

**AGENDA FOR THE  
ENGLEWOOD CITY COUNCIL  
STUDY SESSION  
MONDAY, JULY 2, 2012  
COMMUNITY ROOM  
6:00 P.M.**



- I. **Detective Bitner Memorial**  
Police Chief John Collins will discuss the memorial for Detective Jeremy Bitner.
  
- II. **Economic Development Incentives – 6:15 p.m.**  
Deputy City Manager Mike Flaherty, Community Development Director Alan White and Economic Development Manager Darren Hollingsworth will discuss economic development incentives.
  
- III. **Englewood Depot – 6:45 p.m.**  
City Council will discuss the future of Englewood Depot.
  
- IV. **City Council 2013 Budget Subcommittee – 7:15 p.m.**  
City Council will select the members for the 2013 City Council Budget Subcommittee.
  
- V. **City Manager's Choice**
  - A. Englewood School Use Tax Rebate
  
- VI. **City Attorney's Choice**



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: City Manager Gary Sears  
FROM: Police Chief John Collins  
DATE: June 26, 2012  
SUBJECT: Detective Jeremy Bitner – Council Discussion

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I am scheduled to attend City Council's Study Session on July 2, 2012 to discuss with Council a memorial for Detective Jeremy Bitner. Following Jeremy's funeral service we set out to assist Tina Bitner with all of the state and federal benefits that she and her family are entitled to. We have completed nearly all of the processes that are involved with this endeavor.

We have discussed some ideas on a memorial for Jeremy and those thoughts include: a bench, plaque and tree outside the Safety Services building in honor of Jeremy, commemorating our new locker room in his name (the locker room is currently in the planning stages and I am not sure that we can fund it), and a day of remembrance that the City would remember not only Jeremy but other City employees who have passed. There will be other ideas I am certain. I would like to take our time with this concept. I would like to gather input from City Staff, City Council, and the members of my organization so that we do it right the first time.



# Memorandum

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City Manager's Office

TO: Mayor Penn and Members of City Council

THROUGH: Gary Sears, City Manager

FROM: Michael Flaherty, Deputy City Manager  
Alan White, Community Development Director ✓  
Darren Hollingsworth, Economic Development Manager ✗

DATE: June 28, 2012

SUBJECT: Incentives – Policy Discussion

At the June 4 study session, Council directed staff to present alternatives for development of an economic development incentive policy. Council provided a general direction that incentives be considered on a case-by-case basis for projects that meet the needs and desires of the community. We have attached a proposed goal statement and an outline of options for an incentive policy. This outline is intended as a starting point for consideration in the development of a formal policy and will serve as the basis for the discussion at the July 2 study session when this topic will be discussed in greater detail.

In addition, we draw Council's attention to best practices recommendation from the Government Financial Officer's Association (GFOA) white paper, "Developing and Economic Development Incentive Policy (2008)". The white paper contains some timely information for Council to consider as you deliberate the intricacies of an incentive policy. At a minimum, the GFOA recommends that a jurisdiction providing incentives create a policy, which describes the appropriate parameters for the use of public resources to support private investment. GFOA's recommendation is that an incentive policy should contain the following: Goals/Objectives; Financial Incentive Tools and Limitations; Evaluation Process; Performance Standards; and, Methodology for Monitoring and Compliance. The options that staff has provided in the attached outline reflects the GFOA recommendations.

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Also attached are the Development Projects Update for June 2012 and a copy of an incentive policy example from the City of Centennial, Colorado.

Attachment: Outline of Options for an Englewood Incentive Policy  
GFOA: Developing an Economic Development Incentive Policy (2008)  
Development Projects Update for June 2012  
Example Incentive Policy: City of Centennial, Colorado

# City of Englewood Incentive Policy

## Outline of Options

### Goals Statement (Draft for Council Review and Discussion):

The City of Englewood is supportive of business attraction and development related projects. The City of Englewood is committed to supporting new opportunities to diversify the local economy and continue to provide for the fiscal health of the community by taking a balanced approach to assist targeted businesses, priority development sites, and projects that enhance to the quality of life and fiscal condition of the community. To this end, City Council has expressed a willingness to consider both financial and non-financial incentives to support economic development activities on a case-by-case basis. The incentives outlined in this draft policy are provided at the sole discretion of City Council and are not to be considered an entitlement for any eligible or otherwise qualified project.

### Intent/Purpose

- Tool to assist economic development efforts
- Foster diversification of economic base, including expansion of retail sales tax base
- Assist in attracting desired businesses and development to City
- Assist in redevelopment or reuse of priority redevelopment sites

### General Principles

- Discretionary, not an entitlement
- Requires Agreement approved by City Council
- Only eligible projects will be considered
- Assistance will be in the form of waivers of fees or rebates of taxes collected
- Council may elect to provide City funding for certain public improvements coincident with the construction of a development project

### Eligible Uses of Incentive Funding/Project Eligibility requirements?

- Removing barriers to development or investment.
  - Improvements to public infrastructure that benefit a larger area or the public at large, including but not limited to: street improvements, traffic signalization, sidewalks or trails, water and sanitary sewer lines, storm sewer lines, drainage improvements, water quality improvements, or electrical or natural gas lines.
  - Costs incurred in eliminating features that detract from the neighborhood or render a site difficult to redevelop, such as undergrounding electrical lines, removal of environmental contamination, removal or relocation of utility
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substations or other facilities, or demolition of structures that are obsolete or in poor condition.

- Costs incurred in providing public spaces, public art, and elements of streetscape beyond that required by ordinances of the City.

#### Optional Sources of Funding for Incentives

- Sales tax rebate
- Building material use tax rebate
- Furniture, fixtures, and equipment use tax rebate
- Lodging tax rebate
- Property Tax (City's portion) rebate
- Building permit fee (does not include plan review fee) waiver
- Development application fees waiver
- Business Personal property tax rebate (City's portion)
- Fee in lieu – Park Dedication Fee waiver

#### Terms

- Length of the rebate period dependent on cost/benefit analysis but not to exceed **10** years.
- Rebates shall be based upon actual revenues collected, not estimates or projections used in formulating or negotiating the Agreement
- Sales tax rebates shall not exceed 50% (with a maximum rebate to be determined by cost/benefit analysis) of the actual incremental increase in sales tax revenue generated by the use or site
- Building use tax rebates shall not exceed **50%** (with a maximum rebate to be determined by cost/benefit analysis) of the actual use tax collected on building materials
- Rebates of up to **100%** (with a maximum rebate to be determined by cost/benefit analysis) may be given for furniture, fixtures and equipment use tax, building permit fees and development application fees
- Rebates shall provide funding for the eligible uses outlined in this policy and the Agreement, up to a maximum agreed-upon amount, over an agreed-upon period of time. The City's obligation to provide rebate payments shall cease once the agreed-upon amount or agreed-upon period of time is reached, whichever occurs first.
- Should a business relocate or close during the rebate period, the City's obligation to provide any further payments shall cease.

## **Evaluation Process:**

### **Economic Development Criteria - Eligible Projects**

- Retail developments or expansion of existing retail uses that will generate a minimum retail sales tax revenue per year – *(amount to be determined by Council)*
- Office or manufacturing uses creating or adding jobs.
- Under represented or desirable retail establishments (e.g. Sit-down Restaurants and Clothing)
- Residential projects on underutilized sites or within ½ mile of a light rail station that demonstrate benefit to the community
- Other projects deemed by City Council to be unique, advantageous, or extraordinary additions to the community

### **Cost Benefit Analysis**

- Staff will provide a cost benefit analysis for any incentive agreement. This analysis will look at the potential revenues compared to incentive requests. Cost benefit analysis will be described with direct fiscal impacts, such as increased revenues through enhanced property tax collection or sales tax generation.
- Cost benefit analysis will also be described with indirect impacts, such as generating jobs and providing for an unmet and desired community need (e.g. hotel).
- An evaluation of the impact of the incentive with regard to the tax base with regard to taxable value and increased revenues.
- Evaluation of the break even cost or payback period of the proposed incentive.

### **Evaluation of project on existing businesses**

- Evaluate impact of project on existing Englewood businesses.

### **A determination of whether the project would proceed if the incentive is not provided**

- Incentives are not intended to unduly enrich developers or businesses or create an unfair advantage.
- A statement from the business or developer to state the need for the incentive in terms of 'why this investment is necessary to foster the development or business activity.'

## **Performance Standards:**

### **Identify Community Measurable Goals**

- Job Creation
- Revenue Generation (enhanced tax collections)
- Business Retention and Expansion
- Business Attraction
- Supporting a primary development opportunity or targeted development site

### **Monitoring and Compliance**

- The Agreement shall contain a provision that obligates an incentive recipient to perform and provide the jobs or rental levels agreed upon for a period of time. Should the agreed-upon levels not be achieved or should the company relocate, the City shall reserve the right to recover any rebate paid to the developer or company.
- Rebates of sales tax are based upon actual performance. If revenue doesn't reach projected levels, the City only rebates the revenue that is actually generated (or the percentage of tax rebate agreed upon.)



## BEST PRACTICE

### **Developing an Economic Development Incentive Policy (2008)(CEDCP)**

**Background.** Economic development incentives, non-financial and financial, include a broad range of tools, ranging from expedited planning and permitting processes to direct or indirect funding. Jurisdictions often use these incentives to pursue specific economic goals such as tax base diversification, job creation, or business retention and expansion. Incentives are usually set by federal, state, or local law or practice.

The use of financial incentives to benefit private parties, especially those that involve the transfer of public funds to private parties, introduces risk factors not generally present in other public financial management areas. For this reason, economic incentives must be based on a policy that establishes parameters for their appropriate use in relation to the economic development goals of the jurisdiction.

**Recommendation.** The Government Finance Officers Association (GFOA) recommends jurisdictions using or considering the use of economic development incentives create a policy on the appropriate parameters for use of such incentives and that the finance officer play an active role in the creation of the policy.

At a minimum, an economic development policy should contain the following elements:

1. **Goals and Objectives.** Goals and measurable objectives create a context and accountability for the use of economic development incentives. Common goals used in economic development include: target economic sectors, business retention and/or recruitment, geographic focus, job creation, blight mitigation, improving economically distressed neighborhoods, and environmental improvements.
2. **Financial Incentive Tools and Limitations.** An economic development policy should define the types of incentives and the extent to which the jurisdiction will use them. For example, governments may choose to grant an entitlement to any firm that meets minimum qualifications, or may choose to provide incentives based on an assessment of individual firms. Governments may also establish maximum funding for a particular program.
3. **Evaluation Process.** A clearly defined evaluation process should be outlined in an economic development policy for the purposes of consistency and transparency. Evaluation activities and factors typically include:
  - a. How a proposal measures up to established economic development criteria
  - b. A cost/benefit analysis
  - c. An evaluation of tax base impact, both in terms of increases in taxable value and, where a TIF is proposed, the impact on all overlapping taxing jurisdictions.
  - d. Analysis of the impact of a project on existing businesses
  - e. A determination of whether the project would have proceeded if the incentive is not provided.

A jurisdiction may also wish to include in its policy a list of required documentation for the economic development application and the officials who are a part of the review team.

4. **Performance Standards.** An economic development policy should require that specific performance standards be established for each project receiving incentives. Not only will these performance standards help a jurisdiction gauge the effectiveness of its overall economic development program, but may also be

used to recover promised financial benefits, through clawbacks or linkage agreements, of recipients failing to fulfill their commitments.

- 5. Monitoring and Compliance.** A process should be established for regular monitoring of the economic development incentives granted and the performance of each project receiving incentives. The policy should also provide for organizational placement and staffing of this activity. The monitoring process should examine performance standards relative to each economic development agreement and determine whether the goals for each project are achieved within the defined timeframe. Ongoing monitoring of these projects should become part of an overall economic development program.

### **References**

- *Elected Officials Guide to Economic Development*, GFOA, 2005.
- GFOA Best Practice, "The Role of the Finance Officer in Economic Development," 2006.
- *How Local Governments Can Get More for Their Economic Development Dollar*, Rachel Weber and David Santacroce, 2007.
- Council of Development Finance Agencies, [www.cdfa.net](http://www.cdfa.net).
- Good Jobs First, [www.goodjobsfirst.org](http://www.goodjobsfirst.org).
- Economic Development Agreement Outline, [www.gfoa.org](http://www.gfoa.org).
- International Economic Development Council (IEDC), [www.iedconline.org](http://www.iedconline.org).

Approved by the GFOA's Executive Board, October 17, 2008.

# DEVELOPMENT PROJECTS UPDATE

## June 2012

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### DEVELOPMENT REVIEW PROJECTS

- *King Soopers (Federal and Belleview)*
  - Building plans for King Soopers were submitted in November. The demo permit was approved on December 7 and has not been picked up by the contractor.
  - Demolition will commence after final approval from corporate Kroger. The committee will render a decision the second week of January.
  - Landlord and King Soopers working on tenant retention for displaced tenants. Will submit tenant finish plans for Little Caesar's. King Soopers plans on notifying customers about the demolition when their construction timeframe is solidified. Demolition is anticipated to begin March 1.
  - Staff is in contact with King Soopers' development staff and the broker for the property owner. It is our understanding that Little Caesar's Pizzeria will relocate to existing space within the shopping center. King Soopers will conduct an outreach effort to inform neighbors and patrons of the impending demolition and the closure of the store.
  - Staff contacted the King Soopers and the broker for the property owner. King Soopers is expected to sign a lease this week which will trigger demolition in 60 days. King Soopers still plans an outreach effort once the demolition date is established.
  - Store is scheduled to close for demolition on May 5.
  - Store is closed. Two tenants, Little Caesar's and the liquor store, are relocating to the shops to the north.
  - **King Soopers is in possession of the property and plans a demolition of the structure. Following the demo, King Soopers has expressed an interest in conducting a groundbreaking ceremony later in July.**
  
- *Old Bally's Site (707 East Jefferson)*
  - **No current activity.**
  
- *Lone Star Property (3590 South Clarkson)*
  - The potential purchaser plans to construct a medical office for an optometrist and have additional medical office space available for lease.
  - Staff is in contact with a broker who is seeking development opportunities on this site. It is our understanding that the site is being marketed to a hotel user.
  - Staff held a DRT with a potential new purchaser who plans to construct a 117-room hotel. The purchaser is in the due diligence process and hopes to have a development timeline to the City within two months. The hotel developer is in the process of solidifying 'room night guarantees' so the project can determine financial feasibility. A copy of the 2007 Hotel Study

was presented to the developer. Referrals to the South Metro Denver Events and Visitor's Bureau were provided to the developer to help quantify potential demand for room nights.

- The hotel developer presented the project to ACE at the April meeting and solicited feedback to help quantify potential demand for potential room nights.
  - Staff met with the hotel developer and his consultant to discuss potential room nights. The hotelier will likely request some City financial participation to support the project. Details or a request from the developer has not come forward.
  - **The hotel developer worked with a consultant to conduct a demand study for potential night stays. This consultant interviewed a number of area businesses and organizations that would be potential demand generators. Ultimately, the consultant was unable to quantify sufficient demand for room nights necessary to justify the development of the hotel.**
- *Martin Plastics*
- A second DRT meeting was held on November 8, 2011 to review possible changes to building location and parking. The revised plan includes 162 dwelling units in a single L or U-shaped 5-story building located on the southern half of the 3.5 acre site, and 8,640 square-feet of office/commercial space in the existing bowstring truss building on the northern portion of the site. The parking layout is primarily surface with some podium style parking also proposed. A possible community oriented space was discussed for the southwest corner of Oxford Avenue and Navajo Street.
  - Developer attended the January 9, 2012 City Council meeting to discuss financing and possible incentives.
  - Staff met with development team on January 17<sup>th</sup>, to discuss the PUD submittal process and requirements, as well as possible incentives the City may be able to offer.
  - The developer has scheduled a neighborhood meeting for Thursday, March 1. The intent of the meeting is to get feedback from the neighborhood prior to applying for the Planned Unit Development.
  - Notices for the neighborhood meeting were mailed on February 18, 2012.
  - The neighborhood meeting will be held on March 1, 2012 at the Englewood Rec Center, 7 p.m.
  - The neighborhood meeting was held on March 1, 2012, with approximately 20 people in attendance. Attendees of the meeting appeared to be receptive of the project.
  - **Staff met with representatives from Littleton Capital Partners. They are hoping to submit a formal application by the end of the month.**

- *Flood Middle School Redevelopment*
  - On October 3, staff met with the developers for the property to discuss the market for development and provide an update for the redevelopment of the property. The developers indicated that the highest potential for redevelopment involves a multi-family centered development. The development team received a copy of Englewood's recently completed retail analysis.
  - Staff met with the developer and project team to discuss process and submittal requirements. A rezoning to PUD, to accommodate a multi-family development, is anticipated.
  - Staff contacted the developer and is working to schedule a study session where Council can receive an update on this project from the developer.
  - Staff met with the developer and project team to discuss the required pre-application neighborhood meeting for rezoning to PUD. The neighborhood meeting is tentatively scheduled for 7 p.m., May 16, 2012 at the United Methodist Church at the corner Broadway and Mansfield (3885 South Broadway, Englewood, CO)
  - The developer's required neighborhood meeting was held on May 16, with approximately 40 people in attendance. The attendees expressed various concerns with density, traffic, parking, and loss of green space, while showing some general support for the property being redeveloped. The developer will continue refining the plans with the input received to submit a formal PUD rezoning application in June.
  - **Applications for a PUD rezoning, Major Subdivision, and Vacation of ROW were submitted on June 5 and are currently under review by staff and outside agencies.**
  
- *Masonic Property*
  - **No current activity.**
  
- *University Homes PUD*
  - **No current activity.**
  
- *West Wesley Right of Way Vacation*
  - Staff has had a preliminary meeting with All Recycling regarding vacating 200 feet of the 1700 West Wesley public right of way. A formal application has not been submitted.
  - Staff from CD, Public Works, Utilities and Traffic met with engineer and an owner from All Recycling on January 24, 2012. All Recycling will be working out utility, waste water and cul-de-sac issues before submitting a formal application.
  - An application for a DRT meeting was submitted on May 18. The DRT meeting will be held Tuesday, May 29.
  - **The decision for the vacation of West Wesley has been put on hold until the Water Board meeting on June 12, 2012.**

- **Craig Hospital Expansion**
  - Staff met with hospital representatives on January 12, 2012 to discuss the future Craig Hospital expansion. A patient tower would be a use by right in the M-1 zone district. At this time Craig is actively seeking funding and developing a design team. Craig does not have a timeline for the project.
  - Staff, including Public Works, Utilities, Police, Fire, and Community Development, met with Craig representatives to discuss vacating Clarkson in front of the hospital. Staff is to identify general impacts and concerns prior to scheduling a follow-up meeting with Craig.
  - **Staff met with Craig representatives and discussed concerns regarding the vacation, such as Art Shuttle route, Complete Streets bike lanes and traffic. It does appear that Craig will go forward with the vacation and is in the process of preparing a traffic study which will assess the impacts of the vacation on area streets and intersections. The traffic study is scheduled for submission in early July.**
  
- *Englewood Public Schools 7-12 Campus*
  - Staff will meet with the Englewood Public Schools design team on March 6<sup>th</sup> to discuss plans for the new 7-12 Campus and associated ball field improvements proposed for the current High School location.
  - **The Englewood Public Schools design team will be submitting design development plans for a DRT meeting to be held the second or third week in July.**
  
- *Old Le Peep Site (990 West Hampden)*
  - Staff met with the design team for Veterinary Referral Center of Colorado on April 17<sup>th</sup> to discuss potential plans for expansion onto the LePeep property. The former LePeep restaurant would be demolished for a new building or an expansion of the existing VRCC building.
  - Staff is working with the owner's design team on an alternative parking plan to facilitate the potential expansion.
  - **VRCC has closed on the purchase of the old Le Peep property and will continue to explore options for expanding their facility.**
  
- *Groove Toyota (5460 South Broadway)*
  - Groove Toyota has submitted a conceptual design for the renovation and expansion of the existing sales and service facility. A DRT meeting is scheduled for May 1<sup>st</sup>.
  - Staff contacted representatives from Groove Toyota to discuss the expansion. The proposed \$10 million expansion includes a new showroom and enhanced service center.
  - **A second DRT meeting is scheduled for June 26<sup>th</sup> on the proposed expansion.**

- **General Iron Works**
  - Staff met with the owner of General Iron Works to discuss the PUD process. At this time the owner is working with a consultant on conceptual plans for a residential project.
  - **Staff had a second meeting with representatives from General Iron Works. They are in the process of assembling plans and information for a DRT review, to be followed by a neighborhood meeting, tentatively scheduled for mid-late July.**
  
- ***The Brew on Broadway***
  - **The Brew on Broadway has submitted a Conditional Use Permit application for a use not listed in the UDC to operate a nano-brewery and coffee house at 3445 South Broadway (formerly Acoustic Music Revival). A nano-brewery produces small quantities of beer similar to a brewpub, but does not serve food. The application is currently being reviewed by staff. The project was reviewed by DRT and the applicant has received staff comments.**

#### *SPECIAL PROJECTS*

- ***Englewood Master Bicycle Plan Route Study and Implementation Program***
  - December: Bids were received and reviewed. A contract with the lowest bidder was presented to City Council for approval on December 19, 2011. The Invitation to Bid was cancelled and the two lowest bidders were asked to submit quotes. A contract has been prepared for the lowest quote – Denver Custom Signs.
  - Denver Custom Signs provided insurance and W9 paperwork to the City, which allowed the City to issue a purchase order and release a Notice to Proceed. Work is underway.
  - Denver Custom Signs has staked sign locations in the field, has procured all sign materials, and is finishing sign production. Denver Custom Signs expects to complete sign installation by March 2.
  - OV Consultants will inspect the completed sign installation work by Denver Custom Signs on March 15.
  - Fourteen bicycle racks have been ordered to be placed in front of sponsoring businesses in the South Broadway BID area.
  - OV Consultants are working with City traffic division staff and Denver Custom Signs to resolve remaining identified issues.
  - Bicycle racks have been ordered and are expected to arrive the week of May 7. Installation will follow.
  - Bicycle racks were delivered the week of May 20.
  - **Public Works inspected bicycle rack locations with CD staff and OV Consultants on June 15.**

- *Station Area Master Plans*
  - An RFP has been issued for station area plans for the Englewood, Oxford and Bates Stations. Proposals are due March 30, 2012. Interviews with consultants are anticipated in Mid-April.
  - Interviews were conducted on March 19 and 20. The firm of Crandall Arambula has been selected for the planning effort. A contract and scope of services will be presented for Council's approval on June 4.
  - **The Station Area Master Plan project has officially kicked off, with the provision of background information and data to the consultant, and initial efforts to begin identifying key stakeholders, and schedule the first round of meetings.**

## BUSINESS NEWS

- *South Broadway Business Improvement District*
  - BID submitted a revised 2012 Budget and has an approved special assessment for FY2012.
  - BID expressed an interest in placing security cameras downtown. They have formed a committee to research the matter further, but this is anticipated to be one of their capital projects for 2012.
  - The BID will present their new slate of officers to City Council at an upcoming meeting. Vicki Skigen has resigned and Dominique Cook has been nominated to fill the vacancy.
  - **The BID has elected new officers. The slate of directors remains the same, but Mr. Ted Vasilas is the Vice President and Bob Laughlin is now the President.**
  
- *New Businesses*
  - McAllister's Deli is interested in leasing space at the former Blockbuster Building in Englewood Market Place shopping center. Staff contacted the broker to get a status on this prospect and they indicated that the space is being looked at by an architect so they can estimate the cost to build out the restaurant. The restaurant owner is looking at the "numbers" to make sure this location is financially feasible. Staff met with representatives from McAllister's Deli to discuss the plaza and potential improvements that will be presented to Council at the June 4 meeting. **The owner of McAllister's is very pleased with the City's commitment to maintain the plaza and bring back the fountain. As of this writing, there is not an official lease in place. The paperwork of a lease has not caught up with the handshakes in earnest of the parties involved in the lease.**
  - Received inquiry from a local comic book retailer seeking space at CityCenter Englewood. Bartertown Comics will open in March. A ribbon cutting is anticipated through the Greater Englewood Chamber of Commerce. Bartertown Comics is now open.
  - Hand Surgery Associates will relocate to Englewood in the medical

district. This business will bring approximately 75 new jobs to Englewood. They plan to open in October.

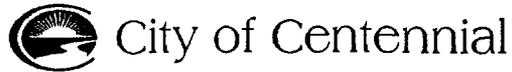
- *Arapahoe County Enterprise Zone*
  - Submitting annual report.
  - Submitting 2011 marketing grant reimbursement request.
  - Attended Zone Administrator's meeting to discuss legislative update.
  - **State Zone Administrators plan on meeting to discuss key legislative changes and suggest ways for the zones to be more accountable.**
  
- *Commercial Catalyst Program*
  - Received a grant application from Billy's Gourmet Hot Dogs for a signage grant for 2950 South Broadway. Grant request approved; the project is still in construction.
  - Received grant application from The Copper Pot for the vacant Bites restaurant at 2790 South Broadway. Designs have been created and the business is moving forward with exterior paint and new signage. This will be their second location in Englewood. Grant for signage, paint and landscaping is approved and pending construction. A portion of the signage package has been installed. The project is complete.
  - Received grant application from the property owner of South Side Total Power, 4264 South Broadway. Designs for façade and signage enhancements have been completed. Anticipating owner approval and construction to follow shortly. **The project is approved for a grant. The project is currently underway and the façade is under construction.**
  - Colorado Utility Vehicles recently moved to 4895 South Broadway and has applied for a grant through the Commercial Catalyst Program. Initial designs have been completed. The tenant is getting estimates for the proposed scope of work – awning, landscaping, and ornamental ironwork. **The applicant is receiving bids for proposed work.**
  - Springs Automotive has leased the vacant Smart Car space at 2885 South Broadway. The business owner is interested in new signage and exterior paint. The project is currently in the design phase. **The project has been approved and awaiting construction.**
  - Received grant inquiry from the owner of 4700 South Santa Fe for signage and landscape enhancements. The proposed project would clean up landscaping and non-conforming signage. The property owner indicated the project would also improve the appearance of the two vacant pad sites adjacent to South Santa Fe for future retail development. **Initial designs for signage and landscaping have been completed.**
  
- *Other Business News*
  - Contacted broker for the Funtastic Fun property.
  - Contacted broker for the vacant World Savings Bank at Belleview and

Broadway. The broker indicated the property was for lease only. He does not anticipate it being a redevelopment site.

- Met with the broker for the Larry Miller Nissan property to discuss redevelopment or reuse options.
- Met with the broker for the Larry Miller Nissan property at the NWC of Broadway and Belleview.
- Contacted the commercial broker for Kent Place.
- Met with Don Cameron about his industrial properties at 4700 South Santa Fe Drive. Don is looking to enhance the visibility of the retail tenants at this location and has expressed an interest in marketing the two available development sites to retail users.
- **Met with developer interested in discussing possible users for the Funtastic Fun property.**

#### Other Business Activities

- South Metro Denver Chamber of Commerce – Business Retention and Expansion Ambassadors meeting with Craig Hospital and Swedish Medical Center. February BRE ambassador’s meeting with Millennium Bank. **Attended BRE Ambassador’s meeting with The Sports Authority and Talon Manufacturing.**
- Responded to Metro Denver – Economic Development Council’s prospect inquiry for an insurance provider seeking 150,000 square feet of space in the Enterprise Zone. Provided information about the vacant First Data property. Update: Will conduct a site visit with MD-EDC staff to tour the vacant First Data Property.
- Met with the South Metro Denver Chamber of Commerce to discuss the Business Retention and Expansion Ambassador’s program and the Small Business Development Center training opportunities. Staff will work with the South Metro Denver Chamber to present some of this information to ACE at an upcoming meeting.
- Completed article and advertisement for *Colorado Real Estate Journal*, which will be published in the June 6 edition.
- Placing Englewood advertisement in the 2012-2013 *Metro Denver Economic Profile*.
- **Received an inquiry from State Senator Linda Newell about her interest in approaching Trader Joes for a South Metro Denver location. Staff provided the Senator with site information, a copy of the recently completed retail study and an offer to provide any further assistance necessary to help her facilitate this discussion.**



## ECONOMIC DEVELOPMENT INCENTIVES POLICY

The City of Centennial believes that a great City provides a strong and positive foundation for its business community. We've opted for a "green tape" approach to community development, and strive to work collaboratively with our business community to ensure long-term positive outcomes for all parties. **To that end, Centennial will only consider offering incentives for projects that are extraordinary, significantly enhance the community, and meet the goals and objectives of the City.**

### PROCEDURAL REQUIREMENTS

To be considered for an incentive agreement, the requesting party shall submit all available project specifications including a narrative describing the proposed project, a well-developed conceptual site plan including renderings if available, and a comprehensive financial pro-forma to the Economic Development Division. At that time, the Economic Development Manager will analyze the request, perform the economic impact analysis and provide a formal recommendation to City Management.

The City Manager retains the right to determine whether or not the project and proposed incentive agreement will be presented to City Council for consideration. The City of Centennial City Council is the legislative decision-making authority and considers all incentive requests on a case-by-case basis. City Council reserves the right to approve or reject any incentive agreement.

The Economic Development Division in conjunction with City Management and City Council will consider all requests on a case-by-case basis and no project approval or rejection by City Management or City Council shall be considered precedent for future recommendations or decisions.

### PROJECT TYPES

The City of Centennial may consider negotiating an incentive agreement for the following project types:

#### Major Retail Development

A major retail development may be considered for an incentive agreement if the proposed project:

- (1) Represents significant private-sector financial investment
- (2) Promotes a higher and better use of the property
- (3) Provides a positive fiscal and economic impact to the City
- (4) Adds new and unique tenants to the market and/or trade area
- (5) Mitigates any perceived or potential negative impacts to the surrounding area
- (6) Minimizes the impacts of consumer expenditure cannibalization from existing projects in the City

### Major Primary Employment

A commercial development which includes a substantial primary employment component may be considered for an incentive agreement if the proposed project:

- (1) Represents significant private-sector financial investment
- (2) Provides quality employment opportunities for Centennial's citizens and the region  
*Minimum of 50 NEW jobs at a pay rate equal to 66% (not including benefits) of the City's Median Household Income*
- (3) Demonstrates a positive direct and/or indirect fiscal and economic impact to the City
- (4) Mitigates any perceived or potential negative impacts to the surrounding area
- (5) Demonstrates a long-term commitment to the City

### Commercial / Mixed-Use Annexation

The City may provide incentives to enable the annexation of fully developed, partially developed or vacant land that is commercial or mixed-use in nature if the project/property:

- (1) Demonstrates reasonable potential for positive fiscal and economic benefits to the City
- (2) Is a geographically logical addition to the City
- (3) Is reasonably served by the City and its service/infrastructure providers
- (4) Mitigates any perceived or potential negative impacts to the surrounding area

### Redevelopment / Revitalization

A redevelopment and/or revitalization project may be considered for an incentive agreement if the proposed project:

- (1) Meets and exceeds the goals and objectives of the Comprehensive Plan and amendments thereto
- (2) Represents new and significant financial investment
- (3) Provides a positive fiscal and economic impact to the City
- (4) Promotes a higher and better use of the property OR improves the financial performance and viability of the existing property
- (5) Is consistent with the community's vision
- (6) Mitigates any perceived or potential negative impacts to the surrounding area and is respectful of existing adjacent property types

### Exceeding Quality Design Standards

The City may consider an incentive agreement if the proposed project represents superior quality and design aesthetics that substantially and significantly exceed the City's current design standards.

### Sustainable & Environmentally Conscious Development

To promote long-term viability and sustainability in Centennial's urban form, the City may consider providing incentives for projects that are developed in a sustainable and environmentally conscious manner.

## INCENTIVE TYPES

### Planning & Development Processing Commitments

The Planning & Development Department is committed to providing exceptional customer service and ensuring that its applicants experience a quality development process.

All projects are subject to a formal in-person **Pre-Submittal Meeting** in which the reviewing parties provide comments, suggestions, and recommendations prior to formal submittal to ensure an efficient and effective process.

At the request of the Economic Development Division, and subject to approval from the Planning & Development Director or his/her designee, a project may be afforded an **Expedited Review** process. The process, commitments, and timelines for all parties will be determined and agreed upon in writing prior to any expedited review being granted.

### Sales Tax Reimbursements

The City may consider a share-back or partial reimbursement of the City collected portion of retail sales tax generated from the project. All proceeds of a sales tax reimbursement must be utilized for a public or public-related purpose which advances the public health, safety, and general welfare of the community.

Every proposed agreement will be considered individually, based solely upon the merits of the project as defined at that time. No previous proposal or agreement should be considered as a precedent for which other projects will be considered upon.

### Construction Use Tax Reimbursements

The City may consider a full or partial reimbursement of the construction use tax generated by the construction of a project. All proceeds of the use tax reimbursement must be utilized for a public or public-related purpose which advances the public health, safety and general welfare of the community.

### Tax Increment Financing

The City may consider utilizing Tax Increment Financing (TIF) through the Centennial Urban Redevelopment Authority (CURA) only after an urban renewal area has been established. The City will only consider utilizing TIF for projects that are unique, significant in magnitude, and have considerable regional benefit. All proceeds from the TIF must be utilized for public or public-related infrastructure which may include: streets, utilities, street lighting, storm water drainage structures, surface parking, parking garages, fire protection improvements, and other public-related needs.

All private improvements in the redevelopment project area (i.e., buildings, project design and planning expenses) must be solely financed by the project developer.

### Reduction in Fees

The City may consider offsetting all or a portion of the development review fees for commercial projects that exceed the goals and objectives of the Comprehensive Plan and Sub-Area Plan (if applicable), and provide a unique and quality project in terms of product type, tenant mix, and overall physical environment.



# Memorandum

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City Manager's Office

TO: Mayor Penn and Members of City Council  
THROUGH: Gary Sears, City Manager  
FROM: Michael Flaherty, Deputy City Manager ✓  
DATE: June 28, 2012  
SUBJECT: Englewood Depot – Discussion of Council Goals and Development Options

At the request of Mayor Penn, I am providing options for City Council to consider regarding the Englewood Depot during the upcoming July 2<sup>nd</sup> Study Session.

Background: In 1994 the depot was relocated to the current site, then owned by the Englewood Housing Authority, by the Englewood Historical Society (EHS), a private non-profit organization. EHS signed a promissory note with the Housing Authority in the amount of \$300,000 to secure the property. When the depot was moved, a foundation (which also serves as a walk-out basement) was constructed on which the depot was placed. The structure was stabilized and some basic rehabilitation (roofing and exterior) was performed with funding from the State Historical Fund. Between 1994 and 2001, under ownership of the EHS, no additional work was accomplished. The City acquired the property (six lots between Galapago and Fox) from the Housing Authority in 1998 for \$286,000 and assumed the EHS promissory note.

Because EHS was unable to secure funding to pay off the promissory note or for the rehabilitation of the structure, and could not provide for a sustainable use, EHS deeded the building to the City in 2001. The City conducted a Historical Structures Assessment that suggested a preservation plan. However, under City ownership, neither funding nor a sustainable use has been secured or identified and other than periodic repairs, no additional work has been accomplished. In spite of the further restoration efforts, the depot remains structurally sound and has shown few signs of deterioration.

The following are several possible goal statements for Council to consider for the future disposition of the depot. One or more may be applicable, depending on Council's direction:

- To provide for preservation of the historic Englewood Depot
- To provide for rehabilitation of the depot according to the Secretary of Interior standards
- To grant an historical preservation easement to the State Historic Foundation
- To secure a long-term sustainable use for the depot
- To provide for community access and use of the depot
- To retain City ownership of the depot and site
- To maximize revenue from sale or lease of the depot and site
- To facilitate relocation of the depot to a more appropriate site
- To minimize City's financial liability related to the depot

In addition to the above, Council may obviously suggest other goals.

When Council has agreed upon goal(s) for the Englewood Depot, and depending on the goals chosen, Council may consider disposition of the depot through pursuit of one of the options listed below:

**Do nothing** – As stated above, the depot is structurally sound and has shown little sign of deterioration. Council may determine to take no action at this time without significant negative impact. This may be an approach to consider while the plans for future development of the Winslow/General Iron properties are formulated. However, the vacant depot -- while not an eyesore -- the depot may to some appear neglected, particularly at its prominent location. In addition, vacant buildings invite vandalism and intrusion, which potentially may lead to damage or even destruction.

**Negotiate a sale or lease of the building** – Following the most recent interest in the depot, two private parties and one group of community residents indicated interest in the depot. Council could directly negotiate a sale or lease of the depot building with one of the interested parties. Depending on the interest in the depot, a lease of the building only, without the ground might be feasible, especially to a private non-profit organization. (The newly formed Englewood Historical Preservation Society will present their plan to City Council later in July.) However, to enter into direct negotiation with one party for sale or lease of the depot would preclude other interested parties and could potentially be challenged or appear to some to be improper. (Note: Bryant Winslow has recently expressed potential interest in purchasing the depot.)

**Issue a Request for Proposal for sale or lease of the depot** – The last attempt to sale the depot through issuance of an RFP was criticized for deficiencies, primarily the perceived lack of notice or advertisement of its availability and because some desired conditions of sale were not addressed in the previous RFP, e.g., the lack of an historical preservation easement and a correct form of deed. Depending on Council's goals for the disposition of the depot, an RFP could be written to address all desired conditions and notification. Any and all interested parties would then have the opportunity to submit proposals. However, a sale or long-term lease could limit the City's future use of the site and/or prohibit public access to the depot, depending on the intended use by a private owner.

**City to retain ownership and fund rehabilitation of the depot** – As owner of the depot, the City could take advantage of grant funding from the State Historic Fund to rehabilitate the depot. The cost of rehabilitation, including build-out of the unfinished basement, has been estimated at approximately \$350,000. It is possible that grant funding could be secured to pay for one-half of the restoration of the historical elements of the depot, the cost of build out of the non-historic unfinished basement and building systems are not eligible. However, funding is not currently budgeted for this purpose and based on the City's criteria for funding of capital projects, the rehabilitation of the depot would not rank highly. In addition, the City has yet to determine a sustainable use of the depot.

Council may also offer other options, e.g., the gifting of the depot to a party willing to move the depot from the current site in order to allow for more productive use of the City-owned property on which it is located.

I look forward to the Council's discussion on this matter and will be available to answer questions during the Study Session on July 2<sup>nd</sup>.