

# A Decade Downtown

2003-2013 Downtown Investment Report



Loveland, Colorado



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# Executive Summary

Successful rebuilding of a downtown district is always a collaborative venture.

This Downtown Investment Report provides detailed information on private and public investments in downtown Loveland since 2003, and describes how the two sectors acted in partnership.

The financial information in this report demonstrates how private resources have taken a lead in pushing redevelopment work forward, with the help of a modest but effective level of public participation in the process.

Since 2003 some projects received direct public support via façade grants, investment in public improvements or real estate purchases. Other projects benefited from automatic fee waivers in place throughout the district.

The report also reviews ways in which the City had a direct involvement in conceiving and constructing projects – such as the Rialto Theater Center and Lincoln Place – and features two ongoing partnerships, Art Space Loveland Lofts and Gallery Flats.

The report was compiled from information publicly available and verifiable through the citizen access portal on the City’s website. For more information, see the section titled “How this study was done.”

During the period of focus, the City engaged in a series of steps to plan the future of Loveland’s downtown. The Downtown Strategic Plan and the Downtown Infrastructure Plan (HIP Streets Master plan) in 2009 laid out the strategy of public support for private investments in downtown.

The 2010 Vision Book set forth the history, purpose, and rationale for downtown Loveland’s redevelopment. More recently, an “expression of interest” process fostered open and transparent consideration of downtown development proposals.

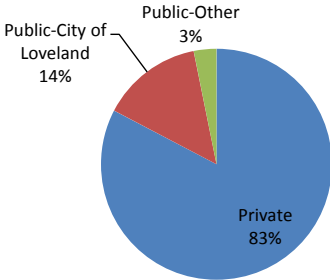
This report builds upon the City’s prior commitment to downtown and demonstrates the effectiveness and efficiency of public and private partnership in downtown Loveland’s development.



# Investment Summary

Since 2003, public and private entities have collectively invested \$43,883,668 into property in downtown. Of these investments, 83% were private, 14% were City of Loveland Investments, and 3% were funds invested by other public entities (see graphics below).

**Percentage of Downtown Investment Share 2003-2013**



**Table 1: 2003-2013 Total Downtown Investments**

	Amount
Private	\$36,283,225
Public-City of Loveland	\$6,206,990
Public-Other	\$1,393,453
<b>Total</b>	<b>\$43,883,668</b>

Another interesting way to examine the decade of development in downtown Loveland is by understanding the project type. Private projects that have received fee waivers make up the majority of investments that have been made in downtown Loveland over the last ten years.

**Table 2: 2003-2013 Downtown Investments By Type**

Project Type	Total Private Investment	Total Public Investment	Overall Investment
Private Only	\$1,861,789	\$0	\$1,861,789
Private with Fee Waivers	\$27,759,159	\$3,282,404	\$31,041,563
Private-Public Partnerships	\$6,662,277	\$3,291,172	\$9,953,449
Public Only	\$0	\$1,026,867	\$1,026,867
<b>Totals:</b>	<b>\$36,283,225</b>	<b>\$7,600,443</b>	<b>\$43,883,668</b>

Finally, it is worth noting that across all project types, the City of Loveland has invested in projects in the downtown area through granting project fee waivers. Fee waiver investments total \$3,701,678, accounting for 60% of the City's Investments in Loveland's downtown from 2003-2013. Together, City grants, loans, cash, and other investments account for the additional 40% of the City's investments.

# Lincoln Place



Private Investment:  
**\$16,829,275**  
**86%**

City Investment:  
**\$2,309,666**  
**14%**

Total Investment:  
**\$19,138,941**



Loveland's most prominent urban redevelopment landmark began taking shape in 2004 when Boulder-based real estate development company O'Connor Group chose an entire city block in downtown Loveland for a \$20 million mixed-use project.

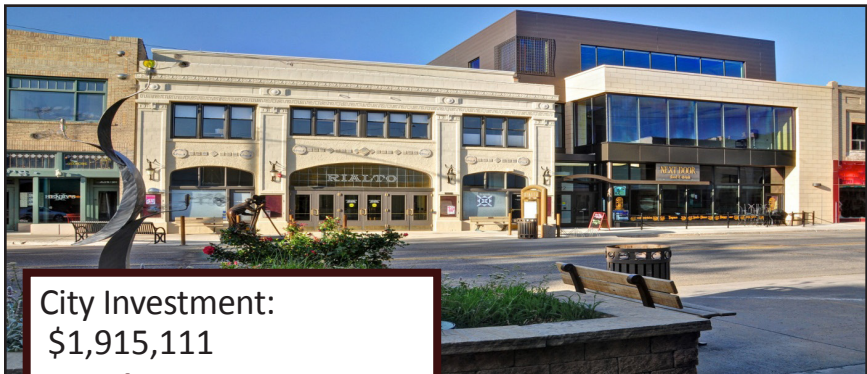
"Cities are getting smart about growth," O'Connor Vice President Brian Bair said as construction of the four-story Lincoln Place project began. "There's a trend across the country to move back into urban areas."

Even before its groundbreaking, Lincoln Place was getting national attention, with a 2004 "Builder and Developer" magazine calling it "one of the shining stars of urban redevelopment in the West."

# The Rialto

The Rialto Theater Center is downtown Loveland's "Three-P" project, combining private, public and philanthropic resources totaling \$4 million. The city bought two single-story retail shops, adjacent to the 93-year-old theater that is a city gem, and leveled them to make way for a 20,000-square-foot, three-story building.

When the building opened in 2012, it added space that makes the city-owned theater more functional and accommodates a vibrant and popular new restaurant, Next Door. Community space on the second floor, funded by the Community Foundation of Northern Colorado, and privately leased third-floor offices complete the package. Called the "Rialto Bridge" when it was conceptualized and built, the project is a literal bridge connecting the historic theater to new space that adds diversity and function to downtown Loveland.



City Investment:  
\$1,915,111  
**45%**  
Philanthropic Investment:  
\$700,000  
**17%**  
Private Investment:  
\$1,613,782  
**38%**  
Total Investment:  
\$4,228,893



# Ongoing Partnerships

## artspace



Minneapolis-based Artspace Projects is unique in the nation's development community. The company focuses on projects that give artists affordable space to live and work, adding energy and vibrancy to the neighborhoods where they are built.

Artspace chose Loveland in 2011 after an exhaustive market study that showed the city's art community was deep enough and broad enough to make the project successful. The old mill will be preserved as event and gallery

space while the new, four-story, 30-unit loft project rises on an adjacent tract.

Non-profit Artspace's finance model incorporates modest public participation with private equity and foundation support.

### Investment to date

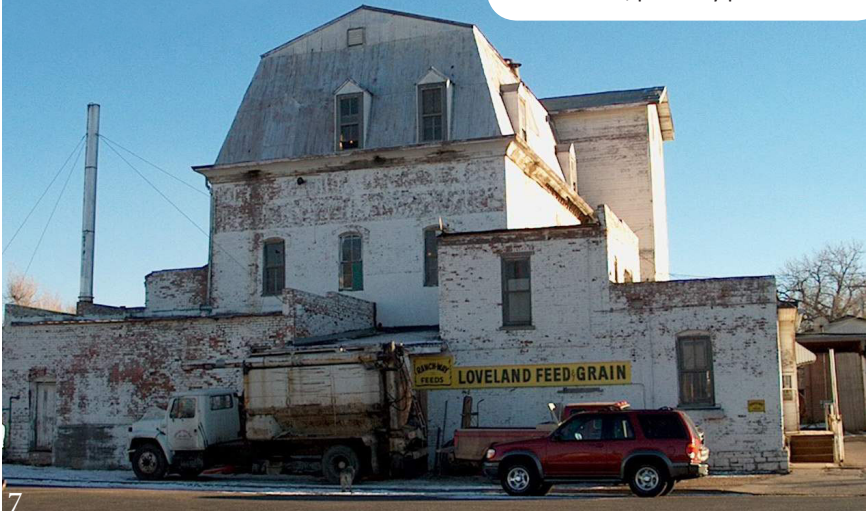
City: \$1,424,772

CO State: \$1,248,110

Private: \$568,498

Total: \$3,241,380

Estimated Loft Completion Cost: \$8.8 million, primarily private funds





# Gallery Flats



The City's purchase of the Home Partners is now halfway through State Bank branch office on the southwest corner of Sixth Street and Lincoln Avenue was intended to provide space for expansion of the Loveland Museum/Gallery.

But as the museum shifted its course in plans for expansion, so did the city in its strategy for redeveloping the Home State site.

Fort Collins-based Brinkman

is now halfway through construction of Gallery Flats, a five-story, 72-unit apartment building with ground-floor office and studio space designed for "live-work" occupancy.

When Gallery Flats opens in late spring 2014, Lincoln Avenue will become the City's first "canyon" street, running northward between the new project and the four-story Lincoln Place to the east.



Investment to date	
City:	\$3,042,039
Private:	\$808,600
<b>Total:</b>	<b>\$3,850,639</b>
Estimated Gallery Flats Completion Cost: \$9.9 million, primarily privately funded	



# Façade Grants

The Façade program was created and funded by Council in 2007.

The program provides for matching grants for façade improvements to buildings located primarily on 4th Street.

There are two grant options.

The Façade Matching Grant is a \$1/\$1 match up to \$12,500. The Façade Incentive Grant is equal to 100% of the façade improvement costs, capped at 10% of the total development costs. To date, Award totals are \$202,863.

**Table 3: Façade Grant Recipients**

Address	Recipient	Award	Total Cost
417-421 E 4th	Moca, LLC (KL&A)	\$59,000	\$1,100,000
301 E 4th	Heartland Café	\$12,500	\$29,295
247 E 4th	Stroh & Co	\$12,500	\$26,303
200 E 4th/330 N Cleveland	MDHF/ State Mercantile Building	\$48,639	\$590,000
315-319 E 4th	Odd Fellows	\$12,500	\$126,142
118 W 4th	Loveland Ale Works	\$35,000	\$390,000
336 E 4th	Awards Unlimited	\$10,224	\$20,448
103 E 4th	Elks Lodge	\$12,500	\$248,715
<b>Total:</b>		<b>\$202,863</b>	<b>\$2,530,903</b>



# Other Public Partnerships

## State Historic Fund Program:

The State Historic Fund provides grants for improvements to historic structures in Downtown Loveland. The grants have been used for capital improvements and historic structural assessments (HSA). The HSAs are the first step in the grant process. The report outlines and prioritizes the building needs, which becomes the basis for grant applications for capital improvements. The City has received grants for the Lincoln Hotel, Elks Building, Odd Fellows Building, Pulliam Building, and Lovelander Hotel.

## Brownfield Grant:

The City received a \$313,000 EPA Brownfield Clean-up grant for the Leslie the Cleaner building at 3rd and Lincoln. The grant was used for the environmental remediation of solvents and petroleum from the gas station and the dry cleaner.



2011



2012

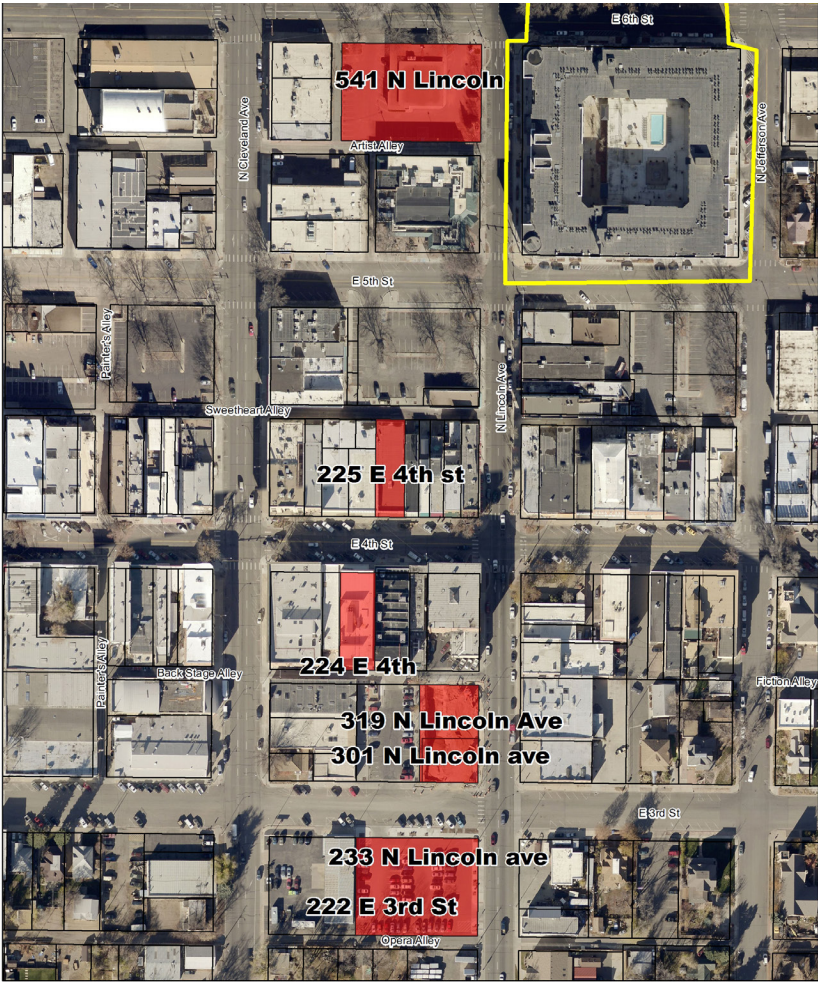
# City Property Acquisitions 2003-2013

A total of \$58,296,464 was invested in real estate purchases in downtown. The City of Loveland contributed \$3,276,300, making up 18% of the 2003-2013 downtown real estate purchases.

Note: This total includes only the most recent sale of any property that was sold multiple times between 2003 and 2013. The Net Public Investments (right) includes the loss and gain on investments in the Brinkmann and Rialto properties. Properties purchased by the City are shaded red in the map below.

**Table 4: COL Public Acquisitions 2003 - 2013**

Year Acquired	Property Address	Cost
2011	301 N Lincoln Ave	\$205,600
2009	233 N Lincoln	\$352,165
2009	222 E 3rd St	\$293,165
2009	319 N Lincoln	\$535,500
2009	224 E 4th	\$314,634
2007	225 E 4th St	\$475,000
2007	541 N Lincoln	\$1,100,236
<b>10-Yr Total Costs, Public Transactions:</b>		<b>\$3,276,300</b>
<b>10-Yr Net Public Investments:</b>		<b>\$2,413,618</b>



- Loveland Public Acquisitions
- Downtown URA
- Parcels



# How this study was done

This study describes real estate investments made within Loveland's original Downtown Urban Renewal Area (URA) since 2003. The scope includes the now-separate Finley Block URA, covering the Lincoln Place block, which was part of the original 2003 area.

Only completed investments are included in this work. Projects currently under construction, such as Gallery Flats at Sixth Street and Lincoln Avenue and Artspace Loveland Lofts on East Third Street, are not included in the data. However, these projects have been separately noted and described. The two categories considered in assembling the data are:

***Private Investment, including:***

- Investment value documented by building permits.
- Matching fund grants.
- Development fees paid.
- Other private investments (miscellaneous).

***Public Investment, including:***

- City loans and/or cash.
- Façade grants.
- Development fee waivers.
- State Historic Fund grants.
- Other City investments or public funding (miscellaneous).

## **Determining Improvement Investments**

City of Loveland building permit data for projects valued at a minimum of \$4,000 are the basis for numbers in this report. The data includes fees paid by private developers, and fee waivers offered to them. In some instances, mostly for older projects lacking specific records, fees and waivers are estimated. Examining archives of City Council proceedings also confirmed public investments in major projects, including City Council-approved loans and fee waivers or credits.

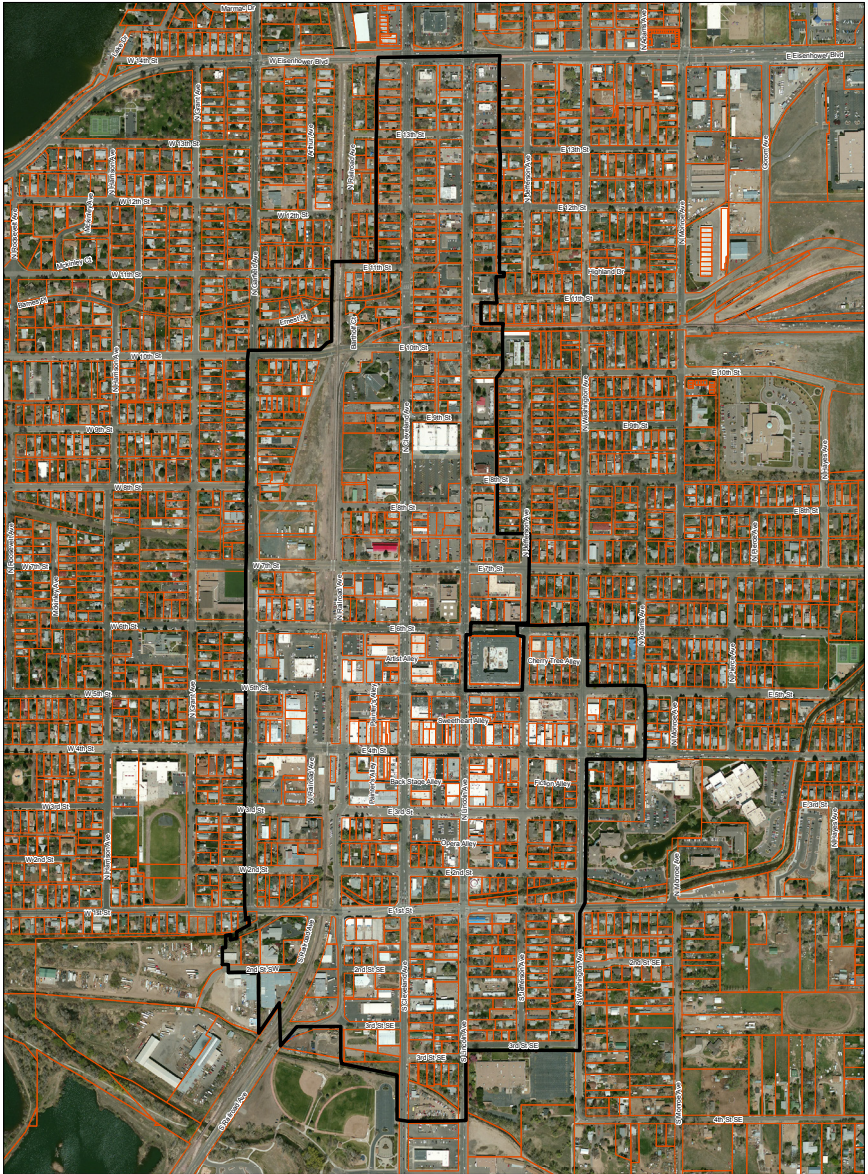
Additional data from City Economic Development and Finance files show totals for other types of investment, such as City of Loveland façade grants, State Historic Fund grants, and private matching grants. These types of investments are also examined separately within this report.

## **Determining Real Estate Investments**

Investments of interest within the Downtown URA, defined by the process described above, were also located in the Larimer County Assessor Property Explorer. By searching the pre-determined addresses, we were able to record property transactions that have occurred since 2003.

In some cases properties have been bought and sold more than once. Real Estate investments have been calculated twice—once including all multiple sale properties and again with only the most recent property sales included for each address. Finance files documenting city property purchases were used to calculate public investments in real estate within the Downtown URA. These public real estate investments include acquisition and sale transactions for properties that are still active project sites.

# Appendix A: URA & Study Boundary Map



- Downtown URA
- Parcels



NOTE: All calculations were made using best available data and should be considered approximate.

Date: 4/22/2013

