

***City Council
Business Retention & Development Committee***

A sub-committee of the Louisville City Council

**Monday, December 7, 2015
8:00 AM – 10:00 AM
Library Meeting Room
951 Spruce Street
(entry on the north side of building)**

- I. Call to Order
- II. Roll Call
- III. Approval of Agenda
- IV. Approval of November 2, 2015 Meeting Minutes
- V. Public Comments on Items Not on the Agenda
- VI. Downtown Patio Fee discussion
- VII. 2016 BRaD discussion topics
- VIII. Retention Visits
 - Izzio Bakery
- IX. ED Update
- X. Reports from committee members –
- XI. Discussion Items for Next Meeting: January 4, 2016
- XII. Adjourn

***City Council
Business Retention &
Development Committee
Meeting Minutes***

**November 2, 2015
Library Meeting Room
951 Spruce Street**

CALL TO ORDER –The meeting was called to order by Chair Hank Dalton at 8:00 AM in the 1st Floor Meeting room at the Louisville Library, 951 Spruce Street, Louisville, Colorado.

ROLL CALL – The following members were present:

Committee Members: Hank Dalton, Chair
 Shelley Angell, Chamber of Commerce
 Rob Lathrop, Revitalization Commission
 Jeff Lipton, City Council
 Sue Loo, City Council
 Michael Menaker, Alternate Revitalization Commission
 Chris Pritchard, Planning Commission
 Jim Tienken, Downtown Business Association

Staff Present: Malcolm Fleming, City Manager
 Aaron DeJong, Economic Development Director
 Dawn Burgess, Executive Assistant to the City Manager

Others Present: Mike Kranzdorf

APPROVAL OF AGENDA – approved

APPROVAL OF OCTOBER 5, 2015 MINUTES: approved

PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA:
None

STRENGTHS AND WEAKNESSES OF RETAIL BY AREA

Economic Development Director Aaron DeJong developed the list in the packet based on meetings with business owners and retailers and roundtable discussions.

McCaslin/Centennial Valley area benefits from larger day time traffic. Superior Town Center housing to start in early 2016. Strengths and weaknesses for each category were reviewed. Multi-use trails were discussed. Area needs a focal point; a place to gather. Perhaps look at zoning. Need more mixes of retail and support services.

There was a discussion of Small Area Plans (SAP) and the importance of public input. There was a discussion of signage and being able to do small things, faster, to help businesses.

It would be helpful to know how many rooftops are needed to make a difference. Buzz Koebel most likely has a number. Urban Renewal of the former Sam's Club property was discussed. That is in the hands of the Revitalization Commission.

Centennial Valley is the greatest opportunity for revitalization and the SAP is the vehicle to make that happen. McCaslin Placemaking Workshop is Wednesday, November 4th at 6:30 pm.

Commissioner Angell said signage and increasing the number of rooftops are the biggest requests when she does site visits.

Council member Lipton said Amazon wants to expand in Colorado. DeJong will follow up with Ellen Feeny.

Boulder is built out. This should benefit Louisville. Some employers will want to develop here.

Commissioner Lathrop said you have a different perspective when you are actively involved in City issues. Developers need to consistently come to Council as did the DELO developers.

South Boulder Road – there are two grocery anchored centers which is a positive. The area is mostly leased. City is in the middle of the South Boulder Road SAP.

Downtown doing great. Small day time population that drive commercial/office development. DeJong is interested in seeing how the commercial building in DELO leases and at what price. Restaurants are doing well, hard-good retailers are struggling.

If BRaD wants to look at these, there are things that can be done to made change. Ie: PUD process is difficult.

ECONOMIC DEVELOPMENT UPDATE:

550 S. McCaslin Urban Renewal – Revitalization Commission will work on Request For Proposal for redevelopment.

DELO Plaza – TEBO Properties has notified tenants the property will be redeveloped.

1501 Empire Road Lease – Human Movement has moved into former shops buildings. They are happy with the facility.

Lucky Pie Closing – Closed on sale of parcel on October 13th.

Analysis of Economic Development (ED) Programs – At a recent Study Session, Council said they have interest in looking at other programs ED facilitates. They mentioned having BRaD do an analysis: How the position stands right now, the things you are involved with. Analyze the effectiveness of BRaD and ED in function of City. I.e: Return on Investment (ROI) of BAP, ROI of Patios, ROI of trip to ICSC.

THANKS TO CHAIR DALTON

DeJong thanked Chair Dalton for his perspective, help and mentoring. Chair Dalton said he is proud of the work the BRaD Committee has done.

REPORT FROM COMMITTEE MEMBERS:

Update on CTC Connection – At a recent Study Session, Council learned of interest from CTC Metro district to do a connection off of 96th: this could provide a good retail amenity. RTD would be interested in doing a route through CTC assuming better access. Businesses are asking for more than auto access.

Uber is in final stages of going into 400 Centennial Parkway.

Eric Olson Jeweler is taking over the space in the old Library building, Suite 100.

PUBLIC COMMENTS

None

ITEMS FOR THE NEXT MEETING: DECEMBER 2015

ADJOURN – The meeting adjourned at 9:18 am

SUBJECT: 2016 DOWNTOWN PATIO PROGRAM FEE DISCUSSION

DATE: DECEMBER 7, 2015

PRESENTED BY: AARON M. DEJONG, ECONOMIC DEVELOPMENT

SUMMARY:

Staff is requesting BRaD input regarding the downtown patio fees for the 2016 season.

BACKGROUND:

The downtown patio program was started by the Downtown Business Association (DBA) in 2009 as a way to create activity within the downtown area. The DBA ran the program until the start of the 2013 season.

Benefits of the patios include:

- Encourages an active street front
- Creates additional space for restaurant operations, which creates new sales tax revenue for the City
- Calms traffic and creates a more pedestrian friendly environment
- Heralds the start of the summer season and encourages people from all over the region to come to Louisville

The purpose statement for the Downtown Patio Program is as follows:

The Downtown Patio Program makes available outdoor patios in existing on-street parking spaces during the late spring, summer and early fall. The program is meant to provide benefits to the community as a whole by encouraging an active streetscape. The patio program contributes to the positive image of Louisville and the allure of downtown to both citizens and visitors. Participating restaurants benefit from added outdoor seating to accommodate the demand for outdoor dining during the summer season.

The City has 18 twelve foot patios and 2 six-foot patios. For 2015, the patios were rented to the following restaurants:

- Bittersweet Café (18 feet)
- B.O.B.S Diner (24 feet)
- Empire Lounge (36 feet)
- Huckleberry Café (24 feet)
- Madera Grill (24 feet)
- Twelve Degree Brewing (36 feet)
- Vic's Coffee(6 feet)
- Waterloo (24 feet)

SUBJECT: 2016 DOWNTOWN PATIO PROGRAM FEE DISCUSSION

DATE: DECEMBER 7, 2015

PAGE 2 OF 3

- Zucca Italian Restaurant (36 feet)

In November 2013, the patio rental rates were determined by City Council after Staff presented detailed information on various options during several meetings, including;

- BRaD committee on September 9, 2013.
- Public meeting on September 9, 2013 with all downtown restaurants invited.
- City Council Study Session on October 22, 2013.

City Council decided to charge a fee of \$500 per season for each 12' patio section for each participating business, and \$250 per season for each 6' section. Any modifications to the rental fees may be made by the City Manager. Revenue in 2015 was \$9,500. The \$500 fee was enough to cover operating costs of the program, but not build a replacement reserve.

DISCUSSION:

Through the 2016 City Budget discussion, City Council showed an interest to revisit the Downtown Patio rental rates. Since rental changes may be made by the City Manager, Staff would like BRaD input on whether to increase the fees, and if so, to what amount.

Program Costs

The current \$500 per 12' section does not cover all the costs of operating, maintaining, and building a replacement reserve. Below is Staff's estimate of the patio program's costs:

- 1) Set up/take down – Public Works (PW) estimates \$1,500 in labor costs to set up and another \$1,500 to take down the patios.
- 2) Maintenance – PW estimates it will cost \$2,000 per year to maintain the wood, repair/replace parts, paint, and other maintenance on the existing patios.
- 3) Administration – Staff estimates it will cost \$2,700 per year to administer this program.
- 4) Patio depreciation – The patios must be replaced when they have exceeded their useful life and the program should have funding available at the time it is needed. Current replacement cost for one 12 foot patio is \$20,000. Assuming a 15-year life and 3% inflation, \$1,675 is needed per 12' patio per year to amass enough funds to replace the patio when needed. Yearly total is \$31,831.
- 5) Insurance - \$500 (staff estimate).
- 6) Storage - \$500 (staff estimate).

Total estimated costs above to operate the program for the 2016 season are \$40,531. This translates to a cost per 12 linear feet of patio of \$2,133. Much of the increase from 2013's analysis is due to the significant increase of the cost to manufacture a 12' patio. The increase is due to material and labor costs increases, but also because there is not a volume discount as replacement will likely happen over multiple years, rather than all in a single season.

SUBJECT: 2016 DOWNTOWN PATIO PROGRAM FEE DISCUSSION

DATE: DECEMBER 7, 2015

PAGE 3 OF 3

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Most if not all restaurants will request patios again for 2016. Moxie Bread Company is interested in participating in the program but there are not idle patios available. A \$40,000 CIP for procuring 24 feet of additional patio was not approved in the 2016 budget.

Increasing the rental fee may affect participation 2016, as restaurants will need to reevaluate whether the benefits from additional table tops still outweigh the additional costs to rent the patios. Each restaurant utilizes the patios differently, so decisions may vary.

Fee Options

To guide the discussion, below are a few options to determine various fee amounts in relation to the percentage of the replacement reserve costs.

	Operation Exp.	Replacement Exp	Total Rental	Fee per Patio
	\$ 8,700	\$ 31,831	\$ 40,531	\$ 2,133
Remain Same	100%	2.5%	\$ 9,496	\$ 500
Option A	100%	10%	\$ 11,883	\$ 625
Option B	100%	25%	\$ 16,658	\$ 877
Option C	100%	50%	\$ 24,616	\$ 1,296
Option D	100%	75%	\$ 32,573	\$ 1,714
Option E	100%	100%	\$ 40,531	\$ 2,133

RECOMMENDATION:

Staff would like BRaD input regarding the downtown patio rental rates. An increase is justified because program costs (related to replacement costs) have increased significantly since 2013. However, the 2013 rental discussion resulted in fees covering only the operating costs, thus being less than needed to make the program self-sufficient.

SUBJECT: 2016 BRaD DISCUSSION TOPICS

DATE: DECEMBER 7, 2015

PRESENTED BY: AARON M. DEJONG, ECONOMIC DEVELOPMENT

SUMMARY:

With the beginning of a new year, there is no better time to start planning for the BRaD committee's items they would like to discuss in 2016.

DISCUSSION:

Staff has tried to keep a list of topics mentioned over the last several months that BRaD may have an interest in analyzing and providing recommendations to City Council.

Analysis of Economic Development Programs

Staff currently does a yearly analysis of the Business Assistance Program (BAP) to gauge the employment, investment, and sales growth resulting from assistance packages to encourage projects to happen within Louisville.

The Economic Development Department has shepherded other programs of community interest and their management has remained in Economic Development. These programs include the Downtown Patio Program and the City's participation in the Downtown Street Faire. These programs could be analyzed to determine the financial, marketing, and investment effects for the downtown area.

Economic Development attends the annual ICSC Recon Retail Conference in Las Vegas. This trip is used to maintain and create retail relationships with businesses in town and those looking at town. This trip could be analyzed relating its expense to its benefit.

Urban Renewal activities are also managed by Economic Development. The Louisville Revitalization Commission maintains a multi-year financial model to estimate TIF generation over time.

Small Area Plans

The South Boulder Road and McCaslin Small Area Plans are underway and will be acted upon in 2016. BRaD held property owner roundtables for each area to gather input from area owners about their visions for the future. Each plan will continue its course and has been a very public process.

Downtown Parking

Parking is consistently a discussion topic in town and particularly in downtown. With most buildings being fully utilized, parking demand has reached its highest level. Opportunities for additional parking supply are limited without removing structures, so

SUBJECT: 2016 DOWNTOWN PATIO PROGRAM FEE DISCUSSION

DATE: DECEMBER 7, 2015

PAGE 2 OF 2

quick and cheap solutions are not available. Planning Department generated a quality parking study in 2014 outlining opportunities to address current parking demands and quantified additional parking needs (approximately 300 spaces) to facilitate redevelopments that meet the current zoning in downtown.

Assistance for Signage Modifications

The BRaD committee has heard from several businesses and owners that they would like to make modifications to their signage. Allowed signage varies depending on the property as some Planned Unit Developments are more restrictive than the City's general signage regulations. BRaD could discuss options for City assistance to address hurdles to requesting, preparing, and getting approval for signage changes.

RECOMMENDATION:

Staff would like BRaD to discuss the above topics for potential further discussion and offer other topics of interest not described in this memo.

SUBJECT: ECONOMIC DEVELOPMENT UPDATE

DATE: DECEMBER 7, 2015

PRESENTED BY: AARON DEJONG, ECONOMIC DEVELOPMENT

550 S. McCaslin Urban Renewal – The LRC will be reviewing an initial draft of an RFP for proposals for the former Sam’s Club.

The Foundry

RMCS has proposed a multi-use development along Hwy 42 and Pascal adjacent to the Steel Ranch neighborhood. The project includes retail, office, and condominium product.

Markel proposing North End Market

Markel Homes has submitted a development proposal for 4.4 acre parcel along South Boulder Road just east of the car wash. It includes 40,000 sf of office and retail, and 65 proposed residential units with 31 of the units having a 50+ age restriction.

Etkin Johnson to build at 633 CTC Blvd.

Etkin Johnson will soon be constructing a 150,000 sf industrial building at 633 CTC Blvd. Leasing is strong in the Colorado Tech Center, and they are confident this spec development will be leased soon.

More named tenants at McCaslin Marketplace

McCaslin Marketplace at 994 Dillon Road announced two additional tenants, MOD Pizza and Jimmy John’s. They join Smashburger and MAD Greens in the new 13,000 sf multi-tenant building. Two suites remain available.