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Mile High Greyhound Park Site Feasibility Study

Commerce City, Colorado

Prepared for the:

Commerce City Urban Renewal Authority
City of Commerce City Council



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Acknowledgements

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Abstract

For more than 60 years, the Mile High Greyhound Park served as a major landmark in Commerce City, Colorado and an entertainment mecca for generations of metro Denver residents. After live greyhound racing stopped in 2008, and after several years of watching this former community icon decay, the Commerce City Urban Renewal Authority purchased the 65-acre Park in August 2011 for the purpose of honoring its past and defining its future. In the Fall of 2012, the Urban Renewal Authority retained a team of outside consultants to complete the *Mile High Greyhound Park Site Feasibility Study*. The *Study* identified: the site's role in the community and region; real estate development opportunities available in the next ten years; potential barriers to investment; and strategies necessary to position the property for investment.

The recommended redevelopment concept for the Park includes an institutional anchor located adjacent to the State Highway 2 corridor. A significant portion of the property has been set aside (land-banked) to accommodate an advanced education/training facility. Supporting land uses include: a mix of residential products (primarily ownership and ideally mixed-income); small- to moderate scale retail and restaurant uses; office and incubator spaces; and a Boys and Girls Club.



Executive Summary

Introduction

For more than 60 years, the Mile High Greyhound Park served as a major landmark in Commerce City, Colorado and an entertainment mecca for generations of metro Denver residents. After live greyhound racing stopped in 2008, and after several years of watching this former community icon decay, the Commerce City Urban Renewal Authority purchased the 65-acre Park in August 2011 for the purpose of honoring its past and defining its future. In the Fall of 2012, the Urban Renewal Authority retained a team of outside consultants to complete the *Mile High Greyhound Park Site Feasibility Study*. The *Study* identified: the site's role in the community and region; real estate development opportunities available in the next ten years; potential barriers to investment; and strategies necessary to position the property for investment.

Context

The subject property, the former Mile High Greyhound Park (MHGP), is comprised of five parcels totaling approximately 65 acres located at the northeast corner of East 62nd Avenue and Dahlia Street in the central portion of the City of Commerce City, Colorado. The property is bounded by East 62nd Avenue on the south, East 64th Avenue on the north, Dahlia Street on the west, and Holly Street on the east. The site is approximately one mile north of the major regional intersection of Colorado State Highway 2 and Interstate 270 (I-270), 2.7 miles northeast of the Interstate 70 / Colorado Boulevard interchange, and 3.9 miles southwest of the Interstate 76 (I-76) and 88th Avenue intersection. Major land use and facility influences in the vicinity of the MHGP site include the: Rocky Mountain Arsenal National Wildlife Refuge; Victory Crossing sports and entertainment development; the Stapleton mixed-use redevelopment; Commerce City Recreation Center; Veterans Memorial and Pioneer Parks; and Commerce City's industrial core.



The MHGP site and its surrounding influence area exhibit the characteristics of a typical urban infill environment, both in value and condition. Both the site and the influence area have access to a significant amount of infrastructure that, once improved and in select instances relocated, will be able to support a successful redevelopment program. Regional transportation improvements will be needed long-term, but short-term and less costly solutions are available to improve access to the site. Collectively, none of these items present significant near-term barriers to redevelopment, but all should be considered when quantifying any program's feasibility.

Market

The market analysis portion of this *strategy* shows market demand in the surrounding trade area and that, with strategic public and private reinvestment and supportive policies, the MHGP site could be successfully positioned to capitalize on select niche and destination opportunities.

The MHGP Trade Area comprises all or a portion of the Cities of Commerce City, Brighton, Northglenn and Thornton. Collectively, these communities represent the Northeast quadrant of the Denver-Boulder Metro Area. Over the next 30 years, with the exception of Douglas County on the southern edge of the Metro Area, the Northeast quadrant is expected to continue to be the fastest-growing quadrant in the Metro Area (2.6% annual population growth and 3.4% annual employment growth). The MHGP Trade Area exhibits demographic characteristics relatively similar to Adams County as a whole, with the following exceptions:

- The Trade Area is projected to grow at a faster rate than Adams County overall.
- The Trade Area has slightly smaller household sizes, with more one- and two-person households, a higher degree of non-family households and a higher share of renter-occupied households.
- The Trade Area has a slightly higher educational attainment level than Adams County overall and has fewer blue collar workers.
- Incomes in the Trade Area are higher on both a median household and per capita basis.



- The Trade Area has a more diverse ethnic profile than Adams County, with higher concentrations of Hispanic and African American residents, and a lower concentration of Asian residents.
- The MHGP Trade Area has a healthy concentration of psychographic segments which suggest lifestyle preferences that favor an infill urban living environment.

The market analysis shows demand for approximately: 300 to 400 residential units; 75,000 to 120,000 square feet of retail space; 65,000 to 90,000 square feet of office space. Additional space for lodging and the advanced educational facility could also be supported on the MHGP site.

Concept

The recommended redevelopment concept for the Park includes an institutional anchor located adjacent to the State Highway 2 corridor. A significant portion of the property has been set aside (land-banked) to accommodate an advanced education/training facility. Supporting land uses include: a mix of residential products (primarily ownership and ideally mixed-income); small- to moderate scale retail and restaurant uses; office and incubator spaces; and a Boys and Girls Club. Development goals for the Park include:

1. Create a flexible master framework plan
2. Create a mixed-use and multi-use neighborhood
3. Provide a variety of retail and commercial development options
4. Create a community destination and sense of place
5. Provide space for the Boys and Girls Club and other service organizations
6. Hold a portion of the property for an institutional anchor (education / training) while pursuing development on the balance



Economics

It is not unusual for downtown and urban redevelopment projects to generate economic gaps (costs exceed revenues) up to 40%. The preliminary analysis summarized herein reflected a gap of approximately 16%, well within the reasonable range for strategic public investment. A successful public-private partnership may require the public sector (in this case, the URA and/or the City) to be a financial partner to this level. A 20% investment in the project would “leverage” approximately \$6.25 in private investment for every \$1 spent by the public sector. This is the type of ratio the public sector should expect in redevelopment areas.

Tax Revenue Potential

Potential property tax revenues that could be generated from development on the MHGP site could range between \$1.8 million and \$2.2 million, while sales tax revenues could total approximately \$567,000 annually. Total tax increment revenues, after accounting for the existing property tax base on the property, could range between \$2.3 million and \$2.6 million annually.

Economic Impact

In addition to “direct” impacts from development value and tax revenues, the MHGP redevelopment will generate economic impacts from the activities that will occur on the site. These permanent impacts ripple through the local economy, enhancing both existing businesses and creating new ones. Lastly, there are similar income/employment impacts associated with the construction of real estate products on the site. The MHGP redevelopment, at full buildout, could potentially create 1,454 permanent employees, generating \$65.4 million in income on an annual basis. During the redevelopment construction period, 124 construction employees, generating \$4.9 million in income on an annual basis. These figures include the estimated “multiplier” effect of spending rippling through the local economy.



Leveraged Investment

One of the primary objectives of publicly-initiated revitalization is to “leverage” public investment by encouraging private investment. The potential development concept summarized herein has the potential to effectively leverage a high degree of private investment. An estimated \$18.8 million in new public investment, which would represent a 17% to 19% contribution to the project, will leverage public investment of \$97.1 million to \$111.3 million at an average 5.2:1 to 5.9:1 ratio. This degree of leverage ratio would be considered healthy in an urban infill redevelopment environment.

Resources and Incentives (Gap Financing)

“Closing the gap” for projects such as this will not be accomplished through the use of one strategy or tool. Rather, many tools, used in combination with one another, will be necessary to encourage or leverage private sector investment to the level shown herein. Potential “gap filling” tools and mechanisms could include the following:

- Contributions to Land and Site Improvements (Drainage, Off-Site Roadway Improvements, Parking)
- Tax Increment Financing (Property and Sales Tax)
- Special Improvement Districts
- Streamlined Development Approvals
- Low Income Housing Tax Credits (LIHTC)
- Grants and Loans
- Market Rent / Sale Write-Downs
- Private Sector Financing



- New Market Tax Credits

Actions

The range of Priority Initiatives identified to move the development concept forward were selected based on a foundation of guiding principles. These principles, while general in nature, were based on sound economic development tenets and an understanding of the challenges associated with infill redevelopment efforts. These principles include:

- The City will evaluate the project's success using the following criteria: advancement of local economic development goals and comprehensive plan objectives; provision of service benefits to residents; threshold of private investment; and, authenticity.
- The City will support and encourage growth of the Area's infrastructure needs and public investment will be a priority.
- The City will continue to grow awareness and support for the project by fostering a community spirit attractive to the corporate site seeker and private developer.
- The City will take care of all of the parts of its "economic development infrastructure" from schools to industry and parks to public facilities.
- The City will assure investors that the physical, political and social infrastructure will be in place to support them and that their long-term commitment to the project will be a priority.



Approach

Two approaches were identified for the City and Urban Renewal Authority to advance the vision and concept and identify users. Both presume the following: 1) the City will continue to “ready the environment for investment” by implementing several of the actions identified here; 2) the City will preserve (land bank) a portion of the property while it pursues an institutional anchor and proceed with attracting a development partner and / or users for the balance of the property; and, 3) the City will engage in multiple public-private and public-public partnerships.

The first approach might be described as reactive, rather than proactive. It would involve developing marketing and promotion materials about the property and community vision, the market findings, and potential resources which could be made available for appropriate projects. These materials would then be shared with brokers and developers and the City and Urban Renewal Authority would remain receptive to offers for acquisition of all or a portion of the property to individuals and entities interested in advancing the vision. The responsibility for site improvements and completion of the framework elements described herein would be negotiable.

The second approach would involve all of the same efforts described in the first approach, but rather than making the information about the property available to any interested party, it would be packaged as part of a developer request for qualifications. In addition, the City and Urban Renewal Authority would identify potential partners and other audiences and proactively solicit their interest. Under this approach, the City / Urban Renewal Authority should consider engaging the expertise of an outside professional or not, to prepare the promotional materials and / or the developer solicitation, identify and / or recruit potential developer interests, and address select due diligence issues while representing the City in negotiations related to project incentives. The City would likely postpone any interim acquisition requests until a single or multiple developer partners are identified and the vision further vetted. Master development of the site’s infrastructure and select framework elements by the City / Urban Renewal Authority or private interest or interests would be negotiable. The sale or lease of all or a portion of the near-term development portion of the site would be negotiable.



Regardless of which approach the City and Urban Renewal Authority chooses to pursue in an effort to advance redevelopment of the Study Area, at a minimum, they should continue to inform stakeholders about progress being made to position the property for investment and reiterate their on-going commitment to the vision. The approach for explaining the “investment opportunity” is a critical decision for municipal bodies to make prior to implementing a redevelopment initiative. It should reflect the public sector’s investment made to-date and commitment to desired outcomes.



Section 1:

Introduction

Background

The following excerpt was taken from the Market Demand and Feasibility Study for the Mile High Greyhound Park Development Area Request for Proposal (RFP).

For more than 60 years, the Mile High Greyhound Park (the Study Area, the Park and the Area) served as a major landmark in Commerce City, Colorado and an entertainment mecca for generations of metro Denver residents. A former dog track and racing club, the Mile High Greyhound Park was built in 1946, and was originally known as the Mile High Kennel Club. Popularity of this track soon grew as it hosted summer dog races to overflow crowds. During the height of its popularity in the late 1960s and 1970s, as many as 10,000 people would arrive daily to watch and take part in the live greyhound racing and to dine in one of the facility's three restaurants and two bars. During the 1970s, it was identified as the nation's most beautiful greyhound racing facility. By the 1980s, greyhound racing began to lose its popularity, and in an attempt to remain competitive, the Park's owners completed significant structural renovations. In 1991, the State legalized gambling in the nearby mountain towns of Central City and Black Hawk and the Mile High Greyhound Park began to focus on off-track betting. Live greyhound racing stopped in June 2008 and off-track betting shortly thereafter. After several years of watching this former community icon decay, the Commerce City Urban Renewal Authority (the Urban Renewal Authority) (for which the Commerce City Council sits as its Board), purchased the 65-acre Park on August 2, 2011 for the purpose of honoring its past and defining its future.

During the Fall of 2012, the Urban Renewal Authority retained Ricker | Cunningham, Real Estate Economics and Community Strategists, RNL Design, Planners and Urban Designers, and Matrix Design Group, Engineers and Infrastructure Specialists (collectively the Consultant Team) to provide a technical framework for discussions with the public regarding market opportunities, land use alternatives and infrastructure impacts from potential redevelopment of the Study Area. Funding for their work, which is summarized here in this *Mile High Greyhound Park Site*



Feasibility Study (the Study) was provided by a grant from the U.S. Department of Commerce Economic Development Administration (EDA) and a local match. The vision and directives presented herein were developed with input from the Mile High Greyhound Park Internal Project Team (MHGP–Team), stakeholders and advocacy interests from within the community, and guidance from the Consultant Team. During the five month project timeframe, the Consultant Team conducted primary and secondary research including a detailed analysis of prevailing market conditions and a review of physical and regulatory conditions which could impact new investment and reinvestment in and around the Study Area. From this work, conclusions were drawn regarding the Study Area’s role in the community and region; development opportunities available in the near- and mid-term; and, barriers to investment. The last section of this report outlines strategies necessary to position the property for investment while balancing community objectives in light of prevailing conditions. These strategies are supported by a series of actions and priority initiatives.

Vision Context

For the first time in history (as of the 2000 Census) rural areas make up less than half the land area of the lower 48 states. This reallocation of growth can be largely attributed to the efforts of public and private sector initiatives to foster and encourage investment in infill locations – urban, inner-ring and suburban. According to the Urban Land Institute, historical growth in close-in and suburban locations has often been characterized as “low-density, separated, and dispersed uses dependent on automobiles; and, economically-segregated residential areas.” The result of this pattern of development has sometimes been poorly planned communities, environmental degradation, increased traffic impacts, diluted community character and an overall lack of identity and sustainability. Conversely, much of the growth over the last few decades, especially that informed by thoughtful public policy and debate, has embodied the best principles and practices of “smart growth.”¹ New neighborhoods tend to be “more attractive, more accessible, more efficient, more environmentally sensitive, more livable and more profitable.” Admittedly, these types of efforts require a heightened consciousness on the part of City leaders and a greater commitment to waiting for the right type of investment. Forming and advancing a long-term redevelopment initiative within a community requires a keen understanding of the

¹ Smart growth imperatives: can be less expensive and lower the cost of infrastructure; delivers a better product with less travel, better quality of life, and safer and healthier environment; best chance for rallying the support of diverse interest groups; provides more choices of product types and price points; helps keep jobs and housing in balance; protects and enhances sensitive environments; and, protects and enhances home values.



goals and aspirations of its stakeholders, the realities of the marketplace, peculiarities of the political landscape and constraints of local public / private resources. With this understanding, project advocates and their host communities are better positioned to establish priorities for action and investment while maintaining public support.

In the context of defining a *redevelopment strategy* for the Study Area that marries the past with the future, raises the standard of development, positively impacts the community and surrounding neighborhoods, and promotes best practices, the Consultant Team took their collective experience from similar projects in other markets and applied it to this assignment. As they shared with the MHGP - Team members and public, in virtually every story of success, publicly-initiated redevelopment initiatives have been the result of a holistic approach involving nurturing and growing multiple segments of the economy, eliminating barriers to investment and marketing positive changes through an overall message of vitality and political will. To this end, redevelopment, unlike “Greenfield” development, cannot rely on a single initiative but rather multiple efforts including projects, programs and policies, all designed to “ready the environment for investment.” While the Commerce City Urban Renewal Authority will ultimately determine its role in advancing these initiatives, they will be a partner in this effort, whether as a policy maker, regulator, financier, or promoter, and to that end, must remain committed to and focused on long-term outcomes.

Purpose

Through the effort described herein, the Commerce City Urban Renewal Authority initiated a process that would ensure future improvements within the Study Area occur with aesthetic and functional continuity. As expressed in the Request for Proposal (RFP) that solicited the assistance of the Consultant Team, it is the Authority’s goal to determine the “best possible use” for the subject parcel and to “ensure successful development” through an understanding of: market demands, financial feasibility, economic impacts and the long-term viability of different land use programs and approaches to development. This *Mile High Greyhound Park Site Feasibility Study* answers those questions and more as it also offers recommendations related to financing and policy reform. It is intended to be a guide for the community as you pursue potential partners and a resource for elected and appointed officials and stakeholders.



Objectives

The project intentions which guided the work of the MHGP-Team, stakeholders and Consultant Team were to:

- Identify niche opportunities for growth and development, and priorities for investment based on an understanding of market conditions in the region, community and area of influence (Trade Area).
- Balance community aspirations, marketplace realities, and public / private resources to define effective investment strategies for the Study Area.
- Provide City and business leadership with a comprehensive assessment of barriers, opportunities and impacts, so future decisions are deliberate and lead to desired investment.
- Develop a strategy which is physically and economically sustainable, and instills community pride.
- Advance recommendations related to public investment which are market-supported, fiscally responsible, and which ultimately promote consistent community character and a high standard for investment.

Past Efforts

City of Commerce City Comprehensive Plan (C3 Vision)

A general plan for the City, known as *C3 Vision*, was updated in 2009. That document addressed 12 components of the community's "infrastructure" including: land use and growth; economic development; fiscal stability; housing and neighborhoods; redevelopment and



reinvestment; transportation; safety and wellness; parks, open space and recreation; facilities and infrastructure; appearance and design; culture and tourism; and, environmental conservation and stewardship. Each component became an element of the plan and all were informed by a set of guidelines that supported and reinforced the stated vision. Those guiding principles, presented here, together with an understanding of physical and market conditions and the community's vision for the Study Area, provided the foundation for the Mile High Greyhound Park property proposed redevelopment concept described later in this report.

C3 Vision Guiding Principles include:

1. Land Use and Growth: Grow Commerce City in a balanced and compact pattern of neighborhoods and commerce centers, where residents have access to employment, services and shopping. Promote infill and phase new growth to avoid inefficient and costly leapfrog development.
2. Economic Development: Maintain a strong employment base; help create a jobs / housing balance; define appropriate locations for a range of industry and businesses (including green businesses); and be a home for major corporation.
3. Fiscal Stability: Continue as a fiscally stable city by fortifying revenues, while efficiently maintaining and providing services and infrastructure.
4. Housing and Neighborhoods: Provide multiple types of housing serving a range of current and future residents and incomes in vibrant neighborhoods where people want to live.
5. Redevelopment and Reinvestment: Promote new centers, while maintaining the integrity of existing districts by continually renewing and reinvesting.
6. Transportation: Ensure a quality community by providing efficient, effective, and varied modes of transportation that integrate and connect neighborhoods, the community and the region.
7. Safety and Wellness: Increase the health and well-being of residents through healthy living, access to medical facilities, and public safety and hazard planning.



8. Parks, Open Space and Recreation: Provide ample and well-distributed parks and recreation facilities, and a connected system of trails and open space, to provide for outdoor recreation, relaxation, and rejuvenation and to protect views.
9. Facilities and Infrastructure: Ensure adequate and efficient public facilities and infrastructure for current and future residents and businesses.
10. Appearance and Design: Enhance the positive image of the city at all gateways, along corridors, and in neighborhoods and commercial districts.
11. Culture and Tourism: Become a destination for tourism and visitors, drawing people and businesses to arts, history, culture, sports, commerce and other attractions.
12. Environmental Conservation and Stewardship: Increase recycling, conservation and the use of renewable energy sources, while reducing energy and resource use overall.

Economic Strategic Plan for the City of Commerce City

In 2009, the City retained Angelou Economics to prepare the City's economic development strategy. That document involved: 1) identifying and engaging local stakeholder groups and forming a core leadership team; 2) assessing the City's economic strengths and challenges; 3) identifying specific high-impact target industries for the area; and 4) devising strategies, leveraging resources and implementing solutions. The SWOT (Strengths, Weaknesses, Opportunities and Threats) Analysis identified numerous opportunities, among them the "Mile High Greyhound Site and Event Center redevelopment opportunity." Goal Four of the Strategy was to "Ensure Appropriate Workforce Skills Are in Place." To that end, a supporting strategy was to, "Conduct in-depth research to determine occupations and skill sets most in demand by the targeted industries." Whereas a component of the vision for the Study Area is advanced education and training uses and a recommendation of this *strategy* is to continue to study their near-term investment potential, this effort will advance this economic development goal.



Rocky Mountain Real Estate Challenge (Wednesday, May 2, 2012)

In 2012, the University of Colorado (CU) won the 10th Annual Rocky Mountain Real Estate Challenge. Sponsored by the National Association of Industrial and Office Parks (NAIOP), the Commercial Real Estate Development Association and the Commerce City Urban Renewal Authority, the subject of the 2012 Challenge was to envision a master-planned community for the Mile High Greyhound Park. The CU concept featured two educational centers (community and technical colleges), multi-family residential, and a facility for the Boys and Girls Club supported by retail and restaurant uses. As evidenced by the proposed development program presented later in this report, many of these elements were tested in the context of this effort and found to be feasible and recommended for inclusion as part of a long-term concept for the Study Area.

Mile High Greyhound Park Public Information and Outreach Effort (City-led)

During the Fall of 2011, the City initiated an outreach effort designed to engage stakeholders in communicating their vision for the Study Area. Desired uses ranged from commercial uses including big box and neighborhood-serving stores to a small hotel, shooting range and small theater. There were concerns related to an over-abundance of affordable housing units being added to the existing inventory and the impact that might have on existing schools. Several participants supported development of a project with walkable elements and public spaces that could be enjoyed by residents and visitors to the community. Office uses that were desired included medical, incubator, service and institutional. Many of these uses were tested for application within the Study Area in the context of this effort. Additional meetings were hosted by the Urban Renewal Authority on March 20, 2012 and July 25, 2012. The first was a neighborhood meeting to discuss potential changes to discuss potential impacts from future redevelopment in the Study Area and the second to outline the purpose of this feasibility study and subsequent steps.

Participation

The principal method of engagement employed during this effort was focus group meetings and one-on-one interviews. Whereas the City had previously engaged a range of stakeholders in discussing the past and future of the Study Area, the Consultant Team elected to target their outreach efforts to individuals who ultimately might be involved in actual redevelopment of the property. In December 2012 and January 2013,



the Consultant Team conducted one-on-one interviews with representatives of different education and training institutions considered to present potential for tenancy within the Study Area. On March 6, 2013, the Consultant Team conducted a series of small group discussions (focus groups) with representatives of local agencies, boards and departments, property owners, developers, community leaders, lenders, business owners, real estate professionals and other individuals that possessed a unique experience or familiarity with the community and Study Area. The purpose of this effort was to both educate and engage the participants in a discussion about the Area's potential for investment, necessary commitments and potential expectations. Their input was used by the Consultant Team to establish the development goals presented here, as well as provide a framework for implementation. Concerns raised included: potential impacts to area schools if additional residential units are part of the development program; separations rather than connections to surrounding neighborhoods; discounting opportunities associated with planned regional transit improvements; possible uses that might compete with other publicly-led initiatives within the community; disregard for the Study Area's connection to the community's history; and, a short-term view of the property's potential. Universal goals among the stakeholders included: desire for a strong anchor, uniquely suited to the Area and able to advance local goals; supporting uses including commercial and possibly residential products that enhanced rather than diminished existing improvements; holistic solutions to infrastructure improvements from which surrounding properties might benefit; and, a higher standard of development. Regardless of their perspective, all of the stakeholders appeared to understand that any future improvements should be sensitive to the existing residents of the close-in neighborhoods. Among the individuals and organizations that participated, many expressed their commitment to a long-term vision for the Study Area and participating in implementing the recommendations contained herein. A detailed list of responses is presented in the Appendix.

In addition to the focus groups, the Consultant Team briefed a joint work session of City Council and Planning Commission on January 11, 2013 about: the market findings, challenges to redevelopment, elements of a potential land use concept and possible approaches to phasing improvements and developing the property. November 10, 2012, the Consultant Team participated with the City in a "demolition event" where elected officials and area stakeholders participated in honoring the property's history and taking the first step towards its renewal.



Report Format

The *Mile High Greyhound Park Site Feasibility Study* identifies specific objectives and strategies to advance a market- and community-supported program for the Study Area. To this end, the concepts and principles presented here (while based on a realistic understanding of physical and market conditions) are intended to be responsive to the community's needs and desires. In addition, the Study it provides a framework for the City of Commerce City through its Urban Renewal Authority to identify and implement policies and consider funding options while promoting the property as a superior place to learn, train, conduct business, shop, visit and live.

Specific components of this document include a / an: introduction and project background; summary of conditions both physical and regulatory; overview of prevailing conditions among different real estate markets; possible development concept with supporting design guidelines; examination of economic feasibility and potential impact; and, compilation of actions intended to improve the property's position for investment.



Section 2:

Conditions

Context

The subject property, the former Mile High Greyhound Park (MHGP), is comprised of five parcels totaling approximately 65 acres located at the northeast corner of East 62nd Avenue and Dahlia Street in the central portion of the City of Commerce City, Colorado. The property is bounded by East 62nd Avenue on the south, East 64th Avenue on the north, Dahlia Street on the west, and Holly Street on the east.

The site is approximately one mile north of the major regional intersection of Colorado State Highway 2 and Interstate 270 (I-270), 2.7 miles northeast of the Interstate 70 / Colorado Boulevard interchange, and 3.9 miles southwest of the Interstate 76 (I-76) and 88th Avenue intersection. Local east / west access is provided by 60th, 62nd and 64th Avenues, while north/south access is provided by State Highway 2, Holly and Monaco Streets, and Quebec Parkway.

Major land use and facility influences in the vicinity of the MHGP site include the: Rocky Mountain Arsenal National Wildlife Refuge; Victory Crossing sports and entertainment development; the Stapleton mixed-use redevelopment; Commerce City Recreation Center; Veterans Memorial and Pioneer Parks; and Commerce City's industrial core. The immediate area surrounding the site is comprised of a mix of single family residential, retail / service and public uses.

Exhibit 2-1 illustrates the configuration of the MHGP site. Exhibit 2-2 illustrates the MHGP site within its surrounding area of influence. Exhibit 2-3 illustrates its proximity to the planned transit improvements and Exhibit 2-4 existing and potential access points from local and regional roadways.

Exhibit 2-1
MHGP Redevelopment Site



Exhibit 2-2

MHGP Redevelopment Site Influence Area

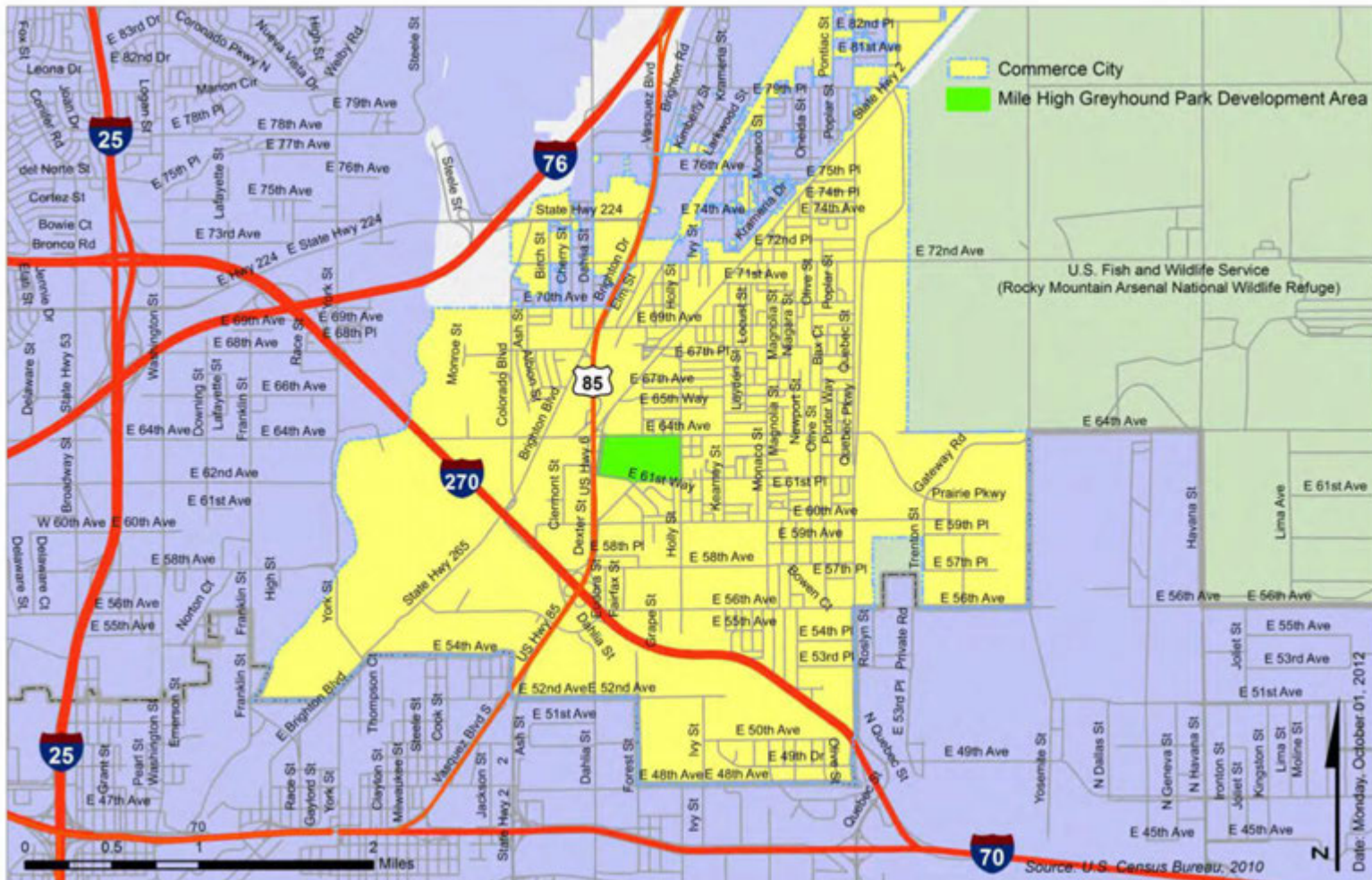


Exhibit 2-3 MHGP Redevelopment Area Context

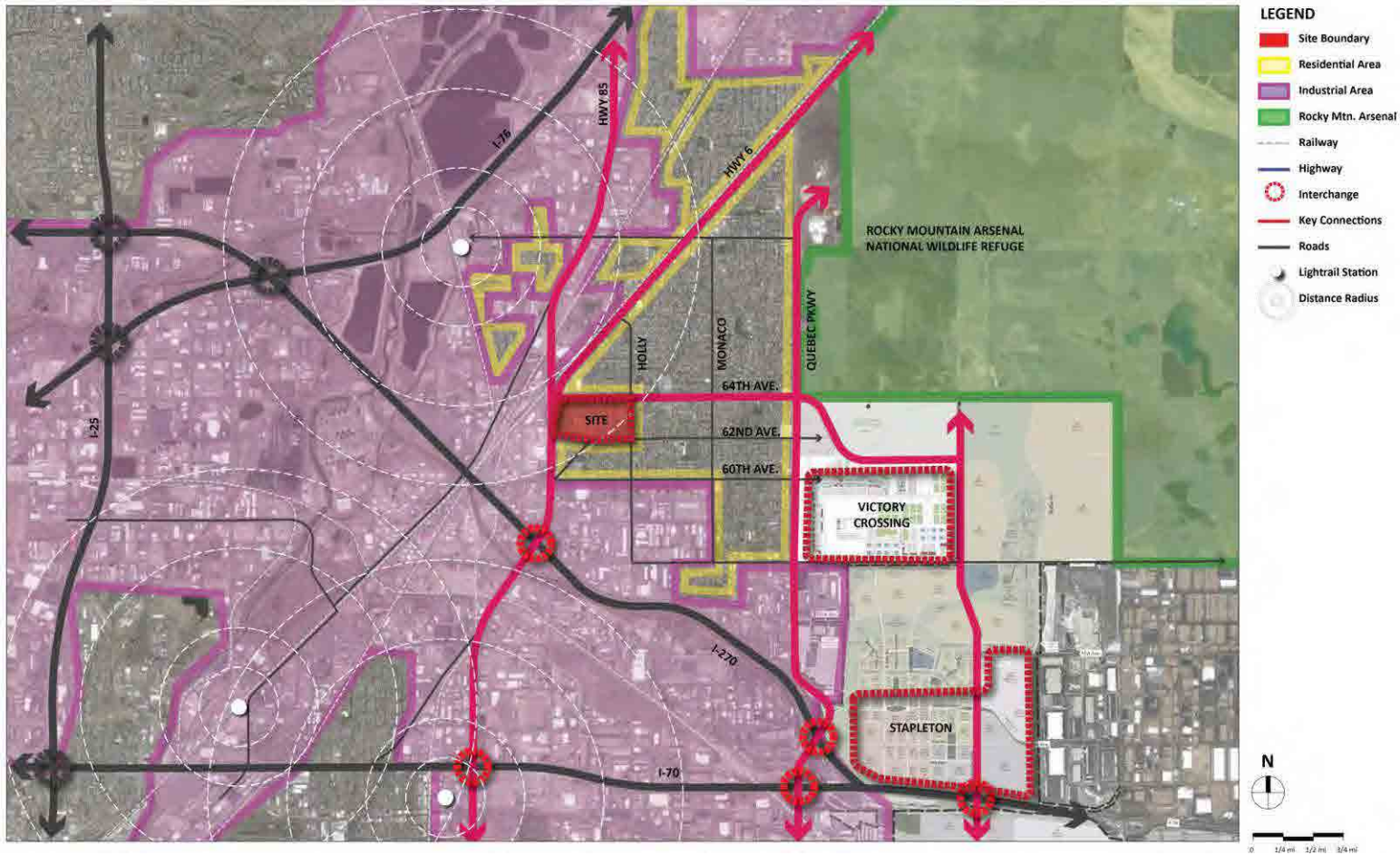
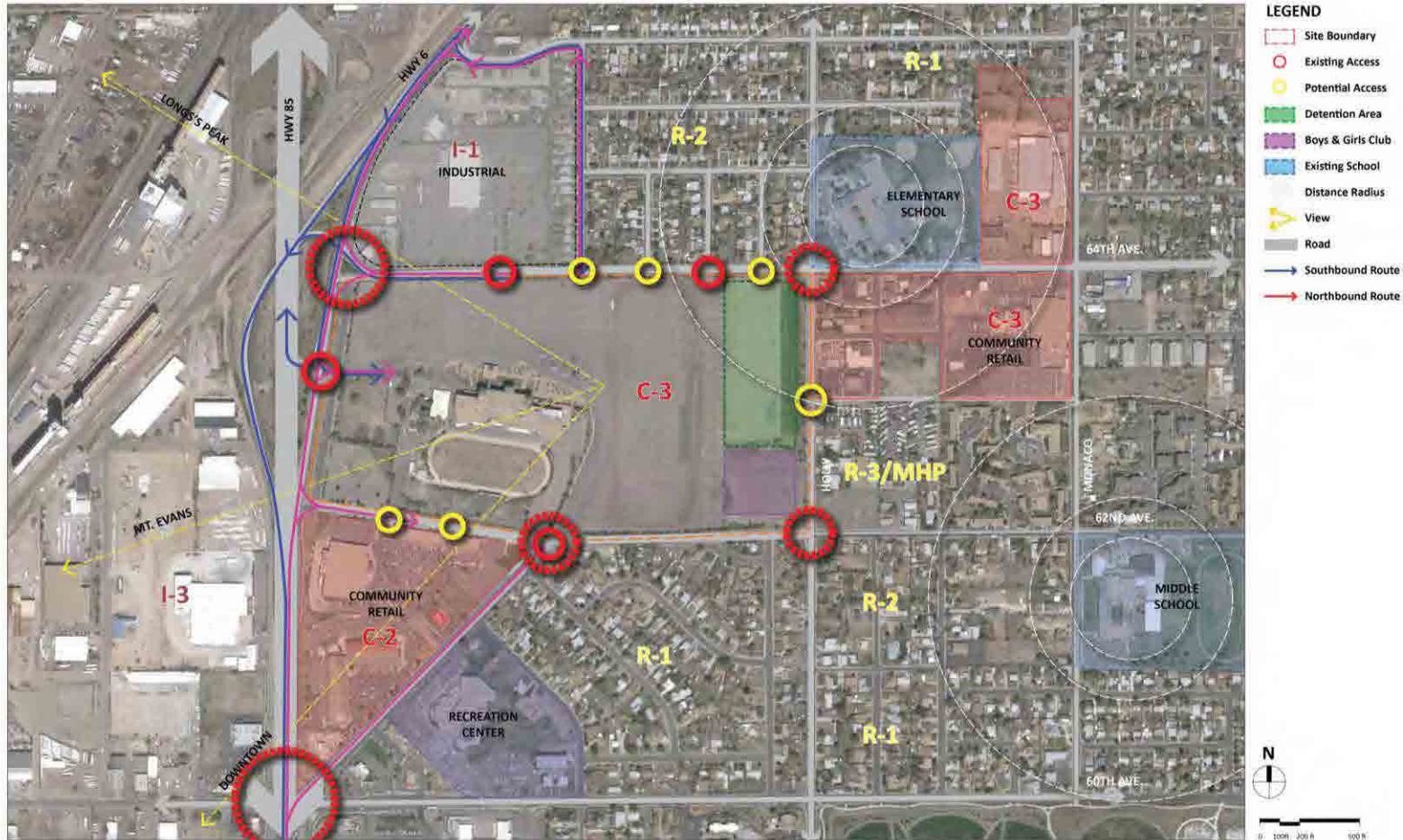


Exhibit 2-4
MHGP Redevelopment Area Access Improvements





Property Conditions

Ownership

Ownership information suggests a strong local presence with a large inventory of older improvements. Properties in the influence area are primarily locally-owned, with 79% of owners residing in Commerce City, Aurora and Denver. These local owners control approximately 68% of property in the influence area. Only 4% of the owners are located out-of-state; however, they control approximately 16% of property in the influence area. In any redevelopment effort, it is important to understand whether surrounding owners are present or absent as this can be a measure of commitment or interest in change. Exhibit 2-5 illustrates property ownership characteristics in the immediate influence area around the MHGP site.

Environmental

A Phase 1 Environmental Impact Assessment was performed in April 2011 by Kleinfelder West, Inc. They were tasked with reviewing the federal, state, and local regulatory agency lists for references to the subject property and properties within an appropriate minimum distance. In addition, governmental agencies were contacted to provide additional information about the site and surrounding area. The assessment did not incorporate non-scope considerations such as radon, lead-based paint testing, lead in drinking water testing, wetlands, industrial hygiene, endangered species, indoor air quality, high-voltage power lines, and mold. Eliminating these items from the assessment did not presuppose that they were not present on site, it was simply a matter of current and available data. A separate asbestos report was performed which showed the presence of asbestos, but not the severity. The April 11 report also showed that the subject property was not included within any of the databases considered. Additionally, no evidence of discolored soil, water, or stressed vegetation was observed. Finally, there was no evidence of hazardous materials, pits, ponds, lagoons or evidence of *de-minimis* solid waste disposal observed. Only one



environmental condition (that of the glycol subsurface system), was identified and further examined in a Phase 2 Environmental Impact Assessment. This subsequent assessment concluded that there was not an environmental threat or hazard with the glycol subsurface system.

In addition to the Kleinfelder West, Inc. report, the Tri-County Health Department conducted their own research of the property, specifically investigating any history of solid waste disposal sites, Individual Sewage Disposal Systems, clandestine methamphetamine labs and complaints regarding possible hazardous material spills or hazardous waste releases. No records in any of these potential contaminants were discovered or located.

Value, Turnover and Utilization

Values in the MHGP influence area are largely a function of the age and condition of improvements. Because the area largely consists of older single-family neighborhoods, parcel values are comparatively lower. With respect to property turnover, transactions appear to have occurred over several decades, suggesting ongoing interest in the area and a diversity of owners. Property utilization, which measures the ratio between improvement value and total value, suggests a relatively high degree of property underutilization in the influence area. In any redevelopment effort, it is important to understand the threshold of values as they will ultimately impact the economic feasibility of redevelopment. The transaction history can be an indicator of investment bases with properties that have been held for an extended period most likely to have less debt and more flexibility for reinvestment. Finally, when properties have a utilization ratio that suggests a disproportionately high land compared to improvement value, they are often “ripe” for redevelopment. This information can inform a larger redevelopment effort beyond the Study Area.

Exhibit 2-6 illustrates assessed values, Exhibit 2-7 illustrates property sale dates, and Exhibit 2-8 illustrates property utilization (ratio of improvement value to total value) in the immediate influence area around the MHGP site.

Exhibit 2-5
MHGP Redevelopment Area Property Ownership

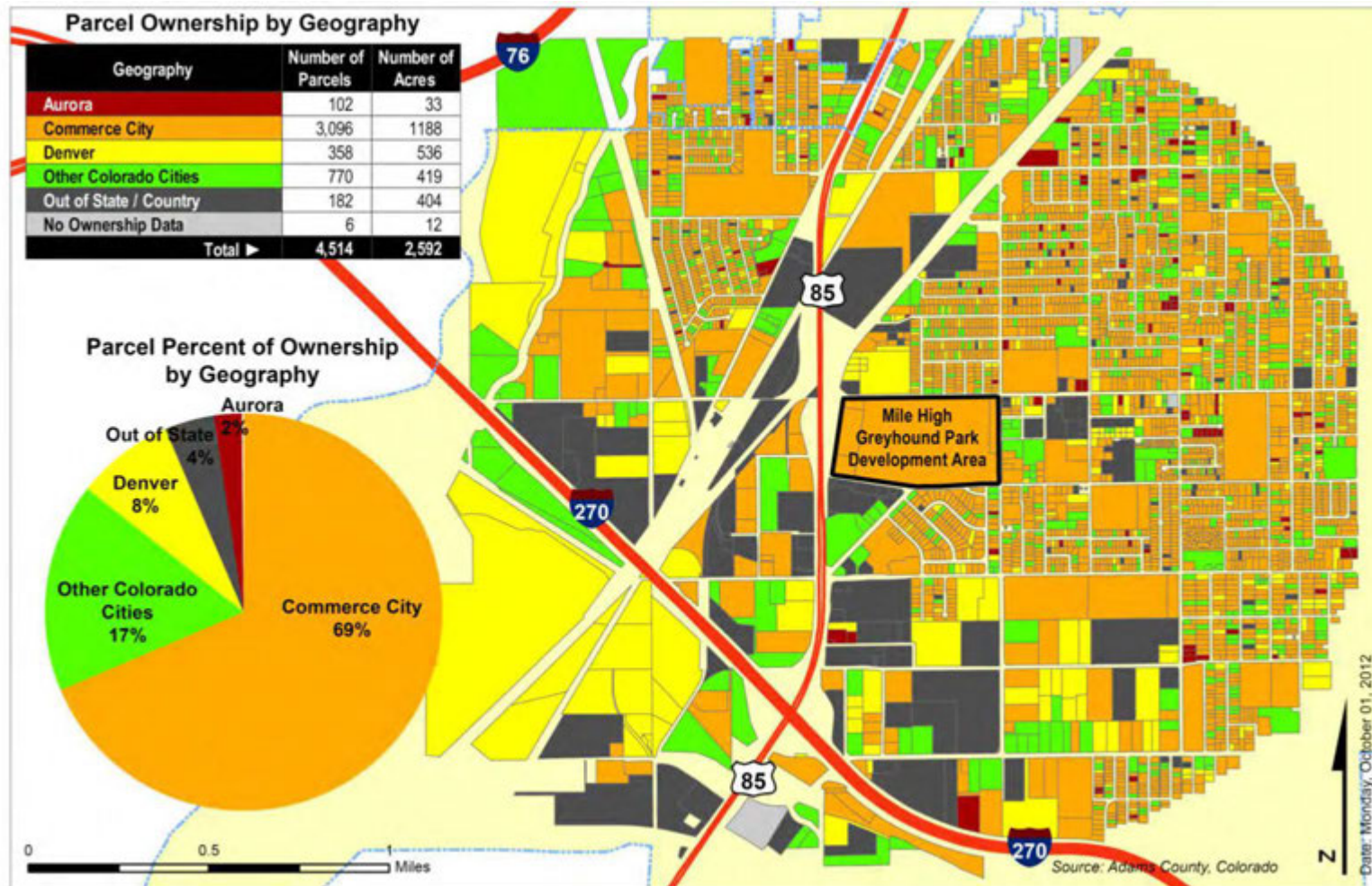


Exhibit 2-6
MHGP Redevelopment Area Total Assessed Value

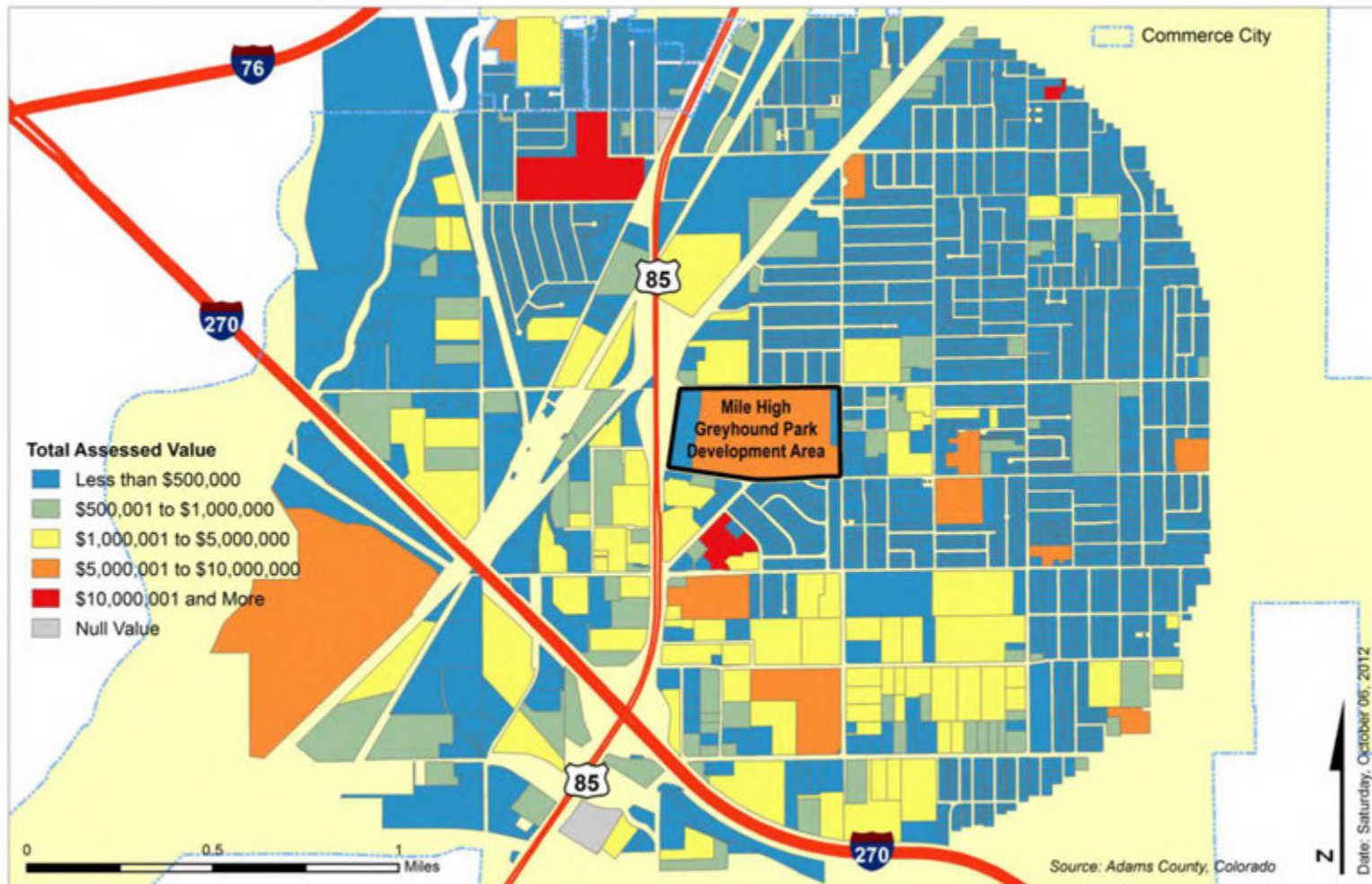
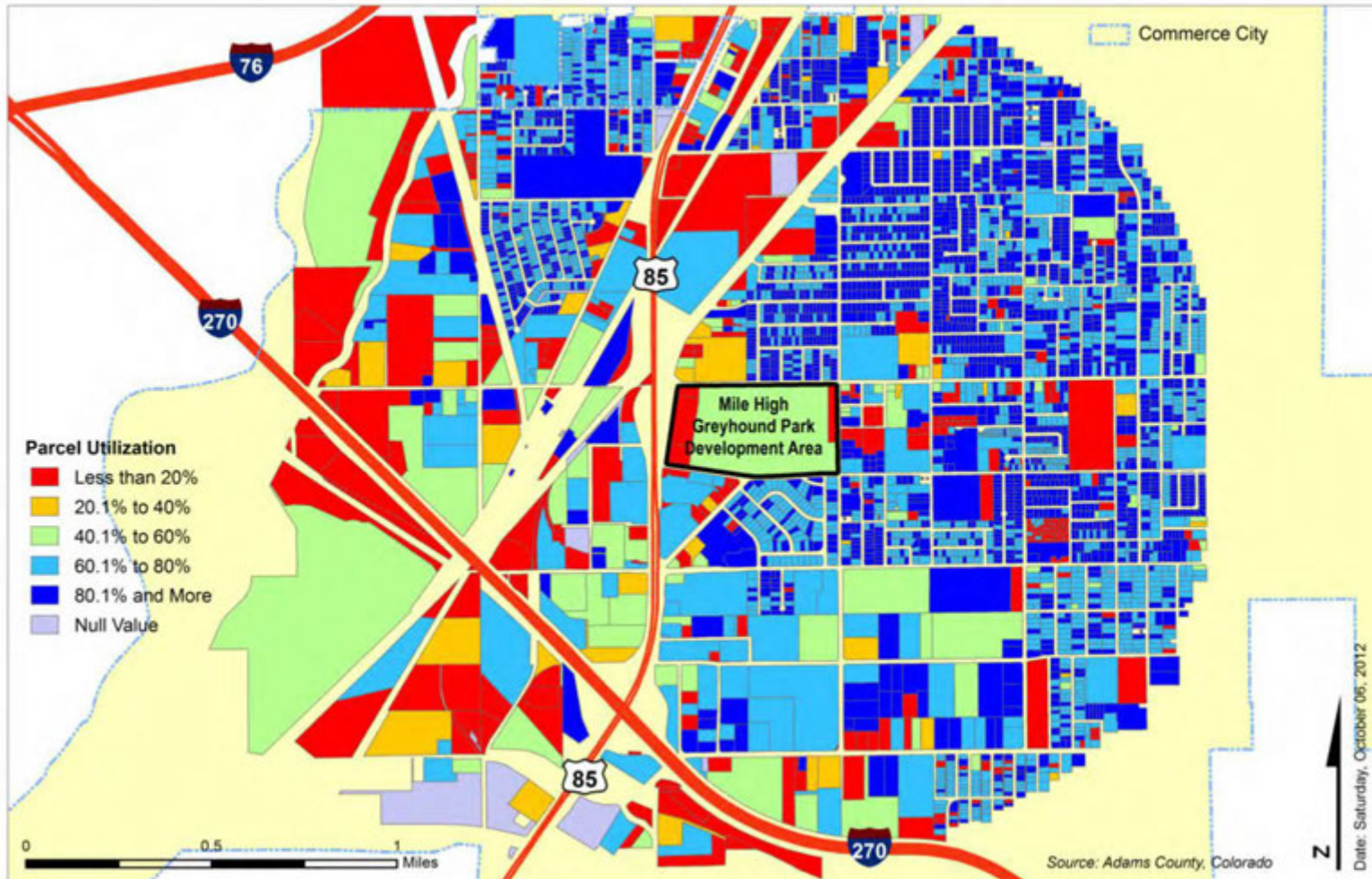


Exhibit 2-7
MHGP Redevelopment Area Property Sale Dates



Exhibit 2-8
MHGP Redevelopment Area Property Utilization





Regulations

Zoning Regulations

The MHGP site is currently zoned a C-3 - Regional Commercial District which poses some limitations for a development program with a mix of uses. North, south and east of the Study Area are properties zoned R-1, R-2, and R-3 Residential along with the MHP mobile home park and various other Public zoning designations. North, south and west of the Study Area are properties zoned I-1 Industrial and C-2 and C-3 Commercial.

Whatever the ultimate development program for the Area, it should address the broad goal of introducing uses that are contextually compatible. Whereas it is unlikely that a single land use will ultimately occupy the site, a Planned Unit Development District (PUD) zoning designation might offer a higher level of flexibility for the end-user and potentially encourage more diversity, allowing for appropriate land uses and products to be co-located within the property and adjacent to existing uses. Ultimately, design guidelines or standards will be needed to protect the program vision and ensure a sustained level of quality development.

Parking Regulations

In order to ensure that the development principles identified herein as essential elements regardless of the ultimate development program are maintained, early attention should be given to the system of streets, alleys and parking facilities that will be accommodated. Preliminary recommendations include: street-facing residential products of a higher density than exists today, alley-loaded tandem parking for the residential units, streetscape frontage that is pedestrian-scaled with smaller setback distances and minimal drive-way breaks, and on-street visitor parking. If end-users include a mix of institutional, retail, and commercial office products, a shared-parking strategy could minimize facility costs and increase the developable area of the site.



Physical

Utility Infrastructure

The MHGP site is currently surrounded by existing roadways all of which have existing utilities that could support redevelopment of the Area depending on the intensity of uses. These utilities include: domestic water, sanitary sewer and storm drainage. Conversations with City engineering staff for storm drainage conveyance indicate that the eastern basin downstream system would not need to be upsized if runoff discharged from the site is restricted to historic rates. However, if it is increased, further discussion would be needed in order to understand its impact on the regional system and potential for off-site conveyance from the west basin to the north.

The existing South Adams County domestic water system almost completely surrounds the site (64th Avenue, Holly Street, 62nd Avenue and Dahlia Street) outside of a small portion of East 62nd Avenue between Grape Drive and Hudson which may need to have a waterline constructed within it, again depending on the location of future pad users and on-site water loops. With regard to fire protection infrastructure, it appears sufficient in pressure and volume and any new development would only need to place waterlines where needed to provide adequate protection (hydrants) and service.

Sanitary sewer is also provided by South Adams County Water and Sanitation District and surrounds the site. There is an 18-inch VCP located within Highway 2 that reportedly has sufficient capacity to service new development within the Area. In addition, East 62nd and 64th Avenues have existing conveyance that any new development would likely tie into, in order to connect pad parcels and limit on-site infrastructure.

According to GIS information made available during this effort, there is existing infrastructure on-site that this will be removed as part of on-going demolition efforts and that this infrastructure will not be available for re-use due to its location and age. Among the recommendations presented here is a suggestion that this assumption be challenged and a cost savings realized. Exhibits 2-9 and 2-10 illustrate storm drainage and water and sewer infrastructure serving the Study Area.

Exhibit 2-9
MHGP Redevelopment Area Storm Drainage

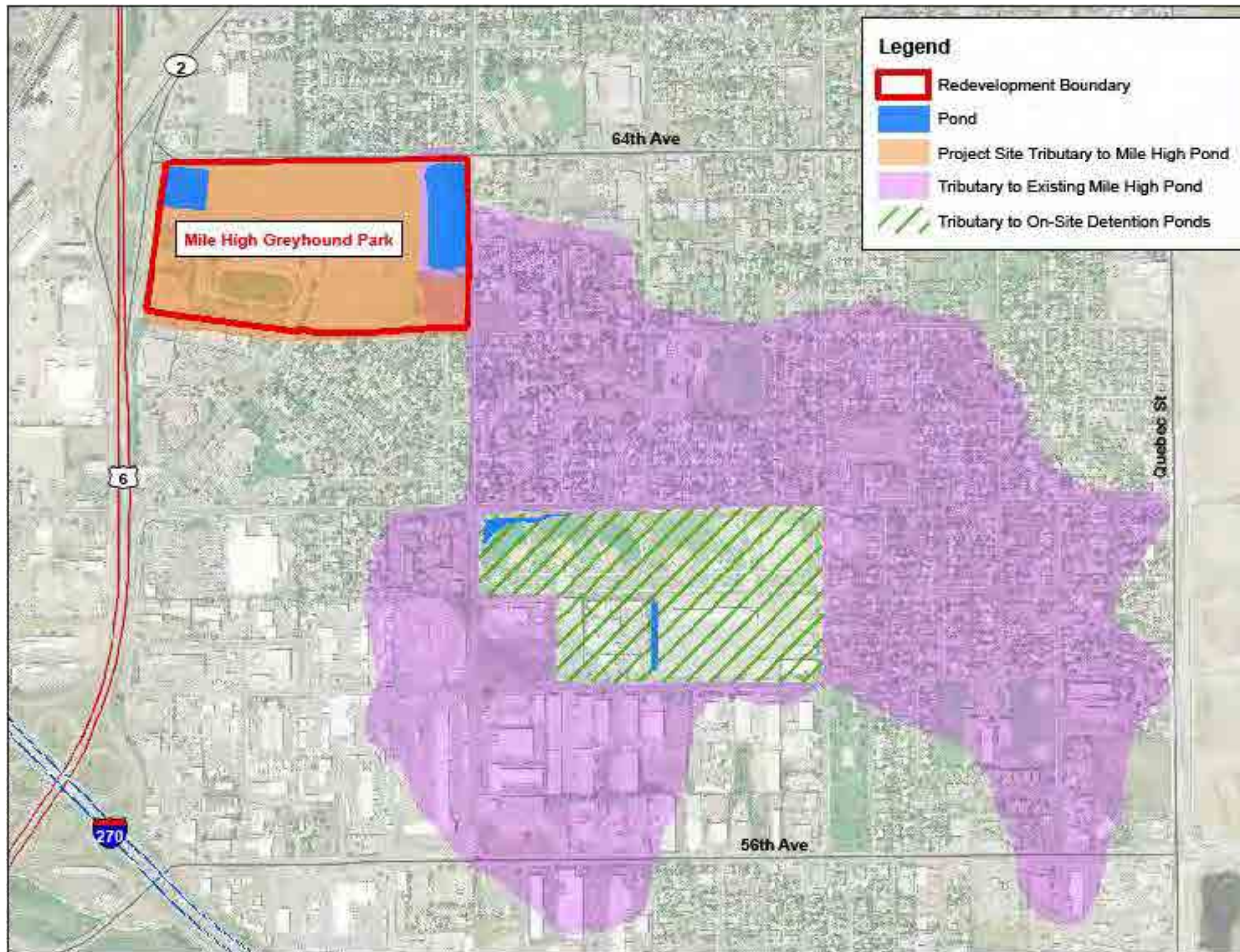


Exhibit 2-10
MHGP Redevelopment Area Water and Sewer Lines





Transportation

Transportation improvements in the vicinity of the Study Area have been previously studied by the City and several are reflected in the City's Long Range Transportation Plan. As acknowledged, the level of investment that is required is significant and challenging. State Highway 2 and U.S. Highway 85 offering excellent visibility, due to grade differences and the presence of railroad tracks do not support direct southbound access to the site. Discussions with City staff regarding existing plans, their timing and feasibility, suggest that improvements to the Highway 2 connection to the site without improvements to Highway 85 and a closure of East Parkway Drive did not make sense in the near-term. Rather, the better solution to support redevelopment within the Area would be to rely on CDOT and regional Commerce City improvements (as identified in the City's 2010 Transportation Plan) that correct both Highway 85 and Highway 2. This approach would not be in conflict with the vision articulated in the Long Range Transportation Plan and would still improve conditions for near-term development.

Improvements to Holly Street that could position it as a "front door" to the Area were discussed, yet dismissed due to the potential for disruptions to the surrounding residential neighborhoods and schools to the north. Instead, it was decided to keep Holly Street in its current configuration and rely on the western roadway system to support regional traffic traveling to the Area.

Exhibits 2-11 and 2-12 illustrate potential short- and long-term transportation improvements that would benefit the immediate area around the MHGP site. Exhibit 2-13 illustrates transportation improvements that would directly serve the MHGP site.

Exhibit 2-11
MHGP Redevelopment Area Proposed Transportation Improvements (Short-Term)



Exhibit 2-12
MHGP Redevelopment Area Proposed Transportation Improvements (Long-Term)



Exhibit 2-13

MHGP Redevelopment Area Proposed Transportation Improvements – To Serve Project





Natural Systems (Drainage)

There is a regional drainage pond located along the eastern boundary of the Study Area that should be reconfigured as part of any redevelopment program. Per conversations with City staff, the pond volume and discharge will need to be matched to what are there today, and only the location adjusted to accommodate buildings at the corners of the property. Any excess will be collected and conveyed to a water quality and detention pond located at the northwest corner. Discharge from the pond will be in a northwesterly direction and flow into the existing Commerce City system. According to City engineering staff, it should have sufficient capacity, therefore this assumption has been carried forward in the cost estimates prepared and presented in the context of the economic feasibility test.

Conclusion

In summary, the subject property and its surrounding influence area exhibit the characteristics of a typical urban infill environment, both in value and condition. The MHGP site and influence area have access to a significant amount of infrastructure that, once improved and in select instances relocated, will be able to support a successful redevelopment program. Regional transportation improvements will be needed, long-term, but short-term and less costly solutions are available to improve access to the Area. Collectively, none of these items present significant near-term barriers to redevelopment, but all should be considered when quantifying any program's feasibility.