

LDDA Board Communication

Meeting Date: Wednesday, November 9, 2022

Current Incentive Fund Availability:

Retail Conversion: \$59,100	Signage: \$15,379	DIP: \$420,979	Alleyscape: \$11,089
Residential: \$19,749	Safe Re-opening: \$6,175	TIF: \$3,489,079 (net projected available)	

Agenda Item: Boutique Hotel Purchase and Sale Agreement

Executive Summary: The Longmont Downtown Development Authority (LDDA) and City were approached by the Thrash Group (Developer) about constructing a high-quality boutique hotel in the downtown area. After evaluating several sites, the Developer is proposing to construct the hotel and an adjoining parking structure on Longmont General Improvement District (LGID) and City owned property currently utilized as a public parking lot on the northwest corner of Kimbark and 3rd Avenue. In conjunction with this project, the Developer is seeking conveyance of GID owned property. In conjunction with conveyance of the LGID owned land, the Developer is seeking financial assistance from both the Longmont Downtown Development Authority (LDDA) and the City of Longmont. Attached is a multi-party development agreement between the GID, the LDDA, the City and the Developer that outlines development expectations and financial conditions and incentives relative to each of the parties.

Background: (See attached renderings.)

The Longmont Downtown Development Authority (LDDA) has been in pursuit of a hotel development in the downtown area for many years in accordance with the Downtown Longmont Master Plan of Development. In 2021, the LDDA and City were approached by a prospective developer, the Thrash Group (Developer), interested in constructing and operating a boutique hotel in downtown Longmont. The Thrash Group is well versed in the design and construction of quality boutique hotels having ownership of many across the country and several in Colorado.

The Developer is proposing to construct an approximate 85 room, independently owned and operated, boutique hotel of high quality. The project would include approximately 4,000 square feet of commercial space at ground level, including pre-function, meeting space, retail or a combination of both, as well as an approximate 5,000 square foot rooftop restaurant with views and outdoor patio space facing to the west. The Developer also proposes to construct a one-level parking structure providing about 65 hotel-utilized spaces on the upper level and 75 public spaces on the ground level. The project cost is estimated at \$24,500,000.

LDDA and City staff meet with the partners of the Thrash Group to discuss the project and tour prospective sites. The sites discussed included land parcels currently in ownership of the Longmont General Improvement District (LGID) and City of Longmont. Based on the Developer's site and market analysis, the LGID owned land, currently utilized as a public parking lot on the northwest corner of Kimbark Street and 3rd Avenue was identified as a preferred location for construction of the hotel. Given the hotel would displace many public parking spaces and the need for parking for hotel visitors, the Developer proposes to construct a one-level parking structure. Construction of this project would result in the loss of public parking at this location until such time as the parking structure is completed.

The project as contemplated also requires a package of financial incentives to offset extraneous costs associated with construction of both the hotel and parking structure. Accordingly, in addition to a land conveyance from the LGID, the LDDA and City are being asked to collectively contribute public funds

towards the project. It is proposed that the aggregate public contribution be \$4,300,000.00. This value is to include the appraised valuation of the LGID land contribution, \$2,300,000 in Tax Increment Funds (TIF) and about \$400,000 in Downtown Improvement Program proceeds from the LDDA. The balance of funding is to be provided by the City in the form of Lodgers Tax reimbursements generated exclusively from the hotel. The Lodger's Tax is the only funding contribution from the City. Assuming an estimated land value of \$400,000, the Lodgers Tax contribution is estimated at \$1,200,000. The overall financial contribution to the project would be 17% of cost.

The project implements the goals of the **Downtown Longmont Master Plan of Development**

“Encouraging and prioritizing projects that deliver a mix of uses or that fill a gap in the use mix such as housing, modern office, retail, a trade or higher education institution, a community market, a **hotel** or a larger event venue.

It further implements goals of **Envision Longmont**, the City's comprehensive plan by:

- **Promoting infill and redevelopment** whereby it “...promotes the efficient use of available land and existing infrastructure, the revitalization of vacant and underutilized sites within the City...” and,
- **Creates places for people** by providing “...places that provide an opportunity for people to live, work, play, connect, and meet their daily needs...”

Agenda Item: Wayfinding & Placemaking Plans

Executive Summary: LDDA staff received the final Wayfinding and Placemaking Plans for LDDA. A temporary sign will be produced for The Spoke on Coffman entry. LDDA will issue an RFP for sign contractors to fabricate and install the signage and will bring estimates/budget back to the Board for approval in early 2023.

Staff would like to review the attached Placemaking Plan with the Board and discuss implementation of some of the ideas/priorities within the plan.

Agenda Item: Property Owner Survey

Executive Summary: Staff created a brief property owner survey based on feedback from the Board previously. Please take a look: https://forms.office.com/Pages/ResponsePage.aspx?id=TS-VJmomMUCrB4tCZMzsVf9_7u8GUDREq_e_tR9GOGxUNk1SUFawVE43Tk4zRoZKWEQ3SoZKVEFEVi4u

Would the Board like a similar survey to go to business owners?

We will distribute the survey via email starting November 14 and would like to send a mailing to all property (and business) owners. In the mailing, we can include information regarding the Enterprise Zone, which is now open to everyone in the LDDA, and a save the date for the Building Better Cities event in January. The Longmont Theatre is available **Thursday, January 19 at 6 pm.**