

GOING SMALL

A RURAL

REDEVELOPMENT

TOOLBOX

Colorado Brownfields Conference

June 12, 2023

Lakewood, Colorado



● **ANDREW ARNOLD**

PIONEER DEVELOPMENT COMPANY
andrew@pioneerdevelopmentcompany.com

● **KAT CORRELL**

DOWNTOWN COLORADO, INC.
director@downtowncoloradoinc.or

g

● **BRIAN LUJAN**

TOWN OF CENTER
brian@centerco.go



SMALL + RURAL TOOLBOX
PRESENTATION HIGHLIGHTS

SECRET PLAN

BENEFITS OF SMALL

CHALLENGES OF RURAL

UNDERSTANDING THE VISION

QUANTIFY THE VISION

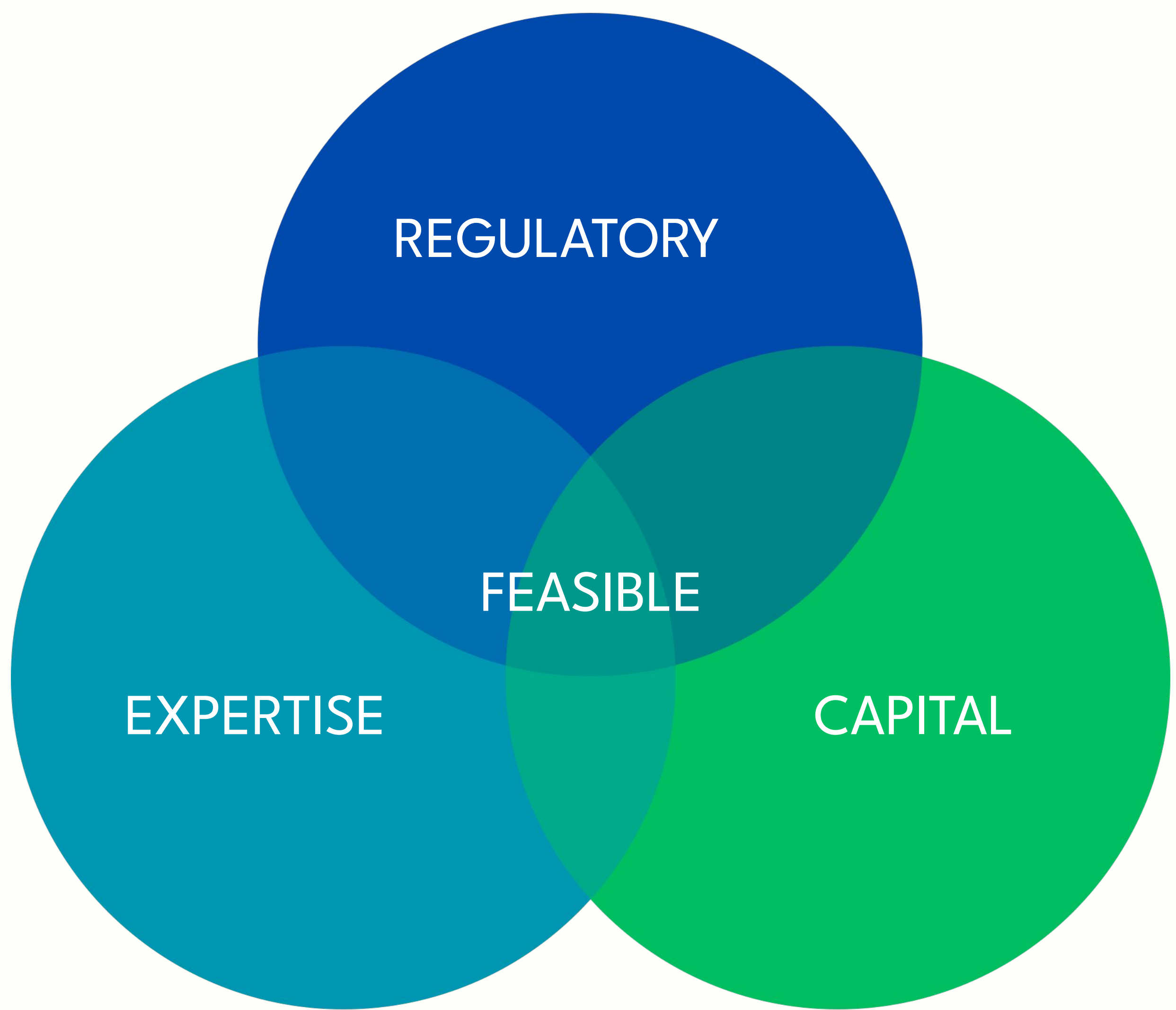
CODIFY THE VISION



BENEFITS OF SMALL

- UNIQUE SPACES THAT INSPIRE LOVE
- SINGLE PARCELS RATHER THAN LARGE ASSEMBLAGE
- More equitable and feasible for local, increasing diversity in the property redevelopment
- Local capital is often more patient capital
- IT FITS A RURAL SCALE

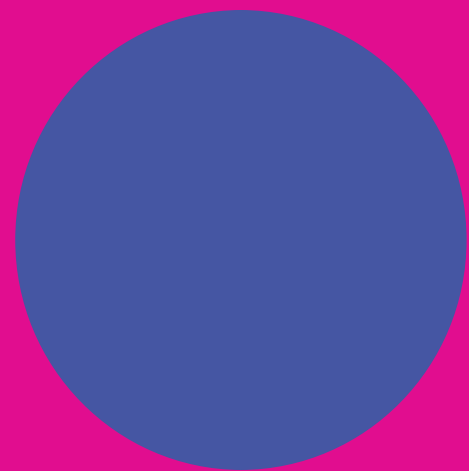
BUILDING
SMALL
FEASIBILITY





TOWN OF CENTER
2000 POPULATION
SAN LUIS VALLEY

CHALLENGES OF RURAL



RURAL PLACES HAVE

Vacant buildings in downtown
that the community **DREAMS** of
fixing up

Second floors **EMPTY/BOARDED**
UP





RURAL PLACES WISH

People could work in town


Investment could be
downtown instead of the
HIGHWAY



RURAL PLACES LOSE

Projects and investment because of too many **COSTLY** requirements

The vision without significant incentives, expertise, and planning



**BROWNFIELD
WORK MUST BUILD
TOWARD THE
COMMUNITY'S
VISION**

JOBS

HOMES

**SALES
TAX**

UNDERSTANDING
THE
VISION



FINDING VISION



- Lights on Center
- Training for Trustees
- Students Internships
- Connecting to
Citizens + Property
Owners

BLENDING FUNDS

- Small Grants
- Locally Focused
- Known + Trusted Partners

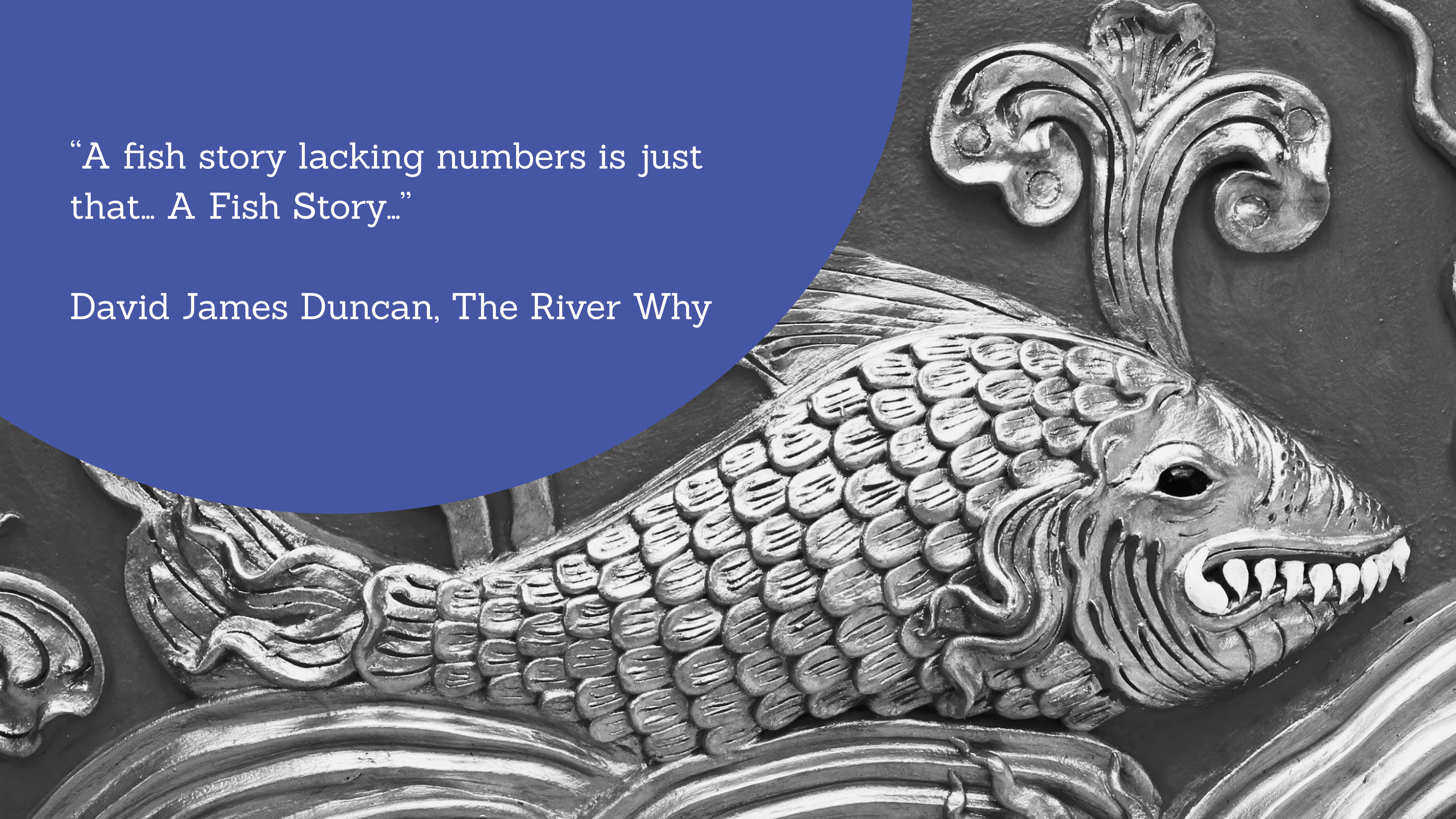


QUANTIFYING THE VISION

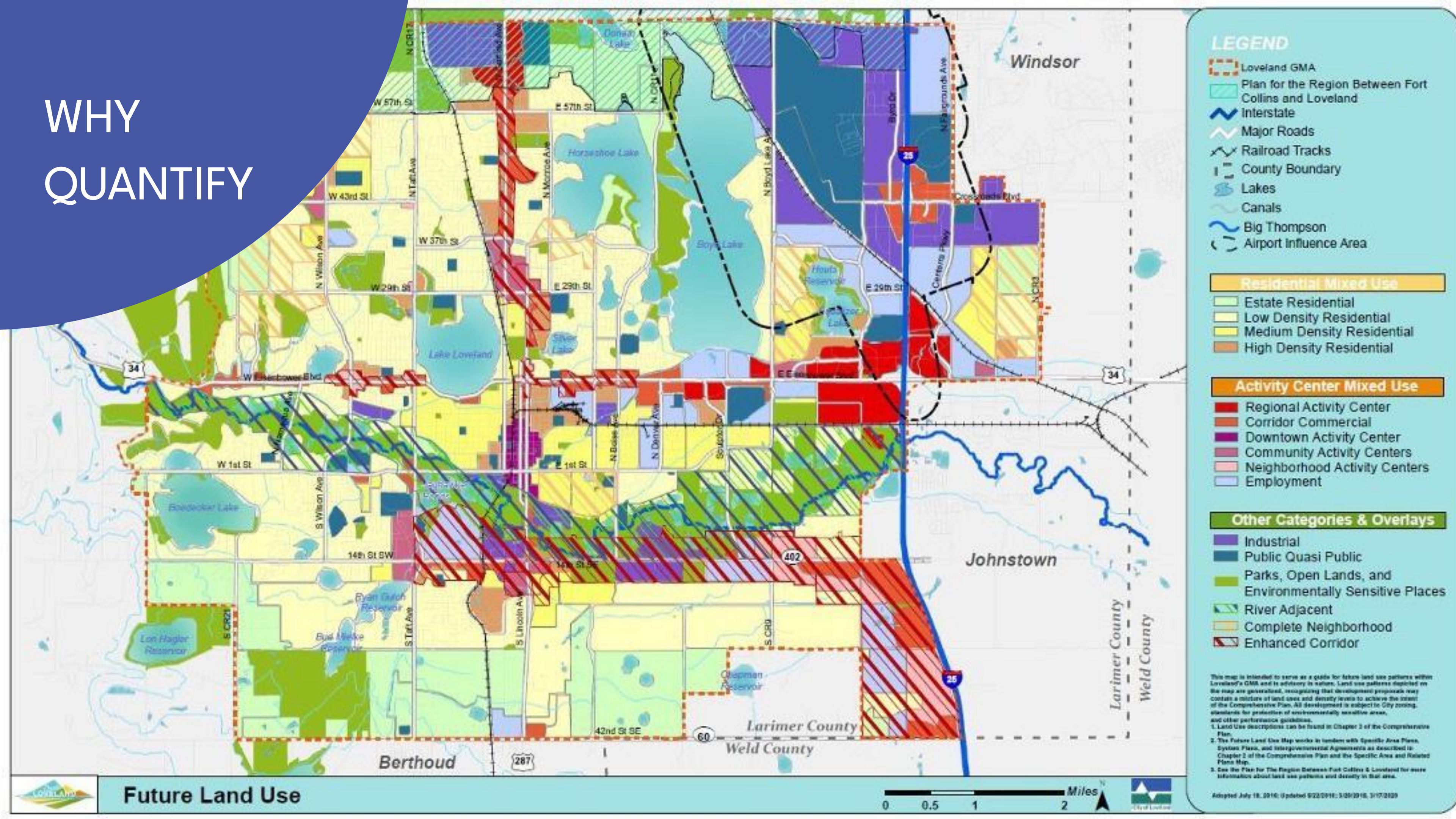


“A fish story lacking numbers is just that.. A Fish Story..”

David James Duncan, The River Why



WHY QUANTIFY



- ### LEGEND
- Loveland GMA
 - Plan for the Region Between Fort Collins and Loveland
 - Interstate
 - Major Roads
 - Railroad Tracks
 - County Boundary
 - Lakes
 - Canals
 - Big Thompson
 - Airport Influence Area

- ### Residential Mixed Use
- Estate Residential
 - Low Density Residential
 - Medium Density Residential
 - High Density Residential

- ### Activity Center Mixed Use
- Regional Activity Center
 - Corridor Commercial
 - Downtown Activity Center
 - Community Activity Centers
 - Neighborhood Activity Centers
 - Employment

- ### Other Categories & Overlays
- Industrial
 - Public Quasi Public
 - Parks, Open Lands, and Environmentally Sensitive Places
 - River Adjacent
 - Complete Neighborhood
 - Enhanced Corridor

This map is intended to serve as a guide for future land use patterns within Loveland's GMA and is advisory in nature. Land use patterns depicted on the map are generalized, recognizing that development proposals may contain a mixture of land uses and density levels to achieve the intent of the Comprehensive Plan. All development is subject to City zoning, standards for protection of environmentally sensitive areas, and other performance guidelines.

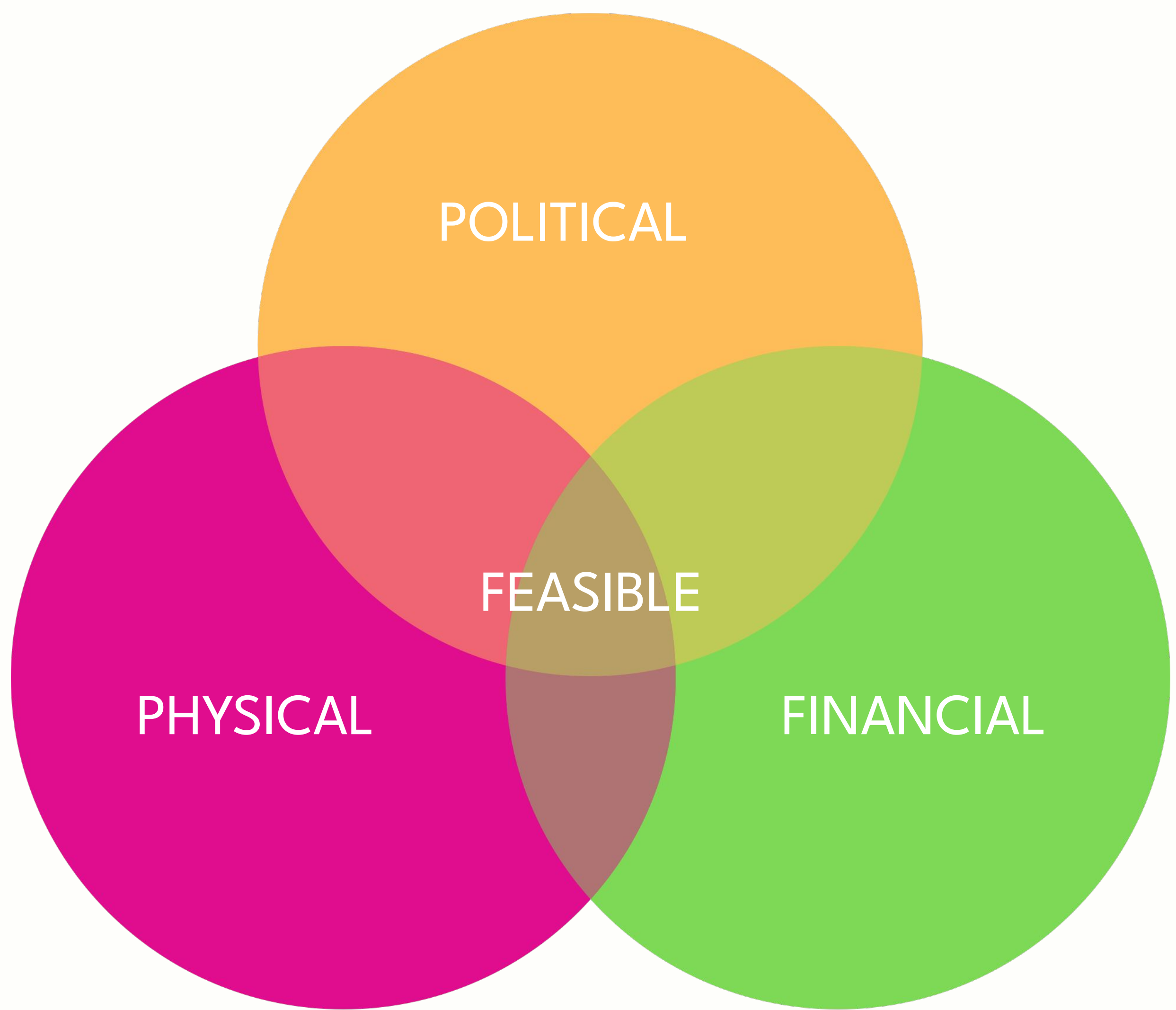
1. Land Use descriptions can be found in Chapter 3 of the Comprehensive Plan.
2. The Future Land Use Map works in tandem with Specific Area Plans, System Plans, and Intergovernmental Agreements as described in Chapter 2 of the Comprehensive Plan and the Specific Area and Related Plans Map.
3. See the Plan for the Region Between Fort Collins & Loveland for more information about land use patterns and density in that area.

Adopted July 18, 2016; Updated 9/22/2016; 3/25/2018; 3/17/2020

Future Land Use



DEVELOPMENT
FEASIBILITY



POLITICAL

FEASIBLE

PHYSICAL

FINANCIAL

HOW TO QUANTIFY

ANSWER THIS

What are your Specific Needs?

Need more Services – What can your facilities Support?

Need more Housing – How Many Units/What Price Point?

Is there a market for the Vision?

What is the demand/supply? – Quantify it!

Need more Business – What Type/Where?

What are the Impacts of the Vision?

Fiscal Impacts on the Community/Economic Impacts/Cost of Service

Does the Vision Pencil?

Can the project be developed profitably given the market? Is there a financial gap?

AND THIS

CASE STUDY

The Community Vision

- Community Vision = New Hotel
- Public Surveys Indicate a Desire for More Lodging
- Specific Area of the City Targeted
- City Council Directs Staff to Conduct Study



NO VACANCY

MARKET ANALYSIS

Existing Hotels:

- Average Hotel 60 Years Older than the Submarket
- ADR 35% Lower

Submarket:

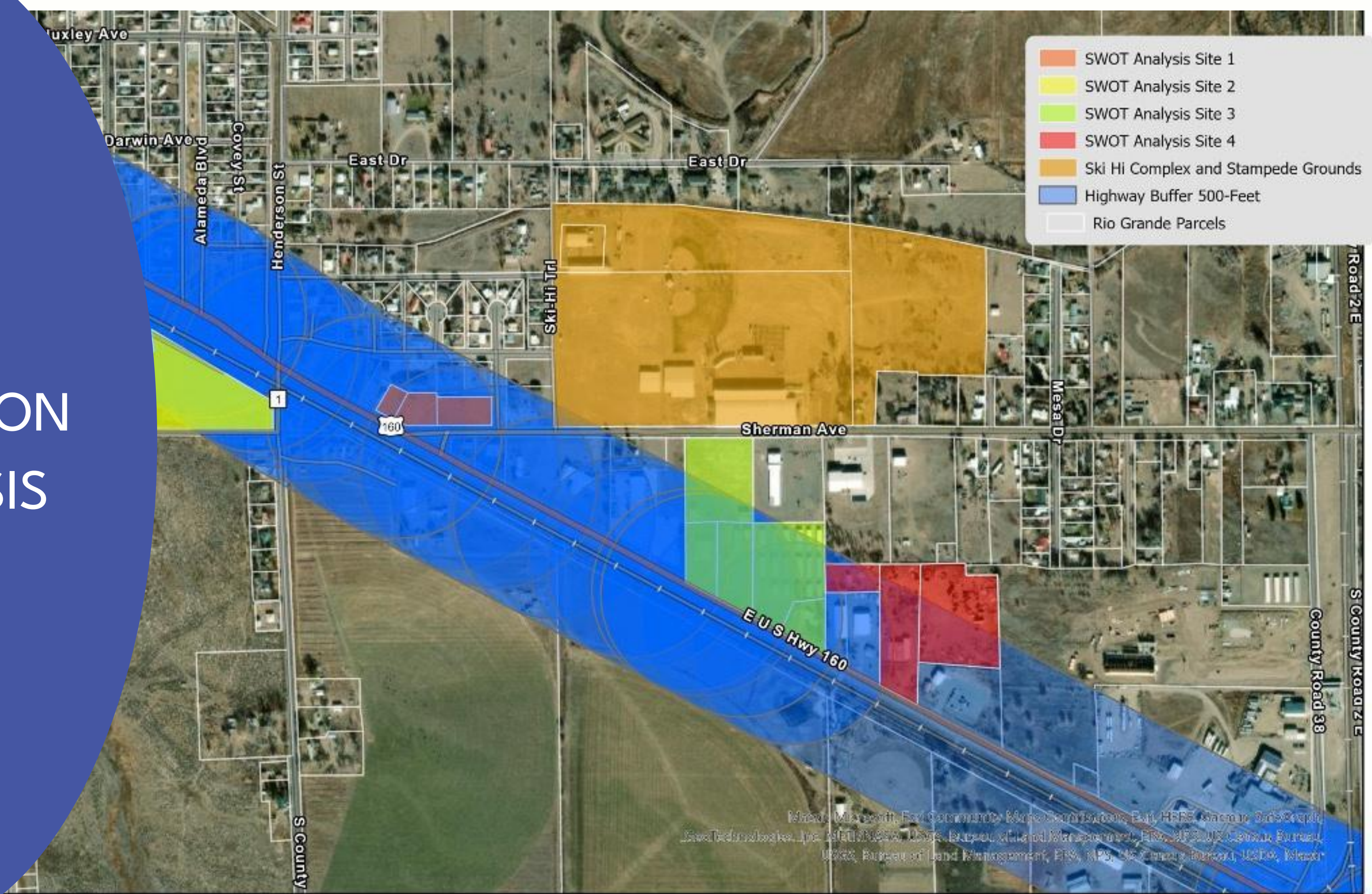
- New Hotels Being Built in Neighboring Communities
- Old Hotels Being Renovated

Boutique Renovated Hotels:

- Commanding Highest Rents in Submarket



LOCATION ANALYSIS



Mesa Management, East Community Maps Contributions, East HERR, Warner, Sals/Croyle, GeoTechnology, Inc. 2010/2011, U.S. Dept. Bureau of Land Management, BLM, NPS, U.S. Census Bureau, USGS, Bureau of Land Management, BLM, NPS, US Census Bureau, USGS, Warner

FUNDING GAP ANALYSIS

Feasibility Indicators (10 yr hold)	No Gap Funding Assistance			Market Target Range
Return on Cost*			5.61%	7.0% to 8.0%
IRR on Project (unleveraged)			5.42%	10.0% to 11.0%
IRR on Project (leveraged)			4.30%	15.0% to 20.0%
NPV			\$ (1,352,531)	6.75%
*Stabilized Year 4				

Understand the Community's
Vision

Qualify the Opportunities

Evaluate the Vision

Quantify the Opportunities

FEASIBILITY

Find
What's
Feasible

WHY
QUANTIFY?

FUNDING GAP ANALYSIS

****WITH \$4,000,000 Public Investment



Feasibility Indicators (10 yr hold)	With Gap Funding Assistance	Market Target Range
Return on Cost*	7.65%	7.0% to 8.0%
IRR on Project (unleveraged)	9.60%	10.0% to 11.0%
IRR on Project (leveraged)	16.47%	15.0% to 20.0%
NPV	\$ 2,394,542	6.75%

*Stabilized Year 4

REDEVELOPMENT VS DEVELOPMENT



Existing Boutique Hotel

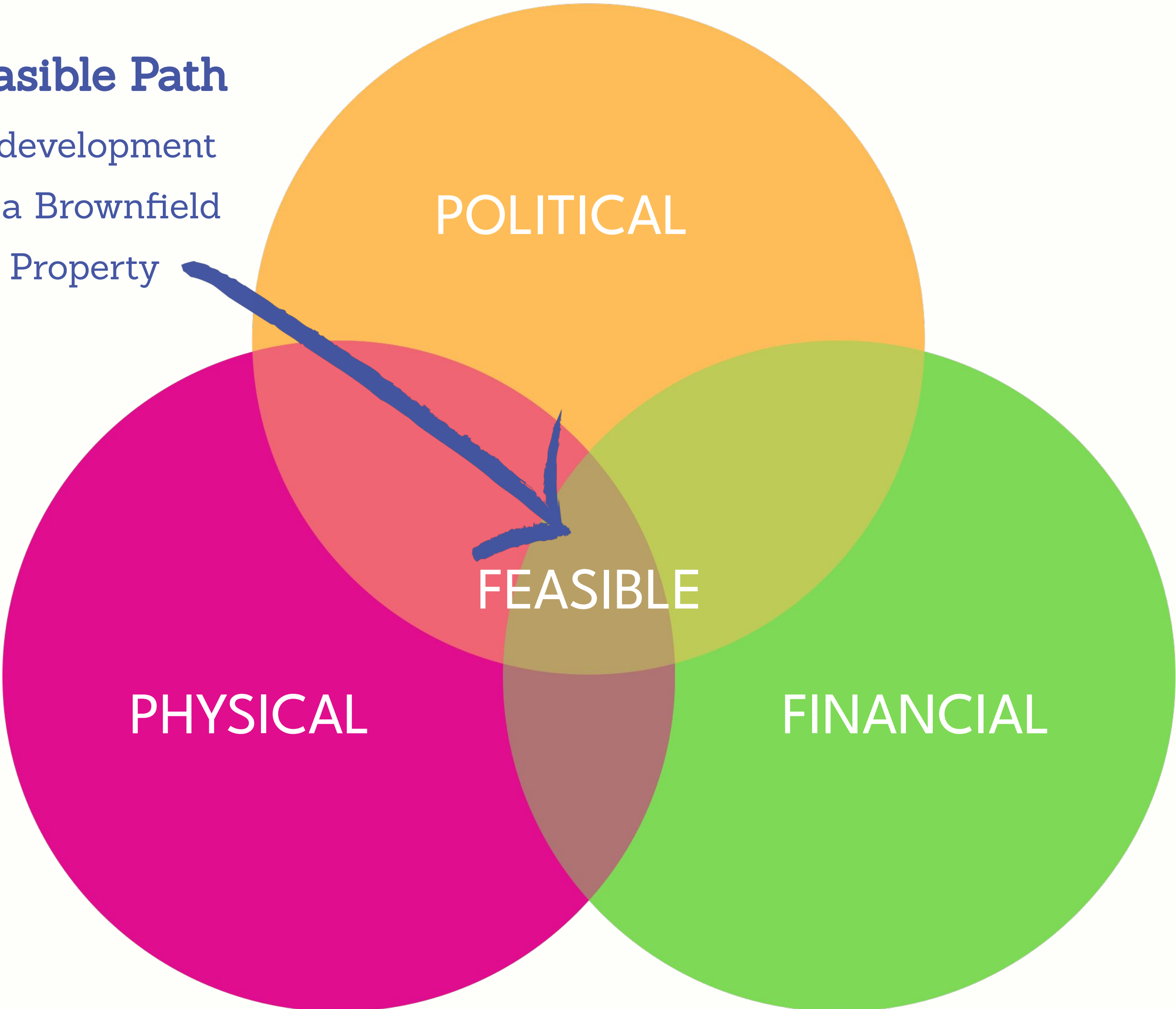
Built in 1930, likely requires
Remediation
Eligible for Historic Tax
Credits/Grants
More Feasible Financial Path

- Offering Memorandum
- For Sale for \$1.5 Million
- In TIF District/ Downtown

FEASIBILITY
=
UNEXPECTED

Feasible Path

Redevelopment
Of a Brownfield
Property



QUANTIFY THE VISION

Quantification does
NOT create the
Vision:

It makes the Vision
Clear



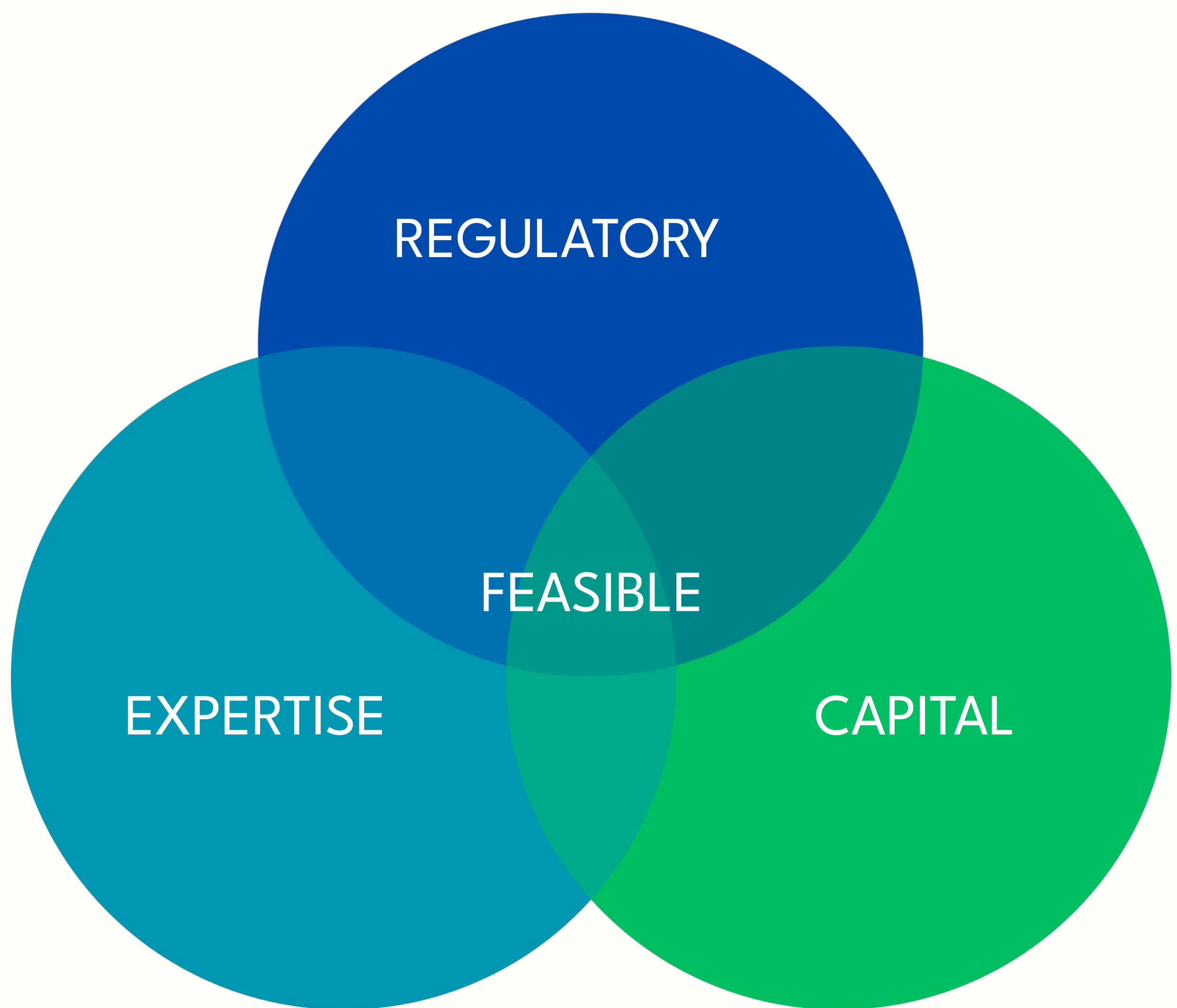


CODIFY THE VISION

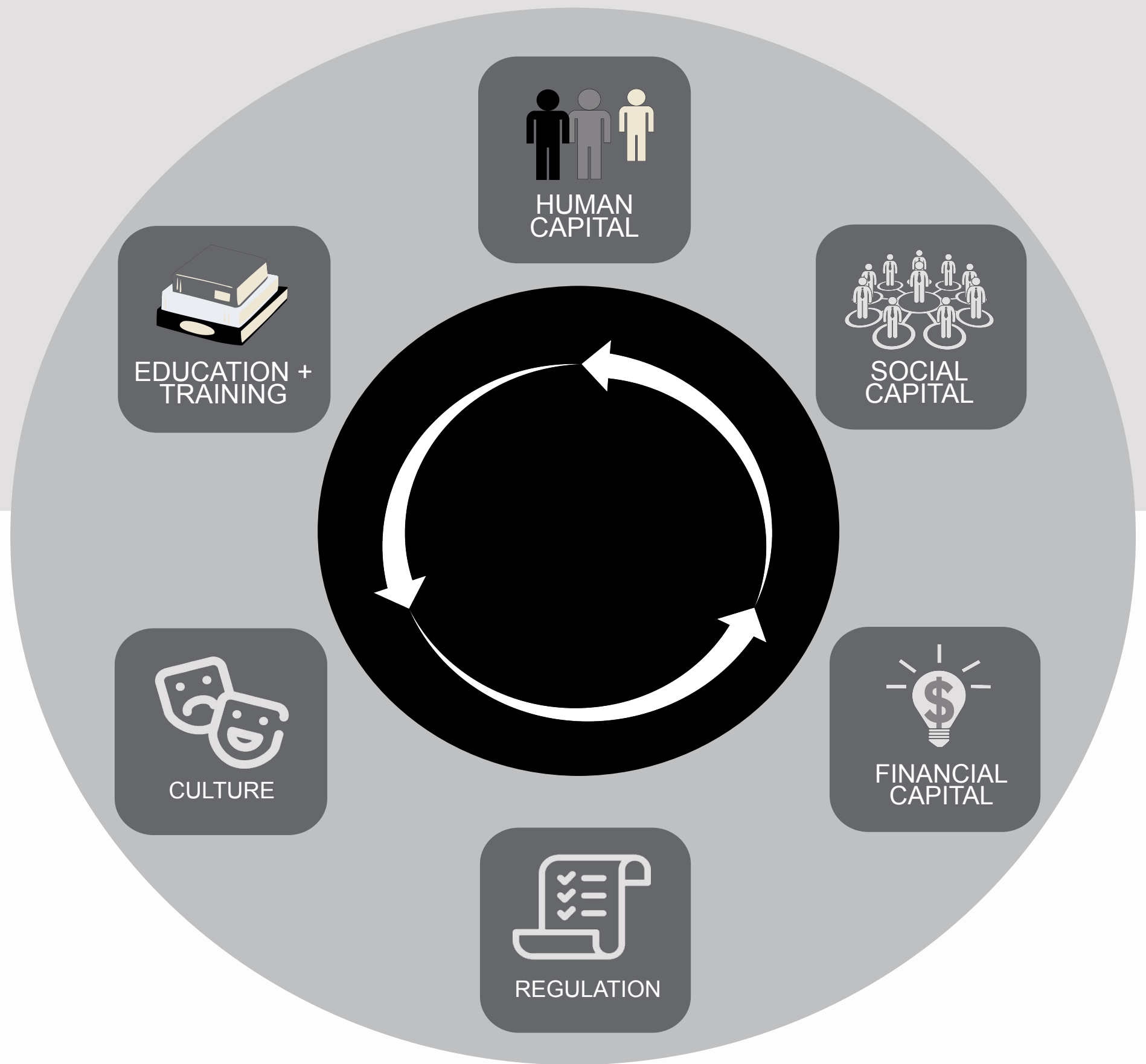
THE
PAY
OFF



THE
PAY
OFF



SHAPING ENGAGEMENT



SHAPING ENVIRONMENT

ECONOMIC
ECOSYSTEM



CONCLUSION

SMALL + AUTHENTIC
WORKS FOR RURAL
CHALLENGES

UNDERSTANDING THE
VISION

QUANTIFY THE VISION

CODIFY THE VISION

● **ANDREW ARNOLD**

PIONEER DEVELOPMENT COMPANY
andrew@pioneerdevelopmentcompany.com

● **KAT CORRELL**

DOWNTOWN COLORADO, INC.
director@downtowncoloradoinc.org

● **BRIAN LUJAN**

TOWN OF CENTER
brian@centerco.gov



DOWNTOWN COLORADO

inc.

303.282.0625

www.downtowncoloradoinc.org

UNITED IN CAUSE

WE ARE COLORADO'S

DOWNTOWN CHAMPIONS