

CITY COUNCIL COMMUNICATION



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TYPE OF ITEM: Special Presentation

PRESENTED BY: David Starnes, Redevelopment Manager, 303-651-8318
Phil Greenwald, Transportation Planner, 303-651-8335
Shawn Lewis, Assistant City Manager, 303-651-8760

SUBJECT/AGENDA TITLE: 1st and Main Transit Oriented Development Strategies Update

EXECUTIVE SUMMARY: The City of Longmont is working in partnership with the Regional Transportation District (RTD) to implement the end-of-line station of the Northwest (NW) Rail Corridor at the 1st and Main station area. The 1st and Main station area improvements will serve as the end of line for FasTracks commuter rail between Longmont and Denver, as well as provide a transfer hub for commuter transit, local and regional bus, and potentially Bus Rapid Transit (BRT).

Following City Council direction to implement a Transit-Oriented Development (TOD) at the station from the November 2015 City Council session, the City contracted the services of Economic and Planning Systems (EPS) to provide conceptual plans and corresponding projected costs for the 1st and Main transit station and the associated TOD to implement concepts outlined in the *1st & Main Station Transit & Revitalization Plan* that was adopted in 2012. The City has been working closely with RTD on this project. This report - *1st and Main Transit Oriented Development Strategies* - is attached with summary report findings in the Background and Issue Analysis section of this Council communication. The report also provides a summary of the potential public funding sources, as well as, an estimate of the revenues that may be generated by future TOD within the station area using public financing mechanisms. This information is intended to allow the City and RTD to engage in a more detailed discussion of specific costs, funding sources and strategies, and site / infrastructure planning to implement the 1st and Main transit area plan.

COUNCIL OPTIONS: City staff seeks Council direction on the following from the report:

1. Preferred station area design alternative.
2. Options for upfront City funding for non-transit eligible costs to explore further.
3. Potential funding options and financing mechanisms to recoup upfront City costs, if desired, to explore further.

These options will be described in more detail as part a presentation to City Council.

RECOMMENDED OPTIONS:

1. Staff recommends Alternative B – Central Parking Garage Orientation
2. Seek Council direction.
3. Seek Council direction.



FISCAL IMPACT & FUND SOURCE FOR RECOMMENDED ACTION: The total estimated on-site cost to implement this station area plan is between \$19.6 to \$21.6 million. The estimated net City cost is approximately \$4.5 to \$5.5 million to fund onsite project costs, not including the RTD reimbursement of \$17 million in early FasTracks funding toward the project. This cost excludes the estimated \$47.8 million in offsite floodplain mitigation improvements as part of the Resilient St. Vrain Project, of which approximately \$18 million is unfunded. Currently, this project is being identified in the City’s CIP as unfunded as TRP131-1st and Main Station Area Improvements. City staff seeks Council direction on potential funding options.

BACKGROUND AND ISSUE ANALYSIS:

FasTracks and Longmont Transit Station Planning and Design

The following highlights the planning and design process to date for implementing a transit station in Longmont since Denver metro area voters approved FasTracks funding in 2004.

2004

- Metro Denver voters approve FasTracks funding

2004-2008

- City staff and policy makers initiate preliminary planning for station locations in Longmont, originally Twin Peaks Mall station, then downtown Longmont and Sugar Mill locations were added. Further evaluation narrows down the primary station location to “1st & Main”, with an unfunded future rail stop near Twin Peaks Mall. Environmental Evaluation (EE) of entire NW Rail corridor completed in 2006.

2008

- RTD sets aside \$17 million in FasTracks savings from Public/Private Partnership for EAGLE P3 funding as an investment in a transit hub facility at 1st & Main in Longmont in advance of the full completion of the Northwest Rail project.

2012

- *1st & Main Station Transit & Revitalization Plan* adopted by Longmont City Council. This study was requested by the City in direct response to the original RTD layout of parking and station facilities and is the guiding vision for the potential redevelopment of the area. This study was undertaken by the City partly in response to two ongoing activities of RTD: (1) RTD designation of up to \$17 million in early action FasTracks funds as an investment in a bus facility in Longmont in advance of the full completion of the Northwest Rail project; and (2) City desire to work with the RTD to develop a new local transit service plan for the City, while continuing regional bus service to service the existing 8th Avenue and Coffman Park-n-Ride. Investing in additional bus service at the new 1st and Main location is expected to improve operational efficiencies for RTD and mobility services for the citizens of Longmont.

2014

- Northwest Area Mobility Study (NAMS) completed. This NAMS study was a RTD sponsored effort to look at options of providing rail or rail-like bus service in the northwest area due to the projected delay of rail service in the Northwest Rail corridor. Both this study and the 1st and Main plan had impacts to the final station location in Longmont. BRT options place regional service on Coffman Street for more efficient transit service in the future.

November 2015

- City staff presents options for Council to consider regarding the preferred transit station layout for the 1st and Main area. While original preliminary RTD plans contemplated a station area that included surface parking and bus/rail transit components, one option presented was to pursue a Transit Oriented Development (TOD) at the 1st and Main site that would implement the vision of the goals outlined in the *1st & Main Station Transit & Revitalization Plan*. Council directs staff to request that RTD hold off on design and construction to explore a master plan process to solicit developer interest to redevelop the site into a TOD in partnership with the RTD that could include structured parking and private development (e.g. residential, office, retail) in addition to the transit improvements. RTD would become a \$17 million partner to the project with the City expected to take a significant role in committing financial resources, policy support and staff time to achieve the vision.

April 2016 – present

- 1st and Main Transit Oriented Development Strategies - With both the 1st and Main plan and the NAMS study complete, and City Council direction to staff to move forward with implementing a TOD at this location, City staff contracted the services of EPS, an economic and real estate consultant, to work closely with City, Longmont Downtown Development Authority (LDDA), and RTD staff provide with conceptual plans and corresponding projected costs for the 1st and Main transit station and the associated TOD to implement concepts outlined in the *1st & Main Station Transit & Revitalization Plan*. The report provides a summary of the potential public funding sources, as well as, an estimate of the revenues that may be generated by future TOD within the station area using public financing mechanisms. This information is intended to allow the City and RTD to engage in a more detailed discussion of specific costs, funding sources and strategies, and site / infrastructure planning to implement the 1st and Main transit area plan. In addition, initial outreach to property owners impacted by the station area design was also conducted.

Summary of Findings of the 1st and Main Transit-Oriented Development Strategies Analysis (EPS)

The following is summary of the major findings and recommendations of the EPS report, including recommended next steps to advance the implementation of the station area.

Station Area Site Planning & Design

- **Design Factors** – The future end-of-the-line platform for the regional commuter rail will be located on 1st Avenue near the Coffman Street intersection. Although rail is not anticipated until 2025 or later – the transit hub will serve a number of local and regional bus and future BRT bus lines. A bus transfer facility is one of the key drivers of the plan, given that it will be activated immediately upon completion. One change from earlier plans is to keep Coffman Street open at 1st Avenue and the BNSF for better transportation connections.
- **Station Area Design** – Two station area design alternatives were identified as feasible options that accommodate the needs of RTD and respect the vision the City has established for the area in the *1st & Main Station Transit & Revitalization Plan*. The primary difference between these two alternatives is the location of the future structured parking facility. In one alternative, the structured parking facility is located adjacent to the future rail platform and in the other alternative the parking structure is more centrally located along the new Coffman Street. Staff is recommending Alternative B with the more centrally located parking garage. RTD prefers Alternative B as well.
- **General Design Guidelines** – The two alternatives contemplate the extension of Coffman Street from 1st Avenue to Boston Avenue, and concentrating the bus transfer activity/hub along this new street segment. Additional improvements include a parking structure that is anticipated to accommodate the needs of future RTD transit riders as well as some parking for future residential or commercial development. The size of the parking facility, currently estimated to be 300 to 400 spaces, and the ultimate configuration of the bus transfer facility will be dependent on the findings of the SH119 BRT Study that RTD is currently managing.
- **Land Assemblage** – In order to accommodate bus bays, transit plaza, a future rail platform, a structured parking facility, new road improvements and access to the transit station, 12 parcels which total approximately 9.8 acres in the 1st and Main station area must be assembled. Portions of each of the 12 parcels are needed for right-of-way, bus transfer, station platform, and other needed transit infrastructure regardless of the development option selected.
- **Floodplain Mitigation Infrastructure Improvements** – The station area is currently located in the 100-year floodplain. The City, through the Resilient St. Vrain Project, is currently working to remove the transit station area, and additional property along the creek, from the existing floodplain. The total estimated cost to remove the area, and the entire central portion of Longmont, from the floodplain is \$47.8 million. Funding for these improvements are anticipated to be funded through a combination of federal and state funds, as well as, City and RTD contributions. While the City is pursuing additional project funding through sources such as the US Army Corps of Engineers and FEMA, approximately \$18 million of that total remains unfunded.

While a number of improvements to the site can be completed prior to the completion of all the floodplain mitigation improvements (i.e. road construction and other site infrastructure), it is typical RTD policy to have any RTD owned and maintained facilities out of any existing floodplain. The City has similar requirements of improvements to be built outside the 100-year floodplain. While completion of the entire Resilient St. Vrain Project upstream to Sunset Street needs to be completed to totally remove this area from the floodplain, there is potential to look at interim options that would significantly reduce the flood flows with completion of improvements, such as replacing the S. Pratt Parkway Bridge, BNSF Railroad Bridge and the Boston Avenue Bridge, increasing the channel capacity of the St. Vrain to contain the 100-year flow from Main Street to just upstream of the BNSF Railroad Bridge, and replacement of the Izaak Walton Pond embankment. Of those requirement improvements, only approximately \$5 million are currently unfunded.

Resilient St. Vrain Floodplain Mitigation Projects Impacting Station Area				
Description	Proposed Date	Total Cost	Funded	Unfunded Amount
BNSF Railroad Bridge	Unknown	\$5,000,000	Partial	\$3,000,000
Boston Avenue Bridge	2019	\$3,800,000	Funded	\$0
S. Pratt Parkway Bridge		\$5,200,000	Funded	\$0
St. Vrain Channel (2c)		\$32,450,000	Partial	\$14,350,000
Izaak Walton Embankment		\$1,300,000	Unfunded	\$1,300,000
Subtotal		\$47,750,000		\$18,650,000

Project Feasibility and Development Concepts

- **1st and Main Area Transit-Oriented Development (TOD) Feasibility** – Based on market trends and interviews with local brokers and developers, the 1st and Main site has the potential for successful mixed-use transit oriented development that could incorporate a range of uses, such as residential apartments, office, and a limited amount of retail. The proposed development programs for both alternatives include two residential apartment buildings, one office building, and a retail building with office space on the second floor on four TOD sites within the station area. The residential buildings are both expected to be four stories high and the office building three stories high. The preliminary TOD development program at build out includes:

 - 190 multifamily residential units
 - 74,200 square feet of office
 - 5,000 square feet of retail.

- **Project Costs and the Use of Funds** – The total estimated cost to implement the transit station area plan is between \$19.6 and \$21.6 million. It will be necessary for the City to provide upfront funds to cover the cost of land assembly and other upfront costs. The majority of these funds related to transit are expected to be reimbursed by RTD as part of a future intergovernmental agreement (IGA), see Project Revenues for more details. All costs for non-transit uses, including land acquisition and non-transit-related infrastructure, will be the responsibility of the City. This analysis estimates that the City needs to contribute

approximately \$4.5 to \$5.5 million or 20 to 30 percent to fund the various onsite costs identified in this report. All of these estimates are subject to refinement based on further study and design by the City and RTD.

Estimated On-Site Project Costs		
Description	Estimated Cost	% of Total
Infrastructure Master Plan	\$200,000	1%
Appraisals	\$48,000	0%
Parcel Assemblage	\$4,364,612	21%
Relocation Assistance	\$747,500	4%
Structured Parking Facility	\$9,375,000	46%
Infrastructure Improvements	\$5,867,105	28%
Subtotal	\$20,602,217	100%
Planning Estimate		
Low	\$19,600,000	
High	\$21,600,000	

- Projects Revenues and the Sources of Funds** – RTD is estimated to contribute approximately between \$15 and \$16 million of onsite project costs toward the completion of each alternative. In addition to onsite costs, there are \$47.8 million in offsite costs to remove the area from the floodplain. It is estimated that RTD will provide some contribution toward this amount to reach the total \$17 million in funding dedicated to the City for the transit station. For the purposes of this analysis, any additional funds that remain after other major improvements or investments are assumed to be contributed toward floodplain mitigation.

Source of Funds (Preliminary and Subject to Change)			
Description	Use of Funds	Source of Funds	
		RTD	City
ONSITE COSTS			
Infrastructure Master Plan	\$200,000	\$150,000	\$50,000
Appraisals	\$48,000	\$28,800	\$19,200
Parcel Assemblage	\$4,364,612	\$2,007,095	\$2,357,518
Relocation Assistance	\$747,500	\$343,743	\$403,757
Structured Parking Facility	\$9,375,000	\$7,500,000	\$1,875,000
Infrastructure Improvements	\$5,867,105	\$5,587,105	\$280,000
Total	\$20,602,217	\$15,616,742	\$4,966,275
OFFSITE COSTS			
Floodplain Mitigation Improvements	\$47,750,000	\$1,383,258	\$46,366,742
Total Project Expenditures	\$68,352,217	\$17,000,000	\$51,333,017
Planning Estimate			
Low	\$64,900,000	\$17,000,000	\$48,800,000
High	\$71,800,000	\$17,000,000	\$53,900,000

- **Development Concept** – The *1st & Main Station Transit & Revitalization Plan* calls for a combination of public and private investment within a two-step approach. The first is the development program, for which the emphasis will be land acquisition, infrastructure and transit component installation, and potential entitlements initiated by the City and RTD. The second will be vertical development with construction of the planned buildings, including TOD and a structured parking facility. The City may choose to take on these responsibilities or may choose to partner with private sector developers (e.g. through a developer RFQ/RFP process) and RTD for either, or both, of these steps.

Public Financing Mechanisms

- **Range of Options** – There are a number of public financing mechanisms that the City may choose to pursue in order to fund and recoup the City costs associated with the two station area/TOD alternatives to implement the vision outlined in the *1st & Main Station Transit & Revitalization Plan*. These options could include the following:
 - 1) Substantially modify the Southeast Longmont Urban Renewal Plan to authorize TIF and begin to collect TIF from properties within the 1st and Main area, either as part of a smaller TIF area focused on the 1st and Main station area or the larger URA,
 - 2) Create a new Urban Renewal Area with TIF provisions to encompass properties within the 1st and Main station area, and
 - 3) Utilize other financing districts, such as a Metropolitan District or General Improvement District, to finance public improvements and other eligible costs.
- **Net City Revenues** – The project is estimated to require approximately \$4.5 to \$5.5 million in upfront City contribution to fund onsite costs. Potential upfront sources could include available funds in the General Fund and the Capital Improvement Program (CIP), or funding from the City’s Affordable Housing Fund (AHF) for the provision of affordable housing within the site. Through potential land sales and TIF revenue, the City could recoup its investment by Year 10. Of the total revenue generated by the project for the City, approximately \$2 to \$2.5 million is a result of future land sales and \$2.5 to \$3 million is a result of potential onsite tax increment financing revenues generated by property tax over a nine year period. Following the payback to the City, the project is estimated to generate an additional \$11 to \$12 million in TIF revenues for the URA over a 16 year period (Year 10 through Year 25).
- **Additional Considerations** – The investment in the redevelopment of the 1st and Main area is not only expected to generate net revenues for the City, but also has the potential to leverage funds from RTD in order to create successful mixed-use TOD projects in the City of Longmont. The resulting project is expected to catalyze market interest in the South Main area and trigger additional development that helps implement the vision of the *1st & Main Station Transit & Revitalization Plan*.

Development Advantages and Challenges

There are a number of strengths and challenges associated with the development of both alternatives to implement the transit station and TOD program that are highlighted below:

Strengths

- Keeps bus traffic central but off busier Main Street
- Both plans extend street grid with new roadway investment
- Provide RTD with access to rail platform
- Accommodate bike traffic through site
- Leverage RTD investment in the area
- Activate TOD on surrounding sites
- Build on redevelopment activity of former Butterball site and will leverage market momentum for Flour Mill redevelopment and other surrounding sites

Weaknesses

- Both alternatives will require City involvement in the assemblage of privately owned parcels
- Complex development process with multiple public agencies, private developer(s), and property owners
- Moving the platform further west to keep Coffman open creates some cost and engineering issues with the future commuter rail diverging from the mainline earlier
- Both alternatives will require property to be removed from the floodplain prior to vertical development of TOD opportunity sites
- Flood plan mitigation will be required prior to the construction at any permanent bus transfer facility.

Next Steps

This report provides a basis for completing additional analysis specific to the 1st and Main transit station area and outlining more detailed agreements between the City and RTD regarding the implementation of the *1st & Main Station Transit & Revitalization Plan*. Specific next steps for the City and RTD are outlined below:

- **Council Direction** – Seek Longmont City Council direction on the *1st and Main TOD Strategies* analysis on preferred concept plan alternative as well as potential funding mechanism to implement the transit station area plan.
- **Memorandum of Understanding** – Execute memorandum of understanding (MOU) between the City and RTD which outlines the responsibilities and commitment of the City and RTD to develop additional information to guide the refinement and implementation of concepts identified in this plan.
- **Infrastructure Master Plan** – Prepare an Infrastructure Master Plan that will serve as a guiding document of needed infrastructure to serve development of the site. This document will contain a detailed analysis of required site costs such as roads, parking structure, bus facilities, and other significant site and transit infrastructure costs. In addition, the Infrastructure Master Plan would include concepts and layouts of all streets, sewer, storm water, water, and pedestrian and bike facilities needed to service and support the transit

station development. The plan will detail a delivery structure to be used to implement the station area plan, including defining the optimal approach for project financing for TOD based on City Council direction. This step will include sequencing of steps for public and private entities and finalizing the funding and financing strategies.

- **Acquire Land for Transit Station Plan** – Initiate land acquisition, consistent with MOU, to implement the preferred design concept alternatives to implement the *1st & Main Station Transit & Revitalization Plan*.
- **Intergovernmental Agreement** – Prepare and execute an Intergovernmental Agreement (IGA) between the City and RTD that specifically details the process for reimbursement of eligible transit costs and a timeline for implementation of the transit station, including the public/private partnership strategy needed to advance the station plan.

The following parallel activities that impact the station area plan implementation will also be going on.

- **Floodplain Mitigation** – The City’s Resilient St. Vrain Project (RSVP) is underway to address this increased floodplain not only in this area, but through the entire community. Redevelopment of this site while it is within the floodplain will require compliance with federal and local floodplain development requirements and costly interim improvements. The more resilient option is completion of adequate phases of the Resilient St. Vrain Project to not only remove this site, but the surrounding property in lower downtown from the floodplain. Initial review has identified that to totally remove this area from the 100 year floodplain would require completion of RSVP improvements upstream to Sunset Street. While completion of the RSVP all the way to Sunset Street is required for total removal from the floodplain, completion of various components of the RSVP between the BNSF Railroad Bridge and Sunset Street would reduce the flood flows through the site, making development of portions of the project more viable. The most significant of these improvements is replacement of the BNSF Railroad Bridge.
- **Complete SH119 BRT Study** – The findings of this study will inform the specific bus services provided in the 1st and Main area as well as the corresponding parking requirements. This plan should be completed in approximately two years.

ATTACHMENTS:

1st and Main Transit Oriented Development Strategies Report, Economic and Planning Systems (EPS), June 2017