

2015 Commerce City Federal Legislative Issues Guide

City of Commerce City 7887 E. 60th Avenue Commerce City, CO 80022

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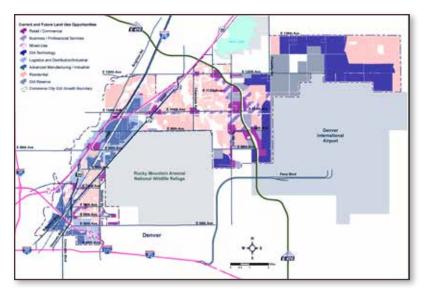


COMMERCE CITY



As Colorado's fourth-fastest growing municipality, Commerce City is redefining itself for the next generation, building on historic values of community, industry, agriculture and family. Vibrant and culturallydiverse, Hispanics comprise 47 percent of Commerce City's population of 49,799, with a median resident age of 31 and average household income of \$69,308. With the nation's largest urban wildlife refuge, 25 miles of trails, a championship golf course, one of the country's largest soccer complexes, the home of the MLS Champion Colorado Rapids and 700 acres of open space and parks, Commerce City offers a *Quality Community for a Lifetime*.





Nearly 1,600 companies call Commerce City home, ranging from international and national headquarters to small businesses and entrepreneurs. Centrally located along Colorado's bustling Front Range and just eight miles north of downtown Denver, Commerce City provides direct access to six major highways, Denver International Airport, two railroads, Peña Boulevard and two new commuter rail lines. Businesses and residents alike appreciate being less than 10 minutes from DIA's main terminal or downtown Denver.

Commerce City Fast Facts

- 2014 population: 49,799
- 2019 population: 67,392 (projected)
- Size: 41-sq.mi.; 64-sq.mi. at buildout
- Daytime employment: 59,273 employees
- Education: 75% have high school diploma or higher

- Target Industries:
 - Advanced Manufacturing
 - Energy
 - Business & Professional Services
 - Logistics & Distribution
 - Retail/Hospitality/Leisure
 - DIA Technology
- Median home price: \$189,019
- Homeownership rate: 70%



PROGRESSIVE

GOVERNANCE

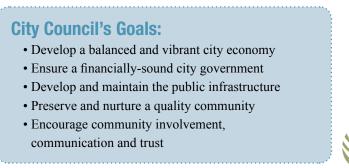
Incorporated in 1952, Commerce City is a home-rule municipality with a council-manager form of government. The city's vision is a "Quality Community for



a Lifetime" and the government exists to:

- Provide municipal services and programs valued by our citizens,
- Plan and develop a unified, sustainable community and
- Enhance the quality of life in our community by or through: economic diversity and development, unique leisure activities and opportunities and developing a quality physical environment.

An elected city council establishes the city's vision, sets annual policy goals and enacts laws that govern our citizens. The nine-member body includes a mayor, a council member for each of the city's four geographic wards and four at-large members. The mayor selects a councilor to serve as mayor pro tem.





The city's annual 2015-16 budget is \$133 million (operating and capital expenditures), with 80 percent of the general fund derived from sales and use tax. Known as a business-friendly community, Commerce City does not have a head tax and its 3.28 property tax mill levy is one of the lowest in the state.

Over the next four years, Commerce City will implement the largest capital improvement program in its history, completing five new projects by Jan. 1, 2019:

- Widening of Tower Road from 80th to 103rd avenues
- A new recreation center at Second Creek
- An outdoor leisure pool at Pioneer Park
- Three neighborhood parks at Fronterra, Turnberry and Villages at Buffalo Run East
- Additions to the existing recreation center

This voter-approved, \$137 million program is funded by a dedicated, one percent tax for construction, operations and maintenance of these and future new recreation, road and parks projects.

Specific Legislative Priorities:

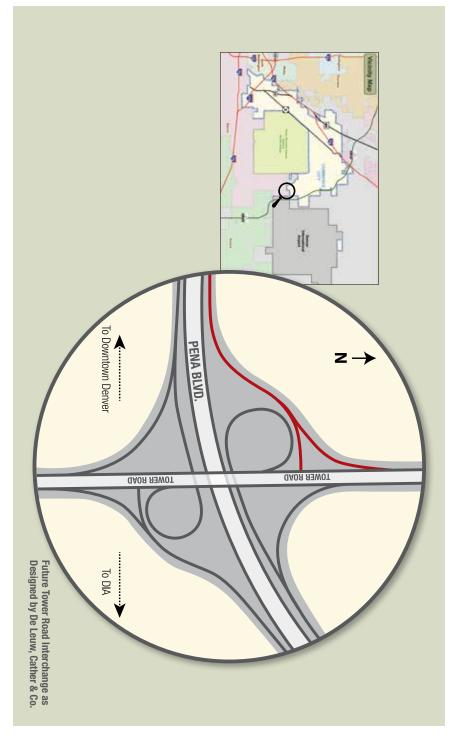
- Removing Victory Crossing deed restrictions and supporting robust operations at the Rocky Mountain Arsenal National Wildlife Refuge.
- Implementing the Tower Road on-ramp to Peña Boulevard consistent with established agreements.
- Seeking new rules for implementing railroad quiet zone crossings and reducing conflicts between trains and roadway intersections.
- Preserving tax-exempt status for municipal bonds and expanding sales tax coverage to internet businesses.
- Continuing needed community funding through federal block and competitive grant programs.



PROJECTS

Transportation Equity

Tower Road/Peña Boulevard On-Ramp



Peña Boulevard was opened as the primary access when DIA began operations in early 1995. The 10.5 mile road has five interchanges, all which have full movement access except the Tower Road/Peña Boulevard interchange. Based on previous intergovernmental agreements with the City & County of Denver, the interchange – while environmentally



approved and designed – was not built as part of Peña Boulevard construction.

Commerce City paid for the construction of the Tower Road to eastbound Peña

Boulevard on-ramp and westbound Peña Boulevard to Tower Road off-ramp in the early 1990s. The eastbound Peña Boulevard off-ramp to Tower Road was added by a metropolitan district. The construction of the final ramp (southbound Tower Road to westbound Peña Boulevard) is governed by 1992 intergovernmental agreements (IGAs) between Commerce City and the E-470 Highway Authority, as well as between Commerce City and the City & County of Denver. The agreements approve ramp construction in 2012, with E-470 paying for design and construction, while Denver committed to operation and maintenance costs associated with the new 0.5-mile ramp.

The missing ramp to Peña Boulevard from Tower Road severely limits Commerce City's economic growth in a key development corridor. The largest commercial development area – consisting of several square miles and located adjacent to DIA – is accessed from Tower Road, holds the potential to create thousands of jobs and is critical to Commerce City's long-term sustainability.



PROJECT STATUS

One of the outstanding issues in executing the terms of the 1992 IGAs is the Federal Aviation Administration (FAA)'s concerns to DIA regarding the amount of non-airport traffic on Peña Boulevard. Currently, traffic that does not have access to this fourth ramp travels south on Tower Road and accesses Peña Boulevard via the 56th Avenue interchange.

A May 2012 study commissioned by DIA inventoried existing and forecasted future traffic usage on Peña Boulevard, providing a foundation for future infrastructure planning efforts to allow DIA to address FAA concerns. The study showed that adding the final leg of the Tower/Peña Boulevard interchange does not increase the percentage of non-airport related traffic to Peña Boulevard than is currently projected.

MOVING FORWARD TOGETHER

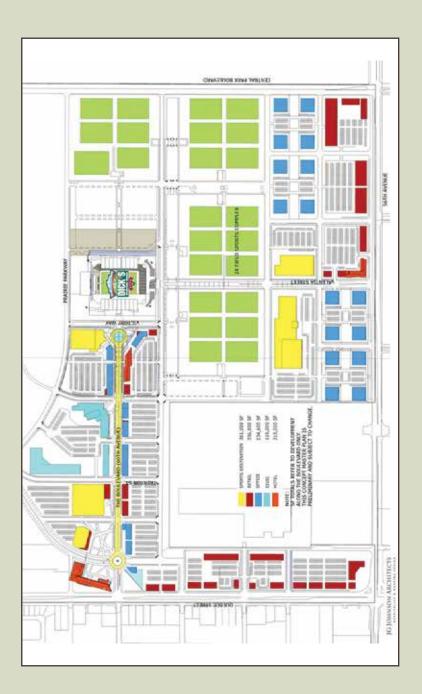
Commerce City has been working collaboratively with City & County of Denver to construct the on-ramp consistent with the 1992 IGA in the short-term, while supporting Denver and DIA's efforts to address longterm traffic challenges with Peña Boulevard.

Over the last year, both communities revised traffic data and financial analyses, resulting in a tentative agreement to construct and maintain the ramp without the use of DIA funds, addressing FAA concerns. The goal is to formalize this agreement by Q2 2015 and complete design in 2015, to incorporate ramp construction into the larger, voter-approved Tower Road widening project.



Economic Vitality

Rocky Mountain Arsenal National Wildlife Refuge & Victory Crossing





The Rocky Mountain Arsenal National Wildlife Refuge - the nation's largest urban wildlife refuge - is the crown jewel of Commerce City. A sanctuary to more than 330 wildlife species, the 27-square mile site is a national model for environmental clean-up, community engagement and conservation success. From environmental education and interpretive programs, catch-and-release recreational fee fishing, 10 miles of hiking trails, wildlife viewing opportunities, public site tours and a self-guided Wildlife Drive auto tour, the highlight of the Refuge is its growing herd of approximately 80 wild bison (16 were introduced in 2007).

Under The Rocky Mountain Arsenal National Wildlife Refuge Act passed by Congress in 1992, remediation led to a 917-acre public/private partnership, which transferred land from the federal government to Commerce City for civic, retail/commercial development, and educational facilities. Known as Victory Crossing, the Act placed federal deed restrictions on the 917-acre property to prohibit agricultural, residential and industrial uses.



The Environmental Protection Agency tested 450 samples from Victory Crossing in 2002, concluding there is essentially no contamination on the site; the results made the property suitable for a daycare center. The U.S. Fish & Wildlife Service will release an updated Comprehensive Conservation Plan this spring, a master plan that guides Refuge operations and expansion activities. Based on ongoing soil testing, the Service now recommends removing or scaling back restrictions identified in the Federal Facilities Agreement for the Refuge property itself. The city has been active in this planning process and supports the Service's urban refuge vision. Our goal is for visitors and the region to think of the property as a Refuge first, Arsenal second.



Victory Crossing represents a visionary approach that serves as a catalyst for unlocking Commerce City's potential, creating a regional and national sports destination that provides broad economic

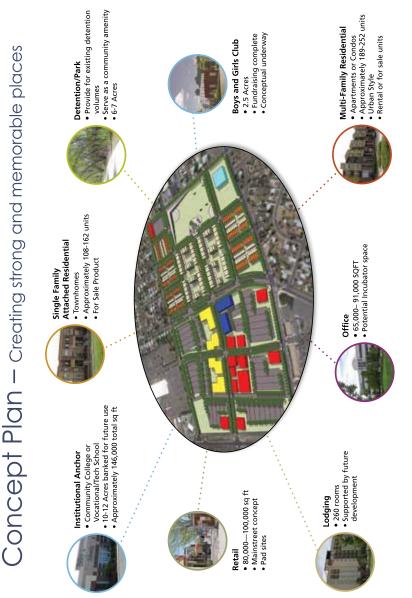
benefit. Commerce City and Kroenke Sports Enterprises have invested more than \$120 million in the fully-entitled property, which yields 1.7 million visitors annually. Nearly one million square feet of mixed-use development is planned, yielding 2,100 permanent and 350 construction jobs. The opportunities are only enhanced with the growth of Northfield Stapleton to the sites southern border and new, direct transit service planned to begin in 2016 from the new East Rail Line.

Based on past testing and the Refuge's approach to the Federal Facilities Agreement, Commerce City is seeking to remove land restrictions on the 917-acre parcel. The city believes the success of the Victory Crossing development could be strengthened with multi-family housing (owner occupied and rental), providing a sense of place for the community and highlights the Refuge asset: a vibrant urban center with access to open space and retail.



Economic Vitality

Mile High Greyhound Park Redevelopment



Create a community destination and sense of place promote a comfortable, well-designed destination and that give the property and its environs a distinct and relevant sense of identity. Despite several bright spots in Commerce City's local economy, the city has suffered from one of the highest unemployment rate in the Denver metro area. With only six percent of local residents working within Commerce City, specific attention must be brought to creating greater economic and educational opportunities for residents within our borders, particularly low-income residents.

Commerce City's Urban Renewal Authority (CCURA) purchased the former Mile High Greyhound Park, located in the heart of the historic city to help the city achieve this goal in 2011, redeveloping the

65-acre site into a mixed-use area. This project is located in a severely distressed census tract with a 54 percent benchmark median income, 26 percent poverty rate and 70 percent Latino population. This



project represents a unique opportunity to implement local economic development goals, increase education opportunities, strengthen the local economy, facilitate small business growth and increase its multi-family housing stock. The city is committed to ensuring this redevelopment effort reaches its potential, yielding maximum community impacts for those residents who need access to greater educational skills and resources to create additional income options. This commitment is evidenced by the \$6 million public investment the city made in the property to date, from acquisition and environmental remediation to demolition activities.



ECONOMIC IMPACTS

A feasibility study funded by a U.S. Department of Commerce EDA grant showed the following economic benefits at full build out:

- Create 1,454 permanent employees
- Generate \$65.4 million in annual income
- Tax revenues between \$1.7 and \$2.2 million
- Sales tax revenues between \$2.3 and \$2.6 million annually
- 124 construction employees
- Generate \$4.9 million in annual income during construction

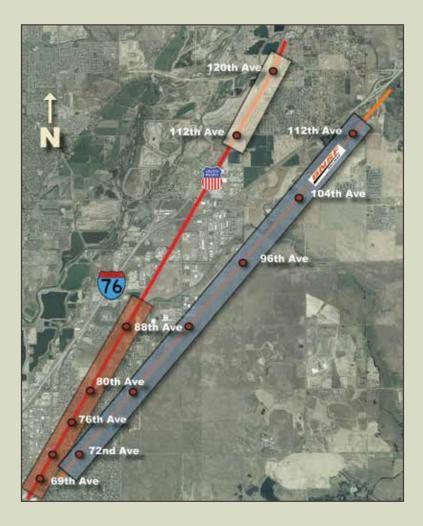
The CCURA Board selected Real Estate Generation (REGen), LLC, to serve as the master developer for the project following a competitive procurement process in March 2014. The mixed-use development concept proposed by the REGen, LLC team is consistent with previous planning activities for the site and community desires, including elements such as: multi-family residential, retail, parks and open space, civic uses and education facilities.

With developer negotiations underway, access to federal revitalization and stabilization programs such as the Community Development Financial Institution (CDFI) bond guarantee program can revitalize this historic area, provide residential educational opportunities, generate jobs and create economic avenues for the community. The CCURA hopes to take advantage of the program to complete \$10M of public infrastructure improvements needed on the property. The infill redevelopment aligns with the goals of CDFI by developing businesses, creating jobs and providing affordable housing.



Railroad Relief

New Quiet Zone Crossing Rules and Reducing Train/Roadway Conflicts



In 2008, Commerce City was the first city in Colorado to create a quiet zone consistent with the Federal Railroad Administration (FRA)'s quiet zone crossing requirements. The city worked collaboratively with the Burlington Northern Santa Fe (BNSF) and Union Pacific Railroads to identify 12 intersections that meet the FRA criteria within the city limits.

Commerce City was able to establish the quiet zone through public authority designation, which required notifying interested parties such



as the Colorado Department of Transportation, FRA and Public Utilities Commission about the quiet zone. The FRA required the city to implement supplemental or alternative measures to ensure

safety at quiet zone intersections, reducing the risk of accidents caused by the lack of locomotive horns. To date, the city has invested more than \$2 million for safety improvements along five BNSF crossings and successfully implemented its latest crossing at 96th Avenue within one week of receiving FRA's waiver approval.

With train noise and traffic remaining a top concern of our community, the city is supportive of reopening the 2005 rulemaking process on the Final Rule on the Use of Locomotive Horns at Highway-Rail Grade Crossings to identify balanced opportunities that ensure safety while providing local governments with more flexibility to reduce noise and promote long-term economic growth.



The city has seen an increase in complaints about train blockages along major intersections on the Union Pacific and Burlington Northern Santa Fe Railroad lines, routinely blocking intersections for longer than 10 minutes. While Colorado currently does not have a law that regulates blocked crossings like other states, when these impediments routinely exceed 10 minutes there are significant challenges for the city, our residents and economic development.

- Because crossings are located on major arterials, blockages result in increased congestion and reduced air quality due to idling vehicles especially during rush hour.
- Congestion affects signal timing and movements along other arterial intersections, negatively impacting free-flow movement of residents, goods and services.
- With a finite number of north/south and east/west routes due to the national wildlife refuge, commuters have limited options to avoid blocked crossings.
- Emergency services cannot effectively navigate the city when crossings are blocked. Further, limited public safety resources are deployed when frustrated commuters call 9-1-1 for relief.

The city has collaborated with the railroads and installed signage for drivers to register complaints with the respective business. But challenges remain.

Commerce City encourages the federal government to also consider rulemaking to address intersection blockages and provide reasonable relief to commuters and emergency responders.



Competitive & Block Grants

Funding Our Future

TANGIBLE BENEFITS TO COMMERCE CITY

Commerce City has received more than \$4.6 million in federal grant funding since 2006, which provides meaningful benefits to our diverse and underserved population, such as:

- Community Development Block Grants (CDBG) funds have replaced the parking lot at city's oldest community park – it's first renovation in 20+ years and revitalized the city's historic Derby district by improving aesthetics, building facades and building a pedestrian plaza. This year's allocation is repairing homes for lowincome residents as well as improving pedestrian mobility with new sidewalks and replacement of crumbling infrastructure.
- Department of Justice JAG program created recreation programs attended by over 4,500 youth last year that decreased delinquency during high crime times and improved neighborhood park safety perceptions.
- COPS hiring grant funds hired one school resource officer to increase police presence in the school system and increase "face-to-face" time with students and staff.
- Department of Justice JAG program funding purchased "Leads Online," which provides a safe, secure and free citizens property inventory system that links with nationwide pawn shops to recover property and identify suspects.

YOUR SUPPORT

Commerce City strongly supports protecting current funding levels for competitive and block grant programs. The city is at the 50,000 population threshold and desires to become a direct recipient of funding, to make sure critical population segments receive assistance. These grants - especially CDBG funds - are priority programs that eliminate blight, increase affordable housing stock and generate economic investment.



Financial Fairness

Internet Sales Tax and Tax-exempt Municipal Bonds

BRICKS-AND MORTAR FAIRNESS

Businesses throughout our community work to bring economic and civic enrichment to our residents, schools and streets. Our 1,600 local



businesses make purchases from other local businesses, providing employment opportunities to residents and banking at local banks.

Sales and use tax revenue is the primary source of funding for Commerce City services and operations. These revenues

provide over 80 percent of Commerce City's general fund revenues that provide necessary public services.

Many Internet businesses avoid their responsibilities to collect taxes,

which are important to the well-being of local economies. It is discriminatory when "bricks-and-mortar" businesses must collect taxes for selling the same products and services to the same customers in the same markets where internet commerce competes.



The City of Commerce City strongly supports appropriate legislation - such as the Marketplace Fairness Act - that allows state and local governments to collect sales and use taxes on items purchased over the Internet. With continued and sustained growth in Internet sales over the last decade, Commerce City believes it is time to return equity to business and stop the subsidization of Internet businesses.





TAX-EXEMPT FINANCING

Eliminating or limiting the traditional tax exemption for municipal bonds, whether as part of a deficit reduction plan, a push for comprehensive tax reform or as an offset for new spending would have a negative effect on Commerce City. Removing federal tax exemption from municipal bonds would increase borrowing costs, leading to higher local taxes and limited public investment in vital projects financed by municipal bonds nationwide.

For example, Commerce City voters approved a one percent sales tax increase in 2013 that will fund five projects over the next four years and provide a future revenue stream for new recreation, road and parks projects. To meet community expectations, the city released the first of two debt tranches - the first of which was \$78 million - to complete \$137 million of improvements over the next five years.

Eliminating the federal income tax exemption also means Commerce City will pay more to finance projects such as the former Mile High Greyhound Park redevelopment, leading to less infrastructure investment, fewer jobs and greater burdens on citizens who will have to pay higher taxes and fees.



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