

City Council Meeting Minutes

**November 13, 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.

The following members were present:

City Council: *Mayor Robert Muckle
Mayor Pro Tem Jeff Lipton
Councilmember Jay Keany
Councilmember Chris Leh (arrived at 7:02 pm)
Councilmember Susan Loo
Councilmember Dennis Maloney*

Absent: *Councilmember Ashley Stolzmann*

Staff Present: *Heather Balsler, City Manager
Megan Davis, Deputy City Manager
Aaron DeJong, Economic Development Director
Rob Zuccaro, Planning & Building Safety Director
Emily Hogan, Assistant to the City Manager
Katie Baum, Sustainability Specialist
Meredyth Muth, City Clerk*

DISCUSSION/DIRECTION – FINAL MARKET ANALYSIS, INPUT, AND SCENARIO PLANNING FOR MCCASLIN AREA DEVELOPMENT STUDY

Dan Guimond, City consultant from EPS, stated the sales tax in the McCaslin Subarea is trending up about six percent annually from 2013 – 2017. The majority is from building materials and eating/drinking establishments. He reviewed the study area and the larger trade area. He noted retail findings show the subarea’s role as a regional destination is diminishing and there is an opportunity to attract more neighborhood retail stores. He stated the office market continues to grow; rental rates in the Subarea and larger trade area have been growing steadily; office vacancy rates have been decreasing.

Guimond stated there has been a major increase in multifamily housing in the larger trade area in the past decade. Development activity has been predominately in Boulder and Broomfield.

Danica Powell reviewed the regulatory framework noting it starts at the Comprehensive Plan and works down to covenants and use restriction agreements. She stated Parcel O has both private and public regulations that affect uses on the site. The private covenants are strict and were put in place by the owners. Lot 2, the Sam's Club property, is not allowed to have grocery uses or other big box uses. Those regulations and the covenants are in place for 65 years.

She reviewed the uses that are allowed by zoning and covenants, those limited uses that might be allowed, as well as those uses prohibited in the covenants.

Powell reviewed public outreach efforts. She noted they heard requests for mixed-income housing, community spaces, big box stores, a need for more community spaces, and to make the area more walkable. Responses include requests for hospitality uses, more food and beverage options, additional retail, and service uses. Responses have been consistent regardless of the way they were submitted. Many people would like to see mixed use, retail, specialized fitness, a walkable area, and family activities. A lot of emphasis on unique, local shops, greenspace, and public gathering places.

Guimond stated the market analysis is largely done and now they are ready to define scenarios that can be evaluated from a market and community perspective. They have three options that frame the level of possibility on the site and the level of intensity with a range of alternatives that can be evaluated before coming to a preferred scenario for the Council and the community at large.

He noted that the section that is largely in play are lots 2 and 3, the Sam's Club property and the Kohl's property.

SCENARIOS

REUSE EXISTING BUILDINGS: This is the lowest intensity alternative and reuses the existing buildings and splits the buildings to multiple users: retail, entertainment, flexible employment space. This requires a limited investment from property owners and requires no public investment or improvements.

PARCEL BY PARCEL MIXED USE REDEVELOPMENT: This is a redevelopment within the existing road grid with new buildings. It would mix hotel, office, and multifamily residential, with some pad and frontage retail. This uses surface parking, but has limited changes in connectivity and walkability. This requires private property owner reinvestment, but limits public involvement.

COORDINATED MIXED USE REDEVELOPMENT: This would require the involvement of multiple owners. Potential uses are: hotel, office, retail, multifamily housing; additional connectivity, new buildings and new street grid, shared amenities, and plazas. This requires reinvestment from private property owners and also requires a major public investment.

Guimond stated the scenarios will be evaluated based on the project goals including the current market reality, development feasibility including what is realistic given the regulatory restrictions; and financial feasibility. Each will need to be evaluated for community values and fiscal performance.

Mayor Pro Tem Lipton stated he is concerned the property owners have not been included to date. He noted the covenants require approval of 100% of the owners for a change; even the small property owners can veto anything. He would like the owners involved early in the process. He stated he is afraid the property owners' goals will not align with the community's goals.

Powell stated they have met with those owners who are willing.

Guimond stated there is are different levels of interest among the various property owners and only some are interested in the covenants. They hope to use these scenarios to encourage conversation with the owners.

Director DeJong stated the covenants historically have been important for their exclusivity options. There are changes that will be easily agreed to by the owners but some others will be harder.

Councilmember Keany stated the hope is these changes will benefit everyone so the owners would want to participate.

Guimond stated there appears to be more of a heightened interest in changes from the property owners than there was a few years ago.

Director Zuccaro stated they have talked to those owners who are willing and when we have the preferred scenarios we can take those back to each property owner to discuss specific uses.

Public Comments

Michael Menaker, 1127 West Choke Cherry, stated the plan should be created without looking at property lines and current uses; it should allow the property owners options to build what the city wants and then let the market do its own thing.

Councilmember Maloney stated the first scenario is filling the big boxes as they are but it seems improbable this will happen on its own. He would like to know the probability of

each scenario. We need to reconcile what the public wants with what is likely to happen with the market. He added it is important to fill the spaces with things that contribute to the City's long-term sustainability.

Powell stated their job is to show how the public desires may match or mismatch with the market. Guimond noted they also need to include fiscal performance of the entire corridor as a factor.

Mayor Pro Tem Lipton wants to know what impacts there might be to the rest of the corridor with these changes. He would like to be more flexible on how we measure changes. The goal is economic sustainability for the City and that may not be the highest return for us.

Guimond noted the plan also needs to allow the mix of uses that can evolve over time. City Manager Balser stated the evaluation has to include a discussion of if the market will support it. Retail may fit our needs the best, but it may not be feasible here.

Mayor Muckle noted this area is critical to the long-term sustainability of the City and it has to perform financially for the city. He is interested in what types of uses there might be for this area. He noted rents now make office uses viable on that sight. The market has changed since Sam's Club left. We should be open to all possibilities.

Guimond stated the next steps will include evaluation of the scenarios, more outreach, and a December City Council presentation.

XCEL/LOUISVILLE PARTNERS IN ENERGY PROGRAM UPDATE

Hogan stated that in May 2016, the City of Louisville signed a Memorandum of Understanding (MOU) to participate in Xcel's Partners in Energy program through September 2018. In collaboration with Xcel, the City developed the Louisville Energy Action Plan.

The project team identified three core areas (commercial/industrial, residential, and municipal) to achieve the goals and identified several ongoing, immediate, and long-term actions to accomplish these strategies.

Craig Eicher, Xcel Energy, stated Xcel wants residents to use less energy and be more efficient. To do that they reward residents to be more energy efficient. Xcel's goal is to lower its carbon footprint by 60%. The company works with municipalities to develop a plan and get data on how to reduce their carbon footprint and do it without spending money.

Connor Merrigan, Brendle Group, stated this is a report of how we have done to meet these goals. The hope is to understand what the community wants and then better align the service and programs to save energy and meet clean energy goals.

He reviewed Louisville's goals: support Paris climate agreement and support a reduction in energy use 1% annually over the 2015 baseline even with any growth and changes in population and new businesses.

The program wrapped up this year and included input from Boulder County and the PACE program, BVSD, the Chamber of Commerce, and local businesses and non-profits. He reviewed the action plan and activities.

On the commercial side they were very active with the green business program. For the residential side it included a sustainability series, school kits for 5th graders, and community events. He noted low-income and multifamily areas were prioritized for outreach. He reviewed the municipal efforts including building audits, lighting efficiencies, energy design assistance, and outreach.

Merrigan reviewed the progress towards the goal noting a 1.4% decrease in total energy use and significant emissions reductions despite having additional 500 new premises in town. Program participation continues to increase each year.

Councilmember Leh asked why the commercial participation is low. Merrigan stated many Louisville businesses have already done the easy things and only have very large projects left to complete and those are more difficult for a business to take on.

This program is now transitioning from the Partners in Energy to the Energy Futures Collaboration with Xcel.

Councilmember Maloney asked how "renewable" fits in with "sustainable" as it seems sustainable would give us more options. Eicher stated using "carbon free" may be a better term/goal as it encompasses more objectives and gives a better big picture.

Mayor Pro Tem Lipton asked how Louisville is doing compared to other communities. Merrigan stated each community is evaluated based on where they start. Overall Louisville is slightly above average compared to participation with other communities. Eicher noted Louisville has been doing a good job of finding really good options that work for us.

DISCUSSION/DIRECTION – 2019 LEGISLATIVE AGENDA

Deputy City Manager Davis stated this is the proposed 2019 legislative agenda. This will be used to inform State legislators about the City's priorities; it sets the roadmap for City's engagement with the state associations and regional groups with which the City partners.

She stated the agenda is created by starting with the prior year's agenda and it should reflect emerging legislative issues at the state and federal levels. It incorporates issues that have been identified by CML, DRCOG, the Metro Mayors, and other organizations.

Deputy City Manager Davis stated there are few changes from the 2018 agenda. Staff removed positions addressed during the previous legislative session and added issues we anticipate will be addressed in the coming year.

Staff added items on telecommunications, the Gallagher Amendment, Internet sales tax, sustainability, and transportation funding, and also broadened the language on oil and gas. Staff is asking for Council input before bringing this back for final approval.

Mayor Pro Tem Lipton would like something added to encourage the legislature to do something on a statewide basis to address oil and gas setbacks and other safety issues so locals don't have to deal with this individually. He would like to see more common ground on the issue and to balance health interests with property interests.

Councilmember Leh stated that as oil and gas is a matter of state wide concern, he would like more language encouraging cooperation between the state and localities on the issue.

Councilmember Maloney stated he would like better administrative rules for oil and gas across the state; he would like to see these things done administratively not legislatively.

Mayor Muckle stated he would like either the legislature or the Colorado Oil and Gas Conservation Commission (COGCC) to make decisions to satisfy the public whether that is to allow local governments more options or a new state statute.

Staff will bring back new language on this item noting both local concerns and common sense collaborative ideas.

Deputy City Manager Davis stated there is a great deal of discussion about the Gallagher Amendment and people looking for alternatives. There are bills coming forward for legislative consideration but we don't know the details at this time. Those implications are still unknown so staff will follow this and keep Council informed.

Deputy City Manager Davis noted there are also conversations about the collection of sales tax for internet sales. Mayor Pro Tem Lipton wants to make sure it is simple for businesses. Councilmember Maloney agreed. City Manager Balsler noted staff is concerned about a single state portal as we have had problems getting our revenue from the state in the past. Staff will add some language about simplification and an easy process while still having the ability for locals to self-collect.

Members discussed various items including changes regarding air emissions, greenhouse gas inventory, transportation issues, and northwest rail. For northwest rail, staff will amend the language to support the study but also to support a comparable service that is not specifically rail.

Mayor Muckle asked that additional language be added for supporting ability for jurisdictions to create Regional Transportation Authorities.

Staff will bring back a new version on December 4 that addresses tonight's comments.

ADVANCED AGENDA & IDENTIFICATION OF FUTURE AGENDA ITEMS

Members reviewed the advanced agenda.

ADJOURN

Members adjourned at 9:30 pm.

Robert P. Muckle, Mayor

Meredyth Muth, City Clerk