



**TO:** Members of Council  
**FROM:** Dianne Marshall, City Clerk's Office  
**DATE:** March 18, 2014  
**SUBJECT:** Information Packet

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**1. Call Ups**

A. 1301 Walnut Street (the Wencel Building) Site Review (case no. LUR2013-00031)

**2. Information Items**

A. Annexation Package for Flood Impacted Area II Residents

B. Incentive Programs - Flexible Rebate and Microloan Programs

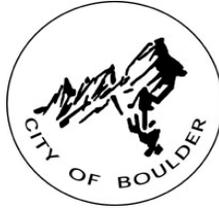
**3. Boards and Commissions**

A. Landmarks Board – January 8, 2014

B. Landmarks Board – February 5, 2014

**4. Declarations**

None.



## INFORMATION PACKET MEMORANDUM

To: Members of City Council

From: Jane S. Brautigam, City Manager  
Paul J. Fetherston, Deputy City Manager  
David Driskell, Executive Director of Community Planning + Sustainability  
Susan Richstone, Deputy Director of Community Planning + Sustainability  
Charles Ferro, Development Review Manager  
Elaine McLaughlin, Senior Planner

Date: March 10, 2014

**Subject: Call-Up Item: 1301 Walnut Street (the Wencel Building) Site Review  
(case no. LUR2013-00031)**

### EXECUTIVE SUMMARY

On Feb. 27, 2014, the Planning Board unanimously approved (5-0, L. May absent) the above-referenced application with conditions as provided in the attached Notice of Disposition (**Attachment A**), finding the project consistent with the Site Review criteria of Land Use Code section 9-2-14(h), B.R.C. 1981. Approval of the application to redevelop the site located at the northeast corner of 13<sup>th</sup> and Walnut streets would permit construction of a four-story, 55-foot tall building as infill into an existing surface parking lot and through demolition of an existing building, located in the DT-5 (Downtown -5) zoning district. The proposed application includes requests for four stories where three are allowed by-right on a corner.

The application also includes modifications for the front and side yard setbacks from a street for the third story and above where portions of the west and south elevations are planned to 0 and 10.5 feet setbacks, where 15 feet is standard. The application also includes a floor area transfer under the terms of Land Use Code section 9-8-2(e)(4), B.R.C. 1981.

The Planning Board decision is subject to City Council call-up within 30 days concluding on March 31, 2014. There is one City Council meeting within this time period for call-up consideration on March 18, 2014.

The staff memorandum of recommendation to Planning Board and other related background materials are available on the city website. Follow the links: [www.bouldercolorado.gov](http://www.bouldercolorado.gov) → A to Z → Planning Board → search for past meeting materials planning board → 2014 → 02.27.2014 PB Packet.

## BACKGROUND

As shown in Figure 1, the building site is currently occupied by an existing three and a half-story building on the corner and a 15,500 square foot surface parking lot. Adjacent to the parking lot is the eight and one-half story Colorado Building, built in 1956 as the “Colorado Insurance Group Building” designed by noted Boulder Modernist architect James Hunter for both office and retail uses. A three story portion of the building on the west side adjacent to the parking lot was built to house Joslin’s Department Store which operated there until 1980. An architectural survey and context study of Modernism in Boulder undertaken in 2000 identified this as a “Mies van der Rohe-inspired building” and as the only “big city high-rise” in the city.

The site also contains the former Peyton Insurance and James Hotel buildings, now housing Conor O’Neills Irish Pub and offices, along with the Brewing Market and Tibet Company and offices, respectively. There is also a small historic carriage house adjacent to the alley that had been associated with a residence that was located on the site up until the 1940s. None of the historic structures within the site are planned for removal or alteration however, some maintenance and cosmetic improvements have been discussed which would be subject to review and approval through a Landmarks Alteration Certificate.



Figure 1: Aerial View of Subject Site

A proposal for a similar, but larger project was reviewed as a Concept Plan on Jan. 24, 2013. At that time, the applicant had requested second and third story connections from the proposed building to the

adjacent Colorado Building, under common ownership, to create very large floor plate offices. Because the floor area of the entire Colorado Building would have had to been counted together with the proposed building, the concept plan proposal would have ultimately required an ordinance to approve greater floor area than is permitted. The project as approved by Planning Board is not proposed to connect to the Colorado Building. In addition, the approval by Planning Board included a condition of approval that the Colorado Building be landmarked by the applicant.

**Boulder Valley Comprehensive Plan (BVCP).** The subject site is located within one of the three Regional Activity Center’s defined on page 20 of the BVCP as follows,

*“Boulder’s commercial, entertainment, educational and civic centers are focused in concentrated nodes of activities at a variety of scales distributed throughout the community. At the highest level of intensity are the city’s three regional centers. They form a triangle at Boulder’s geographic center: the Historic Downtown, the Boulder Valley Regional Center (BVRC), and the University of Colorado (CU) with the University Hill business district, which also serves as a neighborhood center for the surrounding area. Each regional center has a distinct function and character, provides a wide range of activities and draws from the entire city as well as the region.”*

Consistent with the identification of the area as a Regional Activity Center, the BVCP land use designation for the site is Regional Business, with the intent defined on page 64 of the BVCP as follows,

*“Within these areas are located the major shopping facilities, offices, financial institutions, and government and cultural facilities serving the entire Boulder Valley and neighboring communities. These areas will continue to be refurbished and upgraded and will remain the dominant focus for major business activities in the region.”*

**Zoning.** Located in the highest intensity downtown zoning district of the downtown, the DT-5 zoning district is defined within the Land Use Code section 9-5-2, B.R.C. 1981 as follow:

*“The business area within the downtown core that is in the process of changing to a higher intensity use where a wide range of office, retail, residential and public uses are permitted. This area has the greatest potential for new development and redevelopment within the*

The DT-5 zoning district permits three stories on a corner building by-right, four stories with a height up to 55 feet require Site Review analysis and approval.

**Downtown Urban Design Guidelines.** The site is located within the area defined in the Downtown Urban Design Guidelines as the Non-Historic area. A weblink to the guidelines is found on line at [www.bouldercolorado.gov](http://www.bouldercolorado.gov) → A to Z → boards-commissions → bdab. The intent of the Non-Historic Area is noted on page 13 of the guidelines as follows:

*“The Non-Historic Area offers unique opportunities for design options and creation of variety in building forms. A focus on pedestrian activity and attention to massing, scale and alignment of building features are important design considerations.”*

The urban design objectives for the Non-Historic Area are noted on page 33 of the guidelines as follows:

- *Reinforce the character of downtown as a pedestrian place by encouraging architectural solutions that are visually interesting, stylistically appropriate to their context, and compatible in scale and character with their street.*
- *Strengthen the identity of downtown as a place where people feel welcome and comfortable through the careful selection of building materials and human scale design.*
- *Encourage development that complements pedestrian activity.”*

**Surrounding Context.** Across Walnut Street, the surrounding context includes the regional downtown RTD bus station, a four story office building, a drive thru bank, and the four story mixed use residential, retail, and office building of One Boulder Plaza. Across 13<sup>th</sup> Street to the west is the 42,600 square foot surface parking lot serving Wells Fargo Bank. To the north, across the alley, are a variety of retail and office buildings that front onto the Pearl Street Mall. Across the site to the east is a four story office building with ground floor retail.

**Summary of Proposed Project.** As shown in Figures 2, 3, and 4 the proposed project is a four-story office and retail building with above grade portion of the building proposed to be 56,634 square feet and at a 2.7 Floor Area Ratio. A 1.0 FAR addition is proposed consistent with land use code section 9-8-2(e)(3), 1981 and through payment of a housing linkage fee. A floor area transfer is proposed, consistent with land use code section 9-8-2(e)(4), B.R.C. 1981 to transfer permitted floor area away from the historic structures on the west side of the site and into the new building. A small 18 space parking area is proposed primarily at the rear of the building within the northeastern portion of the first floor. An area of approximately 15,600 square feet is also proposed below grade that is consistent with Land Use Code Section 9-8-2, B.R.C. 1981 that provides for below grade to not count toward overall floor area calculations. The below grade office space will open to a courtyard s, shown in the site plan of Figure 2, that is accessed from both Walnut Street and the alley and is planned for small “incubator” or start-up office space. The courtyard spaces created would be publically accessible and a street-level walkway allows access to the rear of the site for site permeability. A proposal to expand the patio at Conor O’Neills and incorporate the historic carriage house as a focal point from Walnut Street into the site is also included in the Site Review approval.

Figures 3 and 4 on the following page present the west and south elevations. The setback at the alley ranges from 45- to 73- feet from the property line. Other setbacks include fourth setbacks on the west and south elevations. Attachment B provides the project plans.





**Figure 3: West (13<sup>th</sup> Street) Elevation**



**Figure 4: North (Walnut Street) Elevation**

**Public Comment and Participation.** Required public notice for Site Review was given in the form of written notification mailed to all property owners within 600 feet of the subject site. The Planning Board hearing date was posted in the Daily Camera two weeks prior to the hearing and the public notification sign was posted on the property for at least 10 days, per the public notification requirements of Section 9-4-3, B.R.C. 1981. Three comment letters were received. All three indicated support, but one of the letters expressed concerns regarding the lower level courtyard space. The letter also indicated that the access (one-way) into the parking shouldn't occur from Walnut and that perhaps parking wasn't necessary. Another of the three letters received was from the property owner of the Cartwright Building located across the alley, indicating support for the application. This same neighboring property owner initially had concerns with the project during Concept Plan review. However since that time, as the letter indicated, the applicant worked with the neighbor to find

solutions to their concerns, particularly setting back the building significantly and addressing the rear courtyard of the building. In the neighboring property owners letter, the neighbor indicated the following:

*“The design of the building and the treatment of the north side of the proposed building, preserving the pedestrian friendly appeal of the alley, and the consideration of view corridors and massing, as it relates to the transition from the DT5 to DT4 zone, have been well mitigated and have led to an enhanced design of the building.”*

**Design Advisory Board Review.** The Design Advisory Board (DAB) reviewed and discussed the application twice, first on Jan. 8, 2013 and again on Nov. 13, 2013 at regularly scheduled DAB meetings and provided the applicant with recommended changes to an original building configuration. A written summary of the DAB review specific to each applicable design guideline within the Non-Historic area of the downtown was provided by the DAB chair. The applicant implemented the DAB and staff recommendations related primarily to building fenestration and materials.

## **PLANNING BOARD HEARING**

At the hearing, the board discussed the following key issues:

- consistency of the proposed project with the BVCP Land Use of Regional Business, and the DT-5 zoning district;
- responsiveness of Site Review application to Concept Plan review comments;
- consistency of the proposed project with Site Review criteria including BVCP policies;
- consistency of the proposed project with the Downtown Urban Design Guidelines for the non-historic district; and
- consistency of proposed parking and circulation with the review criteria.

With regard to key issues, the board found consistency with the proposed project with the zoning, the BVCP land use and policies, and the Downtown Urban Design Guidelines. The board also acknowledged the applicant for the changes made since Concept Plan review to simplify the project, and their work with staff and BDAB to ensure compatibility in the context. With regard to the parking and circulation, the board and staff discussed the existing one way streets that circulate around the Pearl Street Mall and the one-way direction of the adjacent alley, like many downtown alleys that are directed toward Broadway to avoid stopping and turning vehicle movements on Broadway into the alleys. Given the existing circulation, the narrow 12-foot, one-way access into the parking from Walnut Street and the need for some amount of parking to serve the ground floor retail uses planned, the board indicated the proposed project was consistent with the review criteria for parking and circulation.

The board also discussed the applicant’s original Site Review submittal of three stories. Planning Board concurred with staff that a three story proposal for a site located in one of the highest intensity zoning districts, across from a regional bus facility in an area of high transit use, and where additional redevelopment and intensity is anticipated within the Regional Business area of the BVCP, would not have achieved many of the policies of the comprehensive plan. The board indicated support for the height and intensity in this location. The board concluded that the building had undergone a successful review process with the Boulder Design Advisory Board and that the Site Review process resulted in a better project than the original Concept Plan.

## SUMMARY OF ANALYSIS

In approving the application, the Planning Board found that the proposal to be consistent with the Site Review criteria of the Land Use Code subsection 9-2-14(h), B.R.C. 1981 and Design Guidelines, because:

1. The proposed project's massing, scale, design and materials are compatible with the surrounding context where a variety of building heights exist in a high intensity context.
2. The proposed project meets the Site Review Criteria for pedestrian scale building design elements.
3. The application is consistent with the Downtown Urban Design Guidelines for the Non-Historic area for the following reasons:
  - a. The mass and scale of the building is articulated appropriately with placement of a four story building mass at the corner and, at the same time, visual interest is created by varying the center bays and upper stories of the building's south elevation in keeping with the intent of the Non-Historic area of the downtown as defined in the guidelines,

*“areas offering unique opportunities for design options and creation of variety in building forms. A focus on pedestrian activity and attention to massing, scale and alignment of building features are important design considerations.”*

- b. The proposed fourth story is set back from the face of the building from 10.5 to 20 feet in strategic places, particularly adjacent to the historic building to the north to help establish compatibility with adjoining buildings, as is recommended in the guidelines.
- c. The building will maintain a human scale with use of standard brick and capture of pedestrian interest on the first floor utilizing traditional building elements, as recommended in the guidelines and as demonstrated below in Figure 5.



**Figure 5:**  
**Consistency with Guideline 2.1: Incorporation of Traditional Design Elements**

- d. Along both public street-facing elevations of 13<sup>th</sup> and Walnut streets, there is an appropriate traditional rhythm to the building bays and first floor openings, where a repetition or sequencing of visual interest for the pedestrian is critical.
  - e. The proposed building also has other traditional building features including first floor display windows with a kick plate and transom windows, a sign band along the front of the building, traditional size and patterning and of upper story windows.
  - f. The proposed building is consistent with guideline 2.4.C. which recommends the floor to floor heights of 12 to 15 feet for the ground level and up to 12 to 13 feet for the upper stories.
5. While the site is located within the Central Area General improvement District (CAGID), where parking is not required for non-residential uses, the provision of 18 vehicle parking spaces and 15 long-term bike parking spaces within the proposed building's rear first floor adjacent to the alley provides for future building users, particularly retail users.
  6. The proposed significant setbacks at the rear of the property and the placement of mass along the street frontage, established a strong concept such that the requested modifications to the fourth story setback from (15-feet to 10.5 feet and 0 feet) was acceptable to create the urban edge closest to the street.
  7. The floor area transfer proposed away from a portion of the lots encumbered by the two historic structures per Land Use Code section 9-2-14(b)(1)(C), B.R.C. 1981, to an area of surface parking lot meets the criteria.

## CONCLUSION

By a unanimous vote the Planning Board agreed with the staff analysis and approved the application with conditions. Consistent with the land use code section 9-4-4(c), B.R.C. 1981, if the City Council disagrees with the decision of the Planning Board, it may call up the application within a 30-day call up period which expires on March 31, 2014, and with one City Council meeting during that time, it may consider this application for call-up at its **March 18, 2014** public meeting.

## ATTACHMENTS:

- A. Planning Board Notice of Disposition dated Feb. 27, 2014
- B. Project Plans and Written Statement



**CITY OF BOULDER**  
**Community Planning & Sustainability**

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phone 303-441-1880 • fax 303-441-3241 • web [www.bouldercolorado.gov](http://www.bouldercolorado.gov)

**CITY OF BOULDER PLANNING BOARD**  
**NOTICE OF DISPOSITION**

You are hereby advised that on February 27, 2014 the following action was taken by the Planning Board based on the standards and criteria of the Land Use Regulations as set forth in Chapter 9-2, B.R.C. 1981, as applied to the proposed development.

DECISION: **APPROVED WITH CONDITIONS**  
PROJECT NAME: **THE WENCEL BUILDING**  
DESCRIPTION: **A new four story commercial office building totaling approximately 46,700 square feet above grade floor area, along with 15,600 square feet of below grade area open to a courtyard space for incubator offices, building amenities and storage. 18 parking spaces to be structured within the east side of the first floor.**  
LOCATION: **1301 WALNUT ST**  
COOR: **N03W06**  
LEGAL DESCRIPTION: **See Exhibit A Attached**  
APPLICANT: **JEFFREY WINGERT**  
OWNER: **APLAZA LLC (1900 13<sup>TH</sup> St)**  
**1916 LLC (1916 13<sup>th</sup> St)**  
**Lookout LLC (1355 Walnut St)**  
**1919 Street LLC (1919 14<sup>th</sup> St)**  
APPLICATION: **Site Review, LUR2013-00053**  
ZONING: **DT-5**  
CASE MANAGER: **Elaine McLaughlin**  
VESTED PROPERTY RIGHT: **NO; the owner has waived the opportunity to create such right under Section 9-2-19, B.R.C. 1981.**

**APPROVED MODIFICATIONS FROM THE LAND USE REGULATIONS:**

**§9-7-1: Height: 55 feet where 38 feet is standard; and four stories where three are standard**  
**§9-7-1: Minimum front yard setback and side yard setback from a street for all principal buildings and uses for third story and above (portions of west and south fourth story elevation to 0 where 15' is standard)**

This decision may be called up by the City Council on or before March 31, 2014. If no call-up occurs, the decision is deemed final thirty days after the Planning Board's decision.

FOR CONDITIONS OF APPROVAL, SEE THE FOLLOWING PAGES OF THIS DISPOSITION.

IN ORDER FOR A BUILDING PERMIT APPLICATION TO BE PROCESSED FOR THIS PROJECT, A SIGNED DEVELOPMENT AGREEMENT AND SIGNED FINAL PLANS MUST BE SUBMITTED TO THE

PLANNING DEPARTMENT WITH DISPOSITION CONDITIONS AS APPROVED SHOWN ON THE FINAL PLANS, IF THE DEVELOPMENT AGREEMENT IS NOT SIGNED WITHIN NINETY (90) DAYS OF THE FINAL DECISION DATE, THE PLANNING BOARD APPROVAL AUTOMATICALLY EXPIRES.

Pursuant to Section 9-2-12 of the Land Use Regulations (Boulder Revised Code, 1981), the applicant must begin and substantially complete the approved development within three years from the date of final approval. Failure to "substantially complete" (as defined in Section 9-2-12, Boulder Revised Code 1981) the development within three years shall cause this development approval to expire.

At its public hearing on February 27, 2014 the Planning Board approved the request with the following motion:

On a motion by C. Gray, seconded by J. Putnam, the Planning Board voted 5-0 (L. May absent, Danica Powell participated as an appointed temporary alternate board member) to approve Site Review No. LUR2013-00053 incorporating the staff memorandum and the attached Site Review Criteria Checklist as findings of fact and subject to the following recommended conditions of approval which are conditions 1, 2, 3, and 4 in the memo.

### CONDITIONS OF APPROVAL

1. The Applicant shall ensure that the **development shall be in compliance with all approved plans** dated February 3, 2014 on file in the City of Boulder Planning Department, except to the extent that the development may be modified by the conditions of this approval.
2. Prior to a building permit application, the Applicant shall submit a Technical Document Review application for the following items, subject to approval of the City Manager:
  - a. **Final architectural plans, including materials and colors, to ensure** compliance with the intent of this approval and compatibility with the surrounding area. The architectural intent shown on the approved plans dated February 3, 2014 is acceptable.
  - b. A **final site plan** which includes detailed floor plans and section drawings.
  - c. A **final utility plan** meeting the City of Boulder Design and Construction Standards.
  - d. A **final storm water report and plan** meeting the City of Boulder Design and Construction Standards, which include information regarding the groundwater conditions (geotechnical report, soil borings, etc.) on the Property, and all discharge points for perimeter drainage systems.
  - e. **Final transportation plans** in accordance with City of Boulder Design and Construction Standards, for all transportation improvements. These plans must include, but are not limited to: plan and profile drawings and construction plans for the public access drive and all public sidewalks.
  - f. A **detailed landscape plan**, including size, quantity, and type of plants existing and proposed; type and quality of non-living landscaping materials; any site grading proposed; and any irrigation system proposed, to insure compliance with this approval and the City's landscaping requirements. Removal of trees must receive prior approval of the Planning Department. Removal of any tree in city right-of-way must also receive prior approval of the City Forester.



EXHIBIT A

1900 13<sup>th</sup> Street – APLAZA LLC

PARCEL A:

A tract of land situated in Lots 7 and 8, Block 68, Boulder, County of Boulder, State of Colorado, described as follows:

Beginning at the Southwest corner of said Lot 7; thence Northerly along the West line of said Lot 7 a distance of 69.60 feet; thence Easterly at a right angle to the West line of said Lot 7 a distance of 22.95 feet; thence Southerly parallel with the West line of said Lot 7 a distance of 9.90 feet; thence Easterly parallel with the South line of said Lots 7 and 8 to the East line of the West half of said Lot 8; thence Southerly on and along the line between the East half of said Lot 8 and the West half of said Lot 8 to the South line of said Lot 8; thence Westerly along the South line of said Lots 8 and 7 to the Southwest corner of said Lot 7, the place of beginning.

PARCEL B:

All of that part of Lots 7 and 8, Block 68, Original Town of Boulder, a subdivision in the County of Boulder, State of Colorado, according to the recorded plat thereof, described as follows:

Commencing at the Southwest corner of said Lot 7; thence North 15° 02'06" West, 69.60 feet along the Westerly line of said Lot 7 to the Northwest corner of that tract of land conveyed to University Building Partnership as described in Warranty Deed recorded on Film 809 as Reception No. 57282 of the records of Boulder County, Colorado, and the true point of beginning;

Thence North 74° 57'54" East, 22.95 feet along the Northerly line of that tract of land as described on said Film 809 as Reception No. 57282;

Thence South 15° 02'06" East, 9.90 feet along the Northerly line of that tract of land as described on said Film 809 as Reception No. 57282;

Thence North 74° 55'30" East, 52.10 feet along the Northerly line of that tract of land as described on said Film 809 as Reception No. 57282 to the Northeast corner thereof, a point on the Easterly line of the West 1/2 of said Lot 8;

Thence North 15° 02'03" West, 10.38 feet along the Easterly line of the West 1/2 of said Lot 8 to the Southeast corner of the North 1/2 of the West 1/2 of said Lot 8;

Thence North 74° 55'58" East, 25.02 feet along the Southerly line of the North 1/2 of said Lot 8 to the Southeast corner thereof;

Thence North 15° 02'02" West, 70.06 feet along the Easterly line of said Lot 8 to the Northeast corner thereof;

Thence South 74° 56'25" West, 15.88 feet along the Northerly line of said Lot 8 to the Northeast corner of that tract of land conveyed to T.J. Peyton and Clyde R. Reedy as described in Warranty Deed recorded in Book 886 at Page 556 of the records of Boulder County, Colorado;

Thence South 15° 17'06" East, 64.71 feet along the Easterly line of that tract of land as described in said Book 886 at Page 556 to the Southeast corner thereof;

Thence South 74° 46'54" West, 14.05 feet along the Southerly line of that tract of land as described in said Book 886 at Page 556;

Thence South 15° 07'06" East, 5.00 feet along the Southerly line of that tract of land as described in said Book 886 at Page 556;

Thence South 74° 46'54" West, 70.43 feet along the Southerly line of that tract of land as described in said Book 886 at Page 556 to the Westerly line of said Lot 7;

Thence South 15° 02'06" East, 0.60 feet along the Westerly line of said Lot 7 to the true point of beginning, except that portion described as follows:

A strip of land located in the East 1/2 of Lot 8, Block 68, Original Town of Boulder, a subdivision in the County of Boulder, State of Colorado, according to the recorded plat thereof, described as follows:

Commencing at the Southwest corner of said Block 68; thence North 15° 02'06" West, 69.60 feet along the Westerly line of said Block 68 to the Northwest corner of that tract of land conveyed to University Building Partnership as described in Warranty Deed recorded on Film 809 as Reception No. 57282 of the records of Boulder County, Colorado; thence North 74° 57'54" East, 22.95 feet along the Northerly line of that tract of land as described on said Film 809 as Reception No. 57282; thence South 15° 02'06" East, 9.90 feet along the Northerly line of that tract of land as described on said Film 809 as Reception No. 57282; thence North 74° 55'30" East, 52.10 feet along the Northerly line of that tract of land as described on said Film 809 as Reception No. 57282 to the Northeast corner thereof, a point on the Westerly line of the East 1/2 of said Lot 8; thence North 15° 02'03" West, 10.38 feet along the Westerly line of the East 1/2 of said Lot 8 to the Southerly line of the North 1/2 of said Lot 8; thence North 74° 55'58" East, 9.44 feet along the Southerly line of the North 1/2 of said Lot 8 to the Easterly line extended Southerly of that tract of land conveyed to T.J. Peyton and Clyde R. Reedy as described in Warranty Deed recorded in Book 886 at Page 556 of the records of Boulder County, Colorado and the true point of beginning;

Thence continuing North 74° 55'58" East, 15.58 feet along the Southerly line of the North 1/2 of said Lot 8 to the Easterly line of said Lot 8;

Thence North 15° 02'02" West, 70.06 feet along the Easterly line of said Lot 8 to the Northeast corner thereof;

Thence South 74° 56'25" West, 15.88 feet along the Northerly line of said Lot 8 to the Northeast corner of that tract of land as described in said Book 886 at Page 556; Thence South 15° 17'06" East, 70.06 feet along the Easterly line and Easterly line extended Southerly of that tract of land as described in said Book 886 at Page 556 to the true point of beginning.

**PARCEL C:**

A strip of land located in the East half of Lot 8, Block 68, Original Town of Boulder, a subdivision in the County of Boulder, State of Colorado, according to the recorded plat thereof, described as follows:

Commencing at the Southwest corner of said Block 68; thence North 15° 02'06" West, 69.60 feet along the Westerly line of said Block 68 to the Northwest corner of that tract of land conveyed to University Building Partnership as described in Warranty Deed recorded on Film 809 as Reception No. 57282 of the records of Boulder County, Colorado; thence North 74° 57'54" East, 22.95 feet along the Northerly line of that tract of land as described on said Film 809 as Reception No. 57282; thence South 15° 02'06" East, 9.90 feet along the Northerly line of that tract of land as described on said Film 809 as Reception No. 57282; thence North 74° 55'30" East, 52.10 feet along the Northerly line of that tract of land as described on said Film 809 as Reception No. 57282 to the Northeast corner thereof, a point on the Westerly line of the East 1/2 of said Lot 8 and the true point of beginning;

Thence South 15° 02'03" East, 59.68 feet along the Westerly line of the East ½ of said Lot 8 to the Southerly line of said Lot 8;

Thence North 74° 55'30" East, 9.75 feet along the Southerly line of said Lot 8 to the Easterly line extended Southerly of that tract of land conveyed to T.J. Peyton and Clyde R. Reedy as described in Warranty Deed recorded in Book 886 at Page 556 of the records of Boulder County, Colorado;

Thence North 15° 17'06" West, 70.06 feet along the Easterly line extended Southerly of that tract of land as described in said Book 886 at Page 556 to the Southerly line of the North 1/2 of said Lot 8;

Thence South 74° 55'58" West, 9.44 feet along the Southerly line of the North 1/2 of said Lot 8 to the Westerly line of the East 1/2 of said Lot 8;

Thence South 15° 02'03" East, 10.38 feet along the Westerly line of the East 1/2 of said Lot 8 to the true point of beginning.

1916 13<sup>th</sup> Street – 1916 LLC

Parcel 1:

That part of Lots 7 and 8, Block 68, Boulder, County of Boulder, State of Colorado, described as follows:

Commencing at the Southwest corner of said Lot 7; thence North 14° 53' West, 70.20 feet to the true point of beginning;

Thence North 74° 56' East, 70.43 feet; thence North 14° 58' West, 5.00 feet; thence North 74° 56' East, 14.05 feet; thence North 15° 08' West, 65.16 feet to the North line of said Lot 8; thence South 74° 58' West, 84.20 feet to the Northwest corner of said Lot 7; thence South 14° 53' East, 70.20 feet to the true point of beginning.

### 1355 Walnut Street – Lookout LLC

A tract of land located in Lots 8 through 12 inclusive, Block 68, Original Town of Boulder, a subdivision in the County of Boulder, State of Colorado, according to the recorded plat thereof, described as follows:

Beginning at the Southeast corner of said Lot 12, thence North  $15^{\circ} 01'54''$  West, 140.06 feet along the Easterly line of said Lot 12 to the Northeast corner thereof;

Thence South  $74^{\circ} 56'25''$  West, 216.03 feet along the Northerly lines of said Lots 12, 11, 10, 9 and 8 to the Northeast corner of that tract of land conveyed to T.J. Peyton and Clyde R. Reedy as described in Warranty Deed recorded in Book 886 at Page 556 of the records of Boulder County, Colorado;

Thence South  $15^{\circ} 17'06''$  East, 140.12 feet along the Easterly line and the Easterly line extended Southerly of that tract of land as described in said Book 886 at Page 556 to the Southerly line of said Lot 8;

Thence North  $74^{\circ} 55'30''$  East, 215.41 feet along the Southerly lines of said Lots 8, 9, 10, 11 and 12 to the point of beginning,

Excepting therefrom the Easterly 12 feet of Lot 10, and all of Lots 11 and 12, Block 68, Original Town of Boulder, County of Boulder, State of Colorado.

1919 14<sup>th</sup> Street – 1919 Street LLC

The easterly 12 feet of Lot 10, and all of Lots 11 and 12, Block 68, Boulder, Original Town of Boulder, County of Boulder, State of Colorado.



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#### OWNERSHIP OF THE PROPERTY INCLUDED IN THIS SITE REVIEW INCLUDES:

- APLZA LLC, owner of 1900 13<sup>th</sup> Street
- 1916 LLC, owner of 1916 13<sup>th</sup> Street
- Lookout LLC, owner of 1355 Walnut Street
- 1919 Street LLC, owner of 1919 14<sup>th</sup> Street

#### ANTICIPATED CONSTRUCTION SCHEDULE:

Construction Start: Summer/Fall 2014

Construction Complete: Spring/Summer 2015

#### SPECIAL AGREEMENTS, CONVEYANCES, RESTRICTIONS OR COVENANTS THAT WILL GOVERN THE USE AND/OR MAINTENANCE OF THE PROJECT:

None

#### INTRODUCTION: BACKGROUND, LOCATION, AND PROJECT OBJECTIVES:

##### 1. APPLICANT'S RESPONSES TO CONCEPT REVIEW COMMENTS

The Planning Board members had some very construction comments and suggestions in our January 24, 2013 Concept Review hearing. To address these concerns (outlined below), we took their input to heart and took a new look at how to present a much better project and building design.

##### **Create more and better open space in the project**

The revised project has clearly incorporated more open space at both the front and rear of the building. With the addition of the open courtyard, there is now an opportunity for public access to a quaint open area immediately adjacent to Walnut Street. In addition, this open plaza environment is more directly connect to both the alley and the historic carriage house structure and the James Building. Revisions to the north side of the project set the above grade portion of the new structure a minimum of 40 feet from the north property line, creating substantially more open area off of the alley and a significant setback from the neighboring buildings to the north. All this was achieved by reducing the above grade density to accommodate significantly more and noticeably better, accessible open areas on the site.

##### **Provide a better street level and public experience**

Revisions to the building façades on both Walnut Street and 13<sup>th</sup> Street provide a much stronger connection to the context of the historic downtown environment. The building is more inviting with warmer materials, better scale and connection to the street level. The inclusion of the open space described above not only draws people into the project, but it also creates unique place for the community to gather and interact. Redesign of the building has also proved better opportunities to incorporate more landscaping not only in the public right of way but also in the accessible open areas.

##### **Improve the project connection to the alley and transition to historic buildings on Pearl Street**

Creative architecture and reduced density provided the opportunity to set the above grade portion of the north side of the building 40 feet from the alley. While the building is still four stories, this setback allows the height to better transition from the taller buildings along Walnut and surrounding streets and transition down to the two and three story buildings on the north side of the alley. Furthermore, setbacks on the fourth floor of the building provide additional relief from the north property line, the alley and buildings on Pearl Street. In addition, the north façade now incorporates materials, such as stone and brick, which are far more contextual with the historic buildings along Pearl Street.



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#### Improve the building design in both terms of interest and integration

Design concerns from Planning Board included the need for a building with “more interest”, “better attention to massing, scale and building features” and a “better corner element”. To address these concerns we had to take a fresh look at the feel, image and function of this building. With a completely new attitude, we included new concepts in our new design:

- We did away with the subsurface parking to incorporate alternative office spaces in the basement that can meet the needs of Boulder’s entrepreneurial businesses.
- We modified the architectural character of the building to have a more historic feel that will better integrate with our neighbors and its historic downtown context.
- We integrated publically accessible open spaces that are bold, unique and allow opportunities for people to interact by incorporating spaces for dining, gathering and resting. We believe these amenities will fuel and facilitate creative thinking and inspire the public as well as office tenants.
- Use of materials that reflect the architectural character of the more modern Colorado Building and the historic brick buildings so prevalent downtown.

The redesign has created a simple, but strong presence at the corner of 13<sup>th</sup> and Walnut. While the corner may not incorporate more dramatic elements consistently incorporated into recent downtown buildings, its simplicity and historic personality make it unique.

#### Address the concerns of the neighbors

Since the Concept Review hearing, we have worked extensively with our neighbors on Pearl Street to better understand the concerns they raised. Through this effort, we have been able to create a much better building and project as detailed above. Their input has been invaluable to create a project that they can support going forward.

## 2. PROJECT SUMMARY

The 1301 Walnut project, named the Wencel Building, is located at the northeast corner of 13<sup>th</sup> and Walnut Streets and is zoned DT-5. Included in the proposal are Lots 7 through 12. The floor area calculation for this project is based on lots 7, 8 and 9. Lot 10 floor area is not used in the new Wencel Building floor area calculation, however, the new building will extend across that lot up to the west side of the Colorado Building. There is no connection or work being done on the Colorado building in this Site Review proposal.

The property currently includes a two and one half story office building on the SW corner with a surface parking lot on the east side of the site, a two story brick building in the NW corner (Conor O’Neills), and an historic brick carriage house on the alley toward the north side of the property. The brown brick building on the SW corner of the property will be deconstructed to make room for the new building, but all other existing structures will be preserved.

The proposed floor area for the new building is calculated using only Lots 7, 8 and 9 of Block 68. Again, the area of Lot 10 is not used in the maximum floor area calculation for the new building. The total site area is approximately 21,000 SF and the current zoning allows a maximum 1.7 FAR above grade by-right and up to 2.7 FAR above grade through Site Review using the 0.5 FAR bonus for non-residential floor area and an additional 0.5 FAR bonus for above grade parking within the building. None of the occupied below-grade area is counted against the maximum allowable floor area according to BRC Table 8-2.

The Wencel building is only one half block from the Downtown Transit Center and is close to many essential services in the downtown area. The project as proposed will include a total of



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56,700 SF of total (approximately 46,700 new construction and 10,000 attributable to the existing James Building) commercial space on the four levels above grade and 15,600 SF on one level of below grade office space, building amenities and storage for a total of 72,217 SF. 18 parking spaces are being provided on the east side of the first floor (against the Colorado Building) to support the proposed first floor retail and office uses. Primary access to this parking lot will be from Walnut on the east side of the site, and cars will also be able to enter from and exit into the alley. The existing site is generally flat, and soils studies at adjacent properties show stable soils and a relatively deep water table that will likely accommodate spread footing foundations.

The Wencel Building project is applying for Site Review due to the applicants request for a height modification to 55', increase four stories and the FAR bonuses allowed in Table 8-2.

A number of very important urban design goals have contributed to the resulting site plan. The design of the Wencel Building will:

- Respect and reflect Downtown Boulder's existing urban context through the modulation of architectural character, scale and massing.
- Maximize pedestrian activity, safety and interaction at the street level through the use of a public courtyard in the center of the property.
- Take advantage of excellent view opportunities to the Foothills and access to day light through the thoughtful orientation of the building on the site and use of the central open space courtyard.
- Create a pedestrian and bicycle friendly environment that reduces the impact of the automobile on the property and the surrounding neighborhood by reducing the number of surface parking lots in the Downtown area.
- Increase the building's energy efficiency by creating floor plates that will get natural light into as much of the building as possible.
- Maximize access to day light, views and fresh air through the thoughtful, creative location of open space on the site.

The existing streetscape along 13<sup>th</sup> and Walnut Streets will be upgraded to meet current city standards.

## **GENERAL CRITERIA FOR ALL SITE REVIEW APPLICATIONS**

### ***I. Boulder Valley Comprehensive Plan:***

***(A) How is the proposed site plan consistent with the purposes and policies of the Boulder Valley Comprehensive Plan?***

***(B) The proposed development shall not exceed the maximum density associated with the Boulder Valley Comprehensive Plan residential land use designation. Additionally, if the density of existing residential development within a 300 foot area surrounding the site is at or exceeds the density permitted in the Boulder Valley Comprehensive Plan, then the maximum density permitted on the site shall not exceed the lesser of:***

- (i) the density permitted in the Boulder Valley Comprehensive Plan, or,***
- (ii) the maximum number of units that could be placed on the site without waiving or varying any of the requirements of Chapter 9-7, "Bulk and Density Standards," B.R.C. 1981.***

### ***1. How is the proposed site plan consistent with the above density criteria?***

The usable open space includes a publicly accessible central courtyard and the enhancement of the surrounding ROW with improved sidewalks and tree lawns. The central courtyard will help provide daylight and ventilation to office spaces within the project, both above and below grade, and create a unique open space amenity available to the public. The courtyard will allow the public to move north and south through the property providing access to the alley to the north of the site and access to amenities



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like the Conor O'neill's outdoor patio and the historic carriage house in the center of the block. It is our intent to integrate the carriage house, which may be repurposed to support the restaurant use in the existing building, and the patio at Conor O'neill's to encourage pedestrian traffic through the site. The landscape in the ROW will improve both the pedestrian nature of the site and enhance the character of the existing commercial district. This project will be no different and will conform to these relevant Comprehensive Plan policies:

#### **Recognition of sustainability as a unifying goal to secure Boulder's future economic, ecological, and social health**

##### ***Economic:***

This project will contribute to the short and long term economic viability and sustainability of the Boulder community by adding downtown employees and additional sales tax and property tax revenues. More importantly, the project will provide much needed large floor plates that will meet the needs of larger users desiring downtown offices.

##### ***Ecological / Environmental:***

The location of this development in Downtown Boulder adjacent to the RTD Bus Facility is consistent with the prevailing preference for compact infill development as a strategy to reduce carbon emissions and greenhouse gases. This location provides an opportunity for enhancement of the already compact downtown community with a mix of uses which, taken together, constitute a complete, viable, and sustainable community in which people can live and work. The new building will incorporate green building standards and will achieve a Leadership in Energy and Environmental Design certification. Passive and active environmental strategies will be integrated into the new building design and include attention to orientation and massing, facade treatment to recognize solar orientation and natural lighting, use of renewable and recycled building materials, natural ventilation, efficient mechanical and electrical systems including consideration of photovoltaic technology, an energy efficient building envelope, reduction of potable water usage, the use of drought tolerant planting, efficient irrigation, modest storm water quality treatment, and waste management practices.

##### ***Social:***

This development will provide employment opportunities which will contribute to the downtown social fabric. Office users in this project will take advantage of the personal interaction and uses of the many downtown amenities and functions.

#### **Encourage compact, contiguous development and a preference for infill land development as opposed to sprawl**

This project will be in the Downtown, DT-5 zone which is considered the most intense downtown district in the City and zoned to accommodate the highest intensity of development within the downtown core. With few remaining opportunities for infill projects in this zone, this project will be a compact, innovative, sustainable project which significantly enhances the community's physical appearance by completing an underdeveloped downtown block.

#### **Provision of quality urban spaces, parks, and recreation that serve all sectors of the community and trails and walkways that connect the community**

The courtyard area on the north side of the new building will provide a connection from Walnut Street to alley, access to the historic structure on the alley and create a community plaza area not often found off an alley.

#### **Commitment to preservation of natural, cultural, and historic features that contribute to defining the unique sense of place in Boulder**

Part of this project is the historic James Hotel and the small brick carriage house structure located on the alley, both of which are listed as contributing buildings to the Downtown District. Preservation, renovation and adaptive reuse consideration will be given to both of these structures.

#### **Recognition of the importance of the importance of the central area (Downtown University of Colorado, the Boulder Valley Regional Center) as a regional service center for the Boulder Valley**



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#### **and a variety of sub-community, and neighborhood activity centers distributed throughout the community**

This proposed development is located in the Downtown regional center area and fills in an underutilized portion of the existing block. The area is zoned for the highest activity and highest level of intensity of use and the development program will include uses consistent with the City's land use policy. The design of this project will be based on proven planning, urban design and architectural principles and be representative of its time, honestly express its use, be sensitive to its context, the environment and reflect the spirit of its place in downtown Boulder. The building will anchor an important corner, occupy an existing surface parking lot, complete the block with an active street ground floor, place equal emphasis on the expression of the alley elevation and provide pedestrian oriented streetscape improvements. The design team will engage planning staff and the design review processes early in order to obtain useful input in order to preserve and enhance neighborhood character.

#### **Commitment to a balanced multi-modal transportation system**

Located across Walnut Street, the RTD bus station provides close proximity for bus commuters. In addition, the project is bordered by 13<sup>th</sup> Street, recognized as a main pedestrian and bike commuter corridor. The project will provide limited shared parking and bicycle parking will be provided. The Traffic Demand Management study will be incorporated to adequately encourage the use of alternative modes of transportation.

#### ***II. Site Design:***

***Projects should preserve and enhance the community's unique sense of place through creative design that respects historic character, relationship to the natural environment, and its physical setting. Projects should utilize site design techniques which enhance the quality of the project. In determining whether this subsection is met, the approving agency will consider the following factors:***

#### **A. Open space, including without limitation, parks, recreation areas, and playgrounds:**

##### ***1. How is usable open space arranged to be accessible and functional?***

The usable open space includes a publicly accessible central courtyard and the enhancement of the surrounding ROW with improved sidewalks and tree lawns. The central courtyard will help provide daylight and ventilation to office spaces within the project, both above and below grade, and create a unique open space amenity available to the public. The courtyard will allow the public to move north and south through the property and access amenities like the Conor O'neill's outdoor patio and the historic carriage house in the center of the block. It is our intent to integrate the carriage house, which may be repurposed to support the restaurant use in the existing building, and the patio at Conor O'neill's to generate pedestrian traffic through the site. The landscape in the ROW will improve both the pedestrian nature of the site and enhance the character of the existing commercial district.

##### ***2. How is private open space provided for each detached residential unit?***

No detached residential units are proposed.

##### ***3. How does the project provide for the preservation of natural features, including, without limitation, healthy long-lived trees, terrain, significant plant communities, threatened and endangered species and habitat, ground and surface water, wetlands, riparian areas, and drainage areas?***

We plan to save healthy existing trees within the right of way. Impacts to groundwater will be avoided by creating a "bath tub" foundation system, and we do not plan to pump ground water into the City's storm system unless it is necessary during construction. Although the site is entirely paved at this time, we plan to direct a portion of the surface runoff to water quality features integrated into proposed landscape areas before it is directed to the storm system.



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#### **4. How does the open space provide a relief to the density, both within the project and from surrounding development?**

The architecture of the project was designed to modulate the mass so that it would appear to be a series of three and four story brick buildings assembled over time. The courtyard and step back in the building along Walnut reduces the scale of the building by break its mass and connecting Walnut to the alley. On the east side of the building the fourth floor will be stepped back from Walnut to reflect the massing of the Colorado Building and reduce its apparent mass.

#### **5. How does the open space provide a buffer to protect sensitive environmental features and natural areas?**

The site is currently fully developed and doesn't have existing sensitive environmental features or natural areas.

#### **6. If possible, how is open space linked to an area- or a city-wide system?**

This is an urban site currently redeveloping. Open space is provided in a number of locations within four blocks of the site and includes the city's Central Park, the Boulder Creek path, the Pearl Street Mall, One Boulder Plaza at 1801 13<sup>th</sup> Street and other pocket parks that provide opportunities for both passive and active recreation for adults and children.

### **B. Open Space in Mixed Use Developments: Developments that contain a mix of residential and non-residential uses:**

#### **1. How does the open space provide for a balance of private and shared areas for the residential uses and common open space that is available for use by both the residential and non-residential uses that will meet the needs of the anticipated residents, occupants, tenants, and visitors of the property?**

There are no residential uses proposed.

#### **2. How does the open space provide active areas and passive areas that will meet the needs of the anticipated residents, occupants, tenants, and visitors of the property and how is the open space compatible with the surrounding area or an adopted plan for the area?**

There are no residential uses proposed.

### **C. Landscaping:**

#### **1. How does the project provide for aesthetic enhancement and a variety of plant and hard surface materials, and how does the selection of materials provide for a variety of colors and contrast and how does it incorporate the preservation or use of local native vegetation where appropriate?**

We are using a variety of plant materials that work well in the Downtown Boulder micro-climate, those with particularly low water requirements. We are proposing to use a variety of hardscape materials including natural stone, concrete and pavers in the courtyard areas.

#### **2. How does the landscape and design attempt to avoid, minimize, or mitigate impacts to important native species, plant communities of special concern, threatened and endangered species and habitat by integrating the existing natural environment into the project?**

There are no native species or plant communities of special concern or threatened and endangered species or habitats found on this urban site.

#### **3. How does the project provide significant amounts of plant material sized in excess of the landscaping requirements of Sections 9-9-12 and 9-9-13, "Landscaping and Screening Requirements," and "Streetscape Design?"**

We plan to protect any healthy existing street trees currently within the ROW. We plan to install shade trees along 13th Street and Walnut to meet or exceed city standards. The tree spacing will be within the street guidelines (30' o.c.) in order to work around existing trees and underground utilities. There will be



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gardens with xeric plants in planters, tree lawns and other areas of the courtyard to soften the building edges.

***4. How are the setbacks, yards, and useable open space along public rights-of-way landscaped to provide attractive streetscapes, to enhance architectural features, and to contribute to the development of an attractive site plan?***

See comments related to streetscape planting above and the landscape plan for more information.

***D. Circulation, including, without limitation, the transportation system that serves the property, whether public or private and whether constructed by the developer or not:***

***1. How are high speeds discouraged or a physical separation between streets & the project provided?***

The new parking area on the east side of the site will be reduced, redesigned to have only one-way access from Walnut, be enclosed and hidden by the building, and striped to meet all City of Boulder standards.

***2. How are potential conflicts with vehicles minimized?***

The vast majority of vehicle circulation is limited to the perimeter of the site. Pedestrians and bicyclists are aware that vehicular traffic will be moving along streets and alleys so this configuration helps to increase safety. We will be eliminating one of two existing curb cuts along Walnut and this arrangement will help preserve the pedestrian nature of the sidewalks along the street. The limited parking within the building will be provided with one-way traffic from Walnut to greatly reduce potential conflicts with pedestrians.

***3. How are safe and convenient connections accessible to the public within the project and between the project and existing and proposed transportation systems provided, including without limitation streets, bikeways, pedestrian ways & trails?***

As an infill property, the new pedestrian way provided through the central courtyard will increase the pedestrian accessibility of the site and enhance the pedestrian experience downtown by reducing the size of the existing parking lot along Walnut and providing a greater number of interesting and attractive amenities along the block.

***4. How are alternatives to the automobile promoted by incorporating site design techniques, land use patterns, and supporting infrastructure that supports and encourages walking, biking, and other alternatives to the single occupant vehicle?***

Enhanced paving and pedestrian lighting within the courtyard will make this area a safe and pleasant destination from the sidewalk and alley. The paving, planters and landscape materials will help to reinforce this pedestrian theme. Improvements to the ROW including upgrades to the existing sidewalks and tree lawn will make the street more pleasant and safe for pedestrians and bicyclists. The location of the property puts it within walking distance to nearly all shopping, entertainment and housing opportunities in the downtown area. It is one half block from Pearl Street Mall and one half block from the transit center with its bus connections to the larger Boulder and Denver metro area.

***5. Where practical and beneficial, how is a significant shift away from single-occupant vehicle use to alternate modes promoted through the use of travel demand management techniques?***

See our proposed TDM plan included with this application.

***6. What on-site facilities for external linkage with other modes of transportation are provided, where applicable?***

The site is very close to recreational, housing, retail and entertainment opportunities at the core of downtown that will help reduce the need for daily vehicle trips and promote pedestrian and bicycle transportation. Exterior bicycle storage racks and interior bike storage, including shower facilities available to building tenants, will be placed on the site for building occupants and guests. The Wencel



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Building project will also be involved in the city of Boulder and RTD's ECO Pass Program provided through CAGID. By supporting this program, the project hopes to reduce congestion in and around the community as well as minimize the pollution in this new neighborhood. Please see the proposal's Transportation Demand Management plan for more detailed information.

#### **7. How is the amount of land devoted to the street system minimized?**

This proposal does not include land devoted to the public street system since it is an urban infill project, however the proposal does reduce the amount of land currently dedicated to surface parking lots.

#### **8. How is the project designed for the types of traffic expected, including, without limitation, automobiles, bicycles, and pedestrians, and how does it provide safety, separation from living areas, and control of noise and exhaust?**

Service access to the project is located off of the alley to minimize any conflicts between vehicles and pedestrians. Pedestrian sidewalks are located around the perimeter of the site as well as through the central courtyard. Locations where different modes of transportation cross will be provided with required sight angles, stop signs, paving color and texture changes as necessary to ensure the safety of pedestrians and cyclists.

#### **9. How will city construction standards be met, and how will emergency vehicle use be facilitated?**

All city construction standards will be met using applicable model codes and the city's design and construction standards for site, building demolition and construction.

#### **E. Parking:**

##### **1. How does the project incorporate into the design of parking areas, measures to provide safety, convenience, and separation of pedestrian movements from vehicular movements?**

Parking is not required for nonresidential projects in CAGID. The parking lot on the east side of the site will be partially screened from the sidewalk and striped to increase the safety and convenience of both pedestrians and vehicles.

##### **2. How does the design of parking areas make efficient use of the land and use the minimum amount of land necessary to meet the parking needs of the project?**

The existing surface parking lots are being reduced and replaced by office floor area. Only a small portion of the site within the east side of the 1<sup>st</sup> floor will be used for parking.

##### **3. How are parking areas and lighting designed to reduce the visual impact on the project, adjacent properties, and adjacent streets?**

Parking and site lighting will be designed to meet City of Boulder standards. Lighting will be controlled to ensure pedestrian safety while still respecting the surrounding neighborhoods. Lighting will be integrated into the landscape and adhere to the principles laid out in the Dark Skies Initiative. The parking proposed will be covered, and for the most part, screened from the sidewalk and street by the new building.

##### **4. How do parking areas utilize landscaping materials to provide shade in excess of the requirements in Section 9-9-14, "Parking Lot Landscaping Standards," B.R.C. 1981.**

Since the remaining parking spaces on the site will be within and screened by the new building, no landscaping will be provided. The parking spaces will be completely shaded by the building.

#### **F. Building Design, Livability, and Relationship to the Existing or Proposed Surrounding Area:**

##### **1. How are the building height, mass, scale, orientation, and configuration compatible with the existing character of the area or the character established by an adopted plan for the area?**

The Wencel Building has been designed to fit into a vibrant, diverse neighborhood of office and retail uses that is contextually sensitive to Boulder's existing urban core. The massing will be modulated to create the appearance of aggregated masonry office buildings on the site. It is also designed around a



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central courtyard that will link the north and south sides of the property so the middle of the building can be open to daylight, fresh air and pedestrian circulation. The exterior walls of the building will be brought out to the right of way to maintain a consistent street edge except where the courtyard steps back and provides pedestrian access along the sidewalk.

***2. How is the building height(s) generally proportional to the height of existing buildings and the proposed or projected heights of approved buildings or approved plans for the immediate area?***

The Wencel building will be 55' and at least 5 stories shorter than the existing Colorado building to the east. Even at four stories, the proposed Wencel Building will appear to be much smaller and more consistent with the height of buildings along Walnut which are generally four stories or more between 9<sup>th</sup> Street and 16<sup>th</sup> Street.

***3. How does the orientation of buildings minimize shadows on and blocking of views from adjacent properties?***

At four stories and 55' tall, the Wencel building at 1301 Walnut has been located on the site to create an urban environment similar to and compatible with the core of Downtown Boulder. The building is essentially surrounded by public rights of way so there are limited shadow impacts on adjacent properties. The four story massing is concentrated along Walnut to allow the building to stay at least 40' away from the alley and thereby reduce shadow impacts on properties to the north. This significant step back also helps preserve views for properties north of the proposed building.

***4. If the character of the area is identifiable, how is the project made compatible by the appropriate use of color, materials, landscaping, signs, and lighting?***

The general nature of the neighborhood is commercial and urban. The building has been designed to be compatible with the Downtown Design Guidelines. Brick, glass, stucco and metal accents will help tie the project into the surrounding neighborhood, but also give the project its own unique identity. The brick buildings on the NW side of the site will be preserved, and the new building will have large glass storefront windows at the street.

***5. How do buildings present an attractive streetscape, incorporate architectural and site design elements appropriate to a pedestrian scale, and provide for the safety and convenience of pedestrians?***

The Wencel Building will combine an articulated, modular facade along with a regular street tree pattern. The courtyard will include small outdoor seating areas and an attractive, pedestrian-scaled landscape design. The building will be articulated with lintels and masonry accents over retail-scaled, storefront windows on the first floor. Pedestrian scaled materials at the street level will generally include window mullions, sun shades and/or awnings, brick, metal, stone or cast concrete accents. Ample site lighting and accent paving in the courtyard and at building entries will make for an attractive, unique, safe and accessible pedestrian environment.

***6. To the extent practical, how does the project provide public amenities and planned public facilities?***

The courtyard provided at the center of the property will be a transitional space between the public space of the sidewalk, the building entry, future amenities provided on the interior of the site and the alley. This space will include both landscape and hardscape amenities as well as the potential public and private art opportunities for the enjoyment of the public and future tenants.

***7. For residential projects, how does the project assist the community in producing a variety of housing types, such as multifamily, townhouses, and detached single family units as well as mixed lot sizes, number of bedrooms, and sizes of units?***

There are no residential units in our proposal.



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**8. For residential projects, how is noise minimized between units, between buildings, and from either on-site or off-site external sources through spacing, landscaping, and building materials?**

There are no residential units in our proposal.

**9. If a lighting plan is provided, how does it augment security, energy conservation, safety, and aesthetics?**

A lighting plan has not been provided at this time, but will be included in the TEC application. Lighting will be designed to meet all city standards while providing for maximum safety and efficiency through location, lamp and fixture type selections.

**10. How does the project incorporate the natural environment into the design and avoid, minimize, or mitigate impacts to natural systems?**

The site is currently developed and includes a two and a half-story structure in the NW corner, a parking lot in the center and an eight story building on the east side of the property. The amount of site area that is currently dedicated to natural systems is extremely limited. The perimeter of the site, specifically the city ROW, is has been neglected in many areas. Our proposal includes the improvement of the sidewalk and tree lawn as well as the preservation of as many street trees as possible. We will be adding small landscape planters in areas to improve water quality.

**11. How are cut and fill minimized on the site, and how does the design of buildings conform to the natural contours of the land, and how does the site design minimize erosion, slope instability, landslide, mud flow or subsidence, and minimize the potential threat to property caused by geological hazards?**

The site is generally flat, slopes gradually to the SE corner of the property, and there are no unique geological or physical features known to exist at the site. No impact to ground water is anticipated at this time since we are not proposing to lift groundwater from the basement level. A mat slab and "bath tub" basement construction system is proposed that will seal the below grade level from groundwater infiltration. The property is outside the floodplain. A geotechnical report has not yet been completed but reports from adjacent properties have indicated stable soils and low ground water elevations.

**G. Solar Siting and Construction: For the purpose of insuring the maximum potential for utilization of solar energy in the city, all applicants for residential site reviews shall place streets, lots, open spaces, and buildings so as to maximize the potential for the use of solar energy in accordance with the following solar siting criteria:**

**1. Placement of Open Space and Streets. Open space areas are located wherever practical to protect buildings from shading by other buildings within the development or from buildings on adjacent properties. Topography and other natural features and constraints may justify deviations from this criterion. How is this criterion met?**

The building is surrounded by public rights of way on the south, west and north sides of the property so there are limited shadow impacts on adjacent properties on these sides. This configuration also allows each office space to have access to plenty of natural day light. In addition to providing solar access, the courtyards, narrow building footprint and 40' building setback from the alley will help reduce the impact of shadows on properties on the north side of the alley. The shadow study included in our submission exhibits this minimal impact and shows there is no impact to existing rooftop solar systems on adjacent properties.

**2. Lot Layout and Building Siting. Lots are oriented and buildings are sited in a way which maximizes the solar potential of each principal building. Lots are designed to facilitate siting a structure which is unshaded by other nearby structures. Wherever practical, buildings are sited close to the north lot line to increase yard space to the south for better owner control of shading. How is this criterion met?**



## Revised Site Review Narrative

### The Wencel Building at 1301 Walnut by WW Reynolds

December 23, 2013

The proposed building location on the NE corner of Walnut and 13<sup>th</sup> Street provides for extraordinary solar access and view opportunities. The site provides the maximum number of tenant spaces with direct and indirect solar access while the courtyard on the north side of the site will substantially improve indirect daylight opportunities for east and north facing spaces as well as for basement offices.

#### **3. Building Form. The shapes of buildings are designed to maximize utilization of solar energy.**

The courtyard design and generally shallow office bay depths proposed make the building extraordinary in terms of solar access potential.

#### ***Buildings shall meet the solar access protection and solar siting requirements of Chapter 9-9- 17, "Solar Access," B.R.C. 1981. How is this criterion met?***

The building will be designed with a flat roof to accommodate solar panels in the future. A low SRI roofing membrane (white roof) will be used to limit the amount of heat absorbed by the building from the sun.

#### **4. Landscaping. The shading effects of proposed landscaping on adjacent buildings are minimized. How is this criterion met?**

Some mature deciduous street trees exist around the perimeter of the site. We intend to preserve these trees if they are healthy and integrate them into the streetscape concept if possible. New deciduous trees will be planted as necessary to reduce heat gain in adjacent office spaces during the summer but also increase the amount of solar gain during winter months when they lose their leaves. The site is surrounded by streets and an alley, so the potential reduction of solar access by our landscaping on adjacent properties is minimal.

#### **H. Additional Criteria for Poles Above the Permitted Height. No site review application for a pole above the permitted height will be approved unless the approving agency finds all of the following:**

**1. The light pole is required for nighttime recreation activities, which are compatible with the surrounding neighborhood, or the light or traffic signal pole is required for safety, or the electrical utility pole is required to serve the needs of the city?**

No light poles above the permitted height are currently planned for the site.

**2. The pole is at the minimum height appropriate to accomplish the purposes for which the pole was erected and is designed and constructed so as to minimize light and electromagnetic pollution. If applicable, how are these criteria met?**

No light poles above the permitted height are currently planned for the site.



## Revised Site Review Narrative

### The Wencel Building at 1301 Walnut by WW Reynolds

December 23, 2013

#### Downtown Design Guidelines Criteria:

##### **2.1 – Consider Incorporating Traditional Façade Elements in New Designs**

The design of the Wencel Building uses two anchoring masonry buildings on either end of the site, one at the corner of Walnut and 13<sup>th</sup> Street, the other directly adjacent to the Colorado Building on the east side of the property. The bases of both of these building elements include a kick plate, storefront display windows, and sign bands with sun shades. Above the pedestrian oriented storefront we have included windows reminiscent of historic warehouse buildings and a strong cornice on both of the masonry “buildings”. However, these two elements of the proposed design will be detailed differently to add visual interest along the Walnut facade.

##### **2.2 – Consider the Alignment of Architectural Features and Established Patterns with Neighboring Buildings**

The 55’, four story height limit in the DT-5 zone reduces our ability to align the floors of the Wencel building to the floors of the old James Hotel, however, the use of traditional masonry building patterns along 13<sup>th</sup> Street helps to reinforce the existing visual character of 13th Street. The more contemporary “bridge” element over the courtyard reflects the modernist aesthetic of the Colorado Building while the more traditional masonry clad “bookends” of our proposal reflect the traditional historic character of the downtown area.

##### **2.3 – Maintain the Line of Building Facades and Storefronts at Sidewalk Edge in Block**

Our proposal includes masonry “bookends” that are built up to the sidewalk to reestablish the traditional line of historic buildings. The courtyard is signaled by the setback of the more contemporary “bridge” element of the design. This effect is consistent with criteria (C) that recommends setting back new buildings to reveal more historic buildings.

##### **2.4 – Consider the Height, Mass and Scale of Buildings**

###### **A. Maintain Visual Interest in Building Forms**

The 4th floor setback along with the central break in the massing and below grade courtyard allow us to create architectural variety and visual interest along Walnut. By breaking the building into three distinct masses the building borrows from the traditional while juxtaposing it with a literal bridge to current, contemporary architecture.

###### **B. Relate the Height of Buildings to Neighboring Structures at the Sidewalk Edge.**

The Wencel Building will create a transition from the historic James Hotel structure on the west side of the site to the much taller 8 story Colorado building on the east side of the block. Nevertheless, the Walnut elevation will appear to be much smaller than the Colorado Building tower.

###### **C. Maintain a Standard Floor to Floor Height**

The new building’s floor to floor heights will be similar to the pattern established in downtown with a taller street level floor and slighting shorter upper floors.

###### **D. Consider the Effect of Building Height on Shading and Views**

Our building proposal will not shade the north side of any east-west running street since it is on the north side of Walnut. Although alleys are not typically considered sidewalks or pedestrian spaces in downtown Boulder, we have created a “U” shaped building with a central courtyard around the historic carriage house to reduce the building’s potential to shade the alley or existing buildings to the north.

##### **2.5 – Maintain a Human Building Scale, Rather than Monolithic or Monumental Scale**

The majority of our proposed building will be highly detailed at the first floor with masonry, precast and stone materials. More contemporary building elements at the center of the building will be highly detailed but in a more simple and refined manner. Window mullions, panel sizes and reveals will help reduce the monolithic appearance of these building elements, but they will also add visual interest to the Walnut streetscape.



## Revised Site Review Narrative

### The Wencel Building at 1301 Walnut by WW Reynolds

December 23, 2013

#### 2.6 – Create Pedestrian Interest at the Street Level

##### A. Develop the First Level of Buildings to Provide Visual Interest to Pedestrians

The first floor of the proposed Wencel Building will be treated like typical storefronts at the base of traditional Downtown Boulder buildings with large expanses of glass, kick plates, sun shade devices, and other pedestrian scaled details including masonry reveals, lintels, sills, and sign bands.

##### B. Consider How the Texture and Pattern of Building Materials will be Perceived

The portions of the building that touch the ground and interact with pedestrians will be clad in masonry materials. Traditional storefront and window opening sizes will be repeated along the façade to create a familiar traditional scale and rhythm along the sidewalk.

##### C. Maintain the Design Distinction between Upper and Lower Floors

A strong, repetitive and transparent base is established along the sidewalk to make the building inviting to the public. The second, third and fourth floors are separated from the first with sign banding and additional masonry panels. We have elected to increase the amount of glass on the upper levels to increase the amount of daylight available and integrated sun shades will help us reduce heat gain. These features will also allow us to reduce the amount of energy needed to artificially light the space and mechanically cool the building during hot summer months.

#### 2.7 – Avoid Half Level or Partial Level Basements that Extend More than 2 Feet above Grade

Not Applicable. As a matter of fact, we are demolishing the existing building at the corner of Walnut and 13<sup>th</sup> Street that current sits at least 2' above the sidewalk.

#### 2.8 – Shade Storefront Glass by Appropriate Means

We propose to use metal sun shades and fabric awnings above the storefront to reduce glare, provide shade and add visual interest along the sidewalk.

#### 2.9 – Maintain the Rhythm Established by the Repetition of the 25 Foot Façade Widths

We have divided the building into approximately 25' modules to respond to the traditional downtown context. Masonry pilasters, storefront windows and steel column details subdivide the larger building masses into comfortable pedestrian-scaled facades. The traditional, established break between the existing buildings along Walnut is reinforced with the new public courtyard and pedestrian way that creates a strong N-S pedestrian connection through the building. The two masonry “bookends” frame the courtyard in the middle of the Walnut side of the building.

#### 2.10 – Consider Scale, Texture and Pattern of Building Materials

See comments in similar sections above.

#### 2.11 – Consider the Quality of Open Space Incorporated in New and Renovated Buildings

##### A. Create Comfortable, Safe, Accessible and Appropriately Located Open Spaces to Provide Pedestrian Interest and Convenience

One of the most important design features of the Wencel Building design is not the building itself but the open space courtyard provided at the center of the building. Not only does this courtyard provide additional daylight and natural ventilation opportunities to the below grade and first floor office space, but it provides a valuable pedestrian connection from Walnut through the building to the alley and other public open spaces on the north side of the project. The outdoor seating area behind the existing James Hotel building will be improved, and we propose to integrate the carriage house into the existing restaurant's outdoor patio to create a more lively and visually appealing public space. The below grade portion of the courtyard will be surrounded by storefront glass so it will become an outdoor extension of the office and retail space adjacent to it. The public will access the lower level with a staircase on the north side of the courtyard. We believe this will be the perfect space to include public art and sculpture for the enjoyment of tenants and the public alike. Another semi-private landscaped courtyard is provided on the second floor of the proposed building to provide daylight and natural ventilation to office spaces on the second and



## Revised Site Review Narrative

### The Wencel Building at 1301 Walnut by WW Reynolds

December 23, 2013

third floors of the proposed Wencel and existing Colorado Building. This space will include small seating areas and xeriscaped planters to add visual interest.

#### **B. Connect Open Spaces to Other Activity Areas where People Gather to Sit, Eat or Watch other People**

The building's public entry and lobby will be placed along Walnut Street adjacent to the central courtyard. In this way the urban open space of the courtyard will be regularly frequented and activated by guests and tenants of the building. We imagine it will be a place to relax, eat, and observe pedestrian activity throughout the day. This area will also provide access to the outdoor patio behind the James Hotel building, so we believe the wide variety of activities within the space will make the courtyard a vibrant, and distinctive amenity throughout the day.

#### **2.12 – Recognize the Special Character of the Area South of Canyon Blvd.**

This project is not South of Canyon Blvd.

**STUDIO**

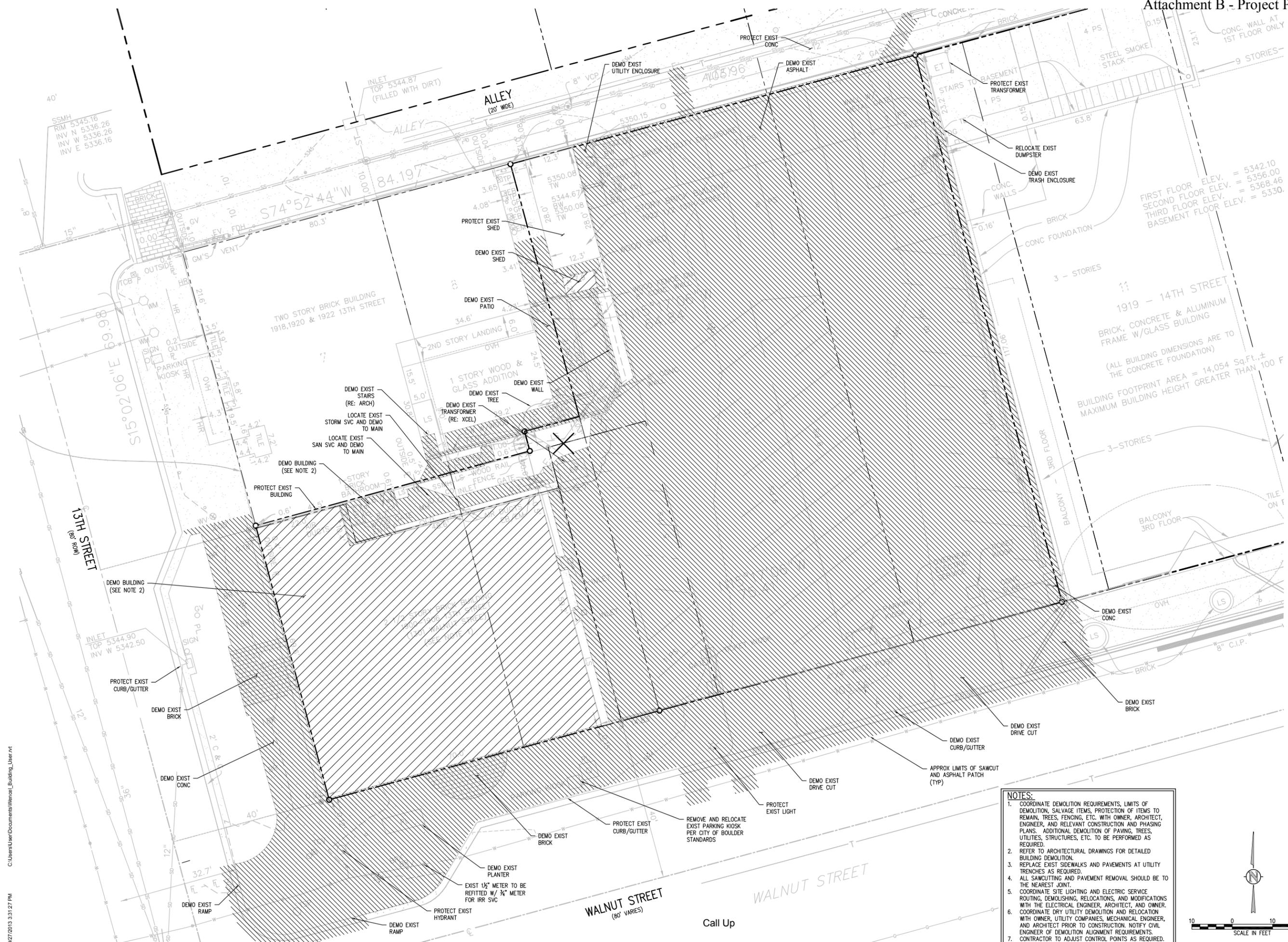
P.O. Box 17983  
Boulder, Colorado 80308  
phone 720.771.0516



JVA, Incorporated 1319 Spruce Street  
Boulder, CO 80302 Phone: 303.444.1951  
Fax: 303.444.1957 E-mail: info@jva.com

**WENCEL BUILDING**

1301 WALNUT, BOULDER COLORADO



FIRST FLOOR ELEV. = 5342.10  
SECOND FLOOR ELEV. = 5356.00  
THIRD FLOOR ELEV. = 5368.46  
BASEMENT FLOOR ELEV. = 5330.

1919 - 14TH STREET  
BRICK, CONCRETE & ALUMINUM  
FRAME W/GLASS BUILDING  
(ALL BUILDING DIMENSIONS ARE TO  
THE CONCRETE FOUNDATION)  
BUILDING FOOTPRINT AREA = 14,054 Sq.Ft.±  
MAXIMUM BUILDING HEIGHT GREATER THAN 100 FT

- NOTES:**
- COORDINATE DEMOLITION REQUIREMENTS, LIMITS OF DEMOLITION, SALVAGE ITEMS, PROTECTION OF ITEMS TO REMAIN, TREES, FENCING, ETC. WITH OWNER, ARCHITECT, ENGINEER, AND RELEVANT CONSTRUCTION AND PHASING PLANS. ADDITIONAL DEMOLITION OF PAVING, TREES, UTILITIES, STRUCTURES, ETC. TO BE PERFORMED AS REQUIRED.
  - REFER TO ARCHITECTURAL DRAWINGS FOR DETAILED BUILDING DEMOLITION.
  - REPLACE EXIST SIDEWALKS AND PAVEMENTS AT UTILITY TRENCHES AS REQUIRED.
  - ALL SAWCUTTING AND PAVEMENT REMOVAL SHOULD BE TO THE NEAREST JOINT.
  - COORDINATE SITE LIGHTING AND ELECTRIC SERVICE ROUTING, DEMOLISHING, RELOCATIONS, AND MODIFICATIONS WITH THE ELECTRICAL ENGINEER, ARCHITECT, AND OWNER.
  - COORDINATE DRY UTILITY DEMOLITION AND RELOCATION WITH OWNER, UTILITY COMPANIES, MECHANICAL ENGINEER, AND ARCHITECT PRIOR TO CONSTRUCTION. NOTIFY CIVIL ENGINEER OF DEMOLITION ALIGNMENT REQUIREMENTS. CONTRACTOR TO ADJUST CONTROL POINTS AS REQUIRED.

PROJ. NO. 2129c  
DRAWN: DIB  
CHECKED: DNS  
APPROVED: CRH  
DATE: 02/04/14

NO.	DESCRIPTION	DATE
1	Site Review Comments	02/04/14

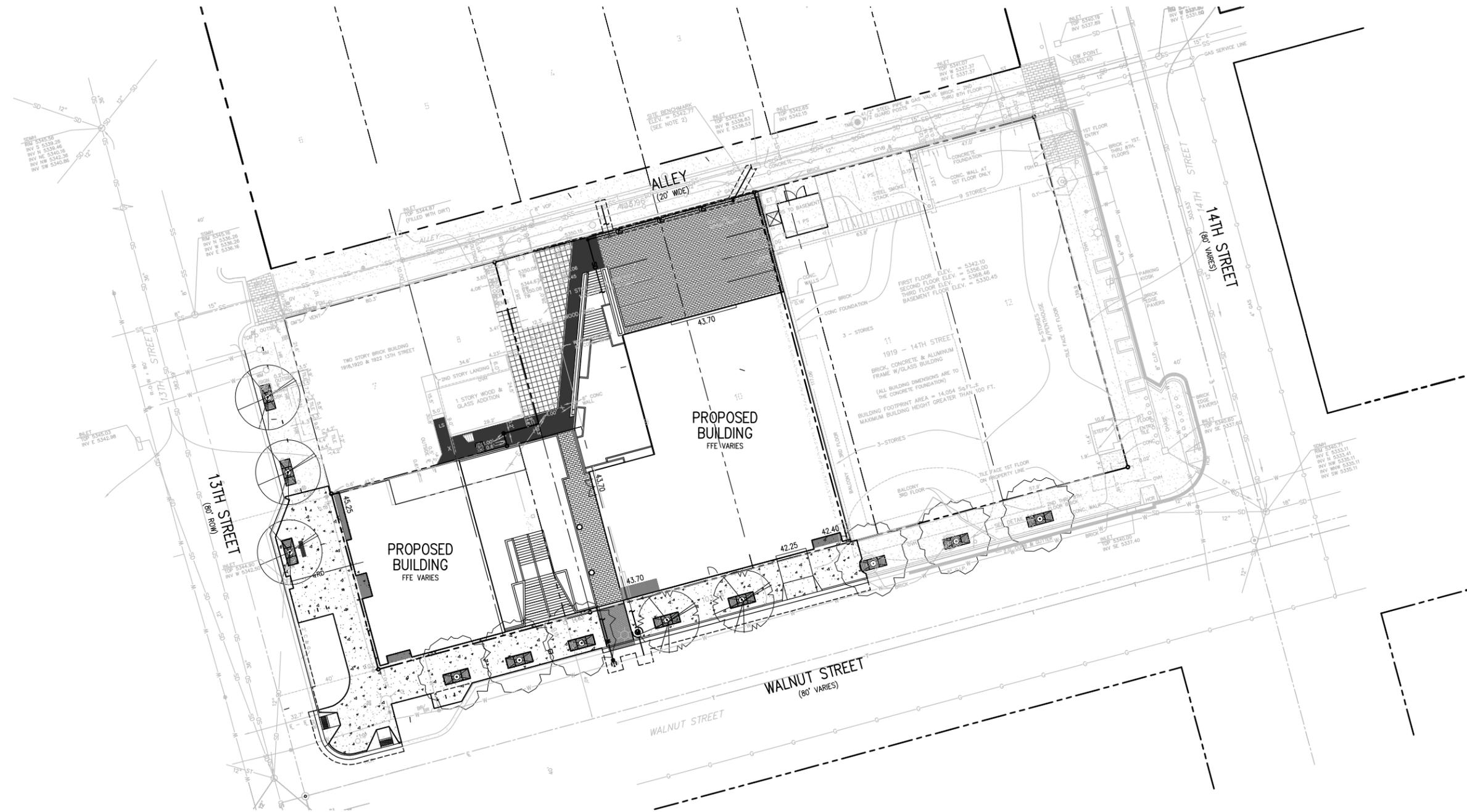
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**WENCEL BUILDING**

ISSUED FOR:  
SITE REVIEW  
COMMENTS

SHEET TITLE:  
PRELIMINARY  
DEMOLITION PLAN

SCALE:  
SHEET NUMBER



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**WENCSEL BUILDING**

1301 WALNUT, BOULDER COLORADO

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APPROVED: CRH  
DATE: 02/04/14

REVISIONS

NO.	DESCRIPTION	DATE
1	Site Review Comments	02/04/14

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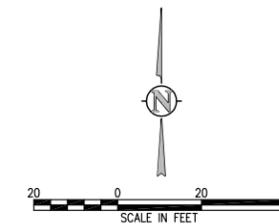
ISSUED FOR:  
SITE REVIEW  
COMMENTS

SHEET TITLE:  
OVERALL  
SITE PLAN

SCALE:  
SHEET NUMBER

**0.3**

Call Up



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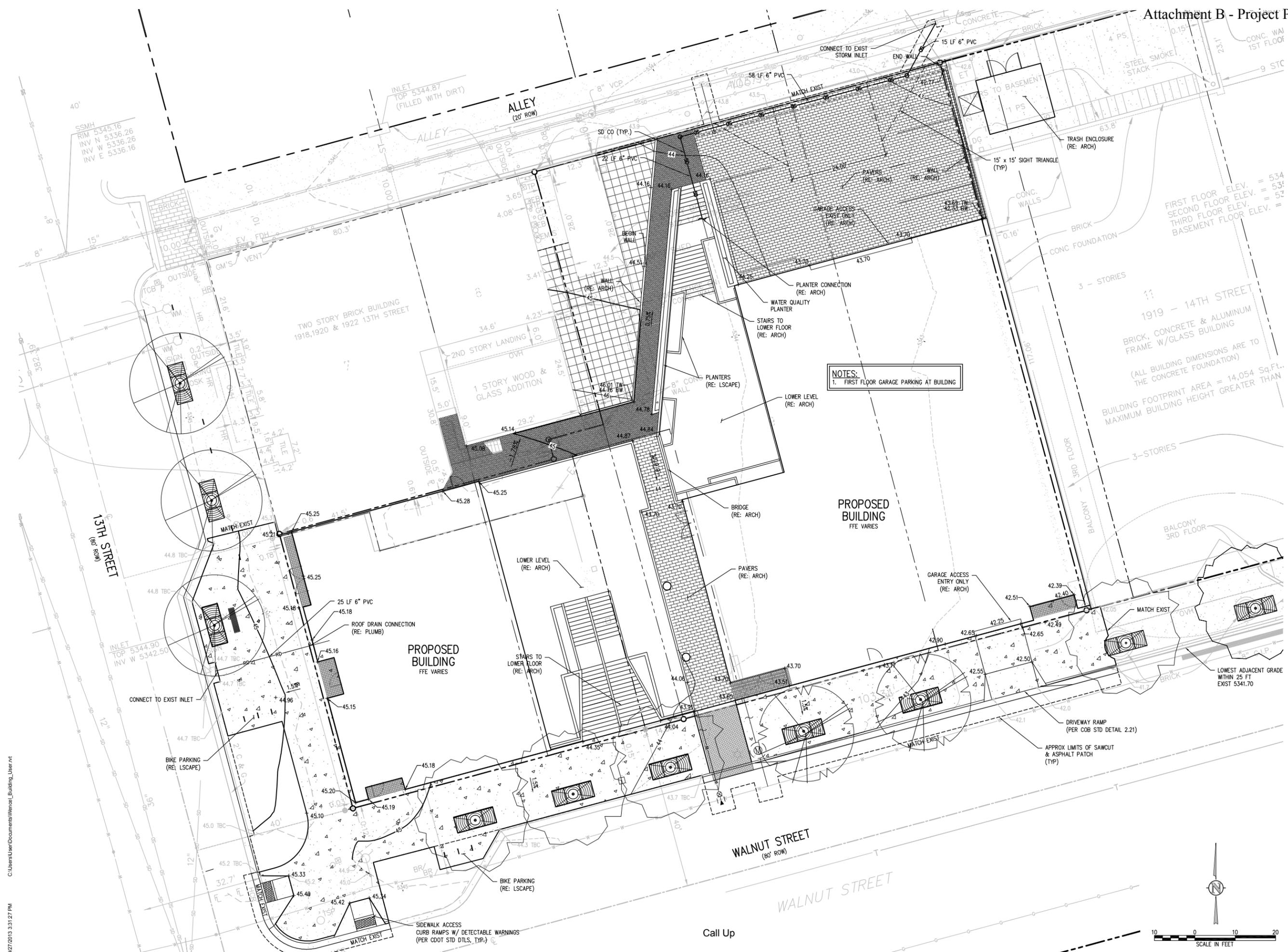
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Fax: 303.444.1957 E-mail: info@jva.com

**WENCEL BUILDING**

1301 WALNUT, BOULDER COLORADO



**NOTES:**  
1. FIRST FLOOR GARAGE PARKING AT BUILDING

**PROPOSED BUILDING**  
FFE VARIES

**PROPOSED BUILDING**  
FFE VARIES

1919 - 14TH STREET  
BRICK, CONCRETE & ALUMINUM  
FRAME W/GLASS BUILDING  
(ALL BUILDING DIMENSIONS ARE TO  
THE CONCRETE FOUNDATION)  
BUILDING FOOTPRINT AREA = 14,054 Sq.Ft.  
MAXIMUM BUILDING HEIGHT GREATER THAN

PROJ. NO. 2129c  
DRAWN: DIB  
CHECKED: DNS  
APPROVED: CRH  
DATE: 02/04/14

NO.	DESCRIPTION	DATE
1	Site Review Comments	02/04/14

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**WENCEL BUILDING**  
ISSUED FOR:  
SITE REVIEW  
COMMENTS

SHEET TITLE:  
PRELIMINARY  
GRADING AND  
DRAINAGE PLANS  
SCALE:  
SHEET NUMBER

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P.O. Box 17983  
Boulder, Colorado 80308  
phone 720.771.0516

**WENCEL BUILDING**

SITE AREA FOR LOTS : 7,8,9 21,037 SF

**\*NOTE LOT 10 IS NOT INCLUDED IN SITE AREA CALCULATION**

LEVEL 1	6,410 SF
LEVEL 2	14,003 SF
LEVEL 3	14,003 SF
LEVEL 4	12,285
EXISTING JAMES BUILDING	9,593 SF
EXISTING CARRIAGE HOUSE	340 SF
<b>ABOVE GRADE SUBTOTAL</b>	<b>56,634 SF</b>

BASEMENT AREA 15,583 SF  
TOTAL PROJECT AREA 72,217 SF

FAR CALC: 56,634/21,037= 2.7 FAR

**PARKING:**  
Project is in DT-5 zone so no parking is required.  
17 spaces provided

**COLORADO BUILDING**

SITE AREA FOR LOTS : 10,11,12 21,026 SF

TOTAL ABOVE GRADE SF 88,301 SF

**WENCEL BUILDING**

1301 WALNUT, BOULDER COLORADO

PROJ. NO. 2100.1  
DRAWN: Author  
CHECKED: Checker  
APPROVED: Approver  
DATE: 02/03/14

NO.	DESCRIPTION	DATE

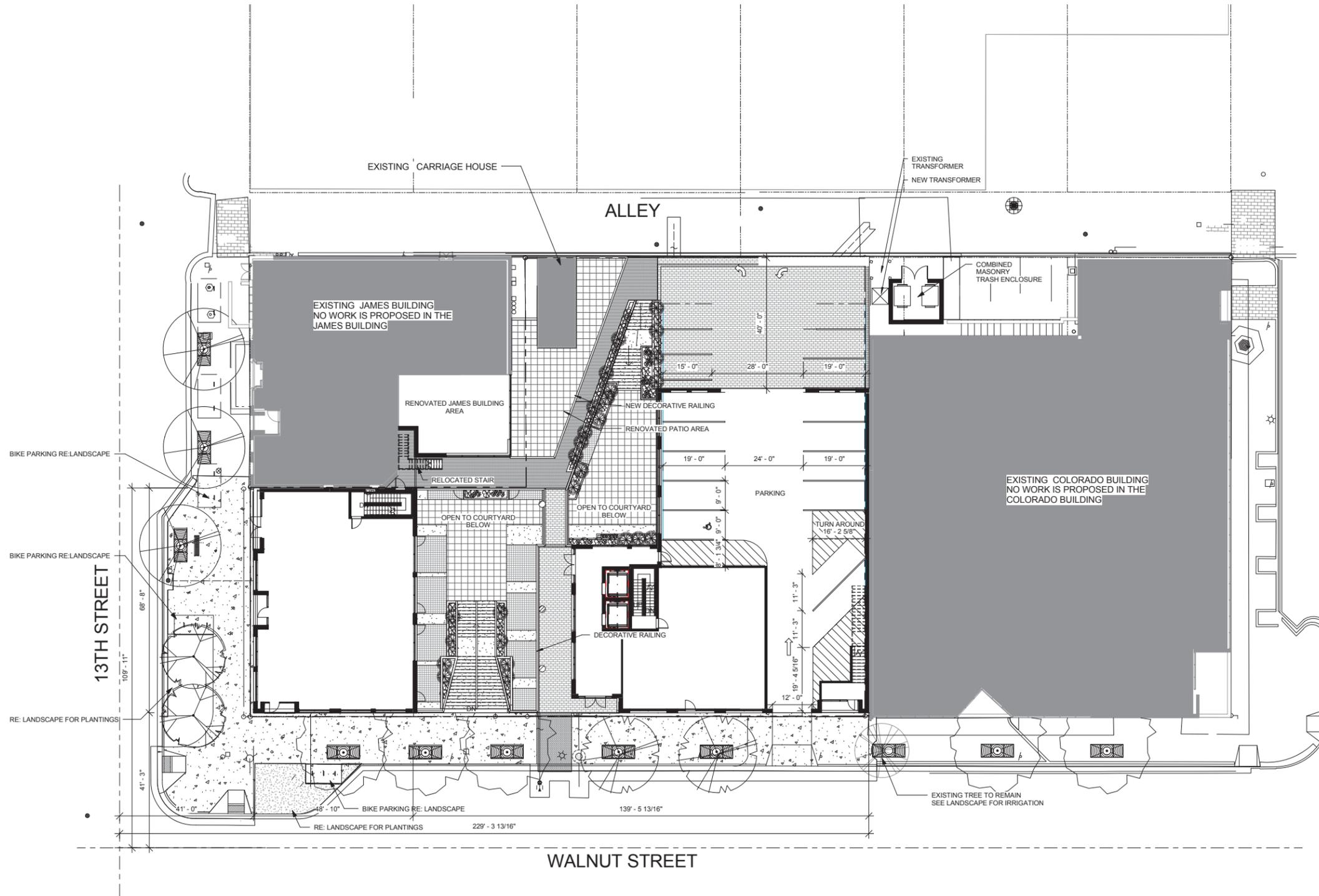
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ISSUED FOR:  
SITE REVIEW COMMENTS

SHEET TITLE:  
ARCHITECTURE SITE PLAN

SCALE: 1/16" = 1'-0"  
SHEET NUMBER

**A1.00**



1 SITEPLAN  
1/16" = 1'-0"

Call Up



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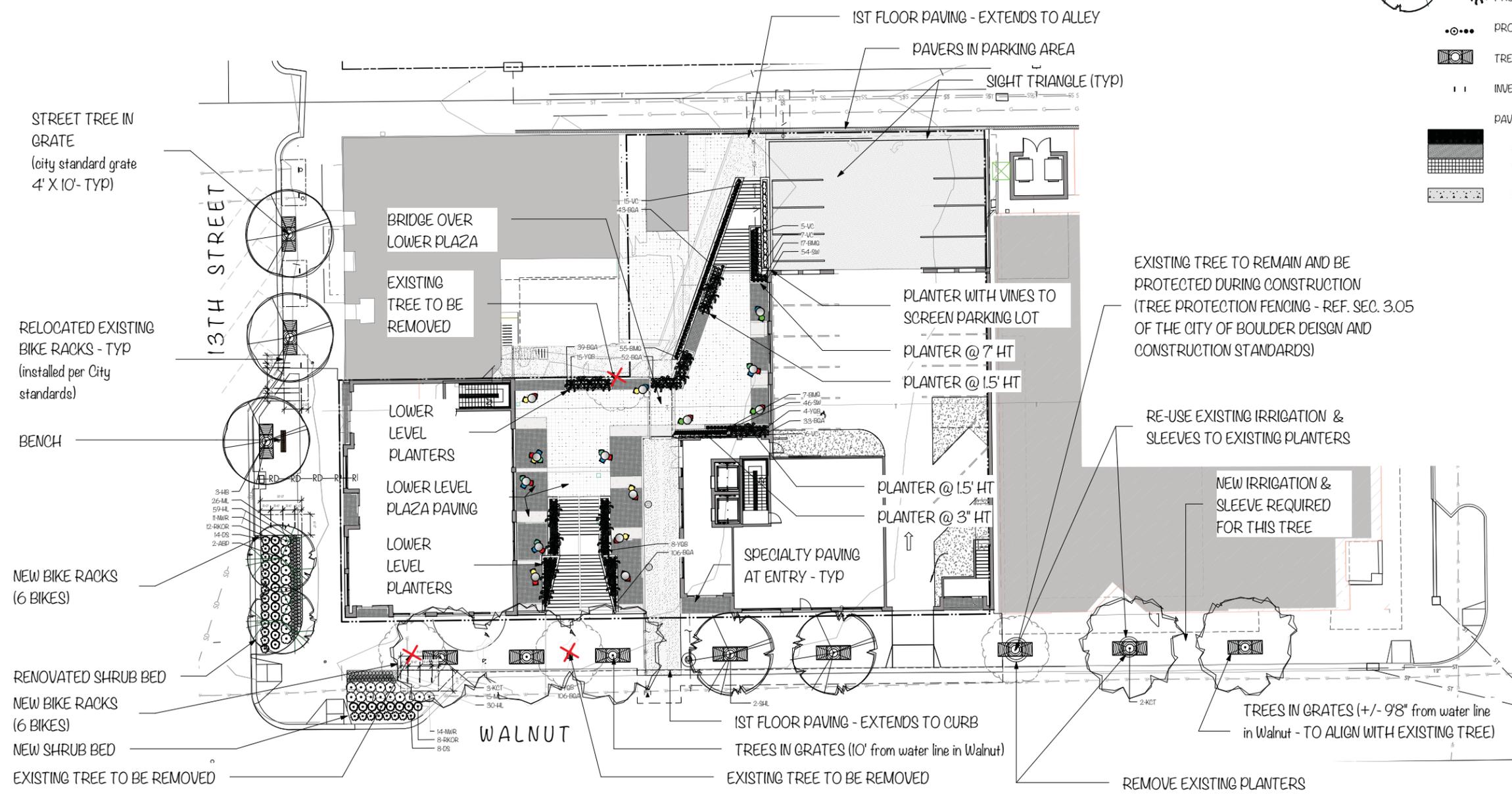
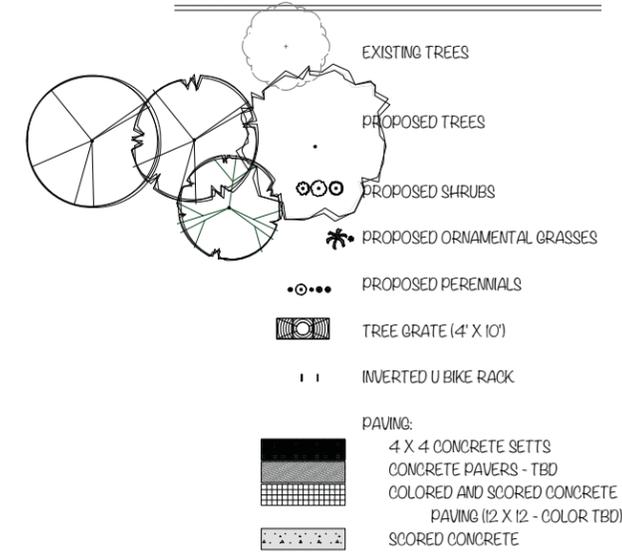
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**WENCEL BUILDING**

1301 WALNUT, BOULDER COLORADO

**LEGEND:**



1 LANDSCAPE PLAN  
1/16" = 1'-0"



Call Up

PROJ. NO. 2100.1  
DRAWN: sg  
CHECKED: osla  
APPROVED: osla  
DATE: 02/03/14

REVISIONS		
NO.	DESCRIPTION	DATE

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ISSUED FOR:  
SITE REVIEW COMMENTS

SHEET TITLE:  
LANDSCAPE PLAN

SCALE: 1/16" = 1'-0"  
SHEET NUMBER

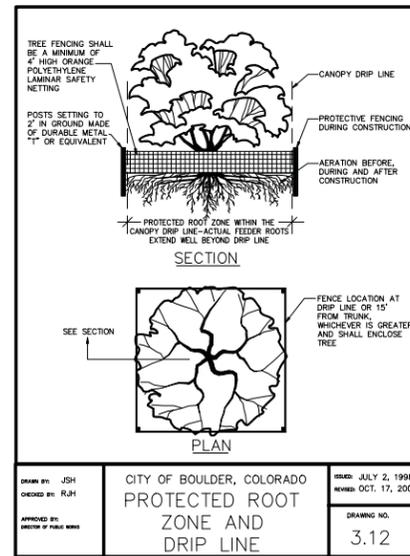
**L1.00**

LANDSCAPE REQUIREMENTS: 02/03/14		
OVERALL SITE	REQUIRED	PROVIDED/COMMENTS
TOTAL LOT AREA	21,037 SF	
BUILDING AREA	11,140 SF	53%
TOTAL PARKING AREA (surface lot)	2,505 SF	12%
OPEN SPACE:	7,392 SF	35%
TOTAL NUMBER OF PARKING STALLS	0 - WITHIN CAGID PARKING DISTRICT	16 provided in garage at 1st floor & surface lot
INTERIOR PARKING LOT LANDSCAPED	N/A	N/A
BIKEWAY PARKING	10% OF REQUIRED PARKING	2,4 provided
		Replace and add total of 12 parallel to 13th, 6 in cluster @ SE corner & 6 in cluster along Walnut
<b>PARKING LOT SCREENING:</b>		
<b>FROM ADJACENT PROPERTIES</b>		
Height & Opacity	Landscape Material 42' ht.	
Width	6' Buffer	N/A - only 6 spaces in surface lot
Trees	1 tree/25	N/A - only 6 spaces in surface lot
<b>STREETSCAPE:</b>		
	<b>REQUIRED</b>	<b>PROVIDED/COMMENTS</b>
Sidewalk - 13th Street	1 tree/30' - 140 LF = 5 trees	2 small trees in bed plus 3 additional trees in grates
Sidewalk - Walnut Street	1 tree/40' - 300 LF = 8 trees	7 large shade trees provided + 1 existing tree in front of Colorado Bldg.
<b>MINIMUM PLANT SIZES:</b>		
	1 tree & 5 shrubs/1500 sf = 5 trees and 2.5 shrubs	
Deciduous Trees	2' cal.	10 trees
Evergreen Trees	6' ht.	0
Ornamental Trees	15' cal.	3 trees
Shrubs	5 gallon container	67 + 119 1-gal ornamental grasses

PLANT LIST: 02/03/14					
KEY	QTY	BOTANICAL NAME	COMMON NAME	SIZE	SPACING
<b>TREES:</b>					
ABD	3	Autumn Blaze Pear	<i>Pyrus calleryana</i> 'Autumn Blaze'	15' CAL	30' o.c.
HB	3	Celtis occidentalis	Hackberry	2' CAL	30' o.c.
KOT	5	Gymnocladus dioica	Kentucky Coffeetree	2' CAL	30' o.c.
SHL	2	Gleditsia triacanthos var. inermis 'Shade'	Shademaster Honeylocust	2' CAL	30' o.c.
TOTAL:	13				
<b>DECIDUOUS SHRUBS:</b>					
DS	22	Daphne Spirea	<i>Spiraea japonica</i> 'Alpina'	5 gallon	3.5' o.c.
MR	25	Nearly Wild Rose (Floribunda)	<i>Rosa x</i> 'Nearly Wild'	5 gallon	3' o.c.
RKOR	20	Rainbow Knock Out Rose	<i>Rosa x</i> 'Radco'	5 gallon	3' o.c.
TOTAL:	67				
<b>ORNAMENTAL GRASSES:</b>					
EMG	79	Black Mondo Grass	<i>Ophiopogon planiscapus</i> 'Niger'	1 gallon	15' o.c.
YGB	40	Yellow Groove Bamboo	<i>Phyllostachya aureosulcata</i>	1 gallon	as shown
TOTAL:	119				
<b>GROUNDCOVERS/PERENNIALS/VINES:</b>					
BGA	379	Burgandy Glow Ajuga	<i>Ajuga reptans</i> 'Burgandy Glow'	4" pots	8' o.c.
HL	89	Hidcote Lavender	<i>Lavandula angustifolia</i> 'Hidcote'	1 gallon	22' o.c.
ML	41	English Lavender	<i>Lavandula angustifolia</i> 'Munstead'	1 gallon	22' o.c.
SW	100	Sweet Woodruff	<i>Galium odoratum</i>	4" pots	8' o.c.
VC	33	Virginia Creeper	<i>Parthenocissis tricuspidata</i>	1 gallon	4' o.c.
TOTAL:	642				

**PLANT NOTES:**

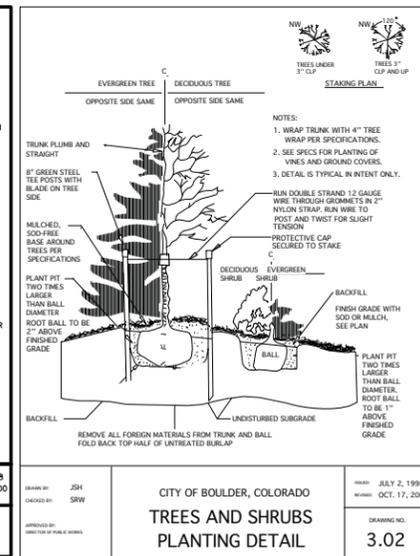
- All plant material shall meet specifications of the American Association of Nurserymen (AAN) for number one grade. All trees shall be balled and burlapped or equivalent. All plant materials shall have all wire, twine or other containment materials, except for burlap, removed from trunk and root ball of the plant prior to planting.
- Trees shall not be planted closer 10 feet to any sewer or water line. Tree planting shall be coordinated with Public Service Company. Locations of all utilities shall be verified in the field prior to planting.
- All shrubs shall be planted no less than 3' from any sidewalk or curb.
- Grades shall be set to allow for proper drainage away from structures. Grades shall maintain smooth profiles and be free of surface debris, bumps, and depressions.
- Developers shall ensure that the landscape plan is coordinated with the plans done by other consultants so that the proposed grading, storm drainage, or other constructions does not conflict nor preclude installation and maintenance of landscape elements on this plan.
- All shrub bed areas shall be mulched with a 4" layer of wood bark mulch. Perennials and groundcover areas shall be mulched with a 4" layer of shredded bark mulch. NO FABRIC TO BE INSTALLED BELOW ORNAMENTAL GRASSES, PERENNIALS OR GROUNDCOVERS.
- Prior to installation of plant materials, areas that have been compacted or disturbed by construction activity shall be thoroughly loosened; organic soil amendments shall be incorporated at the rate of at least three (3) cubic yards per 1000 square feet of landscape area.
- All landscape areas will be irrigated with an automatic system. Shrubs and trees in grates will have a drip zone and perennials/groundcovers (part of the drip zone) will have micro-jet sprays. Plants with like water requirements are shown together in order to have an efficient use of water. Irrigation plans will be submitted during TEO Doc that meet the City's requirements.
- Contractor shall verify all material quantities prior to installation. Actual number of plant symbols shall have priority over the quantity designated.
- Refer to the City of Boulder Design and Construction Streetscaping Standards for all work within public areas, including tree protection standards. The developer will make every effort possible to protect trees within the site using the same standards. Contractor to provide adequate tree protection, prune roots when adjacent new curbs and sidewalks, and water trees frequently during construction.
- Refer to the Civil Engineer Drawings for Grading and Utility information.
- This plan meets or exceeds City of Boulder landscape code requirements.



DRAWN BY: JSH  
CHECKED BY: R.J.H.  
APPROVED BY: DIRECTOR OF PUBLIC WORKS

CITY OF BOULDER, COLORADO  
**PROTECTED ROOT ZONE AND DRIP LINE**

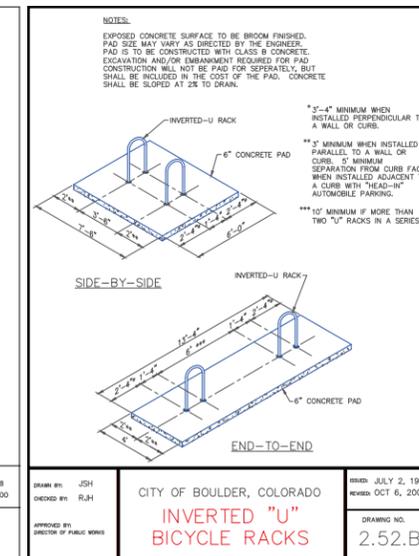
REVISION: JULY 2, 1998  
REVISED: OCT. 17, 2000  
DRAWING NO. 3.12



DRAWN BY: JSH  
CHECKED BY: S.W.  
APPROVED BY: DIRECTOR OF PUBLIC WORKS

CITY OF BOULDER, COLORADO  
**TREES AND SHRUBS PLANTING DETAIL**

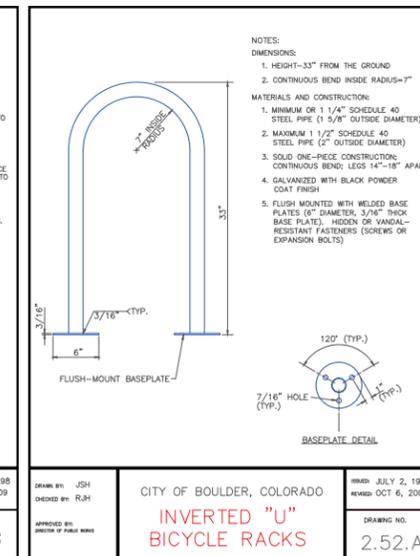
REVISION: JULY 2, 1998  
REVISED: OCT. 17, 2000  
DRAWING NO. 3.02



DRAWN BY: JSH  
CHECKED BY: R.J.H.  
APPROVED BY: DIRECTOR OF PUBLIC WORKS

CITY OF BOULDER, COLORADO  
**INVERTED "U" BICYCLE RACKS**

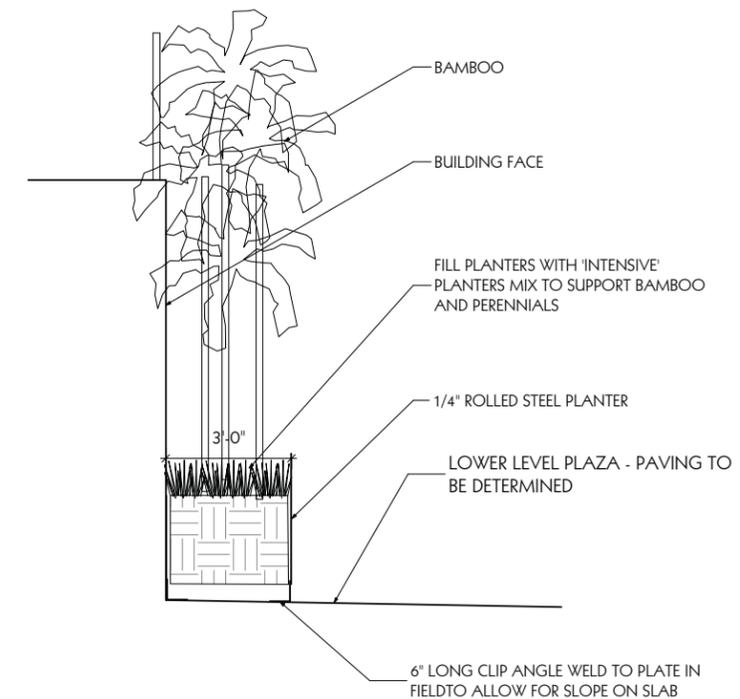
REVISION: JULY 2, 1998  
REVISED: OCT. 6, 2009  
DRAWING NO. 2.52.B



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CHECKED BY: R.J.H.  
APPROVED BY: DIRECTOR OF PUBLIC WORKS

CITY OF BOULDER, COLORADO  
**INVERTED "U" BICYCLE RACKS**

REVISION: JULY 2, 1998  
REVISED: OCT. 6, 2009  
DRAWING NO. 2.52.A



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Boulder, Colorado 80308  
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**outside la**  
landscape architecture + urban design + planning  
boulder / denver  
303.317.9933 / 970.871.9922  
info@studio.com

**WENCEL BUILDING**  
1301 WALNUT, BOULDER COLORADO

PROJ. NO. 2100.1  
DRAWN: sg  
CHECKED: osla  
APPROVED: osla  
DATE: 02/03/14

NO.	DESCRIPTION	DATE

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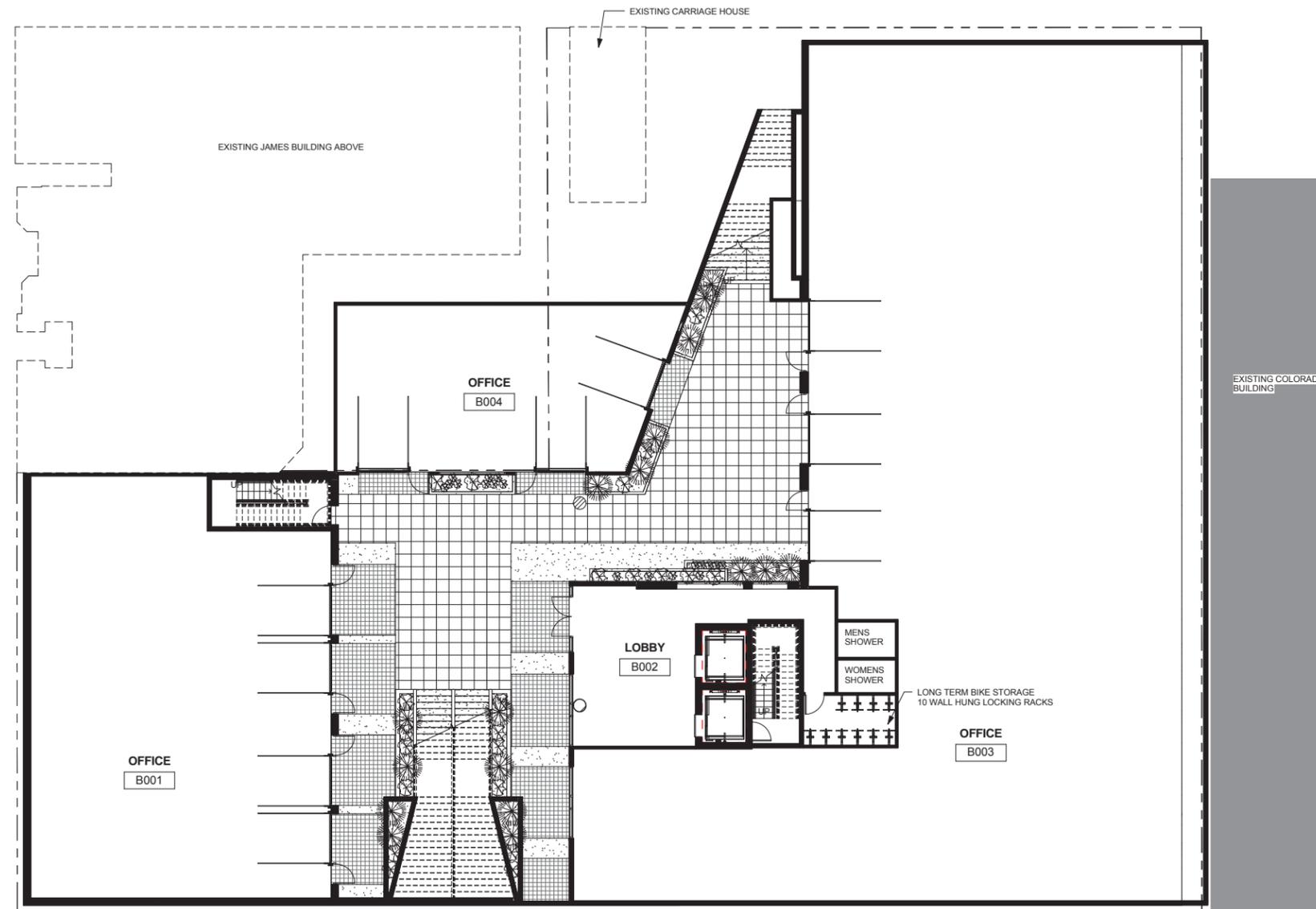
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LANDSCAPE  
DETAILS

SCALE: N/A  
SHEET NUMBER

**L2.00**

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① BASEMENT  
3/32" = 1'-0"

② LONG TERM BIKE STORAGE RACK  
1/4" = 1'-0"



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1301 WALNUT, BOULDER COLORADO

PROJ. NO. 2100.1  
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BELOW GRADE FLOOR  
PLAN

SCALE: As indicated  
SHEET NUMBER

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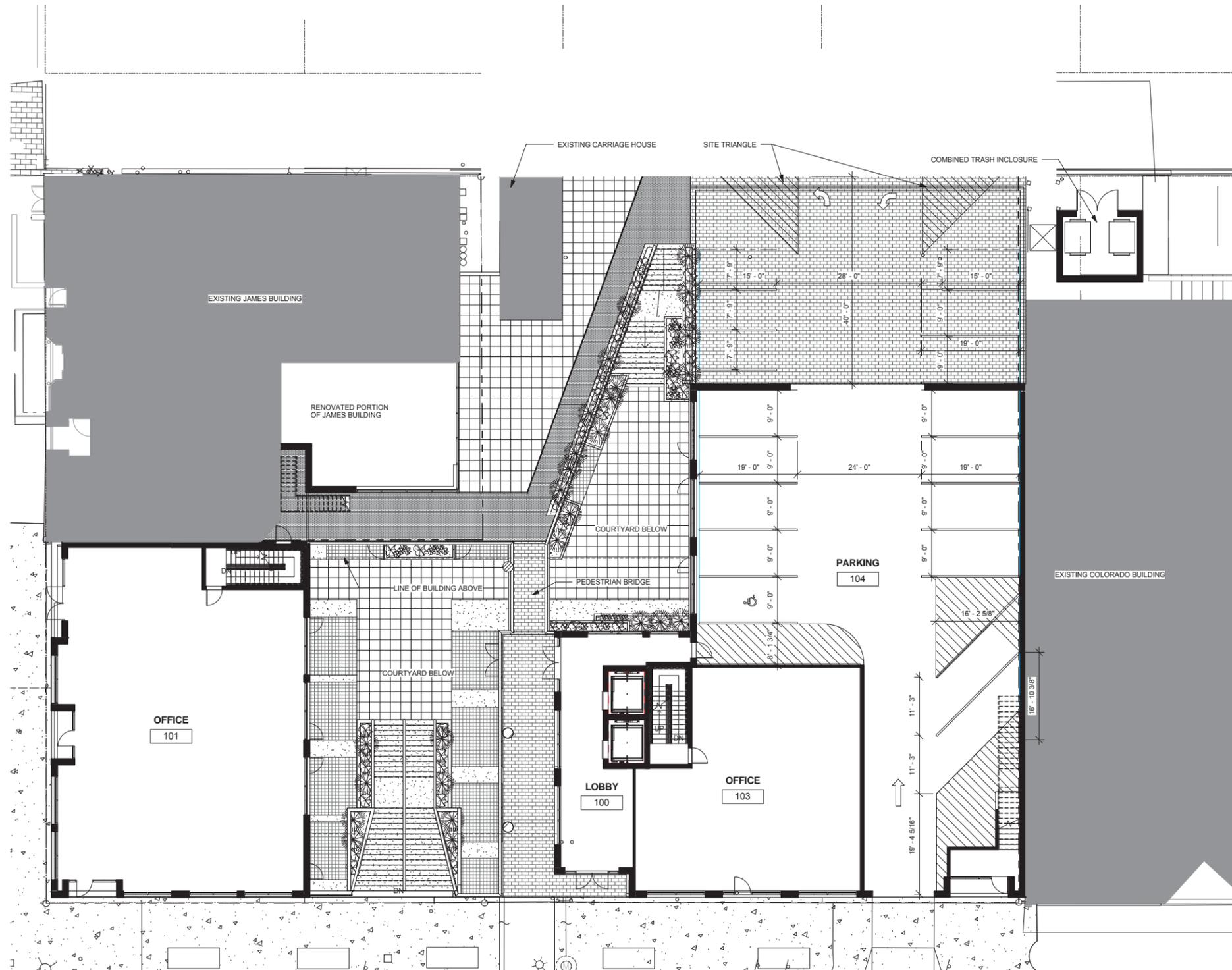
Call Up

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① LEVEL 1  
 3/32" = 1'-0"



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SHEET TITLE:  
 LEVEL 1

SCALE: 3/32" = 1'-0"  
 SHEET NUMBER

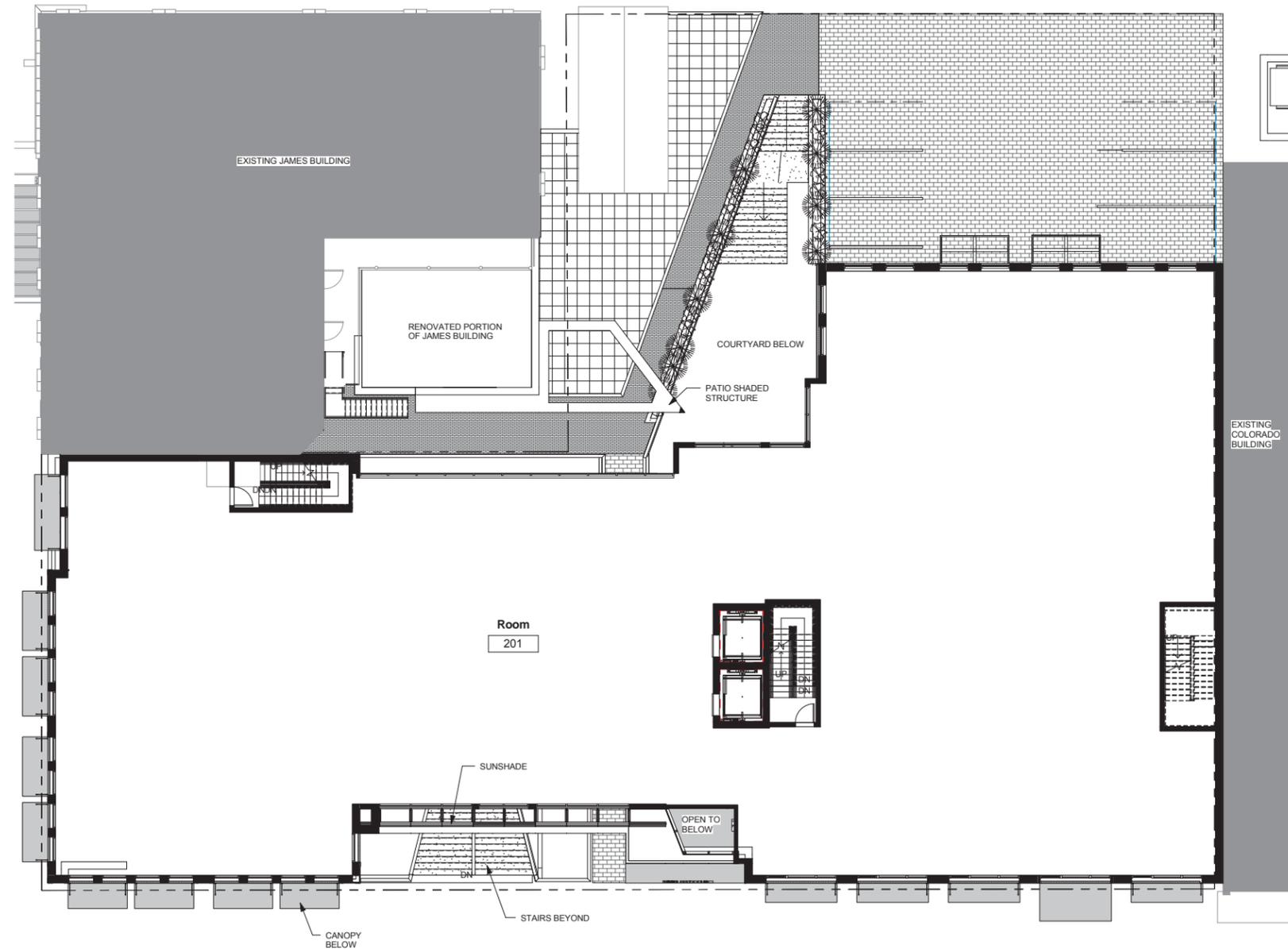
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① LEVEL 2  
 3/32" = 1'-0"



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 SITE REVIEW COMMENTS

SHEET TITLE:  
 LEVEL 2

SCALE: 3/32" = 1'-0"  
 SHEET NUMBER

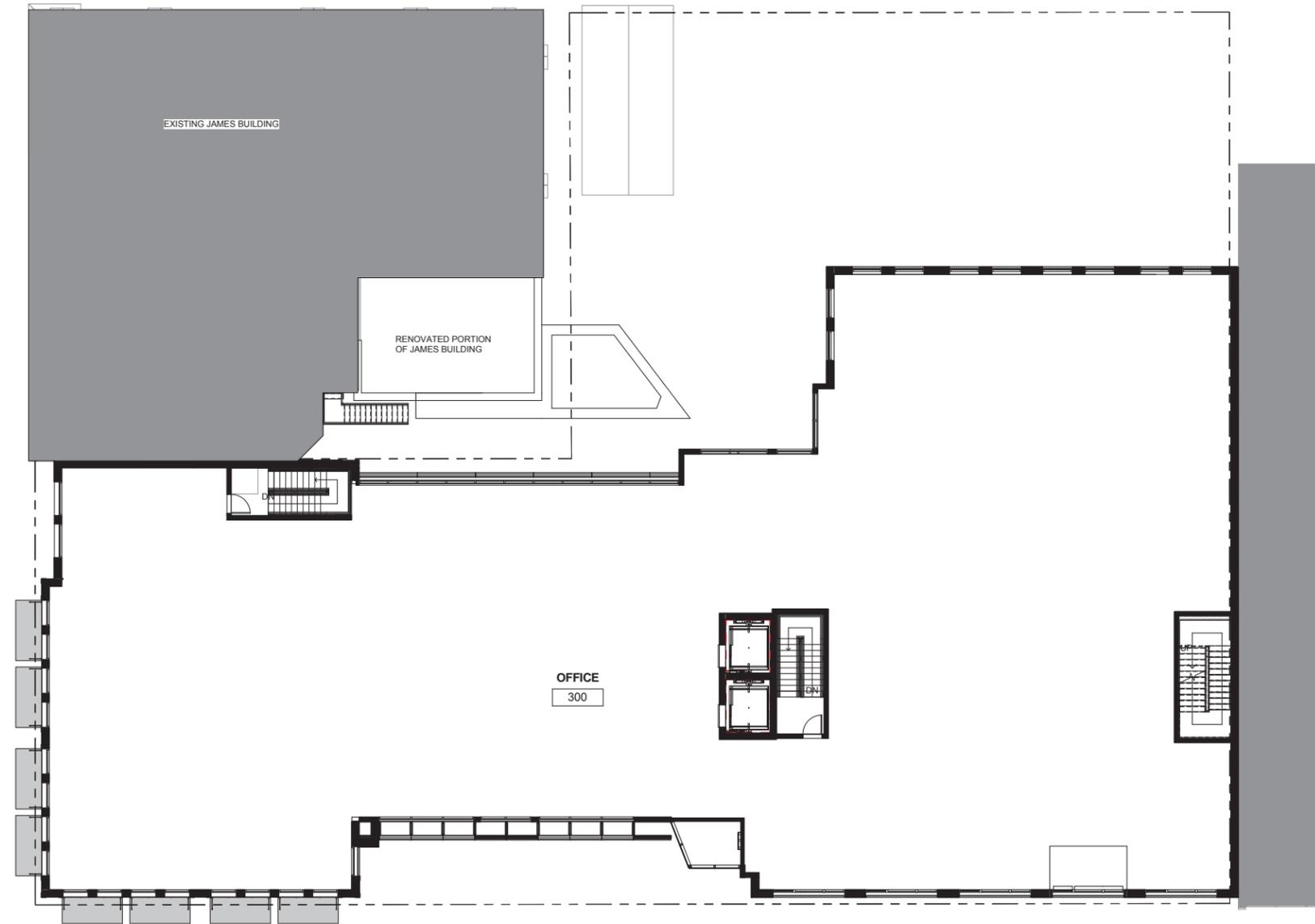
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① LEVEL 3  
 3/32" = 1'-0"



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SHEET TITLE:  
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SCALE: 3/32" = 1'-0"  
 SHEET NUMBER

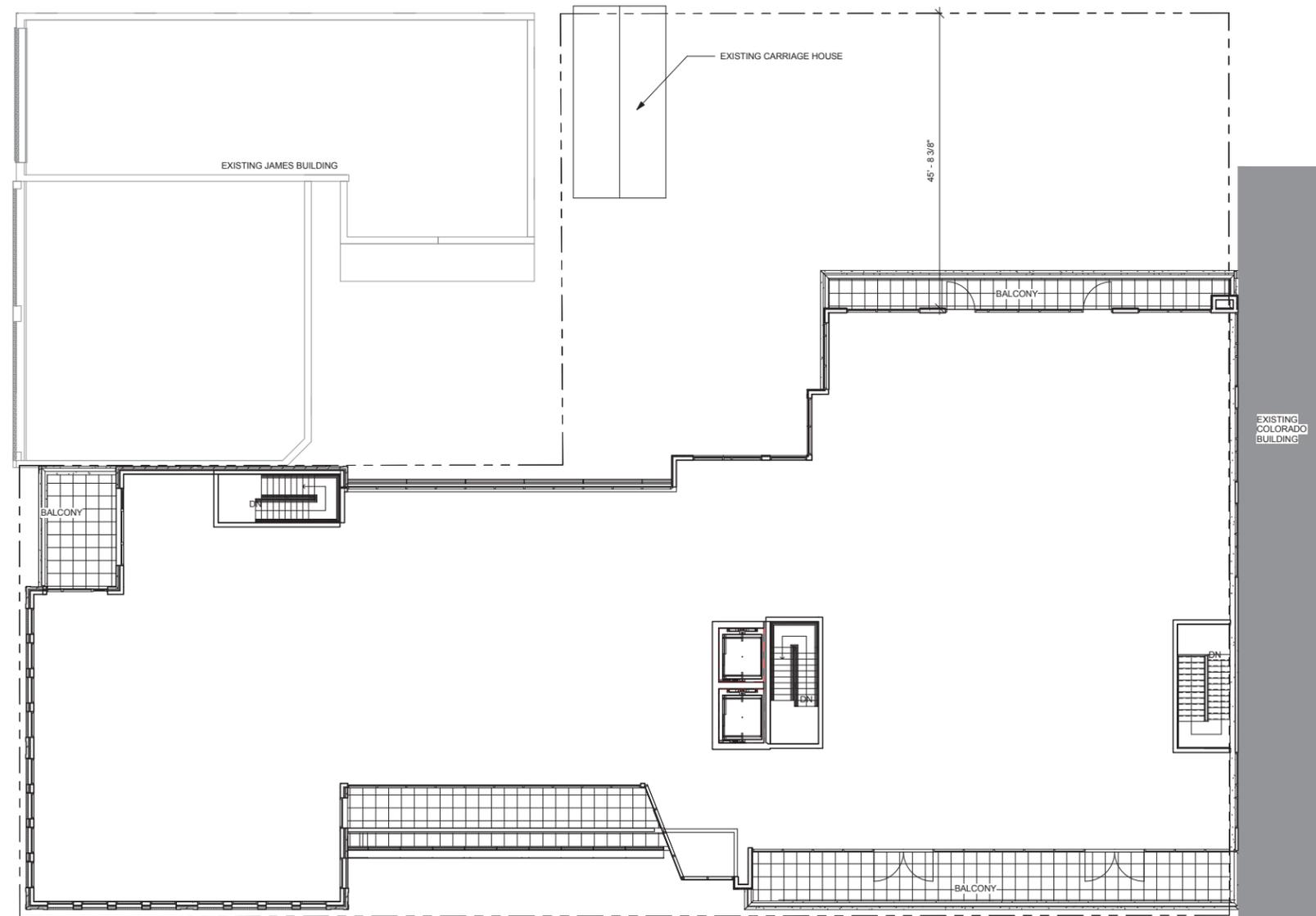
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**WENCEL BUILDING**

1301 WALNUT, BOULDER COLORADO



① LEVEL 4  
 3/32" = 1'-0"

Call Up

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SHEET TITLE:  
 LEVEL 4

SCALE: 3/32" = 1'-0"  
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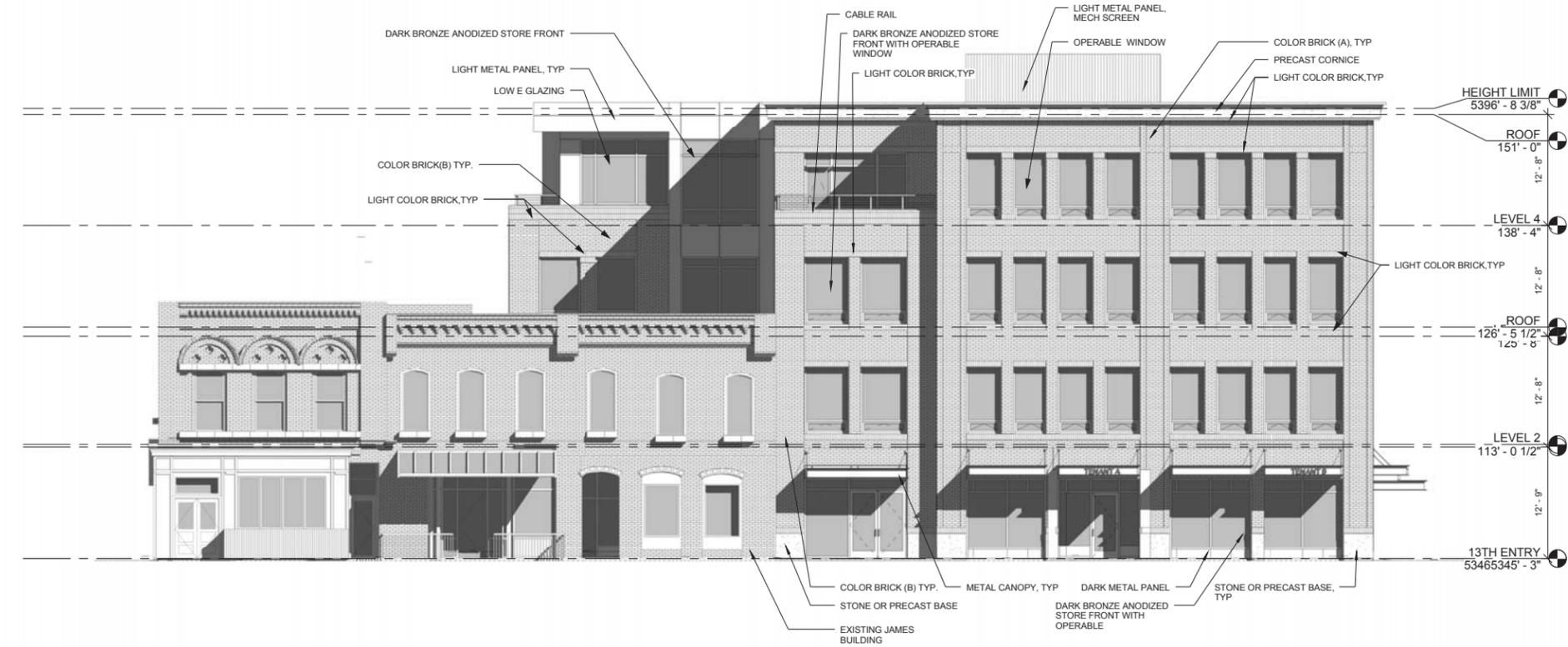
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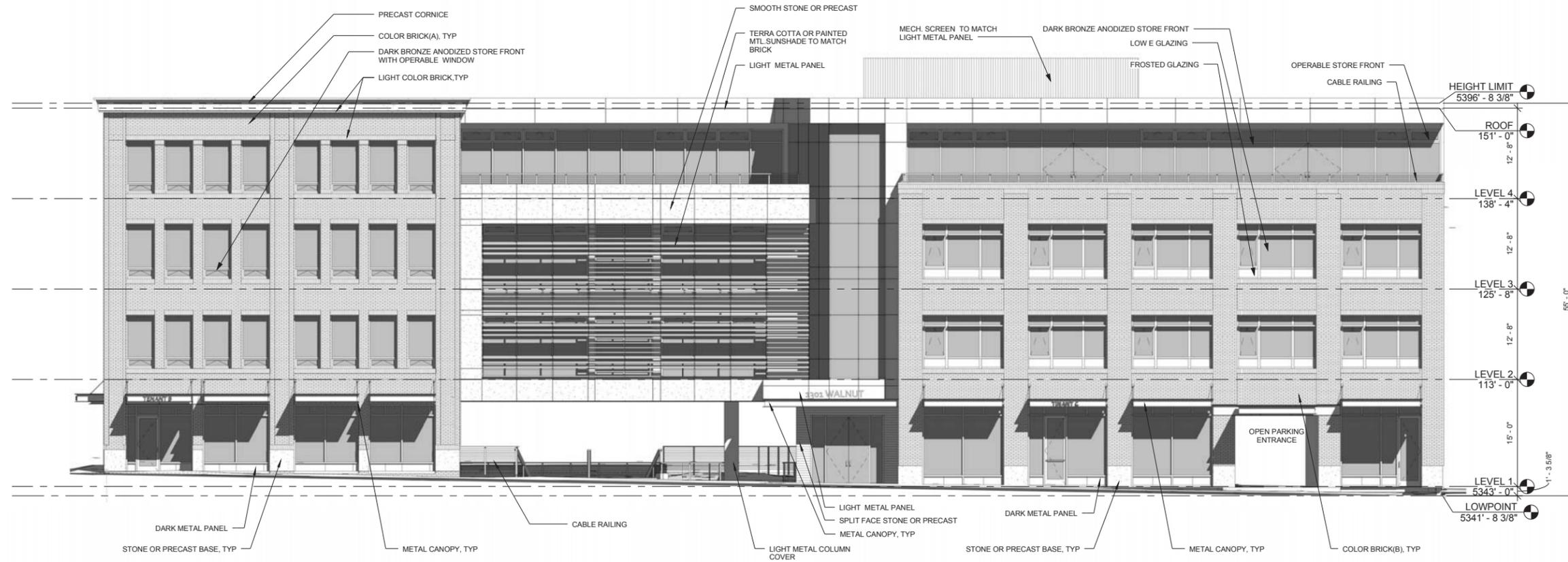
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**WENCEL BUILDING**

1301 WALNUT, BOULDER COLORADO



① WEST BUILDING ELEVATION  
1/8" = 1'-0"



② SOUTH BUILDING ELEVATION  
1/8" = 1'-0"

Call Up

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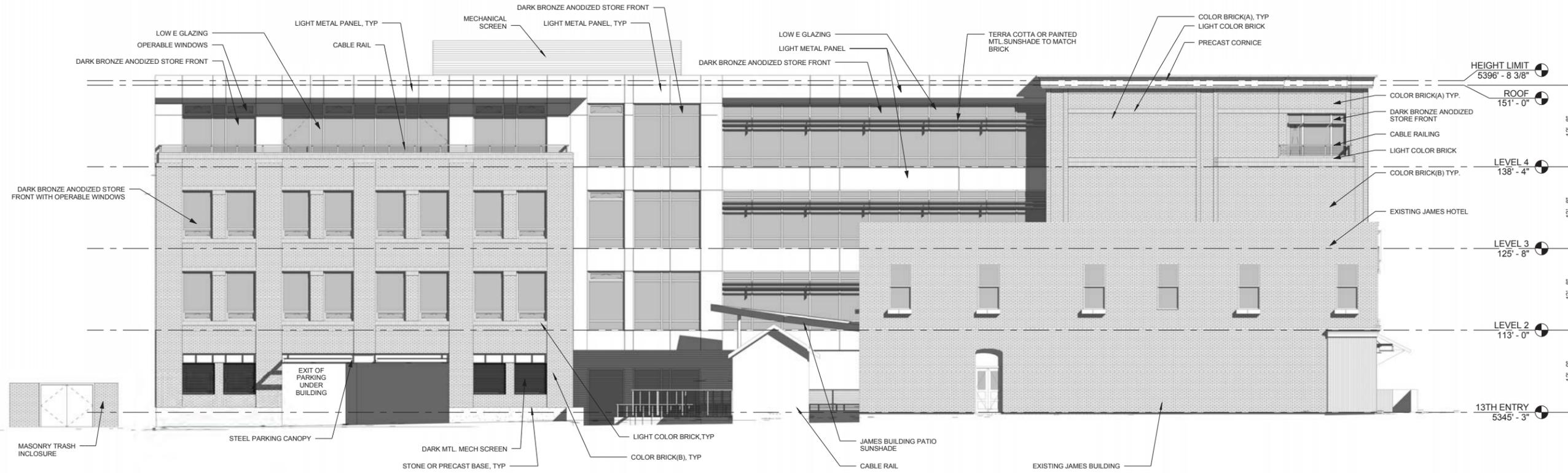
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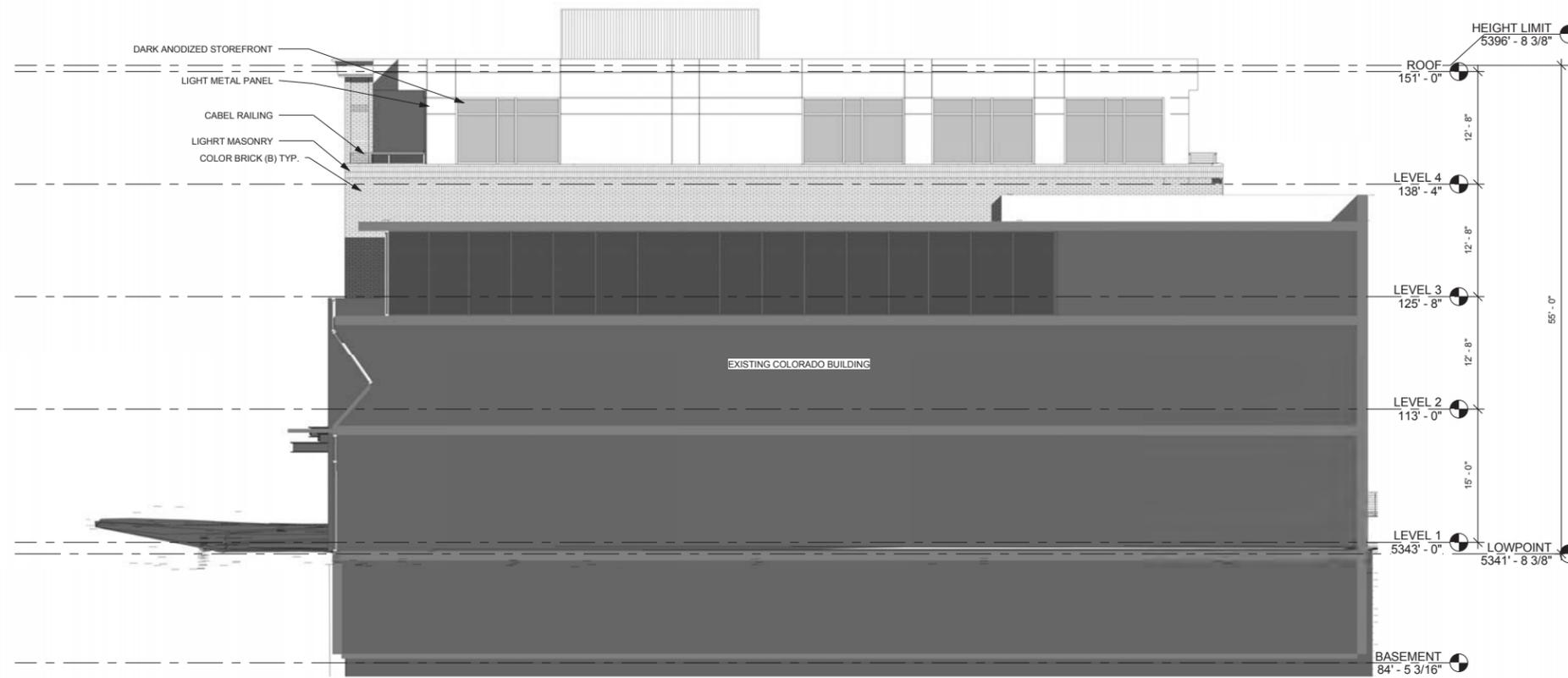
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phone 720.771.0516



**WENCEL BUILDING**

1301 WALNUT, BOULDER COLORADO

① NORTH BUILDING ELEVATION  
1/8" = 1'-0"



② EAST BUILDING ELEVATION  
1/8" = 1'-0"

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SHEET TITLE:  
BUILDING ELEVATIONS

SCALE: 1/8" = 1'-0"  
SHEET NUMBER



## INFORMATION PACKET MEMORANDUM

To: Members of City Council

From: Jane S. Brautigam, City Manager  
Paul J. Fetherston, Deputy City Manager  
David Driskell, Executive Director of Community Planning and Sustainability  
Maureen Rait, Executive Director of Public Works  
Susan Richstone, Deputy Director of Community Planning and Sustainability  
Jeff Arthur, Director of Public Works for Utilities  
David Gehr, Deputy City Attorney  
Bob Harberg, Principal Engineer - Utilities  
Jeff Yegian, Division of Housing Manager  
Chris Meschuk, Planner  
Bev Johnson, Annexation Project Manager

Date: March 10, 2014

**Subject: Information Item: Annexation Package for Flood Impacted Area II Residents**

---

### Purpose

The purpose of this item is to provide an update to City Council on the package of incentives to be offered to Area II residents impacted by the September 2013 floods to encourage voluntary annexation. This package will be offered over the next couple of months to single family residential households located in Area II enclaves (including Githens Acres) as well as to residents in the Old Tale and Cherryvale roads neighborhood. Depending on the number of interested landowners, staff anticipates bringing an annexation ordinance to Planning Board and City Council in late 2014.

### Background

After the September flood, the City of Boulder was contacted by a number of Area II property owners outside the city limits with concerns about their wells and on-site wastewater systems (OWS) and interest in connecting to the city water and wastewater systems. As part of the December 3, 2013 City Council briefing on the flood, staff presented options for helping impacted residents by facilitating annexation and connection to city utilities. More specifically, the options presented to council outlined potential approaches to addressing the financial disincentives to annexation. The three options presented to council were as follows:

1. The city upfronts construction costs with assurance of a minimum participation rate.
2. The city upfronts and offers financing of utility construction costs with assurance of a minimum participation rate (Gapter Road model).
3. Local Improvement Districts.

City Council expressed support for helping flood-impacted property owners by creating incentives for annexation but expressed the need for landowners to pay their share and did not want annexation expenses to result in deferment of other needed city projects.

#### Annexation Package

Staff further weighed the costs of the above options with the potential to encourage voluntary annexations and developed a package similar to the Gapter Road model but with added financing incentives. The new package includes the same fee and tax waivers, and a financing plan for the utility infrastructure as that given to the Gapter Road neighborhood, plus the added incentive of financing for plant investment fees (PIFs). This package was assembled with the goal of creating as much incentive without impacting the actual city costs of providing utility services. Staff is proposing to move forward by offering the following annexation package to 167 properties located in county enclaves (including Githens Acres) and to the Old Tale Road and Cherryvale Road neighborhoods (see map in Attachment A and full description of the package in Attachment B).

1. The city will waive the annexation application and public hearing fees totaling \$6580 for individual applications. (same as Gapter Road)
2. The city will waive all Development Excise Taxes (cost varies depending on age of home, can be up to \$3,286 for a new home) and Housing Excise Taxes (\$0.23 per house square foot). (same as Gapter Road)
3. The city will offer a 10-year financing plan for all water, wastewater and stormwater PIFs. (new)
4. Property owners along creeks will be required to dedicate a flood maintenance easement of 60 feet along either side of the centerline of a major drainageway. (same as Gapter Road)
5. Property owners will be required to connect to water and wastewater systems within a few months of annexation or completion of any necessary public improvements and begin reimbursement to the city for their individual share of the costs of those public improvements as well as permit fees, tap fees, inspection fees and PIFs. (same as Gapter)
6. Community benefit requirements would be applied to properties with additional development potential, which includes the ability to subdivide the property and/or build at least one additional unit on the property. A community benefit requirement in the form of two times the cash in-lieu contribution as set forth in the inclusionary housing ordinance to the Affordable Housing Fund would be required at the time of subdivision building permit for the additional unit. (not applicable to Gapter Road)

The city will not enter into individual negotiations with landowners under this offer due to the added staff resources involved in individual negotiations. If a property owner wishes to negotiate items not outlined in the standard package, they would pay all standard annexation fees and go through the regular annexation application review process without the ability to finance

utility connection costs through the city. For example, any requests for change to the community benefit requirement outlined above would need to be reviewed through the regular development review process.

Three neighborhoods within the study area (Githens, Cherryvale and Old Tale roads) are currently without the utility infrastructure needed to connect individual properties to both city water and wastewater services. Individual property owners in these neighborhoods will not be able to annex and connect to utilities unless the infrastructure is installed. The city has estimated the infrastructure installation and road resurfacing costs to be approximately \$1.1 million for Githens Acres, \$842,000 for Cherryvale Road and \$730,000 for Old Tale Road.

This situation is similar to that encountered in the Gapter Road annexation in 2010. In that case, the city upfronted the cost of the utility installation and road resurfacing under the condition that 75 percent of the properties annex and begin repayment of their individual share of the costs. (In the case of the Gapter Road annexation, 64 percent agreed to annex and Boulder County upfronted the difference in participation). The city would offer Githens Acres, Cherryvale Road and Old Tale Road landowners a similar package as that given to the Gapter Road neighborhood, but with the added incentive of financing for PIFs (Gapter Road landowners were only able to finance the utility infrastructure costs through the city). Similar to the Gapter Road annexation, the city would agree to retain the current rural street sections and conditions (no curb, gutter or streetlights) in these neighborhoods.

### Scope

Staff will reach out to residential landowners with properties located in county enclaves and in the Githens Acres, Old Tale Road and Cherryvale Road neighborhoods (See map in Attachment A). These Area II neighborhoods are the areas with a majority of homes still on wells and OWS. The project area includes 167 properties with the following current water and sewer conditions:

- 86 have no city water or sewer services;
- 51 properties have out-of-city wastewater services;
- 4 properties have out-of-city water services; and
- 26 properties have both city water and wastewater services through an out-of-city agreement.

### Benefits and Drawbacks

The benefit of the annexation package outlined above is that it will hopefully encourage a fair number of voluntary annexations and result in removing some households from well and OWS. Other potential benefits of annexation include resolving some of the urban service problems associated with the checkerboard city boundary and acquiring additional flood easements along major drainageways in the city. Once in the city, residents would also begin paying city property tax. However, the difference in property taxes for homeowners in the city and the county is minimal.

A financial benefit of annexing for many county residents may be that they would no longer be subject to a road maintenance assessment fee and no longer need to maintain their well and septic systems. However, annexation costs will still be significant for many property owners, particularly those along roads with no utility infrastructure (see outline of costs in Attachment B)

and likely discourage many from annexing. Although the city is offering incentives through some fee and tax waivers and financing for nearly all the utility costs, the ultimate cost for some households could range as high as \$100,000 in areas such as Githens Acres with large lots and no utility infrastructure. For flood-impacted homeowners, the financial and emotional strain of the flood has been a huge impact, so even with city financing, the costs of annexing and connecting to utilities may be overwhelming.

In terms of the city's costs, it will require dedicated staff time from Community Planning and Sustainability, Public Works and the City Attorney's Office to administer the annexations. Providing a set of standard annexation provisions will substantially reduce staff time typically involved in an annexation. Staff is also planning to take the annexations to Planning Board and City Council bundled as single or at least reduced number of ordinances in order to reduce board and council administrative costs.

The city's Utilities Division will upfront public infrastructure construction costs, with a maximum estimated cost of \$6 million if all 167 properties annexed. The expenses will be paid using utility fund reserves and, based on previous annexations where financing was offered, paid back by the property owners over a ten year period. Staff will sequence the group annexations based on neighborhood interest and participation rates, so funds will not be used all at the same time. The budget and potential rate impacts of this approach will be considered as part of the 2015 budget process and 2014 budget supplemental process. In the long term, this approach should have financial benefits for the Utilities Division since all money will be paid back with interest and monthly utility bill revenues will be collected from new customers.

Costs to the city's Transportation Division for road upgrades or future maintenance will be minimal as the majority of the properties front on roads that are currently within the city. If Old Tale Road or Githens Acres properties are annexed, those roads will be reconstructed as part of the utility installation and paid for by the residents along those roads. The current offer does not extend east across Cherryvale Road, therefore that area would remain under county jurisdiction.

#### Federal and state disaster relief funds

The city is applying for, participating in and tracking several grant funding opportunities which could result in some funding toward the public infrastructure costs or to assist income qualified residents to pay for fees and connection costs. All of these grant programs are competitive, and it is unknown how well the city will score in the application process.

#### *Community Development Block Grant – Disaster Relief (CDBG-DR)*

Disaster relief funding has been allocated by the federal government (Housing and Urban Development) to the State of Colorado. The initial round of \$63 million that has been awarded must be allocated through a state action plan, with funding directed to three major categories including housing, economic development, and infrastructure. The city is collaborating with other municipalities and Boulder County to coordinate funding priorities, including support to homeowners for the costs of connecting to city services. The grant funds are expected to be available this summer; however, they will be dispersed through a competitive application process. In addition, use of funds must meet Housing and Urban Development guidelines, including the provision that 51 percent of the funding benefit low-income households.

### *State of Colorado Water Quality Improvement Fund*

The Colorado General Assembly is considering legislation (HB14-1002) to provide \$12 million of disaster assistance to local governments for repair and replacement of water/wastewater infrastructure impacted by the September 2013 floods and located in a county for which the governor has declared a disaster emergency. This grant program would be for the construction, rehabilitation and repair of domestic wastewater treatment works, public drinking water systems, and OWS. The city and Boulder County have been tracking this bill, and the associated rulemaking on the application guidelines with the hope that funding for construction of the needed utility infrastructure in county enclaves under consideration for annexation be eligible. The process will be competitive and, if approved by the General Assembly, funds are anticipated to be available this summer.

### Next Steps

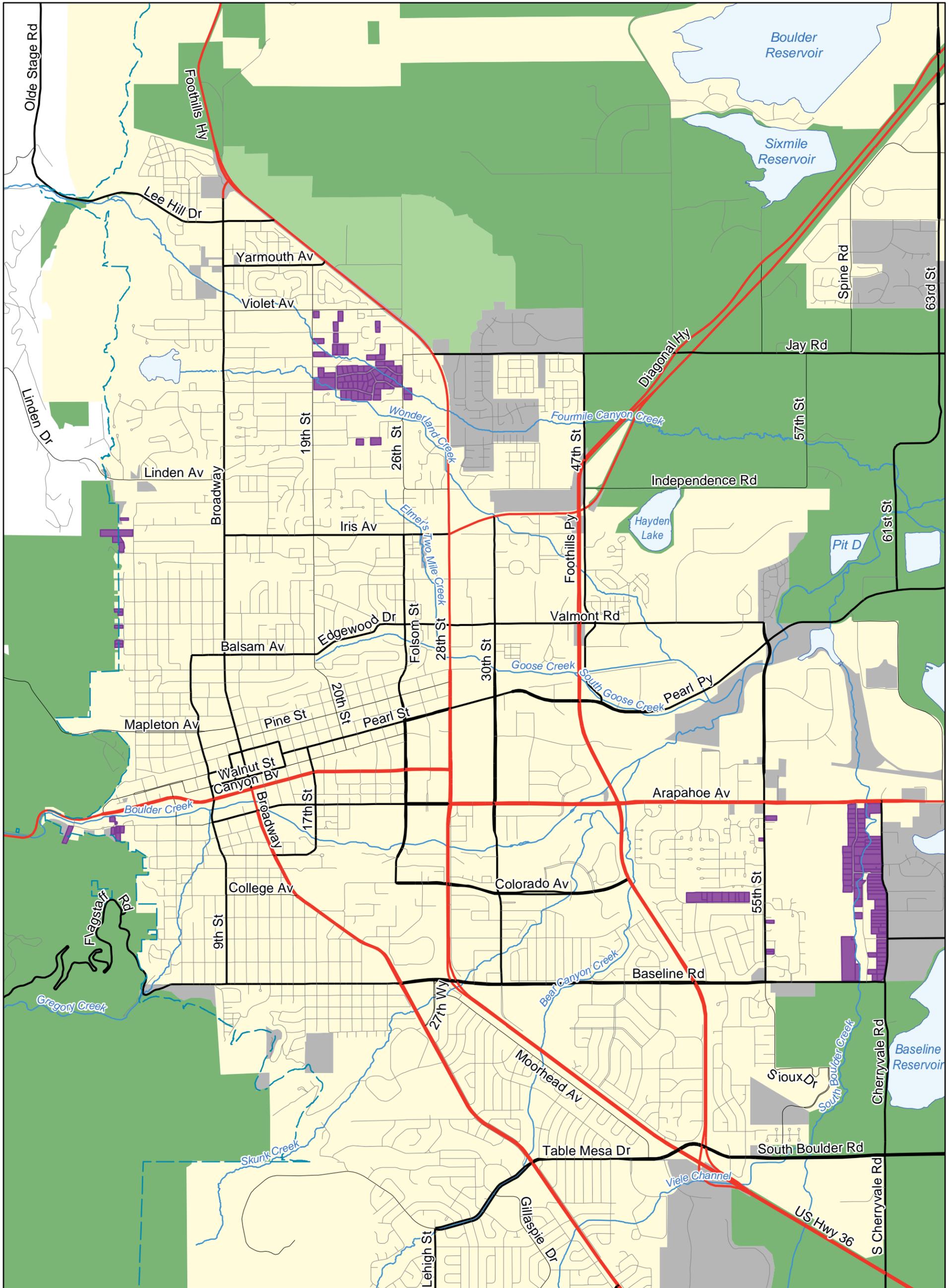
Letters will be sent to all landowners in the project area by the end of March and will include the annexation package offer, a detailed outline of the costs, and the process and timeline for the annexation ordinance. Landowners will be given approximately one month to respond by requesting an estimate of their individual costs to annex. After receiving an estimate of the costs from staff, landowners will then be given a deadline of approximately two months to decide whether or not to proceed. If interested in moving forward with annexation, a landowner would provide the city with earnest money for the development of their annexation map and survey (if needed). Once annexation documents are prepared, staff will bring all individual annexations to council in a single ordinance in late Fall or Winter 2014.

For the neighborhoods needing a minimum participation rate (Githens Acres, Old Tale Road and Cherryvale Road) an initial letter will be sent with an estimate of the individual property annexation costs. The letter will also survey each landowner to gauge interest in annexation. If a neighborhood shows enough interest in annexing, a meeting will be held with property owners to respond to questions and further gauge interest in proceeding with a group annexation. City staff will move forward with the first neighborhood that meets the 75 percent participation threshold. Group annexations will move forward on separate time frames than individual annexations.

### ATTACHMENTS:

- A Map of Properties
- B Annexation Package and Overview of Landowners Costs

# Attachment A - Properties considered for flood related annexation



**Option 1 Properties**



**Boulder Valley Comprehensive Plan Areas**

City Limits (Area I, III Annex)

Area II

Area III

Area III Planning Reserve

Blueline - approximate location

Major Lakes

Creek

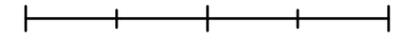
Highway

Major Road

Minor Road

Local Street

0 0.25 0.5 1 Miles



## **Basic Annexation Package and Approximate Landowner Costs**

### **A. Provisions of Annexation:**

- 1) Waive application fee and excise taxes.
- 2) Allow continuation of rural road section (no streetlights or curb and gutter) where it currently exists.
- 3) Property owners along a major drainageway will dedicate flood easements (60 feet from either side of centerline) to the City for the purposes of conveying flood waters and storm runoff, preserving an open creek corridor, and maintaining conveyance capacity. The City would have the right, but not the obligation, to perform maintenance.
- 4) Landowners must connect to water and wastewater systems within a given time period (to be determined) after annexation or completion of utility infrastructure improvements.
- 5) Landowner reimburses the City for their individual share of the costs of public improvements, permit fees, inspection fees, tap fees and plant investment fees, or begins repayment of a City loan at time of connection.
- 6) Once homeowners are connected to the city's water system, the City will not prohibit homeowners from using existing wells for irrigation purposes, however, cross-connections are prohibited.
- 7) Zoning according to BVCP land use designation.
- 8) All properties will be subject to the Boulder Revised Code upon annexation.
- 9) All property owners file an application and pay the applicable fees for inclusion of the property in the Boulder Municipal Subdistrict and the Northern Colorado Water Conservancy District.
- 10) Community benefit requirements will be applied to properties with additional development potential, which includes the ability to subdivide the property and/or build at least one additional unit on the property. A community benefit requirement in the form of two times the cash in-lieu contribution as set forth in the city's inclusionary zoning ordinance to the Affordable Housing Fund would be required from property owners.

### **B. Additional Provisions for Githens Acres, Old Tale Road and Cherryvale Road Neighborhoods.**

- 1) The City will upfront the cost of utility infrastructure installation and road resurfacing, and finances water, wastewater and stormwater PIFs under the following condition:
  - a. 75 percent of households along the road (or the neighborhood in the case of Githens Acres) must annex, connect to utilities and begin payment w/in a certain time period (to be determined) after completion of public improvements under one of the following payment plans:
    - i. Option A: Payment in Full. The property owner would pay, in full, the costs and fees of the public improvements and plant investment fees prior to connection.
    - ii. Option B: Payment Plan. The city will provide the property owner with a payment option for his or her share of the utility improvements, and water,

wastewater and stormwater plant investment fees. Costs of individual water and sewer service lines will not be financed by the city.

- iii. Option C: Annex now but connect in the future. The property owner will connect to city water services at a later time than that specified in Options A and B, but no later than when the property owner's property is sold or redeveloped, whichever occurs first. At the time of connection, the property owner will pay the following:
1. Individual share of the public improvement costs, paid in full, plus interest accrued from the time of and no more than 10 years following the date of annexation.
  2. Fees and charges, at the then applicable rate, associated with a service line connection to a water and sewer main, including plant investment fees, right-of-way, water, and wastewater fees, for permits, inspection fees, installation fees and tap fees.

**Approximate Landowner Costs**  
(for a detached single family residential home)

<b>A. Annexation/Initial Zoning Fees</b>	
Application fee	<b>Waived</b> (\$6580)
DET, HET	<b>Waived</b> (DET =\$3286.33) (HET =\$0.23/sq. ft. of home)
<b>B. Public Improvements (pay at time of individual connection)</b>	
Proportionate share of public improvements in road	<b>\$0 - \$30,000 per household</b> (Varies based on property front footage and age of existing infrastructure)
<b>C. Water Service to House</b>	
Permit fee	\$127
Meter charge	\$583.13
Water Tap fee	\$216.62
Water Plant Investment Fee	\$16,166.00 (assuming 2,000 sq. ft. outdoor irrigable area)
Inspection fee	\$169
<b>SUBTOTAL</b>	<b>\$17,261.75</b>
<b>D. Sewer Service to House</b>	
Permit fee	\$127
Inspection fee	\$169
Tap fee	\$136.87
Wastewater Plant Investment Fee	\$4,301
<b>SUBTOTAL</b>	<b>\$4,733.87</b>
<b>E. Stormwater and Flood Management</b>	
Stormwater and Flood Control Plant Investment Fee	<b>\$500 - \$30,000 per household</b> (Varies based on size of property and amount of impermeable surface area)
<b>F. Costs Paid to Others</b>	
Water and sewer line construction costs (typical costs based on 2013 estimates), payable to contractor	<b>\$4,000 – \$8,000</b> (depending on site conditions)
Northern Colorado Water Conservancy District	<b>Varies from \$700 - \$2,500</b>



## INFORMATION PACKET MEMORANDUM

To: Members of City Council

From: Jane S. Brautigam, City Manager  
Paul J. Fetherston, Deputy City Manager  
David Driskell, Executive Director of Community Planning and Sustainability  
Susan Richstone, Deputy Director of Community Planning and Sustainability  
Bob Eichen, Chief Financial Officer  
Liz Hanson, Economic Vitality Coordinator  
Anna Gerstle, Economic Vitality Assistant  
Lexi Winer, Economic Vitality Intern

Date: March 18, 2014

**Subject: Information Item: Report on Business Incentive Programs - Flexible Rebate and Microloan Programs**

---

### EXECUTIVE SUMMARY

This memorandum provides a report on the City of Boulder's business incentive programs, including a return on investment analysis on the 2012 flexible rebate program and an update on the Boulder Microloan Program.

The flexible rebate program authorizes the City Manager to approve a rebate of building permit fees and taxes, and sales and use tax paid on fixed assets for Boulder primary employers, provided certain sustainability guidelines are met. Companies must submit receipts to the city showing that the eligible taxes and fees have already been paid in order to be reimbursed, and must pay the taxes and fees in a three-year period (2012-2014). In 2012, \$395,000 in flexible rebates was approved for nine companies. A return on investment analysis completed by the Boulder Economic Council (BEC) indicates that the city will receive a net return of \$1.3 million over the three-year rebate period 2012-2014, or \$3.61 for every \$1.00 dollar rebated.

The Boulder Microloan Program is a public-private partnership between the City of Boulder, several local banks, and the Colorado Enterprise Fund (CEF). The program supplies general working capital to eligible small businesses and non-profit organizations in the Boulder market

that may not be able to obtain financing through traditional sources. Since the program's inception in 2009, a total of 39 loans have been distributed to businesses, including restaurants, service companies, childcare centers, and hair salons.

## **FISCAL IMPACT**

This memorandum further analyzes the fiscal impact of both the 2012 flexible rebate program and the Boulder Microloan Program. The approved budget for the 2012 flexible rebate program was \$350,000. In addition, \$45,000 in carryover rebate funds that were unused in previous years were used to meet the increased demand for the rebates in 2012. In total, the City Manager approved \$395,000 for rebates in the 2012 program.

Since the inception of the microloan fund in 2009, the city has invested a total of \$200,000 in the fund. The approved 2014 city budget includes \$50,000 for the city's contribution to the microloan program's next round of funding.

## **COMMUNITY SUSTAINABILITY ASSESSMENTS AND IMPACTS**

*Economic:* Business incentives encourage the retention of existing primary employers that are investing in facilities and equipment. In some cases, business incentives have been used to encourage new primary employers to locate in Boulder. These businesses produce city revenues such as sales, use, and property taxes, permitting fees from remodeling and construction projects, as well as "spin-off" city revenues from hotel, restaurant, retail, and catering expenses.

*Environmental:* Encouraging primary employers to remain and expand in Boulder rather than move to other cities allows these companies to take advantage of the waste reduction, water conservation, and energy efficiency programs and resources available to Boulder businesses. Often, the flexible rebate program informs businesses about resources they may not have been aware of previously. In addition, retaining these employers keeps them closer to Boulder's transit service and bicycle routes.

To be eligible for the 2012 flexible rebate program, companies were required to meet community sustainability guidelines, including those related to:

- energy efficiency;
- recycling and composting; and
- alternative transportation and commute trip reduction programs.

*Social:* Boulder's social services are funded through tax revenues and supported by a healthy and diverse economy. Business incentives encourage businesses to invest in Boulder and support a strong economy. To be eligible for the 2012 flexible rebate program, companies were required to meet social sustainability guidelines, including:

- a minimum average wage;
- health insurance;
- support for non-profit agencies; and
- health and wellness benefits.

## **BACKGROUND**

### **Flexible Rebate Program**

The city Economic Vitality (EV) Program is a public-private collaboration that aims to build the long-term sustainability of the Boulder community. The program includes efforts in business assistance, business retention and expansion, partnerships and sponsorships, and business incentive programs. The flexible rebate program is primarily a business incentive and retention tool, used to invest in Boulder's high impact primary employers as they grow and expand in Boulder. Under the program, the City Manager is authorized to consider approval of rebates of building permit taxes and fees, as well as sales and use taxes paid on fixed assets, provided that the companies meet the eligibility requirements and sustainability guidelines on the program application.

As part of its contract for consulting services with the city, the BEC has conducted return on investment analyses on the 2007 through 2012 flexible rebate programs. City Council is now receiving the return on investment (ROI) analysis of the 2012 program; this timing allows the BEC to discuss the impacts of the program with the companies as well as analyze the ROI.

For the most recent year's program in 2013, the city received ten applications; nine have been approved for rebates ranging from \$10,000 to \$60,000 and staff is completing the review of one application. All of the companies are expanding their presence in Boulder and represent a variety of industries, including organic food production, textiles, software, computer storage, and advertising.

### **Microloan Program**

The Boulder Microloan Program is a public-private partnership between the city of Boulder, the BEC, the CEF, and several local banks. Launched in 2009 with \$325,000 in loan capital, the mission of this fund is to provide access to capital for small businesses that would like to remain in Boulder. This program serves small businesses that cannot obtain financing through traditional sources, but who are capable of sustaining a business and repaying debt. Recipients have included Boulder Homemade Ice Cream, Café Aion, Dash Cycles, Boulder Vision Associates, and Pure Hair Studio.

The economic vitality funding for the microloan program is used by CEF for loan capital. In addition, funds from the Division of Housing's Community Development Block Grant (CDBG) help support CEF in covering costs associated with economic development, specifically outreach efforts to market available forms of assistance, including the Boulder Microloan Program. The 2014 CDBG grant allocation totals \$50,000.

## **ANALYSIS**

### **2012 Flexible Rebate Program**

Eleven applications were received for the 2012 flexible rebate program; two applications were withdrawn and nine were approved for rebates ranging from \$25,000 to \$80,000. The applicants covered a wide range of industries, including software, beverage manufacturing, medical devices and outdoor recreation. Six of the nine companies were considering locations outside of the city and the rebates they received influenced their decisions to move to, or remain in Boulder. The following companies met the required sustainability guidelines and eligibility requirements:

- **American Rec Products:** An outdoor company that includes a collection of ten brands of outdoor equipment and apparel, including Kelty, Sierra Designs, Royal Robbins, and Slumberjack. The \$25,000 flexible rebate helped the company expand and remodel its offices to accommodate additional employees and provide a welcoming environment for clients visiting from outside of Boulder.
- **Gnip:** The world's largest provider of social data that helped to create a new industry through partnerships with leading social media publishers. The \$45,000 rebate helped support the company's expansion into a new space downtown and purchase of hardware, software, and other equipment for new employees.
- **HEAD USA:** A leading global manufacturer and marketer of premium sports equipment and apparel. The \$50,000 rebate contributed to HEAD USA's decision to choose Boulder over other cities for its U.S. headquarters and helped the company offset renovation and relocation costs.
- **MBio Diagnostics:** A medical devices company that focuses on research and development of devices that rapidly diagnose infectious diseases with global impact, such as HIV and hepatitis. The \$30,000 rebate helped offset the costs associated with renovating the company's space in Boulder, to provide more space for research and manufacturing.
- **RealD:** A leading global licensor of 3D and other visual technologies for movies, consumer electronics, and visualization tools. The \$80,000 rebate helped the company offset the costs of an expansion of its Boulder operations at a new, remodeled, and expanded location, to accommodate more visitors, grow its workforce, and expand manufacturing capacity. The rebate also influenced the company's decision to remain in Boulder.
- **Tensentric:** An engineering firm that specializes in designing and developing medical devices for clients ranging from startups to top medical device manufacturers. The \$40,000 helped the company offset the costs of purchasing and renovating an existing building in Boulder.
- **Twisted Pine Brewing Company:** A craft brewery founded in Boulder in 1995, driven by innovation in brewing and strong community involvement. The \$45,000 rebate helped the company offset expansion and equipment costs.
- **Upslope Brewing Company:** Founded in 2008, the company has since grown from two to 27 employees and from 80 to 12,000 barrels of beer. The \$50,000 rebate incentivized Upslope to stay in Boulder, amidst receiving incentive offers from other cities. The rebate also helped offset the costs of hiring additional employees and renovating an existing building in East Boulder for a second manufacturing facility and second tap room.
- **Zia Consulting:** A content management company whose systems aim to convert paper-based files into cloud-based searchable documents. The \$30,000 rebate helped the company offset the costs of purchasing furniture and equipment for new, expanded, and remodeled office space.

### Financial Return- All 2012 Rebate Recipients

An ROI analysis for each rebate application was performed by city staff to ensure that the projected revenue generated by the company supports the cost of the rebate to the city. The analysis also considered the spending generated by local employees and uses a flat jobs multiplier of 1.5. **ATTACHMENT A** is the BEC report, which analyzes the broader economic impact that a company has on the Boulder community, and uses a 2012 IMPLAN jobs multiplier based on specific industry's NAICS codes.

Based upon these conservative assumptions, on a net present value basis, the city will recoup a net \$1,312,377 over a three-year period. Three years is the minimum period of time that the companies agree to remain in Boulder in exchange for the rebate. Each company signs a rebate agreement stating that the company will return the rebate if the company ends its business presence in Boulder within three years. The return shows that for every one dollar invested in 2012 rebate incentives, the city will recoup a net \$3.61 on a net present value basis. The mix of types and sizes of businesses that receive a rebate helps the overall financial return to the city and also meets the city's goals of helping smaller companies grow while having larger companies remain and expand in Boulder.

The 2012 return of \$3.61 for every \$1.00 invested is up from a return of \$2.96 in 2011. This is due to the increased size of the companies, their projects, and the dollar amount of the rebates approved.

### Financial Return – Business Retention

Of the nine companies that were approved to receive a rebate from the city, six reported to the BEC that the program encouraged them to expand and helped offset costs associated with their growth in Boulder. Five were considering moving their business to a location outside of Boulder, and one relocated to Boulder from another state, having considered relocating to other cities. The report separates out these six retained rebate recipients: American Rec Products, Gnip, RealD, Tensentric, and Upslope Brewing Company. The return on investment analysis indicates that the city will recoup a net return of \$938,012 over the three-year period, or \$3.51 on every \$1.00 invested in these six businesses.

### Social and Environmental Sustainability

The flexible rebate program supports the city's commitment to environmental sustainability and the social well being of the community and its employees. To be eligible for the program, rebate recipients must commit to complying with a minimum number of sustainability guidelines. The program offers a range of available guidelines, allowing large and small companies to choose the guidelines that best fit their company. For example, companies have engaged in waste reduction efforts at their offices, accommodated and encouraged their employees to use alternative transportation, and supported local non-profits. Highlights of sustainability guideline compliance can be found in the BEC report.

### “Intangible” Benefits

When speaking to local primary employers, city staff often refers to the flexible rebate program as a way of “investing in the companies that are investing in Boulder”. Employer feedback indicates that the program has a positive influence on business attitudes toward the city. With a relatively modest budget compared to some neighboring and “competing” communities, the program has been an effective tool for business retention and attraction, often serving as the

“tipping point” for companies’ decisions to move to or stay in Boulder. The program continues to demonstrate a positive financial return.

### **Microloan Program**

The mission of the Boulder Microloan Fund is to provide access to capital for small businesses in Boulder. Since the Boulder Microloan Program’s inception in 2009, the city has invested a total of \$200,000. As of December 2013, the fund totaled \$1,075,000. The 2014 approved budget includes a \$50,000 city contribution to the microloan program. Additional program details can be found in the CEF report in **ATTACHMENT B**.

### Loan Activity

The following small businesses received microloans for calendar year 2013:

- **Boulder Landscape and Design**, landscape planner/builder of ecologically sensitive environments
- **Boulder Vision Associates**, Gunbarrel eye care provider
- **Cool Spirit Nature**, organic hemp clothing and accessories
- **Kettle and Stone**, Gunbarrel craft brewer
- **Living Design Studios, Inc.**, custom metalwork for residential and commercial applications
- **Makeena, LLC**, mobile app facilitating healthy/sustainable choices and cost savings at the grocery store
- **SolBites**, healthy snacks manufacturing with a mission to address childhood obesity
- **The Tasterie**, mobile café & bakery specializing in local, seasonal ingredients

Of the eight loans that have been closed:

- Amounts range from \$8,000 to \$100,000;
- Terms range from 36 to 72 months; and
- Interest rates range from 9% to 10.75%.

### Program Results

Of the eight loans closed in 2013:

- 50% of the businesses are women-owned
- 13% of the businesses’ owners self-identify as an ethnic or racial minority
- 25% of the businesses are comprised of low income wage earners
- 149 jobs were created or maintained in businesses receiving loans

The decrease in loan production volume in the City of Boulder this year was due to CEF restaffing a position responsible for some Boulder marketing and redirecting some resources to flood response for existing borrowers.

### **NEXT STEPS**

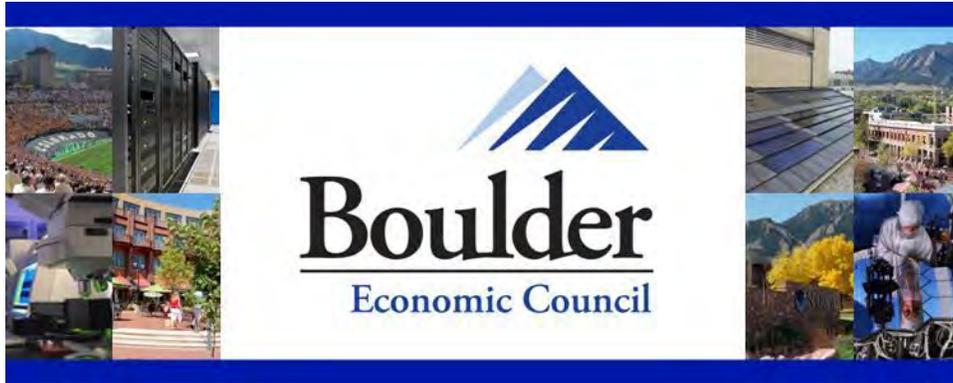
Through business outreach meetings and business assistance requests, economic vitality staff is continuing to discuss the details and benefits of the flexible rebate program with potential applicants for the 2014 program. The 2014 program has an approved budget of \$350,000 and an application deadline of December 5, 2014. City staff will continue reviewing submitted receipts and distributing the rebates approved by the city manager in the 2012 and 2013 rebate programs.

Staff from both CEF and the city will coordinate on the next round of funding for the microloan program and work with small businesses to assess their need and fit with the program.

## **ATTACHMENTS**

**Attachment A:** Return on Investment Analysis on the 2012 Flexible Rebate Program  
- Report to the City of Boulder by the Boulder Economic Council

**Attachment B:** Overview of Boulder Microloan Program



# ROI Analysis

## City of Boulder Flexible Rebate Program

December 2013

Boulder Economic Council | 2440 Pearl Street, Boulder, CO 80302  
303.938.2081 | [www.BoulderEconomicCouncil.org](http://www.BoulderEconomicCouncil.org)

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## Executive Summary

The City of Boulder’s Flexible Rebate Program continues to be a useful and cost-effective tool for retaining businesses, based on a return on investment (ROI) analysis conducted by the Boulder Economic Council (BEC).

In 2012, rebates were approved for nine Boulder primary employers that contribute to the economic, environmental, and social sustainability of the community and agreed to stay in Boulder for at least three years. The companies planned to use the funds to help offset costs associated with their growth and expansion and make their operations more sustainable.

The rebates approved by City Manager Jane Brautigam in 2012 ranged from \$25,000 to \$80,000 for a total of \$395,000. Based on an analysis of projected employment and wages provided by rebate recipients for the three year period (2012-2014) covered by the rebate, the city will receive an estimated net return of \$1.3 million or \$3.61 for every \$1 invested, through:

- Sales taxes paid on business sales in Boulder
- Taxes on business capital expenditures and facility improvements in Boulder
- Building permit fees paid to the city, and
- Sales taxes paid on purchases by direct and indirect employees and visitors.

In addition, the rebate recipients will create new jobs and are committed to supporting the Boulder community through programs that align with the city’s goals for environmental and social sustainability including paying higher than average wages, supporting local charities and non-profit organizations, and participating in programs to reduce their energy consumption, waste and employee commuter trips.

Program participants included companies in a range of industries including software, beverage manufacturing, medical devices and outdoor recreation. Six of the companies were considering locations outside the city and the rebates they received influenced their decisions to move to or remain in Boulder. When the companies submitted their applications in 2012, they ranged in size from 10 to 100 employees for a total of 368 workers. By 2014 they expect to employ a total of 543 workers for an increase of 48%.

2012 Flexible Rebate Recipient	Industry	2012 Employees	2014 Employees	Rebate Awarded	Net Return on \$1
American Rec Products	Outdoor	100	107	\$25,000	\$5.61
Gnip	Software	50	100	\$45,000	\$4.21
HEAD USA	Outdoor	10	20	\$50,000	(\$0.14)
MBio Diagnostics	Bioscience	32	49	\$30,000	\$5.57
RealD	Technology	67	81	\$80,000	\$1.98
Tensentric	Bioscience	35	45	\$40,000	\$2.82
Twisted Pine Brewing	Manufacturing	19	29	\$45,000	\$2.82
Upslope Brewing	Manufacturing	20	36	\$50,000	\$8.43
Zia Consulting	Software	35	76	\$30,000	\$3.76
<b>Total</b>		<b>368</b>	<b>543</b>	<b>\$395,000</b>	<b>\$3.61</b>

## Detailed Summary of Results

### Background

Since 2007, the City of Boulder has offered business incentives through its Flexible Rebate Program to help eligible businesses expand in Boulder. The program is part of the City's ongoing effort to support the economic vitality of the city through outreach, assistance, and recognition of local businesses.

To be eligible for the program, businesses are required to be primary employers, defined as generating more than half of company revenue from sales outside Boulder County. They are also required to reflect the values and goals of Boulder, demonstrated by commitment to environmental and social sustainability of the community, and to agree to remain in Boulder for at least three years. Funds are reimbursed only as companies submit receipts to showing that qualifying taxes and fees have been paid to the City of Boulder.

The Boulder Economic Council (BEC) has been commissioned by the City of Boulder to provide an objective evaluation of the effectiveness of the Flexible Rebate Program, including a return on investment (ROI) analysis.

*(See Appendix C for more information including program history.)*

### Methodology

At the time each company applied for a rebate, the City of Boulder Finance Department performed an analysis to ensure that the sales tax on business sales in Boulder, any taxes on business expenditures in Boulder and building permit fees combined would cover the cost of the incentive. They also considered the sales taxes generated by anticipated spending by local employees and used a flat jobs multiplier of 1.5.

The BEC analysis builds on the city's analysis and includes the broader economic impacts that businesses have on the community. Key refinements to the analysis include consideration of:

- Industry specific 2011 IMPLAN job multipliers for each rebate recipient
- 2012 Bureau of Labor Statistics consumer spending data by employee wage group
- Spending for non-resident employees, conservatively estimated at \$25/week
- Spending for overnight business visitors based on the most recent data available from the Boulder Convention and Visitor's Bureau

*(See Appendix B for more information on data sources, assumptions, and methodology.)*

## 2012 Program Highlights

The City of Boulder approved \$395,000 in tax/fee rebates for nine primary employers in 2012. All of the companies were at transition points in their operations and planned to use funds from the Flexible Rebate Program to help offset costs associated with growth and expansion and make their operations more sustainable. The availability of an incentive through the rebate program was a factor for six of the companies who considered other locations but decided to remain in Boulder and for the company who chose to move their headquarters to the city.

The companies that were approved for an incentive through the City of Boulder Flexible Rebate Program in 2012 included different industries and sizes of businesses, reflecting the City's goal of assisting a variety of businesses with the program. Comments made by rebate recipients indicate the program is helping the city build goodwill in the Boulder business community and helping to demonstrate its support of business growth and expansion in Boulder.

The following companies were approved for a Flexible Rebate Program incentive in 2012 (See Appendix A for a detailed overview of recipients):



**American Rec Products**, an outdoor company that develops, tests and produces a collection of ten popular brands of outdoor equipment and apparel including Kelty, Sierra Designs, Royal Robbins and Slumberjack. The company relocated its headquarters to Boulder in 2010 to capitalize on the city's outdoor lifestyle branding. The company was approved for a rebate up to \$25,000 to help expand and remodel its offices to accommodate additional employees and provide a welcoming environment for clients visiting from outside Boulder.



*Having the additional financial support from the City of Boulder enabled us to keep our current location and continue to support Boulder and the initiatives the city and our company promote on a daily basis.*



**Gnip**, the world's largest provider of social data in the world that has helped create a new industry through partnerships with leading social media publishers. The company has grown rapidly since it was founded in Boulder in 2008, increasing to 50 employees in four years. The company chose to remain in downtown Boulder where it provides an attractive work environment for employees. Gnip received approval for a rebate up to \$45,000 to support its growth and the purchase of hardware, software and other equipment for new employees.



*This rebate will assist Gnip in its growth strategies by enabling the company to provide hardware, software and other equipment for new employees. As Gnip's staff size grows, so will its economic footprint and ability to support local vendors, the entrepreneurial community and non-profits.*



**HEAD USA**, a leading global manufacturer and marketer of premium sports equipment and apparel. The company's winter sports division relocated to

Boulder in 2012 and renovated existing space to create an office and showroom with environmentally friendly materials. HEAD was approved for a rebate up to \$50,000 to help offset renovation and relocation costs. The Flexible Rebate incentive demonstrated Boulder's interest in the company and helped convince HEAD officials to choose Boulder over other cities for its US headquarters.



*Other states and municipalities made more aggressive financial offers, but Boulder is a great fit for the company and the company is a great fit for Boulder. We have grand plans to grow our business and number of employees. This rebate will help facilitate that growth.*



**MBio Diagnostics**, a company spun off from Boulder-based Precision Photonics in 2009 to focus on research and development of medical devices

that rapidly diagnose infectious diseases with global impact such as HIV and hepatitis. MBio was approved for a rebate up to \$30,000 to help offset the costs associated with renovating an existing 17,000 square foot building in Boulder to provide more space for research and manufacturing and expanding the research team and equipment necessary to support continued growth.



*We intend to use proceeds from this program to offset costs associated with the expansion of our physical resources and team, as well as acquisition of necessary equipment to continue our company's growth.*



**RealD**, a leading global licensor of 3D and other visual technologies for movies, consumer electronics, and visualization tools. Boulder is home to research and

development, manufacturing and customer support operations for the company. RealD received approval for a rebate of up to \$80,000 to help offset the costs of an extensive expansion of its Boulder operations to accommodate more visitors, grow its workforce and expand manufacturing capacity. The Flexible Rebate Program helped influence the company's decision to remain in Boulder.



*Receiving a rebate has given us the ability to host more visitors and allowed RealD to further invest in our employees ... happy and satisfied employees directly benefits the company.*



**Tensentric**, a Boulder-based engineering firm that specializes in designing and developing medical devices for clients ranging from start ups to top medical device manufacturers. The company was founded in 2009 and grew to 35 employees with more than a dozen full-time contractors by 2012 – creating over 50 high-paying jobs. As a result, Tensentric



needed to find a larger space. Tensentric was approved for a rebate of up to \$40,000 to help offset the costs of purchasing and renovating an existing building in Boulder.

*Our growth has enabled us to create 50 high paying jobs in Boulder. The Flexible Rebate Program helped us purchase and remodel an existing building in Boulder – representing an investment of more than \$4 million.*



**Twisted Pine Brewing Company**, a craft brewery founded in Boulder in 1995 that is driven by innovation in brewing and strong community involvement. Twisted Pine uses local ingredients for its award winning beer whenever possible. The company’s manufacturing facility features a tap room that serves as a popular gather place for Boulder locals and people visiting the area to participate in brewery tours. Twisted Pine received approval for a rebate of up to \$45,000 to help offset the costs of an extensive expansion.



*We have been supporting Boulder and receiving support from Boulder for the past 17 years. After completing an expensive expansion, we have no intention of ever leaving the city that helped us grow.*



**Upslope Brewing Company**, a microbrewery founded in 2008 in a small space in North Boulder. Since then the company has grown dramatically, from two to 27 employees and from 80 to 12,000 barrels. Upslope was

approved for a rebate up to \$50,000 to help offset the costs of hiring additional employees and renovating an existing building for manufacturing and a tap room. The company received incentive offers from other cities; the Flexible Rebate Program helped make staying in Boulder a competitive option for Upslope.

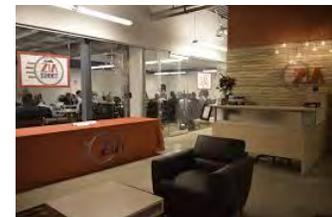


*The rebate created a competitive bid for staying in Boulder. It has allowed us to expand in Boulder and hire more employees.*



**Zia Consulting**, a company that provides Enterprise Content Management design and solutions that help companies address environmental,

communication and efficiency issues by converting paper files into cloud-based searchable documents and project management integration. Zia was approved for a rebate of up to \$30,000 to help offset the costs of purchasing furniture and equipment for expanded office space it created by renovating an existing building and to upgrade employee computers and software.



*The Flexible Rebate Program enabled Zia to maintain a business presence in Boulder, employ more Boulder residents and continue our philanthropic endeavors and environmental sustainability program.*

2012 rebate recipients included companies in the beverage manufacturing, bioscience, entertainment, outdoor recreation and software industries.

2012 Flexible Rebate Recipient	Industry Sector
American Rec Products	Outdoor Equipment and Apparel
Gnip	Software as Service
HEAD USA	Outdoor Equipment and Apparel
MBio Diagnostics	Bioscience – Medical devices
RealD	Technology and Entertainment
Tensentric	Bioscience – Medical devices
Twisted Pine Brewing Company	Manufacturing – Beverage
Upslope Brewing Company	Manufacturing – Beverage
Zia Consulting	Software and Consulting

Recipients ranged in size from 10 to 100 employees in 2012 for an overall total of 368 employees. The companies that received a rebate anticipated adding a total of 175 additional employees over the three years covered by the program (2012 to 2014) with projected employment growth ranging from 7% to 117% or overall growth of 48%.

2012 Recipient	Employees 2012	Employees 2013	Employees 2014	Employees added 2012-14	% Growth
American Rec	100	105	107	7	7%
Gnip	50	80	100	50	100%
HEAD USA	10	13	20	10	100%
MBio Diagnostics	32	32	49	17	53%
RealD	67	77	81	14	21%
Tensentric	35	39	45	10	29%
Twisted Pine	19	22	29	10	53%
Upslope	20	27	36	16	80%
Zia Consulting	35	62	76	41	117%
<b>Total</b>	<b>368</b>	<b>457</b>	<b>543</b>	<b>175</b>	<b>48%</b>

Based on employment multipliers for different industries, rebate recipients will also generate an estimated 763 indirect jobs between 2012 and 2014.

2012 Recipient	Indirect Jobs 2012	Indirect Jobs 2013	Indirect Jobs 2014	Total Indirect Jobs Created
American Rec	32	32	35	99
Gnip	28	44	53	125
HEAD USA	8	5	10	23
MBio Diagnostics	36	39	82	157
RealD	12	13	14	39
Tensentric	7	8	9	24
Twisted Pine	28	26	39	93
Upslope	28	39	48	115
Zia Consulting	15	26	47	88
<b>Total</b>	<b>194</b>	<b>232</b>	<b>337</b>	<b>763</b>

Forty-three percent of the individuals employed by rebate recipients in 2012 resided in Boulder, compared to an estimated citywide average of 34%.

2012 Recipient	Total Employees 2012	Resident Employees 2012	% of Employees living in Boulder
American Rec	100	38	38%
Gnip	50	34	68%
HEAD USA	10	8	80%
MBio Diagnostics	32	14	44%
RealD	67	14	21%
Tensentric	35	8	23%
Twisted Pine	19	13	68%
Upslope Brewing	20	14	70%
Zia Consulting	35	17	49%
<b>Total</b>	<b>368</b>	<b>160</b>	<b>43%</b>

### Financial Return on Investment – All Rebate Recipients

An analysis by the Boulder Economic Council indicates that for every dollar invested in rebate incentives for 2012 Flexible Rebate Program recipients, the city is expected to gain over three dollars in revenue. Based on the information provided by the companies that received rebates and assumptions made in the financial analysis, it is estimated that the City of Boulder will recoup an estimated net return of \$1,312,377 (net present value) over the three-year period the companies agreed to remain in Boulder.

The following table summarizes the rebates approved and financial return on investment for 2012 Flexible Rebate Program participants. The net return on each \$1 authorized for rebates is estimated to range from -\$0.14 to \$8.43 for an overall net return of \$3.61.

Return on Investment – 2012 Flexible Rebate Recipients (2012 – 2014)					
	Rebate Approved	Rebate PV	Tax Revenue PV	Net Return PV	Net Return on \$1 invested
American Rec Products	\$25,000	\$23,140	\$152,929	\$129,789	<b>\$5.61</b>
Gnip	\$45,000	\$41,518	\$216,290	\$174,771	<b>\$4.21</b>
HEAD USA	\$50,000	\$46,280	\$39,976	(\$6,304)	<b>(\$0.14)</b>
MBio Diagnostics	\$30,000	\$27,902	\$183,254	\$155,352	<b>\$5.57</b>
RealD	\$80,000	\$73,513	\$219,362	\$145,849	<b>\$1.98</b>
Tensentric	\$40,000	\$36,757	\$140,355	\$103,598	<b>\$2.82</b>
Twisted Pine	\$45,000	\$40,758	\$155,784	\$115,026	<b>\$2.82</b>
Upslope	\$50,000	\$46,280	\$436,589	\$386,480	<b>\$8.43</b>
Zia Consulting	\$30,000	\$27,634	\$131,621	\$103,987	<b>\$3.76</b>
<b>Total</b>	<b>\$395,000</b>	<b>\$363,782</b>	<b>\$1,676,160</b>	<b>\$1,312,377</b>	<b>\$3.61</b>

*PV = Present Value; Net return represents the current value of income to the City of Boulder (estimated tax revenue) over the three years of the program less the current value of the expenditures (approved rebate).*

## Financial Return on Investment – New and Retained Businesses

Of the nine companies that were approved in 2012 to receive incentives through the Flexible Rebate Program, five were considering moving their business to a location outside the city and one relocated to Boulder from another state and had considering relocating to another city. These companies indicated the rebate played a role in their decisions to move to or remain in Boulder. A return on investment analysis of businesses attracted or retained through the program indicates the City will recoup an estimated net return of \$938,012 (net present value) over the three-year period the companies agreed to remain in Boulder or \$3.51 on each \$1 authorized for rebates.

Return on Investment – 2012 Flexible Rebate Recipients (2012 – 2014): New and Retained Businesses					
	Rebate Approved	Rebate PV	Tax Revenue PV	Net Return PV	Net Return on \$1 invested
American Rec Products	\$25,000	\$23,140	\$152,929	\$129,789	<b>\$5.61</b>
Gnip	\$45,000	\$41,518	\$216,290	\$174,771	<b>\$4.21</b>
HEAD USA	\$50,000	\$46,280	\$39,976	(\$6,304)	<b>(\$.14)</b>
RealD	\$80,000	\$73,513	\$219,362	\$145,849	<b>\$1.98</b>
Tensentric	\$40,000	\$36,757	\$140,355	\$103,598	<b>\$2.82</b>
Upslope	\$50,000	\$46,280	\$432,760	\$386,480	<b>\$8.35</b>
<b>Total</b>	<b>\$290,000</b>	<b>\$267,488</b>	<b>\$1,205,501</b>	<b>\$938,012</b>	<b>\$3.51</b>

*PV = Present Value; Net return represents the current value of income to the City of Boulder (estimated tax revenue) over the three years of the program less the current value of the expenditures (approved rebate).*

Since the program was introduced in 2007, a total of 44 companies have been approved for rebates totaling \$2,028,480. The total net return to the city is projected to be \$19,655,941 or \$10.72 for every \$1 invested. The ROI has varied from year to year depending on the mix of companies participating in the program and economic conditions.

Flexible Rebate Funding and Returns: All Rebate Recipients 2007 - 2012						
Program Year	Program Funding	Total Approved Rebates	Total Recipients	Approve Rebate PV	Net Return PV	Net Return on \$1
2007	\$500,000	\$500,000	7	\$454,661	\$6,096,276	\$14.41
2008	\$350,000	\$322,135	8	\$284,752	\$2,498,800	\$8.78
2009	\$350,000	\$209,979	7	\$193,216	\$5,582,354	\$28.89
2010	\$350,000	\$320,366	7	\$291,147	\$3,437,388	\$11.81
2011	\$350,000	\$281,000	6	\$246,410	\$728,746	\$2.96
2012	\$395,000*	\$395,000	9	\$363,782	\$1,312,377	\$3.61
<b>Total</b>	<b>\$2,295,000</b>	<b>\$2,028,480</b>	<b>44</b>	<b>1,833,968</b>	<b>\$19,655,941</b>	<b>\$10.72</b>

*\*includes \$350,000 budgeted amount and \$45,000 in carryover funds from previous unused funds.*

During that same time, a total of 25 companies were retained in or attracted to Boulder as a result of the program. Those companies were approved for rebates totaling \$1.1 million. The net return to the city is estimated to be \$5.3 million or \$4.74 for every \$1 invested.

Flexible Rebate Funding and Returns: New and Retained Businesses 2007 - 2012					
Program Year	Total Approved Rebates	Total Recipients	Approve Rebate PV	Net Return PV	Net Return on \$1
2007	\$250,422	4	\$228,018	\$2,119,331	\$18.11
2008	\$150,000	3	\$130,040	\$418,709	\$2.22
2009	\$119,963	3	\$111,077	\$488,819	\$4.40
2010	\$150,000	3	\$136,053	\$613,162	\$4.51
2011	\$281,000	6	\$246,410	\$728,746	\$2.96
2012	\$290,000	6	\$267,488	\$938,012	\$3.51
<b>Total</b>	<b>\$1,241,385</b>	<b>25</b>	<b>\$1,119,086</b>	<b>\$5,306,779</b>	<b>\$4.74</b>

ROI figures were calculated based on the amount of approved rebates rather than the rebates that had been issued to companies. Not all companies have submitted receipts to collect the full amount of their approved rebate, as shown in the table below. As a result, net returns may actually be higher than the analysis shows.

Flexible Rebate Funding and Actual Rebates Paid: Rebate Recipients 2007 - 2012					
Program Year	Program Funding	Rebates Approved	Total Recipients	Rebates issued as of November 2013	Unclaimed rebates
2007	\$500,000	\$500,000	7	\$458,998	\$41,002
2008	\$350,000	\$322,135	8	\$245,017	\$77,118
2009	\$350,000	\$209,979	7	\$195,588	\$14,391
2010	\$350,000	\$320,366	7	\$277,108	\$68,258
2011	\$350,000	\$281,000	6	\$178,638	\$102,362
2012	\$395,000	\$395,000	9	\$228,270	\$166,730
<b>Total</b>	<b>\$2,295,000</b>	<b>\$20,028,480</b>	<b>44</b>	<b>\$1,583,619</b>	<b>\$469,861</b>

*Note: 2011 and 2012 rebate recipients are still submitting receipts*

## Social, Environmental and Community Sustainability

While the City of Boulder's Flexible Rebate Program is based on the belief that growing, retaining, and attracting businesses to Boulder is vital to the city's economic sustainability, the program also reflects the City's commitment to environmental and social sustainability.

The companies that were awarded incentives in 2012 are actively participating in programs that help meet City of Boulder goals of reducing waste and energy consumption, increasing the use of alternative transportation by workers and supporting the social well being of the community.



**American Rec Products** donates extra outdoor equipment and apparel to Boulder-based non-profits including the local homeless shelter. The company supports industry initiatives including trail clean-up and sustainable programs and provides employees with three paid days off each year for volunteering efforts. American Rec purchases many goods and services from local businesses including catering, hotel rooms and conference space for company meetings and visiting buyers.



**Gnip** has been named a Best Place to Work by the Denver Business Journal. The company covers the total cost of City of Boulder Parks and Rec annual passes for employees and their families, as well as employee Eco passes and Boulder B-cycle memberships. The company occupies a LEED Gold certified building. The company's annual Big Boulder conference brings 200 customers and partners to Boulder where Gnip hosts dinners and parties to support local hotels, restaurants and other businesses. "Gnip Gives Back" focuses the company's philanthropic efforts and facilitates employee community service.



**HEAD USA** provides full-time employees and their families with comprehensive medical and dental coverage and pays 80% of the premiums. The company encourages employees to ride bikes to work by providing shower facilities, bike storage and \$240 toward the cost of a bicycle. HEAD has a LEED-AP on staff and used environmentally friendly materials in its new showroom including LED lighting and beetle-kill pine purchased locally from Boulder Lumber.



**MBio Diagnostics** pays higher than average salaries and provides competitive benefits to employees. The company plans to implement a zero waste program; it currently provides single stream recycling and uses CHARM to recycle other materials such as Styrofoam. MBio encourages employees to bike to work and the company uses local vendors when possible.



**RealD** pays 96% of health insurance premiums for all full-time employees and their dependents. The company has an Environmental Purchasing Policy and its new facility is targeted for a LEED Silver certification. The company hosts a number of vendors, prospects and industry partners in Boulder who support local hotels and restaurants.



**Tensentric** has a diverse and highly skilled workforce, pays average wages significantly higher than average and covers 100% of employee health insurance premiums. The company equips employees with computer workstations at their homes and office to facilitate telecommuting. All office supplies, catering and the company's new facility were purchased locally and Boulder-based consultants are used when available.



**Twisted Pine** employs Imagine!, a local non-profit that supports individuals with cognitive and physical disabilities, for box building, mixed 12-pack filling and janitorial services. The company has a zero waste rating from Western Disposal and its Ale House is 100% compostable. Twisted Pine uses local ingredients in brewing its beer when possible. It purchases goods and services from Boulder businesses and used a local contractor for its recent expansion and renovation project.



**Upslope Brewing** contributed more than \$300 per employee to non profit organizations in 2012. The company reconditions wooden pallets to extend their use in the brewery and sends used malt bags to Green Guru where they are up-cycled into bags and totes that are sold in Upslope's tap room. The company purchases many of its goods and services from Boulder companies including Anthem Branding and Wild Goose Engineering.



**Zia Consulting** pays 100% of employee health insurance premiums on select plans, hosts a Zia Wellness Day, provides free CPR/First Aid training and pays 50% of employee parks and rec passes or gym memberships. The company offsets 100% of its energy consumption through renewable wind energy credits purchased through Xcel Energy. The Zia Incubator of Giving enables employees to develop and host creative philanthropic programs and events.

The following table provides an overview of 2012 recipients' current or planned participation in programs that support social, energy and community sustainability. It is important to note the following:

- The table below is based on information provided on Flexible Rebate applications and may not reflect the full range of companies' participation in activities or programs that support sustainability
- Some companies provided only the information related to "points" earned toward demonstrating compliance with sustainability guidelines
- Only those programs or activities that earned "points" are listed in the table, and companies may have included other programs and activities on their Flexible Rebate applications

2012 Flexible Rebate Recipients: Social, Energy and Community Sustainability	American Rec	Gnip	HEAD USA	MBio Diagnostics	RealID	Tensentric	Twisted Pine	Upslope	Zia Consulting
Above average wages	Green	Blue	Grey	Pink	Blue	Grey			Grey
Provides health insurance benefits	Green	Blue	Grey	Pink	Blue	Grey	Blue	Red	Grey
Workplace diversity program							Blue		
Supports non-profits	Green	Blue			Blue	Grey	Blue	Red	Grey
Dependent care									
Housing assistance									
Wellness and health		Blue	Grey	Pink		Grey		Red	Grey
Requested energy assessment	Green		Grey	Pink		Grey	Blue	Red	
10 for Change Challenge participant				Pink		Grey	Blue	Red	
EnergySmart Participation	Green		Grey	Pink		Grey		Red	Grey
Purchased renewable energy credits					Blue				Grey
On-site renewable energy									
Single stream recycling program	Green	Blue		Pink	Blue	Grey			Grey
Environmental Purchasing Policy	Green		Grey	Pink	Blue	Grey	Blue		Grey
Zero Waste program			Grey				Blue	Red	
PACE certified facility							Blue		
LEED certified facility		Blue			Blue				
Commute Trip Reduction program	Green					Grey		Red	Grey
Alternative work schedules; telecommuting	Green					Grey		Red	Grey
Showers and changing facilities	Green		Grey	Pink		Grey		Red	Grey
Secure and covered bicycle parking	Green		Grey	Pink		Grey		Red	Grey
Preferential parking for carpools/vanpools	Green					Grey	Blue		
Increased costs for drive alone commuters									
CTR Financial Incentives			Grey	Pink					
Eco-Pass Program participant		Blue							
Business practices support sustainability	Green						Blue		Grey
Buys from Boulder businesses*	Green	Blue				Grey		Red	

## Conclusion

The City of Boulder's Flexible Rebate Program has continued to provide the Boulder City Manager with an important and effective tool to help retain, grow, and attract businesses that align with Boulder's values and goals and generate a positive return on investment.

In addition to providing a positive return on the dollars invested in incentives, the program provides:

- Strong demonstration of the City's interest in and support of the local business community and an opportunity to make companies feel appreciated.
- Opportunity for the City staff members to strengthen relationships with individual businesses.
- Ability to help mitigate some of the extra costs associated with remaining or expanding in Boulder that were incurred by program participants.
- Careful selection process, including a preliminary ROI calculation, wage and employment projections, and projected expenditures in the community.
- Publicity for growing companies through press releases announcing program awards.

## Appendix A

### Overview of 2012 Flexible Rebate Recipients

The following summaries highlight information provided by each of the companies that were awarded business incentives through the City of Boulder's Flexible Rebate program in 2012.

- American Rec Products
- Gnip
- HEAD USA
- MBio Diagnostics
- RealD
- Tensentric
- Twisted Pine
- Upslope Brewing
- Zia Consulting

## American Rec Products

Established in St. Louis, Missouri in 1988, American Rec Products relocated its headquarters to Boulder in 2010 to capitalize on the city’s outdoor lifestyle branding. The company draws upon decades of experience and a love of the outdoors to develop, test and produce some of the finest camping, backpacking, outdoor equipment and apparel available. American Rec offers a wide variety of gear to complement virtually any outdoor pursuit through mass retailers, sporting goods stores and outdoor specialty outfitters as well as mail order and online. Its collection includes ten of the best-known and best-loved brands in the outdoor industry: Kelty, Sierra Designs, Slumberjack, Wenzel, Rokk, Insta-Bed, Mountain Trails, Ultimate Direction and ISIS.



From its base in Boulder, American Rec pools both physical and intellectual assets, ensuring the continued growth and success of each individual brand in a highly competitive outdoor marketplace. The company grew from 35 to 60 employees when it moved from St. Louis to Boulder in 2010. By moving an additional business to Boulder and changing its business model to bring more responsibilities in-house American Rec grew to 100 employees by 2012, an increase of 35% in two years. While the company does not expect to maintain that same growth rate, it plans to add staff as it grows.



American Rec’s business practices support the livability, health and vitality of Boulder. The company pays above-average wages and offers health insurance benefits to all full-time employees and their dependents. It supports community volunteer efforts, provides paid time off for employees who volunteer and donates its products to local non-profits including the homeless shelter. It purchases a minimum of 25% of its total goods and services from Boulder companies, and supports environmental sustainability through energy efficiency, waste reduction and commute trip reduction programs.

*Having the additional financial support from the City of Boulder enabled us to keep our current location and continue to support Boulder and the initiatives the city and our company promote on a daily basis.*

When American Rec applied for a Flexible Rebate incentive in 2012, its offices had become inadequate. Significant improvements were needed to support continued growth and to provide suitable working conditions for employees and a welcoming environment for buyers visiting from outside Boulder. While the company felt that being in Boulder made a strong statement about its commitment to supporting a healthy, outdoor lifestyle, the need to upgrade its space raised questions about the feasibility of remaining in the city. The additional financial support received from the City of Boulder’s Flexible Rebate Program helped make it possible for American Rec to secure the funding it needed for expanding and remodeling its space and keep the company’s headquarters in Boulder.

American Rec Products	
Industry Sector	Wholesale – Recreation Products
Rebate approved	\$25,000

## Return on Analysis on the 2012 Flexible Rebate Program

Employment	2012	2013	2014
Total Employees: Full/Part Time	100	105	107
Resident Employees – Full & Part Time	38	38	41
Multiplier Effect - Jobs Created	32	32	35

Return on Investment					
Rebate Approved	Rebate Present Value (outflow)	Taxes Present Value (inflow)	Net Present Value	Gross Return on \$1 invested	Net Return on \$1 invested
\$25,000	\$23,140	\$152,929	\$129,789	\$6.61	<b>\$5.61</b>

Social, Community and Environmental Sustainability Support	
Social Sustainability	<ul style="list-style-type: none"> <li>• Pays above average wages*</li> <li>• Health insurance benefits to all full-time employees and dependents*</li> <li>• Supports non-profits* <ul style="list-style-type: none"> <li>○ Donates excess product (sleeping bags and other outdoor equipment) to local non-profits including Boulder homeless shelter</li> <li>○ Provides employees with 3 paid days off each year for volunteering</li> </ul> </li> </ul>
Community Sustainability	<ul style="list-style-type: none"> <li>• Business practices support sustainability*</li> <li>• Volunteer program support for industry initiatives including trail clean-up and sustainability programs</li> <li>• Hosts yoga and fitness training on-site for employees with Boulder-based instructors</li> <li>• Purchases a minimum of 25% of total goods and services (catering, hotels for visitors, conference space for meetings, furniture and equipment, staffing agencies, web design, etc.) from Boulder companies*</li> </ul>
Environmental Sustainability	<ul style="list-style-type: none"> <li>• Requested energy assessment* <ul style="list-style-type: none"> <li>○ Energy assessment after construction and remodeling completed</li> </ul> </li> <li>• EnergySmart participation* <ul style="list-style-type: none"> <li>○ Energy Smart training after construction and remodeling completed</li> </ul> </li> <li>• Participates in single stream recycling and composting*</li> <li>• Plan to implement an environmental purchasing policy*</li> <li>• Preferential parking for carpools/vanpools*</li> <li>• Commute trip reduction programs for employees including alternative work schedules, showers and changing rooms and areas for securing bicycles*</li> <li>• Hired contractor that participates in energy efficient processes</li> <li>• Applied for a generator license to ensure all electronics and toxic material are recycled to meet city requirements</li> </ul>

\*Earned points on application

## Gnip

Gnip is the largest provider of social data in the world and has created official partnerships with leading social media publishers such as Twitter, Tumblr, Foursquare WordPress, Stock Twits and Disqus. The company has helped create an industry that did not exist at the time of Gnip’s founding in 2008. Its leadership in the social data industry helps to solidify Boulder’s reputation for technological innovation and leadership, and this reputation has created a fertile seedbed for cultural diversity and economic vitality.



Gnip’s co-founder Jud Valeski has lived in Boulder nearly all of his life and believes strongly in supporting the community and providing a strong work environment for Gnip employees. The choice to remain in downtown Boulder during its recent expansion demonstrates the company’s commitment to the community. Gnip consciously chooses local vendors; Dish Gourmet, Colt Printing, Amante, Ozo and the St. Julien are among the nearly 150 Boulder-based small businesses that Gnip patronizes.

Gnip has been named a best place to work by the Boulder Chamber and Denver Business Journal. The company provides many employee benefits including free catered breakfasts, snacks, gym memberships, office ski passes, stock options, 401k options, parking, health insurance and flexible vacation policy. Over two-thirds of Gnip’s full-time employees live in Boulder and with average salaries greater than 180% of the county average, they are able to contribute in a meaningful way to the city’s economy. Gnip employees are active in the community, volunteering for non-profits, organizing professional gatherings in Boulder and enjoying the city both individually and collectively. Gnip Gives Back focuses on the company’s philanthropic efforts and makes it easier for employees to engage in community service.



Gnip supports Boulder’s tourism industry and local businesses. In June 2012, Gnip hosted over 200 customers and partners at its inaugural Big Boulder conference, held at the St. Julien hotel. The company hosted dinners and parties at downtown restaurants, provided free coffee at Amante Coffee’s Walnut Street location and contracted with 32 Boulder-based vendors for goods and services related to the conference. Gnip’s headquarters are located in a LEED Gold-level certified building, engages in single stream recycling of its waste and offers Eco Passes and B-cycle memberships to employees.

*This rebate will assist Gnip in its growth strategies by enabling the company to provide hardware, software and other equipment for new employees. As Gnip’s staff size grows, so will its economic footprint and ability to support local vendors, the entrepreneurial community and non-profits.*

The company applied for a Flexible Rebate incentive in 2012 to support growth plans by providing funds to purchase hardware, software and other equipment for new employees. By attracting and retaining competitive applicants, Gnip is able to help generate tax revenue for Boulder through employee purchase of homes, durable goods and everyday consumables.

Gnip	
Industry Sector	Software as a service
Rebate approved	\$45,000

Employment	2012	2013	2014
Total Employees: Full/Part Time	50	80	100
Resident Employees – Full & Part Time	34	54	68
Multiplier Effect - Jobs Created	28	44	53

Return on Investment					
Rebate Approved	Rebate Present Value (outflow)	Taxes Present Value (inflow)	Net Present Value	Gross Return on \$1 invested	Net Return on \$1 invested
\$45,000	\$41,518	\$216,290	\$174,771	\$5.21	<b>\$4.21</b>

Social, Community and Environmental Sustainability Support	
Social Sustainability	<ul style="list-style-type: none"> <li>Pays above average wages*</li> <li>Fixed contribution to help cover cost of health insurance premiums*</li> <li>Wellness and health program for employees*</li> <li>Equal Opportunity Employer and member of the National Center for Women &amp; Information Technology's Entrepreneurial Alliance</li> <li>Donates approx. \$70/employee annually to Boulder-based charities and non-profits; flexible time off policy enables employees to participate in community service*</li> </ul>
Community Sustainability	<ul style="list-style-type: none"> <li>Competitive wage enables employees to buy or rent homes in the city, participate in cultural events, dine out and engage in community events</li> <li>Purchases approximately 25% of its goods and services within Boulder*</li> <li>Supports Boulder businesses including coffee for employees at two local coffee shops</li> <li>Gnip Gives Back program that organizes group service opportunities</li> <li>Hosted Big Boulder, world's largest conference on social data, bringing more than 200 people to Boulder including some of the world's thought leaders in social media for two days</li> </ul>
Environmental Sustainability	<ul style="list-style-type: none"> <li>Single stream recycling of office and kitchen waste*</li> <li>LEED Gold certified building*</li> <li>Purchases environmentally friendly products</li> <li>Eco Passes and B-cycle memberships for employees*</li> </ul>

\*Earned points on application

## HEAD USA, Inc.

HEAD is a leading global manufacturer and marketer of premium sports equipment and apparel. The company is organized into five divisions: Winter Sports, Racquet Sports, Diving, Sportswear and Licensing. The Winter Sports division relocated from Norwalk, Connecticut to Boulder in 2012.



The company was founded in 1950 by Howard Head, a Harvard-educated aerospace engineer who developed the first laminated metal ski. In the late 1960s, the company moved to Boulder where it operated for many years until moving back to Maryland in the 1990s. When the company recently decided to relocate its US headquarters, it received a number of incentive offers from other states and municipalities, including other cities in Colorado. The financial incentive offered by the city through its Flexible Rebate Program helped convince HEAD USA officials of the city's interest in having the company in Boulder.



Today, HEAD Wintersports is proud to once again call Boulder home and has found that having a location in the #1 state for skiing is already proving to be hugely beneficial. Boulder is a great fit for the company and the company is a great fit for the city. The company employs local residents and contributes to the local tax base. As a nationally recognized brand, HEAD will help bring additional attention to Boulder as a great place to do business for outdoor companies. The company has already been focusing on its new home during marketing and sales presentations and is interested in pursuing co-marketing opportunities between Boulder and HEAD.

HEAD believes in sustainable business practices and tries to practice what it preaches. The company is part of a collective that has protected over 100,000 acres of rainforest. It has a LEED® AP (Accredited Professional) on staff and is constantly striving to improve its environmental practices and operations. In remodeling, HEAD used low-VOC paints and adhesives, purchased locally as much as possible and focused on creating a pleasant working environment by adding a large skylight to provide daylight for those without a window. The company's showroom was fitted with formaldehyde-free plywood coated with locally sourced beetle kill pine and LED product lighting to minimize energy use. HEAD is also committed to reducing commutes and encourages employees to ride bikes to work.

*Other states and municipalities made more aggressive financial offers, but Boulder is a great fit for the company and the company is a great fit for Boulder.*

*We have grand plans to grow our business and number of employees. This rebate will help facilitate that growth.*

The Flexible Rebate incentive will help the company offset the major investment made in its Boulder offices and employees relocating to Boulder. The company has added hired several area residents and plans to continue to add staff to its Boulder headquarters. The rebate will help facilitate that growth.

HEAD USA	
Industry Sector	Sporting Goods Distribution
Rebate approved	\$50,000

Employment	2012	2013	2014
Total Employees: Full/Part Time	10	13	20
Resident Employees – Full & Part Time	8	6	10
Multiplier Effect - Jobs Created	8	5	10

Return on Investment					
Rebate Approved	Rebate Present Value (outflow)	Taxes Present Value (inflow)	Net Present Value	Gross Return on \$1 invested	Net Return on \$1 invested
\$50,000	\$46,280	\$39,976	(\$6,304)	\$.86	(\$.14)

Social, Community and Environmental Sustainability Support	
Social Sustainability	<ul style="list-style-type: none"> <li>Pays above average wages*</li> <li>Comprehensive medical, dental and vision coverage for employees; company pays 80% of premiums for full-time employees*</li> <li>Health and wellness program for employees*</li> <li>Plans to support local non-profits including arts organizations</li> </ul>
Community Sustainability	<ul style="list-style-type: none"> <li>Committed to furthering city policies and initiatives related to economic vitality, environmental sustainability and health and wellness</li> <li>Provides a healthy, employee-friendly workplace</li> <li>Provides employees with an opportunity to succeed financially</li> <li>Purchases a high percentage of goods and services locally</li> </ul>
Environmental Sustainability	<ul style="list-style-type: none"> <li>Requested energy assessment*</li> <li>EnergySmart participation*</li> <li>Used environmentally friendly materials in office remodeling including low-VOC paints, locally sourced beetle kill pine and LEC lighting</li> <li>Single stream recycling with recycle bins at desks, in kitchen and at workstations</li> <li>Purchase products that are environmentally friendly*</li> <li>Waste composting and other programs to reduce waste*</li> <li>Encourages employees to ride bikes to work by helping with purchase of a bicycle, providing bike racks and shower facilities, and allowing employees to store bikes indoors*</li> <li>Commuter Trip Reduction financial incentives*</li> <li>Working with City of Boulder LEAD staff to further develop energy efficiency and waste reduction programs</li> </ul>

\*Earned points on application

## MBio Diagnostics, Inc.

MBio Diagnostics, Inc. was established in 2009 through a spin off from Boulder-based Precision Photonics to focus on research and development efforts for medical devices designed to provide rapid diagnosis of infectious diseases with a high global impact such as HIV and hepatitis. “MBio” is a Swahili word meaning quick or fast.



The company anticipates market introduction of their first product in late 2014 which will lead to the creation of dozens of new manufacturing, R&D and administrative jobs in Boulder in coming years.

In October 2012, MBio renovated a 17,000 square foot building in Boulder to accommodate their need for additional space. Financial support provided by the City’s Flexible Rebate Program will help offset the costs associated with the expansion of Bio’s development and manufacturing space, research team and equipment necessary to continue the company’s growth.

MBio employees include PhD-level research and development scientists, laboratory, manufacturing, marketing and administrative personnel. The company’s employees are active in the Boulder community and provide an economic benefit by spending their disposable income, from shopping and dining to the purchase of real estate. The company encourages its employees to maintain a work life balance, and many enjoy their leisure, entertainment and exercise in Boulder. Employees are also encouraged to use alternate modes of transportation and the company provides shower facilities and indoor bike parking. The majority of employees bike to work.



While the nature of the company’s highly specialized research and development activities limit its ability to purchase goods and services locally, MBio uses Boulder businesses whenever possible for catering, office supplies and entertainment.

*We intend to use proceeds from this program to offset costs associated with the expansion of both the physical resources and the team, as well as acquisition of necessary equipment to continue our company’s growth.*

On an ongoing basis, MBio entertains visits by customers, investors, recruits and partners. Each visit generates local economic activity and tax revenue through hotel stays, meals and entertainment, etc.

As MBio grows to meet its commercialization goals it will be necessary to recruit experts in the medical device industry, many of whom are expected to be from outside the local area. These recruits will be a valuable addition to the Boulder workforce and help to enhance the attractiveness of Boulder to other biotechnology companies.

MBio Diagnostics	
Industry Sector	Bioscience – Medical Devices
Rebate approved	\$30,000

Employment	2012	2013	2014
Total Employees: Full/Part Time	32	32	49
Resident Employees – Full & Part Time	14	15	32
Multiplier Effect - Jobs Created	36	39	82

Return on Investment					
Rebate Approved	Rebate Present Value (outflow)	Taxes Present Value (inflow)	Net Present Value	Gross Return on \$1 invested	Net Return on \$1 invested
\$30,000	\$27,902	\$183,254	\$155,352	\$6.57	<b>\$5.57</b>

Social, Community and Environmental Sustainability Support	
Social Sustainability	<ul style="list-style-type: none"> <li>Pays above average salary*</li> <li>Competitive benefits including short and long term disability and health and dental insurance for employees and their dependents*</li> <li>Plan to institute a Health and Wellness program with subsidized City of Boulder Parks and Recreation annual passes for employees*</li> </ul>
Community Sustainability	<ul style="list-style-type: none"> <li>Business practices demonstrate company and employee concern with social and environmental impact on community</li> <li>Uses local vendors where feasible</li> <li>Plans to recruit additional experts in the medical devices industry to Boulder market, enhancing attractiveness to other biotechnology companies</li> </ul>
Environmental Sustainability	<ul style="list-style-type: none"> <li>Encourages employee use of alternative transportation; provides showers and indoor bicycle parking*</li> <li>Provides single stream recycling bins throughout the facility*</li> <li>Recycles non-single stream items, i.e., Styrofoam at CHARM</li> <li>Purchases Energy Star equipment when possible and uses recycled paper products when available</li> <li>Commuter Trip Reduction financial incentives*</li> <li>Plans to implement an environmental purchasing policy*</li> <li>Plans to participate in 10 for Change Challenge and request an energy efficiency assessment by the Energy Smart team*</li> </ul>

\*Earned points on application

**RealD Inc.**

RealD is a leading global licensor of visual technologies. RealD’s extensive intellectual property portfolio is used in applications that enable a premium 2D or 3D viewing experience in the movie theater, the home and elsewhere. The company pioneered today’s digital 3D and is currently the world’s most widely used 3D cinema projection technology.



Founded in 2003, RealD purchased Boulder-based Colorlink after the company played an instrumental role in collaborating with RealD to develop RealD’s first 3D cinema projection system. Although the company is headquartered in Beverly Hills, its Boulder location plays a major role in company operations including research and development, manufacturing and customer support.

The company pays above average wages, covers 96% of the cost of health insurance premiums for all full-time employees and their dependents, donates at least \$25/year per full-time employee to local non-profits and is committed to supporting local businesses. In 2012, the company donated 800 pounds of food to the local food bank and contributed funds to the Blue Sky Bridge foundation.

RealD has committed to offsetting the equivalent of 100% of the facility energy for the next two years, participates in single stream recycling and has a sustainable purchasing policy.

*Receiving a rebate has given us the ability to host more visitors and allowed RealD to further invest in its employees. Having happy and satisfied employees directly benefits the company.*



RealD hosts a number of visitors including celebrity filmmakers, entertainment industry executives, vendors, industry partners, clients and prospective clients. The company also has a policy requiring numerous employees from the Beverly Hills office to visit the Boulder facility on a weekly basis. Those visitors support the local economy by staying in local hotels and visiting local eateries. As the popularity of 3D and other visual technologies developed by RealD has grown, visits to the company’s offices in Boulder have increased.

RealD needed to expand its Boulder facility to accommodate visitors, grow its workforce and expand its capacity to manufacture 3D cinema systems. Receiving a Flexible Rebate incentive had a positive influence on the company’s decision to remain in Boulder. RealD now has two facilities in the city that provide the ability to host visitors and demonstrate RealD’s technology, and house the company’s R&D, engineering, cinema field support, purchasing and manufacturing teams.

RealD	
Industry Sector	Technology and Entertainment
Rebate approved	\$80,000

## Return on Analysis on the 2012 Flexible Rebate Program

Employment	2012	2013	2014
Total Employees: Full/Part Time	67	77	81
Resident Employees – Full & Part Time	14	15	16
Multiplier Effect - Jobs Created	12	13	14

Return on Investment					
Rebate Approved	Rebate Present Value (outflow)	Taxes Present Value (inflow)	Net Present Value	Gross Return on \$1 invested	Net Return on \$1 invested
\$80,000	\$73,513	\$219,362	\$145,849	\$2.98	<b>\$1.98</b>

Social, Community and Environmental Sustainability Support	
Social Sustainability	<ul style="list-style-type: none"> <li>• Pays above average wages*</li> <li>• Pays 96% of health insurance premiums for all full-time employees including medical coverage for full-time employees and their dependents*</li> <li>• Supports non-profits* <ul style="list-style-type: none"> <li>○ Donates at least \$25/year per full-time employee to local non-profits</li> <li>○ In 2012, RealD donated 800 pounds of food to the local food bank and contributed funds to the Blue Sky Bridge foundation</li> </ul> </li> </ul>
Community Sustainability	<ul style="list-style-type: none"> <li>• Hosts approximately 12 guests per week, supporting local hotels, restaurants and retail stores</li> <li>• At least 50% of company employees eat lunch at local restaurants</li> <li>• Future hires are expected to come from out of state, contributing to increased home sales and rental activity</li> </ul>
Environmental Sustainability	<ul style="list-style-type: none"> <li>• Purchased green-e certified renewable energy credits; committed to offsetting the equivalent of 100% of the facility energy use for the next two years*</li> <li>• Participates in single stream recycling*</li> <li>• Has a sustainable purchasing policy to encourage the purchase and use of materials and products that meet identified sustainability measurements*</li> <li>• Registered new building with the GBCI and targeted LEED for Commercial Interiors Silver certification*</li> </ul>

\*Earned points on application

## Tensentric

Boulder-based Tensentric is a rapidly growing engineering firm focused on designing and developing medical devices. Tensentric provides clients with all engineering disciplines (software, electrical, mechanical, optical, quality and reliability, etc.) to help clients take their products from concept through complete design and transition to manufacturing. Tensentric serves many top 10 medical device OEMs (original equipment manufacturers) as well as medical and life science startups. Company engineers hold more than 75 patents and Tensentric has participated in over 30 major projects and designed more than 200 medical devices. Most Tensentric clients are located outside Colorado and the company brings significant revenue into the state and local economy.



The company was founded in 2009 and grew from two to 35 full-time employees and more than a dozen full-time contractors in three years – creating over 50 high-paying jobs in Boulder. As a result of the company’s growth, Tensentric needed to find a larger space and invested over \$4 million to purchase and remodel a facility in Boulder.

Tensentric has a diverse (over 30% are women or minorities) and highly skilled workforce with an average wage that is significantly higher than average. The company supports the health and wellness of employees. It offers six health plans and covers 100% of employee health insurance premiums, on-site fitness equipment and discounts on gym memberships. The company has programs in place to reduce commute trips, offering alternative work schedules, telecommuting and flexible hours. To facilitate telecommuting, Tensentric equips employees with computing workstations at their homes as well as the office. Employees are encouraged to bike to work or carpool. The company’s new facility is located next to a city bike path, has showers and changing facilities and provides both indoor and outdoor secure bike storage. Premium parking spaces are reserved for employees who carpool.



*Our growth has been remarkable and enabled us to create 50 high-paying jobs in Boulder.*

*The Flexible Rebate Program helped us purchase and remodel an existing building in Boulder – representing an investment of more than \$4 million.*

Tensentric is committed to energy sustainability and plans to participate in 10 for Change, and request an on-site energy use and energy efficiency opportunities assessments. The company also has a recycling program and environmental purchasing policy that includes paper, office, kitchen and cleaning supplies and encourages employees, suppliers and customers to be environmentally conscious. The company’s Partners in Caring Program supports non-profit organizations including Global Hope, Boulder AIDS Project, Engineering World Health and Health Trust AIDS Services. The company also provides matching donations for employee contributions to eligible charities. Tensentric is also committed to supporting the local economy and purchases goods and services locally whenever possible.

Tensentric	
Industry Sector	Bioscience – Medical Devices
Rebate approved	\$40,000

Employment	2012	2013	2014
Total Employees: Full/Part Time	35	39	45
Resident Employees – Full & Part Time	8	9	10
Multiplier Effect - Jobs Created	7	8	9

Return on Investment					
Rebate Approved	Rebate Present Value (outflow)	Taxes Present Value (inflow)	Net Present Value	Gross Return on \$1 invested	Net Return on \$1 invested
\$40,000	\$36,757	\$140,355	\$103,598	\$3.82	<b>\$2.82</b>

Social, Community and Environmental Sustainability Support	
Social Sustainability	<ul style="list-style-type: none"> <li>• Pays above average wages*</li> <li>• Health insurance for employees; company pays 100% of employee premiums; insurance available for all employee dependents*</li> <li>• Supports diversity; over 30% of employees are women or minorities</li> <li>• Supports non-profits*                             <ul style="list-style-type: none"> <li>○ Tensentric’s Partners in Caring Program made charitable donations of more than \$50,000 in 2012</li> <li>○ Matches employee contributions to eligible charities</li> </ul> </li> <li>• Wellness and health*                             <ul style="list-style-type: none"> <li>○ Pays a portion of employee gym memberships</li> <li>○ Provides on-site showers, changing facilities and fitness equipment</li> </ul> </li> </ul>
Community Sustainability	<ul style="list-style-type: none"> <li>• Purchases goods and services in Boulder when possible, including office supplies and catering*</li> <li>• Purchased and remodeling building in Boulder</li> <li>• Uses local consultants when available</li> <li>• Visitors to the company represent an estimated 100 room nights/year</li> </ul>
Environmental Sustainability	<ul style="list-style-type: none"> <li>• Participates in 10 for Change*</li> <li>• Plans to request energy assessment and participate in Energy Smart*</li> <li>• Single-stream recycling program*</li> <li>• Environmental purchasing program that encourages employees, suppliers and customers to be environmentally conscious*</li> <li>• Commuted trip reduction program including alternative work schedules, telecommuting and flexible hours.*</li> <li>• Encourages carpooling with carpool parking close to doors*</li> <li>• Encourages biking to work with shower and changing facilities, secure bike parking inside and outdoors*</li> </ul>

\*Earned points on application

## Twisted Pine Brewing Company

Twisted Pine Brewing Company’s first batches were brewed in 1995 by craft beer industry legend Gordon Knight in a small facility on Valmont Road in Boulder. Gordon initially offered American Amber, Honey Brown and Raspberry Wheat, and all three remain Twisted Pine staples to this day. In late 2006, Gordon sold the business to a friend and current owner, Bob Baile, founder of Peak to Peak Brewing Company in Rollinsville, Colorado. The breweries merged and Bob’s recipes were added to Twisted Pine’s lineup. In 2003, Twisted Pine moved into a much larger facility, allowing the company to expand capacity and open an ale house which has become a popular gathering place for Boulder locals and visitors alike.



Over the years, the brewery has earned a wall full of awards including four Great American Beer Festival medals and two World Beer Cups. Today, Twisted Pine is driven by innovation in brewing and strong community involvement. The City of Boulder’s Flexible Rebate Program helped support Twisted Pine’s decision to expand and remain in Boulder.

Many people visit Boulder to take brewery tours and Twisted Pine offers them a unique experience and friendly environment. The company’s Ale House provides a meeting place for friends and acts as an incubator for community organizations such as BioBeers.

Recognizing that its loyal customers allow Twisted Pine to pursue its passion for beer, the company strives to give back as much and as often as possible. The company holds monthly benefits to support the community, raising over \$10,000 in 2011 for local non-profits and collecting over 100 pounds of food for Emergency Family Assistance Association. Twisted Pine employs Imagine!, a local non-profit that supports individuals with physical and cognitive disabilities, for box building, mixed twelve-pack filling and janitorial services.

The company buys local ingredients when possible, including espresso products from the Unseen Bean for its award-winning Espresso Stout. It also used a local contractor, Pine Construction, to complete its expansion and renovation program. Twisted Pine has received a zero-waste rating by Western Disposal. The company recycles glass, cans and cardboard and its Ale House is 100% compostable. It has also installed a water tank to ensure no reusable water goes down the drain. Most of Twisted Pine employees rent or own houses and spend their income in Boulder. The company encourages the use of alternative modes of transportation and most of its employees get to work by walking, riding their bikes, riding the bus or carpooling.

*We have been supporting Boulder and receiving support from Boulder for the past 17 years. After completing an expensive expansion, we have no intention of ever leaving the city that helped us grow.*

Twisted Pine Brewing Company	
Industry Sector	Manufacturing – Beverage
Rebate approved	\$45,000

Employment	2012	2013	2014
Total Employees: Full/Part Time	19	22	29
Resident Employees – Full & Part Time	13	20	23
Multiplier Effect - Jobs Created	28	26	39

Return on Investment					
Rebate Approved	Rebate Present Value (outflow)	Taxes Present Value (inflow)	Net Present Value	Gross Return on \$1 invested	Net Return on \$1 invested
\$45,000	\$40,758	\$155,784	\$115,026	\$3.82	<b>\$2.82</b>

Social, Community and Environmental Sustainability Support	
Social Sustainability	<ul style="list-style-type: none"> <li>Provides health insurance benefits for employees*</li> <li>Holds monthly benefits to support local non-profits*</li> <li>Encourages workforce diversity*</li> <li>Employs Imagine! for box building, product filling and janitorial services</li> </ul>
Community Sustainability	<ul style="list-style-type: none"> <li>Buys local ingredients whenever possible</li> <li>Used a local contractor to complete expansion and renovation</li> <li>Supports local restaurants and businesses</li> <li>Provides a meet-up place for friends and acts as an incubator for organizations such as BioBeers</li> </ul>
Environmental Sustainability	<ul style="list-style-type: none"> <li>Ale House is zero waste; uses only compostable products*</li> <li>Recycles glass, cans and cardboard</li> <li>Working toward a PACE certification*</li> <li>Participates in 10 for Change program*</li> <li>Requested energy assessment*</li> <li>Energy audit to identify opportunities to improve energy efficiency</li> <li>Preferential parking for carpools/vanpools*</li> <li>Most employees use alternative modes of transportation to work</li> <li>Purchased a water storage tank to recycle water used in brewing</li> <li>Has an Environmental Purchasing Policy*</li> <li>Business practices support sustainability*</li> </ul>

\*Earned points on application

## Upslope Brewing Company

Upslope Brewing Company was founded in 2008 by Matt Cutter, based on a dream and love of homebrewing beer. The brewery started with two employees – Matt, who kept his day job and spent mornings, evenings and weekends building the company, and his business partner who worked full time -- in a small space in North Boulder. The company has grown dramatically; increasing capacity from 80 barrels in 2008 to approximately 12,000 barrels in 2012, and staff from 2 to 27 employees.



Upslope sells its beer exclusively in Colorado and half its sales are in Boulder County. The company envisions further expansion in the state and possibly in other states. To accommodate planned growth and expansion, Upslope recently opened an additional facility in Boulder. During the planning process for the new location, the company received incentive offers from other cities. Receiving a Flexible Rebate incentive helped make staying in Boulder a competitive option for the company. The rebate has also enabled Upslope to hire more employees and continue to expand in Boulder.

The company has strived for sustainable growth and business development while maintaining a high standard for product quality. Upslope supports workforce diversity, pays competitive wages and offers health insurance benefits to employees. The company supports commute trip reduction through encouraging employees to carpool or bike to work. Recycling is a part of the company culture and aluminum, glass, office paper and cardboard are recycled. Upslope is also working toward becoming a zero waste facility. Used plastic wrap is taken to Eco-cycle to be compacted and responsibly recycled. Wooden pallets that are broken or unusable are refurbished for continued use in the brewery. Super sacks, 1-ton malt bags, are up-cycled to Boulder’s Green Guru and made into bags, totes and other products that are sold in our tap room. Food waste from events and the company’s tap room are composted.



Whenever possible the company purchases goods and services locally; suppliers include Anthem Branding, Wild Goose Engineering, Savory Spice Shop, Dragonfly Coffee Roasters, Bookcliff Winery, Cured Cheese Shop, McGuckins Hardware, Munson Farms, Green Guru, Tundra and many more. Upslope’s Flatiron Park tap room supports Boulder tourism and provides an important amenity and meeting place for area businesses. Upslope supports many local charities and non-profits including the Colorado Music Festival, There with Care, Invest in Kids, Crestview Elementary, Colorado Trout Unlimited, Brewers Association and many more. The company donates 1% of all proceeds from Craft Lager sales to Colorado Trout Unlimited to help protect the state’s watersheds. In 2012, Upslope contributed over \$300 per employee to non-profits in goods, services and monetary donations.

*The rebate created a competitive bid for staying in Boulder. It has allowed us to expand in Boulder and hire more employees.*

Upslope Brewing Company	
Industry Sector	Manufacturing – Beverage
Rebate approved	\$50,000

Employment	2012	2013	2014
Total Employees: Full/Part Time	20	27	36
Resident Employees – Full & Part Time	14	21	27
Multiplier Effect - Jobs Created	28	39	48

Return on Investment					
Rebate Approved	Rebate Present Value (outflow)	Taxes Present Value (inflow)	Net Present Value	Gross Return on \$1 invested	Net Return on \$1 invested
\$50,000	\$46,280	\$436,589	\$390,309	\$9.43	<b>\$8.43</b>

Social, Community and Environmental Sustainability Support	
Social Sustainability	<ul style="list-style-type: none"> <li>Competitive salaries – on par with Brewers Association standards for production breweries</li> <li>Health insurance benefits for employees*</li> <li>Supports local non-profits including Colorado Music Festival, There with Care, Crestview Elementary, Invest in Kids, Brewers Association, Colorado Trout Unlimited and many more*</li> <li>Wellness and health program*</li> </ul>
Community Sustainability	<ul style="list-style-type: none"> <li>Purchases goods and services locally whenever possible*</li> <li>Supports Boulder tourism</li> <li>Provides amenity for nearby businesses</li> </ul>
Environmental Sustainability	<ul style="list-style-type: none"> <li>Requested energy assessment*</li> <li>Will upgrade Lee Hill facility to increase energy efficiency</li> <li>Worked with Energy Smart program to improve sustainability and efficiency during renovations at Flatiron park facility*</li> <li>Participates in 10 for Change*</li> <li>Working with Xcel Energy to assess on-site energy use at Flatiron facility</li> <li>Worked with Sustainable Ideas to improve practices at Lee Hill facility</li> <li>Recycles aluminum, glass, office paper and cardboard and provided employee education on recycling including hard-to-recycle items</li> <li>Recycles plastic wrap through Eco-Cycle; Reconditions unusable wooden pallets to extend their use and keep them out of the landfill</li> <li>Works with Green Guru to turn large malt bags into bags, totes and other items and sells them in tap room</li> <li>Composts food waste, paper towels and other compostable items*</li> <li>Reduces commute trips by encouraging employees to bike to work or carpool and telecommuting for non-production employees*</li> </ul>

\*Earned points on application

## Zia Consulting

Zia Consulting was created based on the recognition that businesses need to address environmental, communication and efficiency shortfalls and that Enterprise Content Management could solve these issues by converting paper files into cloud-based searchable documents and project management integration. Zia founders were also committed to creating a company in which employees feel happy and cared for and work in an environment that promotes personal and professional growth.



The company pays its employees above-average salaries, covers up to 100% of the premiums for health insurance, and has a wellness and health program that includes Zia Wellness Day, free CPR/First Aid training, and subsidized gym memberships. It also provides secure bike storage and shower facilities.



Zia is committed to environmental sustainability and developed a “Paper to Mobile” campaign to reduce paper waste and increase workplace efficiency and productivity. The company also offers flexible work schedules and encourages telecommuting to help employees save money on gas while decreasing fossil fuel consumption and the number of cars on the road. The company used energy efficient equipment and environmentally friendly products in its office renovation, offsets its energy consumption through the purchase of renewable wind energy, has an

environmental purchasing policy, has a recycling program to reduce waste and has taken steps to identify opportunities to further increase energy efficiency.

The company has created the Zia Incubator of Giving (ZIG) to encourage employees to create philanthropic programs that serve the Boulder community. Through ZIG, employees have developed several programs including one that matches tech-savvy companies willing to donate their time and expertise with local non-profits who need help in identifying and finding solutions to software needs.

Zia has been growing at a rapid pace and had reached a point where it needed to expand from a 4,000 to 13,000 square foot office space. The company was able to find office space in Flatiron Park, but needed to make costly renovations to make the space suitable to meet its clients and employee needs. Money from the Flexible Rebate Program helped the company purchase furniture and equipment for its new offices and upgrade employee computers and software.

*Zia is dedicated to its employees, the environment, and helping those in need.*

*Money from the Flexible Rebate Program has enabled Zia to maintain a business presence in Boulder, employ more Boulder residents and allow us to continue our philanthropic endeavors and environmental sustainability program.*

Zia Consulting	
Industry Sector	Technology, software
Rebate approved	\$30,000

Employment	2012	2013	2014
Total Employees: Full/Part Time	35	62	76
Resident Employees – Full & Part Time	17	31	55
Multiplier Effect - Jobs Created	15	26	47

Return on Investment					
Rebate Approved	Rebate Present Value (outflow)	Taxes Present Value (inflow)	Net Present Value	Gross Return on \$1 invested	Net Return on \$1 invested
\$30,000	\$27,634	\$132,873	\$105,239	\$4.76	<b>\$3.76</b>

Social, Community and Environmental Sustainability Support	
Social Sustainability	<ul style="list-style-type: none"> <li>Pays above average wages*</li> <li>Encourages personal growth of employees</li> <li>Pays up to 100% of employee health insurance premiums*</li> <li>Subsidizes cost of employee gym memberships*</li> <li>Provides free CPR/First Aid training for employees*</li> </ul>
Community Sustainability	<ul style="list-style-type: none"> <li>Business practices support sustainability*</li> <li>Supports philanthropy through programs developed by internal think tank (Zia Incubator of Giving)*</li> <li>Projects include hat and glove drive , food drive, and program that matches non-profits with tech consultants who provide free assistance with software needs assessments and purchase decisions</li> <li>Purchases goods and services locally whenever possible</li> </ul>
Environmental Sustainability	<ul style="list-style-type: none"> <li>Used energy efficient fixtures in office renovation</li> <li>Purchases renewable energy credits*</li> <li>Participates in Energy Smart program*</li> <li>Single stream recycling*</li> <li>Environmental purchasing policy*</li> <li>Commute Trip Reduction program*</li> <li>Offers flexible work schedules and encourages telecommuting*</li> <li>Provides showers and safe bike storage for employees*</li> </ul>

\*Earned points on application

## Appendix B

### Financial Analysis Assumptions and Data Sources; Objective and Methodology

The following summary outlines the format, assumptions and data sources used to analyze each company which received a rebate incentive from the City of Boulder in 2012.

The ROI Analysis of the 2012 City of Boulder Flexible Rebate Program uses a model specifically developed to provide a reasonable and conservative estimate of the value of the investment to the local economy. Inputs include total employment, number of workers who reside in Boulder, wages, and local expenditures. The model utilizes 2011 job multipliers created by Minnesota IMPLAN Group for the city of Boulder. Utilizing the job multiplier specific to the industry of each recipient, we can more reliably demonstrate the impact each company has on inducing additional job creation in the local area.

Multiplier factors are developed by economists by industry. For instance, the multiplier factor for aerospace is higher than one for professional services. This is based upon data which shows differences in supplier/services utilization and other factors by industry. For example, if a company is in Food Product (NAICS 311), the job multiplier is 2.464 (1.00 direct job and 1.464 indirect induced jobs). If a company in this category has 20 direct employees, research shows that those jobs will induce 29.28 (1.464 \* 20) indirect jobs (consultants, suppliers, retail, etc.) in the community. This analysis applied the IMPLAN job multiplier only to the number of employees who are also Boulder residents.

The analysis also estimates the benefit (sales tax) generated by expenditures of employees who live in Boulder. Those consumer expenditures were derived from the Bureau of Labor Statistics, 2012 Consumer Expenditures Survey for the U.S. population. Only those expenditures that would be subject to city sales tax and most likely to occur locally are included. The data is based upon income levels before tax, so a person earning over \$70,000 a year is shown to spend more than someone earning between \$20,000 and \$29,900 per year. Non-resident employees were assumed to spend an average of \$25/week for 50 weeks per year.

The analysis covers 2012-2014, the three-year period of the agreement each recipient has with the city. The discounted cash flows provide the current value of future income and expenses. The benefits shown by the analysis are derived *solely from city taxes and fees* paid directly by:

- The companies when spending on construction projects, capital goods (furniture and equipment) and general local purchases,
- The companies on any local sales of products and services subject to local tax,
- Visitors to the company spending in Boulder,
- Their direct employees when purchasing in Boulder, and,
- The indirect employees, those jobs induced at other companies by the company being here, when purchasing in Boulder

The costs reflect the payout of the rebate incentive to the company at the time it is anticipated the company will provide proof of taxes/fees paid and will actually receive the reimbursement.

To provide as accurate an analysis as possible, the BEC provided each Flexible Rebate recipient with a draft of the analysis for their company and a summary of the information used in the analysis from the company's application including number of employees, number of resident employees, average salaries, and expenditures in the city. The companies were asked to provide updates and additional information. Those changes were reflected in the final analysis and report.

Other notes about the 2012 analysis:

- The model discounts the future cash flow into current dollars using a rate of 5%, the historical cost of capital identified by the City of Boulder’s Finance Department.
- 2012-2014 data was used in the analysis to remain consistent with the city’s original timing and the requirement that the companies agree to remain in Boulder for three years.
- Data provided by the companies in their original applications was updated based on subsequent information provided by companies on actual or updated projections of employee and salary figures, final construction costs, etc.
- The 2012 ROI analysis used the same model as previous years and included the impact of company expenditures and estimated spending by direct and indirect employees for a more comprehensive look at the impact on the community.
- Part time employees were included if applicable.
  - Employee spending estimates were based on Bureau of Labor Statistics Consumer Expenditures Survey from 2012, the most recent data available. To estimate employee spending, average US consumer expenditure data was used. Data for wage levels that matched each company’s average salary was used to estimate spending for direct employees and the average wage for City of Boulder residents was used to estimate indirect employee spending. Based on the demographic characteristics and spending habits of Boulder residents, the use of spending data based on national averages is likely to provide a conservative estimate. Spending categories (Table 1202 National figures by income) included:
    - Food, Apparel and services, Vehicle maintenance and repairs
    - Housing – maintenance, repairs, insurance, other (50%), Housekeeping supplies, Household furnishings and equipment
    - Entertainment
- To estimate the multiplier effect of jobs supporting additional jobs, Minnesota IMPLAN Group, Inc. 2011 employment multiplier data by NAICS (North American Industry Classification System) code for Boulder was used. Multipliers are generally available at the two-digit or three-digit NAICS code level which is at a broad-grouping level of industry segments. Type SAM multipliers for the following NAICS codes were used in the analysis:
  - 312 Beverage Manufacturing: Twisted Pine, Upslope Brewing (3.186843)
  - 334 Computers and Other Electronic Product Manufacturing: MBio Diagnostics (3.574056)
  - 42 Wholesale Trade: American Rec, HEAD USA (2.009522)
  - 541 Professional, Scientific, and Technical Services: Gnip, RealD, Tensentric, Zia Consulting (1.853741)
- The average compensation used for indirect or induced jobs is \$58,331, the average wages for the City of Boulder (*Bureau of Labor Statistics, 2012*). Induced jobs include software programmers, engineers, construction, retail, personal service and many others.
- For non-residential employees, spending was estimated at an average of \$25.00 per week for 50 weeks. This is well below the average spending for daytime visitors to Boulder of \$81 per day based on 2010 data from the Boulder Convention and Visitors Bureau.

## Appendix C

### Return on Investment– All Rebate Recipients: 2007 – 2012

Since the Flexible Rebate Program was introduced in 2007, a total of 44 companies have been approved for rebates through the program totaling \$2,053,480. The total net return to the City of Boulder is projected to be \$19.6 million in taxes and fees associated with capital expenditures and facility improvements, local sales, overnight visitors and direct and indirect employee spending or \$10.58 for every \$1 invested. The ROI has varied from year to year depending on the mix of companies participating in the program and economic conditions.

Flexible Rebate Funding and Returns: All Rebate Recipients 2007 - 2012						
Program Year	Program Funding	Total Approved Rebates	Total Recipients	Approve Rebate PV	Net Return PV	Net Return on \$1
2007	\$500,000	\$500,000	7	\$454,661	\$6,096,276	\$14.41
2008	\$350,000	\$322,135	8	\$284,752	\$2,498,800	\$8.78
2009	\$350,000	\$209,979	7	\$193,216	\$5,582,354	\$28.89
2010	\$350,000	\$320,366	7	\$291,147	\$3,437,388	\$11.81
2011	\$350,000	\$281,000	6	\$246,410	\$728,746	\$2.96
2012	\$395,000*	\$395,000	9	\$363,782	\$1,312,377	\$3.61
<b>Total</b>	<b>\$2,295,000</b>	<b>\$2,028,480</b>	<b>44</b>	<b>1,833,968</b>	<b>\$19,655,941</b>	<b>\$10.72</b>

\*includes \$350,000 budgeted amount and \$45,000 in carryover funds from previous unused funds.

### 2007 Return on Investment – All Recipients

*Conclusion from 2007 analysis report:* The companies all provide broad benefits to the community, not only economically, but socially and environmentally as well. The full benefits analysis provides a conservative assessment of their economic impact at a \$6.1 million return over three years on the investment made by the city in the form of incentives. However, even when taking a very limited incremental view of the benefits derived from the rebates by only including projects we might not have won and businesses that might otherwise have moved out of Boulder, the city management can feel confident that a strong, net return of \$1.9 million is still being earned on this investment.

Return on Investment – 2007 Flexible Rebate Recipients (2007 – 2009)					
	Rebate Approved	Rebate PV	Tax Revenue PV	Net Return PV	Net Return on \$1 invested
Ball Aerospace	\$100,000	\$90,703	\$2,219,704	\$2,219,001	\$24.47
Crispin Porter + Bogusky	\$100,000	\$90,971	\$1,109,089	\$1,018,117	\$12.19
IBM*	\$100,000	\$90,703	\$2,511,545	\$2,420,842	\$27.69
LeftHand Networks	\$80,698	\$74,073	\$144,840	\$70,769	\$1.96
Mountain Sports Media	\$44,917	\$40,741	\$224,678	\$183,937	\$5.51
OZ Architecture	\$49,578	\$44,969	\$234,202	\$189,234	\$5.21
Solekai Systems	\$24,807	\$22,501	\$106,876	\$84,376	\$4.75
<b>2007 Total</b>	<b>\$500,000</b>	<b>\$454,661</b>	<b>\$6,550,935</b>	<b>\$6,096,276</b>	<b>\$14.41</b>

PV = Present Value; Net return represents the current value of income to the City of Boulder (estimated tax revenue) over the three years of the program less the current value of the expenditures (approved rebate).

\*Only includes taxes and fees generated by the new data center that the incentive helped win for Boulder

### 2008 Return on Investment – All Recipients

*Conclusion from 2008 analysis report:* The companies all provide broad benefits to the community, not only economically, but socially and environmentally as well. The full benefits analysis provides a conservative assessment of their economic impact at a \$4.5 Million return over three years on the investment made by the city in the form of incentives. However, even when taking a very limited incremental view of the benefits derived from the rebates by only including projects we might not have won and businesses that might otherwise have moved out of Boulder, the city management can feel confident that positive net return of \$288,699 is still being earned on this investment.

Return on Investment – 2008 Flexible Rebate Recipients (2008 – 2010)					
	Rebate Approved	Rebate PV	Tax Revenue PV	Net Return PV	Net Return on \$1 invested
Advanced Thin Films	\$50,000	\$47,619	\$152,748	\$105,129	\$2.21
Chocolove	\$24,535	\$21,849	\$53,089	\$31,240	\$1.43
Eco-Products	\$29,000	\$26,304	\$389,311	\$363,007	\$13.80
Namaste Solar	\$29,086	\$26,382	\$697,129	\$670,747	\$25.42
Rally Software	\$50,000	\$44,833	\$232,406	\$187,573	\$4.18
Seth Ellis Chocolatier	\$39,514	\$34,826	\$61,893	\$27,067	\$0.78
Siemens Wind Power	\$50,000	\$37,588	\$33,555	(\$4,033)	(\$0.11)
Wall Street on Demand	\$50,000	\$45,351	\$1,163,070	\$1,118,070	\$24.65
<b>2008 Total</b>	<b>\$322,135</b>	<b>\$284,752</b>	<b>\$2,783,552</b>	<b>\$2,498,800</b>	<b>\$8.78</b>

*PV = Present Value; Net return represents the current value of income to the City of Boulder (estimated tax revenue) over the three years of the program less the current value of the expenditures (approved rebate).*

### 2009 Return on Investment – All Recipients

*Conclusion from 2009 analysis report:* The companies greatly benefit the community, both economically and socially, and are important to Boulder's image. The conservative estimate of a \$5.6 million net return on investment suggests the program is still a very strong investment for the city. Even when looking at only the incremental returns, the \$488,819 net return on investment (which does not include Celestial Seasonings, another incremental gain) represents positive economic gains that are clearly advantageous.

Return on Investment – 2009 Flexible Rebate Recipients (2009 – 2011)					
	Rebate Approved	Rebate PV	Tax Revenue PV	Net Return PV	Net Return on \$1 invested
Celestial Seasonings	\$56,441	\$51,194	\$973,871	\$922,677	\$18.02
eTown	\$50,000	\$47,619	\$205,253	\$157,634	\$3.31
IBM	\$35,000	\$31,746	\$4,293,702	\$4,261,956	\$134.25
Sea to Summit	\$10,820	\$10,305	\$67,164	\$56,859	\$5.52
Stratom, Inc.	\$12,525	\$11,361	\$22,361	\$11,000	\$0.97
Tundra Specialties	\$34,963	\$31,712	\$181,789	\$150,077	\$4.73
Visionlink	\$10,230	\$9,279	\$31,430	\$22,151	\$2.39
<b>2009 Total</b>	<b>\$209,979</b>	<b>\$193,216</b>	<b>\$5,775,570</b>	<b>\$5,582,354</b>	<b>\$28.89</b>

*PV = Present Value; Net return represents the current value of income to the City of Boulder (estimated tax revenue) over the three years of the program less the current value of the expenditures (approved rebate).*

**2010 Return on Investment – All Recipients**

*Conclusion from 2010 analysis report:* The companies benefit the community, both economically and socially, and are important to Boulder's image. The estimate of a \$11.81 net return on each \$1 invested indicates the program is still a solid investment for the city, particularly since it assists different sizes and types of companies.

Return on Investment – 2010 Flexible Rebate Recipients (2010 – 2012)					
	Rebate Approved	Rebate PV	Tax Revenue PV	Net Return PV	Net Return on \$1 invested
Rally Software	\$50,000	\$45,351	\$385,152	\$339,801	\$7.49
Microsoft	\$50,000	\$45,351	\$151,209	\$105,858	\$2.33
Mountainside Medical	\$50,000	\$45,351	\$462,656	\$417,305	\$9.20
Covidien	\$75,000	\$68,027	\$1,018,741	\$950,714	\$13.98
Precision Wind	\$25,000	\$23,243	\$138,015	\$114,773	\$4.94
Spectra Logic	\$65,000	\$58,957	\$1,447,940	\$1,388,983	\$23.56
Trada	\$5,366	\$4,867	\$124,821	\$119,954	\$24.65
<b>2010 Total</b>	<b>\$320,366</b>	<b>\$312,536</b>	<b>\$3,728,534</b>	<b>\$3,437,388</b>	<b>\$11.81</b>

*PV = Present Value; Net return represents the current value of income to the City of Boulder (estimated tax revenue) over the three years of the program less the current value of the expenditures (approved rebate).*

**2011 Return on Investment – All Recipients**

*Conclusion from 2011 analysis report:* The City of Boulder's Flexible Rebate Incentive Program continues to generate a positive return on investment, while providing the City Manager with an important and effective tool to help retain, grow, and attract businesses that align with the city's values and goals.

Return on Investment – 2011 Flexible Rebate Recipients (2011 – 2013)					
	Rebate Approved	Rebate PV	Tax Revenue PV	Net Return PV	Net Return on \$1 invested
Tendril Networks	\$85,000	\$77,098	\$315,320	\$238,223	\$3.09
LogRhythm	\$85,000	\$73,426	\$471,564	\$398,138	\$5.42
Biodesix	\$60,000	\$51,830	\$61,652	\$9,822	\$.19
juwi Wind	\$15,000	\$12,958	\$44,644	\$31,687	\$2.45
Eetrex	\$26,000	\$22,460	\$49,790	\$27,330	\$1.22
Salewa	\$10,000	\$8,638	\$32,185	\$23,546	\$2.73
<b>2011 Total</b>	<b>\$281,000</b>	<b>\$246,410</b>	<b>\$975,155</b>	<b>\$728,746</b>	<b>\$2.96</b>

*PV = Present Value; Net return represents the current value of income to the City of Boulder (estimated tax revenue) over the three years of the program less the current value of the expenditures (approved rebate).*

### 2012 Return on Investment – All Recipients

*Conclusion from 2012 analysis report:* The City of Boulder's Flexible Rebate Program has continued to provide the Boulder City Manager with an important and effective tool to help retain, grow, and attract businesses that align with Boulder's values and goals and generate a positive return on investment.

Return on Investment – 2012 Flexible Rebate Recipients (2012 – 2014)					
	Rebate Approved	Rebate PV	Tax Revenue PV	Net Return PV	Net Return on \$1 invested
American Rec Products	\$25,000	\$23,140	\$152,929	\$129,789	<b>\$5.61</b>
Gnip	\$45,000	\$41,518	\$216,290	\$174,771	<b>\$4.21</b>
HEAD USA	\$50,000	\$46,280	\$39,976	(\$6,304)	<b>(\$.14)</b>
MBio Diagnostics	\$30,000	\$27,902	\$183,254	\$155,352	<b>\$5.57</b>
RealD	\$80,000	\$73,513	\$219,362	\$145,849	<b>\$1.98</b>
Tensentric	\$40,000	\$36,757	\$140,355	\$103,598	<b>\$2.82</b>
Twisted Pine	\$45,000	\$40,758	\$155,784	\$115,026	<b>\$2.82</b>
Upslope	\$50,000	\$46,280	\$436,589	\$390,309	<b>\$8.43</b>
Zia Consulting	\$30,000	\$27,634	\$131,621	\$103,987	<b>\$3.76</b>
<b>Total</b>	<b>\$395,000</b>	<b>\$363,782</b>	<b>\$1,676,160</b>	<b>\$1,312,377</b>	<b>\$3.61</b>

*PV = Present Value; Net return represents the current value of income to the City of Boulder (estimated tax revenue) over the three years of the program less the current value of the expenditures (approved rebate).*

### Return on Investment– New and Retained Business Recipients: 2007 – 2012

From 2007 and 2012, a total of 25 companies were attracted to or retained in Boulder as a result of the Flexible Rebate Program and approved for rebates totaling \$1.2 million. The overall net return to the city is projected to be \$5.3 million or \$4.74 for every \$1 invested.

Flexible Rebate Funding and Returns: New and Retained Businesses 2007 - 2012					
Program Year	Total Approved Rebates	Total Recipients	Approve Rebate PV	Net Return PV	Net Return on \$1
2007	\$250,422	4	\$228,018	\$2,119,331	\$18.11
2008	\$150,000	3	\$130,040	\$418,709	\$2.22
2009	\$119,963	3	\$111,077	\$488,819	\$4.40
2010	\$150,000	3	\$136,053	\$613,162	\$4.51
2011	\$281,000	6	\$246,410	\$728,746	\$2.96
2012	\$290,000	6	\$267,488	\$938,012	\$3.51
<b>Total</b>	<b>\$1,241,385</b>	<b>25</b>	<b>\$1,119,086</b>	<b>\$5,306,779</b>	<b>\$4.74</b>

**2007 Return on Investment – New or Retained Businesses**

In 2007, the Flexible Rebate Program provided incentives that influenced IBM's decision to locate its green data center in Boulder and the decisions of LeftHand Networks, Mountain Sports Media and Solekai Systems to remain and expand in Boulder.

Return on Investment – 2007 Flexible Rebate Recipients (2007 – 2009) – New or Retained Businesses					
	Rebate Approved	Rebate PV	Tax Revenue PV	Net Return PV	Net Return on \$1 invested
IBM*	\$100,000	\$90,703	\$2,511,545	\$2,420,842	\$27.69
LeftHand Networks	\$80,698	\$74,073	\$144,840	\$70,769	\$1.96
Mountain Sports Media	\$44,917	\$40,741	\$224,678	\$183,937	\$5.51
Solekai Systems	\$24,807	\$22,501	\$106,876	\$84,376	\$4.75
<b>Total</b>	<b>\$250,422</b>	<b>\$228,018</b>	<b>\$2,119,331</b>	<b>\$1,891,313</b>	<b>\$9.29</b>

PV = Present Value; Net return represents the current value of income to the City of Boulder (estimated tax revenue) over the three years of the program less the current value of the expenditures (approved rebate).

\*Only includes taxes and fees generated by the new data center that the incentive helped win for Boulder

**2008 Return on Investment – New or Retained Businesses**

In 2008, incentives provided through the Flexible Rebate Program influenced the decisions of Advanced Thin Films and Siemens to move to Boulder and Rally's decision to remain and expand in Boulder.

Return on Investment – 2008 Flexible Rebate Recipients (2008 – 2010) – New or Retained Businesses					
Retained Businesses	Rebate Approved	Rebate PV	Tax Revenue PV	Net Return PV	Net Return on \$1 invested
<b>Advanced Thin Films</b>	\$50,000	\$47,619	\$152,748	\$105,129	\$2.21
<b>Rally Software</b>	\$50,000	\$44,833	\$232,406	\$187,573	\$4.18
<b>Siemens Wind Power</b>	\$50,000	\$37,588	\$33,555	(\$4,033)	(\$0.11)
<b>2008 Total</b>	<b>\$150,000</b>	<b>\$130,040</b>	<b>\$418,709</b>	<b>\$288,669</b>	<b>\$2.22</b>

PV = Present Value; Net return represents the current value of income to the City of Boulder (estimated tax revenue) over the three years of the program less the current value of the expenditures (approved rebate).

**2009 Return on Investment – New or Retained Businesses**

In 2009, the Flexible Rebate Program provided incentives that influenced the decisions of eTown, IBM and Tundra Specialties decision to expand in Boulder.

Return on Investment – 2009 Flexible Rebate Recipients (2009 – 2011) – New or Retained Businesses					
	Rebate Approved	Rebate PV	Tax Revenue PV	Net Return PV	Net Return on \$1 invested
eTown	\$50,000	\$47,619	\$205,253	\$157,634	\$3.31
IBM*	\$35,000	\$31,746	\$4,293,702	\$4,261,956	\$134.25
Tundra Specialties	\$34,963	\$31,712	\$181,789	\$150,077	\$4.73
<b>2009 Total</b>	<b>\$119,963</b>	<b>\$111,077</b>	<b>\$599,896</b>	<b>\$488,819</b>	<b>\$4.40</b>

PV = Present Value; Net return represents the current value of income to the City of Boulder (estimated tax revenue) over the three years of the program less the current value of the expenditures (approved rebate).

\*Includes only those taxes and fees generated by IBM's new division

### 2010 Return on Investment – New or Retained Businesses

In 2010, incentives provided through the Flexible Rebate Program influenced the decisions of Rally Software, Microsoft and Mountainside Medical to remain and expand in Boulder.

Return on Investment – 2010 Flexible Rebate Recipients (2010 – 2012) – New or Retained Businesses					
	Rebate Approved	Rebate PV	Tax Revenue PV	Net Return PV	Net Return on \$1 invested
Rally Software	\$50,000	\$45,351	\$385,152	\$339,801	\$7.49
Microsoft	\$50,000	\$45,351	\$151,209	\$105,858	\$2.33
Mountainside Medical	\$50,000	\$45,351	\$462,656	\$417,305	\$9.20
<b>2010 Total</b>	<b>\$150,000</b>	<b>\$136,053</b>	<b>\$749,215</b>	<b>\$613,162</b>	<b>\$4.51</b>

*PV = Present Value; Net return represents the current value of income to the City of Boulder (estimated tax revenue) over the three years of the program less the current value of the expenditures (approved rebate).*

### 2011 Return on Investment – New or Retained Businesses

In 2011, the Flexible Rebate Program provided incentives that influenced Biodesix's decision to move to Boulder and the decisions of Tendril Networks, LogRhythm, juwi Wind, Eetrex and Salewa to remain and expand in Boulder.

Return on Investment – 2011 Flexible Rebate Recipients (2011 – 2013) – New or Retained Businesses					
	Rebate Approved	Rebate PV	Tax Revenue PV	Net Return PV	Net Return on \$1 invested
Tendril Networks	\$85,000	\$77,098	\$315,320	\$238,223	\$3.09
LogRhythm	\$85,000	\$73,426	\$471,564	\$398,138	\$5.42
Biodesix	\$60,000	\$51,830	\$61,652	\$9,822	\$.19
juwi Wind	\$15,000	\$12,958	\$44,644	\$31,687	\$2.45
Eetrex	\$26,000	\$22,460	\$49,790	\$27,330	\$1.22
Salewa	\$10,000	\$8,638	\$32,185	\$23,546	\$2.73
<b>2011 Total</b>	<b>\$281,000</b>	<b>\$246,410</b>	<b>\$975,155</b>	<b>\$728,746</b>	<b>\$2.96</b>

*PV = Present Value; Net return represents the current value of income to the City of Boulder (estimated tax revenue) over the three years of the program less the current value of the expenditures (approved rebate).*

### 2012 Return on Investment – New or Retained Businesses

In 2012, incentives provided through the Flexible Rebate Program influenced the decision of HEAD USA to relocate to Boulder and the decisions of American Rec, Gnip, RealD, Tensentric and Upslope to remain and expand in Boulder.

Return on Investment – 2012 Flexible Rebate Recipients (2012 – 2014) – New and Retained Businesses					
	Rebate Approved	Rebate PV	Tax Revenue PV	Net Return PV	Net Return on \$1 invested
American Rec Products	\$25,000	\$23,140	\$152,929	\$129,789	<b>\$5.61</b>
Gnip	\$45,000	\$41,518	\$216,290	\$174,771	<b>\$4.21</b>
HEAD USA	\$50,000	\$46,280	\$39,976	(\$6,304)	<b>(\$.14)</b>
RealD	\$80,000	\$73,513	\$219,362	\$145,849	<b>\$1.98</b>
Tensentric	\$40,000	\$36,757	\$140,355	\$103,598	<b>\$2.82</b>
Upslope	\$50,000	\$46,280	\$436,589	\$390,309	<b>\$8.43</b>
<b>Total</b>	<b>\$290,000</b>	<b>\$267,488</b>	<b>\$1,205,501</b>	<b>\$938,012</b>	<b>\$3.51</b>

*PV = Present Value; Net return represents the current value of income to the City of Boulder (estimated tax revenue) over the three years of the program less the current value of the expenditures (approved rebate).*

## History of Boulder's Economic Vitality and Flexible Rebate Programs: 2002-2012

Since 2002, the city of Boulder has proactively worked to establish and support an economic vitality program that provides consistent outreach, assistance and recognition of business in the community. As part of an overall economic vitality plan, a pilot Business Incentive Program was developed and implemented in 2007, including a pilot Flexible Rebate Program with funding of \$500,000 from the city targeted at retaining and expanding primary employers in Boulder.

Primary employers are defined as those that "export" the majority of their goods and services outside the community, infusing external funds into the local economy and producing a substantial impact on local output, employment and wages. From the time of implementation of the pilot through 2008, the city defined primary employers as businesses (excluding hotel, retail and food services) that generate at least 75% of their revenues from outside Boulder County. This is a higher threshold than many communities use and the definition was lowered to "exceeds 50%" in 2009.

The 2007 Flexible Rebate Program pilot was judged to be a success and has been continued by the city each year since then as a formal program. The city has commissioned the Boulder Economic Council (BEC) to provide an objective evaluation of the effectiveness of the program each year based on its value in retaining or attracting businesses and providing a return on the city's investment.

Some program criteria have changed to ensure that grant recipients support the city's goals for social and environmental sustainability. The maximum rebates granted, as well as the funding provided in each year's city budget, has also changed to address funding constraints in the city's budget. Changes made to the program since 2007 include:

- Expanded options for demonstrating commitment to environmental sustainability including energy and waste reduction, energy certifications, encouraging alternative transportation, general sustainable business practices and buying locally
- Primary Employer was redefined as one consisting of any number of employees
- The amount of revenue required to be derived from the sale of goods and/or services outside of Boulder county was lowered from 75% to 50% to be consistent with the common definition of a primary employer within the state
- The application form was adjusted so that it could be filled in online and arrangement of the information and requirements on the city's website were improved to facilitate ease of use based upon feedback from users.

City of Boulder Economic Vitality and Flexible Rebate program highlights:

### 2002

- As part of the 2003 budget (in 2002), city EV efforts were funded by using a portion of the resources currently available from \$2.9 million Boulder Urban Renewal Authority (BURA) bond reserve fund that came back to the city when the BURA bonds were paid off.
- A base budget of \$250,000 per year for five years was set for the EV account (with carryover of unused funds each year) beginning in 2003 and *continuing through 2007*. The urban redevelopment portion of the account began in 2004 and *continued through 2008*.
- Prior to 2003, the City Council economic goal group had a series of discussions about economic initiatives and concluded that a more focused effort to formulate an economic policy was required.

### 2003

- City Manager Frank Bruno convened the Economic Vitality Action Group (EVAG) in February, 2003—his first few weeks on the job. The charge to the EVAG was to prepare appropriate options, tools and other strategies that will assist the city's efforts to enhance business opportunities and sales tax revenues. EVAG formulated a draft EV policy in August 2003.
- City Council adopted the EV policy in October 2003 (see policy in Attachment H).
- Initial EV staffing took place in late 2003 to mid-2004. Brad Power, who served as Executive Director of BURA since 1997 was hired as the fixed-term redevelopment director in December 2003.

### 2004

- Michael Stumpf served as the city's first EV coordinator from summer 2004 to spring 2005.
- The Economic Vitality Advisory Board (EVAB) was named by Frank Bruno in August 2004 as advisory to the city manager.

### 2005

- EVAB has provided advice and input to the city manager, individually and in periodic meetings since 2005.
- In April 2005, an EV work plan was adopted.
- After Stumpf's departure, Boulder Economic Council (BEC) Executive Director Sean Maher served as interim economic development coordinator from May 2005 to September 2006.
- An independent assessment of Boulder businesses' views of doing business in Boulder was conducted by business consultant, Ray Wilson in fall 2005.

### 2006

- Liz Hanson, a 20-year veteran of the Planning Department, was hired as the city's business liaison in January 2006 for a two-year fixed term.
- An updated EV work plan was reviewed by City Council at a study session in March 2006.
- A 2007 Business Incentives Pilot Program was adopted by City Council in September 2006.
- Frances Draper was hired as the new executive director of the BEC in September 2006.

### 2007

- The city and BEC enter into a 2007 agreement for specific services related to implementation of the pilot incentive program, business outreach, and business retention.
- EV staff implements the approved 2007 Business Incentives Pilot Program: Developing application and administrative review processes; creating and implementing a communication plan, including direct marketing and public presentations; and obtaining owner-occupied loan pool commitments and agreements.
- As of August 1, eight flexible rebate and two employee training applications are received from Boulder primary employers.
- The City Council authorized the Business Incentive Rebate Program for 2008.

### 2008

- The Boulder Economic Council contracts with the city to complete an analysis of the 2007 Pilot Business Incentive Rebate Program.
- The City Manager grants Business Incentive Rebates to eight companies.
- The analysis is completed and presented to City Council on April 22, 2008 showing a return of \$14.41 on every \$1.00 invested in incentive rebates.

### **2009**

- City Council reauthorizes the City Manager to approve Business Incentive Rebates with some additional sustainability guidelines for companies to meet, to continue each year if funding is made available each year in the city's budget.
- A 2009 budget of \$350,000 is approved for the Flexible Rebate Incentive Program and \$50,000 for the city's contribution to a MicroLoan Fund.
- The City Manager grants Business Incentive Rebates to seven companies.
- The Boulder Economic Council provided an analysis of the 2008 program showing a return of \$8.78 on every \$1.00 invested in incentive rebates.

### **2010**

- A 2010 budget of \$350,000 is provided for the Flexible Rebate Incentive Program and \$100,000 for the MicroLoan Fund.
- On September 30, the Ash Center for Democratic Governance and Innovation at the John F. Kennedy School of Government, Harvard University, announced that the City's Flexible Rebate Program was one of 173 government programs selected for its newly-created Bright Ideas program. In its inaugural year, the Bright Ideas honor is designed to recognize and share creative government initiatives around the country with interested public sector, nonprofit, and academic communities.
- Seven companies are granted Business Incentive Rebates totaling \$345,366
- The Boulder Economic Council provided an analysis of the 2009 program showing a return of \$28.89 on every \$1.00 invested in incentive rebates.

### **2011**

- A budget of \$350,000 was provided for the 2011 Flexible Rebate Incentive Program, all of which was incorporated into the city budget rather than relying on one-time funding.

### **2012**

- A budget of \$350,000 was provided for the 2012 Flexible Rebate Incentive Program with an additional \$45,000 in carryover funds.

## **Boulder Microloan Fund: 2013 Program Review**

### **Program History**

During the creation of the City of Boulder's Economic Vitality Program it was proposed that a specialized loan pool to attract and retain small businesses would make them more likely to remain in Boulder over the long term. With the economic downturn that began in late 2008, the Boulder Economic Council joined with the City of Boulder, Colorado Enterprise Fund and several banks to create a Microloan Fund. The mission of this Fund is to provide access to capital for Boulder businesses that cannot obtain financing through traditional sources, but who are capable of sustaining a business and repaying debt. The Boulder Microloan Fund (BMF) was launched in 2009, with \$325,000 in loan capital, funded by the City, three banks, and Colorado Enterprise Fund.

### **Market Need:**

Through research from the Boulder Small Business Development Center and other input, the group determined that there was a demand for working capital and other loans that was not currently being met in the community for a variety of reasons. In the economic environment of 2009 and with banks being capital-constrained, this was particularly true. Small businesses form the majority of the city's economic base and the group felt an effort to provide a modest lending program for those who cannot access bank debt, but can repay a loan, would have positive effects on the city's economy for some time to come.

The program also addresses the needs of the participating banks to reach smaller businesses more effectively. This program meets that need by ensuring at least 60% of the lending is to businesses with \$1 million or less in annual revenue. This allows the banks to count their loan or contribution to the program for their Community Reinvestment Act requirements.

### **Operational Details:**

- 1) Business Eligibility Criteria
  - a. Location: At least 80% of businesses must have their primary office/headquarters or operations in the City of Boulder, CO. All must be within Boulder County. Note: the participating banks serve the broader Boulder market and wanted to ensure at least a few of the applicants from outside the city boundary could be considered.
  - b. Size and Income:
    - i. **Businesses**: Businesses may not exceed \$2 Million per year in gross revenue for the year immediately preceding the date of the loan and 60% or more of the Fund's loan must be made to businesses with less than \$1 Million per year in gross revenue
    - ii. **Non- Profits**: Non-profit organizations must show that at least 51% of the individuals served fall at or below 80% of the US Department of Housing and Urban Development's median income levels.
- 2) Loan Purposes:

Loans may be used for most business purposes including, but not limited to the following:

  - a. Inventory purchase
  - b. Start-up expenses
  - c. Equipment purchase
  - d. Operations
  - e. Tenant finish and property improvements

- f. Purchase of a business
- 3) Loan Size:  
Loans may range up to a maximum of \$50,000.00.
- 4) Loan Term:  
Loan terms may range up to a maximum of 6 years with any re-write of the loans able to extend the original term by up to two years.
- 5) Underwriting:  
Underwriting decisions are made according to Colorado Enterprise Fund's ongoing underwriting standards and guidelines.
- 6) Technical Assistance:  
All borrowers have access to CEF's Business Acceleration Services.

**Funding Summary of Microloan Fund Investors (all amounts are loans, unless identified):**

**First Round of Funding (2009 – 2010):**

<i>City of Boulder</i>	\$ 50,000 (grant)
First National Bank of Colorado	\$ 50,000
Wells Fargo Bank	\$100,000
US Bank	\$ 25,000 (grant)
Colorado Enterprise Fund	<u>\$100,000</u>
Total First Round Funding:	\$325,000

**Second Round of Funding (2010 – 2011):**

FirstBank	\$ 75,000
<i>City of Boulder</i>	\$100,000 (grant)
Colorado Enterprise Fund	<u>\$ 75,000</u>
Total Second Round Funding:	\$250,000

**2012 Funding :**

First National Bank	\$125,000
Colorado Enterprise Fund	\$150,000

**2013 Funding:**

<i>City of Boulder</i>	\$50,000 (grant)
First Citizen's Bank & Trust	\$25,000
Colorado Enterprise Fund	\$100,000

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<b>Total Fund:</b>	<b>\$1,025,000</b>
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*Continued...*

**Deployment Summary from 4/1/2009 (inception) to 12/31/13:**

**Number of Loans:** 39 business loans

**Dollar volume of deployment as follows:**

BMP Funds deployed:	\$ 841,910
Additional Colorado Enterprise Funds deployed:	\$ 410,792
Total funds deployed:	\$ 1,252,702
BMP Funds loan balances outstanding:	\$ 365,106
Addl. CEF Funds loan balances outstanding:	\$ 208,615
BMP Funds available to lend:	\$ 234,894
Addl. CEF Funds available to lend:	As needed
<b>As a result of relending on repaid loan principal, and the leveraging effect of CEF's other funds, the direct impact on access to loan capital in the Boulder business community has been 25% greater than the investment made by the funding partners.</b>	

**Summary of loan activity from Program inception through December 2012**

Detailed descriptions of the following borrowers and how they used borrowed funds can be found in previously filed reports.

- Of the following borrowers, 50% are women-owned businesses. 15% of these businesses owners self-identify as ethnic or racial minority.
- Places for 41 children were created in child-care facilities.
- 273 jobs were created or maintained in businesses receiving loans.

The 31 loans to these borrowers:

- Represent \$933,210 in financed capital
- Range between \$6,000 and \$130,000 in loan size
- Have a repayment term of between 36 and 72 months
- Carry interest rates of 9% to 11.5%

<b>Amanda Johnson Consulting*</b>	Strategic planning and development for non-profit orgs
<b>ANCO Engineers*</b>	Specialty manufacturer of earthquake testing equipment
<b>Boulder Homemade Ice Cream*</b>	Producer and distributor of high quality natural ice cream
<b>Boulder Insurance Solutions</b>	Small to mid-sized business insurance brokerage
<b>Boulder Vision Associates*</b>	Gunbarrel eye care provider
<b>Café Aion, LLC</b>	Full-service, innovative fresh cuisine on "The Hill"
<b>D.O.G. Enterprises, LLC</b>	Premium doggy day care, overnight camps and in-home care
<b>Dash Cycles, LLC</b>	High-tech composites design and manufacturing
<b>David Lupberger</b>	Design, planning & construction services
<b>Dragonfly Coffee Roasters, LLC</b>	Coffee roasters supplying wholesale and retail markets
<b>Impact Services, Inc.</b>	Tax and accounting services provider
<b>Joycare Infant &amp; Toddler Ctr.</b>	A not-for-profit childcare provider operating out of Gunbarrel

<b>Lotus Blossom Learning Center</b>	Childcare provider
<b>MicroChem</b>	Advanced laboratory services for the food & beverage industry
<b>Move Sport, Inc.</b>	Manufacturer of sporting goods for running and biking
<b>NAP, Inc.</b>	Manufacturer of Boba and Sleepy Wrap brands of baby carriers
<b>Natural Body Shop</b>	Natural remedies
<b>Natural Design Solutions, Inc.</b>	Landscape architecture and land use planning consultant
<b>Paradigm Publishers</b>	Educational books publisher
<b>Photocrati Media, LLC</b>	Web marketing services
<b>Pure Hair Studio</b>	North boulder beauty salon
<b>Rhymer Retail, Inc.</b>	Operating as a 7-11 Convenience Store in Boulder
<b>RollinGreens</b>	Mobile salad & healthy food catering operation
<b>The White List, LLC</b>	A wedding planning services company
<b>Thermal Clean, LLP</b>	A bedbug remediation company
<b>University Parent Magazines*</b>	Parent-targeted campus magazines for universities nationwide
<b>Wish Gardens</b>	Herbs and herbal products exporter

*\*Repeat borrower*

**Program loan activity for calendar year 2013**

- Of the following eight borrowers: 50% are women-owned businesses; 13% of these businesses owners self-identify as an ethnic or racial minority; 25% are low income wage earners.
- 149 jobs were created or maintained in businesses receiving loans.
- As of the filing of this report, 3 loans for \$100,000 dollars are in the pipeline.
- We experienced a slight drop in production volume in the City of Boulder this year compared to previous years as we re-staffed a position responsible for some Boulder marketing, and redirected some resources to flood response for existing borrowers.

The loans to the following eight borrowers:

- Represent \$320,000 in financed capital
- Range between \$8,000 and \$100,000 in loan size
- Have a repayment term of between 36 and 72 months
- Carry interest rates of 9% to 10.75%

<b>Boulder Landscape and Design</b>	Landscape planner/builder of ecologically sensitive environments
<b>Boulder Vision Associates*</b>	Gunbarrel eye care provider
<b>Cool Spirit Nature</b>	Organic hemp clothing and accessories
<b>Kettle and Stone</b>	Gunbarrel craft brewer
<b>Living Design Studios, Inc.</b>	Custom metalwork for residential and commercial applications
<b>Makeena, LLC.</b>	Mobile app facilitating healthy/sustainable choices and cost savings at the grocery store
<b>SolBites</b>	Healthy snacks manufacturing with a mission to address childhood obesity
<b>The Tasterie</b>	Mobile café & bakery specializing in local, seasonal ingredients

*\*Repeat borrower*

*In early 2013, Colorado Enterprise Fund completed a project to get to know some of our borrowers better. In-depth interviews have been completed on about 25 of the borrowers in our current portfolio of loans, with two of those being a part of the Boulder Microloan Program. The resulting profiles on ANCO Engineers and University Parent Magazines have been attached below.*

Preparing for the Unimaginable:

**ANCO Engineers, Inc.**

1965 33rd St # A

Boulder, CO 80301

(303) 443-7580

[www.ancoengineers.com](http://www.ancoengineers.com)



### **Business Description**

For Paul Ibanez, current President of ANCO Engineers, Inc., his global business began on a Los Angeles bus ride in 1966. As a Nuclear Engineering PhD student at UCLA, Ibanez met a Structural Engineering professor who inspired him to study the effects of earthquakes on structures, specifically on nuclear power plants. As a result of this interest, in 1971, Ibanez and four friends founded ANCO, which provides strength and vibration test systems and services for critical material, equipment, products and structures. ANCO's products simulate an earthquake's forceful vibrations in a controlled environment, thus indicating whether the infrastructure of "critical industries" (nuclear facilities and hospitals) would endure a natural disaster. Due to the high cost of living in LA, ANCO relocated to Boulder in 1994 to strengthen its ability to hire and retain employees. Now ANCO employs between 13-25 people depending on workload. "Boulder is an amazing place to live and work," Ibanez says. "Though it's a small town, there's a high concentration of creative people with a broad world views and international business goals."

### **Colorado Enterprise Fund Involvement**



To fund its growth, ANCO received Small Business Administration (SBA) funding through local banks until credit became tight. When banks were no longer able to meet ANCO's project financing needs, SBA employees referred ANCO to CEF, which made several loans to ANCO between 2005 and 2010. Ibanez says "Colorado Enterprise Fund was instrumental during those slim times." CEF's loans helped ANCO expand its business and were a significant factor in ANCO's winning the SBA Small Business Exporter of the Year Award in 2009. Today, nearly half of all seismic testing labs in the United States use ANCO

products. Furthermore, ANCO sells to test labs and product manufacturers in 30 countries and operates testing tables remotely from around the world.

### **Business Outlook**

The future is bright for ANCO as demand for testing equipment and services continue to increase. The following factors are fueling this growth: nuclear energy is becoming a more popular alternative energy source; the catastrophic earthquakes in Chile and Haiti illustrated the human devastation from inadequate infrastructure; and California regulations require all hospital infrastructure and nuclear reactors to be seismically-tested. "ANCO's products have the power to save lives by helping to minimize damage when disaster strikes," says Ceyl Prinster, President and CEO of Colorado Enterprise Fund (CEF).

Keeping parents informed from afar:  
**University Parent**  
2995 Wilderness Place Suite 205  
Boulder, CO 80301  
(866)721-1357  
[www.universityparent.com](http://www.universityparent.com)



### Business Description



Sarah Schupp attended University of Colorado (CU) in Boulder, where she and three classmates won the 2004 Business Plan competition in *the Deming Center for Entrepreneurship at CU-Boulder's Leeds School of Business*. During her years as a university student, Sarah observed a gap in the information available to her parents, who wanted to visit her from out-of-state.

*In May, 2004, Schupp and her team launched "University Parent," a comprehensive resource guide for parents of college students at 200 universities and colleges in 34 states in the US. One million people visited the University Parent website in 2012 and University Parent prints 500,000 copies for each partner campus. "From a parent's perspective, it's important to have a trusted resource about where your child is living and studying so you can be supportive from a distance," says Schupp. "From a student's perspective, this concept reduces the burden of having to search for all the information your parents ask for."*

The comprehensive *online and print editions offer free institution-specific information about the school and surrounding community. For instance, parents can access academic calendars, maps, important phone numbers, career resources, and tourist information including entertainment, restaurants, and shopping venues.*

University Parent participates in several higher education associations, which keeps the company aware of common issues facing universities as well as parent communication trends. University Parent maintains an excellent reputation among university administrators as well as local businesses. Administrators view University Parent as a cost-effective partner that provides a useful product and service. Likewise, local businesses readily advertise with University Parent in order to bring in more business.

### Colorado Enterprise Fund Involvement

Initially, Compass Bank provided start-up capital to University Parent. In search of additional capital, University Parent was referred to Colorado Enterprise Fund (CEF) by a banker at Wells Fargo. In 2009 and again in 2012, CEF provided growth capital to University Parent which helped it add new employees.

Since 2006, University Parent has grown from four employees to 18, all of whom are based in Boulder. Schupp anticipates hiring three to five new employees in 2013. The staff at University Parent is passionate about solving real problems for schools, parents, and advertising partners. "To run a successful business, you need excellent people to execute the idea," says Schupp.

### Business Outlook

Schupp aims for a 20% increase in revenue each year. University Parent plans to achieve this goal by establishing new partnerships with additional universities/colleges, maintaining relationships with local businesses who advertise in printed editions, and ramping up the eCommerce options on the website, such as care packages and floral delivery services. The future seems bright for University Parent. "We have so much potential because there is still so much to do," says Schupp.

**CITY OF BOULDER  
LANDMARKS BOARD  
January 8, 2014  
900 Baseline Road, Chautauqua – Grand Assembly Hall  
6 p.m.**

The following are the action minutes of the January 8, 2014, City of Boulder Landmarks Board meeting. Due to technical difficulties, this meeting was not recorded. Written minutes are retained in Central Records (telephone: 303-441-3043).

**BOARD MEMBERS:**

Mark Gerwing, Chair

Liz Payton

Kirsten Snobeck

Nick Fiore

Kate Remley

\*Crystal Gray                    *\*Planning Board representative without a vote*

**STAFF MEMBERS:**

Debra Kalish, Senior Assistant City Attorney

James Hewat, Senior Historic Preservation Planner

Marcy Cameron, Historic Preservation Planner

**1. CALL TO ORDER**

The roll having been called, Chair **M. Gerwing** declared a quorum at 6:04 p.m. and the following business was conducted.

**2. APPROVAL OF MINUTES**

On a motion by **M. Gerwing**, seconded by **K. Snobeck**, the Landmarks Board approved (5-0) the minutes of the December 4, 2013 board meeting.

**3. PUBLIC PARTICIPATION FOR ITEMS NOT ON THE AGENDA**

- **Abby Daniels**, Historic Boulder, Inc., 1123 Spruce St., updated the board on a meeting with the owners of 1045 Linden Ave. to discuss alternatives, and indicated that Historic Boulder had not taken an official position on the case.
- **Beverley Potter**, 3201 11<sup>th</sup> St., addressed concern over correspondence that was forwarded by Historic Boulder to Landmarks Board members about 1045 Linden Ave., without her permission.

**4. DISCUSSION OF LANDMARK ALTERATION AND DEMOLITION APPLICATIONS ISSUED AND PENDING**

- **Statistical Report**
- **Discussion and decision whether to hold an initiation hearing for 1045 Linden Ave. at February 5, 2014 Landmarks Board meeting.** The board decided to discuss the application under Matters.

## 5. STRUCTURE OF MERIT INFORMATIONAL SESSION

### Staff Presentation

**J. Hewat** gave a PowerPoint presentation of the Structures of Merit program.

**M. Gerwing** presented the 2014 Structure of Merit nominations.

### Public Participation

**Mel Shapiro**, Willard House, 125 Bellevue Ave., stated that he would be supportive of landmark designation for his property, depending on the resolution of pending negotiations between neighbor and city.

**Louise Padden**, Sirotkin House, 575 Euclid Ave., asked if Structure of Merit program is voluntary.

**Diana Kahn**, Kahn House, 760 Flagstaff, asked about the possibility of Structures of Merit being subsequently designated as landmarks and that she was not in favor of this.

**Barbara Brenton**, Brenton House, 3752 Wonderland, stated she would be delighted to receive Structure of Merit recognition but did not want her house to be designated an individual landmark..

**Mel Shapiro**, thanked the board for its consideration of the Willard House for Structure of Merit recognition. He noted that three lots remain undeveloped near his house, and that world renowned architect Peter Bolla has been commissioned to design a house on one of the lots.

**Otis Taylor**, Jesser House, 595 Euclid Ave., asked for clarification on a comment **M. Gerwing** made regarding the challenges of living in these unique houses.

**Louise Padden**, requested a list of trades people who are experienced work with these types of houses.

**Deborah Hamilton**, Caldwell House, 415 Drake St., stated they are very enthusiastic about the Structure of Merit recognition and prefer it to landmark designation.

**Mel Shapiro**, suggested that the Landmarks Board aggressively incentivize protection, since the owners are offered millions for their lot.

**Otis Taylor**, Jesser House, 595 Euclid Ave., noted that he previously owned 1434 Baseline Rd., and pursued listing on the National Register, and also acknowledged the extra effort and money needed to maintain these extraordinary houses.

**6. DISCUSSION OF LANDMARK ALTERATION AND DEMOLITION APPLICATIONS ISSUED AND PENDING (CONTINUED)**

- **Discussion and decision whether to hold an initiation hearing for 1045 Linden Ave. at February 5, 2014 Landmarks Board meeting.**

**M. Cameron** gave an update on the case, which included a meeting held on December 20, 2013 between the owners and the Historic Boulder, Inc. The board discussed zoning and the allowable sq ft for Owner Accessory Units (OAUs). **C. Gray** suggested the board write a letter to City Council and encourage historic houses be incentivized by OAUs. **K. Remley** spoke in support of holding an initiation hearing to consider landmark designation of 1045 Linden Ave. **L. Payton** spoke in support of holding an initiation hearing to consider landmark designation of 1045 Linden Ave.

**M. Gerwing** made a motion, seconded by **K. Remley**, to hold an initiation hearing for 1045 Linden Ave. (3-2, **M. Gerwing** and **K. Snobeck** opposed) on Feb. 5, 2014.

**L. Payton** stated she was concerned about the lack of publicity for this demolition. **N. Fiore** stated that he wished there was more creativity and will on behalf of city staff to find solutions when there are code-based impediments to preservation.

**7. MATTERS FROM THE LANDMARKS BOARD, PLANNING DEPARTMENT AND CITY ATTORNEY**

- A. Update Memo
- B. Subcommittee Update
  - 1) Demolition Ordinance
  - 2) Outreach
  - 3) Potential Historic Districts and Landmarks
  - 4) Design Guidelines
- C. A Brief History on the Boulder-Colorado Sanitarium

**8. DEBRIEF MEETING/CALENDAR CHECK**

**9. ADJOURNMENT**

The meeting adjourned at 8:55 p.m.

Approved on \_\_\_\_\_, 2014

Respectfully submitted,

\_\_\_\_\_  
Chairperson

**CITY OF BOULDER  
LANDMARKS BOARD  
February 5, 2014  
1777 Broadway, Council Chambers Room  
6 p.m.**

The following are the action minutes of the February 5, 2014 City of Boulder Landmarks Board meeting. A digital recording and a permanent set of these minutes (maintained for a period of seven years) are retained in Central Records (telephone: 303-441-3043). You may also listen to the recording on-line at: [www.boulderplandevlop.net](http://www.boulderplandevlop.net).

**BOARD MEMBERS:**

Mark Gerwing, Chair

Liz Payton

Kirsten Snobeck

Nick Fiore

Kate Remley

\*Crystal Gray                    *\*Planning Board representative without a vote*

**STAFF MEMBERS:**

Debra Kalish, Senior Assistant City Attorney

James Hewat, Senior Historic Preservation Planner

Marcy Cameron, Historic Preservation Planner

**1. CALL TO ORDER**

The roll having been called, Chair **M. Gerwing** declared a quorum at 6:04 p.m. and the following business was conducted.

**2. APPROVAL OF MINUTES**

On a motion by **M. Gerwing**, seconded by **L. Payton**, the Landmarks Board approved (5-0) the minutes as amended of the January 8, 2014 board meeting.

**3. PUBLIC PARTICIPATION FOR ITEMS NOT ON THE AGENDA**

**4. DISCUSSION OF LANDMARK ALTERATION AND DEMOLITION  
APPLICATIONS ISSUED AND PENDING**

- **Statistical Report**

**5. ACTION ITEMS**

- A. Public hearing and consideration of whether to initiate individual landmark designation for the property located at 1045 Linden Ave., per Section 9-11-3 of the Boulder Revised Code, 1981 (HIS2013-00182). Owner: John and Kathy Steinbaugh.

**Staff Presentation**

**M. Cameron** made a presentation to the board.

### **Owner's Presentation**

**David Eisenstein**, 225 Canyon Blvd., lawyer representing the owners, spoke in opposition to landmark initiation and spoke of efforts the owners have taken during the stay-of-demolition, and noted that the owners would be willing to place plaques at the site and at the Ted Allen horseshoes pits at 28th and Mapleton Ave. and document the property following Historic American Building Standards.

**L. Payton** asked the owners' representative what variances it would take for the owners to be interested in preserving the building in place.

**D. Eisenstein** stated that leaving the structure on that parcel of land diminishes any financial viability, decreases the value of the land. Keeping house on that lot would entail spending money to make it functional. In addition, the owners are not interested in becoming developers.

**M. Cameron** said that the owner has expressed that he is not interested in pursuing any variances and does not want the lot to be cluttered with multiple buildings.

### **Public Hearing**

**Joyce Davies**, 350 Ponca Pl., #462, spoke of Historic Boulder's role in the history of historic preservation in Boulder and spoke in support of preserving small houses, including this one, despite its poor condition.

**Bev Potter**, 3201 11th St., spoke in support of initiating landmark designation based upon the social history associated with Ted Allen and that restoration costs should be further analyzed to seek a feasible way to preserve the house.

**Abby Daniels**, 1123 Spruce St., in support of initiating landmark designation, noting that Historic Boulder's Preservation Committee voted unanimously to do so in that it considers the property to be potentially eligible for individual listing in the National Register of Historic Places.

**Karl Anuta**, 4840 Thunderbird, in support of landmark initiation.

**Kathryn Barth**, 2940 20th St., spoke of her experience on the Landmarks Board and expressed her support of landmark initiation.

### **Motion**

On a motion by **L. Payton**, seconded by **K. Remley**, the Landmarks Board adopt a resolution (2-3, **M. Gerwing**, **N. Fiore**, and **K. Snobeck** opposed) to initiate the landmark designation for the property at 1045 Linden Ave. as an individual landmark whereas on January 8, 2014 the Landmarks Board voted to schedule an initiation hearing for 1045 Linden now therefore be it resolved by the Landmarks Board of the City of Boulder, Colorado and will schedule an designation hearing in accordance with the Historic Preservation Ordinance no fewer than 60 days and no greater than 120 days from the date of this resolution.

**The motion failed.**

**L. Payton** was heartened to see members of the public involved with early preservation efforts in Boulder at the hearing.

**K. Snobeck** stated that while she voted against holding this hearing, she was glad to have this hearing, but she will not be voting in favor of landmark initiation.

**N. Fiore** stated that the purpose of these meetings was to explore possible options to preserve the building. He is against landmarking over the owner's objection.

- B. Public hearing and consideration of a Landmark Alteration Certificate for the on-site relocation of a contributing accessory building to the northwest corner of the lot at 2003 Pine St. per Section 9-11-18 of the Boulder Revised Code 1981 (HIS2014-00013). Owner: Andrew and Kristin MacDonald.

*Board members were asked to reveal any ex-parte contacts they may have had on this item.*

**N. Fiore** made a site visit

**L. Payton** made a site visit

**K. Snobeck** made site visits and reviewed the accessory building at the Landmarks design review committee meeting

**K. Remley** made a site visit

**C. Gray** made a site visit with a former Landmarks Board member

**Staff Presentation**

**J. Hewat** made a presentation to the board.

**Applicant's Presentation**

**Phil McEvoy**, 1928 Pearl St., architect and representative of the applicant, spoke in support of approving the Landmark Alteration Certificate application.

**Public Hearing**

**Abby Daniels**, 1123 Spruce St., Boulder, CO spoke in support of the Landmark Alteration Certificate application.

**Motion**

On a motion by **M. Gerwing**, seconded by **L. Payton**, the Landmarks Board adopted (5-0) the staff memorandum dated February 5, 2014 in matter 5B (HIS2014-00013) as the findings of the board and approves relocation of the existing contributing accessory building to the northwest corner of the lot at 2003 Pine St., and supports the requested setback variance, finding that the relocation generally meets the standards for issuance of a Landmark Alteration Certificate in Chapter 9-11-18, B.R.C. 1981, subject to the following conditions:

- 1) The applicant shall be responsible for ensuring that the development shall be constructed in compliance with approved plans dated 01.22.2014 on file in the City of Boulder Community Planning and Sustainability Department.

- 2) Prior to submitting building permit and issuance of a landmark alteration certificate, Historic Preservation Staff shall review and approve methodology for relocation of the accessory building.

This recommendation is based upon staff's opinion that, provided the condition listed above is met, the proposed construction will be generally consistent with the standards for issuance of a Landmark Alteration Certificate as specified in Section 9-11-18, B.R.C. 1981, and the *General Design Guidelines*.

- C. Public hearing and consideration of a Landmark Alteration Certificate to demolish an existing accessory building and in its place construct a one-story, 487 sq. ft. garage and attached one-car carport, at 611 Concord Ave. in the Mapleton Hill Historic District, per section 9-11-18 of the Boulder Revised Code (HIS2013-00281). Applicant: Jim Walker. Owner: William Hogrewe and Joy Barrett.

*Board members were asked to reveal any ex-parte contacts they may have had on this item.*

**M. Gerwing** recused himself.

**All Landmarks Board** members received letters.

**K. Snobeck** made a site visit.

#### **Staff Presentation**

**J. Hewat** made a presentation to the board.

#### **Applicant's Presentation**

**Jim Walker**, 1440 Lee Hill Dr., architect and representative of the applicant, spoke in support of the Landmark Alteration Certificate application, as submitted.

#### **Public Hearing**

**Abby Daniels**, 1123 Spruce St., spoke in support of the Landmark Alteration Certificate application.

**Ken Foelske**, 553 Concord, spoke in support of the Landmarks Alteration Certificate application.

**Joy Barrett**, 611 Concord Ave., spoke in support of the Landmarks Alteration Certificate application.

#### **Motion**

On a motion by **K. Snobeck**, seconded by **K. Remley**, the Landmarks Board approved (4-0, **M. Gerwing** recused) the demolition of the non-contributing accessory building and the construction of the proposed 487 sq. ft. garage and attached carport at 611 Concord Ave. as shown on plans dated 01.10.2014, finding that they generally meet the standards for issuance of a Landmark Alteration Certificate in Section 9-11-18, B.R.C. 1981, subject to the conditions below, and adopts the staff memorandum dated February 5th, 2014 as findings of the board with the following conditions:

- The applicant shall be responsible for ensuring that the development will be constructed in compliance with approved plans dated 01.10.2014 on file in the City of Boulder Community Planning and Sustainability Department, except as modified by these conditions of approval.
- Prior to building permit application and final issuance of the Landmark Alteration Certificate, the applicant shall submit revised plans for proposed carport addition to the Landmarks design review committee showing a detail of a less integrated or permanent attachment of the carport to the historic accessory building, consistent with the *General Design Guidelines and Mapleton Hill Design Guidelines*.
- Prior to applying for a building permit, and final issuance of the Landmark Alteration Certificate, the applicant shall submit the following, which shall be subject to the final review and approval of the Landmarks design review committee: final details showing roofing, siding, windows and pedestrian and garage door details. These design details shall be reviewed and approved by the Landmarks design review committee, prior to the issuance of a building permit. The applicant shall demonstrate that the design details are in compliance with the intent of this approval and the *General Design Guidelines* and the *Mapleton Hill Historic District Design Guidelines*.

**6. MATTERS FROM THE LANDMARKS BOARD, PLANNING DEPARTMENT AND CITY ATTORNEY**

- A. Update Memo
- B. Subcommittee Update
  - 1) Demolition Ordinance
  - 2) Outreach
  - 3) Potential Historic Districts and Landmarks
  - 4) Design Guidelines

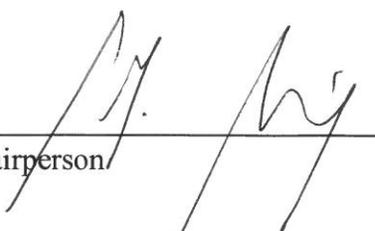
**7. DEBRIEF MEETING/CALENDAR CHECK**

**8. ADJOURNMENT**

The meeting adjourned at 9:33 p.m.

Approved on \_\_\_\_\_, 2014

Respectfully submitted,

  
 \_\_\_\_\_  
 Chairperson