

**Memorandum**

**To:** Mayor and Council  
**From:** Tom Baker, Jeff Simonson  
**Date:** March 2, 2016  
**Re:** Kuersten RFP

**Purpose:** The purpose of this item is to ask Council for some additional policy direction in order to complete the RFP for the Kuersten property.

**Background and Discussion:** At Council’s February 16<sup>th</sup> meeting, Council directed staff to prepare an RFP for the Kuersten property. Council pointed out that while they had an interest in senior housing and senior care facilities, the Council’s overall goal was to create “Family Supporting Jobs”. Jeff Simonson created the RFP and staff would like Council direction on specific elements for that document.

The RFP talks about a public/private partnership and staff would like Council to discuss what the town’s participation can be in that partnership.

Following is a list of fees and costs that any development will need to address. In order to make this an attractive RFP, Council can discuss which items they may be willing to absorb as part of the public/private partnership. The following table lists fees and costs, makes suggestions on how to sort them into public or private, and provides thoughts on that particular suggestion. Note: These are only suggestion and provide some background on how we may think about any negotiations with a developer on the Kuersten property.

**Public/Private Partnership  
Fees and Costs**

<u>Fees/Costs</u>	<u>Public</u>	<u>Private</u>	<u>Comments</u>
<ul style="list-style-type: none"> <li>Water rights dedication (or) fee</li> </ul>	<b>X</b>		Providing Elk Creek water rights to the town is difficult and expensive for most developers, which can make this an attractive fee for the Public partner to absorb. The town has Ruedi water.
<ul style="list-style-type: none"> <li>Recreation fee</li> </ul>	<b>X</b>		Recreation is a General Fund expense and one that Council can absorb. Recreation is also a department that can apply for GOCO grants.
<ul style="list-style-type: none"> <li>Transportation fee</li> </ul>	<b>X</b>	<b>X</b>	Transportation is also a General Fund expense; however, it seems all of our dealings with CDOT are costly and CDOT funds are rare. Requiring Public and Private partners pay their share can be helpful with roundabout and Bruce Road improvements.
<ul style="list-style-type: none"> <li>Water tap fee</li> </ul>		<b>X</b>	The Town has debt service on our WTP and Council has a very firm policy to not waive this fee. They can, however, be deferred.

• Sewer tap fee		X	The Town has debt service on our WWTP and Council has a very firm policy to not waive this fee. They can, however, be deferred.
• Southside interceptor project cost	X		This project will cost in the \$2M range. The Council's Utility Plan identifies an approach for the Town, with a DOLA grant, to fund this project and to modestly increase utility rates between now and 2021, see attached Utility Plan.
• Planning review fee	X		This is a General Fund fee that Council can absorb.
• Development application fee	X		This is a General Fund fee that Council can absorb.
• Building plan review fee	X		This is a General Fund fee that Council can absorb.

Staff would also like Council to verify that our goal is to understand the range of concepts that may be thought of for the property given **Council's goal of "Creating Family Supporting Jobs"**.

Both David and Jeff are reviewing the RFP and will have additional questions at the meeting.

**Request:** Staff requests Council have a policy discussion of the above elements and other questions that arise and give additional direction to staff to develop the RFP.

Staff will complete work on the RFP with Council's direction and bring it to a future meeting for Council approval.

**Section 1: Project Overview and Instructions.**

The Town of New Castle (hereinafter referred to as the “Town”) invites individuals/firms to submit conceptual development plans for partnering with the Town on a parcel of land in unincorporated Garfield County adjacent to New Castle. The subject property is currently a privately-owned parcel totaling approximately 22 acres (approximately 18 acres of which is developable), see attached map. It is eligible for annexation into the Town. The Town has been exploring uses for this parcel like senior housing, senior care facilities, and related medical services uses and would be interested in uses of this nature; however, the Town has learned that near-term demand for senior care facilities may not exist. That being said, the Town Council’s overall goal for this property is to “create family supporting jobs” that can bring more customers to existing New Castle businesses and provide opportunities for existing New Castle businesses to expand and prosper.

From the date this Request for Proposals (RFP) is issued, proposers shall direct questions and communications to Tom Baker, the Town Administrator. Mr. Baker will engage other staff as needed to address questions.

Tom Baker  
Town Administrator  
970/984-2311  
[tbaker@newcastlecolorado.org](mailto:tbaker@newcastlecolorado.org)

Questions, clarification, or interpretation of any section of the RFP shall be put in writing, delivered via email, to the Town Administrator. Responses will be given as soon as possible and all questions and answers will be available to all proposers at a Pre-Proposal Conference to be held on **April \_\_\_, 2016** in New Castle Town Hall.

**Section 2: Program Overview.**

The Town of New Castle (Senior Housing/Assisted Living) Public-Private project is envisioned as a catalyst development that will attract additional investment and private sector activity; promoting the continued transformation of New Castle into a vibrant, attractive destination for the Town’s residents and visitors along with providing the Town with a project that promotes live, work and stay opportunity. While senior housing and senior care facilities are of interest to the Town, the Town Council’s overall goal for this property is to “create family supporting jobs.” The project is to be a people-oriented, mixed-use development that is focused on providing at least one half of the development that is senior care and health care oriented or other development type that creates “family supporting jobs.” Other mixed uses contemplated for the development are envisioned to be supportive of the senior care/housing and medical uses that will not otherwise compete with the current inventory of housing developments that exists within the Town of New Castle. Likewise, the uses should remain compatible with the adjacent residential zoning to the north and east, rural zoning to the south and commercial zoning to the west.

To aid in illustrating the environment and scope envisioned for the New Castle Public-Private Partnership project, a conceptual plan was developed for a senior housing and senior care

facility (we now know that near-term demand for senior care uses may not be available). This concept plan is included with this RFP document. While proposers may submit this idea as part of their proposal, they may also deviate from this concept keeping in mind the Town Council overall goal of creating “family supporting jobs.” Table 1 is provided as a reference to proposers.

<b>TABLE 1 New Castle Senior Public-Private Partnership Density Chart</b>		
<b>Component / Use</b>	<b>Minimum</b>	<b>Maximum</b>
Retail / Restaurant	5,580 Gross Square Feet	7,000 Gross Square Feet
Office	15,160 Gross Square Feet	17,000 Gross Square Feet
Market Senior Duplex	1,000 Square Feet	2,500 Square Feet
Assisted Living	7,500 Square Feet	10,000 Square Feet
Independent Living	10,000 Square Feet	20,000 Square Feet
Senior Activity Center	5,000 Square Feet	7,500 Square Feet
Building Height	1 Stories	35 Feet / 3 Stories

In addition to the program of uses and density ranges outlined in Table 1, the following should also be considered in the proposal.

- The Town will transfer to the successful bidder a specified plot of land in exchange for assisting in the purchase of the land and development of the water, sewer, gas, electric, phone, cable t.v., trails and streets.
- The Town agrees to annex the property and assist in zoning and subdivision of the property prior to initiation of construction.
- The Town agrees to utilize its excess water rights to facilitate annexation of the project, thereby removing the requirement of a water rights dedication via outright bringing water to the Town or cash in lieu fees.
- The Town agrees to waive parkland dedication and recreation development fee requirements.
- The Town realizes that this project will add service demand for sewer collection and

water distribution to the overall Town utilities. To the extent practicable, the Town will not require a specific offset of those demands other than by requiring the developer and/or subsequent lot owners to purchase applicable tap fees for both water and sewer, based upon the demand proposed. Capacity in Town facilities is finite and currently is available for the anticipated demand of this property. However, if development of the specific property is deferred until capacity is no longer available (as build out of other existing developments will remove capacity), the developer will need to participate in the upgrade of facilities and/or wait until the Town has made such capacity available. However, the Town may also accelerate the timing of existing plans to improve or upgrade sewer facilities in order to accommodate demand from this project.

- The successful bidder shall agree to create thirty (30) new family supporting jobs as part of the project.
- The successful bidder shall submit development plans to the Town for approval based on the requirements specified in the land use requirements of the Municipal Code.
- There exists approximately 480,000 tons of gravel soils that may be a resource to the successful bidder for sale to local gravel/concrete/asphalt suppliers that may help to offset costs for purchase and development of the subject property. The Town agrees to support the successful bidder in obtaining a 110 Mining permit to mine such gravel and encourages the successful bidder to sell and use such funds to develop the property. However, the successful bidder will be required to exercise this opportunity inside a two year period at which time the development plan will need to be revised to incorporate what materials remain. It is desired to generally assure any mining plan leave a 20' high berm that screens development activity from properties to the south.

### **Section 3: Zoning and Design Information.**

Annexation, zoning and subdivision are required to gain final approval of this project as part of the public review of the project. Other than what has been discussed above, the Town does not intend to waive or reduce any fees unless the proposer can make a compelling case. Nevertheless, the Town would be a co-applicant for land use approvals and will contribute staff resources to preparing and processing necessary applications.

For the purposes of formulating and composing a response to this RFP document Proposers should assume that access to the site for purposes initial development would be available beginning January 1, 2017.

### **Section 4: Purpose of the RFP.**

The Town's purpose in issuing this RFP is to understand the range of development ideas that exist for a public/private partnership. Proposals should specifically address what experience and qualifications the proposer brings to the table and a conceptual outline of how costs, rewards, and responsibilities could be allocated between the Town and the developer. If the Town finds a proposal that is interesting, the Town will attempt to negotiate a scope and budget with the individual/firm that submitted the proposal. Once submitted, all proposal ideas will be the property of the Town.