% exit.
T = 54.86 * 3.000	T = 165	Average Vehicle Trip Ends	
	84 entering	81 exiting	
	84 + 81 = 165		

Non Pass-By Trip Volumes (Per ITE Trip Generation Handbook, 3rd Edition September 2017)

AM Peak Hour = 51% Non-Pass By	PM Peak Hour = 50% Non-Pass By
IN Out Total	
AM Peak 32 30 62	
PM Peak 26 24 49	
Daily 354 354 708	PM Peak Hour Rate Applied to Daily

Pass-By Trip Volumes (Per ITE Trip Generation Handbook, 3rd Edition September 2017)

AM Peak Hour = 49% Pass By	PM Peak Hour = 50% Pass By
IN Out Total	
AM Peak 30 29 59	
PM Peak 26 24 49	
Daily 353 353 706	PM Peak Hour Rate Applied to Daily

Project SEC 38th & Kipling
 Subject Trip Generation for Pharmacy/Drugstore with Drive-Through Window
 Designed by _____ Date _____ Job No. _____
 Checked by _____ Sheet No. _____ of _____

TRIP GENERATION MANUAL TECHNIQUES

ITE Trip Generation Manual 10th Edition, Average Rate Equations

Land Use Code - Pharmacy/Drugstore with Drive-Through Window (881)

Independant Variable - 1000 Sq. Feet Gross Floor Area (X)

SF= 13111

X = 13.111

T = Average Vehicle Trip Ends

Peak Hour of Adjacent Street Traffic, One Hour Between 7 and 9 a.m. (page Series 800 Page 562)

Average Weekday	Directional Distribution:	53% ent.	47% exit.
T = 3.84 (X)	T = 50	Average Vehicle Trip Ends	
(T) = 3.84* (13.1)	26 entering	24 exiting	
	26 + 24 = 50		

Peak Hour of Adjacent Street Traffic, One Hour Between 4 and 6 p.m. (Series 800 page 563)

Average Weekday	Directional Distribution:	50% ent.	50% exit.
T = 10.29 (X)	T = 136	Average Vehicle Trip Ends	
(T) = 10.29 * (13.1)	68 entering	68 exiting	
	68 + 68 = 136		

Weekday (Series 800 page 561)

Average Weekday	Directional Distribution:	50% entering, 50% exiting
T = 109.16 (X)	T = 1432	Average Vehicle Trip Ends
(T) = 109.16 * (13.1)	716 entering	716 exiting
	716 + 716 = 1432	

Saturday Peak Hour of Generator (page 1807)

T = 8.20 (X)	Directional Distribution:	49% ent.	51% exit.
(T) = 8.20 * (13.1)	T = 108	Average Vehicle Trip Ends	
	53 entering	55 exiting	
	53 + 55 = 108		

Non-Pass-by Trip Volumes (page 63, ITE Trip Generation Handbook, December 2012)

PM Average Pass By Percentage:	51%	Pass By
	IN	Out
AM Peak	13	12
PM Peak	35	35
Daily	365	365
Saturday	27	28
	Total	
	25	
	69	
	732	
	55	

PM Rate Applied to AM Peak
 PM Rate Applied to Daily
 PM Rate Applied to Saturday

Pass-by Trip Volumes (page 63, ITE Trip Generation Handbook, December 2012)

PM Average Pass By Percentage:	49%	Pass By
	IN	Out
AM Peak	13	12
PM Peak	33	33
Daily	351	351
Saturday	26	27
	Total	
	24	
	67	
	702	
	53	

PM Rate Applied to AM Peak
 PM Rate Applied to Daily
 PM Rate Applied to Saturday

Memorandum

TO: Mayor and City Council

FROM: Patrick Goff, City Manager

DATE: October 9, 2018 (for October 15, 2018 Study Session)

SUBJECT: Appointment of Elected Officials

ISSUE:

Councilmember Duran and City Treasurer DiTullio are on the November 6, 2018 ballot seeking election as a state representative and Jefferson County Treasurer, respectively. If they are elected, vacancies will be created for a councilmember in District 1 and the City Treasurer. Councilmembers Hoppe and Fitzgerald requested that an agenda item be included on the October 15th study session to discuss a procedure for filling these vacancies, if required.

BACKGROUND:

The Wheat Ridge City Charter addresses vacancies of councilmembers and other elected officials as stated below:

Sec. 4.5. Vacancies.

- (a) A councilmember shall continue to hold her office until her successor is duly qualified. A council position shall become vacant whenever any councilmember is recalled, dies, becomes incapacitated, resigns, refuses to serve, or ceases to be a resident of the city or district from which elected, or is convicted of a felony.
- (b) Within thirty (30) days after a vacancy occurs on the council, the remaining councilmembers shall choose by majority vote a duly qualified person from the proper district to fill such vacancy...

Sec. 3.11. Vacancies in elective offices.

- (a) An elected official shall continue to hold his office until his successor is duly qualified. An elective office shall become vacant whenever any officer is recalled, dies, becomes incapacitated, resigns, refuses to serve, ceases to be a resident of the city, or is convicted of a felony.
- (b) ...
- (c) If a vacancy occurs in the office of the city clerk or city treasurer, no special election shall be called but such vacancy shall be filled by appointment by the council for the remainder of the term.

Sec. 4.4. Qualifications.

- (a) No person shall be eligible to hold the office of a councilmember unless, at the time of her election, she is a registered elector, as defined by Colorado Revised Statutes, and is a resident of the district from which she is elected for a period of at least twelve (12) consecutive months immediately preceding the date of the election.

Note: City Treasurer shall have the same qualifications as members of the council.

City Charter, Wheat Ridge Code of Laws or Council Rules and Procedures do not address specific procedures for the appointment of councilmembers or other elected officials.

RECOMMENDATION:

If vacancies occur in either of these elected offices, staff recommends the following procedure for filling those vacancies:

1. Advertise the vacancies widely throughout the community seeking applications from duly qualified residents to fill the vacancy(ies).
2. Accept applications from interested residents.
3. Conduct interviews of applicants during a study session and/or allow for applicant presentations at a regular business meeting.
4. Choose, by majority vote, candidates to fill vacancy(ies).