

7.1 INTRODUCTION

This document outlines the implementation program for the Frederick Downtown Development Plan and includes the following components:

- a. An overview of the ways that this plan can bring about economic investment and desired physical improvements;
- b. A summary of key economic conditions influencing future development potentials in the downtown;
- c. A matrix summarizing recommended development incentives;
- d. An “Action Plan” matrix summarizing the plan’s recommendations and improvements including: recommended public improvements and programs, timing of projects and programs, responsible agency and potential funding sources;
- e. A review of potential funding mechanisms for implementation of key plan initiatives; and
- f. An overview of administrative procedures such as amendments and modifications to the Land Use Code, and related policy and regulatory actions such as amendments (by the Town) to other regulatory documents.

7.2 HOW THIS PLAN CAN ENCOURAGE PRIVATE ECONOMIC INVESTMENT

An effective Downtown Development Plan typically involves both the public and private sectors in the plan implementation. Whereas development of the specific allowable land uses and creation of selected development standards envisioned for a downtown is often initiated by the public sector, the ultimate goal of this type of planning effort is to attract desired private investment. Broadly speaking, there are two major ways that a municipality can facilitate private development:

- a. By creating a “conducive development environment” that is consistent with prevailing market demand for various land uses. This may include the following types of actions or policies:
 - Zoning that is responsive to market needs;
 - Allowing increased density through specialized “form and standard based” development standards encourage underutilized and dilapidated properties to redevelop;
 - Streamlined permitting and entitlement processes;
 - Area-wide infrastructure and “amenity” (e.g., streetscape and landscape) investments;
 - Marketing of the downtown to both consumers and prospective business tenants;
 - Technical assistance to downtown businesses; and
 - Enhanced code compliance to improve the visual appeal and function of the urban environment.

- b. By providing direct or indirect financial incentives to area businesses, property owners, and key development projects. This can involve the following types of initiatives:
- Waiving or reducing various local fees and taxes;
 - Providing loans and/or grants for various business and property improvement purposes such as building façade renovations;
 - Creating “opportunity sites” by making Town-owned properties in the downtown available for appropriate private development;
 - Investing in site- or project-specific infrastructure; and
 - Establish a local hotel/bed tax to create cash flow directed toward downtown improvements.
- Each of these potential implementation items is described in greater detail in Section 7.5 below.

7.3 ECONOMIC CONDITIONS INFLUENCING DEVELOPMENT POTENTIAL IN THE DOWNTOWN

An effective Downtown Development Plan needs to be based on a realistic understanding of the market and demographic conditions affecting the downtown. Simply changing zoning on a map will not attract development unless there is an underlying market demand for a particular land use. On the other hand, if there is immediate demand for a desirable land use that is not permitted under existing zoning, a change in zoning can bring about very significant results. Moreover, appropriate zoning changes can be made more effective if coupled with regulations that address other potential barriers to development (e.g., onerous parking requirements).

The following is a summary of key existing conditions that will influence the realistic range of future development opportunities in the downtown:

- East of Colorado Boulevard the downtown is largely “built out”, with few vacant or underutilized parcels.
- A practical implication of the “built out” status of the downtown area is that a significant focus of the plan implementation should be on “in-fill” development and adaptive re-use.
- A major direction of the plan should also focus on streetscape urban furnishings and beautification of the public realm.
- There is an expressed desire among public and private stakeholders (businesses, residents and commercial property owners) to position downtown Frederick as “the” central entertainment and independent retail shopping destination in the Tri-Town area of Frederick, Dacono, and Firestone.

7.4 KEY STRATEGIC ECONOMIC DEVELOPMENT ISSUES

In addition to reviewing the economic conditions influencing downtown Frederick, we've also identified important strategic issues that will need to be addressed by the Downtown Development Plan in order for the targeted levels of development discussed in Chapter 3 to be achieved. These issues are summarized as follows:

- For most of the land uses envisioned for the downtown area, especially retail, offices, and a movie theater, the downtown would probably not be the development community's location of choice within Frederick given its distance and lack of visibility from I-25 and Highway 52. To change this perception, the Town needs to make the downtown area its highest development priority over the next 10 to 20 years. This not only means making the downtown as "development friendly" as possible, but it may also mean taking steps to and replace with provide mechanisms that allow the businesses to compete with other similar businesses outside the downtown area.
- Strong demand for higher density housing in Frederick would appear to be inevitable given anticipated population growth and increasing pressures on housing affordability. However, the precise residential product types that may be feasible are difficult to predict since they will likely involve products for which no "proven" demand currently exists in the market area. Residential zoning should be flexible enough to accommodate a range of product types in response to future market demand and consumer preferences.
- The area's existing population base is relatively small, and income levels are lower than in some of the competing communities. Thus, new development in the downtown may initially be modest in scale.
- There is currently a lack of "critical mass" of commercial development, and there are notable "gaps" in the existing tenant mix. The lack of critical mass will initially make it difficult to attract higher quality retail/restaurant businesses.
- The retail marketing and tenant attraction program needs to recognize that downtown Frederick will in some ways represent a "non-traditional" opportunity for prospective retailers. In particular, the downtown's non-freeway location and poor proximity relative to the most affluent residents in the trade area are likely to be viewed as negatives to major retailers. It needs to be remembered that the site selection criteria of major retail chains are often very formulaic and that, on first examination, downtown Frederick may not meet their formulas. To counter this challenge, downtown Frederick will need to develop marketing materials that convincingly

make the case that it is a strong retail location if evaluated within the context of its unique situation. Key marketing messages should include the following:

- That, based on the Downtown Development Plan, the Town is fully committed to re-establishing downtown Frederick as a key dining and shopping destination (particularly for family restaurants and locally owned retail), and to making downtown development its top priority.
- Downtown Frederick includes a number of civic land uses (recreation center, high school, park, Town Hall/Police Station, U.S. Post Office). These can serve as both amenities and activity generators for future development.
- That Frederick has potential to draw retail patrons from the large Metro-Denver trade area, and has a great central location.
- That exponential population growth is forecast for the next 20+ years for Frederick.
- That Frederick is prepared to rezone nearby competing neighborhood commercial zoning in order to strengthen the downtown's market position.

7.5 RECOMMENDED DEVELOPMENT INCENTIVES

Table 7-1 beginning on the following page summarizes the recommended development incentives program. The table is organized in terms of the following categories of incentives:

- Fee/tax reductions;
- Other direct financial assistance to developers and businesses;
- Entitlement incentives; and
- Other incentives.

Table 7-1. Summary of Recommended Development Incentives

FEE/TAX REDUCTIONS

Item	Description	Recommended Actions	Funding Source
Plan Check Fees	Waiving the Town’s Plan Check Fees would send an important message to the development community about the Town’s commitment to attracting desired development to the downtown area.	<ul style="list-style-type: none"> • Waive Plan Check fees for all downtown projects submitted for review during the first three (3) years of implementation. • Revisit this issue after the first three years and consider extending the benefits. 	Town General Fund (this would not be an “out of pocket” cost, but a de facto cost of forgone revenue)
Business License Application Fees	Although the Town’s Business License Fees are already modest, waiving the fees would send an important message to the development community as to the Town’s level of commitment to the downtown.	<ul style="list-style-type: none"> • Consider offering this incentive to all new businesses that open in the downtown during the first three (3) years of implementation. • Revisit this issue after the first three years and consider extending the benefits. 	Town General Fund
Road Impact Fees	As means of improving the downtown’s economic attractiveness (compared to other parts of the Town which might otherwise be more attractive to the development community), the Town could revise its “Road Impact Fee” schedule to provide lower fees in the downtown area. This fee reduction reinforces the fact that downtown development creates less demand for new road infrastructure given the availability of existing infrastructure capacity in the downtown, and the downtown area’s emphasis on walking rather than driving.	<ul style="list-style-type: none"> • Consider offering this incentive to all new businesses that open in the downtown during the first three (3) years of implementation. • Revisit this issue after the first three years and consider extending the benefits. 	Town General Fund

Table 7-1 (continued). Summary of Recommended Development Incentives

OTHER DIRECT FINANCIAL ASSISTANCE

Item	Description	Recommended Action	Funding Source
"Big Box" Retail Sales Tax Revenues	A portion of the sales tax collected from Big Box retail establishments located in Frederick will be redirected to providing capital funding for local small retailers established in downtown Frederick.	<ul style="list-style-type: none"> Allocate a portion of the sales tax from Frederick "Big Box" businesses to be used as capital funding for small local downtown retailers. 	"Big Box" Retail Sales Tax
Downtown Frederick Marketing Program	Funds are used to market downtown Frederick as a retail shopping and weekend getaway tourist destination.	<ul style="list-style-type: none"> Establish and add a 1% "Transit Occupancy Tax" to guest invoices at Bed and Breakfasts located in Frederick. 	Transit Occupancy Tax (TOT)
Commercial Façade and Landscaping Program	Consider the creation of a Commercial Façade and Landscaping Improvement program for commercial property owners that provides grants for façade and landscaping rehabilitation within the Downtown Development Plan area boundaries. The Town may require evidence of the committed funds. Buildings are eligible for grant funding only one time within an as yet undecided time period.	<ul style="list-style-type: none"> Aggressively promote this program to business owners within downtown Frederick. 	CDBG Funds
Commercial Signage Grants	Consider the creation of a Commercial Signage program for commercial property owners that provides grants up to an as yet undecided dollar amount for commercial sign improvements within the Downtown Development Plan area boundaries.	<ul style="list-style-type: none"> Aggressively promote this program to business owners within downtown Frederick. 	CDBG Funds
Commercial Revolving Loan Program	This low-interest loan program is typically Townwide in scope. The program is CDBG funded and borrowers are therefore subject to "prevailing wage" requirements.	<ul style="list-style-type: none"> Aggressively promote this program to business owners within downtown Frederick. 	CDBG Funds

OTHER DIRECT FINANCIAL ASSISTANCE (continued)

Item	Description	Recommended Action	Funding Source
Metropolitan District Financing	The Town’s land located to the west of Colorado Boulevard is part of the “Miners Village” “metro” district which is considered a “quasi-public” organization. This special district provides an alternative funding mechanism and maintenance organization for public improvements.	<ul style="list-style-type: none"> • The metro district is allowed to charge 50 mills on the properties developed as a result of bonding that can be issued to pay for upfront development costs. • District also serves as a management company over the improvements the development is required to install and maintain. 	Mill Levy (Property Tax)
Colorado Main Street Program	The goal of the Colorado Main Street program is to provide economic development opportunities within the context of historic preservation to traditional downtowns.	<ul style="list-style-type: none"> • Submit an application to Downtown Colorado, Inc. (DCI) for designation as a “Main Street” community. • Utilize the training and technical assistance available to designated “Main Street” communities. 	Funding sources include the public sector and private sources, such as business and property owners, residents, small corporate or foundation grants for projects, and earned income (from promotional/fund-raising events or contracts to provide services).
Colorado Community Revitalization Partnership	This program offers one and two-day technical assistance visits to communities involved in downtown revitalization. A team of three to five professionals with expertise in the areas identified by the community is assembled by DCI. DCI will use the structure provided by the Main Street Four Point Approach as the basis for identifying and delivering services.	<ul style="list-style-type: none"> • Contact the local Department of Local Affairs (DOLA) field representative to discuss the project to be submitted and estimate the cost. • Next, formally apply by submitting a DCI Application with a signed letter of interest to Christy Culp at DOLA. 	DOLA covers 50% of the cost of the assessment, and the Town would finance the other half.

OTHER DIRECT FINANCIAL ASSISTANCE (continued)

Item	Description	Recommended Action	Funding Source
Bus and Bus Facility Grants	The Buses and Bus Related Equipment and Facilities program provides capital assistance for new and replacement buses, related equipment, and facilities.	<ul style="list-style-type: none"> Consider using this type of grant to fund a Tri-Town bus route with its main hub located in downtown Frederick. 	Federal Transit Administration
Local Government Energy and Mineral Impact Fund	The purpose of the Energy and Mineral Impact Assistance Program is to assist political subdivisions that are socially and/or economically impacted by the development, processing, or energy conversion of minerals and mineral fuels.	<ul style="list-style-type: none"> Consider using funds for the following types of downtown Frederick projects: road improvements, construction/improvements to recreation centers, senior centers and other public facilities, and local government planning. 	Funding sources include the State severance tax on energy and mineral production, and the State's share of royalties paid to the federal government for mining and drilling of minerals and mineral fuels on federally-owned land.
New Energy Communities Grant Program	The Department of Local Affairs is partnering with the Governor's Energy Office (GEO) to offer a new program designed to: maximize energy efficiency and conservation; enhance community livability; promote economic development in downtowns; and address climate change by reducing carbon emissions.	<ul style="list-style-type: none"> Due to the fact that this program is regionally oriented, consider collaborating with Firestone and Dacono on a grant application that will provide funds to "green" downtown Frederick and make sustainable infrastructure improvements via the "Greening Downtowns" program initiative. 	The funds are administered by the Colorado Department of Local Affairs and come from the state severance tax on oil, gas, carbon dioxide, coal and metals and from the state's share of royalties paid to the federal government for the extraction of minerals and mineral fuels on federally owned land.

OTHER DIRECT FINANCIAL ASSISTANCE (continued)

Item	Description	Recommended Action	Funding Source
Colorado Heritage Planning Grant Program	The Colorado Heritage Planning Grant Program is designed to recognize and reward those communities cooperatively planning to manage growth. Three types of grants are available: Master Plan Grants, Colorado Heritage Planning Grants, and Water Banking Grants.	<ul style="list-style-type: none"> • Due to the fact that this program is regionally oriented, consider collaborating with Firestone and Dacono on a grant application. • If accepted, use grant money to address downtown Frederick growth impacts, traffic impacts, open space, and energy demands. 	Colorado Heritage Communities Fund

ENTITLEMENT INCENTIVES

Item	Description	Recommended Action	Funding Source
Priority Plan Checks	Consider providing Priority Plan Checks to <i>select</i> businesses.	<ul style="list-style-type: none"> • Consider offering this incentive to new businesses that open in the downtown during the first three (3) years of implementation • Revisit this issue after the first three years and consider extending the benefits. 	No net cost to Town. It only requires a change in permit processing methods.
Parking Incentives	There is currently “surplus” parking in the downtown area. This can enable the Town to lower the required parking ratios for new development, thereby substantially reducing the costs of development and giving the downtown an “edge” relative to other parts of Frederick where parking requirements are higher.	<ul style="list-style-type: none"> • Complete detailed parking study to determine feasibility of lowering parking ratios for the downtown. • To ensure that the lowered requirements do not result in a long-term parking shortage, establish development “ceilings” (by district/sub-area) at which higher parking ratios (and/or alternative means of funding construction of additional public parking) would be triggered. 	No net cost to Town, since incentive is based on an existing asset – surplus parking.

ENTITLEMENT INCENTIVES (continued)

Item	Description	Recommended Action	Funding Source
Height, Setback and Density Incentives	Within an area such as downtown Frederick that is largely built out with existing uses, land values tend to be relatively high. As a consequence, increased densities are often necessary to make new development (or redevelopment of existing uses) financially feasible. In addition to increasing allowable densities, zoning should allow the flexibility to develop desired land uses for which the future market is uncertain (e.g., live/work space).	<ul style="list-style-type: none"> Implement the Downtown Development Plan's DowntownCode. 	No net cost to Town.

OTHER INCENTIVES

Item	Description	Recommended Action	Funding Source
Area-wide Infrastructure/ Amenity Investments	Area-wide infrastructure and "amenity" (streetscape) investments will serve to "set the table" creating an upgraded urban environment to encourage new private investment. The specific infrastructure improvements and streetscape upgrades proposed in this Plan are identified in Chapter 4.	(See Chapter 4 of this Downtown Development Plan.)	Potential sources include Town's General Fund/ CIP; CDBG; and Economic Development Administration (EDA) grants.
Project-specific Infrastructure Assistance	In addition to area-wide infrastructure improvements, there may be specific development projects where it is advantageous for the Town to provide financial assistance for the development of on or off-site or project specific infrastructure. This type of assistance is typically negotiated on a case-by-case basis (reflecting the specific public benefits that can justify the public investment) and subject to a development agreement.	<ul style="list-style-type: none"> Ensure that guidelines for the Commercial Revolving Loan Fund are flexible enough to allow for funding of infrastructure related to key "catalyst" projects. 	Commercial Revolving Loan Fund (if available)

OTHER INCENTIVES (continued)

Item	Description	Recommended Action	Funding Source
Town-Owned Opportunity Sites	Site assembly – the process of making sizeable development sites available to private developers – is often an important municipal tool in a redevelopment process. In many cases this is accomplished through land acquisition utilizing a redevelopment agency’s powers of eminent domain. In the case of Frederick, this type of land acquisition process is not available. Instead, the Town will have to study and utilize the parcels it already owns, and/or negotiate with land owners to obtain key properties for downtown development opportunities.	<ul style="list-style-type: none"> • Compile inventory of existing Town-owned sites in or near the downtown, noting location, acreage and existing use; • Prioritize sites in terms of size, location and feasibility of relocating existing uses; and • Market selected site(s) via a developer Request for Qualifications/Proposals process. 	No net cost to Town, assuming sites are sold at market value and that existing Town uses could be relocated in a cost effective manner.

7.6 IMPLEMENTATION ACTION PLAN

The vision and goals presented in the Frederick Downtown Development Plan are supported by the following Implementation Action Plan. The Action Plan provides a summary of Plan recommendations and is presented in a table format providing a clear listing of the major programs, projects and actions needed for implementation. The table also identifies the responsible agency or party, potential funding sources associated with each action (if warranted) and suggested timing of the actions. The table is organized to discuss regulatory actions, programs and improvement projects for the entire downtown with specific direction for each planning district.

TABLE LEGEND

<p>Priority:</p> <p>1 Short Range (0-2 years)</p> <p>2 Mid-Range (3-8 years)</p> <p>3 Long-Range (9+yrs)</p>	<p>Responsibility:</p> <p>PD Planning Department</p> <p>PW Public Works</p> <p>ED Engineering Department,</p> <p>AC Arts Commission</p> <p>POS Parks and Open Space Commission</p> <p>CC Chamber of Commerce</p>
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	PRIORITY	RESPONSIBILITY		FUNDING SOURCES
		Lead	Support	
REGULATORY ACTIONS				
Review of Recommended Incentives	NOW	PD		N/A
Review of Recommended Funding Sources	NOW	PD		N/A
Adoption of Downtown Development Plan	NOW	PD		
Creation of Re-Tenancing Contingency Policy for Vacated Commercial Properties	1	PD		
IMPROVEMENT PROJECTS				
Develop and Implement Wayfinding System and comprehensive Signage Program	1	PD	PW/ED	Capital Improvement Program (CIP)
5th Street Streetscaping Improvements Program	1	PD	PW/ED	General Fund
Implement diagonal parking on street blocks immediately perpendicular to 5th Street	2	PD	PW/ED	General Fund/CIP
Downtown Frederick Entry Improvements	1	PD	AC/PW	CIP
Crist Park Improvements	1	PD	POS	CIP
Colorado Boulevard Drainage Basin Improvements	2	ED	PW	CIP
Downtown Storm Drain Improvements	1	ED	PW	CIP
Prepare a comprehensive parking study for Downtown Frederick	2	PD	PW/ED	General Fund

	PRIORITY	RESPONSIBILITY		FUNDING SOURCES
		Lead	Support	
Develop a Community Cultural Center	3	PD	AC	CIP
Construct a recreational amenity*	2	PD	POS	CIP
Construct a recreational amenity*	3	PD	POS	CIP
PROGRAMS				
Create Downtown Frederick Logo	1	PD		General Fund
Business Owners Education Program	1	CC	PD	General Fund/BID
Establish a Property Owner and Business Improvement District	1	PD	CC	General Fund
Establish a Merchant Organization for Downtown Retailers	1	PD	CC	Local Businesses
Create a Frederick Bike Plan	2	PD	ED/PW	General Fund

* During the creation of this report, the construction of an outdoor skating rink and an indoor/outdoor swimming pool were named as priorities by participants in the public outreach efforts. Further input from the community will be gathered prior to the construction of a recreational amenity.

7.7 POTENTIAL FUNDING MECHANISMS

Several major categories of funding mechanisms are potentially applicable to the downtown:

- Formation of a Business Improvement District (BID) to fund various improvements and activities within the downtown (or selected districts);
- General Fund allocations for planning efforts and program administration; and
- Funding allocations through the Town’s annual Capital Improvement Plan (CIP) process (for major infrastructure improvements in the downtown).

The BID concept is described further below.

Business Improvement District. A Business Improvement District (BID) is a mechanism for assessing and collecting fees that can be used to fund various improvements and programs within the District. The range of activities that can potentially be funded through BIDs is broad, and includes parking improvements, sidewalk cleaning, streetscape maintenance, streetscape improve-

ments (i.e., furniture, lighting, planting, etc.), promotional events, marketing and advertising, security patrols, public art, trash collection, landscaping and other functions.

Within downtown Frederick, the following activities would be ideally suited for BID funding:

- Marketing activities (including planning, media/ banner development, special events organization, and ongoing advertising);
- Landscape and streetscape improvements; and
- Parking improvements (see additional discussion below).

The formation of a Business Improvement District is governed by the “Business Improvement District Act” being part 12 of article 25 of title 31 of the Colorado Revised Statutes. The purpose of a BID is to provide resources to promote business activity and support for the maintenance of public improvements within the boundary of the BID.

The BID consists of contiguous and non-contiguous tracts or parcels of commercial property only. The governing body of the BID can either be the governing body of the municipality which created the District or it can be a board of directors of not fewer than five members. The District must prepare an operating plan and budget annually to include any or all of the following activities:

- Maintenance of improvements;
- Promotion or marketing of District activities;
- Organization, promotion, marketing, and management of public events;
- Activities in support of business recruitment, management, and development;
- Security for businesses and public areas located within the District;
- Snow removal or refuse collection, by contract, if it is determined to be the most cost-effective;
- Providing design assistance; and
- Consulting with respect to planning or managing development activities.

The governing board of the District has the power to levy and collect ad valorem taxes on and against all taxable commercial property within the boundaries of the District to support its activities as defined in the operating plan and budget.

While it was beyond the scope of the initial Downtown Development Plan to conduct a feasibility study for the formation of a BID, it is recommended that this step be pursued during the initial stages of implementation.