City of Grand Junction, Colorado

Jarvis Property Master Plan: Phase II

View from site to railroad bridge and confluence of the Colorado and Gunnison Rivers

Final Draft: February 3, 2006

Acknowledgements

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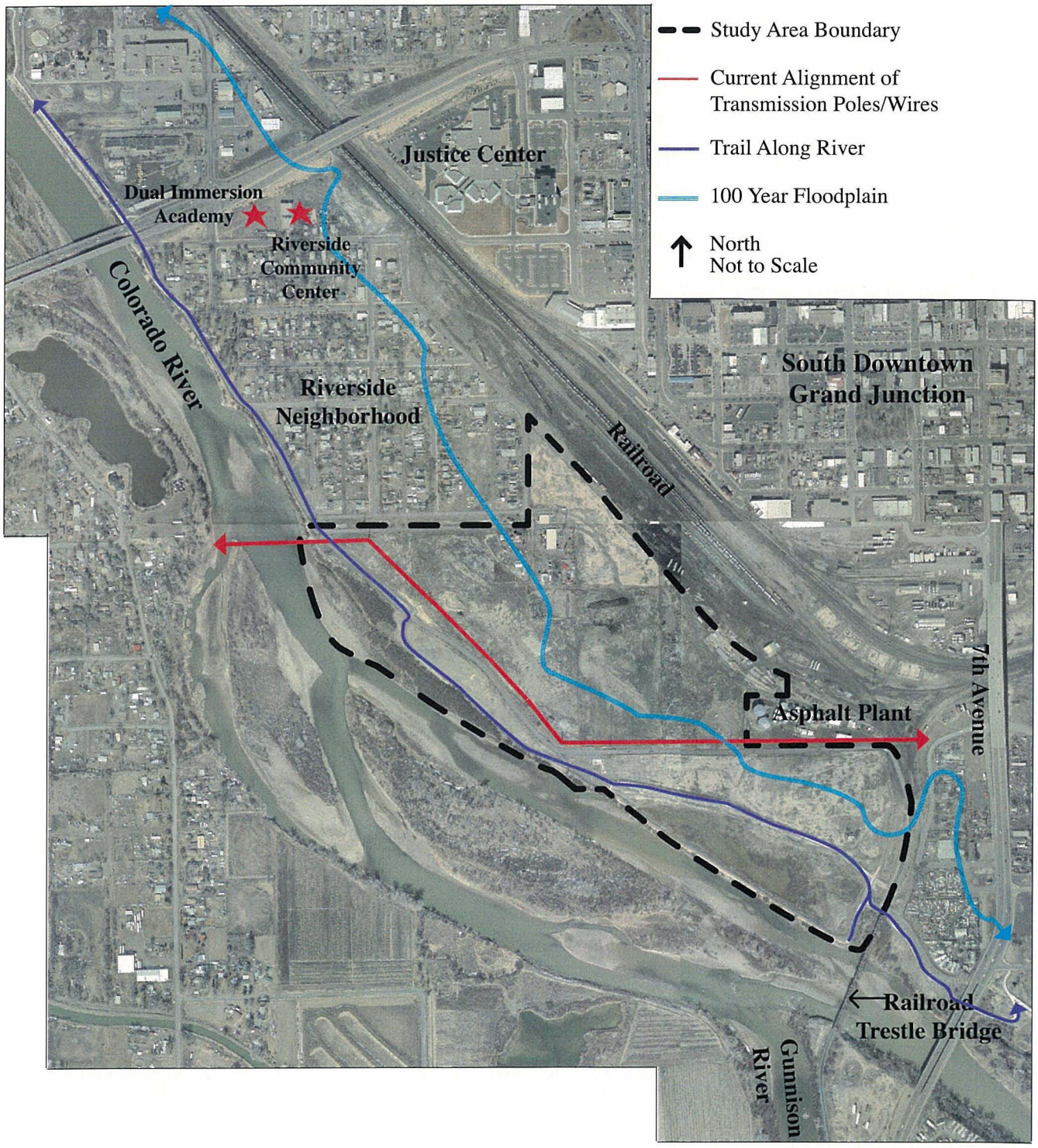
I. Introduction

The City of Grand Junction embarked on Phase II of the Jarvis Master Plan midyear 2005 to refine design concepts and identify cost implications associated with future development of a 63 acre city-owned parcel located at the confluence of the Gunnison and Colorado Rivers.

A design charrette was conducted in August of 2005 that engaged City Council and Staff in identifying critical urban design framework principals for the refined master plan.

A Resource Panel was convened in November of 2005 to seek feedback from local and Denver developers regarding feasibility issues associated with the implementation of the Conceptual Master Plan. Based on input from City Staff, City Council and the Resource Panel, the Conceptual Master Plan and Draft Proforma were refined and revised. Implementation strategy items were also refined and the next steps in the development process were outlined to provide the City of Grand Junction with background information and a conceptual framework to allow City Council to make informed decisions regarding future development.

II. Aerial Photograph of Study Area



III. Conceptual Master Plan

Urban Design Framework Principles

The original concept plan for the Jarvis Property was developed using the preliminary land use program outlined during Phase I of the project (refer to Jarvis Property Master Plan Development Strategy, dated April 1, 2005). Based on stakeholder interviews and a design charrette, the following urban design framework goals were identified:

- Future development of the Jarvis Property should include land uses that supplement the goals and vision for Downtown Grand Junction.
- The local on-site street network should be designed to create view corridors to the river from the public right-of-way and private residences.
- Public access to the trail and on-street parking opportunities should be provided to ensure that the Grand Junction community benefits from new development along the river's edge. Additional access points should also be provided in the form of trailhead parking and non-motorized boat put-in ramps.
- Primary and secondary access for localized vehicular traffic should be provided from the Riverside Parkway into the site. The Parkway traverses the site and creates two developable areas; access to these parcels should align, resulting in a 4-way, 90° intersection with the Parkway.
- Proposed new development should ensure that all buildings remain between 2-3 stories along the river's edge and increase in height as they get closer to the Parkway to allow for views to the river (over proposed residential development) and over the railroad easement into Downtown.
- Existing transmission towers that traverse the site should be relocated. Several options have been discussed in conjunction with the refinement of the Master Plan, including underground burial of lines as well as a regional realignment of the towers, which could result in off-site relocation. However, because of the excessive cost implications associated with both the aforementioned options, the Conceptual Master Plan integrates an above-grade, on-site realignment, which would require a 50' wide at-grade easement. The Conceptual Master Plan integrates this easement with alley access to proposed commercial and residential buildings, provides surface parking to serve commercial and residential uses and includes a landscaped median designed to reduce the visual impact of the 50' easement. The above-grade realignment of the transmission poles and accompanying easement should not result in a visual and physical barrier between the existing Riverside Neighborhood and new development on the Jarvis Property.

Urban Design Elements

The Conceptual Master Plan contains several critical design components that respond directly to public comments received during an open house as well as Resource Panel, City Council and City Staff comments generated throughout the duration of the project, including:

- An **internal street grid** resulting in development blocks that average 250' – 300' in length, orient to the Colorado River and align with the existing Riverside Neighborhood street grid. The existing grid intersects with the proposed local street grid that is oriented to both the Colorado River and Riverside Trail and maximizes views to the river and Downtown Grand Junction.
- A **50' utility easement** located directly under relocated transmission poles that serves as an alley and provides surface parking for residents, employees and customers.
- **Commercial, office uses and light industrial (flex) uses** that are **oriented toward Riverside Parkway** to maximize visibility from the Parkway.
- Commercial, office, restaurant site and public meeting space that are oriented toward the river and new residential development to take advantage of the proximity to the river and create **an internal hub for public activity**.

- A **diversity of residential products** ranging in size and location (see following dwelling unit description and counts) that responds to local and state-wide market trends.

- **View corridors** through the project extending from the Riverside Parkway to the Colorado River.

- **Public access** to the river, Riverside Trail, trailhead parking and on-street public parking opportunities.

- Proposed **street sections** that include curb and gutter, detached sidewalk, tree lawns with street trees and significant on-street parallel parking opportunities.

- **Preservation** and integration of **two existing historic brick residences** that flank Hale Boulevard located near the primary entrance to the development.

- **Light industrial (Flex) uses** located east of the Parkway and just west of the railroad and could potentially provide alternative access to the existing asphalt batch plant.

- The **alignment of the Riverside Trail** was not altered and **remains intact**. An existing sewer trunk line parallels the Riverside Trail. The Conceptual Site Plan assumes that the existing sewer line will remain in its current location and that future development will not require realignment of the sewer line. Preliminary discussions with Public Works indicated that potential realignment might be feasible and desirable if the proposed internal street network creates improved opportunities for access and maintenance by locating the sewer line and man holes within a newly dedicated public right-of-way.

- Proposed land uses must respond to the existing uses and development contained in the Riverside Neighborhood. Lower density residential units, such as **duplexes, were targeted for Hale Avenue** to create a transition between a predominately single-family neighborhood and higher density residential development contained on the site.

- **Two neighborhood centers** containing mixed use development will provide residents with retail and commercial services.

- **Revegetation** of the river's edge to include tamarisk removal. Formal landscape improvements would be targeted for newly created uses and structures internally located. To maintain visual and physical connections to the river's edge, native landscaping would be targeted for disturbed areas between the trail and the row of residential structures that parallel the river.

Other Factors

A number of items require additional exploration and discussion as the City moves forward with the project.

A. Relocation of the Transmission Lines

As noted earlier, there are several desirable, albeit costly, alternatives for relocation of the towers and power lines. A 50' easement is required by Xcel Energy and cannot contain any structures, but may be paved and/or landscaped. The easement is represented in the site plan by a 50' wide paved alley with a 10' wide landscaped median. The costs associated with the paving and landscaping of the alley are notable and should be considered a line-item associated with the transmission pole relocation costs, not internal site development costs. Continued discussion with the City and Xcel should be conducted to explore the feasibility of options that would eliminate the towers from the site. The towers may inhibit the marketability of residential development.

B. Riverside Parkway

The parkway traverses the property and creates a small wedge of land north of the parkway that was initially targeted for light industrial uses. The construction and alignment of the Parkway requires that the city provide new access to the asphalt plant from the Parkway. Current Parkway alignment includes the replacement of the existing access to the asphalt plant with a curved, ramped access directly into the parcel. However, the consultant team was asked to explore the possibility of providing an alternative access drive to the asphalt plant through the city-owned land north of parcel and east of the Parkway. While this is feasible, it is important to remember that the heavy construction trucks to and from the asphalt plant using this access require specific road widths and turning radii, which will dictate the width of the access road and the size and configuration of intersections. Originally, the concept plan had targeted 3-

4 small light industrial buildings flanking a large surface parking lot that also provided loading and service access. Because of the newly proposed asphalt plant access road, the amount of land available for development is reduced. Also, a landscaped buffer should be provided between the access road and the internal parking lots and structures to mitigate the sound and dust generated by construction truck traffic. The costs for the access road should be considered an expense necessitated from and by the alignment of the Riverside Parkway.

C. Asphalt Plant

Due to ongoing cleanup and improvements throughout this section of the City, there have been ongoing discussions regarding the future of the existing asphalt plant. For the near future, the asphalt plant will continue to operate. In the long-term, there is hope that this heavy industrial use may relocate to another more appropriate location in the City. If the asphalt plant is vacated, future uses for the parcel should include additional light industrial (flex) space that takes advantage of Parkway access and proximity to Downtown. Site constraints include proximity to the railroad, proximity to the parkway, the topographical change between the Parkway and the parcel and access. The parcel will be landlocked between the Parkway and the railroad and will not be conducive to residential uses, but might be desirable as additional light industrial development with easy access to Downtown.

D. Road Sections

Conceptual street sections developed in conjunction with the Conceptual Master Plan include on-street parking for almost every length of proposed local street. On-street parking serves three primary purposes:

- To create an active and animated street edge that invites residents and visitors to use the street for parking.
- To reduce the required on-site parking ratios for each land use.
- To expand public parking opportunities for Riverside Trail and river access.

Initial design concepts include several opportunities for city residents and visitors to use portions of the site for river and trail access. Although this is a desirable goal, the significant amount of on-street parking may be creating undue financial burdens on the development by increasing the amount of paving necessary for each street. The addition of on-street parking requires 16' feet of paving for every one linear foot of road, which directly impacts basic infrastructure costs. Current site plan configurations may allow for a narrower street cross section of 24' curb-to-curb, which would include two drive lanes without a median and on-street parking and significantly reduce infrastructure costs.

E. Inholdings

There are three inholdings within the study area, which the City will need to address as they move forward with the development of the site. One option is to adopt a Planned Unit Development Overlay to ensure future development of the inholdings responds to the final approved Master Plan. In addition, Planned Unit Developments often require a set of design guidelines to ensure that future development (regardless of owners or investors) maintains the desired and approved vision and development character. The Conceptual Master Plan responds to the configuration of the inholdings ensuring that proposed building locations are not sited atop the property lines. However, the local street network and transmission tower realignment do encroach on the inholdings. Each parcel does maintain its autonomy and would be able to be developed independently within the proposed urban design framework.

Two existing brick structures have been incorporated into the Concept Master Plan. Both buildings front Lawrence Street and are two story Victorian style buildings that frame the entrance into the Jarvis site.

F. Civic Uses

Throughout the planning process, several ideas regarding on-site civic and public facilities were discussed. The conservation and renovation of these two older structures could create additional office space for local and/or state agencies that seek leased space closer to downtown and/or the Colorado River. These two structures could also house cultural or arts-oriented uses that would complement the proposed commercial and residential uses located to the east and southwest of the structures.

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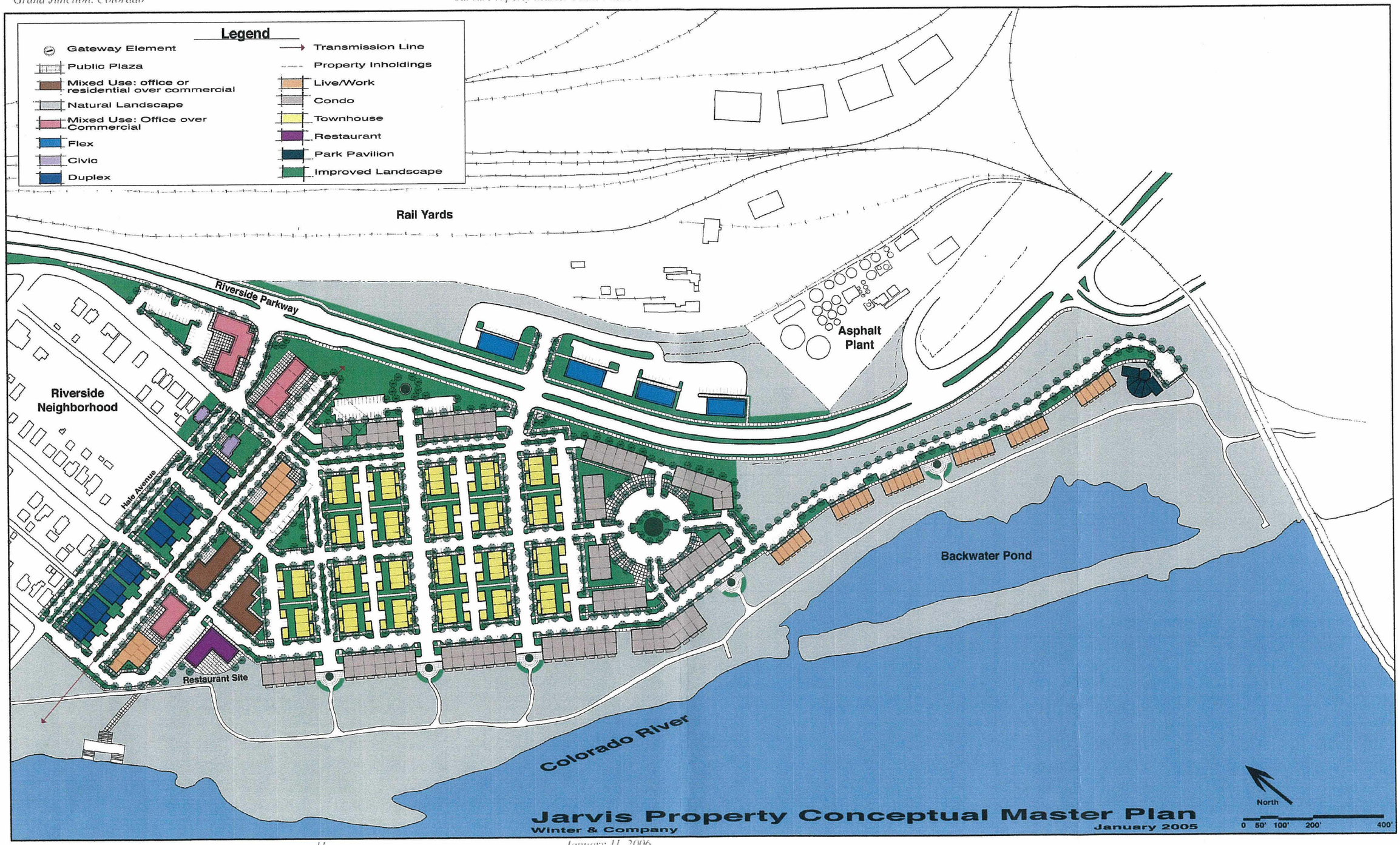
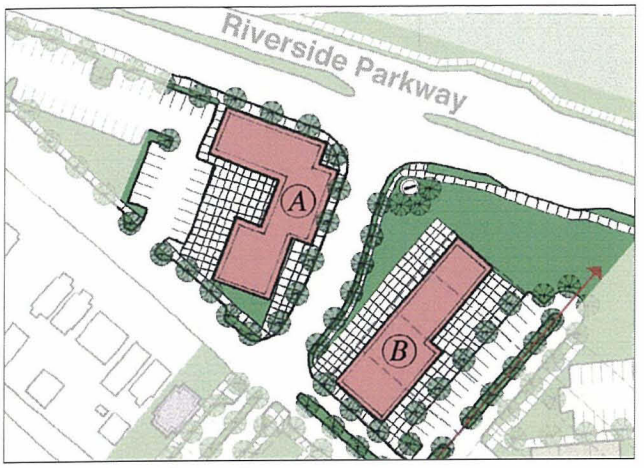

Legend
Gateway Element
Public Plaza
Mixed Use: office or residential over commercial
Natural Landscape
Mixed Use: Office over Commercial
Flex
Civic
Duplex
Transmission Line
Property Inholdings
Live/Work
Condo
Townhouse
Restaurant
Park Pavilion
Improved Landscape
Rail Yards
Riverside Parkway
Asphalt Plant
Riverside Neighborhood
Hale Avenue
Restaurant Site
Backwater Pond
Colorado River
Jarvis Property Conceptual Master Plan
Winter & Company
January 2005
North
0 50' 100' 200' 400'

Placeholder for backside of map

IV. Building Prototypes

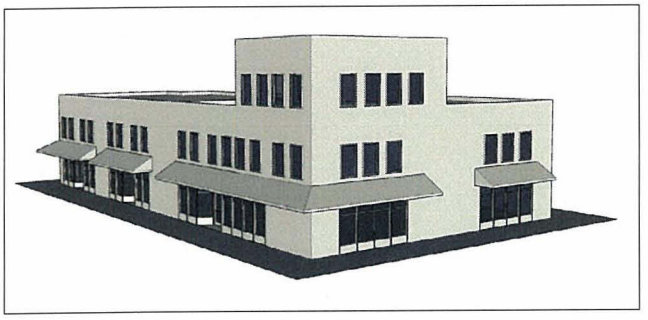
A. Introduction

The Jarvis Property Conceptual Master Plan proposes diverse residential products including duplexes, live-work units, townhomes, condominiums and second floor units above commercial and/or retail businesses. Throughout the project, the consultant team used photographs of existing developments and computer-generated models to graphically illustrate conceptual massing configurations. The following photographs and models are for discussion purposes only and to convey the desired massing and scale for each product and unit type.



Neighborhood Center A

Neighborhood Center B



Conceptual Massing Model: Mixed Use, Perspective A

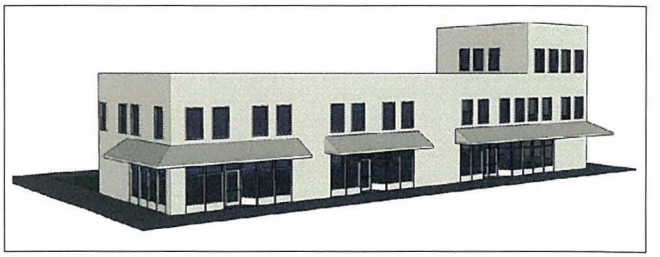
B. Mixed Use: Office and/or Residential over Commercial

Neighborhood Center A

Neighborhood Center "A" is adjacent to the Parkway and is comprised of (2) two-story mixed-use buildings located at the intersection of Hale Avenue and Riverside Parkway. Building A contains 11,700 SF of commercial space at street level, with the same square footage of office above, and surface parking located to the rear of the building. Building B contains 9,100 SF of commercial space at street level, with the same square footage of office above, and surface parking located along the transmission tower easement. The two buildings result in a total of 20,800 SF of commercial development and 20,800 of office development alongside the Parkway. Parking requirements are estimated to be 1 space per 500 SF of (low volume) commercial development and 1 space per 300 SF of office development for a projected requirement of need of 110 parking spaces. Seventy-five spaces are delineated on the site plan with the remaining requirement targeted to on-street parking that is provided and disbursed throughout the development. On-street parking would be a consideration of the plan development process.

Neighborhood Center B

Neighborhood Center "B" is closer to the river and is comprised of (4) two-story mixed-use buildings located at a four-corner intersection. Building C contains office units atop 7,000 SF of commercial space at street level. Building D is a 7,600 SF single-story restaurant site. Building E contains residential units above 9,000 SF of commercial space. Building F contains residential units above 8,800 SF of street-level commercial development. The single-story restaurant building allows for views from the second story of the other three buildings, which results in an active neighborhood center that also provides a direct pedestrian link to the Riverside Trail and non-motorized boat access to the river.



Conceptual Massing Model: Mixed Use, Perspective B

The scale of the proposed development should not overwhelm trail users nor visually compete with scale and massing of downtown. The Conceptual Master Plan assumes that two story buildings will be sufficient to create active commercial centers for the Jarvis Property development.

As the City moves forward with the development plan, it may be desirable to construct three-story buildings in the commercial centers. Setting the third story of a building back from the street facade creates a successful transition from two to three story structures, and also maintains the scale of the development from the pedestrian perspective.

A smooth transition from commercial to residential is the result of similar heights and streetscape. The residential buildings are defined by smaller facade massing and a change of material.

Mixed-use development that takes advantage of views of the mountains. (Boulder, CO)

Mixed-use development that contains residential uses over professional offices. (Boulder, CO)

Mixed-use development that includes two-story structures containing residential and office uses over commercial and office uses at street level. A hierarchy of building massing suggests subtle changes in land use. (Boulder, CO)

Architectural detailing includes increased massing at the street corners. (Boulder, CO)

Two and three-story residential development configured to create strong, cohesive streetscape. (Boulder, CO)

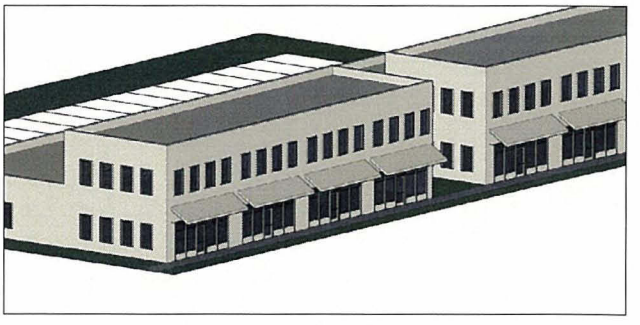
Two story light industrial uses along four-lane road (Bozeman, MT)

Two story light industrial uses with smaller windows on second story indicative of office use (Bozeman, MT)

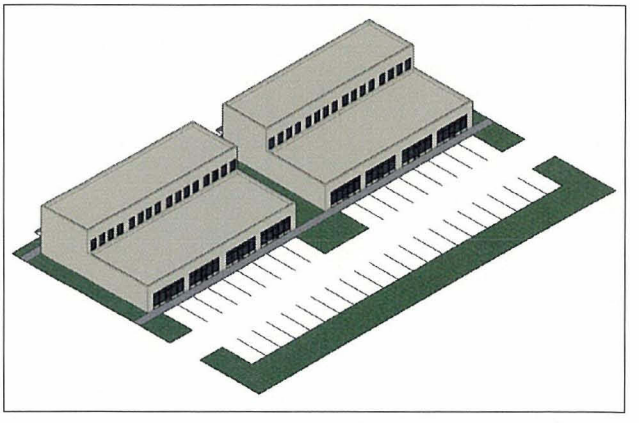
Third story is stepped back from the street edge to minimize massing as perceived from the street. (Boulder, CO)

C. Flex Space: Light Industrial/ Manufacturing

Light industrial uses are targeted for the east side of the Riverside Parkway, adjacent to the railroad and just west of the asphalt batch plant. Four buildings flank the Parkway and include on-site employee parking and loading areas. Access to these buildings creates an opportunity for access to the asphalt plant, if desired by the City. The computer models depict a two-story building that steps up in height along the edge of the Parkway. Increased building height and massing along the Parkway may help to define the street edge and results in screening and buffering of the railroad from proposed residential development on the other side of the Parkway.



Conceptual massing model: Flex Space, Perspective A



Conceptual massing model: Flex Space, Perspective B

D. Townhomes

The primary organizing component of the development is the street grid that serves seven contiguous blocks of townhome development. The townhomes are comprised of four attached units and each unit has a patio, backyard, one-stall garage and one designed off-street parking space. The buildings are configured to maximize views to the river with a taller end-units targeted for the eastern end of each townhome complex.

The townhomes are oriented toward the street, perpendicular to the river and create powerful view corridors from the public right-of-way to the Colorado River. The townhomes include front porches that contribute to an active streetscape, which includes on-street parallel parking, detached sidewalks, street trees, tree lawns and extensive pedestrian connections between each complex that link the residential streets directly to the neighborhood centers.

Conceptual massing model: Townhomes, Perspective A

Conceptual massing model: Townhomes, Perspective B

This development has a two lane street with parallel parking, street trees, lawn and detached sidewalk, with view corridors oriented toward the mountains.

Townhomes that exhibit site planning and architectural principles that create a strong street presence and stimulate pedestrian activity.

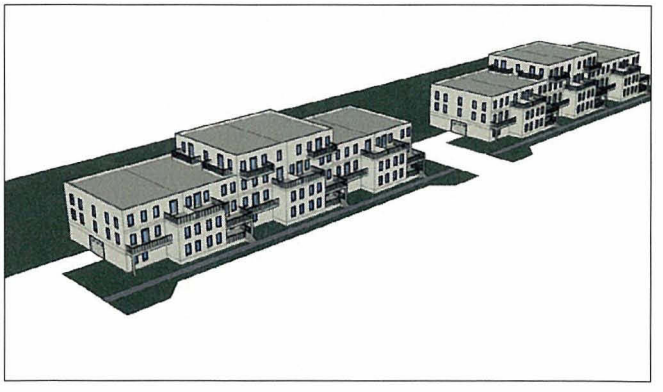
Condominium development in Boulder, CO.

Conceptual massing model: Condominium Perspective A

E. Condominiums

Condominium development includes a variety of unit sizes and locations. Three story condominium complexes (1st level parking and two upper stories of residential units) are oriented along the river to take advantage of view to the River and proximity to the Riverside Trail. Each complex is designed to provide direct pedestrian access from the building to the street and includes front porches and/or stoops to generate pedestrian activity along the street edge. Each condominium complex varies in height depending on its location. Buildings closer to the Parkway are four or five stories to provide views to the River and also to Downtown.

Each individual building is sited carefully to create view corridors and pedestrian links from the internal street grid. Each building includes one level of structured parking accessed at the sides of each building to reduce the impact of vehicular traffic and garage doors along the street edge. Internal structured parking is supplemented by on-site surface parking configured into a series of small, landscaped parking rooms to minimize the impact of surface lots on public spaces and the overall development. Additional surface parking occurs in the form of on-street parallel parking.

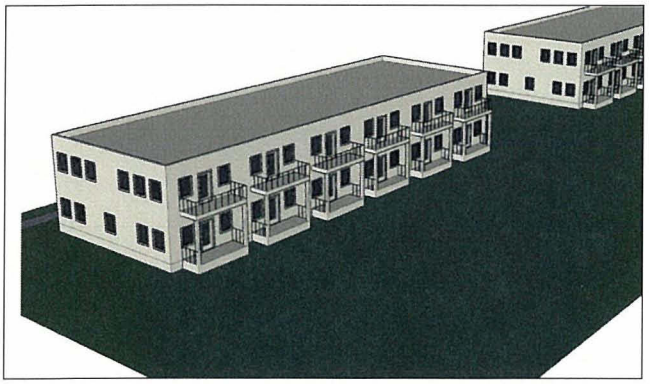


Conceptual massing model: Condominium Perspective B

F. Live / Work

The live-work units provide an opportunity for small-business owners to have a street presence for their office/ studio as well as convenient access to downtown and to other community amenities such as the Riverside Trail. All proposed units orient towards the street and include on-street public parking. It is important to note that character of the proposed structure does not have to change drastically from a townhome appearance to incorporate a live-work use. All live-work units depicted on the Conceptual Master Plan can function as either townhomes or live-work units, depending on current market trends.

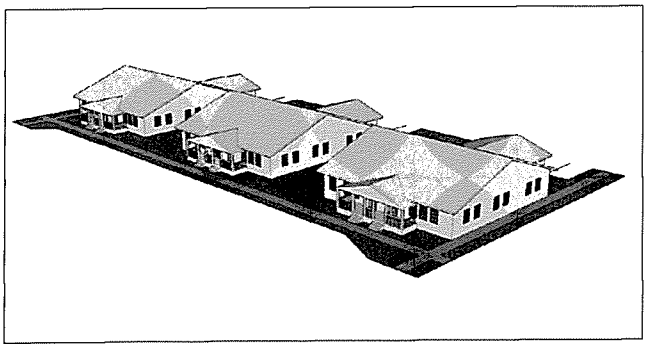
Conceptual massing model: Live/Work, Perspective A depicts strong relationship between from building facade and sidewalk as a result of a "0" setback.



Conceptual massing model: Live/Work Perspective B depicts balcony systems that overlook the Colorado River and Riverside Trail.

Live/work units provide direct pedestrian and visual access at the street level.

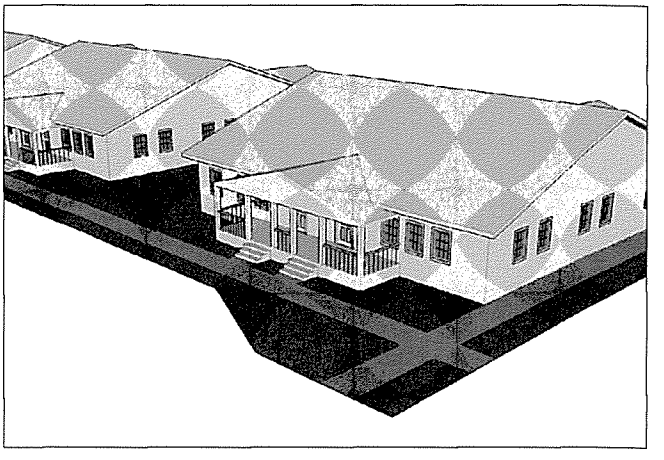
A pedestrian-friendly courtyard creates an inviting space for customers visiting the work (commercial, retail) component of the units during the day and provides a courtyard and public space for the residents after hours.



Conceptual massing model: Duplex Perspective A

G. Duplexes

An important facet of the Conceptual Site Plan is the transition between the existing Riverside Neighborhood and future development that may occur on the Jarvis Property. The Riverside Neighborhood is predominantly single family homes. In order to mitigate the impact of higher density mixed uses on the existing neighborhood, a row of duplexes is located along the south side of Hale Avenue. The duplexes include alley access to an attached garage as well as rear and side yards. The duplexes should be designed to complement the mass and scale of traditional single family structures found in Riverside Neighborhood and include character enhancing architectural detailing such as front porches and gable roofs with dormers, where needed.

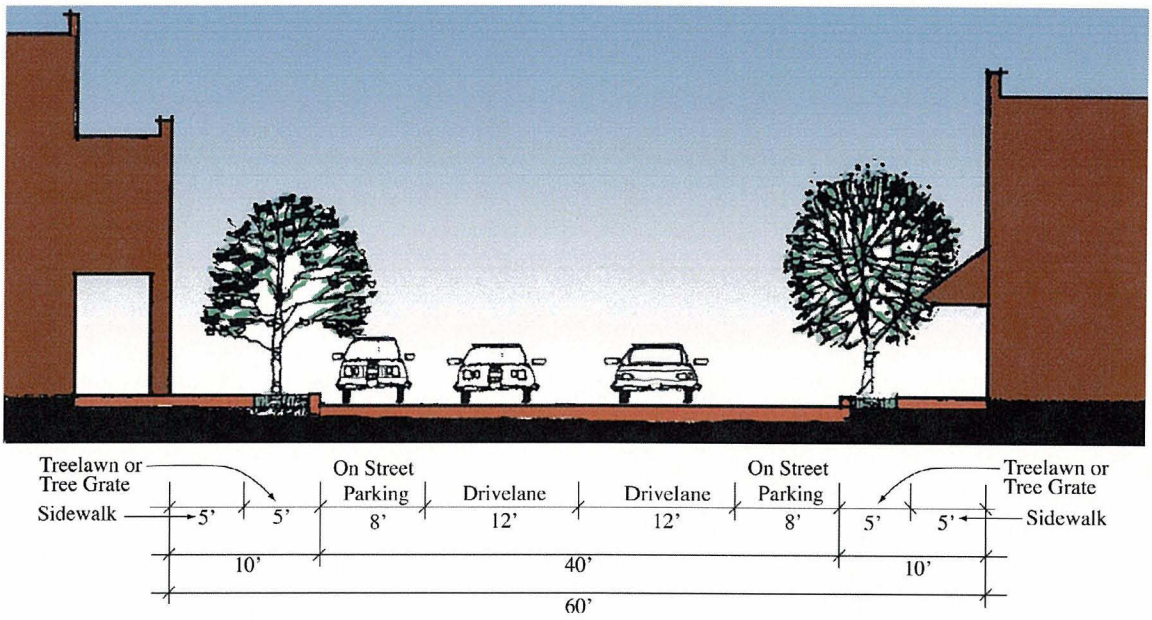


Conceptual massing model: Duplex Perspective B

V. Proposed Street Sections

The Conceptual Master Plan includes two primary street sections. Individual components of each section are similar with the exception of an 8' planted median.

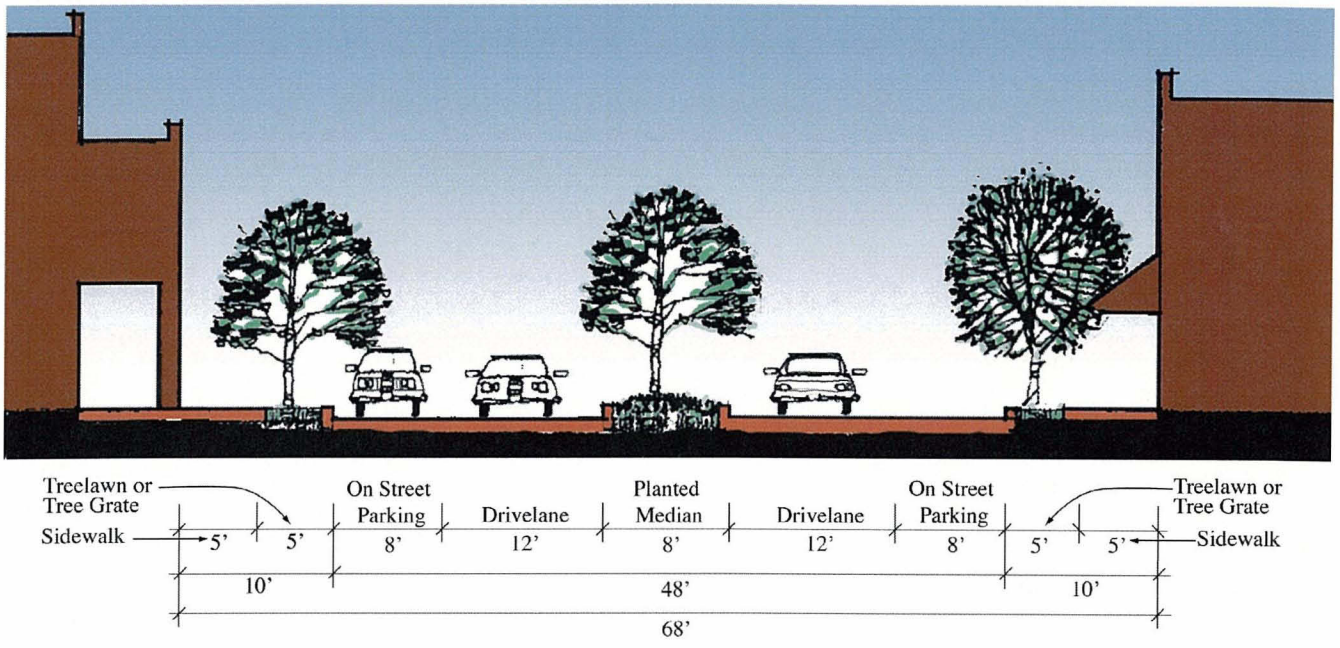
Section B: 60' Street Section



This street section should be considered the preferred section and contains the following elements:

- 5' wide sidewalk from parcel line to edge of tree lawn or tree grate, both sides of street
- 5' wide planting strip or designated area for tree grates, both sides of street
- 8' on-street parallel parking, both sides of street
- (2) 12' drive lanes

Section A: 68' Street Section with Planted Median



This street section is strategically proposed for three separate locations on the Jarvis Property (refer to the Conceptual Master Plan diagram) and contains the following elements:

- 5' wide sidewalk from parcel line to edge of tree lawn or tree grate, both sides of street
- 5' wide planting strip or designated area for tree grates, both sides of street
- 8' on-street parallel parking, both sides of street
- (2) 12' drive lanes
- 8' planted median that includes curb, gutter and native plant materials

This section is targeted for minimal use in strategic locations that require transition elements between existing and proposed uses, such as Hale Avenue or changes in density, such as between townhomes and condominium development. This section should not be used in areas where a mature tree canopy may impact established view corridors from public rights-of-way to the Colorado River.

VI. Amenities

The Conceptual Site Plan includes many amenities that contribute to the quality of the proposed development as well as to the larger Grand Junction community. The amenities range from simple gestures such as on-street public parking and tree-lined streets to more elaborate facilities such as a non-motorized boat put-in and picnic pavilion.

The following list includes elements delineated in the Conceptual Site Plan that should be construed as development amenities:

- Street Standards: Street sections designed to promote pedestrian connectivity, including 10' sidewalks in commercial areas and detached walks in residential areas.
- On-Street Public Parking: Parallel parking opportunities should be provided throughout the development to off-set reduced parking requirements for all land uses including residential, and to provide public parking opportunities for city residents and visitors who are seeking river and/or trail access.
- Formal Trailheads: Trailhead parking and pedestrian access should be integrated throughout the development to promote and celebrate the proximity of the trail and the Colorado River.
- Picnic Pavilion: An informal paved shelter located adjacent to trailhead parking for use by city residents.
- Non-Motorized Boat Put-in: Access and/or stairs to allow easy access to the Colorado River.
- Tamarisk Removal and Riverbank Restoration: The project includes significant improvements to the riverbank to remove existing invasive plant material and to install and establish new native grasses and shrubs.
- Conservation and Renovation of Existing Brick Residences: The integration of two older structures allows the city to integrate historical elements into a new development and to create a unique asset for use by the city and residents of the new development.

VII. PRO FORMA

PURPOSE AND OVERVIEW

Economic & Planning Systems (EPS) was retained by the City of Grand Junction to assess market financial feasibility of the Jarvis Property Master Plan. The purpose is to provide technical information that enables the City Council to make informed decisions regarding the development and disposition options for the site. Specific issues addressed in the analysis include:

- Current market conditions for retail, industrial, office, and residential uses and a supportable development program for the site.
- Economic viability of the proposed project with a cash-flow model.
- Options for implementing the vision and public-private development options.
- Public financing sources for funding gaps.

PROJECT DESCRIPTION

The Jarvis Property includes 43 usable acres at the site located south of downtown Grand Junction, Colorado. The proposed development program, summarized in **Table 1**, includes 501 residential units and 103,000 square feet of commercial, industrial, and flex space. The residential component is comprised of 310 condominiums offered at market rate with another 34 units offered at affordable rates. The condominium units will range from 900 to 1,100 square feet. The project will include 143 townhomes, ranging in size from 1,400 to 1,600 square feet including market rate, affordable, and live-work. In addition, there will be 14 duplexes, 12 at market rate and two at affordable rates.

Table 1
Development Program Summary
Jarvis Property Master Plan

	# of Units	Unit Size
Residential		
Condominiums		
900 Sq. Ft.	150	900
1,100 Sq. Ft.	130	1,100
1,100 Sq. Ft. (on river)	30	1,100
Townhomes		
1,600 Sq. Ft. (Live/Work in Comm.)	11	1,600
1,400 Sq. Ft. (on grid)	76	1,400
1,600 Sq. Ft. (Live/Work on river)	44	1,600
Duplex	12	1,400
Affordable Housing (10% of total)		
Condominium	34	1,000
Townhome	12	1,400
Duplex	2	1,400
Total Residential Dev.	**501**	

	Sq. Ft.
Commercial	
First Floor Retail	45,600
Second Floor Office	27,800
Restaurant	7,600
Industrial/Flex	22,000
Total Commercial Dev.	**103,000**

Source: Economic & Planning Systems, Winter and Company, Local Brokers
H:\15815-Grand Junction Jarvis Redevelopment\Models\[15815-Cash Flow Model - 02-02-06.xls]Program

The commercial component is proposed to include three commercial buildings. A majority of the office and retail floor area will be in two two-story vertically mixed use buildings located at the intersection of Hale Boulevard and Riverside Parkway. At this location the first floor retail is expected to total 20,800 square feet with another 20,800 square feet of office in second floor space. Closer to the river, the site plan calls for a 7,600 square foot 150-seat restaurant and another building with 24,800 square feet of retail, 7,000 square feet of second story office, and approximately 17,800 square feet of residential condominiums.

Flex space accounts for 22,000 square feet of the total commercial space. For this analysis, flex space is defined as an industrial floor area with 35 foot ceiling clearance, loading/vehicular access, dock area, yard space, and the ability to create front office space for administration. There will be a total of three flex space buildings to be located north of Riverside Parkway.

FEASIBILITY ANALYSIS

The development potentials for the site are based on primary and secondary data, including the Grand Junction Multiple Listing Service (MLS), the City of Grand Junction, and Mesa County. Population and employment forecasts were obtained from the Colorado State Demographer's office. Key stakeholder interviews supplemented the secondary data and included the Grand Junction Economic Partnership, Grand Junction Area Chamber, Downtown Development Authority Board and Staff, the City of Grand Junction Planning Commission, and commercial and residential real estate developers and brokers.

MARKET CONDITIONS

The market study focused on the four potential uses, including Industrial/Flex, Residential, Retail, and Office Space, as summarized below.

Industrial/Flex

Demand for industrial/flex space is strong. The level of demand reflects the magnitude of local business growth, which is projected to grow at 4.5 percent for 2005 and 2006. Interest from new companies and expansion by existing companies coupled with job growth generates strong pressure on the supply. The *Listening to Business* effort identified a need for 1.05 million square feet of development from expanding businesses alone, primarily attributed to businesses needing industrial/office/flex space. The demand correlates to a low vacancy rate, which is estimated at less than five percent by local commercial brokers.

While specific absorption rates are not available, brokers estimate that demand for the next five to six years will require approximately 150 acres. While the region has hundreds of acres of vacant industrial land, there are few finished lots that could be quickly permitted for construction. The supply of entitled, improved parcels is expected to increase over the next 18 months with approximately 350 acres delivered to the market in the northwest, southeast, south central, airport, and Clifton areas. An annual average amount of 30 aces per par calculation (150 acres divided by 5 years) indicates the anticipated supply of 350 acres will accommodate demand for approximately 10 to 15 years.

Residential

Grand Junction is primarily a single family market with a range of options available within the City as well as in outlying communities. Fruita and Clifton provide reasonably priced new single family homes, with 2003 median prices of $163,000 and $119,000 respectively. The Redlands area offers more upscale housing within five to 20 minutes from downtown with a 2003 median price of $319,000 for new construction.

New townhomes and condominiums comprised 14 percent of MLS sales in 2003 and the first two quarters of 2004. Multi-family units represented 14 percent of all residential

units permitted for construction from 2000 to 2003 (and include both for-rent and for sale projects).

While the residential market has historically not been receptive to condominiums and townhomes, emerging trends suggest that the market is more amenable to higher density projects. Seven projects are summarized below and represent most of comparable development in Grand Junction.

Garden Grove - Phases I and II, 54 units. Price range of $117,000 to $119,000 ($130 per square foot). Realtors report that sales were slow when the project started in 2002.

Garden Grove - Phase III, 43 units. Prices range from $154,000 to $190,000 ($130 to $140 per square foot). Unit sizes range from 1,100 to 1,500 square feet. Constructed in 2005. 23 units sold in ten weeks.

Cottonwoods in Fruita - 31 units built as duplexes and four-plexes priced from $143,000 to $167,000. Units are 1,500 square feet ($105 per square foot) with two-car garages. Strong sales rate reported.

Tree Haven - Planned project by developer with goal of providing housing in a central location. All 23 units are duplexes and triplexes, most of which are on a single level. One-third sold prior to construction without any marketing efforts. Priced at $175,000 and up for 1,100 to 1,200 square feet ($155 per square foot). First unit will be available in December 2005.

Summerhill Patio Homes – Project included 168 units, mostly duplexes at fairly low density. Priced from $200,000 to $280,000 ($110 per square foot). Units range between 1,700 to 2,000 square feet. Units sold quickly, according to developer.

Horizon Glen - 68 units constructed a few years ago, $172,000 to $192,000, $99 per square foot, 1,688 to 1,910 square feet. Sales kept pace with construction.

Victorian Townhomes - $249,000, $104 per square foot. Six units at 2,400 square feet each. All sold prior to temporary certificate of occupancy (TCO). Historic street with nicely landscaped median increased the appeal of this project.

Developers active in attached product believe that the market could support units priced between $175,000 and $225,000 in 2006 or later. For the feasibility analysis, pricing for most units falls between $170,000 and $240,000, with the premium townhomes fronting along the river priced just under $300,000.

Concerning production, a market capture of 3 to 5 percent of the 1,500 annual permits is estimated to be achievable, which translates to an annual production figure of 50 to 75 units. Some developers report that given the emerging demand for attached product and the strength of this location, the market could support production of more than 100 units annually.

One of the most significant challenges for attached product is that existing development in the Grand Junction area is almost exclusively low-density. The local appetite for higher density products has been limited to duplexes, tri-plexes, or four-plexes on a single level. Conventional townhouses are rare. Thus, it is recommended to start development with clustered patio homes, as the community will be drawn to this type of unit and it will energize sales. Higher density product is recommended for latter years, after the project has become established.

Given the proximity to downtown and the emerging interest in attached product, the Riverside site is a good location for residential development. Despite the historic preference for single family residential in Grand Junction, the market is shifting and the central location of the Riverside site, with its proximity to the Colorado River and downtown Grand Junction, make it a strong location.

Retail

The larger regional retail market in Grand Junction is strong. Vacancy is low in the major retailing areas and new commercial centers with good anchors are performing well. New centers have experienced quick absorption and strong rents. The only weak retail space is found in centers built prior to 1950.

The subject property, however, is not an established retail location. The property is close to downtown, but not close enough to develop contiguous space. There are two nearby grocery stores and an insufficient number of new residential units to support another. The market may be able to support a small neighborhood retail center of approximately 20,000 to 30,000 square feet on the Riverside site. This retail would be supported largely by automobile traffic on the new Riverside Parkway. Sales to the surrounding residential area (the existing Riverside neighborhood as well as new residential development on the site) would comprise a small portion of overall sales. The center should have several in-line retail shops and services, but no anchor. Likely tenants include a coffee shop, sandwich shop/deli, laundry/cleaners, liquor store, and convenience store.

Office

The Grand Junction office market has low vacancies ranging from 8 to 10 percent, which are substantially below most metropolitan areas that have rates between 15 and 20 percent. However, Grand Junction is a small market with little Class A office space. Existing office space is largely confined to class B office buildings in downtown and on Horizon Drive. Based on the recent past, it is an untested market.

PROJECT CASH FLOWS

This section of the study analyzes the financial feasibility of the proposed development, using the market conditions provided above as factors for the analysis.

Analysis of Revenues

The proposed development will generate $97.1 million in residential sales. The financial model assumes sales price per square foot values ranging between $140 and $190 for market rate product, as shown in **Table 2.** These sales per square foot values result in sales prices between $170,000 and $296,000 for most of the product, with premium units priced near $300,000. In addition, ten percent of the project, 48 units, will be offered at affordable prices ranging between $90,000 and $129,000 ($90 to $92 per square foot), which reflect an affordable house payment for a household of four earning $32,400, or 60 percent of AMI.

Rents for commercial space vary greatly by product type. Industrial/Flex space is projected at $4.25 per square foot, retail space at $11.50 per square foot, office space at $12.50 per square foot, and restaurant space at $15.00 per square foot triple net. These rents generate potential annual revenue of $1.1 million.

Table 2
Estimated Revenue
Jarvis Property Master Plan

	# of Units	Unit Size	$ Per Sq Ft	Sales Price	Total Revenue
Residential					
Condominiums					
900 Sq. Ft.	150	900	190	$171,000	$25,650,000
1,100 Sq. Ft.	130	1,100	170	$187,000	$24,310,000
1,100 Sq. Ft. (on river)	30	1,100	190	$209,000	$6,270,000
Townhomes					
1,600 Sq. Ft. (Live/Work in Comm.)	11	1,600	140	$224,000	$2,464,000
1,400 Sq. Ft. (on grid)	76	1,400	170	$238,000	$18,088,000
1,600 Sq. Ft. (Live/Work on river)	44	1,600	185	$296,000	$13,024,000
Duplex	12	1,400	145	$203,000	$2,436,000
Affordable Housing (10% of total)					
Condominium [1]	34	1,000	$90	$90,300	$3,070,200
Townhome [2]	12	1,400	$92	$129,000	$1,548,000
Duplex [2]	2	1,400	$92	$129,000	$258,000
Total Residential Dev.	**501**				**$97,118,200**

	Sq. Ft.	NNN Rent	Annual Rev.
Commercial			
First Floor Retail	45,600	$11.50	$524,400
Second Floor Office	27,800	$12.50	$347,500
Restaurant	7,600	$15.00	$114,000
Industrial/Flex	22,000	$4.25	$93,500
Total Commercial Dev.	**103,000**		**$1,079,400**

[1] Price reduced from 1,400 sq. ft. affordable townhouse by 30 percent, corresponding to drop in floor area

[2] Assumes an average price that is affordable to a 2.5 person household earning 80 percent of AMI, with a 30-year fixed loan at 7 percent with 5 percent down and represents $100 per month for PMI, and T & I.

Source: Economic & Planning Systems, Winter and Company, Local Brokers

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Expenditure Analysis

Development costs for the project total approximately $104.6 million, as shown in **Table 3 and Table 3B**. The commercial portions of the development will cost an estimated $18.4 million and the residential portion will cost an estimated $86.2 million. The vast majority of the development cost will fund the vertical development of the residential units ($51.8 million). The total development costs include 10 percent developer profit of $7.0 million, assuming the City of Grand Junction will team with a private developer on a fee basis.

Table 3
Estimated Development Costs – Commercial and Residential
Jarvis Property Master Plan

Description	Quantity	Factor	Measure	Total Cost	Commercial %	Commercial $	Residential %	Residential $
Site Work								
Roads								
Primary Road -- 48 foot sectior	2,180 LF	$162	per linear foot	$353,160	20%	70,632	80%	282,528
Secondary Road -- 40 foot sec	5,630 LF	$150	per linear foot	$844,500	20%	168,900	80%	675,600
Alley -- 24 foot section	2215 LF	$90	per linear foot	$199,350	50%	99,675	50%	99,675
Parking								
Surface parking	308 spaces	$2,000	per space	$616,000	75%	462,000	25%	154,000
Common condo. Garage	403 spaces	$12,500	per space	$5,037,500	0%	0	100%	5,037,500
Landscaping								
Tree lawns	63,000 Sq. Ft.	$3.00	per sq. ft.	$189,000	10%	18,900	90%	170,100
Street Trees	108 Sq. Ft.	$350	each	$37,800	10%	3,780	90%	34,020
Common areas/turf	33,300 Sq. Ft.	$2.25	per sq. ft.	$74,925	10%	7,493	90%	67,433
Riverfront Landscaping	650,500 Sq. Ft.	$1.50	per sq. ft.	$975,750	20%	195,150	80%	780,600
Pedestrian Walkways								
Sidewalk	81,900 Sq. Ft.	$3.50	per sq. ft.	$286,650	15%	42,998	85%	243,653
Plaza area	34,100 Sq. Ft.	$6.00	per sq. ft.	$204,600	15%	30,690	85%	173,910
Pedestrian Lighting	205	$2,000	each	$410,000	15%	61,500	85%	348,500
Site Furnishings	--	$100,000	Lump Sum	$100,000	15%	15,000	85%	85,000
Utilities								
Sewer	5,858	$35	per linear foot	$205,013	20%	41,003	80%	164,010
Water	5,858	$30	per linear foot	$175,725	20%	35,145	80%	140,580
Drainage	5,858	$45	per linear foot	$263,588	20%	52,718	80%	210,870
Storm water detention	5,858	$2	per square foot	$11,715	20%	2,343	80%	9,372
Dry Utilities	5,858	$18	per linear foot	$105,435	20%	21,087	80%	84,348
Soft Costs								
Soft Costs (design/eng./etc..)	10%		% of direct util. costs	$1,009,071	15%	151,361	85%	857,710
Contingency	10%		% of direct util. costs	$1,009,071	15%	151,361	85%	857,710
General Conditions	6%		% of direct util. costs	$605,443	15%	90,816	85%	514,626
Subtotal				**$12,714,295**	**14%**	**$1,722,550**	**86%**	**$10,991,745**

Source: Economic & Planning Systems, Winter and Company, City of Grand Junction

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Table 3B (continued)
Estimated Development Costs – Commercial and Residential
Jarvis Property Master Plan

Description	Factor	Quantity	Measure	Total Cost	Commercial		Residential	
Construction								
Direct construction costs								
Residential (Condo-TH)	575,800	$90	per sq. ft.	$51,822,000	0%	0	100%	51,822,000
Retail/Office (core and shell)	81,000	$70	per sq. ft.	$5,670,000	100%	5,670,000	0%	0
Landlord TI Concession	81,000	$15	per sq. ft.	$1,215,000	100%	1,215,000	0%	0
Flex/Industrial	22,000	$55	per sq. ft.	$1,210,000	100%	1,210,000	0%	0
Landlord TI Concession	22,000	$0	per sq. ft.	$0	100%	0	0%	0
Soft Costs								
Soft Costs (architectural, etc.)	10%		% of direct costs	$5,991,700	15%	898,755	85%	5,092,945
Permit fees	2%		% of direct costs	$1,198,340	15%	179,751	85%	1,018,589
Contingency	10%		% of direct costs	$5,991,700	15%	898,755	85%	5,092,945
General Conditions	6%		% of direct costs	$3,595,020	15%	539,253	85%	3,055,767
Unique Project Costs								
General Site Prep/earthwork		$900,000	unknown	$900,000	50%	450,000	50%	450,000
Bury/Relocate Power Line				$2,750,000	50%	1,375,000	50%	1,375,000
Site Fill		$3,520,000	0	$3,520,000	50%	1,760,000	50%	1,760,000
Flood Protection		$2,520,000	0	$2,520,000	50%	1,260,000	50%	1,260,000
Dewatering Contingency		$0	0	$0	50%	0	50%	0
Park Pavilion		$300,000	$0	$300,000	0%	0	100%	300,000
Acquisition of In-holdings				$250,000	50%	125,000	50%	125,000
Backwater Pond Restoration				N/A				
Other Costs								
Profit Margin/Developer Fee	10%		% of direct	$7,000,771	15%	1,050,116	85%	5,950,655
Summary								
Site Work -- Direct				$10,090,710		$1,329,012		$8,761,698
Site Work -- Soft				$2,623,585		$393,538		$2,230,047
Construction -- Direct				$59,917,000		$8,095,000		$51,822,000
Construction -- Soft				$16,776,760		$2,516,514		$14,260,246
Unique Project Costs				$10,240,000		$4,970,000		$5,270,000
Profit Margin/Developer Fee				$7,000,771		$1,050,116		$5,950,655
Total				**$106,648,826**		**18,354,179**		**88,294,646**

Source: Economic & Planning Systems, Winter and Company, City of Grand Junction
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Notes and Assumptions

- Refer to Street Sections by Winter and Company for specific design elements
- Tree lawns between curb and gutter and sidewalk are assumed to be five feet wide
- Sidewalks are assumed to be five feet wide
- Pedestrian lighting will be placed on forty foot centers
- Power line burial assumes a half mile increment, with 50 percent of length assumed to be under the river and 50 percent under dry land
- Acquisition of in holdings based on land value of ten percent of future residential sales price, reflecting the need for improvements and entitlements.

Net Revenue Evaluation

As shown in **Table 4,** residential sales are projected to require eight years to reach full absorption, which translates to a capture rate ranging from 1.9 to 5.5 percent and peaks at an annual rate of 83 units. Net revenue to the development is based on sales velocity of residential units and absorption of commercial floor area (operating expenses play a role as well).

The cash flow analysis, presented in **Tables 5 and 5B**, assumes a vacancy rate of 5 percent and operating expenses of 3 percent. The result is a total annual net operating income of $995,000 for commercial space after lease up.

Table 4
Absorption
Jarvis Property Master Plan

	Total	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
Residential									
Condominiums									
900 Sq. Ft.	150	10	14	18	20	24	24	24	16
1,100 Sq. Ft.	130	8	12	18	18	22	22	18	12
1,100 Sq. Ft. (on river)	30	0	0	6	6	6	6	6	0
Townhomes									
1,600 Sq. Ft. (Live/Work in Comm.)	11	0	0	0	0	3	3	3	2
1,400 Sq. Ft. (on grid)	76	12	12	18	18	8	8	0	0
1,600 Sq. Ft. (Live/Work on river)	44	0	0	6	6	8	8	8	8
Duplex	12	0	0	0	3	3	2	2	2
Affordable Housing (10% of total)									
Condominium [1]	34	0	6	6	6	6	6	4	0
Townhome [2]	12	0	2	2	2	2	2	2	0
Duplex [2]	2	0	0	0	1	1	0	0	0
Total	**501**	**30**	**46**	**74**	**80**	**83**	**81**	**67**	**40**
Approx. Annual Market Production	1,500								
Capture Rate		2.0%	3.1%	4.9%	5.3%	5.5%	5.4%	4.5%	2.7%
Commercial									
First Floor Retail	45,600		20,800						24,800
Second Floor Office	27,800			10,000			9,750	8,050	
Restaurant	7,600				7,600				
Industrial/Flex	22,000			11,000			11,000		

Source: Economic & Planning Systesms, Interviews with local brokers

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Table 5
Cash Flow Analysis
Jarvis Property Master Plan

	Factor	Total	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
Reveneus										
Residential										
Condominiums										
900 Sq. Ft.	$171,000	25,650,000	1,710,000	2,394,000	3,078,000	3,420,000	4,104,000	4,104,000	4,104,000	2,736,000
1,100 Sq. Ft.	$187,000	24,310,000	1,496,000	2,244,000	3,366,000	3,366,000	4,114,000	4,114,000	3,366,000	2,244,000
1,100 Sq. Ft. (on river)	$209,000	6,270,000	0	0	1,254,000	1,254,000	1,254,000	1,254,000	1,254,000	0
Townhomes			0	0	0	0	0	0	0	0
1,600 Sq. Ft. (Live/Work in Comm.)	$224,000	2,464,000	0	0	0	0	672,000	672,000	672,000	448,000
1,400 Sq. Ft. (on grid)	$238,000	18,088,000	2,856,000	2,856,000	4,284,000	4,284,000	1,904,000	1,904,000	0	0
1,600 Sq. Ft. (Live/Work on river)	$296,000	13,024,000	0	0	1,776,000	1,776,000	2,368,000	2,368,000	2,368,000	2,368,000
Duplex	$203,000	2,436,000	0	0	0	609,000	609,000	406,000	406,000	406,000
Affordable Housing (10% of total)			0	0	0	0	0	0	0	0
Condominium	$90,300	3,070,200	0	541,800	541,800	541,800	541,800	541,800	361,200	0
Townhome	$129,000	1,548,000	0	258,000	258,000	258,000	258,000	258,000	258,000	0
Duplex	$129,000	258,000	0	0	0	129,000	129,000	0	0	0
Total		**$97,118,200**	**$6,062,000**	**$8,293,800**	**$14,557,800**	**$15,637,800**	**$15,953,800**	**$15,621,800**	**$12,789,200**	**$8,202,000**
Cost of Sales	3.0%	$2,913,546	$181,860	$248,814	$436,734	$469,134	$478,614	$468,654	$383,676	$246,060
Residential Revenues		**$94,204,654**	**$5,880,140**	**$8,044,986**	**$14,121,066**	**$15,168,666**	**$15,475,186**	**$15,153,146**	**$12,405,524**	**$7,955,940**
Commercial										
First Floor Retail	$11.50	524,400	0	239,200	0	0	0	0	0	285,200
Second Floor Office	$12.50	347,500	0	0	125,000	0	0	121,875	100,625	0
Restaurant	$15.00	114,000	0	0	0	114,000	0	0	0	0
Industrial/Flex	$4.25	93,500	0	0	46,750	0	0	46,750	0	0
Potential Rental Income		1,079,400	0	239,200	171,750	114,000	0	168,625	100,625	285,200
Less Vacancy and Credit Losses	5.0%	53,970	0	11,960	8,588	5,700	0	8,431	5,031	14,260
Effective Rental Income		1,025,430	0	227,240	163,163	108,300	0	160,194	95,594	270,940
Plus Other Income	--	--	--	--	--	--	--	--	--	--
Gross Operating Income		1,025,430	0	227,240	163,163	108,300	0	160,194	95,594	270,940
Less Operating Expenses	3.0%	30,763	0	6,817	4,895	3,249	0	4,806	2,868	8,128
Net Operating Income		994,667	0	220,423	158,268	105,051	0	155,388	92,726	262,812
Less Debt Service	--	--	--	--	--	--	--	--	--	--
Value of Annual Dev.		994,667		$220,423	$158,268	$105,051	$0	$155,388	$92,726	$262,812
Cummulative Annual Income		**5,921,582**	**$0**	**$220,423**	**$378,690**	**$483,741**	**$483,741**	**$639,129**	**$731,855**	**$994,667**
Disposition Value of Future Rev.										
Commercial Revenues		**5,921,582**	**0**	**220,423**	**378,690**	**483,741**	**483,741**	**639,129**	**731,855**	**994,667**
Total Revenues		**109,575,573**	**$5,880,140**	**$8,265,409**	**$14,499,756**	**$15,652,407**	**$15,958,927**	**$15,792,275**	**$13,137,379**	**$8,950,607**

Table 5B
Cash Flow Analysis (continued)
Jarvis Property Master Plan

	Factor	Total	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
Expenditures										
Residential										
Site Work		10,991,745	5,495,872	0	2,747,936	0	2,747,936	0	0	0
Construction		66,082,246	3,957,021	6,067,432	9,760,651	10,552,055	10,947,757	10,683,956	8,837,346	5,276,028
Commercial										
Site Work		1,722,550	861,275	0	430,637	0	430,637	0	0	0
Construction		10,611,514	0	2,142,908	2,163,513	782,985	0	2,137,756	829,346	2,555,005
Unique Project Costs										
Flood Control/Under grnd/Acq.		10,240,000	5,120,000	5,120,000	0	0	0	0	0	0
Developer Fee at 10%		7,000,771	419,208	642,785	1,034,046	1,117,888	1,159,808	1,131,861	936,231	558,944
Total Expenditures		**106,648,826**	**15,853,376**	**13,973,125**	**16,136,783**	**12,452,928**	**15,286,139**	**13,953,574**	**10,602,924**	**8,389,977**
Net Cash Flow		**2,926,748**	(9,973,236)	(5,707,716)	(1,637,027)	**3,199,479**	**672,788**	**1,838,702**	**2,534,456**	**560,630**

Source: Economic & Planning Systesms

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The proposed project is expected to generate a surplus of $2.9 million, as shown in **Table 6.** It is important to recognize that the project includes a ten percent developer fee ($7.0 million), 48 affordable units at subsidized rates, major costs related to flood mitigation for existing neighborhoods on both sides of the river ($6.0 million), funds for under-grounding the major overhead utility lines ($2.7 million), and riverbank and park improvements ($300,000). The project is expected to generate a surplus, notwithstanding these significant costs that benefit the site as well as the larger community.

The costs and revenues have been partitioned by residential and commercial in the table below. Because of the slow commercial absorption and moderate rents that are expected at this location, the revenues derived from the commercial uses do not exceed the costs of development. In the event that demand increases and higher rents are achievable, the project will perform better. As it is currently modeled, the residential supports the commercial and the mixed-use nature of the development can be seen as an amenity for the community.

Table 6
Feasibility Summary
Jarvis Property Master Plan

	Factor	Total Project	Residential	Commercial
Feasibility Terms				
Net Present Value	0%	$2,926,748	$5,910,008	($2,983,260)
Internal Rate of Return		1%	1%	-2%
Development Summary				
Total Square Footage		678,800	575,800	103,000
Revenues		109,575,573	94,204,654	15,370,919
Per Sq. Ft.		161	164	149
Costs		106,648,826	88,294,646	18,354,179
Per Sq. Ft.		157	153	178
Surplus(Defecit) for Project		$2,926,748	$5,910,008	($2,983,260)
Surplus(Defecit) per SF		$4	$10	($29)

Source: Economic & Planning Systesms

H:\15815-Grand Junction Jarvis Redevelopment\Models\[15815-Cash Flow Model - 02-02-06.xls]IRR NPV

PUBLIC - PRIVATE PARTNERSHIPS

Public-private partnerships are an increasingly common tool and can be highly effective for communities like Grand Junction to move a project forward. Successful examples in other communities have shown how the public and private sectors can benefit by pooling resources. These partnerships work when both parties are motivated to seek the resources provided by the other. A list of benefits for each is provided below:

PUBLIC SECTOR RESOURCES

Land Availability -- Public entities often have a surplus land parcels (such as the Jarvis site) available for development. In some cases, these sites represent unique opportunities as land is made available that has previously been removed from consideration.

Predictability - One of the greatest risks in development is securing entitlements. While this step can add the most value to a project, it involves the least amount of predictability. A public-private partnership eliminates much of this risk, as the public jurisdiction with entitlement authority has already set the vision for the site, and in some cases, already completed master plans that show future land use.

Public Financing - A private developer looks for multiple revenue streams, and public financing mechanisms are becoming increasingly common. As discussed in greater detail below, tools like metropolitan districts, business improvement districts, and tax increment financing can be used to externalize infrastructure costs and increase annual revenues for a project.

Reasonable Profit Margins - In any development, returns must be commensurate with risk. For most partnerships, total project costs and the level of debt and equity is reduced, given that land costs are minimal. (A key variable that affects feasibility is the city's willingness to subordinate the land for lenders.) In many cases, a city and developer can negotiate a partnership based on a development fee that is lower than typical profit margins due to a reduction in risk.

PRIVATE SECTOR RESOURCES:

Expertise - Many communities have a vision for a specific site or subarea, but do not have the real estate expertise to implement the vision. Partnering with a developer expands their resources and can enable a community to achieve its goals.

Market Knowledge - Developers move into partnerships when they understand the market potentials and identify opportunities that would otherwise not occur. Knowledge of the supply and demand for specific niches of buyers, renters, retailers, etc. can be provided by developers with a level of understanding that comes from experience.

Relationships – The value of an established network of relationships is difficult to quantify, but can make the difference between a highly successful project and one that does not work. The relationships can address a wide range of needs in the development process, including lenders, builders, subcontractors, realtors and the local sales network, and mortgage lenders.

SEQUENCE

The *Urban Land Institute* (ULI) developed a standard template for public private partnerships. Based on its research, a typical public-private partnership proceeds as follows:

- Establish project vision
- Complete market demand analysis
- Develop land, building, and infrastructure program
- Prepare total development budgets
- Complete pro forma and financial sensitivity analysis
- Develop alternative public-private financing plans
- Identify ownership, investment, development, operations, and disposition scenarios
- Issue an RFP and select a developer
- Negotiate development agreement
- Assist and finalize development financing
- Move forward with development and construction

Based on this model, the City of Grand Junction has completed approximately half of this sequence. The point at which to issue an RFP and engage a developer must be tailored to each project. If selected near the end of the planning process (as listed above), the City will:

- Understand the project and its forecasted performance
- Increase the number of givens and reduce risk
- Negotiate effectively and establish terms that are reasonable for the City

However, limitations of the sequence are that the City is unable to tap into a developer's expertise earlier in the process. When the partnership is formed early in the process, the City benefits from the expertise and local knowledge brought to the project. The City must recognize that it must allow the developer to exercise more control and should build flexibility into the plan to allow a developer to influence the project and respond to market changes.

A conventional development process is summarized below that shows the range of options available to the City. A developer can be brought into a partnership at any point in the following sequence, after the first two steps have been completed.

- Identify the site and acquire raw land, if needed.
- Acquire in-holdings.

- Zone the land and secure entitlements.
- Improve the land with trunk infrastructure
- Create super pads by providing adequate infrastructure within the development to enable sales of parcels to builders.
- Complete all infrastructure and position the development to sell finished lots or blocks to builders.
- Complete vertical construction with the construction of dwelling units and commercial buildings.

In conclusion, the benefits of a public-private partnership are numerous for both entities. The City has a number of options as it considers ways to structure the partnership for the Jarvis site. Based on the current status of the market, it is recommended that the City monitor market conditions, refine cost figures, and then select a developer using the RFP process.

NEXT STEPS FOR THE CITY OF GRAND JUNCTION

The City of Grand Junction has a significant real estate asset that has the potential to become a successful neighborhood. To prepare for the future development, the City can take the following steps now. The costs related to these activities are included in the project modeling; however, costs incurred prior to develop will require City fund transfers, which may or may not be possible. The City should proceed with the resources available, recognizing that the first two actions listed below are some of the least expensive.

- *Acquisition of Inholdings* – The current in-holdings are needed to establish a cohesive community, particularly since some of these parcels are located at the entrance to the site. At this time, without entitlements or utilities, the value is comparable to raw land. With each step the City takes to prepare the rest of the site, the value for these lots will increase. The City's acquisition cost will be the lowest if it can complete this step first.

- *Entitlements/Zoning Overlay* – The City has a vision for this development that includes the uses shown on the master plan. While not explicitly identified, there are many uses that are not included that should be prohibited to ensure the development of a future mixed-use neighborhood. As part of the entitlement process, the City should specify the allowed and prohibited uses, the density, the floor area ratios, and should establish the vision that the master plan portrays.

- *Flood Mitigation* – There is a need to build flood mitigation to protect existing neighborhoods on either side of the river. The City can address the needs of existing and future residents by proceeding with engineering plans for these improvements. The improvements can be funded and constructed in the future at time of development.

- *Power Line Relocaction/Undergrounding* – Due to the complexity of altering a portion of a network of transmission lines, the City should work with Xcel Energy to develop plans and engineering for the segment to be relocated or buried. The

improvements can be timed to occur with development, with the anticipation that project revenues will be available to cover these costs.

PUBLIC FINANCING STRATEGIES

Projects with significant public improvements, such as the Jarvis Site Redevelopment, can benefit greatly from public financing strategies. *As currently projected, the project does not need public financing because it generates $2.9 million in surplus revenue.* However, if the City wanted to recoup any of the initial investment to provide funding for other similar types of projects in the area, it could create public financing revenue streams from the proposed project. The following section analyzes a collection of public financing strategies appropriate for this purpose.

SPECIAL DISTRICTS

Colorado has approximately 65 types of quasi-municipal and improvement districts. Special districts are autonomous units of local government having an array of powers with the ability to determine their own objectives, finance improvements, perform services, and control their own budgets. Special districts are designed to address multiple projects and/or to provide services over a period of time.

Metropolitan Districts

Title 32 Metropolitan Districts (Metro Districts) are the most widely used special district. They are used both as development districts to finance construction of new infrastructure and to finance specific improvements in older established areas. If this tool were to be implemented, proceeds could be used to fund the project infrastructure. The funds from project revenues previously needed for infrastructure could then become available and could be used to cover initial City costs (such as land acquisition). The City would have a range of options at that point including the potential to invest these development proceeds in other sites in the vicinity of the Jarvis property.

- **Purpose** – To finance a wide range of improvements and services (e.g. water and sewer, streets, parks and recreation, fire protection, or public transportation).

- **Revenue Sources** – Levy and collect ad valorem taxes on residential and commercial property. Mill levy is allocated separately for capital construction and operations. Impose tolls, fees, penalties, or charges for services. Issue general obligation and revenue bonds.

- **Formation/Logistics** – District formation varies by municipality; counties adhere to a common process. Most municipalities require a letter of intent be submitted to the governing body. After review, if the governing body approves the intent a service plan must be prepared and submitted for review. In addition, the petitioner must submit a petition to the District Court signed by 200 or 30 percent of the taxpayers in the district, whichever is less. A majority vote of the taxpayers within the district

formally approves the district. Bonds may be issued after the District Court issues a declaration of organization. The district may be operated by an elected board of directors.

Table 7
Metropolitan District Formation Process
Jarvis Property Master Plan

Step	Process [1]	Timing
1	Submit Letter of Intent; Staff Review; Council Approval of Intent	1-3 Months
2	Prepare Service Plan; Staff and Council Review; Public Hearings; Council Approval of Service Plan	1-6 Months
3	Qualify Directors; File Petitions for Organization and Service Plans; Court Hearing on Petitions	1-2 Months
4	Election/Certification of Petition	1-4 Months
5	Declaration of Organization	---
	Total [2]	2-15 Months

[1] Modeled on an industry standard, Grand Junction's process may vary

[2] In smaller districts steps can overlap

Source: Colo. Dept. of Local Affairs; Economic & Planning Systems

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IMPROVEMENT DISTRICTS

Improvement districts are governed by the city council or county commissioners of the community where the district is located. These districts have the power to finance and implement a broad spectrum of public improvements such as street lighting, landscaping, and/or water and sewer improvements. Most improvement districts are generally single purpose districts and are not intended to function beyond project completion. Business improvement districts are the exception and are discussed below.

Business Improvement Districts

- **Purpose** – To finance the construction and maintenance of public improvements in a designated area and to promote the growth of local businesses and the surrounding neighborhood (e.g. street lighting or marketing collateral for the district).

- **Revenue Sources** – Levy and collect ad valorem taxes on commercial property. Impose tolls, fees, or charges for services. Establish special improvement areas and impose special assessment. Issue general obligation and revenue bonds.

- **Formation/Logistics** – Initiated by a petition from a majority of impacted property owners. Vote must be approved by a simple majority of the number of property

owners as well as the assessed valuation. Designated and authorized, through resolution or ordinance, by the local legislative body and operated by a district board of directors. The district board of directors may take one of four forms: the municipal governing body can serve *ex officio*, the mayor or governing body can appoint a five-member board, an elected board can be instituted, or if more than half of the property lies within an URA, DDA, or GID the governing body can designate that board of directors as the BID board.

Table 8
Business Improvement District Formation Process
Jarvis Property Master Plan

Step	Process	Timing
1	Submit Petition and Service Plan	1-3 Months
2	Staff and Council Review	1-3 Months
3	Council Approves by Resolution/Ordinance	1-3 Months
	Total [1]	1-9 Months

[1] In smaller districts steps can overlap

Source: Colo. Dept. of Local Affairs; Economic & Planning Systems

SPECIAL AUTHORITIES

Special authorities are quasi-municipal organizations intended to halt the spread of slum and blight and redevelop deteriorating areas. An authority board appointed by the mayor governs these authorities. Special authorities have a broad array of powers including the use of eminent domain and tax increment financing. These authorities are designed to address multiple projects over a period of time.

Urban Renewal Authority (URA)

- **Purpose** – To eliminate slum and blight and finance improvements (e.g. removal of dilapidated buildings and road improvements).

- **Revenue Sources** – Receive grants, loans, and contributions. Sell or lease property. Issue general obligation and special obligation bonds as well as utilize tax increment financing. Property tax TIF can include the increment from all taxing entities including the city, county, and school district. Sales tax increment is limited to the local (municipal) portion only. Tax increment financing (TIF) funds can be used on a pay as you go basis or to support revenue bonds.

- **Formation/Logistics** – If no authority exists, twenty-five registered electors of the city petition the council that there is a need for an urban renewal authority to function within the community. Council authorizes a blight study or analysis. After

completion of the study, council provides residents, taxpayers, and interested persons an opportunity to be heard through public hearing. If blight is found, council authorizes the creation of an authority through a resolution or ordinance.

If an authority exists, creation of a new urban renewal area can be initiated by a local agency or a petition from a majority of the impacted property owners. Creation of a new urban renewal area requires a blight designation and approval of a development plan by the governing municipal body. After authorization of the plan, the new area is operated by the existing authority board of directors.

Miscellaneous - Power of eminent domain.

Table 9
Urban Renewal Authority Formation Process
Jarvis Property Master Plan

Step	Process	Timing
No Authority Exists		
1	Petition to establish Authority	1 Month
2	Blight Study/Analysis; Public Hearings; Staff and Council Review	1-6 Months
3	Council Authorizes an Authority through resolution/ordinance; Council appoints a Board of Directors	1-2 Months
	Total	3-9 Months
An Authority Exists		
1	Local Authority or majority of property owners petitions for creation of a new urban renewal area	1 Month
2	Blight Study/Analysis; Public Hearings; Staff and Council Review	1-3 Months
3	Council authorizes new designation and development plan by resolution/ordinance	1-2 Months
	Total [1]	1-6 Months

[1] In smaller districts steps can overlap

Source: Economic & Planning Systems

ESTIMATED PUBLIC FINANCE REVENUE

This study estimated potential revenue from the three public financing strategies described above. The estimated revenue for each strategy is provided in **Table 10**. The revenues are based on assumptions regarding the financing strategy and revenue generate by the project.

Defining an urban renewal district, including the proposed site, could net the most annual revenue for financing eligible projects costs. An estimated $1.1 million in annual revenue would be generated by the proposed development. This estimate assumes that the full eligible tax increment, both municipal sales tax and all property tax, would flow from project. This number may change for political reasons (i.e. the City of Grand Junction may decide to allow a portion of the increment to go to the School District). A detailed analysis of potential sales tax revenue and potential property tax revenue is provided in **Appendix Tables A1 and A2**.

A new BID would generate an estimated $74,000 annually based on a 25.000 mill levy (refer to **Appendix Table A3**). Residential properties are exempt from BID taxes; therefore, a BID would generate the least annual revenue. Typically, BID revenue is used to improve the commercial areas of a project and provide funds for joint marketing.

Table 10
Public Financing Options – Revenue Estimate
Jarvis Property Master Plan

Method	Factor	Annual Revenue
Tax Increment Financing (TIF) [1]		
Commercial Sales Tax	2.75%	$282,150
Residential Property Tax	80.982	$594,738
Commercial Property Tax	80.982	$240,820
Total Annual Revenues		**$1,117,708**
Business Improvement District (BID)		
Commercial Property Tax	25.000	$74,344
Total Revenues		**$74,344**
Metropolitan District		
Residential Property Tax	20.000	$146,882
Commercial Property Tax	20.000	$59,475
Total Revenues		**$206,357**

[1] TIF property tax proceeds reflect only the incremental increase

Source: Economic & Planning Systems

H:\15815-Grand Junction Jarvis Redevelopment\Models\[15815 - Financial Model 100705.xls]Summary

A metropolitan district would generate an estimated $206,000 annually based on a 20.000 mill levy (refer to **Appendix Table A4**). A 20.000 mill levy would increase the current mill on the site to between 98.482 and 103.482, depending on the location within the site. The highest current mill levy in Mesa County is 96.2740. A 20.000 mill metropolitan district would make the site the new highest mill levy in the County, excluding the Powderhorn Base area. In addition, a metro district would result in a total mill levy higher than many comparable residential projects, refer to **Table 11**. It is advised that the City proceed only after testing the impact of higher mill levies on market demand. If the market perceives that a 20.000-mill overlay will raise costs significantly, it will reduce absorption rates and diminish overall viability.

Table 11
Comparable Projects Mill Levy
Jarvis Property Master Plan

Subdivision/Area	Mill Levy
Horizon Glen	75.335
Summer Hill	75.335
Tiara Townhomes	80.475
Victorian Townhomes	76.374
Downtown Lofts	81.374
Jarvis Redevelopment	
North of 4th Ave.	78.482
South of 4th Ave.	83.482
Average	**80.982**

Source: Economic & Planning Systems

H:\15815-Grand Junction Jarvis Redevelopment\Models\[15815 - Financial Model 100705.xls]Assumptions

An estimate of the bonding capacity by revenue source is presented in **Table 12**. In each case, the bonding capacity assumes a 5 percent interest rate, issuance of the bond in year one, and 100 percent of all revenues generated by the public financing tool is dedicated to debt service. In addition, the estimate assumes that administrative costs will be one percent of the estimated annual revenue and that the bond market will require a debt coverage ratio of 1.3 to 1.4. These assumptions influence the net revenue available for debt service as presented below.

The bond proceeds are estimated based on full buildout. If revenues were needed prior to full buildout, the annual revenues would need to be reduced in proportion to the level of project completion. Finally, due to the small size of the potential bonds, an issuance and formation cost estimate of 3 percent of the total bond has been included in the estimate.

An urban renewal district utilizing TIF to generate revenue would support a $12.0 million bond with net construction proceeds (total bond amount minus capitalized interest, bond reserve, and issuance and formation costs) of $9.0 million. Neither a BID nor

metro district generates enough revenue to enable market supportable bond issuances. Typically, the market has no interest in bond issuances of less than $5.0 million.

Table 12
Construction Proceeds by Revenue Source
Jarvis Property Master Plan

Description	Factors	TIF	BID	Metro District
Scenario Assumptions				
Interest Rate		5.0%	5.0%	5.0%
Bond Term (Years)		25	30	30
Percent of Total Revenues		100%	100%	100%
Estimated Net Revenue Available for Debt Service				
Estimated Total Annual Revenue		$1,117,708	$74,344	$206,357
Estimated Annual Administrative Costs[2]	1.00%	$11,177	$743	$2,064
Debt Coverage	1.30	$255,353	$16,985	$47,145
Net Revenue Available for Debt Service		**$851,178**	**$56,616**	**$157,148**
Estimated Total Bonds[3]		**$12,000,000**	**$870,000**	**$2,420,000**
Capitalized Interest	12 months	$600,000	$40,000	$120,000
Bond Reserve Fund	1 yr D/S	$850,000	$60,000	$160,000
Formation & Issuance Costs	3.00%	$360,000	$30,000	$70,000
Estimated Total Construction Proceeds[3]		**$10,190,000**	**$740,000**	**$2,070,000**

[1]For modeling purposes, bonds assumed to be issued at the end of the 8th year. Earlier timing can be achieved with greater capitalized interest and/or reduced net annual revenues.

[2]Assumed an administrative fee of 1 percent of the annual revenues available for debt service.

[3]Rounded to the nearest ten thousand.

Source: Economic & Planning Systems

H:\15815-Grand Junction Jarvis Redevelopment\Models\[15815 - Bonds.xls]Bond Rev Est

Table A1
Sales Tax Proceeds
Jarvis Property Master Plan

	Gross Sqft	Sales ($/Sqft) [1]	Annual Taxable Sales	Grand Junction		Total Tax District	
				Tax Rate	Tax Proceeds	Tax Rate	Tax Proceeds
First Floor Retail	45,600	$225	$10,260,000	2.75%	$282,150	7.65%	$784,890
Total Retail	**45,600**		**$10,260,000**		**$282,150**		**$784,890**

Source: City of Grand Junction; Economic & Planning Systems

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Table A2
Property Tax Proceeds – All Tax Districts
Jarvis Property Master Plan

Unit	SqFt	Units	Sale Value	Appraised Value	Assess Ratio	Assessed Value	Total Tax District Mill Levy	Total Tax District Tax Proceeds
Residential								
Condominiums	311,000	310	$56,230,000	$53,418,500	7.96%	$4,252,113	80.982	$344,345
Townhomes	194,400	131	$33,576,000	$31,897,200	7.96%	$2,539,017	80.982	$205,615
Duplex	16,800	12	$2,436,000	$2,314,200	7.96%	$184,210	80.982	$14,918
Affordable	53,600	48	$4,876,200	$4,632,390	7.96%	$368,738	80.982	$29,861
Total Residential	**575,800**	**501**	**$97,118,200**	**$92,262,290**		**$7,344,078**		**$594,738**
Commercial								
First Floor Retail	45,600	---	$5,244,000	$4,981,800	29.0%	$1,444,722	80.982	$116,996
Second Floor Office	27,800	---	$3,475,000	$3,301,250	29.0%	$957,363	80.982	$77,529
Flex Space	7,600	---	$1,140,000	$1,083,000	29.0%	$314,070	80.982	$25,434
Industrial	22,000	---	$935,000	$888,250	29.0%	$257,593	80.982	$20,860
Total Commerical	**103,000**		**$10,794,000**	**$10,254,300**		**$2,973,747**		**$240,820**
Total	**678,800**	**501**	**$107,912,200**	**$102,516,590**		**$10,317,825**		**$835,558**

Source: Mesa County; Economic & Planning Systems

H:\15815-Grand Junction Jarvis Redevelopment\Models\[15815 - Financial Model 100705.xls]Property Tax Proceeds

Table A3
Property Tax Proceeds – Business Improvement District
Jarvis Property Master Plan

Unit	SqFt	Units	Sale Value	Appraised Value	Assess Ratio	Assessed Value	BID Fee Mill Levy	BID Fee Tax Proceeds
Residential								
Condominiums	311,000	310	$56,230,000	$53,418,500	7.96%	$4,252,113	---	$0
Townhomes	194,400	131	$33,576,000	$31,897,200	7.96%	$2,539,017	---	$0
Duplex	16,800	12	$2,436,000	$2,314,200	7.96%	$184,210	---	$0
Affordable	53,600	48	$4,876,200	$4,632,390	7.96%	$368,738	---	$0
Total Residential	**575,800**	**501**	**$97,118,200**	**$92,262,290**		**$7,344,078**		**$0**
Commercial								
First Floor Retail	45,600	---	$5,244,000	$4,981,800	29.0%	$1,444,722	25.000	$36,118
Second Floor Office	27,800	---	$3,475,000	$3,301,250	29.0%	$957,363	25.000	$23,934
Flex Space	7,600	---	$1,140,000	$1,083,000	29.0%	$314,070	25.000	$7,852
Industrial	22,000	---	$935,000	$888,250	29.0%	$257,593	25.000	$6,440
Total Commerical	**103,000**		**$10,794,000**	**$10,254,300**		**$2,973,747**		**$74,344**
Total	**678,800**	**501**	**$107,912,200**	**$102,516,590**		**$10,317,825**		**$74,344**

Source: Mesa County; Economic & Planning Systems

H:\15815-Grand Junction Jarvis Redevelopment\Models\[15815 - Financial Model 100705.xls]Property Tax Proceeds

Table A4
Property Tax Proceeds – Metro District
Jarvis Property Master Plan

Unit	SqFt	Units	Sale Value	Appraised Value	Assess Ratio	Assessed Value	Metro District Fee	
							Mill Levy	Tax Proceeds
Residential								
Condominiums	311,000	310	$56,230,000	$53,418,500	7.96%	$4,252,113	20.000	$85,042
Townhomes	194,400	131	$33,576,000	$31,897,200	7.96%	$2,539,017	20.000	$50,780
Duplex	16,800	12	$2,436,000	$2,314,200	7.96%	$184,210	20.000	$3,684
Affordable	53,600	48	$4,876,200	$4,632,390	7.96%	$368,738	20.000	$7,375
Total Residential	**575,800**	**501**	**$97,118,200**	**$92,262,290**		**$7,344,078**		**$146,882**
Commercial								
First Floor Retail	45,600	---	$5,244,000	$4,981,800	29.0%	$1,444,722	20.000	$28,894
Second Floor Office	27,800	---	$3,475,000	$3,301,250	29.0%	$957,363	20.000	$19,147
Flex Space	7,600	---	$1,140,000	$1,083,000	29.0%	$314,070	20.000	$6,281
Industrial	22,000	---	$935,000	$888,250	29.0%	$257,593	20.000	$5,152
Total Commerical	**103,000**		**$10,794,000**	**$10,254,300**		**$2,973,747**		**$59,475**
Total	**678,800**	**501**	**$107,912,200**	**$102,516,590**		**$10,317,825**		**$206,357**

Source: Mesa County; Economic & Planning Systems

H:\15815-Grand Junction Jarvis Redevelopment\Models\[15815 - Financial Model 100705.xls]Property Tax Proceeds

Table A5
Property Tax Proceeds –Grand Junction
Jarvis Property Master Plan

Unit	SqFt	Units	Sale Value	Appraised Value	Assess Ratio	Assessed Value	Grand Juntion Mill Levy	Grand Juntion Factor (1000)	Grand Juntion Tax Proceeds
Residential									
Condominiums	311,000	310	$56,230,000	$53,418,500	7.96%	$4,252,113	7.360	1000	$31,296
Townhomes	194,400	131	$33,576,000	$31,897,200	7.96%	$2,539,017	7.360	1000	$18,687
Duplex	16,800	12	$2,436,000	$2,314,200	7.96%	$184,210	7.360	1000	$1,356
Affordable	53,600	48	$4,876,200	$4,632,390	7.96%	$368,738	7.360	1000	$2,714
Total Residential	**575,800**	**501**	**$97,118,200**	**$92,262,290**		**$7,344,078**			**$54,052**
Commercial									
First Floor Retail	45,600	---	$5,244,000	$4,981,800	29.0%	$1,444,722	7.360	1000	$10,633
Second Floor Office	27,800	---	$3,475,000	$3,301,250	29.0%	$957,363	7.360	1000	$7,046
Flex Space	7,600	---	$1,140,000	$1,083,000	29.0%	$314,070	7.360	1000	$2,312
Industrial	22,000	---	$935,000	$888,250	29.0%	$257,593	7.360	1000	$1,896
Total Commerical	**103,000**		**$10,794,000**	**$10,254,300**		**$2,973,747**			**$21,887**
Total	**678,800**	**501**	**$107,912,200**	**$102,516,590**		**$10,317,825**			**$75,939**

Source: Mesa County; Economic & Planning Systems

H:\15815-Grand Junction Jarvis Redevelopment\Models\[15815 - Financial Model 100705.xls]Property Tax Proceeds

VIII. Implementation

During the Phase I planning process, several tasks were cited as being critical to the final implementation of the Master Plan. The City of Grand Junction opted to progress the project by initiating Phase II of the master planning process, which included:

- Preparation of an Economic and Market Feasibility Analysis and supplemental development pro forma
- Refinement of the Planning and Design of the Preferred Scenario (identified in Phase I)

The City of Grand Junction has a significant real estate asset that has the potential to become a successful neighborhood. To prepare for the future development, the City can take the following steps now. The costs related to these activities are included in the project modeling; however, costs incurred prior to development will require City fund transfers, which may or may not be possible. The City should proceed with the resources available, recognizing that the first two actions listed below are some of the least expensive.

- **Acquisition of Inholdings** – The current in-holdings are needed to establish a cohesive community, particularly since some of these parcels are located at the entrance to the site. At this time, without entitlements or utilities, the value is comparable to raw land. With each step the City takes to prepare the rest of the site, the value for these lots will increase. The City's acquisition cost will be the lowest if it can complete this step first.
- **Entitlements/Zoning Overlay** – The City has a vision for this development that includes the uses shown on the master plan. While not explicitly identified, there are many uses that are not included that should be prohibited to ensure the development of a future mixed-use neighborhood. As part of the entitlement process, the City should specify the allowed and prohibited uses, the density, the floor area ratios, and should establish the vision that the master plan portrays.

  At the suggestion of the Resource Panel, the City may also want to consider developing design guidelines to ensure that potential Planned Unit Development submittals respond to and fulfill the community's vision for the property.
- **Flood Mitigation** – There is a need to build flood mitigation to protect existing neighborhoods on either side of the river. The City can address the needs of existing and future residents by proceeding with engineering plans for these improvements. The improvements can be funded and constructed in the future at time of development.
- **Power Line Relocaction/Undergrounding** – Due to the complexity of altering a portion of a network of transmission lines, the City should work with Xcel Energy to develop plans and engineering for the segment to be relocated or buried. The improvements can be timed to occur with development, with the anticipation that project revenues will be available to cover these costs.

Additional implementation actions cited in Phase I and yet to be completed include:

- Development Disposition: Confirm the City's desired role in the overall development process.
- Packaging of the Jarvis Property Conceptual Master Plan for marketing and entitlement purposes. This should include the preparation of an illustrative, rendered perspective and a condensed version of the accompanying pro forma, preparation of a traveling display and project brochure.
- Developer Selection Process that would include drafting and issuing a Request for Proposals, technical review of all submittals, developer interviews and final selection and contract negotiation.

Additional information regarding the aforementioned implementation tasks can be found in the Implementation Section of the Jarvis Property Master Plan Development Strategy Final Report, dated April 1, 2005