

# ***City Council Meeting Minutes***

**April 3, 2018  
City Hall, Council Chambers  
749 Main Street  
7:00 PM**

**Call to Order** – Mayor Muckle called the meeting to order at 7:00 p.m.

**Roll Call** was taken and the following members were present:

**City Council:**        ***Mayor Robert Muckle  
Mayor Pro Tem Jeff Lipton  
Councilmember Jay Keany  
Councilmember Chris Leh  
Councilmember Susan Loo  
Councilmember Dennis Maloney  
Councilmember Ashley Stolzmann***

**Staff Present:**       ***Heather Balsler, City Manager  
Megan Davis, Deputy City Manager  
Joe Stevens, Director of Parks & Recreation  
Ember Brignull, Open Space Manager  
Aaron DeJong, Director of Economic Development  
Rob Zuccaro, Director of Planning & Building Safety  
Meredyth Muth, City Clerk***

**Others Present:**    ***Sam Light, City Attorney***

## **PLEDGE OF ALLEGIANCE**

All rose for the pledge of allegiance.

## **APPROVAL OF AGENDA**

Mayor Muckle called for changes to the agenda and hearing none, moved to approve the agenda, seconded by Councilmember Stolzmann. All in favor.

## **PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA**

None.

## **APPROVAL OF THE CONSENT AGENDA**

MOTION: Mayor Muckle moved to approve the consent agenda, seconded by Mayor Pro Tem Lipton. All in favor.

### ***A. Approval of Bills***

## **COUNCIL INFORMATIONAL COMMENTS ON PERTINENT ITEMS NOT ON THE AGENDA**

None.

## **CITY MANAGER'S REPORT**

None.

## **REGULAR BUSINESS**

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### **DISCUSSION/DIRECTION/ACTION MCCASLIN AREA WORKPLAN**

Director DeJong stated this is a discussion of the McCaslin Boulevard area redevelopment and in particular 550 McCaslin Boulevard, the former Sams Club.

Director DeJong reviewed the background of this parcel

- 13.6 Acre Property
- Sam's Club Closed in 2010
- Commercial/Retail Zoning
- Urban Renewal Plan – 2015
- Alleviate Blight by Encouraging Redevelopment
- Request for Proposal (RFP) – 2016
- King Soopers Market Proposal – On Hold

He stated the 2016 proposal for a King Soopers Marketplace has been put on hold for financial reason from King Soopers. Currently the property is at a standstill so staff is here to determine what information Council wants for the future conversations on this item.

Director Zuccaro stated there are four options for next steps.

1. Conduct a Market Study - 3<sup>rd</sup> party review of what the market would support that could inform policy and zoning changes. Staff recommends this option. Initial

research shows it would cost in the \$35-45K range for the study, perhaps more for a fiscal impact analysis.

2. Staff Generated Development Options – use staff knowledge and local knowledge to try to determine what might be market-supported uses to inform zoning or policy changes.
3. Change Comprehensive Plan/Small Area Plan policies – change policies to encourage redevelopment without defining specific desired land uses.
4. Create New Incentive Proposal – propose financial incentive package without changing the allowed uses

Mayor Pro Tem Lipton asked where we are in terms of zoning and uses. Director Zuccaro stated parcel O allows retail and commercial uses and has a set of covenants on it that puts additional limitations on the property. There is also a Comp Plan policy addressing residential uses in this area stating that residential uses should come from existing residential areas. In addition, the Small Area Plan decided this parcel should maintain the currently allowed commercial and retail uses.

#### Public Comments

Rob Lathrop, 601 Johnson and also on the Revitalization Commission, and a past member of the Business Retention & Development Committee, stated if Council does not have an appetite for a zoning change and comp plan changes for this area then don't spend the money and staff time on this. If something happens there it is going to because Council decided to make a change that has not happened in the past 8 years.

John Leary, 1116 Lafarge Avenue, stated he feels market studies have been done on this area and came to the conclusion there is a surplus of retail space, always a demand for housing and we don't need to pay 50K to get that same answer. He endorses aggressively pursuing the policies in the Small Area Plan. It is better to spend money on trying to identify what new trends there are in retail. There are new ideas and we should look for those. Look for creative solutions.

Sam Shaw, 785 West Lois Court, suggested the City shouldn't spend the money looking for trends. He suggested looking at new ideas. He suggested a market hall for multiple local vendors as a great solution for contemporary retail.

Cindy Bedell, 662 West Willow, agreed with previous speaker that the building would be a great collection of smaller shops and restaurants to make it a public gathering and retail space. It would be creative and create revenue for the City.

#### Council Comments

Mayor Pro Tem Lipton stated the Small Area Plan was approved unless the current process fell through which it now has and we agreed if that happened we would revisit that part of the Small Area Plan. We need to move forward, our economic stability is tied

to the McCaslin Boulevard corridor. We need some positive traction on Parcel O or others businesses may leave. Without consideration of what options we choose, he would like to resolve to move forward and be aggressive to plan for Parcel O to get it moving to reinforce our tax base and not get further erosion.

Councilmember Leh agreed with Mayor Pro Tem Lipton. What we have done for 8 years has not worked. He is concerned and frustrated that we lack a strategy for this parcel and for economic development on McCaslin Boulevard. No one wants that parcel to remain unoccupied with no hope of being occupied in its current form. We don't have anyone interested in creative options at this point. He asked what is Council willing to do in advance of other retailers closing on McCaslin Boulevard; what are we willing to do to get this moving. Studies are not necessarily popular, but this one is necessary. Just investigating new trends is not comprehensive. We need to know the effects of the limits we have placed on that property. We have no concrete steps that we know of to get us there. We need a targeted market study that will get us new, focused information specific to that location.

Mayor Muckle stated the Council had a clear strategy for several years but it fell through, and we had that strategy because anything we will do will not generate the kind of sales tax a large business can. At that time, it seemed to be a good idea to attempt to reclaim that level of sales tax. Since that hasn't worked, we need to reconsider.

Councilmember Maloney stated all members share that anxiety about this location. This is about economic sustainability and we need to provide services to the city for the long term. We need a market study but we need to create a set of principles to launch this that meet some expectations we have. The last solution was to create economic stability. For example, create principals such as we should state the primary purpose of area is to be as regional retail focus to support the operations of the city. Second would be that if that criteria is met, then the Council would consider other uses in the corridor. We need to be open to possibilities as long as there is a strong economic viability in it. We should focus the study on regional sales tax revenue but be open to different kinds of ideas.

Councilmember Keany stated he would love to have a community market building or something like that, but it is a \$10M building and someone would have to make that work financially. The challenge is finding the person to invest in this to do it. He stated he doesn't know if we have the population or traffic to support new retail uses. There are lots of ideas out there, but someone needs to make it happen. We need a study or some experts in retail development to tell us what is happening in the market place. The site is not going to be big box again or generate that level of sales tax. Kohl's and Lowes may not last in those locations with that empty. We need to make some hard decisions to keep this viable.

Councilmember Stolzmann stated she has a different view. She stated the property value has increased since 2014 from \$3.65M to \$4.65M as the assessor's valuation and

now the \$9.95M asking price. This is a favorable rate of return in a market we are saying is floundering. There is a disconnect in this information and what we are talking about. We should talk to the owner and get them to be realistic to get the property moving. It seems they are so far out of reality of what the market will bear. We need to do something and we should market our community to attract retail but that is hard to do given the expectations of the owner. The responsibility is with the property owner and the community does not have to take the burden. If we do change the land uses we are taking a risk of changing the property from a neutral revenue property to one that is a city cost center. If we are considering alternatives we should find things that are favorable to the community.

Councilmember Loo stated when she sees what is interesting in the metro area in retail it is usually high density and urban and she is not sure that is what Louisville residents want. We probably won't know if people like a change until it is built. The problem is we don't own the land and it is a \$10M piece of property so there is not a lot we can do about it. Making it a public space would cost the City a lot of money. At this point in time, there is not the political sentiment to densify that piece of property and I think that is what a study will tell us we should do. We don't have the population and demographics to get regional retail. She stated she doesn't want another study to tell us that retail follows rooftops. If there is no political will for more residential density, a study is a waste of money.

Mayor Muckle agreed with Councilmember Stolzmann that it is not the City's problem to redevelop a private owner's business. However, our interest is in the fact that what happens there affects the entire corridor and we have a broader interest in the impact on the community. He stated he would support other uses if they make sense and he won't support a market study that just gives us the same information that we need residential to get retail, but if we can guide it with principles like Councilmember Maloney stated and we ask for an analysis of what kinds of new retail trends might work in a community of our size, we may move this forward for us. We have tried to get the current and previous owner to do a market hall without success to date and we would support if it would work in that space.

Councilmember Leh agreed the property is important to the larger picture and that is important to take into consideration. We need to take into account the new housing in Superior. He thinks a study can help us to figure out a strategy for that area. It seems the role of government is to set the table; but we don't know for what we are setting the table at this point. A study will help tell us that.

Councilmember Keany stated that without owning the property it is not up to us. We need to be more open to new ideas but we also know the comp plan limits what can happen there. This area doesn't need to be residential but could it be a mixed use area if the comp plan was changed. He added he is conflicted on the study as we don't own the property and if we aren't willing to change the comp plan uses it doesn't matter.

Mayor Muckle stated such information wouldn't dictate a comp plan amendment but if we have good information that could inform that conversation.

Mayor Pro Tem Lipton would like the study to tell us if anything in the comp plan or zoning is preventing the area from redeveloping. We need to make this an opportunity and everything should be on the table for consideration to position the corridor to be successful looking forward. We need to get the information. He noted the owner can be very patient in the sale regardless of what the City does. The zoning and entitlements need to be consistent with the community but we need to move something forward. He stated he doesn't want to spin our wheels for eight more years. The status quo is unacceptable and we need to figure out what we can do to get something done.

Mayor Muckle proposed staff bring back a Request for Proposals for a study that includes Councilmembers Maloney's principles and with language about current new retail trends.

Councilmember Maloney stated there is energy around this. Many residents are frustrated and we need to do something. We can affect how we encourage activities in the city. The principles in the RFP should be 1) The primary purpose of the area is a regional retail focus to support the operations of the City. 2) The goal should be long-term financial viability of the area. If we meet those goals in the study, we should be open to other uses in the area.

Mayor Pro Tem Lipton stated the principles should be determined by Council. Council should take the leadership and drive the principles and have further conversation.

Director DeJong stated staff will bring back a draft RFP to engage a consultant to give us market information specific to that site that includes those principles for Council's review and discussion.

City Manager Balser stated staff does want to be proactive and bring back realistic opportunities for the property.

## **EXECUTIVE SESSION**

### **REAL PROPERTY ACQUISITIONS AND DISPOSITIONS**

(Louisville Charter, Section 5-2(c) – Authorized Topics – Consideration of real property acquisitions and dispositions, only as to appraisals and other value estimates and strategy, and C.R.S. 24-6-402(4)(a))

Mayor Muckle stated the City Manager is Requesting the City Council Convene an Executive Session for the Purpose of Consideration of Potential Real Property Acquisitions Concerning Properties in the Vicinity of Louisville. City Attorney Light introduced the request for executive session.

City Clerk Muth read Section 2.90.050 – Public statement of the Louisville Municipal Code, which outlines the topics permitted for discussion in an executive session.

Attorney Light stated Section 5-2(c) of the home rule charter authorizes an executive session for the purpose of consideration of real property acquisitions and dispositions, provided such session is limited to consideration of appraisals and other value estimates and strategy for the real property acquisition or disposition. An executive session for this purpose is also authorized by Section 24-6-402(4)(a) of the Colorado Open Meetings Law.

The City Manager is requesting City Council convene an executive session for the purpose of consideration of potential real property acquisitions concerning properties located in the vicinity of Louisville, but only as to appraisals and other value estimates and strategy for the same, and that the executive session include the City Manager, City Attorney, Planning Director, Parks & Recreation Director, Deputy City Manager, and Open Space Manager.

Councilmember Loo seconded the motion. Voice vote all in favor.

The City Council adjourned to executive session at 8:15 p.m.

The City Council meeting reconvened at 9:04 p.m.

### **REPORT – DISCUSSION/DIRECTION/ACTION – PROPERTY ACQUISITION/DISPOSITION**

City Attorney Light reported that while in executive session members discussed potential real property acquisitions and Council discussed strategy for potential acquisitions for parcels in the vicinity of Louisville. Staff will proceed with the direction given and if there is any need for formal action that will come back at a subsequent meeting.

### **CITY ATTORNEY'S REPORT**

None.

### **COUNCIL COMMENTS, COMMITTEE REPORTS, AND IDENTIFICATION OF FUTURE AGENDA ITEMS**

Mayor Pro Tem Lipton asked if the table top exercise about an active shooter that is scheduled in September could occur earlier if possible.

Councilmember Loo stated the Sustainability Advisory Board has assigned a separate member of the board to be a contact with each member of the Council.

Councilmember Maloney asked if the April 10 meeting with the Youth Advisory Board could be moved to the April 24 meeting so the meeting on the 10<sup>th</sup> could be cancelled. Staff will try to do this.

Mayor Muckle stated the City has been asked to sign on to an Amicus Brief from Boulder County to appeal the court decision regarding oil and gas and safety decisions. This may come back at a later meeting for a Council decision.

**ADJOURN**

Members adjourned at 9:14 pm.

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Robert P. Muckle, Mayor

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Meredyth Muth, City Clerk