



Urban Land Institute – ULI Colorado Central City Technical Advisory Panel



A Report from a Technical Advisory Panel (TAP)
of ULI Colorado
November 29-30, 2018



**Urban Land
Institute**
Colorado

Supported by the City of Central and the
Central City Business Improvement District.

Central City Technical Advisory Panel

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Supported by:

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Overview of ULI Advisory Services

Since 1947, the national ULI Advisory Services program has assembled 400+ ULI-member teams to help sponsors find solutions for issues including downtown redevelopment, community revitalization, and affordable housing, among other matters. In Colorado, ULI Advisory Services have provided solutions for such key sites as the Colorado Convention Center, Coors Field, Fitzsimons, and the Denver Justice Center.

Technical Advisory Panels (TAPs)

ULI Colorado's Technical Advisory Panels (TAPs) offer ULI expertise at the local level. Each panel is composed of qualified and unbiased professionals who volunteer their time. Panel chairs are respected ULI members with previous panel experience. Since 2003, ULI Colorado has completed more than 60 TAPs leading to positive policy changes and built projects.



Introduction

Formerly dubbed the “Richest Square Mile on Earth” for its significant gold mining history, Central City has seen the boom and busts of most mining towns. Additionally, the city was almost destroyed by an 1874 fire and completely rebuilt with 80 new buildings in 1875. The 1932 reopening of the Opera House sparked another revival after a long slumber, and the voter approval of gaming again put Central City on the map in 1990, attracting visitors from the Denver metro area.

The time is ripe for another Central City comeback. While gaming remains vital to the its economy, the city has not thrived in the gaming era, and needs more to come back to life. Around 40 percent of downtown spaces are vacant, visitation is stagnant, and the Central City Business Improvement District is saddled with over \$80 million in debt from the construction of the Central City Parkway, hampering further development in the city.

On November 29-30, 2018, at the invitation of city officials, Urban Land Institute (ULI) Colorado convened a Technical Advisory Panel (TAP) consisting of five land-use experts who volunteered their time to provide guidance on the reuse of vacant properties in downtown Central City. In response to the questions posed by Central City, the panelists provided findings and recommendations designed to help the city move forward on such issues as vacant property reuse, downtown activation, historic preservation, housing, and much more.

The success of the Opera’s national summer festival, the Central Jazz summer festival, and other programming shows promise for other new cultural offerings in Central City. While downtown vacancy is a problem for the city, it also presents an opportunity for attracting vital new businesses and visitors. Many stakeholders interviewed during the TAP are already working to bring new life to Central City. One group hopes to revive the Colorado Central Railroad, noting that the Georgetown narrow gauge line from Georgetown to Silver Plume attracts 170,000 paying customers a year. Another stakeholder is working on bringing ziplines and adventure courses to the area.

The panelists
concluded that:

1. Central City is unique in the world.
2. The city needs a big vision and plan for the future to address its vacancy.
3. Start small for 1-2 years to create a number of small wins prior to going for large ones.
4. Be a trusted and predictable partner with landowners, casinos, opera, bondholders, universities, artists, and Black Hawk to encourage future investment in the city.

This report lays out the panel's phased, multi-year strategy to revitalize downtown Central City. It includes recommendations for how to generate an inspirational vision and identity for the city, activate its downtown, attract businesses and tenants to vacant properties, manage the Central City Business Improvement District's debt, and attract new investment. The recommendations are strategic and strictly advisory, but we hope they will generate enthusiasm for the community to act with urgency and move forward.

Working throughout our state, ULI Colorado has documented other examples of mountain communities that have applied best practices of urban planning and development to improve their economies and the quality of life for citizens. Silverthorne, for example, is creating a new walkable, mixed-use downtown area around the nucleus of a successful performing arts center. The TAP panel believes that Central City can leverage its intact historic fabric, proximity to growing Metro Denver, and the creativity of its citizens to achieve the goals stated in this report.



Overview

On November 29-30, 2018, the Colorado District Council of the Urban Land Institute (ULI Colorado) convened a Technical Advisory Panel (TAP) to provide guidance on the reuse of vacant properties in downtown Central City. ULI Colorado assembled five land use experts (see panelist bios on page 25) who volunteered to offer objective advice.

Central City Community Development Director Ray Rears gives panelists a tour of downtown Central City.

For the two-day TAP, the panel reviewed a detailed advance packet of prior studies, toured the study area, and interviewed local stakeholders, including city staff, elected officials, and longtime property and business owners (for a list of stakeholders interviewed, see page 26). Central City gave the panelists the following problem statement and questions to address during the TAP.

The Problem Statement:

Central City, founded in 1859, is located approximately 35 miles west of Denver in both Gilpin and Clear Creek Counties and is the county seat of Gilpin County, though our boundary abuts both the City of Black Hawk and the City of Idaho Springs. Gold was first discovered here in 1858, which brought significant population growth and mining development, and more than 4.2 million ounces of gold was mined from the area, dubbing the City as the “Richest Square Mile on Earth.” As with all mining communities, there have been boom and bust cycles that left its mark on the development of the City. Today, the estimated population of Central City is 663, and the City has a direct connection to I-70 (exit 243) via the Central City Parkway which was constructed in 2004. This cost to repay the debt for that roadway is currently estimated at over \$80 million, without the possibility of default. The payments made to the Central City Business Improvement District (BID) for that liability are assessed against the commercial property of the City in the amount of 80 mills. Total annual visitor traffic is estimated at over 900,000 vehicles, primarily drawn to visit our six (6) casinos, the historic Central City Opera



House, and other area attractions. Central City, along with the neighboring City of Black Hawk, are included within a nationally designated Historic Landmark District (1961). Preservation of our historic assets and ensuring appropriate new development is incredibly important to Central City.

The City currently has a downtown commercial vacancy rate around 40 percent. In an effort to revitalize the City, a full update to the Comprehensive Plan, Design Guidelines, and Land Development Code were also completed last year through a grant awarded the City by DOLA. The City also petitioned for and was granted inclusion into the Northwest Colorado Enterprise Zone in 2017. Central is attempting to pivot away from a gaming centric destination alone and is now embracing the tremendous potential of arts and recreation (in a historically significant venue). Though we are receiving more organized interest for development, we as of yet have had no formal application requesting development. We have continued to work on all of this while opportunities to restore the Belvidere Theater (Colorado Endangered Place 2016) as well as the development of the Big T lot, both of which are owned by the City and are incredibly visible real estate as you enter the City and the downtown are being pursued.

“We need a road map to solve the vacancy problem and activate the downtown.”

- Ray Rears, Community Development Director, Central City

Questions for the Panelists:

1. How can we get businesses and activity back in our downtown? The City has been planned and studied over and over again and the vacancy rate remains static or increased over the past 10 years.
2. How do we get more shops/uses that are non-gaming, but draw year-round activity?
3. How can positive change be realized in the short-term while we continue to work on the long-term assets?



Findings

Through the review of the city's previous plans and studies, as well as interviews with local stakeholders, the panelists noted the following challenges and opportunities with regard to the vacancy issue in downtown Central City.

Challenges:

- Based on recent audit numbers, there are 243,286 square feet of vacant commercial property in Central City (that's around 40 percent commercial vacancy)
- Beginning shortly after the introduction of gaming, the community has not supported development (moratorium)
- Some in the community fear change
- Lack of predictability in the development process (increases risk)
- Insufficient parking to support uses

Opportunities:

- Leverage historic fabric of the city
- Protect and enhance existing assets first (Opera House as a year-round performance venue, Opera-owned cottages, Teller House)
- Leverage Black Hawk's proximity – capture visitors and employees
- Partner with bondholder representatives who are willing to work with and invest in the city

Stakeholders touring vacant properties in Central City.

"These are desperate times and the city needs to evolve."

- Historic Preservation Commissioner

"There's room for everyone here. The buildings and people here always adapted. We can't just freeze this town in place."

- Executive Director of the Gilpin Historical Society



Recommendations

The panel stated that a more complete Central City needs:

- More residents
- More housing
- Improved infrastructure (water, energy, parking)
- Things to do (food, activities, programming)

While there is no silver bullet for transforming the city, there could be, in the words of the panelists, “silver buckshot.” To clarify this idea with another metaphor, the panelists encouraged the city and its community members to focus on hitting singles and loading the bases before swinging for home runs.

The benefit of focusing on quick wins first is that they build a track record of success, which will build trust with potential partners and investors, who could help with the bigger wins over time.

To accomplish this, the panelists provided the following recommendations within the focus areas of:

- Vision & Identity
- Vacant Property & Downtown Activation
- Policy
- Financial

Panelists tour the Belvidere Theatre with stakeholders.

While there is no silver bullet for transforming the city, there could be, in the words of the panelists, "Silver Buckshot."

Vision & Identity

Panelists identified the following challenges and opportunities related to the city's vision and identity.

Challenges:

- Lack of a strong community brand beyond gambling and historic buildings
- People pass through Central City on the way to Black Hawk
- Not much to do in town besides gambling
- Not many family-friendly activities

Opportunities:

- Develop a "North Star" vision for the community and communicate it consistently (see page 12)
- Maintain community brand in programming
- Shuttle from Denver, especially for students and academic programs with local universities

With the current vacancy problem—from vacant storefronts to empty lots and deteriorating historic buildings—and the resulting atrophy in the city's core, Central City is currently at risk of losing its "story," which has included:

- Financial success ("The Richest Square Mile on Earth")
- Place (a place to visit and live)
- Music and performance (famous performers came here throughout history)
- Community (people and vitality)
- History (keeping history alive)

When thinking about what the city wants to become, panelists noted that successful towns, especially those that are supported by tourism, are...

- Busy
- Have traffic and parking problems
- Have "happy" congestion

They added that Central City must have an authentic story that can be shown in photos, especially since a significant portion of the population communicates about places through images on social media. When thinking about the types of things that people like to photograph when they travel, panelists noted that the brand image of Philadelphia, the US's #1 historic destination, is Robert Indiana's LOVE sculpture, not the Liberty Bell. In other words, **the new breathes life into the old.**



Larimer Square in Denver demonstrates "happy" congestion and street life. Photo courtesy Denver.org.

"We need to build a second brand. The city is showing that it can't survive on gambling alone."

- Historic Preservation Commission Member



Robert Indiana's LOVE sculpture. Photo courtesy Getty Images.



Design influences outcomes. Rendering of the Blue River corridor plan for revitalization in Breckenridge. Illustration by Tom Sherrill, courtesy DTJ Design.



Photo of Blue River corridor after revitalization in Breckenridge. Photo courtesy DTJ Design.

Sell your vision for Central City with inspiring visuals.

The panelists recommended working with professional consultants to develop a uniform identity and vision for the city with powerful visuals, as well as a business plan for how to implement the vision. An outside consultant will be able to clearly identify gaps and opportunities, which may be more difficult for locals to see. The brand identity should capture not only what the city is currently, but also what it aspires to be—a "North Star" for the community.

Using the visuals to inspire potential investors and developers will help the city accomplish its longer-term goals.

Current Vision for the Historic Core, as articulated in the 2017 Comprehensive Plan

"Vision – The most important goal for the Historic Commercial Core is to preserve the sense of time and place that exists there. An active effort to occupy vacant buildings is paramount for achieving both the economic and historic preservation goals that are articulated in this Comprehensive Plan. If the buildings continue to lie vacant, they will deteriorate. The gaming industry is dominant although a few vacant casinos signal the difficulty the industry has faced in the past decade. There is a strong will to diversify the business base in the Historic Commercial Core beyond gaming and attract a broader demographic base by attracting retail shops, entertainment, creative industries, coffee shops and health and wellness services to occupy vacant buildings. The large inventory of upstairs floor area would also accommodate professional offices and apartments."

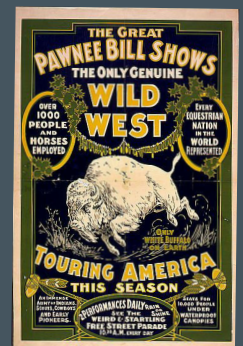
Following the "North Star" toward Revitalization



A North Star is a vision and identity that the community strives toward. An example of a North Star that Central City could use: **Authentic Community.**

Some other ideas that play off of Central City's unique history and branding could include:

- **Old West meets New West** (highlighting art and performance in Central City)
- **Wild West Revival** (highlighting outdoor recreation and entertainment opportunities)
- **Central City: Pure Gold** (highlighting Central City's history and gold mining)
- **Discover the Gold Rush** (highlighting Central City's history, arts, and culture)



When communicating the city's identity, the panelists recommended:

Develop a common story about who you are and, importantly, who you want to become.

Stories are about people, not just buildings and history! The city must create new stories in addition to telling stories about its heritage. These new stories can be about people who are:



Successful in their businesses



Visit this amazing place



Perform



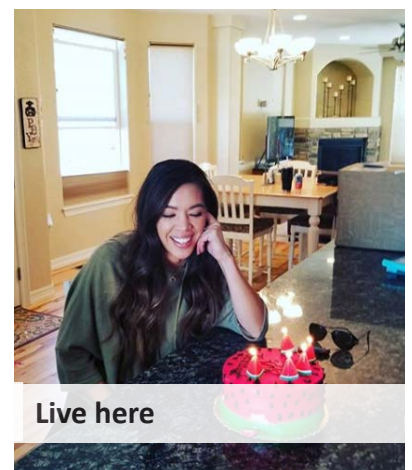
Create and learn



Love history



Dance and recreate



Live here

Photo sources from top left to bottom right: Shutterstock. Central City courtesy MonicaJVeronica on Instagram. Performance in Central City Opera House courtesy James Edward Becton. GoBreck.com. Williams Stables, historic livery and performance venue in Central City courtesy Marianne Eppig. Dancing courtesy Imagenesmy.com. Central City living courtesy jordanllew on Instagram.

First steps: create a welcoming environment for transformation.

Before transformation is possible, the city needs to lower the risk of the development process. Currently, there is too much risk and not enough reward for potential property owners, businesses, and developers in Central City. History has shown that it is highly likely for property owners and investors to lose money in Central City. To turn that around and attract private investment and development, the city needs to make a series of wins (that “silver buckshot” mentioned earlier) to lower the risk of investing.

Once risk is lowered and an action plan is in place, then developers and investors can be recruited to implement the plan. All of this will require a sense of urgency to get things done. Otherwise the downtown will continue to deteriorate, and risk will continue to increase over time.



Photo courtesy Google Street View.

“Instagrammability” is an important factor for millennials when choosing a destination.

Number of Instagram Followers:

- #centralcitycolorado – 1,254
- #centralcity – 93,700 (setting for Flash TV show)
- #salidacolorado – 19,973
- #silverthorne – 27,900
- #leadville – 72,900
- #manitoussprings – 116,000
- #montrose – 12,100

“We would like to attract a different demographic to make Central City more family friendly.”

- Local business owner

Vacant Property & Downtown Activation

Panelists identified the following challenges and opportunities related to re-activating vacant and underused properties, as well as the downtown.

Challenges:

- Property owners in the downtown are holding vacant properties as opposed to selling, leasing, or using
- Perception that the community hasn’t supported development since the moratorium in 1992
- Fear of change in the community
- Unpredictability and risk for developers
- Lack of parking for existing developments

Opportunities:

- Develop more affordable and market rate housing, including the upper floors of downtown buildings
- Make the development process easier
- Add parking to meet the demand
- Include landowners as equity partners in new development

The panelists provided recommendations for phasing redevelopment and activation in Central City's downtown. More information about this phasing can be found on page 23.

1. Priority "Singles":

• **Winterizing the Opera House and its cottages:**

Panelists noted that winterizing and opening the Opera House and its cottages year-round could have an immediate transformational effect on the downtown. Insulating and heating the Opera House would allow it to be open beyond the summer—around an additional 300 days per year. This would allow for immediate use of the 550-seat venue for all sorts of entertainment and performances at a relatively minimal expense, especially when compared to renovating the 1875 Belvidere Theatre and/or building new venues.

The Opera also owns and maintains 25 historic cottages in the downtown area. Currently these cottages are only used in the summer to house performers and technicians during the summer opera festival. Winterizing these cottages could allow them to be used and/or rented year-round, potentially bringing in revenue to offset the costs of renovation.

The History Colorado State Historical Fund and the Colorado Department of Local Affairs have grants available for these types of renovations, for which the Central City Opera could apply with the city's support. Year-round activation of these properties could infuse the downtown with an additional 575+ people, helping to support local businesses and vacant property reuse.

The City & The Opera

In the city's 2017 Comprehensive Plan, it places top priority on support of the Opera:

"Support the renovation of the Central City Opera and Teller House to provide a year-round venue for a variety of performances."

"Redevelopment needs to start with the Opera House."

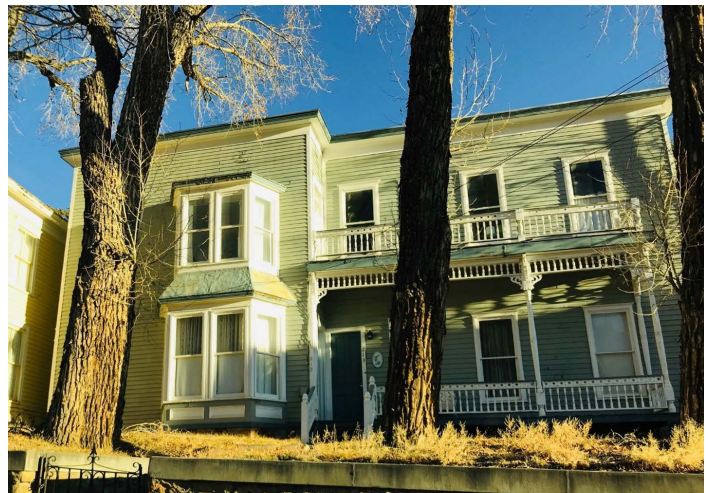
- Mayor Jeremy Fey

"By helping the Central City Opera, you help the city."

- Scott Finlay, Central City Opera



The Central City Opera House was constructed in 1878 and is currently only open during the summer.



The Central City Opera owns and maintains 25 historic cottages built in Central City between 1860 and 1900. They currently house company operations, performers and technicians during the summer opera festival and are closed during the winter.



A student apprentice program could bring people and activity back to downtown Central City. Photo courtesy Habitat for Humanity.

- Attracting students with a City Center Apprentice Program:** While the renovation of the Opera's properties could take time, the community could immediately bring people to the downtown by creating a "City Center Student Apprentice Program." The apprenticeships could be focused on Architecture, Real Estate, Hospitality, and/or the Arts. The apprenticeships could be created in collaboration with universities and property owners, led by professors, and could include service opportunities for upgrading and right-sizing vacant retail interiors in the downtown (like Habitat for Humanity, but with commercial properties). With basic interior upgrades, the Teller House upper levels could be used as dormitory-style rooms for students, which would help activate the lower levels of the Teller House and downtown.

"I would love for Central City to be more of a community. We need more housing to give people an opportunity to make this place home."

- Daniel Miera, City Manager

Hometown Colorado Initiative

The University of Colorado Denver (CU Denver) has an initiative called the Hometown Colorado Initiative (HCI). The mission of HCI is "to connect communities in Colorado with the wide-ranging knowledge and academic discipline of the CU Denver faculty and students to address local issues that advance community livability and quality of life." Central City staff have been in conversations with HCI, and a City Center Apprentice Program may be the right project to tap CU Denver faculty and students for implementation of downtown activation projects. For more information, visit: www1.ucdenver.edu/centers/city-center/hometown-colorado.



The Teller House is a historic hotel in downtown Central City. Built in 1872, the building now has a restaurant on the first floor and has available rooms on the upper floors that could be used to house students.



Panelists envisioned converting rooms on the upper levels of the Teller House into dormitory-style rooms for the Student Apprentice Program in the near term. Photo courtesy Pinterest.

Quick wins



Pop up games like ping pong could attract locals and visitors to spend time in downtown Central City. Photo of Easy Tiger in Austin, TX courtesy 6street.com.



Pocket parks are a great way to activate vacant spaces and lots in downtowns. Photo of the Washington Park Rain Garden courtesy Project for Public Spaces.



Plazas with programming activate downtowns. Photo of Congress Square Park in Portland, ME courtesy Hadnu Jaktu.



Beer gardens and outdoor restaurant seating attract visitors and locals alike, and are highly instagrammable. Photo of Independence Beer Garden in Philadelphia courtesy Eater Philly.

- **Utilizing small urban infill and reuse:** The panelists suggested immediately addressing vacancy and activating the street with these short-term solutions:
 - o Create pocket parks in vacant lots
 - o Create plazas in vacant areas for “pop-up” entertainment
 - o Add interactive public art that tips its hat to the city’s history
 - o Use existing city funds for small costs related to temporary uses

Interactive Public Art



Panelists suggested creating a public slide that looks like a sluice box, which were used for mining. Photo courtesy Granger.



Nancy Schon’s “Make Way for Ducklings” statues in Boston are a hit with families. Photo courtesy CBS Boston.



The gateway from the Central City Parkway into downtown Central City includes the Big T lot and the Belvidere Theatre. Photo courtesy Google Street View.

2. Once the bases are loaded, go for the home run:

- Bigger projects will take significantly more time and money. These include the renovation of the Belvidere Theater and development of the Big T lot between Central City Parkway and Spring Street. Once the “bases are loaded” with projects that demonstrate a less risky environment for development and investment, the panelists recommended recruiting developers who could create an inspiring gateway hotel and conference center on the Big T lot in around 2-5 years. The first few levels could include additional parking and the street crossing at the intersection of Central City Parkway and Spring Street could be very pedestrian-friendly, with a plaza-like feel. This development should be carefully designed as an inspiring gateway to Central City.
- As part of this development effort, the panelists noted that the Belvidere Theatre could be included in the negotiations with the developer of the Big T lot. Specifically, the city could set a reasonable price for the Big T lot and Belvidere Theatre with the requirement that the developer renovate the Belvidere according to the city’s standards. Partnering with a developer who is experienced in similar projects could provide the city with an alternative to paying upwards of \$6-7 million to renovate the Belvidere Theatre on its own.

Overall, the panelists suggested “cleaning house” before thinking about new projects. Regarding specific areas of action, such as housing, street activation, and retail attraction, they provided the following recommendations.



Upper floors of downtown buildings could be redeveloped as housing, if zoning allows for mixed-use buildings with retail on the ground floor.

Renovation of the Belvidere Theatre



In 2018, the Colorado Department of Local Affairs awarded the city \$179,350 for architectural and engineering plans for the Belvidere Theater. Work on those plans could start in early 2019.

By 2020, the city is expected to have \$988,750 set aside for the project, including annual city budget allocations since 2016 and accounting for project-related expenses.

A Historic Structure Assessment report, which listed the stabilization and basic rehabilitation of the structure (no significant internal improvements, no specific tenant improvements) at **\$2.7 million**. Based on various discussions with experts familiar with historic preservation projects, the total price tag of renovation will likely be in the **\$6-7 million range**.

The panelists recommended that the city spend enough money to prepare the Belvidere Theatre for development, and then find the right development/capital partner to make the major investment in redevelopment in coordination with the Big T lot development.

“We can't just renovate the Belvidere without activating the downtown. If we do, it will just become another vacant storefront.”

- City Council Member

Add Needed Housing:

The panelists stated that housing is needed to support the retail and commercial uses that the community desires. Housing is also needed to support an authentic community in Central City, as well as the gaming industry, which provides the majority of the city's tax base.

To support housing in the downtown:

- Plan a path to mixed-use (retail on ground floor and housing above) in the downtown buildings with updated zoning and property owners
- Adapt vacant properties, especially upper levels, for housing
- Right-size oversized tenant spaces by subdividing them for future uses
- Add a small grocery and community-serving retail into mixed-use projects



Street events have been highly successful in downtown Central City. Image courtesy Colorado Town on Youtube.

Activate the Streets:

Increasing foot traffic in the downtown will support local businesses, allowing them to stay in downtown properties. To activate the historic core's streets, the panelists suggested:

- Create a city entrance that announces Historic Central City as a "place to arrive," especially from Central City Parkway. Eventually the redevelopment of the Big T lot could include a gateway into the downtown.
- Create a Mobility Plan that identifies pedestrian and vehicular patterns
- Use side streets, like Pine Street, to create small activity zones
- Create a seasonal outdoor beer garden with music and art programming
- Program music and arts festivals on Main Street, piggybacking on performers who come to Denver and Red Rocks and the Opera House
- Continue to support street events like bike, running, classic car, motorcycle and race car events that end in downtown celebrations
- Allow food trucks to park in vacant lots and in front of vacant properties, especially during weekends when the casinos are busy

Attract Successful Retail:

Filling vacant commercial properties with successful retail is critical for the success of the downtown. The panelists had these recommendations for attracting successful retailers to Central City:

- Identify successful retail businesses in seasonal communities like Estes Park, Lyons, and Nederland that could expand or move to Central City, especially once the city is activated year-round

Adaptive Reuse Example



Denver Central Market is a successful food hall in Denver. Multiple food vendors share a single open space in the historic building, which was once an auto repair shop.

For more information, visit denvercentralmarket.com

"I would like to see housing fill in on the second and third floors of buildings."

- Former Mayor Kathy Heider

"When I first came here, there were lots of shops and destination restaurants. When gambling got approved, the bars consolidated into larger spaces, which is hard to fill with smaller businesses."

- Former Mayor Kathy Heider

More about Retail

- Grocery Store: Around 3,000 local residents are needed to support a grocery store.
- Coffee Shop: The preferred traffic count to support a coffee shop is around 25,000 per day.
- Restaurant: Most restaurant chains have a population density minimum of 100,000 within a three-mile radius or 15-minute drive.

Currently, the population of Central City is around 736 people. To support the activities and uses that the community desires, Central City must have more people. To have more people, it needs more housing.

- Create a high-touch plan to sell successful retailers on your city: year-round viability and larger visitor traffic
- Partner with property owners to help them appropriately renovate and retrofit spaces to meet the needs of future tenants. For example, streamline the development process, and provide access to financial assistance.

Ideas for successful businesses that could potentially work in Central City:

- Amicas Pizza in Salida
- Laura's Fine Candies in Estes Park
- The Train Cars Coffee and Yogurt Company in Nederland
- Ten Thousand Waves in Santa Fe, NM

Only recruit successful businesses when there is sufficient demand to support them.

Policy

Panelists identified the following challenges and opportunities related to the city's policy and regulation related to vacant properties.

Challenges:

- Currently little to no code enforcement
- Long-term vacancy downtown
- Property deterioration
- Fewer and fewer visitors

Opportunities:

- Rezone the downtown to be mixed-use, enabling housing on the upper floors
- Hire code enforcement staff
- Create a Vacant Property Registration Ordinance and fund for improvements (see page 20)
- Streamline policies for quicker, 60-day development review
- Communicate that the city is "Open for Business"



"We need a way to get vacant property owners to sell or use their spaces."

- City Council Member

Stakeholders gather during the panel presentation in the City Council Chambers.



Tebo Properties have remained vacant in downtown Central City for years. Photo courtesy Google Street View.

Create a Vacant Property Registration Ordinance:

Across the nation, local municipalities have used Vacant Property Registration Ordinances (VPROs) to encourage the reuse of vacant properties. While VPROs can be structured to fit local needs, typically they involve the following:

- Property owners must register their vacant property with the city
- Annual fees for vacant properties
- Code enforcement

More information on VPROs is available on HUD's website: www.huduser.gov/portal/periodicals/cityscpe/vol15num2/ch22.pdf. A database of existing VPROs is available here: safeguardproperties.com/vacant-property-registration.

Fund for property improvements:

Fees collected through the VPRO could go into a fund that could go toward property improvements and adaptive reuse. For example, the city could create a revolving loan fund or a grant program that downtown property owners could use to make tenant improvements.

Make the development process easier:

To expedite vacant property reuse, the panelists recommended streamlining the development review process:

- Actively promote the "use-by-right" land use entitlement process
- Expedite permit reviews (60 days max)
- Subsidize risk capital costs with an ordinance to reduce or remove various fees for desirable land uses
- Be open to integrating new development with historic buildings
- Partner with developers who understand and have experience with historic preservation, mixed-use development, and placemaking



Integrating new development with historic buildings



Zuni Cafe San Francisco Courtesy Pinterest.



Silver Plume Bread Bar Photo By Josie Sexton.

“There needs to be a balance between old and new.”
- City Council Member

Financial

Panelists identified the following challenges and opportunities related to the city's financial capacity for addressing the vacancy issue in downtown Central City.

Challenges:

- The Business Improvement District (BID) levies 80 mills for debt (70% of total 112 mill tax bill for commercial owners in the BID), which is insufficient to cover current debt service payments
- City relies almost entirely on gaming-related tax revenue, which is not diversified

Opportunities:

- Deploy additional public finance tools, such as an Urban Renewal Authority (URA) or Downtown Development Authority (DDA)—both of which can leverage Tax Increment Financing (TIF)
- Create a special district policy to support infrastructure for new development areas
- Partner with BID bondholders on downtown improvements to maximize the value of their existing investment
- Reframe the 112 mill levy in context with other new development areas and use the BID as a tool for supporting new development

The panelists recommended strategic deployment of the city's resources to achieve larger goals in the downtown. Diversifying the city's revenue streams will allow it to increase its impact.

Use loans, rent, grants, general fund, revolving loan fund and other sources to support:

- Winterizing the Opera House to accommodate year-round events with a loan to be repaid from a portion of the winter box office, in addition to any state grants for historic preservation. Activating this asset for 52 weeks instead of just 6 weeks could increase the visitor traffic from 20,000 per year to 1 million. That would have significant economic impacts for Central City, including sales tax, lodging tax, marijuana tax, and ancillary business creation.
- Winterizing the Opera's cottages could be repaid from a portion of rent.
- Subsidizing tenant space improvements and/or partial rent for small businesses with a revolving loan fund or grant program, using fees from a VPRO, to help to activate Main Street. Rents many only need to be subsidized until businesses can afford market rates. An economic impact analysis could help determine the return on investment, but added traffic from winterizing efforts are needed to allow businesses in the downtown to be viable.
- Spend enough of the city's earmarked funds to prepare the Belvidere Theatre for development. Then find the right development/capital partner to make the major investment in redevelopment in coordination with the Big T lot.
- Find high impact/low cost activation opportunities for the downtown, such as: ping pong, beer garden, horseshoes, cornhole, planters, etc.

“City incentives are available to those who come in first.”
 - Daniel Miera, City Manager

Special district options:

- City creates a Downtown Development Authority (DDA)
 - As the plan for new businesses and new development creates additional property tax, sales tax, and lodging tax, it allows for incremental revenue to be deployed to remediate blight conditions (TIF)
 - Requires partnership with the County and the School District
 - Must be accretive to the BID bondholders as a partner
- City creates a Special District Policy for new districts to support infrastructure for new development areas
 - As development outside the BID requires additional infrastructure, a special district provides a funding mechanism consistent with other Colorado municipalities
 - Having a clear policy supporting districts removes an impediment to new development



The creation of a Downtown Development Authority could help Central City revitalize the downtown by giving it access to Tax Increment Financing.

Bondholder relationship:

City and BID partner with the highway debt bondholders to invest in the downtown and maximize the value of their existing investment.

- The current discussion on the valuation of the bonds is essentially focused on a discounted cashflow approach using the BID's current annual revenue, with some debate on the potential growth and discount rate, to come to a negotiated pay-off amount.
- With a specific, strategic approach to new development and increased occupancy in the downtown, the valuation of bonds could increase, which could motivate the bondholders to invest in real estate or infrastructure needs. This investment could include leveraging current BID debt revenues differently, in addition to or instead of new financial investment.

Consider restructuring BID bonds to add value to holders and incentivize investment.

- Current bonds have limited liquidity and value in the secondary market because current holders receive tax-exempt interest payments (as philanthropists), but any new holder would likely not since no new tax-exempt interest is accruing due to the TABOR limit.
- BID could restructure to increase liquidity and tax-exemption:
 - Consider bifurcating the bonds into 2 series, one senior and one subordinate with the senior series sized to pay on current revenues and the subordinate series to pay with growth revenues. Senior bonds could be marketable at par today and could provide some new investment with bondholder consent.
 - New debt could have principal amount below the \$43 million currently outstanding and could provide for new tax-exempt interest accrual. A new TABOR election of the BID may be required.

“There's an enormous amount of risk in this town. If it's not going anywhere, it will go backwards.”

- Bondholder representative

Thank you to panelist Sam Sharp for his financial expertise in this section.

Action Plan



The panelists ordered the recommendations in this report into a phased Action Plan.

Photo courtesy Google Street View.

PHASE 1: 1-2 years

- Create a Downtown Development Authority
- Rezone the downtown to enable mixed-use, with housing on the upper floors
- Enforce building codes and institute a Vacant Property Registration Ordinance (VPRO)
- Subsidize Main Street retail space improvements with fees collected from the VPRO
- Craft a professional 3-D vision with visuals (get outside expertise) tied to a development business plan for each project (partner with bondholders and landowners)
- Partner with the Opera to winterize their buildings
- Secure partnership with University of Colorado Denver and Metro State for student residency programs
- Develop a mobility action plan to get people to and around town, and include where they can park
- Programming: music in the street and in existing venues, artist residency programs, branded street festivals
- Recruit successful retailers from other seasonal communities to expand to Central City
- Create a special district policy for new development

PHASE 2: 2-5 years

- Restructure BID debt
- New housing - all kinds! (affordable, market rate, mixed-use, new construction, adaptive reuse, etc.)
- Develop relationships with the right development partners
- Redevelop the Belvidere Theatre and Big T lot as a gateway, potentially including a hotel, conference center, corner retail, large event plaza, and parking
- Implement a mobility plan (e.g. shuttles from Denver, parking)
- Support the redevelopment of the Colorado Central Railroad



Conclusion

Central City's historic downtown is a true gold mine. But to bring it back to life, swift action is necessary. An inspiring vision coupled with impactful small wins over time will attract investors, businesses, and developers who have the resources to realize the community's vision.

The TAP panelists believe that the city can lead the way in this effort by partnering with other local organizations on common goals for community revitalization.

“We want to maintain the community feel here. We can also aspire to be 'the center of it all,' with culture, adventure, and history.”

- Mayor Jeremy Fey

ULI Volunteer Panelists



Panel Chair Bill Campie is the President of DTJ Design. He is a designer with a wide range of experience in planning, architecture and landscape architecture. His portfolio of award-winning projects in land development and planning, as well as more detailed architecture and landscape architecture, is a testament to his diverse interests. Bill believes in a design process that has a comprehensive understanding of development, the Client's needs, and impact on the community. He is also a co-chair of ULI Colorado's Resort, Entertainment, Tourism, and Leisure Product Council.



Win King is the Founder of King Commercial Real Estate. After more than 30 years in commercial real estate, Win King founded King Commercial Real Estate in 2011 to provide a full suite of specialized real estate services to clients across the Denver area, including leasing and sales of office, industrial, and retail spaces, as well as land and investment properties. Personalized consulting services - utilizing of-the-minute market information - is available to buyers, sellers, investors, tenants and landlords.



Bill Parkhill is a real estate developer with over 25 years of experience in planning, design, construction and financing projects in a variety of asset classes. He is focused on urban infill development projects that combine his planning vision with his financial experience. Since 2011, Mr. Parkhill has been focused on the River North (RiNo) neighborhood in Denver, becoming one of the earliest adopters in that market segment. He founded Tributary Real Estate with Ryan Arnold to combine development, planning and brokerage to more effectively deliver projects to market. Mr. Parkhill graduated from University of Illinois with a Bachelor of Architecture and the University of Colorado with a Masters of Architecture.



Sam Sharp is the Managing Director of the Special District Group for D.A. Davidson & Co. D.A. Davidson specializes in financing projects for communities across the US. From securing funding for a new elementary school building to structuring multi-million dollar project financing for professional athletic facilities, they are committed to strengthening infrastructure, expanding businesses and enriching the lives of the people in our communities. Their public finance investment bankers bring experience and expertise in conventional fixed-rate debt financing, variable-rate bonds, credit-enhanced structures and non-rated bonds. He has worked with D.A. Davidson for over 19 years and has an MPA in Public Finance from Columbia.



David Tryba, FAIA is the Founder and Lead Design Principal for Tryba Architects. His passion for cities directs the work of Tryba Architects. He is involved in each of the firm's projects and excels at leading talented designers towards solutions that are in the best interest of the client, the community, and the project. David directs the firm's commitment to the development and transformation of urban neighborhoods, buildings, sites and systems into active, human-scaled and successful places. His design is driven by a critical awareness of the social and economic value of placemaking, a fundamental belief in the integration of architecture and landscape, and a firm and resolute commitment to city building and civic craft.

Interviewed Stakeholders

City

- Kathy Heider, Former Mayor
- Jeremy Fey, Mayor
- Daniel Miera, City Manager
- Ray Rears, Community Development Director
- Reba Bechtel, City Clerk
- Sam Hoover, Public Works Director
- Tom Ihme, Captain, Gilpin County Sheriff's Office

City Council

- Kathy Heider
- Jackie Mitchel, Elect
- Judy Laratta
- Jeff Aiken

Planning Commission

- Kara Tinucci
- Barbara Thielemann
- Bobbie Hill

Business Improvement District

- Joe Behm
- John Zimpel
- Thomas Robb

Bondholder Representatives

- Bill Porter
- Tim Wray

Main Street Commission

- Barbara Thielemann
- Ed Schoenrad

Historic Preservation Commission

- Alex Thome
- Deb Wray
- Ernest Van Deuchen
- David Forsyth

Local Land Owners

- Larry Krug
- Roy Verella
- John Zimpel

Local Business Owners

- Dan Hedges and Dana Laratta, Century Casino
- Stefan Van der Steen, Denver Adventures
- Famous Bonanza Casino
- Black Fox Mining
- Therese Anderson, Homes by Therese

Community Organizations

- Ron Engels, Gilpin County Commissioner
- Scott Finlay and Eric Chinn, Central City Opera
- Richard Jortberg, County Commercial Appraiser
- Tiffany Pehl, Associated Governments of NW Colorado
- Marie Isaac, Prospector's Run HOA
- Mike Schick, Elks Lodge
- Bob Bassett, Court Hammond, and John Knap, Colorado Central Railroad



ULI Colorado Leadership in Responsible Land Use

ULI Colorado is the 1,300-member District Council of the global Urban Land Institute. ULI Colorado consists of a four-person staff, 25-member executive committee, and 15 committees with more than 250 volunteers. More than 40 programs a year include advisory panels, leadership and mentoring programs, panels, project tours, publications, and community service. ULI is a non-lobbying educational and research institute supported by its members, sponsors, and foundations. Key issues include affordable housing, healthy communities, transit-oriented development, and sustainable design and planning.

Chair: Tracy Huggins, Executive Director, Denver Urban Renewal Authority

Vice Chair: Mike Zoellner, Managing Partner, ZF Capital

Chair of Mission Advancement: Marilee Utter, President, Citiventure Associates

Treasurer: Mark Tompkins, Principal, Strae Advisory Services

Governance Chair: Bruce O'Donnell, Starboard Realty

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Executive Director: Michael Leccese

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