

## **PUBLIC MEETING**

**August 16, 2016, 4:30 – 5:15 pm**  
**100 North Wilcox Street, Second Floor Council Chambers**  
**Castle Rock, Colorado**

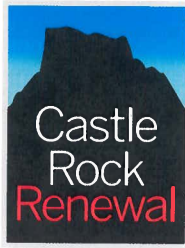
### **AGENDA**

**THIS MEETING IS OPEN TO THE PUBLIC. PLEASE NOTE THAT ALL TIMES INDICATED ON THE AGENDA ARE APPROXIMATE. INTERESTED PARTIES ARE ENCOURAGED TO BE PRESENT EARLIER THAN THE SCHEDULED TIME.**

- 4:30**      **Call to Order / Roll Call:**
- 4:31**      **Pledge of Allegiance**
- 4:33**      **Unscheduled Public Comment** (*During this time, members of the public are invited to address the Authority on items which are **NOT** scheduled on the agenda. Comments are limited to four (4) minutes per speaker.*)
- 4:38**      **Approval of July 19, 2016 Minutes**
- 4:40**      **Staff Report:**
- 1. Proposed Citadel Station Urban Renewal Development Plan**
- 5:15**      **Adjourn to Executive Session - Proposed Miller's Landing Urban Renewal Project**

|                            |                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Description</b>         | <b>Castle Rock Urban Renewal Authority (CRURA) Board of Commissioners Meeting<br/>July 19, 2016 – Castle Rock Town Council Chambers</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Time</b>                | <b>Speaker</b>                                                                                                                          | <b>Note</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <a href="#">4:33:39 PM</a> | Donahue                                                                                                                                 | Called to order at 4:33 PM. Commissioners Green, Heath, Valentine and Donahue were present; Commissioners Ford, Teal and Wilson were absent.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <a href="#">4:34:34 PM</a> | Donahue                                                                                                                                 | <b><u>Unscheduled Public Appearances</u></b><br><br>None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <a href="#">4:34:41 PM</a> | Donahue                                                                                                                                 | <b><u>Approval of Minutes of the December 1, 2015 Meeting</u></b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|                            |                                                                                                                                         | <i>Green moved to approve the Minutes of the December 1, 2015 meeting as presented. Valentine seconded the motion as stated. The motion passed by a vote of 4-0.</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <a href="#">4:35:03 PM</a> | Donahue                                                                                                                                 | <b><u>Citadel Station (Millers Landing) – Staff and Development Team Presentation of Proposed URA Site Development Plan</u></b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|                            | Detweiler                                                                                                                               | <p>Provided a general overview of the Millers Landing development proposal on the Council approved 48-acre URA Plan, which included a variety of land uses, and met the goal of creating additional developable land within the Town.</p> <p>Requested Board feedback that proposed land use and infrastructure development was consistent with the Council approved URA Plan. Noted details of the financing plan for project would be presented at a later date, provided the Board concurred with the general direction of the land use proposal.</p>                                                                                       |
|                            | Scott Springer                                                                                                                          | <p>Representing P3 LLC, provided additional details regarding proposed plan for development of the 48 acre site, including layout, potential use areas, phasing plan, infrastructure included, and remediation efforts required on the site due to the former landfill operation. Reviewed how proposal met the objectives of the stated objectives of the approved URA Plan Emphasized potential synergy of this plan with activities taking place a Miller Park.</p> <p>Noted execution of the plan required reliance on a variety of public financing tools, including the URA. Estimated cost of public improvements was \$35 million.</p> |

|                            |           |                                                                                                                                                                                                                                                                                                           |
|----------------------------|-----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <a href="#">5:08:13 PM</a> | Consensus | <i>The general consensus of the Board was that the plan met the objectives of the URA Plan, and the Board supportive of the proposed land use plan. The Board expressed preliminary concerns about the proposed financing, and noted this would need to be addressed in more detail at a future time.</i> |
| <a href="#">5:13:39 PM</a> |           | <i>The meeting was adjourned</i>                                                                                                                                                                                                                                                                          |



Meeting Date: August 16, 2016

## **AGENDA MEMORANDUM**

**To:** Chair Donahue and URA Board of Commissioners  
**From:** Bill Detweiler, Executive Director, Castle Rock Urban Renewal Authority  
**Title:** Proposed Citadel Station Urban Renewal Development Plan

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### **Executive Summary**

The URA Board members (Board) were presented with a land plan proposal by the Millers Landing URA Plan team on July 19. Following presentations by staff and the applicant team the Board members found the proposed Millers Landing development plan was consistent with the URA Board and Town Council approved Citadel Station / Castle Meadows URA Plan. The next step in the process is to update Board members on progress made by the development team and to provide a financial overview in preparation for negotiations with the URA Board and Town Council.

As previously noted, Board members are aware the Economic Development Council has consistently identified a need for developable lots and new and expanded industrial and office space. Vacancy rates in Castle Rock for industrial use is currently less than 1% and vacancy rates for office use are currently less than 9%. Our neighboring jurisdictions in the Denver Metro area have vacancy rates nearly 3 times those numbers. Clearly there is a need for additional developable land in Town. We believe the development plan will create an opportunity for additional developable land.

### **Discussion**

The Board and Town Council adopted an Urban Renewal Authority (URA) program in April 2013. The goal of the URA program is to eliminate and prevent the spread of blight within the Town and to stimulate growth and investment through construction of public infrastructure and other public improvements authorized in the State of Colorado URA Act (Act).

On September 2, 2014, Town Council approved the Citadel Station – Castle Meadows Urban Renewal Plan (URA Plan) to encourage development of approximately 66 acres of land located at the northwest corner of I-25 and Plum Creek Parkway. The URA Plan entitled use of Tax Increment Funding (TIF) to remove and eliminate blight, specifically removal of an abandoned municipal dump site and abandoned clay mines, and to provide funding for construction of public infrastructure within and adjacent to the site.

To date, both properties in the URA Plan have remained undeveloped due to location of the abandoned municipal dump and abandoned clay mines and lack of infrastructure. Although the Town recently completed construction of the I-25 / Plum Creek Parkway Interchange and Plum Creek Parkway road and infrastructure improvements, development of the property will require significant infrastructure improvements prior to creating developable lots and usable retail, office and industrial space. Use of TIF will aid with remediation of the abandoned dump and clay mines, a significant financial barrier to development, and allow for construction of public infrastructure and other improvements in accordance with the Act.

Following Council approval of the URA Plan in 2014, Town and EDC staff have been marketing the property and seeking out development teams. Until recently our efforts did not result in any development activity. That changed, thanks to a development team interested in remediating the dump site and developing the 48 acres of land contained within the west portion of the approved URA Plan.

#### Development and Financial Plan:

The proposed plan includes a variety of land uses, all consistent with the Council approved URA Plan. The applicant updated the plan following the initial meeting with Council and recently gained control of the 18-acre parcel owned by the Stapleton Group that was not included in the previous development plan. This is good news because the 18 acres is part of the original URA Plan. Previously, staff was working with two property owners. If the development team is successful in purchasing the property, that would allow the staff to work with one property owner for the entire 66-acre tract.

As previously identified, and as proposed on the plan, the initial phases of construction include full build-out of Plum Creek Parkway on the boarder of this property and north, past the property line and PS Miller Park boundary. The initial phase also includes remediation of the abandoned municipal dump site, which was a main objective of the URA Plan. Phase One includes development on the west side of the property immediately adjacent to Miller Park, remediation of the dump site and development of the newly controlled 18 acres adjacent to the I-25 and Plum Creek Interchange. The 18-acre property is zoned Interchange Overlay Zone (IOZ) and the remainder of the property is zoned I-2. The west portion of the property is planned for retail uses adjacent to Miller Park with a two-story parking structure with 526 parking spaces on the lower deck, all available for public parking. The western portion of phase one also includes a hotel and additional retail space. The east side of the property is shown as Phase Two and is planned for high rise office buildings. The central portion of the property is noted in Phases Three and Four and planned for retail, office and mixed use in accordance with the proposed IOZ overlay currently under review by Town staff.

This, and future discussions with the applicant will include costs associated with the public improvements noted on the plan and the phasing and pace of those improvements. As an example, the development team may be in a position to construct a significant level of public improvements up front, but costs associated with fronting such public improvements may require a larger percentage of TIF share to

complete those improvements. Those are the types of details that will be reviewed and discussed with staff, the applicant team and ultimately the Board and Council. To assist staff with financial analysis we hired a third party familiar with the Town and with similar projects.

There are several key URA Plan goals the development team is addressing:

- Elimination of blight on the property.
- Remediation of the abandoned municipal dump site and construction of road and utility infrastructure to improve conditions adjacent to and within the site.
- Development will generate TIF to assist with paying off Bonds necessary to complete site improvements.
- Construction of the 526-space parking structure on the west side of the property assists with parking needs and access to Miller Park.
- The development team is preparing documents to submit an application to rezone to Interchange Overlay Zone (IOZ) to provide flexibility in terms of land use and design.
- The development team has a comprehensive development plan that provides a path forward for development of the site over the next 10+ years.
- The development team is currently negotiating with the adjacent 18-acre parcel to see if concurrent development can occur within the URA Plan area.

#### Next Steps:

As noted at the Board meeting on July 19, staff and development team envision a two-step process to move forward. The initial meeting with the URA Board was to review the proposed development plan and provide feedback on land use and development themes. Board members agreed the plan was consistent with the approved URA Plan. The meeting on August 16 is intended as an update of the plan and an introduction and outline of costs and financial issues associated with the plan. Financial tools discussed to date include URA property and sales tax TIF, a Business Improvement District (BID) and a Public Improvement Fee (PIF). The applicant team will provide the Board members with an overview of each tool and, along with staff, be available for open discussion with the Board.

#### Conclusion

The purpose of the URA Board meeting is to provide an update of the plan and an overview of the financial tools to complete the plan. Staff is seeking feedback from Board members on the updated plan and financial review and we look forward to our discussion.

#### Attachments

Attachment A: Miller's Landing - Public Presentation

Attachment A:

Miller's Landing - Public Presentation

***Miller's Landing:  
Presentation to Urban Redevelopment  
Authority Board***



August 16, 2016

***Public Session***



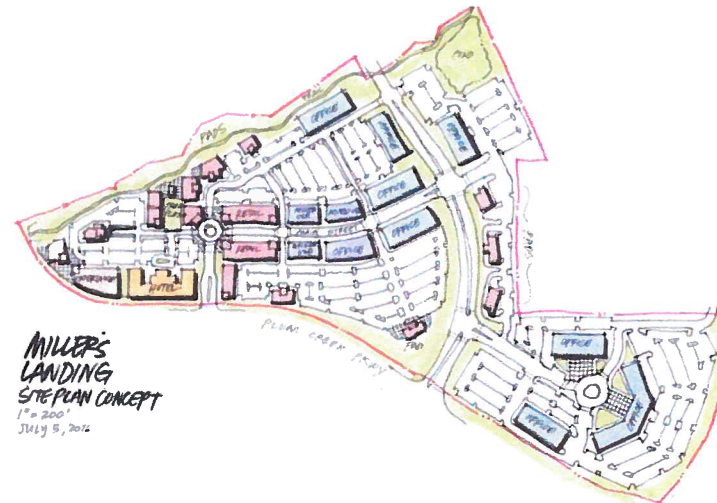
# Agenda

3. P3 Advisors Background
4. Key Updates and Development Milestones
5. Landfill and Depth of Waste
6. Shared Vision
7. Conceptual Site Plan
8. Proposed Land Use Plan
9. Master Plan End Uses
10. Proposed Public Improvements
11. Public Cost Distribution
12. Public Finance Tools
13. URA Overview
14. TIF In Action
15. Powers of Special Districts
16. Public Improvement Fees
17. Distinguishing Characteristics
18. Proposal
19. Proposal

## MEETING OBJECTIVE

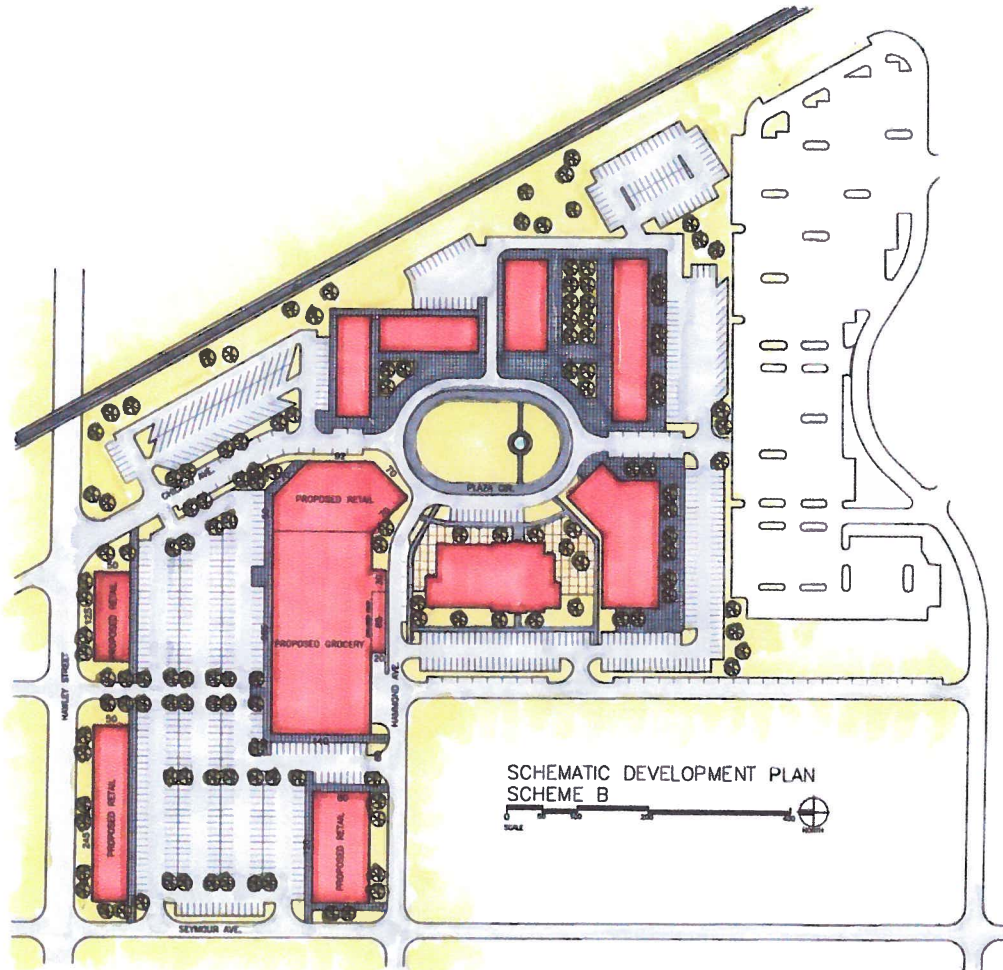
Detail public finance tools **leading to a Town's approved Public Finance Agreement (PFA)** to facilitate project.

- 1) *Update re: project status*
- 2) *Outline obstacles*
- 3) *Propose solutions*



# P3 Advisors

*Brownfield Developers with national experience*



## ***Project Experience: Mundelein, IL***

- Redevelopment of **contaminated urban property** in suburban Chicago, IL
- **Public –private partnership** with Town of Mundelein, IL.
- **Transit Oriented, mixed use** development that resulted in successful redevelopment of a 30 acre site.
- Effort led by Shawn Temple and Scott Springer

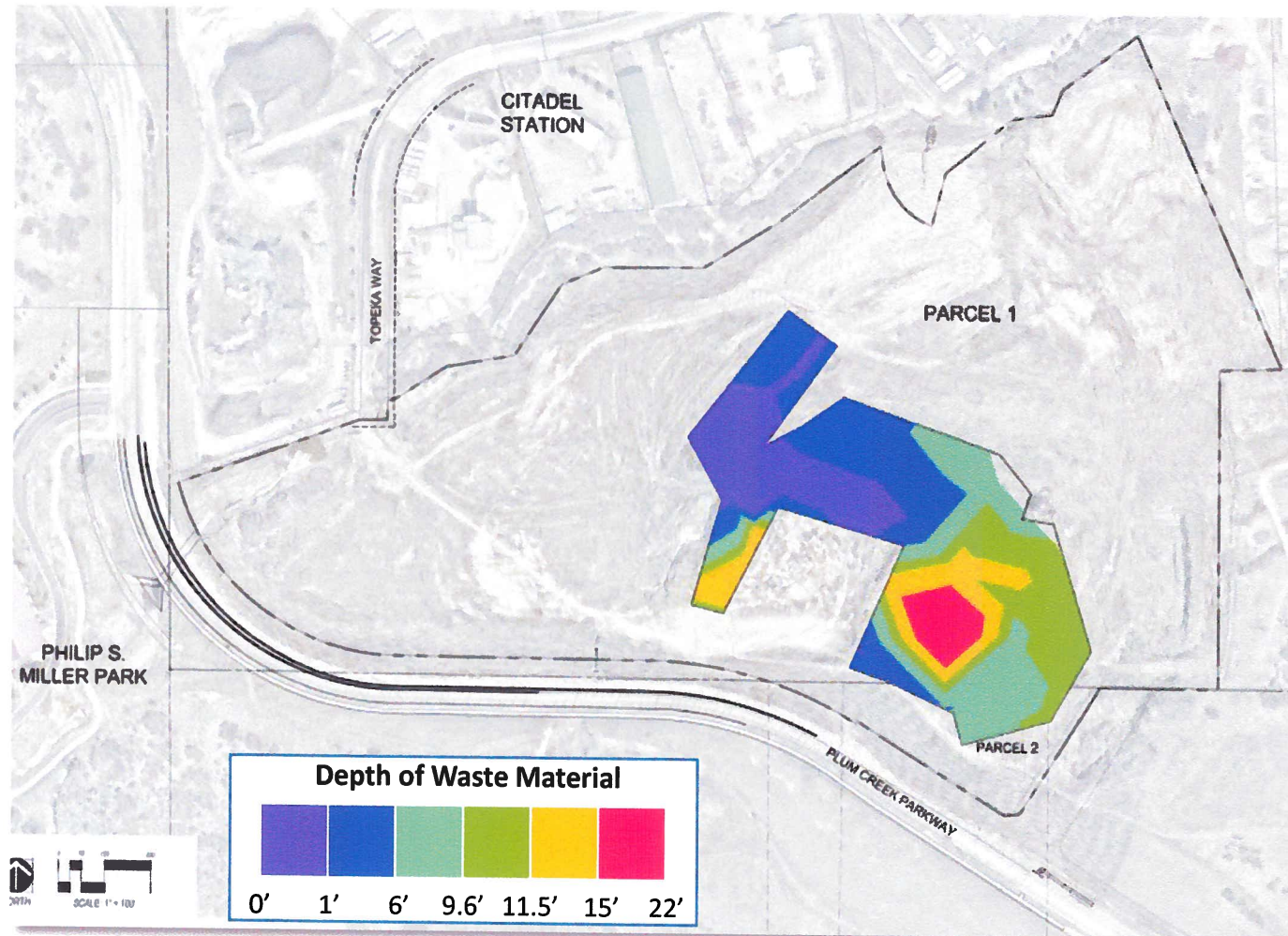
# Key Updates and Development Milestones for the next 6 months

- P3 Advisors recently obtained control of the adjacent 18 acres to the east of the 48 acre property that has been the subject of our discussions. **The Millers Landing development project now incorporates 65 acres.**
- Critical milestones for the next 6 months include:

| <i>Milestone</i>                                                                                                                       |
|----------------------------------------------------------------------------------------------------------------------------------------|
| Obtaining approval of the landfill remediation plan submitted to CDPHE                                                                 |
| Forming a Business Improvement District                                                                                                |
| Completing the rezoning of the 48 acres to Interchange Overlay and executing a Development Agreement with the Town of Castle Rock      |
| Executing a Public Finance Agreement with the Town of Castle Rock                                                                      |
| Obtaining commitments from end users that are critical to achieve the vision set forth for this unique brownfield development project. |



# Landfill Area and Depth of Waste



## *Landfill Facts*

- The total landfill volume **far exceeds previous estimates.**
- Landfill covers a total of approximately **8.8 acres** of the 48 acre site.
- Depth varies from 1' to 22.2' with the **deepest area appearing to be in the southwest corner** of the former landfill.
- Current understanding of the landfill contents suggests that it is **overwhelmingly Municipal Solid Waste.**
- All remediation plans and actions will be **approved and monitored** by Colorado Department of Public Health and Environment (CDPHE).



# Shared Vision

## *Comprehensive Plan*

"The areas immediately around existing and proposed interchanges should be utilized to increase the economic viability of the Town by acting as a magnet for higher density commercial and mixed-use development..."

## *URA*

"The principal goal of the urban renewal effort is to provide development opportunities consistent with policies and goals of the Town..."

DOWNTOWN  
CASTLE ROCK

INTERSTATE 25

PLUM CREEK PARKWAY

CASTLE MEADOWS  
TRACT

PHILIP S. MILLER  
PARK

NORTH

8/16/2016





# Conceptual Site Plan

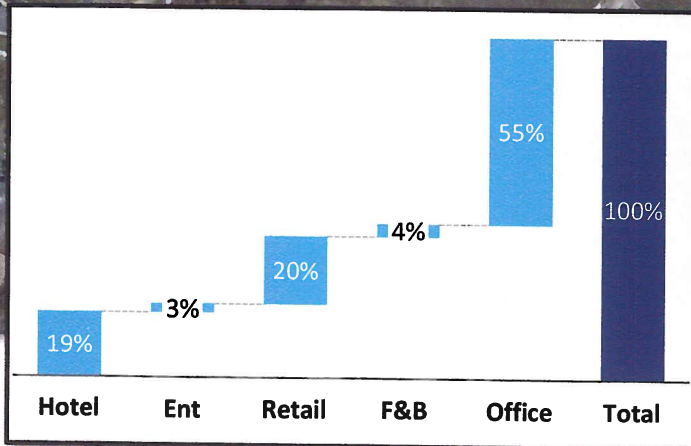


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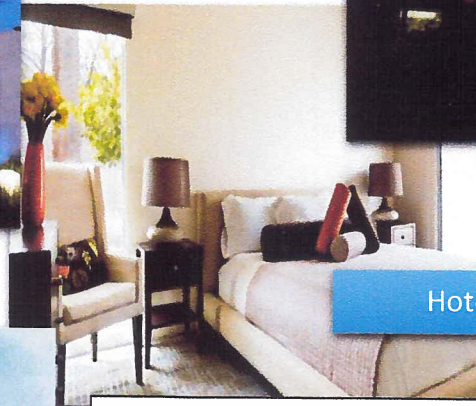
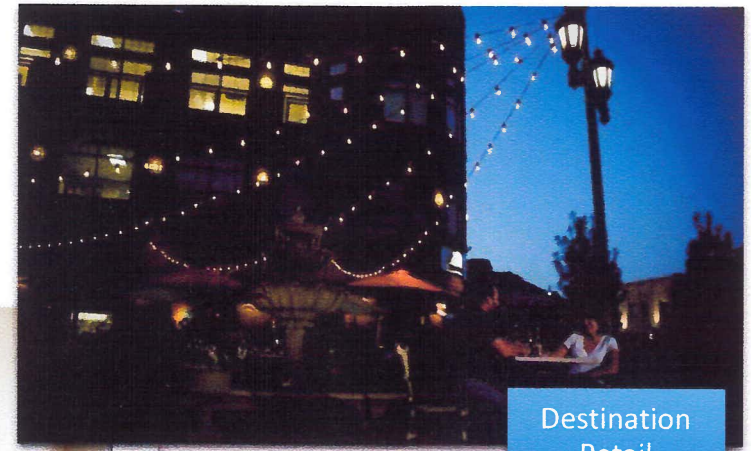
# Proposed Land Use Plan



8/16/2016



# Master Plan End Uses



## ***Benefits of the plan***

- Primary employment in Castle Rock
- Parking deck
- Hotel and banquet conference center
- Significant regional infrastructure
- Bike and pedestrian connection to downtown and Philip S. Miller Park
- Entertainment District
- Leverage town investment in interchange and park.



# Proposed Public Improvements





# Public Cost Distribution

## Public Categories (URA and BID)

### Landfill + Site Work:

- Landfill Delineation and Remediation
- Retaining Walls
- Site Grading (partial)
- Civil Engineering
- Public Finance

### Roadways:

- Plum Creek Drive (2 intersections and 1 lane expansion)
- Prairie Hawk Extension
- Main Street

### Parking

- 830 space podium parking deck
- 2,670 surface parking spaces

### Utilities and Infrastructure:

- Storm Drain Infrastructure
- Water Infrastructure
- Storm Water Management
- Sanitary Sewer Infrastructure

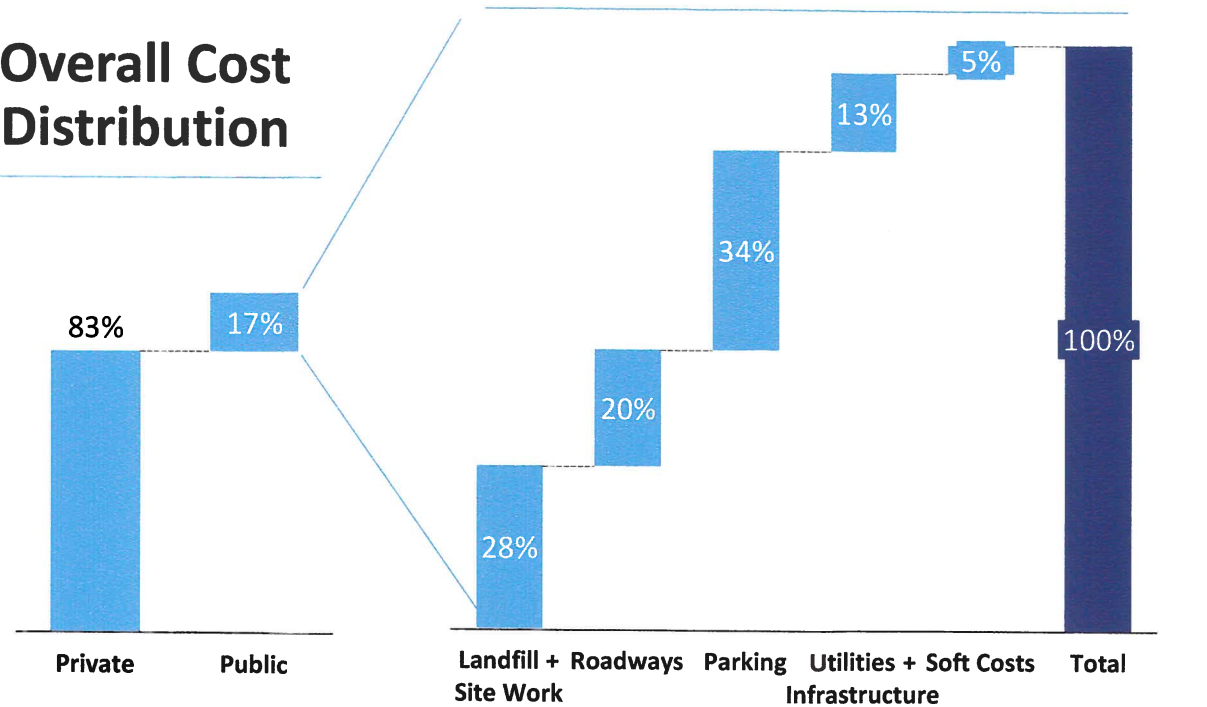
### Castle Meadows:

- Prairie Hawk Dr - North PL to Plum Creek
- Plum Creek east of Prairie Hawk
- Storm Drain Infrastructure (Onsite)
- Water Infrastructure
- Sanitary Sewer Infrastructure
- Site Grading
- Entry Signs

### Industrial Ditch:

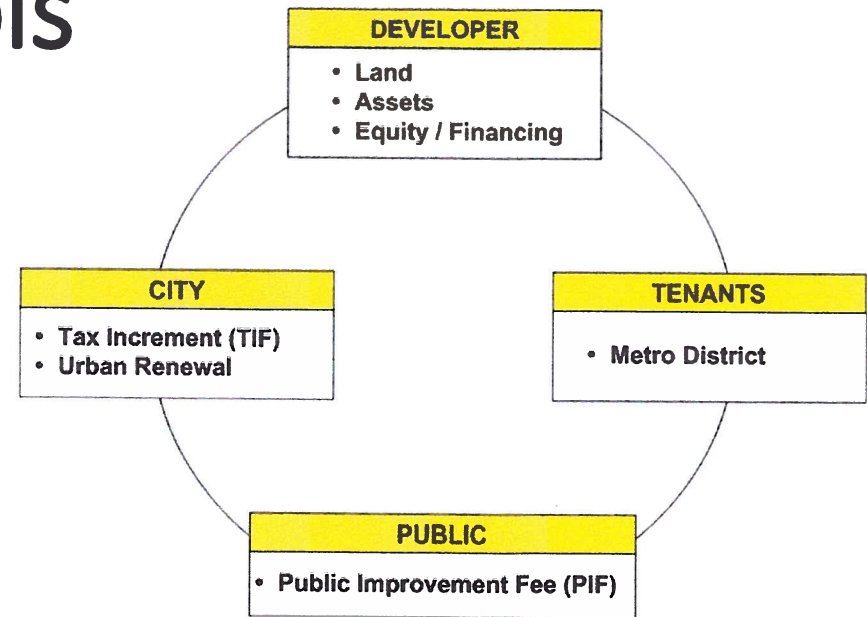
- Channel improvements to manage storm water
- Build bike/pedestrian connection to downtown

## Overall Cost Distribution



# Public Finance Tools

In today's environment, large, complex or phased projects rarely get developed *without some form of public participation.*

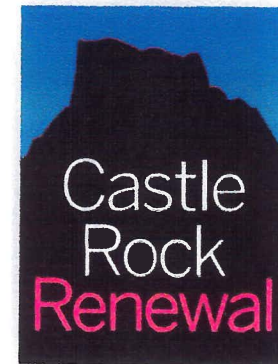


| URA                                                   | Business Improvement District | Public Improvement Fee                  |
|-------------------------------------------------------|-------------------------------|-----------------------------------------|
| Incremental Property Tax                              | District wide mill levy       | Self imposed, district wide add on fee. |
| Shared percentage of Town sales tax generated on site |                               |                                         |



# Citadel Station – Castle Meadows Urban Renewal Plan

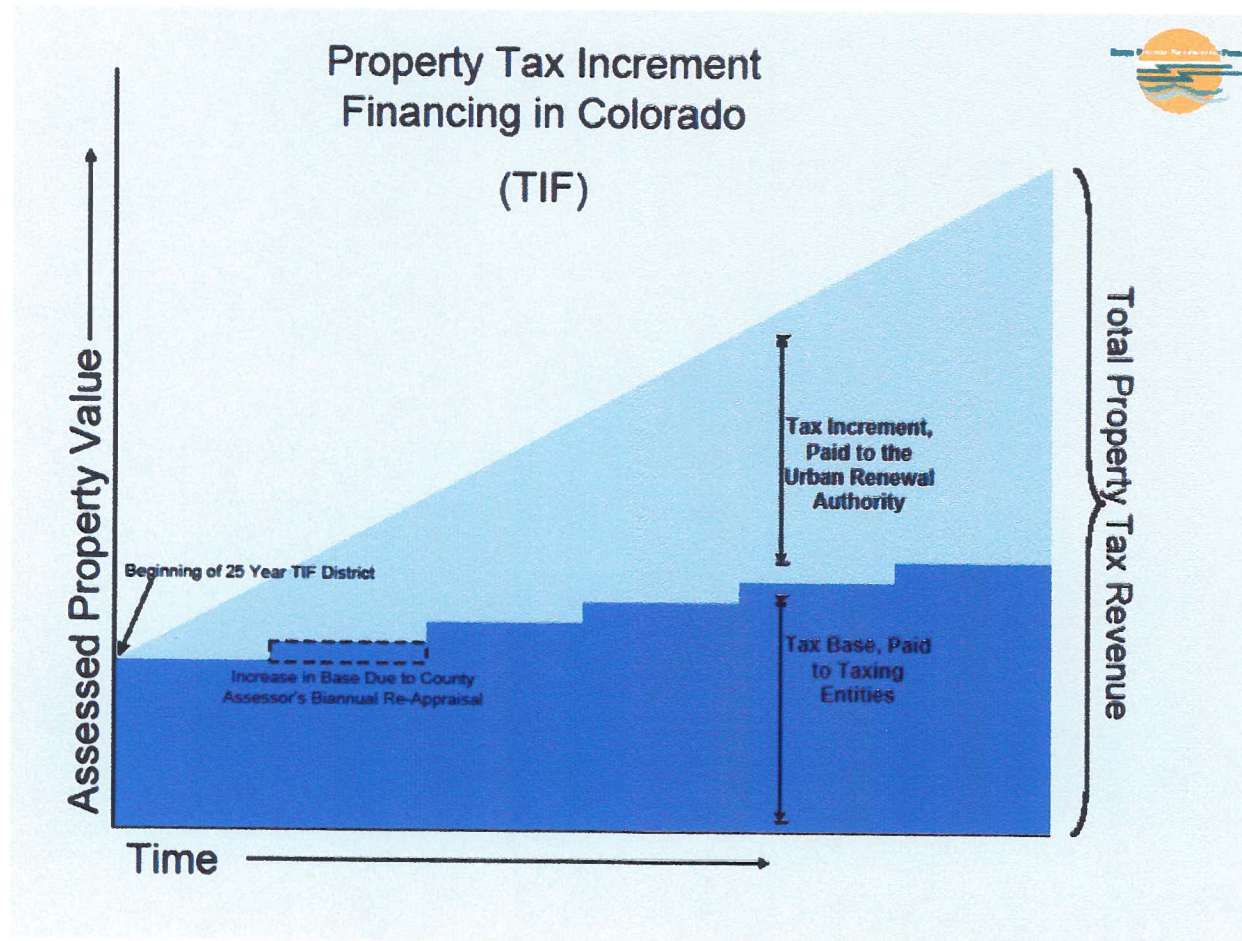
- Purpose of the plan:
  - reduce, eliminate and prevent the spread of blight within the Area
  - remediate the abandoned municipal dump site and abandoned clay mines located; and
  - stimulate growth and investment within the Area.
- Tax increment authorized; “TIF Clock” is ticking.



## ***Citadel Station – Castle Meadows Urban Renewal Plan***

*Town of Castle Rock, Colorado  
September 2014*

# Tax Increment Finance in Action



# Powers of Special Districts

|                                          | Metro District | Business Improvement District |
|------------------------------------------|----------------|-------------------------------|
| Financing                                | YES            | YES                           |
| Construction                             | YES            | YES                           |
| Operations                               | YES            | YES                           |
| Maintenance of public improvements       | YES            | YES                           |
| Impose mill levy for debt and operations | YES            | YES                           |
| Marketing                                | NO             | YES                           |
| Programming                              | NO             | YES                           |
| Eminent Domain                           | YES            | NO                            |

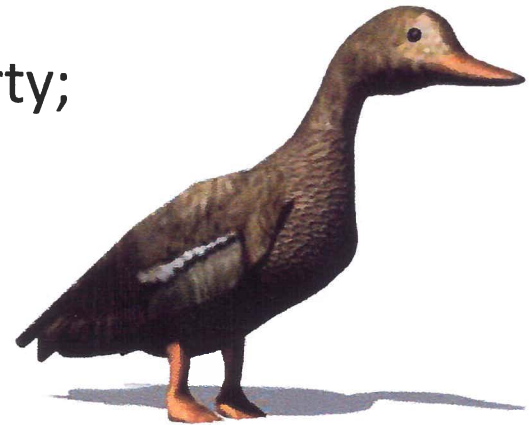
## *Town Considerations*

- BID may not include **residential** property
- BID must **submit an operating plan** and budget annually for Town Council approval
- Separate political subdivision; **debt of BID is not debt of Town or URA**



# Public Improvement Fee (“PIF”)

- A PIF walks like a sales tax, quacks like a sales tax, but **it is not a tax.**
- Imposed by private contract, not pursuant to governmental taxing power, in the form of:
  - Covenant recorded against the property;
  - Retail leases; or
  - Existing tenant consent
- Add on vs. Credit PIF



# Distinguishing Characteristics: PIFs v. Sales Tax

| PIF                                                                                                                           | Sales Tax                                                       |
|-------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|
| Imposed via <b>private contract</b> or lease – no governmental approval required                                              | Imposed by <b>governmental entity</b> via taxing powers         |
| Intended to <b>pay for specific improvements</b>                                                                              | <b>General revenue</b> raising mechanism                        |
| Those <b>improvements must “touch and concern” and benefit the real property</b> encumbered by the PIF if imposed by covenant | Revenue <b>allocated to governmental authority</b> general fund |

## Miller’s Landing Proposed Add-On PIF

- In addition to Town 4% sales tax
- Exploring what is appropriate level
  - what will the market bear?
  - what is needed to close the gap and finance the public improvements

# Proposal

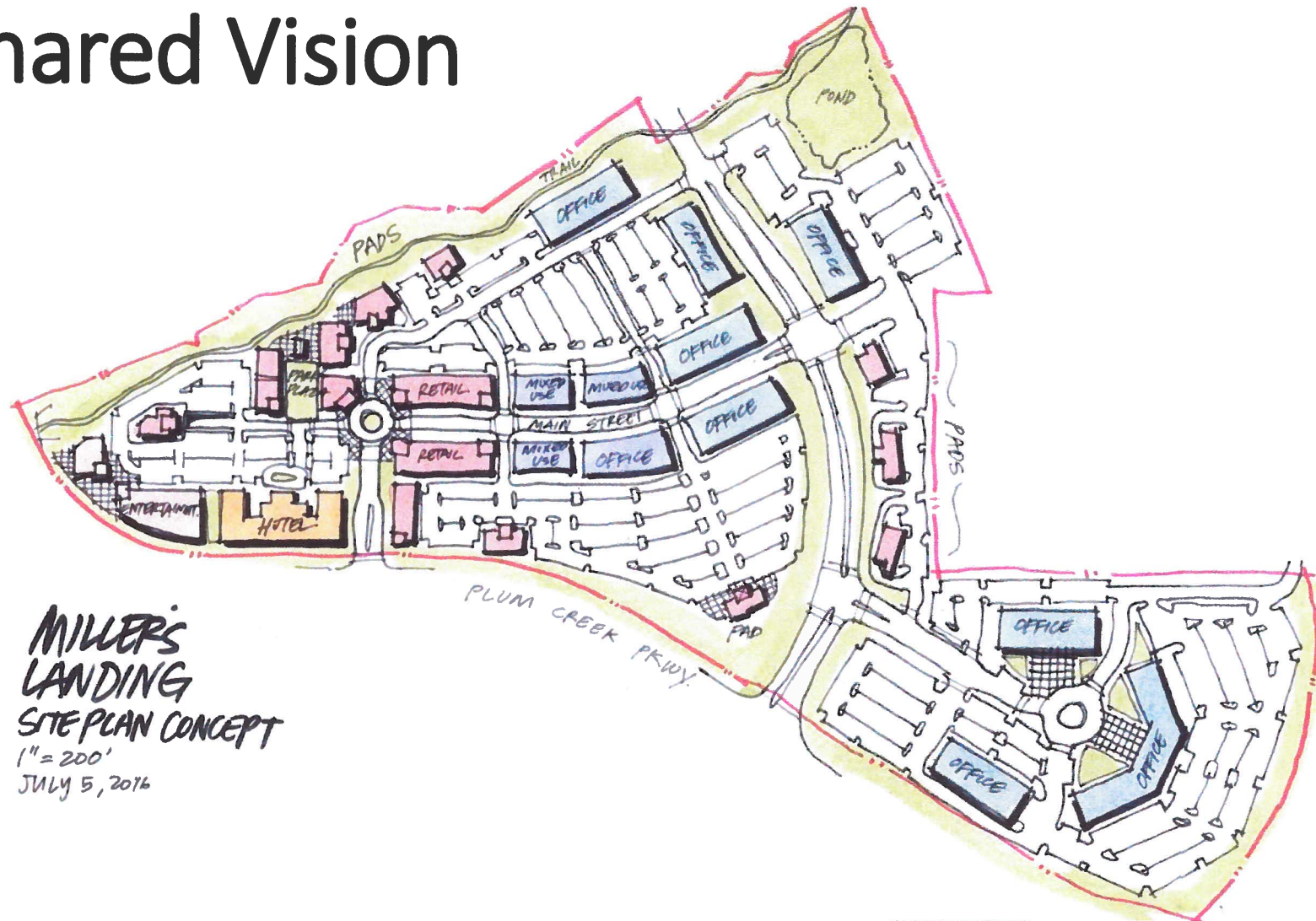
- Town Council and URA Board **agree to share incremental sales taxes generated by the project** in an amount sufficient, when combined with other available revenue streams, to **offset extraordinary public improvement costs and make the project feasible**
- Maximize all private-pay revenue streams (BID mill levy, PIF) so as to minimize need for sales tax share back
- Proposal is that Town and URA share *revenues*, but not *risk*



# Proposal

- Discussions with staff indicate Town priorities:
  - **primary job creation**
  - **deliver maximum public improvements soonest**
- As modeled, **different sales tax sharing scenarios produce different schedules** for delivery of public improvements
- Seeking feedback regarding **Council priorities and comfort level** with share back in order to develop specific public finance scenario

# Shared Vision



**MILLER'S  
LANDING**  
SITE PLAN CONCEPT  
1" = 200'  
JULY 5, 2016

8/16/2016



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