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Memorandum

To: Mayor and Council

From: Tom Baker, Town Administrator

Date: February 20, 2013

Re: Economic Development Strategy: Council Priorities

Council met in December, 2012 and February, 2013 to clarify their position and priority on a variety of economic development projects. The following is a record of that discussion. Included with this memorandum is a summary of this memorandum in table form and also attached is a copy of the 2012 Strategic Plan and Implementation Schedule.

1. **C/T zone text amendment:** In this proposal many conditional uses in this zone district where changed to permitted uses. The intention of this proposal is to make commercial development and business start-ups easier by eliminating the conditional review process, which can take six week of time and cost. (Please see below for continued analysis.)
2. **C/T rezoning of Main Street from 1st Street through E Avenue block from R/1 to C/T:** In this proposal the above rezoning would be intended to open up the town's Main Street (east of downtown) for commercial and business development. In general terms, it is not uncommon for communities to transition Main Street land uses from residential to commercial as heavy and/or constant traffic causes the corridor to become an unattractive location for residential living and as growth pressure increases commercial rents and pushes lower intensity commercials uses out of the central core.

   As you know, the EAC undertook the task of being the applicant for the above ideas (1 and 2). In June the EAC hosted a public meeting at the community center, which was facilitated by Elyse Ackerman of DOLA. At this June meeting approximately a dozen citizens attended along with some members of Council, EAC and Staff. In general, those who attended this meeting thought the ideas reasonable. In October, the EAC application went to the P&Z for a scheduled Public Hearing and four residents of east Main Street attended. All four residents in attendance and one via email objected to the rezoning. At the meeting they stated their concerns as shortage of parking and the potential of businesses being incompatible with residential living. In general, these residents felt that the application would damage their quality of life.

   After hearing the testimony of the residents in attendance and reviewing the email comment, the P&Z agreed that this request was not appropriate and unanimously denied the application. In an effort to find some common ground the P&Z

recommended that the applicant consider pursuing a text amendment to the existing east Main Street zoning to allow more commercial land uses as conditional uses in the R/1 zone district.

Currently, the EAC is reconsidering the application. In the interim, the EAC is conducting some neighborhood outreach to understand how the east Main Street neighborhood views economic development ideas. We will report to Council as our work progresses. Our goal is to allow downtown to be expanded as economic opportunities present themselves.

Status of #1&#2 – Our first Neighborhood Chat Session occurred November 15th. Our next session will be with downtown business owners.

Council Direction: Conduct two additional "Neighborhood Chat Sessions" over the next two months.

3. **Assisted Living – Social Model:** Through a contact with Mary Metzger, Town representatives met with Senior Managers of Heritage Healthcare (HHC). The purpose of the meeting was to provide HHC with an overview of New Castle and its environs, as well as providing HHC with a tour of available properties that they may consider for developing a 24-unit Assisted Living community. The meeting went well and HHC was very impressed with the Town preparation for HHC's visit. Tom Baker is following up on questions of access to capital through the Town. Tom is consulting with the Town underwriter to acquire this information.

   Status of #3 – Tom has address HHC with information from George K Baum regarding access to capital questions. We are awaiting a response to convene a conference call with HHC and GKB. HHC provided Mary Metzger with a business contact in the nursing home industry and Mary is making inquiries.

   Council Comments: There are several possible locations for a use of this nature in New Castle. HHC identified the 10-acre Craven parcel as their first choice due to its proximity to the elementary school and VIX park. The 10-acre Craven parcel is designated mixed use and if this parcel is selected for an assisted living land use we will forego any retail land use opportunity in CVR, which may or may not be a problem. Additionally, due to neighborhood concerns regarding lighting this issue needs to be considered for any land use on the Craven parcel.

4. **Outdoor Recreation Retailer:** RREDC and Town of New Castle have produced a brochure to send to outdoor retailers in order to create some interest in locating a business in New Castle.

   Status of #4 – RREDC is sending out brochures to outdoor retailers and will inform/act on inquiries.

Council Comments: RREDC is sending out an electronic version of the Outdoor Retailer solicitation. This solicitation will go to a long list of small outdoor retailers. Bruce will contact RREDC and add the New Castle Town Hall Phone Number to the solicitation. Sharon will be the primary contact and Tom will be the back-up for economic development inquiries.

5. **Cultural Heritage Tourism:** The Cultural Heritage Tourism Association has completed a map/brochure and rack cards for all communities including New Castle.

   Status of #5 – Order rack cards for visitor information.

   Council Comments: Change this to an "A" priority. Rack cards are ordered and they are free.

6. **Establish Visitor Information Center at the Community Center:**

   Status of #6 – Order racks to hold visitor information, order cards and other materials, order sign eventually.

   Council Comments: Change this to an "A" priority. Racks are $150/ea. And three racks have been ordered. Racks will be installed in Community Center, Town Hall and Chamber of Commerce office.

7. **Colorado Main Street Program:** RREDC is organizing this effort with Rifle. New Castle will not make a decision to become involved until 2014 budget cycle.

8. **Exploring public/private partnership for mixed use development on three town owned parcels located at and near the Main Street and 6th Street intersection:** Bruce Leland, Patrick Stuckey, Craig Rathbun and I met to discuss the possibilities of a public/private partnership to create a mixed use building(s) on land owned by the Town on west Main Street. Mr. Rathbun said that the 7,500 sf lot on the northwest corner of Main and 6th was a good location for a 3-story mixed use building – 1st floor retail, 2nd and 3rd floors a combination of office and residential with the residential use at the back of the building to buffer them from train noise. Mr. Rathbun's evaluation of the Town lots on the southwest corner of this intersection was that they were not likely good candidates for residential development due to train noise, but that a historic train depot design for the building would honor the historic depot location and also use what some see as a negative (train traffic) and make it a positive. This could also be a mixed use building – retail and office of 2 or 3 stories. The challenge of this site is to find the type of uses that can work with the train noise. (Councilor Stuckey outlined how the site layout could work for creating a town gathering place in a horseshoe building courtyard for any number of "market" uses from farmers market produce to crafts and arts.)

The challenge for this idea is how to move forward?

- The Town could issue a Request for Proposal (RFP) asking for development partnering ideas to develop a 3-story mixed use building and tenants on the 7,500 sf lot on the NW corner of Main and 6th.
- The Town could wait for a developer to bring an idea to the Town.
- The Town could process a development application for the Main and 6th lot. Once the entitlements are in place a developer may find the project attractive because the risk of time and money have been reduced. (At the end of October the Mayor and I attended a "Community Builders Summit" in Glenwood Springs, sponsored by the Sonoran Institute. One speaker, Adam Ducker, spoke of development trend and barriers. During his talk he identified three barriers to development in a changing economic climate: land costs, entitlements – time and money, and parking – need for flexibility. He suggested that if a community could influence these factors, then that community would put itself in a position to stimulate new development.) The Town controls these three factors on Town owned land.

At the Council Retreat some questions were raised about what Silt and Rifle did to attract some of their recent businesses. Melody Harrison researched this question and provided the following summary:

- Rifle Movie Theater - Rifle leased the land to the developer for 20 years and installed all utilities and infrastructure for the development. At the end of 20 years the building reverts to the City of Rifle.
- Silt Dollar Store – Silt provided a $170k loan to Dollar General for infrastructure. This loan will be paid back annually with property tax proceeds. The Town also did site preparation and grubbing for excavation, as well as landscaping and irrigation on the site.
- Silt Holiday Inn Express – The Town provided a low cost lease to the developer.
- Silt BLM Building – no incentives.

Status of #8 – Need Council discussion on if/how to move forward and be proactive. Tim will summarize what can be done on the property as a permitted use. Tim's information can then be use to inform the real estate community about the opportunity of working with the Town on a mixed use development. Council can discuss a more specific list of wants and needs that the Town wants to get in any public/private partnership.

Council Comments: Council had a discussion on this topic and made several preliminary findings.

For the 7,500 sf parcel on the northwest corner of Main and 6th:

- **The land was purchased for $250k as an investment.**

- **The Town will retain ownership of the land and consider leasing but not sale.**
- **Consider providing the real estate community with Tim Cain's memorandum, which outlines what can be done on this parcel "by right".**
- **Consider issuing an RFP for development ideas for the parcel.**
- **Consider a professional services contract with a consultant to "put together a deal".**

For the Old Depot and Ambulance Barn parcels:

- **Consider opportunities to provide vendor spaces for the organic growers and other growers and perhaps arts and crafts in the area to come in and sell produce and products in a Farmer's Market format.**

Staff shall update and correct demographic information on the internet sites that interested parties visit.

9. **Explore "Expose" (brand) New Castle as a destination for Outdoor Recreation:** This idea came from the Council Retreat in early October. Bob Gordon's vision is to "Expose" New Castle – to create a sales tool that highlights all the outdoor recreation possibilities – jeep tours, hunting, golfing, fishing, rafting. boating, Frisbee golf, soccer, hiking. biking, camping, snowshoe, xc skiing .... Hot Springs, Caverns, Flat Tops. festivals, shopping... Glenwood, Meeker, Steamboat, Carbondale.

   Staff did some initial research with a marketing and advertising professional and learned that our first step must be to develop a web site with adequate content to allow potential visitors to explore the range of opportunities New Castle offers for outdoor recreation.

   Status of #9 – Council included funding in 2013 budget. Project discussions in 2013 as well as scoping and biding.

   Council Comments: Invite New Castle businesses to Ann Stuckey's presentation on 1.15.12 at 6PM in Town Hall – Chamber (Anne and Leah), Warrior (Bob Gibson).... This presentation has been rescheduled for March 5th. (Rescheduled to 3.5.13)

10. **Collaborating with the Chamber of Commerce to make downtown more festive and to engage downtown businesses with decorating for the holiday season:** During staff and Chamber debriefing of BMD, we brainstormed how to make the existing downtown more attractive for the Holiday Season. The Chamber suggested that they could go to all the downtown businesses encourage them to put up holiday lights and other decorations. The Chamber suggested that if the Town could incentivize the businesses with a minimal lighting contribution

that it would make the Chamber's "sell" to the businesses for fun and attractive – "we are all in this together" type of approach.

Status of #10 - Staff is collaborating with the Chamber and local businesses to make this happen!

Staff Comments: This effort did not get the traction it deserved. Next year we will give businesses a longer lead time. Staff will use some of these remaining funds to make the downtown more festive looking with lighting and we will also purchase some 125th Anniversary mug for our celebratory year.

Council Comments: Agree with staff. Keep tree lighting throughout the year to promote festive downtown.

11. **Collaborate with various community groups to plan for 125th Anniversary:** Planning underway with Chamber and many other groups agreeing to participate.

    Status of #11 – Our first planning meeting is December 5th at 4PM.

    Staff Comments: Planning is underway and the community energy and participation is high.

    Council Comments: Keep up the good work. Our first event was a huge success.

12. **Encourage the Chamber to begin a monthly newsletter that advertises businesses activity and sales for all businesses (not just Chamber members):** This request has been made by Bruce Leland.

    Status of #12 - Chamber is considering.

    Council and Staff comments: This decision is up to the Chamber.

13. **Working with GCE to make town operations more energy efficient and less costly:** Greg Russi and Mike Ogburn have talked and Mike is working on installing the Energy Navigator in Town Hall. Mike has also provided a list of low cost Town Hall tasks for energy conservation. Additionally, the draft 2013 budget has funds for work on the HVAC system, which is not functioning properly.

    Status of #13 – Mike Ogburn has given Tom Baker a list of quick fixes for the TH AVAC system. Mike is looking at the GCE budget to install the Energy Navigator in Town Hall.

Council Comments: Continue working with GCE and CLEER – this is important. Very much support Melody as an energy champion for Town Hall and Community Center. Eli is doing remarkable work and will be a good mentor for Melody.

14. **Farmer's Market:** Noreen Nolan and Kim Breslin have created a very successful Thursday afternoon farmer's market. Noreen said that they will continue next year with ideas for making it more fun and successful.

    Status of #14 – Noreen and Kim are planning for next year. John W. will ask Noreen and Kim what the Town can do to assist?

    Council Comments: Provide support whenever possible.

15. **Downtown Streetscape Improvements:** The Town initiated streetscape improvements have been well received. Some businesses, when asked for ideas to help stimulate the downtown, business owners point to sidewalk repair and additional streetlights on the east end of downtown as a good place to start.

    Status of #15 – Convene discussion with business owners regarding future of streetscape project (done in Dec). Looking for grants - Spring FMLD grant cycle may be an option – applied for streets and sidewalk grant which may allow some modest sidewalk improvements in the downtown.

    Council Comments: Make modest sidewalk improvements in downtown if successful with FMLD spring 2013 grant. We have an opportunity with Noreen Nolan, Kim Rider and Make Callas to make a nice colorful impact on the downtown with flowers. Will continue work and update Council.

    Also, figure out a way to allow volunteers to water flowers without trucking water around downtown…perhaps a large container somewhere in the downtown.

16. **Warrior Golf ("In it for the Long Haul"):** Some community members and business people in town have identified Warrior Golf and Lakota as the logical partner for creating economic development opportunities in New Castle. Their point is that Warrior has a significant investment in New Castle and that is where the Town's resources need to be concentrated.

    Status of #16 – Council is currently in negotiations with Warrior Golf to resolve outstanding issues and develop a plan to move forward.

    Council Comments: Our negotiations continue. We expect Warrior to provide a compressive response to our latest offer – 2.21.13

17. **City Market Expansion:** City Market is an important part of our community and provides locals with a convenient access to daily grocery needs. Some of our community members travel to other City Markets to have a larger selection of goods. Expansion of our existing City Market can be an advantage to locals as well as the Town's revenue stream. Several Council members have mentioned the idea of inquiring about a City Market expansion. Councilor Leland has talked to the interim manager and learned that Kroger has a financial target for each store that must be achieved before expansion occurs. Expansion of City Market may include gas pumps as an ancillary use. The interim manager advised Bruce that the first step is to talk to the store manager about expansion and then meet with the regional manager. The local manager will return in mid December.

    Status: Bruce and Tom met with Kim Rentaria (Store Manager) and discussed store expansion and fuel center. Kim will contact Joel Stabuck (Regional Manager) and seek a meeting to continue this discussion. Kim is very supportive of a larger store.

    Council Comments: Please continue your inquiry.

18. **Old Fire Station Property on Main Street:** Currently, the Fire District owns property on west Main Street. Formerly the Town Fire Station, currently it is being used for minor vehicle and equipment maintenance and storage. In the mid-term this could be a good parcel for commercial development if the Fire District use can be located elsewhere.

    Status: Tom has had informal discussions with District staff on this matter; however, until he has discussion with the Fire Chief we will not know the possible options. Tom has contacted the Fire Chief to schedule a meeting, which will include the Mayor. The Fire Districts are consolidating and may not be available for a meeting until their transition is complete.

    Council Comments: Please continue. Initial meeting scheduled for March.

19. **Senior Housing:** Council member Gordon and Town staff have initiated discussions with Al Gold, Executive Director of Community Resource and Housing Development Corporation (CRHD). CRHD is the development entity that built and manages the New Castle Senior Housing. Our intention is to pursue another 24 unit project.

    Status: The Anderson property is not available at a price the project can absorb. CRHS will come to New Castle for another site visit in March.

    Council Comments: Please continue. If we decide to use the Warrior parcel Council must receive adequate compensation. Also, Battlement Mesa successfully marketed their project for Senior Living for active seniors. We can do the same.

Also, convene a meeting with P&Z to rezone west Main Street to allow more commercial uses and perhaps some street lighting improvements.

20. **Valley View Clinic:** Councilor Leland has written Gary Brewer, CEO of Valley View Hospital and encouraged him to consider a VV owned and operated clinic in New Castle.

    Status: We have planted a seed and will await a reply from Mr. Brewer.

    Council Comment: Make a contact with Grand River CEO Jim Coombs and inquire if they are interested.

21. **Organic Farming/Agricultural Tourism:** New Castle has long protected and encouraged area organic farming and discussed ways to bring more organic farm produce into town markets. Discussions about how to create a tourism market around agriculture have begun – California has significant agricultural tourism around grapes and olives. Palisades is a local example of how to grow an agricultural tourism market. Agricultural tourism can also include gardening, CSA (community sustainable agriculture), farmers markets… all of which have the advantage of a localized food production and distribution system – local food is a trend that is gaining popularity due to transportation energy costs and concerns over industrial food safety. (In the past, New Castle's orchards have been taken out of production for housing developments. One property owner stated that New Castle apples ripened and came on the market two-weeks after Palisades apples and as a result the market was not as attractive for New Castle apples sellers. Therefore, the property owner decided to remove the orchard and develop housing.)

    Status: Staff is at the very beginning of their thinking with this idea and will consult with the Climate Action Committee. We have had discussions with community members and need to expand this discussion. The advice to date has been to start talking to local growers and garden clubs/gardeners. Eventually, as the idea grows, the school district may become involved by including agriculture in school curriculum.

    Council Comments: Utilize CAAC to take advantage of this unique opportunity for New Castle.

22. **Expanding Outdoor Recreation Programs offer by New Castle Recreation Program:** The New Castle Recreation Department is looking at opportunities to offer a wider range of outdoor recreation programs than have been offered in the past. Programs being discussed include 5 vs. 5 soccer, grass volleyball and disc golf tournaments. The goal of these events would be to encourage regional participation so that our local businesses would benefit from people travelling to New Castle and potentially spending money at our local businesses. Local

businesses would also be invited to participate as sponsors, and possibly vendors at events. These programs would be organized and managed by our Recreation Department.

Also being discussed are special events that would involve other individuals or organizations to put on with the support of the Town. These include the Conquer the Castle Sub-Urban Adventure Race proposed by Valley Events, mountain biking race, golf tournament at Lakota Canyon Ranch, triathlons, river race (SUP, raft, kayak, etc.), and Cross-Fit fitness competition.

Status: The New Castle Recreation Department is in the preliminary planning stages to offer regional grass volleyball, disc golf and soccer tournaments this summer. Status of the special events listed above are tentative at this time, as they require further discussion and review through the Special Event application process.

Council Comments: Larry and his team is a valuable resource and we need to support whenever we can.

23. **Actively assist existing businesses to keep then in town:** Retaining existing business is our first economic development priority. Intervene and/or facilitate where possible to support local business.

    Council Comments: Bob G and Frank B and Tom B will work to see if we can facilitate a local investment approach to opening Sam's restaurant. Also, utilize RREDC Revolving Loan Program for local business if/when it becomes available.

Summary/Conclusion: The above list of ideas and projects are a multi-directional approach to creating economic activity in New Castle. Some questions may be:

- Is this too multi-directional?
- Should we focus on one area or two?
- Should we concentrate on Warrior?
- How can we empower community members to be proactive like Noreen and Kim?
- Can we find grants to continue streetscape improvements?

Economic Development Strategies Evaluation

The following table lists each strategy summarized in the preceding memorandum and gives each strategy a staff priority rating and the Council's priority rating The Council's ratings are based on Council discussion during their meetings on December 18, 2012 and February 19, 2013.

Priorities are defined as follows:
"A" – Task or strategy that is to be pursued or accomplished in 2013 (top priority)

"B" – Task or strategy that has had some work done to date or needs minor work but is dependent upon a outside factors or opportunities. A "B" priority is one that will only be acted upon if an opportunity to act presents itself.

"C" – Task or strategy that will be considered in the 2013 Strategic Planning process to determine if 2014 implementation is appropriate.

Evaluation of Economic Develop Strategies
12.18.12

Memo #	TASK	STAFF	COUNCIL
1&2	C/T Zone	C	B
3	Assisted Living – Social Model	B	B
4	Outdoor Recreation Retailer – RREDC	A/B	A/B
5	Cultural Heritage Tourism	A/B	A
6	Visitor's Center at Community Center	B	A
7	Main Street Program	C	C
8	Public/Private Partnership on Town-Own Land	B	B
9	Exposed New Castle – Outdoor Recreation	A	B
10	Downtown Decorations: Chamber/Town	A	A
11	125th Anniversary	A	A
12	Chamber Monthly Newsletter		
13	CLEER	A	A
14	Farmer's Market	A	A
15	Downtown Streetscape	B	B
16	Warrior Golf/Lakota	A*	A
17	City Market Expansion	C	A
18	Old Fire Station Property on Main Street	C	C
19	Senior Housing	A	A
20	Valley View Hospital Clinic	C	C
21	Organic Farming/Agricultural Tourism	A	A
22	Expand Outdoor Recreation Programs offered by New Castle Recreation Dpt	B	B+
23	Actively assist existing business to keep in town	A	A