

Memorandum

To: Mayor and Council
From: Tom Baker, Town Administrator
Date: August 16, 2016
Re: Discussion: Using Town-Owned Land to Stimulate Economic Activity

Purpose: The purpose of this item is to continue Council discussion regarding the use of town-owned land to stimulate economic activity.

Background and Discussion: In June, Council began this discussion and asked staff to acquire an opinion of value from a real estate professional familiar with commercial and residential development in our area.

I've attached the opinion of value for each property from Rocky Mountain Realtors.

At the June meeting Council wanted an opinion of value to guide the Council on a listing price. The intent was to list one or both properties and see if either would sell.

Another approach would be to issue a Request for Proposals (RFP) for Development Ideas on either parcel or portion of either parcel. The RFP can explain that Council is interested in stimulating development in the downtown and that successful proposers will establish a near-term date certain for construction of building and completion and the operation of business(es) as a condition of the town sale of the property.

As was stated in June, if Council establishes its top priority, then staff can offer specific actions steps. For example, if Council wants to recoup its investment, then perhaps listing the property is our next step.

If Council wants to entice a developer to build a structure and open new businesses, then perhaps an RFP is the next step.

Request: Staff requests a Council discussion on this matter.

Attachments:

1. Opinion of Value – 600 W. Main street
2. Opinion of Value – Kamm Property
3. 6.21.16 staff memo and meeting minutes

Rocky Mountain Realtors, Inc.

209 Grullo Lane
Silt, Co. 81652
970-984-3720

July 18, 2016

Reference:

7,500 sq. ft. Parcel of Vacant Land
Zoned C-1

Location: 6th and Main, New Castle, Co.

Owner: Town of New Castle

This Property has more than one use; it can be developed as a Commercial location for Small business or a Multi Family development of 3-4 plex. Probably the better use would be for a Commercial Use for the Town of New Castle. I would recommend a Commercial use will also drive the Value of the property to its best potential.

I looked at many properties that have "sold" over the last 12-15 months in the area from Silt to New Castle, which seems to be the area's that compete with each other on a commercial and residential basis, with the Town of New Castle having the more desirable location for business locations.

Properties have "sold" many different ways: you can look at them by how much per square feet they sold for, which sometimes are misleading because of the size of the property that can be used the location and parking. You can look at them by what type of business can use the amount of square feet, (acreage) being sold. The real problem with selling property for commercial uses is "all" business ventures have a budget that matches the success they plan on having, or want. Profits, overhead costs and such, and it is hard to find property that matches a budget or an idea of someone.

Lots of times the asking price is just a "gut" feeling for what something is worth, if I could sell for a certain amount am I happy? some amounts just do not make since to sell for, a small piece of property cannot sell for the going price per sq. ft. because it never adds up to be the amount that would make you happy. Therefore you need to determine a "selling price" that fits your situation and your gut feelings.

Some questions to ask yourself: Do I have to Sell? Do I need the money? Can I use the money to put into something else to make a bigger better return? Or do I retain the property for a future use that may come along and work out well for me?

So based upon some deep investigation and thought process I have come up with what I think the Property could be worth if you were to Sell. You will notice I gave some ranges I think the property would fall within, depending on the use and Buyer.

*****Commercial Use by a Business Venture: \$145,000 to \$185,000**

*****Residential Multi Family use: \$125,000 to \$150,000**

Many Commercial properties always bring a range of \$8.50 to \$18.00 per sq. ft. And of course this price is towards the lower end if it is a fairly large parcel and towards the upper end if it is a smaller parcel. Some highly visible, great access, lots of parking and medium size parcels ½ acre to 2 acre are the most popular commercial sites, they can handle small business and larger businesses that can have a good impact and afford to pay more per square feet for a sales price.

I have attached and included some comparable sales and active parcels for you to view and compare yourself.

My name is Toby Guccini and I have been in the Real Estate business for 28 years, selling homes, ranches and vacant land for commercial and residential uses to Developers, money people for investments. I have been involved from selling the property to obtaining the Entitlements and processing and preparing the developments for "Sales". Currently we are building and selling homes in the Silt area, with a new subdivision called Painted Pastures and Painted Pastures North with a combined over 200 lots to be used or finished up in the near future.

Thank You for the opportunity and hopefully this gives you some ideas for your property.



Toby Guccini
RMR, Inc.
970-379-5001

Tbd Home Avenue, Silt, CO 81652		132749 Commercial Land Expired \$69,500			
 <p>Provided as a courtesy of Toby Guccini Rocky Mountain Realtors Painted Pastures Subdivision 209 Grullo Lane Silt, CO 81652 Office - (970) 984-3720 Cell - (970) 379-5001 tobyguccini@gmail.com http://www.tobyswebsite.com</p>					
Type:	Commercial Land	Major Area:	Silt	Area:	11-Silt Proper
List Price Per/Acre:	708,333.33				
Lot Size:	3,001 - 6,000	Acreage:	Refer to Lot Size		
Short Sale:	No	REO:	No	Auction:	No
Foreclosure:	No	Member Association:	Glenwood Association		
Sub/Loc:	Townsite of Silt	Lot SqFt:	5,200	Nbr of Acres:	0.12
County:	Garfield	Zoning:	B1 Gen'l Bus. district	# of Units Allowed:	
PUD:					
Taxes:	1,143.04	Tax Year:	2009	Transfer Tax:	No
Payment Per:		Special Assessments:	0	HOA Dues Y/N:	No
HOA Dues:					
Proposed Close Date:		Sold Price Per/Acre:	0		
Public Remarks:	<p>Legal: Lot1 and 2, Block 17 Twnte Silt Directions: Off Hwy 6&24, turn north on 7th Street. Property on left on first block</p>				
<p>Allowable Uses: Hospitality; Income; Office; Restaurant/Bar; Retail Access: Paved Electric: Electric w/in 100 ft Gas: Nat Gas w/in 100 Ft Water: City</p>	<p>Sanitation: Sewer Mineral Rights: No Crops: No Lot Description: Corner Lot Lot Improvements: Alley; Street Paved</p>	<p>Terms Offered: Cash; Owner Finance; Trade Disclosures: S/r Licensed RE Agnt Sign: Yes Showing Instructions: Short Notice; Vacant Possession: DOD</p>			
Asking Price:	69,500	Original List Price:	85,000		

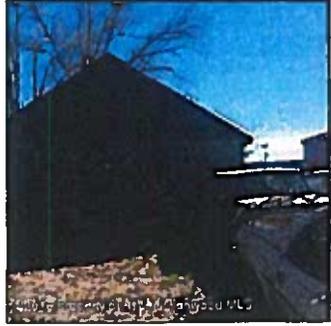
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Tpd Castle Valley, New Castle, CO 81647		142725 Commercial Land, Cancelled \$279,000	
 <p>Provided as a courtesy of Toby Guccini Rocky Mountain Realtors Painted Pastures Subdivision 209 Grullo Lane Silt, CO 81652 Office - (970) 984-3720 Cell - (970) 379-5001 tobyguccini@gmail.com http://www.tobyswebsite.com</p>			
Type:	Commercial Land	Major Area:	New Castle
List Price Per/Acre:	107,307.69	Area:	10-New Castle Proper
Lot Size:	Refer to Acreage	Acreage:	1 - 3
Short Sale:	No	REO:	No
Foreclosure:	No	Member Association:	Glenwood Association
Sub/Loc:	Lakota Canyon Ranch	Lot SqFt:	113,256
County:	Garfield	Zoning:	Mixed Use District
PUD:		Nbr of Acres:	2.60
		# of Units Allowed:	32
Taxes:	1,148.60	Tax Year:	2016
Payment Per:		Special Assessments:	
HOA Dues:		Transfer Tax:	No
		HOA Dues Y/N:	No
Proposed Close Date:		Sold Price Per/Acre:	0
<p>Public Remarks: Huge money making potential in developing this mixed use parcel located on a major traffic thoroughfare. With easy access and high visibility, one option is to build thirty-two residential/shop units. This becomes even more lucrative when considering The Town of New Castle is working on approving a fifty unit senior housing project on the adjacent parcel. As an added bonus, a small portion of the parcel is up for consideration as a cell tower location bringing in a monthly income or substantial buyout. The three counties that New Castle serves as a bedroom community for have an estimated projected population increase of 38% in the next fifteen years – get in on this money maker now!</p> <p>Legal: LOT 2B AMENDED PLAT, LOT 2, REC.#789213, SUBDIVISION: LAKOTA CANYON RANCH PHASE 7</p> <p>Directions: New Castle Exit to Castle Valley Blvd. Parcel is adjacent to Fire Station. Look for signs</p>			
<p>Allowable Uses: Business w/o RE; Hospitality; Hotel/Lodge; Income; Mixed Use; Multi-Family Res; Office; Retail; Other</p> <p>Access: Paved</p> <p>Water: City; Tap Fee Unpaid</p> <p>Sanitation: Sewer; Tap Fee Unpaid</p>		<p>Possible Use: Apartment; Club House; Conference Facility; Pets Allowed/Owner</p> <p>Lot Description: Flat; View</p> <p>Approval Features: No Approval</p>	
<p>Terms Offered: Cash</p> <p>Sign: Yes</p> <p>Possession: DOD</p>			
Asking Price:	279,000	Original List Price:	279,000

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2111 Horseshoe Trail, Silt, CO 81652		139104 Commercial Land Active \$99,900	
 <p>Provided as a courtesy of Toby Guccini Rocky Mountain Realtors Painted Pastures Subdivision 209 Grullo Lane Silt, CO 81652 Office - (970) 984-3720 Cell - (970) 379-5001 tobyguccini@gmail.com http://www.tobyswebsite.com</p>		 <p>©2015 Property of Aspen Glenwood MLS</p>	
Type:	Commercial Land	Major Area:	Silt
List Price Per/Acre:	312,187.50	Area:	11-Silt Proper
Lot Size:	12,001 - 22,000	Acreage:	Refer to Lot Size
Short Sale:	No	REO:	No
Foreclosure:	No	Member Association:	Glenwood Association
Auction:	No		
Sub/Loc:	Lyons Sub	Lot SqFt:	14,100
County:	Garfield	Zoning:	
PUD:		Nbr of Acres:	0.32
		# of Units Allowed:	
Taxes:	2,169.88	Tax Year:	2014
Payment Per:		Special Assessments:	
HOA Dues:		Transfer Tax:	No
		HOA Dues Y/N:	No
Proposed Close Date:		Sold Price Per/Acre:	0
<p>Public Remarks: Nice flat lot and visible from 6 & 24 commercial lot in Lyons Subdivision. Great opportunity to build and run your business from this convenient location between Glenwood Springs and Rifle.</p> <p>Legal: Section 11, Township 6, Range 92, Subdivision LYONS SUBDIVISION Lot 127 PH 1V</p> <p>Directions: Take I-70 to Silt go east from town to 6 & 24 until you get to Lyons Subdivision on the right. Turn into the subdivision and then take a left. You will go to Horseshoe and take another left.</p>			
<p>Allowable Uses: Income; Industrial - Light; Mixed Use; Office; Retail; Warehouse</p> <p>Access: Paved</p> <p>Electric: Electric at Property</p> <p>Gas: Nat Gas at Property</p> <p>Water: Tap Fee Unpaid</p> <p>Sanitation: Sewer; Tap Fee Unpaid</p>		<p>Mineral Rights: No</p> <p>Crops: No</p> <p>Documents on File: Survey</p> <p>Possible Use: Multi-Family</p> <p>Lot Description: Flat</p> <p>Approval Features: Final Platt Approved</p>	
		<p>Lot Improvements: Sidewalks; Street Lights; Street Paved</p> <p>Terms Offered: Cash</p> <p>Sign: Yes</p> <p>Showing Instructions: Vacant</p> <p>Possession: DOD</p>	
Asking Price:	99,900	Original List Price:	99,900

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512 Main Street, Silt, CO 81652		143600 Commercial Land Pending \$29,900			
 <p>Provided as a courtesy of Toby Guccini Rocky Mountain Realtors Painted Pastures Subdivision 209 Grullo Lane Silt, CO 81652 Office - (970) 984-3720 Cell - (970) 379-5001 tobyguccini@gmail.com http://www.tobyswebsite.com</p>					
Type:	Commercial Land	Major Area:	Silt	Area:	11-Silt Proper
List Price Per/Acre:	166,111.11				
Lot Size:	6,001 - 12,000	Acreage:	Refer to Lot Size		
Short Sale:		REO:	No	Auction:	
Foreclosure:		Member Association:	Glenwood Association		
Sub/Loc:	None	Lot SqFt:	7,875	Nbr of Acres:	0.18
County:	Garfield	Zoning:	commercial	# of Units Allowed:	
PUD:					
Taxes:	292.88	Tax Year:	2016	Transfer Tax:	No
Payment Per:		Special Assessments:		HOA Dues Y/N:	No
HOA Dues:					
Proposed Close Date:	05/11/2016	Sold Price Per/Acre:	0		
<p>Public Remarks: Downtown Main Street location with water, sewer, electric and curbing in place. Property sold in as-is condition. Structure on property has been declared unsafe by Town of Silt and must be removed. Representative of Seller has never been inside property.</p> <p>Legal: LOT: 11 THRU 13, BLK: 14 SUB: ORIGINAL TOWNSITE</p> <p>Directions: Main Street Silt, next to (east) of R.B.W. Automotive</p>					
Allowable Uses: Office; Retail Access: Paved Electric: Electric at Property Gas: Nat Gas at Property		Water: City Documents on File: Other Lot Improvements: Curbs; Sidewalks; Street Paved		Disclosures: Has Known Defects; Other Sign: No Showing Instructions: Call Listing Office; Short Notice; Vacant	
Asking Price:	29,900	Original List Price:	29,900		

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128099 Commercial Land Closed \$100,000



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Toby Guccini
 Rocky Mountain Realtors
 Painted Pastures Subdivision
 209 Grullo Lane
 Silt, CO 81652
 Office - (970) 984-3720
 Cell - (970) 379-5001
 tobyguccini@gmail.com
 http://www.tobyswebsite.com



Type: Commercial Land **Major Area:** New Castle **Area:** 10-New Castle Proper
List Price Per/Acre: 105,031.44

Lot Size: Refer to Acreage **Acreage:** 1 - 3

Short Sale: **REO:** No **Auction:**
Foreclosure: **Member Association:** Glenwood Association

Sub/Loc: Walters Center **Lot SqFt:** 69,347 **Nbr of Acres:** 1.59
County: Garfield **Zoning:** C/2 **# of Units Allowed:**
PUD: Yes

Taxes: 2,672.88 **Tax Year:** 2012 **Transfer Tax:** No
Payment Per: **Special Assessments:** **HOA Dues Y/N:** No
HOA Dues: NA

Proposed Close Date: 08/06/2015 **Sold Price Per/Acre:** 62,893.08

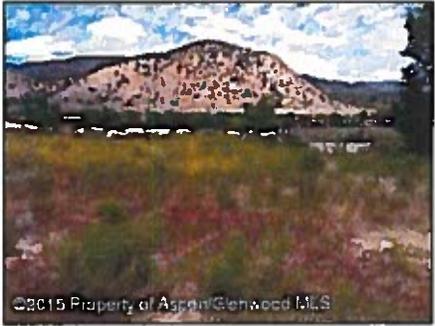
Public Remarks: Great opportunity to purchase a commercial lot across from McDonald's and the Kum and Go in New Castle! Owner financing available with 20% down and a 5 to 10 year balloon. Electricity, telephone, sewer, water, and natural gas located at lot. Buyer to pay tap fees. Part of parcel is steep and is subject to a drainage easement. Building envelope is 7000 square feet. Zoned C/2. See tab with additional documents for a site plan showing building envelope and drainage easement, and the list of possible uses for the C/2 zoning.

Legal: Lot 8 Walters Center PUD
Directions: New Castle exit. Lot is located across the street and northwest of McDonald's.

Access: Easement; Paved	Sanitation: Sewer; Tap Fee Unpaid	Terms Offered: Cash; Owner Finance
Electric: Elec more than 100Ft	Mineral Rights: No	Disclosures: Easements; Flood Plain
Gas: Nat Gas > 100 Ft	Crops: No	Sign: Yes
Water: City; Tap Fee Unpaid	Extras: Close to Pbl Transpt	Showing Instructions: Vacant
Water Rights: None	Lot Description: Borders Public Land; Steep	Possession: DOD

Asking Price: 133,600 **Original List Price:** 167,000 **Sold Date:** 09/08/2015
Sold Price: 100,000 **How Sold:** Cash

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6480 C.R. 335, New Castle, CO 81647		139493 Commercial Land Closed \$85,000	
 <p>Provided as a courtesy of Toby Guccini Rocky Mountain Realtors Painted Pastures Subdivision 209 Grullo Lane Silt, CO 81652 Office - (970) 984-3720 Cell - (970) 379-5001 tobyguccini@gmail.com http://www.tobyswebsite.com</p>		 <p>©2015 Property of Aspen/Genwood MLS</p>	
Type:	Commercial Land	Major Area:	New Castle
List Price Per/Acre:	106,481.48	Area:	10-New Castle Proper
Lot Size:	43,001 - 65,000	Acreage:	1 - 3
Short Sale:	No	REO:	Yes
Foreclosure:		Member Association:	Aspen Association
Auction:			
Sub/Loc:	Coal Ridge Industrial	Lot SqFt:	47,191
County:	Garfield	Zoning:	Commercial/Light industrial
PUD:	Yes	Nbr of Acres:	1.08
		# of Units Allowed:	
Taxes:	996.40	Tax Year:	2015
Payment Per:		Special Assessments:	No
HOA Dues:	0	Transfer Tax:	No
		HOA Dues Y/N:	No
Proposed Close Date:	05/12/2016	Sold Price Per/Acre:	78,703.70
<p>Public Remarks: Commercially zoned one acre lot, about 1/2 acre has been excavated with frontage to C.R. 335 and sign visibility to I-70. Located in the New Castle town limits, Electric & Gas available. Great location for light industrial, inside storage, warehouse and/or wholesale or office space. Legal: Section: 32 Township: 5 Range: 90 Subdivision: COAL RIDGE INDUSTRIAL SUB-DIV. Lot: 3 Directions: Take I-70 to New Castle exit. Go south, Left at the "T". Second driveway on Left go straight into the driveway to the property.</p>			
<p>Allowable Uses: Industrial - Heavy; Industrial - Light; Mixed Use; Office; Retail; Warehouse Access: Paved Electric: Electric at Property Gas: Nat Gas at Property Water: Community Water Rights: None</p>		<p>Sanitation: Septic to be Instld Mineral Rights: No Crops: No Extras: Close to Pbl Transpt Lot Description: Flat</p>	
<p>Lot Improvements: Street Paved Terms Offered: Cash Sign: Yes Showing Instructions: Call Listing Office; Vacant Possession: DOD</p>			
Asking Price:	115,000	Original List Price:	125,000
Sold Price:	85,000	How Sold:	Cash
		Sold Date:	05/06/2016

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August 4, 2016

Town of New Castle
Tom Baker

Thank You again for asking me for the opinion on the subject property.

Property:
731 W. Main St.
New Castle, Co.
Parcel # 2123-313-02-004
Acct. #: R380325

This property consists of 13,750 sq. ft. of Land, Zoned Commercial with a metal building according to Garfield County records of 1,800 sq. ft. warehouse.

There has not been any commercial properties that have sold in the New Castle, Silt areas that would or could be used as a comparable property. So my Opinion of Value will only be based on my experience and knowledge of being a Realtor who has dealt in Commercial properties as a Selling Broker and Listing Broker over my years in the business.

A general thought process is known that commercial property in the past has sold in a range of \$8 to \$11 per sq. ft. depending on location and size. Larger parcel can sell for \$3 to \$5 per sq. ft. and smaller parcels are the \$8 to \$11.00 per sq. ft. I would consider this a smaller commercial parcel in a great location.

I think if I were the Broker hired to sell this property, I would value the property at \$10.00 per sq. ft. and the warehouse building at \$80.00 per sq. ft. Taking into consideration the building is there and useable, it may need some fix up and repairs but it is useable right now for many different types of businesses. I think the highest and best use for what is existing would be a "warehouse" for building materials or retail materials. Other options would be many types of commercial uses, construction related and retail related.

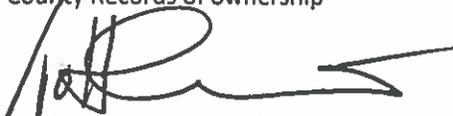
For someone to build a duplicate property, they would pay anywhere from \$8 to \$12.00 per sq. ft. for the property only, if they could find a comparable location, then \$85 to \$110.00 per sq. ft. for the building and construction putting it up, then all the improvements such as tap fee's, parking, asphalt.

I think you own a very nice piece of property and building and my value estimate would be \$282,150.00

I would be very comfortable if I owned the property, asking \$286,000 and not feel like it was priced over and above the market values of today.

I hope this helps, it is a difficult property to value with nothing like it selling in our area.

Attached:
County Records of ownership



Rocky Mountain Realtors, Inc.
Toby Guccini Broker-Employing Broker
970-379-5001

Account: R380325

Location

Account Number R380325
 Parcel Number 2123 313-02-004
 Situs Address 000731 W MAIN ST
 City New Castle
 Tax Area 038 - 2-3SF - 038

Owner Information

Owner Name SILT-NEW CASTLE FIRE PROTECTION DISTRICT
 Owner Address PO BOX 174
 SILT, CO 81652-0174

Assessment History

Actual (2015)	\$260,550
Assessed	\$75,560
Exempt	(\$75,560)
Adjusted Taxable Total	\$0
Tax Area: 038 Mill Levy: 49.5080	
Type	Actual Assessed Acres SQFT Units
Improvement	\$136,800 \$39,670 0.000 0.000 1.000
Land	\$123,750 \$35,890 0.000 13750.000 0.000

Legal Summary Section: 31 Township: 5 Range: 90 Subdivision:
 ORIGINAL TWNSTE NEW CASTLE Block: 14 Lot: 10, Subdivision
 ORIGINAL TWNSTE NEW CASTLE Lot: 11 THRU - Lot: 15 W1/2 OF

Transfers

Sale Date	Sale Price	Doc Description
01/01/1900		Deeds
01/01/1900		Deeds

Tax History

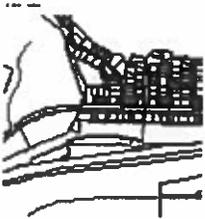
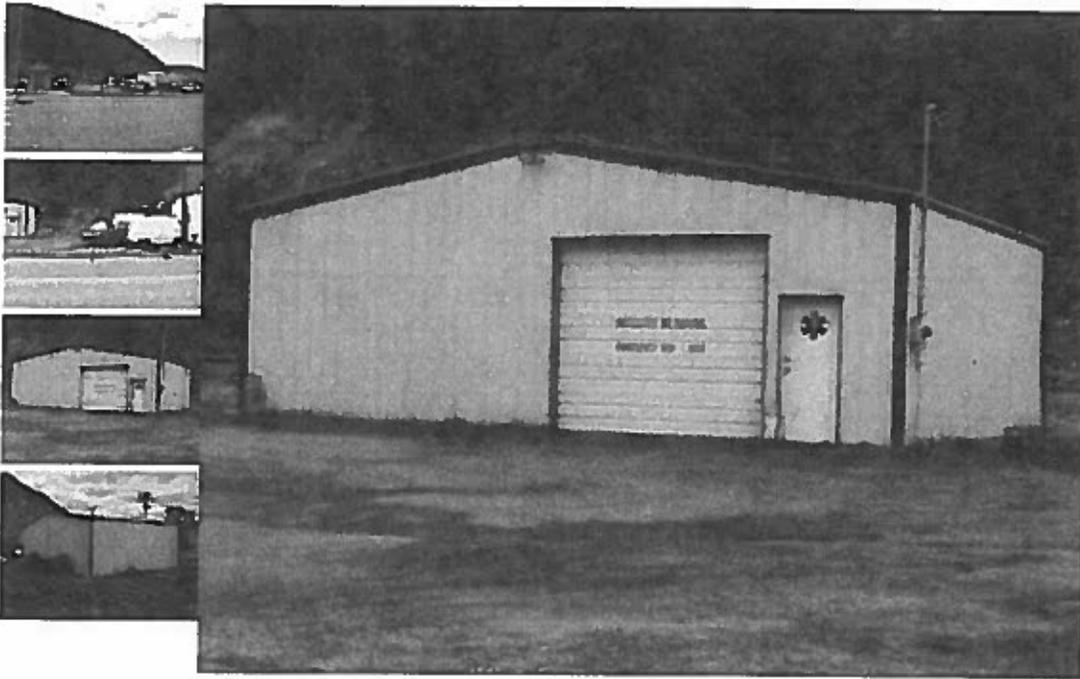
Tax Year	Taxes	Images
*2016	\$0.00	<ul style="list-style-type: none"> Map Photo Sketch GIS
2015	\$0.00	

* Estimated

Focusing On: 000731 W MAIN ST NEW CASTLE 81647



Account: R380325 Real Property Account



Account: R380325 Land

- Attributes

Property Code
EXEMPT-POLITICAL SD-LAND

Acres SQFT Units
0 13750 0

Econ Area Frontage Depth Land Size Unit Type

Character 2 Character 3 Characteristics

Account: R380325 Commercial

- [Attributes](#)
- [Areas](#)

Property Code

EXEMPT-POLITICAL SD-IMPS. 100.0

Units

1

Econ Area

Building Type	Arch Style	Roof Cover					
EX POLITICA	WAREHOUSE	PREFAB-MET					
Roof Structure	Heating Fuel	Heating Type	Air Conditioning	Frame	Stories	Bathrooms	Fixtures
PREFAB-MET	GAS	UNIT HEATR	NONE	STEEL	1	1	3
Rooms	Units	Bedrooms					
2	1	0					
Perimeter	Actual Year Built	Building Number					
	1980						
Characteristics	Character_2	Character_3					

Exterior Wall Percentage

PREFAB MTL 100.0

Interior Wall Percentage

MINIMUM 100.0

Floor Percentage

CON ON GRD 100.0

Account: R380325 Commercial

- [Attributes](#)
- [Areas](#)

Finished Basement Area	Basement Area	Heated Area
0.0000	0.0000	200.0000

SubAreas

ONE
200.0
WHS
1800.0

Memorandum

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

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.



Town of New Castle Planning and Code Administration
450 W. Main Street Department
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Memo

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

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.

Discussion: Town Owned Properties

Administrator Baker told the council that Councilor Metzger had asked if there could be a discussion about stimulating development on Main Street using the town-owned properties. He said the town owned several properties. He described the location of the 6th Street property, the Kamm Lot, and the Shibui property. He said that he was looking for an informal discussion on some goals from the council on what they thought would be appropriate to do with the properties.

Councilor Metzger said someone looking for office space in New Castle had approached her, and there were no commercial units available. She felt that the town parcels may be something a developer would be interested in for a mixed-use type building.

Mike Podmore, 111 N 6th Street, next door to the town-owned 6th Street lot. Mr. Podmore said that he had attended a meeting during which they were discussing Liberty Park. He had also heard that the town was considering selling the 6th Street lot. He said he felt that the park may be more appropriate on 6th Street, particularly if they intended to grow things there. He said he knew he was a bit late in making the suggestion, but wanted to bring it up to the council.

Councilor Hazelton said that the 6th Street lot was more appropriate for commercial development due to the size. Mayor A Riddile added that the lot where Liberty Park was going was donated specifically for the purpose of a park. Attorney McConaughy said that the Kamm Lot and 6th Street lots were acquired by the town without specific purpose to maintain a level of flexibility in developing them. He said a park could certainly be put there, but once it is a park, the voters would have to approve any change in use.

Councilor Leland said that if there was development on the 6th Street lot, Mr. Podmore should know that there would be an opportunity for public input if he was interested. The council thanked Mr. Podmore for his thoughts.

The council agreed that they should understand how much the property was worth before they made any decisions about selling or developing the property. Attorney McConaughy said a commercial appraisal would be very expensive. The council agreed that a commercial realtor should be contacted to provide an opinion of value, and that would guide their decision on what to do with the properties.

Administrator Baker said that Accounting Technician Debbie Guccini had some contacts in the real estate business and she could develop a shortlist of commercial real estate people who could provide an opinion of value for the 6th Street lot.

Attorney McConaughy said that there was a statute that would allow the town to form an urban renewal authority. The concept was to appoint a board that included the county, the school district and other districts. The authority would adopt a plan for a specific area which would be designated as 'blighted'. Then a tax increment financing (TIF) could be imposed. The TIF takes the assessors appraised value of the area before and after a renewal plan is adopted. The difference between the two values goes to the urban renewal authority. It creates a funding mechanism that is an exception to TABOR to implement the renewal plan. He thought it was something to keep in mind.

Attorney McConaughy said he could put together a presentation about urban renewal authorities.