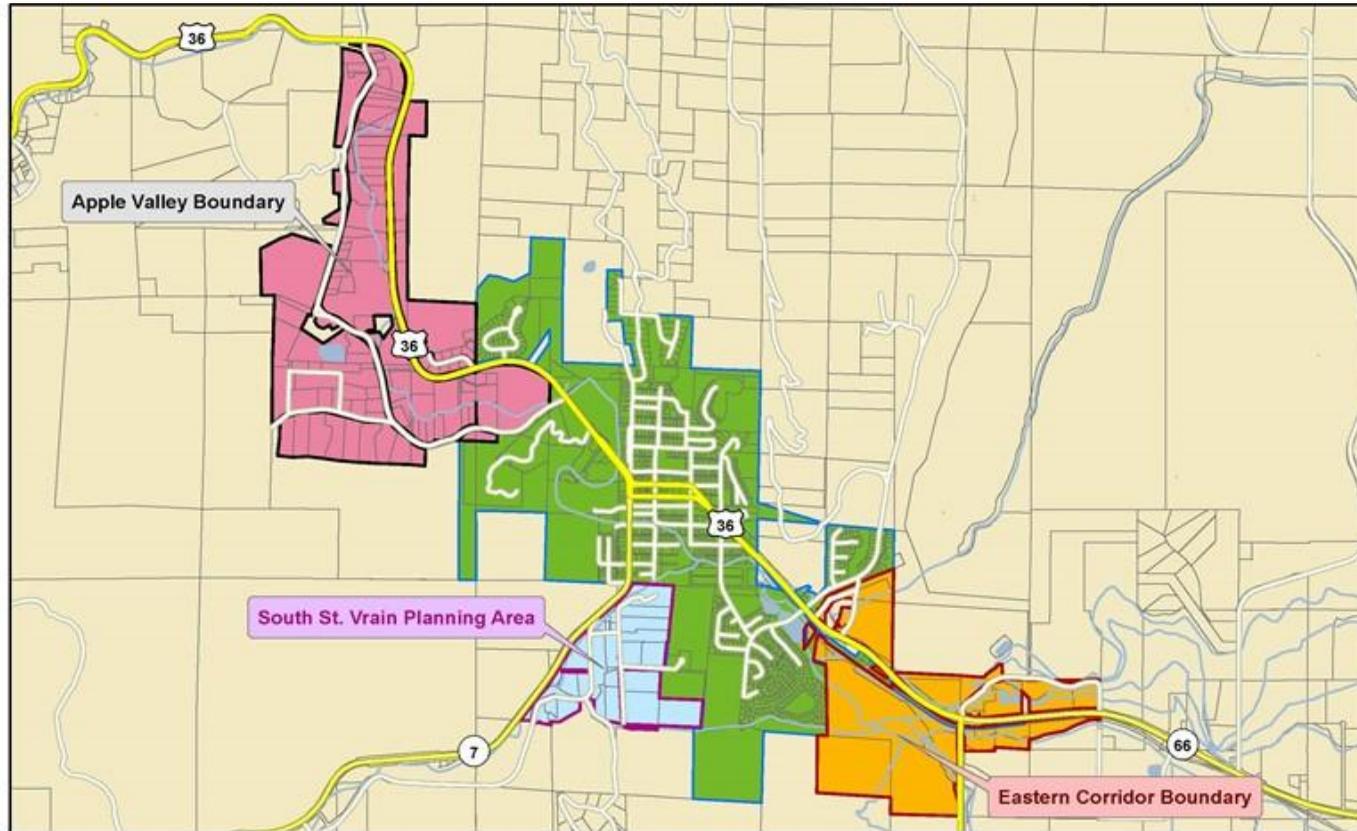


# Apple Valley Planning Area – Workshop #3

8 September 2016



North Arrow  
Date: Thursday, March 31, 2016

0 0.25 0.5 1 Miles

Lyons Municipal Boundary Boulder Parcels



## PRIMARY PLANNING AREA MASTER PLAN



# Agenda

1. Refined Net Developable Acres in Apple Valley Planning Area
2. Preferred Development Concept and Components
3. Concept Development Proforma Analysis
4. Concept Development Fiscal Analysis
5. Community Input – Results from Workshop #2
6. Discussion
7. Next Steps



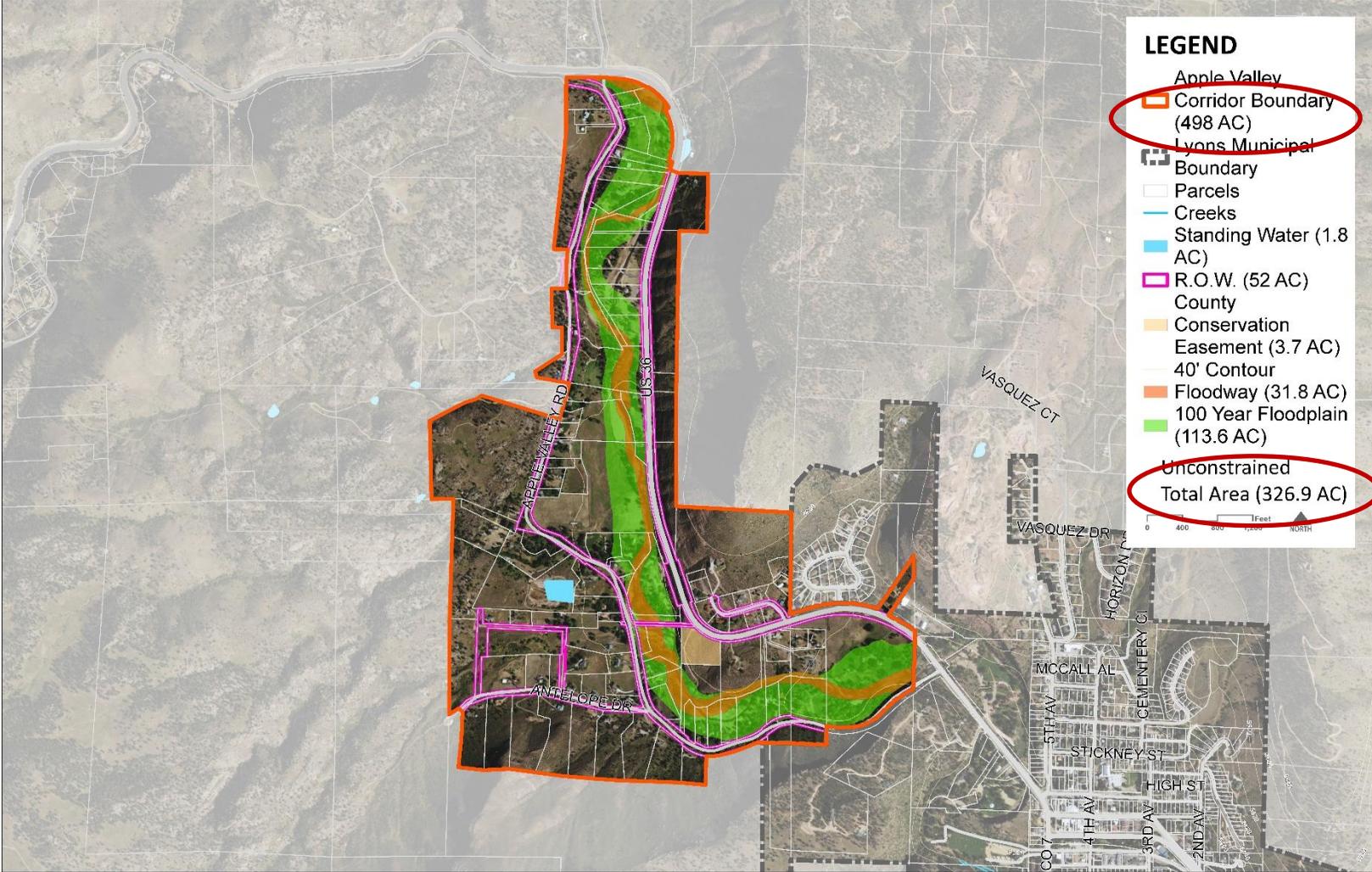
## PRIMARY PLANNING AREA MASTER PLAN



Ricker|Cunningham

Kimley»Horn

# Developable Area (Apple Valley)



## PRIMARY PLANNING AREA MASTER PLAN



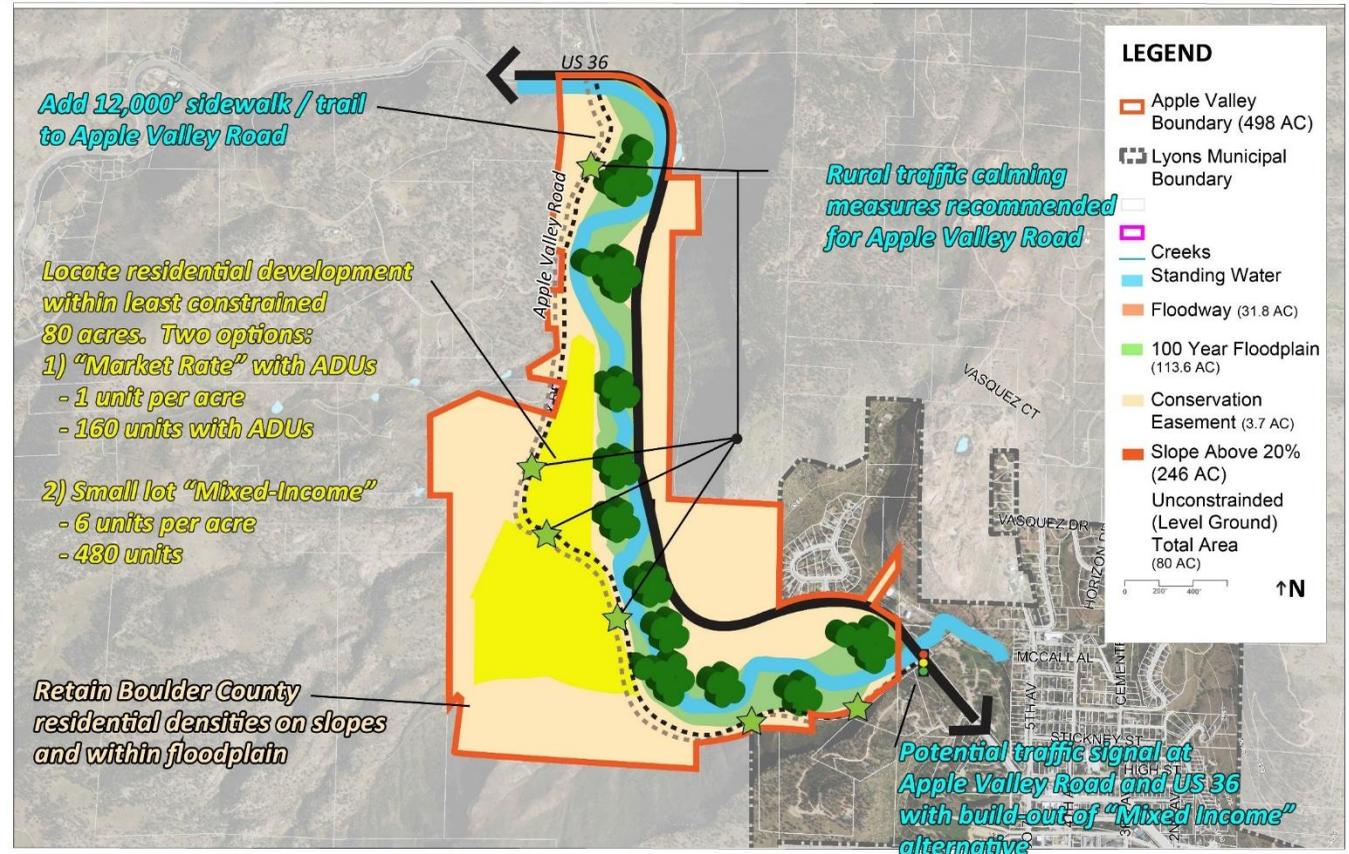
# Developable Area (Apple Valley)



# Preferred Development Scenario –

## Illustrative Illustration

### Apple Valley



# Preliminary Feasibility – Market Rate

## Development Pro Forma

| Development Program                          |                     |                      | Assumption Factors               |
|--|---------------------|----------------------|----------------------------------|
| Residential (For-Sale Market Rate)           | Units: 80           | Square Feet: 240,000 | 3,000 SF/Unit                    |
| Residential (For-Sale Affordable)            | 0                   | 0                    | 2,500 SF/Unit                    |
| Gross Floor Area                             |                     | 240,000              |                                  |
| Project Land Area                            |                     | 3,484,800            | 80 Acres                         |
| Project Density (units per acre)             |                     | 1.00                 |                                  |
| Estimated Project Value (Stabilized Yr)      |                     |                      |                                  |
| Total Housing Units                          | 80                  |                      |                                  |
| Sales Price/Unit (Wtd Avg)                   | \$600,000           |                      |                                  |
| Gross Revenue                                | \$48,000,000        |                      |                                  |
| Less Marketing Costs                         | (\$3,360,000)       |                      | 7% % of Sales                    |
| Net Sale Proceeds                            | \$44,640,000        |                      |                                  |
| <b>Project Value -- For-Sale Market Rate</b> | <b>\$44,640,000</b> |                      |                                  |
| Total Housing Units                          | 0                   |                      |                                  |
| Sales Price/Unit (Wtd Avg)                   | \$300,000           |                      |                                  |
| Gross Revenue                                | \$0                 |                      |                                  |
| Less Marketing Costs                         | \$0                 |                      | 7% % of Sales                    |
| Net Sale Proceeds                            | \$0                 |                      |                                  |
| <b>Project Value -- For-Sale Affordable</b>  | <b>\$0</b>          |                      |                                  |
| <b>Total Project Value</b>                   |                     | <b>\$44,640,000</b>  |                                  |
| Development Cost Estimate                    |                     |                      |                                  |
| Property Purchase                            | \$3,484,800         |                      | \$1.00 \$/SF Land                |
| Site Development                             | \$6,969,600         |                      | \$2.00 \$/SF                     |
| Building Construction (Hard Costs)           | \$24,480,000        |                      | \$102 \$/SF (Wtd. Avg. All Uses) |
| Construction Contingency                     | \$1,572,480         |                      | 5% % of Construction Costs       |
| Soft Costs (% of Hard Costs)                 | \$4,717,440         |                      | 15% % of Hard Costs              |
| <b>Total Project Cost</b>                    |                     | <b>\$41,224,320</b>  | <b>\$171.77 \$/SF</b>            |
| Development Economic Summary                 |                     |                      |                                  |
| <b>Total Project Value</b>                   |                     | <b>\$44,640,000</b>  |                                  |
| <b>Total Project Cost</b>                    |                     | <b>\$41,224,320</b>  |                                  |
| <b>Net Project Surplus / (Deficit)</b>       |                     | <b>\$3,415,680</b>   |                                  |
| <b>% Net Project Surplus / (Deficit)</b>     |                     | <b>8%</b>            |                                  |

Source: Ricker | Cunningham.

The development of market-rate, single family detached housing has the potential to generate a project surplus and a reasonable return to the developer.

This scenario assumes a density of 1.0 unit per acre for market rate housing.



# PRIMARY PLANNING AREA MASTER PLAN



# Potential Feasibility – Mixed Income

## Development Pro Forma

| Development Program                          |       |                     | Assumption Factors |                            |
|--|-------|---------------------|--------------------|----------------------------|
|  | Units | Square Feet         |                    |                            |
| Residential (For-Sale Market Rate)           | 120   | 360,000             | 3,000              | SF/Unit                    |
| Residential (For-Sale Affordable)            | 80    | 200,000             | 2,500              | SF/Unit                    |
| Gross Floor Area                             |       | 560,000             |                    |                            |
| Project Land Area                            |       | 3,484,800           | 80                 | Acres                      |
| Project Density (units per acre)             |       | 2.50                |                    |                            |
| <b>Total Housing Units</b>                   |       |                     |                    |                            |
|  |       | 120                 |                    |                            |
| Sales Price/Unit (Wtd Avg)                   |       | \$600,000           |                    |                            |
| Gross Revenue                                |       | \$72,000,000        |                    |                            |
| Less Marketing Costs                         |       | (\$5,040,000)       | 7%                 | % of Sales                 |
| Net Sale Proceeds                            |       | \$66,960,000        |                    |                            |
| <b>Project Value -- For-Sale Market Rate</b> |       | <b>\$66,960,000</b> |                    |                            |
| <b>Total Housing Units</b>                   |       |                     |                    |                            |
|  |       | 80                  |                    |                            |
| Sales Price/Unit (Wtd Avg)                   |       | \$300,000           |                    |                            |
| Gross Revenue                                |       | \$24,000,000        |                    |                            |
| Less Marketing Costs                         |       | (\$1,680,000)       | 7%                 | % of Sales                 |
| Net Sale Proceeds                            |       | \$22,320,000        |                    |                            |
| <b>Project Value -- For-Sale Affordable</b>  |       | <b>\$22,320,000</b> |                    |                            |
| <b>Total Project Value</b>                   |       | <b>\$89,280,000</b> |                    |                            |
| <b>Property Purchase</b>                     |       |                     |                    |                            |
|  |       | \$3,484,800         | \$1.00             | \$/SF Land                 |
| Site Development                             |       | \$7,318,080         | \$2.10             | \$/SF                      |
| Building Construction (Hard Costs)           |       | \$56,270,000        | \$100              | \$/SF (Wtd. Avg. All Uses) |
| Construction Contingency                     |       | \$3,179,404         | 5%                 | % of Construction Costs    |
| Soft Costs (% of Hard Costs)                 |       | \$9,538,212         | 15%                | % of Hard Costs            |
| <b>Total Project Cost</b>                    |       | <b>\$79,790,496</b> | <b>\$142.48</b>    | <b>\$/SF</b>               |
| <b>Total Project Value</b>                   |       | <b>\$89,280,000</b> |                    |                            |
| <b>Total Project Cost</b>                    |       | <b>\$79,790,496</b> |                    |                            |
| <b>Net Project Surplus / (Deficit)</b>       |       | <b>\$9,489,504</b>  |                    |                            |
| <b>% Net Project Surplus / (Deficit)</b>     |       | <b>12%</b>          |                    |                            |

Source: Ricker | Cunningham.

The development of market-rate, single family detached housing, with a component of single family detached affordable housing (80% of Area Median Income) has the potential to generate a project surplus and a reasonable return to the developer.

This scenario assumes a density of approximately 2.0 units per acre for market rate housing and 5.0 units per acre for affordable housing.

Even though this scenario has an affordable housing component, its higher surplus is primarily due to higher density, e.g., higher value per acre.



## PRIMARY PLANNING AREA MASTER PLAN

# Factors Affecting Economic Feasibility

- Project Revenues
  - Sale Price (market acceptance)
  - Density
  - Absorption
  
- Project Costs
  - Land Price
  - Site Improvements (physical conditions)
  - Building Construction
  - Permits, Fees, “Soft Costs”

**Eliminating uncertainty across these factors = increase in project return on investment**

# Potential Fiscal Impact – Market Rate

| Development Value                   |                   |                     |
|-------------------------------------|-------------------|---------------------|
| Apple Valley Planning Area          |                   |                     |
| Product Type                        | Total Development | Development Value   |
| <b>Residential (Units):</b>         |                   |                     |
| Residential (For-Sale Market Rate)  | 80                | \$48,000,000        |
| Residential (For-Sale Mixed Income) | 0                 | \$0                 |
| Apartments                          | 0                 | \$0                 |
| <b>Non-Residential (Sq Ft):</b>     |                   |                     |
| Retail/Service                      | 0                 | \$0                 |
| Employment (Office/Industrial)      | 0                 | \$0                 |
|                                     |                   | <b>\$48,000,000</b> |

Values based on:

|                                     |           |           |
|-------------------------------------|-----------|-----------|
| Residential (For-Sale Market Rate)  | \$600,000 | per Unit  |
| Residential (For-Sale Mixed Income) | \$300,000 | per Unit  |
| Apartments                          | \$150,000 | per Unit  |
| Retail/Service                      | \$200     | per Sq Ft |
| Employment (Office/Industrial)      | \$150     | per Sq Ft |

| Revenue Generation                  |                                |                            |
|-------------------------------------|--------------------------------|----------------------------|
| Apple Valley Planning Area          |                                |                            |
| Product Type                        | Added Taxable Value @ Buildout | Added Property Tax Revenue |
| <b>Residential:</b>                 |                                |                            |
| Residential (For-Sale Market Rate)  | \$3,820,800                    | \$59,971                   |
| Residential (For-Sale Mixed Income) | \$0                            | \$0                        |
| Apartments                          | \$0                            | \$0                        |
| <b>Non-Residential:</b>             |                                |                            |
| Retail/Service                      | \$0                            | \$0                        |
| Employment (Office/Industrial)      | \$0                            | \$0                        |
| <b>Property Tax*</b>                |                                | <b>\$59,971</b>            |
| <b>Sales Tax**</b>                  |                                | <b>\$0</b>                 |
| <b>Total Tax Revenues</b>           |                                | <b>\$59,971</b>            |
| <b>Other Revenues ***</b>           |                                | <b>\$44,794</b>            |
| <b>Total Revenues</b>               |                                | <b>\$104,765</b>           |

\* based on City .015696 property tax rate.

\*\* based on estimated retail sales of \$250 per square foot and 2% sales tax rate.

\*\*\*based on 2015 general fund revenues from permits, fees, licenses, fines, etc. -- per capita of \$187.

| New Residents/Employees     |            |
|-----------------------------|------------|
| Apple Valley Planning Area  |            |
| Residents                   | 240        |
| Retail Employees            | 0          |
| Office/Industrial Employees | 0          |
| <b>Total</b>                | <b>240</b> |

Resident/employee estimates based on:

|                                     |     |                    |
|-------------------------------------|-----|--------------------|
| Residential (For-Sale Market Rate)  | 3.0 | household size     |
| Residential (For-Sale Mixed Income) | 2.5 | household size     |
| Apartments                          | 1.8 | household size     |
| Retail/Service                      | 400 | Sq Ft per Employee |
| Employment (Office/Industrial)      | 300 | Sq Ft per Employee |

| Net Surplus/Deficit            |                             |                             |
|--------------------------------|-----------------------------|-----------------------------|
| Eastern Corridor Planning Area |                             |                             |
| Product Type                   | Added Residents / Employees | Added Annual Service Costs* |
| Residents                      | 240                         | \$176,336                   |
| Retail Employees               | 0                           | \$0                         |
| Office/Industrial Employees    | 0                           | \$0                         |
| <b>Total Service Costs</b>     |                             | <b>\$176,336</b>            |
| <b>Total Revenues</b>          |                             | <b>\$104,765</b>            |
| <b>Total Surplus/Deficit</b>   |                             | <b>-\$71,572</b>            |
| <b>% Surplus/Deficit</b>       |                             | <b>-41%</b>                 |

\*based on 2015-2016 general fund expenditures per capita of \$735.

Note: Service cost impacts of employees estimated at 1/3 of residents.

Source: Ricker | Cunningham.



## PRIMARY PLANNING AREA MASTER PLAN

# Potential Fiscal Impact – Mixed Income

| Development Value                   | Apple Valley Planning Area |                   |                     |
|-------------------------------------|----------------------------|-------------------|---------------------|
|                                     | Product Type               | Total Development | Development Value   |
| <b>Residential (Units):</b>         |                            |                   |                     |
| Residential (For-Sale Market Rate)  | 120                        |                   | \$72,000,000        |
| Residential (For-Sale Mixed Income) | 80                         |                   | \$24,000,000        |
| Apartments                          | 0                          |                   | \$0                 |
| <b>Non-Residential (Sq Ft):</b>     |                            |                   |                     |
| Retail/Service                      | 0                          |                   | \$0                 |
| Employment (Office/Industrial)      | 0                          |                   | \$0                 |
|                                     |                            |                   | <b>\$96,000,000</b> |

Values based on:

|                                     |           |           |
|-------------------------------------|-----------|-----------|
| Residential (For-Sale Market Rate)  | \$600,000 | per Unit  |
| Residential (For-Sale Mixed Income) | \$300,000 | per Unit  |
| Apartments                          | \$150,000 | per Unit  |
| Retail/Service                      | \$200     | per Sq Ft |
| Employment (Office/Industrial)      | \$150     | per Sq Ft |

| Revenue Generation                  | Apple Valley Planning Area |                                |                            |
|-------------------------------------|----------------------------|--------------------------------|----------------------------|
|                                     | Product Type               | Added Taxable Value @ Buildout | Added Property Tax Revenue |
| <b>Residential:</b>                 |                            |                                |                            |
| Residential (For-Sale Market Rate)  | \$5,731,200                |                                | \$89,957                   |
| Residential (For-Sale Mixed Income) | \$1,910,400                |                                | \$29,986                   |
| Apartments                          | \$0                        |                                | \$0                        |
| <b>Non-Residential:</b>             |                            |                                |                            |
| Retail/Service                      | \$0                        |                                | \$0                        |
| Employment (Office/Industrial)      | \$0                        |                                | \$0                        |
|                                     | <b>Property Tax*</b>       |                                | <b>\$119,943</b>           |
|                                     | <b>Sales Tax**</b>         |                                | <b>\$0</b>                 |
|                                     | <b>Total Tax Revenues</b>  |                                | <b>\$119,943</b>           |
|                                     | <b>Other Revenues ***</b>  |                                | <b>\$104,518</b>           |
|                                     | <b>Total Revenues</b>      |                                | <b>\$224,461</b>           |

\* based on City .015696 property tax rate.

\*\* based on estimated retail sales of \$250 per square foot and 2% sales tax rate.

\*\*\*based on 2015 general fund revenues from permits, fees, licenses, fines, etc. -- per capita of \$187.

| New Residents/Employees     | Apple Valley Planning Area |
|-----------------------------|----------------------------|
|                             | Residents                  |
| Retail Employees            | 0                          |
| Office/Industrial Employees | 0                          |
| <b>Total</b>                | <b>560</b>                 |

Resident/employee estimates based on:

|                                     |     |                    |
|-------------------------------------|-----|--------------------|
| Residential (For-Sale Market Rate)  | 3.0 | household size     |
| Residential (For-Sale Mixed Income) | 2.5 | household size     |
| Apartments                          | 1.8 | household size     |
| Retail/Service                      | 400 | Sq Ft per Employee |
| Employment (Office/Industrial)      | 300 | Sq Ft per Employee |

| Net Surplus/Deficit         | Eastern Corridor Planning Area |                             |                             |
|-----------------------------|--------------------------------|-----------------------------|-----------------------------|
|                             | Product Type                   | Added Residents / Employees | Added Annual Service Costs* |
| Residents                   | 560                            |                             | \$370,307                   |
| Retail Employees            | 0                              |                             | \$0                         |
| Office/Industrial Employees | 0                              |                             | \$0                         |
|                             | <b>Total Service Costs</b>     |                             | <b>\$370,307</b>            |
|                             | <b>Total Revenues</b>          |                             | <b>\$224,461</b>            |
|                             | <b>Total Surplus/Deficit</b>   |                             | <b>-\$145,846</b>           |
|                             | <b>% Surplus/Deficit</b>       |                             | <b>-39%</b>                 |

\*based on 2015-2016 general fund expenditures per capita of \$735.

Note: Service cost impacts of employees estimated at 1/3 of residents.

Source: Ricker | Cunningham.



## PRIMARY PLANNING AREA MASTER PLAN

# Potential Public Improvements



## Outdoor Recreation, Including Camping

- No support for established camping sites within planning area
- Some mention of a desire for signage
- While not encouraged, if any parking lots introduced they should not be paved
- Prefer camping sites and “put-in” locations within Town boundaries

# Potential Public Improvements



## Outdoor Recreation, Including Water Sports

- No support for established points to access water within planning area
- Past indiscretions (some unsafe) have resulted in a mistrust of users
- While not encouraged, if any parking lots introduced they should not be paved
- Prefer camping sites and “put-in” locations within Town boundaries

# Potential Public Improvements



## Outdoor Recreation, Public Infrastructure

- Some mention of a desire for signage
- Would like safety “regulations” posted
- No formal accommodations that encourage recreation in the study area

# Potential Public Improvements



## Trails, Pedestrian and Bike Paths

- Mixed input regarding desire for bike and ped trails
- No desire for paving of either, if introduced
- Concern about width of right-of-way and ability to accommodate an official bike lane

# Potential Public Improvements



## Trails, Pedestrian and Bike Paths

- Mixed input regarding desire for bike and ped trails
- No desire for paving of either, if introduced
- Concern about width of right-of-way and ability to accommodate an official bike lane

# Potential Public Improvements



## Community Amenities

- Limited, if any, support for formal community amenities
- Some support for a community garden
- Correspondingly, support for roadside stands and farmers market events
- Mention of noise impacts since foliage lost to flood

# Potential Public Improvements



## Trails, Pedestrian and Bike Paths

- Visually like path along river bank, but question impact on adjacent private properties
- Concern about width of right-of-way and ability to accommodate an official bike lane
- If able to accommodate, concern about safety in curves

# Potential Public Improvements



## Outdoor Recreation, Including Camping

Favorable mention of signage was associated with establishing camping and river access points within the town boundaries that are well demarcated, and that appear with safety “regulations.”

# Potential Public Improvements



## Parking

- While not encouraged, if any parking lots introduced, they should not be paved

# Potential Residential Clusters



## Housing, Market Rate and Affordable

Support for the introduction of affordable housing, but lower density and stand alone products preferred – ADUs, cottages, zero lot line / cluster

# Potential Residential Clusters



## Housing, Market Rate and Affordable

Support for the introduction of affordable housing, but lower density and stand alone products preferred – ADUs, cottages, zero lot line / cluster (these were generally well-received)

# Potential Residential Clusters



## Housing, Market Rate and Affordable

Support for the introduction of affordable housing, but lower density and stand alone products preferred – ADUs, cottages, zero lot line / cluster (these considered to look too urban)

# Potential Residential Clusters



## Housing, Market Rate and Affordable

Support for the introduction of affordable housing, but lower density and stand alone products preferred – ADUs, cottages, zero lot line / cluster (these considered to look too urban)

# Potential Residential Clusters



## Housing, Market Rate and Affordable

Support for the introduction of affordable housing, but lower density and stand alone products preferred – ADUs, cottages, zero lot line / cluster (these considered to look too urban)

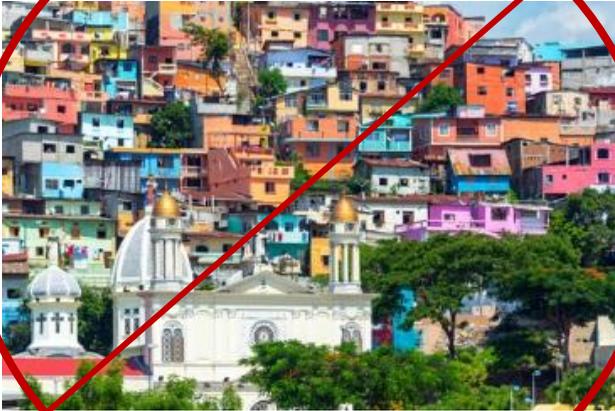
# Potential Residential Clusters



## Housing, Market Rate and Affordable

- No housing that is too dense
- Must be context sensitive
- Should not look too urban

# Potential Residential Clusters



## Housing, Market Rate and Affordable

- No way this dense
- Must be context sensitive

# Vision for Apple Valley

## Apple Valley Residents – Intention Statements (excerpts)

Desire ...

river that is functionally, visually, aesthetically a natural “wild” stream

restored river that is ecologically healthy and robust riparian and aquatic ecosystem

no artificial structures that inhibit natural flow

no improvements that promote recreational usage

limit ingress and egress points to sites within the town boundaries

provide signage and promote “put-in” locations and water use safety measures

Town and County adopt safe practice rules and protections for natural areas

no access to river from buyout parcels or other public accommodations

private leases and corresponding maintenance of buyout parcels

restore areas damaged by flood

consider rechanneling river to its original location



## PRIMARY PLANNING AREA MASTER PLAN



Kimley»Horn

# High-Level Findings

1. Existing IGA / physical conditions limit how much development can be accommodated and where within all three subareas
2. Available parcels for commercial retail development are limited to those within the Eastern Corridor
3. Average size of parcels and developable area within parcels will limit the potential for unified development programs in the LPPA (assemblages will be essential)
4. Retail market potential is primarily within the destination and entertainment segments thereby limiting potential competition with operators on Main Street
5. There are market supported opportunities for a range of affordable housing products
6. Existing regulations and standards (if applied) will maintain the area's current character (thereby require few revisions)
7. Boundaries of LPPA may require amending if development can not be advanced in Planning Areas other than the Eastern Corridor



## PRIMARY PLANNING AREA MASTER PLAN



Kimley»Horn

# High-Level Findings

8. Financial feasibility of development and redevelopment projects suggests a fairly significant “gap” due to on- and off-site infrastructure improvements, project costs vs. revenues, terrain and other physical conditions, configuration of developable areas
9. Existing IGA limits how much development can be accommodated and where (conservation easements, rural preservation and no development areas, restrictions on sites within larger parcel ownership)
10. Existing Town policies further limit the number of developable parcels (e.g., South St. Vrain), five acre vote, and half-acre limit on reuse of public land
11. Existing IGA / physical conditions limit how much development can be accommodated and where within all three subareas
12. Build-out of undeveloped parcels within the Town boundaries will result in a budgetary deficit

# Preliminary Recommendations

1. Five acre vote should be revisited in light of desired outcomes and new fiscal knowledge
2. Existing policies and agreements
3. Consider amending existing Boulder County IGA to reflect findings
4. Consider requiring annexations be retroactively included in the urban renewal area
5. Range of affordable housing product types will be recommended depending on their location
6. Affordable housing will be dispersed throughout the various subareas
7. Highway 66 frontage within Eastern Corridor will be developed as either Commercial or Employment (exception – MU)
8. As resources become available, Town / Authority will acquire key parcels and position for investment – for both affordable housing and commercial development
9. **Priority capital investments will be determined based on an adopted set of criteria**



## PRIMARY PLANNING AREA MASTER PLAN

# Next Steps

1. Final stakeholder meeting for participants of all three subareas (10<sup>th</sup> Meeting) – **Thursday, October 20<sup>th</sup>**
2. Continue to meet with stakeholders throughout the LPPA Study Area
3. Present Final LPPA Master Plan to PCDC and BOT during a public hearing process – **complete prior to year-end**
4. Potential Supplemental Actions
  - i. Update Agreement with Boulder County
  - ii. Modify Existing Zoning Categories (CED, PUD-MU) or Prepare New One
  - iii. Amend Municipal Code
  - iv. Amend Design Guidelines
  - v. Amend Annexation Rules and Processes



## PRIMARY PLANNING AREA MASTER PLAN



Ricker|Cunningham

Kimley»Horn