A. History

Image 21: Lafayette and Mary Miller's Early Days

In 1863, the Front Range of the Rocky Mountains was a wild and wooly place. Ute, Arapahoe and Cheyenne peoples lived nomadic lives, hunting bison and other game which flourished at the western edge of the Great Plains. Gold prospectors were among the earliest arrivals from the east. These fortune hunters headed for the nearby Rockies or just passed through on their way to California. A few settlers eked out a living on small and scattered homesteads, dirt farming and trapping or hunting. To some extent, goods and services were traded among these groups, but for the most part, it was-"every man for himself"!

In June of that year, newlyweds Lafayette and Mary Miller joined an ox-team wagon train of fifty wagons and made their way across this country's vast heartland. After months of hard travel, the couple initially settled in Burlington, which later became Longmont. They left soon after to operate a stage stop along the Overland Trail between Denver and Cheyenne at the present site of the Coal Creek Farm. In 1868, the couple pre-empted and purchased 160 acres for $1.25 per acre, and began farming.

In 1874, the Millers moved to Boulder where Mr. Miller ran a butcher shop and served as town trustee. He was a member of the volunteer fire department and Mrs. Miller served on the school board. Lafayette Miller died suddenly in 1878.

Widowed with six small children, Mary Miller moved back to the farm and managed it alone. The agricultural operation prospered over the next few years, and was described in 1886 by the Boulder County Herald:

"Among the best conducted large farms in Boulder County is that carried on and managed by Mrs. Mary Miller, about two miles east of Louisville. The farm contains 1,280 acres, all under fence, about 1/2 of which is under plow and first class meadow, the balance in pasture. Large crops of oats, corn, and wheat are raised and great stacks of upland hay are plentiful in the field. Horses and cattle, of which there are about 100 or more head, are permitted to roam over the field during the winter and are in fine condition as the large enclosure affords ample feed for all with scarcely any care. Hogs by the score may be seen around the field near the barn. They all show signs of well-filled corn cribs.

The improvements, house, barn, shedding, granaries, fences, etc. are of the very best, and are put up with an eye to convenience and comfort. An orchard of several hundred trees, many of bearing size, together with a large vineyard of grapes, currents, gooseberries, and raspberries, besides a large patch of strawberries; a splendid grove of cottonwood and other shade trees surround the dwelling. The most noticeable thing on this place is the absence of weeds in the garden and orchard, the cleanliness of the barnyard, and the place for everything and everything-in-its-place; in fact, prosperity is visible in every nook and corner of this farm. Considering the size of this farm, there is not a better managed large farm in Colorado than that of Mrs. Mary Miller." Soon Mrs. Miller became interested in the prospect of coal mining on her property. Coal had been mined at Marshall, Colorado since 1859 and it was assumed that veins of coal ran throughout the area. In 1884, coal was discovered on the Miller Farm. John Simpson sank the first shaft in 1887, heralding the beginning of coal mining in the area. In 1888, Mary Miller platted 150 acres for the town of Lafayette, which she named for her late husband. By July of 1888, the first houses were built and a second mine, the Cannon, was in operation. The town boomed! Within six months, there were two general stores, a livery stable and several boarding houses.

In 1900, Mrs. Miller founded the Lafayette Bank and was elected President, distinguishing her as the only female bank president in the world. In January 1900, Lafayette was suffered a devastating fire that destroyed much of the town's original business district. By 1914 Lafayette had recovered sufficiently to support two banks, four hotels, three restaurants, a "picture show", a bakery, a candy store, a local newspaper, two poolrooms and a pickle factory. Lafayette also had a brick works and a power station that provided electricity to Boulder, Louisville, Longmont and Fort Collins.

Lafayette's Coal Mining Tradition

From the early days of mining, through the 1930s, the lives of Lafayette's mining families were controlled primarily by the Rocky Mountain Fuel Company. The large mining conglomerate literally prospered on the sweat of the men toiling underground. Miners and their families used company "credits" to purchase dry goods, groceries, hardware, clothing, and appliances from the company-owned store. Miners suffered poor working conditions, low wages, injuries, serious illnesses and death. Mining operations came to a halt many times through these troubled times as miners went on strike.

In 1927, a bloody battle between miners and the guards at the Columbine Mine resulted in the slaughter of six miners. Eventually, through continued striking and unionization of the miners, these atrocities came to an end.

As natural gas slowly replaced the use of coal for fuel, the mines began cutting production and finally closed. The Black Diamond Mine was the last Lafayette mine to close in 1956. Many Lafayette miners continued to work at the Eagle Mine in Erie until it shut down in 1979. Through this period, agriculture again became the dominant economic activity in the Lafayette area. Rapid growth in Denver and Boulder brought Lafayette substantial residential growth and as the town grew, the farming-base economy shifted again to commercial enterprises and small industrial and manufacturing concerns.

The Great Depression & World War II

By 1932 the economic depression that had begun with the collapse of the stock market in 1929 was seriously impacting Lafayette. In May 1932 the First National Bank of Lafayette closed its doors and depositors lost most of their savings, eventually receiving approximately 25% of their deposits once the bank's assets were sold. With the entry of the US into World War II in 1942, Lafayette residents grappled with wartime restrictions and the draft like everyone else. In 1943 Lafayette had 292 men serving in the armed forces, a significant number for a town with a population of only about 2,500. In fact, some Lafayette historians make the claim that Lafayette had more men and women in the armed forces during World War II, in relation to its populations, than any other town in the country. Lafayette lost 14 service men during the war, in conflicts ranging from the Battle of the Bulge to action in the jungles of the Philippines.

Present Day Lafayette

From a town of just over 3,400 people in 1970, Lafayette had grown to a population of over 14,500 by 1990, just under 23,200 by 2000 and just over 27,000 by 2013. During that time the City worked hard to improve and diversify services to residents and to secure the sales tax base needed to fund these services. In the late 1970's Lafayette committed major resources to improving its water supply and storage capabilities. The City purchased Waneka Reservoir in the 1980's and major shares in Baseline Reservoir in the 1990's, as well as beginning the process of upgrading the infrastructure needed to treat and deliver water throughout the system.

In 1995 Lafayette voters passed a Charter amendment reflecting citizens' desire for managed residential growth. This change to Lafayette's Charter limits the City's ability to issue residential building permits to 200 new permits each year. In 2001 and again in 2007, this residential growth cap was passed with some modifications, allowing the City more flexibility in issuing residential building permits in its Urban Renewal Area and for dedicated affordable housing, while still setting a cap of 200 permits for residential development. The citizens extended the residential growth cap in 2012 with an amendment eliminating the 200 per year limit while retaining the limit of 1200 residential building permits over a six year period. Building permits that had been allocated prior to 2012 were exempted from the 1200 permit limit.

By Lafayette's Centennial celebration in 1989, the City had begun the process of creating a viable economic base to sustain City services, bringing Wal-Mart and Albertson's to town, as well as helping to foster many smaller, local businesses. Improvements in economic development allowed the City to support improvements in services and amenities for residents, like the award winning Bob L. Burger Recreation Center, which was opened in 1990. The early 1990's also saw the completion of the Indian Peaks Golf Course, designed by Hale Irwin and one of the most highly rated municipal golf courses in Colorado. In 1997 the City opened a new Library on Baseline Road, moving this facility from its cramped quarters in City Hall.

The start of the 21st century brought additional projects and opportunities to Lafayette, including the new Exempla Hospital on US HWY 287, completed in early 2005 and which is home to a Kaiser Permanente headquarters as well as a full service hospital. At Lafayette's southern border, an extension of the Northwest Parkway was completed in 2003, linking US HWY 287 to this regional transportation hub.

Lafayette, along with the rest of the world, experienced an economic decline that began in December 2007 and took a sharp downturn in September 2008. The recession was sparked with the bursting of the United States housing bubble in 2006, followed by the U.S. sub prime mortgage lending crisis and financial crisis of 2007 - 2008. Residential building permits went from a high in 2005 of 198 building permits to a low in 2010 of 35 building permits. During 2008-2009, 254 apartment units were permitted and constructed in the Prana development north of Exempla Medical Campus. In 2012, Boulder County Housing Authority completed the first phase in their Josephine Commons affordable housing development. A 70 unit senior apartment building and four senior duplex units were constructed in Phase I. Affinity @ Lafayette, a 120 unit market rate senior apartment complex was built in 2013.

To learn more about Lafayette's history, see Survey and Settlement, by James D. Hutchison and Treeless Plain to Thriving City by the Lafayette Historical Society--both available at the Lafayette Public Library.

Source: City of Lafayette.

B. Market Analysis (Not updated with 2013 Technical Update)

Market trends for various land use categories were analyzed to provide context for current and future development planning efforts. Recent (2001 and 2002) and projected supply and demand conditions were evaluated for the retail, office, industrial and residential submarkets which affect Lafayette's development future.

Retail Market: Supply Conditions

Lafayette represents a submarket within the US HWY 36 Corridor and Boulder County (the County), and as such, will likely compete with projects from a broader retail Trade Area. Therefore, overall economic and demographic indicators, and supply and demand conditions were analyzed beyond the City boundaries. As presented herein, the Trade Area analyzed varied by land use, but generally consisted of the central portion of the US HWY 36 Corridor - Lafayette, Louisville and Superior, as well as portions of Broomfield and Boulder.

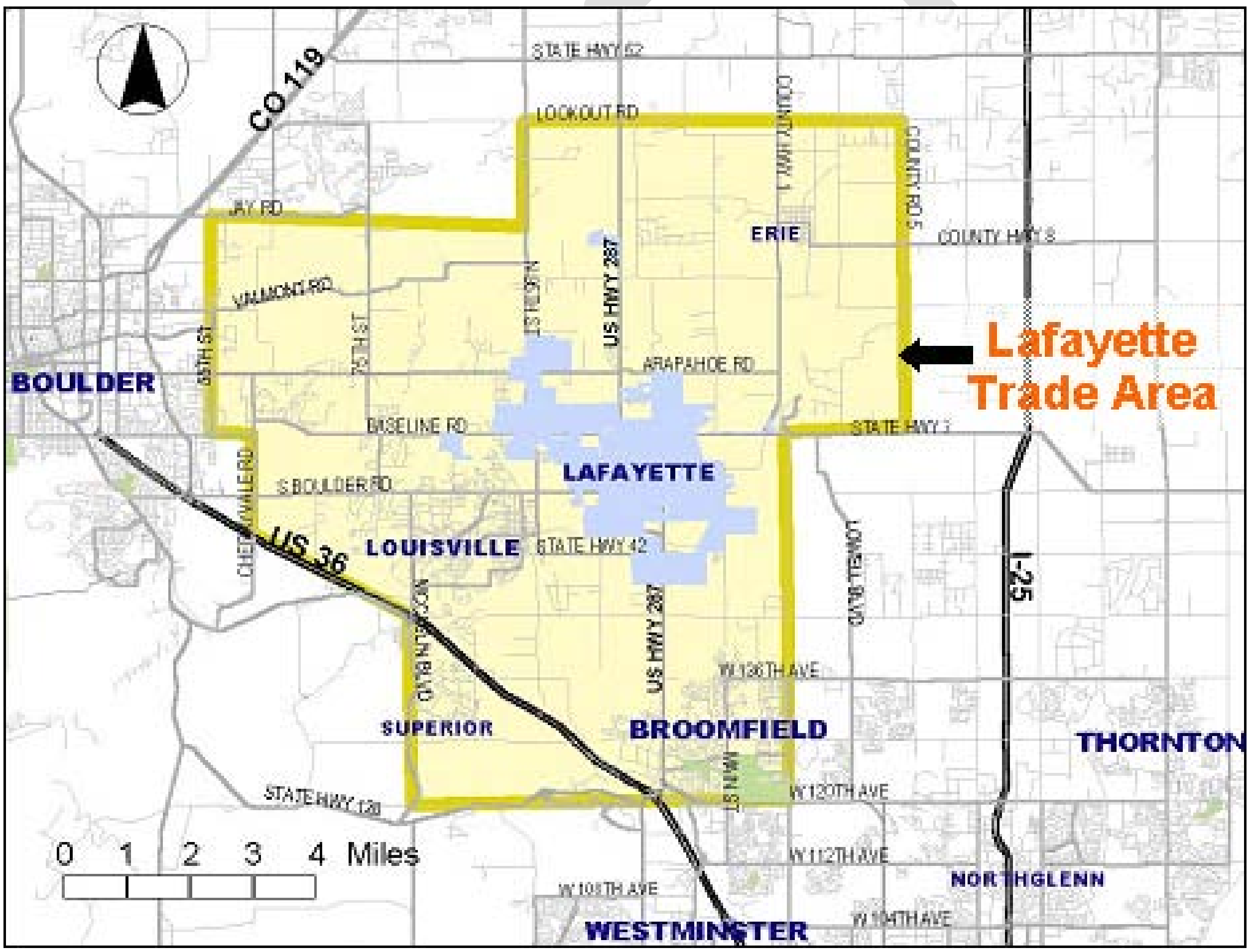

Figure 6: Lafayette Trade Area
Source: Leland Consulting Group

As shown in Figure 7, Lafayette's Retail Trade Area is bounded approximately by Lookout Road on the north; 120th Avenue on the south; US HWY 36 on the west; and Weld County Road 5 on the east. Large-scale retail development in and around the FlatIrons Crossing Mall and at the intersection of US HWY 36 and McCaslin Boulevard has accounted for the majority of new retail construction within the Trade Area over the past five years. As with other suburban areas in the Denver metropolitan area, this "big-box" development activity has occurred in close proximity to a significant regional transportation corridor - in this case, US HWY 36. Other significant retail concentrations in the Trade Area are located along major transportation thoroughfares such as South Boulder Road, 120th Avenue and US HWY 287. According to Ross Research Services, the Trade Area encompasses two retail submarkets: the Northwest and Boulder South submarkets. At year-end 2002, there was an estimated 14.2 million square feet of retail space within these two submarkets, nearly 2.5 million square feet of which is represented by the new FlatIrons Crossing Mall and surrounding retail development. The remainder of Trade Area space is primarily comprised of large-scale strip centers with region-serving anchor stores. Approximately 450,000 square feet of new retail space is planned for these two submarkets over the next 12 to 18 months.

Retail vacancy rates in the Trade Area range between 4% and 9%, with lease rates ranging between $9.50 and $17.00 per square foot for small strip centers and between $14.00 and $24.00 per square foot for large strip centers.

Retail Market: Demand Conditions

Future demand for retail space is determined by the potential level of retail expenditures in a given trade area by households. Existing and projected total household retail expenditures in the Trade Area, by major category, were determined by multiplying growth in households with that portion of household income spent on general retail purchases. This measure of retail spending potential was then divided by a typical figure for retail sales generation (on a per square foot basis) to determine supportable retail space per household. For the Trade Area, this estimate was 100 square feet per household. Therefore, based on this level of retail sales generation and projected household growth, there is demand for approximately 1.7 million square feet of new retail space in the Trade Area within the next twenty years, or 85,000 square feet annually.

	by 2007	by 2012	by 2022
New households	5,893	10,933	17,472
(multiplied by square feet of retail demand per household)	100	100	100
New Retail Demand (square feet)	589,300	1,093,300	1,747,200

Table 4: Retail Demand, Lafayette Trade Area
Source: DRCOG; Claritas, Inc.; and Leland Consulting Group

Retail market opportunities, or niches, emerging for Lafayette within the next ten years include: specialty retail (small-scale, Main Street-type retail); neighborhood-serving retail (household furnishings and goods, restaurants, apparel, services, etc.); and entertainment-related retail (such as the Westminster Promenade).

Office Market: Supply Conditions

Lafayette's Office Trade Area is similar to the Retail Trade Area and includes the Boulder South and Northwest submarkets. There is an estimated 10.6 million square feet of multi-tenant office space in these two submarkets, much of it concentrated in office/business parks along the US HWY 36 Corridor (Interlocken, Centennial Valley, etc.). The Lafayette Trade Area added over 300,000 square feet of new space in 2002, but absorbed only 25,000 square feet of space. As a result, the Lafayette Trade Area vacancy rate increased from 31% in 2001 to 33% in 2002. Rental rates ranged between $10.00 and $22.00 per square foot in 2002.

Office Market: Demand Conditions

The Lafayette Trade Area is expected to gain over 12,000 service employees (primarily workers in the Finance, Insurance, Real Estate, and Business, Professional and Technical Services sectors) during the next twenty years. Despite the current economic downturn, future growth is expected to occur within the significant concentration of high-tech manufacturing and service companies concentrated in the US HWY 36 Corridor.

Demand for new office space is derived from two primary sources: expansion of existing industry and the relocation of new companies into the market. Employment projections by industry classification for the Lafayette Trade Area were used to estimate demand of approximately 2.0 million square feet of office space within the next twenty years, or 100,000 square feet annually. Class of space also delineates demand estimates. Class A reflects space with the best location in the Trade Area (e.g., US 36 frontage), high-quality design and management, and rents at or near the top of the market. Class B reflects space that has good location and access, quality design and rents in the upper half of the market.

	by 2007	by 2012	by 2022
New Service Jobs	6,520	10,828	12,814
(Multiplied by square feet of Office per Job)	200	200	200
New Office demand (in s.f.)	1,303,900	2,165,680	2,562,560
Less 2 Years to Absorb Existing Vacancy	-521,560	-521,560	-521,560
Net New Office Demand (in s.f.)	782,340	1,644,120	2,041,320
Class A Demand	273,819	575,442	714,462
Class B Demand	352,053	739,854	918,594
Owner Occ. Demand	156,468	328,824	408,264

Table 5: Office Demand, Lafayette Trade Area
Source: DRCOG; Colorado Dept. of Labor and Employment; and Leland Consulting Group.

Office market opportunities, or niches, emerging for Lafayette within the next ten years include: Class B office space targeted to smaller, local service tenants such as doctors, accountants, realtors, insurance agents, lawyers, etc. Office "incubator" space that supports local entrepreneurs is an emerging niche in high-tech corridors such as US HWY 36. Class A office space and corporate campus-type office space users are generally being accommodated within US HWY 36 Corridor office/business parks.

Industrial Market: Supply Conditions

Lafayette's Industrial Trade Area is similar to the Office and Retail Trade Areas and also includes the Boulder South and Northwest submarkets. There is an estimated 17.0 million square feet of industrial space in the Trade Area, 2/3 of which consists of single-and multi-tenant industrial warehouse space. The remaining space consists of single- and multi-tenant R&D/flex space.

The Trade Area's R&D/flex space, oriented to high-tech companies within the US HWY 36 Corridor, was affected the most by the recent economic downturn. Vacancy rates for R&D/flex space exceeded 30% in 2002, compared to vacancy rates below 10% for industrial warehouse space. Current rental rates range between $4.00 and $7.00 per square foot for industrial warehouse space and between $6.00 and $11.00 per square foot for R&D/flex space.

Industrial Market: Demand Conditions

As with office space, demand for new industrial space is derived from two primary sources: expansion of existing industry and the relocation of new companies into the market. Employment projections by industry classification for the Trade Area were used to estimate demand of approximately 2.2 million square feet of industrial space within the next twenty years, or 110,000 square feet annually.

	by 2007	by 2012	by 2020
New Production Jobs	3,793	7,799	8,864
(Multiplied by square feet of Industrial per Job)	300	300	300
New Industrial Demand (in s.f.)	1,137,900	2,339,700	2,659,200
Less 2 Years to Absorb Existing Vacancy	-455,160	-455,160	-455,160
Net New Industrial Demand (in s.f.)	682,740	1,884,540	2,204,040
R&D/Flex Demand	238,959	659,589	771,414
Warehouse Demand	341,370	942,270	1,102,020
Owner Occupied Demand	102,411	282,681	330,606

Table 6: Industrial Demand, Lafayette Trade Area
Source: DRCOG; Colorado Dept. of Labor and Employment; and Leland Consulting Group.

Industrial market opportunities, or niches, emerging for Lafayette within the next ten years include R&D/flex space targeted to smaller tenants who may be serving larger companies within US HWY 36 Corridor industrial/business parks. Light industrial and flex space also serves local entrepreneurs looking to depart high-tech companies and establish "start-up" enterprises.

Residential Market: Supply Conditions

The Lafayette Trade Area for rental apartments includes two submarkets identified and tracked by the Apartment Association of Metro Denver: Broomfield and Boulder County Other (this submarket includes all of Boulder County except for the Cities of Boulder and Longmont).

Apartment vacancy rates within these two submarkets are comparable to Boulder County as a whole (10% to 12%), and the Denver Metro area (12%). In recent years, these two submarkets have been targeted for high levels of new construction. Due to the amount of new product, these submarkets exhibit considerably higher rents than both Boulder County as a whole and the Denver Metro area, both on a per unit and per square foot basis. Rental rates in the Trade Area range from $735 to $1,300 for one- to three-bedroom units, which is consistently $100 to $200 per unit higher than units in Boulder County as a whole. Again, this is reflective of the newer product in the Trade Area.

The Lafayette Trade Area for single-family housing generally includes all of Boulder County. Prospective homebuyers consider Lafayette in comparison to other Boulder County municipalities, including Louisville, Superior, Broomfield, and to a lesser extent, Boulder and Longmont. Employment growth in the US HWY 36 Corridor continues to direct residential growth into these communities.

Single-family detached home sales in Lafayette during 2002 totaled 402 units at an average price of $313,876. Single-family attached home sales during this same period totaled 196 units at an average price of $189,945. There has been an average of 215 single-family home starts annually over the past ten years. During that same period, multi-family starts averaged 95 starts annually. Residential activity before and after the City's Charter Amendment restricted residential growth (described below) shows the impact of that limitation. For the five years preceding this amendment, Lafayette single-family permits averaged 309 units per year and multi-family permits averaged 135 per year.

Residential Market: Demand Conditions

While demand for new residential units is primarily a factor of the growth in households within a trade area, Lafayette's residential growth is constrained by the City's 1995 Residential Growth Charter Amendment, which limits allocation of building permits to 200 per year. An additional 50 permits may be allocated for Charter Affordable Housing that is priced to be attainable to households earning up to 80% of the HUD Area Median Income. The total potential annual growth in Lafayette could be 250 units per year based on available building permits, but is anticipated to be less, as not all of the Charter Affordable Housing permits will be used. For the purposes of this analysis, then, historical patterns of single-and multi-family development trends were used to arrive at an estimated average annual demand for approximately 200 housing units in the city over the next twenty years. Historically, multi-family construction has accounted for approximately 25% to 30% of housing units. Under the build-out scenario, multi-family would account for approximately 50% of housing units.

	by 2007	by 2012	by 2022
City of Lafayette	1,381	2,562	4,093
Trade Area	5,893	10,933	17,472
Denver MSA	125,422	213,066	336,266

Table 7: Residential Demand (units), Lafayette Trade Area
Source: DRCOG and Leland Consulting Group

Residential market opportunities, or niches, emerging for Lafayette within the next ten years include: rental apartments targeted to single professionals, retail and service employees and working couples employed in the US HWY 36 Corridor; attached ownership housing targeted to single professionals, first time buyers with smaller households; seniors; and empty nesters and moderately priced single family and attached housing for employees and residents being priced out of the Boulder County market.

C. Growth and Development Trends (Not updated with 2013 Technical Update)

Making informed choices about the future course of growth in Lafayette depends on understanding the dynamic demographic and economic forces that have shaped the city in the past. The following is a description of key demographic and economic trends that will likely affect future growth decisions in Lafayette.

Population

Like many communities within the rapidly growing US HWY 36 Corridor, the City of Lafayette witnessed significant growth in population over the last decade. Lafayette's population grew at a compound annual rate of 4.5%, compared to 5.3% for the Lafayette Trade Area (defined earlier) and 2.5% for the Denver metro area. Although growth rates in the city and Trade Area are expected to slow over the next twenty years (to approximately 1.7%), they still will be faster than the Denver metro area as a whole (1.4%). These growth projections take into account the City's Growth Management Requirement, which limits housing construction to approximately 200 units per year. As noted earlier, an additional 50 permits may be allocated for Charter Affordable Housing that is priced to be attainable to households earning up to 80% of the HUD Area Median Income. This increases potential annual housing construction to 250 units per year.

	1990	2002	2007	2012	2022
City of Lafayette	14,708	24,957	28,436	31,385	35,083
Trade Area	55,644	103,532	117,962	130,198	145,537
Denver MSA	1,628,290	2,198,392	2,488,104	2,678,645	2,921,026

Table 8: Population Growth, City of Lafayette

Source: U.S. Census Bureau; DRCOG; Claritas, Inc.; and Leland Consulting Group

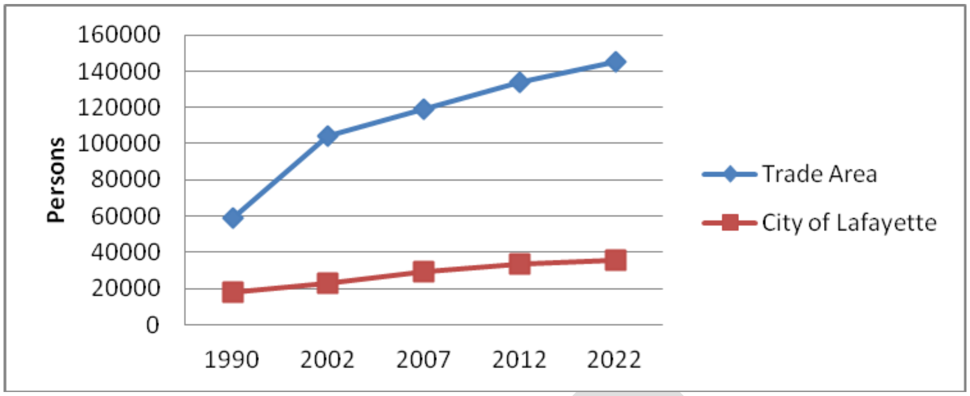

Figure 7: Population Growth, City of Lafayette vs. Lafayette Trade Area
Source: U.S. Census Bureau; DRCOG; Claritas, Inc.; and Leland Consulting Group

Households

Household growth in the city and Trade Area closely mirrors population trends, both in terms of historical and projected growth. Average household sizes in the city (2.73 in 1990; 2.62 in 2000) are comparable to those for the Trade Area (2.75 in 1990; 2.63 in 2000). The city's household size numbers are consistent with regional and national trends that indicate increasingly smaller households.

	1990	2002	2007	2012	2022
City of Lafayette	5,468	9,526	10,907	12,088	13,619
Trade Area	21,238	40,601	46,494	51,534	58,073
Denver MSA	658,868	875,672	1,001,094	1,088,738	1,211,938

Table 9: Household Growth, City of Lafayette
Source: U.S. Census Bureau; DRCOG; Claritas, Inc.; and Leland Consulting Group

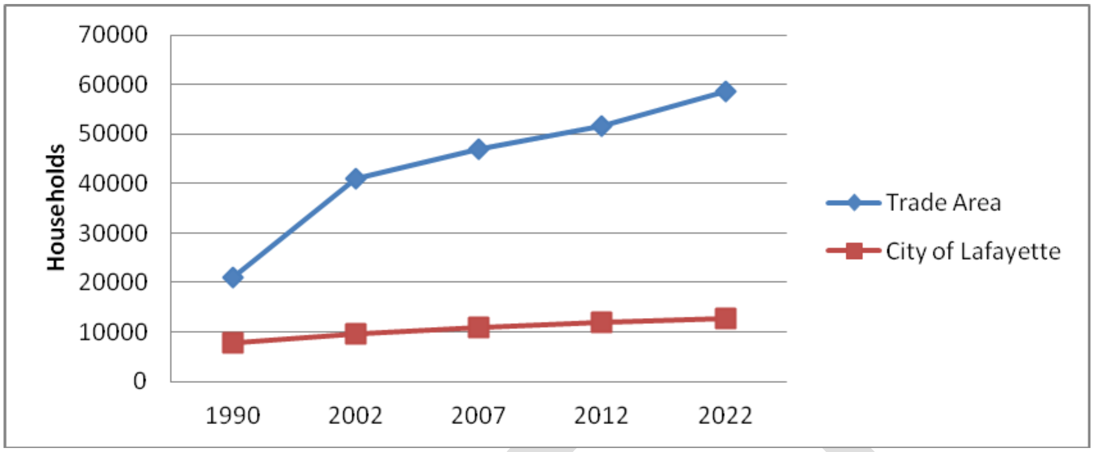

Figure 8: Household Growth, City of Lafayette vs. Lafayette Trade Area
Source: U.S. Census Bureau; DRCOG; Claritas, Inc.; and Leland Consulting Group

Over the past twelve years, the city's median household income increased at a compound average annual rate of 5.7%, similar to the Trade Area's, but faster than the Denver metro area as a whole. This trend is expected to continue over the next five years, as city and Trade Area household incomes are expected to grow at a faster rate than those for the metro area. In the long term, given the City's desire for a higher degree of affordable housing, income growth should slow and be more comparable to the metro area as a whole.

				Annual Growth Rate	
	1989	*2001*	*2006*	*'89-01*	*'01-06*
City of Lafayette	$34,067	$66,167	$84,862	5.7%	5.1%
Trade Area	$40,368	$78,362	$102,463	5.7%	5.5%
Denver MSA	$31,958	$56,419	$69,912	4.8%	4.4%

Table 10: Household Income Growth, City of Lafayette
Source: U.S. Census Bureau; DRCOG; Claritas, Inc.; and Leland Consulting Group

According to the 2000 Census, Lafayette's residents are primarily concentrated in the following age categories: Under 19 (29.7%); 35 to 44 (20.9%); 25 to 34 (17.4%); 45 to 54 (15.1%). This distribution is indicative of a family-oriented community and is similar to the Trade Area. Education levels in Lafayette also compare favorably with the Trade Area and the metro area, with 91% of residents being high school graduates, 46% having earned a bachelor's degree, and 17% having earned an advanced degree.

Employment

Even though Lafayette is located in the rapidly growing US HWY 36 Corridor, for the most part, employment growth has been attracted to surrounding communities such as Broomfield, Boulder, and Louisville. Currently, approximately 11,200 Lafayette residents have jobs, but just 6,100 people work in the city each day - a work here/live here jobs ratio of 0.54. Only in the construction industry are there more workers in Lafayette than Lafayette residents with jobs. As future employment growth in Boulder County is expected to be steady, if not as robust, there will be increasing competition among US HWY 36 Corridor communities for job attraction. Figure 11 depicts the types of jobs Lafayette residents are employed in by sector regardless of where those jobs are actually geographically located, and the jobs available by employment sector within Lafayette.

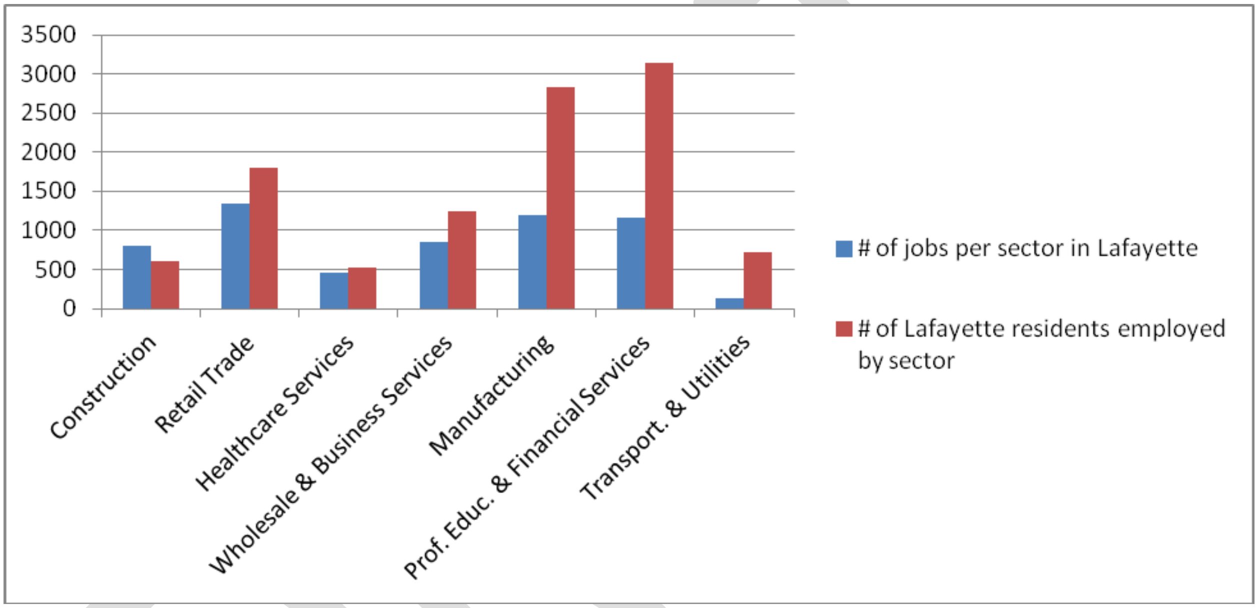

Figure 9: Jobs to Workforce Balance
Source: U.S. Census Bureau; DRCOG; Claritas, Inc.; and Leland Consulting Group

D. Fiscal Analysis of the Land Use Plan (Not updated with 2013 Technical Update)

As part of the Comprehensive Plan process, the consulting team conducted a fiscal impact analysis for the proposed development alternatives that were formulated through the community-wide planning process. The fiscal impact analysis focused on revenues and expenditures to the and how they would be affected by the build-out of the city's remaining undeveloped parcels.

Methodology

In completing the fiscal impact analysis for the City, the consulting team obtained and analyzed the following:

- Market, economic, and fiscal information from City staff;

- Secondary research related to the real estate development industry; and
- Data regarding local market conditions from area property managers, brokers, appraisers, and other real estate professionals.

After land use alternatives were formulated through the community planning process, a fiscal impact model was developed, which analyzed the flow of revenues and expenditures as they are affected by future development. The fiscal impact model was designed to measure the following:

- Density of development (building to land ratio);
- Market- based future development and construction timing (absorption);
- Development market value; and
- Tax revenue- generating potential.

The underlying assumptions used in formulating the model are detailed in the remainder of this report. Quantitative fiscal impacts to the City were calculated for the projected build-out of the city's remaining undeveloped parcels.

Limitations of the fiscal analysis are the following:

- The analysis only considers general fund revenues and expenditures (operational).
- The analysis does not consider capital investments.
- The model analyzes new growth only and assumes a current fiscal balance.
- Revenues/costs of civic and open space are not included in the analysis.

Land Use Alternatives Analyzed

Through the community planning process, three land use alternatives were formulated for further fiscal analysis. From these three alternatives, consulting team, in association with the City staff, formulated a preferred alternative, which was also analyzed from a fiscal perspective. These alternatives are summarized briefly as follows:

- Alternative 1: Low intensity land use mix with high degree of open space (over 50% of remaining parcels); predominately retail and residential development
- Alternative 2: Land use mix predominately single-family development; higher amounts of office and retail space than Alternative 1; lower open space (approximately 20%)

- Alternative 3: Predominately retail and office development; residential uses comprise less than 40% of land use mix; significantly lower open space (approximately13%); heightened emphasis on revenue generation

- Preferred Alternative: Balanced mix of retail, office and residential development; open space comprises 27% of land use mix; emphasis on fiscal balance

The underlying assumptions used in the fiscal analyses completed for each of these alternatives are detailed in the following sections.

Development Program/Timing

RNL Design provided the development programs analyzed for each alternative from the community-wide planning process. These alternatives summarized land use mix and open space requirements for each undeveloped parcel. Typical densities for each land use type (office, retail, industrial, residential) were then applied to the land use mix estimates to arrive at projected development build-out. These density ratios, or building to land ratios, were applied as follows:

- Office/Retail/Industrial: 30% (.30 FAR)
- Low Density Residential: 3 Units/Acre
- Medium Density Residential: 5 Units/Acre
- High Density Residential: 12 Units/Acre

Absorption of development by land use type was based on the market analysis completed as part of the Comprehensive Plan process. The absorption estimates for each alternative considered market opportunities emerging in Lafayette's trade area over the next twenty years.

City Revenues

Based on the absorption of development by land use type over the build-out period, estimates of revenues generated from the following taxes from new development were prepared:

- Property Tax
- Use Tax
- Sales Tax
- Other Taxes and Revenues

Each of these is summarized briefly below.

Property Tax Revenue

Property tax revenues were estimated based on cumulative development absorption and projected development market values by land use. The following assumptions were used to estimate market value by land use type:

- Office: $100 per SF
- Retail: $90 per SF

- Industrial: $60 per SF
- Single- Family: $350,000 per unit
- Rental Apartments: $100,000 per unit

These estimates are based on comparable projects in the Boulder County market and reflect what property and building owners are assessed on for property tax purposes. Development assessed values were then determined by applying assessment factors of 29% (non-residential) and 9% (residential) to market values. Finally, property tax revenues were calculated by applying the City's current mill levy of 8.184 to the assessed value estimates.

Use Tax Revenue

Use tax revenues were estimated based on annual development absorption and projected building construction values by land use. The following assumptions were used to estimate construction value by land use type:

- Office: $80 per SF
- Retail: $70 per SF
- Industrial: $50 per SF
- Single- Family: $250,000 per unit
- Multi- Family: $70,000 per unit

Building construction values were then adjusted by 50% to reflect the share of construction costs attributable to building materials. Finally, use tax revenues were calculated by applying the City's use tax rate of 3.00% to these adjusted value estimates.

Motor vehicle use tax revenues were also estimated using the following assumptions:

- Vehicles per Single- Family Unit: 1.8
- Vehicles per Multi- Family Unit: 1.3
- Average Vehicle Value: $20,000

Sales Tax Revenue

Sales tax revenues were estimated based on cumulative retail development and projected retail sales from new development based on average sales of $200 per square foot. This per square foot retail sales estimate was based on the experiences of local and regional shopping centers, as well as industry standards.

Total retail sales were then calculated by applying sales per square foot to cumulative new retail development and sales tax revenues were then calculated by applying the City's sales tax rate of 3.00% to total retail sales.

City Expenditures

Based on the City's 2003 Budget, unit costs for each service department were developed by analyzing the respective impacts on those departments of residential and nonresidential growth. Therefore, costs per square foot of nonresidential development and per unit of residential development were applied to the absorption of development by land use type over the build-out period. Service costs were estimated for the following departments:

- General Government
- Judicial
- Public Safety
- Public Works
- Culture and Recreation

Summary

Once revenues and expenditures were estimated for each of the alternatives, they were incorporated into the fiscal model summarizing City general fund revenues and expenditures anticipated to be generated by new development for the build-out period. The consulting team reviewed underlying assumptions contained in the model with City staff and relied on these assumptions to generate total City revenues and expenditures over the analysis period. From a City revenue/expenditure perspective, the alternatives are summarized as follows:

- Alternative 1: Average annual fiscal surplus of $8 million at build-out

- Alternative 2: Average annual fiscal surplus of $10 million at build-out

- Alternative 3: Average annual fiscal surplus of $12 million at build-out

- Preferred Alternative: Average annual fiscal surplus of $8 to $10 million at build-out.*

It should be noted that, although each of the alternatives generated a surplus of revenues over expenses, the fiscal analysis of the alternatives did not consider capital investments needed to maintain the desired land use mix. For example, if the annual cost of purchasing and maintaining the high degree of open space in Alternative 1 was considered, it is likely that the surplus shown would be largely eliminated. Again, the fiscal analysis is a comparative tool only and was used to assess and explain differences <u>between</u> scenarios.

* The Preferred Alternative shows a range of fiscal surplus due to the impacts of varying utilization rates for parcels designated for mixed-use development.

E. Public Outreach

A series of Community Stakeholder Interviews were conducted with the 2003 Comprehensive Plan, with 23 key community members representing different interest groups to relate what issues and trends they believed were the most pressing for the community. A citizen survey of approximately 400 Lafayette residents was conducted to gauge residents' perceptions and levels of satisfaction regarding quality of life and other community related issues. (The results of both of these efforts are located in Appendix A and B). A project web page and project resource station at the public library were developed and maintained to serve as a resource for members of the community to stay abreast of the project schedule, different opportunities for citizen involvement, and to review interim project deliverables. Over 200 miscellaneous comments were received through the project web page and project resource station. Five well advertised, well-attended (over 300 members of the public attended) and energetic public workshops were held to inform the public about the planning process; solicit their input on community issues, opportunities and constraints; engage in a series of hands-on exercises to identify land use location preferences and community framework elements; and to review and provide comment on interim plan elements.

The following attendance for these five meetings was as follows:

Public Meeting #1:	57
Public Meeting #2:	90
Public Meeting #3:	71
Public Meeting #4:	57
Public Meeting #5:	57
Total:	275 persons

2013 Technical Update

The Planning Commission began work on the update in January 2012. In May, 2012, a Community Survey was conducted. Of the 1,200 surveys mailed out, 360 completed surveys were obtained providing an overall response of 31%. The survey results helped provide updated information on where residents work and housing costs. Nine meetings of the Planning Commission were held between January 2012 and May 2013 which includes the Mixed-Use site visit, field trip on August 28, 2012. The City Council also held a workshop on the proposed Goals and Polices on May 21, 2013. The Planning Commission hosted an open house followed by a public hearing on July 30, 2013 at which approximately 40 people attended. A public hearing was also held by the Planning Commission on October 22, 2013 to gather final public comments on the plan. A public hearing was also held on March 18, 2014, before the City Council adopted the technical update. The meeting dates were as follows:

January 25, 2012	Planning Commission Workshop
February 29, 2012	Planning Commission Workshop
March 22, 2012	Planning Commission Workshop
August 28, 2012	Planning Commission site visits
September 25, 2012	Planning Commission Meeting

November 27, 2012	Planning Commission Meeting
March 26, 2013	Planning Commission Workshop
April 23, 2013	Planning Commission Workshop
May 21, 2013	City Council Workshop
May 28, 2013	Planning Commission Meeting
July 30, 2013	Planning Commission Open House & Public Hearing
October 22, 2013	Planning Commission Public Hearing
March 18, 2014	City Council Public Hearing