UNIVERSITY HILL COMMERCIAL AREA MANAGEMENT COMMISSION
OFF SITE MEETING – November 20, 2013
9 – 11 a.m.
1777 West Conference Room, 1777 Broadway
AGENDA

1. Roll Call
2. Election of Vice Chair
3. Approval of the October 1, 2013 Minutes
4. Police Update
5. Public Participation
6. Board and Commission Committee Report and Recommendations – Commission Feedback – Tim Plass
7. Proposal for the 14th Street Parking Lot Public/Private Partnership Presentation
8. Hill Reinvestment Strategy
9. CUSG Update
    - Innovation District Update – Spark – Shrum Open House Input
10. UHNA Update
11. Parking Services Update
12. Matters from the Commissioners
13. Matters from Staff
    - Proposed Parklet
    - BID Exploration Meeting
    - Joint Board Chair Lunch
    - AMPS Update

Attachments

- Sales and Use Tax Revenue Reports – August 2013
- Revenues and Expenditures: Jan – Sept 2013
- Police Stats
- Updated Joint Board Workshop Summary
- 2014 UHCAMC Meeting Schedule
- EPS Draft Report: 14th Street Parking Lot Development Proposal
- Hill Reinvestment Strategy

DUHMD/PS 2013 Priorities **UHCAMC 2013 Priorities**

University Hill Revitalization

- Support for creation of a Residential Service District
- Innovation District/Organizational Options
- 14th Street Lot Redevelopment

Parking

- Technology Enhancements
- Access/Parking Management Strategy
    - In collaboration with the Transportation Master Plan Update

Downtown Capital and Planning Projects

- 15th Street (Canyon to Arapaho) Streetscape Implementation
- 14th and Walnut Pedestrian Improvements Implementation
- West Pearl Streetscape Design
- Pearl Street Mall Interactive Kiosks Implementation
- Civic Use Pad Recommendations
- Civic Park Master Plan participation

Boulder Junction

- Access Districts (Parking and TDM) Implementation
- Depot Square Construction Coordination

Administration

- Remodel reception area
- TBBI Planning
- CRM and new website implementation

Additional Items:

- Pearl Street Smoking Ban Implementation
- Revisit Mobile Food Vending Ordinance
- Complete CAGID Garage CIP Projects
- Organizational Assessment
    - Transition with Cunningham retirement
- Support the Residential Service District
- Support the Hill Ownership Group
- Create a clear brand identity for the Hill Commercial area that includes a focus on sustainability, creativity, innovation
- Encourage sustainable pilots to meet our energy future
- Think creatively but carefully about affordable housing on the hill
- Provide funding through the CIP for capital projects on the hill
- Develop sustainable partnerships with the University
- Changes to the regulations in the hill commercial area to promote creativity

Mission Statement: We serve the downtown, University Hill and affected communities by providing quality program, parking enforcement, maintenance and alternative modes services through the highest level of customer service, efficient management and effective problem solving.

CITY OF BOULDER, COLORADO
BOARDS AND COMMISSIONS MEETING MINUTES FORM

NAME OF BOARD/COMMISSION: **UNIVERSITY HILL COMMERCIAL AREA MANAGEMENT COMMISSION**

NAME/TELEPHONE OF PERSON PREPARING SUMMARY: **Ruth Weiss – 303-413-7318**
NAMES OF MEMBERS, STAFF, AND INVITED GUESTS PRESENT:
COMMISSIONERS: **DAHL, GRIFFITH, MITCHELL (absent), RAJ**
STAFF: **LANDRITH, WEISS, JOBERT, MATTHEWS, HERRING, WINTER (arrived 2:35 p.m.)**
GUESTS: **LISA SPALDING, MONIQUE COLE**

TYPE OF MEETING: Off Site **MINUTES** **MEETING: October 1, 2013**

AGENDA ITEM 1 – Roll Call: Meeting called to order at 1:40 p.m.

AGENDA ITEM 2 – Committee Assignments:

AGENDA ITEM 3 - Approval of August 21, 2013 Minutes: (See Action Item Below):

AGENDA ITEM 4 - Police Update: None

AGENDA ITEM 5 – Public Participation: Lisa Spalding spoke with Raj about historical land marking the Fox Theater and asked if there were enough people doing it; it would be a draw to bring people to the hill. Raj offered that it is the one distinction of the hill. Spalding offered that the properties would need to be cleaned up prior to designation.

AGENDA ITEM 6 - Public Hearing and Consideration of a Motion to Make a Recommendation to City Council of the Downtown and University Hill Management, Parking Services 2014 Budget: Griffith motioned to make the recommendation to council. Dahl questioned doing an annual hill event as the budget currently stands. Jobert mentioned that there is a line item in the budget of $10,000 for it. Griffith offered that council needs to look at ways to get more funds to UHGID. Jobert mentioned that it starts with Molly Winter and to contact her for the 2015 budget. Jobert gave a quick review of the budget; Raj questioned what the money would be used for. Jobert offered that it varies with what is going on and it is meant to market hill parking. Parking revenue was discussed. Griffith requested costs for several events. Raj seconded the motion. All commissioners were in agreement and the motion passed 3-0.

AGENDA ITEM 7 – Historic District Discussion – James Hewat: Hewat offered that there are a couple historic districts on the hill, building designations were updated about 4 years ago. Raj questioned getting the data and Hewat replied it was available at Carnegie Library. Hewat mentioned that Boyers had a few buildings landmarked. Griffith questioned understanding how to make a building designated historic to offer recommendations as a commission. Griffith continued with inquiry into historical cultural designation. Raj discussed the Jones Drug building. Hewat remarked that the Jones building went to the historic designation committee and the building did not have historic integrity, but it was a landmark with strong associations. Hewat offered that the process is best by first talking with property owners and need to have several interested. Hewat mentioned that 25% of the owners need to be interested to do designation and it is a collaborative situation; it about gauging what people feel is important. Hewat continued that it is about streets having a designation rather than looping buildings. Hewat continued with the Pearl Street historic designations and that it is on the National Historic Registry. Hewat continued that when something is designated and tax credits are available for repairs and used Boyers project as an example. Griffith mentioned to host a meeting with property owners and discuss historic designating. Hewat commented that national and statewide stats show that historic districts have a higher value than those that are not. Discussion on land marking continued. Monique Cole questioned if a property is designated, is it harder to put new windows that are energy efficient and Hewat replied that there is a way to rehab the historic windows to achieve energy efficiency. Cole questioned if tenants are eligible for tax credits and Hewat replied that if they are there for more than 5 years, yes.

AGENDA ITEM 8 – Smoking Ban Proposals/Discussion: Moved to November meeting.

AGENDA ITEM 9 – CUSG Update: Landrith mentioned that Homecoming is on the 26th commencing at 9 am from

Pennsylvania, gave the route and budgeting will be limited as sponsorship was poor. Griffith questioned what would make the parade a success and Landrith replied that not many merchants are open at 9 am and most people tail gate by the field. The theme is Celebrate Colorado.

AGENDA ITEM 10 – UHNA Update: Cole reported that the Executive Committee has not met in several months and there is concern with bears and that bear proof containers should be mandatory. Couch burning was discussed and fireworks during the rain were impressive per Cole. Cole continued that UHNA has not made a stand on the alcohol issue. Cole mentioned that Aspen has a bear container ordinance and it has been successful. The trash container fees were discussed. Cole offered that the Executive Committee (EC) is meeting tonight or tomorrow night. Commissioners requested of Cole to provide UHNA EC meeting dates.

AGENDA ITEM 11 - Parking Services Update: Matthews commented that flood damaged items in the alley will not be picked up by city staff and it needs to be put on the street; will post no parking signs and will go thru as best as they can. Matthews continued that there was a day of service in August and did a lot of work on College; working with fraternities to do another day of service in October; and, the 14th Street lot retrofit was discussed.

AGENDA ITEM 12 – AMPS Guiding Principles Feedback: Matthews mentioned that it may be pushed back for submittal with council. Winter is looking for thoughts and feedback from the commission. Winter mentioned that due to the flood it may be pushed back to January 2014.

AGENDA ITEM 13 – Matters from the Commissioners: Spark update – not available. Griffith questioned if funds were going to be provided and Winter replied affirmatively with $1,000. Pass Port to the Hill event, Dahl mentioned that the kind of crowds anticipated did not come; 5 – 9 pm to the businesses with 33 and retail and food specials, 13th Street was closed and did not think it went that well; Dahl continued that it was a good idea and that perhaps a 3 – 7 pm would be better and it could be reworked. Dahl mentioned that they spent under $3,000, more in advance and frustrated with those that dropped the ball. Griffith questioned the marketing for the event and they placed ads in the Colorado Daily and some online ads, CUSG did not work out, and, need to get sponsorship to get it blown up. Dahl mentioned that students have changed over the years and some had no interest in going to the hill; a matter of the sociology and psychology of events. Marketing ideas were discussed by Griffith. Dahl offered that the piece missing is the coordination with CU and has to happen in a big way, apathy is embedded. Griffith discussed data collection/survey results and advertising ideas.

AGENDA ITEM 10 – Matters from the Staff: Winter mentioned that she hadn't heard from Michael Boyers and will follow up with him. The 14th Street Lot was discussed and the financial implications. Winter continued that it is very complicated and has broader impact on the hill. Winter mentioned that there is a specific mention of the Hill in the City of Boulder Economic Sustainability Strategy, pages 21, 29 and 30 and it's going to council on the 29th. This is a great effort that primarily focuses on primary employers. Griffith mentioned that its part of an eco system and a larger connectivity. EBikes Proposal and the different options' awareness to use multi use paths as a pilot going to council tonight for first reading. Mural project for the fall per Landrith does not have private property owner to provide a wall for it and is now looking toward spring.

Meeting adjourned at 3:12 p.m.

ACTION ITEMS:

MOTION: Dahl motioned to approve the August 21, 2013 UHCAMC meeting minutes. Raj seconded the motion. All commissioners approved.

MOTION: Griffith motioned to make a recommendation to City Council of the Downtown and University Hill Management, Parking Services 2014 Budget. Raj seconded the motion. All commissioners were in agreement and the motion passed 3-0.

FUTURE MEETINGS

November 20, 2013	**1777 West Conference Room, Muni Bldg**	**Regular**

APPROVED BY:

UNIVERSITY HILL COMMERCIAL AREA
MANAGEMENT COMMISSION

Attest:
Ruth Weiss

_____
Hillary Griffith, Chair

City of Boulder
Sales & Use Tax Revenue Report
August, 2013

Issued October 16, 2013

This report provides information and analysis related to 2013 August YTD sales and use tax collections.

Results are for actual sales activity through the month of August, the tax on which is received by the city in the subsequent month. For clarification of any information in this report, please contact Cheryl Pattelli, Director of Fiscal Services, at (303)441-3246 or cpattelli@bouldercolorado.gov.

Important Note: A tax remittance processing problem was experienced during July of 2012. Processing of a significant number of remittances was delayed and appeared in August 2012 results. Because we analyze based upon comparisons to both monthly and annual prior year results, 2012 data from some of the larger vendors was adjusted for the summary July and August comparisons included in this report. Even with this partial adjustment, the increases from the month of July 2012 to the month of July 2013, may be overstated. Conversely, the increases from the month of August 2012 to August 2013 may be understated. All data has been reconciled and YTD comparisons for August are consistent for timing in both comparison years.

REVENUE COMPARISONS TO COMPARABLE PERIOD IN PRIOR YEAR

As reflected in Table 1, Sales and Use Tax has increased from the 2012 base by 6.54%. Table 1 lists actual revenue for both comparative years.

TABLE 1

ACTUAL SALES AND USE TAX REVENUE

TAX CATEGORY	% CHANGE IN REVENUE Increase/(Decrease)	% OF TOTAL
Sales Tax	5.70%	79.99%
Business/Consumer Use Tax	(2.55%)	8.52%
Construction Use Tax	28.03%	8.80%
Motor Vehicle Use Tax	4.70%	2.69%
Total Sales & Use Tax	**6.54%**	**100.00%**

ANALYSIS OF YEAR-TO-DATE RESULTS

- Retail Sales Tax – YTD retail receipts are up by 5.70%. A portion of this increase is due to business-to business sales that are one-time retail (not use tax) and will not reoccur on a monthly basis.
- Business/Consumer Use Tax – YTD revenue is down by 2.55%.
- Construction Use Tax – This category is up by 28.03%. Excluding Boulder Junction projects (the majority of which occurred in the 2012 "base" and are specifically dedicated to fund projects in that area), Construction Use Tax is up by 60.32%. This "adjusted" increase is due primarily due to a number of large one-time projects. It is important to note that these projects, though generating significant revenue in 2013, will probably not be duplicated in the continuing "base" that funds City services in future years.
- Motor Vehicle Use Tax is up by 4.70%.

DETAILED ANALYSIS OF MAJOR CATEGORIES

The following monthly information is provided to enable identification of trends in the various categories.

Retail Sales Tax – August YTD retail sales tax revenue was up by 5.70% from that received in 2012. A portion of this increase was due to business-to-business sales which are one-time in nature and do not occur on an ongoing basis throughout the year. Without these payments retail sales tax was up 4.15%. Ongoing consumer retail results continue to be somewhat less robust.

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
3.61%	13.56%	6.18%	1.94%	3.48%	9.10%	10.98%	(1.67%)

Food Stores - Retail sales tax revenue for food stores is up by 2.19% YTD. A portion of the variable performance is due to timing issues where the vendor files 13 tax returns per year and the extra return does not occur in the same month each year.

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
(7.02%)	19.74%	(7.91%)	(1.22%)	1.18%	7.79%	5.76%	(20.65%)

Sales at **Eating Places** are both an important revenue source (Eating Places comprise approximately 13.00% of sales/use tax) and are usually a significant indicator of the health of the economy in the city. This discretionary category is often correlated with unemployment (disposable income) and consumer confidence. Total August YTD retail tax at Eating Places is up by 1.91%.

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
2.24%	1.15%	2.18%	1.58%	(4.10%)	8.13%	9.95%	(4.42%)

Apparel Store retail sales are up by 0.17% YTD.

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
9.08%	(3.08%)	(1.11%)	(1.73%)	6.93%	9.12%	(1.69%)	(12.11%)

General Retail is up by 5.47% YTD. A significant portion of the increase in January and February is due to business-to-business sales and is not expected to reoccur on a monthly basis.

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
15.69%	14.60%	2.18%	(0.28%)	(5.53%)	6.09%	10.20%	4.52%

Utilities (primarily retail sales tax on natural gas and electricity) are up by 7.00% YTD. Tax on Public Utilities comprises approximately 5.00% of total sales and use tax revenue.

Three factors appear to be impacting tax on natural gas and electricity sales: 1) base rates have increased; 2) natural gas cost (impacting the "fuel cost adjustment") used for heating and for the generation of electricity are increasing; and 3) conservation may be impacting the volume of usage. According to an article in the June 18, 2013 *Denver Post*, the average electricity bill for the 2013 summer quarter is projected to rise almost 6 percent... when compared with the summer of 2012. In the past 12 months, the spot price of natural gas on the New York Mercantile Exchange has risen more than 47 percent. Last year the natural-gas price hit a 10-year-low. The cost of fuel is just one part of the monthly gas and electric bill, but it is directly passed to customers through the Commodity Adjustment.

Even as natural gas prices and rates increase, the direction for this category may be uncertain if conservation strategies are successful and businesses significantly cut their energy use. According to a 2006 study by the City of Boulder, commercial and industrial sector energy use makes up 83% of Boulder's energy use.

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
(0.18%)	2.82%	3.18%	26.98%	21.01%	10.70%	3.98%	(2.13%)

MEDICAL MARIJUANA BUSINESS SALES TAX

Total YTD retail sales tax revenue collected in this category is $596,002, up by 19.10% from 2012. Monthly sales tax revenue, and the percentage change from the same time period in 2012, is presented below. This industry segment represents less than one half one percent of total sales/use tax collections.

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
$66,591	$70,084	$81,364	$73,574	$69,421	$73,714	75,094	86,156
24.94%	15.64%	27.19%	11.21%	(1.92%)	15.27%	25.87%	38.88%

Significant YTD increases / decreases by tax category are summarized in Table 2.

TABLE 2

2013 RETAIL SALES TAX (% Change in Comparable YTD Collections)	
STRENGTHS:	WEAKNESSES:
▪ Food Stores up by 2.19% ▪ Eating Places up by 1.91% ▪ Apparel Stores up by 0.17% ▪ General Retail up by 5.47% ▪ Transportation/Utilities up by 9.98% ▪ Automotive Trade up by 15.85% ▪ Building Material Retail up by 7.62% ▪ Computer Related Business up by 47.58% ▪ BVRC (excl 29th St) up by 5.13% ▪ TwentyNinth St up by 2.34% ▪ Table Mesa up by 3.89% ▪ All Other Boulder up by 14.70% ▪ Metro Denver up by 2.27% ▪ Out of State up by 11.80% ▪ Gunbarrel Industrial up by 17.26% ▪ Gunbarrel Commercial up by 4.67% ▪ Pearl Street Mall up by 4.32% ▪ Boulder Industrial up by 19.60% ▪ Public Utilities up by 7.00%	▪ Home Furnishings down by 4.45% ▪ Consumer Electronics down by 19.49% ▪ Univ. of Colorado down by 1.28% ▪ Downtown down by 3.18% ▪ UHGID (the "hill") down by 2.72% ▪ N. 28th St. Commercial down by 4.62% ▪ Basemar down by 0.41% ▪ The Meadows down by 8.22%

2013 USE TAX (% Change in YTD Comparable Collections)	
STRENGTHS:	WEAKNESSES
▪ Motor Vehicle Use Tax up by 4.70% ▪ Construction Use Tax up by 28.03% (when adjusted to exclude dedicated Boulder Junction tax, up by 60.32%)	▪ Business Use Tax down by 2.55%

ACCOMMODATION TAX

Total year 2013 Accommodation Tax revenue is up by 4.99% from the same period in 2012.

ADMISSIONS TAX

Total year 2013 Admission Tax revenue is up by 2.94% from the same period in 2012.

REVIEW OF VARIOUS ECONOMIC DATA & PREDICTIONS FOR THE FUTURE

The *September 2013 Focus Colorado: Economic and Revenue Forecast* by the Colorado Legislative Council Staff continues to be generally positive:

> Although Colorado's economy continues to outpace the national economy, the pace of growth slowed somewhat through the summer of 2013. The unemployment rate has begun to level off, potentially indicating a slowdown in entrepreneurial activity and farm employment. Personal income, wages and consumer spending continued to grow through the first half of the year, but at slower rates than in 2012 as households and businesses responded to changes in federal fiscal policy and economic uncertainty. Economic activity is expected to gain momentum in 2014 and 2015.
>
> (However)...the economic impact of Colorado's floods is not yet known. In general, natural disasters tend to cause a sharp drop in economic activity during and immediately after the disaster, followed by a rebound to the pre-disaster trend as resources are poured into restoring and rebuilding damaged property and infrastructure. The floods will redistribute economic activity across geographic regions, between industries, and over time. In the short run, employment, income, and retail trade will increase in the construction, building materials, automobile sales and repair, lodging, and food industries at the expense of other sectors. In the long run, new investment in residential, commercial, and public infrastructure should provide a boost to economic growth.
>
> Federal fiscal policy continues to constrain economic growth. Certain areas of the state will feel the effects of federal spending cuts more than others. Regions with higher concentrations of federal workers, like Colorado Springs and Boulder, will be impacted as employees are furloughed or pay is reduced.

The following information also looks forward to the state of the 2013 economy and discusses some of the positive events and the continuing negative pressures that will impact City of Boulder sales and use tax revenue.

The October 2, 2013 *Boulder County Business Report* indicates that the Business-confidence index has waned:

> The confidence of Colorado business leaders has slightly declined going into the fourth quarter as uncertainty surrounds the government shutdown and the federal deficit increase, according to the most recent Leeds Business Confidence Index released Tuesday by the University of Colorado Boulder's Leeds School of Business.
>
> The fourth-quarter index posted a reading of 59.3, which is a decrease from 60.5 last quarter but still near a post-recession high. Expectations measured positive - at 50 or higher - for all of the metrics measured by the index, which include the national economy, state economy, industry sales, industry profits, capital expenditures and hiring plans.
>
> These across-the-board positive standings come after the national economy and industry hiring plans categories were in negative territory just three quarters ago.

"Business leaders remained optimistic overall, despite confidence being tested by uncertainty coming out of Washington," said economist Richard Wobbekind, executive director of the Business Research Division. "Coupling business confidence with other economic metrics, Colorado looks to be on a stable growth trajectory."

Confidence in the national economy was the most significant finding revealed in this quarter's numbers, especially given underlying federal budget uncertainty, according to Wobbekind. Confidence in the national economy fell 2.6 points to 55.5 in the fourth quarter, down from 58.1 last quarter.

Confidence in the state economy, which decreased to 63.9 in the fourth quarter from 64.6 last quarter, outpaces that of the national economy. The outpacing of confidence in Colorado's economy compared with the national economy is a 34-quarter trend, based on LBCI results.

Business leaders' sales expectations for the fourth quarter came in at 62, down from 63.7 for the third quarter, while the profits metric increased slightly.

The capital expenditures index fell to 57.4 for the fourth quarter, down from 59.3 for the third quarter. The hiring plans index decreased to 57.8, down from 58.9 last quarter.

Subsequent to the aforementioned Leeds survey, on October 2, 2013, the *Boulder County Business Report* stated that 3,600 local federal lab workers have been furloughed:

About 3,600 federal laboratory workers in Boulder County were placed on furlough Tuesday following the shutdown of the U.S. government Monday night. The shutdown came after members of the U.S. House and Senate failed to reach a budget-spending agreement.

Of the federal lab employees in Boulder County, about 3,150 are full time, 416 are part timers and students, and 31 are contract workers, according to Meg Collins, managing director of CO-LABS, which stands for Colorado Leveraging Assets for Better Science.

Federal labs in Boulder County generated about $743 million in economic impact to the region in fiscal year 2012, according to a report from CO-LABS, a nonprofit group that promotes the state's 30 federally funded labs and research sites. Boulder County's federal laboratory workers made $388.3 million in salary in fiscal year 2012, according to the report.

Federal research labs in Boulder include the National Telecommunications and Information Administration, the Cooperative Institute for Research in Environmental Sciences, the Joint Institute for Laboratory Astrophysics, the Laboratory for Atmospheric and Space Physics, the National Ecological Observatory Network, the National Institute of Standards and Technology, the National Oceanic and Atmospheric Administration and the University Corporation for Atmospheric Research, as well as several associated divisions.

NOAA led the way in state economic impact, providing $277.7 million in impact to Colorado and employing 867 full-time workers in 2012. NIST provided $187.7 million in impact. LASP added $159.3 million, and CIRES provided $111.8 million in economic impact.

Across the country, 800,000 federal workers were furloughed Tuesday. National parks, monuments, museums and federal offices were closed. Air-traffic controllers, including those at a regional center in Longmont, prison guards and Border Patrol agents will remain on the job, although they may not get paid.

According to the *Confidence Board Consumer Confidence Survey* published September 24, 2013, consumer confidence fell slightly in September:

The Conference Board Consumer Confidence Index®, which had increased slightly in August, decreased in September. The Index now stands at 79.7 (1985=100), down from 81.8 in August. The Present Situation Index grew to 73.2 from 70.9. The Expectations Index fell to 84.1 from 89.0 last month.

Says Lynn Franco, Director of Economic Indicators: "Consumer Confidence decreased in September as concerns about the short-term outlook for both jobs and earnings resurfaced, while expectations for future business conditions were little changed. Consumers' assessment of current business and labor market conditions, however, was more positive. While overall economic conditions appear to have moderately improved, consumers are uncertain that the momentum can be sustained in the months ahead."

Consumers' expectations, which had increased in August, declined in September. The percentage of consumers expecting business conditions to improve over the next six months edged up to 20.9 percent from 20.6 percent, while those expecting business conditions to worsen was virtually unchanged at 11.0 percent.

Consumers' outlook for the labor market, however, grew more pessimistic. Those anticipating more jobs in the months ahead decreased to 16.9 percent from 17.5 percent, while those anticipating fewer jobs increased to 19.7 percent from 17.2 percent. The proportion of consumers expecting their incomes to increase declined to 15.4 percent from 17.5 percent.

On a more positive note, unemployment rates improved in August, according to a September 20, 2013 article in the *Boulder County Business Report:*

The unemployment rates in Boulder and Broomfield counties dropped for the second month in a row, according to data released Friday by the Colorado Department of Labor and Employment.

Boulder County's rate dropped from 5.4 percent in July to 5.1 percent in August – one percentage point lower than the same month a year ago.

Broomfield County's rate dropped from 6.3 percent in July to 6.0 percent in August, also a full percentage point lower than a year ago.

The state's unemployment also showed improvement from a year ago, going from 8.0 percent in July to 7.0 percent in August.

According to an October 2, 2013 report by in *Bloomberg*, the *National Retail Federation*, predicts that Holiday Season national retail sales may climb only 3.9%:

U.S. retail sales may increase 3.9 percent during the holiday season, as political and economic uncertainties damp consumer confidence, the National Retail Federation said.

Sales may rise to $602.1 billion in November and December, Washington-based NRF said today in a statement. The increase is slightly higher than last year's 3.5 percent gain and the 10-year average of 3.3 percent, NRF said. Stores may hire 720,000 to 780,000 seasonal employees, compared with 720,500 last year, the group also said.

The first partial government shutdown in 17 years and the prospect of a lengthy budget fight could jeopardize the economic recovery and cool consumer sentiment, the auto market and sales of luxury goods. The economy has shown positive signs as unemployment dropped in August to its lowest level since December 2008, while sales of previously owned homes rose in August and housing prices gained 15 percent from a year earlier.

"We're trying to balance looking at the whole year of relatively strong fundamentals underlying the economy against the uncertainty coming out of Washington and the significant unresolved issues that exist at a policy level," NRF President Matthew Shay said in an interview. "We're in for what could be a solid season, but we have to let the folks in Washington get out of their own way a little bit to let that happen."

Online sales will rise as much as 15 percent to $82 billion in November and December, the NRF's shop.org arm projected. That would compare with an increase of 15.5 percent in e-commerce sales in the fourth quarter of last year, the NRF said, citing Commerce Department data.

The Federal work stoppage may subtract as much as 1.4 percentage points from economic growth, depending on its length, according to Guy LeBas, chief fixed income strategist at Janney Montgomery Scott, LLC.

In addition to the political uncertainty, consumers are contending with a 2 percentage-point increase in the payroll tax and rising mortgage rates, after the Federal Reserve signaled in May that it was prepared to start phasing out its monthly bond purchases this year.

While lower-income households have restrained purchases this year because of the increase in payroll tax, Shay said shoppers at all income levels this season will focus on value, whether in the form of discounts, quality or service.

Many retailers, from Macy's Inc. to Nordstrom Inc. to Wal-Mart Stores Inc., missed second-quarter sales estimates and cut forecasts as consumers preferred to spend on bigger items like cars and home-related products.

The NRF's projected increase in holiday sales compares with an estimated gain of 3.4 percent by the International Council of Shopping Centers last month, up from 3 percent in 2012. Deloitte LLP has projected sales may increase as much of 4.5 percent for November to January, led by non-store sales from online and catalog retailers, in line with the gain for last year.

Earlier in September, Chicago-based researcher ShopperTrak said sales in stores may advance 2.4 percent over the holidays, the smallest increase since 2009 as customers visit fewer stores. Customer traffic in November and December may decline 1.4 percent from the same period a year earlier, ShopperTrak also said.

To draw in shoppers, retailers may begin offering promotions as early as Nov. 1 this year to take advantage of a shorter holiday season, according to the researcher.

This year, there are 25 days between the day after Thanksgiving – known as Black Friday – and Christmas, compared with 31 days in 2012, and four instead of five weekends. Sales in November and December account for 20 percent to 40 percent of U.S. retailers' annual revenue, according to the NRF.

The following projections are included in the September 30, 2013 publication of *Focus Colorado: Economic and Revenue Forecast* by the Colorado Legislative Council Staff:

	2011	2012	2013	2014	2015
Unemployment Rate	8.6%	8.0%	7.2%	6.9%	6.7%
Personal Income	6.1%	4.4%	3.9%	5.4%	5.6%
Wage and Salary Income	4.3%	4.7%	4.4%	5.1%	5.3%
Retail Trade Sales	6.8%	6.0%	3.4%	5.4%	6.5%

Denver-Boulder Inflation Rate	3.7%	1.9%	2.9%	3.2%	3.3%

The September 20, 2013 publication, *The Colorado Outlook*, by the Governor's Office of State Planning and Budgeting includes the following forecast for the same financial parameters:

	2011	2012	2013	2014	2015
Unemployment Rate	8.6%	8.0%	6.9%	6.5%	5.9%
Personal Income	6.1%	4.2%	4.3%	5.4%	5.3%
Wage and Salary Income	4.3%	4.4%	4.8%	5.0%	5.1%
Retail Trade Sales	7.7%	5.4%	4.8%	5.4%	5.6%
Denver-Boulder Inflation Rate	3.7%	1.9%	2.6%	2.4%	2.6%

It is important to note that "Retail Trade Sales" on the State level are not strictly consistent with the taxable retail sales tax base of the City of Boulder. The State forecasts may include gasoline and some retail services that are not included in the City of Boulder tax base.

The report from the Governor's Office of State Planning and Budgeting includes a similar view of the Colorado economy:

> With its diverse industries and high level of human capital, Colorado's economy has continued to show that it has established a solid foundation for growth. The state's growing energy and technology-related sectors continue to provide economic vitality. A rebound of new business formation has also been a key factor. Many state economic indicators are outperforming national averages. As a result, unemployment continues to come down from its high level.
>
> Though the economy is growing, it continues to be vulnerable to adverse economic events. There remain unanswered questions regarding the effects of current monetary policy on financial markets and the broader economy. Any unexpected or appreciable changes in the stance of monetary policy may disrupt financial markets in particular and slow the rebounding housing market and other interest-rate sensitive activities, such as vehicle sales and business investment. Further, turmoil in the Middle East poses a risk through heightened economic uncertainty and additional increases in oil prices. Economic uncertainty may also arise with discussion of federal fiscal and debt issues this fall. Despite Colorado's better economic foundation, it is not insulated from these larger economic issues.

Total Net Sales/Use Tax Receipts by Tax Category	AUGUST YTD Actual 2012	2013	% Change	% of Total
Sales Tax	48,754,014	51,533,348	5.70%	79.99%
Business Use Tax	5,631,100	5,487,661	-2.55%	8.52%
Construction Sales/Use Tax	4,430,467	5,672,238	28.03%	8.80%
Motor Vehicle Use Tax	1,653,253	1,730,982	4.70%	2.69%
Total Sales and Use Tax	**60,468,834**	**64,424,229**	6.54%	100.00%

Total Net Sales/Use Tax Receipts by Industry Type	AUGUST YTD Actual 2012	2013	% Change	% of Total
Food Stores	8,308,317	8,531,438	2.69%	13.24%
Eating Places	8,521,530	8,674,454	1.79%	13.46%
Apparel Stores	2,287,489	2,286,893	-0.03%	3.55%
Home Furnishings	1,682,309	1,611,454	-4.21%	2.50%
General Retail	12,586,719	13,076,008	3.89%	20.30%
Transportation/Utilities	4,593,840	5,083,955	10.67%	7.89%
Automotive Trade	4,114,615	4,574,208	11.17%	7.10%
Building Material-Retail	2,165,765	2,287,913	5.64%	3.55%
Construction Firms Sales/Use Tax	4,079,548	4,862,966	19.20%	7.55%
Consumer Electronics	1,411,153	1,175,610	-16.69%	6.58%
Computer Related Business Sector	3,555,309	4,241,519	19.30%	12.45%
All Other	7,162,241	8,017,813	11.95%	0.00%
Total Sales and Use Tax	**60,468,834**	**64,424,229**	6.54%	100.00%

Total Net Sales/Use Tax Receipts by Geographic Area	AUGUST YTD Actual 2012	2013	% Change	% of Total
North Broadway	918,261	926,621	0.91%	1.44%
Downtown	4,157,486	4,165,879	0.20%	6.47%
Downtown Extension	450,375	460,543	2.26%	0.71%
UHGID (the "hill")	690,579	657,565	-4.78%	1.02%
East Downtown	414,083	429,414	3.70%	0.67%
N. 28th St. Commercial	2,968,929	2,975,939	0.24%	4.62%
N. Broadway Annex	300,514	517,369	72.16%	0.80%
University of Colorado	964,185	684,817	-28.97%	1.06%
Basemar	1,347,840	1,618,008	20.04%	2.51%
BVRC-Boulder Valley Regional Center	12,772,481	12,192,544	-4.54%	18.93%
29th Street	5,020,123	4,996,640	-0.47%	7.76%
Table Mesa	1,523,790	1,582,985	3.88%	2.46%
The Meadows	557,935	509,943	-8.60%	0.79%
All Other Boulder	3,243,502	3,923,582	20.97%	6.09%
Boulder County	657,903	713,074	8.39%	1.11%
Metro Denver	1,837,220	2,381,497	29.63%	3.70%
Colorado All Other	146,102	199,314	36.42%	0.31%
Out of State	6,163,731	6,673,666	8.27%	10.36%
Airport	18,798	51,715	175.11%	0.08%
Gunbarrel Industrial	3,460,105	3,530,292	2.03%	5.48%
Gunbarrel Commercial	728,821	761,431	4.47%	1.18%
Pearl Street Mall	1,812,849	1,885,605	4.01%	2.93%
Boulder Industrial	4,976,632	6,104,436	22.66%	9.48%
Unlicensed Receipts	681,238	1,514,163	122.27%	2.35%
County Clerk	1,653,253	1,730,982	4.70%	2.69%
Public Utilities	3,002,100	3,236,205	7.80%	5.02%
Total Sales and Use Tax	**60,468,834**	**64,424,229**	6.54%	100.00%

Miscellaneous Tax Statistics	AUGUST YTD Actual 2012	2013	% Change in Taxable Sales
Total Food Service Tax	427,951	407,195	-4.85%
Accommodations Tax	3,392,048	3,561,293	4.99%
Admissions Tax	389,549	401,007	2.94%
Trash Tax	867,195	882,300	1.74%

COMPARISON OF YEAR-TO-DATE ACTUAL REVENUE FOR THE YEAR 2013 TO COMPARABLE PERIOD IN 2012

USE TAX BY CATEGORY				SALES TAX BY CATEGORY		
AUGUST YTD Actual				AUGUST YTD Actual		
2012	2013	% Change	**Standard Industrial Code**	2012	2013	% Change
37,940	79,932	110.68%	Food Stores	8,270,377	8,451,506	2.19%
114,588	106,537	-7.03%	Eating Places	8,406,942	8,567,917	1.91%
15,637	11,243	-28.10%	Apparel Stores	2,271,852	2,275,650	0.17%
3,937	7,791	97.89%	Home Furnishings	1,678,373	1,603,662	-4.45%
1,093,205	953,358	-12.79%	General Retail	11,493,514	12,122,650	5.47%
88,576	129,181	45.84%	Transportation/Utilities	4,505,263	4,954,774	9.98%
1,721,714	1,802,069	4.67%	Automotive Trade	2,392,901	2,772,138	15.85%
53,135	14,400	-72.90%	Building Material-Retail	2,112,630	2,273,513	7.62%
3,883,216	4,640,214	19.49%	Construction Use Tax	0	0	na
0	0	na	Construction Sales Tax	196,332	222,751	13.46%
25,484	59,976	135.35%	Consumer Electronics	1,385,668	1,115,634	-19.49%
2,329,827	2,433,014	4.43%	Computer Related Business	1,225,481	1,808,505	47.58%
2,347,560	2,653,167	13.02%	All Other	4,814,681	5,364,647	11.42%
11,714,820	**12,890,881**	10.04%	**Total Sales and Use Tax**	**48,754,014**	**51,533,348**	5.70%

USE TAX BY CATEGORY				SALES TAX BY CATEGORY		
AUGUST YTD Actual				AUGUST YTD Actual		
2012	2013	% Change	**Geographic Code**	2012	2013	% Change
33,002	50,063	51.70%	North Broadway	885,259	876,558	-0.98%
153,490	289,192	88.41%	Downtown	4,003,996	3,876,687	-3.18%
10,978	32,858	199.31%	Downtown Extension	439,397	427,684	-2.67%
23,847	8,993	-62.29%	UHGID (the "hill")	666,732	648,572	-2.72%
41,897	37,535	-10.41%	East Downtown	372,186	391,879	5.29%
43,653	185,708	325.42%	N. 28th St. Commercial	2,925,276	2,790,231	-4.62%
2,476	232,880	9305.49%	N. Broadway Annex	298,038	284,489	-4.55%
270,728	225	-99.92%	University of Colorado	693,456	684,592	-1.28%
66,135	341,577	416.48%	Basemar	1,281,705	1,276,431	-0.41%
1,418,400	255,784	-81.97%	BVRC	11,354,081	11,936,760	5.13%
208,438	72,501	-65.22%	29th Street	4,811,685	4,924,139	2.34%
25,290	26,124	3.30%	Table Mesa	1,498,500	1,556,861	3.89%
12,706	9,505	-25.19%	The Meadows	545,229	500,438	-8.22%
1,432,946	1,846,935	28.89%	All Other Boulder	1,810,556	2,076,646	14.70%
60,435	77,777	28.70%	Boulder County	597,469	635,297	6.33%
259,434	767,872	195.98%	Metro Denver	1,577,786	1,613,625	2.27%
19,762	7,381	-62.65%	Colorado All Other	126,340	191,934	51.92%
839,607	721,427	-14.08%	Out of State	5,324,124	5,952,239	11.80%
7,735	36,106	366.79%	Airport	11,063	15,610	41.10%
2,818,626	2,778,099	-1.44%	Gunbarrel Industrial	641,480	752,192	17.26%
5,490	4,293	-21.80%	Gunbarrel Commercial	723,331	757,137	4.67%
30,443	26,215	-13.89%	Pearl Street Mall	1,782,407	1,859,390	4.32%
1,639,319	2,113,143	28.90%	Boulder Industrial	3,337,313	3,991,293	19.60%
592,157	1,166,003	96.91%	Unlicensed Receipts	89,082	348,160	290.83%
1,653,253	1,730,982	4.70%	County Clerk	0	0	na
44,575	71,704	60.86%	Public Utilities	2,957,526	3,164,501	7.00%
11,714,820	**12,890,881**	10.04%	**Total Sales and Use Tax**	**48,754,014**	**51,533,348**	5.70%

TOTAL CITY SALES AND USE TAX COLLECTIONS

REVENUE CATEGORY	YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	% Change In Taxable Sales
RETAIL SALES TAX	2006	4,734,249	4,645,436	5,537,253	4,659,458	4,882,331	6,129,363	4,737,773	5,237,757	6,156,056	4,950,305	4,387,847	7,891,618	63,949,446	7.10%
Rate Chg 3.41%>3.56%	2007	5,118,353	5,014,615	6,918,421	4,965,981	5,500,701	6,712,841	5,565,371	6,393,028	6,954,377	5,747,963	5,695,703	8,411,484	72,998,838	9.34%
Rate Chg3.56%>3.41%	2008	5,197,400	5,105,109	6,005,946	5,331,447	5,488,450	6,572,335	5,508,796	6,258,640	6,620,535	5,382,779	5,255,155	7,443,455	70,170,045	0.35%
Rate3.41%	2009	4,919,570	4,659,632	5,850,038	5,077,648	5,131,444	6,428,343	5,206,770	5,790,533	6,093,314	5,170,325	4,735,769	7,814,230	66,877,613	-4.69%
	2010	4,576,034	5,386,190	6,196,697	5,320,225	5,470,595	6,895,283	5,522,076	5,943,315	6,855,385	5,652,938	5,240,211	8,414,157	71,473,106	6.87%
	2011	5,394,367	5,132,437	6,692,597	5,630,200	5,708,608	7,016,826	5,580,953	6,531,707	7,286,644	5,765,805	5,830,545	8,390,145	74,960,833	4.88%
	2012	5,363,541	5,129,096	6,754,740	5,599,150	5,988,770	7,304,270	5,551,489	7,062,958	7,502,227	6,188,194	5,693,025	9,604,529	77,741,989	3.71%
	2013	5,557,163	5,824,808	7,171,949	5,707,649	6,197,302	7,968,604	6,161,076	6,944,797	0	0	0	0	51,533,348	-33.71%
Change from prior year (Month)		3.61%	13.56%	6.18%	1.94%	3.48%	9.10%	10.98%	-1.67%	-100.00%	-100.00%	-100.00%	-100.00%		
Change from prior year (YTD)		3.61%	8.48%	7.58%	6.19%	5.63%	6.33%	6.95%	5.70%	-8.40%	-17.47%	-24.37%	-33.71%		
CONSUMER USE TAX	2006	686,686	517,101	1,277,146	577,144	964,529	781,362	895,403	776,258	1,054,696	727,776	1,092,224	1,287,157	10,637,482	-4.43%
(Includes Motor Vehicle)	2007	763,650	574,006	975,178	888,726	733,196	858,072	975,456	652,501	923,667	732,463	716,317	1,575,908	10,369,140	-6.63%
RateChg3.56%>3.41%	2008	818,034	991,472	1,109,160	669,214	736,901	1,067,769	732,334	596,399	899,934	989,683	599,876	1,253,267	10,464,043	5.35%
Rate3.41%	2009	909,558	657,250	1,062,587	997,891	531,724	790,819	858,325	1,299,767	989,089	741,578	698,452	1,600,457	11,137,497	6.44%
	2010	687,502	778,796	913,223	701,931	662,382	945,800	620,328	633,593	909,315	752,143	618,493	1,366,131	9,589,636	-13.90%
	2011	1,247,135	650,595	1,034,670	727,395	850,561	1,166,185	958,724	771,357	1,044,032	703,092	903,665	1,410,793	11,468,205	19.59%
	2012	763,425	768,580	859,971	976,451	1,212,071	1,033,899	729,829	940,127	957,894	1,417,818	737,310	1,469,940	11,867,314	3.48%
	2013	1,132,015	762,369	979,120	866,143	911,993	963,938	835,063	768,003	0	0	0	0	7,218,643	-39.17%
Change from prior year (Month)		48.28%	-0.81%	13.86%	-11.30%	-24.76%	-6.77%	14.42%	-18.31%	-100.00%	-100.00%	-100.00%	-100.00%		
Change from prior year (YTD)		48.28%	23.65%	20.13%	11.02%	1.55%	0.02%	1.68%	-0.90%	-12.42%	-25.27%	-30.57%	-39.17%		
CONSTRUCTION USE TAX	2006	197,263	331,341	420,749	294,094	337,237	774,420	352,533	261,409	343,749	559,975	410,958	1,018,272	5,302,000	-5.28%
Rate Chg 3.41%>3.56%	2007	293,078	347,860	112,016	293,061	621,413	430,207	1,119,425	259,226	421,376	286,524	376,978	253,590	4,814,755	-13.02%
RateChg3.56%>3.41%	2008	330,080	347,219	748,549	454,797	327,855	241,649	100,759	442,652	347,954	217,885	107,831	381,753	4,048,982	-12.21%
Rate3.41%	2009	944,905	111,907	425,028	776,511	279,761	995,132	721,209	676,301	235,485	223,169	591,970	1,467,798	7,449,176	83.98%
	2010	591,599	242,591	245,829	362,619	226,230	1,921,675	1,075,078	467,423	245,361	234,021	406,868	531,670	6,550,964	-12.06%
	2011	622,872	281,210	274,661	240,970	2,150,036	352,336	352,846	455,211	478,988	314,958	177,137	471,157	6,172,383	-5.78%
	2012	385,392	1,697,323	315,856	503,719	342,448	375,499	595,334	214,896	422,866	473,523	799,552	371,254	6,497,662	5.27%
	2013	732,539	941,380	298,613	577,351	366,959	728,141	845,123	1,182,131	0	0	0	0	5,672,238	-12.70%
Change from prior year (Month)		90.08%	-44.54%	-5.46%	14.62%	7.16%	93.91%	41.96%	450.09%	-100.00%	-100.00%	-100.00%	-100.00%		
Change from prior year (YTD)		90.08%	-19.63%	-17.76%	-12.14%	-10.11%	0.68%	6.51%	28.03%	16.87%	6.48%	-7.41%	-12.70%		
TOTAL FOR MONTH & CHANGE FROM PREVIOUS YEAR (MONTH & YTD)															
Rate 3.41%	2006	5,618,198	5,493,878	7,235,148	5,530,696	6,184,096	7,685,145	5,985,709	6,275,424	7,554,500	6,238,056	5,891,030	10,197,046	79,888,928	4.52%
Rate Chg 3.41%>3.56%	2007	6,175,081	5,936,481	8,005,615	6,147,768	6,855,311	8,001,120	7,660,252	7,304,754	8,299,420	6,766,951	6,788,999	10,240,982	88,182,732	5.73%
Ratechg3.56%>3.41%	2008	6,345,513	6,443,800	7,863,654	6,455,459	6,553,206	7,881,753	6,341,889	7,297,691	7,868,423	6,590,347	5,962,862	9,078,475	84,683,070	0.26%
Rzte3.41%	2009	6,774,033	5,428,789	7,337,653	6,852,049	5,942,929	8,214,294	6,786,304	7,766,601	7,317,887	6,135,072	6,026,191	10,882,485	85,464,286	0.92%
	2010	5,855,134	6,407,577	7,355,749	6,384,774	6,359,207	9,762,758	7,217,482	7,044,332	8,010,061	6,639,102	6,265,572	10,311,957	87,613,706	2.51%
	2011	7,264,374	6,064,242	8,001,928	6,598,565	8,709,205	8,535,347	6,892,523	7,758,275	8,809,664	6,783,855	6,911,348	10,272,096	92,601,421	5.69%
	2012	6,512,359	7,594,999	7,930,567	7,079,320	7,543,289	8,713,668	6,876,652	8,217,981	8,882,987	8,079,535	7,229,887	11,445,723	96,106,966	3.79%
	2013	7,421,717	7,528,557	8,449,682	7,151,142	7,476,254	9,660,683	7,841,262	8,894,931	0	0	0	0	64,424,229	-32.97%
Less Refunds	2005	-246	-66,044	-909	-2,666	-1,647	-10,080	-3,062	-4,207	-846	-1,586	0	-4,757	-96,051	
	2006	-40,302	-5,272	-22,761	-363	-5,099	0	0	-7,568	-806	-5,947	-406	-16,773	-105,296	
	2007	0	-38,291	-2,013	-729	-9,326	-14,547	-14,440	-677	0	-5,963	0	-5,015	-91,001	
	2008	-978	0	-46,974	-1,409	0	-2,375	-445	-9,493	-1,429	0	-48,521	-500	-112,123	
Less Refunds	2009	-3,335	0	0	-1,111	-602	-692	-967	-3,520	-2,747	-179,087	-65,331	-26,376	-283,770	
	2010	-3,469	-68,130	-35,924	-1,444	-43,920	-3,832	-1,648	-4,204	-7,969	0	-12,480	-214	-183,234	
	2011	-8,569	-2,479	-1,188	-2,918	0	0	-7,175	0	0	-162	0	-140,199	-162,690	
Adjusted total	2006	5,577,896	5,488,606	7,212,388	5,530,333	6,178,998	7,685,145	5,985,709	6,267,856	7,553,694	6,232,110	5,890,624	10,180,273	79,783,631	4.51%
Rate Chg3.41%>3.56%	2007	6,175,081	5,898,190	8,003,602	6,147,039	6,845,984	7,986,572	7,645,812	7,304,077	8,299,420	6,760,988	6,788,999	10,235,967	88,091,731	5.76%
	2008	6,344,536	6,443,800	7,816,680	6,454,050	6,553,206	7,879,378	6,341,444	7,288,198	7,866,995	6,590,347	5,914,341	9,077,975	84,570,947	0.23%
Rate3.41%	2009	6,770,698	5,428,789	7,337,653	6,850,938	5,942,327	8,213,602	6,785,337	7,763,080	7,315,140	5,955,985	5,960,860	10,856,109	85,180,517	0.72%
	2010	5,851,665	6,339,447	7,319,826	6,383,330	6,315,288	9,758,926	7,215,834	7,040,127	8,002,092	6,639,102	6,253,092	10,311,744	87,430,472	2.64%
	2011	7,255,806	6,061,763	8,000,739	6,595,647	8,709,205	8,535,347	6,885,348	7,758,275	8,809,664	6,783,693	6,911,348	10,131,897	92,438,731	5.73%
	2012	6,512,359	7,594,999	7,930,567	7,079,320	7,543,289	8,713,668	6,876,652	8,217,981	8,882,987	8,079,535	7,229,887	11,445,723	96,106,966	3.97%
	2013	7,421,717	7,528,557	8,449,682	7,151,142	7,476,254	9,660,683	7,841,262	8,894,931	0	0	0	0	64,424,229	-32.97%
% Change (month)		13.96%	-0.87%	6.55%	1.01%	-0.89%	10.87%	14.03%	8.24%	-100.00%	-100.00%	-100.00%	-100.00%		
% Change (YTD)		13.96%	5.98%	6.18%	4.92%	3.73%	5.10%	6.27%	6.54%	-7.11%	-16.80%	-23.90%	-32.97%		

UHGID Sales Tax Revenues (NO use tax)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
January	83,022	96,846	100,032	99,422	98,853	118,058	120,247	113,123	110,986	112,825	100,726	85,100	83,445
February	65,046	56,994	63,769	64,521	72,140	79,436	78,684	81,957	76,043	73,913	69,547	84,232	71,520
March	64,537	68,740	69,760	72,985	72,060	75,944	75,112	72,996	78,172	83,309	77,463	93,790	85,702
April	60,826	68,547	62,055	66,129	74,662	82,378	79,016	91,281	80,517	84,060	90,460	84,564	87,124
May	61,329	56,306	62,078	65,583	61,131	68,638	90,603	74,823	71,299	74,711	86,261	84,923	73,530
June	92,013	76,086	69,726	73,693	69,085	72,486	71,063	66,754	62,685	74,080	75,299	69,958	76,685
July	59,675	63,058	48,079	53,263	65,768	56,168	67,097	65,755	62,034	71,846	77,257	67,462	68,064
August	88,127	87,167	125,801	124,050	144,466	109,263	118,556	145,179	149,212	138,971	121,559	96,703	102,501
September	123,121	129,966	104,739	108,698	99,702	147,416	149,898	117,567	118,373	121,834	109,669	121,503	
October	66,451	73,867	81,351	82,562	93,865	89,472	101,034	93,772	82,191	89,506	89,788	90,290	
November	60,396	58,271	67,097	64,189	65,915	60,321	71,082	65,404	70,564	71,343	75,716	74,312	
December	86,683	71,034	74,835	72,674	62,359	72,197	79,696	64,029	83,085	77,446	72,817	75,198	
Totals	**911,224**	**906,884**	**929,322**	**947,770**	**980,005**	**1,031,777**	**1,102,088**	**1,052,642**	**1,045,162**	**1,073,843**	**1,046,562**	**1,028,035**	**648,571**
Tax Rate	3.26	3.26	3.26	3.41	3.41	3.41	3.56	3.41	3.41	3.41	3.41	3.41	3.41
$ change from p	-9,460	-4,340	22,438	18,448	32,235	51,772	70,311	-49,446	-7,480	28,681	-27,281	-18,527	
% change from	-1.0%	-0.5%	2.5%	2.0%	3.4%	5.3%	6.8%	-4.5%	-0.7%	2.7%	-2.5%	-1.8%	
3 year avg change			0.3%	1.3%	2.6%	3.6%	5.2%	2.5%	0.5%	-0.8%	-0.2%	-0.5%	

UHGID Yearly Summary

Sales and Use Tax Breakdown by Industry Category

	Food Stores	Eating Places	Apparel Stores	Home Furnishings	General Merch	All Other	Total
2013	$56,497	$407,072	$13,008	$16,575	$152,650	$11,762	$657,564
	9%	62%	2%	3%	23%	2%	100%
2012	$131,484	$1,044,731	$41,076	$47,375	$409,784	$43,342	$1,717,792
	8%	61%	2%	3%	24%	3%	100%
2011	$58,221	$650,532	$31,199	$29,330	$281,896	$49,701	$1,100,879
	5%	59%	3%	3%	26%	5%	100%
2010	$40,028	$604,913	$37,852	$30,571	$355,637	$81,746	$1,150,748
	3%	53%	3%	3%	31%	7%	100%
2009	$49,066	$578,900	$44,712	$24,213	$326,839	$34,018	$1,057,749
	5%	55%	4%	2%	31%	3%	100%
2008	$60,686	$568,892	$63,307	$24,768	$333,780	$12,073	$1,063,507
	6%	53%	6%	2%	31%	1%	100%
2007	$56,250	$588,610	$72,142	$30,921	$353,173	$19,270	$1,120,367
	5%	53%	6%	3%	32%	2%	100%
2006	$56,511	$525,911	$86,527	$33,045	$321,897	$19,261	$1,043,152
	5%	50%	8%	3%	31%	2%	100%
2005	$58,421	$493,955	$98,605	$28,891	$288,004	$29,024	$996,900
	6%	50%	10%	3%	29%	3%	100%
2004	$47,446	$461,253	$87,695	$25,958	$301,938	$124,607	$1,048,897
	5%	44%	8%	2%	29%	12%	100%
2003	$43,618	$417,782	$94,036	$35,450	$304,099	$46,965	$941,951
	5%	44%	10%	4%	32%	5%	100%
2002	$42,268	$407,606	$89,454	$34,104	$313,795	$41,419	$928,646
	5%	44%	10%	4%	34%	4%	100%

City Wide Yearly Summary

UHGID Sales and Use Tax as a Percent of Total City Wide Sales and Use Tax

	Food Stores	Eating Places	Apparel Stores	Home Furnishings	General Merch	All Other	Total
2013	$8,531,438	$8,674,454	$2,286,893	$3,022,607	$12,586,719	$29,322,118	$ 64,424,229
	1%	5%	1%	1%	1%	0%	1.0%
2012	$13,060,743	$12,937,276	$3,717,039	$4,850,986	$20,402,962	$41,137,961	$ 96,106,967
	1%	8%	1%	1%	2%	0%	1.8%
2011	$12,241,084	$11,838,300	$ 3,426,738	$ 5,259,120	$19,948,416	$ 39,725,073	$ 92,438,731
	0%	5%	1%	1%	1%	0%	1.2%
2010	$11,130,533	$10,930,482	$ 2,690,372	$ 4,459,406	$19,279,577	$ 38,940,102	$ 87,430,472
	0%	6%	1%	1%	2%	0%	1.3%
2009	$11,160,109	$10,572,840	$ 2,626,020	$ 4,304,383	$17,515,062	$ 39,002,103	$ 85,180,517
	0%	5%	2%	1%	2%	0%	1.2%
2008	$11,204,475	$10,910,035	$ 2,819,260	$ 4,827,635	$18,101,297	$ 36,708,245	$ 84,570,947
	1%	5%	2%	1%	2%	0%	1.3%
2007	$11,205,584	$10,888,135	$ 2,804,311	$ 5,522,090	$18,040,152	$ 39,631,459	$ 88,091,731
	1%	5%	3%	1%	2%	0%	1.3%
2006	$10,392,069	$ 9,582,212	$ 2,424,694	$ 4,611,056	$15,402,540	$ 37,371,060	$ 79,783,631
	1%	5%	4%	1%	2%	0%	1.3%
2005	$10,046,723	$ 8,995,846	$ 2,362,366	$ 4,465,788	$14,587,419	$ 35,882,350	$ 76,340,492
	1%	5%	4%	1%	2%	0%	1.3%
2004	$10,148,861	$8,637,718	$2,232,147	$3,118,312	$14,123,007	$32,171,342	$70,431,387
	0%	5%	4%	1%	2%	0%	1.5%
2003	$9,052,658	$7,847,285	$2,046,951	$3,922,549	$13,185,423	$31,552,637	$67,607,503
	0%	5%	5%	1%	2%	0%	1.4%
2002	$9,294,397	$8,133,237	$2,346,305	$4,164,992	$13,572,651	$33,815,600	$71,327,182
	0%	5%	4%	1%	2%	0%	1.3%

Sales Tax Revenues Generated in the UHGID Area by Standard Industrial Classification

	Food Stores	Eating Places	Apparel Stores	Home Furnish.	Gen. Merchandise	All Others	GRAND TOTAL
2011 (sales tax rate of 3.41%)							
January	4,508	50,434	1,204	2,400	41,573	607	100,726
February	4,634	46,429	973	2,297	14,543	671	69,547
March	4,870	51,312	1,994	2,249	16,370	668	77,463
April	5,438	63,130	1,834	2,458	18,769	(1,169)	90,460
May	4,175	54,496	1,611	1,950	23,499	529	86,261
June	4,024	50,581	2,424	2,264	15,386	619	75,299
July	4,386	49,870	2,253	2,261	17,955	532	77,257
August	5,529	54,031	2,960	2,839	55,422	777	121,559
September	6,123	66,479	5,588	2,264	28,218	997	109,669
October	5,946	63,727	3,410	3,019	19,015	(5,330)	89,788
November	4,833	50,013	3,257	2,699	14,365	548	75,716
December	3,754	45,248	3,688	2,629	16,701	797	72,817
2011 TOTAL	58,221	645,750	31,199	29,330	281,816	246	1,046,562
2012 (sales tax rate of 3.41%)							
January-December	74,972	630,882	28,068	30,800	254,698	8,615	1,028,035
2012 TOTAL	131,464	1,035,390	41,067	47,375	407,293	14,018	1,676,607
2013 (sales tax rate of 3.41%)							
January	5,943	42,419	683	1,897	31,839	663	83,444
February	6,733	46,945	793	2,316	14,240	494	71,521
March	7,356	58,210	2,599	2,239	14,365	933	85,702
April	8,177	60,898	1,098	2,254	14,133	566	87,126
May	7,428	44,535	1,141	1,945	17,979	502	73,530
June	6,202	49,128	2,797	1,675	15,800	1,084	76,686
July	6,773	43,431	1,410	1,929	14,014	506	68,063
August	7,880	58,942	2,478	2,320	30,225	655	102,500
September	-	-	-	-	-	-	-
October	-	-	-	-	-	-	-
November	-	-	-	-	-	-	-
December	-	-	-	-	-	-	-
2013 TOTAL	56,492	404,508	12,999	16,575	152,595	5,403	648,572

Sales and Use Tax Revenues Generated in the UHGID Area by Standard Industrial Classification

	Food Stores	Eating Places	Apparel Stores	Home Furnish.	Gen. Merchandise	Construction	All Others	GRAND TOTAL
2011 (sales tax rate of 3.41%)								
January	4,508	50,460	1,204	2,400	41,579	900	607	101,659
February	4,634	46,447	973	2,297	14,556	3,724	741	73,373
March	4,870	51,591	1,994	2,249	16,375	9,059	963	87,101
April	5,438	66,217	1,834	2,458	18,772	298	(1,084)	93,933
May	4,175	54,508	1,611	1,950	23,506	25,023	711	111,486
June	4,024	50,603	2,424	2,264	15,395	1,257	1,133	77,100
July	4,386	49,952	2,253	2,261	17,963	2,280	557	79,652
August	5,529	54,052	2,960	2,839	55,427	478	787	122,071
September	6,123	66,496	5,588	2,264	28,241	638	1,602	110,953
October	5,946	64,799	3,410	3,019	19,015	43	(5,330)	90,904
November	4,833	50,027	3,257	2,699	14,365	3,215	573	78,970
December	3,754	45,380	3,688	2,629	16,701	499	1,026	73,678
2011 TOTAL	58,221	650,532	31,199	29,330	281,896	47,416	2,286	1,100,879
2012 (sales tax rate of 3.41%)								
January-December	74,987	637,659	28,068	30,800	257,134	21,390	10,190	1,060,228
2012 TOTAL	131,484	1,044,731	41,076	47,375	409,784	26,186	17,156	1,717,792
2013 (sales tax rate of 3.41%)								
January	5,943	42,867	692	1,897	31,839	307	1,769	85,314
February	6,733	47,024	793	2,316	14,252	233	494	71,845
March	7,356	58,287	2,599	2,239	14,377	9	1,150	86,017
April	8,177	60,975	1,098	2,254	14,143	1,364	574	88,585
May	7,428	44,596	1,141	1,945	17,981	51	502	73,644
June	6,202	49,221	2,797	1,675	15,803	1,783	1,316	78,797
July	6,778	45,052	1,410	1,929	14,021	223	506	69,919
August	7,880	59,050	2,478	2,320	30,234	826	655	103,443
September	-	-	-	-	-	-	-	-
October	-	-	-	-	-	-	-	-
November	-	-	-	-	-	-	-	-
December	-	-	-	-	-	-	-	-
2013 TOTAL	56,497	407,072	13,008	16,575	152,650	4,796	6,966	657,564

MEMORANDUM

TO: UHCAMC Advisory Committee
Molly Winter - Executive Director

FROM: Donna Jobert, Financial Manager

SUBJECT: Jan-Sept 2013 Revenues and Expenditures

DATE: 10/24/2013

Shown below is a summary of Jan-Sept 2013 revenues and expenditures. The 2013 budget and 2012 actuals are shown for comparative purposes.

Overall revenues are 76.4% of total budget collected and are down $4,682 when compared with last year.
Meter revenues for on-street meters are near budget to date. They are slightly below last years revenue.
Meter revenue for the 14th St lot is under budget and below last year at this same time.
Meter revenue for the Pleasant St lot is over budget and above last year at this same time.
Permit revenue for the Pleasant Lot is lower than last year. This may be due to timing of payments as, permit revenue is near budget to date.

Expenditures through Sept 2013 equal 69.2% of budgeted expenses and up $36,364 compared with last year.
The most significant variance is for consultant and study expenses in 2013
Parking and revitalization study consultants include: Fox Tuttle, Rothweiler Group Economic & Planning and RRC Associates
Study appropriations were carried over from 2012 and are expensed in 2013
Expenses to date for Econ Vit/Marketing include $1500 to Hill Flea, $900 for a student parking ad and $600 for Passport
In addition, Homecoming will be sponsored in Oct 2013
Cost allocation (amount UHGID pays the City GF for services) increased over 2012.
The trends are similar to last year and we will be watch revenue closely and adjust expenses accordingly.

UHGID Revenues and Expenditures - Jan-Sept 2013

Revenues	Jan-Sept 2013 Revenue Collected	2013 Approved Budget	% Collected	Jan-Sept 2012 Revenue Collected	2012-2013 $ Difference	2012-2013 % Difference
Taxes	$ 31,670	$ 29,627	106.9%	$ 26,881	$ 4,788	17.8%
Street Meters	307,266	400,000	76.8%	308,488	(1,222)	-0.4%
14th Street Lot	35,596	66,000	53.9%	41,134	(5,538)	-13.5%
Pleasant Lot (permits)	29,050	37,996	76.5%	30,331	(1,281)	-4.2%
Pleasant Lot (meters)	14,963	15,000	99.8%	12,605	2,358	18.7%
Tokens	0	500	0.0%	63	(63)	-
Meterhoods	6,463	5,500	117.5%	8,350	(1,888)	-22.6%
Miscellaneous revenues	0	0	-	9	(9)	-100.0%
Interest	3,502	6,158	56.9%	5,332	(1,829)	-34.3%
TOTAL	**$ 428,510**	**$ 560,781**	**76.4%**	**$ 433,192**	**$ (4,682)**	**-1.1%**

Expenditures	Jan-Sept 2013 Expense	2013 Budget	% Expended	Jan-Sept 2012 Expense	2012-2013 $ Difference	2012-2013 % Difference
Parking Svcs Personnel	$ 117,873	$ 161,649	72.9%	$ 114,218	$ 3,655	3.2%
Parking Svcs Non-personnel	92,093	141,175	65.2%	100,474	(8,381)	-8.3%
Pay Station Replacement Reserve	15,011	13,086	114.7%	15,011	-	-
Vac/Sick Liability Adjustment	-	2,323	0.0%	-	-	-
DUHMD Personnel	85,822	115,155	74.5%	79,497	6,325	8.0%
DUHMD Non-personnel	23,586	30,406	77.6%	21,676	1,910	8.8%
Studies	32,969	69,000	47.8%	250	32,719	13087.6%
Economic Vitality - Mktg/Parking Studies	3,000	10,000	30.0%	2,400	600	25.0%
Eco-Pass Prog.	-	675	0.0%	-	-	-
Cost Allocation/Benefit fund	35,448	47,264	75.0%	35,642	(194)	-0.5%
Capital Replacement Reserve	9,000	9,000	100.0%	9,000	-	-
TOTAL	**$ 414,802**	**$ 599,733**	**69.2%**	**$ 378,168**	**$ 36,634**	**9.7%**

COMMERCIAL AND RESIDENTIAL HILL POLICE CALL STATISTICS

MONTH	Assault		Auto Theft		Burglary		Crim. Mis.		Crim. Tres.		Disturbance		Domestic		Drunk		DUI		Felony Menacing		Fight	
	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013
January	8		4		16		10		5		11		1		6		4				3	
February	7		3		19		12		3		8		4		15		3				6	
March	9		4		43		23		11		15		1		10		3				11	
April	5		6		15		25		9		13		3		14		7				6	
May	6		1		17		23		3		16		8		10		8				5	
June	3		2		13		11		3		13		2		13		3				2	
July	2	3	2		14	3	16	1	5	2	5	8	4	2	6	8	3	1			1	
August	6		5		13		19		4		12		1		7		4				6	
September	10	2	6		23	5	25	4	11		22	3	3	2	18	2	4				15	
October	8	1	3		22	3	25	5	3	1	15	7	5		13	6	2				9	
November	1				10		9		1		4		2				3					
December	17				14		15		5		12		1		6							

MONTH	Fireworks		Harassment		Hill Noise		Indec. Exp.		Liq. Law Vio.		Loitering		Narcotics		Noise		Open Door		Party		Prowler	
	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013
January	2	4	10	5	39	32	1	2	22	7	2		1	2	9	22	2				2	
February	1		3		31				13		3		2		16		2				4	
March	4		3		72				28		1		10		14				1		3	
April	6		4		70		1		3		3		5		29		3		1		4	
May	6		10		85		1				2		1		20		2		1		1	
June	12		8		81				3		1		4		21		2					
July	17	1	4	2	53		1		1	1		9	3	5	13	18	1		1		4	
August	7		3		47		1		12		2		2		23		2		1		2	
September	2		12	3	119		1	1	7	1	6	6	3	1	31	15	1		2		4	
October	1		8	5	52			1	6	2	2	2	5		18	11	1		7		5	
November	1		3		6				1						7		2				3	
December	5				22		1		1		2		1		17		1				4	

MONTH	Robbery		Sex Assault		Shots		Stabbing		Suicide		Suspicious		Theft		Threats		Trespass		Weapon		Welfare Ck	
	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013
January	2		2			1					10	13	18	19	1		7	11		1	6	
February	1										12		17		1		11				19	
March	1		1								10		22		2		15		4		7	
April			3								5		15		1		8		1		9	
May			1		1						10		25		2		7		1		6	
June			2						1		10		20		2		8				13	
July	1		2								4	4	15	10	2		8	10	3		12	6
August	1				3						10		25		1		11		1		8	
September			5			1					12	6	18	13			15				11	9
October		1	1			1					16	9	26	16			16	13			16	5
November											6		10				2				2	
December											8		20				9				11	

City of Boulder
Joint Board Workshop August 19, 2013
Event Summary – Meeting Notes
Revised 10-11-13

City of Boulder staff from Transportation, Community Planning & Sustainability, and Downtown and University Hill Management Division/Parking Services hosted a "Joint Board Workshop" with members of the Transportation Advisory Board, Environmental Advisory Board, Planning Board, and District Boards on Monday, August 19th from 5:30 – 8:00 p.m. at Shine.

Attendance at the workshop included over 50 members representing each of these city Boards as well as city staff.

The Workshop topics included the city's Climate Commitment, Transportation Master Plan update, and Access and Management Parking Strategies, and focused on inter-related themes among all of these projects/plans.

The purpose of the workshop was to provide an opportunity to build relationships and understanding among board members and staff. Participants reviewed display boards and a presentation from staff regarding these intersecting topics – specifically the intersection of opportunities and challenges, problems and solutions, mutual goals and potential gaps related to climate, transportation, and parking/access management.

Feedback received from this workshop is being used to inform each of these plans/projects as they move forward through the integrated planning processes.

The following is a synopsis of the closing worksheets developed by each of the Boards represented at the workshop as well as notes from the "table top" discussions among all of the workshop participants.

For more information and if you have questions/suggestions regarding the joint board workshop, please contact: Kerri Jo Hunt, City of Boulder Public Works, e-mail: huntk@bouldercolorado.gov or via phone (303) 441-3204

CLOSING WORKSHEET SUMMARIES FROM EACH BOARD
8/19/13

At the end of the workshop, each board re-grouped with their members present and responded to the following questions regarding outcomes and next steps for their boards:

Transportation Advisory Board:

- What resonated with you in the discussions tonight?
    - Focus on shared values across various city boards
    - Opportunities to learn more and increased appreciation for others
    - 2-way interest with TAB and Planning Board on mutual topics
    - Like the idea of joint board meetings/workshop like this and focus on specific topic(s)
    - Creates safe place for comments/ideas as an early step to identify issues.
    - Helps makes it ok to talk about controversial issues and cascading/interconnected topics/issues.
- What follow-on steps would you most like to see?
    - Role of joint board workshops relative to formal board processes
    - Develop "Board Buddies" to build relationships with other board members
- What one thing will you commit to do to advance aligned action by the Boards/Commissions?
    - Commit to Board Buddies
    - Add standing item on agenda to check in with TAB members regarding their contacts with members from other city boards.

Planning Board:

- What resonated with you in the discussions tonight?
    - Inter-board hotline service
    - Informal multi-board charettes on individual subjects
    - Potentially add focus areas to take back to invited boards
- What follow-on steps would you most like to see?
- What one thing will you commit to do to advance aligned action by the Boards/Commissions?
    - Designate individual board members to track other boards (board buddies)
        - EAB – LM, TAB – JP, LM – done, Greenway –AB, OAB - ?, WRAB – SW, HRC – MY, Parks – CG, CS – JP
    - Add other boards to agenda emails from PB
    - Matters = for other boards

Environmental Advisory Board:

- What resonated with you in the discussions tonight?
    - EAB is more review at high level w/o specific projects to influence
- What follow-on steps would you most like to see?
    - Finding specific projects, especially pilots that move the shared objectives forward

- What one thing will you commit to do to advance aligned action by the Boards/Commissions?
    - Identify at end of meeting what information that was discussed that is relevant to other boards
    - Each board member commit to connect with other boards
    - Make sure board is present at City Council meetings

<u>District Boards:</u>

- What resonated with you in the discussions tonight?
    - Joint groups, communication, know what other boards are working on, one board assigned to another "board buddy", meeting with one rep to universal board, common projects, sub-areas, common ground
    - Three joint board meetings per year, consolidated joint board meeting for AMPS
- What follow-on steps would you most like to see?
    - What are strategic issues for City Council? And what are not?
    - Help for Hill,
    - Carbon footprint in urban place making,
    - Engage property owners,
    - Quarterly joint meetings
    - Voluntary board buddy, council buddy, different boards
    - Frame the issues/topics
- What one thing will you commit to do to advance aligned action by the Boards/Commissions?
    - Asking questions of staff – where did the other boards weigh in?

JOINT BOARD WORKSHOP
HIGHLIGHTS FROM TABLE TOP DISCUSSIONS
8/19/13

Workshop participants participated in two rounds of table top discussions – rotating among different tables – to respond to the following questions:

1. Identify intersecting topics, strategies, challenges and opportunities
2. Identify board collaboration opportunities

<u>Identification of intersection topics, strategies, challenges, and opportunities:</u>

- Unbundle private parking
- Areas of Opportunities
    - Strip centers
    - Neighborhood Nodes
    - Use successes of Downtown, existing centers – then connect
- Land use and transportation main areas
- Need good data to make good projections main areas
    - Changing demographics
    - Need density and housing opportunities
- Climate • Land Use • Transportation Intersection

    - 20% emissions transportation, 60% electricity, 20% building/heating
- Education and engagement throughout city - demonstration project
- Development Patterns More Dense – More efficient energy wise
- Infill Opportunities – Too dense?? Need to be willing
- Data Access – Foundation • Accessible
    - Both the city and the public – getting the word out – Like CAP public engagement mode
- Create a picture of what the future could be
- Urban form to support multi modal; not all can bike, create better environment
- EBikes opportunity
- Organic quality of urban form
- Eco Districts – perform differently Boulder risk averse
- Business to attract to boulder – sector – have more businesses more employees
- Community Development
- Land use • integration • patterning – where we put things
- Connecting nodes
- Figure what to put where
- COB needs integrated data bases, open data access
- Encourage continued COB integration of plans
- Communication / outreach i.e. CAP
- North Boulder sub community plan opportunity nexus for AMPS, different from Downtown; complete streets
- CAP • energized by CAP – communication/engagement to long term goals
- Rezoning to provide walk-able uses • use TIF for incentives – business will follow
- Remove barriers for development for desirable uses
- Expand delivery/transit options for aging demographics
- "Cart" share program
- Community wide Eco Pass
- Impact of aging demographic
- Younger people less car oriented
- Choice is key
- Need funding for transportation to achieve goals
- Provide access for people with disabilities
- Housing affordability is huge issue and impacts transportation costs for households
- Challenges include need political will and time/resources for planning
- Opportunities include civic area plan, comprehensive housing strategy, engaged public that supports goals, CU east campus, and 55th & Arapahoe area
- Services closer to where people live
- Reduce transportation cost – encourage compact development
- Range of <u>choices</u> – travel and lifestyle
- More mixed use – walk-able
- Provide different housing types
- Moving toward a future of sharing
    - Streets
    - Housing
- Level of parking is unfortunate
- Flexibility in code – simple
- What does market want – what will market bear

- Is it profitable to do sustainable thing
- Expense, fees burden on development
    - Limits energy systems
    - Ok architecture
- See medium size projects share parking
- Unbundled parking, better use
- Housing types, mixed use, parking and housing
- Land use planning
- Add housing O
- How to create other communities like downtown
- Create a district that embraces less parking instead of creating more parking – i.e. turn 13th into something like Lombardi Street
- Turn 16th and Broadway bus stop into a more dynamic space
- Building code should have joint commentary by EAB and PB, also – all master plans, fire, police, transportation, etc.
- Community living room in summer, dynamic
    - Economic vitality during summer
- Outreach i.e. Civic Center
- Look at first and final mile access to/from transit, consider systematically
- Provide infrastructure for e-vehicles, consider solar power
- Make transit easy and accessible with community-wide Eco Pass
- Parking strategies for high density areas
- Multimodal connections between hubs
- How to improve options in existing areas such as east Boulder?
- Learn from other cities
- Incentivize development of desired land uses and/or allow for rezoning (ex grocery stores within neighborhoods)
- Provide options for in-commuters
- Barriers – need investment in transportation system, public and private; conflict among diverse stakeholders; community concerns with any new development;
- New long-term land use vision to address future trends
- Need community input and buy-in to long term vision and continue to communicate vision over time (ex. Boulder Junction)
- Go to grass roots and ask "how are we doing?"
- Travel impacts of open enrollment
- To reach goals we need to get serious
- Manage tweeting to get good feedback

<u>Identify board collaboration opportunities:</u>

- Informational staff presentations to different boards
- Committees / task force – team on project of different boards
- Use informal setting • not council chambers / staff presentation
- Use communication to solve issues
- Good to know the people on different boards – idea of forming a "board buddies" system
- Board buddies to help build relationships and contacts across different boards
- EAB what do we do with our commitment and principles

- Use on-line tools to cross pollinate ex. social media/*blogs (noted concern with open meetings law/requirements)*
- Use low tech communications solutions as well as electronic
- Would like recommendations from staff on how best to collaborate – having city org chart would help know who to go to with which questions, used to do a "planning 101"
- Encourage board members to rotate visiting with City Council on regular basis, ex of pathfinders workshop for Parks & Rec
- Follow City Council agendas – know what is going on, how can boards improve links with council? One-on-one can be valuable and focus on specific issues/topics/projects
- Need to respect roles of various boards – ex. advisory
- Have a shared focus on 20 minute neighborhoods
- Define common vision and standards
- Collaborate on planning projects in key sub areas as a model for integrated effort
- Staff provide updates to other boards on key projects and initiatives. Ex. North Boulder Update
- Provide training/info on what boards are about (mission, priorities, etc.)
- Bring in guest visitors
- Provide information on comments received from other boards
- Better understanding of different perspectives, not just different processes
- More substance in staff reports about discussion of topic at other boards
- Joint board meetings on key topics
- Enhance mutual understanding of board roles & responsibilities
- Need more trust of other boards
- Board members can be resource for council members to seek out
- How can boards help get council attention on specific topics? Council has a lot on their plate, how to raise issues to be a priority?
- How can boards help get council buy-in? By combining input from a variety of board to council together/alliances around topics/issues
- Goal for council to trust boards to listen and get public input
- Should public hearing format be different?
- Greenways board is a good model
- Use GIS system to provide information about different layers/aspects of projects - provide access to information on-line
- Provide hyperlinks to information regarding inter-related projects

2014 UHCAMC MEETING SCHEDULE
9:00 AM

JANUARY 15	1777 WEST CONFERENCE ROOM
FEBRUARY 19	GRACE LUTHERAN CHURCH
MARCH 19	COUNCIL CHAMBERS
APRIL 16	COUNCIL CHAMBERS
MAY 21	GRACE LUTHERAN CHURCH
JUNE 18	COUNCIL CHAMBERS
JULY 16	COUNCIL CHAMBERS
AUGUST 20	GRACE LUTHERAN CHURCH
SEPTEMBER 17	COUNCIL CHAMBERS
OCTOBER 15	COUNCIL CHAMBERS
NOVEMBER 19	1777 WEST CONFERENCE ROOM
DECEMBER 17	COUNCIL CHAMBERS

The Economics of Land Use

Draft Report

UHGID 14th Street Parking Lot Development Proposal Evaluation

Prepared for:

University Hill General Improvement District

Prepared by:

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October 10, 2013

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1. EXECUTIVE SUMMARY

Introduction

This report summarizes Economic & Planning Systems (EPS) analysis of the financial feasibility and impacts of an unsolicited proposal to develop the University Hill General Improvement District parking lot at 1095 14th Street on University Hill in Boulder to build a new shared parking garage and up to 35 student-oriented residential apartments.

University Hill (The Hill) is a 7.5-acre+ commercial district located along Broadway adjacent to the University of Colorado (CU) largely occupied by campus-oriented restaurant and retail businesses. The University Hill General Improvement District (UHGID) provides parking and general maintenance services for the property owners located in the District. The Hill is mostly built-out; only three vacant lots exist today, two of which are owned and operated as surface parking lots by UHGID. However, a number of recent redevelopment projects have added new residential and commercial space and, based on increasing land values, this trend is expected to continue into the future which will trigger the need for additional parking.

UHGID expects that it will need additional parking in the future. The District first retained RRC Associates to conduct an analysis of the future development (buildout) potential of The Hill District. The expected future parking needs for the District based on the buildout analysis was then estimated by Fox Tuttle. EPS was subsequently retained to conduct this financial feasibility and impact analysis to evaluate whether the proposed project meets its needs and the financial terms and conditions are reasonable and beneficial to the District.

Development Proposal

Del Mar Interests (a development entity controlled by Boyers Properties, a Boulder-based real estate development company), has proposed a public-private partnership to build 35 new residential units and up to 216 structured parking spaces on the UHGID 14th Street parking lot and on an adjacent 13th Street property as shown on **Figure 1**.

The 14th Street site is currently a 54-space surface parking lot (1095 14th Street) owned and operated by UHGID. The 13th Street site, which Del Mar Interests (Developer) has an option to purchase, is comprised of two detached housing units on two lots totaling 12,292 square feet of land that have been subdivided into student oriented apartments. It is located just outside of the UHGID boundaries.

The Developer proposes to gain control of the UHGID parking lot (for purchase price of $1.00) and purchase the 13th Street property on the open market to build the housing units and parking. He would lease back to UHGID up to 191 parking spaces in a two level garage under the housing for up to 40 years to provide additional District parking anticipated to be needed to serve future commercial development. The proposed Development business terms are summarized below:

- The Developer will construct up to 28 residential units and 146 parking spaces (at grade and underground) at the 1095 14th Street UHGID lot, and seven residential units and 70 parking spaces (at grade and underground) at the 13th Street. This results in a total of 35 new residential units and 216 new structured parking spaces.
- The Developer would lease back to UHGID up to a maximum of 191 parking spaces for up to 40 years to provide public parking to the district. The remaining 25 spaces are required by zoning for the new residential units.
- UHGID would have the option to lease as many spaces as needed on an annual basis up to the maximum 191 spaces (with six-month notice). The uncommitted remaining spaces would be rented out by the Developer on a monthly basis for residential parking.
- The Developer would "purchase" the 1095 14th Street for $1.00. The land would be deeded back to UHGID at no cost along with the number of agreed upon leased spaces assumed to be the maximum 191 spaces. The parking structure and residential improvements would remain under the ownership of the Developer (or future party in case of a sale).
- To finance the cost of parking construction, UHGID would pay the Developer 90 percent of annual net operating income (NOI) generated by the public spaces.

Figure 1
University Hill District

Summary of Findings

The Del Mar Interests unsolicited development proposal is a public private partnership whereby UHGID is investing its existing parking lot land and 90 percent of its future parking revenues in a privately developed mixed use project that includes additional commercial district parking as well as a student oriented apartment project. The proposed Development would provide UHGID with a substantial portion of its estimated future parking needs up to a total of 191 spaces. It allows the District to lease only the amount of parking determined to be needed on an annual basis. UHGID would gain the use of up to 191 spaces (137 net new spaces) without coming out of pocket for any capital or annual operating expenses.

The proposed mixed use project would require UHGID to invest in this parking earlier than it might otherwise need if it were building the parking separately. It will also lose most of the modest $63,000 in annual revenues it is collecting from the existing parking lot. The positive tradeoffs are the City and The Hill gain additional housing units, and potential retail and commercial customers. The UHGID parking would be transferred from a surface parking plot to a first level parking structure beneath the residential development.

Assuming that UHGID and the City agree that the proposed Development meets its parking and development objectives, the proposed business and financial terms and conditions are, in EPS' opinion, reasonable and provide benefits to both UHGID and the Developer as summarized below.

1. ***UHGID would pay the Developer 90 percent of the future net operating income from its parking to finance the Developer's costs for building the structured parking.***

   Annual net revenues from the 14th Street parking lot are estimated to be a modest $62,796 in 2014. This revenue stream will be lost going forward as the parking lot would be replaced by the proposed mixed use project. Under the phasing scenario tested, UHGID would lease 122 spaces starting in 2015 increasing to 172 spaces in 2018 and 191 spaces in 2030. The Developer would receive 90 percent of the parking revenues estimated at $105,041 in 2015, $157,082 in 2018, and$133,354 in 2030. UHGID would receive 10 percent of the net operating income from these parking spaces estimated at $11,671 in 2015, $17,454 in 2018, and $20,518 in 2030.

2. ***The Developer would offset his costs for providing the additional UHGID public parking spaces but the project profits are largely associated with the residential development built above the parking structure.***

   Separating the UHGID parking from the larger mixed use project, the Developer would achieve a very modest 3.0 percent internal rate of return (2.8 percent return on costs) for incorporating the public parking into his project. This is close to a break-even proposition within the margin of error of the planning level costs and revenue assumptions used for this financial analysis. Also, given a target hurdle rate of 10 to 12 percent IRR, a developer would not undertake this project alone. The Developer will therefore realize most of his profits from the residential development built above the parking structure.

3. The proposed business terms provides a positive economic benefit to UHGID.

The net present value (NPV), tested at a 5 percent discount rate over 40 years, of the cost and revenues of the proposed partnership were estimated to measure the net benefit to both UHGID and the developer. The proposed partnership results in a positive net benefit of $177,076 for UHGID. This is compared to a negative net benefit of $1,945,448 for the Developer (for the parking portion only) as shown in **Table 1**. If the net present value of the land 14th Street lot (given to the developer) and the value of the transferred parking spaces (given to UHGID after 40 years) are also considered, the Developer's net benefit improves to a negative $566,216 as shown. This reflects the estimated 3.0 percent IRR previously shown. The project therefore represents a win – win for the District and the Developer in that the District gains the desired parking and the Developer provides the parking at a modest cost in return for the ability to make a greater profit on the residential development.

Table 1
Net Benefit of Developer Proposal

	Developer Proposal - NPV over 40 years		
Description	**UHGID**	**Developer** (w/out land value)	**Developer** (with land value)
Current			
14th Street Lot	**54 spaces**	**0 spaces**	**0 spaces**
Net Revenue	**$1,532,594**	**$0**	**$0**
Proposed			
New Garage	**191 spaces**	**25 spaces**	**25 spaces**
Costs			
Land Costs	$0	($1,720,880)	($1,720,880)
Construction Costs	$0	($4,491,823)	($4,491,823)
Parking Space Transfer	---	---	($1,245,768)
Total	**$0**	**($6,212,703)**	**($7,458,471)**
Revenue			
Land Value	---	---	$2,625,000
Property Tax	$80,897	$0	$0
Net Revenue from Parking	$383,005	$4,104,196	$4,104,196
Parking Space Residual Value	$1,245,768	$163,059	$163,059
Total	**$1,709,670**	**$4,267,255**	**$6,892,255**
Total	**$1,709,670**	**($1,945,448)**	**($566,216)**
Net Benefit (NPV @ 5%)	**$177,076**	**($1,945,448)**	**($566,216)**

Source: Economic & Planning Systems

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4. The proposed development partnership has a higher economic return than would be achieved if UHGID built its own parking structure.

If UHGID built an above ground parking structure on the 14th Street lot and 13th Street properties, it would generate a negative net benefit of $1.3 million compared to a positive $177,076 under the proposed Development partnership as shown in **Table 2**. In addition, the propose project allows UHGID to lease the parking on an as needed basis with six-month's notice. The developer would presumably lease out any unused parking spaces to area residents for monthly parking.

Table 2
Net Benefit of Developer Proposal vs. UHGID Constructing Garage Itself

	Developer Proposal vs. UHGID Alternative - NPV over 40 years	
Description	**UHGID**	**UHGID Alternative**
Current		
14th Street Lot	**54 spaces**	**54 spaces**
Net Revenue	**$1,532,594**	**$1,532,594**
Proposed		
New Garage	**191 spaces**	**191 spaces**
Costs		
Land Costs	$0	($1,843,800)
Construction Costs	$0	($3,056,000)
Total	**$0**	**($4,899,800)**
Revenue		
Property Tax	$80,897	$0
Net Revenue from Parking	$383,005	$4,173,760
Parking Space Residual Value	$1,245,768	$958,491
Total	**$1,709,670**	**$5,132,251**
Total	**$1,709,670**	**$232,451**
Net Benefit (NPV @ 5%)	**$177,076**	**($1,300,143)**

Source: Economic & Planning Systems

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Additional Considerations

It is EPS' opinion that the proposed P-3 project is worthy of consideration and further negotiation if UHGID ultimately determines 1) its impending parking needs are worthy of moving ahead with planning for additional parking at this time recognizing that there will be a modest loss in current income as a tradeoff for the investment in additional parking, and 2) the City determines that the proposed mixed use residential project is consistent with the Comprehensive Plan, area zoning and any applicable design guidelines.

There are a number of outstanding business and legal terms and conditions that would need to be resolved before a development agreement could be signed by both parties including the following:

- **Land Ownership and Reversion** – the Developer has requested the City transfer fee simple ownership of the parking lot to Del Mar Interests and that the property and parking would be transferred back at the end of the parking lease term in 40 years. It is not clear how this would be done or even if it is the best structure. In other P-3 projects we have worked on, the development is usually done on a long term unsubordinated land lease where the public entity continues to control the land and its assets over the long term.
- **Equitable Distribution of Parking Revenues** – The Developer's proposal to use 90 percent of the net parking revenues and rebate 10 percent to UHGID appears reasonable and fair - within the bounds of the planning level cost estimates used in this financial model and analysis. The City and UHGID would need to evaluate a more detailed project pro forma to fully determine whether the proposed revenue split is equitable or whether the City should receive a higher percentage. Further, it would be our recommendation that the City/UHGID require the Developer to submit a project pro forma on the entire mixed use project so that the Developer's costs, revenues, and expected returns on the entire project be vetted to determine a fair and equitable return.
- **Estimated Parking Costs and Revenues** – The assumptions used by EPS for structured parking cost and revenues are very rough and based on CAGID parking garage figures. UHGID should do additional planning to determine if the estimated annual parking revenues and operating costs are achievable. Additionally, a cost allowance for capital maintenance in the garage and who pays for these costs has not been addressed. The reversion value of parking at the end of the lease will also be affected by whether the structure has been updated and maintained or rather its useful life has been depleted.
- **Project Design** – The analysis to date has been done on rough sketches of how the public parking would be configured and accessed. The proposed plan to acquire property on 13th to provide full service access to the lot has a lot of merit and could potentially improve UHGID's parking utilization. But small parking garages under residential or hotel properties can be tight and hard to access, and therefore underutilized. Should this be the case, the project would not achieve its objectives and the expected parking revenues would also not be reached. While parking operations are beyond our expertise, UHGID, needs some additional level of conceptual planning to ensure that the project will be successful.

Recommendation

If UHGID and the City agree the proposal has merit, EPS recommends that the City and the Developer enter into an Exclusive Negotiating Agreement to negotiate the proposed business terms as input to signing a Development Agreement.

2. PARKING NEEDS

This section of the report presents the RRC estimates of future commercial and residential space on The Hill and Fox Tuttle's estimates of parking demand to serve the projected development. Based on the projected demand, EPS prepared a parking phasing program to be used for testing the financial terms and performance of the proposed Development program.

Development Projections

In order to determine the potential need for additional parking on the Hill, RRC Associates estimated the buildout potential of the District under alternative assumptions of the mix of commercial and residential space. Fox Tuttle was then engaged to estimate the associated parking needs related to this future development potential.

RRC compared current development levels to the zoned capacity of the district. The Hill currently has approximately 304,000 square feet of total development, representing a FAR of 0.91. The Hill has a zoned maximum FAR of 1.85, or approximately 539,000 square feet. It is likely that future development will only achieve some portion of this theoretical maximum density, so for the purposes of this analysis, RRC assumed that the Hill could reach an estimated 85 percent of the zoned maximum, resulting in a total of 498,973 square feet of development or an additional 195,000 square feet of development at buildout, as shown in **Table 3**.

Residential and commercial developments have different parking impacts for UHGID. Residential projects are intended to be self-parked and not create a public parking need while UHGID was created to provide public parking to serve District commercial uses. RRC developed two land use scenarios to account for the potential mix of land uses with the first High Commercial Scenario emphasizing commercial development and the second High Residential Scenario emphasizing residential development.

Table 3
University Hill Development Projections

Description	Existing	New		Net New	
		High Comm.	High Res.	High Comm.	High Res.
Commercial	**228,597**	**345,438**	**306,491**	**116,841**	**77,894**
Residential					
Units	97	168	203	71	106
Sq. Ft.	75,641	153,535	192,482	77,894	116,841
Total	**304,238**	**498,973**	**498,973**	**194,735**	**194,735**
FAR	0.91	1.58	1.58	0.67	0.67
% Max Buildout	**49.2%**	**85.4%**	**85.4%**	**36.2%**	**36.2%**

Source: RRC Associates; Economic & Planning Systems

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Parking Demand

Fox Tuttle estimated the parking demand associated with the two RRC development buildout scenarios. Assuming 2.0 spaces per 1,000 square feet for commercial development and 1.5 spaces per unit for residential development, the estimated 498,973 square feet of development at buildout will generate demand for 917 to 942 total parking spaces, as shown in **Table 4**.

UHGID is primarily responsible for the provision of shared parking available to support commercial businesses. It is assumed that the majority of new spaces required for residential development will be the responsibility of the individual developers as required by zoning. Therefore, UHGID would need to provide an estimated 612 spaces for the High Residential Scenario and 690 parking spaces for the High Commercial Scenario to serve the potential additional demand from commercial space as shown.

Table 4
University Hill Parking Demand Projections

Description	Factor	High Comm.	High Res.
Development			
Commercial		**345,000**	**306,000**
Residential			
Units		168	203
Sq. Ft.		**154,000**	**193,000**
Total		**499,000**	**499,000**
Parking Demand			
Commercial Demand	2.0 spaces/1,000 sq. ft.	690	612
Residential Demand	1.5 spaces/unit.	252	305
Total		**942**	**917**
District Responsibility[1]		**690**	**612**

[1]UHGID only responsible for commercial parking

Source: Fox Tuttle Transportation Group, RRC Associates; Economic & Planning Systems

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UHGID currently controls and manages 389 public spaces composed of 160 surface lot spaces and 229 on-street meters. Therefore at buildout, there could be an estimated shortfall of 301 spaces under the High Commercial Scenario and 223 spaces under the High Residential Scenario as shown in **Table 5**. If the additional 191 UHGID parking spaces were built, the shortfall would be reduced to 164 space under the High Commercial Scenario and 86 spaces under the High Residential Scenario as shown.

Table 5
University Hill Parking Demand Projections at Buildout

Description	Exisiting		Potential	
	High Comm.	High Res.	High Comm.	High Res.
Parking Demand				
District Reponsibility[1]	**690**	**612**	**690**	**612**
Parking Supply				
Lots				
1095 14th St.	54	54	0	0
13th and Penn	38	38	38	38
105 Pleasant St.	68	68	68	68
Subtotal	**160**	**160**	**106**	**106**
Meters	**229**	**229**	**229**	**229**
Garages				
Pleasant Lot Joint Venture[2]	0	0	0	0
14th Street Joint Venture[2]	0	0	191	191
Subtotal	**0**	**0**	**191**	**191**
Total	**389**	**389**	**526**	**526**
Net (Over Supply/Under Supply)	**(301)**	**(223)**	**(164)**	**(86)**

[1]UHGID only responsible for commercial parking

[2]Assumes public-private partnership to build structured parking on surface lots. Based on estimate provided by Fox Tuttle and Boyer Properties

Source: Fox Tuttle Transportation Group, RRC Associates; Economic & Planning Systems

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The above parking projections are for the ultimate buildout of the District. It is not clear whether or how soon this parking might be needed. The Developer's proposal does allow the District to lease the number of spaces needed on an annual basis with six months' notice. The other location where UHGID could provide additional parking is at its surface lot at 105 Pleasant Street. UHGID studied a similar joint venture to provide parking on the Pleasant Street lot in the Hill Redevelopment Workshop conducted in April 2005). This study showed that a public private project could potentially add another 247 spaces, or net of 179 new spaces (247 new structured spaces less 68 existing surface spaces). Thus, a second public private venture could address any future shortfalls. However, this second joint venture is purely speculative at this time and therefore not included in this analysis.

Development and Parking Phasing

As stated above, the proposed Development would allow UHGID to lease the number of spaces estimated to be needed on an annual basis. To estimate the number of spaces anticipated to be leased, EPS assumed that the new development would occur in roughly three increments as summarized below and shown in Table 6 on the following page.

- The Developer proposes the completion of the new housing units in 2015.
- A total of 25,000 square feet of commercial development is proposed to be completed by 2020.
- An additional 35 housing units and 25,000 square feet of commercial development is estimated to be completed by 2030.
- The remaining 36 housing units and 27,894 square feet of commercial development are estimated to be completed by 2040 which is buildout as identified by RRC.

Using the parking demand assumptions used by Fox Tuttle, total parking demand as of 2013 is estimated to be 603 spaces, 457 of which are commercial spaces and the potential responsibility of UHGID. As a residential project, the proposed Development would not generate demand for any new UHGID spaces. As a result of future commercial development, total demand for UHGID spaces is estimated to reach 507 spaces by 2020, 557 spaces by 2030, and 613 spaces by 2040 as shown.

As previously mentioned, UHGID currently has a total supply of 389 spaces, including 160 spaces across three surface lots and 229 metered spaces. Thus, assuming no onsite commercial spaces exist, there is currently an estimated shortfall of approximately 68 parking spaces, as shown in Table 5. As additional development is completed, the parking shortfall is anticipated to grow to approximately 224 spaces by 2040, as shown in **Table 6**.

Under the Developer Proposal of 216 new structured spaces on the 13th Street site and the 1095 14th Street lot, UHGID would gain a net of 137 new spaces. This includes the 191 new spaces available to UHGID and the loss of the 54 surface spaces currently at the lot. Thus, the additional proposed spaces create an oversupply of approximately 69 spaces in 2015, as shown in **Table 7**. This oversupply is sufficient to support an additional 35,000 square feet of commercial development, after which another parking shortfall begins. Including the Developer Proposal, the parking shortfall to the district is estimated to reach 87 spaces at buildout.

Table 6
University Hill Parking Supply and Demand Projections

Description	Factor	0 2013	1 2014	2 2015	3 2016	4 2017	5 2018	6 2019	7 2020	16 2030	26 2040	36 2050	40 2054	Total
Development														
New Development														
Residential (units)		0	0	35	0	0	0	0	0	35	36	0	0	106
Residential (sq. ft.)		0	0	38,580	0	0	0	0	0	38,580	39,682			116,841
Commercial (sq. ft.)		0	0	0	0	0	25,000	0	0	25,000	27894	0	0	77,894
Total		**0**	**0**	**38,580**	**0**	**0**	**25,000**	**0**	**0**	**63,580**	**67,576**	**0**	**0**	**194,735**
Total Development														
Residential (units)		97	97	132	132	132	132	132	132	167	203	203	203	203
Residential (sq. ft.)		75,641	75,641	114,221	114,221	114,221	114,221	114,221	114,221	152,800	192,482	192,482	192,482	192,482
Commercial (sq. ft.)		228,597	228,597	228,597	228,597	228,597	253,597	253,597	253,597	278,597	306,491	306,491	306,491	306,491
Total		**304,238**	**304,238**	**342,818**	**342,818**	**342,818**	**367,818**	**367,818**	**367,818**	**431,397**	**498,973**	**498,973**	**498,973**	**498,973**
Demand														
New Spaces Demanded														
Residential	1.5 spaces/unit	0	0	53	0	0	0	0	0	53	54	0	0	**159**
Commercial	2.0 spaces/1,000 sq. ft.	0	0	0	0	0	50	0	0	50	56	0	0	**156**
Subtotal		**0**	**0**	**53**	**0**	**0**	**50**	**0**	**0**	**103**	**110**	**0**	**0**	**315**
Total Spaces Demanded														
Residential	1.5 spaces/unit	146	146	198	198	198	198	198	198	251	305	305	305	305
Commercial	2.0 spaces/1,000 sq. ft.	457	457	457	457	457	507	507	507	557	613	613	613	613
Subtotal		**603**	**603**	**655**	**655**	**655**	**705**	**705**	**705**	**808**	**917**	**917**	**917**	**917**
District Responsibility[1]		**457**	**457**	**457**	**457**	**457**	**507**	**507**	**507**	**557**	**613**	**613**	**613**	**613**
District Spaces Supplied														
Lots														
1095 14th St.		54	54	54	54	54	54	54	54	54	54	54	54	54
13th and Penn		38	38	38	38	38	38	38	38	38	38	38	38	38
105 Pleasant St.		68	68	68	68	68	68	68	68	68	68	68	68	68
Subtotal		**160**	**160**	**160**	**160**	**160**	**160**	**160**	**160**	**160**	**160**	**160**	**160**	**160**
Meters		229	229	229	229	229	229	229	229	229	229	229	229	229
Garages		0	0	0	0	0	0	0	0	0	0	0	0	0
Total		**389**	**389**	**389**	**389**	**389**	**389**	**389**	**389**	**389**	**389**	**389**	**389**	**389**
District Under Supply/Over Supply		**(68)**	**(68)**	**(68)**	**(68)**	**(68)**	**(118)**	**(118)**	**(118)**	**(168)**	**(224)**	**(224)**	**(224)**	**(224)**

[1]UHGID only responsible for commercial parking

Source: Economic & Planning Systems

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Table 7
University Hill New Parking Demand and Supply Projections

Description	Factor	0 2013	1 2014	2 2015	3 2016	4 2017	5 2018	6 2019	7 2020	16 2030	26 2040	36 2050	40 2054	Total
District Responsibility[1]		**457**	**457**	**457**	**457**	**457**	**507**	**507**	**507**	**557**	**613**	**613**	**613**	**613**
New District Spaces Supplied														
Lots														
1095 14th St.			(54)											**(54)**
13th and Penn														**0**
105 Pleasant St.														**0**
Subtotal		**0**	**(54)**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**(54)**
Meters										0	0	0	0	**0**
Garages														
1095 14th Street				141										**141**
13th Street				50										**50**
Others														**0**
Subtotal		**0**	**0**	**191**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**191**
Total		**0**	**(54)**	**191**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**191**
Total District Spaces Supplied														
Lots		160	106	106	106	106	106	106	106	106	106	106	106	**106**
Meters		229	229	229	229	229	229	229	229	229	229	229	229	**229**
Garages		0	0	191	191	191	191	191	191	191	191	191	191	**191**
Total		**389**	**335**	**526**	**526**	**526**	**526**	**526**	**526**	**526**	**526**	**526**	**526**	**526**
District Under Supply/Over Supply		**(68)**	**(122)**	**69**	**69**	**69**	**19**	**19**	**19**	**(31)**	**(87)**	**(87)**	**(87)**	**(87)**

[1]UHGID only responsible for commercial parking

Source: Economic & Planning Systems

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3. FINANCIAL EVALUATION

This section of the report evaluates the financial feasibility of the proposed Development including the proposed business terms and estimated costs and returns to UHGID and the Developer. EPS also defined and tested an alternative development scenario with UHGID developing its own parking structure on the 14th Street site as a comparison of risks and returns.

Parking Costs and Revenues

The Developer proposes to replace the 1095 14th Street lot with the proposed project, therefore UHGID would lose the annual income currently generated by the existing 54 surfaces spaces at the 14th Street lot. As of 2012, the 1095 14th Street lot generates approximately $66,000 in gross revenues annually or $1,222 per space, as shown in **Table 8**.

Because UHGID is responsible for maintenance of the entire Hill, the marginal cost to operate and maintain these spaces is minimal. Based on discussions with UHGID staff, the only direct cost attributable to the surface lot is the onsite payment center, which averages approximately $3,000 or $56 per space. Thus, the annual net revenues associated with the 14th Street lot are estimated to be $62,976 in 2014 as shown.

While UHGID would lose the net operating revenue generated by the 14th Street lot, UHGID would gain property tax from the proposed residential units and parking spaces, as well as a portion of the annual operating revenue of the 191 new structured spaces. Also, because the ownership of the 191 spaces would revert back UHGID upon the expiration of the lease, UHGID would also gain the residual value of the 191 spaces at the end of 40 years.

To estimate the additional property taxes generated by the Developer Proposal, EPS used the average assessed value of existing residential units in the Hill ($289,000), as well as the approximate assessed value of a downtown parking structure ($15,000 per space). The current mill levy assessed by UHGID is 2.276. Assuming 35 residential units and 216 privately-owned parking spaces, the Developer Proposal would generate approximately $3,800 annually. Receipt of property tax revenue is projected on a one-year delay to account for billing cycles.

To estimate the potential operating revenue from the 191 new structured spaces, EPS analyzed historical parking revenues and costs from the parking structures owned and operated by the downtown Central Area General Improvement District (CAGID). Since 2005, the annual average revenue generated by the five CAGID garages is approximately $1,445 per space. While 191 spaces would be available to UHGID, the parking demand analysis shows that UHGID would not need all of these 191 spaces until additional commercial development is completed.

Thus, EPS assumed UHGD would only use the number of spaces needed in a given year until demand exceeds 191. To estimate annual operating expenses, EPS also applied average data on the five CAGID parking garages in downtown. Since 2008, the average annual operating expense per space for a CAGID lot without a parking attendant was approximately $509. Applying the per space revenues and expenses to the anticipated number of utilized UHGID spaces, net operating income (NOI) is estimated to total approximately $117,000 in 2015.

Per the terms of the Developer Proposal, UHGID would pay the Developer 90 percent of this annual NOI, or approximately $105,000 in 2015, in exchange for the use of the spaces. This results in net revenue to UHGID of approximately $11,671. Summing estimated property tax and operating revenue, UHGID is estimated to earn $15,668 in 2016, $22,232 in 2020, $29,518 in 2030, $35,983 in 2040, and $43,863 in 2050.

To estimate the value of the parking spaces that would be retained by UHGID upon the expiration of the lease, EPS assumed the construction value of $20,795 per space for 191 spaces, escalated at 2.0 percent annually. This results in an estimated 2054 value of approximately $8.8 million in 2054 at the end of the 40 year lease.

Finally, to estimate the total net benefit (or loss) as a result of the Developer Proposal, the existing annual revenue from the 54 spaces must be netted against the future annual net revenue of the 191 spaces. Because current annual revenue ($63,000) actually exceeds future annual revenue ($12,000), accepting the proposal would result in a loss of annual revenue to UHGID of approximately $53,000 in 2015. Future loss of revenue is estimated to be $49,000 in 2020, $57,000 in 2030, $69,000 in 2040, and $85,000 in 2050. In 2054, UHGID retains the ownership of the 191 spaces, resulting in net revenue of approximately $8.7 million. Assuming a 5.0 percent discount rate, the present value of net annual revenue over the life of the lease (40 years) is estimated to be approximately $177,000.

Table 8
UHGID Financial Evaluation

Description	Factor	0 2014	1 2015 2.0%	2 2016 2.0%	3 2017 2.0%	4 2018 2.0%	5 2019 2.0%	6 2020 2.0%	16 2030	26 2040	36 2050	40 2054	Total
Current													
Lot		54	54	54	54	54	54	54	54	54	54	54	54
Revenue	$1,222 per space [1]	$66,000	$67,320	$68,666	$70,040	$71,441	$72,869	$74,327	$90,604	$110,446	$134,633	$145,731	$4,132,262
Expenses	$56 per space [2]	($3,024)	($3,084)	($3,146)	($3,209)	($3,273)	($3,339)	($3,406)	($4,151)	($5,060)	($6,169)	($6,677)	($189,333)
Net		**$62,976**	**$64,236**	**$65,520**	**$66,831**	**$68,167**	**$69,531**	**$70,921**	**$86,453**	**$105,385**	**$128,464**	**$139,054**	**$3,942,929**
Proposed													
New Garage		0	122	122	122	172	172	172	191	191	191	191	191
Property Tax		$0	$0	$3,763	$3,839	$3,915	$3,994	$4,074	$4,966	$6,053	$7,379	$7,987	$219,164
Operations													
Revenue	$1,445 per space [3]	$0	$180,102	$183,704	$187,378	$269,331	$274,718	$280,212	$378,882	$461,855	$562,999	$609,408	$16,299,180
Expenses													
Operations	$509 per space [4]	$0	($63,390)	($64,658)	($65,951)	($94,796)	($96,692)	($98,625)	($133,354)	($162,558)	($198,157)	($214,492)	($5,736,778)
Subtotal		**$0**	**$116,712**	**$119,046**	**$121,427**	**$174,535**	**$178,026**	**$181,587**	**$245,528**	**$299,297**	**$364,842**	**$394,916**	**$10,562,402**
Lease	90%	$0	($105,041)	($107,141)	($109,284)	($157,082)	($160,223)	($163,428)	($220,975)	($269,367)	($328,357)	($355,425)	($9,506,162)
Net		**$0**	**$11,671**	**$11,905**	**$12,143**	**$17,454**	**$17,803**	**$18,159**	**$24,553**	**$29,930**	**$36,484**	**$39,492**	**$1,056,240**
Estimated Parking Space Value [5]	$20,795 per space	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$8,770,193**	**$8,770,193**
Total		**$0**	**$11,671**	**$15,668**	**$15,981**	**$21,369**	**$21,796**	**$22,232**	**$29,518**	**$35,983**	**$43,863**	**$8,817,671**	**$10,045,596**
Net		**($62,976)**	**($52,564)**	**($49,852)**	**($50,849)**	**($46,798)**	**($47,734)**	**($48,689)**	**($56,934)**	**($69,402)**	**($84,601)**	**$8,678,618**	**$6,102,668**
Present Value	5.0%	**$240,052**											
Net Present Value		**$177,076**											

[1] 2012 budgeted revenue per space
[2] Based on discussions with UHGID management, the district incurs approximately $3,000 annually for the onsite meter. No other direct costs are incurred
[3] 8-year average of CAGID parking garages
[4] 4-year CAGID average without attendant
[5] Assumes 2014 construction value escalated at 2.0 percent annually

Source: Economic & Planning Systems

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Development Financial Evaluation

The Developer's cost estimate is $20,795 per space and he believes this to be a reasonable estimate of construction costs considering both underground and above-ground parking. In total, parking costs are estimated at approximately $4.5 million.

Financial Model

The Developer is gaining the use of the 1095 14th Street lot at no land cost; however, in order to accommodate the full development program, the two lots on 13th Street, totaling 12,292 square feet, must be acquired. UHGID commissioned an appraisal of the 14th Street Lot from Rothweiler Group, Inc. who estimated the market value of the lot at $2,625,000, which equates to $140 per square foot. For the purposes of this analysis, EPS estimates the land value per square foot of the 13th Street site to be the same as the 14th Street lot.

The remaining assumptions in the financial model shown in **Table 9** are summarized below:

- Total site acquisition costs are for the 14th Street parking lot and 13th Street properties are estimated to total approximately $1.72 million. It should be noted that some portion of this land cost is attributable to the seven residential units on the 13th Street lot. However, for the purposes of this analysis, all land is assigned to the parking development costs, resulting in a total upfront capital cost of approximately $6.2 million.
- The Developer plans to lease parking spaces that are unused by UHGID to residential renters in the area. EPS estimated a monthly lease rate of $100 per space, or $1,200 annually. Applying this estimate to the 94 spaces anticipated to be used by the Developer in 2015 generates $114,819.
- The Developer would receive 90 percent of the UHGID lease payments for the parking spaces anticipated to be used by UHGID, which is 122 spaces in 2015, or $105,041.
- Annual operating expenses related to the Developer spaces are estimated to be the same as the UHGID spaces, or $509 per space annually.
- Net annual revenue to the Developer is estimated to total $171,196 in 2015, $197,537 in 2020, $244,704 in 2030, $298,293 in 2040, and $363,617 in 2050.

In addition to the net annual revenue, the Developer will retain the value of the 25 spaces upon the expiration of the lease at the end of 2054. Escalating the construction value of $20,795 per space at 2.0 percent annually, EPS estimates the value of the 25 spaces in 2054 to be approximately $1.1 million. Thus, the net annual revenue to the Developer in 2054 is estimated to total approximately $1.5 million.

Developer Returns

The annual IRR to the Developer based on total net revenue over the 40-year lease term is estimated to be 3.0 percent with a cash-on-cash return of approximately 2.8 percent. These returns are significantly lower than typical private sector development project which generally be 10 to 12 percent (unlevered) or greater on an IRR basis and 9 to 10 percent or greater on a cash-on-cash basis depending on the level of project risk.

However, is not expecting to make a full financial return on the parking. His motivation for the project is that in addition to the parking revenue stream, the Developer is gaining the development rights to construct up to 35 residential units. Thus, the majority of the Developer's financial return will be generated through the residential development.

Table 9
Developer Financial Evaluation

Description		Factor	0 2014	1 2015 2.0%	2 2016 2.0%	3 2017 2.0%	4 2018 2.0%	5 2019 2.0%	6 2020 2.0%	16 2030	26 2040	36 2050	40 2054	Total
Spaces Constructed														
Developer Spaces			25											
District Spaces			191											
Subtotal			**216**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**216**
Spaces Managed														
Developer Spaces			0	94	94	94	44	44	44	25	25	25	25	25
District Spaces			0	122	122	122	172	172	172	191	191	191	191	191
Subtotal			**0**	**216**	**216**	**216**	**216**	**216**	**216**	**216**	**216**	**216**	**216**	**216**
Capital Costs														
Land Costs														
1095 14th Street	18,750	$0.00	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
13th Street	12,292	$140.00	($1,720,880)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	($1,720,880)
Subtotal	**31,042**		**($1,720,880)**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**($1,720,880)**
Construction Costs		$20,795 per space [1]	($4,491,823)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	($4,491,823)
Total			**($6,212,703)**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**($6,212,703)**
Operations														
Revenue														
Space Revenue		$1,200 per space [2]	$0	$114,819	$117,115	$119,457	$56,900	$58,038	$59,199	$41,184	$50,203	$61,197	$66,241	$2,433,666
District Lease Revenue			$0	$105,041	$107,141	$109,284	$157,082	$160,223	$163,428	$220,975	$269,367	$328,357	$355,425	$9,506,162
Subtotal			**$0**	**$219,859**	**$224,256**	**$228,741**	**$213,982**	**$218,262**	**$222,627**	**$262,159**	**$319,570**	**$389,554**	**$421,666**	**$11,939,828**
Expenses		$509 per space [3]	$0	($48,663)	($49,636)	($50,629)	($24,116)	($24,598)	($25,090)	($17,455)	($21,277)	($25,937)	($28,075)	($1,031,454)
Net			**$0**	**$171,196**	**$174,620**	**$178,112**	**$189,866**	**$193,664**	**$197,537**	**$244,704**	**$298,293**	**$363,617**	**$393,591**	**$10,908,374**
Estimated Parking Space Value[4]		$20,795 per space	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$1,147,931**	**$1,147,931**
Net			**($6,212,703)**	**$171,196**	**$174,620**	**$178,112**	**$189,866**	**$193,664**	**$197,537**	**$244,704**	**$298,293**	**$363,617**	**$1,541,522**	**$5,843,602**
Present Value			**$4,267,255**											
Net Present Value		5.0%	**($1,945,448)**											
IRR			**3.0%**											
ROR			**2.8%**											

[1] Average cost of parking space from Boyer Properties
[2] Assumes monthly per space rate of: $100
[3] 4-year CAGID average without attendant
[4] Assumes 2014 construction value escalated at 2.0 percent annually
Source: Economic & Planning Systems

Net Value Comparison

EPS performed a comparison of the net present value (NPV) of 1) the Developer's P-3 proposal to build public parking as a component of a mixed use project, and 2) UHGID building its own parking structure on the 14th Street lot.

Developer Proposal

EPS applied the appraisal land value of 1095 14th Street site of $140 per square foot as a development cost which results in a potential UHGID contribution of land value of $2.6 million, as shown in **Table 10**.

By accepting the Developer Proposal, UHGID is sacrificing the value of the current lease revenue generated by the existing 54 surface spaces. The present value of this revenue stream is estimated to total approximately $1.5 million. Thus, total costs to UHGID under the Developer Proposal are estimated to be approximately $4.2 million.

In exchange for the use of the 1095 14th Street lot, UHGID is gaining the estimated property tax revenue generated by new development, as well as the use rights of 191 new structured spaces. Based on the assumptions in the analysis, the present value of the increase in property tax revenue over the 40-year lease is estimated to total $81,000. Per the terms of the Developer Proposal, the present value of the lease revenue associated with the 191 spaces is estimated to total $383,000. Upon the expiration of the lease at the end of 2054, UHGID becomes fee owner of the 191 spaces. The present value of these spaces is estimated to total approximately $1.2 million.

Under the terms of the proposal, UHGID would forego the land value of its current surface lot, as well as the current revenue generated by the existing 54 surface spaces, in exchange for increased annual property tax revenue, annual parking revenue generated by the 191 spaces, and the value of the ownership of the 191 spaces at the end of the lease. The net value of the proposal to UHGID is a loss of $2.48 million as shown. In order for UHGID to break even financially, UHGID would need to receive approximately 73 percent (vs. 10 percent proposed) of the NOI generated by the leased spaces.

Table 10
UHGID Developer Proposal Evaluation Summary

Description		Developer Proposal Total Appraisal
UHGID Costs		
1095 14th Street	18,750 sq. ft.	$140.00 per sq. ft.
Land Subtotal		**$2,625,000**
Current Parking Revenue[1]		$1,532,594
Total		**$4,157,594**
UHGID Revenue		
Property Tax Revenue[1]		$80,897
New Parking Revenue[1]		$383,005
Parking Spaces	191 spaces	$20,795 per space
Parking Subtotal[2]		**$1,245,768**
Total		**$1,709,670**
Net Value to UHGID		**($2,447,924)**
Breakeven NOI Share		**73%**

[1]Present value of revenue stream over 40 years, discounted at 5.0 percent

[2]Present value of construction value after 40 years, discounted at 5.0 percent

Source: Economic & Planning Systems
H:\123080-Boulder UHGID Feasibility Study\Models\[123080-Boulder UHGID Financial Analysis 093013.xlsx]Net Value Summary

UHGID Alternative (District Builds Spaces)

As an alternative to providing future parking, UHGID could potentially construct a parking structure on the 1095 14th Street lot. UHGID would likely need to purchase the 13th Street site to accommodate a more efficient design and adequate ingress and egress. Assuming no land cost of the 14th Street lot and the 13th Street lot with an assumed value of $140 per square foot based on the appraisal of the 14th Street lot, EPS estimates land costs related to this alternative to be $1.7 million, as shown in **Table 11**.

Assuming a parking structure only with no mixed use development, UHGID could construct the all of the spaces above ground. According to the Carl Walker Parking Structure Cost Outlook 2013, the average construction cost for a structured parking space in the Denver region is approximately $16,000. Applying this cost to the 191 structured spaces results in a parking structure cost of approximately $3.1 million.

Just as is the case under the Developer Proposal, UHGID would be sacrificing the annual parking revenue generated by the existing 54 surfaces spaces at the 1095 14th Street lot. The present value of this revenue over 40 years is estimated to total $1.5 million. Thus, the total cost to UHGID, should it elect to build its own structured spaces, is estimated to be $6.3 million.

UHGID would receive 100 percent of the annual revenue associated with these spaces. Assuming the same per space revenue and cost assumptions as outlined in the previous analysis, EPS estimates the present value of this revenue stream over 40 years to be approximately $4.2 million. As fee simple owner of the 191 spaces, UHGID would have the ability to sell the spaces at some point in the future.

For the purposes of this analysis, EPS assumes UHGID would realize the fee simple ownership of these spaces, either through the expiration of a lease or through the sale of the spaces, at the end of 40 years. Based on the assumed construction value of $16,000 per space escalated at 2.0 percent annually over 40 years, the present value of the 191 spaces is estimated to be approximately $960,000. Thus, the value of revenue to UHGID under the outlined alternative is estimated to total approximately $5.1 million. Netting the estimated costs against the estimated revenues and the assumed land value related to the 13th Street lot, EPS estimates the net value to UHGID, should it elect to construct the spaces itself, to be -$1.17 million.

Table 11
UHGID Alternative- District Builds Spaces

Description		District Builds Spaces Total Appraisal
UHGID Costs		
1095 14th Street	18,750 sq. ft.	$0.00 per sq. ft.
13th Street	12,292 sq. ft.	$140.00 per sq. ft.
Land Subtotal		**$1,720,880**
Parking Spaces	191 spaces	$16,000 per space
Parking Subtotal		**$3,056,000**
Current Parking Revenue[1]		$1,532,594
Total		**$6,309,474**
UHGID Revenue		
New Parking Revenue[1]		$4,173,760
Parking Spaces	191 spaces	$16,000 per space
Parking Subtotal[2]		**$958,491**
Total		**$5,132,251**
Net Value to UHGID		**($1,177,223)**

[1]Present value of revenue stream over 40 years, discounted at 5.0 percent

[2]Present value of construction value after 40 years, discounted at 5.0 percent

Source: Economic & Planning Systems

H:\123080-Boulder UHGID Feasibility Study\Models\[123080-Boulder UHGID Financial Analysis 093013.xlsx]Net Value Summary

Net Comparison

To understand the implications of each alternative, EPS compared the net value of the Developer Proposal to the net value of the alternative for UHGID to build the spaces itself. While both alternatives result in a loss of value to UHGID, the Developer Proposal results in a greater loss to UHGID than constructing the spaces itself, as shown in **Table 12**. Thus on a financial basis, should UHGID have the available capital, it would be better off constructing the spaces itself rather than accepting the Developer Proposal. There is however, unspecified value or benefits to having the Developer undertake the project as summarized in the Conclusions below.

Table 12
UHGID Net Comparison

Description	Net Comparison Total Appraisal
Developer Proposal	
UHGID Costs	$4,157,594
UHGID Revenue	$1,709,670
Net Value	**($2,447,924)**
District Builds Spaces	
UHGID Costs	$6,309,474
UHGID Revenue	$5,132,251
Net Value	**($1,177,223)**
Difference	**($1,270,702)**

Source: Economic & Planning Systems

H:\123080-Boulder UHGID Feasibility Study\Models\[123080-Boulder UHGID Financial Analysis 093013.xlsx]Net Value Summary

Developer Evaluation

Developer Proposal

In order to quantify the financial gain or loss to the Developer, EPS applied a similar methodology as the previous analysis, comparing the estimated value the potential assets to be exchanged. As a result of the proposal, the Developer must purchase the 13th Street site in order to construct the garage. Assuming the same commercial land values, EPS estimates the cost to the Developer of acquiring the 13th Street site is to be $1.7 million, as shown in Table 13. In addition to the land, the Developer is paying for the construction of all 216 spaces. At $20,795 per space, the parking structure has an estimated construction value of approximately $4.5 million. Upon the expiration of the lease at the end of 2054, the Developer proposes to deed over the fee simple ownership of the 191 spaces to UHGID. Based on the construction costs, EPS estimates the present value of these 191 spaces to be approximately $1.2 million. Summing the cost of the land acquisition, construction of the 216 parking spaces, and the value of the 191 spaces to be deeded over to UHGID at the end of the lease, EPS estimates the total cost to the Developer as a result of the proposal to be $7.5 million.

In exchange for constructing the spaces, the Developer is gaining the use of the 1095 14th Street lot at no cost. The value of 14th Street lot is estimated to be $2.6 million. The Developer is also gaining the revenue stream generated by the private lease of the 25 spaces, as well as the lease with UHGID for the 191 spaces (90 percent of NOI). The present value to the Developer of the combined revenue stream of the 216 spaces is estimated to total approximately $4.1 million. Upon the expiration of the lease, the Developer retains the value of the 25 privately-leased spaces. Assuming the sale of these spaces at the end of 2054, the present value of these spaces is estimated to total approximately $163,000. Summing the value of the 14th Street lot, the new parking revenue, and the terminal value of the 25 privately-leased spaces, EPS estimates the value of the potential revenue generated to the Developer as a result of the Developer Proposal to be $6.9 million, as shown in **Table 13**.

Thus, netting the estimated value of the Developer costs against the value of the estimated Developer revenue, EPS estimates the net value to the Developer as a result of the Developer Proposal to be -$566,216.

Table 13
Developer Proposal Net Benefit

Description		Developer Proposal Total
		A
Developer Costs		
13th Street	12,292 sq. ft.	$140.00 per sq. ft.
Land Subtotal		**$1,720,880**
Parking Spaces	216 spaces	$20,795 per space
Parking Subtotal		**$4,491,823**
UHGID Spaces	191 spaces	$20,795 per space
UHGID Spaces Subtotal[2]		**$1,245,768**
Total		**$7,458,471**
Developer Revenue		
1095 14th Street	18,750 sq. ft.	$140.00 per sq. ft.
Land Subtotal		**$2,625,000**
New Parking Revenue[1]		$4,104,196
Parking Spaces	25 spaces	$20,795 per space
Parking Subtotal[2]		**$163,059**
Total		**$6,892,255**
Net Value to Developer		**($566,216)**

[1]Present value of revenue stream of privately-leased spaces and UHGID leased spaces over 40 years, discounted at 5.0 percent

[2]Present value of construction value after 40 years, discounted at 5.0 percent

Source: Economic & Planning Systems

H:\123080-Boulder UHGID Feasibility Study\Models\[123080-Boulder UHGID Financial Analysis 093013.xlsx]Net Value Summary

Additional Information

In addition to the parking-related financial benefit, the Developer is acquiring land at no cost to support the construction of the proposed 35 residential units. Because the value of the land to support the residential units and the parking spaces is intrinsically tied to one another, this value is difficult to estimate, but should be considered in the analysis. EPS performed static analysis on the financial feasibility of the residential project with and without the Developer Proposal. To simplify this analysis, EPS assumed that the Developer would build the same number of residential units (35) in either alternative. If the Developer built the residential project on his own, he would have to acquire the 14th Street property at market price, but would only need to build the amount of spaces necessary to serve the units. Under the Developer Proposal, he acquires the 1095 14th Street property at no cost, but must construct the full 216 spaces. Based on EPS' assumptions regarding potential rents and operating expenses of the residential units, as well as factoring in the annual income resulting from the parking, the Developer return improves between 0.5 percent and 1.0 percent. Thus, it is EPS' opinion that the Developer is not gaining any substantial profit as a result of the proposal.

4. CONCLUSIONS AND NEXT STEPS

Conclusions

The Del Mar Interests unsolicited development proposal is a public private partnership whereby UHGID is investing its existing parking lot land and 90 percent of its future parking revenues in a privately developed mixed use project that includes additional commercial district parking as well as a student oriented apartment project. The proposed Development would provide UHGID with a substantial portion of its estimated future parking needs up to a total of 191 spaces. It allows the District to lease only the amount of parking determined to be needed on an annual basis. UHGID would gain the use of up to 191 spaces (137 net new spaces) without coming out of pocket for any capital or annual operating expenses.

The proposed mixed use project would require UHGID to invest in this parking earlier than it might otherwise need if it were building the parking separately. It will also lose most of the modest $63,000 in annual revenues it is collecting from the existing parking lot. The positive tradeoffs are the City and The Hill gain additional housing units, and potential retail and commercial customers. The UHGID parking would be transferred from a surface parking plot to a first level parking structure beneath the residential development.

Assuming that UHGID and the City agree that the proposed Development meets its parking and development objectives, the proposed business and financial terms and conditions are, in EPS' opinion, reasonable and provide benefits to both UHGID and the Developer as summarized below.

- Annual net revenues from the 14th Street parking lot are estimated to be a modest $62,796 in 2014. This revenue stream will be lost going forward as the parking lot would be replaced by the proposed mixed use project. Under the phasing scenario tested, UHGID would lease 122 spaces starting in 2015 increasing to 172 spaces in 2018 and 191 spaces in 2030. The Developer would receive 90 percent of the parking revenues estimated at $105,041 in 2015, $157,082 in 2018, and$133,354 in 2030. UHGID would receive 10 percent of the net operating income from these parking spaces estimated at $11,671 in 2015, $17,454 in 2018, and $20,518 in 2030.
- Separating the UHGID parking from the larger mixed use project, the Developer would achieve a very modest 3.0 percent internal rate of return (2.8 percent return on costs) for incorporating the public parking into his project. This is close to a break-even proposition within the margin of error of the planning level costs and revenue assumptions used for this financial analysis. Also, given a target hurdle rate of 10 to 12 percent IRR, a developer would not undertake this project alone. The Developer will therefore realize most of his profits from the residential development built above the parking structure.

- The net benefit of the proposal to UHGID based on the net present value (NPV), tested at a 5 percent discount rate over 40 years, of the cost and revenues of the proposed partnership results in a positive benefit of $177,076. This is compared to a negative benefit of $1,945,448 for the Developer as shown in **Table 14**. If the value of the land (given to the developer) and the value of transferred parking spaces (given to UHGID) are added in, the Developer's net benefit improves to a negative $566,216 at a 5 percent discount rate as shown. This reflects the estimated 3.0 percent IRR previously shown. The project therefore represents a win – win for the District and the Developer in that the District gains the desired parking and the Developer provides the parking at a modest cost in return for the ability to make a greater profit on the residential development.

Table 14
Net Benefit of Developer Proposal

	Developer Proposal - NPV over 40 years		
Description	**UHGID**	**Developer** (w/out land value)	**Developer** (with land value)
Current			
14th Street Lot	**54 spaces**	**0 spaces**	**0 spaces**
Net Revenue	**$1,532,594**	**$0**	**$0**
Proposed			
New Garage	**191 spaces**	**25 spaces**	**25 spaces**
Costs			
Land Costs	$0	($1,720,880)	($1,720,880)
Construction Costs	$0	($4,491,823)	($4,491,823)
Parking Space Transfer	---	---	($1,245,768)
Total	**$0**	**($6,212,703)**	**($7,458,471)**
Revenue			
Land Value	---	---	$2,625,000
Property Tax	$80,897	$0	$0
Net Revenue from Parking	$383,005	$4,104,196	$4,104,196
Parking Space Residual Value	$1,245,768	$163,059	$163,059
Total	**$1,709,670**	**$4,267,255**	**$6,892,255**
Total	**$1,709,670**	**($1,945,448)**	**($566,216)**
Net Benefit (NPV @ 5%)	**$177,076**	**($1,945,448)**	**($566,216)**

Source: Economic & Planning Systems

H:\123080-Boulder UHGID Feasibility Study\Models\[123080-Boulder UHGID Financial Analysis 093013.xlsx]Comparison A

- The proposed development partnership has a higher economic return than would be achieved if UHGID built its own parking structure. If UHGID built an above ground parking structure on the 14th Street lot, it would have a negative $1.3 million compared to a positive $177,076 under the proposed Development partnership as shown in **Table 15**. In addition, the propose project allows UHGID to lease the parking on an as needed basis with six-month's notice. The developer would presumably lease out any unused parking spaces to area residents for monthly parking.

Table 15
Net Benefit of Developer Proposal vs. UHGID Constructing Garage Itself

	Developer Proposal vs. UHGID Alternative - NPV over 40 years	
Description	**UHGID**	**UHGID Alternative**
Current		
14th Street Lot	**54 spaces**	**54 spaces**
Net Revenue	**$1,532,594**	**$1,532,594**
Proposed		
New Garage	**191 spaces**	**191 spaces**
Costs		
Land Costs	$0	($1,843,800)
Construction Costs	$0	($3,056,000)
Total	**$0**	**($4,899,800)**
Revenue		
Property Tax	$80,897	$0
Net Revenue from Parking	$383,005	$4,173,760
Parking Space Residual Value	$1,245,768	$958,491
Total	**$1,709,670**	**$5,132,251**
Total	**$1,709,670**	**$232,451**
Net Benefit (NPV @ 5%)	**$177,076**	**($1,300,143)**

Source: Economic & Planning Systems

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Additional Considerations

It is EPS' opinion that the proposed P-3 project is worthy of consideration and further negotiation if UHGID ultimately determines 1) its impending parking needs are worthy of moving ahead with planning for additional parking at this time recognizing that there will be a modest loss in current income as a tradeoff for the investment in additional parking, and 2) the City determines that the proposed mixed use residential project is consistent with the Comprehensive Plan, area zoning and any applicable design guidelines.

There are a number of outstanding business and legal terms and conditions that would need to be resolved before a development agreement could be signed by both parties including the following:

- **Land Ownership and Reversion** – the Developer has requested the City transfer fee simple ownership of the parking lot to Del Mar Interests and that the property and parking would be transferred back at the end of the parking lease term in 40 years. It is not clear how this would be done or even if it is the best structure. In other P-3 projects we have worked on, the development is usually done on a long term unsubordinated land lease where the public entity continues to control the land and its assets over the long term.
- **Equitable Distribution of Parking Revenues** – The Developer's proposal to use 90 percent of the parking revenues and rebate 10 percent to UHGID appears reasonable and fair - within the bounds of the planning level cost estimates used in this financial model and analysis. The City and UHGID would need to evaluate a more detailed project pro forma to fully determine whether the proposed revenue split is equitable or whether the City should receive a higher percentage. Further, it would be our recommendation that the City/UHGID require the Developer to submit a project pro forma on the entire mixed use project so that the Developer's costs, revenues, and expected returns on the entire project be vetted to determine a fair and equitable return.
- **Estimated Parking Costs and Revenues** – The assumptions used by EPS for structured parking cost and revenues are very rough and based on CAGID parking garage figures. UHGID should do additional planning to determine if the estimated annual parking revenues and operating costs are achievable. Additionally, a cost allowance for capital maintenance in the garage and who pays for these costs has not been addressed. The reversion value of parking at the end of the lease will also be affected by whether the structure has been updated and maintained or rather its useful life has been depleted.
- **Project Design** – The analysis to date has been done on rough sketches of how the public parking would be configured and accessed. The proposed plan to acquire property on 13th to provide full service access to the lot has a lot of merit and could potentially improve UHGID's parking utilization. But small parking garages under residential or hotel properties can be tight and hard to access, and therefore underutilized. Should this be the case, the project would not achieve its objectives and the expected parking revenues would also not be reached. While parking operations are beyond our expertise, UHGID, needs some additional level of conceptual planning to ensure that the project will be successful.

Recommendation

If UHGID and the City agree the proposal has merit, EPS recommends that the City and the Developer enter into an Exclusive Negotiating Agreement to negotiate the proposed business terms as input to signing a Development Agreement.

~~June July~~ _, ~~2011~~3[September **, 2013]

City of Boulder
P.O. Box 791
Boulder, Colorado 80306

University Hill General Improvement District
1500 Pearl Street, Suite 302
Boulder, Colorado 80302

Del Mar Interests, L.L.C.
c/o Michael Boyers
1526 Spruce Street, Suite 260
Boulder, CO 80302

~~14th & College Associates, LLC~~
~~c/o Forum Real Estate Group~~
~~210 University Blvd., Suite 700~~
~~Denver, CO 80206~~
~~Attn: Darren Fisk~~

Ladies and Gentlemen:

This letter ~~shall~~ serves as a declaration of the intent of University Hill General Improvement District, a general improvement district~~,~~ ("**UHGID**"), ~~and~~ Del Mar Interests, L.L.C., a Colorado limited liability company~~,~~ ("**DMI**"), ~~and 14th & College Associates, LLC, a Colorado limited liability company ("**College Associates**") (as used herein UHGID, DMI and College Associates are hereinafter~~ (collectively, ~~referred to as~~ the "**Parties**"), to pursue good faith negotiations ~~aimed at determining~~ to determine the feasibility of a public~~-~~-private partnership related to development of ~~a~~ the 14th and College parking lot owned by UHGID~~,~~ (~~"~~the "**UHGID Lot**"), a parcel of land, consisting of approximately ** acres, ~~[describe Mitchell Property at~~ commonly known as 1080 and 1068 13th Street, Boulder, Colorado (collectively the "**13th Street Property**")~~]~~ to which DMI holds an option to purchase~~ [the 13th Street Property]~~, and the basement area ~~[describe Jones Drug Property]~~of the real property legally described as Lot 45C, University Place Addition, Replat C and commonly known as 1350 and 1352 College Avenue, Boulder, Colorado (the "**Jones Drug Basement**"), owned by ~~DMI [verify ownership]~~College Associates. Some of the salient terms and conditions related to the exploration of such a public~~-~~-private partnership are as follows:

1. The ~~p~~Parties anticipate that the public~~-~~-private partnership will result in the creation of a unified development plan that would include the UHGID Lot~~,~~ and the 13th Street Property, and potentially the ~~Jones Drug~~ 1350 College Avenue Basement, for the creation of public at and below grade parking (the "**Parking Garage**"), access to the ~~p~~Parking Garage from 13th Street and 14th Street and

residential units ~~on two upper levels~~ above the ~~p~~Parking ~~structure~~Garage (collectively the "**Project**~~'~~").

2. The Parties anticipate that, upon completion, the ~~p~~Project will consist of approximately two hundred and forty (240) parking spaces within the ~~p~~Parking ~~g~~Garage ~~("Garage"),~~ and approximately twenty-five (2~~5~~8) residential units to be located above ~~on~~ the Parking Garage~~existing UHGID Lot and the 13th Street Property~~. Of the two hundred and forty (240) parking spaces within the Parking Garage, two hundred and five (205) of the parking spaces (the "**UHGID Parking Area**") ~~shall~~will be leased by UHGID pursuant to Sections 8 and 9 below and then later conveyed to UHGID pursuant to Section 9 below, and thirty-five (35) of the parking spaces with the Parking Garage (the "**Residential Parking Area**") ~~shall~~will be used by the residential tenants.

3. If the Parties find it to be financially and practically feasible, they intend to consider adding up to twenty-five (25) ~~UHGID~~ additional parking spaces in the ~~Jones Drug~~ 1350 College Avenue Basement (the "**Additional Basement Parking Spaces**"). Access to the Additional ~~is~~ Basement ~~p~~Parking Spaces, if any, will come from the UHGID Lot and if so built may comprise a portion of the Parking Garage.

4. DMI proposes to finance, design and build the Project, including payment of all associated third-party costs approved by DMI, and to apply for and obtain all required City approvals and permits necessary for proceeding with development of the Project. DMI will prepare, in consultation with UHGID, the initial (schematic) design for the Project (the "**Initial Schematic**"). The design of the Initial Schematic ~~shall~~will be of sufficient detail for the Parties to determine initial feasibility of the Project.

5. After the initial feasibility of the Project has been approved by the Parties, the Parties ~~shall~~ will negotiate a Purchase, Sale, Development and Lease-Back Agreement (the "**Global Agreement**"), which such Global Agreement ~~shall~~will document in detail each Parties' rights, duties, obligations and responsibilities with respect to the Project. The Global Agreement ~~shall~~will be consistent with the terms and conditions of this letter of intent, except as modified, amended and adjusted pursuant to the mutual agreement of the Parties.

~~5.~~6. DMI has an option to purchase the 13th Street Property~~ies~~. DMI will purchase the 13th Street Property ~~is property [add timing of purchase]~~ only after the feasibility of the Project has been approved by the Parties and after mutual execution of the Global Agreement. DMI's purchase of the 13th Street Property ~~shall~~will be in accordance with the terms and conditions of the Global Agreement.

~~6. DMI will construct all of the parking at no cost to UHGID. At least 205 spaces shall be provided for UHGID's use on the UHGID Lot and the 13th Street Properties.~~

7. UHGID will convey the UHGID ~~l~~Lot to DMI for a purchase price of $1.00 only after the feasibility of the Project has been approved by the Parties and after the mutual execution of the Global Agreement. UHGID's conveyance of the UHGID Lot ~~shall~~will be in accordance with the terms and conditions of the Global Agreement~~upon [add timing and conditions of conveyance]~~.

8. ~~Ownership of Residential Units and Parking Space. DMI will form a Colorado Common Interest Community to manage the residential units and parking spaces. The UHGID parking spaces shall be placed in one or more common interest community units. The DMI residential units and parking shall be placed in one or more common interest community units~~ The Project ~~shall~~will be subdivided, ~~condominiumized~~ or otherwise separated in a manner that is consistent with the Colorado Common Interest Community Act at the discretion of DMI and College Associates, and in accordance with applicable laws, with the approval and consent of UHGID such that DMI can convey title to the UHGID Parking Area to UHGID at the end of the Lease Term (as defined in Section 9 below).

~~8.~~9. The Parties intend and acknowledge that all City and UHGID contracting procedures and real estate disposal procedures, will be complied with prior to entering into any contracts, leases, or conveyance of land.

~~9.~~10. ~~DMI~~ UHGID will lease ~~approximately two hundred and five (205) parking spaces in the UHGID garage unites)~~ the UHGID Parking Area for a period of forty (40) years ~~term lease term~~(the "Lease Term") or such term that is mutually agreeable to the Parties, commencing on completion of the Parking Garage. The rental rate for the ~~l~~Lease ~~t~~Term payable by UHGID is intended to be structured such~~o~~ that DMI is compensated for the finance, design and ~~its~~ construction costs of the ~~p~~Parking Garage, including all associated costs~~area~~. The rental rate for the lease term and consideration for the any lease purchase arrangement is also intended to provide UHGID with at least fair market value for the value of the land that it will place into the Project. After the ~~end of the 40 year~~ expiration of the ~~l~~Lease ~~t~~Term, DMI will convey the UHGID Parking Area ~~garage unit~~ to UHGID in accordance with the terms and conditions of the Global Agreement. ~~DMI will retain thirty-five (35) parking spaces in the Garage for residential use. At the end of the duration of the Common Interest Community arrangement, the UHGID property will revert back to UHGID in its entirety.~~ DMI ~~shall~~will at all times retain ownership and use of the Residential Parking Area and College Associates ~~shall~~will at all time retain ownership and use of the Jones Drug Basement, including the Additional Basement Parking Spaces, if any.

~~10.~~11. UHGID will be responsible for the operation and management of ~~ing~~ the UHGID ~~p~~Parking ~~spaces~~Areas. DMI will be responsible for the operation and management of the Residential Parking Area. College Associates will be responsible for the operation and management of the Additional Basement Parking Spaces, if any. All parking will be managed with an integrated approach, to the extent practical with one system including equipment and software that provides access to the parking spaces of each party in a manner that does not impede availability or access to the spaces of the other party. Notwithstanding the foregoing, ~~T~~the ~~p~~Parties intend that the Global Agreement ~~shall~~will include a Lease Back Agreement, which such Lease Back Agreement ~~shall~~will include ~~to have~~ an equitable method of allocating the cost of maintenance, operation, and replacement of ~~facilities~~ the Parking Garage between the UHGID Parking Area and the Residential Parking Area and the Additional Basement Parking Spaces, if any~~associated with the parking facility~~.

~~11.~~12. The Global Agreement ~~shall~~will include a reasonable due diligence period for DMI to, among other things, (a) inspect title and physical conditions of the UHGID Lot and the 13th Street Property, (b) obtain a loan commitment from a lending institution or acquire private investor funds for the Project; and (c) obtain the necessary governmental approvals or entitlements, or both, for completion of the Project~~Address Due Diligence Steps for Both Parties, including the financial analysis by UHGID and the demonstration of financial capability by DMI~~.

~~12.~~13. Within ~~five~~ thirty business days after mutual execution and delivery of this letter of intent and approval of the Initial Schematics, UHGID ~~intends to shall~~will commission and pay for a parking market study (the "**Feasibility Study**") that is intended to demonstrate, ~~that~~ based on reasonable growth and market assumptions within the general improvement district boundaries, that the parking usage and revenue projections are sufficient to support ~~that will form~~ the ~~basis for future study of~~ financial feasibility of ~~the lease -purchase arrangement of~~ the public-private partnership and the Global Agreement. A copy of the Feasibility Study ~~shall~~will be provided to DMI and College Associates promptly upon completion of the same, but in no event later than 30 days after approval of the Initial Schematics by the Parties. [Is the timing right on this work. Also GID approval process for this LOI should be discussed and stated.]

~~13.~~14. Upon approval of the Feasibility Study by the Parties, the same ~~shall~~will be presented to the City Council for approval. Upon approval of the Feasibility Study by the City Council, the Parties ~~shall~~will move forward to draft the Global Agreement. ~~Address schedule for requesting city council approvals of the project scoping partnership~~

15. Notwithstanding anything to the contrary contained in this letter of intent, the Parties agree that DMI, ~~College Associates, Darren Fisk or~~ Michael Boyers, or any combination of the foregoing, may create one or more entities (the "**Related**

Entities") for the purpose of acquiring the 13th Street Property or completing the Project, or both, so long ~~Darren Fisk or~~ Michael Boyers, or any entity(ies) that either of them manage or control, is a member of the Related Entities. To the extent the Related Entities are created, all or a portion of this letter of intent or the Global Agreement, or both, may be assigned to the Related Entities. Except as expressly set forth herein, the Parties agree that this letter of intent is not otherwise assignable.

16. This letter of intent ~~shall~~will not be construed as creating any ~~contractual~~ obligations, contractual or otherwise, on the part of the ~~p~~Parties until the ~~p~~Parties have executed the Global Agreement~~a formal agreement related to the development of the properties~~. Actions taken by any of the Parties, including but not limited to expenditure of funds, incurring or canceling other commitments or acts taken to implement any of the provisions of this letter of intent, ~~shall~~will not be construed as part performance of the terms and conditions contained herein, nor ~~shall~~will the party taking such action be regarded as having changed its position in reasonable reliance on the terms and conditions contained herein, so as to give rise to a claim of promissory estoppel or other equitable claims.

~~14. The parties also agree that this letter of intent is not assignable.~~

Sincerely,

Del Mar Interests, L.L.C.,
a Colorado limited liability company

By:_____
Name: Michael Boyers
Title:

Attest:_____

~~**14th & College Associates, LLC,**~~
~~a Colorado limited liability company~~
~~By:~~

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~~Name: Darren Fisk~~

~~Title: Manager~~

~~By:~~

~~Name: Michael Boyers~~

~~Title: Manager~~

Attest:

City of Boulder

By:_____

Attest:_____
City Clerk on behalf of the Director of Finance and Record

By:_____

Attest:_____
Secretary

University Hill General Improvement District, a general improvement district~~UHGID~~

By:_____

Attest:_____
Secretary

DRAFT: University Hill Reinvestment Strategy 2013-2018
November 14, 2013

University Hill occupies a special place in the hearts and imaginations of many Boulderites, CU alumni, current residents and business owners. The business district is designated as one of the three major business centers in Boulder and has a rich historic past as a shopping and music center for the area. The residential neighborhood is one of the city's oldest, full of beautiful architecture and tree-lined streets. Across Broadway is the main campus and heart of the University of Colorado with its abundant academic and cultural facilities.

Given this context, it is widely acknowledged that the area faces challenges. As the regional and local retail landscape has changed and there are greater transportation options, the Hill business district has lost some of its business diversity and vibrancy. The residential district is a mix of high density, student-focused rental properties with varying degrees of maintenance, Greek houses, and permanent residents in single family homes. The high density area is plagued by litter and graffiti. The University, while a major influence on the Hill, does not have a physical or programmatic presence on the Hill.

There have been a number of studies, analyses and community engagement processes to create a common vision for the Hill and present options and ideas for revitalization. While there have been some positive outcomes they have been isolated and have not achieved the long term, sustainable revitalization that has been expected. What is presented here is a new approach to this complicated and challenging issue within our community – ***a hill reinvestment strategy***. The basis for this strategy is that there are hard, cold realities that must be accepted prior to making meaningful and long term change. In order to proceed with working on the Hill, these realities must be understood and acknowledged, and inform the development of any Hill efforts:

- Hill cannot be revitalized on its own; no single entity can do it; all the stakeholders need to be part of the solution, everyone; a new paradigm is needed to ensure long term, sustainable success.
- The Hill is different and unique and needs different and unique solutions; we cannot rely on the normal planning tool box; this is community development not planning. It will require direct intervention and it will require public money to fuel change.
- The past is the enemy of the future; while we can learn from the past, the Hill is frozen in people's minds and stymied by the past and people's perceptions of past events: riots, music center, citywide shopping destination; and these perceptions are holding the Hill back from a different future.
- There is not a common vision for the Hill and hence efforts have been stuck in a tug of war about what people think the Hill should be. Another visioning process will not change that fact.
- Sustainable change on the Hill is longer than a two year timeframe of a Council work program.
- There is distrust of the city within the Hill community.
- In order to proceed with this reinvestment strategy, we must be willing to embrace uncertainty, risk and a lack of total control. The Hill will require solutions that are not traditional in Boulder.
- The Hill needs a community champion and that champion is the city of Boulder.

This outline is the result of a Hill staff team's commitment to re-shape and re-think the revitalization effort proposing both *quick and coordinated action* on some of the many good ideas that have emerged during the recent past, and a longer term commitment to ensure sustainable change. Some ideas have come from various studies or plans while others spring from stakeholder input or the sound judgment of staff. The approach is built on three key assumptions: 1) that the long term sustainability of the Hill can only be accomplished by a broad-based coalition of stakeholders building an organizational structure is financially sustainable; 2) a multi-pronged strategy is needed including public spaces and infrastructure, marketing and programming, building a culture of innovation, clean and safe, and organizational capacity); and 3) that the city is the entity to "prime the pump" in order to provide the support to build the initial momentum the Hill reinvestment strategy needs. UHGID resources contribute to the effort but are not sufficient to create substantial and sustainable change.

The Hill Reinvestment Strategy proposes a comprehensive approach broken into five categories:

- *Public Spaces and Infrastructure*
- *Marketing and Programming*
- *Building a Culture of Innovation*
- *Clean and Safe Community*
- *Building Organizational Capacity*

And planned within two phases: the shorter term: Prime the Pump, and longer term: Sustainable Strength. This scope of work will be started by existing city staff but part of the plan is to designate additional, dedicated staff in 2014 to help manage the work. Staff would be augmented by contractors as needed.

<u>The "Prime the Pump" Phase (2014 – 2015)</u>

Public Spaces and Infrastructure

- Concept Design for Pennsylvania event street - spring of 2014
- Develop proposal for the Hill business district irrigation plan – summer of 2013
- Implement a pilot "parklet" on Pennsylvania Street – spring of 2014
- Implement a mural on the Fox Theatre through the CU Libby Residential Academic Program (Libby RAP)– spring of 2014
- Identify CIP funding timeline for capital projects - tbd
    - Pennsylvania Event Street
    - Residential/commercial districts gateway features
    - Hill business district irrigation system
    - Residential area corridor pedestrian lighting

Marketing and Programming

- Continue support for existing and identify resources for new events
- Develop a marketing and communication plan

Building a Culture of Innovation

- Support Spark co-working facility opening January 2014 – UHGID financial contribution fall of 2013
- Explore and develop innovative zoning tools - tbd
- Explore incentives for innovative types of businesses - tbd

- Explore an Eco District on the Hill and/or LEED ND status – winter 2013/14

Clean and Safe Community

- Continue and strengthen policing and enforcement - on-going
- Implement the RSD - reevaluate funding model – winter 2013/14; pilot implementation 2014-2016
- Enhanced maintenance in the commercial area through hiring a maintenance supervisor – January 2014
- Explore building code enforcement strategy

Building Organizational Capacity

- Explore the potential for a business improvement district or other mechanism- winter 2013
- Explore potential of the Denver Theatre District signage model for ongoing funding – winter 2013/4
- Develop interim staffing plan and funding – winter 2013/4
- Make recommendations on organizational options – by 3rd quarter of 2014.

<u>Sustainable Strength Phase 2016 –</u>

The "Sustainable Strength" phase will begin sometime in 2016. By that time, it is expected that a first phase capital work will have shown visible results, that a collaboratively funded, two -year pilot period for the RSD will have shown visible results, and that a proposal will be developed for a new organizational model with a sustainable revenue stream will be identified to take over management of many Hill functions.

Public Space and Infrastructure

- Implementation plan for capital projects established

Marketing and Programming

- New event in place
- Staffing resources in place
- Communication strategy in place

Clean and Safe Community

- Continue enforcement strategies
- Continually assess commercial district maintenance needs
- RSD assessment and long term plan developed

Building Organizational Capacity

- Implement new organizational structure

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The transition of responsibilities from solely the city to a new Hill organization is reflected, simply, in this table:

	"Prime the Pump"		"Sustainable Strength"		
	2014	2015	2016	2017	2018
Public Spaces & Infrastructure	O	O	O	O	O
Marketing & Programming	O	O	X	X	X
Culture of Innovation	O	O	O X	O X	O X
Clean & Safe	O	O	O X	O X	O X
Organizational Capacity	O	O	X	X	X

O - Mainly City Responsibility
X - Mainly Hill Organization Responsibility
O X - Shared Responsibility

The first phase will require an infusion of new city resources beyond UHGID financial support. Staff anticipates a first phase budget of approximately $325,000 per year. Capital projects implementation is not included in this budget. It is possible the two half time FTEs could be combined into one to make management more efficient but that is not likely to reduce costs in any way. City staff involvement would continue but would be projected to decrease as additional resources are brought on line.

.5 FTE Hill Coordinator	$50,000
.5 FTE RSD Coordinator	$50,000
RSD Services	$150,000
Marketing/Event	$25,000
Contractors/Consultants	$50,000
Total	$325,000

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