



WESTMINSTER

Staff Report

TO: The Mayor and Members of the City Council

DATE: July 1, 2015

SUBJECT: Study Session Agenda for July 6, 2015

PREPARED BY: Steve Smithers, Acting City Manager

Please Note: Study Sessions and Post City Council meetings are open to the public, and individuals are welcome to attend and observe. However, these meetings are not intended to be interactive with the audience, as this time is set aside for City Council to receive information, make inquiries, and provide Staff with policy direction.

Looking ahead to next Monday night's Study Session, the following schedule has been prepared:

A light dinner will be served in the Council Family Room 6:00 P.M.

CITY COUNCIL REPORTS

1. Report from Mayor (5 minutes)
2. Reports from City Councillors (10 minutes)

CITY MANAGER'S REPORT

PRESENTATIONS

1. Utility Fund Capital Projects and Financing Options
2. Development Review 101
3. Comprehensive Plan R-3.5 Residential Designation

6:30 P.M.

EXECUTIVE SESSION

1. Discuss strategy and progress on negotiations related to economic development matters for Downtown Westminster, disclosure of which would seriously jeopardize the City's ability to secure the development; discuss strategy and progress on the possible sale, acquisition, trade or exchange of property rights, including future leases; and provide instruction to the City's negotiators on the same as authorized by WMC Sections 1-11-3(C)(2), (4), and (7) as well as Colorado Revised Statutes, Sections 24-6-402 (4)(a) and 24-6-402(4)(e) - *Verbal*

INFORMATION ONLY ITEMS

1. Update Regarding Activities at Rocky Flats

Additional items may come up between now and Monday night. City Council will be apprised of any changes to the Study Session meeting schedule.

Respectfully submitted,

Stephen P. Smithers
Acting City Manager

NOTE: Persons needing an accommodation must notify the City Manager's Office no later than noon the Thursday prior to the scheduled Study Session to allow adequate time to make arrangements. You can call [303-658-2161](tel:303-658-2161) /TTY 711 or State Relay) or write to mbarajas@cityofwestminster.us to make a reasonable accommodation request.



Staff Report

City Council Study Session Meeting
July 6, 2015



SUBJECT: Utility Fund Capital Projects and Financing Options

PREPARED BY: Mike Happe, Utilities Planning and Engineering Manager
Christine Gray, Senior Management Analyst
Stephen Grooters, Senior Projects Engineer

Recommended City Council Action

City Council is requested to review the Staff Report and provide feedback to Staff regarding the priority for certain Utility Fund capital projects and recommendations for funding these projects.

Summary Statement

- Westminster's water and wastewater utility system is a \$2.7 billion asset. This asset includes the water treatment facilities, water distribution system, wastewater collection system, and the wastewater and reclaimed water treatment facilities. This does not include the value of the City's water rights portfolio.
- The Public Works and Utilities department (PWU) pursues a proactive program to assess the needs and priorities of utility system capital projects. By focusing available funding on the highest needs, the costs of operating and maintaining the utility system are kept at the optimal level, and costly system failures, emergency responses, and interruptions of service are avoided.
- The use of debt funding is an integral part of the long term funding strategy for Westminster's water and wastewater utility system. Debt is used to provide generational equity by sharing the cost of large long term projects over time. Debt is also used to provide a smoothing effect on rates to balance out years that have large expenditures with years with smaller expenditures.
- The current 5-year capital improvement program for PWU incorporates many high-priority water and wastewater needs, including three large-scale projects: 1) The Little Dry Creek Interceptor Sewer Repair and Replacement (LDCIS), 2) The Pressure Zone 3 Expansion, and 3) The Big Dry Creek Dewatering and Biosolids Handling Improvements. These projects are necessary to address aging infrastructure and to improve processes.
- Past financial projections called for the issuance of approximately \$30 million of water and wastewater debt in 2017 to fund these important projects.

- Due to increased project costs and changing climate for interest rates, Staff is now recommending the issuance of approximately \$50 million of water and wastewater debt in 2016.
- Because of sound planning, the debt service for the bond issue can be afforded by the Utility Enterprise keeping with the City's ongoing financial strategy of regular, small-scale water rate increases that are generally 1% above inflation. For wastewater rates, we will need one additional year of a slightly higher rate increase than originally anticipated. In 2017 we will need a rate increase approximately 3% above inflation in order to cover the additional debt service.
- This Staff Report provides an update on the need for the larger-scale projects, the benefits these projects will provide, and alternatives and recommendations for funding these projects. Staff seeks City Council's direction regarding moving forward with the identified projects and the associated funding, and will be present to answer questions.

Expenditure Required: \$0

Source of Funds: N/A

Policy Issues

1. Should Staff continue with the projects in the current 5-year capital improvement program as proposed, in order to address aging infrastructure, improve wastewater treatment processes, and to accommodate development timing?
2. Should the City pursue debt funding in 2016 to finance these large-scale capital improvement projects?

Alternatives

1. Council could choose to defer some or all of these large-scale projects, or to not do them at all. Staff recommends continuing with the current capital improvement programs as proposed, as these projects will repair aging infrastructure, reduce costs for the overall operations of the biosolids treatment process, and will accommodate timing for significant development within the City.
2. Council could choose to defer other capital projects in the 5-year capital program and use that funding to pay for these large-scale projects. Staff does not recommend this alternative, as all of the projects identified in the current program are the result of extensive Staff planning, and will address infrastructure needs that are required to maintain the level of water and wastewater service that the Utility currently provides. Deferring any of these other projects is likely to result in higher construction costs in the future, costly impacts on the operation and maintenance of the Utility System, and potentially impact our service delivery to utility customers.
3. Council could choose not to issue any debt to fund these projects, and request that rate revenues fund the projects. Staff does not recommend this alternative, as issuing debt spreads the cost of the projects over time, minimizes annual costs and allows for the stabilization of water and wastewater rates. Because rate revenues pay for debt service costs, future customers as well as current customers will share in the payment of projects that benefit them.

Background Information

Projects

The City currently owns and operates a complex system of Utility infrastructure with a total replacement value of approximately \$2.7 billion. The system includes water, wastewater, and reclaimed water services and requires many different facilities and types of infrastructure. These facilities are necessary components of the City's Public Works and Utilities Department and provide core support to the City's overall mission of delivering exceptional value and quality of life through SPIRIT.

A critical element of the Public Works and Utilities Department (PWU) is to plan, prioritize, and implement projects in the City's Capital Improvement Program to sustain quality Utility services. Included within this is maintaining responsible, defensible budgets and maintaining the existing infrastructure proactively to limit system failures and emergency situations. Over the past several years, Utility engineering and operations Staff has performed an evaluation of all of the facilities within the Utility system in order to identify a comprehensive repair and replacement program required to maintain current levels of water and wastewater service to City customers. Information was also compiled anticipating other City needs including: future development; redevelopment; regulatory-driven improvements; and various improvements to the City's infrastructure to improve system reliability, redundancy, and safety for operations and maintenance. Overall, this information represents the foundation for staff's recommended capital improvement projects (CIPs).

The comprehensive 5-year capital program currently adopted for PWU incorporates high-priority water and wastewater project needs. While the program includes many projects, three are larger in their scope and cost relative to the others, and are listed below. The implementation schedule for these projects is based on several factors including age, condition, capacity of existing infrastructure, and timing for development and redevelopment within the City:

1) The Little Dry Creek Interceptor Sewer Repair and Replacement (\$23 million) - Wastewater from the southern third of the City flows through a large wastewater collection system known as the Little Dry Creek Interceptor Sewer (LDCIS). This wastewater system provides service to City customers from as far north as 92nd Avenue and extends through relatively older areas of Westminster on its way south to the final discharge into the Metro Wastewater Reclamation District system (see attached map). Several segments of the LDCIS are greater than 50 years old, in poor condition, have reached the end of their useful life, and have inadequate hydraulic capacity to handle flows anticipated from development and redevelopment. The first phase of priority improvements has been constructed. The purpose of the current project is to complete priority repairs and replacements for the remaining sections.

2) Big Dry Creek Dewatering and Biosolids Handling Improvements (\$19.7 million) - Wastewater treatment at the Big Dry Creek Wastewater Treatment Facility results in the generation of a byproduct known as biosolids. Biosolids are treated at the plant to make them suitable for land application and are subsequently hauled to the City's Strasburg Natural Resource Farm for ultimate disposal as a farming fertilizer. In 2012, the City completed a Biosolids Management Master Plan, a key recommendation of which was the transition of the current biosolids treatment to a process that removes a large percentage of the product's water to form a "cake"-like product. By changing to a dewatered biosolids cake material, less water will be hauled to the Strasburg Natural Resource Farm and other permitted sites, resulting in operational savings in transportation costs (e.g., the number of tanker trips to the site) estimated to be \$200,000 per year. An additional benefit of dewatering is the reduction of nitrogen concentrations in the biosolids. This allows more biosolids to be applied to existing farmlands and helps avoid the potentially large cost of acquiring more farm property.

3) The Pressure Zone 3 Expansion (\$40.9 million) - The overall intent of this project is to improve portions of the water distribution system to meet the level of service experienced elsewhere in the system for adequate water pressure and flow. This project is for the design of a new pump station, new transmission pipelines, and a new elevated water storage tank within the water distribution system. The project will also improve the City-wide water storage volume to help provide needed operational storage to meet daily demand fluctuations, as well as emergency storage to provide water in the event of a widespread interruption of water supply and fire flow storage. These improvements will be accomplished by expanding what PWU refers to as Pressure Zone 3. This zone already serves a large section of the City, and will be expanded west to incorporate customers west of US Highway 36 to Pierce Street and north/south between approximately 88th Avenue and the Farmers' High Line Canal. The improvements will be sized for build-out demands within the City, including anticipated development and redevelopment. The improvements will relieve water supply and storage requirements from other pressure zones in the City's water distribution system, thereby increasing levels of service, reliability, and redundancy in a relatively larger portion of the City.

Project costs are a key matter because these three projects represent a significant portion of the current 5-year capital program. Cost increases were identified for the LDCIS project because more pipe replacement is required and because several sections of the project are more complex than originally contemplated (as presented to City Council in April 2015). Preliminary design of the Big Dry Creek Dewatering and Handling Improvements project also showed increases over initial estimates due to increased complexity of the site work and ancillary components required to support the project and

the resulting larger building required. Costs for the Pressure Zone 3 Expansion project remain within original estimates.

Staff has evaluated the need for these projects, and recommends that they are implemented per the current program, based on the need to repair/replace aging infrastructure and to accommodate development opportunities for downtown Westminster.

Project Funding Options and Recommendation

As part of our long term financial strategy, debt financing has always been an integral part of our strategy to fund the City's ongoing utilities system capital program. Debt is a tool that many utilities use to fund large scale projects. Not only does it promote generational equity – future customers share the project cost with existing customers – it allows the utility to smooth rates so that customers are not impacted by “rollercoaster” rate increases and decreases. Debt also mitigates over-collection of rate revenues in scenarios where utilities have raised rates to collect funding for projects. Once the projects are over, the utility will be overcharging for its service.

One alternative to debt funding for these project would be to cash fund through rate increases. In order to complete the projects within the respective timelines, rate increases would have already been needed in order to fund the project costs. The City has been anticipating using debt financing for these upcoming project for some time and changing strategies now for a cash funded approach would either require very large rate increases in the near future or significant delays in the needed capital improvement projects. Delaying projects would have adverse consequences for the Utility such as higher operation and maintenance costs, increase risk of system failure, potential environmental regulation violation and service interruptions.

As an Enterprise Fund, the Utility is able to issue debt. Examples of prior use of debt as a funding source include a number of large-scale projects such as the Reclaimed Water Treatment Facility, the Northwest Treatment Facility, the expansion of the Big Dry Creek Wastewater Treatment Facility and a number of water-related projects that freed up sufficient cash to purchase a significant block of water rights. Currently the City enjoys a debt rating of AA+ from the rating agency Standard and Poors, and a rating of AAA from the Fitch Rating Company.

The projects discussed above total of \$83.6 million over the next few years, however a large portion of these projects costs will be paid directly from tap fee revenue and capital projects reserve. Staff had originally anticipated issuing approximately \$29.5 million of debt in 2017 (\$17 million for the water projects, \$12.5 for the wastewater projects) to provide additional funding for the capital program. Based on the updated project costs, Staff now estimates the need for approximately \$50 million of funding (\$17 million for the water projects, \$33 million for the wastewater projects) to fully pay for the water and wastewater projects, and recommends issuing debt in 2016. The City has the ability to issue additional debt based on its current financial position. Staff believes that the current rate environment is favorable for issuing debt, and that issuing in 2017 instead of 2016 may cost more due to anticipated higher interest rates. It is not recommended to issue debt earlier than 2016, as the funds are not yet needed.

In 2006, the City adopted financial policies for the Utility Fund. This involved the establishment of reserve funds and was based on a long term strategy of small, incremental rate increases designed to make the Utility System financially sustainable. The strategy adopted was to keep rate increases slightly ahead (about 1%) of inflation for the next several years. This develops enough revenue to pay for needed repair and replacement of utility infrastructure when the City reaches build-out and no longer collects tap fees. For the most part the City has remained consistent with this policy since 2006 with some exceptions in recent years. In 2015 and 2016, the wastewater rate increase is 6.25% in

order to make up for increased costs from the Metropolitan Denver Wastewater District. This was slightly higher than the normal 4% increase.

The long term financial plan (which assumed approximately \$30 million in debt issue in 2017), anticipated a return to normal rate increases in 2017. Now with the increase in project costs, and with Staff's recommendation to issue \$50 million in debt in 2016, it would be necessary to have another slightly larger wastewater rate increase for one additional year (2017) of approximately 6%, then return to normal rate increases in 2018. The exact amount of rate increase will depend on inflation.

Staff is requesting direction from Council regarding these capital projects and the funding associated with their completion. If Council directs Staff to proceed with the current capital improvement plan and the issuance of debt in 2016 to provide sufficient funds to complete these projects, Staff will return to Council through the mid-year budget review process with proposed changes to the adopted 2016 budget. In 2016, Council will be asked to consider an ordinance to approve the sale of Water and Wastewater Utility Enterprise Revenue Bonds.

Staff will be present at the July 6th Study Session to give a brief presentation and answer questions.

This project helps achieve the City Council's Strategic Plan Goals of "Excellence in City Services" and "Dynamic, Diverse Economy" by contributing to the objectives of well-maintained City infrastructure and facilities, providing water and wastewater service with reduced risk of system failures, and installing the infrastructure required to promote development within the City.

Respectfully submitted,

Stephen P. Smithers
Acting City Manager



WESTMINSTER

Staff Report

City Council Study Session Meeting
July 6, 2015



SUBJECT: Development Review 101

PREPARED BY: Mac Cummins, AICP, Planning Manager

Recommended City Council Action

No action is being requested of Council this evening. Staff will provide a presentation on how the development review processes function in the City of Westminster.

Summary Statement

Staff will provide information and review with Council how development proposals are reviewed by the City of Westminster, from original concepts to City approvals, and finally from construction to inspection. Staff has attached a detailed description of the process, created in March 2014 for the Council onboarding, for a refresher.

Policy Issue

No policy issues are being raised for potential change at this study session. Rather, tonight's meeting will be informational in nature, and staff will be available to answer any questions the Council may have.

Alternatives

No policy change is proposed as part of this presentation. If Council would like options to propose changes to any part of the process, staff will be available to return to Council with whatever options the Council is interested in pursuing.

Background Information

The following is a brief summary and outline of the items that will be covered in staff's presentation. Additionally, the staff report regarding development review provided to City Council at the March 3, 2014, study session is attached for reference.

During the presentation, staff will describe the manner in which a development proposal is processed from inception to completion, referencing specific projects. Exhibits and diagrams from actual projects will be referenced to discuss the manner in which the Growth Management program is administered for service commitment award, as well as the benefits and flexibility attained in the two step PUD zoning system. Additionally, staff will show examples of how projects are reviewed through the "one stop shop" system of concept and technical review stages, utilizing excerpts from project comments and redlines. Staff's goal is to use "real world" exhibits and examples in order to walk City Council through the development review process.

Development Review 101

- Planning vs. Building Review Services
- Comprehensive Plan
- Zoning: Euclidean vs. PUD
- Why have development review?
 - Growth Management:
 - Project Example: Huron Park Single Family Residential
 - Concept & Technical Reviews:
 - Design Requirements/Zoning Standards
 - Project Example: Huron Park Single Family Residential
 - Project Example: Non-Residential
- Public Outreach
- Public Hearings
- Building Review and Permitting
- Construction and Inspections

Respectfully submitted,

Stephen P. Smithers
Acting City Manager

Attachment A: March 3, 2014, Staff Report: Development Review 101 & Updates on Planning & Building Processes



WESTMINSTER

Staff Report

City Council Study Session Meeting
March 3, 2014



SUBJECT: Development Review 101 & Updates on Planning & Building Processes

PREPARED BY: Mac Cummins, AICP, Planning Manager
Dave Horras, Building Official

Recommended City Council Action

Listen to Staff briefing on how development review processes work in the City of Westminster, and provide any desired City Council input.

Summary Statement

- At the study session, staff will provide information and review with Council how development proposals are reviewed by the City of Westminster, from original concepts to City approvals, and finally from construction to inspection.
- Staff will provide Council with an understanding and be available to answer questions on why the City currently utilizes certain practices and why the City has the processes and standards in place that it does.
- Staff will give a detailed presentation on timelines, cost of doing business, “trigger” points in the process, feedback staff has received over the years on the process, and have a discussion about potential improvements to the process.
- Staff’s overview is structured to provide information relating to two separate processes, which occur in a linear fashion, first the regulatory approval process, and second the construction and inspection process.

Expenditure Required: \$0

Source of Funds: N/A

Policy Issue

Are the current planning, engineering and building procedures meeting the needs of the Westminster Community?

Alternative

No policy change is proposed as part of this presentation. If Council would like options to propose changes to any part of the process, staff will be available to return to Council with whatever options the Council is interested in pursuing.

Background Information

The nature of the presentation will be to provide information to the Council on how the City has historically provided planning and building review services to the business/land development and broader community, and answer any questions the Council may have.

Terminology

In preparation for this meeting, Staff would like to assist the Council in understanding the acronyms and terminology that will be discussed, both in this staff report, and at the presentation. Here are the principle terms that will come up:

1. Comprehensive Plan – This document provides the 20 year vision for the City and provides land use designations. New development should be built in conformity with this plan (also referred to as “comp plan”).
2. Zoning – Implementation tool of the comprehensive plan. Provides standards which must be met regarding setbacks, parking requirements, landscaping etc.
3. Planned Unit Development (PUD) – This type of zoning used in Westminster is for new development. It is negotiated zoning between the City and a developer subject to City Council adopted requirements and design guidelines. It is a two-step process, Preliminary Development Plan (PDP) and Official Development Plan (ODP). An applicant doesn't have zoning until both approvals are issued.
4. Preliminary Development Plan (PDP) – This document sets out large “chunks” of land and street/roadway alignments. It allows for subdivision of land into lots, and sets forth requirements for exactions by the City (dedications of streets, parks, open space etc.), as well as requirements for land use on each piece of land.
5. Official Development Plan (ODP) – This is a detailed site plan that defines required landscaping, architecture, lighting, drainage, utility locations, etc.
6. Design Guidelines. These are architectural and site design standards, adopted by the City Council, which are given to a developer with an expectation of being the minimum standards the City would allow for a development.

Development Review Process

In general terms, the development review process begins when an applicant approaches City staff about a possible development. This usually occurs with a pre-application meeting of some kind with any of the following City staff personnel: City Manager, Deputy City Manager, Community Development Director, Planning Manager, or Economic Development Manager. Usually it is a combination of those staff. In a few occasions, the City's Economic Development team solicits a proposed development via a Request for Proposals (RFP) or other prospect development program.

(For the purposes of tonight's discussion, staff will focus only on the vast majority of development review, when applicants approach the City for development on their land).

At the pre-application meeting described above, applicants discuss with City staff their ideas for how they would like their land to develop and for what "product." Product is a very formulaic term to describe a type of use and building; i.e. an office use, or a single family residential use, etc. Staff then helps the developers or land owners understand what the opportunities and challenges are for development of their land and discusses the possibilities moving forward. In nearly all situations, the applicant is given the application materials and encouraged to apply for development approvals, subject to working out details through the review process. In select situations where a developer would like to put a product on land that conflicts with the City's adopted vision for the land (that is detailed in the City Council adopted Comprehensive Plan – see below), the staff normally indicates that the development proposal will not be supported because of that conflict. In some situations, staff indicates support for a change to the Comprehensive Plan, but this is not the norm unless there are compelling reasons to do so.

Comprehensive Plan

The Comprehensive Plan, sets out broad parameters for proposed development within the City. The Comprehensive Plan identifies land use, densities and intensities, view sheds, relationships to other City services (i.e. infrastructure, safety, parks and recreation, etc.) and sets out the vision for the City over a 20 year time horizon. It is generally expected that this document will be updated every 5 years to remain current with the City Council's expectations moving forward. In this sense, it is a living document that is intended to be changed as necessary. During that 5 year time horizon, however, staff treats the document as though it represents the Council's vision for proposed development within the City, and informs the public accordingly. The primary reason for this is that the adoption of the Comprehensive Plan includes a substantial amount of citizen outreach, business community outreach, private property owner outreach, and other input mechanisms, including public hearings prior to adoption. Every parcel in the City is given a land use designation in the Comprehensive Plan. After the most recent adoption of the City's Comprehensive Plan, changes to the Plan should be infrequent, as the designations are put in place to help achieve larger policy oriented objectives. For example, in 2013, the City Council concentrated on looking for ways to expand primary employment uses within the City, and to strategize and focus on how to achieve that goal. An economic study was conducted as part of the Comprehensive Plan adoption to consider how the physical land and constraints of the location of that undeveloped land could be integrated/combined and then designated for future development to accomplish this Council objective. Changing the Comprehensive Plan from employment in certain areas to retail or residential in the next several years could undermine the "big picture" objective of capturing primary employment along key highway and arterial corridors.

The other reason the Comprehensive Plan is critical to the City is that it sets out the land uses and densities/intensities. The City utilizes a complex Planned Unit Development (PUD) zoning system (more below), but without guidance on land uses, the PUD zoning system would be a "free for all" in terms of development proposals. Many years ago, this was one of the primary objectives of creating a Comprehensive Land Use Plan, to give assurances to existing neighborhoods and citizens as to what they might expect on development near their homes, as well to the owners of vacant land regarding what could develop on their parcel.

Growth Management

In addition to the Comprehensive Plan discussion above, the City regulates water usage and residential development through a competition, held annually, for the ability to have access to water taps. The competition has its historical roots in the idea that the City did not have enough water rights to keep up with the potential demand for new residential development, and effectively "rationed" the amount of

new residential development to keep a balance; creating the ability to provide water service and the pace of new residential development. Over time, the City has acquired enough water rights to accomplish the buildout of the Comprehensive Plan, as currently adopted.

It is important to note that the Growth Management Program does have an effect on the future planning and approvals of residential projects. The program does require applicants to submit once a year, in the fall, for the ability to have access to water taps. New PUD zoning (see below) or development applications cannot be submitted until water taps are approved through the competition. The competition judges a number of components, generally items that the developer commits to, which “raise the bar” for development. These include items such as better site planning, more green building technologies, commitment to more expensive items such as a pool or clubhouse, etc. In committing to those items, the City has achieved a higher standard of residential development than otherwise might have been anticipated without the program. Over time, the City has considered reducing or eliminating the program. As Council is aware from last week’s City Council action to adopt Water Service Commitments for 2014, the program is still currently in place.

Zoning

The City utilizes a mandatory Planned Unit Development (PUD) zoning system which is very unusual. Generally, cities utilize some form of Euclidian zoning. The term “Euclidian” zoning stems from the famous land use law case that established the right of municipal government to “zone” private property and regulate land use. The case involved the village of Euclid, Ohio, hence “Euclidian” zoning is the term. In Euclidian zoning, the primary purpose of the municipality was to separate land uses and their impacts. At the time (turn of the century and through the 1970’s), the basic concept was to fully separate land use impacts, i.e. residential should be separated from commercial and industrial etc. As the automobile became more prevalent, this form of zoning became much more widely utilized, and cities adopted “zoning codes” that prescribe how uses can be separated. Parcels of land are designated “Residential Single Family” or “Commercial 1” for example. In each category, allowed land uses are the very first thing that is listed. Then, generally speaking, the next portions of those zoning categories list out development requirements the primary function of which is to separate uses; i.e. setbacks that development must adhere to which pushes buildings back from property lines, parking requirements so that no “spillover” effect occurs etc.

Euclidian zoning also sets up very traditional development patterns. In many ways, it can also set up development that is less interesting, because it becomes very formulaic. The City of Westminster adopted a zoning ordinance with Euclidian principals in the 1950’s, and it still exists for much of the land in the City south of 80th Avenue. In the 1980’s, the City moved toward the mandatory PUD zoning approach, which allows for much more flexibility, but also requires more negotiation between the City and a prospective developer. There are both pros and cons for the City and the developer to this approach (more below).

It’s important to understand what Euclidean zoning is, because the vast majority of developers are only used to developing in cities that utilize this approach. As a result, they may not be used to the PUD approach, and there is a natural friction point when they approach the City of Westminster. It may be frustrating to go through the PUD approach if they are not looking for the flexibility that the PUD approach provides. Most cities in the Denver Metro Area utilize some form of PUD approach, but the City of Westminster is the only City with mandatory PUD.

PUD allows a developer to propose modifications to any of the standards in the municipal code, i.e. parking requirements, landscape requirements, setbacks, height limits, etc. Philosophically, it is very much an “ends” driven approach, and not a “means” driven approach. In other Cities, there are “holy grail” zoning standards that cannot be modified; this is not true in Westminster. If developers come up with a creative design, the PUD approach allows them to do this development. City staff regularly

make this a point when meeting with prospective developers because, there are many instances where Euclidian zoning reduces the “yield” or developability of a parcel because of a setback or other requirement; which is not able to be relaxed or eliminated. In PUD, those standards can be modified or eliminated altogether to achieve a project that serves the City’s and developer’s needs respectively. In this way, the PUD process is intended to be collaborative and form a partnership between the development community and the City of Westminster.

PUD zoning is a 2 step process, first the Preliminary Development Plan (PDP) and second the Official Development Plan. PUD is not fully implemented and no building permits can be issued until both documents are approved. The PDP approves land uses and sets out roadway alignments on a large parcel of land. The Official Development Plan approves a specific development within that PDP, i.e. the residential component of a larger master plan. The ODP includes a site plan, landscape plan, lighting plan, and architectural approvals. A PDP might include several different land uses in varying configurations, and an ODP is a site specific approval of a product type. There are generally multiple ODP’s approved on each PDP as development occurs over time.

Engineering Review

The process described below is generally what is referred to as the “entitlement” process; and combines the Planning Division work, and the Engineering work. Both reviews occur simultaneously, and ahead of the Building Division’s review; which has its own section in this staff report. The Engineering review includes items such as stormwater drainage review, traffic analysis, impact to public roads and sight triangles, etc. These kinds of review procedures work in conjunction with the Planning Division’s work relating to approvals of the site plans, landscape plans, architecture, etc.

Step 1: Concept Review of Proposed Development

After the pre-application meeting, a developer is required to submit a concept review application. The City utilizes a “one stop shop” system where an application is dropped off to the Planning Division within the Department of Community Development. A Planner is assigned to be the main “point person” for the developer. The City staff planner circulates the application to other departments for review and feedback. Applicants do not have to go to different departments to get feedback on their application. This is an important distinction, because it allows for significant efficiency for an applicant. The staff planner will coordinate for an applicant on other department’s review comments and create a one stop shop set of “City Comments” on the proposed development. As necessary, the developer will then only need to contact the staff planner to set up a meeting relating to whatever topic they need help with, and Community Development staff will coordinate whomever needs to be in attendance, including but not limited to: The Fire Department, Public Works and Utilities, Parks Recreation and Libraries, etc. The applicants, prefer this approach because it allows the staff to coordinate their comments and resolve issues before they are sent to the applicant. Applicants then don’t need to resolve conflicting comments from different City Departments.

The main reason for a “concept review” is to see if the basic premise of the development is acceptable; i.e. site planning, access to public roads, ability to provide water and sewer service, necessary dedications of land, densities / intensities and land use consistency with the Comprehensive Plan etc. The staff review proposals at this stage for fundamental fatal flaws which may exist, and to help provide direction to an applicant for the technical submittal phase. Generally, there are 2 concept submittals made before an applicant moves into the technical review phase.

Throughout the concept review process, a number of senior City staff, including the City Manager, Deputy City Manager, City Attorney, Directors of Public Works and Utilities, Parks Recreation and Libraries, Community Development etc., and a number of division managers and staff meet on a weekly basis to discuss major policy issues. This meeting is called the Development Review Committee (DRC), and is generally where a staff position is formulated relating to the proposed

development. Many times this occurs in the concept review phase, but occasionally it will actually pre-date a submittal, when a proposal is so significant as to warrant staff feedback prior to submittal.

Step 2: Technical Review

This is the stage in the review process where the City reviews very detailed technical drawings, studies etc. Site plans are dimensioned completely for compliance with the City standards relating to zoning standards such as setbacks, parking, landscape, etc. If modifications are proposed as part of the PUD process, explanations from the applicant are given and the staff evaluate those proposals. There is usually some form of justification related to slope, topography, better site design, etc. It is generally accepted that “getting more units” is not a reason to modify City standards. This is also the stage at which the City reviews detailed water, wastewater, storm water, grading, parking, traffic and similar analyses. There are generally two technical reviews before approval. It is important to note that the City of Westminster is one of a few cities in the state of Colorado that commits to specific review times in development review.

Public Outreach

The City’s historical practice is to solicit input from the public on a proposed development between the concept review phase and the technical review phase. As a general rule, the City works with developers on their proposal before sending them out to the public for two reasons: Firstly, developers want to get staff’s reaction to their proposal and have a better sense of project costs before presenting the plan to the public, and secondly, the City tries to work with a developer on a project that might be supportable before potentially upsetting a neighborhood with a proposed development that does not have staff support.

Staff solicits neighborhood input in one of two ways. Staff sends a letter to all affected property owners (currently defined in the City’s Municipal Code as those owners within 300 feet) explaining the project and asking for feedback. A public meeting may also be held. Staff determines which option to utilize based on the type of development proposed and the potential impacts to the surrounding community. In both situations, City staff give contact information and solicit input on what is being proposed. At the public meetings, staff introduces the developer and is present to observe and write down whatever the public has to say about the proposed development. The intent of the meeting is not to be a public hearing but to solicit input. Following that meeting, the staff evaluates that public input for compliance with City standards and works with the developers for solutions and ways to incorporate that feedback into their project. Generally these are things like providing additional noise buffering for a commercial project, or acceptable densities for a residential project when proposed adjacent to an existing residential project. It has always been the City’s expectation that to the maximum extent possible, a developer will incorporate the kinds of things the public has suggested in the neighborhood meetings to the extent it makes sense. There are occasions where truly unreasonable things are requested – i.e. don’t do any development because it will block my view, etc.

Public Hearings

After the technical review is completed, the project is either approved where appropriate by staff, or scheduled for public hearing. The Municipal Code requires that any new land use added to a PDP requires a public hearing before City Council, with a public hearing for a recommendation from the Planning Commission preceding that public hearing. Any rezoning or change in Comprehensive Plan land use designation follows the same process. Approval of any Official Development Plan (site plan, landscape plan, architecture etc.) on a site larger than 10 acres (up to 20 acres for a project the City Council determines to be an economic development project), or any ODP amendment changing any zoning standard by more than 10% over the existing requirement (i.e. existing ODP setback etc.) must

receive approval by the Planning Commission. The vast majority of our development applications in the City of Westminster are of a size eligible for administrative approval and are approved by the City Manager or designee, which is historically the Planning Manager.

The ability to approve a 10 acre or smaller development without public hearings is a significant marketing advantage of doing business in the City of Westminster. The reason this is such a strong marketing tool is that it gives comfort and stability to the development community that if they comply with the Council's adopted Comprehensive Plan, zoning, and design guidelines, they will obtain approval. In some other communities, it is very commonplace to go to a public hearing with a recommendation of approval from the staff that the project complies with all City standards, guidelines etc., and either be denied altogether; or have the project substantially redesigned from the dias "on the fly." In this situation, a developer must decide at that moment whether or not to accept the redesigned project or to ask for a continuance or to walk away altogether. After usually months of working on a project, the Council can imagine how inefficient this would be for a developer, and the risk or uncertainty it creates. In Westminster, the general approach has been to reduce significantly, this risk and manage expectations of the public through the Comprehensive Plan and public outreach described above, so that the developer, the public, the Planning Commission and City Council have a good understanding what to expect. There is an overt attempt to minimize "surprises" through the development review process. Notwithstanding any of the above, if there is any neighborhood controversy, projects are automatically scheduled for the Planning Commission by the staff, even if they are eligible for administrative approval.

City Design Requirements

One of the things that is most misunderstood in the review of proposed developments at the City of Westminster is the requirement to comply with certain basic design requirements. These requirements are written as design "guidelines" and adopted by the City Council. They are implemented by incorporation into a site plan or architectural approvals in a PUD zone, on the Official Development Plan. Though they are "guidelines" and serve as the starting point for negotiation into the PUD, they are generally treated as "minimum" requirements by the City. Otherwise, the City would have no minimum standards, and it would make negotiation of the project much more difficult, for both the applicant and the City.

For example, the City has a minimum masonry requirement for architectural approval of non-residential structures. The requirement is for 50% of the structure, not including windows and doors, to be surfaced with some type of masonry, usually brick or stone. This requirement helps foster a certain standard of quality development, and helps to improve the long term economic stability of a project and the surrounding development. Another architectural requirement is that all materials and architecture in a project must match.

Another example is the "retail pad" policy. Embedded in the Retail Commercial Design Guidelines is a requirement that only 1 "pad" building can be built for every 5 acres of development, and 1 drive through for every 10 acres of development. Further, there are requirements that no pads can be built until the main shopping portion of the project is built. The reason for this set of requirements may not be obvious; but the answer is that much of the profit margin on these types of developments is in the front "pads," and if a developer were allowed to simply build "pads or free standing buildings" on the front of the retail project, there is a high likelihood that development in the rear may never occur. This has happened in many spots along 120th Avenue in Thornton, and around Northglenn. Conversely, the City of Westminster enjoys projects like City Center Marketplace, Shops at Walnut Creek, Standley Lake Marketplace, 104th Avenue and Federal Boulevard (both the north and south west corners), 120th and Sheridan (SEC), etc. By attaining development in those configurations and avoiding the 120th

Avenue scenarios, the City positions itself to capture and retain higher quality tenants and rent structures over time. These requirements are approved on the final Official Development Plan.

Timing of the Process

The general timeframes for this process, from the first pre-application meeting to the approval by the City Council is 7-10 months. This timeline varies greatly based on the applicant. The City commits to timeframes for project review. The fluctuation in time for project approval is principally a function how much time developers spends between submittals back to the City.

The published timeframes are as follows: 1st concept and 1st technical review are 6 week reviews, and 2nd concept and 2nd technical (to the extent they are even needed) are 4 week reviews. Staff is available to answer any questions about what the comments mean, or how to navigate quicker though the entitlement process. Those that meet with staff and go through the comments in person generally move expeditiously through the process.

Common Pitfalls & Feedback

In preparation for the Council's discussion on Monday night, there are a few items to discuss that staff has heard over time that are worth mentioning:

- "The process takes too long"
- "The City has onerous development requirements"
- "The City doesn't understand...."

As a general rule, staff has also heard things along the following lines:

- "Your process is really not all that different from other places..."
- "The PUD system allows us great flexibility..."

Staff will address these in more detail in the presentation on Monday evening; but it is worth noting that one significant hurdle for both a developer and the City review team is simply understanding each other. Many times, day 1 of the City review is day 200 (or longer) for the developer team. This is because of the jumps and hurdles a developer must get through just to get to the point that they want to spend money on a submittal for approval. These items are not related to the City in any way, but rather business decisions related to determining "IF" they have a "deal" or not. For example, the developer has to decide if they can get enough access to capital to be able to finance the deal. In order for this to occur, there are general parameters for preleasing or preselling that must be met, based on how much equity the developer is bringing to the project. In order to determine this, the developer must "float" some initial concepts to the marketplace to see if they can reasonably think that they can achieve the necessary requirements to get access to capital to build the project. Then they might enter into negotiations with a land owner, who may or may not allow their land to be "tied up" while the prospective buyer/developer talks to the City about getting approvals. Usually this is not "free," and the developer has to "go hard" or put up non-refundable money during the contract period. This money generally escalates the longer a piece of property is taken off the market, hence the hyper concern about timing; with the old adage applicable "time is money."

It is important to note that hyper sensitivity to timing, architectural requirements of the end user tenants (corporate requirements for color, materials, etc.), obtaining financing, etc. place the developer in a very difficult position generally. If land development were easy, more people would do it. Understanding this makes discussions much more productive; and City staff do strive to try to

understand the constraints of any particular developer or development, because every project is different in terms of what those issues are.

The difficult balancing act for a City is how to hold to its vision, protect its long term place in the economic marketplace, and provide for development that the developer finds profitable enough to pursue in the short term, without sacrificing some generally accepted community standard (could be traffic related, could be quality design related, etc.). This balance is generally implemented through the minimum acceptable standards that the City Council puts in place and the requirements that are put into the Municipal Code. Staff will provide some examples at the study session.

The City's minimum development standards, applied consistently and equitably over the years have continued to increase the quality of development in Westminster and its "qualitative standing" for residential and businesses. The better quality developers appreciate this approach and see that it helps to level the playing field and extend the viable life of projects by having higher standards.

Some Future Items for Consideration

Staff will be moving forward with a couple of work efforts, and will supplement those with whatever else City Council would like relating to this subject. Staff has already begun an analysis of how our fees relate to other cities fee structures and will be ready by the mid-summer to publish those results. In addition, we are in the process of creating a user friendly application for a potential developer to use on the City's website, which would allow a developer to input the number of acres being developed, land use, and input number of units, etc.; the application would automatically create an excel spreadsheet with all of the City fees from initial submittal through building permit. Separately from this, staff is going to be setting up focus group meetings with developers and land holders to discuss the process, in broad terms, and relating to details of their experiences with development review in Westminster to see if any process improvements can be made.

Building Permit Process

Once the approval of an ODP occurs, an applicant submits for a building permit and begins work with the Building Division.

The City's Building Division functions are very similar to most every other building department in the area. Like some of the others, the City of Westminster serves generally as a one-stop shop for most things related to building construction.

The administration of the building codes can be broken down into two main functions: Plan review/permitting and building inspection.

Plan Review/Permitting

Homeowners, contractors and developers submit building plans to the front counter of the Building Division. The plans are routed to plan reviewers. These employees review the plans to assure compliance with the various building codes. The plan reviewers also check with the Planning Division staff to make sure that the project complies with any applicable zoning and PUD requirements. Comments on the plans are then sent back to the applicant, if needed, for modification. Once the plans are deemed in compliance with building codes, a permit is issued and construction may commence.

Building Inspection

The applicant is issued an inspection card with instruction on when to request a construction inspection.

The inspection process consists of a series of inspections to verify compliance with the applicable codes and ordinances. At each stage of the construction process specific inspections are required before the builder can proceed to the next phase. If violations are identified during an inspection corrections will need to be made before moving on to the next stage of the construction process.

The Building Division's purpose is regulatory in nature. Staff assures that structures are constructed in compliance with applicable building related codes. Like almost every jurisdiction in the state, Westminster has adopted a recent edition of the International Building Codes. The International Codes (I-Codes) are a family of model codes used almost exclusively throughout the United States and some parts beyond. The City has adopted most of the complete family of I-Codes, including the energy conservation and existing Building Code. Currently Westminster has adopted the 2009 edition of these I-Codes.

Like every jurisdiction must do when adopting a model code, the City has amended specific sections of the codes based on things such as the City's climate and geography, other existing City regulations and past experiences and direction. The number of amendments to each adopted Code is listed below.

- International Building Code - 18 (Main body of the code is 586 pages)
- International Residential Code - 47 (Main body of the code is 726 pages)
- National Electric Code - 1
- International Plumbing Code - 5
- International Mechanical Code - 5
- International Fuel Gas Code - 8
- International Energy Conservation Code – 1

One amendment to the International Residential Code (IRC) that the City has not made is an amendment to remove residential fire sprinklers from the code. The requirement to install residential sprinklers in all residential dwellings, including single family detached, is a requirement in the IRC. The only amendment the City made when adopting the 2009 IRC was to defer the effective date for fire sprinklers from 2011 to 2012 to allow additional time for implementation.

Building Division Plan Review

The typical turn-around time for construction plan review varies greatly based on the type and scope of the proposed project. Building Division turn-around time goals for the Division are:

New Commercial buildings – Initial comments provided within 6 to 8 weeks and resubmittals returned within 2 weeks.

Tenant finish projects – Initial comments provided within 3 to 4 weeks and resubmittals returned in 2 weeks.

New residential homes – Initial comments provided within 3 to 4 weeks and resubmittals returned in 2 weeks.

New master residential plans (construction plans have been previously reviewed) – 2 weeks.

Miscellaneous residential reviews – 2 weeks with resubmittals returned in 1 week.

In addition, the Building Division offers other processes to help try to speed up the typical plan review timelines. An expedited review process is offered for most commercial tenant finish projects with turn-around as quick as a day to a maximum 2 weeks. An expedited review is offered at additional cost and the decision to apply for an expedited review is completely up to the applicant.

The Building Division also offers walk-through plan review services for small residential projects and minor changes to previously approved projects twice each week. The intent of these additional services is to move projects quickly through the plan review process and get these projects underway in the field.

Residential Building Permit Fee Credit

In response to City Council's request staff has analyzed the financial impact of offering a \$200 building permit fee and use tax credit to homeowners on their residential projects. Using 2013 as a typical year, the Building Division issued 3,958 building permits for residential projects like water heater replacement, reroofs, basement finishes and furnace replacement. Attachment A details the different type and of residential permits and the number of each issued in 2013. The majority of these residential type permits have fixed fees ranging from \$40 for a water heater replacement up to \$300 for a new PV solar installation. This flat fee does not include use tax, which is added to the cost of each permit. Use tax is calculated based on a projects estimated valuation and can average between \$15 and \$300 as shown in Attachment A.

In 2013, 86% of these residential building permits had permit fees of less than \$200 and 61% had permit fees and use tax fees of less than \$200. If a \$200 credit towards permit fees and use tax was established the majority of these residential permits would be issued free of charge. Based on the 3,958 residential type building permits issues in 2013, a \$200 credit towards permit fees and use tax would result in \$549,374 in permit and use tax credits.

Focused Work Week.

Like almost all City Hall employees, the Building Division is closed on Fridays as part of the Focused Work Week. While this does not allow for regularly scheduled inspections or other Building Division functions on Fridays there are benefits to Westminster homeowners and contractors with the additional hours Monday-Thursday. Building Division customers take advantage of the extended hours on a regular basis with contractors often stopping by the office on their way to the job site in the morning and homeowners often stopping by the office to obtain information or permits on their way home from work. In addition, the building inspectors will often make additional stops on a job site in a single day if necessary to allow work to proceed even if an inspection has failed as long as the correction can be observed later. Staff sometimes performs a Friday or Saturday inspection if it prevents a job from losing days during a critical time during the applicant's construction schedule.

Online tracking of Inspections

Enhancements in the Building Division software has also allowed customers access to inspection results, plan review status, property records and inspection requests 24/7. We are currently working on a project to allow online permit application and issuance that will allow customers to obtain building permits for some of the most common project types online. Access to the Building Division has never been easier or more convenient.

Handout Materials – Public Outreach

The Building Division understands that many of our customers are not building professionals and even those who are need to know how the City of Westminster interprets or applies specific provisions. Of the Building Codes. To help address many of these issues the Building Division has developed almost 50 different handouts to help our customer's with their projects. Handouts range from simple illustrations designed to help homeowners in building a patio cover or deck, to specific application of

a code section for a commercial builder, to submittal requirements and design criteria for any type of project. Knowing that “a picture is worth a thousand words” the Building Division has handout information on all of the most typical homeowner projects.

Customer Surveys

The Building Division sends out two different surveys to our customers after they have used staff services. After a building permit is issued a survey is sent out to permit applicants to solicit feedback on their experience with the plan review and permitting process. Surveys are also sent out at the end of the inspection process to see how applicants perceive the inspection process worked. Understanding that the division performs a regularity role, the questions are about professionalism, fairness, knowledge, timeliness and communication. The survey results are overwhelming positive and are used as the division’s performance measures to monitor service delivery.

Respectfully submitted,

J. Brent McFall
City Manager

ATTACHMENT A – Average Fees

Westminster Building Division
2013 Residential Permit Counts / Average Fees

		Average Fees/Costs		
		Total # permits	Permit Fee	Plan Review
CONTRACTOR	3674 (93%)	\$108.59	\$12.54	\$99.42
OWNER	243 (7%)	\$153.08	\$57.06	\$115.36
TOTAL	3958	\$110.19	\$15.14	\$100.56

AC				
	Total # permits	Permit Fees	Plan Review	Use Tax
CONTRACTOR	118	\$80.00	\$ -	\$73.08
OWNER	2	\$80.00	\$ -	\$46.20

AC/FURNACE COMBO				
	Total # permits	Permit Fees	Plan Review	Use Tax
CONTRACTOR	137	\$140.00	\$ -	\$140.29
OWNER	2	\$140.00	\$ -	\$140.00

BUILDING				
	Total # permits	Permit Fees	Plan Review	Use Tax
CONTRACTOR	412 (75%)	\$252.54	\$106.60	\$305.60
OWNER	137 (25%)	\$220.81	\$99.65	\$203.69

DEMO				
	Total # permits	Permit Fees	Plan Review	Use Tax
CONTRACTOR	14	\$25.00	\$ -	\$ -
OWNER	4	\$25.00	\$ -	\$ -

ELECTRICAL				
	Total # permits	Permit Fees	Plan Review	Use Tax
CONTRACTOR	63	\$36.35	\$ -	\$21.57
OWNER	9	\$31.67	\$ -	\$10.27

EVAPORATIVE COOLER				
	Total # permits	Permit Fees	Plan Review	Use Tax
CONTRACTOR	20	\$60.00	\$ -	\$59.80
OWNER	0	\$ -	\$ -	\$ -

FURNACE				
	Total # permits	Permit Fees	Plan Review	Use Tax
CONTRACTOR	320	\$60.00	\$ -	\$59.95
OWNER	2	\$60.00	\$ -	\$85.00

IRRIGATION SPRINKLER				
	Total # permits	Permit Fees	Plan Review	Use Tax
CONTRACTOR	4	\$60.00	\$ -	\$26.25
OWNER	3	\$60.00	\$ -	\$30.16

MECHANICAL				
	Total # permits	Permit Fees	Plan Review	Use Tax
CONTRACTOR	31	\$47.90	\$8.90	\$32.10
OWNER	4	\$41.77	\$27.00	\$29.60

PLUMBING				
	Total # permits	Permit Fees	Plan Review	Use Tax
CONTRACTOR	187	\$63.77	\$ -	\$42.47
OWNER	13	\$40.60	\$ -	\$20.92

REROOF				
	Total # permits	Permit Fees	Plan Review	Use Tax
CONTRACTOR	881	\$100.00	\$ -	\$117.36
OWNER	31	\$100.00	\$ -	\$87.23

SERVICE CHANGE				
	Total # permits	Permit Fees	Plan Review	Use Tax
CONTRACTOR	143	\$58.68	\$ -	\$37.55
OWNER	14	\$31.07	\$ -	\$19.60

SEWER/WATERLINE REPLACEMENT				
	Total # permits	Permit Fees	Plan Review	Use Tax
CONTRACTOR	123	\$67.48	\$ -	\$47.50
OWNER	4	\$45.25	\$ -	\$44.50

PV SOLAR				
	Total # permits	Permit Fees	Plan Review	Use Tax
CONTRACTOR	200	\$300.00 -	\$ -	\$ -
OWNER	0	\$ -	\$ -	\$ -

TANKLESS WATER HEATER				
	Total # permits	Permit Fees	Plan Review	Use Tax
CONTRACTOR	11	\$40.00	\$26.00	\$44.66
OWNER	0	\$ -	\$ -	\$ -

WATER HEATER				
	Total # permits	Permit Fees	Plan Review	Use Tax
CONTRACTOR	668	\$40.00	\$ -	\$18.28
OWNER	13	\$40.00	\$ -	\$17.68

WINDOW REPLACEMENT				
	Total # permits	Permit Fees	Plan Review	Use Tax
CONTRACTOR	419	\$92.21	\$ -	\$127.94
OWNER	5	\$73.60	\$ -	\$65.20



WESTMINSTER

Staff Report

City Council Study Session Meeting
July 6, 2015



SUBJECT: Comprehensive Plan R-3.5 Residential Designation

PREPARED BY: Sarah Nurmela, AICP, Principal Planner

Recommended City Council Action

- No Council action is being requested by staff this evening. Staff will provide Council with an oral presentation of the information provided in this staff report, and will be available to answer any questions the Council may have.
- City Council requested this evening's study session at the April 13, 2015 City Council meeting, when staff were proposing "minor" updates to the Comprehensive Plan.

Summary Statement

- Staff will provide Council with background regarding the Comprehensive Plan and specific information concerning the R-3.5 residential land use designation.
- Questions were raised at the April 13, 2015 City Council meeting relative to the R-3.5 Comprehensive Plan land use category. These questions generally related to the intent, purpose, and application of the density and product type allowances that are permitted in the category.
- Staff will not include discussion of any specific property designated as R-3.5. Instead, staff will give an overview of the history of the category, its typical implementation throughout the City, and how it is utilized.

Policy Issue

Staff will provide information on the policy issues raised by members of the community during the April 13, 2015 City Council meeting. No policy issues are being raised for potential change at this study session. Rather, tonight’s meeting will be informational in nature, and staff will be available to answer any questions the Council may have.

Alternatives

No policy change is proposed as part of this presentation. If Council would like options to propose changes to any part of the process, staff will be available to return to Council with whatever options the Council is interested in pursuing.

Background Information

The impetus for this Study Session on the R-3.5 Residential Comprehensive Plan land use classification was derived from discussion during the 2015 Comprehensive Plan Update on April 13, 2015. City Council requested greater clarification of the R-3.5 designation and additional context of how the classification is applied throughout the City. The background provided below is intended to fulfill this request.

Comprehensive Plan and Residential Land Use Context

Last updated in 2014, the Comprehensive Plan is the City’s primary regulatory document for land use and physical development within the City. The document provides cohesive policy direction for all aspects of physical planning in the City, including land use, parks and open space, community design, economic development, transportation and utility infrastructure, and resource management. In 1997, City Ordinance 2475 was enacted to implement the Comprehensive Plan by requiring all future land uses to be in compliance with the use, density, development standards, and other criteria set forth in the Plan. This includes compliance with the Land Use Diagram and land use classification descriptions in the Plan.

The Land Use Diagram designates land uses on all developable land within the City limits. In total, there are 22 land use classifications that describe residential, commercial, office, industrial, public and quasi-public, and open space within the City. Of the 18,280 developable acres (excluding rights-of-way) within the City, approximately 31 percent is designated as residential. This residential land area comprises approximately 45,500 existing dwelling units, including 26,396 single family detached units, 7,640 single family attached units, and 11,464 multifamily units (as of June 2015). The composition of residential dwelling unit types within the City is shown in Table 1 below. Compared to similar adjacent suburban localities like Broomfield, Thornton and others, Westminster’s percentage of single family detached homes is the lowest.

Table 1: Comparison of Single Family Detached Dwelling Units

<i>City</i>	<i>SFD</i>	<i>Total Units</i>	<i>% of Total Units</i>
Broomfield	15,719	26,022	60%
Arvada	9,793	14,420	68%
Northglenn	9,792	14,274	69%
Thornton	17,688	29,481	60%
Westminster	26,396	45,500	58%

Sources: Inquiries made to respective city planning departments for current numbers, January 2015. City of Westminster GIS database, June 2015.

Of the City’s total developable acreage, 1,162 acres are vacant as of June 2015. Of these available lands, 623 acres (54% of the total) are designated with land uses that allow residential development (TMUND, Mixed Use, and Mixed Use Center) or require residential development (R-2.5, R-3.5, R-8, and R-18). Vacant land acreage by designation is shown below in Table 2. As shown in the table, 80 percent of the vacant residential land allows between two and 10+ times the density of R-2.5 and R-3.5. As a result, single family detached dwelling units will comprise a minimal amount of projected new dwelling units in the City (approximately 10%, assuming some single family dwelling units will be produced within TMUND areas).

Table 2: Vacant Land with Residential or Mixed Use Designations

<i>Land Use Designation</i>	<i>Vacant Land (acres)</i>
TMUND	197.9
Mixed Use	38.7
Mixed Use Center	186.9
R-2.5	6.8
R-3.5	123.8
R-8	52.7
R-18	16.4
Total	623.2

Source: City of Westminster GIS database, June 2015.

Note: The average density of TMUND projects in the city is 6.7 units/acre, including residential and commercial areas, with approximately 35 percent of the total units being small-lot single family detached.

As part of the Comprehensive Plan Update process in 2013, the City was very selective about where to locate and preserve lands for single family detached residential development. Lands were specifically identified based on key factors including proximity of existing single family neighborhoods, surrounding land use context, and accessibility and proximity to major arterial streets.

R-3.5 Residential Designation

Residential land use classifications that require and/or accommodate single family detached housing product include R-1, R-2.5, R-3.5, and R-5. R-8, and Traditional Mixed Use Neighborhood Development (TMUND). The majority of land (almost 80%) that would accommodate single family detached development in the City is designated as R-3.5 Residential, occupying 4,923 acres of developed (4,799 acres) and undeveloped land (124 acres). The Comprehensive Plan description of R-3.5 Residential is included as **Attachment A**. The classification allows for single family detached dwellings and duplexes (that may be allowed depending on location and design). Two specific standards are established in this classification: a maximum density of 3.5 units to the acre and a 7,000 square-foot minimum lot size for “single family dwellings” (historically interpreted as single family *detached* dwellings).

While the R-3.5 Residential classification was introduced in the 2004 Comprehensive Land Use Plan update, the Single Family Moderate Density classification in the 1997 Comprehensive Land Use Plan also had a maximum density of 3.5 units to the acre. As a result, existing land designated as R-3.5 Residential includes land formerly designated as Single Family Moderate Density prior to 2004. Over all R-3.5-designated land, single family detached dwelling units comprise 97.6 percent of unit types, with the other two percent comprising mobile home units (1.1%), senior apartments (0.8%) and duplexes (0.4%). Analysis of existing R-3.5 Residential developments with lot sizes of 7,000 square feet or greater (a minimum lot size of 7,000 square feet has been required since the adoption of the 2004

Comprehensive Land Use Plan) shows an average density of 3.05 units/acre, with an average lot size of 10,300 square feet. Density ranges on these properties from 2.10 to 3.50 units/acre.

The range of density of R-3.5 Residential lands is reflective of the unique site conditions of each R-3.5 project over the years, and means that most R-3.5 projects do not attain the maximum allowed density. In the introduction of Section 2.2 Land Use Framework of the Comprehensive Plan, the Density and Intensity discussion explicitly states that:

“maximum density may not be achievable on all sites due to specific site constraints such as topography, drainage patterns, floodplains, wetlands, required rights-of-way, the city’s adopted design guidelines, public land dedication, or other public improvements. Thus, the maximum density listed for each category is not ‘guaranteed.’ The permitted density will be determined during the development review process taking into consideration the above constraints and enforcing the city’s residential design guidelines for each residential type.”

Thus, the “yield” of any site, whether residential, commercial, or the like, is dependent on the specific constraints of that site. For example, land with steep grades may render some portion of the site undevelopable, or may impact the site design to an extent that developable area and “yield” is reduced.

2015 Comprehensive Plan Update

The proposed changes to the R-3.5 Residential land use classification included the following, as illustrated in **Attachment B**:

1. Modifying the written description of the classification to more accurately reflect the composition of existing R-3.5 Residential development, with the change in text from “provide for single family detached residences and duplexes” to “provide primarily for single family detached residences.”
2. Replacement of the terminology in the Development Standards (consistent with that proposed for the other classifications) from “Primary” and “Secondary” to “Allowed” and “Limited.” This change specific to the R-3.5 table included interpretation of the existing primary use of “Duplexes (may be allowed depending on location and design)” as being consistent with the definition of “Limited” (Uses that are permitted but limited, such as in overall building area or proportion of a project, or by the development review process).

Strategic Goals

The Comprehensive Plan residential land use designations support three of the City Council’s Strategic Plan goals of a *Beautiful, Desirable, Environmentally Responsible City; Vibrant and Inclusive Neighborhoods*; and *Visionary Leadership and Effective Governance*, ensuring that a wide range of housing types and neighborhoods are created and sustained throughout the City.

Respectfully submitted,

Stephen P. Smithers
Acting City Manager

Attachments:

Attachment A – Existing R-3.5 Classification

Attachment B – Proposed 2015 Changes to the R-3.5 Classification

R-3.5 Residential

Up to 3.5 Dwelling Units per Acre



This designation is intended to provide for single family detached residences and duplexes. This category is generally appropriate in locations outside urban activity centers in areas where development characteristics are suburban.

Development Standards	
	<i>Requirement</i>
Land Use	
Primary Uses	Single Family Detached Residences Duplexes (may be allowed depending on location and design)
Secondary Uses	Non-commercial Recreational Uses
Development Characteristics	
Density	Maximum 3.5 du/acre
Minimum Lot Size	7,000 square feet (for single family dwellings)

R-3.5 Residential

Up to 3.5 Dwelling Units per Acre



This designation is intended to provide **primarily** for single family detached residences ~~and duplexes~~. This category is generally appropriate in locations outside urban activity centers in areas where development characteristics are suburban.

Development Standards	
	<i>Requirement</i>
Land Use	
Allowed Primary Uses	Single Family Detached Residences Duplexes (may be allowed depending on location and design)
Limited Secondary Uses	Non-commercial Recreational Uses Duplexes
Development Characteristics	
Density	Maximum 3.5 du/acre
Minimum Lot Size	7,000 square feet (for single family detached dwellings)



Staff Report

Information Only Staff Report
July 6, 2015



SUBJECT: Update Regarding Activities at Rocky Flats

PREPARED BY: Mary Fabisiak, Water Quality Administrator

Summary Statement

Continuing activities at the Rocky Flats Site necessitate staff involvement to monitor and provide input on proposed changes. The recent heavy rains have impacted site conditions at the Original Landfill requiring an increased level of awareness. This report is for City Council information only and requires no action by City Council.

Background Information

The Department of Energy operated the Original Landfill (OLF) as a hill-side dump from the early 1950s until 1968, (see map). A wide variety of wastes were dumped including construction debris, office wastes, some lab wastes and empty and partially empty containers of unknown materials, uranium and some organic compounds being the primary contaminants of concern. The remediation of the OLF included removal of contaminated soil, installation of monitoring wells, re-grading, and the addition of a two foot soil cover.

The OLF has required extensive management activities since the completion of the cleanup in 2005. Monthly inspections are conducted to monitor both seeps and surface slumping, occasionally requiring repairs to localized areas. The recent heavy and continuing rainfall has caused significant slumping of the surface soil and will require further monitoring and extensive repair. Current conditions at the site are too wet to allow the access of heavy equipment required for the repair. The area impacted by the slumping is east of the actual waste in the landfill, and there has been no evidence of any waste at the surface.

Staff is working closely with the Colorado Department of Public Health and Environment, Department of Energy and the Site contractor to closely monitor the situation and develop long-term solutions. Excess stormwater on the landfill is currently being drained to reduce further slumping. All water draining from the OLF through the Woman Creek drainage is sampled before leaving the site and conveyed to the Woman Creek Reservoir. Because all water in Woman Creek leaving the site is captured by Woman Creek Reservoir, none of the water draining from the site reaches Standley Lake.

Staff Report – Update Regarding Activities at Rocky Flats

Date: July 6, 2015

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This continued monitoring and documented responses helps achieve the City Council's Strategic Plan Goal of a Beautiful, Desirable, Environmentally Responsible City by overseeing the City's interests, and ensuring long-term stewardship of the Rocky Flats Site and the post-closure management of the Rocky Flats National Wildlife Refuge.

Respectfully submitted,

Stephen P. Smithers
Acting City Manager

Attachments – Pictures and Map

Slump below berm 7 at Original Landfill



Water Quality Monitoring Station at Woman Creek Point of Compliance



Rocky Flats Site

