

Memorandum

To: Mayor and Council  
From: Tom Baker, Town Administrator  
Date: June 21, 2016  
Re: Brainstorm: Economic Stimulus for Main Street – Town-Owned Land

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**Purpose:** Recently Councilor Metzger requested a council discussion on how to stimulate development on Main Street using town-owned land.

**Background:** The Town owns two parcels on Main Street: the 15,000+ sf Kamm parcel, which is the former location of the railroad station depot and the ambulance barn and the 7,500 sf parcel at 600 W. Main Street (directly across Main Street from the Kamm parcel). Both parcels are undeveloped (vacant except for bus stop shelters and the former ambulance barn which is used as a storage facility for the town). The Town also owns what is known as the Shibui parcel, which is located just north of City Market and New Hope Church. This brainstorming session will address the two Main Street parcels.

Kamm Parcel – Over the past several years, various ideas have been offered regarding the Kamm parcel. Mixed use commercial (retail and office) without residential due to the train noise; develop a replica of the original depot and put the museum in the new building; establish New Castle as a hub for local produce and goods and create a community market type space with outdoor stalls for local growers. The Town acquired this parcel from the UP Railroad in the year 2001 for \$122,000 (this is an estimate because other parcels were part of the transaction).

600 W Main Street – Most discussions of development on this 7,500 sf parcel propose a mixed use building – commercial and residential – much like Michael Watts’ building but perhaps three-stories tall. (Adjacent neighbors would like the property to be designated as open space). In 2008 the Town Council purchased this parcel for \$250,000 and stated in the acquisition documents that the Council had no intent to use this parcel for public purposes. This statement was intended to allow the Council flexibility for selling or leasing the parcel for commercial development in the future. (Tim Cain has done some research on this parcel, see attached memo.)

In addition to the Town-owned land, other parcels on the west end of Main Street are either up for sale or have been rumored to be available: Livery Building (across Main Street from Elk Creek Mining), two lots in the 500 block of West Main (mobile home on property), Fire District property on the 700 block of West Main (old fire station). (Debbie Guccini has done some research on these properties, see attached memo.)

**Discussion:** In order to begin this discussion it can be important to discuss what Council’s primary goal is for Main Street and these parcels. For example, if Council’s primary goal is to have a developer build a new mixed use building on one or both parcels, then one set of solutions can be considered. If Council’s primary goal is to recover the Town’s investment in the sale of land by selling the land to a developer, then another set of solutions can be considered. It may be possible to achieve both goals, but distinguishing which goal is primary can help frame the discussion and strategy.

**Request:** Staff requests Council identify their primary goal for this effort. As we do this task, Council and staff can brainstorm approaches for the primary goal. Additionally, David McConaughy has recently worked on the concept of an Urban Renewal District and will explain its elements. I've invited several staff to the meeting so they can offer their insights as people who understand real estate and development.



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# Memo

**To:** Tom Baker  
**From:** Tim Cain  
**Date:** May 20, 2016  
**RE:** 600 W. Main St.

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Tom: Per your request, please find the following information regarding the background of the Town's purchase of 3 lots located at 600 W. Main St. Each lot is 25' X 100' with a total of 7,500 sq. ft.

**Background:**

The Town Council met in executive session during the summer of 2008. If memory serves me right, there was interest in acquiring land in the Downtown area for the purpose of commercial development.

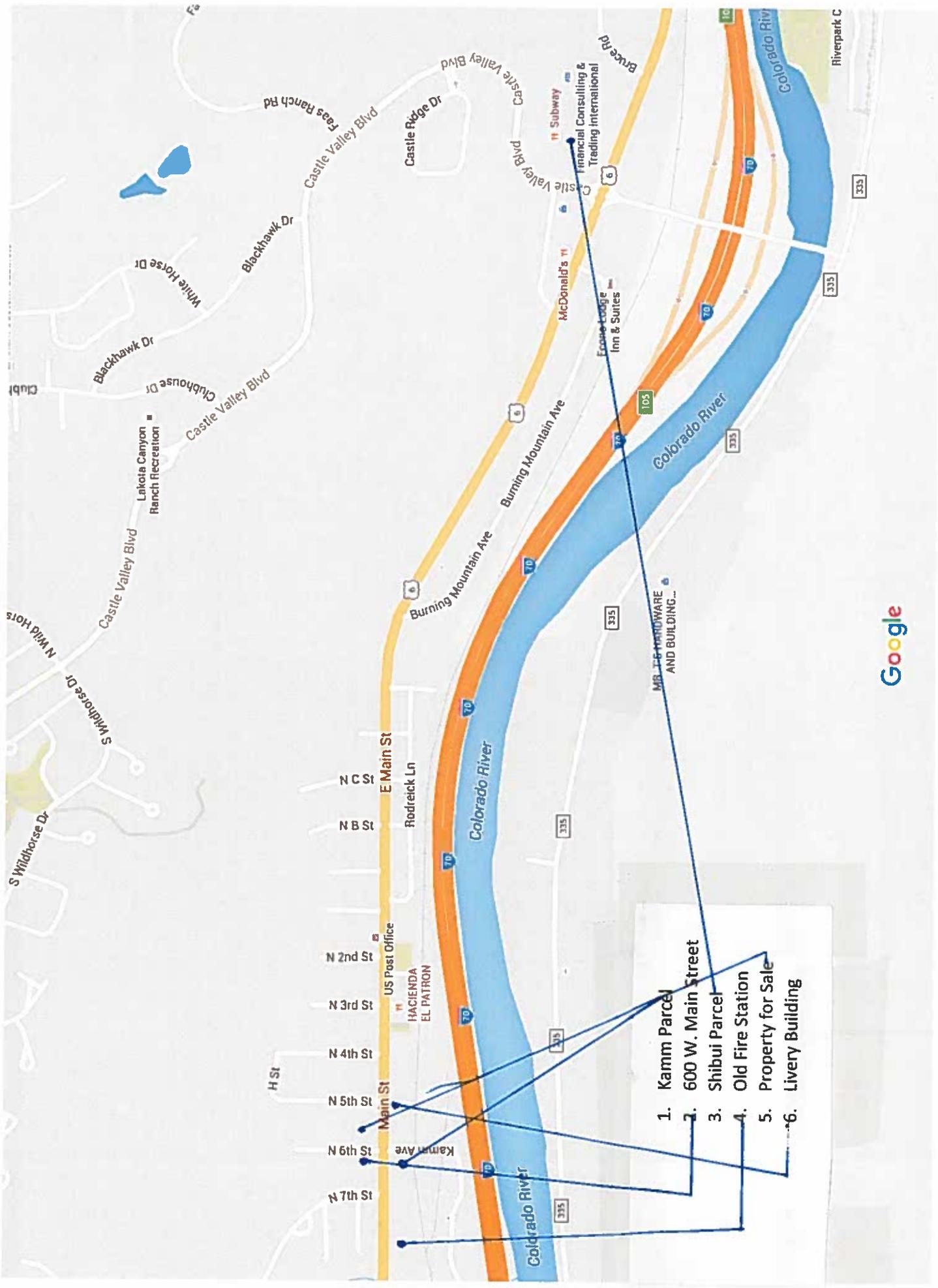
The council discussed the land acquisition on September 2, 2008 and agreed to move forward by instructing staff to rewrite the contract acceptance inserting new language which stated the Town will pay for the title policy and closing costs as requested by Jack Pavell. Mr. Pavell passed away on July 29, 2008 and his daughter created the Roaring Fork Management, LLC so negotiations took place between her and Town staff.

The terms of the contract were:

- The proposed sale was for \$250,00 (total fees to the Town was \$257,475.00)
- The sale was contingent upon title work that is satisfactory to the Town
- A preliminary title commitment was satisfactory
- The sale was contingent on a survey that was satisfactory to the Town (SGM performed the survey)
- Closing was proposed to 30 days after the mutual execution of the contract
- The Town delivered a \$2,500.00 earnest money check

Council discussed cost comparison by noting Sam Garcia purchased 3 downtown vacant lots for more money and this property also had a water tap which means it has much more value.

On September 16, 2008, Town Council authorized the Town Administrator (Andy Barton) to finalize and close on the property. However, this was contingent upon having the neighboring property owner to remove items of value from the property. This was accomplished and the contract was approved.



1. Kamm Parcel
2. 600 W. Main Street
3. Shibui Parcel
4. Old Fire Station
5. Property for Sale
6. Livery Building

