



Section 3:

Market

Planning for the strategic redevelopment of the MHGP site requires an understanding of its physical limitations, as well as its market. The market analysis portion of this *strategy*, summarized here, focused on identifying market opportunities within the City of Commerce City and a larger representative trade area. The purpose of the market analysis in the context of a redevelopment effort is fourfold:

- Provide a “reality check” for the conceptual planning effort;
- Ensure that recommendations are grounded in market and economic reality;
- Set the stage for implementation; and
- Provide an accurate and independent “story” to tell potential development and investor audiences.

The analysis shows market demand in the surrounding trade area and that, with strategic public and private reinvestment and supportive policies, the MHGP site could be successfully positioned to capitalize on select niche and destination opportunities.

Trade Area

The information below presents an overview of current and future conditions in the Trade Area surrounding the MHGP site. The Trade Area was defined based on the following factors:

- Physical barriers;
- Location of possible competition;
- Proximity to population and employment;



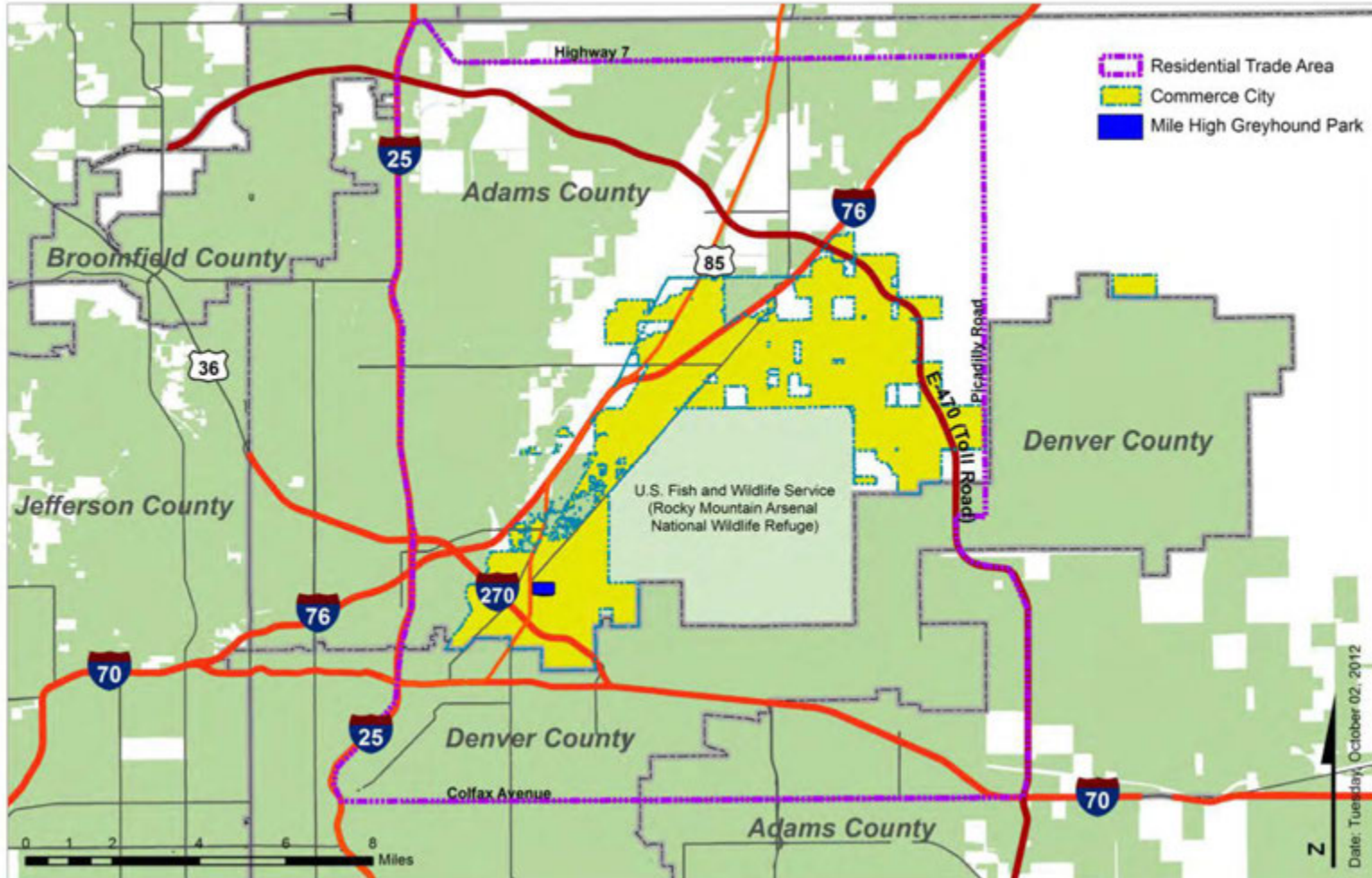
- Zoning;
- Market factors;
- Drive times; and
- Spending and commuting patterns.

A map of the Trade Area is presented in Exhibit 3-1.

The MHGP Trade Area comprises all or a portion of the Cities of Commerce City, Brighton, Northglenn and Thornton. Collectively, these communities represent the Northeast quadrant of the Denver-Boulder Metro Area. Over the past two decades, particularly after the opening of Denver International Airport (DIA) in 1995, this Northeast sector has become the fastest-growing segment of the Metro Area. Over the next 30 years, with the exception of Douglas County on the southern edge of the Metro Area, the Northeast sector is expected to continue to be the fastest-growing quadrant in the Metro Area (2.6% annual population growth and 3.4% annual employment growth).

Thornton, Brighton and Northglenn have spent much of the past two decades diversifying their local land use bases, providing a better balance between residential and non-residential development. These efforts have been primarily directed at attracting a greater degree of non-residential development. Commerce City is unique among these communities, in that its diversification efforts have been more balanced, diversifying both its residential base (e.g., Reunion) and its non-residential base (e.g., Victory Crossing). In so doing, Commerce City has created a better jobs-to-housing balance than its surrounding neighbors, although future efforts will be targeted to generating greater opportunities for residents to both live and work in the City.

Exhibit 3-1
MHGP Trade Area Map





Economic and Demographic Indicators

Economic and demographic characteristics in the market are indicators of overall trends and economic health which may affect private and public sector development. Table 3-1 summarizes economic and demographic trends which will affect development demand in the MHGP trade area over the near- and long-term.

As shown in Table 3-1, the MHGP Trade Area exhibits demographic characteristics relatively similar to Adams County as a whole, with the following exceptions:

- The Trade Area is projected to grow at a faster rate than Adams County overall.
- The Trade Area has slightly smaller household sizes, with more one- and two-person households, a higher degree of non-family households and a higher share of renter-occupied households.
- The Trade Area has a slightly higher educational attainment level than Adams County overall and has fewer blue collar workers.
- Incomes in the Trade Area are higher on both a median household and per capita basis.
- The Trade Area has a more diverse ethnic profile than Adams County, with higher concentrations of Hispanic and African American residents, and a lower concentration of Asian residents.

Exhibits 3-2 through 3-5 illustrate geographic distributions of some of the demographic indicators described above. These exhibits are useful in determining where concentrations of potential buyers/renters might exist for various housing products or potential customers for retail and service establishments.



Table 3-1
Trade Area Market Indicators
 MHGP Trade Area and Adams County

2012 Indicator (unless otherwise noted)	MHGP Trade	
	Area	Adams County
2000 Population	155,855	350,961
2012 Population	229,814	459,500
2012 Households	76,371	161,242
Annual Household Growth Rate (Projected through 2017)	2.75%	2.25%
Average Household Size	2.82	2.85
Pct. Non-Family Households	30%	29%
Pct. One- and Two-Person Households	56%	54%
Pct. Renters	35%	34%
Pct. Age 65+	8%	8%
Pct. Age 0-14	24%	24%
Median Age	33.0	32.4
Pct. With Bachelors Degree	21%	20%
Pct. Blue Collar (Age 16+)	36%	46%
Median Household Income	\$59,445	\$52,325
Per Capita Income	\$25,772	\$22,562
Pct. With Income Below \$25,000	18%	21%
Pct. With Income Over \$100,000	21%	19%
Pct. Hispanic	39%	38%
Pct. Black/African-American	8%	3%
Pct. Asian American	3%	4%

Sources: U.S. Census Bureau; Claritas, Inc.; Colorado Dept. of Local Affairs; and Ricker|Cunningham.

Exhibit 3-2
Household Change (2012-2017)
MHGP Trade Area

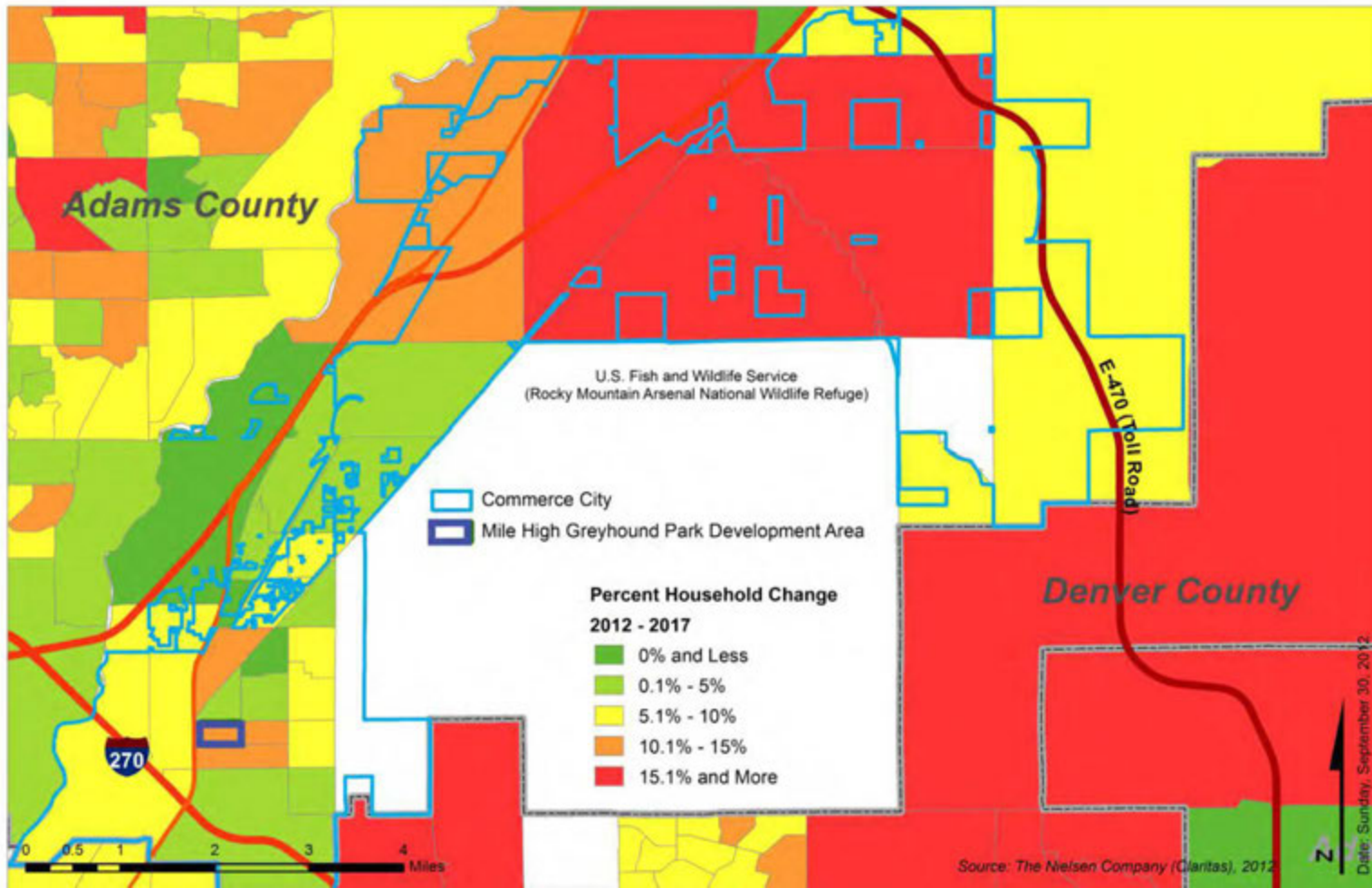


Exhibit 3-3
Population Aged 22 to 29
MHGP Trade Area

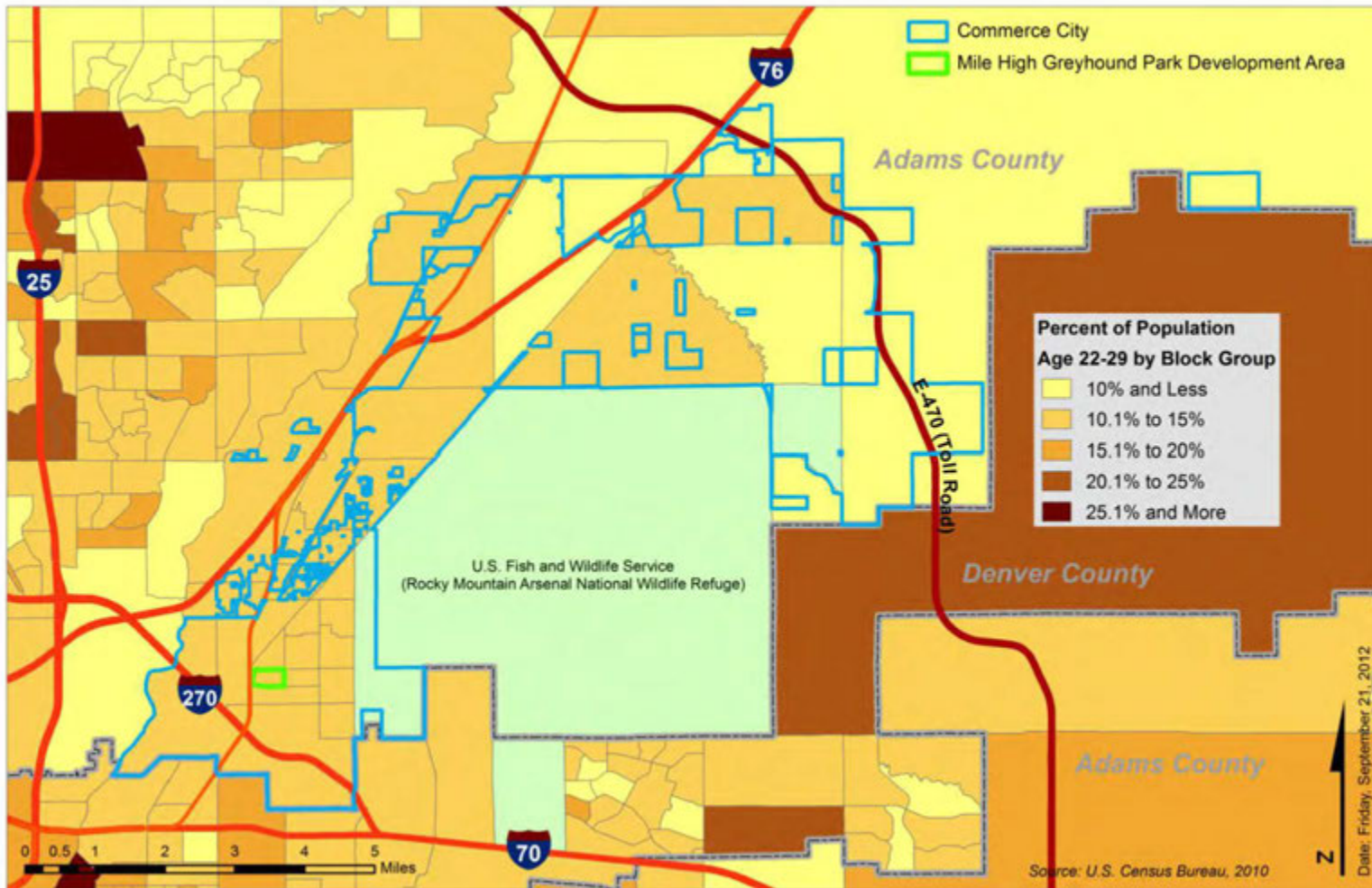


Exhibit 3-4
Hispanic Population
MHGP Trade Area

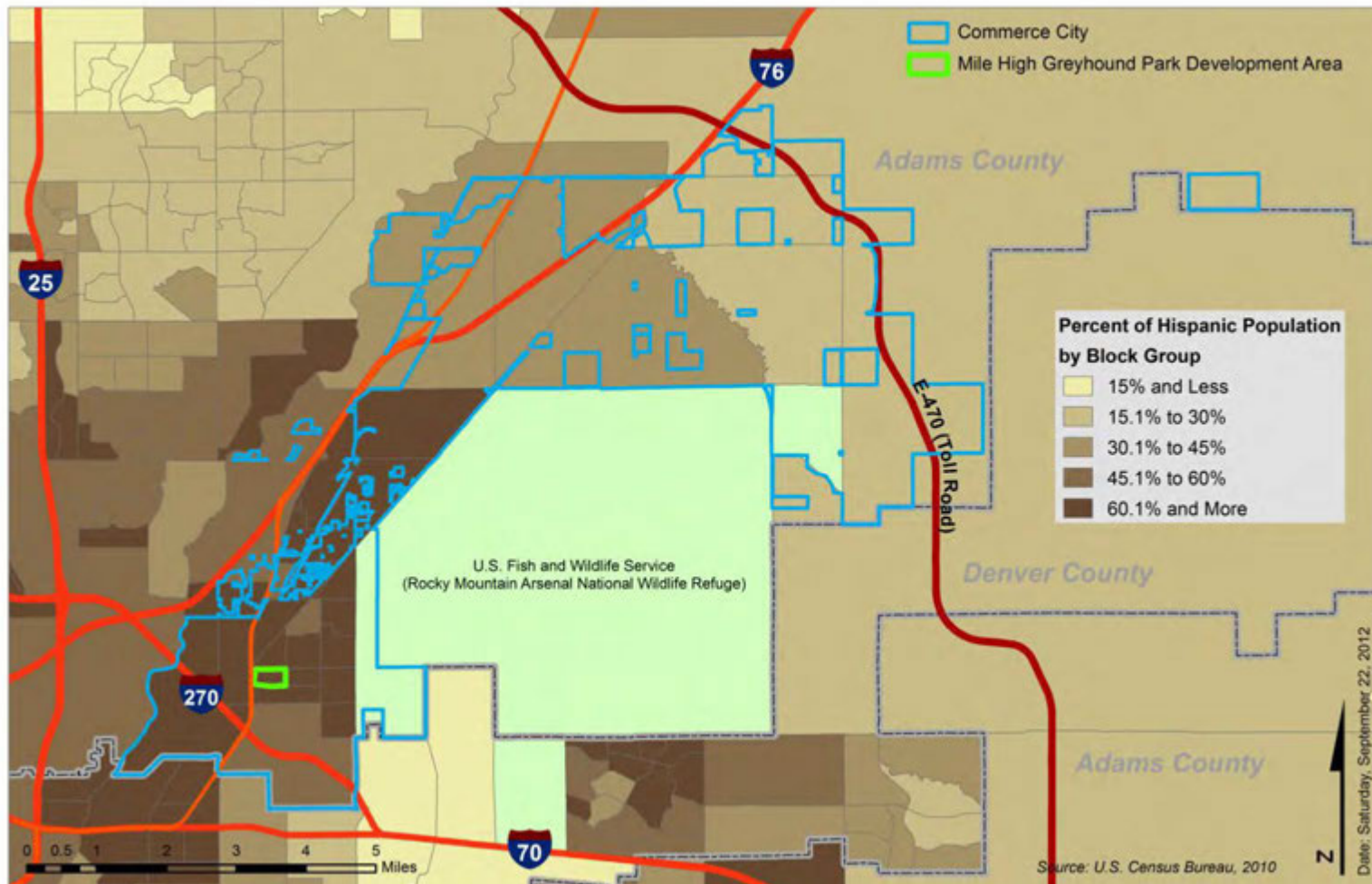
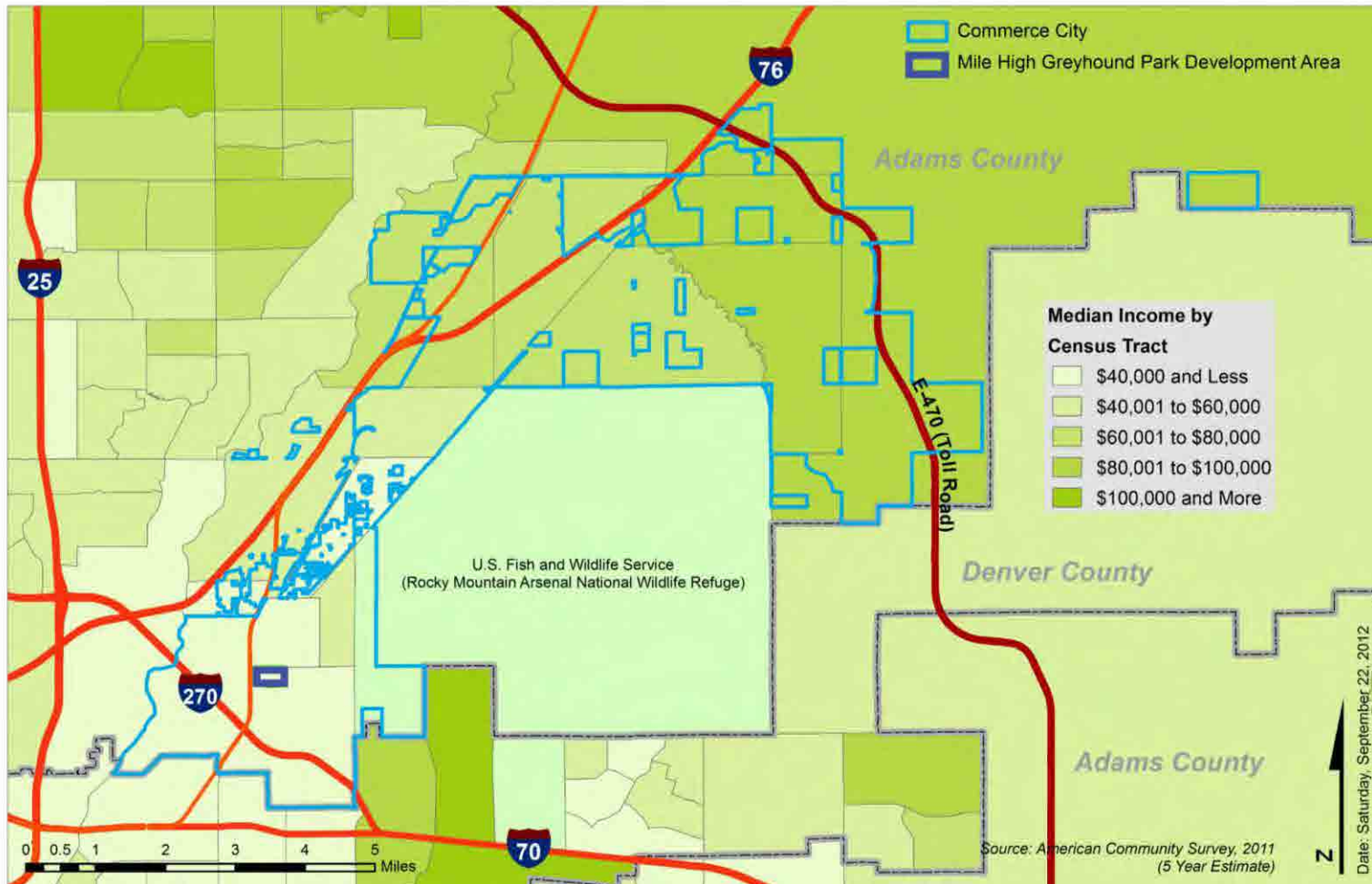


Exhibit 3-5
Median Household Income
MHGP Trade Area





Psychographic Profile

Psychographics is a term used to describe the characteristics of people and neighborhoods which, instead of being purely demographic, speak more to attitudes, interests, opinions and lifestyles. PRIZM (Claritas, Inc.) is a leading system for characterizing neighborhoods and the local workforce into one of 65 distinct market segments.

Commercial retail developers are interested in understanding a community’s psychographic profile, as this is an indication of its resident’s propensity to spend across select retail categories. Residential developers are also interested in understanding this profile as it tends to suggest preferences for certain housing product types.

The MHGP Trade Area has a healthy concentration of psychographic segments which suggest lifestyle preferences that favor an infill urban living environment. As shown in Table 3-2, over 40% of Trade Area households are characterized as “Urban” or “Second Cities” lifestyle segments, indicating likely demand for more urban housing products and neighborhood environments. These “Urban” and “Second Cities” households also represent a relatively wide range of incomes and age groups.

Table 3-2
Lifestyle Segmentation
MHGP Trade Area

Lifestyle Segment	Area Households	% of Total Households	U.S. Index=100*
Multi/Culti Mosaic	4,015	5.33%	326.2
Big City Blues	1,809	2.40%	225.7
American Dreams	1,773	2.35%	112
Urban Achievers	1,678	2.23%	154.4
City Roots	1,628	2.16%	196.8
Urban Subtotal	10,903	14.5%	--
Upward Bound	5,309	7.05%	435.4
White Picket Fences	5,057	6.72%	527.1
Family Thrifts	3,776	5.01%	294.4
Brite Lites, L'il City	3,480	4.62%	301.4
Middleburg Managers	2,129	2.83%	148.8
Second Cities Subtotal	19,751	26.2%	--
Blue-Chip Blues	3,401	4.52%	355.8
Kids and Cul-de-Sacs	3,072	4.08%	244.7
Home Sweet Home	1,828	2.43%	127.5
Suburban Sprawl	1,567	2.08%	155.6
Suburban Pioneers	1,462	1.94%	185.6
Suburbs Subtotal	11,330	15.1%	--
Blue-Chip Blues	3,717	4.94%	255.6
Kids and Cul-de-Sacs	1,785	2.37%	125.5
Home Sweet Home	1,045	1.39%	86.1
Suburban Sprawl	689	0.91%	58.2
Suburban Pioneers	572	0.76%	33.5
Town and Rural	7,808	10.4%	--
Total Above Segments	49,792	66.1%	--
Total Trade Area	76,371	100.0%	--

* Indicates concentration of this segment relative to U.S. average. A segment index of 200 would mean that this group contains 2 times the concentration of households compared to the average U.S. neighborhood.

Source: Claritas, Inc. and Ricker | Cunningham.



Development Climate

During the latter part of 2008, new real estate development throughout the United States nearly ceased to exist. In the years that followed, among those markets that have seen modest levels of activity, the nature of real estate evolved from what it was in earlier decades. Successful real estate development now requires a paradigm shift in underlying evaluation metrics. This, the new face of real estate, is being driven by multiple factors including: limited development capital; technology; changing demographics and psychographics (lifestyle segmentation data); and more informed municipal policies.

Every year, the Urban Land Institute and PricewaterhouseCoopers release their *Emerging Trends in Real Estate* publication, an annual forecast of commercial real estate based on interviews with developers and investors. The following are trends and opportunities identified in the 2012 publication that could influence real estate development over the near- and mid-terms in and around the Trade Area.

Development Trends

- “Generation Y”, individuals aged 15 to mid-30s, a larger group than Baby Boomers, are more frugal, comfortable in smaller spaces, and desiring of living units convenient to work, shopping and recreation / entertainment districts supporting continued growth in mixed-use environments.
- Generation “X” – now between 31 and 46 – are redefining the “givens” of the past several decades – they want equal parts traditionalism, work and leisure – but gravitating around the home – smaller, higher-quality homes.
- Two age segments prefer low-maintenance housing options (e.g., downtown apartments and condos, townhomes and rowhouses, flats and co-ops) – individuals and couples ages 18 to 34 and empty nesters age 55 and over. These two segments comprise 46% of the Trade Area population.



- Over the last several years and into the near term, consumers will seek ways to save on gas – shortening the desire to commute to work and shopping. This will generate more opportunities in urban infill and downtown markets.
- Urbanity in the suburbs (not just walkable new urbanist design, but active programming of space to encourage active lifestyles) will continue to be in demand as many consumers continue to be “priced out” of downtown locations.
- Ethnic retailing, non-store click and mortar (smart phones) concepts, and experience show rooms will dominate the retail field.
- Big box retailers will continue to deliver new boutique stores, particularly in inner-city locations.

Real Estate Opportunities

- Residential Product Opportunities
 - ♦ Women (as a target market)
 - ♦ Downtown (urban and infill rental and ownership)
 - ♦ Workforce Housing
 - ♦ Low-Maintenance Housing
- Retail Product Opportunities
 - ♦ Ethnic Retailing
 - ♦ Central Cities
 - ♦ Lifestyle Centers



- Employment and Education Product Opportunities
 - ♦ Traditional Office Space – in smaller increments
 - ♦ Convertible Spaces
 - ♦ Education Facilities
 - ♦ Third Places

Market Supply and Demand

An analysis of the current performance of real estate products within an overall market, as well as competitive projects within a trade area, provides an indication of whether a property may be ready for new redevelopment. It also helps to identify potential gaps in the market -- niches that new redevelopment could fill. In addition, in order to identify potential future market opportunities given the subject property's competitive position and prevailing market conditions, market demand estimates were prepared for residential, retail, office and lodging land uses over the next 10 years. The information which follows presents a summary of current supply and demand conditions for competitive land uses within the MHGP Trade Area.

Residential

The City of Commerce City issued, on average, 625 residential building permits annually over the last 9 years. Of these average permits issued, only 2% constituted multifamily permits (See Table 3-3). For the Trade Area as a whole, the total average number of permits was 6,438 per year, only 20% of which were for multifamily units.



Table 3-3
Building Permits
MHGP Trade Area

Trade Area City	2004	2005	2006	2007	2008	2009	2010	2011	2012	Total	Annual Avg.	% of Trade Area
Brighton												
Single Family	493	596	391	200	37	37	50	45	64	1,913	213	15.2%
Multi-Family (2+ units)	14	32	0	0	0	0	0	0	0	46	5	3.1%
Total Units	507	628	391	200	37	37	50	45	64	1,959	218	14.0%
Commerce City												
Single Family	1,750	1,605	816	474	207	128	221	112	192	5,505	612	43.8%
Multi-Family (2+ units)	0	40	2	6	41	4	19	4	0	116	13	7.8%
Total Units	1,750	1,645	818	480	248	132	240	116	192	5,621	625	40.0%
Northglenn												
Single Family	19	0	1	0	0	0	0	0	0	20	2	0.2%
Multi-Family (2+ units)	3	0	0	0	0	0	0	0	0	3	0	0.2%
Total Units	22	0	1	0	0	0	0	0	0	23	3	0.2%
Thornton												
Single Family	1,109	1,256	1,000	484	295	240	185	245	306	5,120	569	40.8%
Multi-Family (2+ units)	452	120	45	342	49	0	75	15	220	1,318	146	88.9%
Total Units	1,561	1,376	1,045	826	344	240	260	260	526	6,438	715	45.9%
Total MHGP Trade Area												
Single Family	3,371	3,457	2,208	1,158	539	405	456	402	562	12,558	1,395	100.0%
Multi-Family (2+ units)	469	192	47	348	90	4	94	19	220	1,483	165	100.0%
Total Units	3,840	3,649	2,255	1,506	629	409	550	421	782	14,041	1,560	100.0%

Source: U.S. Census Bureau and Ricker/Cunningham.

MILE HIGH GREYHOUND PARK
 Site Feasibility Study



Although the City of Commerce City makes up nearly 19% of the Trade Area’s existing households (in other words, it’s total historical absorption), it has accounted for approximately 40% of recent Trade Area home-building. These percentages suggest that the City’s efforts to create better residential balance within the community are bearing fruit. This is somewhat unusual for a traditional “inner ring” community competing for new development with “fringe” areas. Commerce City is somewhat unique in that a significant portion of the community (the area around the MHGP site) is characteristic of an “inner ring” community, while the rest of the community (northeast near E-470) is more characteristic of a “fringe” community.

Single family detached units represented 82% of Trade Area new home closings in 2012. With 550 units closed (as tracked by Hanley Woods), Adams County represented 13% of the Denver Metro Area market. Approximately 53% of single family detached closings in the Metro Area were for units priced between \$250,000 and \$400,000. The average sale price per square foot increased approximately 4.3% in 2012, from \$135 to \$141.

Single family attached units represented 18% of Trade Area new home closings in 2012. With 38 units closed (as tracked by Hanley Woods), Adams County represented only 4% of the Denver Metro Area market. Approximately 57% of single family attached closings were for units priced between \$250,000 and \$400,000, similar to single family detached unit prices. The average sale price per square foot increased approximately 9.0% in 2012, from \$141 to \$154.

Demand for Trade Area residential units is a function of newly formed households, whether they arise through natural increase or net in-migration. As shown in Table 3-4, the MHGP Trade Area is expected to experience demand for approximately 24,000 new housing units by 2022. Assuming the ratio of rental to owner-occupied units remains at 35%, this would translate into demand for 8,300 new rental units and 15,700 new ownership units.



Table 3-4
Residential Demand
 MHGP Trade Area

Residential Demand Analysis					Trade Area Demand from New Households (10-yr)			
MHGP Trade Area								
10-yr Demand Estimates								
		Households	2012	76,371				
			2017	87,466	Annual Growth Rate	2.75%		
			2022	100,172				
		Household Growth (2012-22)		23,801	Adjust for 2nd homes, demolition, vacancy	1.0%		
		Adjusted Unit Requirement		24,039	% Rental	35%		
					Trade Area Demand from New Households (10-yr)			
Household Income Range (2010 dollars)	Approximate Rent Range	Supportable Home Price Range	Current Households in Income Bracket	New Households by Income Bracket	Total Units	Estimated % Rental	Total Rental Units	Total Ownership Units
up to \$15K	up to \$375	up to \$75K	11%	9%	2,164	95%	2,055	108
\$15-25K	\$375 - \$625	\$75 to \$100K	8%	7%	1,683	90%	1,514	168
\$25-35K	\$625 - \$875	\$100 to \$150K	8%	7%	1,683	60%	1,010	673
\$35-50K	\$875 - \$1,000	\$150 to \$200K	16%	15%	3,606	50%	1,803	1,803
\$50-75K	\$1,000+	\$200 to \$250K	21%	23%	5,529	20%	1,106	4,423
\$75-100K	\$1,000+	\$250 to \$350K	15%	17%	4,087	10%	409	3,678
\$100-150K	\$1,000+	\$350 to \$500K	16%	16%	3,846	10%	385	3,462
\$150K and up	\$1,000+	\$500K and up	5%	6%	1,442	5%	72	1,370
Totals			100%	100%	24,039	35%	8,354	15,686

Source: U.S. Census Bureau; DRCOG; Claritas, Inc.; and RickerCunningham.



Attached Ownership Demand

Of the 15,577 total units of for-sale housing demand by households earning over \$15,000, approximately 35% or 5,452 units could be attached (condo, townhome, rowhouse, loft, etc.). Assuming a modest 3% capture rate (market share) of attached units, the MHGP site could absorb approximately 136 new attached units by 2022. Table 3-5 summarizes demand for attached ownership units.

Table 3-5
Attached Ownership Demand
 MHGP Trade Area

Annual Household Income Range	Approximate Home Price Range	Trade Area For-Sale Demand (Incomes \$15K+)	Estimated % Single Family Attached	Single Family Attached Demand	Attainable Capture Rate	Attainable MHGP Capture (units)
\$15-25K	\$75 to \$100K	168	35%	59	3%	1
\$25-35K	\$100 to \$150K	673	35%	236	3%	6
\$35-50K	\$150 to \$200K	1,803	35%	631	3%	16
\$50-75K	\$200 to \$250K	4,423	35%	1,548	3%	39
\$75-100K	\$250 to \$350K	3,678	35%	1,287	3%	32
\$100-150K	\$350 to \$500K	3,462	35%	1,212	3%	30
\$150K and up	\$500K and up	1,370	35%	480	3%	12
Totals		15,577	35%	5,452	3%	136

Note: Assumes Townhome/Condo development stabilizes at 35% of all ownership demand

Source: U.S. Census Bureau; DRCOG; Claritas, Inc.; and RickerCunningham.



Rental Demand

The MHGP Trade Area is expected to support 6,298 total units of rental housing demand by households earning over \$15,000. At a 4% capture rate, the MHGP site could absorb approximately 220 new rental units by 2022. Table 3-6 summarizes demand for rental units.

Table 3-6
Rental Demand
 MHGP Trade Area

Annual Household Income Range	Approximate Rent Range	Trade Area Rental Demand (Incomes \$15K+)	Attainable Capture Rate	Attainable MHGP Capture (units)
\$15-25K	\$375 - \$625	1,514	4%	53
\$25-35K	\$625 - \$875	1,010	4%	35
\$35-50K	\$875 - \$1,000	1,803	4%	63
\$50-75K	\$1,000+	1,106	4%	39
\$75-100K	\$1,000+	409	4%	14
\$100-150K	\$1,000+	385	4%	13
\$150K and up	\$1,000+	72	4%	3
Totals		6,298	4%	220

Source: U.S. Census Bureau; DRCOG; Claritas, Inc.; and RickerCunningham.



Retail / Restaurant / Service

As shown in Exhibit 3-6, a slightly smaller trade area was defined for the retail analysis. Summary retail/restaurant/service supply characteristics for this smaller trade area are presented as follows:

- MHGP retail space will compete primarily in the Northeast and North retail submarkets. The Northeast submarket currently has over 5.2 million square feet of retail space, of which 6.1 percent was vacant as of 4th Quarter 2012. Small strip centers and large strip centers comprise approximately 45 percent of total submarket space, with 526,000 square feet and 1.8 million square feet, respectively. Vacancy rates within small and large strip centers are 4.6% and 9.4%, respectively. Median rental rates are similar in both center types at \$16.00 and \$16.75 per square foot, triple net, respectively.
- In comparison, the North submarket currently has over 9.3 million square feet of retail space, of which 11.4 percent was vacant as of 4th Quarter 2012. Small strip centers and large strip centers comprise nearly 73 percent of total submarket space, with 944,000 square feet and 5.9 million square feet, respectively. Vacancy rates within small and large strip centers are 9.6% and 13.3%, respectively. Median rental rates are somewhat similar in both center types at \$13.50 and \$14.50 per square foot, triple net, respectively.
- Table 3-7 presents a summary of retail indicators for the submarkets described above.

**Exhibit 3-6
Retail Trade Area**

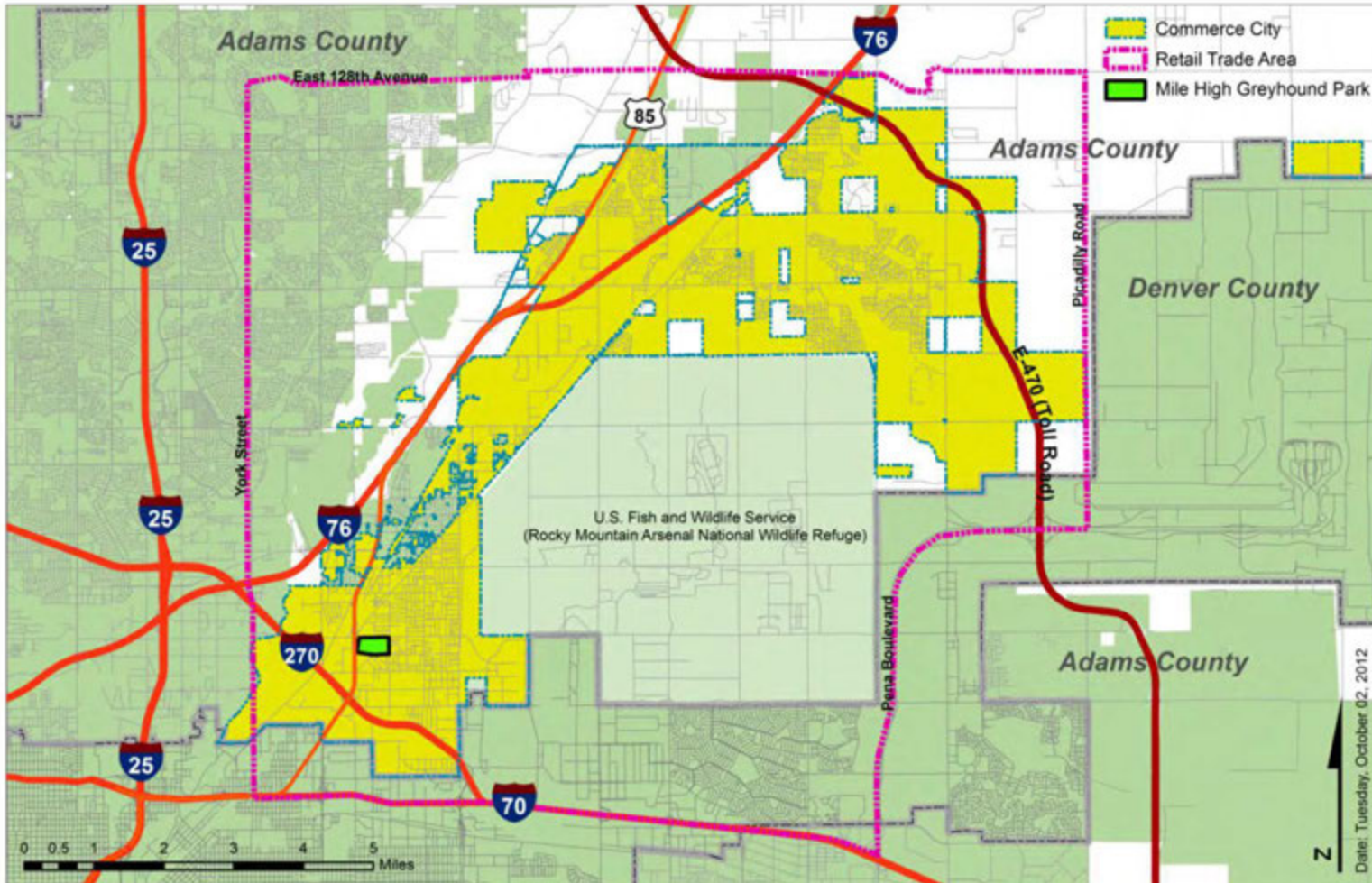




Table 3-7
Retail Market Characteristics
 MHGP Trade Area

Retail Indicator	Submarket		Total Denver Metro Market
	Northeast	North	
Total Space (sq ft)	5,218,385	9,385,933	88,555,122
Small Strip	526,185	943,825	12,152,156
Large Strip	1,825,880	5,889,189	45,528,769
Vacancy Rate	6.1%	11.4%	8.8%
Small Strip	4.6%	9.6%	10.3%
Large Strip	9.4%	13.3%	10.0%
Median Rental Rate			
Small Strip	\$16.00	\$13.50	--
Large Strip	\$16.75	\$14.50	--

Source: Newman Knight Frank Frederick Ross and RickerCunningham.

Future demand for retail/restaurant/service space is determined by the potential level of retail expenditures in a given trade area from two sources: those dollars spent by trade area residents outside the trade area, or “leakage”; and those generated by new household growth. Tables 3-8 and 3-9 summarize the calculations of both of these sources of retail demand. For each major retail category, current household retail expenditures (demand) are compared to current retail sales (supply) in the Trade Area to determine if there is a retail “surplus” (supply exceeds demand) or “leakage” (demand exceeds supply). Table 3-8 shows that “leakage” exists in four retail categories: building materials and garden equipment; specialty food stores; health and personal care; and clothing and accessories. The remaining categories currently have retail surpluses, i.e., supply exceeds demand. Projected demand from new household formation over the next five years is determined by multiplying growth in households with that portion of household income typically spent on general retail and service purchases. Table 3-9 shows the level of demand by retail category that will be generated by new household formation.



Table 3-8
Retail Market Leakage
 MHGP Trade Area

Retail Category	Estimated 2012 Household Retail Demand	Estimated 2012 Retail Sales (Supply)	Estimated 2012 Retail Void (Leakage)	Estimated Retail Sales/s.f.	New Retail Space Needed to Recapture Void/Leakage
Furniture & Home Furnishings	\$40,443,664	\$40,569,028	\$0	\$200	0
Electronics & Appliance	\$47,569,452	\$28,802,204	\$18,767,248	\$250	75,069
Bldg Materials, Garden Equipment	\$185,831,596	\$90,162,109	\$95,669,487	\$300	318,898
Food & Beverage (Grocery)	\$297,977,302	\$239,329,848	\$58,647,454	\$375	156,393
Health & Personal Care	\$108,257,600	\$19,464,792	\$88,792,808	\$350	253,694
Clothing and Accessories	\$105,157,718	\$8,029,150	\$97,128,568	\$225	431,683
Sporting Goods, Hobby, Book, Music	\$44,858,370	\$6,980,718	\$37,877,652	\$225	168,345
General Merchandise	\$292,127,980	\$110,671,814	\$181,456,166	\$300	604,854
Miscellaneous Stores	\$53,071,601	\$21,206,836	\$31,864,765	\$200	159,324
Foodservice & Drinking Places	\$209,837,976	\$103,335,857	\$106,502,119	\$350	304,292
Total	\$1,385,133,259	\$668,552,356	\$716,706,267		2,472,551

Source: DRCOG; Claritas, Inc.; Urban Land Institute; and Ricker|Cunningham.

As summarized in Table 3-8, there is considerable “leakage” in the Trade Area for all major retail categories, with the exception of furniture and home furnishings. The level of “leakage” estimated in current retail categories is approximately \$716.7 million in retail spending, which could support an additional 2.4 million square feet of space. This indicates a substantial “void” in the current market for virtually all retail store types. It should be noted that a substantial retail concentration exists just outside the Trade Area to the south in the Stapleton development.



Table 3-9
Retail Market Demand from New Households
 MHGP Trade Area

Retail Category	Estimated 2012 Household Retail Demand	Estimated 2012 Retail Sales (Supply)	Annual Household Growth Rate (2012-2022)	Net New Household Retail Demand	New Retail Space Needed for Household Growth	Total 10-Year New Trade Area Retail Demand (s.f.)	MHGP Project Attainable Capture Rate	MHGP Project Attainable Capture (Sq Ft)
Furniture & Home Furnishings	\$40,443,664	\$40,569,028	2.8%	\$12,604,310	63,022	63,022	2%	1,260
Electronics & Appliance	\$47,569,452	\$28,802,204	2.8%	\$14,825,069	59,300	134,369	2%	2,687
Bldg Materials, Garden Equipment	\$185,831,596	\$90,162,109	2.8%	\$57,914,609	193,049	511,947	2%	10,239
Food & Beverage (Grocery)	\$297,977,302	\$239,329,848	2.8%	\$92,864,934	247,640	404,033	2%	8,081
Health & Personal Care	\$108,257,600	\$19,464,792	2.8%	\$33,738,593	96,396	350,090	2%	7,002
Clothing and Accessories	\$105,157,718	\$8,029,150	2.8%	\$32,772,511	145,656	577,338	2%	11,547
Sporting Goods,Hobby, Book, Music	\$44,858,370	\$6,980,718	2.8%	\$13,980,157	62,134	230,479	2%	4,610
General Merchandise	\$292,127,980	\$110,671,814	2.8%	\$91,041,987	303,473	908,327	2%	18,167
Miscellaneous Stores	\$53,071,601	\$21,206,836	2.8%	\$16,539,819	82,699	242,023	2%	4,840
Foodservice & Drinking Places	\$209,837,976	\$103,335,857	2.8%	\$65,396,222	186,846	491,138	2%	9,823
Total	\$1,385,133,259	\$668,552,356		\$431,678,210	1,440,215	3,912,766	2%	78,255

Source: DRCOG; Claritas, Inc.; Urban Land Institute; and Ricker/Cunningham.

Table 3-9 shows that an additional \$431.7 million in retail spending is anticipated from new household growth. Applying a relatively modest market capture rate of 2%, the MHGP site could absorb approximately 78,000 square feet of new retail/restaurant/service space over the next 5 to 10 years.



Office / Employment

As shown in Exhibit 3-7, a slightly smaller trade area was defined for the office analysis. Summary office supply characteristics for this smaller trade area are presented as follows:

- MHGP office space will compete primarily in the Northeast and Midtown office submarkets. The Northeast submarket currently has nearly 2.1 million square feet of office space, of which 18.0 percent was vacant as of 4th Quarter 2012. Class A space comprises approximately 46 percent of total submarket space and is currently showing a vacancy rate of 20.1%. This compares to Class B space, which comprises approximately 33 percent of total submarket space and is currently showing a vacancy rate of 13.7%. Median rental rates for Class A and B space are \$25.00 and \$16.25 per square foot, triple net, respectively.
- In comparison, the Midtown submarket currently has over 6.1 million square feet of office space, of which 11.2 percent was vacant as of 4th Quarter 2012. Class A space comprises approximately 36 percent of total submarket space and is currently showing a vacancy rate of 11.8%. This compares to Class B space, which comprises approximately 39 percent of total submarket space and is currently showing a vacancy rate of 11.2%. Median rental rates for Class A and B space are \$24.60 and \$18.25 per square foot, triple net, respectively.
- Table 3-10 presents a summary of office indicators for the submarkets described above.

Exhibit 3-7
Office Trade Area

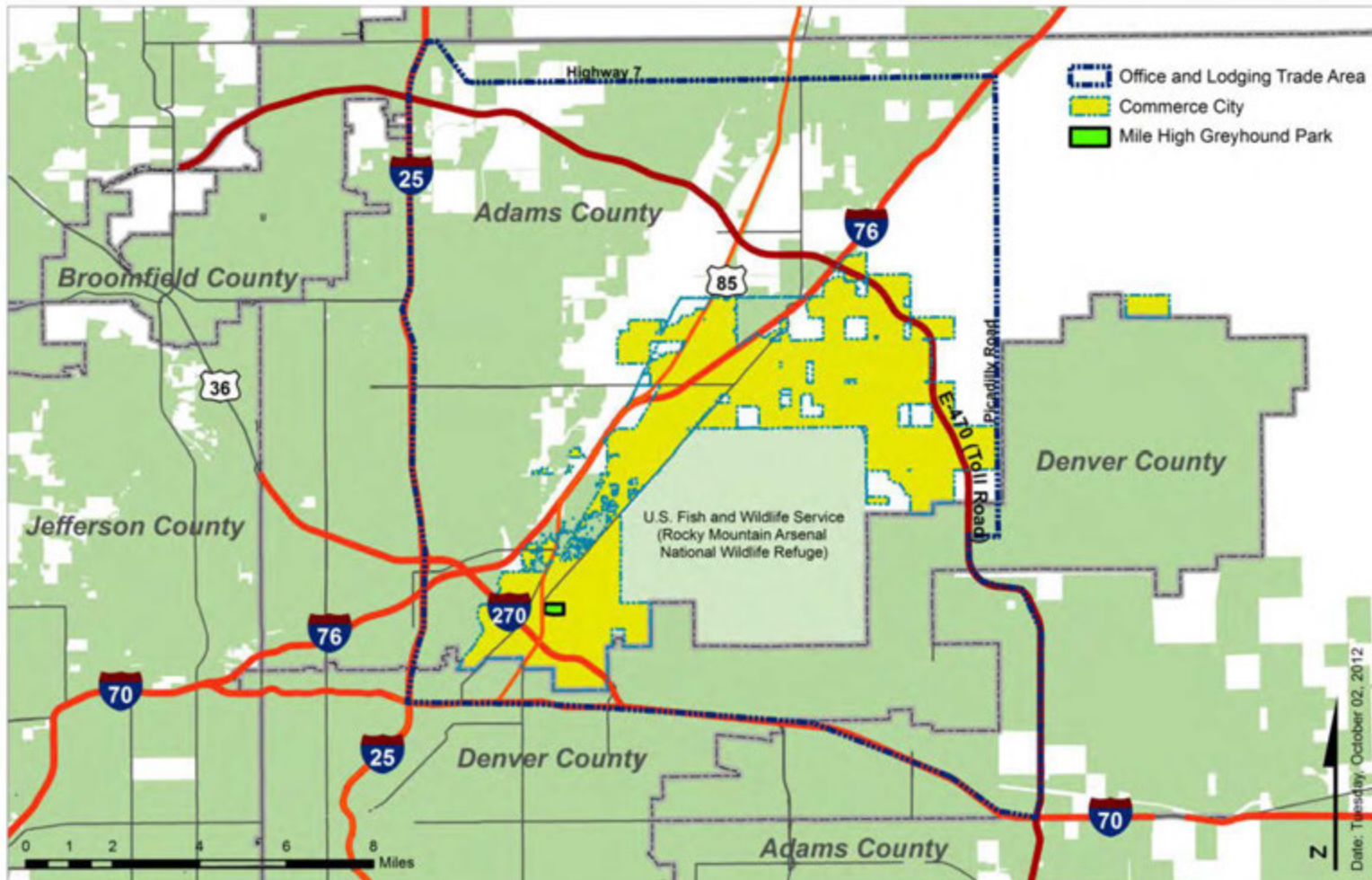




Table 3-10
Office Market Characteristics
 MHGP Trade Area

Office Indicator	Submarket		Total Denver Metro Market
	Northeast	Midtown	
Total Space (sq ft)	2,096,300	6,105,527	92,195,032
Class A	977,779	2,198,709	45,170,432
Class B	694,804	2,385,925	36,487,078
Vacancy Rate	18.0%	11.2%	17.5%
Class A	20.1%	11.8%	15.1%
Class B	13.7%	11.2%	19.5%
Median Rental Rate	\$16.50	\$18.50	\$17.67
Class A	\$25.00	\$24.60	\$22.18
Class B	\$16.25	\$18.25	\$17.31

Source: Newman Knight Frank Frederick Ross and RickerCunningham.

Demand for new office space is derived from two primary sources: expansion of existing industry; and the relocation of new companies into the market. Employment projections by industry classification for the Trade Area were used to estimate demand over the next 10 years. Assuming an overall 3.1% sustained annual employment growth rate, the Trade Area should add approximately 25,767 new jobs between 2012 and 2022. Assuming differing levels of office space needed across various industry categories, the analysis revealed demand for nearly 1.3 million square feet of new office space over this period. At a relatively modest 6% capture rate, the MHGP site could absorb approximately 77,000 square feet of new office space by 2022.



Table 3-11
Office Demand
 MHGP Trade Area

Industry Category	Estimated 2012 Employees	Estimated Growth Rate 2012-2022	Estimated 2022 Employees	Estimated New Office Employees	Estimated % in Office Space	Estimated Net New Office Employees	Sq Ft per Office Employee	Estimated 10-yr Office Demand	Estimated MHGP Capture Rate	Estimated MHGP Office Capture (s.f.)
Natural Resources, Mining and Construction	6,749	3.1%	9,159	2,410	40%	964	180	173,487	6%	10,409
Manufacturing	5,389	3.1%	7,313	1,924	5%	96	180	17,316	6%	1,039
Trade, Transportation and Utilities	20,895	3.1%	28,355	7,460	10%	746	180	134,279	6%	8,057
Information	1,216	3.1%	1,650	434	80%	347	180	62,516	6%	3,751
Financial and Real Estate Activities	2,496	3.1%	3,387	891	90%	802	180	144,362	6%	8,662
Professional and Business Services	7,607	3.1%	10,323	2,716	80%	2,173	180	391,084	6%	23,465
Educational and Health Services	16,292	3.1%	22,109	5,817	20%	1,163	180	209,397	6%	12,564
Leisure and Hospitality	6,116	3.1%	8,300	2,184	10%	218	180	39,304	6%	2,358
Other Services	2,147	3.1%	2,914	767	30%	230	180	41,392	6%	2,484
Government	3,265	3.1%	4,431	1,166	30%	350	180	62,946	6%	3,777
Totals	72,172	3.1%	97,939	25,767	28%	7,089	180	1,276,084	6%	76,565

Source: Colorado Department of Labor and Employment; Colorado Department of Local Affairs; and Ricker | Cunningham.

Lodging

The office trade area reflected in Exhibit 3-7 was also used for the lodging analysis. Summary lodging supply characteristics for this trade area are presented as follows:

- There are approximately 4,800 hotel rooms in or near the MHGP Trade Area. These include properties near DIA, as well as properties along the I-25 and I-70 Corridors. An estimated 950 of these hotel rooms are considered to be “non-DIA” influenced properties.
- According to Smith Travel Research, there are four proposed/future lodging properties in the MGHP Trade Area: a Holiday Inn Express at 45th and Peoria Street; a Drury Inn at I-70 and Quebec Street; a Woolley’s Classic Suites near 40th Avenue and Airport Boulevard; and an



extended stay hotel in the Northfield Stapleton project. Other proposed projects in the Denver Metro Area are well outside the Trade Area and will likely operate in separate submarkets.

Demand for lodging space in the MHGP Trade Area is derived from two sources: residual or excess demand in the current market; and new demand from corporate, tourist/leisure, and group users. Based on current occupancy rates (64%), the Trade Area is operating at below market equilibrium (generally estimated at 65% to 70%). Because of this imbalance in market equilibrium, there is no excess or residual demand in the current market. However, there will be demand from future growth in the lodging segments described above. Assuming that these segments grow at annual rates of 3 percent, 2 percent and 2 percent, respectively, the Trade Area lodging market could support an additional 263 new hotel rooms over the next 10 years (See Table 3-12).

Table 3-12
Lodging Demand
MHGP Trade Area

Residual Demand in Current Market:	
Total Lodging Rooms in Market:	950
Annual Potential Room Nights of Demand (RND):	346,750
RND @ Current Occupancy (64%):	221,920
RND @ Market Equilibrium (68% Occupancy):	235,790
Net RND (Surplus/ Deficit):	(13,870)
Supportable New Hotel Rooms @ 68% Occupancy:	0
Future Growth in Lodging Demand (10-Yr):	
Room Nights of Demand (2012):	
Corporate (60%):	133,152
Tourist (30%):	66,576
Group (10%):	22,192
Room Nights of Demand (2022):	
Corporate (3% Annual Growth):	178,945
Tourist (2% Annual Growth):	81,156
Group (2% Annual Growth):	27,052
New Room Nights of Demand (2012 to 2022):	65,233
Supportable Hotel Rooms @ 68% Occupancy	263
Total Supportable Hotel Rooms (2012 to 2022)	263

Source: Smith Travel Research and Ricker|Cunningham.

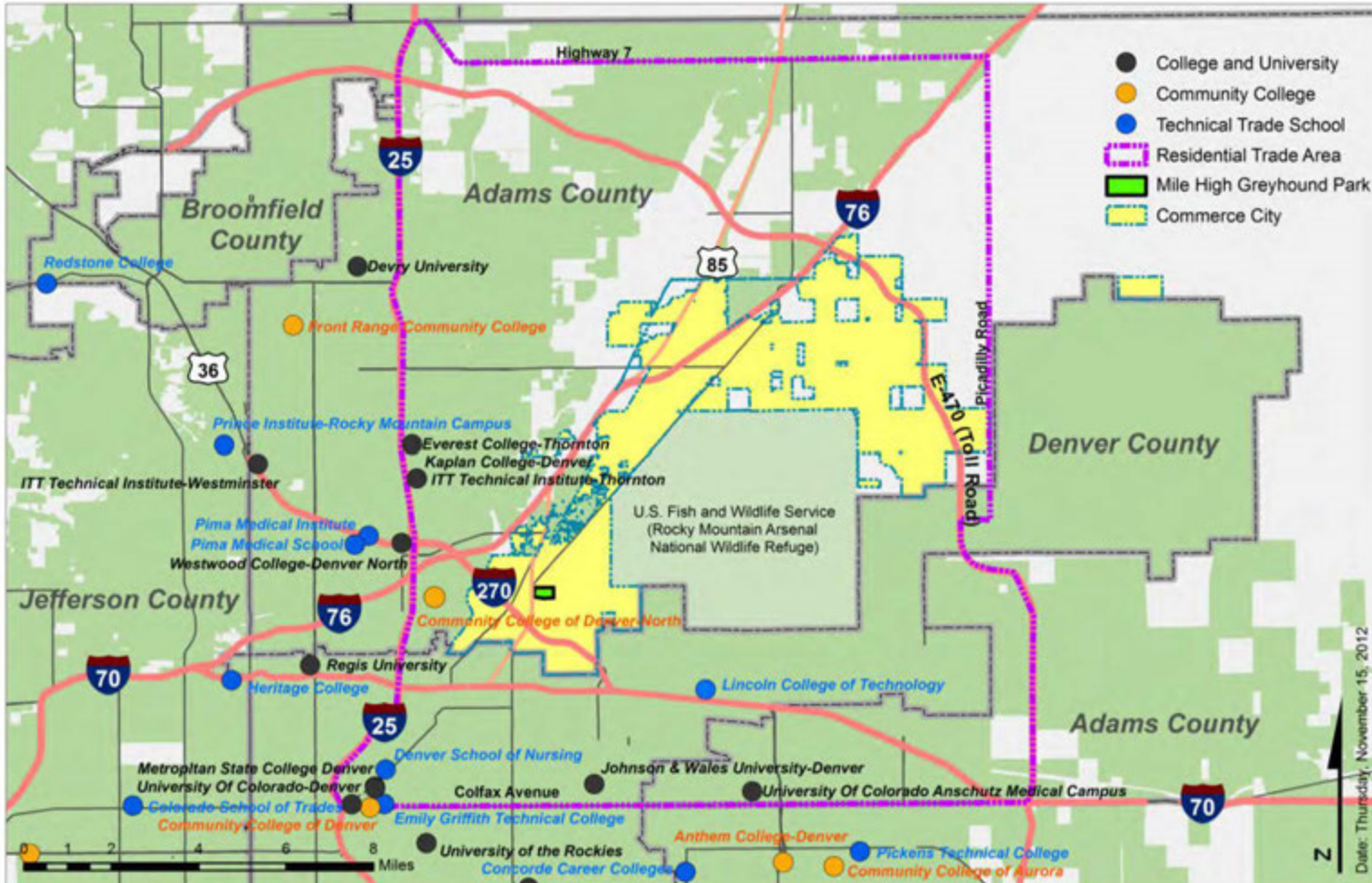


Advanced Education and Training

Summary advanced education and training supply characteristics for the MHGP Trade Area are presented as follows:

- Advanced education facilities in the MHGP Trade Area are comprised of two types: Post Secondary Education and Vocational Education and Training.
- Post Secondary Education facilities include: Colleges (research and non-research); Universities (research and non-research); Community Colleges; and Professional Schools. These facilities can be public (not-for-profit), private or seminary (public or private), and offer Bachelors, Masters and Graduate degrees.
- Considerations for Post Secondary Education facilities generally focus on the supply of “college-ready” students. The general demand for programs is driven by occupation and typically warrants “bricks and mortar” facilities and extensive staff (professors, administrators, etc.). Like many real estate products, location, competition and a community culture that supports advanced degrees are all important factors in site location decisions. It should be noted, though, that there are territorial considerations for public college which would require cooperative agreements with other providers.
- Vocational Education and Training facilities offer 2-Year / Associate Degrees, Certificates, Diplomas and Training Qualifications.
- As with Post Secondary Education facilities, considerations for Vocational Education and Training facilities include location, competition and a supportive community culture. Demand for these facilities, however, are generally driven by private sector businesses needing skilled workers in certain occupations. “Supply” components include students who may not be “college-ready” or unemployed or underemployed workers in a community.
- Exhibit 3-8 illustrates the supply of advanced education facilities in the MHGP Trade Area

Exhibit 3-8
Advanced Education Supply
MHGP Trade Area





Trends which favor the potential for an advanced education facility as part of the MHGP redevelopment include:

- Increase in community college enrollment of 32.6 percent between 2011 and 2012; this increase in students did not translate into additional tuition revenue (budgets set in the Spring for Fall)
- Front Range Community College has a student population of 18,000, which is expected to grow to 28,000, yet State and federal funding has remained the same for three years
- The College Opportunity Fund, enacted by former Governor Bill Owens, has been reduced from \$92 in State funding per college credit hour to \$62 per credit hour
- Many higher education facilities are struggling to find both space and instructors
- Parking is continuing to be a significant factor with regard to growth
- Schools have responded with an increase in on-line coursework, hiring freezes, larger class sizes and program cuts, and there are concerns that some schools will go private, resulting in tuition hikes.

Demand Summary

Table 3-13 summarizes potential MHGP site absorption of land uses over the next 10 years.



Table 3-13
Demand Summary
 MHGP Trade Area

Land Use Type	Trade Area Demand (10 Year)	MHGP Site					
		Market Share		Absorption (Units/Sq Ft)		Absorption (Acres*)	
		Low	High	Low	High	Low	High
Residential (Units):							
Townhome/Condominium	5,400	2%	3%	108	162	11	16
Rental Apartments	6,300	3%	4%	189	252	8	10
Residential Total	11,700			297	414	18	26
Non-Residential (Sq Ft):							
Retail	3,900,000	2%	3%	78,000	117,000	6	9
Office	1,300,000	5%	7%	65,000	91,000	5	7
Lodging (rooms)	320	20%	30%	64	96	2	4
Educational/Institutional	--	--	--	--	--	10	12
Nonresidential Total	5,360,000			65,064	91,096	23	32
Total Project Area						42	58

*Based on following densities/FARs:

Townhome/Condominium	8	units/acre
Rental Apartments	25	units/acre
Retail	0.35	FAR
Office	0.35	FAR
Lodging (rooms)	0.35	FAR

Source: Ricker|Cunningham.

The market analysis shows demand for approximately: 300 to 400 residential units; 75,000 to 120,000 square feet of retail space; 65,000 to 90,000 square feet of office space. Additional space for lodging and the advanced educational facility could also be supported on the MHGP site.



Demand Implications

Residential

- Over the past five years, there has been a slight shift in the communities in and around the MHGP Trade Area to more higher-density housing products, e.g., townhomes, condominiums and apartments. However, this growing townhome/condominium market is not active to the same extent shown in other Metro Area communities, particularly Denver. While most of Denver is distinctly more urban than the Trade Area, the movement toward a higher-density housing market is significant. As one of the next “ring” of communities moving outward from Denver, Commerce City in general, and the MHGP site in particular, have unique opportunities to be logical targets for urban housing. The presence of transit relatively nearby only enhances these opportunities, representing a competitive advantage.

Retail

- While there is a healthy degree of retail “leakage” occurring in the MHGP Trade Area (enough to support a sizable amount of new space), the recent closings of major national retailers (and potentially more to come in 2013), as well as the significant amount of underutilized or obsolete space, could characterize the Trade Area as a fragile retail market. This is a market perception that could be a challenge in attracting new retailers and new formats to the MHGP site.
- The MHGP Trade Area is likely underserved by newer retail formats and product mixes. This concept of being “under-stored” is not uncommon in “inner ring” communities. The Trade Area currently represents a relatively homogenous retail market. In association with the increased diversity of housing products and targeted demographic groups, it could accommodate a wider variety of retail product types and formats.

Office

- Despite Commerce City’s perception as an established industrial market, its proximity to Stapleton, Fitzsimons and even the Central Business District, make it a potential “midtown” location for office space. The MHGP site has a twofold opportunity to capitalize on



these existing office markets, while at the same time, offering “niche” opportunities for secondary office locations providing less expensive space in a “close-in” urban environment.

- The MHGP site could also provide a home for local service office users, and even “incubator” space for new and expanding businesses in the local economy. These opportunities will be best served by flexible space which could accommodate office, service, and even light industrial users.

Lodging

- Because the MHGP site is not an obvious competitive location for lodging, given other properties in the Trade Area, the potential opportunity here will depend on the mix of land uses. In other words, the lodging component of the ultimate redevelopment program will be supportive to other land uses.

Advanced Education

- The Advanced Education component of the MHGP redevelopment will likely require a commitment to a long-term vision for a portion of the property (with a pre-defined timeframe), while pursuing private investment on the balance of the property. The long-term vision will grow the “supply” of users for education / training facilities from within the community (e.g., Adams 14) and “connect the dots” between business needs, school preparation programs, and education and training providers.
- A “land banking” strategy for a portion of the property that could accommodate either an advanced education or training facility could be implemented while pursuing a single or preferably multiple private and / or public partners for the balance of the property.

Mixed-Use

- The successful redevelopment of the MHGP site will depend on the integration of complementary land uses which support and enhance one another. It is this synergy of activities that will not only maximize value on the site, but provide the surrounding community with a timeless amenity.



Section 4:

Concept

In Jane Jacobs' book, *The Death and Life of Great American Cities* (1961), she warns that "land use segregation and low-density dispersal are killing off the diversity that is the basis of urban life." She goes on to say, "The essential phenomenon of cities is the mixture of activities they support and encourage." Ms. Jacobs identified four conditions which must be present for a city and the "neighborhoods within them" to be vital:

- All districts in a "city" must serve more than one primary function, and preferably at least three, so that there will be people on different schedules using facilities in common.
- Blocks must be short and the distances within them scaled to pedestrians.
- Buildings must be a mix of varying ages and conditions, so that there are cheap rents for enterprises just starting out, as well as high quality spaces so that successful enterprise stays in the area.
- Dense concentrations of people are ideal to support diverse activities within a compact area.

Jacobs' ideal environment was 24-hour, urban diversity, a mix of uses, vibrant street life, and places where individuals and families could live, work, shop and play. These same principles are present in every successful redevelopment project that has occurred over the last two decades. While many communities have designed their revitalization strategies around a theme such as entertainment, housing, sports, meetings and conventions, and others, the memorable ones have developed their theme, or "address" around existing community assets. The most prevalent lesson learned is that in successful revitalization must be a reflection of the unique and historical character of the local market.



As stated earlier in the Introduction, no one initiative will advance the vision for a redeveloped Mile High Greyhound Park; rather, it will require a series of efforts, occurring simultaneously over time which serves to both stabilize the environment for investment and define a place in the minds of residents, visitors, businesses and other stakeholders. The information which follows describes the vision and goals which informed the proposed development concept for the Study Area. These are followed by elements of a framework for development considered to be the essential building blocks that will inform future private investment (for profit and not-for-profit). Collectively they are intended to provide enough detail to guide prospective efforts and secure capital dollars, yet be flexible enough to accommodate opportunities that have not been identified to-date.

Vision

“A vision is an image of the future shared by the people of a region and comprehended in physical, social, economic and environmental terms.”
Urban Land Institute

A well-crafted vision is realistic and recognizes economic, political and environmental constraints. Successful visions must have their roots in the community and accurately reflect the views and aspirations of those who live and work there. A vision statement should be regularly evaluated and, if necessary, modified. Implementation of the vision requires consistent and disciplined public policy. Courage, patience, good planning, commitment and money are also necessary in order to maintain the vision over a long period of time.

One of the key directives by participants in the City-led outreach process that preceded this *strategy* was to articulate a vision for the Study Area. The vision statement drafted by the Consultant Team based on all input received to-date is as follows:

The former Mile High Greyhound Park will continue its history as a place that draws people of many backgrounds and ages in a common purpose. Anchored by uses which advance municipal goals and aspirations and supplemented by uses which support its



anchors, the property and spaces within it will be a destination for residents of the community and metro area and a complement to the City's economic development infrastructure. Each use will be accessible from the others through vehicular and non-vehicular improvements and collectively the property will be accessible to the region. Product offerings will complement those currently available within the City and larger market, and the design and development quality will be superior.

Development Principles and Goals

In order to ensure that any and all investment within the Study Area advances the larger vision, the Consultant Team together with the MHGP – Team prepared a set of development principles and goals. The principles should be used to evaluate near-term investment opportunities that may come forward before the City and Urban Renewal Authority identifies its master developer partner (s). The goals that follow the principles informed the framework plan and should be used going forward to evaluate development concepts that will result from future partner solicitations.

Development Principles

- High quality
- Encourages walkability
- Removes blighting conditions
- Higher (comparatively) density
- Promotes greater variety of uses and activities
- Mixed-use and mixed-income



- Strengthens or links surrounding uses
- Destination
- Public benefit
- Leverages public investment (existing or planned)
- Supported by stakeholders
- Addresses demonstrated community need
- Unique to property's and / or community's culture
- Sustainable

Development Goals

1. Create a flexible master framework plan – establish physical connections to and throughout the site that produces a series of developable lots. This approach will allow for a variety of product types to be delivered as market conditions permit, while also allowing the City and Urban Renewal Authority to hold (land bank) portions of the site for future uses.
2. Create a mixed-use and multi-use neighborhood – residential, mixed-use, and commercial products should complement and diversify the existing inventory that surrounds the Area. Concentrate residential development to the east of the site, adjacent to existing residential neighborhoods, and scale the design appropriately. Units should front streets, utilize a system of alleys where possible, and connect (rather than separate) to surrounding uses.
3. Provide a variety of retail and commercial development options – retail and / or commercial uses should be concentrated along the western half of the site to capitalize on visibility from surrounding roadways and leverage any synergy offered by existing commercial concentrations to the south along Parkway Drive. Creation of a centralized, mixed-use main street, as well as individual retail pad sites



would provide additional diversity and allow the site to capitalize on different products and different market cycles. With an institutional anchor, commercial uses could range from office and incubator space for entrepreneurial spin-offs to administrative space.

4. Create a community destination and sense of place – prepare detailed design guidelines that promote a comfortable, well-designed destination and that give the property and its environs a distinct and relevant sense of identity. Encourage a central core of uses connected by public spaces. Create a small park for residents and visitors with a community play space. The purpose of the community park will be twofold – to serve as a community amenity and to accommodate existing on-site storm water detention.
5. Provide space for the Boys and Girls Club and other service organizations – set aside a site, preferably in the southeast corner of the Study Area, adjacent to the existing neighborhoods. Encourage an architectural and landscape design character consistent with other uses on the site. Establish space sharing agreements with any and all service providers within the property.
6. Hold a portion of the property for an institutional anchor (education / training) while pursuing development on the balance - while the size and scope of the anchor may not be determined for several months, the development concept should allow for a variety of uses that could ultimately compliment a multi-facility campus. The pursuit of an institutional anchor will provide the City and Urban Renewal Authority with a marketable theme with which to pursue investment on the balance of the property in the near-term.

Framework Plan

Experience has shown that successful communities leverage land and community and regional amenities in a manner that creates strong and memorable places. With this goal in mind, the Consultant Team prepared a graphic illustration of a potential development concept for the Study Area, consistent with the expressed vision and goals. The purpose of developing a concept for the property is twofold: to inform priority public investment and policy and incentive decisions. As stated above, City Council, the Urban Renewal Authority and Consultant Team all recognize the necessity to allow future partners to capitalize on market opportunities in their pursuit of advancing community goals; however they also



acknowledge that the community will be the largest and longest term investor in the Area. To that end, it is their responsibility to establish a framework of elements which will sustain market cycles. For the MHGP property, these are described as follows.

Framework Elements

Framework elements should serve to maximize economic and social return and strengthen relationships between uses. The following elements of the Mile High Greyhound Park future redevelopment program have been identified for their ability to leverage investment. Each one embodies the principles discussed throughout this report and employed by other communities throughout the country who have advanced other successful redevelopment initiatives.

Physical Connections - by establishing physical connections through the site and future development, the ultimate program will benefit from an established framework that could be marketed as pads, blocks or districts. One connection could involve extending Parkway Drive north to connect with 64th Avenue, thereby creating a main north-south thoroughfare through the site. Another connection could be established by extending an east-west road through the site from Highway 2 to 63rd Avenue. The latter connection would serve to connect the site to its surrounding roads and neighborhoods and enhance access for regional traffic.

Infrastructure and Amenities - the existing detention area located along Holly Street could be relocated slightly to the south, creating a centralized open space for residential neighborhoods within and adjacent to the Study Area. Local streets could be extended into the site and linked to adjacent neighborhood streets. Parking could be located along the property's edges, reinforcing a central core of development. To the east of Parkway Drive, residential buildings (3 – 4 stories) could be located along a new 63rd Avenue spine road. A denser core of development could consist of non-traditional residential products, alley-loaded with parking located in the back. Where ever possible, residential units should front neighborhood streets to create a comfortably dense, pedestrian-scaled street frontage and an efficient use of development space.

Mixed-Use Main Street - On the west side of Parkway Drive along 63rd Avenue, a mixed-use main street with shops and commercial spaces could be developed with parking accommodated behind buildings. This "main street" thoroughfare could host small business incubator space,



learning labs and classroom space, together with traditional retail spaces. An institutional building could front the street, activating it and providing “customers” for the stores and restaurants. Main street commercial spaces could be complemented by individual pad sites on the edges and stand alone commercial office space, hosting a diverse system of retail and commercial products in a unified campus setting.

Product typologies are presented at the end of this section (Exhibits 4-2 through 4-4) following an illustration of the proposed development concept described below. Detailed analyses of how potential anchor facilities fit within the site are presented in the Appendix.

Concept

Following is a description of a potential development concept for the Study Area. As explained earlier, the purpose of this work was to provide the City and Urban Renewal Authority with the tools to initiate the “investment story” and prepare for future partnerships. The concept drawings are designed to address the community’s and investor’s need to visualize the potential of the Area. They are in no way intended to be prescriptive.

The MHGP development concept assumes an institutional anchor located adjacent to the Highway 2 corridor. As the research presented in the Market section suggested, there is a breadth of difference between advanced education and training facilities and operators, and that the ideal tenant and partner has not yet been identified. For this reason, a significant portion of the property has been set aside (land banked) that could accommodate a range or multiple related or affiliated users. The proposed location for this use in the northwest quadrant of the property and was selected for its access and visibility, as well as its potential to serve a variety of users should an ideal institutional tenant fail to be identified. By preserving this important sector of the property, the City and Urban Renewal Authority will be afforded the maximum flexibility and potentially greatest return for their investment. Supporting uses to the anchor might include a mix of residential products, primarily ownership and ideally mixed-income, located adjacent to established and existing neighborhoods. While densities will be higher than those that exist today, they will be compatible, attainable and serve as an appropriate transitional product into the core of the Study Area. Commercial uses will likely range from small- to moderate scale retail and restaurant uses, to office and incubator spaces. Community service organizations, including

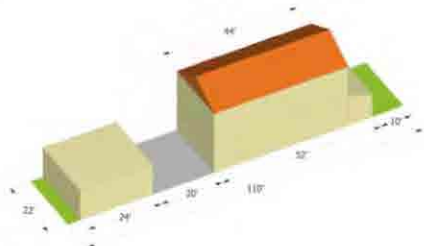
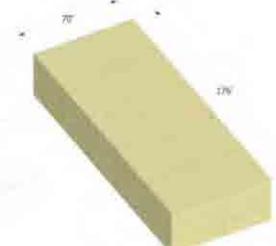
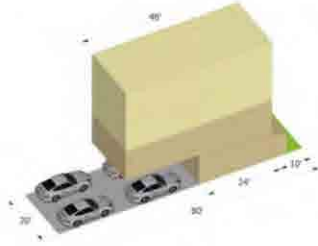





the Boys and Girls Club are already slated for location within the Study Area. Other, similar, groups may pursue a home in the project, either in free-standing buildings or as tenants in the commercial buildings. Public infrastructure will serve as community amenities wherever possible. While structured parking facilities would be ideal so as to preserve as much of the property for development as possible, it may not be possible given the scale of the surrounding development and associated costs. Finally, the original Mile High Greyhound Park will be visible in all elements of the development from the building materials, to the street signs to the facility names. There have been and should continue to be discussions about preserving space within the property to house vestiges from the racing and gaming operations. Exhibit 4-1 provides a diagrammatic representation of known and potential investment opportunities in the Study Area and how they might relate to each other and the surrounding area in the context of this potential concept for the property.

Exhibit 4-1
MHGP Redevelopment Concept



Exhibit 4-2 Housing Typology

<p>Typology 1 Townhome with detached parking garage</p>	<p>Typology 2 Double loaded corridor apartment</p>	<p>Typology 3 Piggy Back apartment</p>
		
<p>Statistics</p> <p>Lot size: 22' x 110'</p> <p>Building height: 2 stories</p> <p>Unit size: 1936 sqft</p> <p>Parking garage size: 528 sqft</p> <p>Parking ratio: 2 per unit</p>	<p>Statistics</p> <p>Building Depth: 70'</p> <p>Building height: 3 stories</p> <p>Average unit size: 1000 sqft</p> <p>Parking ratio: 1.5 per unit</p>	<p>Statistics</p> <p>Lot width: 80'</p> <p>Building height: 4 stories</p> <p>Unit size: 1920 sqft; 1440 sqft</p> <p>Parking ratio: 2 per unit</p>
		

**Exhibit 4-3
Commercial Typologies**

**Commercial Typologies:
Retail, Hotel, Office Land Uses**

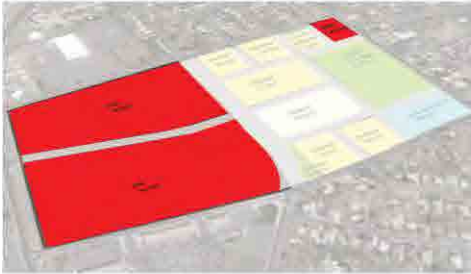


Exhibit 4-4 Open Space Typology

Open Space Typology: Detention Pond / Park



Statistics

Land Area: 6 - 7 acres

Stormwater detention and open space programming

- B & G Club Use for playfields
- Farmer's Markets
- Amphitheatre Component
- Plazas and Gathering Spaces
- Planters and Gardens





Section 5:

Development Economics

Financial Feasibility

Project outcomes, including profitability, are influenced by a multitude of factors including location, management, marketing and political support, among others. Because there are many “moving parts” to development, success is highly dependent on the elimination of as much uncertainty as possible. Challenges on the cost side of the equation include: significant variations in land or lot prices; on-site development costs, which vary based on existing conditions; off-site development costs, including necessary upgrades to existing infrastructure; and, higher financing costs due to perceptions of risk. Challenges on the revenue side include the fear that it may take longer to absorb space or achieve anticipated rents and / or sale prices in an unproven or changing market. All of these dynamics result in a relatively high-risk endeavor for a private entity. This is particularly true in infill and redeveloping locations within communities. This said the level to which public sector requirements and expectations assist or impede development projects can decrease or increase some of the inherent variability and uncertainty.

Among the most significant and costly challenges facing redevelopment of the MHGP site are:

- The level of market “education” required to achieve project rents and sale prices at a higher end of the market;
- Development costs associated with creating a sense of “place” unique enough to attract tenants willing to pay a premium to live/work there;
- Completion and relocation of off-site and on-site infrastructure that will be required to accommodate a greater level of development and improve the site’s accessibility; and
- The ability to overcome investor perceptions of the projects’ location as a transitional area.



Presented below are preliminary economic analyses for the development program presented in the previous Concept section. The purpose of this work was to provide the City and other advocacy organizations with an understanding of how they may choose or be asked to participate in redevelopment efforts going forward. With this information the City will have the information to “tell the investment story” and engage in discussions with potential partnership interests. The economic analyses presented here begin to quantify the order of magnitude of any financial “gap” that might result from development and / or redevelopment on the MHGP site. Because assumptions were based on findings from the market analysis, final figures associated with actual projects will likely be different as conditions and markets change. Conclusions derived to-date can best be used to understand the range and number of financing mechanisms and strategies which will be needed to deliver projects of the type described here to the market.

Economic Gap Analysis

As shown in Table 5-1, the economic gap analysis included evaluations of the following development components:

Project Costs

- Land
- On-site development (including parking)
- Building construction (hard)
- Building construction (soft)
- Other development costs (e.g., financing)

Project Revenues

- Rental rates for office, retail and residential units



- Sale prices for residential units
- Absorption of units
- Prevailing capitalization and investment rates to determine project value and economic returns

Key assumptions used in the economic gap analysis include:

Project Revenue

Advanced Education Building Efficiency	95%
Apartment Building Efficiency	80%
Retail Building Efficiency	95%
Office Building Efficiency	90%
Advanced Education Rental Rate	\$14.00 Per Square Foot (triple net)
Townhome Sales Price	\$250,000 Per Unit
Apartment Monthly Rent	\$1.30 Per Square Foot
Retail Rental Rate	\$18.00 Per Square Foot (triple net)
Office Rental Rate	\$18.00 Per Square Foot (gross)
Hotel Average Daily Rate	\$90 Per Room
Stabilized Occupancy Rate (weighted avg.)	93%
Stabilized Occupancy Rate (hotel)	75%
Advanced Education Operating Costs	\$.50 Per Square Foot (triple net)
Apartment Operating Costs	\$4,500 Per Unit
Retail Operating Costs	\$.50 Per Square Foot (triple net)
Office Operating Costs	\$6.00 Per Square Foot (gross)
Hotel Operating Costs	\$15,000 Per Room
Marketing Costs (Townhomes)	7% of Sales
Stabilized Capitalization Rate	8%



Project Costs

Property Acquisition/Demolition	Estimate Based on Area Market Values
On-Site Improvements (Surface Parking)	\$2,500 Per Space
On-Site Improvements (Structured Parking)	\$18,000 Per Space
Site Development	\$3.75 Per Square Foot
Building Construction (Hard Costs Only)	
Advanced Education	\$170 Per Square Foot
Townhomes	\$90 Per Square Foot
Apartments	\$85 Per Square Foot
Retail	\$120 Per Square Foot
Office	\$120 Per Square Foot
Hotel	\$125 Per Square Foot
Construction Contingency	5% of Construction Costs
“Soft” Costs (% of Hard Costs)	8% of Hard Costs
Developer Profit	9% of Total Costs

Table 5-1 summarizes the economic gap analysis for the MHGP redevelopment.



**Table 5-1
Project Economic Gap Analysis
MHGP Redevelopment**

Development Program			Estimated Project Value (Stabilized Yr)		Assumption Factors
	<i>Units/Spaces</i>	<i>Square Feet</i>			
Advanced Education Facility		75,000	Total Advanced Education Facility Rentable SF	71,250	95% Bldg. Efficiency Ratio
Townhomes	104	187,200	Rent/SF*	\$14.00	
Apartments	216	172,800	Total Retail/Restaurant Rentable SF	102,600	95% Bldg. Efficiency Ratio
Retail		108,000	Rent/SF*	\$18.00	
Office		90,000	Total Office Rentable SF	81,000	90% Bldg. Efficiency Ratio
Hotel	150	96,900	Rent/SF*	\$18.00	
Gross Floor Area		729,900	Total Residential Rentable SF	138,240	80% Bldg. Efficiency Ratio
Project Land Area		2,800,908	Rent/SF	\$15.60	\$1.30 Monthly Rent/SF
Floor Area Ratio		26%	Total Parking Spaces (Structured)	0	
Surface Parking (New)	1,401	462,479	Rent/Space	\$720	\$60 Monthly Income/Space
Structured Parking (New)	0	0	Gross Income	\$6,458,844	
			Occupancy	93%	
			Effective Gross Income	\$6,006,725	
			Operating Costs	\$1,515,720	\$3.40 \$/SF (Wtd. Avg. All Uses)
			Net Operating Income	\$4,491,005	
			Capitalization Rate	8.0%	
			Project Value -- Education/Apts/Retail/Office	\$56,137,562	
			Total Housing Units	104	
			Sales Price/Unit (Wtd Avg)	\$250,000	
			Gross Revenue	\$26,000,000	
			Less Marketing Costs	(\$1,820,000)	7% % of Sales
			Net Sale Proceeds	\$24,180,000	
			Project Value -- For-Sale Housing	\$24,180,000	
			Total Hotel Rooms	150	
			Avg. Daily Rate	\$90	
			Gross Income	\$4,927,500	
			Occupancy	75%	
			Effective Gross Income	\$3,695,625	
			Operating Costs	\$2,250,000	\$15,000 \$/Room
			Net Operating Income	\$1,445,625	
			Capitalization Rate	8.0%	
			Project Value -- Hotel	\$18,070,313	
			Total Project Value	\$98,387,874	
			<i>* Retail based on triple net lease; Office based on gross lease.</i>		



Table 5-1 (Cont'd)
Project Economic Gap Analysis
MHGP Redevelopment

Development Cost Estimate		Assumption Factors
Property Purchase (Acquisition/Demolition)	\$14,004,540	\$5.00 \$/SF Land
On-Site Improvements (Surface Parking)	\$3,503,625	\$2,500 \$/Space
On-Site Improvements (Structured Parking)	\$0	\$18,000 \$/Space
Site Development	\$10,503,405	\$3.75 \$/SF
Building Construction (Hard Costs)	\$68,134,705	\$93 \$/SF (Wtd. Avg. All Uses)
Construction Contingency	\$4,107,087	5% % of Construction Costs
Soft Costs (% of Hard Costs)	\$6,571,339	8% % of Hard Costs
Developer Profit	\$9,614,223	9% % of Total Costs
Total Project Cost	\$116,438,924	\$159.53 \$/SF
Development Economic Summary		
Total Project Cost	\$116,438,924	
Total Project Value	\$98,387,874	
Project Margin/"Gap"	(\$18,051,050)	
% Project Margin/"Gap"	-16%	

Source: Ricker | Cunningham.

It is not unusual for downtown and urban redevelopment projects to generate economic gaps (costs exceed revenues) up to 40%. The preliminary analysis summarized herein reflected a gap of approximately 16%, well within the reasonable range for strategic public investment. A successful public-private partnership may require the public sector (in this case, the URA and/or the City) to be a financial partner to this level. A 20% investment in the project would “leverage” approximately \$6.25 in private investment for every \$1 spent by the public sector. This is the type of ratio the public sector should expect in redevelopment areas.



Project Development Value Potential

The level of development value that could be generated by the MHGP redevelopment will depend on the mix and type of real estate products that are ultimately constructed there. Based on the proposed project concept described herein, estimates of total development value were prepared. Underlying assumptions and corresponding development values for each project component are summarized in Table 5-2.



**Table 5-2
Potential Development Value
MHGP Redevelopment**

Product Type	Total Development		Development Value @ Buildout	
	Alternative 1	Alternative 2	Alternative 1	Alternative 2
Advanced Educational Facility	75,000	146,000	\$15,000,000	\$29,200,000
Townhomes (units)	104	104	\$18,200,000	\$18,200,000
Apartments (units)	216	216	\$17,280,000	\$17,280,000
Retail	108,000	108,000	\$16,200,000	\$16,200,000
Office	90,000	90,000	\$13,500,000	\$13,500,000
Hotel	96,900	96,900	\$16,957,500	\$16,957,500
	Total Development Value		\$97,137,500	\$111,337,500
	Estimated Land Value @15%		\$14,570,625	\$16,700,625
	Estimated Land Value/Sq Ft		\$5.00	\$5.73

Values based on:

Advanced Educational Facility	\$200 per Sq Ft
Townhomes	\$175,000 per Unit
Apartments	\$80,000 per Unit
Retail	\$150 per Sq Ft
Office	\$150 per Sq Ft
Hotel	\$175 per Sq Ft

Source: RNL Design and Ricker | Cunningham.

As shown, the potential value of development on the MHGP site could exceed \$110 million, which would likely support a land value of approximately \$14.6 million to \$16.7 million, or \$5.00 to \$5.73 on a per square foot basis.

Project Tax Revenue Potential

Based on the value-generating potential of proposed project components, estimates of annual property and sales tax estimates were prepared. Underlying assumptions and corresponding tax revenues for each project component are summarized in Table 5-3.



**Table 5-3
Potential Tax Revenues
MHGP Redevelopment**

Product Type	Taxable Value @ Buildout		Property Tax Revenue (86.747 mills)	
	Alternative 1	Alternative 2	Alternative 1	Alternative 2
Advanced Educational Facility*	\$15,000,000	\$29,200,000	\$377,349	\$734,574
Townhomes (units)	\$18,200,000	\$18,200,000	\$125,672	\$125,672
Apartments (units)	\$17,280,000	\$17,280,000	\$119,319	\$119,319
Retail	\$16,200,000	\$16,200,000	\$407,537	\$407,537
Office	\$13,500,000	\$13,500,000	\$339,615	\$339,615
Hotel	\$16,957,500	\$16,957,500	\$426,594	\$426,594
Total Property Tax Revenue			\$1,796,086	\$2,153,311
Property Tax Base			\$91,556	\$91,556
Property Tax Increment			\$1,704,530	\$2,061,754
Sales Tax Increment			\$567,000	\$567,000
Total Tax Increment			\$2,271,530	\$2,628,754

* assume taxable property.

Source: RNL Design and Ricker | Cunningham.

As shown, potential property tax revenues that could be generated from development on the MHGP site could range between \$1.8 million and \$2.2 million, while sales tax revenues could total approximately \$567,000 annually. Total tax increment revenues, after accounting for the existing property tax base on the property, could range between \$2.3 million and \$2.6 million annually.

Project Economic Impact

In addition to “direct” impacts from development value and tax revenues, the MHGP redevelopment will generate economic impacts from the activities that will occur on the site. For example, the residents who will live in the project’s housing units and the workers who occupy retail and office space will earn income and make expenditures in the community, potentially creating additional “off-site” jobs. Economic impacts that might result from the operation of an advanced education facility will likely include: payroll and purchases; student spending; student productivity increases (income growth which deepens local economy’s stock of human capital); and social benefits, such as health, reduced



crime, welfare/unemployment savings. These permanent impacts ripple through the local economy, enhancing both existing businesses and creating new ones. Lastly, there are similar income/employment impacts associated with the construction of real estate products on the site. Underlying assumptions and corresponding economic impacts for the proposed MHGP redevelopment are summarized in Table 5-4.

As shown, the MHGP redevelopment, at full buildout, could potentially create 1,454 permanent employees, generating \$65.4 million in income on an annual basis. During the redevelopment construction period, 124 construction employees, generating \$4.9 million in income on an annual basis. These figures include the estimated “multiplier” effect of spending rippling through the local economy.



**Table 5-4
Potential Economic Impacts
MHGP Redevelopment**

Job Creation Estimates

Permanent Employment	Total Sq Ft/Units	Sq Ft/Units Per Employee	Total Employees
Advanced Educational Facility	75,000	400	188
Townhomes (units)	104	50	2
Apartments (units)	216	50	4
Retail	108,000	400	270
Office	90,000	250	360
Hotel	96,900	250	388
Project Total	--	--	1,212

Construction Employment	\$ Value Per SF/Unit	Total \$ Value	% Labor to \$ Value	Labor \$ Value	Total Employees
Advanced Educational Facility	\$170	\$12,750,000	50%	\$6,375,000	159
Townhomes (units)	\$148,750	\$15,470,000	50%	\$7,735,000	193
Apartments (units)	\$68,000	\$14,688,000	50%	\$7,344,000	184
Retail	\$128	\$13,770,000	50%	\$6,885,000	172
Office	\$128	\$11,475,000	50%	\$5,737,500	143
Hotel	\$149	\$14,413,875	50%	\$7,206,938	180
Project Total	--	\$82,566,875	--	\$41,283,438	1,032
				Annual:	103

Personal Income Estimates

Permanent Employment	
Total Employees @ Build-Out	1,212
Regional Employment Multiplier*	1.20
Total New Employees Generated	1,454
Average Annual Income/Employee	\$45,000
Total Annual Income from New Employment	\$65,421,000

Construction Employment	
Total Annual Employees During Construction Period	103
Regional Employment Multiplier*	1.2
Total New Employees Generated	124
Average Annual Income/Employee	\$40,000
Total Annual Income from New Employment	\$4,954,013

* Multipliers derived from Regional Input-Output Modeling System II (RIMS II).

Source: Bureau of Economic Analysis and Ricker | Cunningham.



Leveraged Return

One of the primary objectives of publicly-initiated revitalization is to “leverage” public investment by encouraging private investment. As noted, public sector entities should expect a healthy return on any public investment made. The potential development concept summarized herein has the potential to effectively leverage a high degree of private investment. As shown, in total, it has the potential to generate between \$97.1 million and \$111.3 million in new private investment. Table 5-5 summarizes the level of public investment that has occurred and estimates the additional infrastructure costs that will ready the site for vertical development.

Table 5-5
Estimated Site Preparation Costs
MHGP Redevelopment

Expenditures To Date

Property Purchase (Loan):	\$4.0 million
Abatement and Demolition:	\$2.5 million

Future Expenditures

On-Site Infrastructure (Roads, Detention):	\$8.6 million
Off-Site Infrastructure (Hwy 2 and 63 rd):	\$.9 million
Construction/Design “Soft” Costs (20%):	<u>\$2.8 million</u>

Total Site Preparation Costs **\$18.8 million**

Sources: Matrix Design Group and Ricker|Cunningham.

Potential funding sources to cover these site preparation costs could include: property and sales tax TIF; New Market Tax Credits; grants/loans; Special Improvement Districts (e.g., Metro District); and/or private sector financing. Whatever the funding source, this total will represent the level of “public” investment required to leverage the development values detailed above. This \$18.8 million in new public investment, which



would represent a 17% to 19% contribution to the project, will leverage public investment of \$97.1 million to \$111.3 million at an average 5.2:1 to 5.9:1 ratio. This degree of leverage ratio would be considered healthy in an urban infill redevelopment environment.

Resources and Incentives (Gap Financing)

As noted, the preliminary analysis summarized herein reflected a gap of approximately 16%, well within the reasonable range for strategic public investment. “Closing the gap” for projects such as this will not be accomplished through the use of one strategy or tool. Rather, many tools, used in combination with one another, will be necessary to encourage or leverage private sector investment to the level shown herein. Potential “gap filling” tools and mechanisms could include the following:

- Contributions to Land and Site Improvements (Drainage, Off-Site Roadway Improvements, Parking)
- Tax Increment Financing (Property and Sales Tax)
- Special Improvement Districts
- Streamlined Development Approvals
- Low Income Housing Tax Credits (LIHTC)
- Grants and Loans
- Market Rent / Sale Write-Downs
- Private Sector Financing
- New Market Tax Credits



Summary

Based on the economic analyses detailed herein, the Commerce City Urban Renewal Authority (the Authority) has the potential to realize a significant return on their investment in the MHGP redevelopment. Table 5-6 summarizes both direct and indirect returns from with the project.

Table 5-6
Potential Returns on Investment
MHGP Redevelopment

Property Disposition (Pad Sales):	\$12 to \$15 million
Land Lease Revenue (20 yrs):	\$20 to \$25 million
Annual Property Tax Revenue (after TIF):	\$90,000 to \$100,000
Annual Sales Tax Revenue (after TIF):	\$550,000 to \$600,000
Permanent Jobs Created:	1,450 to 1,670
Annual Income from Permanent Jobs:	\$65 to \$75 million
Construction Jobs Created (Avg. Annual):	124 to 142
Annual Income from Construction Jobs:	\$5 to \$6 million

Sources: Ricker|Cunningham.

As shown, the Authority has the flexibility to pursue a number of different strategies regarding the MHGP property, from selling the property outright to acting as a master developer. The analysis presented herein shows that, whatever strategy the Authority pursues, there will be a reasonable return on their investment.



Section 6:

Actions

Webster’s Dictionary defines implementation as “a means for accomplishing an end” or “an action to put into effect.” Before moving forward, though, the City and the Urban Renewal Authority must first embrace the vision (near- and long-term), accept that their involvement will be on-going and multi-faceted, and acknowledge the economic challenges inherent in infill development and redevelopment. The City and its leadership must understand that projects like this one that are challenged by aged and inadequate infrastructure, surrounded by established neighborhoods, and perceived to be high risk ventures by investment audiences, are at a distinct economic, social and market disadvantage. To that end, it is the public sector’s responsibility to “level the investment and regulatory playing field” through a targeted effort designed to eliminate barriers and capitalize on opportunities.

Implementation Overview

As explained during the *strategy* process, just as no one project will advance the larger vision, no single action will be enough to attract private investment to the property. Revitalization and repositioning of the Study Area will be dependent on a series of actions designed to capitalize on market opportunities and overcome barriers - effectively “readying the environment for investment.” Key to successful redevelopment will be the continued identification and implementation of actions tailored to the unique issues of the site and opportunities that may arise within it.¹ As actions are completed, no matter how potentially insignificant, the City and Urban Renewal Authority must communicate this to the community and stakeholders. This approach has been proven to build community goodwill, provide opportunities for on-going public participation, and send a message that positive strides are being made. The long-term nature of the development concept proposed here could challenge the patience of elected officials and their constituents, thereby making communication essential.

¹ The definition of “actions” is broad as it applies here – it includes public, private or public-private physical projects, social programs, and educational programs: public relations and goodwill-building programs; and policy reform – identified to promote opportunities and overcome barriers.



Guiding Principles

The range of Priority Initiatives identified to move the development concept forward were selected based on a foundation of guiding principles. These principles, while general in nature, were based on sound economic development tenets and an understanding of the challenges associated with infill redevelopment efforts. These principles include:

- The City will evaluate the project’s success using the following criteria: advancement of local economic development goals and comprehensive plan objectives; provision of service benefits to residents; threshold of private investment; and, authenticity.
- The City will support and encourage growth of the Area’s infrastructure needs and public investment will be a priority.
- The City will continue to grow awareness and support for the project by fostering a community spirit attractive to the corporate site seeker and private developer.
- The City will take care of all of the parts of its “economic development infrastructure” from schools to industry and parks to public facilities.
- The City will assure investors that the physical, political and social infrastructure will be in place to support them and that their long-term commitment to the project will be a priority.

Approach

Two approaches were identified for the City and Urban Renewal Authority to advance the vision and concept and identify users. Both presume the following: 1) the City will continue to “ready the environment for investment” by implementing several of the actions identified here; 2) the City will preserve (land bank) a portion of the property while it pursues an institutional anchor and proceed with attracting a development partner and / or users for the balance of the property; and, 3) the City will engage in multiple public-private and public-public partnerships.



The first approach might be described as reactive, rather than proactive. It would involve developing marketing and promotion materials about the property and community vision, the market findings, and potential resources which could be made available for appropriate projects. These materials would then be shared with brokers and developers and the City and Urban Renewal Authority would remain receptive to offers for acquisition of all or a portion of the property to individuals and entities interested in advancing the vision. The responsibility for site improvements and completion of the framework elements described herein would be negotiable.

The second approach would involve all of the same efforts described in the first approach, but rather than making the information about the property available to any interested party, it would be packaged as part of a developer request for qualifications. In addition, the City and Urban Renewal Authority would identify potential partners and other audiences and proactively solicit their interest. Under this approach, the City / Urban Renewal Authority should consider engaging the expertise of an outside professional or not, to prepare the promotional materials and / or the developer solicitation, identify and / or recruit potential developer interests, and address select due diligence issues while representing the City in negotiations related to project incentives. The City would likely postpone any interim acquisition requests until a single or multiple developer partners are identified and the vision further vetted. Master development of the site's infrastructure and select framework elements by the City / Urban Renewal Authority or private interest or interests would be negotiable. The sale or lease of all or a portion of the near-term development portion of the site would be negotiable.

Regardless of which approach the City and Urban Renewal Authority chooses to pursue in an effort to advance redevelopment of the Study Area, at a minimum, they should continue to inform stakeholders about progress being made to position the property for investment and reiterate their on-going commitment to the vision. The approach for explain the "investment opportunity" is a critical decision for municipal bodies to make prior to implementing a redevelopment initiative. It should reflect the public sector's investment made to-date and commitment to desired outcomes.



Priority Initiatives

As explained earlier, the *Mile High Greyhound Park Site Feasibility Study* is intended to be a roadmap for the City's leadership to advance the vision while maintaining on-going community support. While the final development concept will be determined by the City together with its development partners, the recommendations here are designed to ensure that it balances private investment objectives with community sustainability. To this end, each recommendation is presented in the context of several priority initiatives, all of which are designed to protect the vision. A detailed description of each one is presented in the discussion below and in an action matrix presented in the Appendix.

- Capital Investments
- Institutional Anchor
- Public-Private Partnerships
- Programs, Policies and Projects
- Standards and Incentives
- Funding and Phasing
- Marketing, Education and Promotion
- Amenities and Public Spaces

Capital Investments

Whereas the property is located adjacent to an existing neighborhood, there are infrastructure and utility improvements that will be critical in order to maximize its redevelopment value. These improvements can generally be categorized as transportation, drainage and access-related.



Transportation: Access to the site is challenging due to a lack of connection from southbound Highway 2 and Highway 85. It is further compounded by the fact that the East 60th Avenue and Parkway Drive intersection offers the only means of access and that its current configuration requires southbound drivers to pass the site and travel through a complicated intersection. Commerce City has worked with CDOT to study the access constraints, but to-date no solution has been identified that is economically or politically feasible to implement. The Consultant Team worked with City representatives to design an enhanced access from Highway 2 at approximately 63rd Avenue, but it was determined to require better signage and wayfinding for vehicular traffic to utilize and it was still costly. Holly Street to the east of the site is residential in character and while it could be enhanced as part of the larger redevelopment program, there would likely be challenges from the neighborhoods related to the potential for increases in traffic volumes. A near-term effort by the City needs to be resolution of access constraints and commitment of resources to fund improvements.

Storm Water Pond at Holly Street: The existing detention pond located at the east end of the site accommodates regional detention needs, and for a variety of reasons cannot be relocated off-site. However, it's current configuration and location impedes redevelopment in the vicinity of Holly Street and 64th Avenue and generally disconnects the site from Holly Street. The City needs to integrate this feature into the future redevelopment plan by extending the outfall pipe at the north end to the south, and redesigning the pond to be useful as a neighborhood park. This effort will serve to create a valuable development parcel at 64th Avenue and Holly Street, and create a valuable asset for future and existing residents. Commerce City has agreed in concept to this approach and has told the Consultant Team that a newly configured facility would need to be sufficient to retain the existing volume.

Coordinate RTD Access: Hosting destination uses within the property will necessitate increased access by and to public transportation. Commerce City and the Urban Renewal Authority will create value for the site and future development by preemptively negotiating adjustments in current bus routes to better connect the Study Area to the future light rail station at 72nd Avenue and Colorado Boulevard, as well as the balance of the community.



Institutional Anchor

As explained earlier, successful redevelopment themes are authentic and reflect local values. As the former site of one of the City's most treasured assets, the Mile High Kennel Club, future uses need to honor this history and the property's role as a regional destination and community amenity. Since the Commerce City Urban Renewal Authority, with financial support from the City, acquired the property and engaged the community in defining its future, one idea has consistently appeared as a component of a larger development concept – an advanced education and / or training facility or campus. Whereas the City has expressed an interest in multiple policy and strategy documents to support the professional and technical development needs of area businesses, and to more effectively prepare its youth and adult residents for employment opportunities, the potential for addressing both goals within the Study Area was conceived. Market research completed in the context of this effort highlighted the complexity of identifying an appropriate operator and engaging them in a meaningful way that could ultimately lead to real investment. To this end, a key recommendation of this *strategy* is retain a portion of the property for this type of anchor tenant while pursuing a potentially interested party and improving conditions to heighten the City's potential for success. The details of an approach to identifying and securing an institutional anchor are addressed in the Appendix.

Public-Private Partnerships

As the entity with the largest and longest-term interest and responsibility, the public sector must have strong involvement and a visible presence, as well as offer continuing leadership, incentives and capital to future projects. The private sector will bring experience, access to private funding, and a willingness to balance risk and return. The roadmap for moving the Study Area vision towards reality is based on the assumption that the City and Urban Renewal Authority will move forward in partnership with the private sector. Through this approach, the City will be in a much stronger position to ensure that development is accomplished in a way that balances private investment objectives with community sustainability.



Programs, Policies and Projects

Accept that no one effort (financial, regulatory or policy) will create or sustain investment. Rather, a series of projects, programs and policies must occur simultaneously in order to attract the interest of potential partners and effectively “ready the environment for investment”. To this end, the City should complete a regulatory diagnosis and ensure the appropriate designations are in place within the Study Area and its environs. Commerce City’s image is a moving target and on a positive and rapid trajectory towards competitive superiority. The City needs to promote itself and this investment opportunity through a variety of venues which engage multiple audiences.

Standards and Incentives

Higher standards as a component of place-making comes with a price. Development costs are already often higher in infill locations while project revenues (in the early years) are usually lower. The combination of higher costs, lower revenues and higher standards can be enough to cripple the economics of a redevelopment project. However, higher standards, particularly in a redevelopment project, are essential as they serve to protect investment and minimize risk. To this end, the City and Urban Renewal Authority need to enlist design, development and business professionals to assist in the preparation of design standards (covenants) for the Study Area. In order to ensure the standards will be applied, the City should consider the application a form-based code for the property and its environs, along with other strategies which encourage a development concept similar to that described herein. Under either of these scenarios, standards and / or a new code, the impact should be tested to understand any financial implications and correspondingly resources identified to offset these impacts. Finally, the City should package this information and vet it through a community planning process (similar to the "Stapleton Green Book" prepared by the City of Denver to guide redevelopment of Stapleton). While the Vision Book will need to maintain some amount of flexibility, it should clearly explain measurable goals related to: the land use mix and area’s relationship to surrounding neighborhoods; density and scale of development, including urban design relationships; parks and open space requirements; multi-modal connections to surrounding neighborhoods and destinations; transportation impacts; infrastructure needs and concepts; and, sustainability. It should become the basis for rezoning the property and selecting a development partner and provide the type of clarity that can reduce investment risk. Ultimately, this information should be made part of any redevelopment agreement with future partners.



Funding and Phasing

The financial implications of the development concept are such that it will be essential for the City and Urban Renewal Authority to make multiple funding sources available for both capital improvements and private projects. Various financing mechanisms should be considered including Tax Increment Financing (TIF), creation of an improvement district, priority within the City’s Capital Improvement Plan (CIP), and others including those identified in the Development Economics section. In addition to identifying funding tools and strategies, the City, Urban Renewal Authority and future partners will need to prioritize the phasing and location of improvements. As all components of the development concept contribute to the whole, these decisions should be strategic and based on sound development practices.

Marketing, Education and Promotion

A carefully designed and administered communication program should be developed that is responsive to the questions and concerns of a variety of different audiences. As explained earlier, public-sector led redevelopment initiatives can be complex and often take years to complete. For this reason, both the citizenry and city leaders need to be continually apprised of on-going efforts and completed milestones. In addition to these two critical audiences, are private sector development partners, potential non-profit tenants, and other individuals and entities who will work with the City and Urban Renewal Authority to advance the vision for the Study Area. Cooperative consortiums with a shared mission will be paramount as they can leverage limited dollars more effectively and often times have a multiplicative impact. This said, the City should create a well-funded information system to process inquiries, gather marketing intelligence, direct inquiries and explain the investment opportunity. In addition, the City should consider commissioning a branding study and preparing collateral materials that not only describe the type of project they are pursuing within the Subject Area, but those aspects of the community that make it a viable opportunity. The City / Urban Renewal Authority should consider using the Vision Book described earlier one of the collateral documents they use to “tell their story” in an effort to solidify ongoing community support.



Amenities and Public Spaces (Framework Elements)

The development concept presented here calls for an institutional anchor located in a campus setting and supported by a range of residential and non-residential uses occupying mixed-, multi- and freestanding buildings. Collectively these uses are woven together by a system of open and community spaces and amenitized infrastructure improvements. As evidenced by other successful redevelopment projects, property values and absorption rates exceed local standards when these elements are not only present, but planned. As explained in the Concept section of this report, a fundamental component of the redevelopment program is a publicly-led commitment to creation of a sustainable place. An obvious way for the City and Urban Renewal Authority to accomplish this objective is through the early identification and potential funding of public spaces within the Study Area. One of the primary public spaces identified as essential within the Study Area is a newly reconfigured detention area located along the eastern boundary of the property.

Conclusion

This national trend of stagnating and declining “inner ring” suburbs is evident throughout the U.S. Facing increasing competition from not only development “on the fringe”, but from revitalizing downtowns, these “in between” communities are experiencing rapid declines in commercial property values and market share. Together, the public and private sectors face the challenge of revitalizing the spaces that once represented the lifeblood of their communities. While its potential is great, the path to success for the MHGP redevelopment will be difficult. Sustained progress will depend on:

- Continual balancing of opportunities (particularly near-term) with the vision
- Commitment to the removal of barriers to investment
- Constant education of the “delivery system”



- Public equalization of economic risk and reward
- Project support and encouragement
- Strategic public investment

While this *Mile High Greyhound Park Site Feasibility Study* is intended to assist the City, Urban Renewal Authority and other advocacy partners with a technical framework for discussions regarding market opportunities, development programming alternatives, and partnership strategies; ultimately, successful implementation will be dependent on committed leadership from the public and private sectors. So that the vision won't be vulnerable to the failure of one initiative, many initiatives should always be underway at any given time, and a wide variety of stakeholders involved. Victories, even minor ones, should be continually broadcasted through an on-going communications strategy, and all policy and regulatory documents should be aligned towards a common goal – to advance the vision expressed herein.



Appendix:

Public Participation



Appendix:

Public Participation

As explained in the full report, during the fall of 2011, the City initiated an outreach effort designed to engage stakeholders in communicating their vision for the Study Area. The dates of those meetings are summarized below and in the project status update provided to EDA in October 2012. The results of that work are summarized in a separate document available through the City's Economic Development Department. Associated costs included \$500 for meeting supplies and a \$2,240 rental fee for the meeting space. Each meeting lasted 4 hours.

1. Tuesday, March 20, 2012 the City and Urban Renewal Area property owners hosted a neighborhood meeting. A direct mail notice was sent to 176 property owners regarding potential changes in the Study Area and impacts to the Mile High Greyhound Park property (the "Study Area") and its environs. City Staff set up and prepared for the meeting, however no one attended.
2. Wednesday, May 2, 2012 the City participated in the NAIOP Rocky Mountain Real Estate Challenge for which reuse of Mile High Greyhound Park was the focus of that effort. The final presentations were presented to a banquet room of over 700 industry professionals who voted on their favorite use for the 65-acre property.
3. Wednesday, July 25th, 2012 the City held a meeting with their Citizen's Advisory Committee to discuss the status of the Mile High Greyhound Park project, then upcoming feasibility study, and potential development plan ideas. Fourteen people that included local officials and stakeholders attended the meeting.
4. Wednesday, March 6, 2013, the Consultant Team for this effort conducted a series of small group discussions (focus groups) with representatives of local agencies, boards and departments, property owners, developers, community leaders, lenders, business owners, real estate professionals and other individuals that possessed a unique experience or familiarity with the community and Study Area. The purpose of those meetings was to both educate and engage the participants in a discussion about the Area's potential for investment,



necessary commitments and potential expectations. There were four sessions and each one lasted at least two hours. Input received by the participants is presented below.

Focus Group Sessions 3.6.13

1. What are your highest hopes for the MHGP redevelopment?

- Better road layout, access
- Use of “drawable” businesses
- Blend of housing and business being a happy medium
- Mixed-income housing, education, retail blending well with rest of area
- Not standing alone
- Transportation network
- Historical aspect of site respected and honored, like a Welcome Center and museum
- Retail and sit-down restaurants
- Recapture visitors who used to come to dog track
- Focus on technical schools as the core draw with education on a more general level
- Multifamily and retail as supportive uses
- Central gathering place, multifamily and single family residences, apartments above corner stores, more upscale dining/drinking places, events
- Community-building events, open space, accessible by many/all, connected to public transportation, mixed-use, sustainable (financially and environmentally), edible landscaping, supporting healthy/active lifestyle, living for residents (walkable, healthy food available, open space), reduced rents for non-profits, retail, education, residential that makes sense for City
- An overall attractive experience that brings light to metro area about Commerce City
- Mixed-use, limited housing, pride of ownership, collaboration with retail, parks, light rail, easily accessible
- Something that galvanizes north and south Commerce City
- Warm materials, LEEDs rating, sustainable, cutting edge
- Road improvements on all sides, organic restaurants, connect to light rail and Adams City High School



- Area for culture – CC Historical Society with Mile Hi Kennel Club museum; welcome center; Cultural Council building for arts, theater, special events
- Solution for 60th Avenue traffic
- Community development/education/outreach facility – public-private resource center
- Gathering place without government face that will provide “hand ups” not “hand outs”
- Meeting area with local business investment – training programs in buildings provided by investors, sponsors
- Build upon welcome center idea to be the resource center
- Multi-use – community, education, retail, connecting north-south, possibly across 85
- Sustainable – long-term investments
- Sustainable mixed-use development that maximizes potential for access to transit and proximity to Denver and DIA; lays foundation for healthy development in the core city that benefits current and future residents and businesses
- Connects not only east-west sides of the City, but north and south as well
- Sustainable/green products, apartments with stores below, culture, walking-friendly, front porches, movies in the park, cool watering holes, any kind of food but traditional American or Mexican
- Parks, dog walks, welcoming flow, stores and shops
- Memorials to “what happened here”
- Parks, trails, ponds, not just buildings
- Innovative architecture, LEEDs certified buildings, walking bridges, placards about the past, Rocky Mountain Wildlife Refuge snapshot with statues and stories

2. What are your biggest fears for the MHGP redevelopment?

- Empty buildings
- Massive retail development with a focus on consumerism
- Special interest amenities only serving a vocal minority
- “development of the day” – installing/building something trendy today that won’t stand the test/needs of time
- Not duplicate the shopping center to the south, more retail needed is minimal
- No big box
- Long delays, industrial use with no appeal, no accessibility to area and cut off from highway into City
- “Cold” materials – no recognition of “old city”
- Just housing like Stapleton or Reunion



- No stand alone development that appears to not be part of the City (much like up north)
- Plan that does not work
- Dense housing presents problems = overcrowded schools
- That nothing will happen – project that is over-sold and under-delivered
- City stays in the project longer than they should
- Parcel doesn't get developed or is developed with only a short-term plan – that promotes more temporary, unhealthy development, doesn't provide enhanced access and connectivity for residents and doesn't capitalize on a longer-term vision that may require more civic investment (public or private)
- An imbalance of development – short-sighted rather than long term
- Built for commercial interests at exclusion of community needs
- Retail with rents too expensive for local businesses
- Same old – nothing innovative or interesting
- More low-income housing – increased policing, overcrowding in schools
- Too many living spaces for families and not enough schools or space to accommodate growth
- A blend of city and school district will be essential
- Having the businesses on site step in and not plan for the need in the area will be a real set-up for failure

3. What has to happen for future efforts to succeed?

- Going to take everything to come together at the right time (political, economic development, market, residents)
- Public subsidy?
- Community buy-in/ownership
- Collaboration with diverse partners
- Commitment to long-term community health and sustainability
- Power balance, research of best practices/successful innovations
- Politically – leaders that will make type of decision to follow the difficult path and do long-term good for the community
- Financially – ingenuity to create private/public partnerships or investments by the private sector
- Infrastructure – efficiencies need to be used, sustainability to minimize costs, building codes, variances, and the City being good at “thinking outside of the box”
- Proper planning and zoning
- Ability of the City to possibly subsidize some development



- Control divisive groups, don't let them drive decisions
- Public/private partnerships, zoning and land use changes (most likely), capital investment in infrastructure improvements, a strong relationship with the railroad, RTD and CDOT, a commitment to seek grants and funding, and a concerted effort to keep the public engaged
- Bond may eventually be needed, but take time to solidify plan before going to voters
- Subsidies, grants, economic incentives – still high level of concern over economy
- Federal/state/local help to persuade a technical school/schools to jump in but this is a good cornerstone and image setter
- Private investment from experienced groups
- DRCOG collaboration
- Federal dollars, ULI money, RTD (light rail)
- All departments of City and County government have a say
- Creative grant writing, collaboration with current businesses for expansion
- Tax incentives
- Continued community input
- Creative affordable housing funding
- Follow the long-term economic development plan
- Leadership that can paint the picture to help people believe and commit
- Marketing
- Bigger than we can solve
- Allow resident input to be heard, not just City planners and Council
- Appropriate transportation through the area, need for entertainment, ice skating area, movies, family activities that are affordable
- Easier flow of traffic from the north and south for access
- Signage a must
- Retain continuity with existing neighborhood

4. What are some places that you've visited that could serve as a model or inspiration for the MHGP redevelopment?

- Golden – area very open to small businesses, activities, exercise (bike routes) and historical (great blend)
- Louisville – signage brings people from the highway system to the City
- Any school campus environment
- Elements of Belle Creek and Stapleton



- Stapleton – redevelopment seems to mix all of the uses, residential, commercial
- Broadstone – Broomfield
- Pearl District (Portland, OR)
- Golden, Frisco, Arvada Center
- Urban places with a strong connection to their heritage, context and future
- MHGP area is unique, given its small town feel with very urban feel and proximity to Denver



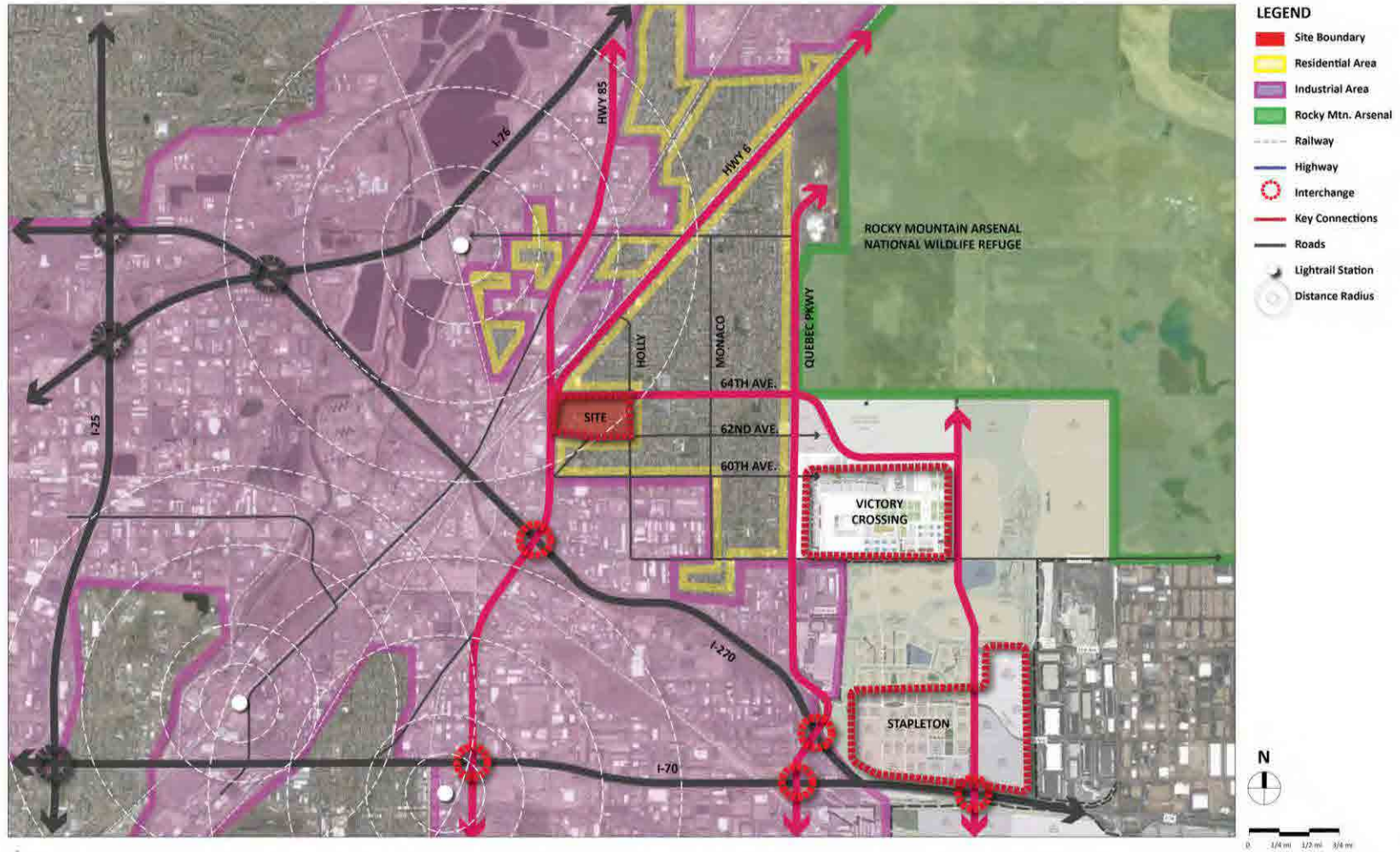
Appendix:

Site Analysis Illustrations

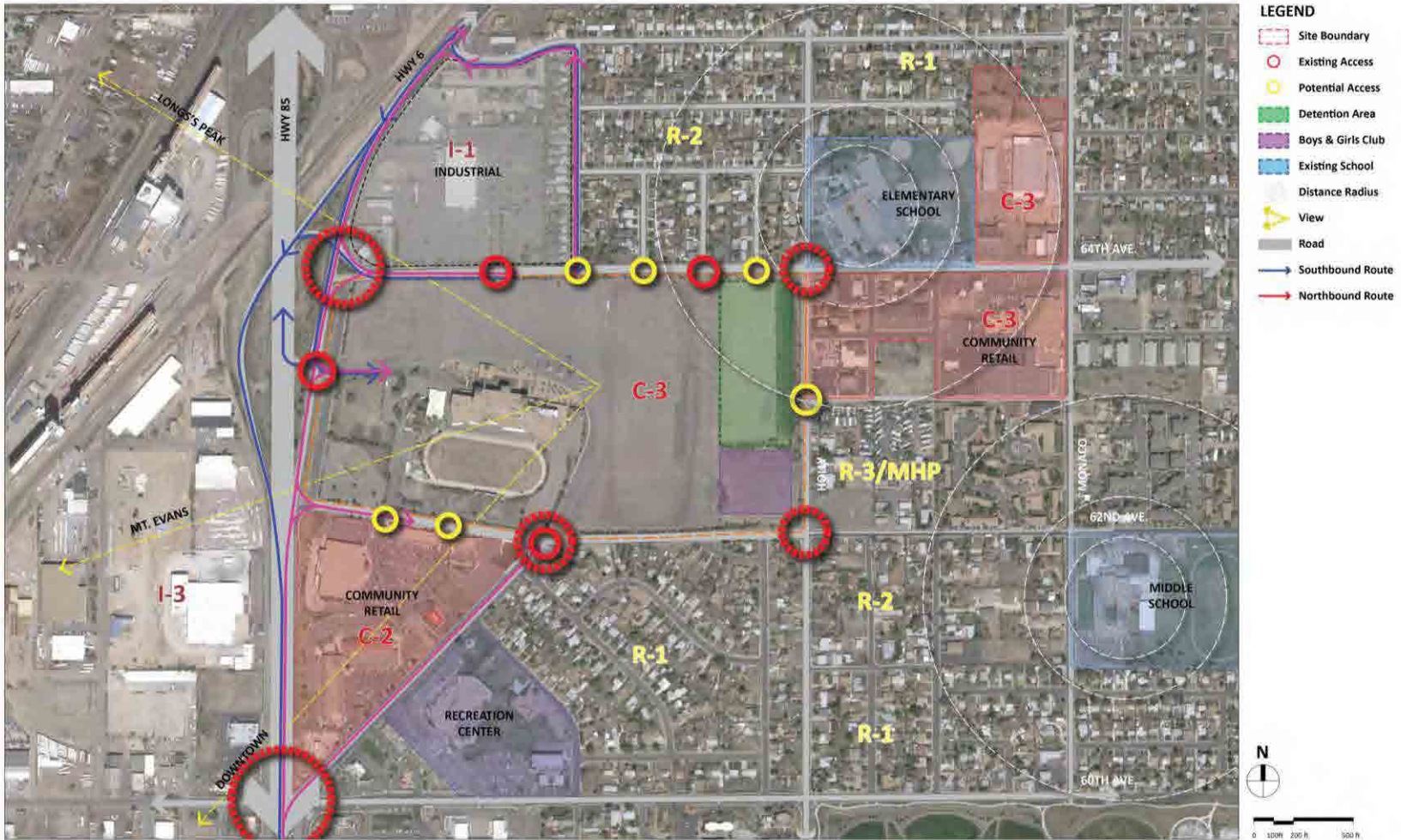
Site Context

Site Analysis

Site Context



Site Analysis





Appendix:

Action Matrix

Definitions

Priority Initiatives: General categories of efforts that should be advanced in the near-term in order to identify developer and user partners.

Priority Actions: Specific actions within the broader priority initiative categories that should occur first.

Strategic Recommendations: Among a range of options provided for consideration, the specific recommendation of the Consultant Team.



Action Matrix

Priority Initiative	Action	Public Sector Role	Lead	Resources Needed	Time Frame			
					In Progress	Near-Term (<small>< 24 Months</small>)	Mid-Term (<small>3 to 5 Years</small>)	Long-Term (<small>5 to 10 Years</small>)
Capital Investments								
	Based on policy decisions decided by Council related to the preferred approach for positioning the property for redevelopment and soliciting partners (see below), refine the list and cost of capital improvements identified in the full report necessary to improve conditions and make the property more marketable.	Financier	Public Works	Council Policy Action (first), Existing Staff Resources		x		
	Conduct a review of the City's Capital Improvement Plan (CIP) to determine if the identified improvements are addressed, and if not amend it accordingly. Recommendation: The Consultant Team recommends that the City / Urban Renewal Authority proceed with off-site improvements as soon as is financially feasible.	Financier	Public Works	Existing Staff Resources, City Council Action (second)		x		
	Consider setting aside CIP dollars for unknown improvements that may be identified in various developer proposals.	Financier	Public Works	Policy Decision, CIP Dollars \$		x		
	Recommendation: The Consultant Team recommends advancing the interim solutions to improve access to the subject site presented in the full report. Note: These improvements will not preclude or replace long-term improvements to Highways 85 and 2 already reflected in the City's Transportation Plan.	Financier	Public Works	CIP Dollars \$		x		
	Continue to study the feasibility of reusing on-site infrastructure in an effort to reduce project costs.	Financier	Public Works	Existing Staff Resources		x		
Institutional Anchor								
	Advance the strategic plan presented in the Appendix section of the full report associated with investigating the potential for attracting an institutional anchor or anchors to the property, as well as their role in advancing local economic development objectives.	Promoter, Partner	City Economic Development	Existing Staff Resources, Consultant (Optional)		x		
	Complete case study research of incubators in the region or in other similar locations - understanding their space and facility needs; sources of capital and operational funding; and, methods to assess and select the most relevant incubator theme for the market and site.	Researcher	City Economic Development	Existing Staff Resources, Consultant Fees		x		
	Based on the findings of the incubator research, determine if an incubator is a viable user within the context of a larger development program for the subject property. If it is, decide if the City / Urban Renewal Authority will lead construction / implementation of the facility.	Partner	City Economic Development	Existing Staff Resources, Council Action, Grant / Program Dollars		x		



Action Matrix

Priority Initiative	Action	Public Sector Role	Lead	Resources Needed	Time Frame			
					In Progress	Near-Term (< 24 Months)	Mid-Term 3 to 5 Years	Long-Term (5 to 10 Years)
Public-Private Partnerships								
	Meet with representatives of RTD regarding current and future bus routes and other means and modes to better connect the subject property to future transit improvements including the light rail station planned at 72nd Avenue and Colorado Boulevard.	Partner	City Leadership, Community Development, Public Works	Existing Staff Resources	x			
	Assemble a list of developers with similar infill and redevelopment experience, who are familiar with using the financial mechanisms being pursued for this project, and a proven track record of successfully completing public-private projects in challenging locations.	Supporter	City Economic Development	Existing Staff Resources	x			
	Review and amend the developer RFQ included as a supplemental document to the full-report.	Promoter	City Economic Development	Existing Staff Resources, Consultant (Optional)	x			
	Conduct a Council work session to determine the method by which potential partners will be solicited - direct request to submit and / or publication of the request. The Urban Renewal Authority should be prepared to recommend to Council the proposed process for reviewing submittals, determining viable candidates, engaging partners in negotiations, and other subsequent steps. Recommendation: The Consultant Team recommends the major elements of the second approach that is more proactive, targeted and select in identifying and considering potential partners. Note: It may be a policy decision whether to supplement a targeted invitation process with a broader publicized request.	Promoter, Policy Maker	City Leadership / Urban Renewal Authority	Existing Staff Resources, Consultant (Optional)	x			
	Meet with local school district representatives to discuss the potential for residential units within the property and any corresponding impact on existing facilities, as well as strategies to address them. In the context of these discussions, also explain the need for partnerships associated with advancing a higher education campus within the property. Note: The details of the latter discussion are addressed in the strategic plan presented in the Appendix section of the full report.	Partner	City Leadership	Existing Staff Resources		x		



Action Matrix

Priority Initiative	Action	Public Sector Role	Lead	Resources Needed	Time Frame			
					In Progress	Near-Term (< 24 Months)	Mid-Term 3 to 5 Years	Long-Term (5 to 10 Years)
Programs, Policies and Projects								
	Council formally accept the guiding principles defined in the full report for the purpose of informing decisions related to advancing the priority initiatives and supporting actions.	Policy Maker	Council	Council Action	x			
	Evaluate the approaches for identifying future project partners and "readying the environment for investment" described in the full report. Define a customized approach and present it to Council for acceptance. Part of this approach will involve deciding whether to accept interim requests for location within the property prior to identifying a developer partner or partners, whether to "land bank" a portion of the property while pursuing an institutional anchor, and if the Urban Renewal Authority will sell and / or lease pad sites within the property. Recommendation: The Consultant Team strongly recommends that Council / Urban Renewal Authority land bank a portion of the property (area identified in the full report) while they pursue an institutional anchor(s). In addition, we recommend that where possible, Council avoid agreeing to any interim requests for location within the property unless they are part of a larger comprehensive development program (e.g., pad sites). Finally, we recommend decisions related to leasing versus selling sites within the property are preliminary and based on policy and financial considerations related to established return targets.	Policy Maker, Promoter	Urban Renewal Authority, Council	Existing Staff Resources, Council Action	x			
	If Council decides to accept interim requests for location within the property, formalize threshold and partnership requirements (similar to those used with the Boys and Girls Club).	Policy Maker	City Legal	Existing Staff Resources	x			
	Council commit to a specified timeframe during which an institutional anchor(s) will be pursued, interim decisions suspended and select strategic actions advanced. Recommendation: The Consultant Team recommends that Council commit to wait a minimum of 24 months before considering major amendments to the vision described in the full report, particularly related to pursuing an institutional anchor(s) for the property. Note: This timeframe assumes that a parallel effort to identify and secure a development partner(s) for the balance of the property will proceed immediately.	Policy Maker	Council	Council Action	x			



Action Matrix

Priority Initiative	Action	Public Sector Role	Lead	Resources Needed	Time Frame			
					In Progress	Near-Term (< 24 Months)	Mid-Term 3 to 5 Years	Long-Term (5 to 10 Years)
Programs, Policies and Projects								
	Consider incentives for early signature projects or catalyst developments on a graduated scale - with the early projects designed to prove-up the market.	Financier	City Economic Development	Council Action, Dollars \$		x		
	Establish a policy whereby all future investment within the property will be subject to a fiscal impact evaluation and public sector return on investment analysis. Share this information with the community in the context of the broader communication program described below.	Policy Maker	Council			x		
	Review the Comprehensive Plan (C3 Vision Plan) to determine whether the goals, policies, and strategies are consistent with the recommendations presented here and where there are inconsistencies, amend and align.	Policy Maker	Community Development	Existing Staff Resources, Council Action		x		
	Consider establishing parking districts to manage a range of permitted solutions to accommodate development and redevelopment including shared and remote parking.	Regulator	Community Development	Existing Staff Resources, Council Action			x	
Standards and Incentives								
	Council appoint a committee to prepare a framework and design program for the Study Area that will become the basis for standards and regulatory language (e.g., form-based code). Recommendation: The Consultant Team recommends that these documents only address essential elements that will apply to a range of development programs and that specific details be defined in a collaborative manner with future developer and user partners. Note: Specific elements that might be addressed include: commercial retail building sizes, integration of multiple land uses horizontally and / or vertically in the same structure, parking ratios and sharing goals, block lengths, use of public spaces, connections	Policy Maker	Council, Community Development	Council Action		x		
	Committee present design guidelines to City Departments who apply regulating codes and work towards compromise where necessary.	Regulator	Community Development	Committee Time, Existing Staff Resources		x		



Action Matrix

Priority Initiative	Action	Public Sector Role	Lead	Resources Needed	Time Frame			
					In Progress	Near-Term (< 24 Months)	Mid-Term 3 to 5 Years	Long-Term (5 to 10 Years)
Standards and Incentives								
	Consider rezoning the property with an interim designation (Planned Development) until a final decision is made regarding a classification that will offer the most flexibility, while protecting the vision for the property.	Regulator	Community Development	Existing Staff Resources, Consultant (Optional), Council Action		x		
	Working with the City's attorney, with assistance from outside legal Counsel if necessary, conduct a code review in order to remove any "regulatory gaps" between the intent of the development concept (vision), framework and design elements and City regulations.	Regulator, Policy Maker	Community Development	Existing Staff Resources, Outside Legal Council (Optional)			x	
	Commission a wayfinding program for the neighborhoods and commercial areas around the property that is consistent with the final development concept.	Supporter, Partner	Community Development Department	Consultant			x	
Funding and Phasing								
	Continue to pursue a broad range of financing mechanisms that could be made available to advance specific components of the master development concept. While some resources will have to be secured (e.g., New Market Tax Credits, Community Reinvestment Act (CRA) dollars, etc.), others may currently be available yet require Council action that permits their use and application including - land swaps, purchase discounts, density bonuses, patient capital, etc.	Financier	City Economic Development, Finance	Existing Staff Resources, Consultant (Optional), Council Action			--- On-Going ---	
	Continue to monitor the state legislature regarding any changes in the state law that may warrant preparing an urban renewal plan and commencing the collection of Tax Increment Financing (TIF) prior to identifying a development partner.	Financier	Urban Renewal Staff, City Leadership	Existing Staff Resources, Consultant Fees, Legal Fees			--- On-Going ---	
	Conduct a work session with Council regarding the magnitude of potential funding gaps associated with redevelopment of the subject property. Note: It will be important to describe funding gaps in terms of percentages and dollars. In addition, use the information presented in the full report that explains how any gap can be filled by multiple resources, none of which involve using resources associated with the general fund.	Financier	City Economic Development	Consultant Fees		x		



Action Matrix

Priority Initiative	Action	Public Sector Role	Lead	Resources Needed	Time Frame			
					In Progress	Near-Term (< 24 Months)	Mid-Term 3 to 5 Years	Long-Term (5 to 10 Years)
Funding and Phasing								
	Recommendation: The Consultant Team recommends applying for funding to assist with research associated with determining the feasibility and viability of including an incubator or incubator space within the project.	Partner	City Economic Development	Non-City Public Dollars		x		
	Contact the Colorado Housing and Finance Authority (CHFA) to understand deadlines for tax credit applications - a funding source that may benefit a developer of residential units within the property, if this is identified as a desirable component. Retain the services of an independent consultant to complete the required market work and application.	Advocate, Financier, Partner	City Economic Development, Finance	Existing Staff Resources, Consultant Fees			--- On-Going ---	
	Identify and pursue organizations -- corporate, non-profit, or philanthropic which have the flexibility to provide patent capital (20 to 30-year time horizon) associated with select elements of the project.	Financier, Partner	City Economic Development	Existing Staff Resources			--- On-Going ---	
	Evaluating using Community Development Block Grant (CDBG) dollars to fund preparation of a neighborhood stabilization strategy (recommended below) and potential elements of that strategy that may be identified (e.g., sidewalk improvements, trail and bike connections, public spaces, etc.).	Financier, Partner	Community Development, Finance	Non-City Public Dollars			--- On-Going ---	
	Contact the Federal Highway Administration regarding transportation enhancement dollars for sidewalk, lighting, streetscape and signage improvements within the Study Area.	Financier, Partner	City Economic Development	Existing Staff Resources			--- On-Going ---	
	Complete Economic Development Administration (EDA) grant applications for soft and hard dollars earmarked for economic diversity and sustainability projects and programs.	Financier	Community Development, City Economic Development	Existing Staff Resources, Consultant (Optional)			--- On-Going ---	
	Contact local lenders regarding existing and unused, as well as future Community Reinvestment Act (CRA) dollars and request that they be directed to improvements within the project area.	Financier, Partner	City Economic Development	Existing Staff Resources, Consultant (Optional)			--- On-Going ---	
	Contact local lenders regarding their interest in participating in a loan pool with other funding sources. The purpose of a loan pool is to minimize risk and fees associated with financing improvements. Determine if fund dollars could be used as part of a revolving loan fund and v/ or grant program.	Financier	City Economic Development	Existing Staff Resources, Consultant (Optional)			--- On-Going ---	



Action Matrix

Priority Initiative	Action	Public Sector Role	Lead	Resources Needed	Time Frame			
					In Progress	Near-Term (< 24 Months)	Mid-Term (3 to 5 Years)	Long-Term (5 to 10 Years)
Marketing, Education and Promotion								
	Develop a communications plan (frequency, venues and materials) for communicating with stakeholders, the community at-large and relevant regional audiences regarding Commerce City's efforts to position the property for investment and Council's commitment to a long-term vision for the property.	Educator, Promoter	City Communications, City Leadership	Existing Staff Resources		x		
	Develop a communications plan (frequency, venues) for communicating with elected and appointed officials about the process being made by City Staff, their Consultants and other pre-development partners to advance the priority actions identified herein.	Educator, Promoter	City Communications, City Leadership	Existing Staff Resources		x		
	Identify other communities that have advanced publicly-led redevelopment initiatives such as this one and schedule visits for or presentation to Council members so that they can understand the process, implications and potential outcomes.	Advocate	Community Development	Existing Staff Resources			x	
	Keep property and business owners, brokers and other potential project advocates who can spread the word regarding the City's / Urban Renewal Authority's progress. Recommendation: The Consultant Team recommends hosting regular breakfast or lunch meetings with these audiences so that information can collateral marketing materials can be shared regarding your progress associated with policy decisions, developer / user solicitations, inquiries, and funding.	Promoter	City Communications	Existing Staff Resources				---- On-Going ----
	Continue to monitor market conditions - changing demographics, lease rates, absorption - and the performance of merchants (using benchmarks) - maintain a business database and continually update the market analysis completed herein. Include this information in relevant communication materials and developer / user solicitations.	Partner	City Economic Development	Existing Staff Resources, Consultant (Optional)				---- On-Going ----
Amenities and Public Spaces								
	As described in the full report, prepare design / engineering solutions to on-site drainage improvements that address regional detention needs while creating a public amenity for users within and visitors to the subject property.	Partner	Public Works	Existing Staff Resources, Consultant (Optional)			x	
	Recommendation: The Consultant Team recommends that while pursuing developer partners and / or users for the property, and as dollars are available, proceed with implementing the on-site drainage improvements.	Financier	Council, Public Works	CIP Dollars \$				x



Action Matrix

Priority Initiative	Action	Public Sector Role	Lead	Resources Needed	Time Frame			
					In Progress	Near-Term (< 24 Months)	Mid-Term 3 to 5 Years	Long-Term (5 to 10 Years)
Beyond the Study Area								
Note: All of the actions defined in this section which addresses conditions beyond the subject property are recommendations of the Consultant Team.	In support of the new investment encouraged within the subject property, prepare and advance a neighborhood stabilization strategy to encourage reinvestment within adjacent neighborhoods and commercial areas. The strategy should address enhanced physical connections (bike, pedestrian, trail, etc.), heightened code enforcement; neighborhood empowerment programs; and others.	Supporter	Community Development (Neighborhoods)	Consultant Fees, Existing Staff Resources		x		
	Develop a clean and safe program for the immediate area around the Study Area - managing the streets' and neighborhoods' image and providing service levels above standard city services. This is most often accomplished under the umbrella of an improvement district. Consider levying an additional assessment on property owners who neglect their property.	Supporter	Community Development (Neighborhoods)	Existing Staff Resources			x	
	Facilitate discussions with area neighborhood and other stakeholder groups to explore establishing adopt-a-block programs to address clean and safe issues, improve public spaces and report code violations.	Supporter	Community Development (Neighborhoods)	Existing Staff Resources		x		
	(This action identified above in anticipation of introducing residential units into the Study Area.) Work with the school districts that service area students to understand existing challenges including facility constraints and how the City and its future development partners and users might be in a position to assist with solutions.	Partner	City Leadership, Community Development (Neighborhoods)	Existing Staff Resources	x			
	Elevate building and lighting standards in the area to enhance its visual appearance, promote a safe environment, and protect surrounding neighborhoods from potentially negative impacts.	Policy Maker	Community Development (Neighborhoods)	Existing Staff Resources, Council Action		x		

Source: Ricker | Cunningham.