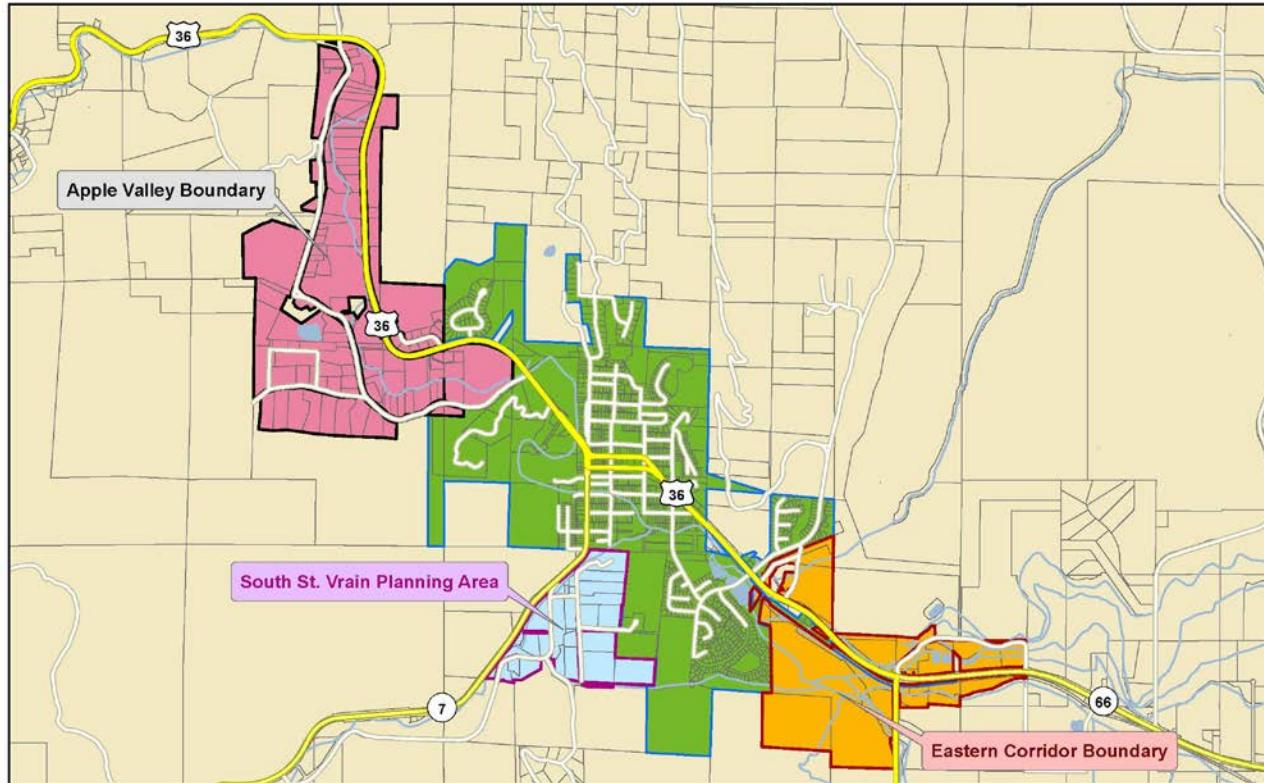


Lyons Primary Planning Area Master Plan

Proposed Amendment to the Lyons Comprehensive Plan



PRIMARY PLANNING AREA MASTER PLAN

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The Town of Lyons would like to thank the residents, property and business owners within the Planning Area and Town of Lyons, along with other interested individuals who participated in the development of this Lyons Primary Planning Area Master Plan!

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 Parks, Recreation and Culture Board

 Human Services and Aging Commission

 Others, as needed

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Section i:

Glossary of Terms

Within the context of this Lyons Primary Planning Area Master Plan document, there are several terms used to describe key elements or features of the Plan. For the purposes of this planning process, these terms are defined as follows.

Affordable Housing: According to the Boulder Housing Partners Boulder Affordable Rental (BAR) Program, affordable housing would serve those households whose income represents 30% to 60% of Boulder's Area Median Income (AMI).

Attainable Housing: Attainable housing would serve those households whose income represents 60% to 120% of Boulder's Area Median Income (AMI). This is sometimes referred to as workforce housing.

Gateway: Design element that signifies the entryway into a district or planning area. Gateways are used to set a consistent level of design standard that can be implemented throughout the district.

Property Utilization: A measure of the economic value and relative "ripeness" for redevelopment of a property. The factor is calculated as the total land value's share of total value.

Trade Area: A Trade Area is intended to represent that area from which uses will capture a share of market demand. Factors that influence the shape of a trade area include: physical and psychological barriers; presence of activity generators; travel patterns and thoroughfares; competition; neighborhood and employment concentrations; and others.

Urban Renewal: State-authorized program for municipalities designed to facilitate the removal of blighting conditions and advancement of stated community goals related to development and redevelopment. In December 2015, the Lyons Board of Trustees adopted the Lyons Area Urban Renewal Plan, which established the Lyons Urban Renewal Area. Properties within the LPPA are not currently within the Town boundaries, and as such, are not included in the Urban Renewal Area.

Section ii:

Significant Findings of the LPPA Planning Process

Introduction

The Lyons 2010 Comprehensive Plan recognized and affirmed the necessity to grow and diversify the Town's economy through expansion of its municipal boundaries. The community's Economic Development Commission has also suggested that expansion will be essential, even though land for development is becoming increasingly scarce and properties previously targeted for future development have either been purchased by Boulder County for open space, or designated as "no development areas".

While most parcels within the Town are largely developed, the future health of its fiscal balance sheet will be heavily influenced by the type, timing, scale and quality of development that occurs in the Lyons Primary Planning Area ("LPPA", "Lyons PPA", and "Study Area"). To this end, it will be imperative that the Town continually monitor impacts associated with growth. In addition, it will be important to maintain high standards for development within a proactive, yet protective, investment climate. Finally, it will be critical for new and established areas of the community to be connected through an improved network of roads with adequate accommodations for pedestrians and bicycles, and a completed regional trail and local loop. Any past perceptions of Lyons as an underserved urban enclave within Boulder County, will need to be dispelled through a multi-faceted overhaul of its infrastructure, image and messaging to interested investors.

The Town understands that advancing these intentions will require not only a unified vision, but supportive leaders, policies, and regulations. It will also require an investment "story" that has been vetted by professionals familiar with local and regional market conditions, and the economic challenges inherent in development in environments with aging and incomplete infrastructure.

What follows are key findings discovered during the planning process that will influence Lyons' efforts in this regard.

Key Findings

1. The existing agreement (IGA) with Boulder County limits how much and where development can be accommodated within all three subareas.
2. Physical conditions limiting total developable area include – limited access, lack of water and sewer, presence of irrigation laterals (ditches), floodways and floodplains.
3. Ownership, easements and other regulations limit development within individual properties, primarily defined in adopted Boulder County documents and interagency agreements.
4. The average size of parcels and their configuration limit the net developable area within parcels and the potential for sizable developments, much less a unified development program within the LPPA.
5. Viable parcels for commercial retail development (as determined by their access, visibility, and market depth) are limited to those within the Eastern Corridor.
6. There is ample market support (over the near- and mid-term) for the following land uses: retail space that is destination, entertainment and visitor oriented; a range of affordable housing product types, as well as market-rate and estate units; and, employment space requiring warehousing and outdoor storage facilities, which could support art and other entrepreneurial pursuits.
7. The financial feasibility of new development and redevelopment will be affected by the limiting factors discussed herein, as well as by economic conditions which set sale and lease rates (land prices, interest rates, absorption activity).
8. Existing Town policies, practices and agreements limit the number of developable parcels (e.g., South St. Vrain) including requirements associated with annexations and reuse of publicly –acquired properties.
9. Few undeveloped parcels remain within the town boundaries, the majority of which are platted for single family detached market rate units.
10. Build-out of undeveloped parcels within the Town boundaries, as currently zoned, will result in a budgetary deficit. Nonresidential development in the Eastern Corridor could help to offset this deficit.
11. There are limited monetary sources available to the Town for property acquisitions and flood recovery improvements.

Section 1:

Introduction

During the first quarter of 2016, Ricker|Cunningham (RC), Real Estate Economists and Community Strategists, together with the Land and Transportation Planning Division of Kimley-Horn (collectively the "Consultant Team"), were retained by the Town of Lyons (the "Town") to assist with preparation of the 2016 Lyons Primary Planning Area Master Plan (the "Plan" and "Master Plan"). The Lyons Primary Planning Area ("LPPA", "Lyons PPA", and "Study Area") is comprised of numerous parcels located adjacent to the town boundaries in Boulder County (the "County"). Originally established through an Intergovernmental Agreement ("IGA" or "Agreement") between the Town and County in 2002, and subsequently amended in 2012, its current boundary and distinct subareas are reflected in **Figure 1-1**. The IGA serves as a shared agreement between the two jurisdictions (Town and County) about where development is appropriate.

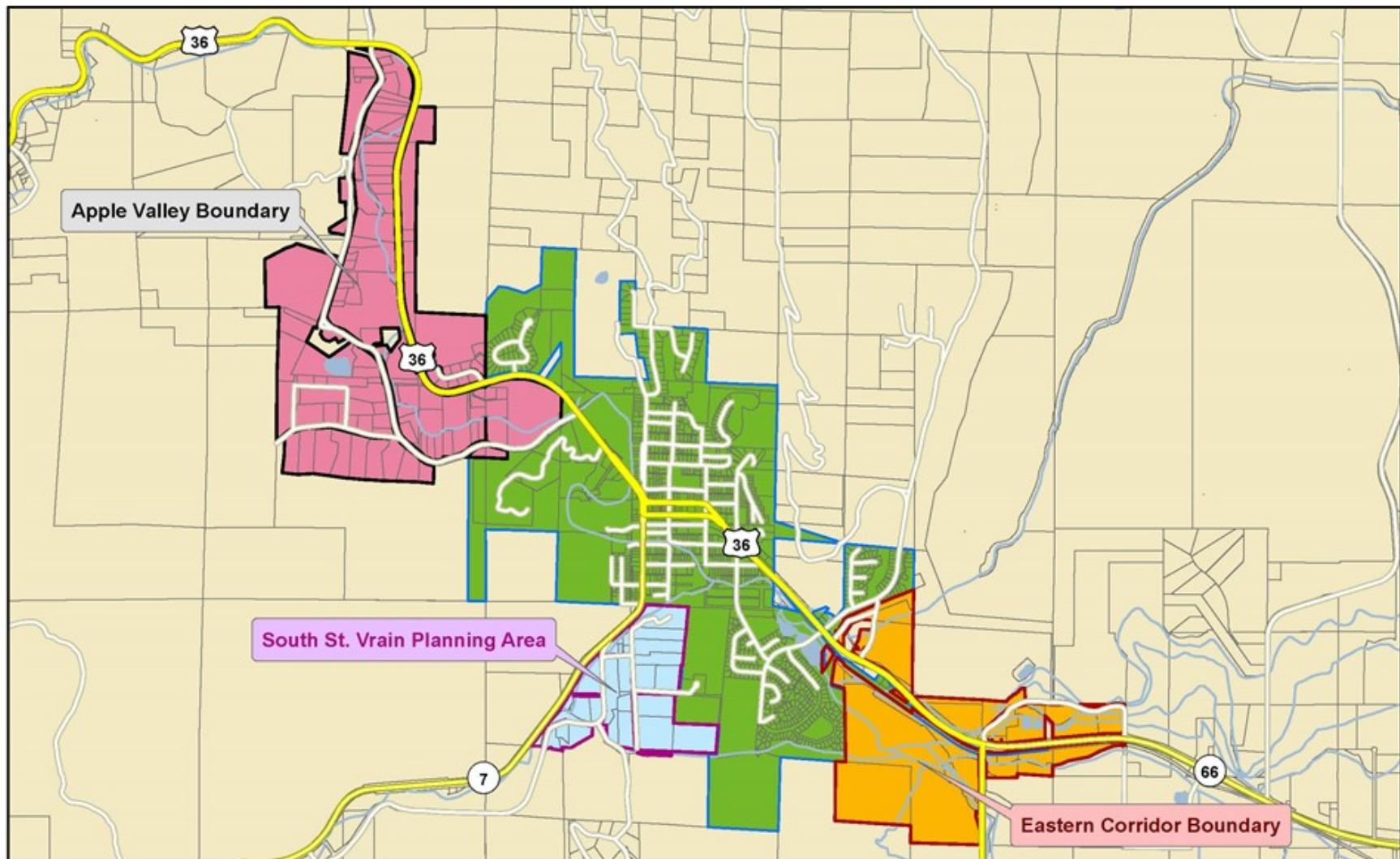
Intergovernmental Agreements (IGA)

An IGA is any agreement that involves, or is made, between two or more governments in cooperation to solve problems of mutual concern. Intergovernmental agreements can be made between or among a broad range of governmental or quasi-governmental entities, such as two or more counties, two or more municipalities, a municipality and a special Subarea, and so forth. Governments use IGAs for cooperative planning, development review, resource sharing, joint planning commissions, building inspection services, and more.

The principal objective of this effort, preparation of the LPPA Master Plan, is to understand conditions that will influence investment, as well as to identify and illustrate the type and location of desired improvements (public and private), within its boundaries. Establishing a vision for this future growth area was identified as a key initiative in the Lyons Comprehensive Plan (the "Comprehensive Plan"), the community's plan adopted by the Planning and Community Development Commission (the Commission) on 22 March, 2010, and ratified by the Board of Trustees (the BOT) on 5 April 2010. It was also a directive of the 2012 amendment to the IGA, along with advancing key strategies which promote development of affordable housing. See Appendix for supporting references from both documents.

The Colorado Revised Statute (C.R.S. or the "Law") authorizes cities and counties to prepare comprehensive master plans to inform long-range land use decisions and achieve expressed goals. In 1987, the state legislature amended portions of the law, specifically limiting municipal annexations in any given year to no more than three miles beyond their current territorial boundary. This revision ultimately led to the requirement that municipalities prepare and adopt a *three-mile plan* prior to any annexation.

Figure 1-1: Lyons Primary Planning Area



The Town of Lyons does not currently have a three-mile plan in place. Rather, they have historically used the IGA with Boulder County as their planning tool for properties within their extraterritorial area. This LPPA Master Plan will serve as the town of Lyon's Three-Mile Plan and amendment to the 2010 Comprehensive Plan.

Three-Mile Plan

In 1987, the state legislature made changes to annexation law limiting municipal annexations to no more than three miles beyond the current municipal boundary in any given year. Further, municipalities in Colorado are required to prepare and adopt a three-mile plan prior to annexing property into their territorial boundaries per C.R.S. 31-12-105 et. seq. The three-mile plan is a long-range plan that outlines where municipalities intend to annex property and describes how they will ensure the adequate provision of services within the newly annexed territory and the remainder of the existing municipality.

Note that this 2016 Lyons Primary Planning Area Master Plan will not replace recommendations presented in the 2010 Comprehensive Plan, but rather advance and supplement them, specifically related to recommendations regarding future investment in the LPPA.

Plan Purpose

The purpose of this Lyons Primary Planning Area master planning initiative was to establish a vision for growth and development in the Planning Area that is acceptable to both parties to the IGA and their constituents; and, to articulate that vision and any supporting directive, at a level of detail sufficient to inform future land use and annexation requests and decisions. Its timing was largely based on growing development pressure throughout Boulder County, along with local priorities associated with replacing housing units lost during the flood of 2013.

Whereas few specifics regarding feasible and desired uses within the LPPA are provided for in either the Comprehensive Plan or IGA with Boulder County, members of the Planning and Community Development Commission (“PCDC” and the “Commission”) and Board of Trustees (the “BOT”) recognized the need for a shared understanding of conditions that will influence future investment, and a collective vision regarding the location of desired improvements (public and private) within its boundaries. Whereas the state law requires municipalities to have a plan

which documents the same prior to considering annexation and development requests, preparation of this master plan became a priority. As expressed in the Town's request for planning services, preparation of this Master Plan will:

- Serve to advance several goals related to land use and growth within the community and its larger planning area, identified in the [2010 Lyons Comprehensive Plan update](#);
- Provide direction regarding an approach for replacing residential units lost or significantly damaged during the 2013 flood;
- Offer strategies to grow the local economy, a key objective of the [2010 Comprehensive Plan](#); and
- Inform future amendments to the existing IGA with Boulder County and [2010 Comprehensive Plan](#).

History of Agreements with Boulder County

- 2002 Lyons Planning Area Comprehensive Planning Area Development Plan IGA
- 2005 Amendment to the Original IGA for the Lyons Planning Area (LPA)
- 2011 Amendment to the Original IGA for the Lyons Planning Area
- 2012 Lyons Planning Area Comprehensive Development Plan IGA
- 2012 Lyons CEMEX Area Comprehensive Development Plan IGA
- 2012 Town of Lyons Resolution 2012 – 22, Approving the Proposed Acquisition by Boulder County of Certain Property within the Lyons Planning Area for Open Space and / or Conservation Purposes in Accordance with Section 5.1 of the Lyons Planning Area Comprehensive Development Plan IGA

What is a Master Plan?

A community master plan, sometimes referred to as a land use plan, is a document intended to communicate collective intentions within a defined area regarding land uses, amenities, capital improvements, and services. In the context of this effort, its geographic focus includes those parcels located outside Lyon's municipal boundaries with potential for future annexation. Audiences for this information include appointed and elected public officials, Town staff, developers, residents, business owners, and others invested in the sound growth of the community.



Since community plans are deemed policy, rather than regulating documents, additional resources are required to protect and advance expressed goals and objectives. These resources generally include multi-jurisdictional agreements such as the current IGA, as well as regulations and standards for development, frequently found in the municipal code.

Compliance with State and Local Rules



This Lyons Primary Planning Area Master Plan has been prepared in accordance with relevant sections of the Colorado Revised Statute and local directives. See the following reference from the 2010 Comprehensive Plan explaining requirements set out by both sources.

Page 2

Legislative Basis for the Plan

Colorado Revised Statutes state, “it is the duty and responsibility of the planning commission to make and adopt a master plan for the physical development of the municipality, including any areas outside its boundaries (three mile area), subject to the approval of the governmental body having jurisdiction thereof, which in the commission’s judgment bears relation to the planning of such municipality.” (C.R.S. 31-23-206). The statutes further state, “the plan shall be made with the general purpose of guiding and accomplishing a coordinated, adjusted and harmonious development of the municipality and its environs which will, in accordance with present and future needs best promote health, safety, order, convenience, prosperity and general welfare (C.R.S. 31-23-207).” Colorado law establishes that a comprehensive plan is an advisory document to guide zoning and other land use decisions. The plan is implemented through the Town’s adopted land development regulations (CRS 31-23-206). Lyons’ Municipal Code, similar to land use codes throughout the state, requires that development proposals be reviewed in light of the comprehensive plan. A development proposal that is inconsistent with the plan requires a plan amendment before it may be approved.

In addition to the 2010 Lyons Comprehensive Plan, the following reports and analyses, prepared and amended prior to this assignment, served as a foundation for this effort, include those listed below.

- Lyons Recovery Action Plan
- Lyons Municipal Code
- Lyons Environmental Sustainability Action Plan
- Lyons Area Urban Renewal Plan
- Sustainable River Corridor Action Plan

- St. Vrain Creek Watershed Master Plan
- Lyons Drainage Master Plan
- Affordable Housing Guidelines

Active studies and plans include this [Lyons Primary Planning Area Master Plan](#), along with the [Sanitary Sewer System Expansion Feasibility Study](#). The findings from both efforts are informing the other.

Planning Process

The content of this Lyons Primary Planning Area Master Plan reflects a combination of quantitative discovery and qualitative input. Throughout the planning process, consultants for the Town sought to engage Lyons's residents, business owners, and others with local knowledge and a special interest in the community's future. Feedback provided by engaged residents, business owners, community leaders, Town Staff, and other key stakeholders directly shaped the components of this Plan.



In addition to technical analyses, a variety of venues were afforded stakeholders, along with town residents and business interests, to provide input regarding an overall vision for the LPPA at-large, and specific recommendations within the three subareas. These forums included:

- Small group and one-on-one meetings, both in-person and by phone;
- An interactive project page accessible via the Town's web page; and,
- Series of community work sessions where a framework for public improvements and an overview of potential land use concepts were profiled and evaluated.

In an effort to provide stakeholders the opportunity to participate in all, or select work sessions, a master schedule of meetings was established and each subarea investigated separately during the process. Overseeing the entire strategic planning process was an Advisory Committee of representatives from various private, public and institutional entities. With familiarity of the LPPA and community at-large, their input and participation was considered essential for preparation of a plan with potential for successful implementation. In addition to discussions with stakeholders, representatives of the Project Team made presentations to various groups including the PCDC and BOT. Finally, the Town's Project Manager for the planning process served as an ongoing liaison between the Town's administration and staff, elected officials and members of the community.

Section 2:

Existing Conditions

Planning for the development of communities and markets within them requires an understanding of key conditions, both visible and non-visible, all of which can influence development decisions. The discussion which follows provides an overview of those conditions that individually, and collectively, offer an indication of how "ready" parcels within the LPPA are for new investment and reinvestment. Additional details and maps are provided in the Appendix.

Planning Area Characteristics

The LPPA consists of 191 parcels, comprising approximately 890 acres. Approximately 85 percent of Area properties are owned by an individual or entity with either a Lyons, Longmont, Boulder, or Denver address; while 10 percent are owned by an interest with an address classified as "Other Colorado Cities"; and, 5 percent by an interest with an "Out-of-State" address. In any planning effort, it is important to understand whether owners are present or "absent," as this can be a measure of commitment, or interest in affecting change.

Property utilization in the Area is comparatively low, meaning that there are a moderate number of parcels that are either vacant, have improved only portions of their property, or have an improvement value disproportionately small compared to the land value. It can also suggest that the reason some parcels are undeveloped, is due to the cost-prohibitive impact of developing sites with limited utility. In this context, utilization is measured by quantifying the ratio between improvement and total value, as this is can be an indication whether land values are supporting appropriate levels of investment, and existing development patterns are relatively efficient. Maps reflecting these ownership and utilization factors within the subareas are provided in the Appendix.

While vacant properties may appear to be obvious investment targets, so too may be parcels with a land value that can support a higher and better use, or in other words, those with a disproportionately high land to improvement value. A critical component of any community planning effort is to understand the entire inventory of sites with investment and reinvestment potential, making this type of analysis essential whereas viable parcels cannot be identified through physical observation alone.

Physical Conditions

Physical conditions in the Planning Area, both natural and man-made, were also investigated whereas they influence not only the type of land uses that develop within a certain geography, but also their format -- horizontal or vertical, above grade or below. Taken independent of regulations, they can impact the: location and configuration of buildings; capacity of affected parcels to accommodate development and redevelopment; and, land use pattern of an entire geography. Presented below is an overview of these conditions and their potential impact within each of the three subareas. Maps reflecting their location within the subareas are provided in the Appendix.

Eastern Corridor Subarea

Among the 191 properties and nearly 890 acres that comprise the LPPA, 45 properties totaling 274 acres, are located in the Eastern Corridor Subarea. Similar to significant portions of the larger Study Area, the Subarea maintains a significant number of improved residential properties, most of which are rural in character. Unlike the balance of the Study Area and other Subareas, the Eastern Corridor is also host to a sizable share of the community's non-residential uses, both commercial and industrial. While all three subareas are served by region-serving roadways, conditions that favor commercial development including direct access, visibility, site configuration, and traffic activity, are limited to the Eastern Corridor.

Anchored at its eastern edge by the intersection of US 36 and SH 66, and given its proximity to US 36, the region's northeastern connection to Denver through Boulder, and southwest connection to the mountain community of Estes Park and Rocky Mountain National Park, the Subarea serves as both a town and regional gateway. SH 66, which bisects the Subarea and eventually transitions into East Main Street, offers a rare opportunity for private investment catering to day- and nighttime consumers, both residents and visitors. As the town's primary transportation corridor, it provides potential for employers desiring a strategic location equally distant from the central Front Range communities of Boulder and Longmont. Opportunities to enhance the area's aesthetic appeal are afforded by its proximity to the Saint Vrain Creek which extends west for approximately 1.2 miles to Highland Drive, established tree stands which line the SH 66 corridor, and visible rock formations.

The existing pattern and character of development within the Eastern Corridor is largely comprised of a mix of destination meeting and event venues, new and aging stand-alone and strip retail centers, restaurants, and highway-serving operations including a gas station. Other improvements include an abandoned water treatment facility surrounded by low-density single family housing units, a commercial nursery, a mobile home park (which is reportedly the last of its kind in unincorporated Boulder County) and sales facilities associated with a nearby quarry.

Existing Conditions

A variety of conditions exist in the Subarea that individually and collectively impact the type, location, quality and character of development within its boundaries. These conditions or influences generally fall into one or more of the following categories: market, financial, physical, regulatory, and political. Those that present the most costly obstacles to investment are discussed as follows.

Many of the Subarea's natural features, while enhancing the area's aesthetic appeal, also have a limiting impact on development, and in certain instances, pose potential hazards to non-vehicular movement (e.g., steep slopes and natural curves that restrict sight lines, limited area for widening). These features include:

- Saint Vrain Creek and associated floodplain
- wetlands
- wildlife corridors
- geological features

Man-made elements serve as both amenities and obstacles depending on their location, capacity, and condition. These include:

- historic archaeological sites
- public infrastructure and utility facilities
- irrigation laterals/ditches
- roadways

The Eastern Corridor is also located below the Town's wastewater treatment facility, while its easternmost lift station is located nearly a quarter mile east of Stone Canyon Drive near US 36. Additional development in the Subarea will require the extension of sewer lines and a lift station.

Similar to these physical conditions, the characteristics of individual parcels in the Subarea, including their size, configuration and ownership structure, impact the area's ability to support desired land uses and development projects. Nearly 70% of the Subarea's property is owned by local interests, which is a positive indicator for advancing desired character and quality levels.

Regulatory impacts on development throughout the larger LPPA and individual Subareas, are currently prescribed by County codes for all properties located outside of the Lyons municipal boundaries and Town agreements with individual property owners on select properties within the various subareas, many dating back multiple decades. Upon annexation to the town, development will be informed by its municipal code and all adopted design and development guidelines that may be in effect. The IGA between Boulder County and the Town of Lyons describes locations where development may and may not occur, some of which are impacted by conservation easements that run with certain properties, and others designated as Lyons Interest Area / Rural Preservation Areas (LIA / RPA). Within the Eastern Corridor, the IGA designates approximately 65 acres, or 24% of the subarea, as part of a “no-build zone,” and thereby precluding any development within these parcels. While a portion of the “no-build zone” is impacted by steep slopes or its adjacency to archaeologically-significant sites, several acres are located adjacent to the highway corridor, presenting some potential for development of non-residential uses, specifically commercial retail, restaurant, and entertainment (See **Exhibit 2-1**).

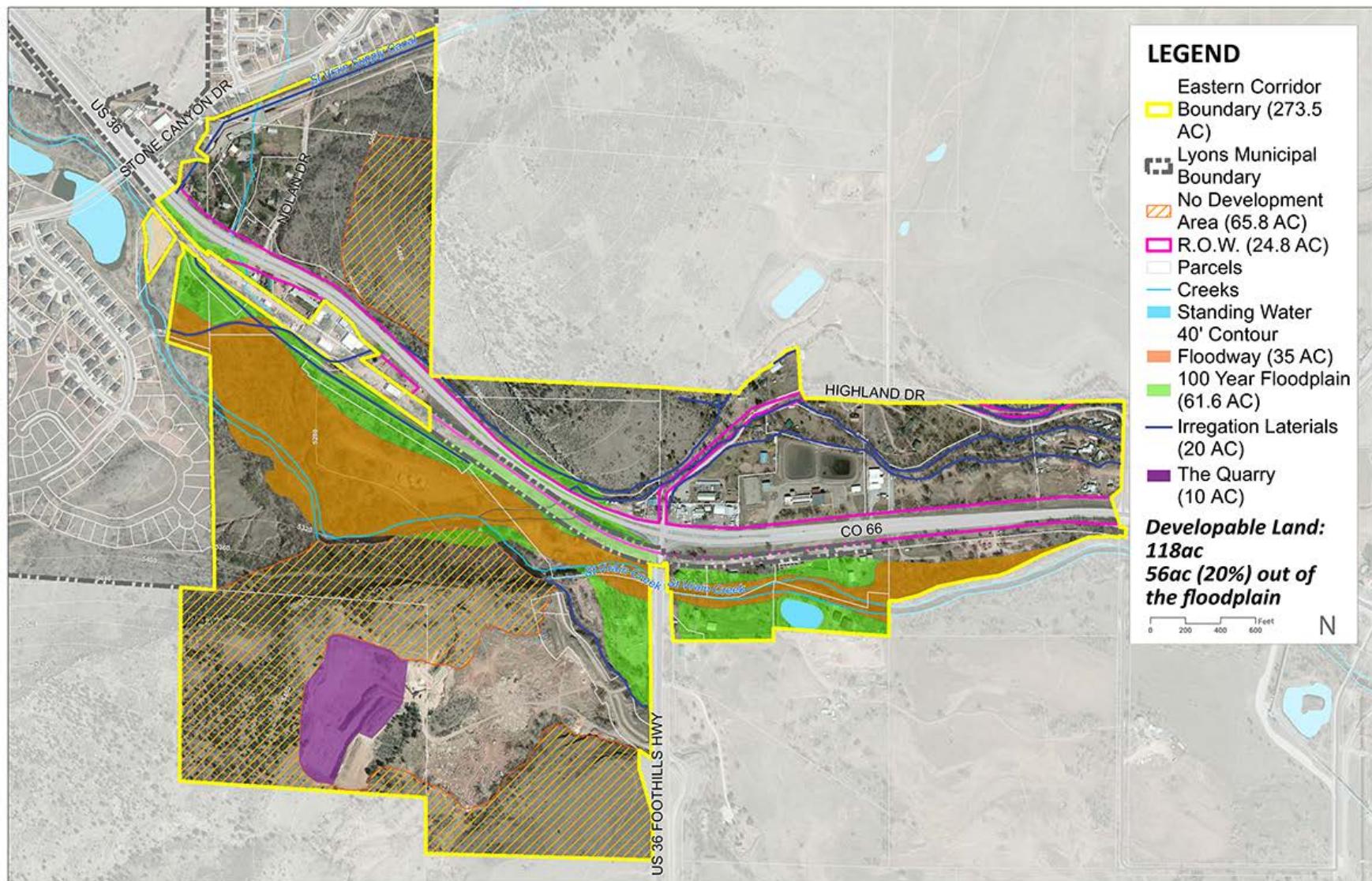
In addition to restricting the location of future development, the IGA also describes land use and density limitations within select properties or portions of properties. In addition to the IGA, certain Town policies limit the Study Area’s total developable acreage. Other practices and rules induce a level of uncertainty that effectively translates into a heightened level of risk and diminished threshold of feasibility for most annexation efforts. Additional Town-imposed rules restrict the productive reuse of publicly-acquired properties.

Among all of the conditions present within the Subarea, the ones with the greatest influence on development are those that effectively limit the area’s developable acres and development sites including:

- the location of physical accommodations for drainage (irrigation laterals);
- absence of adequate water and sewer infrastructure to serve new and more intense uses (although an utilities expansion is funded by an EDA Grant and will be completed by 2018);
- specific terms expressed in the IGA between the Town and County, particularly related to restrictions on access to and within certain parcels; and
- Town agreements and rules.

The net effect of these and other factors reduce the Subarea’s approximate 274 gross acres to fewer than 56 developable acres, or approximately 20% of the entire area (See **Exhibit 2-1**).

Exhibit 2-1: Eastern Corridor Subarea Net Developable Area



South St. Vrain Corridor Subarea

Among the 191 properties and nearly 890 acres that comprise the LPPA, 30 properties totaling approximately 117 acres, are located in the South St. Vrain Corridor Subarea. Similar to significant portions of the larger Study Area, improvements in the Subarea are almost entirely comprised of low-density residential units, most of which could be classified as either rural and / or agricultural in character. Despite the presence of CO 7, a region-serving roadway, opportunities for future non-residential development are expected to be limited for the foreseeable future to temporary structures (e.g., produce stands and farmers' market). Constraints that preclude formal commercial operations include insufficient traffic counts (vehicular and non-vehicular), formal points of access (lack of curbs and gutters or driveways), irregular parcel configurations, and the presence of a floodplain. Perhaps the most significant factor affecting this Subarea's relationship to the existing Lyons community is its lack of connectivity to the Town at large. While the Subarea boundary is adjacent to the Town limits, CO 7 provides the only access, vehicular or otherwise.

As cited above, the existing pattern and character of development in the South St. Vrain Subarea is nearly entirely low-density residential, served by unimproved roadways (suboptimal by municipal standards which require curbs, gutters, sidewalks and adequate lighting). Other improvements are primarily public facilities and accommodations associated with the presence of South St. Vrain Creek.

Existing Conditions

A variety of conditions exist in the Subarea that individually and collectively impact the type, location, quality and character of development within its boundaries. These conditions, or influences, generally fall into one or more of the following categories: market, financial, physical, regulatory, and political. Those that present the most-costly obstacles to investment are discussed as follows.

While providing a heightened level of aesthetics, the Subarea's adjacency to the South St. Vrain Creek and Boulder County open space serve as limiting conditions to development. For instance, the presence of a critical wildlife habitat, floodplain and wetlands, collectively reduce the area's development acreage from approximately 117 to 56 acres. Land owners wishing to build in the floodplain would be required to obtain a floodplain development permit. Floodplain regulations would allow development if the landowner can demonstrate the proposed development would be built 2 feet above the 100-flood elevation. Development within the floodway is prohibited by Town regulations. Based on this information, best practices would suggest not allowing development within the floodplain in the South St. Vrain Subarea above what is currently allowed in the County rural residential regulations.

Man-made elements which have kept levels of investment modest include irrigation laterals and lack of adequate (municipal-level) water and sewer service. According to the Sanitary Sewer System Expansion Feasibility Study, this service could be extended to the Subarea for an estimated cost of approximately \$1.2 million.

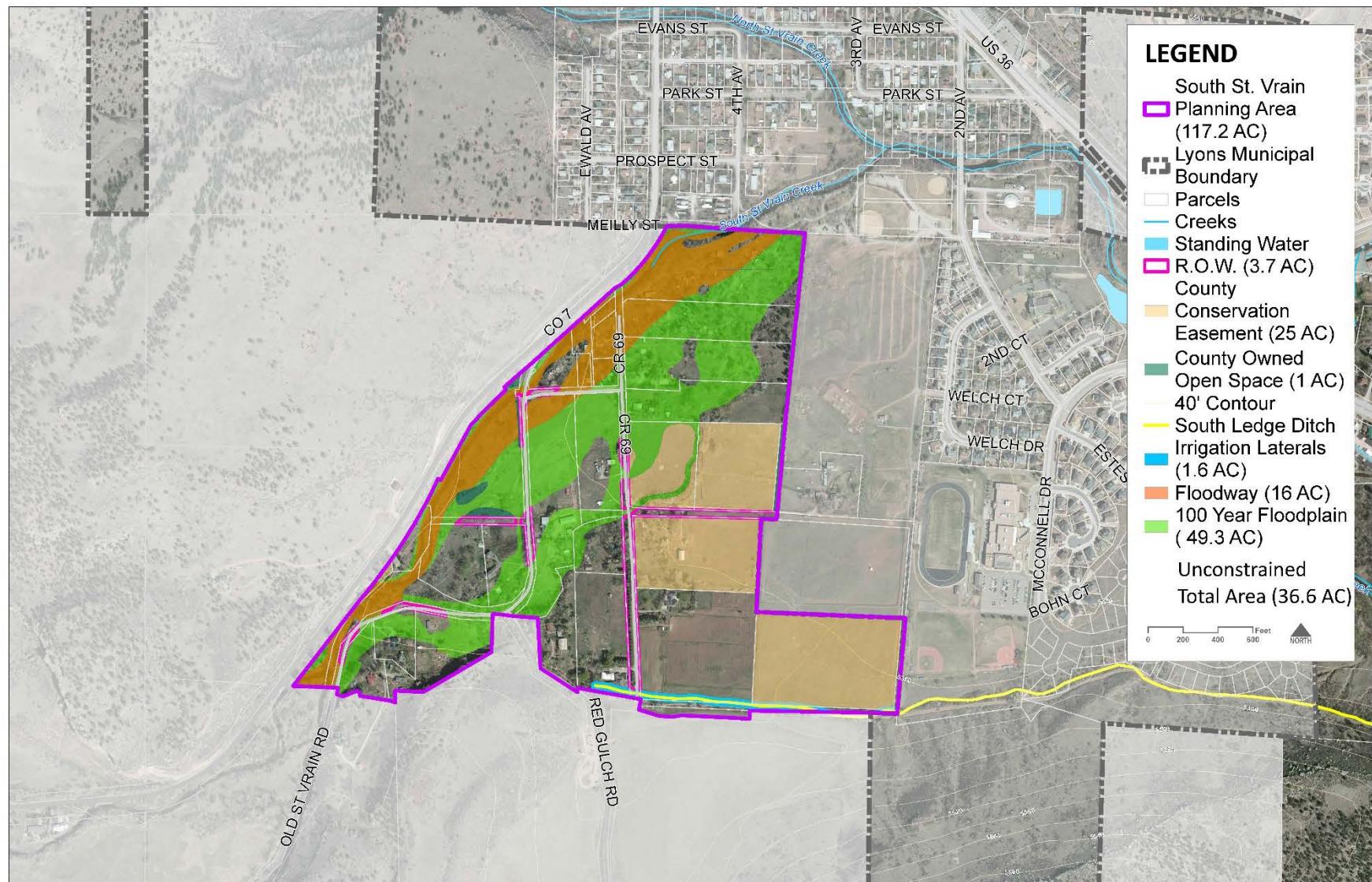
In addition to physical conditions, regulations impact development throughout the larger LPPA and within individual subareas, all of which are prescribed by County codes for properties located outside the Lyons municipal boundaries. The IGA between Boulder County and Town of Lyons, while only an agreement, identifies parcels within which development may and may not occur, some of which are impacted by conservation easements, and others designated as Lyons Interest Area / Rural Preservation Areas (LIA / RPA). Within the South St. Vrain Corridor, approximately 25 acres, or nearly 20% of the Subarea acreage is controlled by a conservation easement, a portion of which is further limited by unilateral agreements between the Town and select property owners, and an additional acre designated Boulder County open space. A Town rule that could effectively limit the long-term potential for development in the Subarea is related to the reuse of publicly-acquired land, specifically park space.

In combination, conditions present within the Subarea which limit developable acreage include:

- floodplains and floodways
- a wildlife migration corridor
- irrigation laterals/ditches
- County-owned open space
- conservation easements
- Town-imposed agreements and rules

The net effect of these and other factors reduce the Subarea's approximate 117 gross acres to 37 developable acres, or approximately 32% of the entire area (See **Exhibit 2-2**).

Exhibit 2-2: South St. Vrain Subarea Net Developable Area



Apple Valley Subarea

Among the 191 properties and nearly 890 acres that comprise the LPPA, the Apple Valley Subarea includes 127 properties on 498 acres. The Subarea includes a range of parcel sizes, with the largest parcels approximately 30 acres in size and the smallest developed parcel approximately .6 acres in size. The Subarea, located northwest of the Town of Lyons, retains a distinctively rural feel because, like the South St Vrain Study area, the North St. Vrain Creek and Indian Lookout Mountain separate the Apple Valley from US 36 and the Town.

Existing Conditions

Environmental constraints of the Valley tend to isolate and separate it from the Town, impacting its development potential. Specifically, the constraints include:

- publicly owned properties
- a wildlife migration corridor
- archaeologically sensitive areas
- topography and steep slopes
- the North St. Vrain floodplain
- wildfire risks

Additionally, the Subarea's limited access, visibility, and connectivity to public infrastructure limit both commercial and residential opportunities. The Subarea is surrounded by public and deed-restricted properties. Internal to the Subarea, Boulder County is acquiring properties impacted by the 2013 flood, limiting their development opportunities. Properties purchased through the County's flood buy-out program will be required to remove built structures and retain public ownership. While the buy-out of these properties has not been finalized, from a planning perspective, they generally follow the 100-year floodplain of the North St. Vrain Creek. This combination of limited access and the 100-year floodplain presents a significant obstacle to commercial and higher-density residential development opportunities in the Subarea. For example, the 100-year floodplain and floodway separate developable land in the Subarea from US 36, constraining nearly 22% of the total land area in the Valley. The identified wetlands and sensitive wildlife habitats share the general shape of the existing 100-year floodplain. Land owners wishing to build in the floodplain would be required to obtain a floodplain development permit. Floodplain regulations would allow development if the landowner can demonstrate the proposed development would be built 2 feet above the 100-flood elevation. Development within the floodway is prohibited by Town regulations. Based on this information, best practices would suggest not allowing development within the floodplain in the Apple Valley Subarea above what is currently allowed in the County rural residential regulations.

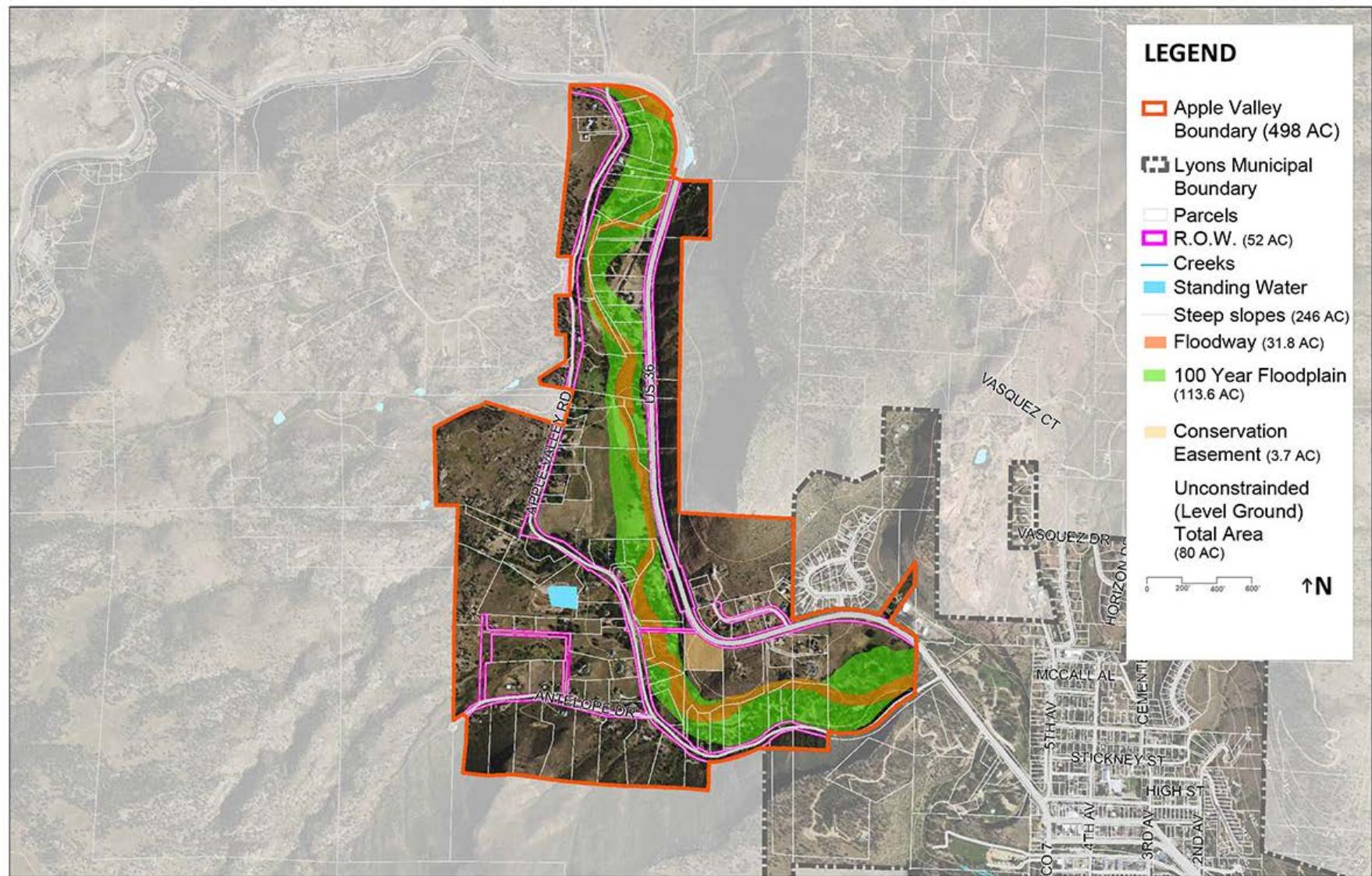
Most of the Subarea is in what is termed a “high risk” wildfire area. Smaller portions of the Subarea having steeper slopes are in the “severe” wildfire risk category. It is important to note the “severe” fire risk areas of the Subarea are generally located in, or near, the North St. Vrain’s 100-year floodplain. Unlike the 100-year floodplain, there are no local, state, or federal constraints associated with wildfire risk. However, as annexation requests from the Apple Valley are processed, best practices suggest no additional densities beyond what is allowed under county regulations be allowed in areas identified as having a “severe” fire risk. Allowed land uses in the Apple Valley should follow fire management best design practices of clustering homes and reducing fuels to minimize risks. Compounding the wildfire risk challenges within the Subarea, Apple Valley is constrained by its topography and surrounding slopes. 246 acres (49%) of the Apple Valley Subarea have slopes exceeding 20%. Wildfire risks and the difficulties of construction on steep slopes limit the development potential of nearly half of Apple Valley. Further, the rural design, the slower speed geometrics, and limited facilities for bicyclists and pedestrians on Apple Valley Road suggest safety improvements are needed to accommodate existing and future traffic anticipated with any additional development in the Valley. Traffic calming measures and a parallel walkway/trail are needed along Apple Valley Road to improve safety for all modes of travel and retain the rural qualities of the Valley. The Apple Valley Subarea has limited access to municipal infrastructure. Apple Valley can be gravity-fed to the Town’s wastewater treatment facility. Municipal infrastructure could follow the North St. Vrain Creek or Apple Valley Road. The costs of these extensions have been estimated at approximately \$1 million (as per the Sanitary Sewer System Expansion Feasibility Study).

In summary, four key issues and opportunities frame the Apple Valley Subarea:

1. The Apple Valley Subarea is physically the most separated within the LPPA.
2. Most parcels within the Apple Valley Subarea are located within either a High or Severe Area of Concern from Wildfires.
3. Floodplain and wetlands separate development opportunities from US 36.
4. Apple Valley Road’s rural street design limits development potential of the Subarea.

The net effect of these and other factors reduce the Subarea’s 498 gross acres to 80 developable acres, or approximately 16% of the entire area (See **Exhibit 2-3**).

Exhibit 2-3: Apple Valley Subarea Net Developable Area



Limiting Factors within All Three Subareas

As noted, the conditions or influences which affect development and/or redevelopment in a community generally fall into one or more of the following categories: market, financial, physical, regulatory, and political. Across the three subareas within the LPPA, the following conditions represent limiting factors, or “barriers” to investment:

1. Existing IGA / physical conditions limit how much development can be accommodated and where within all three subareas.
2. Physical conditions limiting total developable area include easements, limited access, lack of water and sewer, irrigation laterals (ditches), floodways and floodplains, parcel sizes and configurations.
3. The average size of parcels and developable area within parcels will limit the potential for unified development programs in the LPPA (assemblages will be essential).
4. Available parcels for commercial retail development are limited to those within the Eastern Corridor.
5. Market support for retail store types is limited over the near- and mid-term and primarily limited to destination and entertainment segments.
6. There are market-supported opportunities for a range of affordable housing products in each of the three subareas, however, these opportunities may require public-private partnerships.

Section 3:

Framework Plan

The experience of other communities has shown that successful development and redevelopment initiatives effectively leverage existing land uses, public improvements, and community amenities, both existing and planned, in a manner that creates an identifiable "address" or environment for private investment. With this goal in mind, and with input from stakeholders, Town staff and members of the community, the LPPA Master Plan was prepared, addressing desired elements of the three subareas in their developed form. Reflected in the illustrations are transportation improvements supporting both vehicular and non-vehicular mobility, and supporting contiguity between established and new neighborhoods and activity centers. Collectively, the narrative and graphics should be used to inform priority initiatives, capital investments, and incentive decisions.

The discussion below provides highlights from an analysis of existing and anticipated market conditions, demographic and lifestyle characteristics, and prevailing industry trends that informed the identification of place types¹ described and reflected in the potential product concepts for the three subareas. The market discussion is followed by a narrative of the vision for each subarea and illustrations of issues and opportunities that will inform the timing and potential for future development. Lastly, estimates of potential fiscal impacts associated with possible development programs are presented.

Note that participants in the process expressed varying levels of support for development of any kind in the Planning Area and specific subareas. Therefore, recommendations regarding public and private improvements are based on an understanding of current conditions, market forces, and expressed objectives.

The Market

Long-term community planning requires an understanding of the physical limitations of the area, as well as its market. The market analysis summarized herein focused on identifying opportunities for market-supported land uses within the Town of Lyons (the Town) and, more specifically, within the Lyons PPA. The purpose of the market analysis in the context of a planning effort such as this is fourfold:

- Provide a "reality check" for the conceptual planning effort;

¹ Place types are land uses and product types that, in combination with supporting uses and enhancements, support an experience.

- Ensure that recommendations are grounded in market and economic reality;
- Set the stage for implementation; and
- Provide an accurate and independent “story” to tell potential development and investor audiences.

The analysis showed that there are market opportunities for the Town to capitalize on and, that with strategic public and private reinvestment and supportive policies, it could be successfully positioned to “capture” select niche and destination land uses.

Lyons is located within Boulder County region, an interconnected, regional Trade Area that includes the following communities: Boulder, Longmont, Louisville, Lafayette, Superior, Erie, Nederland, Ward, Jamestown, and Niwot. All of these are rapidly growing communities within the Denver-Boulder metropolitan area. Given Lyons’s location within this Trade Area, and particularly its access to US 36 and SH 66, the Town is poised to attract their fair share of future residential, commercial and employment growth over the next 20 years. Similar to the larger Trade Area, Lyons maintains a solid base of upper-middle to upper class demographics which encompass a broad diversity of psychographic / lifestyle groups. Lyon’s demographics reflect a more affluent (\$74,400 median household income compared to \$67,400 in the Trade Area) and slightly less highly-educated (56% with a college degree in the Town, 58% in the Trade Area) population. Both Town and Trade Area residents prefer to “age in place”, as evidenced by projected growth in the 65+ age group. This results in a relatively stable community environment, with residents preferring to move within the community as lifestyle forces dictate. This stability is further reinforced by a higher share of family-oriented households and higher homeownership figures as compared to the Trade Area, indicating an increased level of “investment” in the community. Lyons is dominated by upper class psychographic segments, indicating high retail spending and preferences for a variety of housing products.

Surrounded by attractive suburban and exurban alternatives, where single family housing dominates development growth, Lyons is poised to compete for residential diversity – providing housing products with high demand that are not being provided in the market (e.g., small lot single family, townhomes, rowhouses, patio homes, etc.). Demand for residential product types will continue to grow significantly over the next twenty years (over 32,200 total units in the Trade Area) with particularly strong growth in ownership price points ranging from \$300,000 to \$500,000 and rental rates ranging from \$800 to \$1,500 per month (in 2016 dollars). Significant demand also exists for affordable housing products – those which address residents making 60% or less of Area Median Income (AMI). These affordable housing products serve to support employers in Town in attracting service workers. There is also ample demand for housing products addressing residents making 80% to 120% of AMI. These products can also be targeted to existing and potential workers in the community. Lyons’ demographics, psychographics and community amenities should enable the Town to compete for a broader range of housing types, from single-family detached to niche products in higher demand.

Although comparatively modest in size and building class today, Lyon's future as an employment center will likely expand, as its housing inventory expands and diversifies, regional growth in Boulder County continues, and the Town better markets its economic assets and natural amenities. Existing local businesses will have opportunities for expansion and new local-service businesses will find desirable office opportunities in future infill developments, while larger tracts will hold appeal for small business "cluster" development – potentially capturing a share of forecasted Trade Area employment growth (13.9 million square feet over the next 20 years). As the Town increases its prominence in Boulder County, it will be able to better compete for new businesses and begin to balance its future development growth in a more sustainable manner. A more detailed overview of the competitive market area within which Lyons competes for investment is presented in the Appendix.

Target Markets

Lyons' target demographics will continue to build on the area's solid base of upper-middle to upper-class households. Several household types exist in the current trade area, ranging from established professionals who live a sophisticated, exclusive lifestyle, to young and mobile professionals who are more likely to rent than own. For the most part, these are well-educated consumers who are goal-oriented and financially savvy, but who value their free time, desiring a wide range of cultural and recreational amenities. Detailed descriptions of Lyons' lifestyle segments are provided in the Appendix.

Industry Trends

The Urban Land Institute (ULI), the lead membership organization representing real estate professionals nationally and internationally, issues an annual report based on input from its member developers, lenders and investors regarding prospects and product changes in the coming year. The following trends will have impacts on new development and redevelopment, not only nationwide, but in and near the Lyons Trade Area specifically.

Employment Space

- Investment and development prospects for research and development (R&D) are expected to improve, fueled by growth in the medical and technology industries.
- Telecom and computer innovations have made going to an office superfluous for many workers.

Retail

- Retail demand will continue to be driven by the needs and desires of Generation Y (the Millennials) and the Baby Boomers. Retail product types and locations will have to respond to the lifestyle characteristics of these two consumer groups.
- "Main Street" retail will continue to outperform other retail products, as it fits with the migration of population into urban environments.

However, it will be easier in markets with high volumes of traffic, population density, local employment generators, educational campuses, government offices and institutional operators such as hospitals.

- Smaller shopping centers are considered a “good” investment prospect, as long as they appropriately target each neighborhood’s different mix of tenants and formats.
- Smaller shopping centers are benefitting from the push toward “organic food products,” and stores that sell them, which often range in size from 20,000 to 25,000 square feet. Along these same lines, restaurants and food outlets are emerging at an unprecedented pace.
- There is a growing comfort among consumers with the emergence of professional offices in traditional retail centers, hosting massage therapists, dentists, yoga studios, fitness centers, and a range of medical doctors including plastic surgeons. Instead of thinking of these providers as strictly service providers, they are now considered a form of entertainment that reflects lifestyle preferences.

Residential

- Urbanity in the suburbs (not just walkable new urbanist designs, but programming of space to encourage active lifestyles) will continue to be in demand as many consumers continue to be priced out of inner-Town locations.
- Shared amenities including parks, trails and open space will continue to be seen as an increasingly palatable alternative to large yards.
- Smaller household sizes, former homeowners (who lost homes), the high mobility rate among younger generations and an expanding population base will continue to drive demand for market-rate rental housing units, both attached and detached.
- Garden-style apartment development prospects will begin to decline with supply peaking this year and next as units that are incomplete but in the system are delivered to the market.
- The demand for senior housing will see sustained growth as the population ages.

Green Development

- Sustainable building concepts will become standard in next-generation projects and existing buildings will increase efficiencies and retrofit new systems in order to compete.
- “Green” is considered a right of entry into the market since many corporations and governments have established policies and regulations making it mandatory.

Market Share

A number of factors influence a community’s ability to capture investment and reinvestment dollars. These factors can be categorized as top down considerations; bottom up considerations; external considerations; and others. Some of these can be controlled by the Town (or stakeholder entities) and others cannot.

“Top Down” Considerations

- Demand for certain land uses
- Demographic and psychographic conditions which support certain product types
- Untapped market niches (product voids)
- Competitive projects (proposed, planned and under construction)

“Bottom Up” Considerations

- Physical capacity of the community or individual parcels to accommodate market-supported product types—in general, fewer physical constraints
- Vision and desire for certain uses and product types
- Size of parcels, parcel ownership (public and private), owner investment objectives
- Zoning and other regulations and the presence of easements

External Considerations

- Delivery system—the builders/developers in the area and what they are willing and able to offer
- Financing markets—the availability of capital with reasonable funding terms for certain product types
- Market forces beyond those currently operating in the market (e.g., migration to the Denver-Boulder market area over the next 20 years who do not reflect the existing profile of residents and consumers)
- Availability and efficiency of public transit options to connect Lyons to the larger Denver-Boulder metro area

Other Considerations

- Available resources to position and promote investment in the community
- Public support for a long-term vision

Lyons PPA Market Capture

Within the Trade Area serving the Lyons community, there is expected to be significant growth over the next 20 years among all of the primary land uses and many of the product types within them. Further, the Town of Lyons is well-positioned to compete for a reasonable share of the market with potential capture rates ranging from 0.8% to 10% depending on the use and product type. Actual levels of development and absorption will

ultimately be dictated by numerous factors, not the least of which include:

- The physical capacity of select locations within the PPA to accommodate development;
- The desires of individual property owners;
- The community's vision; and
- Available resources (financial, policy and regulatory) and the Town's ability to position itself for investment.

Table 3-1 summarizes potential Lyons absorption of land uses over the next 20 years.

Table 3-1
Lyons PPA Market Share Summary

| Land Use Type | Trade Area Demand (20-yr) | Lyons PPA | | | | | | | | | | |
|---------------------------------|---------------------------|------------------|-------|--------------------------|----------------|-----------------|------|--------------------------|------------|--------------|-----------|------------|
| | | Eastern Corridor | | | | South St. Vrain | | | | Apple Valley | | |
| | | Market Share | | Absorption (Units/Sq Ft) | | Market Share | | Absorption (Units/Sq Ft) | | Market Share | | |
| Land Use Type | Trade Area Demand (20-yr) | Low | High | Low | High | Low | High | Low | High | Low | High | |
| Residential (Units): | | | | | | | | | | | | |
| Single Family/Cottage Home | 15,300 | 0.8% | 1.2% | 122 | 184 | 0.2% | 0.4% | 31 | 60 | 0.5% | 0.8% | |
| Townhome | 5,100 | 0.8% | 1.2% | 41 | 61 | 0.8% | 1.2% | 41 | 60 | 0.0% | 1.2% | |
| Apartments | 9,300 | 0.8% | 1.2% | 74 | 112 | 0.0% | 0.0% | 0 | 0 | 0.0% | 0.0% | |
| Residential Total | 29,700 | | | 238 | 356 | | | 71 | 120 | | 80 | 200 |
| Non-Residential (Sq Ft): | | | | | | | | | | | | |
| Retail/Service | 3,500,000 | 1.5% | 2.0% | 52,500 | 70,000 | 0.0% | 0.0% | 0 | 0 | 0.0% | 0.0% | |
| Employment (Office/Industrial) | 13,900,000 | 1.0% | 1.5% | 139,000 | 208,500 | 0.0% | 0.0% | 0 | 0 | 0.0% | 0.0% | |
| Non-Residential Total | 17,400,000 | | | 191,500 | 278,500 | | | 0 | 0 | | 0 | 0 |
| Lodging (Rooms): | | | | | | | | | | | | |
| Lodging | 935 | 6.0% | 10.0% | 56 | 94 | 0.0% | 0.0% | 0 | 0 | 0.0% | 0.0% | |

* Higher market shares for residential include greater affordable housing component.

Source: Ricker | Cunningham.

As shown, the Eastern Corridor Subarea is the only portion of the LPPA with the potential to attract nonresidential development. The St. Vrain and Apple Valley subareas are more suited to residential development, with the potential for affordable housing products. It should be noted that these

demand estimates reflect the LPPA's potential "fair share" of new development growth. Actual development in these subareas will occur within the context of the strategic components and considerations provided within the entirety of this planning document.

Conclusion

The degree to which the Lyons PPA is able to capture new demand within the Trade Area (and beyond) is a function of the development / redevelopment process itself. Strategic positioning of the LPPA in the future will depend on balanced zoning and land use regulations, as well as the Town's willingness to make strategic public investments which will "leverage" private investment.

The Vision

A planning area or community vision describes desired attributes and qualities a specified geography will possess, near- and long-term, as articulated by residents, business owners, community leaders, and others with a stake in its success. The following presents the vision and responsive development opportunities within each of the LPPA subareas.

Eastern Corridor

The vision for the Eastern Corridor Subarea is . . .

a commercial and employment-anchored gateway with uses including retail, restaurant and lodging operations serving day- and nighttime populations; as well as visitors to, and travelers through, the community. Established residential neighborhoods beyond the US 36 and SH 66 corridor will host a range of product types addressing the lifestyle needs of households at different price points. Natural amenities will be enhanced and protected, and the quality and character of physical improvements informed by established and amended standards for development.

As discussed previously, the combination of -- physical conditions, parcel characteristics, land use agreements, and market opportunities -- influenced the various components of possible development concepts for the Eastern Corridor Subarea. Key considerations which impacted programming recommendations include those described below.

Highland Drive and SH 66 – The intersection of US 36 and SH 66 and entirety of the SH 66 frontage, represent the most viable opportunity for commercial and employment development in both the LPPA and entire town boundaries. Properties along Highland Drive, while separated from US 66 by several irrigation laterals, may preclude additional “layers” of commercial development, other than those unaffected by limited access and visibility (e.g., destinations). Natural constraints, combined with the distinctively unique rural character of properties located along Highland Drive, and presence of mature cottonwood stands, reinforces the viability of this location for residential development.

Loukonen Property – The Saint Vrain Creek floodplain and a portion of the “no development zone” separate the Loukonen parcel from SH 66, thereby limiting its ability to attract commercial development opportunities. Private property would provide a barrier to access to SH 66. In addition, development of property for right-of-way would trigger its conversion to a conservation easement under the existing IGA with Boulder County. Given the larger sizes of properties in this location, there is potential to attract employment land along with supporting commercial uses and select live-work opportunities, depending on their surrounding context. These opportunities would likely rely on access from US 36.

Stone Canyon /Nolan Drive – This portion of the Eastern Corridor subarea is the most contiguous to the town’s boundaries, and the best positioned to leverage successful commercial operations including the established wedding destination venue. This location is further well-positioned to evolve into a new neighborhood with improvements to US 36 and expansion of the commercial activities adjacent to the highway.

Development opportunities reflected in **Figures 3-1 through 3-6** include:

- A Lyons East Business District with a mix of uses, along with a new neighborhood between Highland Drive and SH 66;
- A Stone Canyon Visitor District and new neighborhood between Nolan Drive and Stone Canyon Drive; and
- An Industrial Live-Work Center and Commercial Recreation Area with uses including, campgrounds, outdoor storage facilities and lower density light employment uses in locations impacted by the creek floodplain.

Properties in the subarea that are located outside of the floodplain, and beyond the highway corridor, are recommended for residential products that diversify the area’s existing building stock, and advance key directives associated with affordable housing goals. Specific uses with near-term potential in the Eastern Corridor include:

- Small lot cottage homes;
- Accessory units;
- Live-Work spaces; and
- Senior housing facilities.

Proposed amenities and enhancements to the public realm include those that will unify uses, connect the subarea to centers of activity within the town boundaries, mitigate adverse physical conditions, and improve the area’s aesthetic appeal and climate for investment. These investments include:

Connectivity

- Upgrades to non-vehicular accommodations that afford safe connections to and between parcels;
- Construction of a recreation trail and greenway treatment adjacent to, or near, the Saint Vrain Creek;
- A sidewalk on the south side of US 36 and CO 66; and
- Enhanced streetscape enhancements and a gateway feature (potentially a roundabout) at the intersection of US 36 and CO 66.

Other

- Complete water and sewer utility lines and supporting infrastructure;
- Public spaces including a community garden; and
- Landscaping that buffers residences from impacts associated with commercial and industrial operations located along the corridor;

Note: A roundabout (e.g., the intersection of US 36 and SH 66) was considered as a distinct feature to: foster safe travel by multiple traffic modes; reduce vehicular travel speeds; increase capacity; enhance "sense of place"; and reduce maintenance expenses.

Whereas the Eastern Corridor is one of only a few locations in either the Town or LPPA with potential to support commercial operations including retail outlets, restaurants and lodging facilities, it is recommended that properties with highway frontage or adjacency be retained for these types of uses, and residential and municipal uses precluded from development. The exception to this would be when residential and municipal uses are physically integrated into a single building with other uses or when located in the northern portion of the Highland Drive area.

Figure 3-1 summarizes issue and opportunities associated with potential development in the Eastern Corridor. **Figure 3-2** summarizes a potential market-supported development scenario for the Eastern Corridor. **Figure 3-3** provides a visual perspective of the potential development pattern that could emerge in the Eastern Corridor. Lastly, **Figures 3-4 through 3-7** illustrate market-supportive real estate products that could be accommodated in the Corridor. It should be noted that the product renderings illustrated herein take into account the Town's current development standards and codes.

Figure 3-1: Eastern Corridor Issues and Opportunities

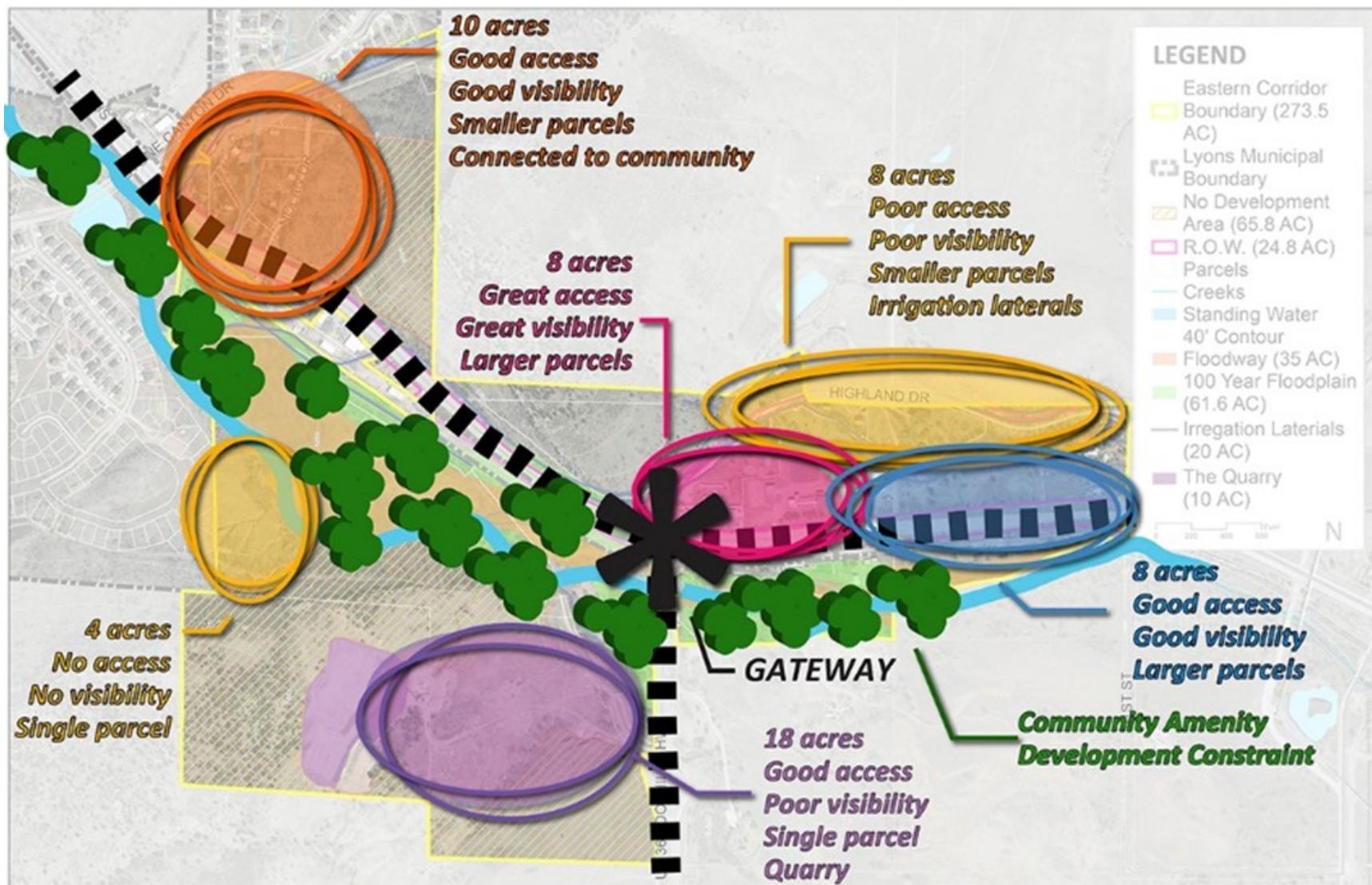


Figure 3-2: Eastern Corridor Potential Development Scenario

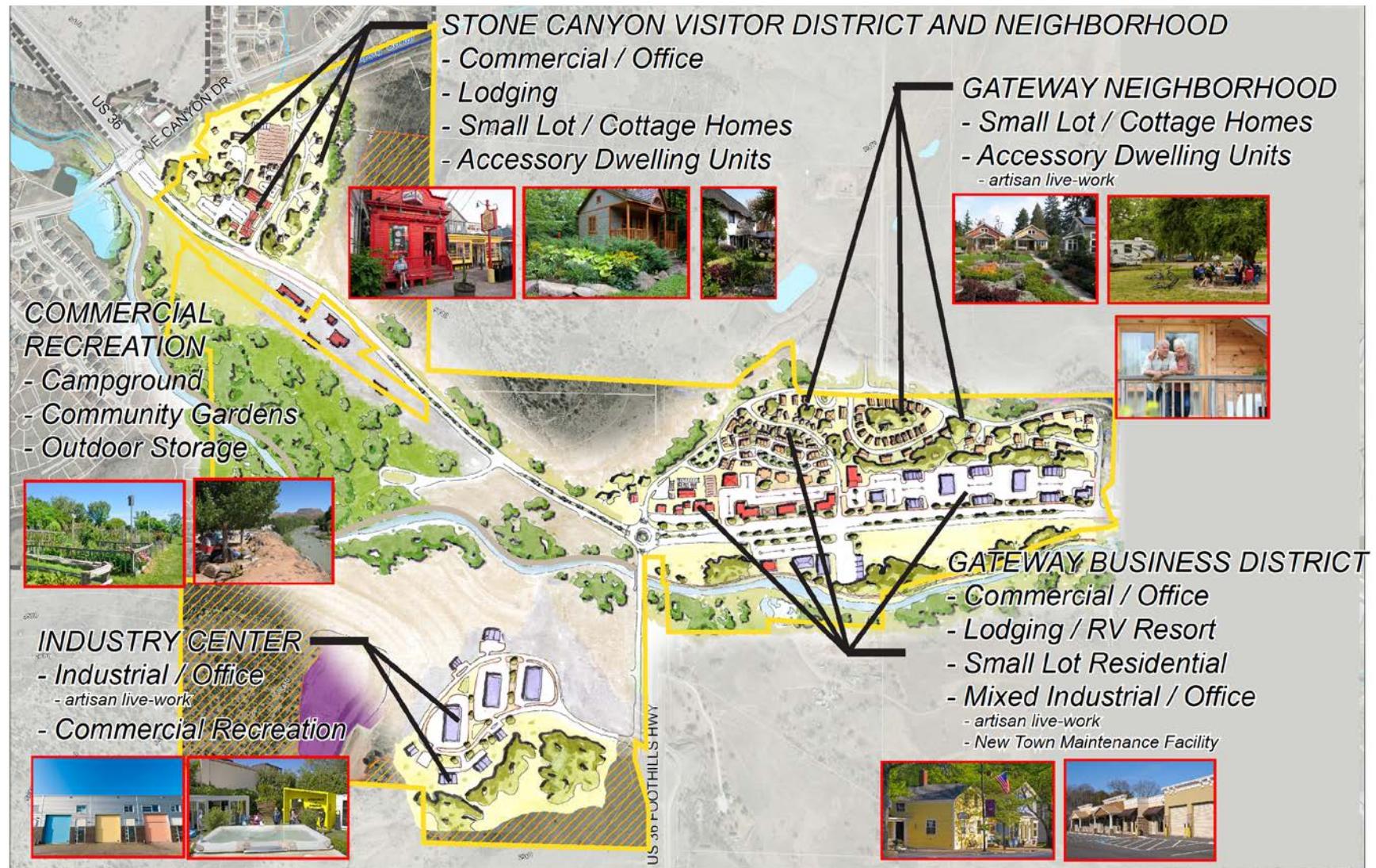


Figure 3-3: Eastern Corridor Perspective



Figure 3-4: Eastern Corridor Mixed-Use



Figure 3-5: Eastern Corridor Boutique Hotel



Figure 3-6: Eastern Corridor Live-Work



Figure 3-7: Eastern Corridor Affordable Housing (Small Cottages)



South St. Vrain Corridor

The vision for the South St. Vrain Corridor Subarea is . . .

an established neighborhood of residences, rural in character and reflecting the community's heritage as a gateway to the Rocky Mountains. With features including steep slopes, Boulder County open space, and the South St. Vrain Creek Watershed surrounding and bisecting the area, any new improvements will be context-sensitive; consistent in character, design and intensity; and, introduced in a manner that preserves and protects the natural environment.

A combination of physical conditions, parcel characteristics, land use agreements, and market opportunities, informed components of a potential development concept for the Subarea. **Figure 3-8** and the discussion that follows provide an overview of these considerations.

- Floodplain and wetlands that separate development opportunities from CO 7
- Number of parcels lying within a critical wildlife habitat and migration corridor
- Publicly-owned lands and easements that restrict potential development within properties otherwise suitable for residential development
- Proximity to town services, activity centers, and educational facilities
- Condition of CR 69 and its rural design that effectively limits the potential for certain development concepts and land uses
- Size and configuration of area properties that are further hampered by poor access and visibility; and
- Non-municipal levels of service and utilities

The discussion here highlights key components of a possible development concept that might include:

- Clusters of various housing products in locations with the fewest number of impediments (e.g., migration corridors, floodplain and wetlands, conservation easements); and
- Utility infrastructure and associated facilities.

Properties located outside of the floodplain, and beyond the highway corridor, could accommodate development of residential products that will

diversify the existing building stock and advance key directives associated with the Town's affordable housing objectives. Specific products with near-term potential for development in the Subarea include: small lot cottage homes, accessory units, live-work / farm to table operations, and senior housing facilities.

While participants expressed concern regarding any significant capital program of improvements in the area, the Sanitary Sewer System Expansion Feasibility Study, prepared by J-U-B Engineers, completed in September 2016, and commissioned for the purpose of "investigating the feasibility of constructing sewer infrastructure to serve properties in the vicinity of Apple Valley and Old St. Vrain Roads," identified the need for approximately 4,500 linear feet of sewer lines to serve 75 lots (more than double the number that currently exist), the cost of which was estimated to total approximately \$1.2 million dollars.

Acknowledging that it will take many years and multiple actions, by a host of individuals and entities with an interest in the area, to attract future sizeable concentrations of development; the experience of other communities that have successfully advanced similar initiatives has shown that the strategic approach with the highest likelihood of success needs to include area-wide and subarea-specific recommendations. To this end, the final Lyons Primary Planning Area Master Plan will identify the location of priority public improvements within each subarea.

Proposed investments in the South St. Vrain Corridor Subarea are generally related to the area's lack of adequate infrastructure for either existing or future residences. Despite limited support for public improvements that could threaten its current character, any sizable investment in utilities serving the area would warrant corresponding improvements in roadways and other infrastructure that together could leverage the public's commitment to the area, and support new development able to grow the community's municipal resources.

In March 2015, the Town amended an existing agreement with the Carroll family, owners of Lot 2 and the adjacent Lot E in the Bohn Park area. That agreement states that Lot E may only be used as a dog park by the community, the terms of which effectively serve as a conservation easement thereby precluding any other use or formal improvement. In order for a development concept for the parcels affected by the Carroll Agreement to be advanced, the Town would need to renegotiate said agreement. In addition, there is a Boulder County Open Space conservation easement on the property behind the dog park. In light of the recovery efforts associated with the flood of 2013, representatives of Boulder County Open Space indicated that the property could be considered for "replacement housing".

Figure 3-8 summarizes issue and opportunities associated with potential development in the South St. Vrain Corridor. Figures 3-9 and 3-10 illustrate market-supportive real estate products that could be accommodated in the Corridor. It should be noted that the product renderings illustrated herein take into account the Town's current development standards and codes.

Figure 3-8: South St. Vrain Issues and Opportunities

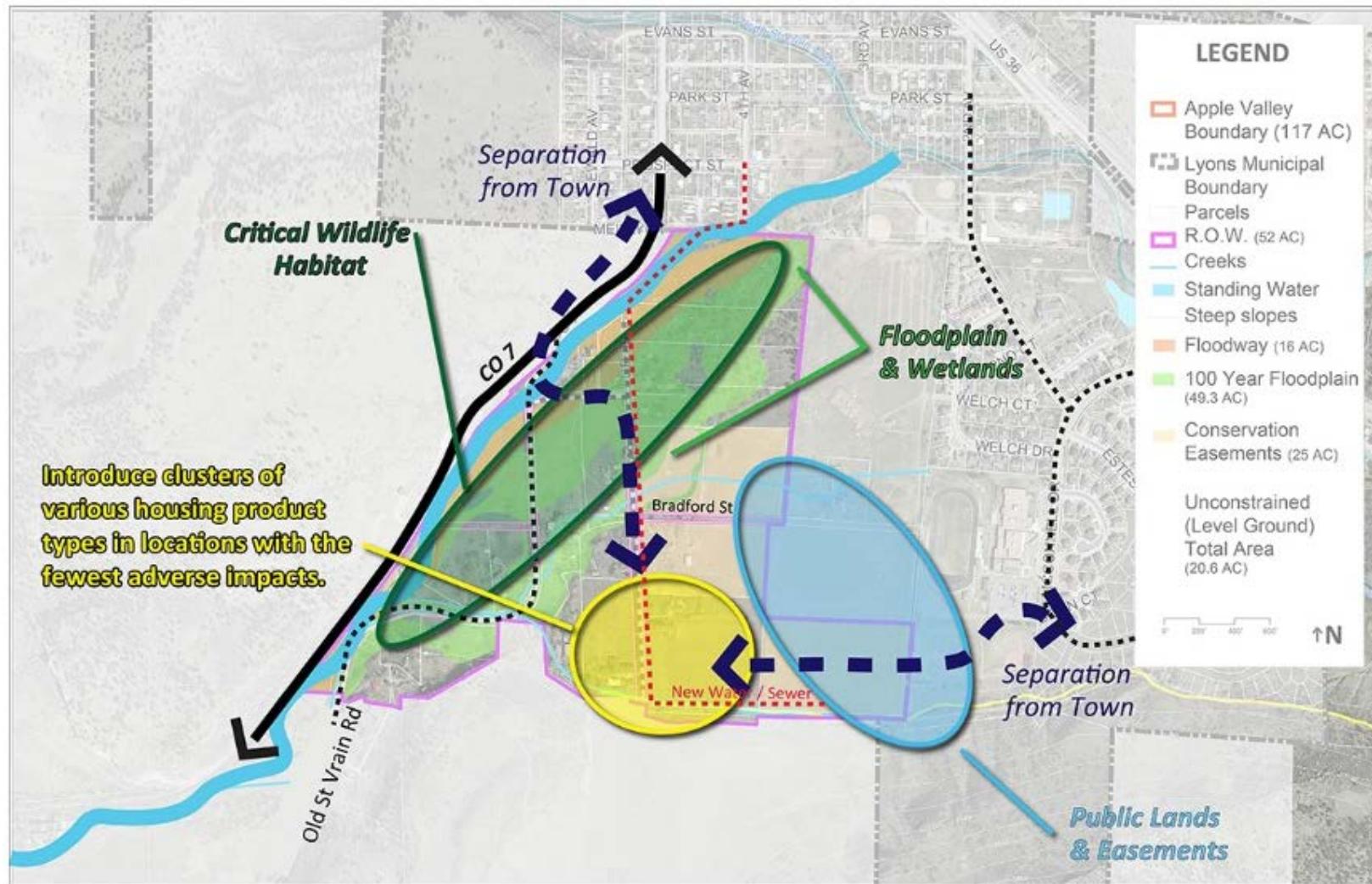


Figure 3-9: South St. Vrain Accessory Dwelling Units



Figure 3-10: South St. Vrain Small House Neighborhood



Apple Valley

The vision for the Apple Valley Subarea is . . .

A natural residential setting, rural in character and convenient to Town, yet sufficiently separate to be peaceful. With features including steep slopes, wildlife crossings, Boulder County open space, and the North St. Vrain Creek bisecting the area, any new improvements will be context-sensitive, consistent in character, design and intensity, and, introduced in a manner that preserves and protects the natural environment.

A combination of physical conditions, parcel characteristics, land use agreements, and market opportunities, informed components of a potential development concept for the Subarea. **Figure 3-11** and the discussion that follows provide an overview of these considerations.

The discussion here highlights key components of a possible development concept that might include:

- Clusters of small lot housing products in locations with the fewest number of impediments (e.g., migration corridors, floodplain and wetlands, wildfire risk, and conservation easements);
- Traffic calming and parallel walkway/trail improvements on Apple Valley Road; and
- Utility infrastructure and associated facilities.

Apple Valley Public Desires/Concerns

- A St. Vrain Creek that is functionally, visually, and aesthetically a natural “wild” stream
- A restored river that is ecologically healthy and robust riparian and aquatic ecosystem
- No artificial structures that inhibit natural flow
- No improvements that promote recreational usage
- Limit ingress and egress points to sites within the Town boundaries
- Provide signage and promote “put-in” locations and water use safety measures
- Town and County should adopt safe practice rules and protections for natural areas
- No access to river from buyout parcels or other public accommodations
- Private leases and corresponding maintenance of buyout parcels
- Restore areas damaged by flood
- Number of parcels lying within a critical wildlife habitat and migration corridor
- Portion of area subject to steep slopes and wildfire risk
- Archaeologically sensitive areas
- Publicly-owned lands and easements that restrict potential development within properties otherwise suitable for residential
- Distance to Town services, activity centers, and educational facilities
- Capacity of Apple Valley Road to accommodate additional development density
- Non-municipal levels of service and utilities

Properties located outside of the floodplain, and beyond the US 36 highway corridor, could accommodate development of residential products that will diversify the existing building stock and advance key directives associated with the Town’s affordable housing objectives. Specific products with

near-term potential for development in the Apple Valley include small lot cottage homes and accessory units. The unconstrained land available likely limits this type of development to smaller clusters of housing units, separated by open space and natural areas. An additional challenge to providing affordable housing units is the Subarea's distance and relative isolation from Town services and amenities.

As noted in Section 2, the Apple Valley Subarea has limited access to municipal infrastructure. The area could be gravity-fed to the Town's wastewater treatment facility and municipal infrastructure could follow the North St. Vrain Creek or Apple Valley Road. The costs of these extensions are not considered cost-prohibitive. Proposed investments in the Apple Valley Subarea are generally related to the area's lack of adequate infrastructure for future residences. Despite limited support for public improvements that could threaten its current rural character (as is the case of South St. Vrain), any investment in utilities serving the area would warrant corresponding improvements in roadways and other infrastructure that together could leverage the public's commitment to the area, and support new development able to grow the community's municipal resources.

Figure 3-11 summarizes issue and opportunities associated with potential development in the Apple Valley. **Figures 3-12 and 3-13** illustrate market-supportive real estate products that could be accommodated in the Valley. It should be noted that the product renderings illustrated herein take into account the Town's current development standards and codes.

Figure 3-11: Apple Valley Issues and Opportunities

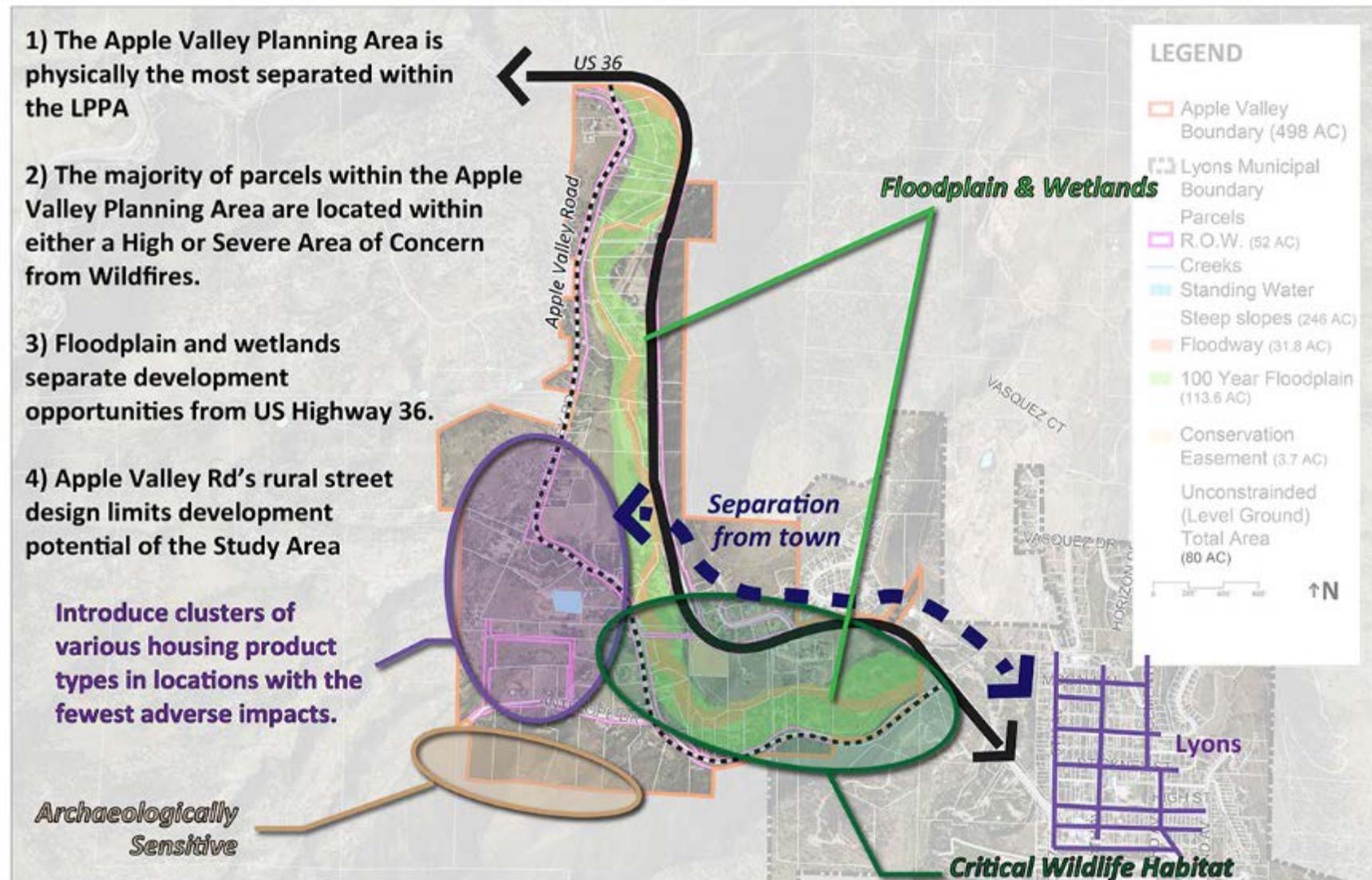


Figure 3-12: Apple Valley Accessory Dwelling Units



Figure 3-13: Apple Valley Small House Neighborhood



The Challenges

As within any planning area, there are potential challenges or “barriers to investment” that prevent or delay development in physically constrained environments such as the LPPA. These challenges, or “barriers”, can be numerous, and sometimes difficult to identify. Experience has shown that they almost always fall into one of the following six categories: market; physical; financial; regulatory; political; and organizational. The analyses summarized herein indicate that, despite ample market opportunity in each of the three subareas, physical, financial, regulatory and political barriers exist at varying levels to potentially limit new development. These challenges are summarized below by overall LPPA and for each Subarea. Note that several of the challenges are relevant to more than one Subarea.

Overall LPPA

- Few contiguous acres under single ownership
- Limited locations for viable commercial development
- Public land (Town, County, Federal)
- Cost of development given existing conditions
- Impending fiscal imbalance given zoning of remaining acres and parcels within Town
- Affordable housing objectives

Eastern Corridor

- Town policies and practices
 - five-acre vote on potential annexations
- Elements of multi-jurisdictional agreements (IGA with Boulder County)
 - property access
 - boundaries
 - limits on land uses
- Existing and proposed locations of public facilities
 - public works (new)
- Limited net developable acres (due to)

- floodplains and floodways
- standing water
- irrigation laterals
- conservation easements
- topography
- threats from fire and flooding
- critical wildlife habitat
- natural landmarks
- geological hazards
- Resources available to assist with development financing “gaps”
 - tax increment financing (tif) boundaries

South St. Vrain

- Town policies and practices
 - five-acre vote on potential annexations
 - agreements with individual property owners
 - reuse of public land
- Elements of multi-jurisdictional agreements (IGA with Boulder County)
 - limits on land uses
- Existing and proposed locations of public facilities
 - school
- Limited net developable acres (due to)
 - floodplains and floodways
 - irrigation laterals
 - conservation easements

- threats from fire and flooding
- critical wildlife habitat
- geological hazards
- Lack of municipal-level utilities/infrastructure

Apple Valley

- Town policies and practices
 - five-acre vote on potential annexations
 - reuse of public land
- Elements of multi-jurisdictional agreements (IGA with Boulder County)
 - limits on land uses
- Limited net developable acres (due to)
 - floodplains and floodways
 - standing water
 - irrigation laterals
 - conservation easements
 - topography
 - threats from fire and flooding
 - critical wildlife habitat
 - geological hazards
- Lack of municipal-level utilities/infrastructure
- Resources available to assist with development financing “gaps”
 - public sources of money (buyouts -which carry restrictions on ownership and land use)

The development concepts presented earlier can only be accommodated if these barriers are removed, overcome or mitigated in some way to “ready the environment” for additional investment.

The Impacts

Over the past decade, community planning efforts have increasingly considered the impacts of land use mix on municipal operating revenues and expenditures. Consideration of these “fiscal” implications ensures that the community “vision” is grounded in market and economic reality, and the Town’s future fiscal health or “balance” is maintained. The fiscal analysis is also designed to educate community stakeholders as to the fiscal implications of land use decisions and explain the relationship between revenue generation and service costs.

As part of the Lyons PPA Master Plan (the Plan) process, a fiscal analysis was conducted for the potential buildup of the LPPA’s current undeveloped property. The fiscal impact analysis considered a 20-year market cycle and focused on operating revenues and expenditures to the Town of Lyons and how they would be affected by the market-supported level of development over that period.

Background

A community’s fiscal environment can be described as a “three-legged” stool, balancing nonresidential development, municipal services and amenities, and residential development. The first “leg” of the stool -- nonresidential development -- provides the majority of revenues (property, sales and use tax) to support municipal services. Municipal services and amenities -- the second “leg” -- attract residents and maintain their quality of life. The third “leg” -- residential development -- generates the spending and employees to support nonresidential businesses. In order for a community to operate in a fiscally sound manner, this balance must continually be maintained, especially through changing economic cycles. A community’s return on investment from development growth is largely determined by this balance.

As Lyons continues to evolve as a community, the Town recognizes the need for additional revenue-generating, nonresidential development to offset the costs of providing a high level of service and amenities to its residents.

Methodology

An analysis of potential long-term fiscal operating impacts was completed at a macro level to determine the ability to generate a balance between revenues and expenditures. General assumptions used in the fiscal analysis included:

- The Town of Lyons’s current budget (2015) reflects a reasonable balance between revenues and expenditures.

- Future revenues (taxes and fees) are based on current (2016) market values for various development types (housing, retail, office, industrial, other).
- Future expenditures are based on current (2016) service costs per capita, including residents and employees.

The fiscal impact analysis consisted of the following components:

- Development Program resulting from the 20-year growth projections
- Buildout of residential (single family and multifamily) and non-residential (retail, office and industrial) land uses
- Mix of land uses
 - Overall balance between residential and nonresidential development
 - Development timing and absorption of uses (relates to market factors)
 - Location and direction of development
 - Efficiency of infrastructure to support development
 - Value of new development (on a per unit or per square foot basis)
 - Considers fiscal operating revenues/expenses only (general fund)
- Fiscal Revenue Estimates
 - Tax revenues (property, sales, use)
 - Franchise fees
 - Licenses and permits
 - Fees and charges
 - Fines and forfeitures
 - Other revenues
- Service Cost Estimates
 - Calculated on a per capita basis, including both residents and employees
- Net Fiscal Surplus/Deficit

- Difference between anticipated fiscal revenues and service costs

In completing the fiscal analysis, the following information was obtained and analyzed:

- Market, economic and fiscal information from Town 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.

The following summarizes the fiscal analyses completed for 4 scenarios:

- Vacant and Zoned Remaining Land in Town
- Eastern Corridor buildout
- South St. Vrain buildout
- Apple Valley buildout

Vacant and Zoned Remaining Land in Town

In order to evaluate the Town's short-term fiscal balance, an initial analysis was completed to show the fiscal impact of the Town's buildout under current zoning. **Table 3-2** summarizes the Town's remaining vacant land by zoning category and the potential level of development that could occur at buildout. Based on this level of expected development, **Table 3-3** shows the potential revenue that could be generated for the Town.

Table 3-2
Potential Development – Town Buildout

| Zoning Category | Potential Development | | |
|-----------------|-----------------------|-----------|--------------|
| | Acres | Units* | Sq Ft* |
| A-1 | 44.8 | 9 | 0 |
| A-2 | 5.2 | 0 | 0 |
| R-1 | 20.6 | 62 | 0 |
| R-2 | 0.7 | 6 | 0 |
| R-2A | 0.1 | 1 | 0 |
| B | 0.6 | 0 | 6,534 |
| CD | 0.1 | 0 | 1,089 |
| Total | 72.1 | 77 | 7,623 |

*Based on following densities:

| | | |
|------------|-----|------------------------|
| A-1 | 0.2 | units/acre |
| R-1 | 3 | units/acre |
| R-2 | 8 | units/acre |
| Commercial | 25% | building to land ratio |

Table 3-3
Town Buildout – Revenue Generation

| Product Type | Town of Lyons | |
|--------------------------------|--------------------------------|----------------------------|
| | Added Taxable Value @ Buildout | Added Property Tax Revenue |
| Residential: | | |
| Single Family Detached | \$2,816,248 | \$44,204 |
| Townhome/Condo | \$140,096 | \$2,199 |
| Apartments | \$0 | \$0 |
| Non-Residential: | | |
| Retail/Service | \$265,280 | \$4,164 |
| Employment (Office/Industrial) | \$132,640 | \$2,082 |
| | Property Tax* | \$52,649 |
| | Sales Tax** | \$22,869 |
| | Total Tax Revenues | \$75,518 |
| | Other Revenues *** | \$43,711 |
| | Total Revenues | \$119,228 |

* based on City .015696 property tax rate.

** based on estimated retail sales of \$250 per square foot and 2% sales tax rate.

***based on 2015 general fund revenues from permits, fees, licenses, fines, etc. -- per capita of \$187.

The level of expected development shown in **Table 3-2** will also generate service costs to the Town. **Table 3-4** shows the relationship between these revenues and expenditures, which results in a net **deficit** for the Town. The anticipated net deficit generated by development of the Town's remaining vacant land is an indication of how tenuous the Town's fiscal balance remains. The consideration of the LPPA as a potential expansion of the Town's boundaries presents opportunities for revenue-generating land uses to address this potential imbalance.

Table 3-4
Town Buildout – Net Fiscal Impact

| New Residents/Employees | Town of Lyons |
|-----------------------------|---------------|
| Residents | 227 |
| Retail Employees | 11 |
| Office/Industrial Employees | 10 |
| Total | 249 |

Resident/employee estimates based on:

| | |
|------------------------|------------------------|
| Single Family Detached | 3.0 household size |
| Townhome/Condo | 2.3 household size |
| Apartments | 1.8 household size |
| Retail | 400 Sq Ft per Employee |
| Office/Industrial | 300 Sq Ft per Employee |

| Net Surplus/Deficit | Town of Lyons | |
|-----------------------------|------------------------------|-----------------------------|
| Product Type | Added Residents / Employees | Added Annual Service Costs* |
| Residents | 227 | \$166,785 |
| Retail Employees | 4 | \$2,800 |
| Office/Industrial Employees | 3 | \$2,489 |
| | Total Service Costs | \$172,075 |
| | Total Revenues | \$119,228 |
| | Total Surplus/Deficit | -\$52,846 |
| | % Surplus/Deficit | -31% |

*based on 2015-2016 general fund expenditures per capita of \$735.

Note: Service cost impacts of employees estimated at 1/3 of residents.

Source: Ricker | Cunningham.

Eastern Corridor Buildout

Based on the LPPA market analysis, **Table 3-5** summarizes the potential buildout of the Eastern Corridor subarea.

Table 3-5
Potential Eastern Corridor Buildout

| Land Use Type | Trade Area Demand (20-yr) | Eastern Corridor Planning Area Market Share | Estimated Absorption |
|---------------------------------|---------------------------|---|----------------------|
| Residential (Units): | | | |
| Single Family Detached | 15,300 | 1.0% | 153 |
| Townhome | 5,100 | 1.0% | 51 |
| Apartments | 9,300 | 1.0% | 93 |
| Residential Total | 29,700 | 1.0% | 297 |
| Non-Residential (Sq Ft): | | | |
| Retail/Service | 3,500,000 | 2.0% | 70,000 |
| Employment (Office/Industrial) | 13,900,000 | 1.5% | 208,500 |
| Non-Residential Total | 17,400,000 | 1.6% | 278,500 |

Based on this level of expected development, **Table 3-6** shows the potential revenue that could be generated for the Town.

Table 3-6
Eastern Corridor Buildout – Revenue Generation

| Product Type | Eastern Corridor Planning Area | |
|--------------------------------|--------------------------------------|--------------------------------|
| | Added Taxable Value @ Buildout | Added Property Tax Revenue |
| Residential: | | |
| Single Family Detached | \$6,089,400 | \$95,579 |
| Townhome | \$1,116,390 | \$17,523 |
| Apartments | \$1,480,560 | \$23,239 |
| Non-Residential: | | |
| Retail/Service | \$4,060,000 | \$63,726 |
| Employment (Office/Industrial) | \$9,069,750 | \$142,359 |
| | Property Tax* Sales Tax** | \$342,426 \$350,000 |
| | Total Tax Revenues | \$692,426 |
| | Other Revenues *** | \$192,930 |
| | Total Revenues | \$885,355 |

* based on City .015696 property tax rate.

** based on estimated retail sales of \$250 per square foot and 2% sales tax rate.

***based on 2015 general fund revenues from permits, fees, licenses, fines, etc. -- per capita of \$187.

The level of expected development shown in **Table 3-5** will also generate service costs to the Town. **Table 3-7** shows the relationship between these revenues and expenditures, which results in a net **surplus** for the Town.

Table 3-7
Eastern Corridor Buildout – Net Fiscal Impact

| New Residents/Employees | Eastern Corridor Planning Area |
|-----------------------------|--------------------------------|
| Residents | 744 |
| Retail Employees | 175 |
| Office/Industrial Employees | 695 |
| Total | 1,614 |

Resident/employee estimates based on:

| | |
|------------------------|------------------------|
| Single Family Detached | 3.0 household size |
| Townhome | 2.3 household size |
| Apartments | 1.8 household size |
| Retail | 400 Sq Ft per Employee |
| Office/Industrial | 300 Sq Ft per Employee |

| Net Surplus/Deficit | Eastern Corridor Planning Area | |
|-----------------------------|--------------------------------|-----------------------------|
| Product Type | Added Residents / Employees | Added Annual Service Costs* |
| Residents | 744 | \$546,423 |
| Retail Employees | 58 | \$42,860 |
| Office/Industrial Employees | 232 | \$170,214 |
| | Total Service Costs | \$759,496 |
| | Total Revenues | \$885,355 |
| | Total Surplus/Deficit | \$125,859 |
| | % Surplus/Deficit | 17% |

*based on 2015-2016 general fund expenditures per capita of \$735.

Note: Service cost impacts of employees estimated at 1/3 of residents.

Source: Ricker | Cunningham.

The anticipated net surplus generated by development of the Eastern Corridor has the potential to assist in “correcting” the Town’s current imbalance between residential and nonresidential development.

South St. Vrain Buildout

Based on the LPPA market analysis, **Table 3-8** summarizes the potential buildout of the South St. Vrain subarea.

Table 3-8
Potential South St. Vrain Buildout

| Land Use Type | Trade Area Demand (20-yr) | South St. Vrain Planning Area Market Share | Estimated Absorption |
|---------------------------------|---------------------------|--|----------------------|
| Residential (Units): | | | |
| Cottage Home | 15,300 | 0.4% | 60 |
| Townhome/Rowhome | 5,100 | 1.2% | 60 |
| Apartments | 9,300 | 0.0% | 0 |
| Residential Total | 29,700 | 0.4% | 120 |
| Non-Residential (Sq Ft): | | | |
| Retail/Service | 3,500,000 | 0.0% | 0 |
| Employment (Office/Industrial) | 13,900,000 | 0.0% | 0 |
| Non-Residential Total | 17,400,000 | 0.0% | 0 |

Based on this level of expected development, **Table 3-9** shows the potential revenue that could be generated for the Town.

Table 3-9
South St. Vrain Buildout – Revenue Generation

| Product Type | South St. Vrain Planning Area | |
|--------------------------------|--------------------------------------|----------------------------|
| | Added Taxable Value @ Buildout | Added Property Tax Revenue |
| Residential: | | |
| Cottage Home | \$1,432,800 | \$22,489 |
| Townhome/Rowhome | \$1,194,000 | \$18,741 |
| Apartments | \$0 | \$0 |
| Non-Residential: | | |
| Retail/Service | \$0 | \$0 |
| Employment (Office/Industrial) | \$0 | \$0 |
| | Property Tax* Sales Tax** | \$41,230 \$0 |
| | Total Tax Revenues | \$41,230 |
| | Other Revenues *** | \$59,351 |
| | Total Revenues | \$100,582 |

* based on City .015696 property tax rate.

** based on estimated retail sales of \$250 per square foot and 2% sales tax rate.

***based on 2015 general fund revenues from permits, fees, licenses, fines, etc. -- per capita of \$187.

The level of expected development shown in **Table 3-8** will also generate service costs to the Town. **Table 3-10** shows the relationship between these revenues and expenditures, which results in a net **deficit** for the Town.

Table 3-10
South St. Vrain Buildout – Net Fiscal Impact

| New Residents/Employees | South St. Vrain Planning Area |
|-----------------------------|-------------------------------|
| Residents | 318 |
| Retail Employees | 0 |
| Office/Industrial Employees | 0 |
| Total | 318 |

Resident/employee estimates based on:

| | | |
|-------------------|-----|--------------------|
| Cottage Home | 3.0 | household size |
| Townhome | 2.3 | household size |
| Apartments | 1.8 | household size |
| Retail | 400 | Sq Ft per Employee |
| Office/Industrial | 300 | Sq Ft per Employee |

| Net Surplus/Deficit | South St. Vrain Planning Area | |
|-----------------------------|-------------------------------|-----------------------------|
| Product Type | Added Residents / Employees | Added Annual Service Costs* |
| Residents | 318 | \$233,646 |
| Retail Employees | 0 | \$0 |
| Office/Industrial Employees | 0 | \$0 |
| | Total Service Costs | \$233,646 |
| | Total Revenues | \$100,582 |
| | Total Surplus/Deficit | -\$133,064 |
| | % Surplus/Deficit | -57% |

*based on 2015-2016 general fund expenditures per capita of \$735.

Note: Service cost impacts of employees estimated at 1/3 of residents.

Source: Ricker | Cunningham.

The anticipated net **deficit** generated by development of the South St. Vrain area would potentially add to the Town's fiscal imbalance, primarily due to the lack of market-supportable nonresidential development.

Apple Valley Buildout

Based on the LPPA market analysis, **Table 3-11** summarizes the potential buildout of the Apple Valley subarea.

Table 3-11
Potential Apple Valley Buildout

| Land Use Type | Trade Area Demand (20-yr) | Apple Valley Planning Area Market Share | Estimated Absorption |
|---------------------------------|---------------------------|---|----------------------|
| Residential (Units): | | | |
| Small Lot Single Family | 15,300 | 0.3% | 41 |
| Townhome/Rowhome | 5,100 | 0.2% | 9 |
| Apartments | 9,300 | 0.0% | 0 |
| Residential Total | 29,700 | 0.2% | 50 |
| Non-Residential (Sq Ft): | | | |
| Retail/Service | 3,500,000 | 0.0% | 0 |
| Employment (Office/Industrial) | 13,900,000 | 0.0% | 0 |
| Non-Residential Total | 17,400,000 | 0.0% | 0 |

Based on this level of expected development, **Table 3-12** shows the potential revenue that could be generated for the Town.

Table 3-12
Apple Valley Buildout – Revenue Generation

| Product Type | Apple Valley Planning Area | |
|--------------------------------|--------------------------------|----------------------------|
| | Added Taxable Value @ Buildout | Added Property Tax Revenue |
| Residential: | | |
| Small Lot Single Family | \$979,080 | \$15,368 |
| Townhome/Rowhome | \$179,100 | \$2,811 |
| Apartments | \$0 | \$0 |
| Non-Residential: | | |
| Retail/Service | \$0 | \$0 |
| Employment (Office/Industrial) | \$0 | \$0 |
| | Property Tax* | \$18,179 |
| | Sales Tax** | \$0 |
| | Total Tax Revenues | \$18,179 |
| | Other Revenues *** | \$26,820 |
| | Total Revenues | \$44,999 |

* based on City .015696 property tax rate.

** based on estimated retail sales of \$250 per square foot and 2% sales tax rate.

***based on 2015 general fund revenues from permits, fees, licenses, fines, etc. -- per capita of \$187.

The level of expected development shown in **Table 3-11** will also generate service costs to the Town. **Table 3-13** shows the relationship between these revenues and expenditures, which results in a net **deficit** for the Town.

Table 3-13
Apple Valley Buildout – Net Fiscal Impact

| New Residents/Employees | Apple Valley Planning Area |
|-----------------------------|-------------------------------|
| Residents | 144 |
| Retail Employees | 0 |
| Office/Industrial Employees | 0 |
| Total | 144 |

Resident/employee estimates based on:

| | |
|------------------------|------------------------|
| Single Family Detached | 3.0 household size |
| Townhome | 2.3 household size |
| Apartments | 1.8 household size |
| Retail | 400 Sq Ft per Employee |
| Office/Industrial | 300 Sq Ft per Employee |

| Net Surplus/Deficit | Apple Valley Planning Area | |
|-----------------------------|--------------------------------|--------------------------------|
| Product Type | Added Residents / Employees | Added Annual Service Costs* |
| Residents | 144 | \$105,581 |
| Retail Employees | 0 | \$0 |
| Office/Industrial Employees | 0 | \$0 |
| | Total Service Costs | \$105,581 |
| | Total Revenues | \$44,999 |
| | Total Surplus/Deficit | -\$60,583 |
| | % Surplus/Deficit | -57% |

*based on 2015-2016 general fund expenditures per capita of \$735.

Note: Service cost impacts of employees estimated at 1/3 of residents.

Source: Ricker | Cunningham.

The anticipated net **deficit** generated by development of the Apple Valley area would potentially add to the Town's fiscal imbalance, primarily due to the lack of market-supportable nonresidential development.

Summary

The fiscal analysis highlights how critical land use decisions are to a community's financial well-being. The ability to effectively balance revenues and expenditures will ensure that residents will continue to enjoy quality municipal services and community amenities. This analysis has shown that the Town's future short-term land use mix will likely result in a net deficit for the Town, in terms of operating revenues and expenditures. Of the three subareas that comprise the LPPA, only the Eastern Corridor provides an opportunity to accommodate revenue-generating land uses designed to maintain the Town's long-term fiscal health. Lastly, the analysis can be utilized as a tool to measure impacts from development/redevelopment projects as they come forward. In this way, the Town will be able to "benchmark" revenue and expenditure impacts on a periodic basis.

Section 4:

Implementation

The approach to position the LPPA for desired investment, and for the Town to receive annexation and development requests, is based on an awareness of existing conditions and understanding of desired outcomes, collectively tempered with market realities. Major components of the approach include:

- **Vision** for each Subarea (presented in Section 3)
- Potential **Challenges**, or “**Barriers to Investment**” that might limit development opportunities in the LPPA
- Parameters for land use decisions throughout the LPPA, referred to herein as **Guiding Principles**
- Identification of **Strategic Public Initiatives** necessary to catalyze private development and leverage public improvements

Development in the Planning Area is anticipated to occur at modest levels over multiple decades based on numerous findings identified during the planning process and presented in previous sections of this Master Plan. Issues that will delay and temper annexation and development requests can generally be organized under the following topics – market, physical, financial, regulatory, and political. While many of the issues, or conditions, within these categories could serve to catalyze investment, others will pose barriers. Based on input received during the planning process, property and business owners within and outside the Town boundaries have opinions on both sides of the growth debate. Pros and cons of annexation identified during the planning process include:

Pros

- Access to municipal-level services and amenities
- Greater access to elected representatives
- Increase in non-residential development to enhance Town’s fiscal “balance”
- Address deficit in affordable and attainable housing

Cons

- Preservation of rural density and lifestyle

- Increased service costs associated with new residential development
- Higher property taxes for Town residents

The information that follows includes: a summary of challenges, or barriers to investment; a list of guiding principles for use by appointed and elected officials; key findings that informed the planning concepts and required actions; and, a focused discussion about those initiatives the Town should take in order to “ready the environment” for the type, character, quality and intensity of development that most closely aligns with the stated vision and objectives for each of the subareas and the LPPA as a whole. This said, Lyons’ leadership recognizes that, even with these efforts, the decision to apply for annexation is a discretionary one left to individual property owners. Of course, the Town has full discretion on whether or not an annexation petition is approved. Actions by the Town to improve investment conditions will not necessarily, or retroactively, result in an increase in the number of these requests.

Challenges or “Barriers to Investment”

As detailed in Section 3, there are potential challenges, or “barriers to investment”, that prevent or delay development in physically constrained environments such as the LPPA. These challenges, or “barriers” can be numerous, and sometimes difficult to identify. Experience has shown that they almost always fall into one of the following six categories: market; physical; financial; regulatory; political; and organizational. The analyses summarized herein indicate that, despite ample market opportunity in each of the three subareas, physical, financial, regulatory and political barriers exist at varying levels to potentially limit new development.

Guiding Principles

Guiding Principles are defined as . . .

“representing a broad philosophy that guides an organization or entity throughout its life in all circumstances, irrespective of changes in its goals, strategies, or leadership at any level. In this application, they should be considered in instances where there is ambiguity between a specific land use or zoning request and the stated intent of a subarea development concept; as well as when considering an appropriate role for the Town when partnering to advance priority projects.”

While the purpose of this Master Plan is to inform land use decisions in the LPPA, it is a policy, rather than a regulating document. As such, additional resources are needed to protect the vision and ensure alignment among the Town's regulating documents, particularly those that will inform development within its boundaries. Before any inconsistencies or gaps in the code can be addressed, appointed and elected officials should rely on the intentions expressed herein, along with the parameters, or guiding principles, that are intended to serve as a reference for sound decision-making. Regarding amendments to existing regulations and development standards, while general recommendations are provided here, this Master Plan recommends that a more thorough review be conducted in order to ensure that requirements are appropriate for prevailing and anticipated market conditions, and that they will yield desired results.

1. Planning and development will consider the value and significance of existing improvements and homes.
2. Land uses and product types will advance the Town's goal for a more diverse economy (as expressed in the 2010 Comprehensive Plan).
3. Homes in the Area will address the needs of residents at different life stages and income levels.
4. Investment will be high quality, distinctive, context-sensitive and consistent with the Area's existing character.
5. Mobility improvements in the Area will be both vehicular and non-vehicular, and will connect to activity centers within the town.
6. Development will balance growth through efficient development partners.
7. The scale of development will balance economic feasibility with environmental sensitivity and its physical context.
8. Natural and open spaces will be integrated into new developments, yet protected from potential adverse impacts.
9. The Town will partner with private owners and other property interests in delivering desired capital and infrastructure improvements to the Area.
10. Commercial and primary employment uses will be pursued in the near-term and encouraged to locate within the US 36 / CO 66 corridor.

Strategic Public Initiatives

Strategic Public Initiatives are intended to. . .

reinforce their respective goal and identify essential elements of the community "infrastructure" necessary for effective decision-making related to land use, capital investments and available resources.

The Framework Plan described in Section 3 illustrates a potential desired outcome for the LPPA and the three Subareas. Inherent in the Plan for land uses, products and improvements is the assumption that certain strategic initiatives will be advanced that effectively foster a favorable environment for development. These initiatives, or actions, are both LPPA-wide and subarea-specific and are intended to address all categories of conditions that pose either barriers to, or opportunities for, investment.

1. Evaluate the “five-acre vote” in light of current market conditions and findings from this work associated with the Town’s fiscal health and limited inventory of viable development sites.
2. Explore amending specific elements of the existing IGA between Boulder County and the Town of Lyons, particularly the boundaries of the Planning Area and the conversion of property used for access to a conservation easement.
3. Consider a requirement to retroactively include annexed areas in the recently completed Lyons Urban Renewal Plan Area. This financing mechanism could be used to assist in future public improvements.
4. Establish a policy that requires that affordable housing units and projects be dispersed throughout the Planning Area and located in appropriate locations depending on their targeted market.
5. Review existing zoning designations (Eastern Corridor and PUD-MU) in light of desired development in the Planning Area, and if necessary, establish a new designation which reflects market realities and more effectively supports expressed intentions.
6. Review existing design and development guidelines in light of desired development in the Planning Area, and if necessary, amend them to reflect market realities and protect the expressed vision.
7. Consider using the Urban Renewal Authority as a vehicle to acquire and position properties for development by private entities, as well as finance capital improvements.
8. Consider limiting development of residential units within properties located adjacent to the SH 66 corridor, except those physically integrated into a shared structure with other non-residential uses.
9. Reconsider the current proposed location for the new public works facility in favor of one with limited potential for private development, particularly commercial, yet compliant with the requirements of the funding source.

Urban Renewal

Urban renewal allows the Town, through its urban renewal authority, to provide a financing mechanism (tax increment financing, or TIF) to fund improvements for the public benefit in areas where blighting conditions exist. In December 2015, the Lyons Board of Trustees adopted the Lyons Area Urban Renewal Plan, which established the Lyons Urban Renewal Area. Properties within the LPPA are not currently within the Town boundaries, and as such, are not included in the Urban Renewal Area. However, annexed properties could be added to the existing Urban Renewal Area through an amendment to the Urban Renewal Plan.

10. Work with County representatives to resolve conflicting information regarding the status of CR 69 as either a private access or public roadway.
11. Initiate discussions with the St. Vrain School District regarding the potential land swap of existing ballfields to a location within Bohn Park, with the intent to transfer ownership of the ballfields to the Town for development of affordable housing units.
12. Maintain information regarding annexation processes and legal requirements (restrictions on flagpole annexations, five-acre rule, others), prepared in the context of this planning initiative, on the Town's website in an effort to continue educating the community and other stakeholders.

Conclusion

While this Master Plan is the “roadmap” for advancing the vision for the LPPA, ensuring that development and redevelopment are accomplished in a way that balances private investment objectives with social and environmentally sustainability will require alignment with all Town regulations, resources, and incentives.

The concepts and strategies presented herein are intended to inform private and public decisions regarding the future use of properties in the LPPA. Each one is based on a realistic understanding of conditions, and intended to be responsive to the needs and desires of resident, business and property interests. The Subareas, along with the natural and manmade amenities and resources within them, represent the community’s “portfolio of assets,” which collectively should be protected and leveraged when promoting the community and pursuing desired development.

As explained earlier, the Plan’s purpose is to serve as the guidepost for strategic initiatives that will likely take several years, and even decades to implement. This said, and given the cyclical nature of markets, it should be revisited on a regular basis, and amended, if and when deemed necessary. Its perceived, and real success, will depend on committed on-going leadership, collaboration between the Town and its advocacy partners, and continued communication with the community at-large.