City of Louisville
COLORADO • SINCE 1878

Louisville Revitalization Commission

Agenda

Wednesday, June 4, 2025
City Hall, Council Chambers
749 Main Street
8:00 AM

Members of the public are welcome to attend and give comments remotely; however, the in-person meeting may continue even if technology issues prevent remote participation.

- *You can call in to +1 646 876 9923 or 833 548 0282 (toll free)*
  Webinar ID #852 0147 8768
- *You can log in via your computer. Please visit the City's website here to link to the meeting: www.louisvilleco.gov/revitalizationcommission.*

The Board will accommodate public comments during the meeting. Anyone may also email comments to the Board prior to the meeting at VZarate@LouisvilleCO.gov.

1. Call to Order
2. Roll Call
3. Approval of Agenda
4. Approval of May 14, 2025 Meeting Minutes
5. Public Comments on Items Not on the Agenda
6. Business Matters of Commission
   a. Trestle Strategies Presentation and Discussion
   b. Front and Center Discussion and Update
   c. July Meeting Date

Persons planning to attend the meeting who need sign language interpretation, translation services, assisted listening systems, Braille, taped material, or special transportation, should contact the City Clerk's Office at 303-335-4574 or ClerksOffice@LouisvilleCO.gov. A forty-eight-hour notice is requested.

Si requiere una copia en español de esta publicación o necesita un intérprete durante la reunión, por favor llame a la Ciudad al 303.335.4536 o 303.335.4574.

7. Reports of Commission
    a. Staff Updates
    b. Development Updates
    c. Downtown Business Association Updates
    d. Chamber of Commerce Updates
8. Future Agenda Items
    a. Third-Party TIF Review Reports
9. Commissioners' Comments
10. Adjourn

City of Louisville
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Revitalization Commission

Wednesday, May 14, 2025 | 8:00AM

City Hall, Council Chambers
749 Main Street

The Commission will accommodate public comments during the meeting. Anyone may also email comments to the Commission prior to the meeting at VZarate@LouisvilleCO.gov.

Call to Order – Acting Chair Harald called the meeting to order at 8:02 AM and roll call was taken.

Commissioner Attendance:	Present	
	Yes	Alexis Adler
	Yes	Councilmember Caleb Dickinson
	Yes	Clif Harald
	No	Barbie Iglesias
	No	Jeff Lipton
	Yes	Bob Tofte
	Yes	Corrie Williams

Staff Present:
Diana Langley, City Manager
Rob Zuccaro, Director of Community Development
Kurt Kowar, Director of Public Works
Cameron Fowlkes, City Engineer
Jordan Jeffries, Assistant City Engineer
Vanessa Zarate, Economic Vitality (EV) Manager
Austin Brown, Economic Vitality (EV) Specialist

Others Present: Three members of the public

Approval of Agenda:

Councilmember Dickinson made a motion to approve the agenda as presented. Commissioner Adler seconded the motion. The agenda was approved.

Approval of April 9, 2025 Meeting Minutes:

Councilmember Dickinson made a motion to approve the meeting minutes. Commissioner Tofte seconded the motion. Motion passed.

Public Comments on Items Not on the Agenda: None.

Business Matters of Commission:

Façade Improvement Application – 901 Main Street

Manager Zarate presented the Louisville Chamber of Commerce's application for Façade Improvement Program funding for improvements to the property at 901 Main Street. Proposed improvements include the repair of deteriorating elements of the building, addition of lighting, updated signage and repaint the exterior of the building. Staff recommended approval of the application.

Chair Harald invited Executive Director of the Chamber, Gillian Millar, to speak. Director Millar stated that she feels the Chamber of Commerce should represent a vibrant community, and that the current building in its state of disrepair does not send that message. She also thanked the LRC for their consideration.

Councilmember Dickinson asked how typical it is for the tenant to be the one submitting an application rather than the property owner. Manager Zarate responded that staff sees about half of applications come in from the tenant, but noted that it typically depends on whether the building has an existing lease and the terms of that lease. Manager Zarate also noted that staff considered some of the original proposed improvements "deferred maintenance", and encouraged the Chamber to resubmit their application with additional improvements. Councilmember Dickinson agreed that the end result of improving the building was something that the LRC should incentivize. He also noted that it's an important building to the community and that some members of the community mistake it for a City building.

Commissioners Tofte and Adler echoed Councilmember Dickinson's thoughts, and agreed that the building is very important to the City and that they would be in support of the request for Façade Improvement Program reimbursement. Chair Harald agreed and thanked Manager Zarate for the previous clarification regarding deferred maintenance. Manager Zarate further noted that making additional improvements above restoring the property to the baseline is a threshold for deferred maintenance that staff has used.

Commissioner Williams added that she is in support of the project and also agreed with Councilmember Dickinson's previous comments. Chair Harald asked for a motion.

Chair Adler made a motion to approve the Façade Improvement Program application for 901 Main Street, with a not to exceed amount of $20,345. Councilmember Dickinson seconded the motion. Motion passed.

Front and Center Discussion and Update

Manager Zarate gave an update on the Downtown Front and Center project, formerly known as the Downtown Vision Plan. Her update included a summary of previous focus group meetings, a look at upcoming tasks, roles and responsibilities, and a schedule update.

Public Comment from Mike Kranzdorf: Mr. Kranzdorf asked whether there was a list detailing members of the focus group. He noted that the public is encouraged to engage with the community and he feels that the focus group should be known and celebrated for what they are doing for the community.

Manager Zarate responded that she can provide a list of the focus group participants.

Commissioner Adler asked if staff could provide a summary of last week's focus group meeting. Assistant City Engineer Jeffries responded that the most recent meeting included additional conceptual refinement, with a goal of bring the costs of proposed concepts down. He added that the group is currently working through Steinbaugh.

Commissioner Adler asked if there was any plan to find additional funding sources and what that process would look like. Manager Zarate responded that she is not aware of any additional funding sources, but noted that any additional funding opportunities would likely require final design plans.

Commissioner Adler asked whether the project is engaging with an audio modeling consultant as mentioned in the memo. She also asked if there was an estimate for how much the consultant might cost. Manager Zarate responded that the focus group identified concerns around noise (particularly concerning the state). The consultant would provide additional detail around both the quality of sound and range of sound for the proposed stage orientation and materials. Manager Zarate added that this would likely be an additional cost.

Assistant City Engineer Jeffries added that this would likely be a significant additional cost with little added value. He added that the team is leaning towards not engaging with the audio control engineer, noting that the sound can be controlled through the mixing board once the improvements are complete. Commissioner Adler also thanked Manager Zarate for preparing the update.

Councilmember Dickinson asked for clarification regarding the proposed construction schedule for Steinbaugh Pavilion. Manager Zarate summarized that 30% design will be complete in September, which would allow both StreetFaire and the Farmers Market to complete their seasons. However, staff is exploring options to relocate the ice rink during the 2026/2027 season so that construction can commence. Assistant City Enginner Jeffries added that 100% design is currently anticipated for March 2026, but he noted that timing could change if the group were to focus on Steinbaugh.

Councilmember Dickinson noted that he had some concerns about not breaking ground until late 2026 and wondered how that delay might impact costs. He also wondered how long the actual construction will take once the project begins. Manager Zarate responded that staff doesn't know that answer because the full plans have not yet been approved.

Chair Harald echoed Councilmember Dickinson's concerns. Councilmember Tofte agreed and hoped that construction can begin in 2026, noting that a delay until 2027 would increase both costs and disruptions.

Chair Harald asked if Finance could provide an update on what the uses of funds will actually be for the next meeting, noting that the $9 million that is mentioned likely does not account for underwriting costs, underwriter discount, or a potential reserve fund. He noted that he would like to see a realistic number, especially if there are no other funding sources available.

Manager Zarate responded that figure may not be available by next meeting. She stated that staff is working closely with Finance, Bound Council, and Financial Advisors to figure out how to place the bond. She concluded that the bond issuance team will likely issue the bond with all given criteria and project timeframes that have been identified by the group. Banks will respond directly to staff and then parameters and responses will be presented to the LRC for approval. She noted that this will likely require a special meeting.

Commissioner Adler asked staff to clarify that the $1.25 million for design comes out of the original $9 million budget. She also added that there will be additional underwriting costs and other costs that will also come out of the $9 million. Staff confirmed this is correct.

Director of Public Works Kurt Kowar noted that the project team is currently operating around a $7 million budget for potential improvements and noted that the group will come to the LRC with chunks of the project for decisions. He noted that following a few more meetings to get to June or July, decisions will likely start coming quickly with a goal of getting shovels in the ground as quickly as possible. There has been delay through continuous requests for information and reports and asked for a little leeway from the LRC to let the consultants and contractors to do their job.

Chair Harald thanked Director Kowar for the clarification that staff is working around a $7 million budget, but noted that the LRC is funding this project and voiced some concerns around the LRC not being updated on decisions that have been made. He also stated that the LRC did not fully endorse the idea of a focus group or steering committee and that the LRC was concerned about delays that a focus group could potentially cause.

Director Kowar responded that the LRC's concerns are valid and felt that these concerns have been communicated in previous meetings. He also noted that it's hard to address these concerns in the early stages of the project when not much changes. He confirmed that the group will present all of the information to the LRC at the appropriate time, but stated that it's also important for the information to be accurate.

Chair Harald also noted that he sat in on last week's Focus Group meeting and stated that he feels that the focus group is ahead of the LRC and that made him uncomfortable. Manager Zarate confirmed that the focus group is intended by design to have a more detailed view of the plan. Chair Dickinson stated that he's comfortable with the focus group doing the work and then the LRC giving feedback on the work that's being done.

Chair Harald added that he doesn't want there to be only one meeting where the LRC can review the feedback. Manager Zarate confirmed that staff has committed to coming to the LRC for feedback at when design plans are at 30%, 50% and 80%. She noted that those are the minimum times that the LRC will see where the plan is headed and give feedback on attempts at vale engineering.

Commissioner Adler agreed that she is also comfortable with the process and appreciates having the LRC Chair present at the Focus Group meetings. Director Kowar noted that certain portions of the project could be separated out and taken to the LRC individually.

Reports of Commission:

<u>Staff Updates</u>

Manager Zarate gave an overview of staff updates and asked if there were any questions. Commissioner Adler asked if there is an update around the timing of the underpass. Manager Zarate stated that she does not currently have an update, but that she should know more next week following a meeting with several businesses that are likely to be impacted by construction.

Councilmember Dickinson stated that he hopes Sundance will be a catalyst for infrastructure improvements, specifically noting commuter train. He also mentioned a performing arts center and wondered whether something like that could also be encouraged by Sundance. He hoped that the LRC could potentially play a role in any of these improvements.

<u>Development Updates:</u>

The Economic Vitality Manager gave an update on ongoing developments in the city and asked for questions. Commissioner Adler asked if any of the space at 950 Spruce Street is occupied. Manager Zarate responded that two of the residential units have been filled and about half of the commercial space has been filled.

Commissioner Adler also asked when the Birdie Bar might open. Manager Zarate responded that the business is hoping to open this summer. Councilmember Dickinson added that the building recently passed their most recent inspection and that they are currently on installation and drywall.

<u>Downtown Business Association (DBA) Updates:</u>

Manager Zarate gave an update on the DBA, noting that they announced this year's StreetFaire lineup.

<u>Chamber of Commerce Updates:</u>

Chamber of Commerce Executive Director Gillian Miller gave an update on the Chamber, highlighting a ribbon cutting for Pro MD later this week, the Media, Marketing, and AI Summit on May 20, and updates on the Taste of Louisville and Pints in the Park.

Discussion Items for Future Meetings:

1. Update from Trestle Strategies
2. Third-Party TIF Review Reports
3. Advisory Committee Update

Commissioner Closing Comments:

Chair Harald asked if there were any additional Commissioner comments. Manager Zarate clarified that the next LRC meeting will be on Wednesday, June 4.

Adjourn: Chair Harald made a motion to adjourn. Councilmember Dickinson seconded. The meeting adjourned at 9:06 a.m.

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LOUISVILLE REVITALIZATION COMMISSION

SUBJECT: TRESTLE STRATEGIES PRESENTATION AND DISCUSSION

DATE: JUNE 4, 2025

PRESENTED BY: VANESSA ZARATE, CECD, ECONOMIC VITALITY MANAGER

SUMMARY:

The LRC engaged with Trestle Strategies in 2024 to undertake a study on development options at 833 Main Street, the former Chase building. Trestle Strategies has been working with the ownership of the property, City of Louisville staff and development partners to evaluate various scenarios for development and redevelopment of the property, from keeping the property as is through demolition and new build. Trestle Strategies has also worked with partners to identify obstacles and market realities for each scenario.

Trestle Strategies is here today to present their findings.

RECOMMENDATION:

Staff recommends LRC review the presentation and ask questions.

ATTACHMENT(S):

1. Trestle Strategies Presentation

REAL ESTATE ANALYSIS
833 Main St, Louisville

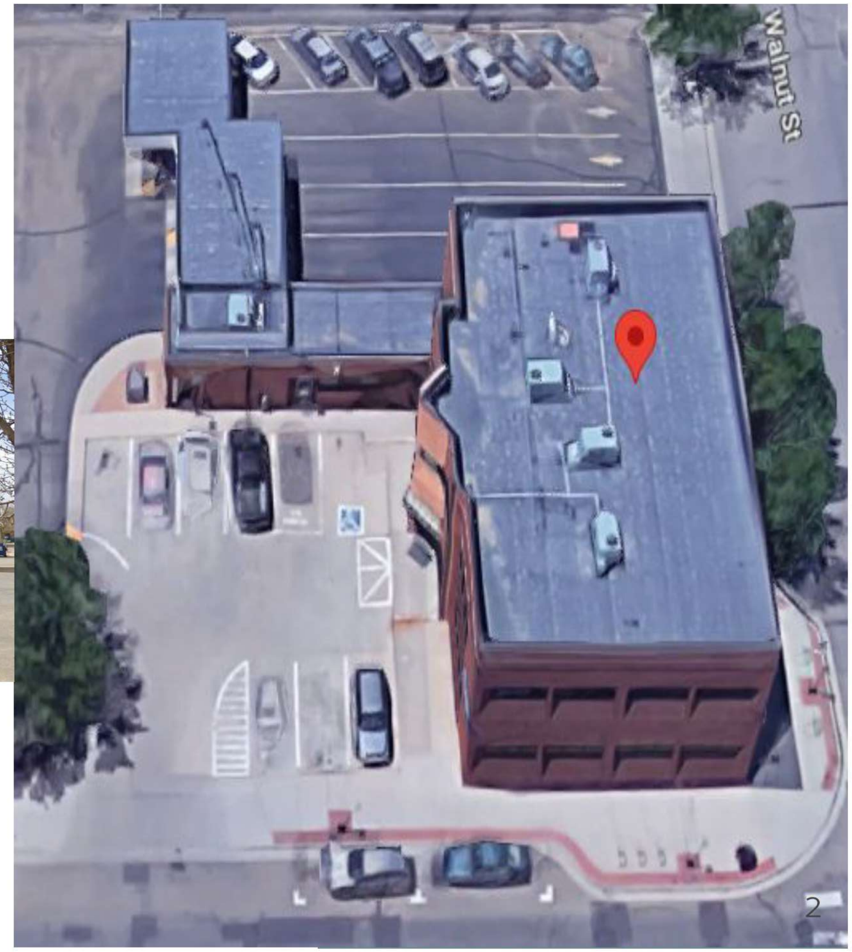
June 4, 2025

TRESTLE STRATEGY GROUP

COBURN

Existing Building - 833 Main Street

- Chase Bank Building 9,025 SF
- Built in 1980
- 28 Surface spaces + 1 ADA space
- 2 stories
- Zoned Commercial Community
- 23,828 SF/0.55 AC



Overview of Analysis

Background and Research

- Reviewed relevant documents
- Conduct onboarding surveys with key stakeholders (staff, developers, property owner, etc) of urban renewal district to discuss key issues, challenges, projects, potential partners
- Summarize shared redevelopment goals for key stakeholders (Property Owner, LRC, City, etc)

Initial assessment of opportunities/challenges

- Preliminary identification of key and challenges and opportunities for redevelopment
- Evaluated pros/cons of redevelopment potential
- High level analysis including land use and fiscal/economic
- Met with potential development partners (as agreed to by property owner)
-

Summarize property redevelopment scenarios

- High level overview of redevelopment opportunities and solutions by cost, complexity, ability to meet shared redevelopment goals
- Identify incentives, financing opportunities and other implementation strategies

Goals of the Project

City Goals	Owner Goals
• Residents want something "active" • Looking to create employment and housing • Doesn't want the lot to remain vacant or dominated by parking • Community members talk about community space	• Nothing is off limits, but it must make sense financially • Ideas being explored with different individuals • Open to building/property trade with city • Win/win for the city • Happy to own for a long period of time, no longer using it for personal office space • Debt averse

City Resources for Economic Development

Business Assistance Program

- Permit Fee Rebates
- Sign Cost Rebates
- Vacancy Bonus
- Consumer Use Tax Rebates
- Construction Use Tax Rebates
- Sales Tax Rebates

Urban Renewal

- Façade Improvement Funding
- Property Improvement Funding
- TIF Agreements
- Public Infrastructure Assistance

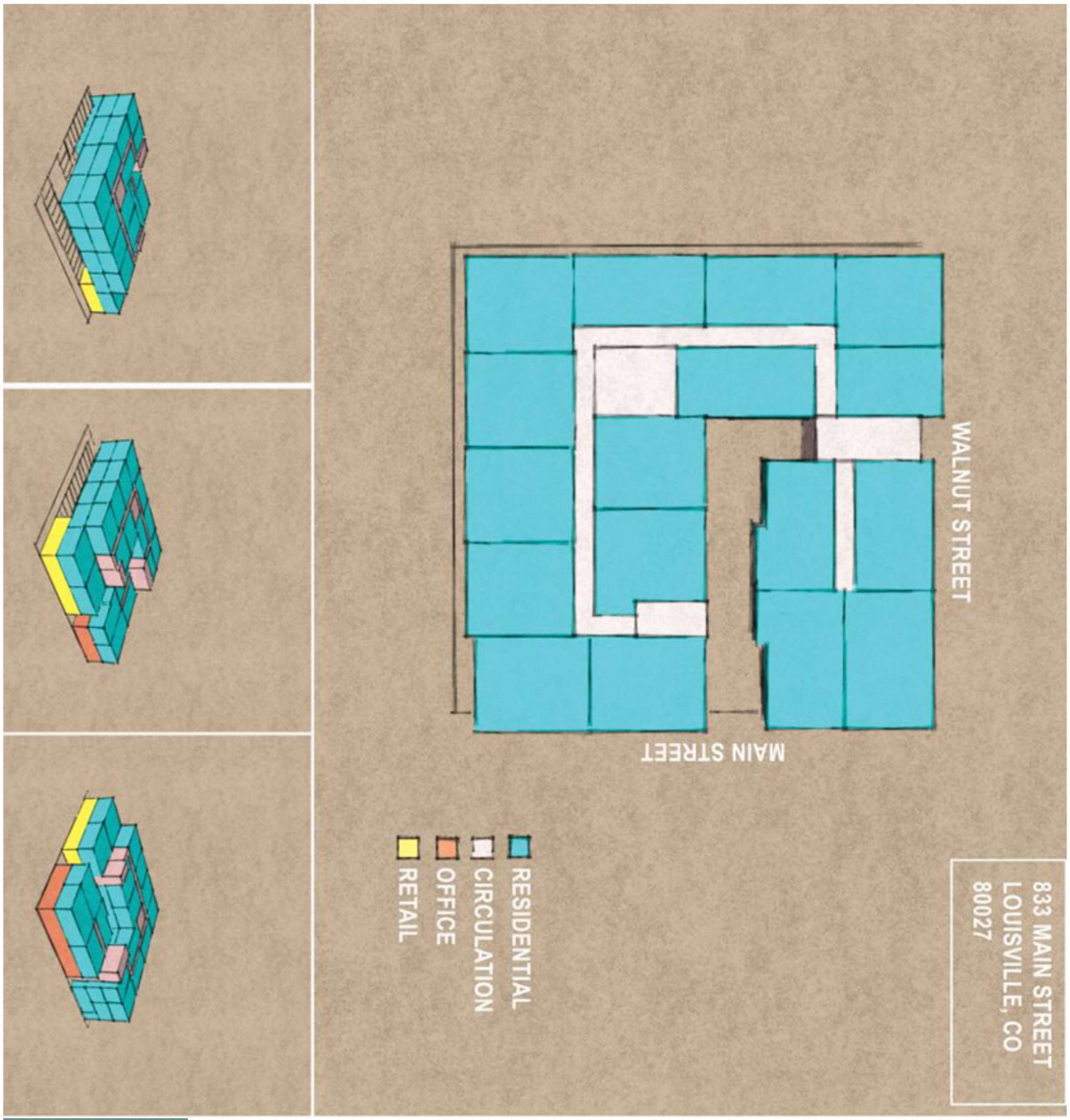
Scenarios - High Level

Scenario	Summary
1 Demo and Build Market Rate Mixed-Use Project	Market rate deal, maximize use and development potential. Up to 3 stories (40’) through Comp Plan and Rezoning
2 Rent “as is”	Identify an office tenant to take over entire building.
3 Subdivide and sell half, Activate Chase building	Keep the existing building, subdivide the lot, and then sell (or land lease) half of it to a developer to activate. Owner/City could solicit development options that contribute to community goals.

SCENARIO 1

100% Market Rate
30 Residential Units (1, 2, 3 BD Units)
4,000 sf Office Space (Ground Floor)
2,100 st Retail Space (Ground Floor)
980 sf Storage Space
31 Tuck Under Parking Space

Site Plan Massing



Scenario 1 Summary

Unit Mix								
Building Type	**Description**	**Existing/Proposed**	**Count**	**Count Check**	**SF**	**Total Unit SF**	**Circulation %**	**Total SF**
Residential - A1	Apartment Unit - 1 Bed		4		730	2,920	15.00%	3435
Residential - B1	Apartment Unit - 1 Bed		4		770	3,080	15.00%	3624
Residential - B2	Apartment Unit - 1 Bed		14		830	11,620	15.00%	13671
Residential - B3	Apartment Unit - 2 Bed		4		980	3,920	15.00%	4612
Residential - B4	Apartment Unit - 2 Bed		2		1040	2,080	15.00%	2447
Residential - C1	Apartment Unit - 3 Bed		2		1250	2,500	15.00%	2941
Residential - C2			0		0	-		0
Residential - C3			0		0	-		0
Total Residential			30			26,120		30,729
Commercial - A1	Office		1		4000	4,000		4,000
Commercial - B1	Retail		1		2100	2,100		2,100
Commercial - C1	Amenity/Storage		1		980	980		980
Commercial - D1	Restaurant					-		-
Total Commercial			3			7,080		7,080
Total Project			33			33,200		37,809

Scenario 1 - Analysis

Assumption: Full Land Value of $2.3m. Tenant Improvement Costs in Construction for renovation.

Outcomes:

- $5.9m Total Loss in For Sale Scenario.
- Cost exceeds valuation on income in leasing model.
- Major subsidies needed to produce building.

Proforma Summary - For Sale

	Total	Residential	Commercial
Income: Per Rent/Sale SF	$502	$525	$485
Gross Sales	$16,671,500	$13,713,000	$2,958,500
Sales Fee	$833,575	$685,650	$147,925
Closing Cost	$250,073	$205,695	$44,378
Net Sale	$15,587,853	$12,821,655	$2,766,198
Costs: Per Rent/Sale SF	$649	$728	$417
Lot Cost	$2,300,000	$1,869,314	$430,686
Development Cost	$3,542,123	$2,878,843	$663,280
Total Construction Cost	$13,542,765	$12,291,765	$1,251,000
TI	$0	$0	$0
Design Fee	$1,083,421	$983,341	$100,080
Finance Fee	$1,083,421	$983,341	$100,080
Total Cost	$21,551,730	$19,006,604	$2,545,127
Total Profit	($5,963,878)	($6,184,949)	$221,071

Proforma Summary - For Lease

Total Potential Income	sq. ft.		per sq. ft.(yr)	avg unit/month	avg per sf./month	
SIZE (RENTABLE SF)	33,200		$29.04	$2,434.67	$2.42	
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Potential Gross Income	$964,128.00	$993,051.84	$1,022,843.40	$1,053,528.70	$1,085,134.56	$1,117,688.59
Vacancy (5%)	-$48,206.40	-$49,652.59	-$51,142.17	-$52,676.43	-$54,256.73	-$55,884.43
Effective Gross Income	$915,921.60	$943,399.25	$971,701.23	$1,000,852.26	$1,030,877.83	$1,061,804.16
Operating Expense	-$192,825.60	-$198,610.37	-$204,568.68	-$210,705.74	-$217,026.91	-$223,537.72
Net Operating Income	$723,096.00	$744,788.88	$767,132.55	$790,146.52	$813,850.92	$838,266.45
CapEx	-$19,282.56	-$19,861.04	-$20,456.87	-$21,070.57	-$21,702.69	-$22,353.77
Debt Service*	-$1,176,987.74	-$1,176,987.74	-$1,176,987.74	-$1,176,987.74	-$1,176,987.74	-$1,176,987.74
Cash Flow Before Tax	-$473,174.30	-$452,059.90	-$430,312.07	-$407,911.80	-$384,839.52	-$361,075.07
Return on Equity	-6.41%	-6.12%	-5.83%	-5.52%	-5.21%	-4.89%
Valuation	$14,909,195.88	$15,356,471.75	$15,817,165.91	$16,291,680.88	$16,780,431.31	$17,283,844.25

Loan Terms:		
Purchase Price /Cost	*$21,101,730.12*	*adjusted for Rental product*
Sources		
Equity	*$7,385,605.54*	*35.00%*
Debt	*$13,716,124.58*	*65.00%*
Interest Rate	*7.00%*	
Amortization (Years)	*25*	
Payment	*-$1,176,987.74*	

Scenario 1 - Summary

- Market rate product at this scale is not profitable with the current market conditions, as the cost to produce this product outweighs the value it can generate.
- For Sale Product would need to be subsidized in the amount of $8.6m (+/- $261/sf) to mitigate losses and produce a reasonable profit. In the event overall costs are contained and there is an uptick in the market, this may be feasible in the future.
- For Lease Product's Total Valuation (based on income) of $14.9m against an adjusted cost to produce the project of $21.1m results in a net loss in value of -$6.2m. Some losses may be able to be mitigated with more equity and lower financing requirements and cost.

Scenario 1 Pros/Cons

Pros:

- Placemaking through production of varied product types – office, housing, and retail that can all serve the community
- Maximizing development potential on the site
- Activation of downtown

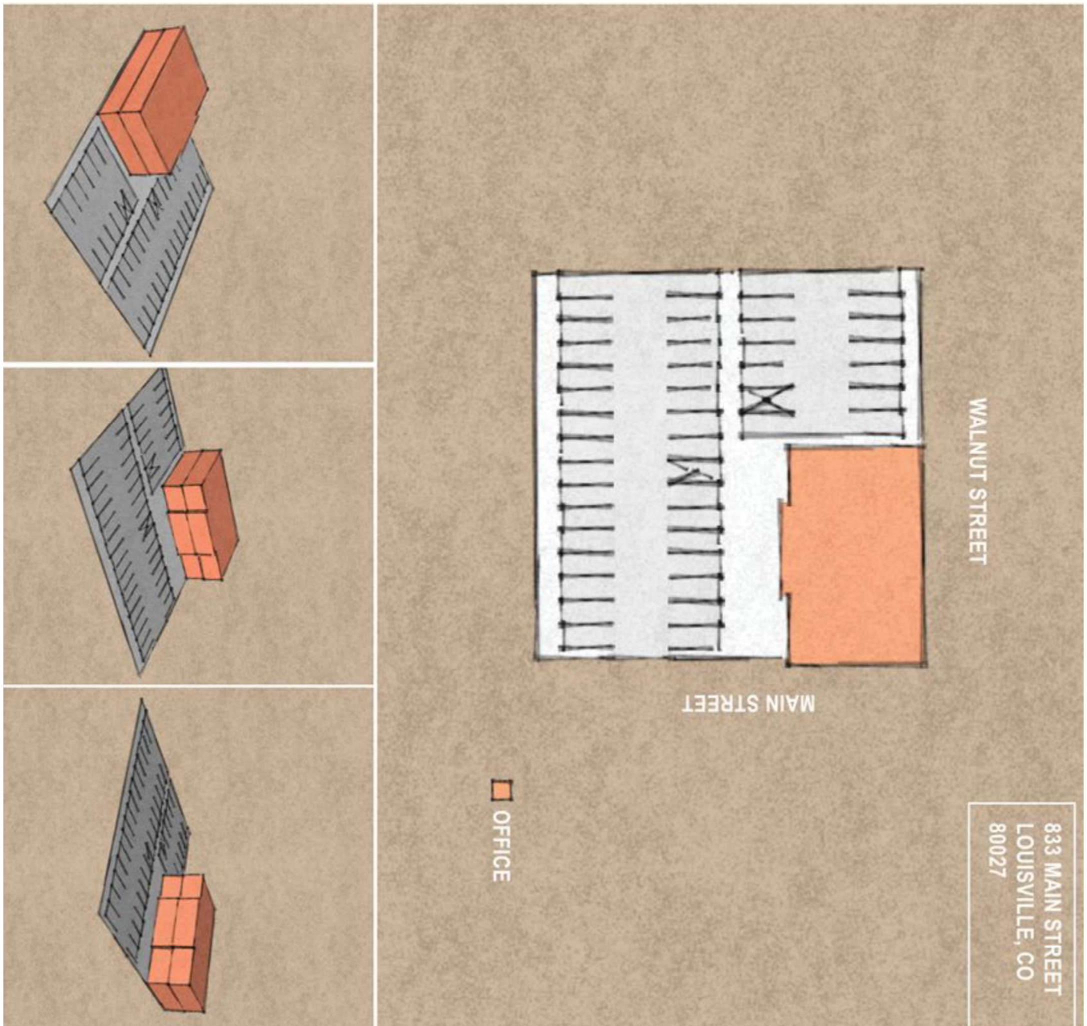
Cons:

- Cost to produce is higher than the value generated
- The gap in costs is most likely unreasonable to manage

SCENARIO 2

Keep “As is” - rent to office tenant
Use as Needed, Remainder Leased Out
8,000 sf Office Space
12,600 st Commercial Parking:
36 Parking Spaces, $5,000/Space

Site Plan Massing



Scenario 2 Summary

Unit Mix								
Building Type	**Description**	**Existing/Proposed**	**Count**	**Count Check**	**SF**	**Total Unit SF**	**Circulation %**	**Total SF**
Residential - A1	Apartment Unit - 1 Bed		0		730	-	15.00%	0
Residential - B1	Apartment Unit - 1 Bed		0		770	-	15.00%	0
Residential - B2	Apartment Unit - 1 Bed		0		830	-	15.00%	0
Residential - B3	Apartment Unit - 2 Bed		0		980	-	15.00%	0
Residential - B4	Apartment Unit - 2 Bed		0		1040	-	15.00%	0
Residential - C1	Apartment Unit - 3 Bed		0		1250	-	15.00%	0
Residential - C2			0		0	-		0
Residential - C3			0		0	-		0
Total Residential			0			-		-
Commercial - A1	Office		1		8000	8,000		8,000
Commercial - B1	Retail		0		8850	-		-
Commercial - C1	Amenity/Storage		0		980	-		-
Commercial - D1						-		-
Total Commercial			1			8,000		8,000
Total Project			1			**8,000**		**8,000**

Scenario 2 - Analysis

Assumption: Full Land Value of $2.3m, offset for parking 36 spaces @ $5,000/per space.

Outcomes:

- Modest increase in value For Sale scenario.
- Valuation tracking on leasing model.
- Higher equity component to offset costs.

Proforma Summary - For Sale

	Total	Residential	Commercial
Income: Per Rent/Sale SF	$485		$485
Gross Sales	$3,880,000	$0	$3,880,000
Sales Fee	$194,000	$0	$194,000
Closing Cost	$58,200	$0	$58,200
Net Sale	$3,627,800	$0	$3,627,800
Costs: Per Rent/Sale SF	$441		$441
Lot Cost	$2,300,000	$0	$2,300,000
Development Cost	$364,600	$0	$364,600
Total Construction Cost	$400,000	$0	$400,000
TI	$400,000	$0	$400,000
Design Fee	$32,000	$0	$32,000
Finance Fee	$32,000	$0	$32,000
Total Cost	$3,528,600	$0	$3,528,600
Total Profit	$99,200	$0	$99,200

Proforma Summary - For Lease

Total Potential Income	**sq. ft.**		**per sq. ft.(yr)**	**avg unit/month**	**avg per sf./month**	
SIZE (RENTABLE SF)	8,000		$27.84	$18,560.00	$2.32	
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Potential Gross Income	$222,720.00	$229,401.60	$236,283.65	$243,372.16	$250,673.32	$258,193.52
Vacancy (5%)	-$11,136.00	-$11,470.08	-$11,814.18	-$12,168.61	-$12,533.67	-$12,909.68
Effective Gross Income	$211,584.00	$217,931.52	$224,469.47	$231,203.55	$238,139.66	$245,283.85
Operating Expense	-$33,408.00	-$34,410.24	-$35,442.55	-$36,505.82	-$37,601.00	-$38,729.03
Net Operating Income	$178,176.00	$183,521.28	$189,026.92	$194,697.73	$200,538.66	$206,554.82
CapEx	-$4,454.40	-$4,588.03	-$4,725.67	-$4,867.44	-$5,013.47	-$5,163.87
Debt Service*	-$136,255.95	-$136,255.95	-$136,255.95	-$136,255.95	-$136,255.95	-$136,255.95
Cash Flow Before Tax	$37,465.65	$42,677.30	$48,045.30	$53,574.34	$59,269.25	$65,135.00
Return on Equity	1.63%	1.86%	2.09%	2.34%	2.58%	2.84%
Valuation	$3,673,731.96	$3,783,943.92	$3,897,462.24	$4,014,386.10	$4,134,817.69	$4,258,862.22

Loan Terms:		
Purchase Price /Cost	*$3,528,600.00*	
Sources		
Equity	*$2,293,590.00*	*65.00%*
Debt	*$1,587,870.00*	*45.00%*
Interest Rate	*7.00%*	
Amortization (Years)	*25*	
Payment	*-$136,255.95*	

Scenario 2 - Summary

- Market rate product at this scale could be profitable with the current market conditions, as the cost to produce this product is on par with the value it can generate. Approx. $1.5m in investment into the deal. More analysis on lending environment and projected costs allocation is warranted.

- For Sale Product costs would be on par with projected value. In the event overall costs are contained and there is an uptick in the market, this may be feasible in the future.

- For Lease Product's Total Valuation (based on income) of $3.673m against an adjusted cost to produce the project of $3.5m. Adjusted for higher equity and lower financing requirements and cost.

Scenario 2 Pros/Cons

Pros:

- Production of office space
- Value generated from providing commercial parking on site
- Potential to further develop the remaining land or to subdivide and sell in the future

Cons:

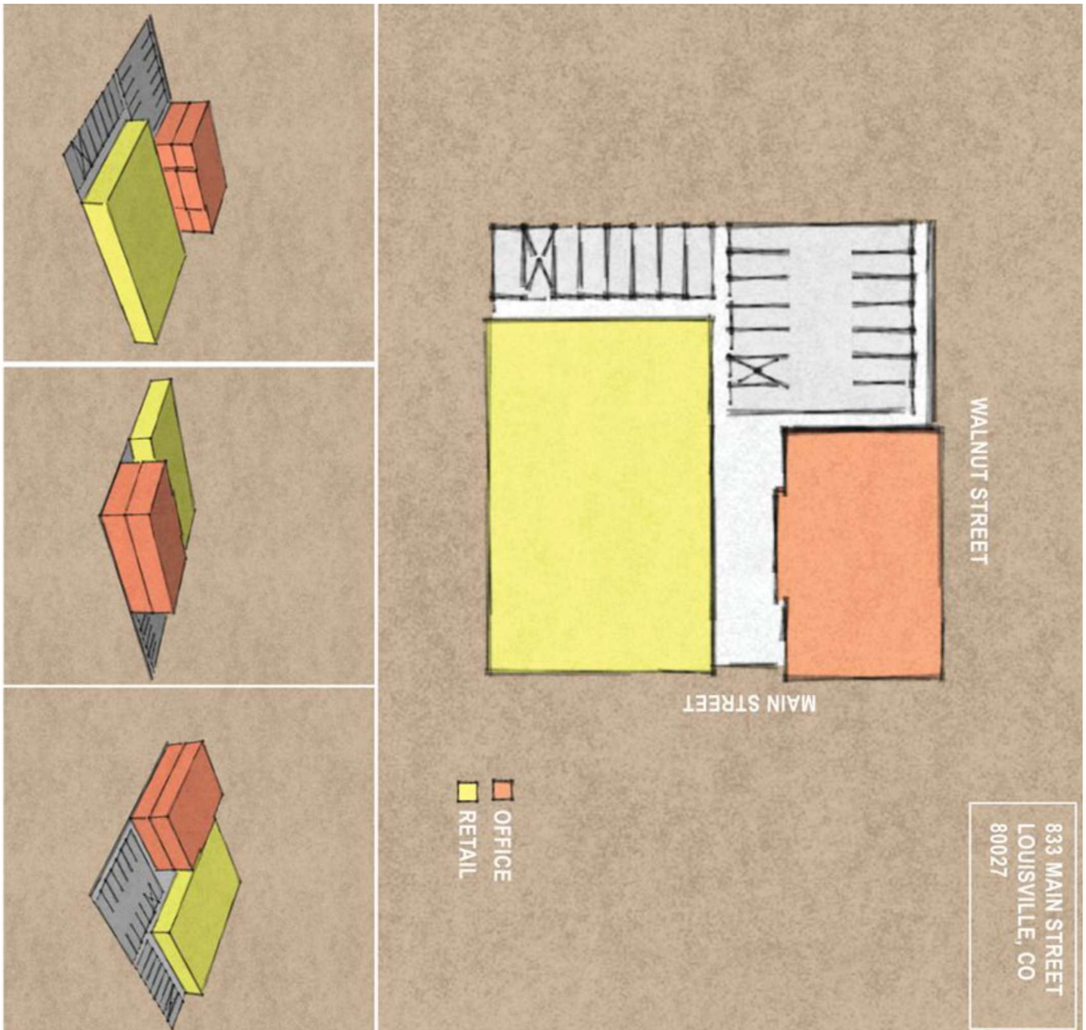
- Not producing varied product types, lack of placemaking
- High equity component
- Creating parking that may go away if future development were to happen

SCENARIO 3

Renovate and Activate Existing Building
Subdivide Lot, Sell Remaining 12,600sf
For Sale Lot:

- 8,850 sf of retail space

Site Plan Massing



Scenario 3 Summary

Unit Mix

Building Type	Description	Existing/Proposed	Count	Count Check	SF	Total Unit SF	Circulation %	Total SF
Residential - A1	Apartment Unit - 1 Bed		0		730	-	15.00%	0
Residential - B1	Apartment Unit - 1 Bed		0		770	-	15.00%	0
Residential - B2	Apartment Unit - 1 Bed		0		830	-	15.00%	0
Residential - B3	Apartment Unit - 2 Bed		0		980	-	15.00%	0
Residential - B4	Apartment Unit - 2 Bed		0		1040	-	15.00%	0
Residential - C1	Apartment Unit - 3 Bed		0		1250	-	15.00%	0
Residential - C2			0		0	-		0
Residential - C3			0		0	-		0
Total Residential			0			-		-
Commercial - A1	Office		1		8000	8,000		8,000
Commercial - B1	Retail		1		8850	8,850		8,850
Commercial - C1	Amenity/Storage		0		980	-		-
Commercial - D1	Restaurant					-		-
Total Commercial			2			16,850		16,850
Total Project			2			16,850		16,850

This scenario involves renovating the existing 8,000sf of office space, and subdividing and selling the remaining 12,600sf lot. Even though there is the opportunity to develop more density, given the current construction climate and yield in residential, we analyzed putting a one story retail building on the remaining lot.

Scenario 3 - Analysis

Assumption: Full Land Value of $2.3m

Outcomes:

- Adjust valuation with a $1.0m subsidy in For Sale Scenario.
- Cost exceeds valuation on income in leasing model could be mitigated with subsidy.
- Higher equity component to offset costs.

Proforma Summary - For Sale

	Total	Residential	Commercial
Income: Per Rent/Sale SF	$485		$485
Gross Sales	$8,172,250	$0	$8,172,250
Sales Fee	$408,613	$0	$408,613
Closing Cost	$122,584	$0	$122,584
Net Sale	$7,641,054	$0	$7,641,054
Costs: Per Rent/Sale SF	$512		$512
Lot Cost	$2,300,000	$0	$2,300,000
Development Cost	$1,572,965	$0	$1,572,965
Total Construction Cost	$4,097,500	$0	$4,097,500
TI	$0	$0	$0
Design Fee	$327,800	$0	$327,800
Finance Fee	$327,800	$0	$327,800
Total Cost	$8,626,065	$0	$8,626,065
Subsidy (potential?)	$1,000,000		$1,000,000
Total Profit	$14,989	$0	$14,989

Proforma Summary - For Lease

Total Potential Income	sq. ft.		per sq. ft.(yr)	avg unit/month	avg per sf./month	
SIZE (RENTABLE SF)	16,850		$27.84	$19,546.00	$2.32	
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Potential Gross Income	$469,104.00	$483,177.12	$497,672.43	$512,602.61	$527,980.68	$543,820.11
Vacancy (5%)	-$23,455.20	-$24,158.86	-$24,883.62	-$25,630.13	-$26,399.03	-$27,191.01
Effective Gross Income	$445,648.80	$459,018.26	$472,788.81	$486,972.48	$501,581.65	$516,629.10
Operating Expense	-$46,910.40	-$48,317.71	-$49,767.24	-$51,260.26	-$52,798.07	-$54,382.01
Net Operating Income	$398,738.40	$410,700.55	$423,021.57	$435,712.22	$448,783.58	$462,247.09
CapEx	-$9,382.08	-$9,663.54	-$9,953.45	-$10,252.05	-$10,559.61	-$10,876.40
Debt Service*	-$370,103.55	-$370,103.55	-$370,103.55	-$370,103.55	-$370,103.55	-$370,103.55
Cash Flow Before Tax	$19,252.77	$30,933.46	$42,964.57	$55,356.61	$68,120.42	$81,267.14
Return on Equity	0.45%	0.72%	1.00%	1.28%	1.58%	1.88%
Valuation	$8,221,410.31	$8,468,052.62	$8,722,094.20	$8,983,757.02	$9,253,269.73	$9,530,867.83
Loan Terms:		*Subsidy*		*Effective Purchase*		
Purchase Price /Cost	*$8,626,065.00*	*(potential?):*	*$1,000,000*	*Price:*	*$7,626,065*	
Sources						
Equity	*$4,313,032.50*	*50.00%*				
Debt	*$4,313,032.50*	*50.00%*				
Interest Rate	*7.00%*					
Amortization (Years)	*25*					
Payment	*-$370,103.55*					

Scenario 3 - Summary

- Market rate product at this scale is not profitable with the current market conditions, as the cost to produce this product outweighs the value it can generate.
- For Sale Product would need to be subsidized in the amount of $1.0m (+/- $59.38/sf) to mitigate losses and produce a reasonable valuation (to make a profit, additional subsidy would be needed). In the event overall costs are contained and there is an uptick in the market, this may be feasible in the future.
- For Lease Product's Total Valuation (based on income) of $8.22m against an adjusted cost to produce the project of $8.63m results in a net loss in value of -$400k. Losses may be able to be mitigated with more equity (higher than 50% and lower financing requirements and cost), and a $1.0m subsidy could bridge the gap for leasing scenario by reducing the overall development costs and loan amount needed.

Scenario 3 Pros/Cons

Pros:

- Production of office and retail space.
- Subsidy is obtainable to support business and placemaking.

Cons:

- Less control over what gets produced on the site.
- The need for a $1.0m subsidy.
- Parking displaced offsite.

Scenarios - Pros & Cons

Scenario	Pros	Cons
1 Demo and Build Mixed Use Market Rate Project	• Activation of downtown • Maximizing development potential on the site	• The analysis is telling us it doesn't work at the suggested list price. The loss (subsidy) is high • Cost to produce is higher than the value generated
2 Rent "As is"	• Production of Office Space downtown • Obtainable quickly • Provides /maintains parking amenity	• Office tenant does not create active, vibrant, downtown site. • Parking continues to dominate streetfront • High equity component • Financing challenges
3 Subdivide and sell half, Activate Chase Building	• City/Owner could solicit developers through CO Group or RFP • Activates vacant lot	• $1.0M in subsidy needed.

Discussion and Questions

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LOUISVILLE REVITALIZATION COMMISSION

City of Louisville
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SUBJECT: **FRONT AND CENTER UPDATE AND DISCUSSION**

DATE: **JUNE 4, 2025**

PRESENTED BY: **VANESSA ZARATE, CECD, ECONOMIC VITALITY MANAGER**

SUMMARY:

This memo provides a monthly update to the LRC on the Downtown Front and Center project. The Front and Center project is the implementation of the adopted Downtown Vision Plan. The Louisville Revitalization Commission voted in 2024 to bond against their future property tax proceeds to fund the project, to a total of $9,000,000. Design work for the project is currently underway, with intentions to finish design and construction by the end of 2027.

The Downtown Vision Plan was adopted by the LRC and City Council in November 2024. Since that date, we have hired RVI as the design consultant (awarded in February 2025) and ECI as the Construction Manager at Risk (CMAR) general contractor (awarded April 2025).

<u>Front and Center Focus Group Summary</u>

The Front and Center Focus Group met with the Internal Working Team (Public Works, Economic Vitality, Community Development, PROS, Cultural Services and the Consultant teams) on Wednesday, May 7th. They will meet again on Wednesday, June 4th.

<u>Summary of May 7 Meeting</u>

After introductions, some themes that arose included:

- The group is now known as a focus group instead of an advisory group.
- The downtown survey of the boundary and topo survey is 40% complete and completion was expected by the end of May.
- The group focused on feedback around Steinbaugh and the railroad right-of-way
- Staff presented two concepts for Steinbaugh and shared that staff favors option 2, as it provides more flexible event space and improved visibility to the pavilion.
- Design elements for the stage and pavilion were discussed with focus on functionality and historical context.
- Conversations around relocating the ice rink to optimize layout and functionality of the ice rink was discussed, with versatility and engagement in mind.
- The funding for the project comes solely from property taxes collected in the Highway 42 Urban Renewal Area.

Upcoming Tasks – One month look ahead

- Develop final concept for Steinbaugh plaza area based on feedback.
- Provide pricing for Steinbaugh plaza with value engineering options.
- Begin conceptual layouts for Front Street and Main Street and solicit initial comments from staff and focus group.
- Engage more with the railroad to discuss options for improvements

Schedule Update

- 30% plans anticipated in September 2025.

Roles and Responsibilities

Group	Roles/Responsibilities
Internal Working Team	• This team is leading the design process, combining feedback and working directly with the consultant teams. • Internal team hosts the Focus Group meetings. • Team will present renderings and options to LRC and City Council. • Team will oversee implementation of work once design is finalized.
Front and Center Focus Group	• Review documents before meeting and confer with their counterparts throughout downtown. • Attend meetings and provide feedback/ideas to the group and Internal Working Team
LRC	• Provide feedback to the Internal Working Team on the iterations/renderings shown. • Provide feedback/direction on renderings/options and provide feedback on needed value engineering opportunities. • Chair attends the focus group meetings • Major funding arm of the project

City Council	• Approval of the renderings/direction after LRC feedback and direction given.
General Public	• There will be a few opportunities for the general public to engage, such as with wayfinding opportunities. • Engage with their representatives on the focus group to share feedback with the Internal Working Team.

FISCAL IMPACT:

There is no direct fiscal impact on this discussion. The LRC has approved $1,250,000 for design work this year for the project and an additional $1,000,000 to go towards construction (that is to be determined).

RECOMMENDATION:

Staff recommends that the LRC review and ask questions.

ATTACHMENT(S):

1. none

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LOUISVILLE REVITALIZATION COMMISSION

SUBJECT: CHANGE JULY 2025 MEETING DATE

DATE: JUNE 4, 2025

PRESENTED BY: VANESSA ZARATE, CECD, ECONOMIC VITALITY MANAGER

SUMMARY:

The Economic Vitality Manager, the LRC Liaison, will be out of the country at the regularly scheduled July meeting, July 9th.

At the moment, we do not have any applications in for LRC review, nor will we have an update on any TIF reviews or the bond process as those are still underway.

RECOMMENDATION:

Staff recommends the LRC cancel their July 2025 meeting.

ATTACHMENT(S):

LOUISVILLE REVITALIZATION COMMISSION

City of Louisville
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SUBJECT: STAFF UPDATES

DATE: JUNE 4, 2025

PRESENTED BY: VANESSA ZARATE, CECD, ECONOMIC VITALITY MANAGER
AUSTIN BROWN, ECONOMIC VITALITY SPECIALIST

SUMMARY:
In the following, staff provides updates on recent activity related to economic vitality functions.

Downtown Colorado Inc Urban Renewal 201
This advanced session will delve into the tools used for redevelopment including TIF and other complementary mechanisms. Consider how current statutes and legislation impact the effectiveness. A great opportunity for experienced URA leaders to deepen their understanding and consider ideas for the future. Register at the DCI Website.

Pride Flags
At its May 20, 2025 meeting, Louisville City Council officially proclaimed June as LGBTQ+ Pride Month, recognizing the lasting contributions of LGBTQ+ residents and businesses who make our community a more inclusive place to live, work, and visit. We invite local businesses to show support by flying a Pride flag throughout June. You can pick up a free Pride flag (yours to keep) now through June 6th at the following City Locations: City Hall, Louisville Recreation and Senior Center, and the Louisville Public Library.

Pollinator Mural Refresh
The City's Cultural Services team is planning a refresh to the Pollinator Mural on Main Street in front of City Hall. Staff is working with the artist and other staff to plan a small scale event at the end of June. Please stay tuned for more information.

Movie on Main
The City is planning its next annual Movie on Main for Thursday, July 31st at 8p. The screen will be set up at Pine and Main Street, with the street closed from Pine Street to Elm Street. A movie will be picked by poll that will go live on June 2nd. Stay tuned for more details.

Business Beat Roundtables
The Economic Vitality team continues to host monthly Business Beat roundtables, bringing City Staff and City Council to businesses. The roundtables continue to be focused around themes such as geography, economic changes or industries. General themes that continue to arise include rise in costs all around to include property taxes,

concern surrounding federal and international economic policy such as tariffs, the need for a range of employees and cost of living. Economic Vitality staff will continue to host meetings and bring forward policy and program suggestions as able.

Sales Tax Workshops
The City's Finance team is hosting quarterly Tax Workshops that are open to all businesses in Louisville. Economic Vitality staff attends to introduce economic vitality and share all the ways we can assist businesses in growth through expansion, while our finance team shares information on everything tax such as what is taxable, how to file, when to file, etc. Please reach out should you have questions.

ATTACHMENTS:
1. 2025 Adopted Budget

Fund 221 - URD - LRC

City of Louisville
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Object	Object Title	FY 2025 Adjusted Budget
Account Type: Revenue		
411000	Property Tax	(2,249,755)
441540	City Skate	-
461100	Interest Earnings	(153,899)
493100	Bond Proceeds	(2,250,000)
Total Revenue		(4,653,654)
Account Type: Expenditure		
530830	Facade Impr Programming	300,000
530831	Property Impr Programming	350,000
532000	Advertising/Marketing	5,000
532300	Support Services-City of Louis	50,000
532303	Commission and Board URA Proje	13,880
532319	Cap Cont - COL - Downtown Stre	-
532320	Repay TIF Revenue to BoCo	169,070
532324	Cap Contr - COL - Dwntn Vis Pl	2,250,000
532330	Repay TIF Revenue to Fire Dist	53,230
532713	Asst Agrmnt - 1303 Empire Rd	650,000
538250	Bond Maint Fees-Paying Agent	7,150
540410	Prof Serv-Investment Fee	5,000
540900	Prof Serv-Other	90,000
570100	Principal-Bonds	1,977,000
570500	Interest-Bonds	122,840
630015	Pymts fr Contr Fund-DELO Devel	130,700
Total Expenditure		6,173,870
	Impact to Fund Balance	1,520,216

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LOUISVILLE REVITALIZATION COMMISSION

SUBJECT: DEVELOPMENT HIGHLIGHTS

DATE: JUNE 4, 2025

PRESENTED BY: VANESSA ZARATE, CECD, ECONOMIC VITALITY MANAGER

SUMMARY:

In the following, Staff provides updates on recent activity related to construction and development. These updates are for the most frequently asked about sites and not for every site in a review process or under construction. All updates and timeframes are subject to change.

Site	Update
800-804 Main Street (former Wildwood Guitars)	The building has new owners and they have started conversations with the City on reuse of the building.
809 Main Street (old Waterloo)	Project is continuing construction for the build-out of the restaurant space. There has been interest in the site, with multiple tours, but no LOI or leases signed to date.
816 Main Street (former Empire)	Staff is working with ownership and interested parties towards a sale. Site has been relisted on line for sale.
833 Main Street (former Chase)	The LRC has entered into a contract with Trestle Strategy Group to work with staff and the building owner on potential paths forward for the building. Trestle Strategies will present their report for the building at the June 4th LRC meeting.
1301 Courtesy Road (Delo Boom)	Delo Boom is working through City processes to construct 140 units of housing. The project will consist of studios through three-bedrooms and 13.5% affordable units.
950 Spruce Street	Construction has completed with the retail and office spaces currently being marketed for rent.
947 Pine Street (former gas station)	Birdie Bar, an eatertainment use with a bar/restaurant and simulated (virtual) golf

	games is under construction with a hopeful 2025 opening.
1303 Empire Road (Ironton)	Ironton has approved plans for a new distillery and event center. Ironton is hoping to start construction Q2.City Council just approved a temporary use for the site so Ironton can operate on a small scale while they are under construction.
540 County Road (Louisville Grain Elevator)	The Grain Elevator has new owners that have engaged the City to turn the building into an activated space. Their TIF review has been started with Pioneer Development Company.
1171 W Dillon Road (former Lowe's)	The New King Soopers Marketplace plans were approved by City Council and they continue working through the process. They are planning to start construction back half of 2025, with an opening in early 2026.
1164 W Dillon Road (Cinebarre)	University of Colorado has purchased the site and is currently working on public engagement for their plans for the site.
550 McCaslin Boulevard (former Sam's Club)	Relish broke ground on the construction on Friday, June 14th. Relish is planning to open indoor and outdoor pickle ball courts with a food hall. The site is working through final construction and hopes to be open summer 2025.
575 McCaslin Boulevard (former Carrabba's)	Staff is working with the broker representation to market and attract a new user to the building. No lease signed to date.

If you would like to add a site to these updates, please let me know.