

**AGENDA FOR THE  
ENGLEWOOD CITY COUNCIL  
STUDY SESSION  
MONDAY, DECEMBER 13, 2010**



**I. Executive Session**

At 6:00 p.m. in the City Council Conference Room, City Council will discuss a real estate matter (Englewood Depot) pursuant to C.R.S. 24-6-402-4(a).

**II. 4757 South Bannock Street**

At 6:30 p.m. in the Community Room, Chief Building Official Lance Smith will discuss the demolition of 4757 South Bannock Street.

**III. Financial Report**

Financial and Administrative Services Director Frank Grylewicz will discuss the November, 2010, Financial Report.

**IV. Fund 46 Review**

Community Development Director Alan White and Financial and Administrative Services Director Frank Grylewicz will discuss Fund 46.

**V. Rehabilitation Loan Guidelines for Underwriting**

Community Development Director Alan White and the Loan Committee will discuss guidelines for rehabilitation loans.

**VI. Construction/Sale Review of Rehabilitation and NSP Projects**

Community Development Director Alan White, Senior Planner Harold Stitt, Housing Specialist Janet Grimmett and Construction Specialist Steve Ozburn will discuss the construction/sale review of rehabilitation and NSP projects.

**VII. City-Wide Retail Assessment**

Community Development Director Alan White will discuss City-wide Retail Assessment.

**VIII. Medical District Small Area Plan Amendment**

Community Development Director Alan White will discuss the Medical District Small Area Plan Amendment – Subarea 2.

**IX. City Manager's Choice**

- A. Humane Society Contract Extension
- B. 3045 South Acoma Street

**X. City Attorney's Choice**

**XI. Council Member's Choice**

Please Note: If you have a disability and need auxiliary aids or services, please notify the City of Englewood, 303-762-2407, at least 48 hours in advance of when services are needed. Thank you.



## MEMORANDUM

TO: Michael Pattarozzi, Fire Chief

FROM: Lance Smith, Chief Building Official

DATE: December 9, 2010

SUBJECT: Council Request #10-252

### **CR #10-252 – Follow-up on demolition of 4757 S. Bannock**

The Search Warrant to gain access to the property was issued on December 1, 2010. The purpose of the Search Warrant was to determine that the house is a threat to the health and safety of the surrounding neighborhood and order removal of the structure known as 4757 S. Bannock.

Building Division staff has met with two contractors and is in the process securing bids for demolition. Once a contractor is selected it will take approximately 10 working days to complete an environmental study for asbestos and lead paint contamination and receive an approval from the State of Colorado for demolition of the structure.

Since the last inspection in December of 2009 the soils supporting the foundation at the south wall have completely washed away.

# MEMORANDUM

**To:** Mayor Woodward and City Council  
**From:** Frank Gryglewicz, Director of Finance and Administrative Services  
**Date:** December 8, 2010  
**Subject:** November 2010 Financial Report

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## Summary of November 2010 General Fund Financial Report

### REVENUES:

- Through November 2010, the City of Englewood collected **\$33,394,777 or \$136,134 (less than one percent)** less than last year (See the chart on page 3 and the attached full report for detail on changes in revenue in past year).
- The City collected \$2,948,345 in property and \$227,318 in specific ownership tax through November.
- **Year-to-date sales and use tax revenues were \$19,073,807 or 18,438 (.10 percent) more than November 2009** (In January 2009, the City of Englewood received \$201,000 from use tax audits completed in 2008. If this had not occurred, the City would be 1.16 percent ahead of last year.)
- Cigarette tax collections were down \$23,941 compared to last year.
- Franchise fee collections were \$167,723 more than last year.
- Licenses and permit collections were \$131,134 more than 2009.
- Intergovernmental revenues were \$139,635 more than the prior year.
- Charges for services decreased \$63,353 from last year.
- Recreation revenues increased \$194,563 from 2009.
- Fines and forfeitures were \$182,912 less than last year.
- Investment income was \$134,943 less than last year.
- Miscellaneous revenues were \$352,079 less than last year.

### OUTSIDE CITY:

- Outside City sales and use taxes were down \$185,739 or 3.05 percent compared to last year.
- At this time potential refunds total approximately \$900,000 for claims submitted to Englewood but not completed; the balance of the account to cover intercity claims is \$600,000.

### CITY CENTER ENGLEWOOD (CCE):

- Sales and use tax revenue collected through November 2010 were \$1,913,601 (3.14 percent) less than the \$1,975,634 collected during the same period in 2009.

### EXPENDITURES:

- Expenditures through November were \$35,289,446 or \$137,101 (.39 percent) more than the \$35,152,345 expended through November 2009.
- The City refunded \$199,682 in sales and use tax claims through November.

### RESERVES:

- The unreserved/undesignated reserves for 2010 are budgeted at \$3,878,895 or 10.7 percent of budgeted revenues.
- The unreserved/undesignated fund balance for 2010 is *estimated* at \$4,284,226 or 11.69 percent of projected revenues.

### TRANSFERS:

- Net transfers-in to date of \$2,206,099 were made in 2010.

### REVENUES OVER/UNDER EXPENDITURES:

- Expenditures exceeded revenues by \$1,894,669 through November 2010.

### PUBLIC IMPROVEMENT FUND (PIF):

- The PIF has collected \$1,551,595 in revenues and spent \$2,047,808 year-to-date. Estimated year-end fund balance is \$611,158.

# City of Englewood, Colorado

## November 2010 Financial Report

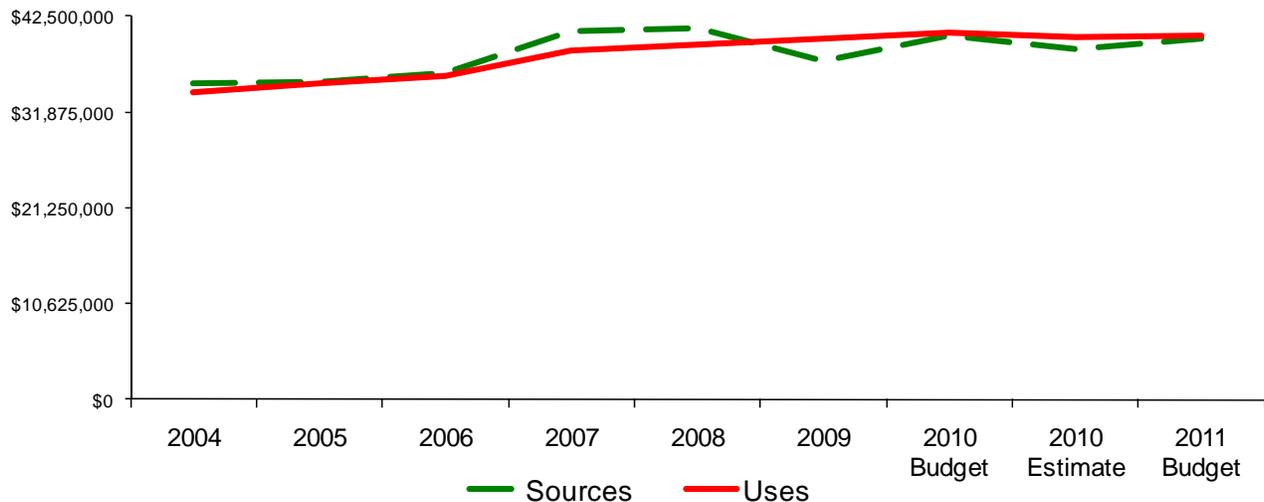
### GENERAL FUND OVERVIEW AND ANALYSIS

The General Fund accounts for the major “governmental” activities of the City. These activities include “direct” services to the public such as police, fire, public works, parks and recreation, and library services. General government also provides services by the offices of city manager and city attorney; the departments of information technology, finance and administrative services, community development, human resources, municipal court and legislation. Debt service, lease payments, and other contractual payments are also commitments of the General Fund.

#### General Fund Surplus and Deficits

The line graph below depicts the history of sources and uses of funds from 2004 to 2010 Estimate. As illustrated, both surpluses and deficits have occurred in the past. The gap has narrowed over the past few years by reducing expenditures, freezing positions, negotiating lower-cost health benefits, increased revenue collections. Continued efforts will be required to balance revenues and expenditures, especially with persistent upward pressure on expenditures due to increases in the cost of energy, wages and benefits.

**General Fund: Total Sources and Uses of Funds**



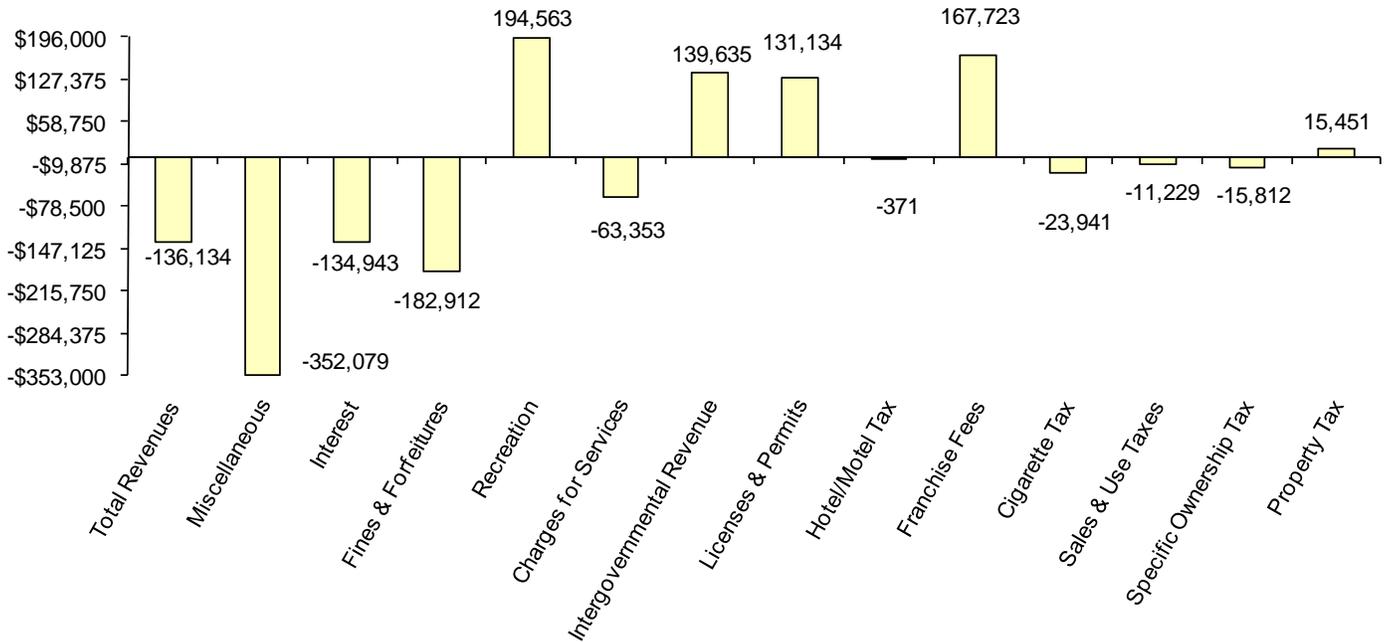
The table below summarizes General Fund Year-To-Date (YTD) Revenues, Expenditures, Sales & Use Tax Revenue and Outside City Sales & Use Tax Revenue for the month ended November, 2010. Comparative figures for years 2009 and 2008 are presented as well. The table also highlights the dollar and percentage changes between those periods.

	2010	2010 vs 2009 Increase (Decrease)		2009	2009 vs 2008 Increase (Decrease)		2008
<b>General Fund</b>							
Year-To-Date Revenues	\$ 33,394,777	\$ (136,134)	(.41%)	\$ 33,530,911	\$ (2,474,488)	(6.87%)	\$ 36,005,399
Year-To-Date Expenditures	35,289,446	\$ 137,101	.39%	35,152,345	\$ (357,940)	(1.01%)	35,510,285
Net Revenues (Expenditures)	\$ (1,894,669)	\$ (273,235)		\$ (1,621,434)	\$ (2,116,548)		\$ 495,114
Estimated Unreserved/ Undesignated Fund Balance	\$ 4,284,226	\$ (609,552)	(12.46%)	\$ 4,893,778	\$ (1,363,042)	(21.78%)	\$ 6,256,820
Sales & Use Tax Revenue YTD	\$ 19,037,078	\$ (11,229)	(.06%)	\$ 19,048,307	\$ (2,386,580)	(11.13%)	\$ 21,434,887
Outside City Sales & Use Tax YTD	\$ 5,910,708	\$ (185,739)	(3.05%)	\$ 6,096,447	\$ (1,481,665)	(19.55%)	\$ 7,578,112

## General Fund Revenues

The City of Englewood's total budgeted revenue is \$38,532,965. Total revenues collected through November 2010 were \$33,394,777 or \$136,134 (less than one percent) less than was collected in 2009. The chart below illustrates changes in General Fund revenues this year compared to last year.

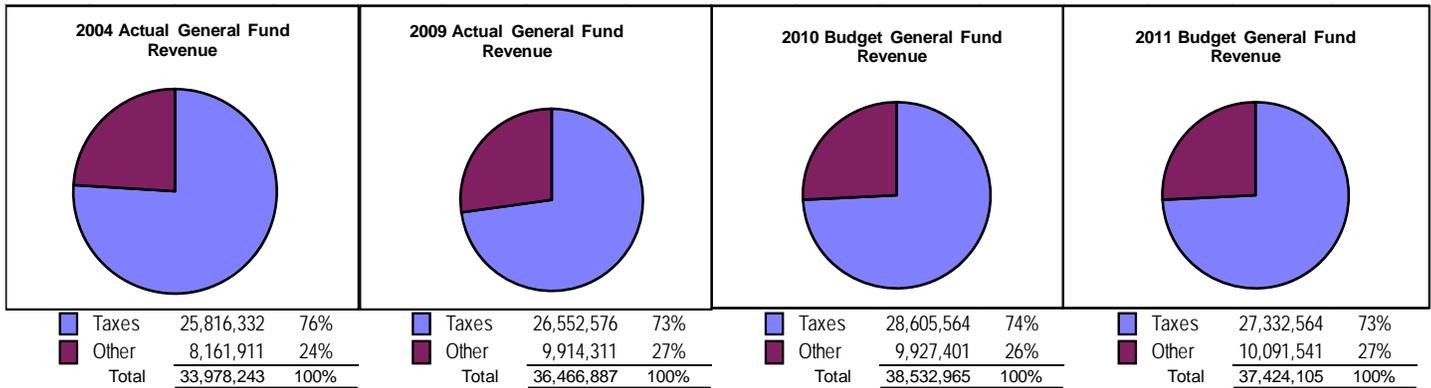
**2010 Year-To-Date Change in General Fund Revenue as Compared to Prior Year**



## General Fund Taxes

The General Fund obtains most of its revenue from taxes. In 2009 total revenues were \$36,466,887 of which \$26,552,577 (72.8 percent) came from tax collections. Taxes include property, sales and use, specific ownership, cigarette, utilities, franchise fees, and hotel/motel. The following pie charts illustrate the contribution of taxes to total revenue for 2004, 2009, budgeted 2010 and 2011. Taxes as a percentage of total revenue have declined slightly as other fees and charges have been increased to help offset rising costs and relatively flat tax revenues.

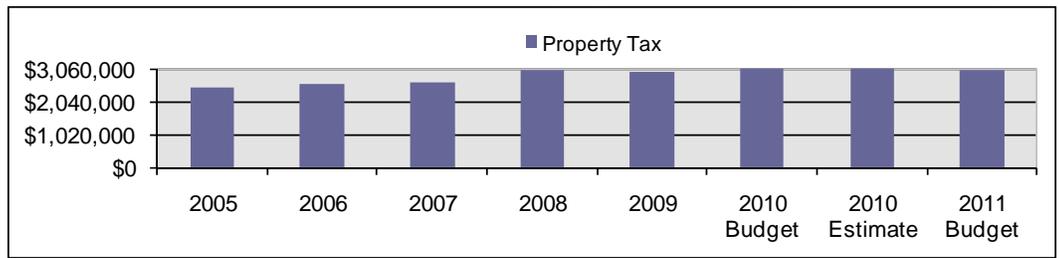
**General Fund Revenues  
Taxes vs. Other**



**Property taxes:** These taxes are collected based on the assessed value of all the properties in the City and the mill levy assessed against the property.

The City's total 2009 mill levy collected in 2010 is 7.911 mills. The 2009 mill levy for general operations collected in 2010 is 5.880 mills. A voter approved additional mill of 2.031 mills is levied for principal and interest

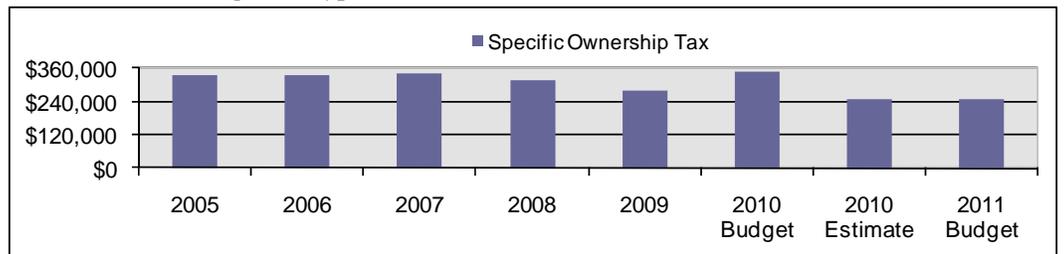
payments on the City's general obligation debt (parks and recreation projects). Property tax collections grew from \$2,493,832 in 2005 to \$2,971,303 in 2009. This was an increase of \$477,471 or 19.1 percent. In 2009 the City collected \$2,971,303 or 11.2 percent of 2009 total taxes and 8.1 percent of total revenues from property taxes. The City budgeted \$3,046,000 for 2010; collected \$2,948,345 through November 2010.



**Specific ownership:** These taxes are based on the age and type of motor vehicles, wheeled trailers, semi-trailers, etc.

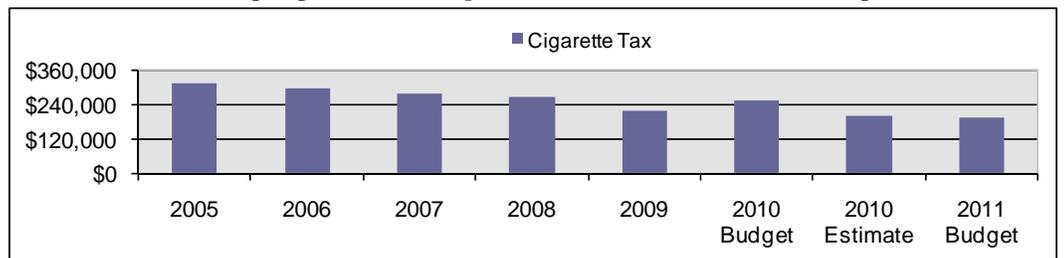
These taxes are collected by the County Treasurer and remitted to the City on the fifteenth day of the following month. The City collected \$334,768 in 2005 and \$276,414 in 2009 which is a decrease of \$58,354 or 17.4 percent. The City collected

\$276,414 in 2009 which is less than one percent of total revenues and one percent of total taxes. The City budgeted \$350,000 for 2010 and collected \$227,318 through November 2010. The year-end estimate has been reduced to \$250,000.

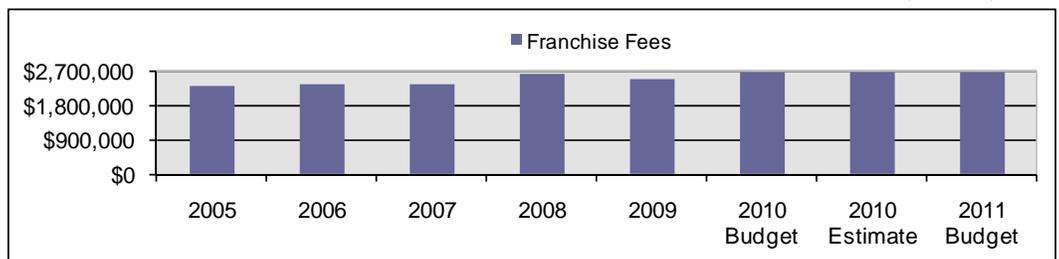


**Cigarette Taxes:** The State of Colorado levies a \$.20 per pack tax on cigarettes. The State distributes 46 percent of the gross tax to cities and towns based on the pro rata share of state sales tax collections in the previous year. These taxes have fallen *significantly* in the past and continue to fall after the 2009 federal tax increase of approximately \$.62 per pack

went into effect. This increase will fund the State Children's Health Insurance Program (SCHIP). In 2005 the City collected \$313,731, but in 2009 the City collected \$218,449, which is a *decrease* of \$95,282 or 30.4 percent. These taxes accounted for one percent of total taxes and less than one percent of total revenues in 2009. The City budgeted \$250,000 for the year and collected \$177,638 through November 2010, which is \$23,941 or 11.88 percent less than the \$201,579 collected through November 2009. The year-end estimate has been reduced to \$200,000.



**Franchise Fees:** The City collects a number of taxes on various utilities. This includes franchise tax on water, sewer, and public services, as well as occupational taxes on telephone services. The City collected \$2,294,972 in 2005 and \$2,452,611 in 2009, an increase of \$157,639 or 6.9 percent. These taxes accounted for 9.2 percent of taxes and 6.7 percent of total revenues in 2009. The City budgeted \$2,650,851 for the year; collections through November totaled \$2,237,206 compared to \$2,069,206 collected during the same period last year.

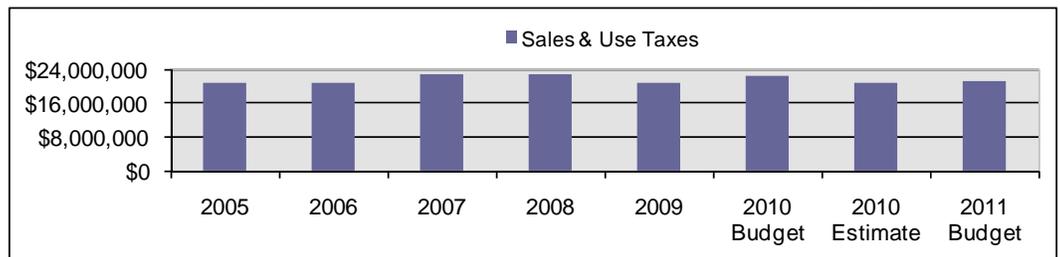


**Hotel/Motel Tax:** This tax is levied at two percent of the rental fee or price of lodging for under 30 days duration. The City budgeted \$8,713 for the year and has collected \$8,163 through November 2010.



### Sales and Use Taxes Analysis

Sales and use taxes are the most important (and volatile) revenue sources for the City. Sales and use taxes generated 77.4 percent of all taxes and 56.4 percent of total revenues collected in 2009. In 2005, this tax generated \$20,886,855 for the City of Englewood; in 2009 the City collected \$20,624,659, a decrease of 1.3 percent. This tax is levied on the sale price of taxable goods. Sales tax is calculated by multiplying the sales price of taxable goods times the sales tax rate of 3.5 percent. Vendors receive a .25 percent fee for collecting and remitting the taxes to the City by the due date. Taxes for the current month are due to the City by the twentieth day of the following month. The City budgeted \$22,300,000 for 2010. Sales and Use Tax revenue through November 2010 was \$19,073,807 while revenue year-to-date for November 2009 was \$19,055,369, an increase of \$18,438 or one tenth of one percent.



Sales tax is calculated by multiplying the sales price of taxable goods times the sales tax rate of 3.5 percent. Vendors receive a .25 percent fee for collecting and remitting the taxes to the City by the due date. Taxes for the current month are due to the City by the twentieth day of the following month. The City budgeted \$22,300,000 for 2010. Sales and Use Tax revenue through November 2010 was \$19,073,807 while revenue year-to-date for November 2009 was \$19,055,369, an increase of \$18,438 or one tenth of one percent.

In January 2009, the City of Englewood received \$201,000 from use tax audits completed in 2008. This skews the percentage difference between 2010 and 2009. If the audit proceeds were removed from 2009 year-to-date collections, the City's 2010 collections would be \$189,771 more than 2009 collections.

Collections for November 2010 were \$1,491,903 while collections for November 2009 and November 2008 were \$1,628,270 and \$1,561,109 respectively. November 2010 collections were \$136,367 or 8.37 percent less than November 2009 and \$69,206 or 4.43 percent less than 2008 collections.

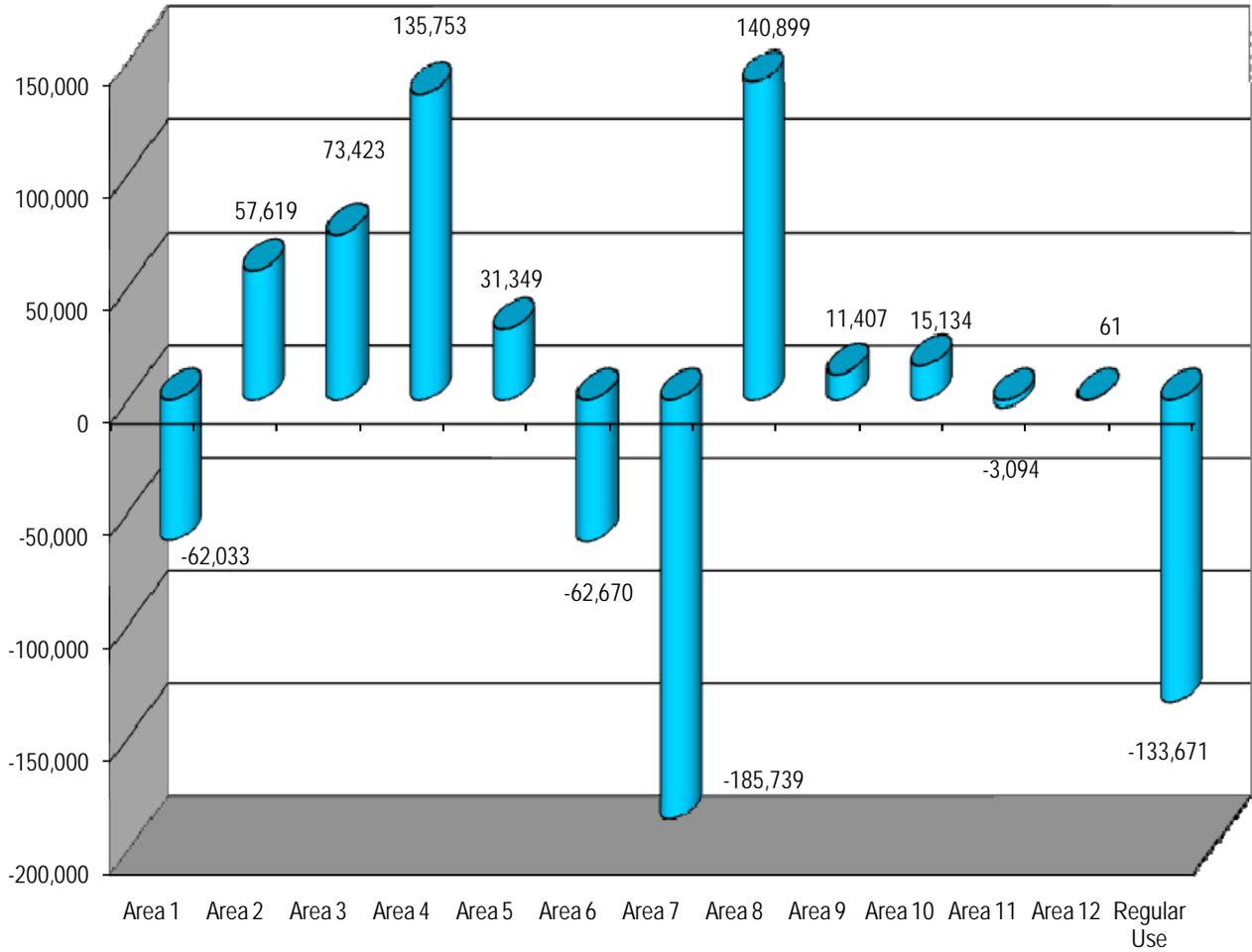
This revenue source tends to ebb and flow (often dramatically) with the economy, growing during economic expansions and contracting during downturns. The past two years of sales tax collections have been exceptionally erratic with no discernable trend to make accurate short or long term forecasts. It is important to continually review and analyze sales and use tax data including trends in the various geographic areas of the City.

Year-to-date the City has collected approximately 99.9 percent of last year's sales and use taxes (\$20,624,659). If this holds through to the end of the year, the City will collect \$20,612,501 for the year. Historically, the City collects 93.3 percent of its total sales and use taxes in the first quarter; this leaves 6.7 percent to be collected over the next month. If this historic pattern holds true for the year, the City can expect to collect an additional \$1,367,078 for a total of \$20,404,156 for the year. Last year the City collected \$1,555,583 in the last month of the year; if the City collects the same this year, the total for the year will be \$20,592,661. Earlier in the year, the estimate was reduced to \$21,200,000. Based on the above calculations, the estimated collections were reduced to \$20,800,000 in July to reflect the continued decline in collections for the year.

The chart on the next page, "Change in Sales/Use Tax Collections by Area 2010 vs. 2009" indicates that most of the decrease in sales tax collections is due to Outside City (Area 7) and All Other City Locations (Area 6) sales. Regular use tax was up last year due to the 2009 receipt of a 2008 audit. Economic conditions, judged by sales tax collections,

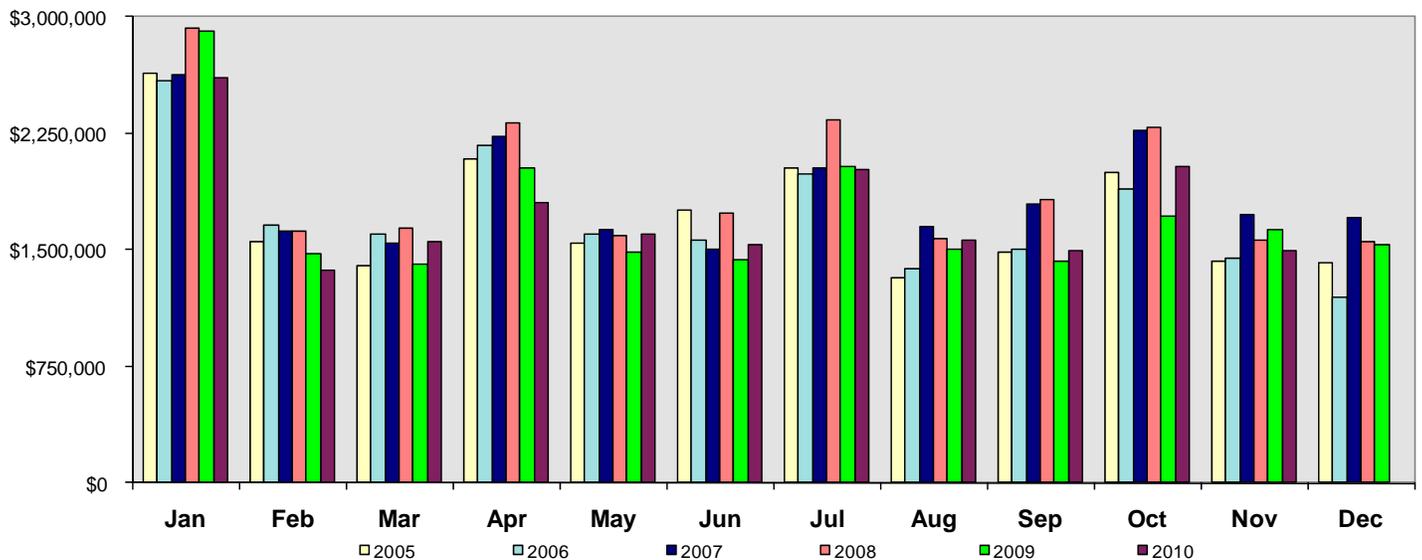
appears to be a “mixed bag” with some geographic areas increasing and some decreasing compared to the same period last year.

**Change in Sales/Use Tax Collections by Area 2010 vs 2009**



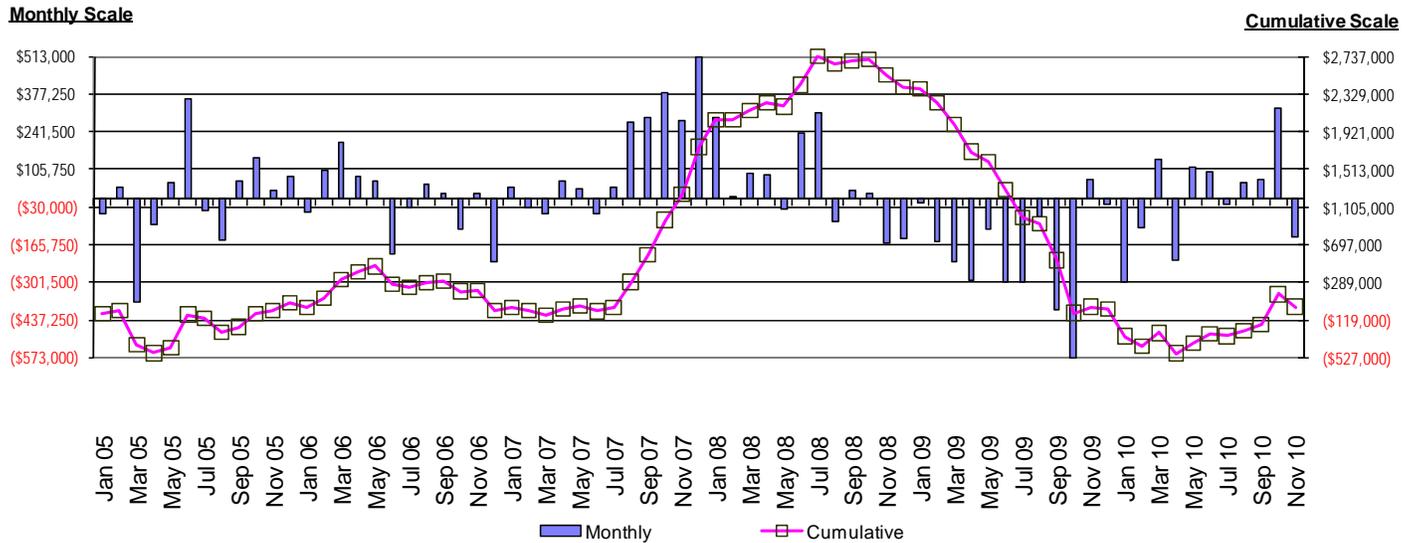
The bar graph below shows a comparison of monthly sales tax collections (cash basis) for 2005 through 2010.

**2005-2010 YTD Sales/Use Tax Collections by Month - Cash Basis**



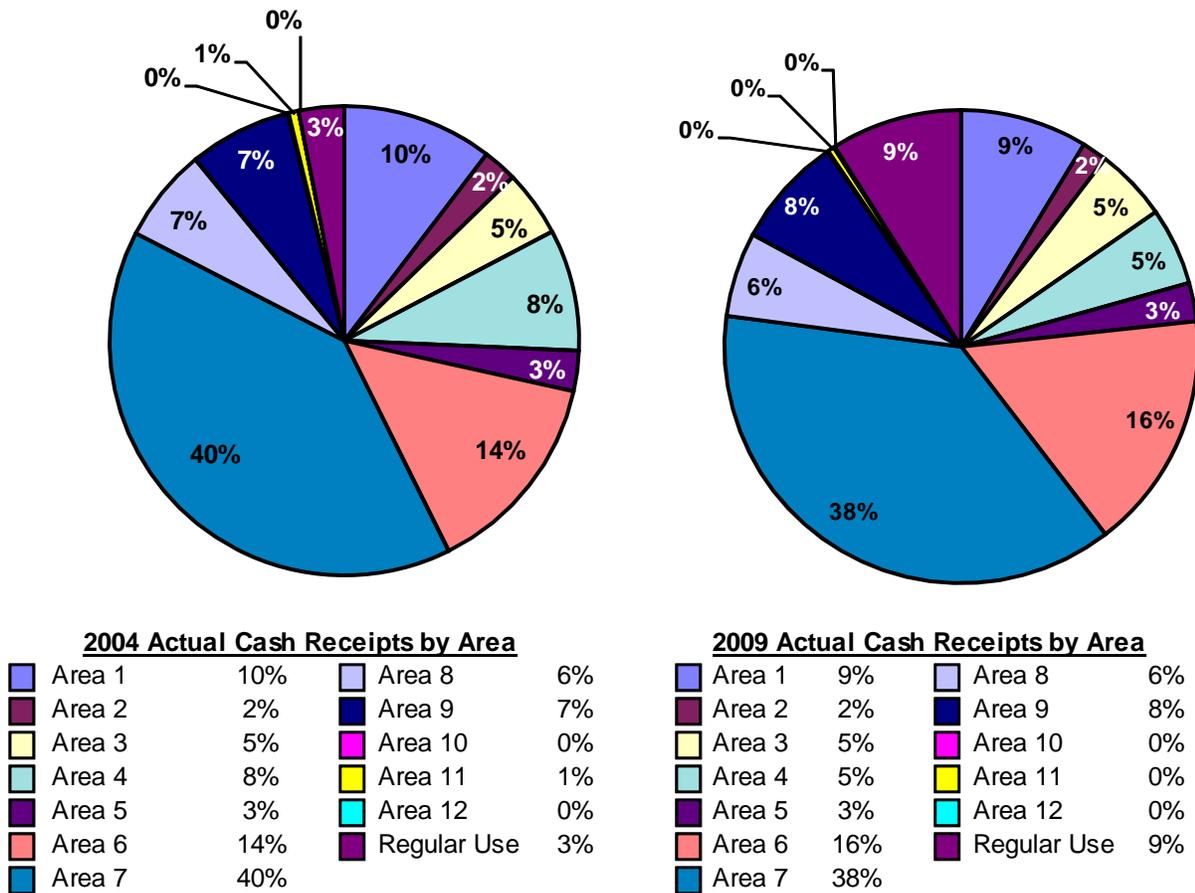
The next chart illustrates sales tax collections (cash basis) by month and cumulative for the years presented.

### 2005 - 2010 Monthly Change Sales and Use Tax



Sales tax collections are reported by various geographic areas as illustrated in the following pie charts. These illustrate the changing collection patterns for 2004 and 2009.

### Geographic Sales Tax Collection Areas



A brief description and analysis of the significant geographic areas follows:

**Area 1:** This geographic area accounts for the sales tax collections from CityCenter Englewood. CityCenter Englewood had collections of \$1,913,601 year-to-date 2010, in 2009, the City collected \$1,975,634.

**Area 6:** This geographic area is down from last year due to an audit that was completed and paid last year for \$201,000.

**Area 7:** This geographic area records the outside city sales tax collections (Outside City). Outside City has been the geographic area responsible for much of the sales tax growth (and decline) in past years. Outside City collections have decreased 3.05 percent from the same period last year. The chart below illustrates this area’s contribution to total sales and use taxes (cash basis) as well as total revenues since 2006 for collections through the month of November. The importance of Outside City has declined as a percentage of sales and use tax collections but it continues to remain an important impact on the City’s General Fund as illustrated by the following:

	2006	2007	2008	2009	2010
Total Sales and Use Taxes	19,380,313	20,644,306	21,426,975	19,055,369	19,073,808
Outside City Collections	6,967,314	7,559,524	7,578,112	6,096,447	5,910,708
Percentage of Total	36.0%	36.6%	35.3%	39.8%	32.0%
Total General Fund Revenues	33,083,712	34,593,119	36,005,399	33,530,911	33,394,777
Outside City Collections	6,967,314	7,559,524	7,578,112	6,096,447	5,910,708
Percentage of Revenues	21.1%	21.9%	21.0%	18.2%	17.7%

The City records the proceeds of some returns from Outside City into an unearned revenue (liability) account. The criteria staff uses to decide if proceeds should be placed in the unearned account is if a reasonable probability exists for another municipality to claim the revenue. This account currently has a balance of \$600,000 to cover intercity claims. The City paid \$199,682 in refunds including intercity sales/use tax claims through November 2010 compared to \$287,190 through November 2009. At this time potential refunds total approximately \$900,000 for claims submitted to Englewood but not completed.

**Area 8:** This geographic area consists of collections from public utilities. Collections through November were up \$140,899 or 9.62 percent over last year. Weather conditions, energy usage conservation, and rising energy prices play an important role in revenue collections. Collections could increase or decrease if the remainder of the year is significantly hotter/colder than normal.

### **Other Sales Tax Related Information**

Finance and Administrative Services Department collected \$373,417 in sales and use tax audit revenues and general collections of balances on account through the month of November; this compares to \$475,488 collected in 2009 and \$699,457 collected in 2008.

Of the 72 sales tax accounts reviewed in the various geographic areas, 39 (54 percent) showed improved collections and 33 (46 percent) showed reduced collections this year compared to the same period last year.

The Department issued 356 new sales tax licenses through November 2010; 341 and 359 were issued through November 2009 and 2008 respectively.

City records indicate that year-to-date 172 businesses closed (101 of them were outside the physical limits of Englewood) and 356 opened (219 of them were outside the physical limits of Englewood).

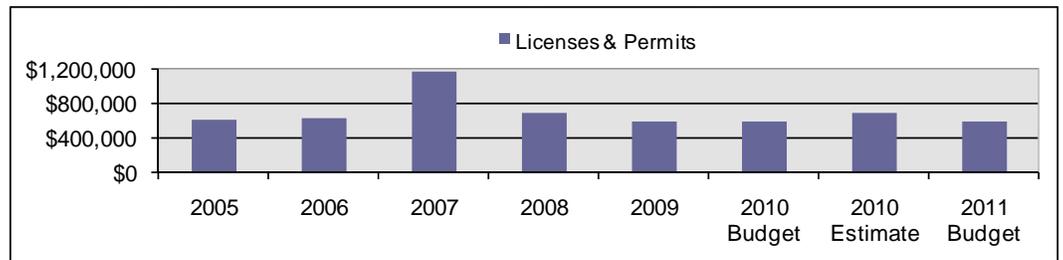
### **General Fund Other Revenue**

Other revenues accounted for \$9,914,311 or 27.2 percent of the total revenues for 2009; the City budgeted \$9,927,401 for 2010.

The next page provides additional information on the significant revenue sources of the General Fund:

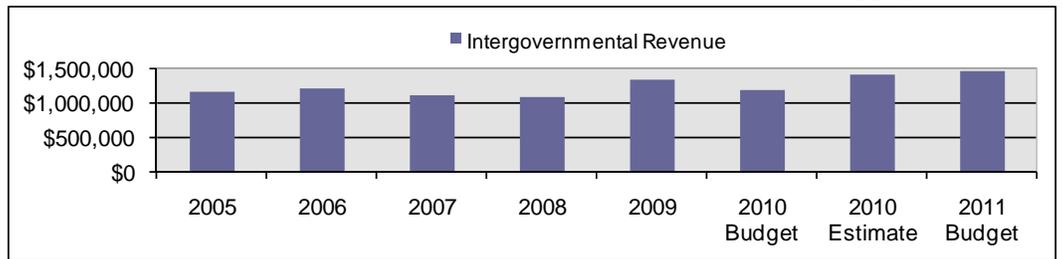
**Licenses and Permits:** This revenue category includes business and building licenses and permits. This revenue

source generated \$588,328 during 2009 or 1.6 percent of total revenue and 5.9 percent of total other revenue. This revenue source totaled \$609,971 in 2005 and decreased to \$588,328 in 2009, a 3.5 percent decrease. The City budgeted \$573,300 for 2010 or 5.7 percent of budgeted total other revenues (\$9,927,401) and year-to-date the City collected \$602,917 or \$131,134 (27.8 percent) more than the \$471,783 collected through November 2009. The year-end estimate has been increased to \$675,000.



**Intergovernmental Revenues:** This revenue source includes state and federal shared revenues including payments in

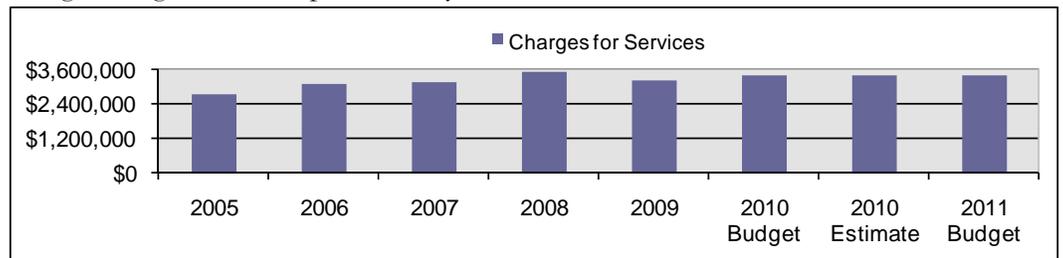
lieu of taxes. These revenues are budgeted at \$1,198,327 for 2010, this is 12 percent of total other revenue. This revenue source totaled \$1,156,221 in 2005 and the City collected \$1,319,282 in 2009, a 14.1 percent increase.



The City collected \$1,201,984 through November 2010 this is \$139,635 (13.14 percent) more than the \$1,062,349 collected in the same period in 2009. The year-end estimated has been increased to \$1,398,500.

**Charges for Services:** This includes general government, public safety, fees for the administration of the utilities funds, court costs, highway and street and other charges. This

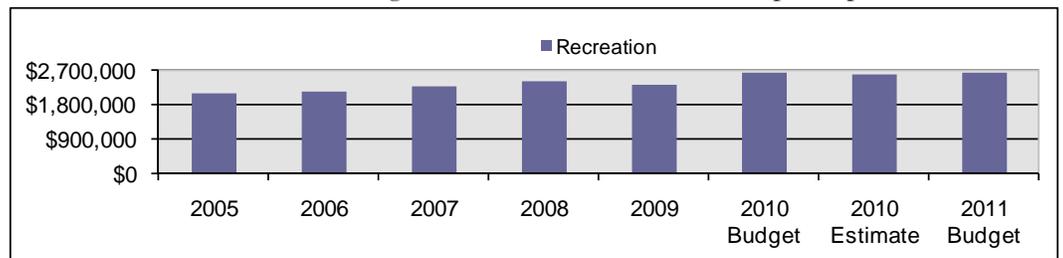
revenue source is budgeted at \$3,318,587 for 2010 or 32 percent of total other revenue. This revenue source totaled \$2,750,211 in 2005 and increased to \$3,185,443 in



2009, a 15.8 percent increase. Total collected year-to-date was \$2,810,200 or \$63,353 (2.20 percent) less than the \$2,873,553 collected year-to-date in 2009. The estimate for year-end was reduced to \$3,100,000.

**Recreation:** This category of revenue includes the fees and charges collected from customers to participate in the

various programs offered by the Parks and Recreation Department. This revenue source is budgeted at \$2,625,194 for 2010 or 26.4 percent of total other revenue.

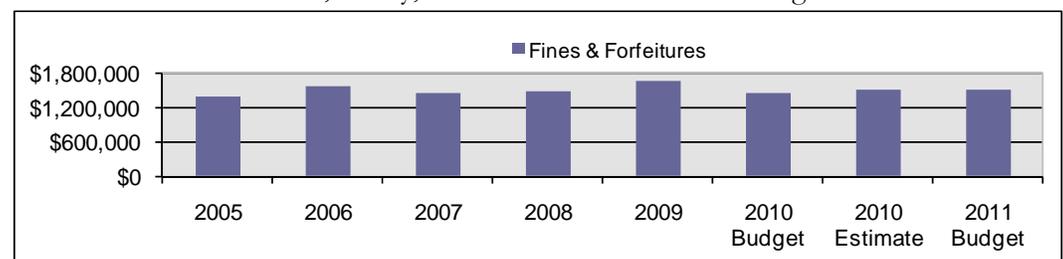


This revenue source totaled \$2,060,758 in 2005 and

increased to \$2,315,598 in 2009, a 12.4 percent increase. Total collections through November 2010 were \$2,418,115 compared to \$2,223,552 collected in 2009.

**Fines and Forfeitures:** This revenue source includes court, library, and other fines. The 2010 budget for this source is \$1,426,801 or 14.7 percent of total other revenue. This

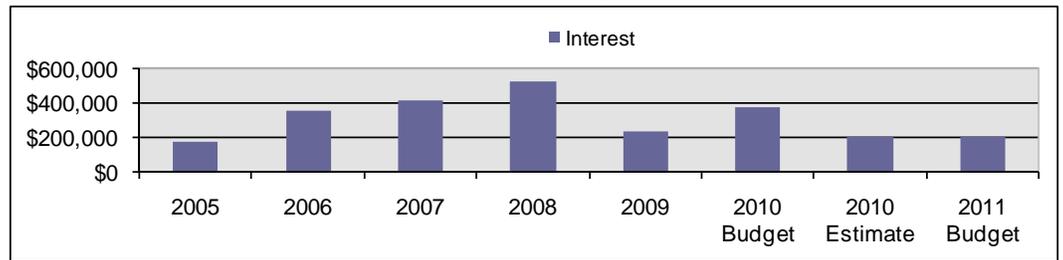
revenue source totaled \$1,386,842 in 2005 and increased to \$1,639,678 in 2009, an 18.2 percent increase.



Total collected year-to-date was \$1,339,441 or \$182,912 (12.02 percent) less than the \$1,522,353 collected in the same time period last year.

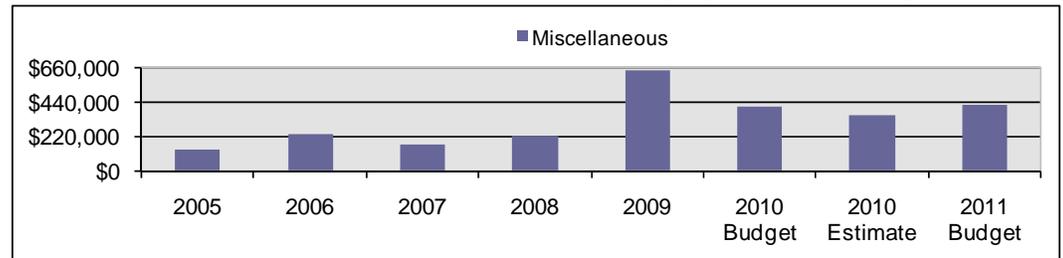
**Interest:** This is the amount earned on the City’s cash investments. The 2010 budget for this source is \$372,611 or 3.8 percent of total other revenue.

This revenue source totaled \$168,370 in 2005 and increased to \$230,000 in 2009, a (36.6 percent) increase. The City earned \$113,328 through November 2010; the City earned \$248,271 through November 2009. The year-end estimate has been reduced to \$150,000 to reflect the current low interest rate environment.



**Miscellaneous:** This source includes all revenues that do not fit in another revenue category. The 2010 budget for this source is \$412,581 or 4.2 percent of total other revenue.

This revenue source totaled \$131,849 in 2005 and increased to \$635,982 in 2009, a 382 percent increase. Total collected year-to-date is \$273,044 (56.3 percent) less compared to the \$625,123 collected last year during the same period. The estimate for the year has been reduced to \$300,000.



## General Fund Expenditures

### **Outcome Based Budgeting**

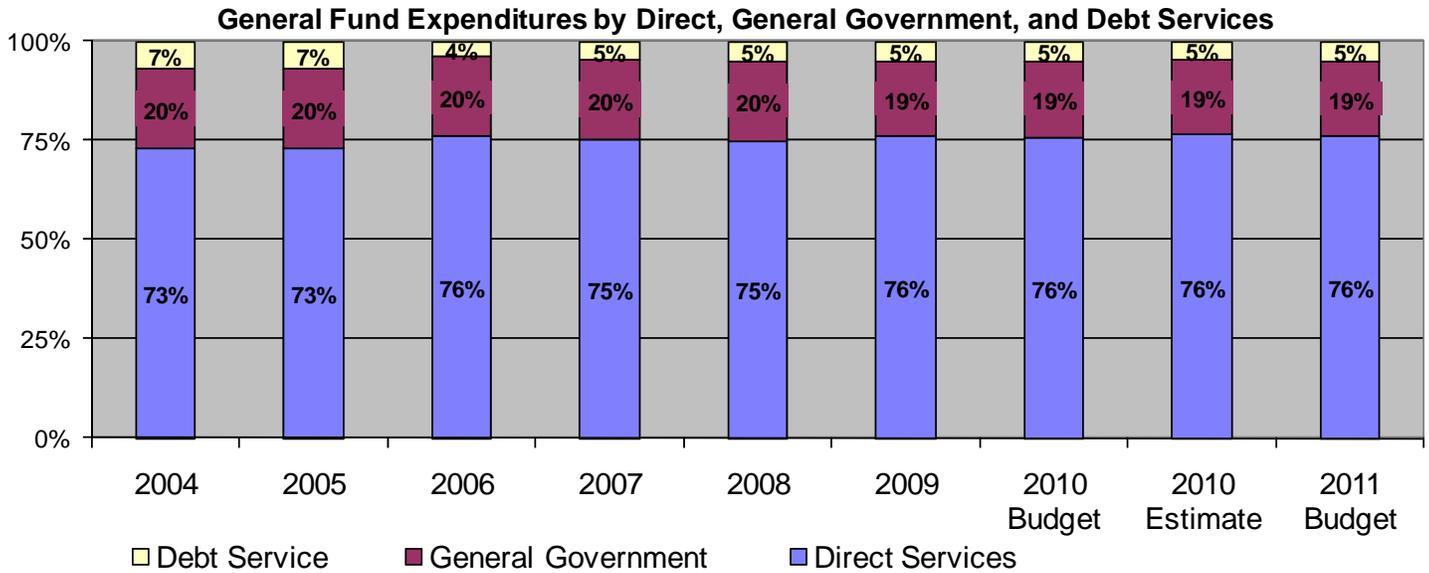
In 2006 the City adopted an outcome based budgeting philosophy. City Council and Staff outlined five outcomes to reflect, more appropriately, the desired result of the services delivered to the citizens of Englewood. The five outcomes identified are intended to depict Englewood as:

- ▶ A City that provides and maintains quality infrastructure,
- ▶ A safe, clean, healthy, and attractive City,
- ▶ A progressive City that provides responsive and cost efficient services,
- ▶ A City that is business friendly and economically diverse, and
- ▶ A City that provides diverse cultural, recreational, and entertainment opportunities.

Outcome based budgeting is an additional tool the City Council and staff use to better develop ways to serve our citizens. This type of budgeting is a new concept and is refined and reviewed on an on-going basis to help us better focus our resources in meeting the objectives of our citizens.

The City budgeted total expenditures at \$40,616,941 for 2010, this compares to \$38,997,977 and \$39,015,199 expended in 2009 and 2008 respectively. Budgeted expenditures for 2010 general government (City Manager, Human Resources, etc.) totals \$8,387,284 or 20.2 percent of the total. Direct government expenditures (Police, Fire, etc.) are budgeted at \$31,064,182 or 75.0 percent of the total. Debt service (fixed costs) payments are \$1,993,682 or 4.8 percent of the total. Total expenditures through November were \$35,289,446 compared to \$35,152,345 in 2009 and \$35,510,285 in 2008. *The City Manager continues to ask all departments to review repeatedly their 2010 spending and if possible reduce, eliminate, or delay expenditures whenever possible.*

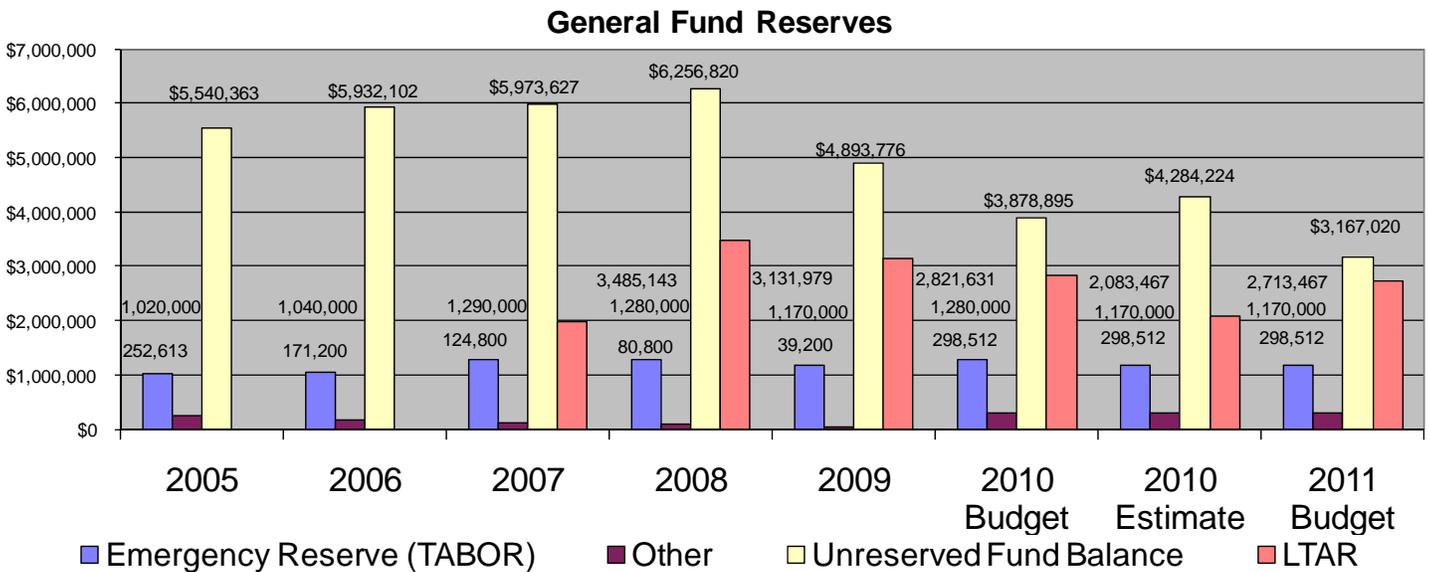
The chart below illustrates the breakdown of expenditures into debt service, general and direct government.



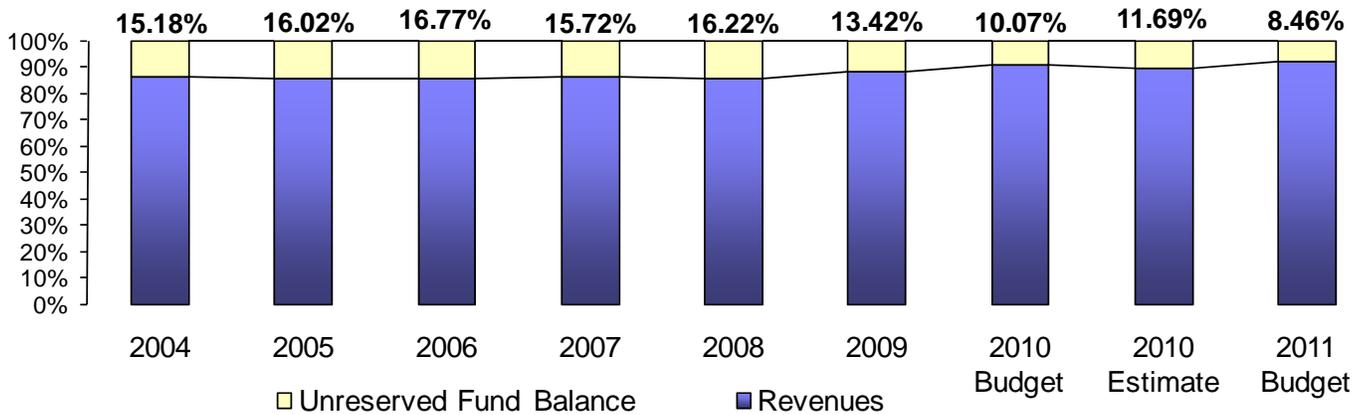
**General Fund Reserves**

Reserves are those funds the City sets aside for a “rainy day”. The intent is to smooth over unexpected revenue declines and expenditure increases. The fund is normally built up when revenues exceed expenditures. In the past, excess reserves have been transferred out to other funds, usually for capital projects identified in the Multiple Year Capital Plan (MYCP). The reserve balance is not adequate to provide for a transfer from the General Fund to the capital projects funds.

**Long Term Asset Reserve (LTAR)** At the 2008 Budget workshop held on November 22, 2007, City Council discussed and directed staff to establish a General Fund reserve account to accumulate funds from the sale, lease, or earnings from long-term assets. It was also determined that these funds should be used in a careful, judicious and strategic manner. The funds restricted in this account can only be expended if the funds are appropriated in the annual budget or by supplemental appropriation. The 2010 estimated year-end balance in the account is \$2,083,467 (This balance reflects a \$750,000 transfer that was appropriated for the purchase of two homes and rehabilitation of ten homes).



### Unreserved Fund Balance As A Percentage of Revenue



The City ended 2009 with an unreserved/undesignated general fund balance of \$4,893,778 or 13.4 percent of revenues. The 2010 estimate shows an unaudited ending fund balance of \$4,284,226 or 11.7 percent of estimated revenues or 11.4 percent of estimated expenditures. The \$4,620,090 would allow the City to operate for approximately 38.8 days (using average daily estimated expenditures) if all other revenues and financing sources ceased. In these times of economic uncertainty, it is more important than ever to maintain reserves to help the City make up for revenue shortfalls and unexpected expenditure increases given that the one-time transfers made to the General Fund to help maintain reserves are no longer available.

### PUBLIC IMPROVEMENT FUND OVERVIEW

The Public Improvement Fund (PIF) accounts for the City’s “public-use” capital projects (e.g. roads, bridges, pavement, etc.). The PIF funding is from the collection of vehicle and building use taxes, intergovernmental revenues, interest income, and other miscellaneous sources.

Provided for your information is the table below that illustrates the PIF Year-To-Date (YTD) revenues and expenditures for the years 2008 through 2010. The dollar and percentage change between each year is also provided. The Estimated Ending Fund Balance is included in order to account for the remaining PIF appropriation in addition to the remaining annual revenue anticipated for the fund.

	2010	2010 vs 2009 Increase (Decrease)		2009	2009 vs 2008 Increase (Decrease)		2008
<b>Public Improvement Fund (PIF)</b>							
YTD Revenues	\$ 1,551,595	\$ (1,197,339)	(43.56%)	\$ 2,748,934	\$ 293,003	11.93%	\$ 2,455,931
YTD Expenditures	2,047,808	\$ (967,640)	(32.09%)	3,015,448	\$ (4,011,800)	(57.09%)	7,027,248
Net Revenues (Expenditures)	\$ (496,213)	\$ (229,699)		\$ (266,514)	\$ 4,304,803		\$ (4,571,317)
Beginning PIF Fund Balance	\$ 1,515,399			\$ 1,067,525			\$ 3,359,169
Ending PIF Fund Balance Before Remaining Annual Revenue and Appropriation	\$ 1,019,186			\$ 801,011			\$ (1,212,148)
Plus: Remaining Annual Revenue	295,727			476,107			2,235,790
Less: Remaining Annual Appropriation	(703,755)			(958,617)			(1,115,686)
Estimated Ending Fund Balance	\$ 611,158			\$ 318,501			\$ (92,044)
<b>Unappropriated Fund Balance as of December 31,</b>				\$ 337,197			\$ 21,117

The three main funding sources for the PIF are Vehicle Use Tax, Building Use Tax and Arapahoe County Road and Bridge Tax.

	2010	2010	2010		2009	2009 Vs 2008		2008	
	Estimate	Adopted Budget	YTD Actual	\$	%	YTD Actual	\$	%	YTD Actual
Vehicle Use Tax	\$ 1,000,000	\$ 1,000,000	\$ 784,271	\$ (43,233)	-5%	\$ 827,504	\$ (259,055)	-24%	\$ 1,086,559
Building Use Tax	\$ 400,000	\$ 400,000	\$ 523,220	\$ 146,629	39%	\$ 376,591	\$ (331,145)	-47%	\$ 707,736
Arapahoe County Road and Bridge Tax	\$ 192,109	\$ 200,000	\$ 182,503	\$ (8,437)	-4%	\$ 190,940	\$ 3,084	2%	\$ 187,856

**Vehicle Use Tax** is based on the valuation of new vehicles purchased by City of Englewood residents. This tax is collected and remitted by Arapahoe County at the time the vehicle is registered. **Building Use Tax** is based on the valuation of building permits issued by the City of Englewood. We will monitor these revenue sources to determine if the 2010 estimate needs to be revised. **Arapahoe County Road and Bridge Tax** is restricted to the construction and maintenance of streets and bridges. This tax is based on a mill levy established by Arapahoe County multiplied by the City's assessed valuation multiplied by 50%.

### 2010 Year-To-Date City Funds At-A-Glance

(Please refer to "Funds Glossary" for a Brief Description of Funds and Fund Types)

	Beginning Balance	Revenues	Expenditures	Other Sources (Uses)	Reserved Balance	Ending Balance
<b>Governmental Fund Types (Fund Balance)</b>						
<b>General Fund</b>	9,234,957	33,394,773	35,289,460	1,355,935	4,411,979	4,284,226
<b>Special Revenue Funds</b>						
Conservation Trust	851,312	424,891	284,738	(706,812)	-	284,653
Open Space	1,236,741	139,736	464,497	(666,635)	-	245,345
Donors	115,917	126,780	76,258	-	-	166,440
Community Development	-	230,561	245,854	15,293	-	-
Malley Center Trust	287,432	4,937	1,230	-	-	291,139
Parks & Recreation Trust	455,943	5,446	10,757	-	-	450,633
<b>Debt Service Fund</b>						
General Obligation Bond	58,665	1,024,781	462,079	-	-	621,367
<b>Capital Projects Funds</b>						
PIF	1,515,399	1,551,595	1,262,556	(1,193,280)	-	611,158
MYCP	941,009	9,357	550,557	(226,476)	-	173,334
<b>Proprietary Fund Types (Funds Available Balance)</b>						
<b>Enterprise Funds</b>						
Water	6,488,629	7,240,705	7,173,985	-	-	6,555,349
Sewer	8,454,882	13,809,376	13,910,738	-	1,000,000	7,353,520
Stormwater Drainage	852,252	324,474	235,951	-	137,818	802,958
Golf Course	725,050	1,845,415	1,921,176	-	293,500	355,790
Concrete Utility	246,706	690,392	613,825	-	-	323,272
Housing Rehabilitation	272,970	369,830	306,224	-	-	336,576
<b>Internal Service Funds</b>						
Central Services	200,630	306,542	277,780	-	-	229,392
ServiCenter	825,982	1,928,306	1,596,765	(200,000)	-	957,523
CERF	832,458	741,572	333,720	(446,477)	-	793,833
Employee Benefits	376,106	4,555,076	4,732,795	(200,000)	71,674	(73,287)
Risk Management	1,384,702	1,416,641	966,987	(450,000)	-	1,834,355

## CLOSING

The Finance and Administrative Services Department staff works closely with the City Manager's Office and the various departments to help identify revenue and expenditure threats, trends and opportunities as well as strategies to balance revenues and expenditures. I will continue to provide Council with monthly reports. It is important to frequently monitor the financial condition of the City so City staff and Council can work together to take action, if necessary, to maintain service levels, employees, and fiscal health of the City.

I plan to discuss this report with Council at an upcoming study session. If you have any questions regarding this report, I can be reached at **303.762.2401**.

## FUNDS GLOSSARY

**Capital Equipment Replacement Fund (CERF)** – Accounts for the accumulation of funds for the scheduled replacement of City-owned equipment and vehicles.

**Capital Projects Funds** account for financial resources to be used for the acquisition and/or construction of major capital facilities (other than those financed by proprietary funds).

**Central Services Fund** – Accounts for the financing of printing services and for maintaining an inventory of frequently used or essential office supplies provided by Central Services to other departments of the City on a cost reimbursement basis.

**Community Development Fund** – Accounts for grant funds of the Brownfield's Pilot Grants Program administered by the United States Environmental Protection Agency and the Art Shuttle Program administered by the Regional Transportation District (RTD).

**Concrete Utility Fund** – Accounts for revenues and expenses associated with maintaining the City's sidewalks, curbs and gutters.

**Conservation Trust Fund** – Accounts for the acquisition of parks and open space land not previously owned by the City and for improvements to existing park and recreation facilities. Financing is provided primarily from State Lottery funds.

**Debt Service Funds** account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources and special assessment bond and loan principal and interest from special assessment levies when the government is obligated in some manner for payment.

**Donors' Fund** – Accounts for funds donated to the City for various specified activities.

**Employee Benefits Fund** – Accounts for the administration of providing City employee benefit programs: medical, dental, life, and disability insurance.

**Enterprise Funds** account for operations that: (a) are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or (b) where the City Council has decided that periodic determination of revenue earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management controls, accountability or other purposes.

**Fund** is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**General Obligation Bond Fund** – Accounts for the accumulation of monies for payment of General Obligation Bond principal and interest.

**Golf Course Fund** – Accounts for revenues and expenses associated with the operations of the Englewood Municipal Golf Course.

## FUNDS GLOSSARY

**Governmental Funds** distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). These funds focus on the near-term *inflows and outflows of spendable resources*, as well as on balances of spendable resources available at the end of the year.

**Housing Rehabilitation Fund** – Accounts for revenues and expenses associated with the City’s housing rehabilitation program.

**Internal Service Funds** are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis.

**MOA** – Museum of Outdoor Arts

**Malley Center Trust Fund** – Accounts for a trust established by Elsie Malley to be used for the benefit of the Malley Senior Recreation Center.

**Multi-Year Capital Projects Fund (MYCP)** - Accounts for the acquisition and/or construction of major capital improvements and facilities. Financing is provided primarily with transfers from other City Funds.

**Parks and Recreation Trust Fund** – Accounts for a trust established by the City, financed primarily by donations, to be used exclusively for specific park and recreation projects.

**Proprietary Funds** account for operations that are financed and operated in a manner similar to private business enterprises. It is the intent that the cost of providing such goods or services will be recovered through user charges.

**Public Improvement Fund (PIF)** – Accounts for the acquisition and/or construction of major capital improvements and facilities. Financing is provided primarily from building and vehicle use taxes.

**Risk Management Fund** – Accounts for the administration of maintaining property and liability and workers’ compensation insurance.

**ServiCenter Fund** – Accounts for the financing of automotive repairs and services provided by the ServiCenter to other departments of the City, or to other governmental units, on a cost reimbursement basis.

**Sewer Fund** – Accounts for revenues and expenses associated with providing wastewater services to the City of Englewood residents and some county residents.

**Special Assessment Funds** account for and pay special assessment bond principal and interest and/or inter-fund loan principal and interest: Following are funds to account for special assessments: **Paving District No. 35, Paving District No. 38, and Concrete Replacement District 1995.**

**Special Revenue Funds** account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes.

**Storm Drainage Fund** – Accounts for revenues and expenses associated with maintaining the City’s storm drainage system.

**Water Fund** – Accounts for revenues and expenses associated with providing water services to City of Englewood residents.

# General Fund Comparative Revenue, Expenditure & Fund Balance Report as of November 30, 2010

**Percentage of Year Completed = 92%**

<i>Fund Balance January 1</i>	\$ 8,518,581	\$ 9,234,957	\$ 9,234,957	\$ 11,102,763	\$ 11,102,763	\$ 9,374,427	\$ 9,374,427			
<i>Revenues</i>	2010				2009			2008		
	Budget	Nov-10	% Budget	YE Estimate	Dec-09	Nov-09	% YTD	Dec-08	Nov-08	% YTD
	Property Tax	3,046,000	2,948,345	96.79%	3,046,000	2,971,303	2,932,894	98.71%	2,995,990	2,972,009
Specific Ownership Tax	350,000	227,318	64.95%	250,000	276,415	243,130	87.96%	316,242	278,653	88.11%
Sales & Use Taxes	22,300,000	19,037,078	85.37%	20,800,000	20,624,659	19,048,307	92.36%	22,617,767	21,434,887	94.77%
Cigarette Tax	250,000	177,638	71.06%	200,000	218,448	201,579	92.28%	261,743	235,049	89.80%
Franchise Fees	2,650,851	2,237,206	84.40%	2,650,851	2,452,611	2,069,483	84.38%	2,588,214	2,219,441	85.75%
Hotel/Motel Tax	8,713	8,163	93.69%	8,713	9,141	8,534	93.36%	10,078	9,405	93.32%
Licenses & Permits	573,300	602,917	105.17%	675,000	588,303	471,783	80.19%	671,384	554,231	82.55%
Intergovernmental Revenue	1,198,327	1,201,984	100.31%	1,398,500	1,333,688	1,062,349	79.65%	1,092,701	909,717	83.25%
Charges for Services	3,318,587	2,810,200	84.68%	3,100,000	3,163,735	2,873,553	90.83%	3,452,946	3,150,802	91.25%
Recreation	2,625,194	2,418,115	92.11%	2,568,636	2,315,598	2,223,552	96.02%	2,364,758	2,274,529	96.18%
Fines & Forfeitures	1,426,801	1,339,441	93.88%	1,509,150	1,639,678	1,522,353	92.84%	1,461,100	1,341,977	91.85%
Interest	372,611	113,328	30.41%	150,000	229,999	248,271	107.94%	520,325	424,066	81.50%
Miscellaneous	412,581	273,044	66.18%	300,000	643,311	625,123	97.17%	226,270	200,633	88.67%
<b>Total Revenues</b>	<b>38,532,965</b>	<b>33,394,777</b>	<b>86.67%</b>	<b>36,656,850</b>	<b>36,466,889</b>	<b>33,530,911</b>	<b>91.95%</b>	<b>38,579,518</b>	<b>36,005,399</b>	<b>93.33%</b>
<i>Expenditures</i>										
Legislation	359,314	314,184	87.44%	358,957	346,045	323,415	93.46%	350,254	330,813	94.45%
City Attorney	767,546	626,046	81.56%	804,282	678,038	599,961	88.48%	698,563	627,202	89.78%
Court	1,005,723	805,110	80.05%	1,000,079	914,493	821,486	89.83%	915,303	823,335	89.95%
City Manager	668,633	627,970	93.92%	668,899	674,170	608,277	90.23%	674,323	609,787	90.43%
Human Resources	504,898	378,478	74.96%	481,195	456,275	410,767	90.03%	579,137	508,550	87.81%
Financial Services	1,684,000	1,291,328	76.68%	1,551,641	1,575,924	1,388,572	88.11%	1,626,571	1,459,588	89.73%
Information Technology	1,342,948	1,150,433	85.66%	1,345,363	1,360,237	1,175,427	86.41%	1,280,156	1,144,095	89.37%
Public Works	5,497,881	4,637,266	84.35%	5,370,285	5,152,891	4,524,818	87.81%	5,189,173	4,685,419	90.29%
Fire Department	7,407,551	6,694,418	90.37%	7,470,249	7,320,268	6,594,134	90.08%	7,215,443	6,547,625	90.74%
Police Department	10,469,333	9,256,401	88.41%	10,553,102	10,183,891	9,100,396	89.36%	9,974,925	9,018,417	90.41%
Community Development	1,457,667	1,111,586	76.26%	1,388,503	1,366,437	1,191,662	87.21%	1,464,725	1,271,242	86.79%
Library	1,352,221	1,161,064	85.86%	1,342,938	1,275,554	1,156,570	90.67%	1,261,112	1,140,021	90.40%
Recreation	6,034,770	5,333,956	88.39%	6,002,086	5,727,968	5,304,496	92.61%	5,916,449	5,495,208	92.88%
Debt Service	2,004,456	1,859,578	92.77%	1,864,122	1,805,208	1,802,708	99.86%	1,809,306	1,808,056	99.93%
Contingency	60,000	41,628	69.38%	60,000	160,578	149,656	93.20%	59,759	40,927	68.49%
<b>Total Expenditures</b>	<b>40,616,941</b>	<b>35,289,446</b>	<b>86.88%</b>	<b>40,261,701</b>	<b>38,997,977</b>	<b>35,152,345</b>	<b>90.14%</b>	<b>39,015,199</b>	<b>35,510,285</b>	<b>91.02%</b>
Excess revenues over (under) expenditures	(2,083,976)	(1,894,669)	90.92%	(3,604,851)	(2,531,088)	(1,621,434)		(435,681)	495,114	
Net transfers in (out)	1,844,433	1,516,224	82.21%	2,206,099	663,282	51,445	7.76%	2,164,017	2,214,932	102.35%
<b>Total Fund Balance</b>	<b>\$ 8,279,038</b>	<b>\$ 8,856,512</b>	<b>106.98%</b>	<b>\$ 7,836,205</b>	<b>\$ 9,234,957</b>	<b>\$ 9,532,774</b>	<b>103.22%</b>	<b>\$ 11,102,763</b>	<b>\$ 12,084,473</b>	<b>108.84%</b>

### Fund Balance Analysis

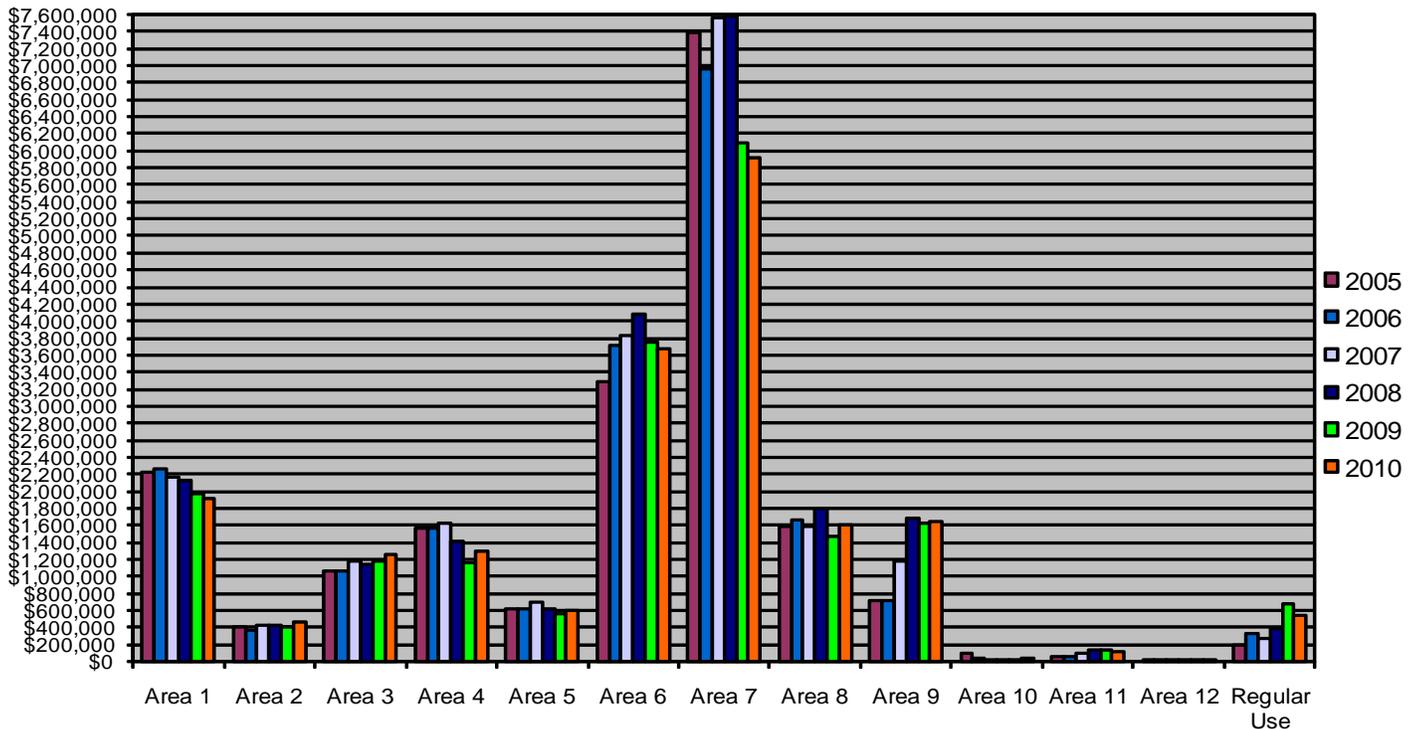
Total Fund Balance	\$ 8,279,038	\$ 7,836,205	\$ 9,234,957	\$ 11,102,763
<b>Reserves/designations:</b>				
-Emergencies (TABOR)	1,280,000	1,170,000	1,170,000	1,280,000
-LTAR	2,821,631	2,083,467	3,131,979	3,485,143
-MOA	-	-	39,200	80,800
-COPS Grant	298,512	298,512	-	-
<b>Unreserved/undesignated</b>				
<b>Fund Balance</b>	<b>\$ 3,878,895</b>	<b>\$ 4,284,226</b>	<b>\$ 4,893,778</b>	<b>\$ 6,256,820</b>
Potential reserves/designa	-	-	-	-
<b>Estimated unres/undesig</b>				
<b>Fund Balance</b>	<b>\$ 3,878,895</b>	<b>\$ 4,284,226</b>	<b>\$ 4,893,778</b>	<b>\$ 6,256,820</b>
As a percentage of projected revenues	10.58%	11.69%	13.42%	16.22%
As a percentage of budgeted revenues	10.07%	11.12%		
<b>Target</b>	<b>3,853,297</b>	<b>5,779,945</b>		

## Sales & Use Tax Collections Year-to-Date Comparison for the month of November 2010

### Cash Basis

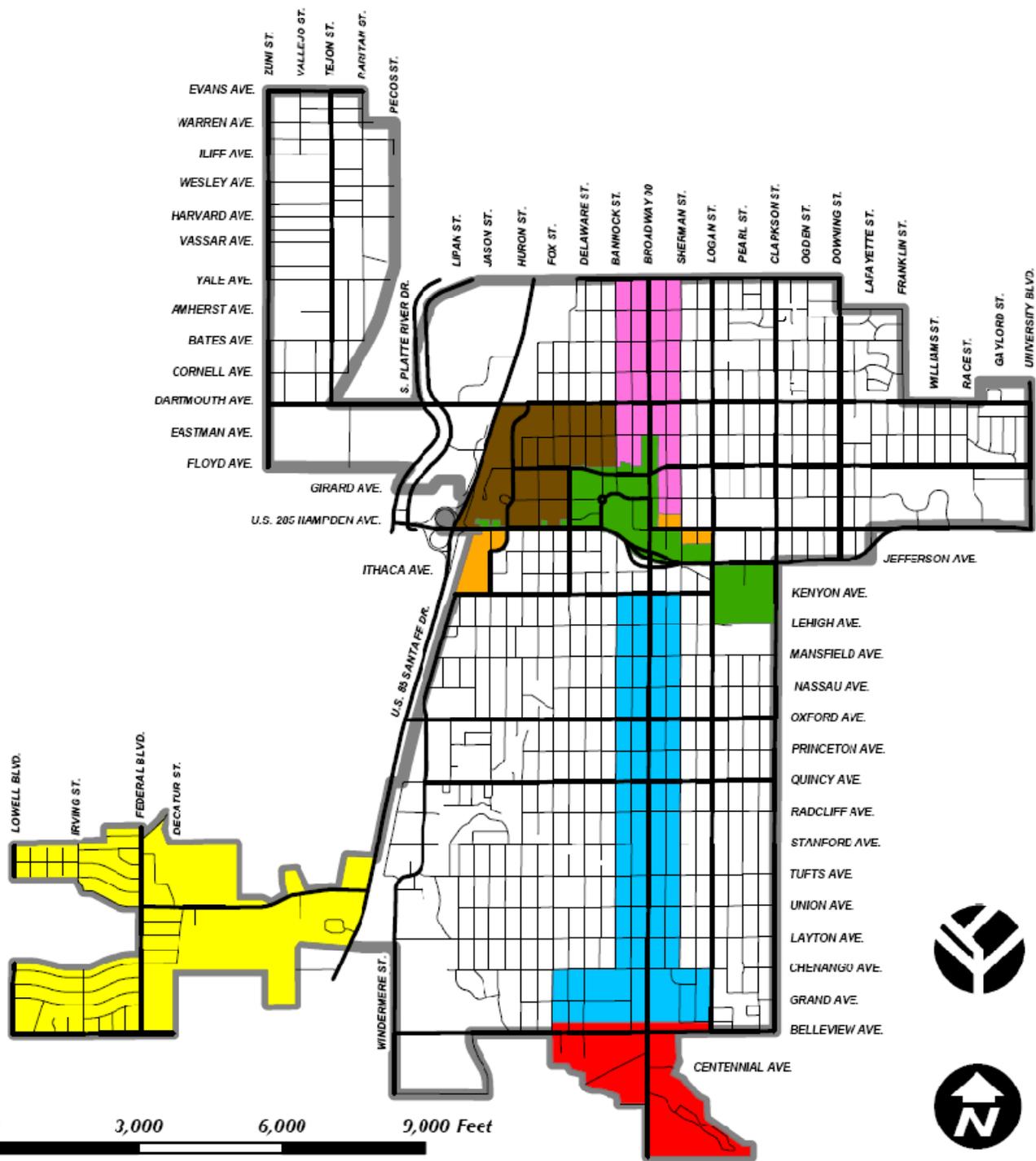
	2005	% Change	2006	% Change	2007	% Change	2008	% Change	2009	% Change	2010	% Change
<b>Area 1</b>	2,218,791	2.46%	2,264,437	2.06%	2,175,685	-3.92%	2,129,953	-2.10%	1,975,634	-9.19%	1,913,601	-3.14%
<b>Area 2</b>	415,241	4.65%	373,964	-9.94%	419,681	12.23%	435,910	3.87%	408,181	-2.74%	465,800	14.12%
<b>Area 3</b>	1,073,076	-9.86%	1,058,124	-1.39%	1,178,549	11.38%	1,142,679	-3.04%	1,188,350	0.83%	1,261,773	6.18%
<b>Area 4</b>	1,572,963	-3.39%	1,566,442	-0.41%	1,629,295	4.01%	1,406,413	-13.68%	1,157,374	-28.96%	1,293,127	11.73%
<b>Area 5</b>	619,632	12.73%	618,721	-0.15%	691,458	11.76%	616,443	-10.85%	568,045	-17.85%	599,394	5.52%
<b>Area 6</b>	3,293,378	1.09%	3,705,832	12.52%	3,832,369	3.41%	4,077,720	6.40%	3,744,561	-2.29%	3,681,891	-1.67%
<b>Area 7</b>	7,379,773	1.40%	6,967,314	-5.59%	7,559,524	8.50%	7,578,112	0.25%	6,096,447	-19.35%	5,910,708	-3.05%
<b>Area 8</b>	1,591,831	-0.52%	1,670,754	4.96%	1,582,734	-5.27%	1,808,383	14.26%	1,464,648	-7.46%	1,605,547	9.62%
<b>Area 9</b>	725,669	0.00%	725,669	0.00%	1,184,716	63.26%	1,684,789	42.21%	1,627,528	37.38%	1,638,935	0.70%
<b>Area 10</b>	91,884	157.72%	36,655	-60.11%	22,796	-37.81%	19,331	-15.20%	17,094	-25.01%	32,228	88.54%
<b>Area 11</b>	58,239	0.00%	58,239	0.00%	97,242	66.97%	137,486	41.39%	130,667	34.37%	127,574	-2.37%
<b>Area 12</b>	1,446	-77.97%	3,558	146.06%	3,588	0.85%	4,006	11.64%	2,864	-20.17%	2,926	2.13%
<b>Regular Use</b>	193,856	-44.69%	330,604	70.54%	266,669	-19.34%	385,749	44.65%	673,977	152.74%	540,306	-19.83%
<b>Total</b>	<b>19,235,779</b>	<b>-0.04%</b>	<b>19,380,313</b>	<b>0.75%</b>	<b>20,644,306</b>	<b>6.52%</b>	<b>21,426,975</b>	<b>3.79%</b>	<b>19,055,369</b>	<b>-7.70%</b>	<b>19,073,808</b>	<b>0.10%</b>
Refunds	161,693	29.60%	229,469	41.92%	241,870	5.40%	499,573	106.55%	287,190	-42.51%	215,756	-24.87%
Audit & Collections Revenue*	645,150	445.08%	414,199	-35.80%	518,234	25.12%	699,457	34.97%	475,488	-32.02%	375,242	-21.08%
*included Above												
Unearned Sales Tax	700,000	-29.18%	650,000	-7.14%	650,000	0.00%	650,000	0.00%	600,000	-7.69%	600,000	0.00%
Building Use	588,324	0.00%	839,879	42.76%	1,950,095	132.19%	684,960	-64.88%	376,591	-45.02%	523,220	38.94%
Vehicle Use	1,310,894	0.00%	1,132,448	-13.61%	1,298,419	14.66%	1,201,023	-7.50%	911,089	-24.14%	871,708	-4.32%

## November YTD Collections by Area 2005-2010



### Area Descriptions

<b>Area 1</b> - CityCenter (Formerly Cinderella City)	<b>Area 6</b> - All other City locations
<b>Area 2</b> - S of Yale, N of Kenyon between Bannock & Sherman (excludes EURA 1)	<b>Area 7</b> - Outside City limits
<b>Area 3</b> - S of Kenyon, N of Chenango between Bannock & Sherman and S of Chenango, N of Bellewood between Logan & Delaware	<b>Area 8</b> - Public Utilities (Xcel Energy, Qwest)
<b>Area 4</b> - Brookridge Shopping Center (Between Fox and Sherman and North side of Belleview and to the Southern City Limits)	<b>Area 9</b> - Downtown & Englewood Pkwy
<b>Area 5</b> - Centennial Area W of Santa Fe	<b>Area 10</b> - Downtown & Englewood Pkwy <u>Use Tax Only</u>
	<b>Area 11</b> - S of 285, N of Kenyon between Jason and Santa Fe
	<b>Area 12</b> - S of 285, N of Kenyon between Jason and Santa Fe <u>Use Tax Only</u>



### City of Englewood, Colorado: Sales Tax Areas

- |        |                |                          |
|--------|----------------|--------------------------|
| Area 1 | Area 5         | Arterials and Collectors |
| Area 2 | Area 9 and 10  | Local Streets            |
| Area 3 | Area 11 and 12 | Englewood City Limits    |
| Area 4 |                |                          |

Areas Not Depicted on Map:

Area 6 - Other City Locations      Area 7 - Outside City Limits      Area 8 - Public Utilities

<http://www.cienglewood.co.us/englewood/englewoodmap.pdf>

## Memorandum

**To:** Mayor Woodward and City Council  
**Through:** Gary Sears, City Manager  
**From:** Frank Gryglewicz, Director of Finance and Administrative Services  
**Date:** December 9, 2010  
**Re:** Fund 46 Financial Information

I have attached financial information regarding Fund 46 that will be discussed at the Study Session on December 13, 2010.

If you need anything else let me know.

Attachment

CITY OF ENGLEWOOD, COLORADO

Housing Rehabilitation (Fund 46)  
 Schedule of Revenues, Expenditures and Changes in Funds Available  
 For the years 1999-2009

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
<b>Revenues</b>											
Grant income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,000	\$ 180,000	\$ -	\$ -	\$ -	\$ -
Property sales	230,000	229,000	749,000	823,500	90,000	619,463	205,900	-	-	-	-
Loan interest income	234,538	262,679	64,357	66,185	64,635	73,131	62,015	95,521	115,394	63,482	-
Net change in notes receivable/payable	-	-	41,183	80,819	-	-	4,000	-	-	-	-
Net investment income	4,763	13,508	25,987	12,632	6,950	6,771	3,865	19,764	46,081	75,832	-
Late fees	932	404	491	692	639	827	315	517	598	551	-
Other	2,690	280	1,073	1,830	2,272	2,369	7,494	16,668	24,093	1,593	-
Total revenues	472,923	505,871	882,091	985,658	164,496	704,561	463,589	132,470	186,166	141,458	-
<b>Expenditures</b>											
Cost of sales	297,078	294,247	812,058	866,024	128,012	587,517	230,225	-	-	-	-
Interest expense	51,596	54,015	61,367	81,626	61,024	55,784	46,376	64,831	59,275	49,037	-
Grants to other governments	-	-	-	-	-	17,128	-	-	-	-	-
Net change in notes receivable/payable	112,077	9,907	-	-	123,082	185,000	-	132,397	48,603	157,750	-
Grants to individuals	88,000	93,135	90	55	1,185	60	-	200,016	645	-	-
Commodities and contractual services	2,635	1,917	1,783	2,124	9,582	32,591	24,076	4,839	6,221	8,108	-
Total expenditures	551,386	453,221	875,298	949,829	322,885	878,080	300,677	402,083	114,744	214,895	-
<b>Excess expenditures over revenues</b>	(78,463)	52,650	6,793	35,829	(158,389)	(173,519)	162,912	(269,613)	71,422	(73,437)	-
<b>Funds available - beginning</b>	804,999	752,349	745,556	709,727	868,116	1,041,635	878,723	1,148,336	1,076,914	1,150,351	11,375
Contributed capital from EHA	-	-	-	-	-	-	-	-	-	-	1,138,976
<b>Funds available - ending</b>	\$ 726,536	\$ 804,999	\$ 752,349	\$ 745,556	\$ 709,727	\$ 868,116	\$ 1,041,635	\$ 878,723	\$ 1,148,336	\$ 1,076,914	\$ 1,150,351



# M E M O R A N D U M

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**TO:** Mayor and City Council

**THRU:** Gary Sears, City Manager  
Alan White, Community Development Director ✓

**FROM:** Janet Grimmett, Housing Finance Specialist ✓  
Harold J. Stitt, Senior Planner ✓

**DATE:** December 13, 2010

**SUBJECT:** Housing Rehabilitation Loan Program Funds

Council has requested a review of the Housing Rehab Program Funds. In prior discussions with Council, staff has presented the history and purpose of the program. The most recent discussions have only focused on the U.S. Bank LOC, approved by Council on November 15, 2010. This memo provides background on both the various sources of funds for the Program and the types of loans and grants the Program makes.

## **Sources of Funds**

Since the beginning of the Program in 1976, several sources of capital have flowed into the Program, both public and private. Specifically, funding has come from the following entities/programs:

- HUD Community Development Block Grant Program(CDBG)
- HUD Neighborhood Stabilization Program (NSP1)
- HUD Rental Rehab Program
- HUD Section 312 Loan Program
- Colorado Department of Local Affairs - Division of Housing
- Colorado Housing Finance Authority
- Arapahoe County HOME Program
- Englewood Housing Authority
- City of Englewood - Public Improvement Fund
- Local Bank Consortium

These monies are placed in one of two housing enterprise funds, Fund 45 or Fund 46. Fund 45 is the repository of all federal monies awarded through Arapahoe County. Fund 46, the larger of the two funds, is comprised of funds from both public and private sources. It includes federal or state monies from discontinued programs and no longer carry their original use restrictions, City funds, and bank funds. Both Fund 45 and Fund 46 are replenished by loan and

interest payments. A third City fund, Fund 11 was set up specifically for the NSP1 program activities.

### **Types of Loans**

Four basic types of loan are available:

- 1) fully amortized loans
- 2) deferred loans
- 3) blended loans
- 4) special loans

Repayment of amortized loans is a maximum of 20 years while deferred loans are due upon sale, conveyance, death or any other transfer of the property or if the housing unit is used other than as the owner's primary housing unit. Blended loans are a combination of amortized and deferred loans. Special loans are loans that do not neatly fit into one of the existing categories. The current maximum interest rate is 4.2% per annum for amortized loans.

Grants are made to senior and disabled families at or below 80% Area Median Income (AMI.) Eligible projects include handyman-type repairs, such as window repair/replacement, minor plumbing repairs, water heater replacement, minor mechanical repairs, minor roof repairs, etc.

### **Uses of Funds**

The Program provides rehab loans under guidelines that incorporate federal, state, and local bank requirements. The major elements of the guidelines, mandated by federal Fair Housing laws, have been in place since the inception of the Program. Priority for loans is based on the following:

- 1) repairs and improvements to correct code violations that are serious threats to health and safety (e.g. leaking roof, cracked furnace heat exchanger, knob and tube electrical wiring, galvanized water lines, lead wastes and drains, etc.);
- 2) retrofitting to improve handicap accessibility (e.g. wheelchair ramps, bathroom grab bars, etc.);
- 3) repairs to improve energy efficiency (e.g. storm windows and doors, insulation, weather stripping, etc.);
- 4) repairs to eliminate potential code violations (e.g. an aging roof that is not yet leaking, old furnace, old water heater, etc.); and
- 5) general property improvements to increase the livability of the home (e.g. room additions, garages, basement finishes, etc.).

If a property is identified as inappropriate for rehabilitation, then the structure may be replaced rather than rehabbed.



# M E M O R A N D U M

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**TO:** Mayor and City Council

**THRU:** Gary Sears, City Manager  
Alan White, Community Development Director ✓

**FROM:** Janet Grimmett, Housing Finance Specialist ✓  
Harold J. Stitt, Senior Planner ✓

**DATE:** December 13, 2010

**SUBJECT:** Housing Rehabilitation Loan Program Underwriting

At the November 8, 2010 Study Session Council directed staff to provide research on the impact of increasing the loan-servicing rate added to the US Bank Line of Credit (LOC) interest rate.

## **Program Background**

In 1976, the City of Englewood created the Housing Rehabilitation Loan Program to preserve the existing housing stock in Englewood, and to address the problems of low-income families with the financing of major household repairs and improvements. The goal of the Program is to protect all residential areas, preserving and maintaining those areas which are sound and improving those areas where there is deteriorating or dilapidated housing stock. The Program leverages limited local, state, and federal housing resources such that qualified households gain the maximum benefit for each dollar loaned.

The Housing Rehab Program is a community-wide housing and development function that is uniquely governmental in nature. The day-to-day experience continually shows that the Program is meeting a critical need in the City, a need that the private sector is unable or unwilling to meet. The most compelling justification for the existence of the program continues to be that after more than thirty years there is still a demonstrable need to remedy citywide substandard housing and address the critical needs of the City's significant number of low and moderate-income households.

## **Purpose and Use of Loan Funds**

The Rehab Loan Program primarily finances single-family housing rehabilitation and house replacement for qualified borrowers. Loans are available to investors for up to a maximum of four attached units. Rehab loans are available for the purpose of permanent improvements, additions, or other housing rehabilitation and are limited to the following:

1. First Priority - Repairs and improvements to existing code violations that are serious threats to health and safety, e.g. dangerous wiring, leaking plumbing, faulty heating systems, leaking roofs, or other structural problems. The HUD Section 8 Housing Quality Standard (HQS) is used as a minimum code.
2. Second Priority - Handicap retrofitting, e.g. wheelchair ramps, accessible bathrooms, doorways, kitchens, stairways, etc.
3. Third priority - Energy conservation measures, e.g. storm doors and windows, insulation, weather-stripping, caulking, etc.
4. Fourth Priority - Elimination of incipient code violations, e.g. problems that are not yet a threat to health and safety, but will likely need to be repaired within five years of inspection.
5. Fifth Priority - General property improvements, e.g. room additions, kitchen or bathroom remodeling, fences, garages, landscaping, etc.

### **Eligibility for Loans**

The following is a brief outline of the Program's underwriting criteria:

Housing rehab loans shall be made:

1. to owner-occupants
2. to owner-investors who agree to the following:
  - A. to have minimal displacement of existing tenants
  - B. to comply with applicable federal, state, and local Fair Housing Laws:
    - 1) not discriminate against prospective tenants on the basis of their receipt of, or eligibility for, housing assistance under any federal, state or local housing assistance program;
    - 2) participate in Affirmative Marketing Procedures by:
      - a) displaying the Equal Housing Opportunity logo/slogan or statement in all advertisement for available units;
      - b) contacting Englewood Housing Authority for the referral of potential tenants eligible for Section 8 Existing Program assistance;
      - c) having final determination as to tenant selection; and,
3. for residences:
  - A. located within the city limits of Englewood
  - B. not located within a designated flood plain area
  - C. with sufficient equity to justify the loan
  - D. that are single family only
  - E. for owner-investors, the building must be no larger than a four-plex with a minimum 51% containing rental units (50% for duplex structures).

Broadway Corridor Project loans shall be made:

1. to owner-occupants:
  - A. whose annual family income does not exceed 80% of the median income as defined by HUD;

B. who are willing to voluntarily relocate for a temporary period of time.

2. for residences:

- A. located within the target area (8 blocks east and west of Broadway),
- B. not located within a designated flood plain area;
- C. with sufficient equity to justify the loan; and,
- D. that are single-family residences only.

Eligibility for a loan is determined by the annual family income that is anticipated from all sources received by adult family members permanently residing in the home for the 12-month period following the loan application date. If the family has net assets in excess of \$5,000, the annual family income shall include the greater of the actual income earned from all of the net assets or a percentage of the value of the assets based on the current passbook savings rate as determined by HUD. If the net family assets are under \$5,000, actual income from assets is included in the annual income. There is no limit set on the total assets a family may possess.

Net family assets are the value of:

- 1) equity in real estate excluding the property on which the improvements will be made;
- 2) savings accounts;
- 3) certificates of deposit;
- 4) trust accounts;
- 5) receivables;
- 6) stocks;
- 7) bonds; and,
- 8) any other forms of capital investment.

The value of personal property items such as furniture and automobiles is excluded.

Assets disposed of below their market value within two years before the effective date of the loan application are also considered in determining annual income. If the fair market value of the disposed assets exceed the gross amount the family received by more than \$1,000, the whole difference between the cash value and the amounts received is treated as an asset.

### **Loan Approval Process**

All rehab loans secured by a first deed of trust will not exceed 90% of the market analysis of the property as determined by a qualified professional (i.e. real estate agent, appraiser, etc.). If the rehab loan is secured by a second deed of trust, the total of the first lien and the new rehab loan will not exceed 90% of the market analysis of the property. If a third or fourth deed of trust secures the rehab loan, then the total of all senior loans and the rehab loan will not exceed 80% of the market analysis of the property.

The Rehab Loan Committee will have the discretion to exceed the maximum allowed percentage of the market analysis of the property when insufficient equity exists, but a health hazard is present. A promissory note and deed of trust recorded on the property will

secure all rehab loans. No loans with a rehab lien below a fourth mortgage position will be approved.

All loans will be presented to the Rehabilitation Loan Committee (RLC) for approval. Staff will approve emergency loan applications when time is of the essence. The RLC will review the loan at their next meeting. All credit decisions will be based only on:

1. the applicant's ability to repay the loan
2. the applicant having good title to the property
3. the applicant having sufficient equity in the property to justify the loan
4. the lien not being recorded below a fourth position.

Action on loans will not be based on, or influenced by, the race, creed, color, religion, national origin, familial status, sex, handicap, or age of the applicant.

The following documentation is required for approval all loans:

- 1) Rehab Loan Criteria Sheet;
- 2) Market Analysis;
- 3) Ownership and Encumbrance Report;
- 4) Work Specifications;
- 5) Summary of Contractor's Bid or Cost Breakdown Report;
- 6) Photo of the residence; and
- 7) Credit Report, if monthly payments are proposed.

### **Rehab Loan Interest Rates**

The rehab loan program adds a one percent service charge to the interest rate for all U.S. Bank LOC loans. The current bank interest rate is 3.18% and the rate to the borrower is 4.18%. This bank rate is adjusted quarterly based on a formula in the Council approved U.S. Bank agreement. Council requested that staff analyze the impact of increasing the service charge from one percent to one and one-half percent. For purposes of this analysis, a comparison of 1.0% and 1.5% interest rates based on a typical \$20,000 rehab loan will serve to show the effect of this rate increase.

A \$20,000 loan at an interest rate of 4.18% (3.18% bank rate + 1.0% service charge) amortized for 20 years requires a fixed monthly payment of \$123.10. As an example of how the interest collected declines over the life of the loan, for the first twelve months of the loan, the borrower's total payment would pay \$1,477.20 with \$653.65 in principal and \$823.55 in interest. Of the interest, \$198.11 accrues to the Program as the 1.0% service charge. For the last twelve months of the loan, the borrower's total payment would pay \$1,477.20 with \$1,444.30 in principal and \$32.90 in interest. Of the interest, \$9.89 accrues to the Program as the 1.0% service charge. Over the entire life of the loan, the borrower will pay \$29,544.34 with \$20,000.00 in principal and \$9,544.34 in interest. The 1.0% service charge accounts for \$2,489.07 of the total interest collected by the City.

If the service charge is increased to 1.5% for this \$20,000 loan, the monthly payment increases by \$5.38 to \$128.48. Over the entire life of the loan, the borrower will pay

\$30,835.53 with \$20,000.00 in principal and \$10,835.53 in interest. The 1.5% service charge accounts for \$2,489.07 of the total interest collected or an additional \$1,291.19 of interest to the Program.

The added revenue to the Program generated by the 0.5% interest increase is modest, at best, given the fact that the additional revenue is not fully realized for twenty years. However, the impact on the low and moderate households is much more significant and immediate since it reduces the amount of rehab work the borrower can qualify for while at the same time increasing the cost to the borrower. This runs counter to the goal of the Program reducing the effectiveness of the program and affecting the housing populations most at risk.



# M E M O R A N D U M

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**TO:** Mayor and City Council

**THRU:** Gary Sears, City Manager  
Alan White, Community Development Director ✓

**FROM:** Janet Grimmatt, Housing Finance Specialist ✓  
Harold J. Stitt, Senior Planner ✓

**DATE:** December 13, 2010

**SUBJECT:** NSP1 - Project Rebuild Update

The Department has purchased eleven bank-owned foreclosed properties. The acquired properties are:

2198 West Adriatic Place – Rehab complete – Listed for sale  
2010 West Baltic Place– Rehab complete – Listed for sale  
2335 West Baltic Place– Rehab complete – Under contract – Closing 1-31-2011  
4681 South Decatur Street, #226– Rehab complete – Listed for sale  
4819 South Delaware Street– Rehab complete – Under contract - Closing 12-15-2010  
4744 South Galapago Street– Rehab Contract pending  
3395 West Grand Avenue– Rehab in progress  
3102 West Radcliff Drive– Rehab out to bid  
2159 West Vassar Avenue– Rehab complete – Listed for sale  
2215 West Wesley Avenue– Rehab complete – Listed for sale  
3115 South Acoma Street– Rehab analysis underway

Chris Wright, our listing agent, is responsible for preparing the comparative market analyses for each property. However, before listing contracts can be signed and the properties placed in the MLS for sale, their values must be established. Because of the unique federal requirements of the NSP program, establishing this value is comprised of two parts. The first part is mandated by the federal NSP regulations, which stipulates that the sale price can be no more than the total cost of acquisition and rehab. In order to be reimbursed by the State for all eligible rehab costs and subsequently to fully repay the LTAR fund, the final rehab cost cannot be determined until all final billings have been processed for payment by the Finance Department. This may take 30-45 days to complete.

The second part, a comparative market analysis (CMA) for each property, is warranted to insure that the sale price is appropriate for each neighborhood since most of these properties were

"distressed" and purchased in a declining economy. The listing price will then be the lesser of the total cost of acquisition and rehab or that derived from the CMA.

An additional factor that may influence the actual selling price is the limitations placed on the maximum household income of the buyer(s). The federal NSP regulations limit the eligibility of buyers to total household income of no more than 120% of area median income (AMI.) For example, 120% of AMI for a household of four is \$91,080.



C I T Y O F E N G L E W O O D  
C O M M U N I T Y D E V E L O P M E N T

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**To:** Mayor Woodward and City Council

**Through:** Gary Sears, City Manager  
Alan White, Community Development Director ✓

**From:** Darren Hollingsworth, Economic Development Coordinator ✗

**Date:** December 7, 2010

**Subject:** City-wide Retail Assessment: Englewood Retail Assessment and Marketing/Development Strategy

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### **Council Action**

At the December 13 study session, staff will brief Council on our proposal to have a consultant prepare a community-wide retail assessment and accompanying marketing/development strategy. This study was briefly discussed at the August 2, 2010 study session on the 2011 budget for Community Development. Additional information was provided in response to Council Request 10-172.

Pursuant to Englewood's procurement procedures, Community Development staff has issued a Request for Proposals and received excellent response from the market. If there is consensus among Council, the contract with the consultant will be considered by motion at the December 20 Council meeting.

### **Background**

In 2005, Englewood completed a retail void analysis that looked at the retail leakage and voids that exist in Englewood and its market trade area. The process yielded a study that provided useful background information about possible opportunities to support retail attraction efforts. This document provided some insights into the 'holes in the market' and provided some guidance on possible retail categories for business attraction. Limited funding did not allow for a follow-up study to be completed, which was needed to provide listings of specific retailers seeking expansion or development plans.

The Retail Assessment and Marketing Development Strategy is an extension of this process, but varies significantly in methodology from our past effort. The proposed Retail Assessment will work with a local research firm, BBC Research and Consulting, who has partnered with a local retail developer/broker. This powerful team will shed light on Englewood's potential for new retail by conducting a quantitative analysis of retail demand. The consultant will also conduct a comprehensive analysis of the development sites and shopping districts within the community and will develop strategies for retail recruitment, attraction and retention. This effort is intended to better position Englewood to attract new retail and development within the community.

### **Community Goal: Retail**

Economic development efforts in Englewood have centered on supporting a healthy retail environment. Much of Englewood's revenue base is generated through sales and use tax. In looking at an economically sustainable economy, Englewood logically needs to understand and define opportunities to support a healthy business climate for retailers. Many communities along the Front Range have developed specific strategies for attracting and retaining retail. With the obvious importance of retail sales tax revenue to the City's budget, it has been in the Department's work program to hire a consultant to prepare a study analyzing the what, where and how of future retail development in Englewood. This retail assessment is anticipated to be a document and educational process that will be useful for finding and defining retail opportunities in the community.

The study will address:

- What – Considering both permanent and daytime populations, what retail markets are underserved in Englewood? Based on this market analysis, what types of retail uses could Englewood reasonably expect to attract?
- Where – Based on retail industry criteria, where are the logical locations for future retail development in Englewood? This analysis would look at such factors as traffic volumes, access, visibility, and adjacent land uses, among others.
- How – After identifying potential retail uses and prime locations, the next step would be to determine how to attract retail development. The consultant would develop a strategy, or series of action steps, designed to position the City for attracting retail development. Elements of a strategy might include rezoning areas, assembling land, constructing infrastructure improvements, developing incentive programs, or creating financing tools, such as urban renewal areas. Details for four (4) to five (5) prime retail areas would be undertaken in a Phase II of this study.

**Attachment:** Scope of Services / Project Methodology

## SECTION II. Project Methodology

This section describes a suggested five-task workscope. The specified tasks largely follows the approach outlined in the RFP. Some additional subtasks have been suggested. Deliverables will be submitted to the client upon the completion of each task.

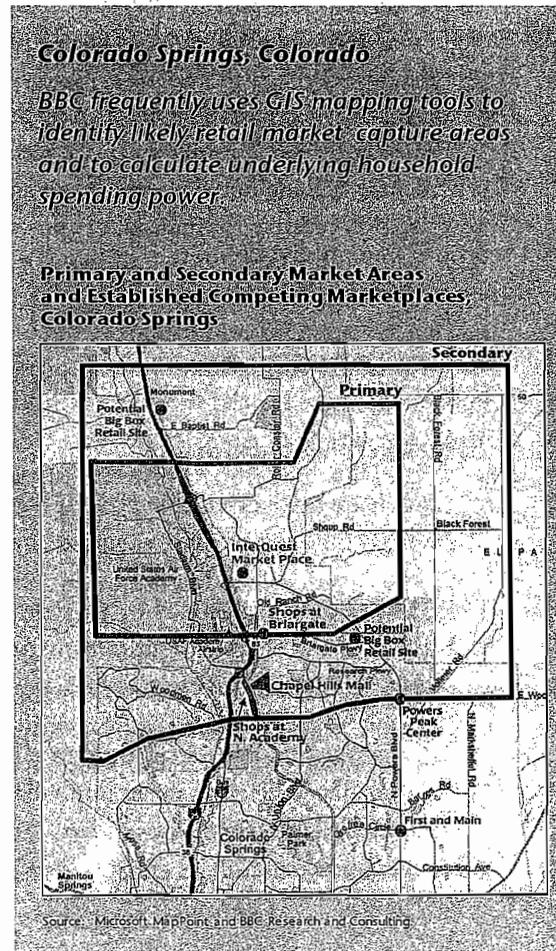
### Approach Overview

Two fundamental considerations underlie this proposal

#### (1) **Current economic conditions require a multifaceted approach to retail market analysis and community strategy development.**

Although Denver has been through prior economic downturns, some quite severe, the current retail market situation is very different than in past recessions. Typically, an economic slowdown results in increased unemployment, a modest loss of household income and lessened retail sales. The current economic crisis has had far more dramatic consequences for entire retail industry, starting with national retailer chains and shopping center owners and ultimately commercial developers and retail lenders. Community retail development strategies must acknowledge many factors beyond simple household demand measures. Important considerations include:

- Information time lags are now a real issue. It appears that national household income and household spending patterns have changed dramatically in recent years yet these changes are difficult to document at a local level where key data sources lag by two or more years. Local data on household income, spending patterns and retail performance have always had time lags but now, with apparent fundamental changes in household spending practices, these data time lags are significant issues in attempting to quantify local markets.
- National and regional economic conditions are uncertain and over the past 24 months, economic conditions have been subject to rapid and largely unforeseeable disruptions. National and even international economic influences have far reaching consequences and can determine if and how retailers might respond to market opportunities.



- Retailer financial health at the corporate level and lending institutions' ability to provide funds for development are currently greater determinants of retail development prospects than local market conditions. There may be demonstrable market demand but simply no expansion lending available, or no capital investment capability at a national corporate level.
- Over the past five years there has been significant consolidation by retailers, with some merging with competitors and others simply going out of business. The result is fewer potential retailers competing for a greater amount of retail space.

Changing conditions should not paralyze planning efforts but they do have implications:

- Market data is best supplemented by active experience in retail management, leasing and operations.
- In order to stimulate change, communities should expect increased retailer reliance on community partnerships, such as sales tax sharing agreements, in order to overcome other financial barriers to development.

**(2) In response to these conditions, we have assembled a team that integrates BBC's research and strategy development experience with active retail ownership, leasing and development expertise.**

BBC Research & Consulting (BBC) has 40 years of market research and economic development strategy experience, including numerous analyses in southwest Denver residential, commercial and retail markets. In this effort, BBC's expertise is complemented by The Kornfeld Group, which brings hands-on knowledge of current retail markets and retailer leasing practices. For nearly 30 years, the Kornfeld Group's affiliated companies have been active in the retail real estate markets as an owner, broker and property manager. The Kornfeld Group presently manages over 3.0 million square feet of retail space in three Western states. Their day-to-day experience includes site evaluation, retail acquisitions, ongoing real estate development, retail leasing, property management and retail construction management.

Brad Kornfeld, the firm's principal, has daily contact with regional and national retailers, and many personal connections in the industry and affiliated retail brokerage concerns. BBC and the Kornfeld Group have worked together on similar assignments on multiple occasions.

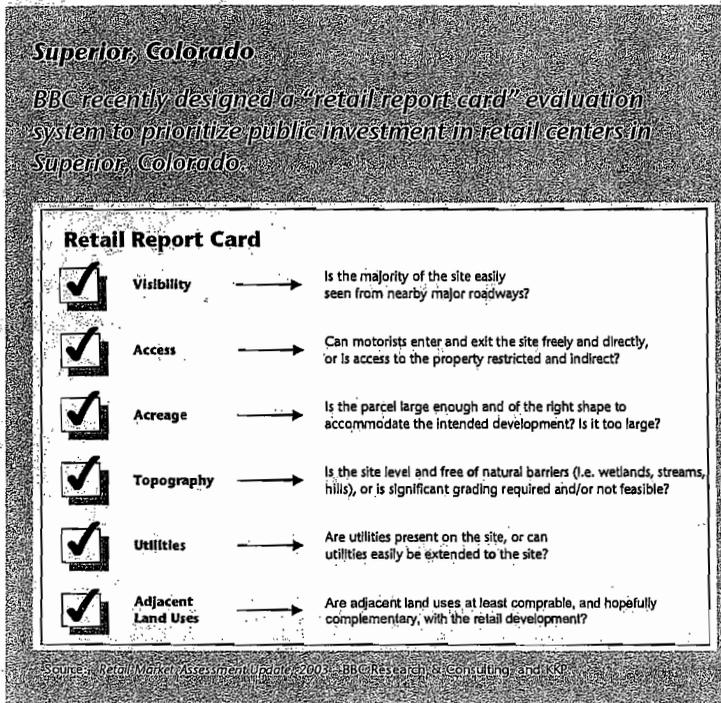
### **Approach Methodology**

We anticipate five key tasks in accomplishing this project. Our approach follows the recommendations of the RFP although we have suggested one new task (Task 1-A).

**Task 1-A (new) — Project Initiation.** This brief first task offers an efficient way for the client and consultant to share current information and to ensure a mutual understanding of project direction. We envision three elements to this task.

- **Collect initial data.** Project team representatives will visit the subject retail sites and begin initial data collection using immediate resources. The project team will review past city studies and related development analyses—with the intention of being well informed for a first strategy session.

- **Review existing economic development strategies.** Englewood has an urban renewal authority, a business improvement district and a number of redevelopment initiatives and economic development incentives. The entities and the tools, partnerships, strategies and opportunities they represent should be understood and considered in into later evaluations of site opportunities.
- **Strategy session.** We suggest a brainstorming/information sharing session between the BBC/KG team and appropriate municipal representatives with broader community development representatives if possible. We see an early sharing of ideas, data, observations and history as a very effective way to target the next level of analysis. We also see the strategy session as an opportunity to solidify a formal client-consultant communication process.



**Task 1 — Initial Assessment of Englewood’s Retail Centers and Corridors.**

In Task 1, the Project team will develop a list of criteria for evaluating the ten Englewood retail centers identified in the RFP. We believe the list of candidate sites provided in the RFP is a full accounting of likely opportunities but we will consider additional prospects. Project team site visits and data analysis will support a brief screening effort that will identify the best candidates for further evaluation. Evaluation criteria will emphasize redevelopment and business intensification potential; critical retail success factors, such as

visibility, traffic, parking, land assemblage and ambience; and location and scale of competition. The final list of four or five best prospects should include multiple types of centers, e.g. convenience, neighborhood or regional centers as opportunities may be present for some forms of development, or varying market orientations, but not others. Revitalization and growth potential will be the critical determinant of a candidate site’s selection for further review.

BBC will prepare a brief memo documenting the selection process and identifying the four best candidates.

**Task 2 & 3 — Assessment of Site and Market Opportunities Associated with Englewood’s Most Promising Retail Centers.** With selection of final candidates, the Project Team will undertake more comprehensive research and evaluation efforts for each of the candidate sites.

We have combined Tasks 2 and 3 identified in the RFP into one detailed assessment task. In our judgment, site assessments, market characterizations and suitability analysis are closely interrelated and best conducted in concert as opposed to serially.

We anticipate evaluation criteria in three categories: physical characteristics, performance measures and market conditions.

*Physical site criteria* will include:

- Scale, diversity and character of current operations;
- Availability of undeveloped or underdeveloped properties;
- Infill opportunities;
- Access and parking;
- Visibility;
- Proximity to intersection or transportation corridor; and
- Land ownership consolidation.

*Performance criteria* will include:

- Current retail composition and sales trends; and
- Occupancy and vacancy rates and trends.

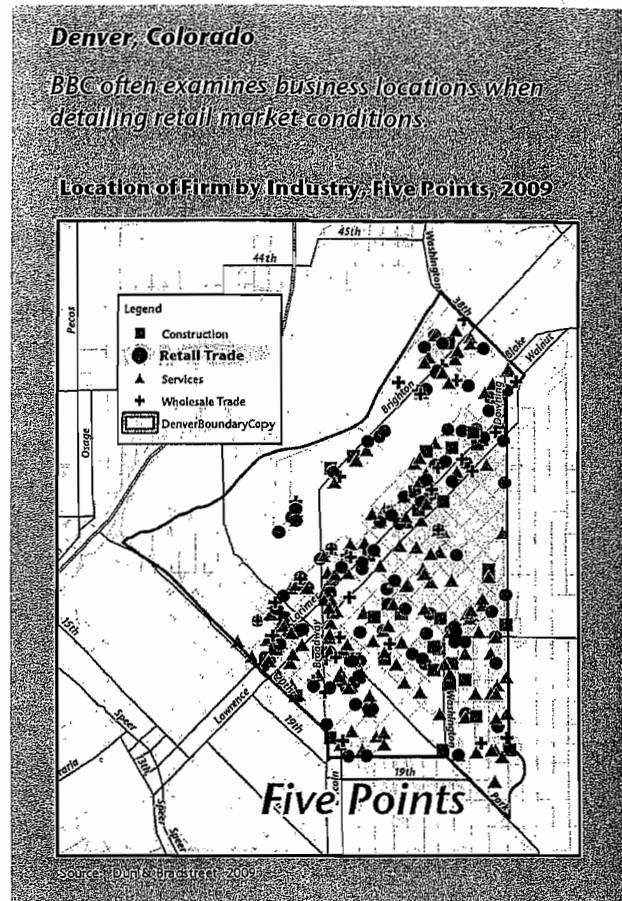
*Market criteria* will include;

- Trade area size, character and growth trends (households and daytime markets); and
- Extent and nature of competitive influences.

Each site will be defined and represented visually. A physical assessment will determine key site attributes, such as parking, undeveloped land, traffic and current square footage. BBC will work with the city to determine sales performance of stores by category, respecting the city and retailers' need for confidentiality. The project team will conduct interviews with leasing agents, brokers, center owners and store operators to better understand market penetration, site limitations, performance trends and overall area performance. The project team will also interview active retail brokers to determine their perception of the area's strengths and weaknesses. For centers that have a marketing and promotions entity, or other tenant representation, the project team will interview tenant representatives and staff.

Finally, each site will be evaluated specifically for potential development, expansion and more intensive retail activity. It is likely that more than one site will emerge as having retail growth prospects and perhaps with different types of opportunities. The Kornfeld Groups development and operational experience will be invaluable in assessing development prospects and understanding how national retailers might value Englewood's offerings.

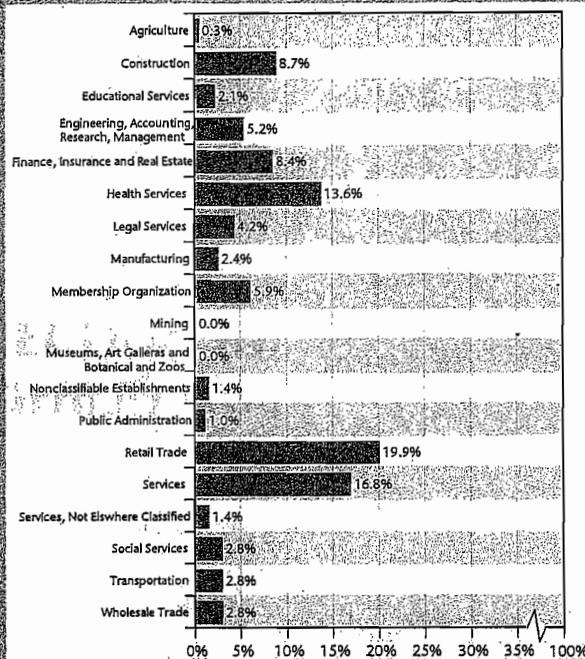
The Kornfeld Group's existing centers, which are in located three western US states and multiple metropolitan and suburban locations, offer a strong comparative and experiential basis for these evaluations. An accounting of the company's own performance enhancement efforts, including



## Denver, Colorado

A recent study of West Colfax Avenue targeted redevelopment opportunities in a mixed-use corridor.

### Industry Composition West Colfax Avenue Corridor, 2009



Source: Dun & Bradstreet, 2009

successes and failures in stimulating their own projects' financial performance, will be invaluable in suggesting strategies for Englewood offerings.

The project team will prepare a memorandum documenting this entire process, the evaluation criteria and the evaluation outcomes.

### Task 4 — Rocky Mountain Retailer

**Assessment.** The final task is an effort to evaluate and identify what type of retail establishment and what specific retailers can be lured to the identified Englewood opportunities. In essence, this is an attempt to match the sites with likely tenants. The Kornfeld Group's current presence in the retail marketplace offers a practical basis to gauge what retailers might be realistic candidates for Englewood's most promising sites. In the current market, some retailer decision-making is driven by internal company capital expenditure limitations and less by market opportunities. Some entities simply are not expanding or limiting

expansion so dramatically that the presence of demonstrable market opportunities is immaterial. Other retailers In addition to the Kornfeld Group's ongoing experience, the project team will interview commercial brokers familiar with the Denver area retail market place. Even if retailers are not active or aggressively expanding today, it is important to document the type or category of retailer that might find these opportunities attractive so that this work has longer-term relevance for the city.

The project team will prepare a final report documenting this process and suggesting what type of retailers and what specific retailers, the city should pursue.

### Future Tasks: Recommendations and Development Strategy

The evaluation and assessment effort described above is tailored to flow in to a practical retail recruitment strategy, which would be completed in the next fiscal year. We would anticipate that this last task would include a common recruitment effort and specific recommendations for each area. There will likely be recommendations for broker interface and possibly national outreach at appropriate conventions and industry association meetings. Other recommendations would likely focus on the community's role in collaborating with the private sector, risk sharing or promoting redevelopment.



# M E M O R A N D U M

## C O M M U N I T Y D E V E L O P M E N T

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TO: Mayor and City Council

THRU: Gary Sears, City Manager

FROM: Alan White, Community Development Director ✓

DATE: December 13, 2010

RE: Medical District Small Area Plan Amendment  
Subarea 2

Public testimony on December 6<sup>th</sup> concerning the Small Area Plan Amendment dealt primarily with Subarea 2. Subarea 2 is currently zoned MU-R-3-B.

Girard Avenue is the dividing line between Goals A and B for Subarea 2. Subarea 2 south of Girard is proposed to be designated as an area of change for future medical and high density residential uses. This part of Subarea 2 has B-1 zoning to the south and west and M-1 zoning to the east. Because of this, designation as an area of change seems logical. Objective 2B-2 does not propose anything specific as far as future zoning. It may be that a completely new zone district is created, or that the MU-R-3-B district regulations are revised, or that the area is rezoned to an existing adjacent zone district. Options and decisions about these options will be made during the next phase of the planning process.

Subarea 2 north of Girard is proposed as an area of stability with the goal of stabilizing the neighborhood character of the existing residential portions of Subarea 2. Objective 2A-6 calls for consideration of zoning reforms that prevent high density medical and residential development. There are a number of zoning reforms to be considered; downzoning is one of them. This and other methods will be explored in the next phase of the planning process.

The document Council is considering adopting is a policy document – it sets a general direction for considering future zoning decisions. Nothing about the current zoning of Subarea 2 is changed by adopting the revised goals and objectives.

So that we can proceed to the next phase of the planning process and explore zoning options with stakeholders and the Planning and Zoning Commission, staff is recommending adoption of the Small Area Plan Amendment by resolution.

## PROPOSED AMENDMENTS TO SMALL AREA PLAN GOALS AND OBJECTIVES (Edits Underlined)

### Medical Sub-area 2 Goal A

***Strengthen and stabilize the neighborhood character of the existing residential portions of sub-area 2 through revitalization strategies.***

- Obj. 2A-1 Reduce the number of single-unit rental homes through conversion to home ownership.
- Obj. 2A-2 Expand and concentrate programs/loans/grants for revitalizing older homes.
- Obj. 2A-3 Strengthen enforcement of codes concerning yard maintenance, junk, and outside storage.
- Obj. 2A-4 Discourage hospital expansion in the residential portion of sub-area 2.
- Obj. 2A-5 Explore the potential for revitalizing existing multi-unit buildings.
- Obj. 2A-6 Consider zoning reforms to protect portions of sub-area 2 currently zoned MU-R-3-B along Grant Street and the 3200 block of Sherman Street that prevent high density medical and residential development.
- Obj. 2A-7 Consider removing non-conforming status for existing apartment buildings in order to encourage remodeling, maintenance, and condo conversions.

### Medical Sub-area 2 Goal B

***Encourage change in existing commercially-zoned areas of sub-area 2 along the Old Hampden corridor, as well as the 3400 block of Grant and Logan Streets.***

- Obj. 2B-1 Encourage the development of new mixed-use projects including medical facilities, offices, housing, and small-scale commercial uses along the Old Hampden corridor.
- Obj. 2B-2 Consider designating the 3400 blocks of Grant and Logan Streets as an area of change for future medical and high density residential uses.

### Medical Sub-area 3 Goal A

***Strengthen and stabilize the neighborhood character of the existing residential portions of sub-area 3 through revitalization strategies and limited reinvestment strategies.***

- Obj. 3A-1 Reduce the number of single unit rentals homes through conversion to home ownership.
- Obj. 3A-2 Expand and concentrate programs/loans/grants for revitalizing older homes.
- Obj. 3A-3 Strengthen enforcement of codes concerning yard maintenance, junk, and outside storage.
- Obj. 3A-4 Discourage further over night in-patient hospital expansion beyond current hospital-owned properties north of Girard Avenue.

**Obj. 3A-5** Encourage replacement of sub-standard rental properties with various types of compact housing and small medical clinics and offices that are compatible with the existing neighborhood scale and character through consideration of the following zoning reforms:

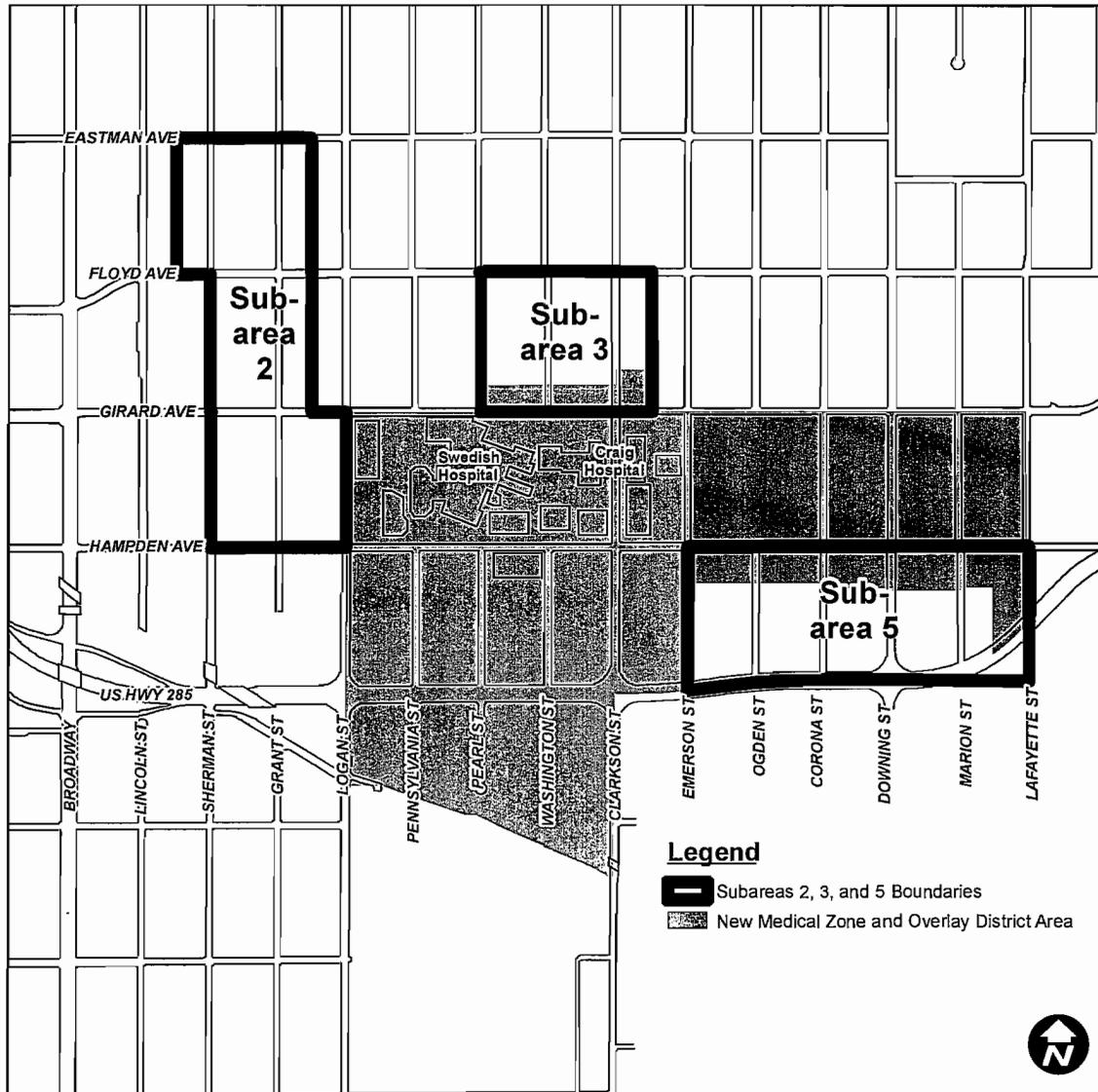
- Scale down height along the edges of sub-area 3 adjacent to single family zoned areas.
- Explore ways to eliminate or minimize the impacts of parking garages through regulations pertaining to limits on location and height in order to protect neighboring single family residences.
- Favor small office buildings over large office buildings.
- Keep front and rear setbacks, landscaping, and parking regulations compatible with current standards.
- Remove over night inpatient hospital facility from table of allowed land uses.
- Increase number of residential units per land area and relax side setbacks for small lots.
- Remove non-conforming status for existing multi-unit apartment buildings in order to encourage remodeling, maintenance, and condo conversions.

**Obj. 3A-6** Explore the potential strategies and programs for revitalizing existing multi-unit buildings.

### **Medical Sub-area 5 Goal A**

***Strengthen and stabilize the neighborhood character of the existing residential portions of sub-area 5 through revitalization strategies and limited reinvestment strategies.***

- Obj. 5A-1** Reduce the number of single unit rentals homes through conversion to home ownership.
- Obj. 5A-2** Expand and concentrate programs/loans/grants for revitalizing older homes.
- Obj. 5A-3** Strengthen enforcement of codes concerning yard maintenance, junk, and outside storage.
- Obj. 5A-4** Encourage replacement of sub-standard rental properties with various types of compact housing and small medical clinics and offices that are compatible with the existing neighborhood scale and character through consideration of the following zoning reforms:
  - Increase number of residential units per land area.
  - Add small-scale pedestrian-oriented office and retail as allowed uses.
  - Limit building height to 3 to 4 stories.
  - Keep front and rear setbacks, landscaping, and parking regulations compatible with current standards.



**Legend**

-  Subareas 2, 3, and 5 Boundaries
-  New Medical Zone and Overlay District Area





# Memorandum

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City Manager's Office

**TO:** Mayor Woodward and Members of City Council  
**THROUGH:** Gary Sears, City Manager  
**FROM:** Michael Flaherty, Deputy City Manager  
**DATE:** December 9, 2010  
**SUBJECT:** Humane Society of South Platte Valley - Contract Extension

The initial term of the City's agreement for animal sheltering services with the Humane Society of South Platte Valley (HSSPV) expires on December 31, 2010. A renewal clause provides for extension of the agreement for an additional four years, subject to the agreement of both parties, with a guaranteed annual payment at the 2010 rate of \$50,000.

The operations of HSSPV have met the requirements of the City and both parties have tentatively agreed to the extension, subject to City Council approval.

The formal agreement will be presented to City Council for consideration at the regular meeting of December 20, 2010.



C I T Y O F E N G L E W O O D  
P O L I C E D E P A R T M E N T

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**MEMORANDUM**

**TO:** Gary Sears, City Manager  
**FROM:** Thomas Vandermee, Chief of Police  
**DATE:** December 8, 2010  
**SUBJECT:** Status Report on Investigations Related to 3045 S. Acoma St.

I believe that City Council may be anticipating an update during the December 13, 2010, Study Session on the above referenced incident.

Two parallel investigations are currently being conducted by the Police Department relative to this event. The first is the criminal investigation into the circumstances surrounding the robbery and shooting of a local business man.

The second investigation is an Internal Affairs Investigation into the conduct of the responding officers based on a complaint received by some of the residents of the 3000 block of South Acoma Street.

Neither of these investigations is complete and an update on their status at this point would be premature. I should be able to provide an update to City Council in mid-January, 2011.

Thomas E. Vandermee  
Chief of Police