Final Report

1st and Main Transit Oriented Development Strategies

The Economics of Land Use

Prepared for:

City of Longmont, Colorado

Prepared by:

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in collaboration with

August 11, 2017

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REPORT OVERVIEW

Purpose

The purpose of this report is to provide the City of Longmont and the Regional Transportation District (RTD) with conceptual plans and corresponding projected costs for the 1st and Main transit station and the associated transit oriented development (TOD). The 1st and Main station area improvements will serve the end of the line FasTracks commuter rail from Boulder and Denver and will also serve as a transfer hub for local routes. This report provides further detailed planning and financial analysis to implement concepts outlined in the *1st & Main Station Transit & Revitalization Plan* that was adopted by Longmont City Council in 2012.

The report provides a summary of the potential funding sources that are available to the City as well as an estimate of the revenues that may be generated by future TOD within the station area. This information is intended to allow the City and RTD to engage in a more detailed discussion of specific costs, funding sources and strategies, and site / infrastructure planning to implement the 1st and Main transit area plan.

Major costs estimated in this report include parcel assemblage, infrastructure improvements, a new parking structure facility, and capital improvements needed to remove the station area property from the floodplain. The estimates for the costs cited in this report are planning level estimates that provide a rough order of magnitude for total construction costs. As a result, these costs are subject to revision following additional analysis and studies. RTD has issued a request for proposals (RFP) to conduct environmental clearance and preliminary engineering for a Bus Rapid Transit line on the Diagonal Highway between Boulder and Longmont. RTD gave notice-to-proceed in July of 2017 with completion expected within 24 to 30 months. The findings of this effort are anticipated to inform the specific bus services provided at this location and the corresponding parking requirements.

In addition, the site specific alternative development concepts presented in this report are intended to provide the City and RTD with a general understanding of potential transit services and facilities in the 1st and Main area, as well as a high level estimate of potential TOD that could be accommodated in the area. The planning concepts and funding approach were developed through collaboration between senior staff at the City and RTD and reflect the general transit requirements outlined by RTD and the City's planning vision for the area that are included in the *1st & Main Station Transit & Revitalization Plan*. However, these concepts are preliminary in nature and are subject to further revisions following the findings of future studies, further collaboration between the City and RTD staff, and direction from the City of Longmont City Council as well as the RTD Board of Directors.

Next Steps

This report provides a basis for completing additional analysis specific to the 1st and Main transit station area and outlining more detailed agreements between the City and RTD regarding the implementation of the *1st & Main Station Transit & Revitalization Plan*. Specific next steps for the City and RTD are outlined below:

1) **Council Direction** – Seek Longmont City Council direction on the *1st and Main TOD Strategies* analysis on preferred concept plan alternative as well as potential funding mechanism to implement the transit station area plan.

2) **Memorandum of Understanding** – Prepare and execute memorandum of understanding (MOU) between the City and RTD which outlines the responsibilities and commitments of the City and RTD. The MOU will develop additional information to guide the refinement and implementation of concepts identified in this plan.

3) **Infrastructure Master Plan** – Prepare an Infrastructure Master Plan that will serve as a guiding document of needed infrastructure to serve development of the site. This document will contain a detailed analysis of required site costs such as roads, parking structure, bus facilities, and other significant site and transit infrastructure costs. In addition, the Infrastructure Master Plan would include concepts and layouts of all streets, sewer, storm water, water, and pedestrian and bike facilities needed to service and support the transit station development. While not a direct focus, it will reference the City's larger effort to address flood plan mitigation. The Plan will include an implementation element that will address project financing and provide a sequence of steps required of public and private entities to move the Plan forward. These are expected to include actions related to both development and transit improvements.

4) **Acquire Land for Transit Station Plan** – Initiate land acquisition, consistent with MOU, to implement the preferred design concept alternatives to implement the *1st & Main Station Transit & Revitalization Plan*.

5) **Intergovernmental Agreement** – Prepare and execute an Intergovernmental Agreement (IGA) between the City and RTD that specifically details the process for reimbursement of eligible transit costs and a timeline for implementation of the transit station, including the public/private partnership strategy needed to advance the station plan. The IGA will be needed for any activity requiring RTD funds, including an Infrastructure Master Plan and the improvements identified in it.

Parallel Activities

- **Floodplain Mitigation** – In 2008, the City conducted a study to identify and redefine flood hazards along St. Vrain Creek through Longmont. That study identified that the existing FEMA Flood Insurance Rate Maps that identify the 100 year floodplain were incorrect in several areas, particularly the area along Main Street north of the St. Vrain Creek, including the area of the proposed 1st and Main Transit Area. The study included a focus on the Transit Area including a "FASTRACKS Site Drainage Improvements Analysis" to determine what

improvements would be needed to address the existing floodplain, allowing development of the proposed transit station site. The study proposed two significant channels to convey the flood flows and local surface drainage through the site and to the St. Vrain Creek.

The 2013 St. Vrain Creek Flood saw significant flooding in this area, and subsequent to the flood, FEMA adopted new hydrology that increased the flow rate of the 100 year flood from 10,000 cubic feet per second (cfs), to approximately 15,500 cfs between the BNSF Railroad Bridge and Left Hand Creek. This 50 percent increase in the 100 year flood flows significantly increased the challenge of dealing with flood flows in the 1st and Main Transit Area site. The City's Resilient St. Vrain Project is underway to address this increased floodplain not only in this area, but through the entire community.

Redevelopment of this site while it is within the floodplain will require compliance with federal and local floodplain development requirements and costly interim improvements. The more resilient option is completion of adequate phases of the Resilient St. Vrain Project to not only remove this site, but the surrounding property in lower downtown from the floodplain. Initial review has identified that to totally remove this area from the 100 year floodplain would require completion of RSVP improvements upstream to Sunset Street. While completion of the RSVP all the way to Sunset Street is required for total removal from the floodplain, completion of various components of the RSVP between the BNSF Railroad Bridge and Sunset Street would reduce the flood flows through the site, making development of portions of the project more viable. The most significant of these improvements is replacement of the BNSF Railroad Bridge.

- **SH119 BRT Study** – The findings of this study will inform the specific bus services provided in the 1st and Main area as well as the corresponding parking requirements.

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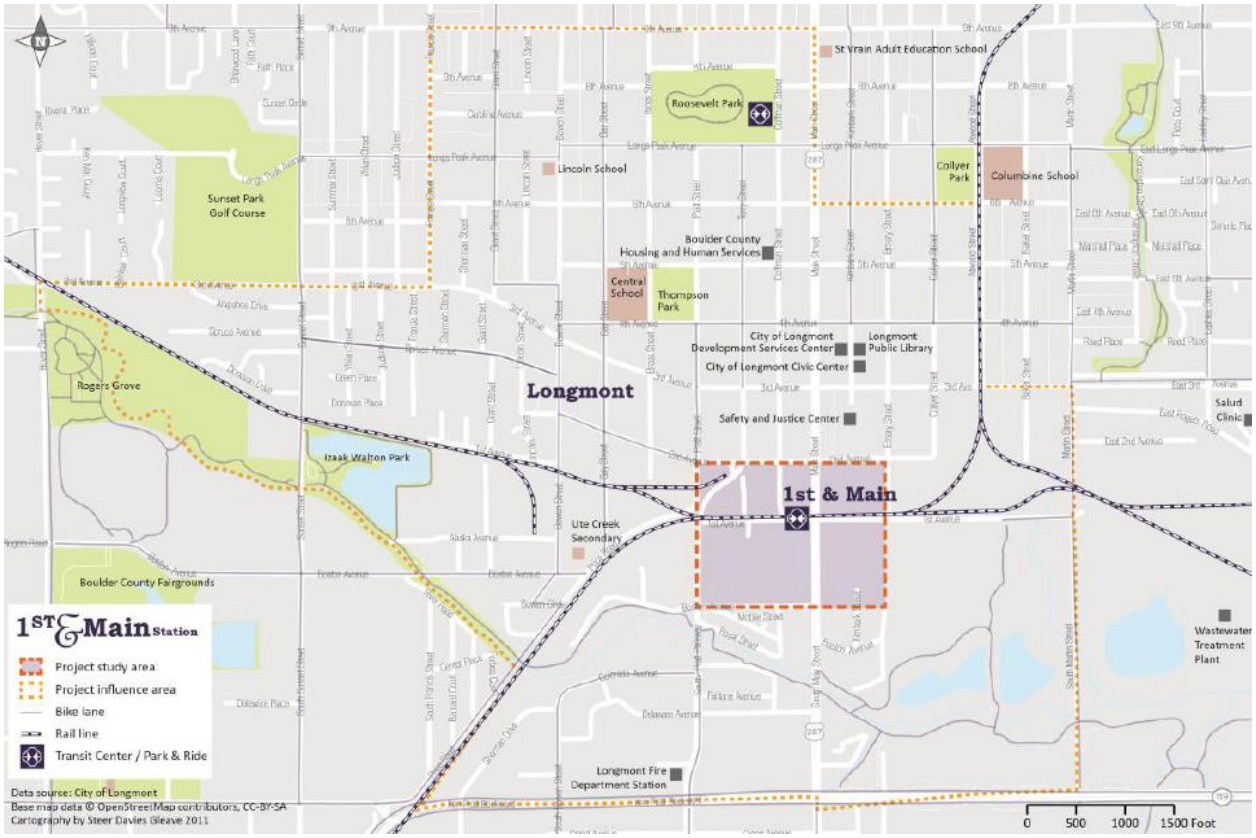
1. INTRODUCTION AND SUMMARY OF FINDINGS

Introduction

Economic & Planning Systems (EPS) and MIG, Inc. (MIG) have been retained by the City of Longmont to conduct an evaluation of the transit oriented development opportunities around the future 1st Avenue and Main Street transit area, as shown in **Figure 1**.

The 1st and Main transit area is the future location of the terminus of the commuter rail line planned as part of the Regional Transportation District (RTD) FasTracks Northwest Rail Line. Additionally, the City of Longmont (the "City") is working with RTD to implement the *1st & Main Transit & Revitalization Plan*, becoming the primary transit transfer facility for local, regional, and Bus Rapid Transit (BRT) in the community. Future plans include the end of the line FasTracks commuter rail from Boulder and Denver, as well as a possible transfer point to commuter transit and BRT further north to Loveland and Fort Collins. The planned BRT and rail line extensions and a new station area create an opportunity for the City to leverage RTD's investment in the area and create successful transit oriented developments (TOD) through public-private partnerships (P3).

Figure 1
1st and Main Area



The guiding vision for the potential redevelopment of the area is informed by *the 1st & Main Station Transit & Revitalization Plan* that was adopted by the Longmont City Council in 2012. BRT was not specifically part of the original study discussion, but is now being included in station area planning. This study was undertaken by the City partly in response to two ongoing activities of RTD.

- First, RTD has designated up to $17 million in early action FasTracks funds as an investment in a bus facility in Longmont in advance of the full completion of the Northwest Rail project. In addition, RTD may consolidate bus operations in Longmont pending the results of the SH119 BRT study. Both the City and RTD would like to initiate land assembly for the longer-term rail and shorter-term BRT station and its Park-n-Ride that can be used in the interim years before rail service begins.
- Second, the City would like to work with the RTD to develop a new local transit service plan that would move bus service from Main Street to Coffman Street, while continuing to service the existing 8th Avenue and Coffman Park-n-Ride. Investing in additional bus service at the new 1st and Main location may improve operational efficiencies for RTD and mobility services for the citizens of Longmont.

The plan resulted in five strategic goals that include the following:

- Promote a healthy business climate;
- Support education as a community-wide value;
- Enhance the natural environment;
- Focus on downtown; and
- Promote a sense of community identity and cultural inclusion.

In addition to these five goals, at the end of this process this area was rezoned in 2013 to Mixed Use to allow for a wide range of uses (e.g. office, residential, retail) conducive for TOD.

The 1st and Main area is already experiencing interest from developers. Located on the opposite corner from the future transit station, the former Butterball turkey plant will be transformed into the South Main Station, a $70 million investment that will include a 314-unit Class A apartment community along with 10,000 square feet of street-level retail and office space along Main Street. In addition, Wibby Brewing has opened a brewery and taproom in an existing building that was part of the former Butterball factory site. Future phases of the redevelopment of the former Butterball turkey plant, which comprise another 20 acres of property, contemplate potential high density housing and commercial space.

The City is also investing more than $75 million in this area, through its Focus on South Main and Resilient St. Vrain capital improvement efforts, which includes reconstruction of Main Street between 3rd Avenue and Ken Pratt Boulevard, extending Boston Avenue between Main Street and Martin Street, constructing a new Main Street bridge over the St. Vrain River and improving the 52-acre Dickens Farm Park. Most of these improvements are planned to be completed in the near term. Replacements of the South Pratt Parkway Bridge over the St. Vrain River, as well as channel improvements, are expected to be completed over a longer time period.

This report evaluates the potential for TOD in the area and provides an estimate of potential expenditures and revenues associated with the City's investment in the area.

This report is divided into five primary sections that are summarized below:

1. **Introduction and Summary of Findings** – Provides an overview of the scope of this analysis and a summary of the major findings and recommendations of this report.
2. **Site Capacity Analysis** – EPS and MIG have worked closely with senior staff at the City and RTD to create two development alternatives for the 1st and Main transit area consistent with the vision of the *1st & Main Station Transit & Revitalization Plan*. These alternatives identify potential ranges in the amount of development. In addition, the development alternatives test a variety of development types that include varying levels of residential, office, and commercial development.
3. **Financial Analysis** – This section provides a summary of the sources and uses of funds for the project as a whole and an estimate of the City's total expenditures and revenues. Estimated project and City expenditures and revenues are shown on an annual basis and provide an estimate of net revenues or expenditures the City can expect to realize as well as an annual funding gap or surplus associated with each development alternative.
4. **Project Revenue Sources** – This section provides a summary of the sources of potential revenue associated with the project. Sources of funds include potential future land sales of parcels within the station area, Tax Increment Financing (TIF) revenues, and revenues associated with the formation of a special financing district.
5. **Public Financing Strategy** – This section provides a summary of the advantages and disadvantages associated with the alternative public financing mechanisms that the City can pursue in order to finance public improvements and other eligible costs within the station area to implement the station area plan.

Summary of Findings

This section provides a summary of the major findings and recommendations of this report. This summary is supported by the detailed plans and analysis included in the subsequent sections of this report.

Market Overview

- **Denver Metro Area Economy** – The seven-county Denver Metro area is a driving force nationally in terms of overall employment growth and economic activity. In 2016, the Denver Metro area gained 44,800 jobs, which translates to a growth rate of 3.2 percent, which was well above the nation and the state.
- **Longmont Economy** – The City of Longmont continues to be an important asset to the economic health of the region. In 2016, the City added 582 net new jobs for a total of 14,848 total jobs, which represents an annual increase of 4.0 percent. While a number of businesses relocated outside the city and impacted the net job growth, the City is expected to continue to attract a growing number of new employers and jobs. Increasing the local capture of regional economic growth continues to be one of the challenges for Longmont.
- **Longmont Real Estate Market** – The Longmont real estate market continues to perform well and attract a range of new development, including an emerging sector of infill development. The market for new apartment units continues to remain strong at this time. There are currently estimated to be 1,300 apartment units in the construction pipeline.

- **1st and Main Area Development Feasibility** – Based on market trends and interviews with local brokers and developers, the 1st and Main site evaluated in this report has the potential for successful mixed-use transit oriented development that could incorporate a range of uses, such as residential apartments, office, and a limited amount of retail.

Site Plans

- **Design Factors** – The future end-of-the-line platform for the regional commuter rail will be located on 1st Avenue near the Coffman Street intersection. Although rail is not anticipated until 2025 or later, the transit hub will serve a number of local and regional bus and future BRT bus lines. A bus transfer facility is one of the key drivers of the plan, given that it will be activated immediately upon completion.
- **Design Challenge** – The City believes there is an opportunity to use transit service and improvements to help catalyze infill development activity in the area of South Main. The challenge for this project is to identify the optimal configuration of transit and transportation facilities, public spaces, and development sites for residential and commercial projects.
- **Development Alternatives** – Through interviews with senior staff at the City of Longmont and RTD, two alternatives (Alternative A and Alternative B) were identified as feasible options that accommodate the needs of RTD and respect the vision the City has established for the area in the *1st & Main Station Transit & Revitalization Plan*. The primary difference between these two alternatives is the location of the future structured parking facility, which is shown adjacent to the future rail platform in Alternative A and more centrally located along Coffman Street in Alternative B.
- **General Design Guidelines** – The two alternatives contemplate the extension of Coffman Street from 1st Avenue to Boston Avenue, and concentrating the bus transfer activity along this new street segment. Additional improvements include a parking structure that is anticipated to accommodate the needs of future RTD transit riders as well as some parking for future residential or commercial development. The scale of the parking facility—currently estimated to be 300 to 400 spaces—and the ultimate configuration of the bus transfer facility will be dependent on the findings of the SH119 BRT Study that RTD is currently managing.

Project Feasibility and Development Concept

- **Development Concept** – The *1st & Main Station Transit & Revitalization Plan* calls for a combination of public and private investment within a two-step approach. The first is the development program, for which the emphasis will be land acquisition, infrastructure and transit component installation, and potential entitlements initiated by the City and RTD. The second will be vertical development with construction of the planned buildings, including TOD and a structured parking facility. The City may choose to take on these responsibilities or may choose to partner with private sector developers and RTD for either or both of these steps.
- **Project Costs and the Use of Funds** – The expenditures associated with the alternatives identified for this analysis are expected to require $19.6 to $21.6 million in project funds. It will be necessary for the City to provide upfront funds to cover the cost of land assembly and other upfront costs. The majority of these funds related to transit are expected to be reimbursed by RTD as part of a future intergovernmental agreement (IGA). The pro rata

costs for non-transit uses, including land acquisition and non-transit-related infrastructure, will be the responsibility of the City while RTD will address the pro rata share of costs for land and improvements that are attributed to transit.

- **Key Infrastructure Improvements** – In order to remove the site from the existing floodplain, it will be necessary for the City to invest in a number of capital improvement projects (CIP). As stated previously, in order to totally remove the site from the St. Vrain Creek floodplain, improvements would need to include:
  - Replacing the S. Pratt Parkway Bridge, BNSF Railroad Bridge and the Boston Avenue Bridge;
  - Increasing the channel capacity of the St. Vrain to contain the 100-year flow from Main Street to Sunset Street, including replacement of the Izaak Walton Pond embankment.

  These costs are estimated at $47.75 million and are anticipated to be funded through a combination of federal and state funds as well as City and RTD contributions. At this point, while the City is pursuing additional project funding through sources such as the U.S. Army Corp of Engineers and FEMA, approximately $18.65 million of that total remains unfunded. While a number of improvements to the site can be completed prior to the completion of all the floodplain mitigation improvements (i.e. road construction and other site infrastructure), it is typical RTD policy to have any RTD owned and maintained facilities out of any existing floodplain. The City has similar requirements of improvements being built outside the 100-year floodplain.

  As previously stated, while completion of the entire Resilient St. Vrain Project upstream to Sunset Street needs to be completed to totally remove this area from the St. Vrain floodplain, there is potential to look at interim options that would significantly reduce the flood flows with completion of significant components of the improvements listed above. Of those requirement improvements, approximately $5 million are currently unfunded.

- **Projects Revenues and the Sources of Funds** – RTD is estimated to contribute up to approximately 75 percent of on-site project costs towards the completion of each alternative. In addition to on-site costs, there are $47.75 million in offsite costs. Of these costs, approximately $18.65 million are unfunded. It is estimated that RTD will provide some contribution towards this amount. As previously stated, RTD has dedicated $17.0 million in early action FasTracks funds as an investment in a bus and rails facility in Longmont. For the purposes of this analysis, any additional funds that remain after other major improvements or investments are assumed to be contributed towards floodplain mitigation. As a result, RTD is estimated to contribute approximately $1 to $1.5 million towards offsite infrastructure costs to remove the property from the floodplain.

  This analysis estimates that the City needs to contribute approximately $4.5 to $5.5 million or 20 to 30 percent to fund the various onsite costs identified in this report. All of these estimates are subject to refinement based on further study and design by the City and RTD.

- **Potential Land Assets** – Following the construction of the station area improvements and new area wide infrastructure, the resulting development sites are expected to have higher value than exists today. As a result, there may be an opportunity for the City to benefit from the value of the parcels assembled for non-transit use at the onset of this process that will

accrue as a result of the transit improvements. Estimates show the City has the opportunity to realize approximately $2.5 to $3 million in potential land value associated with the site's land assets. The project could be net positive for the City, as delineated in greater detail below. Note that RTD's contribution for land acquisition must be used for mass transit per state law. Land acquired with RTD funds cannot be used exclusively for private development. To maintain compliance with these standards, all RTD funds evaluated in this study are based on a pro rata share contribution for land or improvements directly related to transit.

Public Financing Mechanisms

- **Range of Options** – There are a number of public financing mechanisms that the City and its public partners may choose to pursue in order to fund eligible costs and to implement the vision outlined in the *1st & Main Station Transit & Revitalization Plan*. These options include the following:
  - Substantially modify the Southeast Longmont Urban Renewal Plan to authorize TIF and begin to collect TIF from properties within the 1st and Main area, either as part of a smaller TIF area focused on the 1st and Main station area or the larger URA.
  - Create a new Urban Renewal Area with TIF provisions to encompass properties within the 1st and Main station area.
  - Utilize other financing districts, such as a Metropolitan District or General Improvement District, to finance public improvements and other eligible costs.

Net Financial Position

- **Net City Revenues** – As previously stated, the project is estimated to require approximately $4.5 to $5.5 million in upfront City contribution to fund onsite costs. Through potential land sales and TIF revenue, the City could recoup its investment by Year 10. Of the total revenue generated by the project for the City, approximately $2 to $2.5 million is a result of future land sales and $2.5 to $3.0 million is a result of potential onsite tax increment financing revenues generated by property tax over a nine-year period.

  Following the payback to the City, the project is estimated to generate an additional $11 to $12 million in TIF revenues for the URA over a 16-year period (Year 10 through Year 25), which has a net present value (NPV) of $4.5 to $5 million (applying a 5 percent discount rate).

- **Real Estate Risk** – As is the case with any real estate development project, there are a number of risks. These include development risk, market risk, entitlement risk, and financing risk. There are a number of strategies that the City can pursue to mitigate these risks that include conservative cost and revenue estimates as well as potential partnerships with private developers.

- **Additional Considerations** – The investment in the redevelopment of the 1st and Main area is not only expected to generate net revenues for the City, but also has the potential to create a larger benefit to the community in the form of successful mixed-use TOD projects, based on the initial investment by RTD. The resulting project is expected to catalyze market interest in the South Main area and trigger additional development that helps implement the vision of the *1st & Main Station Transit & Revitalization Plan*.

2. SITE CAPACITY ANALYSIS

This section provides a summary of the development alternatives identified as the most feasible options for the transit area. EPS and MIG worked closely with senior staff at the City of Longmont and with RTD to identify preliminary site opportunities and constraints. This process looked at ways the transit requirements outlined by RTD, such as parking and access to the site, could be met and aligned with the redevelopment vision outlined by the City consistent with the *1st & Main Station Transit & Revitalization Plan* and consistent with the City's flood plan mitigation efforts. The results of this planning process are two preliminary development alternatives, Alternative A and Alternative B, which address the needs and vision outlined by the City and RTD. The site plans of these alternatives are presented in **Figure 2** and **Figure 3** and an illustrative graphic of the street view associate with Alternative B is shown in **Figure 4**.

The site plans also identify additional sites that are anticipated as future development opportunities for the private sector. These sites are well positioned to benefit from investments made by the City and RTD and are expected to be redeveloped by private property owners and developers in the future. Specific sites include the Flour Mill located to the northwest of the station area and the former Butterball parking lot that is immediately to the north of the Cheese Importer site.

It is also important to note that the final design for the site will be influenced by the findings of a study being completed by RTD that will evaluate potential new arterial Bus Rapid Transit (BRT) routes as early-action, stand-alone improvements that could complement US 36 BRT, the phased construction of Northwest Rail or an extension of the North Metro Rail Line to Longmont. The SH 119 route between Boulder and Longmont is specifically being evaluated and the findings of that analysis will influence the parking requirements and overall design of the site.

These preliminary development alternatives assume that the entire site has been removed from the St. Vrain Creek 100-year floodplain, reflecting the $47.75 million in RSVP improvements previously discussed.

Preliminary Development Alternatives

Alternative A: Rail Platform Parking Garage Orientation

The first alternative is presented in **Figure 2** and contains four areas of mixed use transit oriented development (MU TOD) that range from office to retail/commercial and high-density residential. The area currently under the overhead power lines would act as a plaza which would be a pedestrian connection from the bus transfer area to the future rail platform.

The parking structure is located adjacent to the future rail platform and would be directly accessible from 1st Avenue in the years prior to the platform construction. When the train line is active, 1st Avenue would close between Pratt Parkway and Coffman Street, and the vehicle access to the parking structure would be Terry Street as well as the future road between Terry Street Extension and the Pratt Parkway Frontage Road.

Alternative B: Central Parking Garage Orientation

The second alternative is presented in **Figure 3** and also contains four areas of mixed use transit oriented development (MU TOD) which include office, retail/commercial, and mid-rise residential. The area under the overhead power lines would act as a plaza and connect the bus bays to the future rail platform. It is, however, important to note that the area would benefit if the power lines were relocated or buried. As a result, the power lines are not shown in the street level graphic presented in **Figure 4**.

The parking structure is located along the new Coffman Extension and RTD Transfer Site. The location of the parking structure is positioned central in the site and provides direct access between the rail and bus and plaza. The central location of the parking structure also allows for the future opportunity to dedicate the ground floor of the garage as a bus facility—pending RTD's analysis of the appropriateness of such a facility—further improving the efficiency of the site.

Development Program

The proposed development programs for both alternatives include two residential apartment buildings, one office building, and a retail building with office space on the second floor. The residential buildings are both expected to be four stories high and include 120 units on the southern site (Site 1) and 70 units on the northern site (Site 3), as shown in **Table 1**.

The office building (Site 2) is expected to be three stories and is estimated at approximately 40,000 square feet of rentable space. Finally, the mixed-use retail and office space (Site 4) located on the northeastern section of the site is assumed to be a two-story building with approximately 5,000 square feet of retail space on the ground floor and 5,000 square feet of office space on the second floor.

The development programs for both alternatives are informed by interviews with local brokers and developers and recent market trends in and around Longmont that were used to identify the most probable uses for the site from a market perspective. The findings of this analysis indicate that the most feasible use at this time, purely from a market perspective, is for apartment buildings. While there is the need for new office space in the City of Longmont, rental rates and construction costs indicate that the development of office space on this site is not supportable purely from a market perspective at this time. There are, however, advantages to including office space in the site's development program, such as promoting successful mixed-use development and creating a sense of place for the site. There are a number of strategies that the City can pursue to achieve this that include engaging with a developer and providing funds to the project through discounted land prices or other funding methods, such as the provision of parking in the structured parking facility.

Various incentives may be required, specifically to close financing gaps related to structured parking. It is assumed that the City (or the URA) would negotiate terms related to vertical development and provide any needed incentives. RTD's role is expected to be limited to the pro rata costs associated with land and improvements directly related to transit. While potentially a mute issue, it is important to clarify that RTD cannot discount land and requires compensation for private use of RTD parking.

Table 1
Development Program: Rail Platform Focus and Central Focus

Description	Residential (Units)	Office (Sq. Ft.)	Retail (Sq. Ft.)
Site 1: Residential Apartment, 4-story	120	0	0
Site 2: Office, 3-story	0	40,000	0
Site 3: Residential Apartment, 4-story	70	0	0
Site 4: Retail/Office, 2-story	0	5,000	5,000
Subtotal	**190**	**45,000**	**5,000**

Source: Economic & Planning Systems

\\EPSDC02\Proj\163007-Longmont Advisory Services\Models\[163007-1st and Main Cash Flow Model-07-06-2017.xlsm]S-Program

Development Advantages and Disadvantages

There are a number of strengths and weaknesses associated with the development of both alternatives to implement the transit station and transit oriented development program that are summarized below:

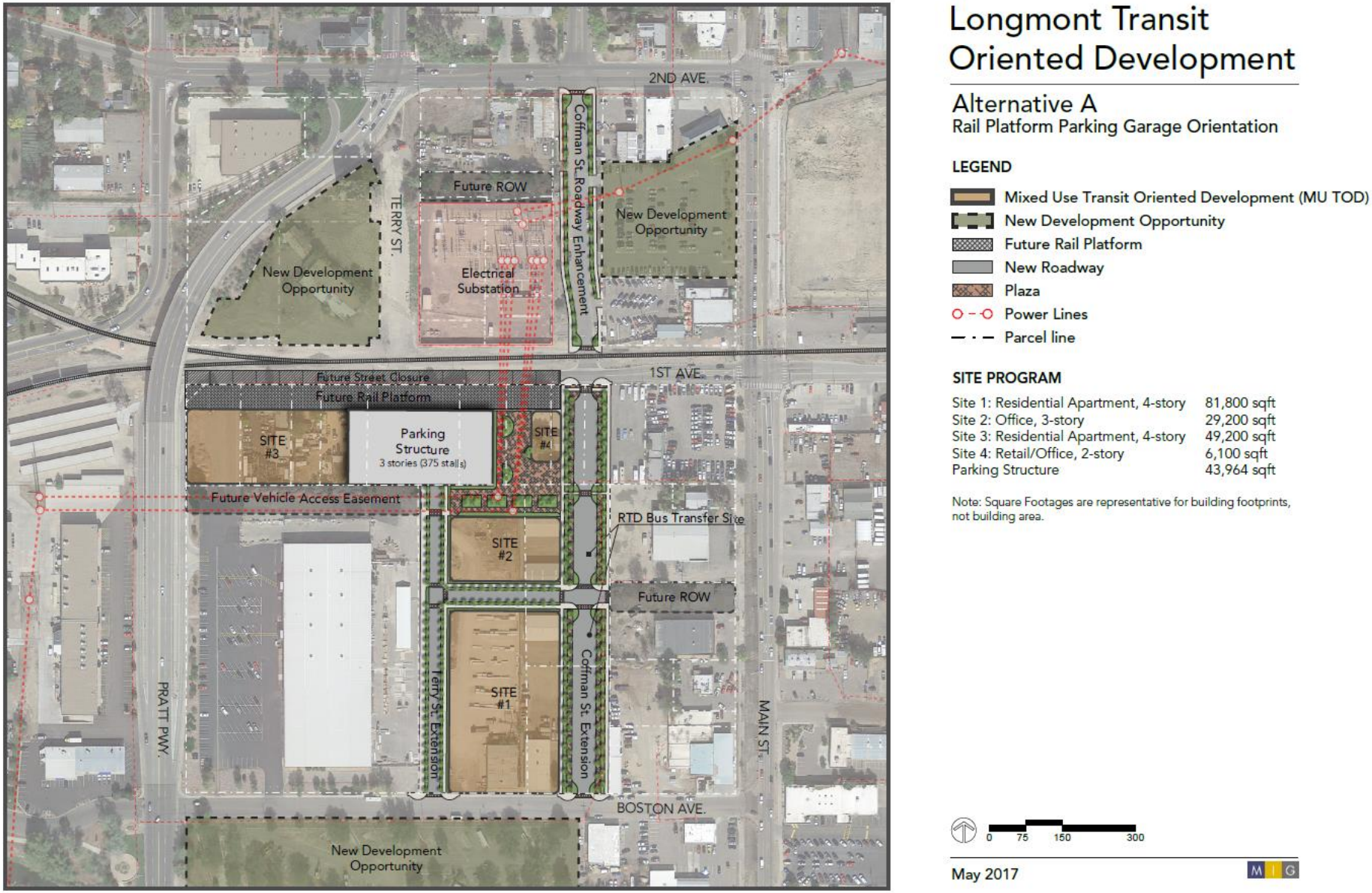
Strengths

- Creates a bus transfer facility with direct access to an existing transit center on Coffman Street north of downtown Longmont
- Keeps bus traffic central but off busier Main Street
- Both plans extend street grid with new roadway investment
- Provide RTD with access to rail platform
- Accommodate bike traffic through site
- Leverage RTD investment in the area
- Activate TOD on surrounding sites
- Build on redevelopment activity of former Butterball site and will leverage market momentum for Flour Mill redevelopment and other surrounding sites

Weaknesses

- Both alternatives will require City involvement in the assemblage of privately owned parcels
- Complex development process with multiple public agencies, private developer(s), and property owners
- Moving the platform further west to keep Coffman open creates some cost and engineering issues with the future commuter rail diverging from the mainline earlier
- Both alternatives will require property to be removed from the floodplain prior to vertical development of TOD opportunity sites
- While streets and other types of horizontal improvements can be developed at this time, it is important to notes that flood plan mitigation will be required prior to the construction at any permanent bus transfer facility.

Figure 2
Alternative A: Rail Platform Parking Garage Orientation



Longmont Transit Oriented Development

Alternative A
Rail Platform Parking Garage Orientation

LEGEND

- Mixed Use Transit Oriented Development (MU TOD)
- New Development Opportunity
- Future Rail Platform
- New Roadway
- Plaza
- Power Lines
- Parcel line

SITE PROGRAM

Site 1: Residential Apartment, 4-story	81,800 sqft
Site 2: Office, 3-story	29,200 sqft
Site 3: Residential Apartment, 4-story	49,200 sqft
Site 4: Retail/Office, 2-story	6,100 sqft
Parking Structure	43,964 sqft

Note: Square Footages are representative for building footprints, not building area.

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Figure 3
Alternative B: Central Parking Garage Orientation

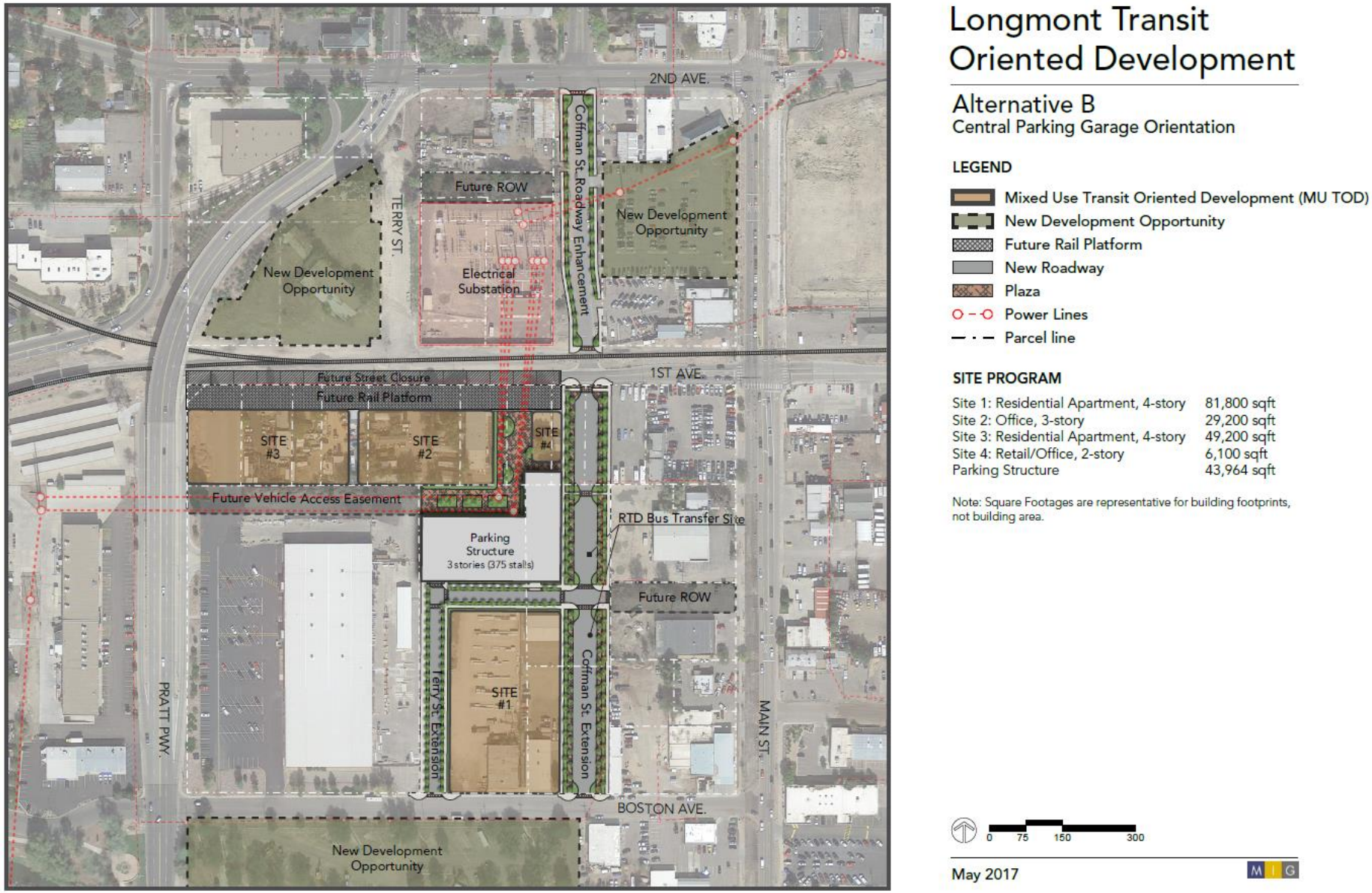

Figure 4
Street View Perspective

Development Alternative Assumptions

The extension of the city grid with new roadway investment into the TOD station area between Boston Avenue and 1st Avenue and between Main Street and South Pratt Parkway is anticipated in both alternatives. This includes an extension of Coffman Street south to Boston Avenue and a new, shorter Terry Street extension up to a future parking structure in this block. Future right-of-way areas and east/west roads are also proposed between the Terry Street Extension and Main Street and a future vehicle access easement is anticipated between Terry Street and the frontage road of South Pratt Parkway. To the north of 1st Avenue, a future east/west right-of-way is proposed just north of the electric substation between Terry and Coffman Streets to allow future road access to the Flour Mill site with the future closing of the Terry Street track crossing due to the rail platform construction.

Shown in both alternatives, the Coffman Street extension would be a two-way road for vehicles, buses, bicycles and pedestrians and includes designated pull off areas for bus stops/transfer locations. As previously stated, this initial concept is expected to be further refined following the findings of the SH119 BRT Study and with additional review by RTD Bus Operations staff. Among other issues is the siting of the maintenance facility, which may affect track extensions.

Both alternatives include RTD bus stops, bus queuing, public plazas, public restroom facility, and RTD bus driver relief stations. Public plazas and a bike shelter are also planned for the areas adjacent to the future rail platform and around the parking structures. The plazas along the bus stop areas are designed to enhance the streetscape and create a sense of place with a high quality multimodal transit experience. They are planned to include benches, art, shade structures and associated outdoor elements. The proposed rail platform will be located adjacent to the new commuter rail lines along 1st Avenue. When the commuter rail line is active, 1st Avenue between Terry and Coffman Streets will be closed. The 1st Avenue and Main Street signalized intersection will remain and the Boston Avenue signalized intersection is added in both scenarios.

These improvements have the potential to catalyze development in adjoining parcels and enhance the surrounding environment as a TOD. In addition, the expansions of Coffman and Terry could spur development and redevelopment efforts to the north and south of this site and enhance the connections to St. Vrain Greenway.

Both alternatives also take into consideration the constraint of the electrical substation and the related large overhead power lines. The lines are assumed to remain above ground in the near-term and have been incorporated into the plans. However, should funding be identified where the overhead power lines can be undergrounded and the electrical substation relocated, it would help further catalyze reinvestment in the station area.

3. FINANCIAL ANALYSIS

This section provides a summary of the sources and uses of funds required to construct the major infrastructure improvements shown in the previous section of this report needed to implement the vision of the *1st & Main Station Transit & Revitalization Plan*. In addition, this section provides a financial summary of the City of Longmont's potential investment of funds into this effort.

Use of Funds

In order to catalyze redevelopment in the area and address the vision of the *1st & Main Transit & Revitalization Plan* outlined by the City and RTD, a number of major project expenditures have been identified along with their corresponding costs. Major costs include the following:

- Land Assemblage
- Relocation Assistance
- Structured Parking Facility Construction
- Transit and Infrastructure Improvements

Land Assemblage

In order to provide RTD with the area necessary to accommodate bus bays, transit plaza, a future rail platform, a structured parking facility, and access to the transit station, RTD and the City must assemble 12 parcels which total approximately 9.8 acres in the 1st and Main station area, as shown in **Figure 5**. Portions of each of the 12 sites are needed for right-of-way, bus transfer, station platform, and other needed transit infrastructure regardless of the development option selected.

Figure 5
Parcels Required for Assembly

The corresponding estimated cost to assemble each of the 12 parcels is approximately $3.4 to $4.4 million and is the same for Alternative A and Alternative B, as shown in **Table 2**. This estimate is based on the assessed value of each of these parcels as determined by the Boulder County Assessor and also includes a 30 percent contingency to allow for variances between the assessed value and the actual market value and to maintain a conservative acquisition cost estimate. While these estimates have also been confirmed by discussions with real estate brokers active in the area, they are general in nature and are subject to change as the project moves through the planning and acquisition phases.

It is also important to note that the City and/or RTD could examine opportunities to assemble the lumber center site located to the northeast of the intersection of South Pratt Parkway and Boston Avenue should there be an opportunity for partnership with the property owner. This site could be used to provide additional parking for the station area or accommodate additional TOD.

Table 2
Parcel Assemblage Cost

Parcel	Type	Parcel Area (Sq. Ft.)		Parcel Value	
		Land Area	Building Area	Total Value	Value per Sq. Ft. (land area)
Parcel 1	COMMERCIAL	43,042	4,800	$354,816	$8.24
Parcel 2	COMMERCIAL	135,487	6,466	$579,360	$4.28
Parcel 3	COMMERCIAL	62,797	4,800	$478,352	$7.62
Parcel 4	VACANT LAND	24,490	0	$115,443	$4.71
Parcel 5	MIXED USE	13,734	4,224	$261,040	$19.01
Parcel 6	RESIDENTIAL	18,126	1,325	$143,100	$7.89
Parcel 7	INDUSTRIAL	18,972	5,600	$415,923	$21.92
Parcel 8	RESIDENTIAL	37,640	6,788	$488,000	$12.96
Parcel 9	RESIDENTIAL	19,086	688	$130,000	$6.81
Parcel 10	RESIDENTIAL	12,032	484	$101,400	$8.43
Parcel 11	COMMERCIAL	20,883	1,650	$160,960	$7.71
Parcel 12	COMMERCIAL	21,806	0	$129,000	$5.92
Subtotal (w/out 30% contingency)		**428,095**	**36,825**	**$3,357,394**	**$7.84**
Subtotal (w/ 30% contingency)		**428,095**	**36,825**	**$4,364,612**	**$10.20**

Source: Boulder County Assessor; Economic & Planning Systems

Relocation Assistance

In addition to the costs associated with parcel acquisition, there are also expected to be costs associated with the relocation of people and businesses currently residing in the area. For federally funded projects, acquisition that requires the relocation of people or businesses is conducted under federal rules that protect all parties. These rules are entitled "Uniform Relocation and Real Property Acquisitions Policies Act of 1970" (Uniform Act). The Uniform Act was enacted to assure that people are treated fairly and equitably throughout a process such as this and RTD follows the Uniform Act for all acquisitions regardless if federal funding is used. Because the funding for this project is based on local and regional sources, the federal mandate may not apply; nevertheless, funds to assist with relocation have been included in the cost estimates.

For the purposes of this analysis, each residential unit or business is estimated to require $25,000 in relocation and reestablishment assistance funds. Based on the Boulder County Assessor records there are 17 residential units and six businesses that have the potential to require assistance. The total relocation assistance cost is estimated at $746,500 for the project as a whole, which includes a 30 percent cost contingency allowance. This is an initial estimate that is subject to change as the project moves through the planning and acquisition phases.

Structured Parking Facility

The structured parking facility in Alternative A and Alternative B is designed to accommodate 375 parking spaces. The parking facility in each alternative is anticipated to include parking for RTD bus and future train riders (300 spaces) as well as additional parking spaces for new retail and office space that is constructed in the station area (75 spaces). The total number of spaces dedicated to RTD will also be dependent on the findings of the SH119 BRT Study. The total cost to construct the parking facility is estimated at $9.38 million or $25,000 per space, which is more conservative than cost estimates used by RTD on other recent projects. This estimate is consistent between Alternative A and Alternative B.

Infrastructure Improvements

There are a number of important infrastructure and transit-related investments that provide RTD with a bus facility, access to the future rail platform along the existing 1st Avenue and the planned structured parking facility. These improvements include the extension of Coffman and Terry Streets, right-of-way (ROW) areas that provide access, and plaza, as well as expenditures related to floodplain mitigation.

Several City CIP projects are necessary to completely remove the TOD site from the floodplain. The major CIP projects include the following:

- Replacing the S. Pratt Parkway Bridge, BNSF Railroad Bridge and the Boston Avenue Bridge;
- Increasing the channel capacity of the St. Vrain to contain the 100-year flow from Main Street to Sunset Street, including replacement of the Izaak Walton Pond embankment.

The estimated costs for each floodplain mitigation project are summarized below.

Table 3
Offsite Floodplain Mitigation Improvements

Description	Proposed Date	Total Cost	Funded	Unfunded Amount
BNSF Railroad Bridge	Unknown	$5,000,000 [1]	Partial	$3,000,000
Boston Avenue Bridge	2019	$3,800,000	Funded	$0
S. Pratt Parkway Bridge		$5,200,000	Funded	$0
St. Vrain Channel (2c)		$32,450,000	Partial	$14,350,000
Izaak Walton Embankment		$1,300,000	Unfunded	$1,300,000
Subtotal		**$47,750,000**		**$18,650,000**

[1] Estimated total cost to replace the railroad bridge is approximately $4,000,000 to $6,000,000. Estimated funding sources at this time is $1.5 million from City (this includes a $1 million DRCOG grant) and a yet to be determined amount from RTD.

Source: City of Longmont; Economic & Planning Systems
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At this time, of the CIP projects listed above, full City funding has been secured for the Boston Avenue Bridge, the S. Pratt Parkway Bridge, and portions of the channel widening. The cost of the Railroad Bridge has been estimated at approximately $5 million. It is assumed that RTD will contribute some funds towards this cost. At this time, the City is working with BNSF and its consultants to establish a cost estimate for replacement of the BNSF Railroad Bridge; a preliminary estimate is anticipated in August. The City is currently working with the U.S. Army Corps of Engineers on a Feasibility Study that could result in the funding needed to construct significant portions of the remaining CIP projects that would remove the station area site from the floodplain. Construction of any above grade infrastructure, such as a parking garage, would need to meet City of Longmont floodplain permit requirements which would be difficult to obtain given the location and size of the facility and could require additional flood control facilities.

Total on-site infrastructure costs for the project are estimated at $5.6 to $6.2 million, as shown in **Table 4**. These estimates are based on current costs for asphalt, curbs, tree/lawn improvements, sidewalks, and street trees. The estimates also include costs for a crossing at Coffman that is quiet zone compliant and a public restroom facility (restroom facility paid for by the City of Longmont). The estimates also include a 40 percent cost contingency to account for site demolition and remediation costs as well as cost overruns and to provide the City and RTD with a conservative estimate of future infrastructure costs. A detailed break-down of these infrastructure cost estimates is provided in Appendix B of this report.

Table 4
Infrastructure Improvement Cost (Onsite)

Description	Cost Estimate	Contingency (40%)	Total Cost
Infrastructure Costs			
Coffman Extension (1st Ave - Boston Ave)	$1,456,100	$582,440	$2,038,540
Coffman Enhancement (1st Ave - 2nd Ave)	$271,400	$108,560	$379,960
Terry Street [1]	$259,168	$103,667	$362,835
ROW: Coffman and Terry	$95,850	$38,340	$134,190
Coffman Rail Crossing Improvement [2]	$378,571	$151,429	$530,000
Restroom Facility	$200,000	$80,000	$280,000
Plaza (outside ROW)	$1,529,700	$611,880	$2,141,580
Subtotal	**$4,190,789**	**$1,676,316**	**$5,867,105**
Planning Estimate			
Low [3]	$4,000,000	$1,600,000	$5,600,000
High [3]	$4,400,000	$1,800,000	$6,200,000

[1] The length of Terry Street in Alternative B is reduced and as a result there is a savings of $115,500.

[2] Estimated to account for rail crossing and to make the crossing safe and quiet zone compliant.

[3] Rounded to the nearest hundred thousand.

[Note: Estimates do not include a potential box culvert underneath the road to address potential flooding issues.]

Source: MIG; Economic & Planning Systems

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Total Project Costs (Onsite)

The onsite total project costs are estimated at $19.6 to $21.6 million, as shown in **Table 5**. Approximately 46 percent of total project costs are based on the costs estimates for the structured parking facility, 28 percent of costs are for infrastructure improvements, 21 percent of total projects costs are land assemblage costs, 4 percent of costs are allocated for relocation assistance, and less than 1 percent of costs are designated for the Infrastructure Master Plan.

Table 5
Total Project Costs (Onsite)

Description	Use of Funds	
	Amount	% of Total
Parcel Assemblage	**$4,364,612**	**21%**
Appraisal	**$48,000**	**0%**
Relocation Assistance	**$747,500**	**4%**
Structured Parking Facility	**$9,375,000**	**46%**
Infrastructure Master Plan	**$200,000**	**1%**
Infrastructure Improvements		
Coffman Extension (1st Ave - Boston Ave)	$2,038,540	10%
Coffman Enhancement (1st Ave - 2nd Ave)	$379,960	2%
Terry Street	$362,835	2%
ROW: Coffman and Terry	$134,190	1%
Coffman Rail Crossing Improvement	$530,000	3%
Restroom Facility	$280,000	1%
Plaza (outside ROW)	$2,141,580	10%
Infrastructure Subtotal	**$5,867,105**	**28%**
Subtotal	**$20,602,217**	**100%**
Planning Estimate		
Low [2]	$19,600,000	
High [2]	$21,600,000	

[2] Rounded to the nearest hundred thousand.

Source: MIG; Economic & Planning Systems
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Source of Funds

The total project expenditures are expected to be funded through contributions provided by the City and RTD. RTD has designated up to $17.0 million in early action FasTracks funds as an early investment in a bus facility in Longmont in advance of the full completion of the Northwest Rail project. RTD has committed to fund improvements identified in this plan related to right-of-way improvements, the bus transfer facility, parking for RTD patrons, the future station platform, and the proportional land acquisition related to these types of transit facilities. Additionally, it is reasonable to assume that the City will be expected to contribute funds to finance improvements to the station area, specifically costs for TOD components of site redevelopment.

Based on the assumptions summarized in this section, the onsite costs associated with the redevelopment of the station area will require a contribution of roughly $4.5 to $5.5 million from the City of Longmont, as shown in **Table 6**. RTD is estimated to contribute $15 to $16 million towards onsite costs.

Table 6
Source of Funds

Description	Use of Funds	Source of Funds (Total)		Source of Funds (%)	
		RTD	City	RTD	City
ONSITE COSTS					
Parcel Assemblage	**$4,364,612**	**$2,007,095**	**$2,357,518**	**46%**	**54%**
Appraisal	**$48,000**	**$28,800**	**$19,200**	**60%**	**40%**
Relocation Assistance	**$747,500**	**$343,743**	**$403,757**	**46%**	**54%**
Structured Parking Facility	**$9,375,000**	**$7,500,000**	**$1,875,000**	**80%**	**20%**
Infrastructure Master Plan	**$200,000**	**$150,000**	**$50,000**	**75%**	**25%**
Infrastructure Improvements					
Coffman Extension (1st Ave - Boston Ave)	$2,038,540	$2,038,540	$0	100%	0%
Coffman Enhancement (1st Ave - 2nd Ave)	$379,960	$379,960	$0	100%	0%
Terry Street	$362,835	$362,835	$0	100%	0%
ROW: Coffman and Terry	$134,190	$134,190	$0	100%	0%
Coffman Rail Crossing Improvement	$530,000	$530,000	$0	100%	0%
Restroom Facility	$280,000	$0	$280,000	0%	100%
Plaza (outside ROW)	$2,141,580	$2,141,580	$0	100%	0%
Infrastructure Subtotal	**$5,867,105**	**$5,587,105**	**$280,000**	**95%**	**5%**
Total Onsite Costs	**$20,602,217**	**$15,616,742**	**$4,966,275**	**76%**	**24%**
OFFSITE COSTS					
Flood Plain Mitigation (offsite improvements) [1]	$47,750,000	$1,383,258	$46,366,742		
Total Offsite Costs	**$47,750,000**	**$1,383,258**	**$46,366,742**		
SUBTOTAL	**$68,352,217**	**$17,000,000**	**$51,333,017**		
Planning Estimate					
Low [2]	$64,900,000	$17,000,000	$48,800,000		
High [2]	$71,800,000	$17,000,000	$53,900,000		

[1] RTD contribution calculated based on the subtraction of costs associated with parcel assemblage, relocation assistance, structured parking facility, and infrastructure improvements from designated FastTracks funds of $17 million.

[2] Rounded to the nearest hundred thousand.

Source: MIG; Economic & Planning Systems

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In addition to the $19.6 to $21.6 million in onsite costs, there are unfunded offsite costs that are currently estimated at $18.65 million, which are associated with floodplain mitigation. Of the total offsite costs, RTD is estimated to contribute approximately $1 to $1.5 million, which brings RTD's total project contribution to the designated $17.0 million in early action FasTracks funds. The balance or the remaining offsite costs are estimated to be funded by federal and state funds, as well as City contributions.

Due to the delay in potential revenues (i.e. land sales and public financing revenues), funding sources will need to be identified. Potential sources of initial funding could involve the City's General Fund and/or could be included as specific line items in the City's future Capital Improvement Program (CIP) budget. A summary of these contributions by specific expenditure item is provided below:

Land Assemblage

Expenditures related to land assemblage are expected to be approximately $3.4 to $4.4 million. For the purposes of this analysis, it is assumed that RTD will contribute funds for the acreage that will be dedicated to RTD transit uses, such as the platform, transit plaza, and their portion of the structured parking facility, as well as 60 percent of the area required for roads and rights-of-ways.[1] It is important to note that land purchased with RTD funds cannot be used exclusively for private development.

Based on the site plans presented in the previous section of this report, RTD is expected to contribute roughly 50 to 60 percent of the total assemblage cost. The remaining assemblage cost is expected to be covered by the City, which results in a City funding requirement for land assemblage of $2 to $2.5 million.

Relocation Assistance

Expenditures related to funding for relocation assistance, as mandated by federal policy, are expected to be initially financed by the City and reimbursed by RTD (for transit related acquisition). Based on the acreage that is dedicated to RTD uses, RTD is estimated to contribute 50 to 60 percent towards relocation assistance and the City is estimated to contribute 40 to 50 percent.

Structured Parking Facility

The structured parking facility is assumed to include 375 parking spaces. Of this total, 300 (80 percent) will be solely dedicated to RTD and 75 (20 percent) will be dedicated to on-site commercial or residential users. As a result, RTD is estimated to contribute funds to finance 80 percent of the total cost and the City is estimated to contribute funds to finance the remaining 20 percent of the total cost.

Infrastructure Improvements

The majority of the infrastructure costs, including Quiet Zone improvements at the Coffman Street rail crossing, associated with the construction of Coffman and Terry Streets as well as the right-of-way connecting the two streets are expected to be funded by RTD. The total cost to construct Coffman and Terry Streets and the right-of-way between the two streets is estimated at $2.5 to $3 million (Alternative A has an additional cost of $115,000 that is associated with an extended Terry Street).

The separate public restroom facility, which has an estimated cost of $280,000, will be fully funded by the City.

[1] A summary of the acreage dedicated to RTD-related uses and Non-RTD-related uses is provided in the Appendix of this report.

4. PROJECT REVENUE SOURCES

This section provides a summary of the various revenue sources that may be available to the City of Longmont following the investment of funds in and around the 1st and Main station area. For this analysis, it is assumed that the City of Longmont will enter into an IGA with the Longmont Urban Renewal Authority (LURA), such that any upfront funding provided by the City could be reimbursed by the TIF revenues flowing to LURA. Moreover, the IGA should clarify how future TIF revenues should be spent. For purposes of this analysis, it has been assumed that the City and LURA will act jointly to address community needs.

Potential revenues sources evaluated in this section include the following:

- Potential Land Assets
- Urban Renewal Area TIF Revenues
- Special District Revenue
- General Improvement District Assessment Revenue

Land Assets

Following the assemblage of the parcels identified in the previous section of this report and the construction of RTD-related transit uses and infrastructure, there are remnant areas of these parcels that could be transit oriented development (TOD) opportunities. For the purposes of this analysis, it is assumed that the City will own these parcels and will have the opportunity to sell or contribute them to a private developer as part of a public private partnership. As a result, the estimated values of these parcels could be used to offset City expenditures or incent private development consistent with the goals of the *1st & Main Station Transit & Revitalization Plan*.

Residual Land Value Methodology

The probable value of these parcels was informed by a number of factors. First, interviews with local brokers and developers and recent market trends in and around Longmont were used to identify the most probable use for the site from a market perspective. The findings of the interviews and market analysis indicate that the most feasible use purely from a market perspective is for multifamily residential development at this time. While there is the need for new office space in the City of Longmont, the expected rental rates from tenant leases that an office building could command in this market do not justify the associated development cost of constructing such an office building at this time. It is, however, important to note that office space may be feasible if a specific end user is identified at the onset of the process or if the City choses to engage with a developer and provide incentives to the project through discounted land prices or other methods, such as the provision of parking for the office space users in the structured parking facility.

While the feasibility of office and retail space is limited from a market perspective, there are advantages to contemplating a mixed use development to include residential, office and a limited amount of retail on the site from a planning and place-making perspective. As a result, the plans for Alternative A and Alternative B both include varying degrees of office and retail space. Furthermore, providing a mix of uses—such as residential, office and retail—is consistent with the vision of the *1st & Main Transit & Revitalization Plan*.

To estimate the value of the parcels identified in the previous section of this report that could be developed as commercial and residential uses, EPS has relied on the residual land value method. This method of value estimation is especially useful when there are a limited number of comparable sales from which to identify a probable value, as is the case for this site. This methodology views the value of the land from the perspective of a potential developer. Essentially this method answers the following question: if you were planning to purchase a specific piece of land in order to construct a specific use and then sell the property for a profit, what is the most you would be willing to pay for the land?

In simplified terms, the residual land value methodology estimates the cost to construct a specific use, which includes hard costs, soft costs, and developer profit, and subtracts this amount from the expected sales price or project value. This residual amount is equivalent to the maximum amount a developer would be willing to pay for the land.

While this methodology is widely used and accepted, it is dependent on a large number of assumptions. The assumptions used in this analysis are informed by interviews with local brokers and developers and are in-line with industry standards. The full list of assumptions for each development scenario is included in Appendix A (**Table 14** through **Table 16**) of this report.

This methodology is also dependent on the anticipated development type (i.e. residential, office, retail, etc.) that is being evaluated. The specific uses tested in this analysis are summarized in **Table 1** of this report.

Estimated Land Value

The estimated land values of the TOD developable parcels are approximately $2.2 to $2.4 million, as shown in **Table 7**. The value of the land is generated by the potential to develop 190 apartment units on Site 1 and Site 3. Due to current market conditions in the City of Longmont, the potential office and retail space contemplated in the site plans do not generate any revenue from land sales. A primary reason for this is that total construction costs along the Front Range remain relatively constant, while potential revenues in the Longmont market area are relatively low thus limiting the feasibility of these development types. This is a result of the construction and development costs being greater than the anticipated value of the development. However, as previously noted, the development of office and retail space at this location may be feasible if the City choses to incentivize the project through a land contribution or some other contribution of funds. Based on this analysis, the value of the land designated as office and retail space is marginally negative, which indicates that if the City were to provide the land as its contribution to an office or retail development through a public private partnership (P3), these types of developments may be feasible.

Table 7
Estimated Land Value (Based on Residual Land Value Methodology)

Description	Use	Amount	Land Value			
			Estimated Value	Sales Value	per sq. ft.	per unit
Site 1	Apartment	120 units	$1,439,932	$1,439,932	$17.60	$11,999
Site 2	Office	40,000 sq. ft.	-$4,000	N/A	N/A	N/A
Site 3	Apartment	70 units	$839,960	$839,960	$17.07	$11,999
Site 4	Retail/Office	10,000 sq. ft.	-$1,000	N/A	N/A	N/A
Subtotal				**$2,279,892**	**$17.41**	**$11,999**
Planning Estimate						
Low [1]				$2,200,000	$16.80	$11,579
High [1]				$2,400,000	$18.32	$12,632

[1] Rounded to the nearest hundred thousand.

Source: Economic & Planning Systems

[Note: See Appenix A for assumptions and a detailed financial model.]

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Development Risk

It is important for the City to carefully consider the risks associated with land development. The anticipated land sale values estimated in this report rely on a number of assumptions that are subject to project delays and future market conditions. In addition, the opportunity to realize these revenues requires the City to fund upfront project expenditures. As a result, it is important for the City to consider a number of scenarios and investment options when determining the viability of this project.

Risk Factors

There are three primary factors that have the potential to impact the risks associated with this project that are outlined below:

- **Project Costs** – The estimates of cost included in this report, such as land assembly and infrastructure improvements, are planning level estimates that are based on current market conditions and standard industry assumptions. As the project moves through the planning stages to the development stage, these estimates will be revised as more comprehensive studies are conducted and the actual condition of the parcels included in the redevelopment area are evaluated. It is important for the City to consider the possibility that these estimates may increase in the future.
- **Project Timing** – Due to the complicated nature of real estate development there are a number of factors that could delay the expected timing of various components of this project. Any development project that involves multiple public agencies and potentially a number of private partners has the potential to face delays associated with federal, state and local requirements governing the development process. In addition, there are unknown variables, such as the amount of environmental remediation that the sites may require, that have the potential to extend the development process and increase costs.

- **Market Conditions** – Market conditions throughout the planning and development process for this site will impact estimated costs, project timing, and future revenues. The cost estimates included in this analysis reflect current market conditions. However, these are subject to change as the demand and supply of labor and material fluctuate as a result of market forces. In addition, the revenues realized from the eventual sale of the land on the site reflect expected future conditions that are informed by current market trends and the opinions of brokers and developers active in the Longmont area. However, there are macro- and micro-economic factors that have the potential to impact the local real estate market that are often difficult if not impossible to predict.
- **Public Perception** – As is the case with any land development project, it is typical for a developer to purchase land, construct improvements, and either sell that land for more than the initial purchase price in order to cover costs and realize a reasonable profit or hold the property and capture future cash flows. If the City chooses to initiate this process it is likely that the City will acquire necessary parcels and issue a RFQ/RFP to the development community to find a private development partner to acquire the property from the City and develop the property in a manner that is consistent with the *1st & Main Transit & Revitalization Plan*. This scenario requires that the City invest significant funds at the onset of the project. As a result, it will be important to make a strong case for the significant investments that the City will be making – leveraging RTD's base investment – in the area and ensure that there is clarity regarding how funds generated from the project are being spent and are implementing community supported plans.

Risk Mitigation Strategies

While there are a large number of factors that impact the level of risk associated with this type of project, there are also a number of strategies the City can pursue to mitigate these risks. Key risk mitigation factors include the following:

- **Cost Contingencies** – Estimates for expenditures associated with land assembly and infrastructure improvements included in this report include a factor for cost contingency that ranges from 30 to 40 percent. As a result, the estimated total project costs include a buffer for cost over runs and unanticipated costs.
- **Conservative Market Assumptions** – In addition to cost contingencies, the market assumptions, that include rental rates, construction costs, capitalization rates, and others, are generally conservative based on discussions with real estate brokers, market data, etc.
- **Developer Partnership** – Due to the complex nature of land development and the significant investment of capital and labor required to execute a successful project, it is often advisable for public sector entities to partner with private sector developers who are more experienced in this type of development. While this strategy helps to mitigate the level of risk the City is exposed to, it also reduces the City's potential revenues associated with the project due to the incentives needed by a private sector developer to make the project viable.
- **Public Perception** – To help limit any potential negative public reaction to this project it will be important for the City to engage the public throughout the development process and communicate the long-term benefits of economic development opportunities in the 1st and Main transit station area and how this benefits the community at large. It will also be important to outline a specific process as to how funds are invested in the project and how any revenues generated by the project are used.

Urban Renewal Area

One of the primary benefits communities receive from establishing an urban renewal plan for a designated blighted area is the use of tax increment financing (TIF) to fund public improvements to help remove blighting conditions within that area and stimulate economic development. The purpose of adopting an urban renewal plan is to reduce, eliminate and prevent the spread of blight within the area, and to stimulate growth and reinvestment within the area pursuant to state Urban Renewal law. For an urban renewal area (URA) to be established and an urban renewal plan to be adopted, blighting conditions must be present in the area. Based on Colorado Urban Renewal Law, at least four of the eleven factors listed in the state statute must be present, which in combination, tend to accelerate deterioration of an area. These factors include several physical, environmental and social factors.

In the 1st and Main station area, the City has several options, including:

- Modifying the existing Southeast Longmont Urban Renewal Plan to authorize the use of TIF, either for the entire Southeast Longmont URA or a smaller TIF area focusing on the 1st and Main station area.
- Establishing a new urban renewal area and subsequent urban renewal plan with TIF authorization to encompass the 1st and Main station area.

Southeast Longmont Urban Renewal Plan

The Southeast Longmont Urban Renewal Plan was adopted in 2006 with the goal of reducing, eliminating, and preventing the spread of blight within the URA, but tax increment financing was not authorized at that time. The former Flour Mill and Sugar Factory were targeted as specific areas to potentially benefit from urban renewal actions, but dependent, in part, on detailed redevelopment plans for those properties which at this time have not come to fruition. The Southeast Longmont Urban Renewal Plan promotes an environment which allows for a range of land uses, including residential, commercial, and transit-oriented development, and projects which can respond to market conditions over time, further the goals and objectives of the City's comprehensive plan, and leverage the community's investment in public improvement projects in the area. The entire station area evaluated in this analysis is within the current boundaries of the Southeast Longmont Urban Renewal Plan area and as a result any new development that occurs within the station area will have the potential to generate TIF revenues, as shown in **Figure 6** and **Figure 7**, should TIF be authorized, either for the entire urban renewal area or a smaller TIF area focusing on the 1st and Main station area.

While the Southeast Longmont Urban Renewal Plan was adopted in 2006, any use of the tax increment financing will be effective only upon adoption of an amendment to the urban renewal plan that specifically implements such financing mechanism. Following the adoption of a modification to this existing plan or adoption of a new urban renewal plan by the City Council, and negotiation with the other taxing entities pursuant to Colorado Urban Renewal Law (HB15-1348), the Urban Renewal Authority may allocate the property tax increment (and possibly City sales tax increment depending on City Council and Urban Renewal Authority Board direction) collected within the Tax Increment Area to be used to finance public improvements and other eligible costs for a maximum of 25 years to remove blighting conditions within the urban renewal area. This could be for the entire URA or a smaller TIF area focusing only on the 1st and Main station area.

Figure 6
Urban Renewal Area (Alternative A)

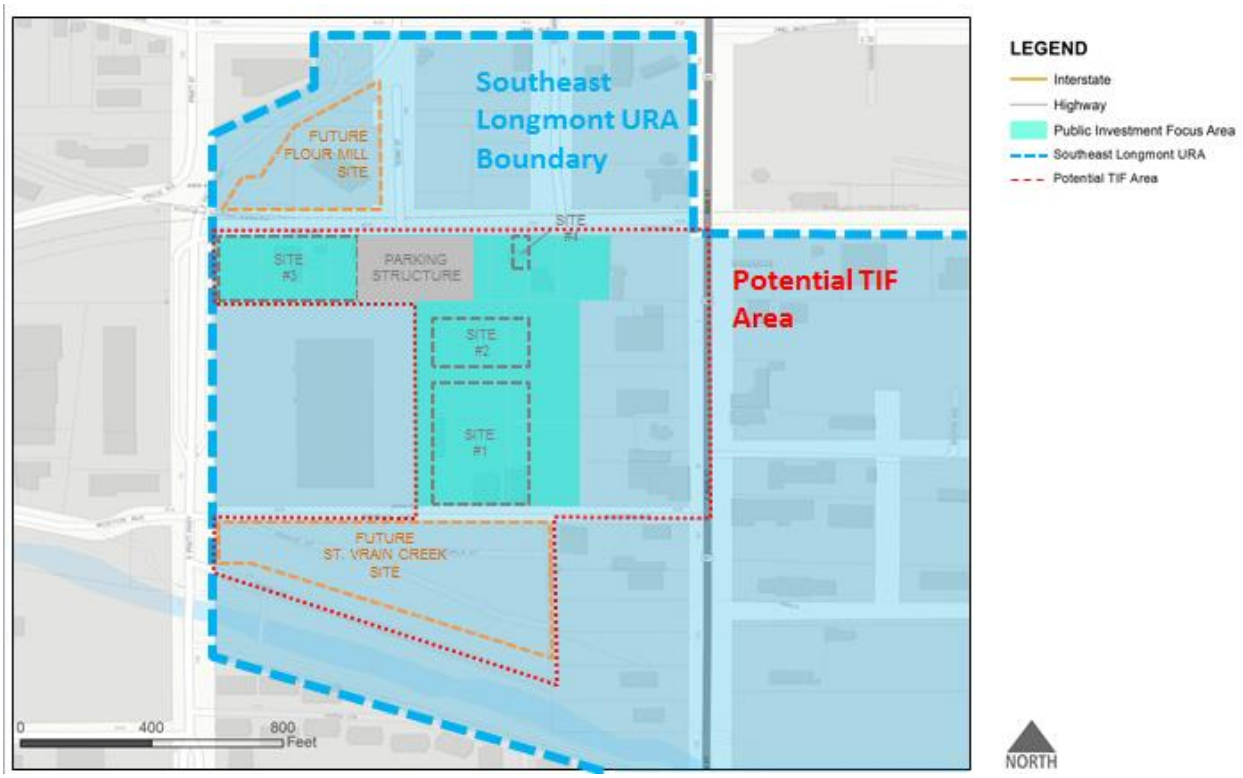
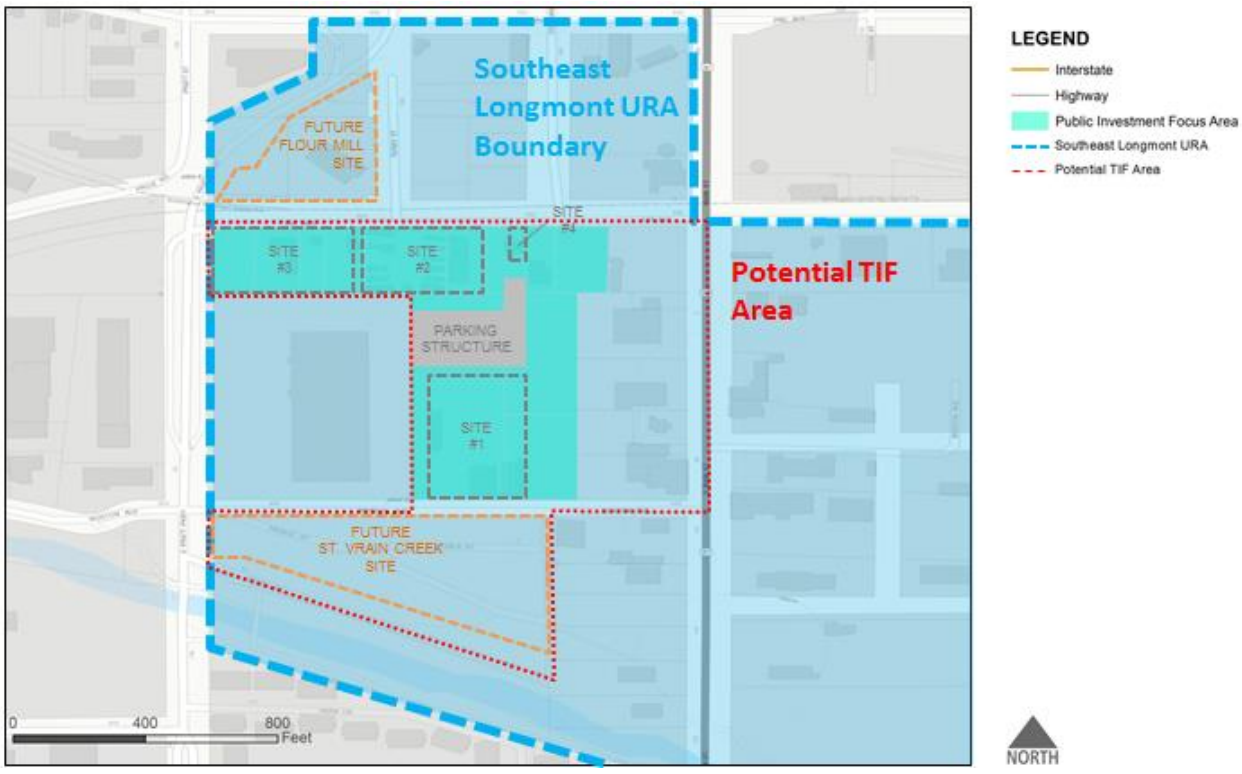


Figure 7
Urban Renewal Area (Alternative B)



New 1st and Main Urban Renewal Plan

The second option could be establishing a new urban renewal plan and adopting an urban renewal plan with TIF authorization for the area encompassing the 1st and Main station area. Establishing a new urban renewal area and subsequent TIF authorization will require compliance with the most recent urban renewal law (e.g. HB15-1348), similar to a substantial modification of an existing plan outlined above.

Projected TIF Revenues

For the purposes of this analysis TIF projections are based on potential redevelopment within the 1st and Main station area which includes the four TOD sites as well as potential redevelopment of a City-owned remnant parcel along the St. Vrain Creek. The TIF area could be as part of a smaller TIF area within the Southeast Longmont URA or a newly established URA and adopted urban renewal plan that authorizes TIF focusing on the 1st and Main station area.

Based on the development programs contemplated for Alternative A and Alternative B, redevelopment in the station area at stabilization is estimated to generate $753,800 in annual TIF revenue, as shown in **Table 8**. This estimate only accounts for TIF revenue generated by property taxes due to the limited amount of contemplated retail space and corresponding commercial sales. Base values were estimated using current assessed values of the property according to the Boulder County Assessor's Office. Finally, while these revenues would be collected by the Urban Renewal Authority, they could be transferred back to the City through an intergovernmental agreement (IGA). Any potential revenue sharing would be dependent on the role of the City and the Authority in financing the acquisition of parcels and construction of public improvements to remove blighting conditions within the area.

It is also important to note that the property along the south side of 1st Avenue is within the Longmont Downtown Development Authority (LDDA_ boundaries. Please note that an option to extend the LDDA boundaries to encompass the 1st and Main station and to utilize the LDDA's TIF as a financing tool was explored. However, this option was ultimately excluded given limited amount of years remaining on any potential LDDA TIF. The LDDA currently collects TIF for these properties and utilizes the TIF revenue to provide grants to property owners as an incentive for redevelopment and reinvestment in properties within the LDDA boundaries. Any potential reallocation of TIF from the LDDA to the Southeast Longmont URA or a new urban renewal area would require negotiation with the LDDA to ensure mutual goals are being met.

Table 8
Urban Renewal Area Stabilized Annual TIF Revenue (1st and Main Station Area)

Description	Alternative A	Alternative B
Est. Project Value		
Future St. Vrain Creek Site [1]	$37,200,000	$37,200,000
Site 1	$25,972,724	$25,972,724
Site 2	$8,060,000	$8,060,000
Site 3	$15,150,755	$15,150,755
Site 4	$2,015,000	$2,015,000
Subtotal	**$88,398,479**	**$88,398,479**
Assessed Value [2]		
Future St. Vrain Creek Site	$2,440,320	$2,440,320
Site 1	$1,703,811	$1,703,811
Site 2	$2,337,400	$2,337,400
Site 3	$993,890	$993,890
Site 4	$584,350	$584,350
Subtotal	**$8,059,770**	**$8,059,770**
Less: Base	**$899,832**	**$899,832**
Total Increment [3]	**$7,159,938**	**$7,159,938**
Ann. URA TIF Revenues [4]	**$652,177**	**$652,177**

[1] Assumes a density of 25 DU/ac. or 93 units at an average value of $400,000 per unit.

[2] Residential property assessed at a rate of 6.56 percent and commercial property assessed at a rate of 29.00 percent.

[3] Base values are based on current Boulder County Assessor property assessments.

[4] Based on a mill levy of 91.0870.

Source: Economic & Planning Systems

\\EPSDC02\Proj\163007-Longmont Advisory Services\Models\[163007-1st and Main Cash Flow Model-05-05-2016.xlsm]S-TIF

Special Districts (Including Metropolitan Districts)

Colorado has approximately 65 types of quasi-municipal improvement districts. Special districts are autonomous units of local government having an array of powers with the ability to determine their own objectives, finance improvements, perform services, and control their own budgets. Special districts are designed to address multiple capital projects and/or to provide services over a period of time.

A special district is a quasi-municipal corporation and political subdivision of the state. Special districts can be organized for a single purpose (e.g., fire protection or sanitation) or multiple purposes. While there are several types of special districts, the most common are Metropolitan Districts. A common use of a metropolitan district is to finance public infrastructure as part of new development or redevelopment. Bonds are issued at the on-set of a project, capital facilities are constructed, and the debt is primarily serviced by property tax proceeds from future property owners.

Metropolitan Districts are created through a series of steps that are initiated by the submittal of a service plan to a given municipality by the proponents of the district. The service plan is then reviewed by staff and city council at a public hearing. At this time, the city council takes action regarding the service plan and approves, denies, or approves the plan with conditions. A petition is filed in court to hold an organizational and/or a bond election. Electors are those members owning land within the proposed district. If more than 50 percent of owners within a proposed metropolitan district oppose the service plan, the municipality may not approve it and the proposal cannot move forward to an election.

Districts possess ad valorem taxing authority and can fix rates, tools, fees and charges for services, facilities, and programs. They cannot assess costs or issue assessment bonds. They cannot levy a sales tax. Districts can issue general obligation (GO) and revenue bonds. GO bonds are serviced based on proceeds from ad valorem taxes while revenue bonds are serviced from fees and charges. TABOR issues do not impact bonds issued by metropolitan districts because future obligations to service debt are based solely on the ability of the district to generate revenue. As an autonomous entity, the municipality has no responsibility for the district debt.

Districts have general authority to construct facilities, to operate and maintain them, and have limited condemnation powers. Metropolitan districts can be used to fund and manage improvements related to drainage, fire protection, water utilities, recreation, parks, landscaping, streets, sidewalks, bridges, transit, parking structures, among other things.

While Metro Districts have substantially greater powers and autonomy than General Improvement Districts (GID), they are governed by an independent governing body (board of directors) that is separate from the local city council. In 1st and Main station area, a GID provides many of the same benefits as a Metro District and benefits from the City's City Council acting as the districts ex-officio board of directors. The key elements of a GID are described in greater detail in the following section.

General Improvement District

A general improvement district (GID) is a quasi-municipal subdivision of the state that is separate from the municipality, even though the same city council which governs the municipality sits as the board of directors of the general improvement district and governs the general improvement district. As a separate entity, a general improvement district is not liable for the municipality's debts, nor is the municipality liable for the debts of the general improvement district. It has the authority to build improvements, provide services, charge fees, and impose taxes. The City of Longmont has an existing GID (General Improvement District No. 1) in downtown that that was created in the mid-1960s for the primary purposes of financing land acquisition, construction, and maintenance of public parking lots and pedestrian breezeways to provide access to the businesses on Main Street. A property tax of 6.798 mills is levied on all real and personal property within the district and accumulated in the GID No. 1 Fund.

Similar to the structure of this GID, it would be possible for the City to create a new GID in the 1st and Main station area and use funds generated by the new district to fund the general improvements in the station area that include improvements to: water, wastewater, flood control, and storm drain utility systems; streets, roadways, and alleys; medians, curbs, gutters, and sidewalks; street lights; landscaping; bicycle ways; and parking. Additionally, general improvement districts can also run programs and provide services. The revenues from an additional mill levy can be used to fund public improvements in the GID.

A general improvement district may be created in one of two ways:

1) Initiation by petition of at least a majority of the owners of property in the district followed by publication, notice and public hearings. The district is created by ordinance of the city council.

2) Initiation by not less than 30 percent or 200 of the electors of the proposed district, whichever is less. After publication, notice, and public hearings, an election is held and if the election is successful, the district is established upon recording of the ordinance. The electorate of the general improvement district is composed of city electors residing within the general improvement district.

In order to fund parking and alternative modes of travel in the Transit Village redevelopment in Boulder, Colorado, the City of Boulder created two separate GIDs. A summary of these districts is included in the Appendix C of this report.

GID Revenue

A primary mechanism for a GID to generate revenue is through a property tax assessment. For the purposes of this analysis, potential revenue estimates are based on a low and a high assessment of 10 mills and 20 mills, respectively. Based on an assessment rate of 10 mills, the development programs contemplated in Alternative A and Alternative B are estimated to generate $61,950 in annual revenue. Based on an assessment rate of 20 mills, the development programs contemplated in Alternative A and Alternative B are estimated to generate $123,900 in annual revenue, as shown in **Table 9**.

Table 9
Potential Annual GID Revenue

Description	Alternative A	Alternative B
Est. Project Value		
Site 1	$25,972,724	$25,972,724
Site 2	$8,060,000	$8,060,000
Site 3	$15,150,755	$15,150,755
Site 4	$2,015,000	$2,015,000
Subtotal	**$51,198,479**	**$51,198,479**
Assessed Value [1]		
Site 1	$2,067,429	$2,067,429
Site 2	$2,337,400	$2,337,400
Site 3	$1,206,000	$1,206,000
Site 4	$584,350	$584,350
Subtotal	**$6,195,179**	**$6,195,179**
GID Ann. Revenues		
Low	**$61,952**	**$61,952**
High	**$123,904**	**$123,904**

[1] Residential property assessed at a rate of 7.96 percent and commercial property assessed at a rate of 29.00 percent.

Source: Economic & Planning Systems

\\EPSDC02\Proj\163007-Longmont Advisory Services\Models\[163007-1st and Main Cash Flow Model-09-15-2016.xlsm]S-TIF

The features of the various districts and authorities are provided in **Table 10** and **Table 11** on the following pages.

Table 10
Summary of Districts

Description	Districts			
	Special Districts (i.e. Metropolitan District)	**General Improvement District** (GID)	**Business Improvement District** (BID)	**Special Improvement District** (SID)
Purpose	Special districts can be organized for multiple improvements. Effective tool to establish revenue streams to service bonds issued to construct public improvements. On-going revenues can be used to cover O & M costs.	Districts are created to construct, install, acquire, operate, and maintain public improvements. Provides a tool that is fiscally independent of the City yet maintains City oversight.	BIDs may construct and maintain a broad range of public improvements and/or fund marketing and economic development services. Often formed to provide services that URAs and DDAs are not authorized to perform, such as promotion and marketing.	Purpose is to assess costs of public improvement to those who benefit. SIDs are formed to address geographic-specific public improvement deficiencies. Debt retirement is typically shorter than most other mechanisms (10 to 15 years).
Revenue Sources	Ad Valorem taxes; tolls, rates and charges.	Ad valorem taxes; rates, tolls, and charges for services.	Ad Valorem taxes; property assessments.	Assessments determined by calculations such as per-lineal-foot or per-acre. Ad valorem property taxes not allowed.
Formation	Proponents submit a service plan to City for approval. Petition filed in Court for organizational election and/or bond election by property owners.	Petition signed by not less than 30% or 200 registered electors who own real or personal property within the district, whichever is less filed with City. Bond election by property owners required.	Petition signed by owners of more than 50% of district AV and acreage within the district. City holds hearing on petition and approves by ordinance. Bond election by property owners required.	Petition filed by property owners accounting for a minimum of 50% of costs. City reviews petition and adopts ordinance and sets up an election. Bond election by property owners required.
Governance	Quasi-municipal autonomous district board of 5 to 7 elected by plurality of electors.	Mayor and council constitute the ex-officio Board.	City can be ex-officio Board, or can appoint minimum of five electors as board, or can establish process for board to be elected.	Assessment districts have the least independence of all financing mechanisms available. There is no board of directors and the municipal governing body makes all decisions.
Financing Options	Mill levy for Revenue Bonds	Tax or assessment for GO Bonds and Revenue bonds.	GO Bonds, Revenue Bonds, Special Assessment Bonds.	Special Assessment bonds may be issued by the City on behalf of the SID. In many cases, the City will fund improvements from CIP and use assessments to reimburse City.
Other	City may limit scope of service plan to specific mill levels, bond issues, and future capabilities.	---	May only include commercial property. Residential and tax exempt uses are not included.	Assessment payments are not deductible from individual income taxes, reducing appeal to participants.

Source: DOLA, Economic & Planning Systems

Table 11
Summary of Authorities

Description	Authorities	
	Downtown Development Authority (DDA)	**Urban Renewal Authority** (URA)
Purpose	Is established to halt or prevent deterioration of property values or blight. Can acquire and leave property, construct and equip improvements, and establish fees and charges for the use of the property.	A URA is established to finance public improvements in order to eliminate "blight." Powers include construction, operation/maintenance, and condemnation.
Revenue Sources	Ad valorem property taxes not to exceed five mills, property and sales tax increment financing.	City sales and property tax revenue "increment" above a pre-established base. No new tax or assessment is utilized
Formation	Initiated by ordinance of the local governing body. Must be submitted to a vote of the qualifited electors at a regular election or special election.	Petition by any 25 registered electors of municipality and a hearing to determine conditions of "blight."
Governance	The board must have more than five members and less than eleven. The majority of members must reside or own property within the district and at least one member must be a member of the governing municipal body.	Board of 5-11 appointed by mayor, ratified by council. Must comply with HB15-1348
Financing Options	Mill levy or tax increment financing.	Revenue Bonds and Tax Increment Financing (TIF)
Other	The authority does not have the power to issue bonds. The issuance of bonds must be authorized by the local municipality.	Urban renewal district has 25-year limit.

Source: DOLA, Economic & Planning Systems

Financial Summary

This section provides a summary of the City's total expenditures and revenues associated with pursing either Alternative A or Alternative B. For the purposes of this analysis, City expenditures summarized in the previous section of this report are compared to potential land assets and revenues generated by tax increment financing (TIF). The estimated TIF revenues assume that vertical development is completed one year after the sale of the improved lots and tax revenues are realized two years following vertical construction, resulting in a total lag time of three years between land sale and TIF revenues. In addition, properties are assumed to increase in value by 1.5 percent per year and are reassessed on odd numbered years, as is required by Colorado statute.

Over a 25-year period, the project is expected to require $4.99 million in upfront City investment, creates $2.28 million in land value, and $13.85 million in TIF revenue, as shown in **Table 12**. In order to recoup the City's initial investment in the project, it is assumed that land sale revenues and URA TIF revenues, will be transferred to the City (per an IGA) until the initial investment is paid back. The City is estimated to recoup their investment by Year 10, as shown in **Table 12.**

Following the pay back to the City, it is assumed that the URA will receive the remaining annual TIF revenues and will be able to use these revenues to fund additional investments in public infrastructure within the URA. Total revenues to the URA, beginning in Year 10, are estimated at $11.15 million and have a net present value (NPV) of $4.86 million (applying a 5 percent discount rate). It is important to note that there are an additional $18.65 million in unfunded offsite floodplain mitigation costs that are anticipated to be funded through federal and state funds as well as City and RTD contributions.

A detailed summary of the annual project cash flows are summarized in **Table 18** in the Appendix of this report.

Table 12
Annual Expenditures and URA TIF Revenues (Onsite): Years 1-12

Description	Factor	Total	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12
DIRECT CITY EXPENDITURES & REVENUES														
City Expenditures		**$ (4,985,475)**	**$ (2,830,475)**	**$ (2,155,000)**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Land Assemblage		$ (2,357,518)	$ (2,357,518)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Parking Structure		$ (1,875,000)	$ -	$ (1,875,000)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Appraisal		$ (19,200)	$ (19,200)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Restroom Facility		$ (280,000)	$ -	$ (280,000)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Infrastructure Master Plan		$ (50,000)	$ (50,000)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Relocation Assistance		$ (403,757)	$ (403,757)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Land Assets	**$/Sq. Ft.**	**$ 2,279,892**	**$ -**	**$ -**	**$ 1,439,932**	**$ -**	**$ 839,960**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Site 1	$17.6/sq. ft.	$ 1,439,932	$ -	$ -	$ 1,439,932	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Site 2	$0.0/sq. ft.	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Site 3	$17.07/sq. ft.	$ 839,960	$ -	$ -	$ -	$ -	$ 839,960	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Site 4	$0.0/sq. ft.	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net Annual Revenue		**$ (2,705,583)**	**$ (2,830,475)**	**$ (2,155,000)**	**$ 1,439,932**	**$ -**	**$ 839,960**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
URA TIF REVENUE														
Assessed Value	**Ann. Esc.**	**$ 119,067,865**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 7,065,881**	**$ 7,065,881**	**$ 8,273,336**	**$ 8,273,336**	**$ 8,523,398**	**$ 8,523,398**
Future St. Vrain Creek Site	1.50%	$ 52,818,750	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,440,320	$ 2,440,320	$ 2,514,079	$ 2,514,079	$ 2,590,067	$ 2,590,067
Site 1	1.50%	$ 36,877,602	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,703,811	$ 1,703,811	$ 1,755,308	$ 1,755,308	$ 1,808,363	$ 1,808,363
Site 2	1.50%	$ 50,591,130	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,337,400	$ 2,337,400	$ 2,408,048	$ 2,408,048	$ 2,480,831	$ 2,480,831
Site 3	1.50%	$ 18,951,351	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 993,890	$ 993,890	$ 1,023,930	$ 1,023,930
Site 4	1.50%	$ 12,647,782	$ -	$ -	$ -	$ -	$ -	$ -	$ 584,350	$ 584,350	$ 602,012	$ 602,012	$ 620,208	$ 620,208
Base Amount	**Ann. Esc.**	**$ 177,104,823**	**$ 899,832**	**$ 899,832**	**$ 917,919**	**$ 917,919**	**$ 936,369**	**$ 936,369**	**$ 955,190**	**$ 955,190**	**$ 974,389**	**$ 974,389**	**$ 993,974**	**$ 993,974**
Base Value of Developed Parcels	1.00%	$ 25,293,381	$ 899,832	$ 899,832	$ 917,919	$ 917,919	$ 936,369	$ 936,369	$ 955,190	$ 955,190	$ 974,389	$ 974,389	$ 993,974	$ 993,974
Total Increment		**$ 152,101,473**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 6,110,691**	**$ 6,110,691**	**$ 7,298,947**	**$ 7,298,947**	**$ 7,529,424**	**$ 7,529,424**
Total URA TIF Revenue		**$ 13,854,467**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 556,604**	**$ 556,604**	**$ 664,839**	**$ 664,839**	**$ 685,833**	**$ 685,833**
FINANCIAL SUMMARY														
Net Project Annual Revenue		**$ 11,148,884**	**$ (2,830,475)**	**$ (2,155,000)**	**$ 1,439,932**	**$ -**	**$ 839,960**	**$ -**	**$ 556,604**	**$ 556,604**	**$ 664,839**	**$ 664,839**	**$ 685,833**	**$ 685,833**
Cumulative Revenue			**$ (2,830,475)**	**$ (4,985,475)**	**$ (3,545,543)**	**$ (3,545,543)**	**$ (2,705,583)**	**$ (2,705,583)**	**$ (2,148,978)**	**$ (1,592,374)**	**$ (927,535)**	**$ (262,696)**	**$ 423,137**	**$ 1,108,970**
Net City Revenues		**$ -**	**$ (2,830,475)**	**$ (2,155,000)**	**$ 1,439,932**	**$ -**	**$ 839,960**	**$ -**	**$ 556,604**	**$ 556,604**	**$ 664,839**	**$ 664,839**	**$ 262,697**	**$ -**
Cumulative Revenue			**$ (2,830,475)**	**$ (4,985,475)**	**$ (3,545,543)**	**$ (3,545,543)**	**$ (2,705,583)**	**$ (2,705,583)**	**$ (2,148,979)**	**$ (1,592,375)**	**$ (927,536)**	**$ (262,697)**	**$ -**	**$ -**
Net Present Value (NPV) [1]		**$ (1,035,020)**												
Net URA Revenues		**$ 11,148,883**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 423,136**	**$ 685,833**
Cumulative Revenue			**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 423,136**	**$ 1,108,969**
Net Present Value (NPV) [1]		**$ 4,857,920**												

[1] 5.0% discount rate

Source: Economic & Planning Systems

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Table 12 (continued)
Annual Expenditures and URA TIF Revenues (Onsite): Years 13-25

Description	Factor	Total	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25
DIRECT CITY EXPENDITURES & REVENUES															
City Expenditures		$ (4,985,475)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Land Assemblage		$ (2,357,518)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Parking Structure		$ (1,875,000)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Appraisal		$ (19,200)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Restroom Facility		$ (280,000)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Infrastructure Master Plan		$ (50,000)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Relocation Assistance		$ (403,757)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Land Assets	$/Sq. Ft.	$ 2,279,892	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Site 1	$17.6/sq. ft.	$ 1,439,932	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Site 2	$0.0/sq. ft.	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Site 3	$17.07/sq. ft.	$ 839,960	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Site 4	$0.0/sq. ft.	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net Annual Revenue		$ (2,705,583)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
URA TIF REVENUE															
Assessed Value	Ann. Esc.	$ 119,067,865	$ 8,781,018	$ 8,781,018	$ 9,046,424	$ 9,046,424	$ 9,319,852	$ 9,319,852	$ 9,601,545	$ 9,601,545	$ 9,891,751	$ 9,891,751	$ 10,190,730	$ 10,190,730	$ 10,498,744
Future St. Vrain Creek Site	1.50%	$ 52,818,750	$ 2,668,351	$ 2,668,351	$ 2,749,002	$ 2,749,002	$ 2,832,091	$ 2,832,091	$ 2,917,691	$ 2,917,691	$ 3,005,878	$ 3,005,878	$ 3,096,731	$ 3,096,731	$ 3,190,330
Site 1	1.50%	$ 36,877,602	$ 1,863,020	$ 1,863,020	$ 1,919,330	$ 1,919,330	$ 1,977,342	$ 1,977,342	$ 2,037,107	$ 2,037,107	$ 2,098,679	$ 2,098,679	$ 2,162,111	$ 2,162,111	$ 2,227,461
Site 2	1.50%	$ 50,591,130	$ 2,555,814	$ 2,555,814	$ 2,633,064	$ 2,633,064	$ 2,712,648	$ 2,712,648	$ 2,794,638	$ 2,794,638	$ 2,879,106	$ 2,879,106	$ 2,966,127	$ 2,966,127	$ 3,055,778
Site 3	1.50%	$ 18,951,351	$ 1,054,878	$ 1,054,878	$ 1,086,762	$ 1,086,762	$ 1,119,609	$ 1,119,609	$ 1,153,449	$ 1,153,449	$ 1,188,312	$ 1,188,312	$ 1,224,229	$ 1,224,229	$ 1,261,231
Site 4	1.50%	$ 12,647,782	$ 638,954	$ 638,954	$ 658,266	$ 658,266	$ 678,162	$ 678,162	$ 698,659	$ 698,659	$ 719,776	$ 719,776	$ 741,532	$ 741,532	$ 763,945
Base Amount	Ann. Esc.	$ 177,104,823	$ 1,013,953	$ 1,013,953	$ 1,034,334	$ 1,034,334	$ 1,055,124	$ 1,055,124	$ 1,076,332	$ 1,076,332	$ 1,097,966	$ 1,097,966	$ 1,120,035	$ 1,120,035	$ 1,142,548
Base Value of Developed Parcels	1.00%	$ 25,293,381	$ 1,013,953	$ 1,013,953	$ 1,034,334	$ 1,034,334	$ 1,055,124	$ 1,055,124	$ 1,076,332	$ 1,076,332	$ 1,097,966	$ 1,097,966	$ 1,120,035	$ 1,120,035	$ 1,142,548
Total Increment		$ 152,101,473	$ 7,767,065	$ 7,767,065	$ 8,012,090	$ 8,012,090	$ 8,264,728	$ 8,264,728	$ 8,525,213	$ 8,525,213	$ 8,793,785	$ 8,793,785	$ 9,070,694	$ 9,070,694	$ 9,356,197
Total URA TIF Revenue		$ 13,854,467	$ 707,479	$ 707,479	$ 729,797	$ 729,797	$ 752,809	$ 752,809	$ 776,536	$ 776,536	$ 801,000	$ 801,000	$ 826,222	$ 826,222	$ 852,228
FINANCIAL SUMMARY															
Net Project Annual Revenue		$ 11,148,884	$ 707,479	$ 707,479	$ 729,797	$ 729,797	$ 752,809	$ 752,809	$ 776,536	$ 776,536	$ 801,000	$ 801,000	$ 826,222	$ 826,222	$ 852,228
Cumulative Revenue			$ 1,816,448	$ 2,523,927	$ 3,253,724	$ 3,983,521	$ 4,736,331	$ 5,489,140	$ 6,265,676	$ 7,042,212	$ 7,843,212	$ 8,644,211	$ 9,470,434	$ 10,296,656	$ 11,148,884
Net City Revenues		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Cumulative Revenue			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net Present Value (NPV) [1]		$ (1,035,020)													
Net URA Revenues		$ 11,148,883	$ 707,479	$ 707,479	$ 729,797	$ 729,797	$ 752,809	$ 752,809	$ 776,536	$ 776,536	$ 801,000	$ 801,000	$ 826,222	$ 826,222	$ 852,228
Cumulative Revenue			$ 1,816,448	$ 2,523,927	$ 3,253,724	$ 3,983,521	$ 4,736,330	$ 5,489,139	$ 6,265,675	$ 7,042,211	$ 7,843,211	$ 8,644,211	$ 9,470,433	$ 10,296,655	$ 11,148,883
Net Present Value (NPV) [1]		$ 4,857,920													

[1] 5.0% discount rate

Source: Economic & Planning Systems

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5. PUBLIC FINANCING STRATEGY

This section provides a summary of the advantages and disadvantages associated with the alternative public financing mechanisms that the City can pursue in order to finance public improvements and other eligible costs within the station area to implement the station area plan.

Upfront Funding Sources

City of Longmont

The majority of infrastructure and land assemblage expenditures occur in the first two years of the project. As a result, it will be necessary for the City to identify funding sources that can be used to finance upfront costs. Potential sources include available funds in the General Fund and the Capital Improvement Program (CIP). Following the initial phase of funding, there will be a number of options available to the City that provide a source of future funds or reimbursements to offset this initial upfront City expenditure should the City desire to do so. First, it is anticipated that the City and RTD will establish an intergovernmental agreement (IGA) that will outline the mechanism for City reimbursement of transit-eligible costs from the $17 million in early FasTracks funding from RTD. Second, there are a number of public financing mechanisms that the City can pursue such as tax increment financing under the auspices of the URA, or even the establishment of a new GID. These revenues will be generated over multiple decades following development and can be used to reimburse the City for upfront public improvements and other eligible costs.

City of Longmont Affordable Housing Fund

There may be a potential resource in the form of the City's Affordable Housing Fund (AHF). The terms could be developed such that the City gains affordable housing units and upfront cash requirements could be eased. Elements of the concept include the following points:

- The location is optimal for affordable housing. Future TOD projects would replace existing below-market units with new affordable units in the same general location. The location provides close proximity to transit and is within an area that is expected to see substantial investment in the future.
- The AHF could contribute some amount of funding for land acquisition, if future vertical residential product included a certain number of affordable units.
- The application of AHF dollars could lessen the need for City CIP funds; although the AHF may require to be replenished by future TIF proceeds that might otherwise be directed to City projects. The near-term and long-term allocation of dollars will need to be discussed.
- The net cost to the City per unit, if terms are structured appropriately, could be an effective and efficient method for the City to expand its supply of deed restricted affordable housing.
- Similar methods have been used by the Denver TOD Fund, with the long-term goal of locating affordable housing units on transit in areas expected to appreciate in value.

Denver Transit-Oriented Development Fund

In 2010, Enterprise Community Partners, the Urban Land Conservancy (ULC), the City and County of Denver, and several other investors launched a fund to create and preserve affordable housing along current and future transit corridors in the City of Denver. As the region's transit system extended beyond the City of Denver, the fund has expanded to meet new demand. Today, the $24 million Denver Regional Transit-Oriented Development (TOD) Fund is available to qualified borrowers in the seven Metro Denver counties, which includes Boulder and Weld County, to acquire property for affordable housing and supportive commercial space.

In Longmont, the TOD Fund could be used to fund the acquisition of parcels in the 1st and Main area if the parcels are developed as multifamily affordable rental or for-sale housing. The specific terms of loans provided by the TOD Fund are summarized below:

- Loan Amount: Up to $5 million
- Term: Maximum of 5 years
- Interest Rate: Fixed rate that is expected to be between 3.65 percent and 4.10 percent
- Loan-to-Value: Up to 90 percent of the lesser of the appraised value or the purchase price

Ongoing Funding Sources

In addition to the required upfront funds, there are a number of public financing mechanisms available to the City of Longmont that generate funds on an ongoing basis. There are three primary strategies the City can pursue to generate additional funds over the course of the project that include the following:

- Modify the Southeast Longmont Urban Renewal Plan to authorize the use of TIF to be collected from properties within the 1st and Main area either as part of a smaller TIF district focusing on the 1st and Main area or larger TIF area encompassing the entire urban renewal plan area.
- Create a new Urban Renewal Plan Area and TIF district to include the 1st and Main station area.
- Create a new Special Improvement District or General Improvement District.

Modify the Southeast Longmont Urban Renewal Plan

The proposed TOD concepts outlined in this study are within the existing Southeast Longmont URA boundary. As with other development sites within the URA, the Longmont Urban Renewal Authority (LURA) would need to modify the Southeast Longmont Urban Renewal Plan to authorize the use of TIF that specifically starts the TIF clock and begins collection. Following the adoption of this modification to the Urban Renewal Plan, incremental property tax (and possibly municipal sales tax increment depending on URA Board direction) can begin to be collected in the Urban Renewal Area for up to 25 years to be used to finance public improvements and other eligible costs. The following advantages and challenges associated with this public financing mechanism are summarized below:

Advantages

- **Extended Term** – Once the amendment to the Plan is adopted, the Urban Renewal Authority will be able to collect TIF revenues for 25 years to be used for eligible project costs.
- **Focused TIF Area** – The project financing structure of an urban renewal plan allows specific areas to begin collecting TIF for up to 25 years without limiting the period of time TIF may be collected in other areas within the URA. A smaller TIF area could be established for the 1st and Main transit station area.

Challenges

- **Geographic Area of the URA** – Although the following point is minor, given the complexities of public finance, it should be noted that the Southeast Longmont Urban Renewal Plan Area includes 157 privately owned and 148 City owned acres. Due to the large scale of the URA boundary, it may not be advantageous to modify the urban renewal plan that starts the collection of TIF for the area as a whole. As a result, it may be more beneficial to define a specific TIF subarea or study area within the existing urban renewal area.
- **Substantial Modification of Urban Renewal Plan** – Authorizing the use of TIF would be considered a substantial modification to the existing urban renewal plan and, therefore, would trigger the requirement to comply with HB15-1348, the most recent amendment to the state Urban Renewal Law.

Establish New Urban Renewal Plan

Another option for the Urban Renewal Authority is to adopt a new urban renewal plan area that includes the 1st and Main station and to authorize the use of TIF in that new plan area. The advantages and challenges associated with this public financing mechanism are summarized below:

Advantages

- **Focused Urban Renewal Plan Area** – Establishing a new urban renewal plan will allow the City and the LURA to define specific boundaries that are designed to benefit a more targeted set of properties in the City to potentially benefit from urban renewal tools. Creating a new urban renewal plan area will also allow the Urban Renewal Authority to include other areas surrounding the 1st and Main station area that are expected to be developed in the near term within the urban renewal plan area boundaries. For example, there are plans to redevelop a 20-acre property west of this study area that is located just north of the intersection of Boston Avenue and Sunset Street with a mix of commercial and residential uses. The property owner is interested in adopting a new urban renewal area to reduce, eliminate and prevent the spread of blight within the area, and to stimulate growth and reinvestment within the area pursuant to state Urban Renewal Law. This proposed redevelopment project would not only contribute additional TIF funds to a new urban renewal area but would also benefit from public funds being used to construct public improvements within the area to remove blighting conditions.
- **Extended Term** – Once a new urban renewal plan is adopted, the Urban Renewal Authority will be able to collect TIF revenues for 25 years to be used to finance public improvements and other eligible costs.

Challenges

- **Revised State Statute** – It is important to note that any new urban renewal plan adopted would be subject to the most recent amendment to the state's Urban Renewal statute. When the use of TIF is being considered, HB15-1348 requires that an Urban Renewal Authority negotiate with other taxing entities, such as the county, school districts and special districts, for the use of any property tax increment being used. This could impact the amount of TIF that could be generated to fund eligible public improvements and other eligible costs within the urban renewal area.

- **Establishment of New Urban Renewal Plan** – There are a number of requirements that must be met in order to create a new urban renewal plan that would include the authorization of TIF. First, a determination of blight must be met. This is done through a Conditions Survey (a.k.a. blight study). Second, the boundaries of the proposed urban renewal plan area must be identified. The plan boundaries may be less than, or the same as, the area surveyed as part of the blight study. The Urban Renewal Authority Board of Commissioners may then authorize that a new urban renewal plan be drafted. As part of this new urban renewal plan, an impact report for all affected taxing entities must also be prepared. A new urban renewal plan would require compliance with state Urban Renewal Law, including the most recent HB15-1348 amendment. This includes the addition of representatives from the county, school districts, and special districts to the Urban Renewal Authority Board and negotiating the TIF with the other taxing entities. A public hearing is then held to present the conditions survey, urban renewal plan and impact report to the Urban Renewal Authority Board, city council and community at large. Then the Urban Renewal Authority could act on accepting the blight survey findings and adoption of the new urban renewal plan.

Create New Special Improvement or General Improvement District

The City may also choose to pursue the option of creating a Special Improvement District (SID) or General Improvement District (GID) for the 1st and Main station area. It should be noted that these districts can theoretically be formed in conjunction with a URA. The following advantages and challenges associated with this public financing mechanism are summarized below:

Advantages

- **More Local Control** – Both a SID and a GID allow for more local control in terms of the types of financing mechanisms used to generate revenue. Both a SID and a GID are initiated through a petition signed by local property owners and require the approval of the city council. In most cases, once the petition is accepted, an election is held and requires a majority of the electors to approve. While a SID is governed by an independent governing body that may be separate from the local city council, a GID benefits from the opportunity for the city council to act as the districts ex-officio board of directors.
- **Alternative Financing Mechanisms** – Both a SID and GID possess ad valorem taxing authority and can also fix rates, fees, and charges for services, facilities, and programs.

Challenges

- **Requires Property Owner Petition and Election** – Both a SID and GID require the approval of the majority of property owners in the area as part of an election. This is not the case for a modification to the existing URA or the creation of a new URA, which can be done by a city council (in accordance with all relevant state statutes).
- **Diminished Funding Potential** – Neither a SID nor a GID can tap increment. As a result, they are likely to generate only a fraction of the potential revenue compared to an urban renewal area. Both a SID and a GID may impose additional ad valorem property taxes or assessments, but may not divert existing property tax mill levies to the district.

Appendix A

Table 13
RTD Related Area and Non-RTD Related Area

Description	Area (sq. ft.)	% of Total
RTD Related Area		
Structured Parking Facility (80%)	35,171	8.2%
Kiss & Ride	12,781	3.0%
Platform	38,954	9.1%
Plaza	25,746	6.0%
Subtotal	**112,652**	**26.3%**
Non-RTD Related		
Structured Parking Facility (20%)	8,793	2.1%
Site 1	81,800	19.1%
Site 2	29,200	6.8%
Site 3	49,200	11.5%
Site 4	6,100	1.4%
Subtotal	**175,093**	**40.9%**
Right-of-Way (ROW)		
RTD (60%)	84,210	19.7%
Non-RTD (40%)	56,140	13.1%
Subtotal	**140,350**	**32.8%**
Total Acquisition Area		
RTD	196,862	46.0%
Non-RTD	231,233	54.0%
Subtotal	**428,095**	**100.0%**

Source: MIG; Economic & Planning Systems

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Table 14
Site 1: Residual Land Value

Site 1		
Residential Apartments		
Factor	**Amount**	**Description**
Development Program		
	81,800	site area (sq. ft.)
	120	units
1.0 space/unit	120	parking spaces
	850	average unit size
	102,000	rentable building area (RBA)
85.0%	120,000	gross residential area
350/space	42,000	parking area
	162,000	gross building area
	1.98	floor area ratio (FAR)
	63.9	dwelling units per acre (DU/Acre)
Construction Cost		
$125/sq. ft.	$15,000,000	hard cost ($/RBA)
25%	$3,750,000	soft cost (% of hard)
$25,000	$3,000,000	parking construction cost
12.0%	$2,782,792	developer profit
	$24,532,792	**total cost**
Net Operating Income		
$1.80/sq. ft.	$2,203,200	potential gross income (PGI)
5.0%	-$110,160	vacancy & concessions
	$2,093,040	effective gross income (EGI)
30.0%	-$627,912	operating cost
	$1,465,128	**net operating income (NOI)**
Project Value		
5.50% cap	$26,638,691	gross value
2.50%	-$665,967	transaction cost
	$25,972,724	**net project value**
LAND VALUE		
	$1,439,932	**total land value**
	$17.60	**value per sq. ft.**
	$11,999	**value per unit**

Table 15
Site 2: Residual Land Value

Site 2		
Office Development		
Factor	**Amount**	**Description**
Development Program		
	29,200	site area (sq. ft.)
	40,000	office space (sq. ft.)
	0	retail space (sq. ft.)
	40,000	rentable building area (RBA)
0.0 spaces/1,000	0	parking spaces
2.0 spaces/1,000	80	parking requirement
80.0%	50,000	gross commercial area
350/space	0	parking area
	50,000	gross building area
	1.71	floor area ratio (FAR)
Construction Cost		
$125/sq. ft.	$5,000,000	hard cost ($/RBA)
$30/sq. ft.	$1,200,000	tenant imp. cost ($/RBA)
20%	$1,000,000	soft cost (% of hard)
$25,000	$0	parking construction cost
12.0%	$864,000	developer profit
	$8,064,000	**total cost**
Net Operating Income		
$20.00/sq. ft.	$800,000	office rent (FS)
$15.00/sq. ft.	$0	retail rent (NNN)
	$800,000	potential gross income (PGI)
7.0%	-$56,000	vacancy & concessions
	$744,000	effective gross income (EGI)
25.0%	-$186,000	office operating cost
	$558,000	**net operating income (NOI)**
Project Value		
6.75% cap	$8,266,667	gross value
2.50%	-$206,667	transaction cost
	$8,060,000	**net project value**
LAND VALUE		
	-$4,000	**total land value**
	-$0.14	**value per sq. ft.**

Table 16
Site 3: Residual Land Value

Site 3		
Residential Apartments		
Factor	**Amount**	**Description**
Development Program		
	49,200	site area (sq. ft.)
	70	units
1.0 space/unit	70	parking spaces
	850	average unit size
	59,500	rentable building area (RBA)
85.0%	70,000	gross residential area
350/space	24,500	parking area
	94,500	gross building area
	1.92	floor area ratio (FAR)
	62.0	dwelling units per acre (DU/Acre)
Construction Cost		
$125/sq. ft.	$8,750,000	hard cost ($/RBA)
25%	$2,187,500	soft cost (% of hard)
$25,000	$1,750,000	parking construction cost
12.0%	$1,623,295	developer profit
	$14,310,795	**total cost**
Net Operating Income		
$1.80/sq. ft.	$1,285,200	potential gross income (PGI)
5.0%	-$64,260	vacancy & concessions
	$1,220,940	effective gross income (EGI)
30.0%	-$366,282	operating cost
	$854,658	**net operating income (NOI)**
Project Value		
5.50% cap	$15,539,236	gross value
2.50%	-$388,481	transaction cost
	$15,150,755	**net project value**
LAND VALUE		
	$839,960	**total land value**
	$17.07	**value per sq. ft.**
	$11,999	**value per unit**

Table 17
Site 4: Residual Land Value

Site 4		
Small Scale Mixed-Use Development		
Factor	**Amount**	**Description**
Development Program		
	6,100	site area (sq. ft.)
	5,000	office space (sq. ft.)
	5,000	retail space (sq. ft.)
	10,000	rentable building area (RBA)
0.0 spaces/1,000	0	parking spaces
2.0 spaces/1,000	20	parking requirement
95.0%	10,526	gross commercial area
350/space	0	parking area
	10,526	gross building area
	1.73	floor area ratio (FAR)
Construction Cost		
$125/sq. ft.	$1,250,000	hard cost ($/RBA)
$30/sq. ft.	$300,000	tenant imp. cost ($/RBA)
20%	$250,000	soft cost (% of hard)
$25,000	$0	parking construction cost
12.0%	$216,000	developer profit
	$2,016,000	**total cost**
Net Operating Income		
$20.00/sq. ft.	$100,000	office rent (FS)
$15.00/sq. ft.	$75,000	retail rent (NNN)
	$175,000	potential gross income (PGI)
7.0%	-$12,250	vacancy & concessions
	$162,750	effective gross income (EGI)
25.0%	-$23,250	office operating cost
	$139,500	**net operating income (NOI)**
Project Value		
6.75% cap	$2,066,667	gross value
2.50%	-$51,667	transaction cost
	$2,015,000	**net project value**
LAND VALUE		
	-$1,000	**total land value**
	-$0.16	**value per sq. ft.**

Table 18
Detailed Sources and Uses of Funds

Description	Notes	Amount	Factor	Total	Year 1	Year 2	Year 3	Year 4	Year 5
USE OF FUNDS									
Assembly Costs		**$ (3,357,394)**	40%	**$ (4,364,612)**	**$ (4,364,612)**	**$ -**	**$ -**	**$ -**	**$ -**
Parcel 1	43,042 sq. ft.	$ (354,816)	30%	$ (461,261)	$ (461,261)	$ -	$ -	$ -	$ -
Parcel 2	135,487 sq. ft.	$ (579,360)	30%	$ (753,168)	$ (753,168)	$ -	$ -	$ -	$ -
Parcel 3	62,797 sq. ft.	$ (478,352)	30%	$ (621,858)	$ (621,858)	$ -	$ -	$ -	$ -
Parcel 4	24,490 sq. ft.	$ (115,443)	30%	$ (150,076)	$ (150,076)	$ -	$ -	$ -	$ -
Parcel 5	13,734 sq. ft.	$ (261,040)	30%	$ (339,352)	$ (339,352)	$ -	$ -	$ -	$ -
Parcel 6	18,126 sq. ft.	$ (143,100)	30%	$ (186,030)	$ (186,030)	$ -	$ -	$ -	$ -
Parcel 7	18,972 sq. ft.	$ (415,923)	30%	$ (540,700)	$ (540,700)	$ -	$ -	$ -	$ -
Parcel 8	37,640 sq. ft.	$ (488,000)	30%	$ (634,400)	$ (634,400)	$ -	$ -	$ -	$ -
Parcel 9	19,086 sq. ft.	$ (130,000)	30%	$ (169,000)	$ (169,000)	$ -	$ -	$ -	$ -
Parcel 10	12,032 sq. ft.	$ (101,400)	30%	$ (131,820)	$ (131,820)	$ -	$ -	$ -	$ -
Parcel 11	20,883 sq. ft.	$ (160,960)	30%	$ (209,248)	$ (209,248)	$ -	$ -	$ -	$ -
Parcel 12	21,806 sq. ft.	$ (129,000)	30%	$ (167,700)	$ (167,700)	$ -	$ -	$ -	$ -
Coffman Extension (1st Ave - Boston Ave)		**$ (1,456,100)**		**$ (2,038,540)**	**$ -**	**$ (2,038,540)**	**$ -**	**$ -**	**$ -**
Plaza	MIG estimate	$ (990,000)	40%	$ (1,386,000)	$ -	$ (1,386,000)	$ -	$ -	$ -
Tree Lawn	MIG estimate	$ (33,000)	40%	$ (46,200)	$ -	$ (46,200)	$ -	$ -	$ -
Street Trees	MIG estimate	$ (36,300)	40%	$ (50,820)	$ -	$ (50,820)	$ -	$ -	$ -
Sidewalk	MIG estimate	$ (105,600)	40%	$ (147,840)	$ -	$ (147,840)	$ -	$ -	$ -
Concrete Drive Lane	MIG estimate	$ (158,400)	40%	$ (221,760)	$ -	$ (221,760)	$ -	$ -	$ -
Concrete Bus Pull off Area	MIG estimate	$ (99,800)	40%	$ (139,720)	$ -	$ (139,720)	$ -	$ -	$ -
Curbs	MIG estimate	$ (33,000)	40%	$ (46,200)	$ -	$ (46,200)	$ -	$ -	$ -
Coffman Enhancement (1st Ave - 2nd Ave)		**$ (271,400)**		**$ (379,960)**	**$ -**	**$ (379,960)**	**$ -**	**$ -**	**$ -**
Asphalt	MIG estimate	$ (126,500)	40%	$ (177,100)	$ -	$ (177,100)	$ -	$ -	$ -
Tree Lawn	MIG estimate	$ (23,000)	40%	$ (32,200)	$ -	$ (32,200)	$ -	$ -	$ -
Street Trees	MIG estimate	$ (25,300)	40%	$ (35,420)	$ -	$ (35,420)	$ -	$ -	$ -
Sidewalk	MIG estimate	$ (73,600)	40%	$ (103,040)	$ -	$ (103,040)	$ -	$ -	$ -
Curbs	MIG estimate	$ (23,000)	40%	$ (32,200)	$ -	$ (32,200)	$ -	$ -	$ -
Terry Street		**$ (259,168)**		**$ (362,835)**	**$ -**	**$ (362,835)**	**$ -**	**$ -**	**$ -**
Asphalt	MIG estimate	$ (82,236)	40%	$ (115,130)	$ -	$ (115,130)	$ -	$ -	$ -
Curbs	MIG estimate	$ (24,920)	40%	$ (34,888)	$ -	$ (34,888)	$ -	$ -	$ -
Tree Lawn	MIG estimate	$ (24,920)	40%	$ (34,888)	$ -	$ (34,888)	$ -	$ -	$ -
Sidewalk + Multiuse path	MIG estimate	$ (99,680)	40%	$ (139,552)	$ -	$ (139,552)	$ -	$ -	$ -
Street Trees	MIG estimate	$ (27,412)	40%	$ (38,377)	$ -	$ (38,377)	$ -	$ -	$ -
ROW: Coffman and Terry		**$ (95,850)**		**$ (134,190)**	**$ -**	**$ (134,190)**	**$ -**	**$ -**	**$ -**
Asphalt	MIG estimate	$ (29,700)	40%	$ (41,580)	$ -	$ (41,580)	$ -	$ -	$ -
Curbs	MIG estimate	$ (9,000)	40%	$ (12,600)	$ -	$ (12,600)	$ -	$ -	$ -
Tree Lawn	MIG estimate	$ (11,250)	40%	$ (15,750)	$ -	$ (15,750)	$ -	$ -	$ -
Street Trees	MIG estimate	$ (9,900)	40%	$ (13,860)	$ -	$ (13,860)	$ -	$ -	$ -
Sidewalk	MIG estimate	$ (36,000)	40%	$ (50,400)	$ -	$ (50,400)	$ -	$ -	$ -
Other Improvements / Costs		**$ (13,840,958)**		**$ (14,705,338)**	**$ (995,500)**	**$ (13,709,838)**	**$ -**	**$ -**	**$ -**
Parking Structure	375 spaces	$ (9,375,000)	0%	$ (9,375,000)	$ -	$ (9,375,000)	$ -	$ -	$ -
Appraisal	City estimate	$ (48,000)	0%	$ (48,000)	$ (48,000)	$ -	$ -	$ -	$ -
Coffman Rail Crossing Improvement		$ (530,000)	0%	$ (530,000)	$ -	$ (530,000)	$ -	$ -	$ -
Infrastructure Master Plan	EPS Estimate	$ (200,000)	0%	$ (200,000)	$ (200,000)	$ -	$ -	$ -	$ -
Restroom Facility	Estimate	$ (200,000)	40%	$ (280,000)	$ -	$ (280,000)	$ -	$ -	$ -
Plaza (outside ROW)	MIG estimate	$ (1,529,700)	40%	$ (2,141,580)	$ -	$ (2,141,580)	$ -	$ -	$ -
Flood Plain Mitigation	RTD Contribution	$ (1,383,258)	0%	$ (1,383,258)	$ -	$ (1,383,258)	$ -	$ -	$ -
Relocation Assistance	23 units/businesses	$ (575,000)	30%	$ (747,500)	$ (747,500)	$ -	$ -	$ -	$ -
TOTAL USES OF FUNDS				**$ (21,985,475)**	**$ (5,360,112)**	**$ (16,625,363)**	**$ -**	**$ -**	**$ -**
SOURCE OF FUNDS									
RTD Funds			Pro Rata Share	**$ 17,000,000**	**$ 2,529,637**	**$ 14,470,363**	**$ -**	**$ -**	**$ -**
Item #1	Land Assemblage	$ 4,364,612	46%	$ 2,007,095	$ 2,007,095	$ -	$ -	$ -	$ -
Item #2	Coffman Extension (1st Ave - Boston Ave)	$ 2,038,540	100%	$ 2,038,540	$ -	$ 2,038,540	$ -	$ -	$ -
Item #3	Coffman Enhancement (1st Ave - 2nd Ave)	$ 379,960	100%	$ 379,960	$ -	$ 379,960	$ -	$ -	$ -
Item #4	Terry Street	$ 362,835	100%	$ 362,835	$ -	$ 362,835	$ -	$ -	$ -
Item #5	ROW: Coffman and Terry	$ 134,190	100%	$ 134,190	$ -	$ 134,190	$ -	$ -	$ -
Item #6	Parking Structure	$ 9,375,000	80%	$ 7,500,000	$ -	$ 7,500,000	$ -	$ -	$ -
Item #7	Coffman Rail Crossing Improvement	$ 530,000	100%	$ 530,000	$ -	$ 530,000	$ -	$ -	$ -
Item #8	Appraisal	$ 48,000	60%	$ 28,800	$ 28,800	$ -	$ -	$ -	$ -
Item #10	Infrastructure Master Plan	$ 200,000	75%	$ 150,000	$ 150,000	$ -	$ -	$ -	$ -
Item #11	Plaza (outside ROW)	$ 2,141,580	100%	$ 2,141,580	$ -	$ 2,141,580	$ -	$ -	$ -
Item #12	Relocation Assistance	$ 747,500	46%	$ 343,743	$ 343,743	$ -	$ -	$ -	$ -
Item #13	Flood Plain Mitigation	$ 1,383,258	100%	$ 1,383,258	$ -	$ 1,383,258	$ -	$ -	$ -
City of Longmont			Pro Rata Share	**$ 4,985,475**	**$ 2,830,475**	**$ 2,155,000**	**$ -**	**$ -**	**$ -**
Item #1	Land Assemblage	$ 4,364,612	54%	$ 2,357,518	$ 2,357,518	$ -	$ -	$ -	$ -
Item #6	Parking Structure	$ 9,375,000	20%	$ 1,875,000	$ -	$ 1,875,000	$ -	$ -	$ -
Item #8	Appraisal	$ 48,000	40%	$ 19,200	$ 19,200	$ -	$ -	$ -	$ -
Item #9	Restroom Facility	$ 280,000	100%	$ 280,000	$ -	$ 280,000	$ -	$ -	$ -
Item #10	Infrastructure Master Plan	$ 200,000	25%	$ 50,000	$ 50,000	$ -	$ -	$ -	$ -
Item #12	Relocation Assistance	$ 747,500	54%	$ 403,757	$ 403,757	$ -	$ -	$ -	$ -
Potential Land Sales / City Participation		Area	Prem./Disc.	**$ 2,279,892**	**$ -**	**$ -**	**$ 1,439,932**	**$ -**	**$ 839,960**
Site 1	$11,999/unit	81,800 sq. ft.	0%	$ 1,439,932	$ -	$ -	$ 1,439,932	$ -	$ -
Site 2		29,200 sq. ft.	0%	$ -	$ -	$ -	$ -	$ -	$ -
Site 3	$11,999/unit	49,200 sq. ft.	0%	$ 839,960	$ -	$ -	$ -	$ -	$ 839,960
Site 4		6,100 sq. ft.	0%	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL SOURCES OF FUNDS				**$ 24,265,367**	**$ 5,360,112**	**$ 16,625,363**	**$ 1,439,932**	**$ -**	**$ 839,960**

Source: MIG; Economic & Planning Systems

\\EPSDC02\Proj\163007-Longmont Advisory Services\Models\[163007-1st and Main Cash Flow Model-05-05-2016.xlsm]CASH FLOW - ALT A

Appendix B

Longmont TOD Cost Estimate for Surface Improvements

February 9th, 2017

Building Footprints

Alternative A	square feet	notes
Site #1	81882	MU TOD (south end of site- residential)
Site #2	29231	MU TOD (center of site- office)
Site #3	49218	MU TOD (far west side- residential)
Site #4	9034	MU TOD (between Coffman extension and wires- Commercial)
Parking Structure	43964	Parking Structure

Alternative B	square feet	notes
Site #1	81871	MU TOD (South of site)
Site #2	49220	MU TOD (along 1st - Residential)
Site #3	40957	MU TOD (along 1st - Residential)
Site #4	6105	MU TOD (between Coffman extension and wires- Commercial)
Parking Structure	43868	Parking Structure

Road, Transit, and Plaza Improvements

Terry Street Alternative A

60' ROW width, 623' long

Street Section: 12' multiuse path/ 6' Tree lawn /curb/ 24' asphalt road/ curb/ 5' tree lawn/ 8' sidewalk/ 5' Tree lawn

Total Estimate for surface materials:		
Asphalt	$	82,236
Tree Lawn	$	24,920
Street Trees	$	27,412
Sidewalk + Multiuse Path	$	99,680
Curbs	$	24,920
Total Estimate	**$**	**259,168**
Total Estimate with 40% contingency	**$**	**362,835**

Terry Street Alternative B

60' ROW width, 427' long

Street Section: 12' multiuse path/ 6' Tree lawn /curb/ 24' asphalt road/ curb/ 5' tree lawn/ 8' sidewalk/ 5' Tree lawn

Total Estimate for surface materials:		
Asphalt	$	56,364
Tree Lawn	$	17,080
Street Trees	$	18,788
Sidewalk + Multiuse Path	$	68,320
Curbs	$	17,080
Total Estimate	**$**	**177,632**
Total Estimate with 40% contingency	**$**	**248,685**

ROW between Coffman and Terry

60' ROW width, 225' long

Street Section: 5' tree lawn/ 8' sidewalk/ 5' Tree lawn /curb/ 24' asphalt road/ curb/ 5' Tree lawn / 8' sidewalk/ 5' Tree lawn

Total Estimate for surface materials:		
Asphalt	$	29,700
Tree Lawn	$	11,250
Street Trees	$	9,900
Sidewalk	$	36,000
Curbs	$	9,000
Total Estimate	**$**	**95,850**
Total Estimate with 40% contingency	**$**	**134,190**

Coffman Enhancement (North of 1st Ave)

72' ROW width, 575' long

Street Section: 8' sidewalk/ 8' tree lawn / curb / 8' asphalt on-street parking / 24' two lane asphalt road/ 8' asphalt on-street parking / curb/ 8' tree lawn / 8' sidewalk

Total Estimate for surface materials:		
Asphalt	$	126,500
Tree Lawn	$	23,000
Street Trees	$	25,300
Sidewalk	$	73,600
Curbs	$	23,000
Total Estimate	**$**	**271,400**
Total Estimate with 40% contingency	**$**	**379,960**

Coffman Extension (South of 1st Ave)

100' ROW width, 825' long

Street Section: 8' sidewalk/ 8' Tree lawn / 10' plaza/ curb / 12' Concrete Bus Pull off lane/ 24' two lane concrete drive/ 12' Concrete Bus Pull Off/ curb/ 10' plaza/ 8' Tree lawn / 8' sidewalk

Total Estimate for surface materials:	
Amenity zone	$ 990,000
Tree Lawn	$ 33,000
Street Trees	$ 36,300
Sidewalk	$ 105,600
Concrete Drive Lane	$ 158,400
Concrete Bus Pull off Area	$ 99,800
Curbs	$ 33,000
Total Estimate	**$ 1,456,100**
Total Estimate with 40% contingency	**$ 2,038,540**

Note:

- Although our plaza price of $60 per square foot accounts for public plaza, specific requirements by RTD required specific trash receptacles, shelters, benches, and other associated transit elements may adjust the cost.
- The Bus Bays are also placed north and south of the ROW in the center of each block. Buffer space is accounted for between bus stops, assuming 40' buses.
    - This may be the "full buildout of bus bays" so less bus bays may be required in the short term.
    - We need to confirm with RTD if additional concrete depth is required. If over 8" then the cost will increase.
    - Design shown is a pull off lane for buses

Plaza under the wire (outside of Road ROW, not included in this cost estimate)

25,495 sq. feet @ $60 sq. ft.=

Total Estimate	**$ 1,529,700**
Total Estimate with 40% contingency	**$ 2,141,580**

Cost Estimate for Surface Infrastructure Shown in Illustrative (Roads, Drop Off's and Plaza)

Alternative A	Cost estimate ($)	40% contingency	TOTAL
Terry Street A	$ 259,168	$ 103,667	$ 362,835
ROW Coffman and Terry	$ 95,850	$ 38,340	$ 134,190
Coffman South Street Extension	$ 1,456,100	$ 582,440	$ 2,038,540
Coffman North Street Extension	$ 271,400	$ 108,560	$ 379,960
Plaza near wires	$ 1,529,700	$ 611,880	$ 2,141,580
TOTAL	**$ 3,612,218**	**$ 1,444,887**	**$ 5,057,105**

Alternative B	Cost estimate ($)	40% contingency	TOTAL
Terry Street B	$ 177,632	$ 71,053	$ 248,685
ROW Coffman and Terry	$ 95,850	$ 38,340	$ 134,190
Coffman South Street Extension	$ 1,456,100	$ 582,440	$ 2,038,540
Coffman North Street Extension	$ 271,400	$ 108,560	$ 379,960
Plaza near wires	$ 1,529,700	$ 611,880	$ 2,141,580
TOTAL	**$ 3,530,682**	**$ 1,412,273**	**$ 4,942,955**

Overall Assumptions

- Roadways have 12' drive lanes. Road surface is 8" deep asphalt, using the cost of $112 per ton ($5.50 per square foot)
- Concrete curb and gutter is estimated at $20 a linear foot
- Concrete bus drop-off lanes are estimated at 8" depth at $8 per square foot.
- Concrete sidewalks are estimated at $8 per square foot
- Tree lawns are estimated at $2.50 square foot and includes turf and irrigation
- Street trees are estimated at $550 each and planted 25' apart
- The Plaza estimate is $60 sq. ft. and includes pavers/ higher end colored concrete, vegetation (variety of trees, planters/plants, etc.), trash cans, benches, etc.
- The RTD bus shelters are not included in this estimate, but an additional contingency can include that cost
- This is not including sewer, subsurface infrastructure or demolition of existing structures.
- We suggest an overall 40% contingency addition to this estimate
- ***This cost estimate does not include the rail platform, or the designated buffer area***

Appendix C

GID Case Study: Boulder Junction

In September of 2007, the City of Boulder adopted the Transit Village Area Plan (TVAP) for a 160-acre redevelopment area near the intersection of 30th Street and Pearl Parkway. The newly entitled Boulder Junction will be served by RTD's future bus rapid transit (BRT) line, as well as the planned FasTracks Northwest commuter rail line. Future development in the area is projected to occur over the next 30 years and will be mixed use and transit oriented, creating a vibrant and pedestrian-friendly urban environment. Phase I of the Transit Village is expected to redevelop over the next 15 years, while Phase II is expected to occur over the following 15 years, shown in **Figure 8**.

The City has established parking maximums in the TVAP zone districts based on a 55 percent alternative mode share requirement, which include walking, bicycling, van/carpooling, and transit. Property owners of new development can meet these requirements by either subscribing to public provided Traffic Demand Management (TDM) services and off-site parking infrastructure, or by developing a transportation plan for their individual property that documents a 55 percent alternative mode split.

The public provided TDM services and parking infrastructure are supplied by two overlapping General Improvement Districts (GIDs). The first GID is the Boulder Junction Access General Improvement District - TDM (BJAGID - TDM) which is assigned to address *Transportation Demand Management* (TDM) services. Rather than supplying parking, this district is focused on the reduction of parking demand by providing services such as transit passes similar to RTD ECO passes, as well as subsidies for bike and car share programs.

The second GID is the Boulder Junction Access General Improvement District - Parking (BJAGID - Parking), which is assigned to address *parking demand*. The primary duties of this district include funding for the acquisition and construction of off-site shared parking lots, both surface and structured, and the management and operation of these lots. Developers within the second GID can fulfill parking requirements through their participation in the district. In other words, they do not need to construct parking spaces as part of commercial construction. Residential construction is capped with a maximum of one space per unit.

Both districts are funded through a mill levy that is based on a property's assessed value, which are described in greater detail below.

It is important to note that in order to encourage property owners to join the two districts the city agreed to re-zone the area. This allowed for more uses at a greater density. It also incorporated management services into the districts, enabling property owners to share parking structures in a way that creates efficiency and reduces overall capital outlay. Property owners were motivated to join the districts, as the benefits enables them to increase development potential, increase corresponding revenue, decrease construction costs, and contribute to collaborative land use solutions.

	BJAGID - TDM	BJAGID – Parking
Who pays?	Commercial and Residential	Commercial and Residential
Revenue source	Maximum of 20 mills (the mill levy is currently set at 5 mills)	Maximum of 30 mills (the mill levy is currently set at 10 mills)
What is funded?	• Transit Access Pass • Care Share • Bike Share • Staff Costs • Outreach and Contingency	• Shared Parking Structures • Land Acquisition Reserve Fund • Shared Parking Operations • Staff Costs • Contingency
Governance Structure	Five (5) board members with at least three (3) property owners from within the district and at least two (2) members that are city electors.	Five (5) board members with at least three (3) property owners from within the district and at least two (2) members that are city electors.

Figure 8
Boulder Junction Area