



Main Street Board of Directors Regular Meeting **Monday, July 14, 2025 at 8:30 AM** **Town Hall, 151 S. Banner Street**

Call to Order

Roll Call

Public Comment

This is a meeting of the Main Street Board of Directors held in public. We welcome you here and thank you for your time and concerns. When you are recognized, please stand and state your name and address to the Board. Your comments will be limited to 3 minutes. The Main Street Board of Directors may not respond to your comments during this meeting. Rather, they may take your comments and suggestions under advisement and your questions will be directed to the appropriate person or department for follow-up. Personal attacks against Board Members, Administrative Staff, or Employees will not be recognized. If a response from Staff is requested, the President will direct Staff to have a response at the next regularly scheduled Board meeting.

Agenda Changes

Consent Agenda

1. Minutes of the May 12, 2025 Regular Meeting

New Business

2. Discussion on Main Street Car Show
3. Discussion on 2025 Ornament Design
4. Discussion on Gesin Lot Redevelopment Report

Staff Report

5. Staff Report

Board Reports

Adjournment

Action may be taken on any and all items listed on the agenda.
Accommodations for disabilities may be made upon request.

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Main Street Board of Directors Regular Meeting

Monday, May 12, 2025 at 8:30 AM

Town Hall, 151 S. Banner Street

Call to Order

The Regular Meeting of the Elizabeth Main Street Board of Directors was called to order on Monday, May 12, 2025, at 8:33 AM by President Carrie Wedel.

Roll Call

Present:

President Carrie Wedel
Vice President Brandon Jeffress
Director Linda Bulmer
Director Michael Hussey
Director Jeff Struthers
Director David Cox

Absent:

Director Tedd Lipka

There was a quorum to do business.

Also in Attendance: Planner/Project Manager Alexandra Cramer, Planning Technician Dianna Hiatt, Deputy Town Clerk Harmony Malakowski

Public Comment

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There was no Public Comment.

Agenda Changes

No changes from Administration.

No changes from the Board.

Agenda set.

Consent Agenda

1. Minutes of the Regular Meeting for April 14, 2025

Motion by Director Hussey, seconded by Vice President Jeffress, to Approve the Minutes of the Regular Meeting for April 14, 2025.

Voting Yes: President Wedel, Vice President Jeffress, Director Bulmer, Director Hussey, Director Struthers, Director Cox

Voting No: None

Motion Passed (6-0)

New Business

2. Discussion on Mural Installation at 122 S Main Street

Ms. Cramer provided a report. Discussion followed.

3. Discussion on Public Art Initiative for Main Street

Ms. Cramer provided a report. Discussion followed.

4. Discussion on Videography Interns and Main Street Promotional Content

Ms. Cramer provided a report. Discussion followed.

Staff Report

5. Staff Report

- Planner/Project Manager Alexandra Cramer:
 - Streetscape
 - Facade Grant
 - Mural on 86 & Main
 - Main Street Promotional Video
 - Depot Parking Lot
- Planning Technician Dianna Hiatt provided an update regarding the address for the Depot Parking Lot.
- Ms. Cramer continued providing updates regarding:
 - Elizabeth Stampede Booth. Discussion followed.
 - Main Street Networking Event
 - Main Street Station
- Vice President Jeffress asked about having a Friday Night Market on Main Street. Discussion followed.
- Ms. Hiatt updated the Board regarding the table tent advertisements that will be distributed around Town.
- Ms. Cramer provided updates regarding:
 - Upcoming Workshop with the BOT in July.
 - Discussion followed regarding the Main Street Arch

Board Reports

- Director Hussey provided an update regarding the ornament design.
- Vice President Jeffress provided an introduction for a potential 3-D art concept for Main Street.

Adjournment

Motion by Director Hussey, seconded by Vice President Jeffress, to Approve the Adjournment at 10:00 AM.

Voting Yes: President Wedel, Vice President Jeffress, Director Bulmer, Director Hussey, Director Struthers, Director Cox

Voting No: None

Motion Passed (6-0)

President Carrie Wedel

Deputy Town Clerk Harmony Malakowski



TOWN OF ELIZABETH

COMMUNITY DEVELOPMENT DEPARTMENT

To: Main Street Board of Directors
From: Alexandra Cramer, AICP, Planner/Project Manager
Date: July 14th, 2025
Subject: Discussion on Main Street Car Show

Summary

Planning for the Main Street Car Show is progressing well with the event scheduled for Friday, September 5, 2025, from 5:00-7:00 pm. The First Friday Classic, Custom and Hot Rod Car Club has confirmed participation, and the special event application has been submitted with street closure notifications pending signatures.

The Depot lot construction will be finished, offering additional parking capacity. Public Works has confirmed availability of barricades and cones for street closure from 4:30-7:30 pm.

Marketing efforts are underway with promotion on social media, Elizabethmainstreet.org, and the Town of Elizabeth website. Flyers will be distributed to Main Street businesses with encouragement to remain open until 7:00 pm. Staff is coordinating live music options with speakers available as backup.

Staff Recommendation

Staff recommends the Board provide direction on the following event enhancement options:

1. **Food Truck Selection** - Dianna will call July 15 to schedule a food truck and requests Board preference if any
2. **Event Photography** – Jeff are you interested?
3. **People's Choice Award** – Decide on board support for offering a people's choice award (plaque or gift certificate to Main Street business)
4. **Additional Activities** - Decide on any door prizes, raffles, or giveaways to enhance attendee engagement

Budget Considerations

Costs may be incurred for:

- Event photography services
- People's choice award (plaque or gift certificate)
- Door prizes, raffles, or giveaways
- Highway 86 signage for event promotion

Specific budget amounts will depend on Board decisions regarding optional event enhancements.

Attachments

Event flyer and map

▪ PO Box 159, 151 S. Banner Street ▪ Elizabeth, Colorado 80107 ▪ (303) 646-4166
▪ Fax: (303) 646-9434 ▪ www.townofelizabeth.org



POWERED BY

Main Street



Welcome to Downtown

CAR SHOW

5:00-7:00PM

SEPTEMBER

5 2025

**Come enjoy this car exhibition
and feel the charm of
historic downtown Elizabeth!**

MORE INFORMATION

www.elizabethmainstreet.org

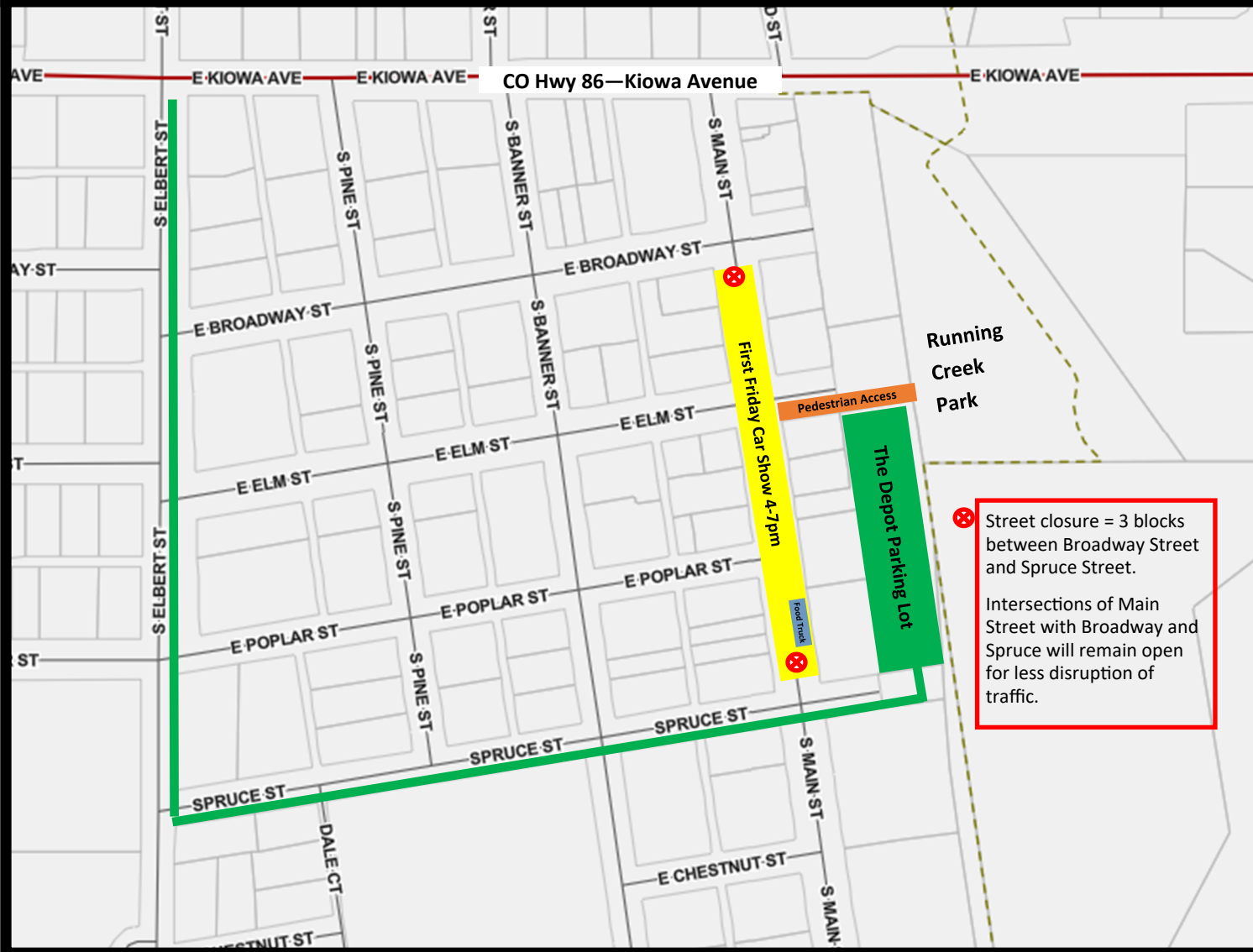
FIRST FRIDAY CLASSIC, CUSTOM AND HOT ROD CARS





Town of Elizabeth—Car Show September 5, 2025

Street Closure 4:30-7:30 pm





TOWN OF ELIZABETH

COMMUNITY DEVELOPMENT DEPARTMENT

To: Main Street Board of Directors
From: Alexandra Cramer, Planner/Project Manager
Date: April 14th, 2025
Subject: Discussion on 2025 Ornament Design

Summary

Per previous conversations at last month’s meeting as well as between staff, we are going to move forward with using the Section House as the inspiration for this year’s ornament. As a way to commemorate the founding of the town and its 135th birthday, Dianna has put together a draft of the insert card to be included in the ornament box.

In 2025, the Town of Elizabeth celebrates its 135th anniversary—incorporated on September 24, 1890. This year’s commemorative ornament features the Elizabeth Section House, built in 1882 for the Denver & New Orleans Railroad. It is believed to be the only remaining section house from that line and has since been restored for commercial use.

The town is named after Elizabeth Gray Hubbard, who visited the area in the late 1800s with her sister Margaret and her husband, former Territorial Governor John Evans. Evans, who helped build the D&NO Railroad, was naming depots along the route. When Elizabeth admired the beauty of one stop, he declared it should bear her name. The name stuck—and the town grew around the depot and a thriving lumber mill.

In 2025, the Town of Elizabeth celebrates its 135th anniversary—incorporated on September 24, 1890. This year’s commemorative ornament features the Elizabeth Section House, built in 1882 for the Denver & New Orleans Railroad. It is believed to be the only remaining section house from that line and has since been restored for commercial use.

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Staff Recommendation

Staff recommends the Board discuss this year’s ornament design and insert card.

Budget Considerations

N/A

Attachments

N/A



TOWN OF ELIZABETH

COMMUNITY DEVELOPMENT DEPARTMENT

To: Main Street Board of Directors
From: Alexandra Cramer, Planner/Project Manager
Date: July 14th, 2025
Subject: Discussion on Gesin Lot Redevelopment Report

Summary

As part of Elizabeth being named Colorado Main Street Community of the Year in 2024, DOLA Main Street Program provided professional development analysis by Ayres Associates at no cost to the Town. The Gesin Lot was selected given its strategic location and development potential within the Main Street district.

The consultant's analysis reveals both significant opportunities and challenges for the property. The Town currently owns a \$650,000 asset generating zero tax revenue while requiring ongoing maintenance costs. Prior to this analysis, the Town's October 2024 RFP for the property received zero responses, indicating substantial development barriers that the consultant's findings have now validated.

Key Findings:

Market Opportunity: Strong demographics exist within a 15-minute drive with 17,000+ residents and \$130,000+ median income. The Market Potential Index of 115 for premium dining indicates solid demand for the proposed mixed-use development with ground floor commercial (~12,000 sq ft) and 8-16 residential units above.

Financial Challenge: The project faces a \$700,000 funding gap even after accounting for private financing and developer equity. Total municipal investment required would be \$1.35 million, structured as land transfer (\$650,000), fee waivers (\$21,000), and gap funding (\$679,000 through structured financing rather than direct cash).

Regulatory Barriers: Current 30-foot height limits and parking requirements prevent economically viable development. The consultant recommends increasing height allowances to 45 feet and reducing parking standards to enable development feasibility.

Board of Trustees Policy Decisions Required

1. Financial Commitment for Development. The project has a \$700,000 funding gap after accounting for private financing and developer equity. Combined with the required land contribution, total municipal investment needed is \$1.35 million structured as:
 - Land transfer: \$650,000 (transferring Town property to developer)
 - Fee waivers: \$21,000 (waiving permits and impact fees)
 - Gap funding: \$679,000 (structured financing, not direct cash)

▪ PO Box 159, 151 S. Banner Street ▪ Elizabeth, Colorado 80107 ▪ (303) 646-4166
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TOWN OF ELIZABETH

COMMUNITY DEVELOPMENT DEPARTMENT

The gap funding could be addressed through forgivable loans, infrastructure contributions, or revenue-sharing agreements rather than upfront cash payments.

Required Board Decision: Will the Board of Trustees authorize \$1.35 million in municipal contributions (land transfer, fee waivers, and structured gap funding) to assist this development?

2. Zoning Modifications to Promote Development of the Lot. Current regulations prevent economically viable development (evidenced by zero RFP responses).

Required Board Decision: Will the Board of Trustees consider an increase to height limits to 45 feet and reduce parking requirements per the consultants recommendation? Additional options to consider include approve modifications for this site, district-wide changes, or maintaining current standards understanding future development is unlikely to occur?

3. Developer Selection Process. The consultant does not recommend a traditional RFP, noting quality developers prefer direct engagement.

Required Board Decision: Should Staff pursue direct outreach to qualified developers or issue another RFP? Additional options include researching comparable projects and approach proven developers directly or repeat the RFP process?

4. Municipal Oversight in the Selection and Control of the Project. The level of Town control affects project costs, timeline, and developer interest.

Required Board Decision: What level of design review and tenant approval will be required by the Board of Trustees? The options available are to rely on market-driven development with nominal oversight or specific requirements for development that could hamper and deter developers from proceeding?

5. Risk Management. Development projects involve inherent risks requiring clear management strategies.

Required Board Decision: What developer qualifications, performance bonds, and contingency plans are required? The options available include establishing specific standards now or addressing issues reactively if problems arise.

Staff Recommendation

Staff recommends the Main Street Board review the attached analysis and provide input on the development approach that best serves Main Street's long-term vision.



TOWN OF ELIZABETH

COMMUNITY DEVELOPMENT DEPARTMENT

Budget Considerations

N/A

Attachments

Gesin Lot Redevelopment Roadmap (Ayres Associates)

Data Findings



ELIZABETH Main Street

REDEVELOPMENT ROADMAP



COLORADO
Department of Local Affairs
Division of Local Government



Prepared for Elizabeth Main Street with support from the Colorado Main Street Program, a division of the Colorado Department of Local Affairs.



Completed by Ayres Associates
April 2025

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Statement of Purpose

The **Redevelopment Roadmap** is a **strategic plan** designed to guide the revitalization of a Main Street property. It serves as a **framework for decision-making** by the Main Street board about public investment, and community engagement, aligning short-term actions with long-term goals for economic vitality, placemaking, and preservation.

At the core of this report is **Colorado Main Street's** commitment to helping partner communities build local capacity to take on complex rehabilitation projects. The **Redevelopment Roadmap** includes a real estate analysis and preliminary cost estimates to support decision-making and identify potential financing strategies and grant opportunities. Ultimately, the work is intended to support Elizabeth's broader goals of activating Main Street, preserving key historic assets, and encouraging development that contributes to a vibrant and economically resilient downtown.

Background

This Redevelopment Roadmap focuses on the Gesin Lot, located at the corner of Highway 86 (Kiowa Avenue) and Broadway Street, the gateway to Elizabeth's historic district. To support the goal, a financial analysis is provided in an Excel spreadsheet, offering a clear breakdown of cost estimates and anticipated funding gaps. Additionally, we've included a glossary of common financial terms, along with detailed recommendations to help guide the next steps and inform decision-making.

To encourage redevelopment, the town issued a Request for Proposals (RFP) seeking a private developer to partner on a real estate project that aligns with the district's historic character while adding new retail, commercial, and housing options. No proposals were received and the project stalled. The RFP listed the minimum asking price at \$645,000. The value was based on comparable land sales.

In coordination with Main Street staff, we conducted a site walk to visually assess the Lot and its surroundings. This first-hand observation provided insight into the layout, constraints, and redevelopment potential, offering valuable context for shaping future development scenarios.

Project Summary – Gesin Lot – Development Project

The following provides a quick overview of the information:

SITE	Gesin Lot, 28,314 SF at the gateway to downtown Elizabeth; town-owned; currently used for events and overflow parking.
VISION	Mixed-use with retail and restaurant on ground floor; residential units above; destination-style development.
ZONING	Downtown (DT) zoning allows mixed uses, and zero front setbacks; it requires flexibility in height and parking.
PARKING	Code requires 2 res. spaces/unit + 1/200 SF commercial; only ~28 spaces feasible onsite; recommends reductions. The Town also offers a fee-in-lieu of \$5,000 per required parking space for non-residential uses
BUILDING HEIGHT	The height limit is 30'; allows only tight 2 stories; recommends up to 45' with setbacks for 3-story development.
MARKET POTENTIAL	Strong 5-, 10-, and 15-min drive time demographics; MPI of 115 for premium dining; strong potential for retail & fitness.
DEVELOPMENT PROGRAM	6 commercial units (~12,000 SF); 8-16 residential units (~8,500–10,000 SF); 18–20 parking spaces.
COST ESTIMATE	Estimated TDC: \$7.5M; hard costs at \$170/SF; soft costs ~23%; includes 15% contingency.
REVENUE ESTIMATE	Commercial rent at \$21.88/SF NNN; residential units at \$1,975–\$2,228/mo; NOI: ~\$556,063; residual: ~\$111,213.
FINANCING	Supports ~\$5.1M debt (7% interest); Town contributes land and fee waivers; developer contributes 10% equity.
GAP	An estimated funding gap of ~\$700,000 remains after contributions and incentives.
KEY RECOMMENDATIONS	Engage developers directly, ease code limits, create General Improvement District for parking, define a clear vision, and refine the financial model.

Community Vision

Town and Main Street staff expressed strong interest in a development that adds vibrancy and nightlife to downtown Elizabeth. Ideally, the project would be mixed-use, featuring residential units above ground-floor retail and commercial spaces. Both the town and the Main Street district seek a family-friendly destination in Elbert County that complements the area’s historic character and catalyzes future investment.

Existing Conditions

The Gesin Lot is a 28,314-square-foot parcel owned by the Town of Elizabeth, located at the northern entrance to the Main Street District. The town is currently making substantial infrastructure investments along the Main Street streetscape to support and encourage future private development. Improvements include new sidewalks, curb and gutter, lighting, landscaping, ADA improvements and pedestrian crossings. Overall, the site is largely flat, though there is a slight elevation in the southwestern corner of the lot.

A significant mixed-use project — including both retail and residential components — is planned just a few blocks south, further signaling momentum in the district. There is also another large project planned west of the district along Kiowa Avenue. These developments are significant and will greatly influence development interest and bank financing opportunities should they go forward.

The Gesin Lot was previously the site of a grocery store and gas station, both of which have been removed. Environmental clearances for the site are available through the town. Today, the lot serves as overflow parking and a venue for community events such as the summer farmers market.



Jac's Restaurant is located immediately adjacent to the property along Kiowa Avenue. The neighboring parcel to the east, along Broadway Street, is mostly vacant aside from a few small structures and a trailer. While this adjacent property could potentially be incorporated into a larger development footprint, town staff noted that the property owner has not expressed interest in discussions at this time. Redevelopment Analysis

ZONING ANALYSIS

As outlined in the RFP, the proposed development project is consistent with the standards outlined in the town's Comprehensive Plan and is located in the Downtown Zone (DT) district. The DT district allows for a range of uses, from retail to residential to promote pedestrian activity and encourage a "live-work-play lifestyle." There is no maximum lot coverage requirements, no setback requirements for the front of the building and a 5 foot setback requirement for the rear of the building.

While the district provides greater flexibility in use, the parking and height restrictions are discussed in more detail and should be reviewed as part of the developer recruitment process.

Parking Requirements

The parking requirements for the DT district are as follows:

- **Residential:** Two parking spaces for every residential dwelling.
- **Retail:** One space for every 200 square feet of usable floor area.
- **Office/Commercial:** Once space for every 200 square feet of usable floor area.
- **Restaurants/Bars:** One space for every four seats, or one space for every 500 square feet of usable floor area, whichever is greater.

The town offers a 20% reduction for any project in the Downtown Zone for non-residential land use with a \$5,000 per space fee. The revenue is then dedicated to shared parking facilities in the downtown area.

Assuming a Floor Area Ratio (FAR) of 70% and a requirement to dedicate 5% of the site to vegetation, approximately 7,078 square feet ($28,314 \times 0.25$) remain available for on-site parking. Based on a standard layout with a 20-foot two-way drive aisle and 90-degree parking, this would accommodate roughly 28 parking stalls.

At a maximum 70% FAR, the building **footprint** could be up to 19,819 square feet. Assuming an 85% efficiency rate, that translates to about 16,846 square feet of usable space for retail or commercial purposes on the first floor. This amount of commercial area would require approximately 56 to 84 parking spaces, depending on use type and local code requirements.

If the building includes a second-floor residential component, as envisioned by the community, an additional 15 to 16 housing units could be added. This would further increase the total parking demand to between 86 and 116 stalls—well beyond what can be accommodated on-site under current constraints.

The town should consider reducing parking requirements to encourage more efficient use of developable space. In most downtown core areas, typical standards range from 0.75 to 1 space per bedroom for residential use and 1 to 3 spaces per 1,000 square feet for commercial uses. For commercial spaces, requirements can often be reduced or waived when on-street parking is available or through fee-in-lieu arrangements.

Staff has noted that there is flexibility within the existing parking standards, and the town is also exploring the possibility of expanding public parking.

Building Height

Under current code, building height is limited to 30 feet, measured from the average finished grade to the highest point on the roof surface. This restriction effectively limits development on the site to two-story buildings.

For a two-story mixed-use building, typical ground floor commercial space requires 12 to 15 feet of vertical clearance, depending on the specific use. In particular, restaurants require a minimum of 12 feet, with 14 to 18 feet being standard to accommodate ductwork, acoustics, and lighting. Upper-floor residential units typically require 9 to 12 feet, depending on unit quality and design.

While it's theoretically possible to fit three stories within the 30-foot height limit, the resulting space would be cramped and unlikely to support the type of destination-quality development the community envisioned.

Floor to Floor Height v. Clear Ceiling:

Floor to Floor height refers to the total height from the top of one finished floor to the top of the next floor above it. This includes the structure, ductwork, drop ceilings and all the space that you don't see. This is more commonly used by architects and builders when stacking floors.

Clear Ceiling refers to the height from the floor to the bottom of the ceiling. This is more important for the tenants and users because it impacts how spacious the room feels, lighting and acoustics.

USE	FLOOR TO FLOOR HEIGHT	NOTES
RETAIL – GENERAL	12 – 14 FEET	Allows for better lighting, transom windows, signage, ductwork, and storage. Higher ceilings help create an open, inviting atmosphere for customers.
RETAIL – RESTAURANTS	14 – 18 FEET	Accommodates extensive ductwork, lighting, and acoustic needs. While casual restaurants may use lower ceilings, most developers prefer a minimum of 14 feet for leasing flexibility.
COMMERCIAL – OFFICE	12 – 14 FEET	Older buildings often have 10-foot ceilings, but modern office construction typically ranges from 12 feet, with Class A office space reaching 13–15 feet for enhanced daylighting and duct routing.
RESIDENTIAL	9 – 12 FEET	Market-rate residential units generally target 10 feet or more. Affordable housing may be below 10 feet to increase unit density and reduce construction costs.

To support vibrant, pedestrian-oriented development, the town should consider height allowances for buildings with upper-floor stepbacks. This approach allows for additional building height while preserving the street-level character and walkability that define successful historic downtowns. Such allowances are commonly used in other communities to maintain local charm while giving developers the flexibility needed to deliver high-quality mixed-use projects.

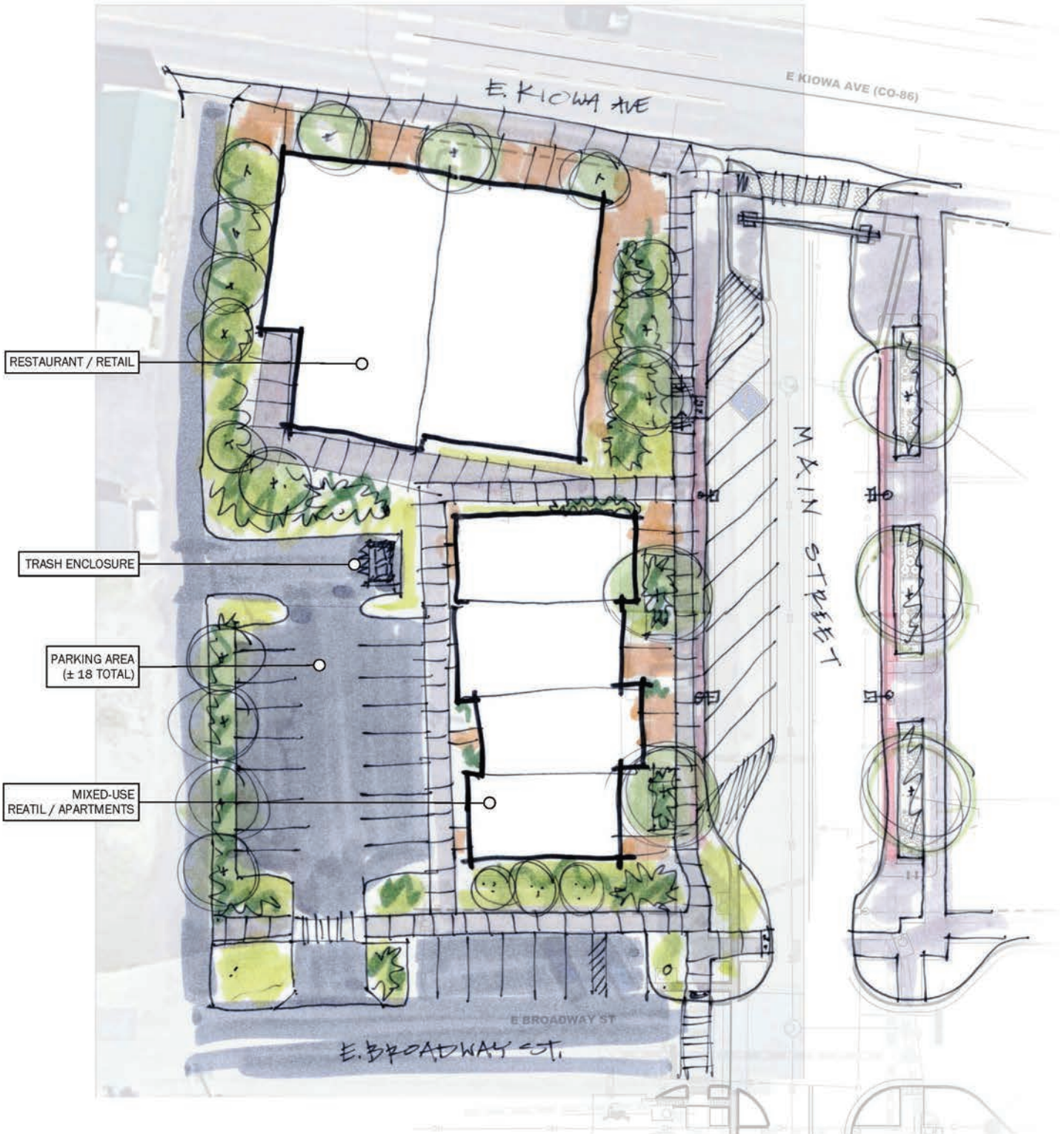
Redevelopment Analysis

The site offers a significant opportunity to transform the Town of Elizabeth. However, a ground-up development of this scale requires a long-term, patient approach.

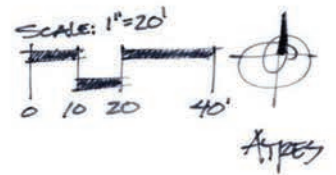
Projects of this size and complexity typically take at least two years to plan and to approve a development agreement. Permitting and construction can add another year, and potential delays or shifts in market conditions could further extend the timeline. As such, the town should conservatively plan for a five-year horizon to accommodate marketing, visioning, negotiation, permitting, and construction.

To support the redevelopment analysis, we have prepared a concept plan that aligns with the town's overall goals while addressing the site's opportunities and constraints. The plan proposes retail frontage along Kiowa Avenue (HWY 86), including two commercial units, one of which is intended for a restaurant.





CONCEPT SITE PLAN 165 MAIN STREET
ELIZABETH, CO



The rough program is outlined here:

USE	UNITS	~SQ/FT	NOTES
COMMERCIAL	6	~12,000	Units fronting Kiowa Avenue provide the highest visibility and exposure. These would be the intended for restaurant space.
RESIDENTIAL	8 – 16	8,500 – 10,000	The concept includes a second floor with residential units in the building fronting Main Street. A partial second floor is also envisioned for the building along Kiowa Avenue.
PARKING	18 – 20	5,775	The concept plan envisions a small parking lot with access through the alley. The parking lot also contemplates a trash enclosure for tenant use.
LANDSCAPING	15% OF SITE	5,665	Landscaping is included to meet requirements.

The commercial units along Main Street are intentionally designed at a smaller scale to create a smooth transition into the historic commercial core. Their size makes them well-suited for boutique retail, coffee shops or an ice cream store, a small bar, or professional office space.

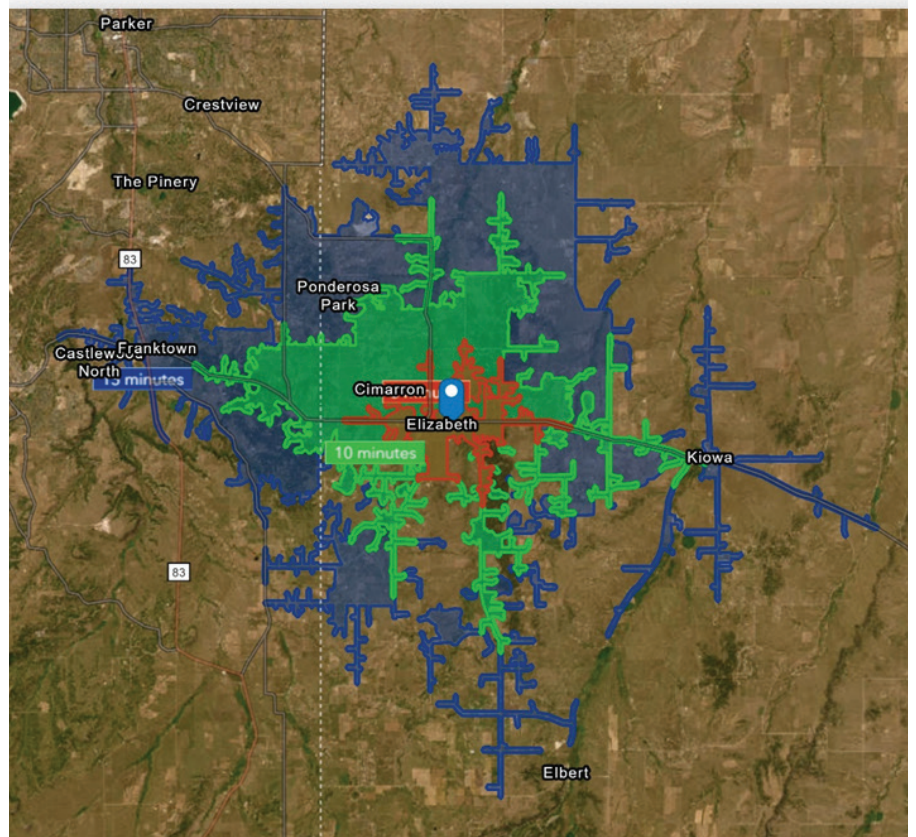
To accommodate a functional restaurant layout, the building is designed with an 80-foot depth. This provides adequate space for back-of-house operations, cold storage, trash removal, and rear customer access. Prominent visibility along Kiowa Avenue will also be an important factor in supporting the restaurant’s success.



Market Analysis

For the market analysis, the report explores the potential within 5–10–15-minute drive time of the Gesin Lot. Drive times provide a much better analysis of the market conditions and is more likely to be used by private developers to assess market potential.

Elizabeth presents a strong local market, supported by strong population growth projected over the next five years. Additionally, median household income exceeds the state average, signaling significant potential for discretionary spending.



DRIVE TIME	2024 POPULATION	2029 POPULATION	GROWTH (2024–2029)	2024 HOUSEHOLDS	2029 HOUSEHOLDS	MEDIAN HH INCOME (2024)
5 Minutes	2,807	2,994	+6.7%	1,019	1,111	\$119,850
10 Minutes	7,543	7,727	+2.4%	2,744	2,866	\$126,376
15 Minutes	16,630	17,676	+6.3%	6,061	6,526	\$130,402

According to ESRI data, 24% of the population dines out at least four times per month, indicating a strong dining culture and a preference for premium experiences. This is further supported by an ESRI Market Potential Index (MPI) of 115 for individuals spending \$201 or more per restaurant visit.

Based on this data, the site is well-suited for a **mid-scale or high-end sit-down restaurant**. Given the market's preference for quality over convenience, coffee shops or boutique eateries are also an opportunity. This demonstrates a strong possibility for attracting an anchor restaurant tenant for the space facing Kiowa Avenue.

The outlook for non-restaurant retail is more nuanced. While overall consumer spending is high, online retailers currently capture a large share of the market. That said, there are clear opportunities for brick-and-mortar growth in women's apparel, home goods and furnishings, and pet care. In addition, the area shows a strong demand for fitness and recreation services, suggesting potential for a yoga studio, boutique fitness center, or small gym, which could fill out the smaller commercial units along Main Street.

LIMITING FACTORS

While Elizabeth is considered an attractive community for investment, a mixed-use project of this nature has not yet been

completed. As a result, developers, investors, and lenders may be cautious about whether the market can support both the residential and commercial components.

In many cases, developers prefer to follow proven models rather than be the first to test a market. The success of the nearby development further along Main Street will likely serve as a key reference point. Stakeholders will closely watch how quickly the units lease and at what rates, using that information to gauge future feasibility.

It's also important to note that the Town of Elizabeth has limited experience managing a project of this scale and complexity. A capable developer will evaluate the town's political will and its ability to navigate challenges that may arise during the development process. Given the project's multi-year timeline, building a strong, trust-based relationship with a private sector partner will be essential to its success.

CONTRIBUTING FACTORS

In addition to strong market conditions, the town's control of the property and ongoing infrastructure improvements demonstrate a clear commitment to the project. These investments send a strong signal to developers that the town is serious about supporting downtown redevelopment.

Market Potential Index (MPI):

ESRI calculates the MPI by comparing the local consumption rate (the expected number of consumers for a product or service in a given area divided by the total population of that area) to the national consumption rate for that same product or service.

An MPI of 100 represents the national average, while values greater than 100 indicate higher demand and values less than 100 indicate lower demand in that specific area.

MPI is used by developers to identify areas with higher demand for a new location.

Financial Analysis

Please note that the concept plan and financial analysis are intended to support decision-making, guide developer negotiations, and help identify potential funding gaps. This information is not intended to serve as financial advice regarding debt issuance, bonds, or any other form of public securities. As in any construction project, cost estimates need to be refined through the design development phase and with the assistance of licensed architects and engineers.

The following information is provided:

- Preliminary financial analysis and operating statement
- Preliminary estimate of development cost and project revenue
- Opportunities and approach to redeveloping the building

The concept encompasses two buildings of roughly 12,000 square feet and 10,000 square feet along with additional site improvements for landscaping, parking and stormwater utilities.

PRELIMINARY ESTIMATE OF COST

The town listed the property for sale at \$650,000, or approximately \$22.96 per square foot. Given its unique location and access to existing infrastructure, the price is considered reasonable for the market. The town may also choose to leverage this equity to support a development project that aligns with its goals.

Given the recent rise in construction costs, the estimates for the total development cost range from **\$5.9 million** at \$125 sq/ft to **\$10.2 million** at \$250 sq/ft. For this exercise, the analysis uses \$170 sq/ft which is a reasonable starting point for a low-rise mixed-use building in the middle range of quality and finish.

Please note that this estimate is based on basic construction to a **vanilla core and shell** standard. Additional investment will be required by commercial tenants to complete interior buildouts tailored to their specific use. Tenant finish costs are expected to range from **\$50 to \$400 per square foot**, depending on the type and quality of the retail space.

Vanilla Shell: A vanilla shell, sometimes referred to as a white box, refers to a commercial space that has been partially finished to a basic condition that allows the tenant to finish for their specific use. Generally, this includes:


- Finished walls painted white.
- Basic lighting
- Concrete floor
- HVAC system
- Electrical and plumbing connections
- Restrooms may or may not be completed.

As an example, a yoga studio or a clothing store with simple flooring, modest lighting and a reception area would likely cost around \$50 to \$100 per square foot. Conversely, a restaurant with a full commercial kitchen with specialty plumbing, and higher end flooring and lighting, would likely range from \$300 to \$400 per square foot.

As a courtesy, the formatted spreadsheet will be provided to the town staff. The spreadsheet can be used as a tool to track any ongoing project costs and assist with developer negotiations.

Hard Costs

In recent years, inflation has caused the price of construction materials and equipment to increase substantially. For that reason, the hard cost is estimated at \$170 sq/ft, covering each of the two buildings. Additional allowances are added to cover the cost of the shared parking, landscaping, utilities and drainage.

 Space Use/Square Foot Hard Costs Worksheet				
		Sq/Ft	Cost/Sq Ft	Extension
Acquisition Cost		28,314	\$ 22.96	\$ 650,000
Site Work - Allowances				
Utilities		28,314	\$ 6.00	\$ 169,884
Drainage		28,314	\$ 5.00	\$ 141,570
Parking		5,773	\$ 15.00	\$ 86,595
Landscaping		5,665	\$ 25.00	\$ 141,625
Other		-	\$ -	\$ -
Building Construction				
Building #1 (Kiowa Avenue)		12,000	\$ 170.00	\$ 2,040,000
Building #2 (Main Street)		10,000	\$ 170.00	\$ 1,700,000
				\$ -
TOTAL				\$ 4,279,674
Total				\$ 4,929,674

Soft Costs:

Soft costs typically range from 15% to 30% of a project's total cost. In this estimate, soft costs include contractor fees, permits, insurance, and general overhead and profit. A developer fee of 7% has been included, which may also be used to meet local match requirements for state housing grants—should the town and Developer choose to designate the residential units as affordable.

A 15% contingency has been applied, which is higher than usual but appropriate given the project's extended timeline. Since construction may not begin for another 2 to 3 years, the larger contingency serves as a buffer against potential cost escalations. With further design details from licensed professionals, this contingency could be reduced to around 5%.

Overall, soft costs represent approximately 23.2% of the total project cost, which falls within industry norms. Including the contingency, the Total Development Cost is estimated at approximately \$7.5 million.

What is a “developer fee” and how can it be used as a local match: A developer fee is compensation paid to the developer for the time and risk involved in a real estate development project. This includes cost of project management, securing financing, and pre-development costs. Developer fee can range from 5% to 15% depending on the nature of the project and is included as a project cost when obtaining financing or securing investments.

In public projects, or affordable housing projects, typically the funders set a cap on the developer fee and allow a portion to be credited back. In the financial analysis, the developer is taking a 7.5% developer fee, or \$320,9706. (see *Total Development Cost Worksheet – Soft Costs*)

50% of the fee is credited back to the project, or \$160,488 by the developer. (see *Sources and Uses Worksheet – Equity Contributions*)

The \$160,488 is considered a “local match” for grant and funding purposes.



Total Development Cost Budget Worksheet

Acquisition			\$ 650,000
	Land	\$ -	
	Building	\$ -	
	Title Insurance	\$ -	
	Closing & Recording Costs	\$ -	
Hard Costs			\$ 5,071,414
	Hard Costs (Cost Worksheet)	\$ 4,279,674	
	Subcontractor's Costs		
8.0%	General Contractor - General Conditions	\$ 342,374	
10.0%	General Contractor - Overhead and Profit	\$ 427,967	
0.5%	Local Permitting	\$ 21,398	
Soft Costs			\$ 1,732,005
	Professional Fees	\$ 432,247	
7.0%	Architectural & Engineering Fees	\$ 299,577	
0.5%	Surveyor	\$ 21,398	
0.0%	Environmental Consultant	\$ -	
1.0%	Attorney	\$ 42,797	
0.5%	Accountant	\$ 21,398	
0.1%	Appraiser	\$ 4,280	
1.0%	Marketing Research	\$ 42,797	
	Developer Fees	\$ 320,976	
7.5%	Developer Fee	\$ 320,976	
0.0%	Owner's Representative/Project Manager	\$ -	
	Financing Fees	\$ 65,928	
0.1%	Title Insurance	\$ 5,071	
0.1%	Loan Origination & Bank Fees	\$ 5,071	
0.1%	Closing & Recording Fees	\$ 5,071	
0.5%	Real Estate Taxes	\$ 25,357	
0.5%	Interest Expense	\$ 25,357	
	Other Fees (Enter Direct Cost)	\$ 152,142	
1.0%	Broker	\$ 50,714	
1.0%	Lease-Up	\$ 50,714	
1.0%	Marketing	\$ 50,714	
	Contingency	\$ 760,712	
15.0%	Contingency	\$ 760,712	
Total Development Costs (TDCs)			\$ 7,453,419

OPERATING STATEMENT:

The Operating Statement summarizes the revenues and expenses for the three commercial units. It is used to assess the property's financial performance and profitability.

Commercial units are projected to lease at **\$21.88 per square foot** (NNN). Residential rents are estimated at **\$1,975 per month** for one-bedroom units and **\$2,228 per month** for two-bedroom units.

The commercial rent estimate is based on market data from CoStar (www.costar.com), a leading source for current commercial real estate information. Residential lease rates are derived from publicly available data on Zillow, Trulia, and similar platforms. If the residential units are designated as affordable, lease rates would be adjusted downward based on the targeted income levels.

Using the lease rates above, the project yields a Net Operating (NOI) of \$556,063 and a residual income of \$111,213. The NOI is used for debt service and the residual income is used to pay equity investors or secondary debt.

In real estate, "NNN" stands for Triple Net Lease. For this type of lease agreement, the tenant not only pays the base rent but three additional expenses:

- Property Tax
- Insurance
- Maintenance

The "Nets" as they are sometimes referred to can add an additional \$7 - \$20 per sq/ft to the base rent.



Proforma Operating Statement

Income/Lease Revenue

Gross Rents - Commercial	Square Feet	Rent - Square Foot	Extension
Unit #1 (KIOWA)	3,600	\$ 21.88	78,768
Unit #2 (KIOWA)	3,600	\$ 21.88	78,768
Unit #3 (Main)	1,250	\$ 21.88	27,350
Unit #4 (Main)	1,250	\$ 21.88	27,350
Unit #5 (Main)	1,250	\$ 21.88	27,350
Unit #6 (Main)	1,250	\$ 21.88	27,350

Gross Rents - Residential	# of Units	Monthly Rent	Extension
Kiowa (1-bed)	4	\$ 1,975	94,800
Kiowa (2-bed)	2	\$ 2,228	53,472
Main (1-bed)	6	\$ 1,975	142,200
Main (2-bed)	4	\$ 2,228	106,944

Gross Rents - Annual		\$ 664,352
Vacancy Loss	7%	\$ (46,505)

Effective Grosse Income (EGI - Net Rents) \$ 617,847

Operating Expenses

Fixed Expenses	2%	\$ 12,357
Variable Expenses	3%	\$ 18,535
Operating Reserves	5%	\$ 30,892
Total Operating Expenses	10%	\$ 61,785

Net Operating Income \$ 556,063

Debt Coverage Ratio (DCR) \$ 1.25

Revenue Available for Debt Service \$ 444,850

Total Debt Service \$ 444,850

Debt Service (1st Mortgage) 444,850

Debt Service (2nd) 0

Debt Service (3rd) 0

Residual Income (Developer Profit) \$ 111,213

Sources and Uses Statement

The Sources and Uses Statement outlines how the project will be financed (sources) and how those funds will be allocated (uses). This statement is a critical tool for evaluating the project's financial structure and overall feasibility.

Based on projected income, the development is expected to support approximately \$5.1 million in debt at a 7% interest rate. This estimate assumes the town contributes the land as equity, the developer credits a portion of their fee back into the project and also contributes at least 10% in equity.

When evaluating a development partner, it is important to verify their financial commitment. A qualified developer should have meaningful "skin in the game", typically no less than 10% of total project costs.

While the town may be hesitant to contribute the land upfront, there are alternative structures that preserve long-term value. For example, the town could enter into a development agreement that defers compensation until a future sale, allowing the town to receive a share of sale proceeds under defined terms and conditions in exchange for the land contribution. For the purposes of this analysis, the value of the land is credited back as equity to the project.

Even with the land contribution and approximately \$21,298 in fee waivers, the project currently shows a **funding gap of about \$700,000**. For a project of this size, an experienced developer should be able to identify additional cost savings. However, tenant improvements (TI) for the commercial spaces will still need to be addressed. In some cases, these costs can be amortized into lease agreements; in others, developers may need to cover TI costs out of pocket to attract high-quality tenants.



Sources & Uses of Funds Worksheet

Costs - Uses of Funds

Acquisition		\$	650,000
Hard Costs		\$	5,071,414
Soft Costs		\$	1,732,005
Total Uses of Funds		\$	7,453,419

Financing - Sources of Funds

Equity Contributions

State Housing Grant		\$	-	\$	-
Land/Building Equity		\$	650,000	\$	650,000
Developer Fee	50%	\$	160,488	\$	160,488
Developer Equity	10%	\$	745,342	\$	745,342
Fee Waiver		\$	21,398	\$	21,398
Other		\$	-	\$	-
Other		\$	-	\$	-
Other		\$	-	\$	-
Total Equity Contributions		\$	1,577,228	\$	1,577,228

Debt Financing

First Mortgage	Bank Loan			\$	5,184,098
	Interest Rate	Term	Constant Annual Pymt		
	7.00%	25	0.0858	\$	444,850
	Total Debt Service & Debt			\$	444,850
				\$	5,184,098

Total Sources of Funds **\$** **6,761,326**

Project Financial Gap **\$** **692,093**

PROJECT FUNDING GAP (RED)

PROJECT FINANCIAL VIABILITY (GREEN)

Recommendations and Next Steps

The following recommendations are intended to guide the Town of Elizabeth and Elizabeth Main Street in taking the next steps to support the successful infill development project. The recommendations outline key actions to address existing challenges, strengthen partnerships, and position the project for a development partner. Together, these steps will help advance a shared vision for a vibrant, economically resilient Main Street.

1. INCORPORATE FLEXIBILITY INTO BUILDING HEIGHT AND PARKING REGULATIONS.

Why: As noted in the analysis, the current height and parking requirements significantly restrict the site's development potential. Ideally, the code would allow building heights up to 45 feet to accommodate three stories, but even an increase to 36 feet would enable well-designed two-story buildings. Additionally, residential parking requirements should be reduced to reflect the site's urban setting, and the code should clearly state that on-street parking is permitted as part of the requirement. The town should also continue to pursue additional public parking options to support the commercial users.

Action: Engage the community in a discussion about allowing **reasonable height variances** for the Gesin Lot. While building heights may be a sensitive issue, the town should present the facts objectively using **construction standards and development constraints** to explain why greater flexibility is needed.

Action: Explore the creation of a **General Improvement District (GID)** in the downtown area to support shared parking solutions. A GID can generate dedicated revenue for acquiring parking spaces and covering ongoing maintenance costs such as snow removal. This initiative could be paired with a reduction in on-site parking requirements for downtown properties, offering a balanced trade-off in exchange for the additional mill levy.

2. EXPLORE ALTERNATIVE APPROACHES TO MARKETING THE PROPERTY BEYOND THE TRADITIONAL MUNICIPAL REQUEST FOR PROPOSALS (RFP) PROCESS.

Why: High-quality developers rarely respond to standard municipal RFPs. These developers are typically in demand, have active project pipelines, and are unlikely to engage in lengthy, **bureaucratic selection processes**. While RFPs have a place—particularly when required by statute—they are often counterproductive in the context of a large-scale public-private partnership, where flexibility, negotiation, and relationship-building are essential to success.

Action: Before issuing an RFP, research comparable development projects along the Front Range—especially those that reflect the quality and character the community envisions for the Gesin Lot. Identify the developers behind those projects and reach out to schedule in-person meetings at their offices. Use these meetings to introduce your project, gather feedback, and gauge interest. Come prepared with **reliable market data** and a clear vision of what the town is seeking, including what you are willing to contribute to make the project feasible. **Let the developer share their vision**. In many cases, allowing space for open dialogue can lead them to self-identify as a strong partner for the project.

Action: After holding initial conversations and confirming mutual interest with potential developers, consider issuing a streamlined **Request for Qualifications (RFQ)**. This can be as simple as requesting a letter of interest rather than a full proposal. Keep the process **focused and efficient**. Remember, developers will also be evaluating the town's responsiveness. If they're expected to take on the risk of a project like this, they'll want to know they can count on a consistent and reliable municipal partner.



3. DEFINE A CLEAR VISION, OUTLINE A TRANSPARENT PROCESS FOR EVALUATING DEVELOPERS, AND SPECIFY WHAT THE TOWN IS PREPARED TO CONTRIBUTE TO THE PROJECT

Why: A **clear vision** is essential, remember - investment follows vision. Developers can't respond effectively if the community doesn't know what it wants. They also need to trust that the town will be a reliable partner, especially as they take on the risk of navigating local political dynamics. Being decisive, transparent, and prepared to articulate what the town is willing to contribute—and what it expects in return—is key to building that trust. Uncertainty and delays are costly, and nothing frustrates a developer more than indecision.

Action: Develop a **clear vision** for the project that considers future tenants and residential needs. At this stage, the vision should remain broad, focusing on how the project will meet overall community needs and contribute to the vitality of the downtown district. Avoid getting bogged down in minor design details, such as façade colors, and allow for flexibility that offer room for **developer creativity** and market realities.

Action: Prior to engaging in negotiations, agree to an **“Exclusive Right to Negotiate”** (ERN) with the developer. The ERN should include clear timelines with the expectation that it will result in a long-term development agreement.

4. REFINE THE FINANCIAL MODEL WITH MULTIPLE SCENARIOS

Why: The current financial analysis serves as a baseline, offering a single estimate based on current conditions and assumptions. As more detailed design and site information becomes available, the model should be updated to reflect changing variables. A flexible model allows the board to evaluate multiple options and make more informed decisions.

Action: Use the provided Excel model as a dynamic tool—updating it regularly as new data is gathered. Explore phased development options and test different design scenarios. The model should support negotiations with developers by clearly identifying project gaps, financial feasibility, and the justification for any additional public investment.

Glossary of Terms

As-Built Plans: As-built plans provide a precise record of the building as it was constructed, including any modifications made during construction. This is crucial for future reference, maintenance, renovations, and repairs.

Cash Flow: The net balance of cash moving into and out of a business at a specific point in time.

Debt Coverage Ratio: A measurement of a firm's available cash flow to pay current debt obligations.

Effective Gross Income: The potential gross rental income plus other income minus vacancy and credit costs of an investment property.

Fixed Expenses: Cost that do not vary based on occupancy. This may include insurance and property taxes.

Hard costs are generally defined as those items associated with construction, including materials, labor, and equipment. Hard cost also includes contractor overhead and profit.

Net Operation Income: All revenue from the property, minus all responsibility necessary operating expenses

Operating Reserves: Cash reserve set aside for planned replacement not covered under insurance. This may include roof replacement, HVAC systems or other mechanical system.

Soft Costs refer to costs associated with the architecture and design fees, sales commissions, legal fees, and other expenses not directly related to building materials and labor.

Total Operating Expenses: Total expenses that are incurred over a given period of time as a result of normal business activities.

Variable Expenses: Costs that vary with occupancy. This can include repairs, trash removal, utilities, and property management fees.



TO: Main Street Board of Directors
FROM: Alexandra Cramer, AICP, Planner/Project Manager
DATE: July 14th, 2025
SUBJECT: Staff Report

STAFF REPORT

1. Streetscape Construction Update

- a. PW has created a list of items that need to be fixed along Main Street and is addressing those with the contractor.
- b. Streetlights are in delay due to CORE Electric.

2. Ornaments

- a. Staff has reached out to Mike on new ornament design. A sketch of the design will be provided at next month's meeting.

3. Training Update/Reminder

- a. Alert Staff of any trainings you feel are relevant.
- b. DOLA Main Street Program provides monthly trainings online.
- c. Main Street NOW 2026 will be held next spring in Tulsa, OK.

4. 2025 Q1 stats has been submitted to DOLA on 4/14/25.

5. HAB Update.

- a. The HAB is conducted a Coloring Contest during the month of May with the K-5 students at Running Creek Park Elementary, Singing Hills Elementary, and Legacy Academy. They presented awards to the participants at the first Friday Night Market.

6. Town of Elizabeth - Façade Grant

- a. Façade grant awards for the first round of 2025.
 - i. \$4,500 – 122 Main St
 - ii. \$2,000 – 188 Main St
 - iii. \$1,000 – 392 Main St
- b. There is no remaining money in the budget for a second round in 2025. The Façade Grant Program Committee will need to request funding from the BOT for FY26.

7. Locable

- a. Staff is updating all business pages on Locable. Staff has posted on social media inviting all businesses to have a page on Locable.

8. Main Street Promotional Video

- a. Through DOLA Main Street, each Main Street program is being given the opportunity to participate in their own promotional video. We are working with Slate Communications to put together a 5-minute video featuring our Main



Street and its businesses. We will be filming on February 21st, and will have a draft by May.

- b. Slate Communications completed filming on 2/21. Our interviewees did great and Slate got some good footage of all the businesses on Main Street.
- c. Slate Communications provided staff with the finished video.

9. Main Street Parking Lot

- a. The site plan for the parking lot was approved by the BOT on 2/21.
- b. The RFP for this project is active.
- c. The BOT approved a contractors bid for the project on 4/30.
- d. Construction is set to be completed in August.

10. MSBOD & BOT Workshop

- a. The MSBOD is scheduled for a 6-7pm workshop with the BOT on July 22nd.
- b. The MSBOD is welcome to come at 5pm and have a casual dinner with the DOLA at Town Hall before the workshop.
- c. This will provide an opportunity to discuss the board's vision moving forward with Main Street programming efforts, archway consideration, and any other initiatives.
- d. DOLA Main Street will be attending this workshop to do a brief presentation on the program to the BOT.
- e. Mike Scholl with Ayres Associates will be doing a presentation on a Gesin Lot Redevelopment Roadmap that was done as part of a DOLA Main Street service.

11. ECAG Partnership

- a. Staff met with representatives from the Elbert County Artist Guild last month and discussed ways to integrate art programming into our events and onto Main Street.
- b. ECAG will have a presence at the Main Street Car Show and 5K.
- c. ECAG has connected staff with sculptors who are interested in having their work installed on Main Street.

12. Main Street 5K and Color Run

- a. RunSignup website is active.
- b. Staff is working with company on medal design.
- c. Chamber of Commerce is working on tshirts and sponsorships.
- d. Amanda Love has secured all required services and actively recruiting vendors.
- e. Social media advertising will begin this week.