

UNIVERSITY HILL COMMERCIAL AREA MANAGEMENT COMMISSION
REGULAR MEETING – December 16, 2015
4 - 6 p.m.
1777 West Conference Room, 1777 Broadway
AGENDA

1. Roll Call
2. Approval of the November 18, 2015 Meeting Minutes
3. Public Participation
4. Police Update – Trujillo
5. CUSG - Ahram
6. UHNA Update – Nancy Blackwood
7. UHGID Access/Development Projections – RRC/Fox Tuttle Hernandez
8. Hill Boulder Update - Soifer
9. Parking Services Update – Matthews
10. Matters from Commissioners
 - 2016 City Council Priorities – due 12/21/15
 - Review Board Recruitment Questions
11. Matters from Staff – Winter/Wiebenson
 - Council Study Session Update
 - Hill Reinvestment Working Group Update
12. Action Summary

Attachments

- Meeting Minutes – November 18, 2015
- Sales and Use Tax Revenue Reports – September 2015
- UHGID Build-out Projections – November 2015
- UHGID Parking Projections (revised) – November 2015
- City Council Study Session Materials – December 2015
- HRWG Workshop Summary: Funding Needs & Priorities - November 2015
- University Hill Stakeholder Updates – November/December

Upcoming Meetings:

January 16 UHCAMC

Commissioner Terms:

Soifer 2019 (business owner)
Nelson 2020 (resident)
Rubino 2018 (business owner)
Raj 2016 (resident)
Liguori 2017 (business/property owner)

UHCAMC 2015 Priorities:

- Establish baseline/benchmarks for Hill Reinvestment Strategy
- Determine feasibility of Hill employee Eco Pass program
- Extend Hill Community Development Coordinator funding
- Pursue anchor tenant and public-private partnerships on UHGID sites
- Pursue short-term incentive program for building improvements
- Enhance communication and coordination with CU
- Integrate arts into planning for 'Event Street'
- Evaluate liquor restriction impacts
- Greater engagement with Hill Commercial Area Community

CITY OF BOULDER, COLORADO
BOARDS AND COMMISSIONS MEETING MINUTES

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:
BOARD MEMBERS: RAJ (absent), SOIFER, RUBINO, LIGUORI, NELSON
STAFF: WINTER, WIEBENSON, WEISS, SMITH, MATTHEWS, TRUJILLO, JOBERT,
GUESTS: ADLI AHAM, NANCY BLACKWOOD, JEAN GATZA, CAITLIN ZACHARIAS

TYPE OF MEETING: Regular Meeting November 18, 2015

AGENDA ITEM 1 – Roll Call: Meeting was called to order at 4:02 p.m.

AGENDA ITEM 2 – Approval of the October 21, 2015 Meeting Minutes (see Action Item Below).

AGENDA ITEM 3 – Public Participation: None

AGENDA ITEM 4 - Police Update – Trujillo: Trujillo said year-end is approaching with new officers and shifts. Already planning for St Patrick’s Day in March. Transient issues were addressed with Commander McEldowney. Liguori asked what are the issues with St. Patrick’s Day. Trujillo replied mostly the cumulative effect of numerous house parties. Soifer asked if there were issues on Halloween, the commercial area was quiet. Trujillo reported no major problems, partnered with CU to provide more officers. Nelson said the past semester has been particularly difficult, but there has been a good response from BPD and CU Off-Campus Housing. Soifer asked about Trujillo’s body camera.

AGENDA ITEM 5 – BCVP Update – Gatza/Zacharias: Gatza and Zacharias presented an update on the Boulder Valley Comprehensive Plan Update. Currently in the outreach phase. Looking at the fall or fourth quarter of 2016 for adoption. There is a community engagement plan on the website and working with RRC on a survey. December 15 check-in with council. Zacharias reported lots of preparation to understand the economy, accessibility, transit data, projections for housing population and jobs. Fact sheets available online. There is a zoning change request process, but none yet received for University Hill. Soifer asked what people are looking to change. Jobert asked how to give feedback if you did not receive a survey. Gatza said the deadline has passed. Zacharias suggested listserv. Nelson has signed up for it. Soifer requested to be signed up. Will be sharing survey results with planning and council along with hearings to get direction. Soifer said that character of neighborhood is important for the Hill, along with housing affordability and the proximity of the Hill to CU. Nelson said that housing is a huge issue with CU faculty and students. It was mentioned that there will be a comp plan outreach meeting with CU in January. Nelson said that neighborhood has lost faculty and grad students who can’t afford to live there. Rubino asked what kind of solutions are in the mix and Gatza replied they don’t have solutions yet but land use change could, for example, impact job growth as opposed to housing growth. Soifer asked how the Hill would change to address its needs. Soifer recommended looking at housing. Nelson said occupancy is currently being looked at, and maybe the potential for mixed use adjacent to the commercial area to help the commercial area grow. Blackwood supported efforts to bring families back to the Hill. Nelson said that students are not the problem, she enjoys the diversity, but it is out of balance, and the student housing market has done some crazy things. Blackwood said it’s great to increase the density in the commercial district but not in the residential areas.

AGENDA ITEM 6 – CUSG Update - Aham: Aham reported CUSG is setting up a meeting with council. Working on an over-occupancy ordinance. Soifer encouraged students to come to council to ask for what they want.

AGENDA ITEM 7– Hill Boulder Update - Soifer: Soifer said the Boulder SBDC is working on a three-part series for Hill businesses. Had a meeting with SBDC to talk about how to develop the Hill Boulder non-profit. Light the Hill is coming up. There have been some business shake-ups; Innisfree is not renewing their lease. Cosmo’s is under new ownership. Hotel has submitted a proposal, trying to solve the problem funding the parking structure component.

AGENDA ITEM 8 – UHNA Update: Blackwood said progress is being made on Executive Committee candidates and

looking to expand to eight members from the current four. Blackwood thanked Wiebenson for sending Hillanthropy volunteers to help with the cemetery cleanup. UHNA will participate in the first Hill Reinvestment Working Group (HRWG). A meeting with the hotel development team and neighbors went well and had a good turnout. Most were supportive of the project. Living lab open house was last night. UHNA is elated that the over-occupancy ordinance passed.

AGENDA ITEM 9 – Parking Services Update: Matthews reported that irrigation improvements funded by the ‘community, culture and safety’ tax have gone out to bid. Work is scheduled to begin at the end of December. Not all trees will be replaced due to budget. There will be irrigation to all the tree wells and there is now a master plan for the trees. Soifer requested a weekly update on the project. Matthews continued that the two brick plaza areas at Broadway and 13th will be paved with scored concrete. The three artistic light poles were discussed, including one that is in the plaza area being repaved. Soifer asked if the commission could make a motion to rip them out. **Liguori motioned to recommend that the three art light poles be removed, and that the city consider making all light polls in the area consistent. Soifer seconded.** All commissioners were in approval and the motion passed 4-0 with Raj absent. Wiebenson reported that the holiday lighting installation is complete, including a major expansion of the program to Broadway to invite visitors from Broadway. Lights will go on at sunset and off at sunrise.

AGENDA ITEM 11 – Matters from the Commissioners: Liguori asked if there was an update on the 14th street joint venture with UHGID. Wiebenson said that the developers tried to make the project work, but it could not proceed with affordable housing instead of student rentals.

AGENDA ITEM 12 – Matters from the Staff: Staff reported back on the commission’s requests for information. The city attorney’s response to pot shop location requirements were reviewed. A meeting was held with BPD to discuss an update to the ‘squeaky wheel’ approach to transient issues. Smith will be creating a handout, and encouraged individuals to file a complaint and show up in court, which creates a paper trail for the courts. Wiebenson reported that they talked about the possibility of overtime officers, which turns out to be a supply issue. Private security was discussed. Hill parking fees (city v. CU) were presented. HRWG will have their first meeting tomorrow night and their agenda was mentioned. Final workshop will be on the stakeholder roles in the long-term governance structure. The group will present a recommendation to the council in early 2016. Staff needs 2016 priorities from the commission. EcoPass was mentioned, aiming for a January 1st start. Liguori queried Ahram about the perception of the student population. Ahram replied that he rarely hears any negative comments about the Hill. Ahram said the Hill is a solid representation of the city, but that there is not much to do at night. Soifer said relative to the commission recruitment process he would like to see a one day workshop on infrastructure and process.

UHCAMC ACTION LIST:

- Weekly update on the tree irrigation project
- Find out the CU contact working on affordable housing for faculty and staff
- Re-send commission questions and 2016 priorities

Meeting adjourned at 6:06 p.m.

ACTION ITEMS:

MOTION: Nelson motioned to approve the October 21, 2015 meeting minutes with corrections. Liguori seconded the motion and it passed 4 – 0 (Raj absent).

MOTION: Liguori motioned to recommend that the three art light poles be removed, and that the city consider making all light polls in the area consistent. Soifer seconded the motion and it passed 4-0 (Raj absent).

December 16, 2015	4 – 6 pm	FUTURE MEETINGS: 1777 West Conference Room	Regular Meeting
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APPROVED BY: UNIVERSITY HILL COMMERCIAL AREA

MANAGEMENT COMMISSION

Attest:
Ruth Weiss, Secretary

Dakota Soifer, Chair

City of Boulder

Sales & Use Tax Revenue Report

September, 2015

Issued November 18, 2015

This report provides information and analysis related to 2015 Year-to-Date (YTD) sales and use tax collections. Results are for actual sales activity through the month of September, the tax on which is received by the city in the subsequent month. For clarification of any information in this report, please contact Patrick Brown, Revenue & Licensing Officer, at (303) 441-3921 or brownp@bouldercolorado.gov.

PLEASE NOTE: Pursuant to a vote in November of 2014, the sales and use tax rate changed on January 1, 2015 from 3.56% to 3.86%. The additional 0.30% tax was approved for a three year period and is earmarked for "Community Culture and Facilities." Actual dollars collected in the report may show as being higher in 2015 solely because of that tax rate increase. However, the percentage changes included in this report have been "normalized" to be able to compare the actual increase or decrease for this year compared to the same period in 2014 as if the rates were the same. This "normalized" percentage better reflects the underlying economic activity in the city and enables city staff to more readily determine if revenue targets are being met.

REVENUE COMPARISONS TO COMPARABLE PERIOD IN PRIOR YEAR

As reflected in Table 1, "normalized" Sales and Use Tax has increased from the comparable 2014 base by 5.07%.

TABLE 1
"NORMALIZED" ACTUAL SALES AND USE TAX REVENUE
 (Adjusted to exclude change in tax rate)

TAX CATEGORY	% CHANGE IN REVENUE Increase/(Decrease)	% OF TOTAL
Sales Tax	5.12%	78.07%
Business/Consumer Use Tax	(5.03%)	10.16%
Construction Use Tax	18.63%	8.85%
Motor Vehicle Use Tax	6.30%	2.91%
Total Sales & Use Tax	5.07%	100.00%

Any time a new commodity (such as recreational marijuana) becomes taxable, it generates additional revenue and increases the prior year revenue "base," but the percentage increase in revenue may distort perception of the strength of the underlying economy. For that reason, Table 2 is presented to illustrate "normalized" sales and use tax revenue excluding revenue from the sale of recreational marijuana. The increase in the "traditional" sales tax base is almost a full percentage point lower than that including recreational marijuana. Since recreational marijuana will be included in the 2015 "base," future revenue increases will not include the positive tax impact of this added taxable commodity. Also, September included a State of Colorado "marijuana sales tax holiday" (10% retail sales tax charged to the consumer and 15% of the excise tax paid by the cultivator when the product was transferred to the seller) where State taxes were not charged. The resulting lower price may have redistributed some anticipated future sales into September.

TABLE 2
"NORMALIZED" ACTUAL SALES AND USE TAX REVENUE, EXCLUDING REVENUE FROM
THE SALE OF RECREATIONAL MARIJUANA
 (Adjusted to exclude change in tax rate)

TAX CATEGORY	% CHANGE IN REVENUE Increase/(Decrease)	% OF TOTAL
Sales Tax	4.10%	77.69%
Business/Consumer Use Tax	(5.22%)	10.33%
Construction Use Tax	18.63%	9.02%
Motor Vehicle Use Tax	6.30%	2.96%
Total Sales & Use Tax	4.26%	100.00%

COMMUNITY, CULTURE AND SAFETY FACILITIES TAX

For September 2015 YTD, the newly enacted Community, Culture and Safety Facilities Tax (an additional 0.30%, effective for 3 years beginning January 1, 2015) has generated \$7,133,425. This tax is dedicated to fund a variety of projects in the Civic area along the Boulder Creek Path and on University Hill as well as improvements for several culturally oriented projects. It will also fund pedestrian safety lighting improvements along Baseline Road at the entrance to Chautauqua Park.

DETAILED ANALYSIS OF MAJOR CATEGORIES

The following monthly information is provided to identify trends in the various retail categories. While this information is useful, it is important to remember that relatively small aberrations (like the timing of remittances by certain vendors) can make relatively large monthly variances.

Retail Sales Tax – September YTD retail sales tax revenue was up 5.12% from that received in 2014. It is important to note that any significant sales of recreational marijuana did not begin until the second quarter of 2014. Therefore, comparisons are not "apples to apples" for the first quarter.

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
6.50%	9.40%	8.54%	4.87%	2.81%	3.00%	6.41%	5.76%	0.36%

Food Stores - YTD retail sales tax revenue for food stores was up 7.39% from that received in 2014. This large increase is primarily due to companies who file thirteen four-week periods instead of reporting monthly. Companies who file thirteen four-week periods do so because of reporting purposes. Each reporting period has the same number of days in the period. Since the city reports monthly, there is one month out of the year where our report contains two filing periods.

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
46.51%	8.69%	2.00%	1.77%	0.70%	8.22%	3.74%	5.10%	(1.43%)

Sales at **Eating Places** are both an important revenue source (Eating Places comprise approximately 13.00% of sales/use tax) and are often an indicator of the health of the economy in the city. This discretionary category is often correlated with disposable income and consumer confidence. Total September YTD retail tax at Eating Places is up by 6.56%.

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
4.82%	10.46%	6.98%	4.87%	11.00%	0.98%	10.84%	11.61%	(1.66%)

Apparel Stores - YTD retail sales were up by 3.28%. The significant increase in April is due to multiple circumstances. Timing was an issue with one large vendor who did not remit in April of 2014. Multiple other vendors also improved their performance during the month

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
(29.55%)	15.03%	(1.28%)	53.97%	2.21%	16.20%	(3.11%)	(4.20%)	(9.86%)

General Retail sales are up by 6.77% YTD.

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
1.97%	3.75%	3.02%	4.94%	8.42%	5.55%	5.39%	7.96%	18.56%

Public Utilities (primarily retail sales tax on natural gas and electricity) are up by 1.60% YTD. Tax on Public Utilities comprises over 4% of total sales and use tax revenue. Even if 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.

TOTAL MARIJUANA REVENUE

The latest new revenue categories for the City of Boulder are the sale of both medical and recreational marijuana. These sources represented 1.07% and 1.14% of the total sales/use tax collected respectively in 2014.

The sale of medical marijuana generates:

- 3.86% sales and use tax on product sales paid by the purchaser and/or costs of any construction materials, furniture, fixtures, or equipment paid by the business.

The sale of recreational marijuana generates:

- 7.36% sales tax on product sales paid by the purchaser (3.86% base and 3.50% additional).
- 7.36% use tax on the cost of any construction materials, furniture, fixtures, or equipment paid by the business (3.86% base and 3.50% additional).
- A 5.00% excise tax paid by the grow facility when shipping product to dispensaries and/or marijuana infused product facilities.
- A "share-back" of certain State of Colorado revenue. The State collects a 10.00% tax on recreational marijuana sales and "shares back" 15.00% of that 10.00% to each city where such revenue is generated.

A summary of all year-to-date 2015 marijuana related revenue follows:

Total September YTD Marijuana Related Revenue			
Medical marijuana:			
3.86% Sales/Use Tax	\$797,557		
Sub-total Medical marijuana revenue		\$797,557	
Recreational marijuana			
3.86% Base Sales/Use Tax	934,185		
3.50% Additional Sales/Use Tax	846,912		
5.00% Excise Tax	749,593		
State Share-back	322,215		
Sub-total Recreational Marijuana revenue		\$2,852,905	
TOTAL MARIJUANA RELATED REVENUE			\$3,650,462

While the City's base 3.86% sales/use tax is distributed to City funds based upon various past voter decisions, certain other revenue has been dedicated to cover incremental costs related to the sale and use of marijuana in the City of Boulder. Year-to-date collections for these dedicated revenue sources follow:

Total September YTD "Incremental" Recreational Marijuana Related Revenue		
3.50% Additional Sales/Use Tax	\$846,912	
5.00% Excise Tax	749,593	
State "Share-back"	322,215	
TOTAL "INCREMENTAL" RECREATIONAL MARIJUANA REVENUE		\$1,918,720

Medical Marijuana Retail Sales Tax

Total September YTD retail sales tax revenue collected in this category is down by 15.00% from the same period in 2014. The retail percentage change by month is presented below.

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
26.96%	(7.57%)	(9.21%)	(1.96%)	(16.06%)	(16.23%)	(26.71%)	(38.60%)	(42.17%)

Recreational Marijuana Retail Sales Tax

The first remittances in 2014, related to sales of recreational marijuana, were received in the month of February. Significant retail establishments were not open until April of 2014. Therefore, increases for the first quarter of 2015 are not representative due to the non-existent or low comparative base.

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
na	na	82.89%	60.56%	42.84%	38.64%	49.71%	51.91%	57.84%

Significant YTD increases / decreases by sales/use tax category are summarized in Table 3.

TABLE 3

2015 YTD RETAIL SALES TAX (% Change in Comparable YTD Collections)	
STRENGTHS: <ul style="list-style-type: none"> ▪ Food Stores up by 7.39% (January had two returns for each store by a 13 period filing taxpayer) ▪ Eating Places up by 6.56% ▪ Apparel Stores up by 3.28% ▪ Home Furnishings up by 2.58% ▪ General Retail up by 6.77% ▪ Automotive Trade up by 2.77% ▪ Computer Related Business up by 16.02% ▪ All Other up by 7.07% ▪ Recreational Marijuana up by 77.31% ▪ Downtown up by 9.37% ▪ N. 28th St Commercial up by 14.51% ▪ University of Colorado up by 8.63% ▪ Basemar up by 3.28% ▪ BVRC (excl 29th St) up by 4.69% ▪ Twenty-Ninth St up by 1.35% ▪ The Meadows up by 12.62% ▪ All Other Boulder up by 8.11% ▪ Metro Denver up by 12.62% ▪ Pearl Street Mall up by 13.90% ▪ Gunbarrel Commercial up by 16.21% ▪ Boulder Industrial up by 6.69% 	WEAKNESSES: <ul style="list-style-type: none"> ▪ UHGID (the "hill") down by 1.98% ▪ Transportation/Utilities down by 6.24% ▪ Building Material - Retail down by 0.50% ▪ Medical Marijuana down by 17.39% ▪ Consumer Electronics down by 17.67% ▪ Table Mesa down by 1.99% ▪ Out of State down by 0.55%

2015 USE TAX (% Change in YTD Comparable Collections)	
STRENGTHS: <ul style="list-style-type: none"> ▪ Construction Use Tax up by 20.32% (when adjusted to exclude dedicated Boulder Junction tax in both years, up by 31.09%) ▪ Motor Vehicle Use Tax up by 6.30% 	WEAKNESSES <ul style="list-style-type: none"> ▪ Business Use Tax down by 5.03%

BUSINESS USE TAX

September 2015 YTD Business Use Tax is down by 5.03%. This tax category can be very volatile as it is associated primarily with the amount and timing of purchase of capital assets by businesses in the city and the amount and timing of audit revenue. The Leeds Business Confidence Index has slipped for two quarters in a row. This may have had an impact on capital expenditures by businesses.

MOTOR VEHICLE USE TAX

September YTD Motor Vehicle Use Tax is up by 6.30%, this tax category applies to the purchase of vehicles registered in the city. As individuals and businesses became more confident about jobs and the economy, they have replaced their vehicles and thus reduced the average age of their fleet. 2014 was a strong year for motor vehicle sales, but the change reversed in late 2014 and early in 2015 as the average age of the total vehicle fleet in the city declined and the comparative numbers from the prior year became more difficult to meet or exceed. Both November and December 2014 results were negative (down 17.88% and 12.16% respectively when compared to the very strong sales in the comparative months of 2013) and comparative results continued to be negative through May of 2015. Comparative revenue in this category began to increase again in June 2015 and has continued this increase into September. If the economy remains strong, we may see revenue in this category flatten or even increase for the total year.

CONSTRUCTION USE TAX

Construction Use Tax is up by 18.63% YTD. This is a very volatile tax category as it depends upon the number and timing of construction projects in any given period. Revenue in this category assumes "base" number of projects will continue indefinitely, plus revenue from large projects in the "pipeline" (based upon a review of information from the City Planning Department and the CU Capital Improvement Plan). Even when we know projects are pending, the timing of payment of Construction Use Tax can occur in the prior or subsequent year to the planned construction date. We are currently in a strong period for large project construction in the City but know that this level of activity cannot continue forever. Therefore, it is important that we not commit to ongoing operating expenses from this revenue source, as it will eventually decline. August includes significant revenue from permitting related to construction of below-grade parking structures for two new hotels.

ACCOMMODATION TAX

September Accommodation Tax revenue is up by 10.61% from the same period in 2014. The hotel industry in Boulder is in a state of flux. It is uncertain when new properties in the pipeline will open. Some upward adjustment in room and occupancy rates has occurred during the transition when the total number of rooms available in the City was down slightly. The Rocky Mountain Lodging Report for August indicated the occupancy rate for Boulder was 87%. Some of the changes follow:

- America Best Value – closed March 2014 (to be converted to student housing)
- Golden Buff – closed December 2013 (to be redeveloped into two hotels)
- Boulder Outlook – closed November 2014
- Hyatt Place Depot Square – opened in April 2015
- Embassy Suites and Hilton Garden Inn (old Golden Buff location) under construction
- Other Planned Properties – in concept or site review

ADMISSIONS TAX

Year-to-date 2015 Admission Tax revenue is up by 13.95% from the same period in 2014. Admissions Tax collections are dependent on the number of taxable productions and events held in the City and the level of attendance at such events.

TRASH TAX

September 2015 YTD Trash Tax receipts are up by 1.03%. On-going Trash Tax remittances are due on a quarterly basis. Variances also occur when smaller trash collection companies work levels vary, due primarily to pickups related to larger construction projects.

REVIEW OF VARIOUS ECONOMIC DATA & PREDICTIONS FOR THE FUTURE

An October 17 article from *Zacks Research* on the National Retail Federation site includes the following prediction:

Retail Sales Data - The retail sector saw a bloodbath on Friday following a slew of weak reports from retailers ranging from department to dollar stores. Additionally, the soft October retail sales data added to the woes. With Thanksgiving less than two weeks away and Christmas coming up in six weeks, the growth prospects for the upcoming holiday season suddenly look dull. After a flat September, retail sales barely rose 0.1% in October, falling short of the market expectation of 0.3% growth. The lackluster growth can be blamed on a surprise decline of 0.5% in auto sales, implying that cheap gasoline failed to spur consumer spending as expected. Notably, consumer spending accounts for more than two-thirds of demand in the U.S. economy.

Because of slower than projected growth in the first half of 2015, the *National Retail Federation* has revised its 2015 forecast:

The NRF has issued a revised retail sales tax forecast for 2015, lowering its anticipated figures due to unexpected slow growth during the first half of the year. The original NRF forecast in February predicted a 4.1 percent growth in retail sales over 2014, but the new revision lowers the forecast to 3.5%.

A U.S. Department of Commerce report on June sales noted that sales were down. Excluding autos, gas, building materials and restaurants, core retail sales fell 0.1 percent in June after an increase of 0.7 percent in May. The report precipitated the NRF revision. NRF calculations found that sales during the first six months of 2015 saw 2.9 percent growth, with an anticipated increase at a more positive pace of 3.7 percent over the next five months.

The Conference Board *Consumer Confidence Index*®, which had increased in August, improved moderately in September:

The Index now stands at 103.0 (1985=100), up from 101.3 in August. The Present Situation Index increased from 115.8 last month to 121.1 in September, while the Expectations Index edged down to 91.0 from 91.6 in August.

“Consumer confidence increased moderately in September, following August’s sharp rebound,” said Lynn Franco, Director of Economic Indicators at The Conference Board. “Consumers’ more positive assessment of current conditions fueled this month’s increase, and drove the Present Situation Index to an 8-year high. Consumers’ expectations for the short-term outlook, however, remained relatively flat, although there was a modest improvement in income expectations. Thus, while consumers view current economic conditions more favorably, they do not foresee growth accelerating in the months ahead.”

The University of Michigan Consumer Sentiment Index continued to narrow in September:

Final Results for September 2015

	Sep <u>2015</u>	Aug <u>2015</u>	Sep <u>2014</u>	M-M <u>Change</u>	Y-Y <u>Change</u>
Index of Consumer Sentiment	87.2	91.9	84.6	-5.1%	+3.1%
Current Economic Conditions	101.2	105.1	98.9	-3.7%	+2.3%
Index of Consumer Expectations	78.2	83.4	75.4	-6.2%	+3.7%

Surveys of Consumers chief economist, Richard Curtin - The decline in optimism continued to narrow in late September as consumers increasingly concluded that the stock market declines had more to do with international conditions than the domestic economy. While the September Sentiment Index was at the lowest level in eleven months, it was still higher than in any prior month since May 2007. To be sure, a raft of recent events have been viewed as negative economic indicators by consumers, including falling commodity prices, weakened Chinese and other economies as well as continued stresses on European countries. Although most believe the domestic economy is still largely insulated, they have lowered the pace of job and wage growth that they now anticipate. The true significance of these findings is not the diminished economic prospects, but that consumers now believe that global economic trends can directly influence their own job and wage prospects as well as indirectly via financial markets. While now small, the influence of the global economy is certain to rise in the future and prompt widespread adjustments by consumers and policy makers.

According to an October 1, 2015 article in *BizWest*, business leaders' confidence has slipped for the second quarter in a row:

Colorado business leaders' confidence, despite remaining positive overall, weakened for the second quarter in a row, according to the latest Leeds Business Confidence Index. The index shows an overall reading of 53.5 entering the fourth quarter. That's down from 58.3 entering the third quarter. Readings of 50 or higher are considered positive, and the overall index has remained in positive territory for 16 quarters in a row now.

The reading for confidence in the national economy slid seven points. Confidence in profit expectations saw the next largest slide, from 58.3 last quarter to 53.6, while capital expenditures fell 4.5 points and sales expectations 4.3 points.

***BizWest* reported that the Region's unemployment rates dipped again in August:**

Boulder County's rate fell from 3.3 percent in August, down from 3.5 percent in July. Colorado's unemployment rate was down from 4.6 percent for the same month last year. The national rate, meanwhile, has fallen from 6.1% a year ago to 5.1 percent in August of this year.

Although retail sales taxes are collected and remitted on some retail purchases (primarily those with brick and mortar stores in the City or State), many go untaxed. Therefore, it important to follow trends in this sales category. IBM's annual *Online Retail Readiness Report* published in April of 2015, based upon a Forrester Research Study includes the following:

The e-commerce industry is steadily growing, faster than expected. A previous report from 2010 didn't expect the industry to top \$300 billion until 2017. By the end of this year, the industry is projected to reach nearly \$334 billion in consumer spend.

As e-commerce grows overall, holiday spending is increasing as well, though at a slower rate. A study by the National Retail Federation shows that shoppers spent more both in store and online during the 2014 holiday season (which includes November and December sales). Overall online

spend amounts to just one-sixth of in-store spend, but it's increasing faster year-over-year. Online sales grew 6.8 percent over 2013, while in-store sales grew 4 percent over 2014.

According to a September 16, 2015 article in the *Denver Business Journal*, Xcel Energy bills are expected to drop significantly in the coming months. (Retail sales tax on the sale of natural gas and electricity make up over 4.0% of Sales/Use Tax revenue.)

Low commodity prices for natural gas...(will result in) the average monthly gas bill during October, November, and December to be 20% less than the average bills during the same three months of 2014.

On the electricity side of the bill, the change will be smaller. Electricity bills are expected to be about 2% lower in during the fourth quarter of 2015.

Total Net Sales/Use Tax Receipts by Tax Category	SEPTEMBER YTD Actual			
	2014	2015	% Change	% of Total
Sales Tax	65,522,271	74,680,972	5.12%	78.07%
Business Use Tax	9,440,965	9,721,643	-5.03%	10.16%
Construction Sales/Use Tax	6,582,951	8,467,389	18.63%	8.85%
Motor Vehicle Use Tax	2,414,464	2,782,960	6.30%	2.91%
Total Sales and Use Tax	83,960,651	95,652,964	5.07%	100.00%

Total Net Sales/Use Tax Receipts by Industry Type	SEPTEMBER YTD Actual			
	2014	2015	%Change	% of Total
Food Stores	10,750,084	12,430,737	6.65%	13.00%
Eating Places	10,795,745	12,505,347	6.83%	13.07%
Apparel Stores	2,964,460	3,314,715	3.12%	3.47%
Home Furnishings	2,180,550	2,426,615	2.64%	2.54%
General Retail	16,128,736	18,483,958	5.70%	19.32%
Transportation/Utilities	6,436,217	6,609,328	-5.29%	6.91%
Automotive Trade	5,791,316	6,534,992	4.07%	6.83%
Building Material-Retail	2,997,286	3,240,800	-0.28%	3.39%
Construction Firms Sales/Use Tax	6,136,762	8,016,784	20.48%	8.38%
Consumer Electronics	1,815,592	1,669,505	-15.19%	1.75%
Computer Related Business Sector	5,344,209	5,430,018	-6.29%	5.68%
Rec Marijuana	920,026	1,781,097	78.55%	1.86%
Medical Marijuana	866,142	797,557	-15.08%	0.83%
All Other	10,833,526	12,411,510	5.66%	12.98%
Total Sales and Use Tax	83,960,651	95,652,964	5.07%	100.00%

Total Net Sales/Use Tax Receipts by Geographic Area	SEPTEMBER YTD Actual			
	2014	2015	% Change	% of Total
North Broadway	1,024,936	1,217,957	9.60%	1.27%
Downtown	6,090,801	7,423,264	12.40%	7.76%
Downtown Extension	580,081	580,173	-7.76%	0.61%
UHGD (the "hill")	921,862	947,897	-5.17%	0.99%
East Downtown	677,036	653,742	-10.95%	0.68%
N. 28th St. Commercial	3,760,562	4,690,564	15.04%	4.90%
N. Broadway Annex	353,787	374,172	-2.46%	0.39%
University of Colorado	934,442	945,960	-6.64%	0.99%
Basemar	2,123,780	2,322,292	0.85%	2.43%
BVRC-Boulder Valley Regional Center	16,356,660	19,100,185	7.70%	19.97%
29th Street	6,075,229	6,650,754	0.97%	6.95%
Table Mesa	1,959,416	2,080,450	-2.08%	2.17%
The Meadows	741,879	857,719	6.63%	0.90%
All Other Boulder	5,246,929	7,123,795	25.22%	7.45%
Boulder County	924,802	1,019,183	1.64%	1.07%
Metro Denver	2,866,658	5,432,255	74.77%	5.68%
Colorado All Other	266,710	496,675	71.75%	0.52%
Out of State	7,962,392	7,757,465	-10.15%	8.11%
Airport	43,315	1,108,699	2260.68%	1.16%
Gunbarrel Industrial	6,520,666	5,029,872	-28.86%	5.26%
Gunbarrel Commercial	889,240	1,087,861	12.83%	1.14%
Pearl Street Mall	2,405,444	3,001,080	15.07%	3.14%
Boulder Industrial	7,865,360	8,578,748	0.59%	8.97%
Unlicensed Receipts	1,051,711	442,830	-61.17%	0.46%
County Clerk	2,414,464	2,782,960	6.30%	2.91%
Public Utilities	3,902,485	3,946,413	-6.73%	4.13%
Total Sales and Use Tax	83,960,651	95,652,964	5.07%	100.00%

Miscellaneous Tax Statistics	SEPTEMBER YTD Actual		
	2014	2015	% Change in Taxable
Total Food Service Tax	475,842	495,130	4.05%
Accommodations Tax	4,596,304	5,083,975	10.61%
Admissions Tax	383,672	437,187	13.95%
Trash Tax	1,328,151	1,341,788	1.03%
Disposable Bag Fee	207,575	197,720	-4.75%
Rec Marijuana Excise Tax	268,561	749,593	179.11%

USE TAX BY CATEGORY

USE << SALES

SALES TAX BY CATEGORY

SEPTEMBER YTD Actual			Standard Industrial Code	SEPTEMBER YTD Actual		
2014	2015	% Change		2014	2015	% Change
139,384	75,262	-50.20%	Food Stores	10,610,700	12,355,476	7.39%
129,652	181,601	29.18%	Eating Places	10,666,093	12,323,746	6.56%
13,545	10,232	-30.33%	Apparel Stores	2,950,915	3,304,483	3.28%
20,933	24,501	7.95%	Home Furnishings	2,159,617	2,402,114	2.58%
2,110,293	2,255,552	-1.42%	General Retail	14,018,444	16,228,406	6.77%
290,939	361,646	14.64%	Transportation/Utilities	6,145,278	6,247,683	-6.24%
2,476,646	2,841,582	5.82%	Automotive Trade	3,314,670	3,693,410	2.77%
10,451	18,549	63.69%	Building Material-Retail	2,986,835	3,222,251	-0.50%
5,847,463	7,628,467	20.32%	Construction Sales/ Use Tax	289,299	388,317	23.79%
34,525	79,489	112.34%	Consumer Electronics	1,781,067	1,590,016	-17.67%
3,789,598	3,474,424	-15.44%	Computer Related Business	1,554,612	1,955,593	16.02%
7,746	27,267	224.66%	Rec Marijuana	912,280	1,753,831	77.31%
16,280	36,284	105.55%	Medical Marijuana	849,863	761,274	-17.39%
3,550,927	3,957,136	2.78%	All Other	7,282,599	8,454,374	7.07%
18,438,380	20,971,992	4.90%	Total Sales and Use Tax	65,522,271	74,680,972	5.12%

USE TAX BY CATEGORY

SALES TAX BY CATEGORY

SEPTEMBER YTD Actual			Geographic Code	SEPTEMBER YTD Actual		
2014	2015	% Change		2014	2015	% Change
49,467	96,586	80.08%	North Broadway	975,470	1,121,371	6.02%
987,033	1,370,746	28.08%	Downtown	5,103,768	6,052,518	9.37%
45,482	302	-99.39%	Downtown Extension	534,599	579,871	0.04%
32,911	32,812	-8.05%	UHGD (the "hill")	888,951	915,085	-5.06%
157,478	82,914	-51.44%	East Downtown	519,559	570,827	1.33%
72,064	110,814	41.82%	N. 28th St. Commercial	3,688,498	4,579,749	14.51%
9,125	9,361	-5.39%	N. Broadway Annex	344,662	364,811	-2.38%
139,647	9,807	-93.52%	University of Colorado	794,795	936,153	8.63%
568,442	580,547	-5.81%	Basemar	1,555,338	1,741,745	3.28%
286,718	858,553	176.17%	BVRC	16,069,943	18,241,632	4.69%
73,282	55,029	-30.74%	29th Street	6,001,947	6,595,724	1.35%
30,016	30,183	-7.26%	Table Mesa	1,929,400	2,050,266	-1.99%
70,626	38,070	-50.29%	The Meadows	671,253	819,649	12.62%
2,450,838	3,846,058	44.73%	All Other Boulder	2,796,091	3,277,737	8.11%
170,171	214,337	16.16%	Boulder County	754,631	804,846	-1.63%
499,346	2,541,528	369.41%	Metro Denver	2,367,312	2,890,728	12.62%
80,667	61,418	-29.78%	Colorado All Other	186,043	435,257	115.77%
947,572	193,641	-81.15%	Out of State	7,014,821	7,563,824	-0.55%
20,707	1,077,303	4698.26%	Airport	22,609	31,396	28.07%
5,660,626	4,104,854	-33.12%	Gunbarrel Industrial	860,040	925,017	-0.80%
30,889	6,313	-81.15%	Gunbarrel Commercial	858,351	1,081,548	16.21%
32,335	70,244	100.35%	Pearl Street Mall	2,373,109	2,930,836	13.90%
2,741,260	2,651,381	-10.80%	Boulder Industrial	5,124,100	5,927,367	6.69%
750,678	56,959	-93.00%	Unlicensed Receipts	301,033	385,872	18.22%
2,414,464	2,782,960	6.30%	County Clerk	0	0	NA
116,535	89,271	-29.35%	Public Utilities	3,785,950	3,857,142	-6.04%
18,438,380	20,971,992	4.90%	Total Sales and Use Tax	65,522,271	74,680,972	5.12%

Tax by Mo & Category

TOTAL CITY SALES AND USE TAX COLLECTIONS

REVENUE CATEGORY	YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV
RETAIL SALES TAX	2008	5,197,400	5,105,109	6,005,946	5,331,447	5,486,450	6,572,335	5,508,796	6,258,640	6,620,535	5,382,779	5,255,155
Rate 3.41%	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
	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
	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
	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
Rate 3.56%	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	7,500,133	6,591,707	5,934,326
Rate 3.86%	2014	5,965,991	6,438,048	7,706,036	6,619,759	6,990,628	8,303,288	7,020,977	7,893,039	8,584,506	7,452,664	7,031,634
Change from prior year (Month)	2015	6,889,039	7,636,464	9,068,947	7,527,277	7,792,804	9,273,066	8,100,335	9,051,520	9,341,520		
Change from prior year (YTD)		6.50%	9.40%	8.54%	4.87%	2.81%	3.00%	6.41%	5.76%	0.36%	-100.00%	-100.00%
		6.50%	8.00%	8.21%	7.38%	6.43%	5.76%	5.85%	5.84%	5.12%	-5.62%	-13.91%
CONSUMER USE TAX	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
(Includes Motor Vehicle)	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
Rate 3.41%	2010	687,502	778,796	913,223	701,931	662,382	945,800	620,328	633,593	909,315	752,143	618,493
	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
	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
Rate 3.56%	2013	1,132,015	762,369	979,120	866,143	911,893	963,938	835,063	768,003	1,338,726	1,121,736	807,130
Rate 3.86%	2014	924,895	901,234	1,328,607	1,727,986	666,706	2,541,847	1,056,846	1,297,348	1,409,960	1,012,343	1,011,907
Change from prior year (Month)	2015	1,274,337	1,134,561	1,713,016	965,772	1,127,357	1,638,029	1,002,535	1,267,096	2,381,899		
Change from prior year (YTD)		27.07%	21.66%	20.50%	-3.90%	3.29%	-10.49%	-10.72%	-10.62%	-2.72%	-10.37%	-16.91%
CONSTRUCTION USE TAX	2008	330,080	347,219	748,549	454,797	327,855	241,649	100,759	442,652	347,954	217,885	107,831
Rate 3.41%	2009	944,905	111,907	425,028	776,511	279,761	995,132	721,209	676,301	235,485	223,169	591,970
	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
	2011	622,872	281,210	274,661	240,970	2,150,036	352,336	352,846	455,211	478,988	314,958	177,137
	2012	385,392	1,697,323	315,856	503,719	342,448	375,499	595,334	214,896	422,866	473,523	799,552
Rate 3.56%	2013	732,539	941,380	298,613	577,351	366,959	728,141	845,123	1,182,131	1,196,147	876,749	622,491
Rate 3.86%	2014	716,119	1,110,714	600,580	430,524	571,269	1,688,472	373,129	379,130	713,014	908,032	325,754
Change from prior year (Month)	2015	387,123	680,064	2,527,741	776,513	1,008,019	985,050	583,353	986,617	532,910		
Change from prior year (YTD)		-50.14%	-43.53%	288.17%	66.35%	62.74%	-46.19%	44.19%	140.01%	-31.07%	-100.00%	-100.00%
TOTAL FOR MONTH & CHANGE FROM PREVIOUS YEAR (MONTH & YTD)												
Ratechg 3.56%>3.41%	2008	6,345,513	6,443,800	7,863,654	6,455,459	6,553,206	7,881,753	6,341,899	7,297,691	7,868,423	6,590,347	5,962,862
Rate 3.41%	2009	6,774,033	5,428,789	7,337,853	6,852,049	5,942,929	8,214,294	6,786,304	7,766,601	7,317,887	6,135,072	6,026,191
	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
	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
	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
Rate 3.56%	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	10,035,006	8,590,192	7,363,947
Rate 3.86%	2014	7,607,004	8,449,996	9,635,223	8,778,269	8,228,603	12,533,607	8,450,951	9,569,517	10,707,479	9,373,039	8,369,295
% Change (month)	2015	8,550,499	9,451,089	13,309,704	9,269,562	9,928,180	11,895,145	9,686,223	11,305,233	12,256,328	0	0
% Change (YTD)		3.67%	3.15%	27.40%	-2.61%	11.28%	-12.46%	5.71%	8.96%	5.57%	-100.00%	-100.00%
		3.67%	3.40%	12.40%	8.58%	9.10%	4.20%	4.40%	5.00%	5.07%	-5.48%	-13.26%

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
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	74,987	637,659	28,068	30,800	257,134	21,390	10,190	1,060,228
2013 (sales tax rate of 3.41%)								
January	5,943	42,867	632	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	9,034	58,377	2,276	1,593	33,195	342	1,355	106,172
October	9,092	75,238	1,588	2,109	20,456	296	628	109,407
November	7,239	55,042	1,019	1,854	14,400	6,281	473	86,308
December	6,413	41,638	1,692	1,783	27,202	115	4,075	82,918
2013 TOTAL	88,275	637,367	19,583	23,914	247,903	11,830	13,497	1,042,369
2014 (sales tax rate of 3.56%)								
January	6,674	44,901	549	1,698	29,309	14,291	617	98,039
February	7,481	60,702	527	1,677	18,003	268	548	89,206
March	7,999	57,709	280	1,754	25,677	2,691	5,161	101,271
April	9,253	74,888	335	2,261	19,990	3,118	516	110,361
May	7,951	58,390	299	1,603	22,328	1,008	557	92,136
June	6,859	49,694	1,533	1,411	18,656	56	4,114	82,323
July	7,189	55,013	500	1,870	19,805	134	522	85,033
August	10,246	64,092	389	2,090	43,632	3,089	719	124,257
September	10,861	91,142	2,127	1,858	28,778	51	4,420	139,237
October	10,302	74,466	327	2,709	21,707	1,661	654	111,826
November	7,552	59,692	219	1,880	17,482	117	640	87,582
December	7,923	55,416	2,200	2,745	19,672	126	4,462	92,544
2014 TOTAL	100,290	746,105	9,285	23,556	285,039	26,610	22,930	1,213,815
2015 (sales tax rate of 3.86%)								
January	7,859	50,053	1,137	2,449	26,953	35	865	89,351
February	8,924	74,115	423	1,717	17,243	97	836	103,355
March	9,623	76,124	1,619	2,331	22,524	447	4,638	117,306
April	10,748	66,975	242	2,280	22,242	363	1,020	103,870
May	8,814	66,519	576	1,720	21,503	24,406	1,108	124,646
June	7,727	50,425	1,326	1,908	17,449	1,307	6,892	87,034
July	8,147	54,826	370	2,580	19,704	261	1,451	87,339
August	10,493	67,751	535	2,571	31,419	2,454	1,912	117,135
September	11,566	76,152	1,530	2,399	21,570	1,279	3,365	117,861
October	-	-	-	-	-	-	-	-
November	-	-	-	-	-	-	-	-
December	-	-	-	-	-	-	-	-
2015 TOTAL	83,901	582,940	7,758	19,955	200,607	30,649	22,087	947,897
% Change from 2012-2013	17.72%	-0.05%	-30.23%	-22.36%	-3.59%	-44.69%	32.45%	-1.68%
% Change from 2013-2014	8.82%	12.13%	-54.58%	-5.65%	10.14%	115.46%	62.73%	11.54%
% Change from 2014-2015	3.85%	-3.40%	9.42%	13.45%	-18.20%	14.41%	18.61%	-5.17%
% Change from previous year month	-1.79%	-22.94%	-33.66%	19.08%	-30.87%	2212.93%	-29.79%	-21.93%

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
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	74,972	630,882	28,068	30,800	254,698	8,615	1,028,035
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	9,034	58,301	2,276	1,593	33,190	1,032	105,426
October	9,092	75,153	1,588	2,109	20,452	622	109,016
November	7,239	54,518	1,019	1,854	14,389	473	79,492
December	6,413	41,556	1,692	1,783	27,202	3,852	82,498
2013 TOTAL	88,270	634,036	19,574	23,914	247,828	11,382	1,025,004
2014 (sales tax rate of 3.56%)							
January	6,674	44,572	549	1,698	29,308	617	83,418
February	7,481	57,318	527	1,677	18,003	548	85,554
March	7,999	57,635	280	1,754	25,675	4,941	98,284
April	9,253	73,736	335	2,261	19,985	516	106,086
May	7,947	58,322	299	1,603	22,326	557	91,054
June	6,859	48,148	1,533	1,411	18,654	3,806	81,411
July	7,169	54,921	500	1,870	19,801	522	84,783
August	10,246	63,974	389	2,090	43,631	707	121,037
September	10,859	89,597	2,127	1,858	28,775	4,106	137,322
October	10,302	74,379	327	2,709	21,704	654	110,075
November	7,552	59,538	219	1,880	17,441	493	87,123
December	7,923	55,287	2,200	2,745	19,670	4,248	92,073
2014 TOTAL	100,264	738,427	9,285	23,556	284,973	21,715	1,178,220
2015 (sales tax rate of 3.86%)							
January	7,859	49,979	1,137	2,449	26,951	857	89,232
February	8,922	74,022	423	1,717	17,242	686	103,012
March	9,623	75,994	1,619	2,331	22,518	4,180	116,265
April	10,748	66,826	242	2,280	22,236	1,016	103,348
May	8,814	66,461	576	1,720	21,496	1,104	100,171
June	7,727	50,227	1,326	1,908	17,445	6,593	85,226
July	8,147	54,767	370	2,580	19,697	1,444	87,005
August	10,493	67,669	535	2,571	31,411	1,911	114,590
September	11,566	76,084	1,530	2,399	21,566	3,092	116,237
October	-	-	-	-	-	-	-
November	-	-	-	-	-	-	-
December	-	-	-	-	-	-	-
2015 TOTAL	83,899	582,029	7,758	19,955	200,562	20,883	915,086
% Change from 2012-2013							
	17.74%	0.50%	-30.26%	-22.36%	-2.70%	32.12%	-0.29%
% Change from 2013-2014							
	8.80%	11.56%	-54.56%	-5.65%	10.14%	82.75%	10.10%
% Change from 2014-2015							
	3.88%	-2.26%	9.42%	13.45%	-18.21%	18.01%	-5.06%
% Change from previous year month							
	-5.55%	-2.45%	26.84%	13.45%	-33.60%	149.29%	-12.68%

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
2015	\$83,901 9%	\$62,940 61%	\$7,758 1%	\$19,955 2%	\$200,607 21%	\$52,736 6%	\$947,897 100%
2014	\$100,290 8%	\$746,105 61%	\$9,285 1%	\$23,556 2%	\$285,039 23%	\$49,540 4%	\$1,213,815 100%
2013	\$88,275 8%	\$637,367 61%	\$19,583 2%	\$23,914 2%	\$247,903 24%	\$25,327 2%	\$1,042,369 100%
2012	\$74,987 7%	\$637,659 60%	\$28,068 3%	\$30,800 3%	\$257,134 24%	\$31,580 3%	\$1,060,228 100%
2011	\$56,221 5%	\$650,532 59%	\$31,199 3%	\$29,330 3%	\$281,896 26%	\$49,701 5%	\$1,100,879 100%
2010	\$40,028 3%	\$604,913 53%	\$37,852 3%	\$30,571 3%	\$355,637 31%	\$81,748 7%	\$1,150,748 100%
2009	\$49,066 5%	\$578,900 55%	\$44,712 4%	\$24,213 2%	\$326,839 31%	\$34,018 3%	\$1,057,749 100%
2008	\$60,686 6%	\$568,892 53%	\$63,307 6%	\$24,768 2%	\$333,780 31%	\$12,073 1%	\$1,063,507 100%
2007	\$66,250 5%	\$568,610 53%	\$72,142 6%	\$30,921 3%	\$353,173 32%	\$19,270 2%	\$1,120,367 100%
2006	\$56,511 5%	\$525,911 50%	\$66,527 8%	\$33,045 3%	\$321,897 31%	\$19,261 2%	\$1,043,152 100%
2005	\$58,421 6%	\$493,955 50%	\$98,605 10%	\$28,891 3%	\$286,004 29%	\$29,024 3%	\$996,900 100%
2004	\$47,446 5%	\$461,253 44%	\$87,695 8%	\$25,958 2%	\$301,938 29%	\$124,607 12%	\$1,048,897 100%
2003	\$43,618 5%	\$417,782 44%	\$94,036 10%	\$35,450 4%	\$304,099 32%	\$46,965 5%	\$941,951 100%
2002	\$42,268 5%	\$407,606 44%	\$89,454 10%	\$34,104 4%	\$313,795 34%	\$41,419 4%	\$928,646 100%

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
2015	\$12,430,737 1%	\$12,505,347 5%	\$3,314,715 0%	\$4,096,120 0%	\$18,483,958 1%	\$44,822,087 0%	\$95,652,964 1.0%
2014	\$14,681,607 1%	\$14,447,798 5%	\$4,180,365 0%	\$5,475,586 0%	\$22,124,094 1%	\$53,747,345 0%	\$114,656,795 1.1%
2013	\$13,454,838 1%	\$13,174,730 5%	\$3,774,426 1%	\$4,692,270 1%	\$20,776,166 1%	\$47,500,571 0%	\$103,373,001 1.0%
2012	\$13,060,743 1%	\$12,937,276 5%	\$3,717,039 1%	\$4,850,986 1%	\$20,402,962 1%	\$41,137,961 0%	\$96,106,967 1.1%
2011	\$12,241,084 0%	\$11,838,300 5%	\$3,426,738 1%	\$5,259,120 1%	\$19,948,416 1%	\$39,725,073 0%	\$92,438,731 1.2%
2010	\$11,130,533 0%	\$10,930,482 6%	\$2,690,372 1%	\$4,459,406 1%	\$19,279,577 2%	\$38,940,102 0%	\$87,430,472 1.3%
2009	\$11,160,109 0%	\$10,572,840 5%	\$2,626,020 2%	\$4,304,383 1%	\$17,515,062 2%	\$39,002,103 0%	\$85,180,517 1.3%
2008	\$11,204,475 1%	\$10,910,035 5%	\$2,819,260 2%	\$4,827,635 1%	\$18,101,297 2%	\$36,708,245 0%	\$84,570,947 1.3%
2007	\$11,205,584 1%	\$10,888,135 5%	\$2,804,311 3%	\$5,522,090 1%	\$18,040,152 2%	\$39,631,459 0%	\$88,091,731 1.3%
2006	\$10,392,069 1%	\$9,582,212 5%	\$2,424,694 4%	\$4,611,056 1%	\$15,402,540 2%	\$37,371,060 0%	\$79,783,631 1.3%
2005	\$10,046,723 1%	\$8,995,846 5%	\$2,362,366 4%	\$4,465,788 1%	\$14,587,419 2%	\$35,882,350 0%	\$76,340,492 1.3%
2004	\$10,148,861 0%	\$8,637,718 5%	\$2,232,147 4%	\$3,118,312 1%	\$14,123,007 2%	\$32,171,342 0%	\$70,431,387 1.5%
2003	\$9,062,658 0%	\$7,847,285 5%	\$2,046,951 5%	\$3,922,549 1%	\$13,185,423 2%	\$31,552,637 0%	\$67,607,503 1.4%
2002	\$9,294,397 0%	\$8,133,237 5%	\$2,346,305 4%	\$4,164,992 1%	\$13,572,651 2%	\$33,815,600 0%	\$71,327,182 1.3%

UHGID Yearly Summary

Sales and Use Tax Breakdown by Industry Category

UHGID Sales Tax Revenues (N) Does not factor in tax rate changes.

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
January	98,853	118,058	120,247	113,123	110,986	112,825	100,726	85,100	83,445	83,418	89,231
February	72,140	79,436	78,684	81,957	76,043	73,913	69,547	84,232	71,520	85,554	103,011
March	72,060	75,944	75,112	72,996	78,172	83,309	77,463	93,790	85,702	98,284	116,264
April	74,662	82,378	79,016	91,281	80,517	84,060	90,460	84,564	87,124	106,086	103,349
May	61,131	68,638	90,603	74,823	71,299	74,711	86,261	84,923	73,530	91,055	100,172
June	69,085	72,486	71,063	66,754	62,685	74,080	75,299	69,958	76,685	81,411	85,227
July	65,768	56,168	67,097	65,755	62,034	71,846	77,257	67,462	68,064	84,783	87,005
August	144,466	109,263	118,566	145,179	149,212	138,971	121,559	96,703	102,501	121,037	114,591
September	99,702	147,416	149,898	117,567	118,373	121,834	109,669	121,503	105,425	137,322	116,236
October	93,865	89,472	101,034	93,772	82,191	89,506	89,788	90,290	109,016	110,075	
November	65,915	60,321	71,082	65,404	70,564	71,343	75,716	74,312	79,492	87,123	
December	62,359	72,197	79,696	64,029	83,085	77,446	72,817	75,198	82,497	92,072	
Totals	980,005	1,031,777	1,102,088	1,052,642	1,045,162	1,073,843	1,046,562	1,028,035	1,025,001	1,178,220	915,086
Tax Rate	3.41	3.41	3.56	3.41	3.41	3.41	3.41	3.41	3.41	3.56	3.86



MEMORANDUM

TO: Molly Winter, DUHMD/PS Director
FROM: David Becher and Nolan Rosall, RRC Associates
RE: Existing Land Use Conditions and Future Buildout Projections in the UHGID Area
DATE: November 23, 2015

INTRODUCTION AND BACKGROUND

This memo summarizes RRC Associates' buildout projections for the UHGID area, updating RRC's previous buildout projections prepared on February 21, 2013. These updated projections have been used by Fox Tuttle Hernandez Transportation Group as an input to forecasts of future UHGID parking demand. The projections described in this memo are the same as those provided to Fox Tuttle Hernandez on November 8, 2015.¹

The need for updated buildout and parking projections has been stimulated by changes in the market and planning context of UHGID. A proposal for a hotel/retail development along Broadway between Pleasant and University, incorporating the UHGID parking lot on Pleasant, has emerged for preliminary evaluation. In order to properly size a parking structure at that location (and also anticipate future parking needs at the 14th Street UHGID lot and throughout the district), it is important to understand ultimate parking demand in UHGID upon buildout.

In addition, in March 2015, the Boulder City Council voted to limit new residential uses within UHGID in the BMS zoning district to permanently affordable units or housing for persons aged 62 or older, in order to prevent a further influx of new student rental housing, and encourage a more diverse mix of uses consistent with the Boulder Valley Comprehensive Plan.

STUDY PARAMETERS, METHODOLOGY AND ASSUMPTIONS

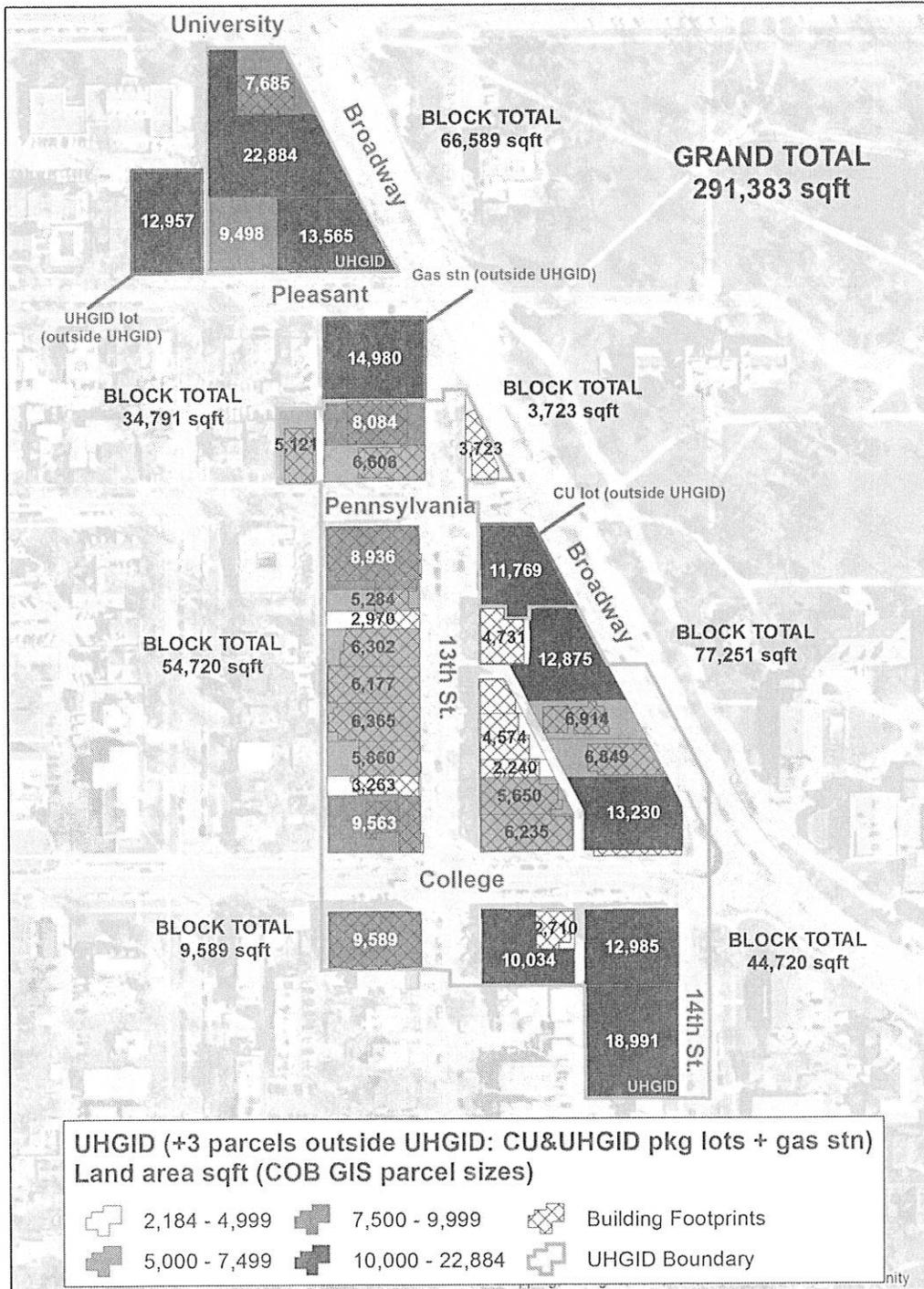
RRC built upon its 2013 analysis in conducting the buildout projections, employing a generally similar methodological approach while updating key data and assumptions as appropriate. The basic approach and key parameters and assumptions of the analysis are described below.

- Geographic scope: The study area is defined as all parcels in the UHGID boundary, plus three additional parcels which lie outside the UHGID boundary but have BMS zoning: the CU-owned parking lot at 13th and Pennsylvania, the convenience store/gas station parcel at 13th and Pleasant, and the portion of the north UHGID parking lot (at 1155 Pleasant) which lies outside UHGID. Two contiguous parcels outside of UHGID which are at least partially zoned BMS zoning are excluded: the residential structure at 1083 13th (immediately south of the former Flatirons Theatre), and the eastern portion of the lot occupied by the

¹ An additional, interim set of projections was provided to DUHMD/PS in an RRC memo dated August 5, 2015. Since that analysis, a proposed 51-unit affordable housing project on the UHGID lot on 14th Street has been withdrawn. Additionally, the proposed development program for the hotel/retail project on Broadway between University and Pleasant has been modified.

Kappa Kappa Gamma sorority at 1134 University. Figure 1 to follow shows a map of parcels in the study area, along with lot sizes.

Figure 1
Map of Study Area, Including Parcel Area (in Square Footage) by Parcel and Block



Source: RRC Associates; City of Boulder GIS.

- General methodological approach: A mix of approaches have been used to prepare the development projections.

Site-specific projections have been made for two areas: the proposed hotel/retail development at the north end of UHGID (between Pleasant and University), and the UHGID parking lot along 14th Street. Specifically, at the north end of UHGID, the proposed hotel/retail development is assumed to occur, with the existing buildings replaced by a new 155-key hotel plus 30,000 square feet of retail space. On the 14th street UHGID lot, two alternative scenarios are considered, both of which are assumed to realistically maximize above- and below-grade parking: 1) a “high residential” scenario in which the property develops with 51 affordable housing units, and 2) a “high commercial” scenario in which the property develops with 25,000 square foot of commercial space. The “high residential” scenario replicates an affordable housing plan which had been proposed for the site by developer Mike Boyers, but which was withdrawn earlier in 2015.

Elsewhere in the district, existing development is assumed to remain steady in terms of general use mix and density in the future, while future incremental development has been projected under specified density and use assumptions.² Conditions at buildout are assumed to represent the sum of existing development and projected incremental future development. Two buildout scenarios have been prepared (a “high commercial” scenario and “high residential” scenario), based on a single set of density assumptions and two alternate sets of use assumptions. This study only attempts to develop projections of conditions at buildout, rather than at interim time periods, insofar as buildout is most important for purposes of assessing ultimate parking demand and associated parking structure needs (difficult to expand below-grade parking once built).

For purposes of the projections, the study area has been separated into three groups of parcels: 1) the parcels encompassed by the proposed hotel/retail development and the 14th Street UHGID lot;³ 2) three other “larger” sites (i.e. gas station, CU parking lot, and Walgreens site) that have significant remaining zoned development capacity; and 3) all remaining parcels, termed “smaller” sites, generally clustered in the center of the study area, with generally less remaining zoned development capacity. Different development assumptions have been applied to each, as described below.

- Group 1 – proposed hotel/retail development and 14th Street UHGID lot: As noted previously, the proposed hotel (at the north end of UHGID) is assumed to be built as currently proposed (155 key hotel plus 30,000 square feet of retail space). On the 14th street UHGID lot, two alternative scenarios are considered: 1) a “high residential” scenario in which the property develops as a 51-unit affordable housing project, and 2) a “high commercial” scenario in which the property develops as a 25,000 square foot commercial development.
- Group 2 – three other “larger” sites: Two of these three parcels (gas station and CU lot) are assumed to redevelop such that 85 percent of their remaining zoned development capacity is eventually built. The Walgreens site is assumed to redevelop such that 80 percent of its remaining zoned development capacity is eventually built. Insofar as both the CU lot and the gas station site are both outside of UHGID, buildout projections for the three sites have been broken out separately to permit flexibility in evaluating buildout conditions and associated parking demand for different groupings of parcels.

² In practice, a division between “existing” and “incremental future” development is an oversimplification, since significant redevelopment of existing properties would be necessary to achieve the projections included in this memo. While this hypothetical division helps facilitate the modeling effort, in practice, the buildout projections should more properly be understood as reflecting a future state which incorporates both new development and redevelopment of numerous existing properties.

³ In the 2013 UHGID buildout analysis, these two parcel groups were assumed to have similar redevelopment assumptions as the other “larger” sites (Group 2).

- Group 3 – “smaller” sites: These parcels were assumed to redevelop such that 50 percent of their remaining zoned development capacity is eventually built.

- Use scenarios for incremental new development: All parcels/parcel groups except for the hotel/retail project at the north end of UHGID were evaluated under “high commercial” and “high residential” scenarios, as described below. (The hotel/retail project was assumed to occur under both scenarios.)
 - High commercial scenario: Incremental additional square footage built is assumed to develop at a ratio of 100 percent commercial / 0 percent residential. (Existing development is assumed to retain its existing use mix.) This scenario assumes that no new residential development would occur in the study area.

 - High residential scenario: As noted previously, in the “high residential” scenario, the 14th Street UHGID lot is assumed to be built entirely as residential (with 51 units). Elsewhere in the study area, incremental additional square footage is assumed to develop at a ratio of 80 percent commercial / 20 percent residential. (Existing development is assumed to retain its existing use mix.) This scenario thus assumes that a moderate portion of future new development would be residential, notwithstanding the recent zoning change limiting new residential development to affordable and senior housing.

- Categorization of incremental new commercial space (retail vs. office): Commercial mix assumptions varied by area. For the proposed hotel/retail project, the proposed 30,000 square feet of retail space was assumed to occur. For the 14th Street UHGID lot (under the “high commercial” scenario), new commercial space was assumed to be 100 percent retail on the first floor commercial wrap and a mix of 85 percent office / 15 percent retail on upper floors. For the other three “larger sites,” incremental new commercial space was similarly assumed to be 100 percent retail on the ground floor (with developable ground floor area assumed to be equivalent to parcel area), and a mix of 85 percent office / 15 percent retail on upper floors. For the “small sites,” all incremental new commercial square footage was assumed to be office.

- Average gross residential square feet per bedroom and per residential unit: The 14th Street UHGID lot was assumed to have 51 units and 57 bedrooms under its “high residential” scenario. In other areas, incremental new residential development (limited to the “high residential” scenario) was assumed to average 750 square feet per unit (as compared to an existing average of 776 square feet per unit) and 450 square feet per bedroom (as compared to an existing average of 396 square feet per bedroom). Bedroom sizes were assumed to be somewhat larger going forward under the assumption that nonstudents would tend to demand more space per bedroom than students.

- Data sources: The following data sources were consulted as part of the update process:
 - City of Boulder GIS database: This was used to reconfirm the size of each parcel in the study area. (The parcel sizes are currently rounded to the nearest 100 square feet in the public online version of the database, and match up with the parcel sizes used in the 2013 buildout analysis after allowing for rounding.) The (unrounded) parcel sizes used in the 2013 buildout analysis were re-used for consistency and higher presumed precision.

 - Boulder County Assessor database. This was used to confirm existing built square footage on each parcel in the study area. Shifts were found for several parcels, and were presumed to be the result of corrections and refinements. On an aggregate basis, total existing built square footage in the study area was estimated to be approximately 301,075 square feet in 2015, down slightly from an estimate of 304,238 square feet in 2013.

- City of Boulder rental license database. This was used to confirm the existing number of residential rental units and bedrooms in the study area. On an aggregate basis, slight drops were estimated to have occurred since 2013 in the number of rental units (from 97 to 96 units) and the number of bedrooms (from 192 to 188 bedrooms).
- EPS and City studies. RRC reviewed UHGID market and development feasibility studies prepared by EPS dated 11/18/14 and 1/19/15; an EPS study of a 14th Street parking development proposal dated 5/15/15; the City's Hill Moratorium Phase 1 report dated 1/21/15; and a staff memo to Council on the Hill Moratorium Project (meeting date 3/3/15). These documents provided insight regarding existing market conditions on the Hill, prospects for future commercial and residential development, and related policy issues and tools for encouraging desired development patterns.
- Interviews. In order to further understand prospects for future commercial and residential development on the Hill, RRC interviewed Mike Boyers, proponent of the 14th Street affordable housing project (since withdrawn); KC Schneider, an owner of several properties on the Hill; and Steve Pate, Director of Real Estate Development for Boulder Housing Partners. While the perspectives, opinions, and areas of focus of each interviewee differed, each saw demand for varying types of commercial and/or residential development on the Hill, although with varying degrees of financial and practical feasibility from a supply standpoint under current ownership, market and regulatory conditions.

RESULTS

Summary results of existing conditions and buildout projections are shown in Table 1 to follow. Detailed results, with segmentation by parcel/parcel grouping, comparisons to the 2013 projections, and specified assumptions and development factors, are shown in Table 2 attached to this memo. Key highlights include the following:

- Existing development: The study area currently has an estimated 301,075 square feet of floor space, of which 75 percent (226,589 sqft) is commercial and 25 percent (74,486 sqft) is residential. The residential space is estimated to encompass 96 dwelling/room units with a total of 188 bedrooms.
- Buildout conditions under a "high commercial" scenario: Under the "high commercial" scenario, at buildout, the study area is projected to have a 155-key hotel, 349,851 square feet of commercial space (excluding the hotel), and 94 residential units. Incremental new development (i.e. net new development added between current conditions and buildout) would include a 155-key hotel, 123,262 square feet of non-hotel commercial space, and a loss of two residential units. The 123,262 square feet of net new commercial space (excluding the hotel) is projected to be a mix of 39,450 sqft of retail and 83,812 sqft of office.
- Buildout conditions under "high residential" scenario: Under the "high residential" scenario, at buildout, the study area would have a 155-key hotel, 304,895 square feet of commercial space (excluding the hotel), and 172 residential units. Incremental new development (i.e. net new development added between current conditions and buildout) would include a 155-key hotel, 78,306 square feet of non-hotel commercial space, and 76 residential units. The 78,306 square feet of net new commercial space (excluding the hotel) is projected to be a mix of 30,548 sqft of retail and 47,758 sqft of office.
- Comparison of 2015 and 2013 projections, and rationale for changes: The primary difference between the 2015 projections and 2013 projections is that the 2015 projections assume a higher level of commercial development (including a hotel, which was not specifically contemplated in the 2013 projections), and lower level of future residential development. Both the 2015 and 2013 projections included "high commercial" and "high residential" scenarios, but the 2015 projections assumed a higher share of future development would be commercial in both scenarios. This shift to increased commercial and reduced residential is consistent

with the recently enacted restrictions limiting additional residential development in UHGID in the BMS zone to affordable and senior units.

The shift to increased commercial also assumes that additional commercial development will become more financially feasible than currently suggested by the 1/19/15 EPS development feasibility study, particularly as market conditions become more favorable. RRC feels such a shift is plausible assuming the hotel/retail project get built and acts as “catalyst” which changes the market environment on the Hill; expanded parking is provided as part of that project; Boulder’s economic prospects continue to be very strong; and the City continues to take steps to enhance the vitality and attractiveness of the Hill and broaden its appeal for a wider array of tenants and uses beyond the traditional focus on the student market.

Aggregate total developed square footage is also forecast to be slightly higher in the 2015 projections than in the 2013 projections, primarily as a result of strengthened market interest in the Hill than previously assumed, as suggested by the scale and ambition of the proposed hotel and (recently withdrawn) affordable housing projects, and other indicators of increased market interest and activity. Still, projected buildout is anticipated to remain below maximum theoretical potential buildout, due to market feasibility and regulatory constraints.

Table 1
UHGID Study Area: Summary of Existing Conditions and Buildout Projections

	Existing built sqft		Total at buildout: high commercial scenario		Total at buildout: high residential scenario		Projected net new sqft (buildout vs. existing)	
	# sqft	% of sqft	# sqft	% of sqft	# sqft	% of sqft	High commercial scenario	High residential scenario
Square footage summary:								
Commercial square footage (excluding 155 room hotel)								
Retail	193,460	64%	232,910	55%	224,008	53%	39,450	30,548
Office	9,149	3%	92,961	22%	56,907	13%	83,812	47,758
Entertainment	8,500	3%	8,500	2%	8,500	2%	0	0
Below grade unfinished (e.g. retail storage)	15,480	5%	15,480	4%	15,480	4%	0	0
Total commercial (excluding 155 room hotel)	226,589	75%	349,851	83%	304,895	72%	123,262	78,306
Residential square footage	74,486	25%	71,558	17%	121,378	28%	(2,928)	46,892
Total commercial and residential sqft (excluding 155 room hotel)	301,075	100%	421,409	100%	426,273	100%	120,334	125,198
Hotel and residential units:								
155 room hotel	No hotel	n/a	155 rooms	n/a	155 rooms	n/a	155 rooms	155 rooms
Residential units	96	n/a	94	n/a	172	n/a	(2)	76
Residential bedrooms	188	n/a	180	n/a	281	n/a	(8)	93

Source: RRC Associates; City of Boulder University Hill Commercial District Moratorium Project 1/21/15; City of Boulder GIS; City of Boulder rental license database; Boulder County Assessor.

Table 2
UHGD Study Area: Detailed Breakout of Existing Conditions and Buildout Projections, by Parcel/Parcel Group and Type of Use
2015 Projections vs. 2013 Projections

	2013 PROJECTIONS (2/21/13)			2015 PROJECTIONS: LARGE SITE BREAKOUTS						2015 PROJECTIONS: TOTALS			2015 VS. 2013 PROJECTIONS		
	Group 1: "larger" sites	Group 2: "smaller" sites	Total	Hotel UHGD parking lot	Hotel project (north of Pleasant)	Gas station parcel	CU parking lot	Walgreens parcel	Large sites total	Small sites	Grand total	Large sites: 2015 vs 2013	Small sites: 2015 vs 2013	Total: 2015 vs 2013	
Existing conditions:															
Lot sqft	125,559	165,824	291,383	18,991	66,589	14,980	11,769	13,230	125,559	165,824	291,383	0	0	0	
Existing commercial sqft	50,331	178,266	228,597	0	31,521	3,108	0	15,802	50,431	176,158	226,589	100	(2,108)	(2,008)	
Existing residential sqft	3,168	72,473	75,641	0	2,928	0	0	0	2,928	71,558	74,486	(240)	(915)	(1,155)	
Existing total built sqft	53,499	250,739	304,238	0	34,449	3,108	0	15,802	53,359	247,716	301,075	(140)	(3,023)	(3,163)	
Existing gross FAR	0.43	1.51	1.04	0.00	0.52	0.21	0.00	1.19	0.42	1.49	1.03	(0.00)	(0.02)	(0.01)	
Existing below-grade sqft	6,161	33,609	39,770	0	0	0	0	6,161	6,161	33,609	39,770	0	0	0	
Existing above-grade sqft	47,338	217,130	264,468	0	34,449	3,108	0	9,641	47,198	214,107	261,305	(140)	(3,023)	(3,163)	
Existing above-grade FAR	0.38	1.31	0.91	0.00	0.52	0.21	0.00	0.73	0.38	1.29	0.90	(0.00)	(0.02)	(0.01)	
Existing residential units	2	95	97	0	2	0	0	0	2	94	96	0	(1)	(1)	
Existing residential bedrooms	8	184	192	0	8	0	0	0	8	180	188	0	(4)	(4)	
Existing average bedrooms/unit	4.0	1.9	2.0	#DIV/0!	4.0	#DIV/0!	#DIV/0!	#DIV/0!	4.0	1.9	2.0	0.00	(0.02)	(0.02)	
Existing average sqft/residential unit	1,584	763	783	#DIV/0!	1,464	#DIV/0!	#DIV/0!	#DIV/0!	1,464	761	776	(120)	(2)	(4)	
Existing average sqft/residential bedroom	396	394	394	#DIV/0!	366	#DIV/0!	#DIV/0!	#DIV/0!	366	398	396	(30)	4	2	
Total projected additional built sqft (i.e. incremental from current to buildout):															
Maximum additional buildable sqft (1.85 above-grade FAR limit)	184,946	93,558	278,504	35,133	88,741	24,605	21,773	14,835	185,086	96,989	282,075	140	3,432	3,572	
Assumed share of remaining developable sqft that will ultimately get built	80%	50%	70%	85%	85%	85%	85%	80%	85%	50%	73%	5%	0%	3%	
Assumed amount of remaining developable sqft that will get built	147,957	46,779	194,736	29,863	75,430	20,914	18,507	11,868	156,582	48,495	205,076	8,625	1,716	10,340	
14th St UHGD lot: 29,863 sqft under high res. scenario, 25,000 sqft under high comm'l scenario.															
Projected additional built sqft - high commercial scenario:															
Total remaining sqft to be built	147,957	46,779	194,736	25,000	75,430	20,914	18,507	11,868	151,718	48,495	200,213	3,761	1,716	5,477	
Share of remaining sqft assumed to be commercial	60%	60%	60%	100%	100%	100%	100%	100%	100%	100%	100%	40%	40%	40%	
Share of remaining sqft assumed to be residential	40%	40%	40%	0%	0%	0%	0%	0%	0%	0%	0%	-40%	-40%	-40%	
Amount of remaining sqft assumed to be commercial	88,774	28,067	116,841	25,000	75,430	20,914	18,507	11,868	151,718	48,495	200,213	62,944	20,427	83,371	
Amount of remaining sqft assumed to be residential	59,183	18,712	77,894	0	0	0	0	0	0	0	0	(59,183)	(18,712)	(77,894)	
# Residential units (1000 sf/unit in 2013, defunct Boyers plan or 750 sf/unit)	59	19	78	0	0	0	0	0	0	0	0	(59)	(19)	(78)	
# Residential BRs (350 sf/br in 2013, defunct Boyers plan or 450 sf/br in 2015)	169	53	223	0	0	0	0	0	0	0	0	(169)	(53)	(223)	
Projected additional built sqft - high residential scenario:															
Total remaining sqft to be built	147,957	46,779	194,736	29,863	75,430	20,914	18,507	11,868	156,582	48,495	205,076	8,625	1,716	10,340	
Share of remaining sqft assumed to be commercial	40%	40%	40%	0%	100%	80%	80%	80%	74%	80%	76%	34%	40%	36%	
Share of remaining sqft assumed to be residential	60%	60%	60%	100%	0%	20%	20%	20%	26%	20%	24%	-34%	-40%	-36%	
Amount of remaining sqft assumed to be commercial	59,183	18,712	77,894	0	75,430	16,731	14,805	9,494	116,460	38,796	155,256	57,278	20,084	77,362	
Amount of remaining sqft assumed to be residential	88,774	28,067	116,841	29,863	0	4,183	3,701	2,374	40,121	9,699	49,820	(48,653)	(18,368)	(67,021)	
# Residential units (1000 sf/unit in 2013, defunct Boyers plan or 750 sf/unit)	89	28	117	51	0	6	5	3	65	13	78	(24)	(15)	(39)	
# Residential BRs (350 sf/br in 2013, defunct Boyers plan or 450 sf/br in 2015)	254	80	334	57	0	9	8	5	80	22	101	(174)	(59)	(233)	
Total sqft at buildout - high commercial scenario (hotel project expressed in room keys & retail sqft)															
Total commercial sqft - excluding hotel				25,000	30,000	24,022	18,507	27,670	125,199	224,653	349,851				
Total residential sqft				0	0	0	0	0	0	71,558	71,558				
Total sqft - excluding hotel				25,000	30,000	24,022	18,507	27,670	125,199	296,211	421,409				
Total residential units				0	0	0	0	0	0	94	94				
Total residential bedrooms				0	0	0	0	0	0	180	180				
Hotel rooms (keys)				0	155	0	0	0	155	0	155				
Total sqft at buildout - high residential scenario (hotel project expressed in room keys & retail sqft)															
Total commercial sqft - excluding hotel				0	30,000	19,839	14,805	25,296	89,941	214,954	304,895				
Total residential sqft				29,863	0	4,183	3,701	2,374	40,121	81,257	121,378				
Total sqft - excluding hotel				29,863	30,000	24,022	18,507	27,670	130,062	296,211	426,273				
Total residential units				51	0	6	5	3	65	107	172				
Total residential bedrooms				57	0	9	8	5	80	202	281				
Hotel rooms (keys)				0	155	0	0	0	155	0	155				
Comparison of buildout vs. existing: high commercial scenario (hotel project expressed in room keys & retail sqft)															
Total commercial sqft - excluding hotel				25,000	(1,521)	20,914	18,507	11,868	74,768	48,495	123,262				
Total residential sqft				0	(2,928)	0	0	0	(2,928)	0	(2,928)				
Total sqft - excluding hotel				25,000	(4,449)	20,914	18,507	11,868	71,840	48,495	120,334				
Total residential units				0	(2)	0	0	0	(2)	0	(2)				
Total residential bedrooms				0	(8)	0	0	0	(8)	0	(8)				
Hotel rooms (keys)				0	155	0	0	0	155	0	155				
Mix of commercial sqft - excluding hotel:															
- Total incremental retail				5,909	(1,521)	13,226	12,780	1,780	32,176	7,274	39,450				
- Total incremental office				19,091	0	7,688	5,727	10,087	42,591	41,220	83,812				
Comparison of buildout vs. existing: high residential scenario (hotel project expressed in room keys & retail sqft)															
Total commercial sqft - excluding hotel				0	(1,521)	16,731	14,805	9,494	39,510	38,796	78,306				
Total residential sqft				29,863	(2,928)	4,183	3,701	2,374	37,193	9,699	46,892				
Total sqft - excluding hotel				29,863	(4,449)	20,914	18,507	11,868	76,703	48,495	125,198				
Total residential units				51	(2)	6	5	3	63	13	76				
Total residential bedrooms				57	(8)	9	8	5	72	22	93				
Hotel rooms (keys)				0	155	0	0	0	155	0	155				
Mix of commercial sqft - excluding hotel:															
- Total incremental retail				0	(1,521)	12,601	12,224	1,424	24,728	5,819	30,548				
- Total incremental office				0	0	4,130	2,581	8,070	14,781	32,976	47,758				

Source: RRC Associates; City of Boulder University Hill Commercial District Moratorium Project 1/21/15; City of Boulder GIS; City of Boulder rental license database; Boulder County Assessor.

Note: For 14th & College UHGD lot: "high residential" buildout scenario assumes development has 51 residential units (consistent with 2015 Mike Boyers plan, subsequently withdrawn).

"High commercial" scenario assumes parking is maximized (with two floors of above-grade parking), and remaining above-grade space is commercial. RRC has assumed 1st and 2nd floor commercial wrap facing 14th (wrap assumed to have 20 foot depth, with parking in remaining floor area), with 3rd floor entirely commercial.

MEMORANDUM

To: Molly Winter
Sarah Wiebenson

From: Bill Fox

Date: November 20, 2015

Project: University Hill Parking Analysis

Subject: **DRAFT** Buildout Parking Projections Using Current Land Use Projection and Parking Supply/Demand Assumptions

In response to comments received at the last UHCAMC meeting and our recent conversations I have expanded the analysis and recalculated the projected parking demand and supply needed at buildout of the UHGID area using the latest available information as follows:

- Revised buildout land use projections provided by David Becher with RRC dated 11/08/2015;
- Updated assumptions on joint venture development potential on the two UHGID parking lots and the parking that can be provided for use by UHGID;
- Current permit sales and waiting list information for the UHGID lots;
- An inventory of private off-street parking spaces for employees and/or customers currently available within UHGID;
- Additional on-street metered spaces that are on the edges of the UHGID area that are technically not within the UHGID boundaries but serve parkers destined for UHGID;
- Estimates were then developed for existing parking supply and demand rates in the UHGID area. This allows for comparison to other areas within Boulder;
- Added an "EXISTING" column to the attached parking summary matrix for UHGID, for comparison to future year scenarios.

The following parking supply and demand table provides a summary of the existing and projected conditions in the UHGID area that influence the amount of parking that will ultimately be needed at buildout of the Hill. It is organized in sections as follows:

- Land Use
- Commercial Parking Demand Rates
- Commercial Parking Demand
- Parking Supply
- Future Parking Surplus or Deficit
- Resultant Peak Commercial Parking Occupancy
- Additional Residential Parking Supply Needed

The footnotes which follow this parking tabulation summarize the key inputs and assumptions.

Existing and Projected Parking Supply and Demand in the UHGID area:

Parameter / Scenario:	Existing	Projected Buildout Development
Land Use Information:		
Total Floor Area – excluding hotel (sq. ft.)	304,000	421,000
Commercial Floor Area (sq. ft.):	229,000	350,000
Hotel Rooms	0	155
Commercial Parking Demand Rate⁽¹⁾ (spaces per 1,000 sq. ft. of floor area)	1.92	1.92
Commercial Parking Demand:		
Commercial Parking Demand:	440	672
Hotel Parking Demand ⁽²⁾ :	0	116
Potential Reduction Due To Employee EcoPass ⁽³⁾ :	0	-50
Total Commercial Parking Demand:	440	738
Potential UHGID Parking Supply:		
On-street ⁽⁴⁾ :	221	221
Pleasant Lot and/or Joint Venture ⁽⁵⁾ :	65	247
14 th Street Lot and/or Joint Venture ⁽⁶⁾ :	53	150
CU surface Lot:	37	0
Off-street private parking ⁽⁷⁾ :	79	75
NPP Spaces Utilized ⁽⁸⁾ :	65	100
Total UHGID Supply:	520	793
UHGID Surplus(+) or Deficit(-)⁽⁹⁾:	+80	+55
Resultant Peak Commercial Parking Occupancy⁽¹⁰⁾:	85%	93%

Footnotes and Key Assumptions:

1. An estimated existing commercial parking demand rate was developed for the UHGID area to provide a baseline for comparison to future parking demand rates. Only an estimate of the existing parking demand rate was possible given that a comprehensive survey of all existing on-street and off-street public and private parking supply and utilization was not available. This estimate was developed by assuming that the existing peak parking demand for all of the available public and private commercial spaces in the UHGID have peak occupancy off approximately 85%. This yields an estimate of approximately 440 occupied spaces generated by the 229,000 sq. ft. of existing commercial floor area. This equates to a parking demand rate of 1.92 spaces per 1,000 sq. ft. of existing floor area. The assumptions used to develop this existing parking demand rate were tested against personal observations, available permit sales and

revenue information, an historic survey of on-street occupancy, and comparable parking utilization information, both city-wide and within CAGID.

Before applying this existing parking demand rate estimate to the future buildout condition in the UHGID area it was tested from another perspective as follows:

- A recent review of existing commercial parking demand rates at various office, retail, and mixed use sites in Boulder that were along CTN routes found an average demand rate of 2.4 spaces per 1,000 sq. ft.
- An additional 20% reduction was then applied to reflect the increased alternative mode use potential in the UHGID area and the proximity to CU, the high frequency transit, the walkable scale, existing bicycle facilities, etc. This resulted in a net future commercial parking demand rate of 1.92 spaces per 1,000 sq. ft. (coincidentally the same rate as estimated above).
- This rate was then compared to the existing commercial parking demand rate for the CAGID area in downtown Boulder of approximately 1.6 spaces per 1,000 sq. ft. of floor area.
- On this basis, the UHGID rate of 1.92 was judged to be appropriate given that it is lower than the comparable citywide rate, but higher than the existing CAGID rate.
- Lastly, there have been historic projections made that the parking demand rate in the UHGID area may actually increase in the future if the type and intensity of development on the Hill changes over time. It is anticipated that this increase in parking demand rate may be offset by increased TDM measures in Boulder that would work toward reducing parking demand (currently being discussed in the AMPS process). In this context holding the existing parking demand rate constant over time seemed appropriate for this analysis.

2. Hotel parking supply rate assumed at 0.75 spaces per room, consistent with historical conversations regarding hotels in the UHGID area.
3. The University Hill EcoPass Feasibility Study estimated that providing EcoPasses to full time employees could reduce the parking demand by 15 to 62 spaces. A 50 space demand reduction has been assumed for this analysis by buildout.
4. There are 157 on-street metered parking spaces within the UHGID boundaries currently. There are also an additional 64 metered spaces located on streets adjacent to the UHGID district that are judged to serve the UHGID land uses. The total number of metered spaces in this analysis is 221.
5. Assumes that UHGID develops parking supply with a joint venture project on the Pleasant Street lot and adjacent parcels. This projection is consistent with current and historic planning for this area.
6. Assumes that UHGID develops parking supply with a joint venture project on the 14th Street lot and adjacent parcels.

UHGID Buildout Parking Projection Update

November 20, 2015

Page 4

7. A recent inventory of existing off-street private commercial parking found 79 spaces available in the UHGID area today. It is projected that this level of private off-street commercial parking will remain approximately the same in the future. Some development or redevelopment will likely displace some existing spaces while some development will likely include additional private off-street parking spaces.
8. Due to the projected increase in commercial parking demand and occupancy (see note 10), it has been assumed that the utilization of NPP commuter parking spaces increases from the current level of 65 spaces to a future of 100 spaces as the area builds out. That said, employee responses to recent survey questions indicate that some of the 147 NPP commuter spaces that are currently available are too far away to provide effective supply for employees, and this will likely continue to be the case in the future for the most remote NPP commuter spaces.
9. This row subtracts the projected commercial parking demand from the anticipated parking supply to yield a potential parking surplus or deficit.
10. This row compares the parking demand to the parking supply to yield a "percent occupied" parking projection. It should be noted that parking occupancy or utilization that is at 85% to 90% is often perceived as "full" to those searching for a space. This indicates that, at buildout, the available parking supply will be perceived as being "more full" than today.

With these assumptions and projections it appears that UHGID will have a small surplus of approximately 55 commercial parking spaces at peak occupancy. At this level, with occupancy in excess of 90%, it is likely that it will be perceived that there is not enough parking in the UHGID area.

Key questions that remain include:

- Are the two large joint venture parking supply projects reasonable? They appear to be critical to UHGID's ability to provide the necessary commercial parking.
- Is it a valid assumption that an employee EcoPass program will be put in place?
- Is it a valid assumption that the utilization of NPP commuter spaces will increase to 100 over time?

I hope this helps the conversation as UHGID considers the future of development impacts on parking. Let me know if you have any questions.

**University Hill Commercial Area Management Commission
Retreat Questions for Boards and Commission for 2016**

DRAFT

What are your top priorities within the framework of the current Council work plan adopted at the last City Council retreat?

- Pursue retention and attraction of a more diverse mix of businesses.
- Promote residential diversity: should be a top priority for 2016. If this is accomplished it could have a lasting positive impact on the character and engagement of University Hill students and residents.
- Explore opportunities for working with CU to cooperatively pursue neighborhood stabilization and preservation of neighborhood character.

What would you like to see done that would further advance the Council Goals?

- City support for the proposed public parking garage on the Pleasant Street UHGID-owned lot. We realize the extremely high cost of underground parking could be what stands between making the hotel development happen or not. The benefits of the proposed development would support most of the Hill Reinvestment and the expanded parking facilities would reduce the parking concerns in the commercial district.

How can your board specifically help reach the current Council goals?

- Meet again in 2016 with council members on a quarterly basis.
- Engage with commercial district businesses and The Hill Boulder by hosting an open house in 2016 to take feedback and inform them of priorities and progress.

Are there City policies that need to be addressed that would enable your board to function at a higher level?

- Explore options for earlier board input on budget allocations.

Are there other priorities outside of the Council Goals that your Board/Commission would like to address in the coming year?

- Reduce the 50% food sales requirement to 25% for Hill commercial district liquor licensees. The Hill is the only area in Boulder with the higher food % requirement, which feels discriminatory and reduces the attractiveness of the district to a neighborhood brew pub and other uses desired by year-round residents.

CU CONFERENCE CENTER/HOTEL UPDATE
HILL REINVESTMENT STRATEGY UPDATE

December 8, 2015

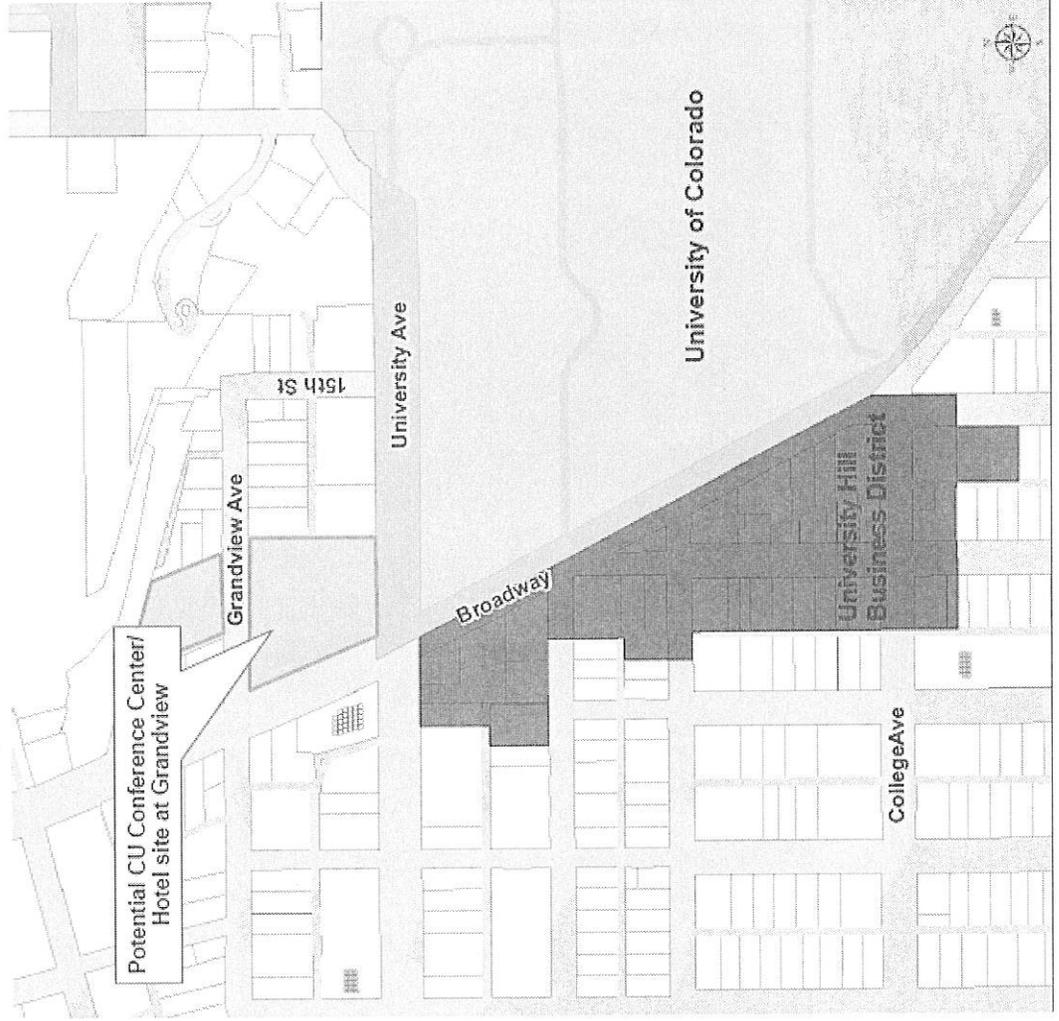
City Council Study Session

Purpose

1. Feedback on CU Conference Center/Hotel key issues and city objectives
2. Feedback on whether to explore Public Financing Options for Public Improvements on University Hill in greater detail, and whether the city should serve as a partner with UHGID
3. Feedback on the proposed 2016 Hill Reinvestment Strategy Work Plan and Hill Reinvestment Work Group Activities

CU Conference Center / Hotel

CU Conference Center/Hotel



CU Conference Center/Hotel

Draft Goals

- Foster constructive City- CU relations & represent community goals
- Further the benefits of the Grandview site for CU & the community

CU Conference Center/Hotel

Draft Objectives

- Encourage Quality Site & Building Design
- Improve Connections in the Area
- Collaborate on Conference Facility Size
- Explore Opportunities to Incorporate Historic Resources
- Co-develop Comprehensive Approach to Parking
- Explore City Investments
- Facilitate Opportunities for Public Participation

CU Conference Center/Hotel

Next Steps

- CU consultants will complete financial analysis
- If project is deemed financially viable, CU will start RFQ/ RFP and design development in 2016
- Meanwhile, city staff will continue work on related projects

CU Conference Center/Hotel

Question for Council:

- Feedback on draft goals and objectives for collaboration with CU?*

Public Improvement Financing Tools

Public Financing Options for Public Improvements

Hill Reinvestment Strategy Goals (2014-2016)

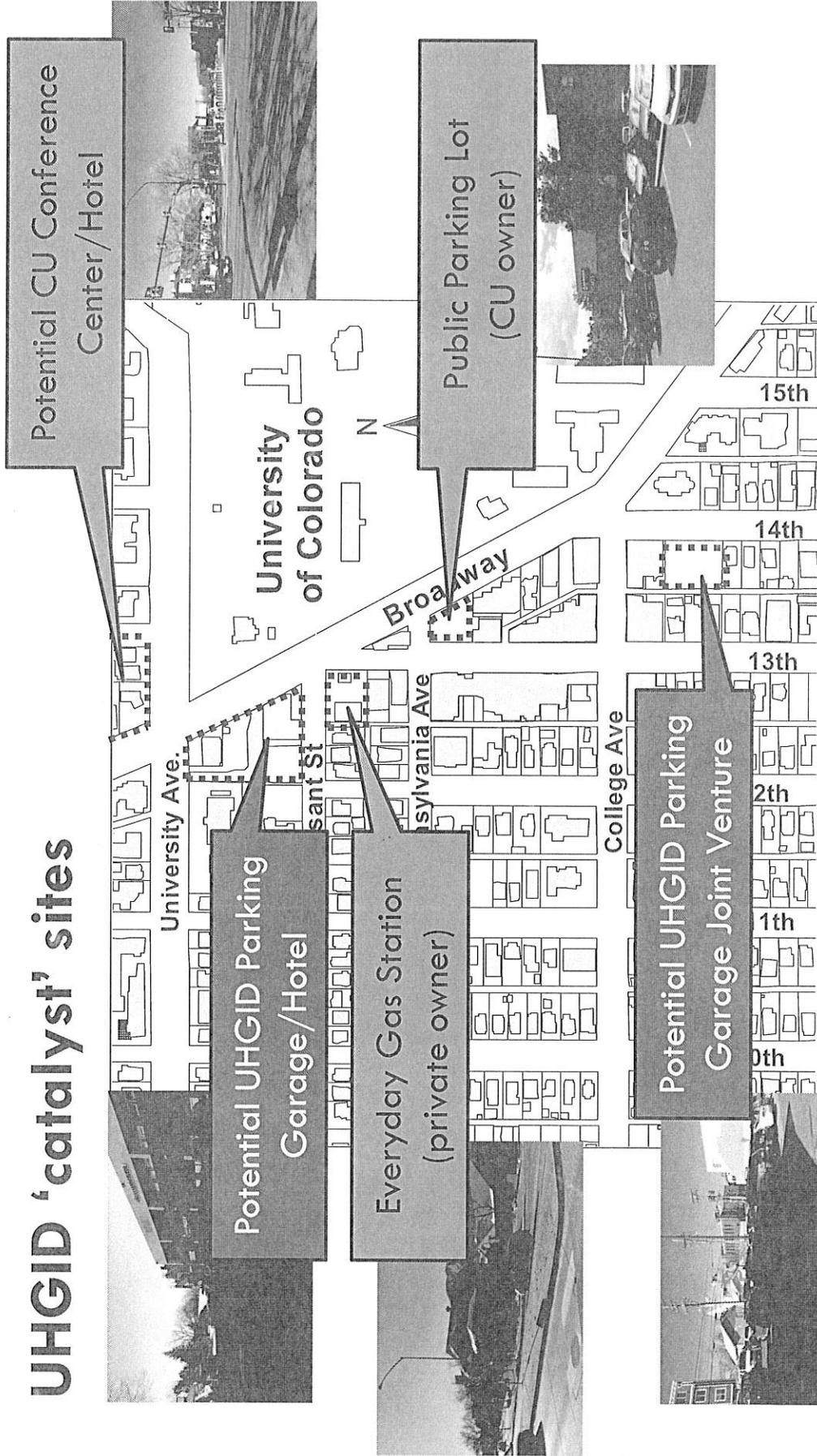
- Year-round economic vitality
- Greater diversity of uses and users

Moratorium Recommendations (March 2015)

- Prohibit new market rate residential uses in HCA
- Explore public financing options for public improvements on the Hill, including parking

Public Financing Options for Public Improvements

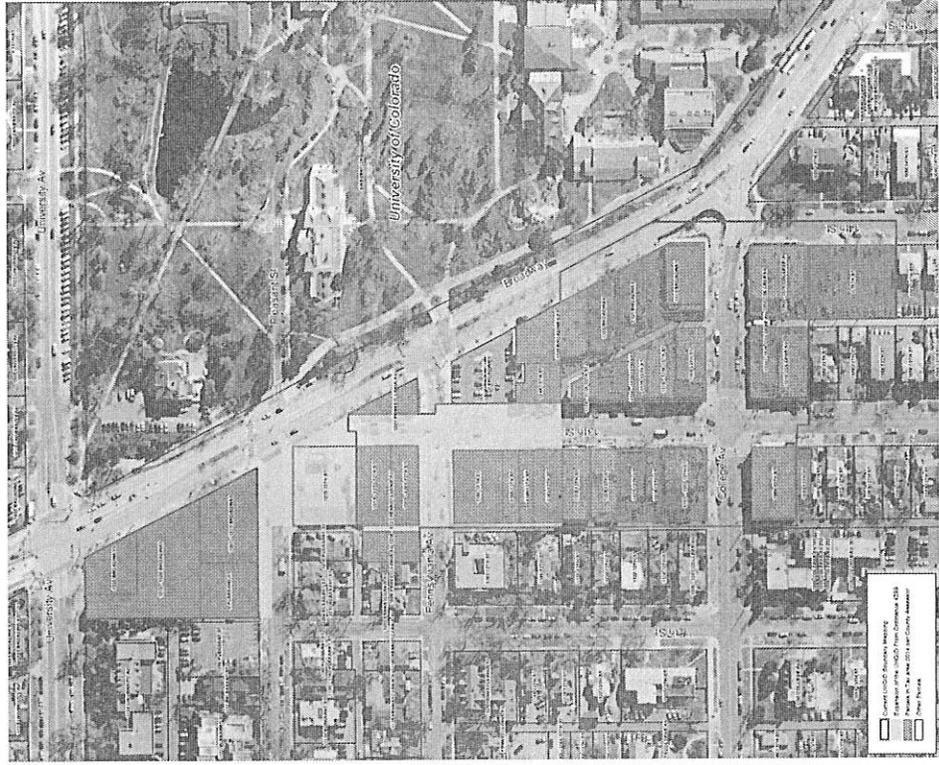
UHGID 'catalyst' sites



Public Financing Options for Public Improvements

UHGID

- Total assessed value = \$14.6M
- 2.29 mill levy = \$33,000
- Land Area = 10 acres



CAGID

- Total assessed value = \$237.2M
- 4.85 mill levy = \$1.1M
- Land Area = 110 acres

Public Financing Options for Public Improvements

Structures of Public-Private Partnerships

Privatization	Partnerships	Subsidization
<ul style="list-style-type: none"> <input type="checkbox"/> Toll roads <input type="checkbox"/> Privatized student housing <input type="checkbox"/> Sale of public assets <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Parking meters <input type="checkbox"/> Public Utilities <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Water <input checked="" type="checkbox"/> Solid Waste 	<ul style="list-style-type: none"> <input type="checkbox"/> Balance allocation between <i>risk</i> and <i>reward</i> <input type="checkbox"/> Difference between <i>privatization</i> and <i>subsidization</i> is a matter of degree 	<ul style="list-style-type: none"> <input type="checkbox"/> Public contributions in support of private project <ul style="list-style-type: none"> <input type="checkbox"/> Sports stadiums <input type="checkbox"/> Large redevelopment project

Public Financing Options for Public Improvements

Front-Funding Options: Boulder Examples

<u>Option:</u>	Certificate of Participation (COP)	Developer Financing
<u>Funding Mechanism:</u>	Lease purchase – sale - lease back of assets used as collateral	Agreement with private development partner.
<u>Pros:</u>	<ol style="list-style-type: none"> 1. Not a multi-year obligation 2. Funds available in a shorter amount of time if not challenged. 	Does not require voter approval or collateral.
<u>Cons:</u>	<ol style="list-style-type: none"> 1. Requires collateral equal to the amount of the total lease. 2. May wish to seek voter approval – if do better to use bonds. 3. Major restrictions for partnerships if issued as tax exempt 	Interest rate could be high, or could risk project if private partner cannot support carrying cost.
<u>Example:</u>	Purchase of Boulder Community Hospital Property	Boulder Junction Parking Garage.

Public Financing Options for Public Improvements

Front-Funding Options: Boulder Examples, cont.

Option:	
Funding Mechanism:	Citywide Issuance Bonds Voter approval of bond issuance for specific purpose or project (s).
Pros:	<ol style="list-style-type: none"> 1. Does not require collateral or private partner. 2. Can be used in a partnership – restrictions are based on tax exempt or taxable
Cons:	<ol style="list-style-type: none"> 1. Community at-large may or may not support the choice (s) of investment. 2. May need new funds to pay debt service and new operating costs for the city. 3. Major restrictions for partnerships if issued as tax exempt
Example:	2011 Voter approved bond issue – Boulder Junction public infrastructure.

Public Financing Options for Public Improvements

Front-Funding Options: Boulder Examples, cont.

Option:	
Funding Mechanism:	District voter approval of bond issuance for specific purpose or project (s).
Pros:	1. More likely that district voters will approve bond issuance that directly benefits their properties and businesses.
Cons:	1. Assessed value of University Hill commercial district may be insufficient to obtain bond financing.
Example:	CAGID issued bonds to fund construction of 15 th /Pearl and 9 th /Canyon (St Julien) public parking garages.

Public Financing Options for Public Improvements

Repayment Financing Options Non-General Fund Debt or Lease

<u>Option:</u>	Urban Renewal Authority Not Recommended	General Improvement District (GID)
<u>Funding Mechanism:</u>	Tax Increment Financing (TIF).	Mill levy.
<u>Pros:</u>	Captures increased value from site improvements.	Existing GID in Hill Commercial Area (HCA).
<u>Cons:</u>	Current legal complications being reviewed by a task force	Limited UHGID funding capacity, need to pair with other mechanism.
<u>Example:</u>	9 th /Canyon Public Parking Garage at St Julien Hotel.	University Hill, Boulder Junction, Downtown Boulder

Public Financing Options for Public Improvements

Repayment Financing Options Non-General Fund Debt or Lease, cont.

<u>Option:</u>	Local Improvement District (LID)	Internally Dedicated Project Revenues
<u>Funding Mechanism:</u>	Property assessment for specific project.	General fund revenues, e.g. sales tax, property tax and parking fees.
<u>Pros:</u>	Properties that benefit share in cost.	Increase in general fund revenues are reinvested on-site for a limited time.
<u>Cons:</u>	Cost likely passed on to tenants, may affect district competitiveness.	Use judiciously – Overuse can reduce flexibility in general fund for time dedicated.
<u>Example:</u>	West Pearl Residential Streetscape Improvements	Boulder Junction Use Tax, Depot Relocation St. Julien Hotel

Public Financing Options for Public Improvements

Repayment Financing Options: Non-General Fund Debt or Lease, cont.

<u>Option:</u>	Downtown Development Authority (DDA)	Public Improvement Fee (PIF)
<u>Funding Mechanism:</u>	TIF or mill levy.	Privately assessed fee through covenant on tenant lease.
<u>Pros:</u>	Tied to an approved plan for a broad area.	Does not impose additional cost on owners or tenants.
<u>Cons:</u>	<ol style="list-style-type: none"> 1. Only one per municipality, should adopt only after comprehensive study. 2. Governance questions 	<ol style="list-style-type: none"> 1. Difficult to administer other than on a single-owner site. 2. If fee revenue does not meet expectations, lender wants guarantees
<u>Example:</u>	Glenwood Springs, CO (public parking garage, streetscape improvements)	Union Station , Denver, CO (1% additional sales tax to fund private maintenance, improvements and programming)

Public Financing Options for Public Improvements

Proposed Hotel Project

- Hotel development team assembled four adjacent parcels
- UHGID-owned parking lot would be fifth parcel
- Proposed on assembled site:
 - 160 room hotel
 - 30,000 SF retail/dining
 - 250 public parking spaces (UHGD-owned)
 - Synergies with potential CU Conference Center/hotel



Hillside Rd

Macky Dr

Hillside Rd

View Av

15th St

University Av

Assembled

Parcels

Broadway

13th St

Pennsylvania Av

12th St

CU Conference Center/Hotel Site

11th St

UNC

College Av

Grand View Av

University Av

asant St

Lincoln Pl

Public Financing Options for Public Improvements

Next Steps

- If directed by Council, staff will continue to explore public improvement financing tools, with more detailed analysis on how these could apply to the University Hill 'catalyst' sites
- Staff would return with a recommendation by Q1

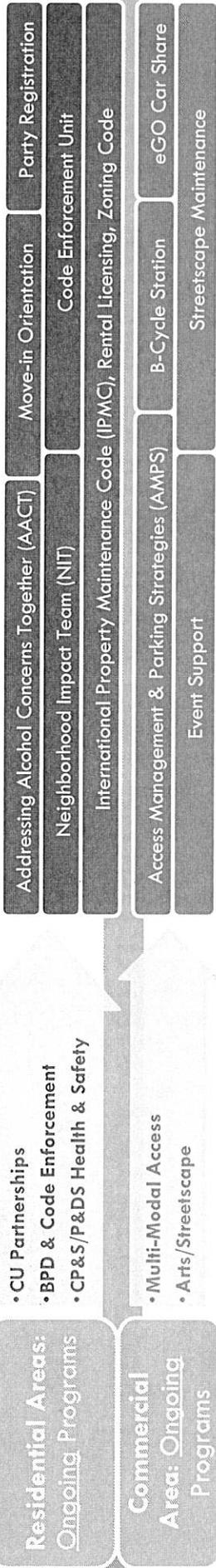
Public Financing Options for Public Improvements

Questions for Council:

- Does Council want staff to explore the public improvements financing and repayment options in greater detail, including an analysis of the financial and legal considerations of using the options to finance public improvements on the University Hill 'catalyst' sites?
- Would Council support the City of Boulder participating as a financial partner in the financing options?

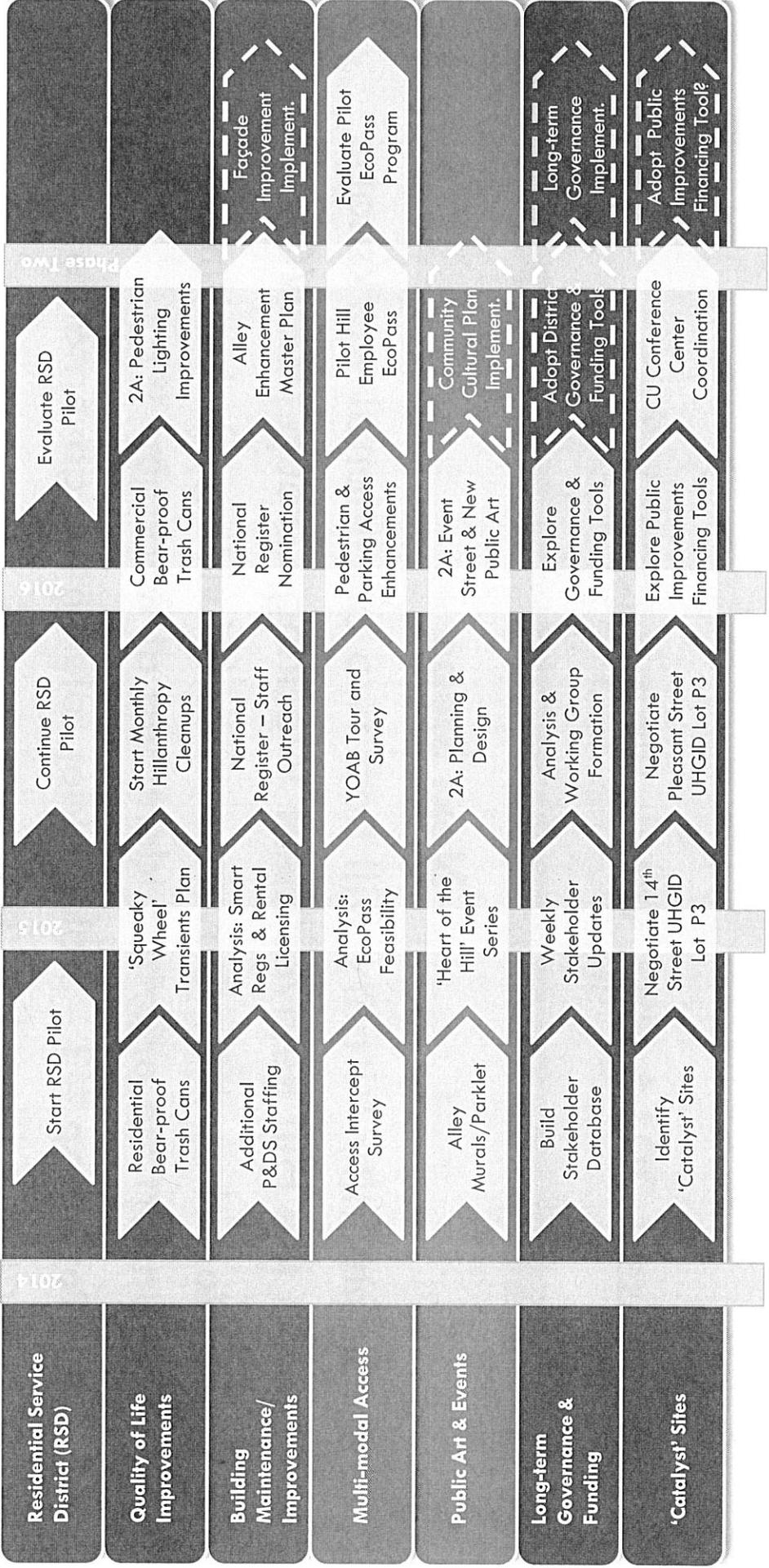
2016 Work Plan/HRWG

University Hill Reinvestment Strategy: WORK PLAN OVERVIEW



Hill Reinvestment Strategy Programs: Phase One

Draft 11/20/15



Proposed 2016 HRS Work Plan and HRWG

Next Steps

- Community Vitality will host two additional workshops with the Hill Reinvestment Working Group (HRWG):
 - Workshop #2 - Governance and funding mechanisms to support the priorities identified at workshop #1
 - Workshop #3 - Stakeholder roles in the governance structure identified at workshop #2
- Return in Q2 with HRWG recommendation
- Return in Q2 with a phase two HRS Work Plan for 2017-2019

Proposed 2016 HRS Work Plan and HRWG

Questions

- Does Council have any feedback regarding the proposed 2016 HRS Work Plan and/or the process and next steps of the Hill Reinvestment Working Group?

Additional Resources

- CU Conference Center/Hotel Project:
<https://bouldercolorado.gov/planning/cu-conference-center-and-hotel>
- University Hill Reinvestment Strategy:
<https://bouldercolorado.gov/commercial-districts/hill-reinvestment-strategy>

CU CONFERENCE CENTER/HOTEL UPDATE
HILL REINVESTMENT STRATEGY UPDATE

December 8, 2015

City Council Study Session

Hill Reinvestment Working Group (HRWG) – Workshop #1 – Issues and Priority Concerns

Facilitated by Progressive Urban Management Associates - 11/19/15

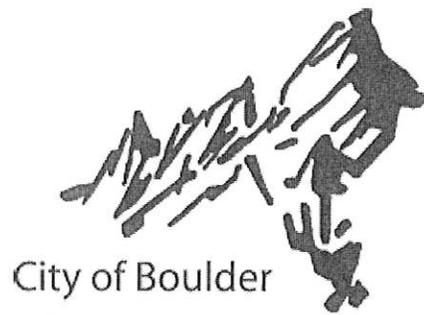
	I. Hill Neighborhoods		II. Hill Commercial Area (HCA)		III. Access & Economic Vitality
12	Preserve a Balanced Neighborhood <ul style="list-style-type: none"> - Investment property trend - Mixed options/affordability - Retain permanent residents - Grad students - Families 	9	Aesthetics <ul style="list-style-type: none"> - Freshen - Improve - Incentives Anchor Tenant <ul style="list-style-type: none"> - Diversify beyond students 	12	Provide Sufficient Parking <ul style="list-style-type: none"> - Availability - Cost - Management - Commercial District
9	Enforcement (noise, litter, over-occupancy)	8		8	Improve Safety <ul style="list-style-type: none"> - Lighting/Alleys - Transients - Policing - Alcohol - Underage drinking
2	Aesthetics – Incentives	4	Identify Markets to Attract <ul style="list-style-type: none"> - CU Adults 		
2	Litter Removal (especially weekends)	1	Streetscape Maintenance		
1	Town/Gown Relations		Marketing & Events	3	District Wide Identity/PR <ul style="list-style-type: none"> - Family markets
	Landlord Accountability		Advocacy/Tenant Attraction	1	Long Range Planning
			Street Décor - Holiday Lights		TDM Programs, e.g., Eco Pass
					Improved Bus/Bike/Pedestrian Facilities
					Transit Options/Routing

UNIVERSITY HILL UPDATE

From: Sarah K. Wiebenson
Hill Community Development Coordinator

To: University Hill Stakeholders

Date: Friday, December 4, 2015



Now Available: Pilot Hill Employee EcoPass Forms

In preparation for launching the pilot **EcoPass program** for **Hill Employees** in 2016, the Hill Reinvestment Intern, Holden Lewis, began circulating **'Authorized Signer Forms'** today to all Hill Commercial Area businesses. Participating businesses must have a representative on file who can attest to which employees are eligible to participate in the program. The authorized signer must notify the city of any staffing changes that affect the RTD contract, and participating businesses must provide the first and last pages of their current lease for proof of tenancy in the Hill Commercial Area. During the pilot phase of the program (2016-2018), the city is committed to fully funding the program. EcoPasses will be provided at no cost to eligible full-time Hill employees. After January 1, the city will host office hours on the Hill to sign up each eligible employee so they can go to RTD the same day to pick up their pass.



Hill Reinvestment Working Group Update

On November 19th, the **Hill Reinvestment Working Group (HRWG)** held its first workshop at **Four Star on the Hill** to look at long-term governance and funding mechanisms to sustain Hill improvements after the initial two-year time frame of the Hill Reinvestment Strategy. The group is working toward a recommendation to the City Council in Q2 of 2016. At workshop #1, the HRWG members (representatives from community stakeholder organizations) identified priority activities for the Hill neighborhoods; Hill Commercial Area; and general access and economic vitality. At workshop #2 on January 19th, the HRWG will discuss options for governance structures and specific funding tools presented by the group's facilitator, **Progressive Urban Management Associates (PUMA)**.



City Council Hill Reinvestment Strategy Update: Potential CU Conference Center and Public Improvements Funding

At the City Council Study Session on **Tuesday, Dec. 8th**, staff will present updates on the potential **CU conference center/hotel** project and seek Council feedback on potential **public funding tools to facilitate public improvements** on the Hill. An underground public parking garage has been cited by multiple surveys and studies in the past year as a key to pursuing the goals of the Hill Reinvestment Strategy (HRS). The study session packet, which includes the proposed **2016 HRS Work Plan**, is available [HERE](#).

Upcoming Public Hill Meetings/Events:

Mon., Dec. 7 at 11:00 a.m. – **City Council Hill Tour** (Buchanan's Coffee Pub, 1301 Pennsylvania)

Tues., Dec. 8 at 6:00 p.m. – **City Council Study Session** on the Hill Reinvestment Strategy (1777 Broadway)

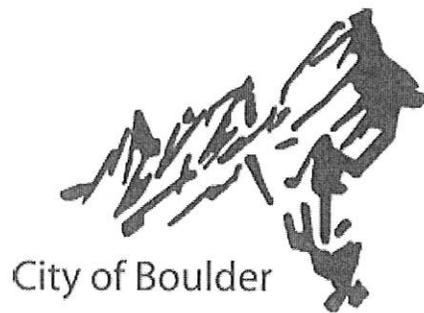
Wed., Dec. 16 at 4:00 p.m. – **University Hill Commercial Area Management Commission** (1777 Broadway)

UNIVERSITY HILL UPDATE

From: Sarah K. Wiebenson
Hill Community Development Coordinator

To: University Hill Stakeholders

Date: Friday, December 11, 2015



REMINDER: Hill Employee EcoPass Signer Forms Due

Hill businesses must turn in an Authorized Signer Form to be able to provide their full-time employees with FREE EcoPasses funded by the city. The Department of Community Vitality (DCV) intern has been on the Hill for the past week handing out forms. If you still need a form, or your form is ready for pickup, please email Holden Lewis at lewish@bouldercolorado.gov. Individual employees may not sign up without an authorized signer on file. The authorized signer is responsible for notifying the Hill EcoPass Program coordinator at DCV of any full-time staffing changes, which could result in charges to the company if a former employee continues to use the pass. When notified, DCV will contact RTD to shut off the pass.

SAVE THE DATE: Special SBDC Workshops for Hill Businesses

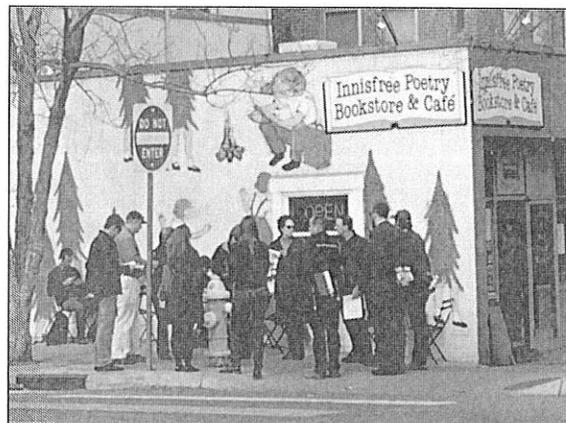
The Hill Boulder business association has arranged three FREE workshops for Hill businesses with Boulder's Small Business Development Center (SBDC) in 2016. The first workshop will be at Café Aion (1235 Pennsylvania) on January 13th from 8:00-10:00 a.m.



University Hill in the News

Click [HERE](#) to read the news coverage of Tuesday's City Council study session on the Hill. On Monday, members of Council toured the Hill with city staff working on Hill Reinvestment Strategy initiatives (see photo).

Click [HERE](#) to view the City Council study session, with updates on the CU conference center/hotel project; options for public financing tools to construct public improvements on the Hill; and an update on the Hill Reinvestment Strategy and the work of the Hill Reinvestment Working Group looking at long-term funding and governance options. The next meeting of the HRWG is scheduled for January 19th.



New Businesses Open on the Hill

In the past month, the Hill has welcomed two new restaurants, Scrooge Maki (1107 13th Street) and Bento-ria (1325 Broadway). For a complete list of Hill businesses, visit: www.thehillboulder.com

Upcoming Public Hill Meetings/Events:

Wed., Dec. 16 at 4:00 p.m. – University Hill Commercial Area Management Commission (1777 Broadway)

