

July 31, 2009

Frequently Asked Questions Recycle Row / 6400 Arapahoe Ave.

6400 Arapahoe Ave.:

1. Is 6400 Arapahoe Ave. in Boulder County or in the City of Boulder?

The property is currently in the county. Should the city move forward with the purchase of the property, it would likely be annexed to the City of Boulder due to the urban nature of the proposed land uses. The annexation process would take four to eight months to complete.

2. Will the city and/ or county purchase the site and if so, for what uses?

The city is evaluating whether to purchase 6400 Arapahoe to provide infrastructure to meet the community's waste reduction goals. Proposed uses include the relocation of the Eco-Cycle office, facilities for the Center for Hard-to-Recycle Materials (CHaRM), and the Center for ReSource Conservation's (CRC) ReSource used building materials sales yard. These would occupy the existing buildings on the west side of the site.

Uses for the eastern side of the site have not yet been determined. Although Boulder County was initially interested in the site and had explored possibly purchasing the site in conjunction with the city to locate a new hazardous material management facility and/or construction and demolition (C & D) material management facility on the east side, the county has decided it is no longer interested in the site. If the city does purchase the site, the site will likely be annexed to the city and, therefore, will be subject to city zoning regulations regarding uses. In addition, public and neighborhood input will be sought regarding potential uses. City Council will consider whether to purchase the site at a public hearing on Aug. 18.

3. What is currently allowed on this site under county zoning (Commercial zone district)? If annexed, what would be the city zoning and what would it allow?

The county's Commercial (C) zone district provides for a variety of commercial, business, retail, and service uses with a maximum building height of 50 feet. While a recycling collection facility would be permitted under the existing county zone district through the Special Review process, the zone district does not allow recycling processing facilities. The following link provides a complete listing of permitted land uses in the C zone district: http://www.bouldercounty.org/lu/lucode/pdf/Boulder_County_Land_Use_Code_Article_4.pdf

If the property is annexed to the city, city staff will recommend a city zone designation of Industrial General (IG). The IG zone district provides for general industrial areas where a

wide range of light industrial uses may occur, including research and manufacturing operations, recycling processing / collection facilities, and service industrial uses. The maximum building height in the IG district is 40 feet. The following link provides a complete listing of permitted land uses in the IG zone district (Boulder Revised Code section 9-6, use module 12): <http://www.colocode.com/boulder2/chapter9-6.htm>.

4. What land use review would be done for the 6400 Arapahoe Ave. property?

If the city chooses to move forward with the purchase of 6400 Arapahoe Ave., ReSource could move into the existing buildings on the site under county zoning prior to annexation to the city, provided no building expansion were proposed and the county non-conforming regulations were met. The reason is that ReSource would be considered a continuation of the previous lumberyard retail use. If CHaRM were to propose moving in prior to annexation, the county would require a special use review, as the county Commercial zone district requires special use review for a large recycling collection use.

However, the city would likely annex 6400 Arapahoe Ave. prior to the relocation of CHaRM. If only repairs and building code upgrades were proposed to the existing buildings, then a city building permit would be required for CHaRM to move in. If square footage were added to the existing buildings or new buildings were constructed on the site, as has been requested by Eco-Cycle and the Center for ReSource Conservation, then other review processes would be required (concept plan review, site review, and use review, which could occur concurrently with the annexation process). This will require hearings before Planning Board and City Council where the public can provide input. More information on these processes can be found on the city's Web site:

http://www.bouldercolorado.gov/index.php?option=com_content&task=view&id=1423&Itemid=536.

Property Acquisition:

5. What type of due diligence is being done at the site before committing taxpayer funds to the purchase?

Several environmental assessments, building inspections, a traffic study, and Comprehensive Plan and zoning requirements were analyzed for the site and reports were presented to City Council on May 19 and July 7.

Pinyon Environmental Engineering Resources was engaged to examine the property for any recognized environmental conditions. Pinyon completed its review and did not find any environmental concerns that recommended evaluating further. Temkin Wielga Hardt & Longenecker, an environmental legal services firm, has been contracted to pursue follow-up environmental review of the property. In addition, in the purchase agreement, the seller has signed warranties regarding the legal status and environmental condition of the property.

A commercial building inspector was contracted to thoroughly review all of the structures in place on the property. Given the age of the buildings, the inspector indicated they are well-built structures kept in fair repair. As with most buildings of this age, new uses would require upgrades to meet new code requirements and new expectations for heating, ventilation and air conditioning performance and sustainability.

Finally, a preliminary traffic study was prepared by Fox, Higgins. See questions 9 and 10 below for an overview of the study results. Analysis of the feasibility and appropriateness of the uses being considered in relation to Boulder Valley Comprehensive Plan and the city's land use regulations were also prepared by city staff. See questions 11-15 below for an overview of the results of these analyses.

6. Why is this acquisition moving so quickly?

The city is negotiating with the seller to extend the purchase contract to allow more time to complete due diligence on the property. As is typical in real estate transactions, the seller has an interest in closing on the sale within 60 days of the original purchase agreement.

Another factor driving the acquisition timeline is the fact that ReSource must move from its current location by Aug. 31, 2010, because it is located on land that Special Transit is under contract to purchase from Western Disposal (approximately six acres of the brickyard parcel). If the city purchases the property, ReSource could move and start operations in the existing buildings under current county zoning prior to the completion of the annexation process.

7. Why is the city considering spending \$5.45 million on this property when the economy is so bad and real estate prices are depressed? Was an appraisal done of the site? Is this purchase a good value for the taxpayer?

City Council will decide whether to purchase the property on Aug. 18. Real estate professionals at both the city and county evaluated the property and appraised its value based on comparable recent sales in the general area, available nearby vacant land and the specific characteristics of the site, including its location, size, connection to city water and wastewater services, and existing buildings. Based on this analysis, the proposed purchase price of \$5.45 million has been deemed reasonable. With the estimated value of the existing buildings on the site at \$1.45 million, the purchase price for the land is approximately \$9.60 per square foot. This compares favorably to the price of industrial land in the city, as well as the price of available nearby vacant land (\$11 per square foot). In December 2007, the city sold approximately 2 acres of land zoned Industrial General through a competitive bidding process that resulted in a sale price of \$16.16 per square foot.

In regard to the previous purchase price, \$3.9 million in March 2008, the current owners did not necessarily pay the true market value at the time.

While real estate values may be down for properties with large capital investments in buildings, particularly buildings that have been vacated by tenants now out of business, the market for vacant or nearly vacant land in Boulder County follows a different set of market conditions. Land owners with smaller levels of investment are often willing to hold their land for long periods of time as a significant investment. Similarly, since vacant or nearly vacant land allows for more customization of land use and construction by new owners, it can offer an attractive benefit to buyers and command a more competitive price.

Land values are also determined by location and program need. The county has a major investment in the existing Recycling Center on 63rd Street, and the property at 6400 Arapahoe Ave. is the only available parcel of reasonable size and appropriate zoning for further recycling operations near this existing facility.

8. Will the city Trash Tax or the county Recycling Tax be increased because of this project?

The Boulder County Recycling Tax expired in 2001 and, therefore, cannot be increased because of this project. However, if the city moves forward with the purchase, the city's Trash Tax would likely be increased to pay for the acquisition and site development. City Council is expected to decide on the Trash Tax rate increase on Aug. 18. The tax increase for residential trash customers could range from \$0.23 per month to \$3.35 per month, depending on the level of trash service and on which increase option the council selects. All of the tax increase options that council is considering are within the maximum tax levels approved by voters in 1994. (There would be no increase for customers with three can per week service, as they already pay the maximum tax.)

Impacts / Concerns:

9. How does the city plan to address concerns about traffic, with congestion already bad along Arapahoe Avenue?

A preliminary traffic study was conducted and found that the expected traffic impacts from the proposed uses represent a decrease in traffic from the previous use on the site (BMC Lumberyard). For the most part, the proposed hours of operation will not coincide with peak periods of traffic on Arapahoe Avenue. Should the city move forward with the site acquisition, if additional uses are considered for the site, then a follow-up traffic study would be conducted and a secondary access to the site could be explored.

10. What are CDOT's plans for improvements along Arapahoe?

The Colorado Department of Transportation (CDOT) is planning to widen and upgrade Arapahoe Avenue from Cherryvale Road to 75th Street. This would include sidewalks, bike

lanes, curb and gutter, a center left-turn lane and a right-turn lane. However, since this project is not yet fully funded, construction has not been scheduled.

11. Arapahoe Avenue serves as a gateway/entrance to the City of Boulder. What would be done to make sure this project doesn't ruin a beautiful view of the mountains and city as you're driving west on Arapahoe?

With annexation to the city, any additional development on the site would be required to comply with city height limit regulations and provide streetscape landscaping. It would also be required to comply with the site's Boulder Valley Comprehensive Plan land use designation, Performance Industrial, which calls for the site to be improved to a higher level than its current state.

12. How will noise be controlled, especially from equipment and vehicles backing up?

For the ReSource and Charm activities, there may be noise from vehicles backing up, as this is an Occupation Safety and Health Administration (OSHA) requirement. However, this would be limited to business hours. Any other noise impacts caused by future uses will be mitigated according to the city's site review requirements if annexed.

13. I'm worried about the potential for composting on this site and the odors it would cause. Is composting being considered, and if so, how will the smell be managed?

No, composting is not currently being considered for the site. If it is considered in the future, it would likely only be "containerized vessel" composting. This system minimizes odors by encapsulating and filtering organic materials.

14. The crushing and grinding of building materials sounds like it would be very noisy and disruptive to the neighborhood. How would these impacts be monitored and controlled?

Because the crushing and grinding of construction and demolition (C&D) materials may not be appropriate for this site's Performance Industrial Boulder Valley Comprehensive Plan land use designation, the county has decided to locate this activity elsewhere. C&D was initially considered for this site, but is no longer part of the city and county proposal. Regardless of the location, with any C&D recycling project, the grinder used would contain sound- and dust-control devices to limit the impacts on adjacent properties.

15. What protection will there be for Sombrero Marsh to prevent runoff, leeching, and seeping into the groundwater, and a visual separation from the Marsh?

None of the currently proposed uses for this site would handle hazardous materials. The west portion of the site, where the proposed uses would be located, is visually buffered from Sombrero Marsh by existing mature vegetation. Visual impact mitigation would be required for any future development on the southeast side of the site.

16. What opportunities will the neighbors have to review and comment on the uses being proposed for this site?

Members of the public may speak before City Council at any regular council meeting during public participation or at the scheduled public hearings for this project. The next public hearing will be held on Tuesday, Aug. 18, 2009. At this meeting, council is expected to decide whether to proceed with purchasing the site and consider a trash tax increase ordinance. Council meetings typically start at 6 p.m. and are held in the City Council Chambers, 1777 Broadway. For updated meeting times, check the city's online calendar at www.bouldercolorado.gov. Materials for council meetings are available the Friday prior to each meeting. Go to www.bouldercolorado.gov > City Council > Council Agendas and Minutes > Latest Agenda.

Interested members of the public can receive updates on this project by periodically checking the project Web site and signing up for e-mail updates at: www.bouldercolorado.gov > Issues/Project > Future Waste Reduction Facilities – 6400 Arapahoe Ave. On this Web site, there is also a comment box form to submit feedback to city staff.

Any future construction on the site will require review and approval through the city annexation and site review process, which includes opportunities for public input.