



STUDY SESSION ITEM

To: Derby Review Board

From: Caitlin Long, City Planner

Date: August 16, 2016

Subject: Approval of Catalyst Funds for Residential Properties

The implementation of the Commercial Catalyst Fund Program within the Derby Downtown District has given property and business owners the opportunity to make façade improvements that further define the character and identity of Derby. The Derby Review Board has the authority to approve catalyst funds for eligible projects and has reimbursed over \$150,000 since the program's inception.

Historically, the catalyst fund program has been used only for commercial businesses within the Derby District. Applicants have ranged from private property owners to business tenants with property owner consent for the allocation of catalyst funds. The intent for the Catalyst Fund Program within the Derby District is to jump start commercial activity by offering a tool to improve the facades of commercial buildings. The Catalyst Fund Program facts to know document states the purpose as:

The City of Commerce City Commercial Catalyst Program is intended to enhance commercial properties located in the Derby District through exterior façade renovation, or new or improved signage and landscaping. This public-private partnership provides financial support for exterior improvements that benefit the District and public realm by making it safer and more attractive. The goal of the Commercial Catalyst program is to improve existing businesses, while attracting more economic development to Derby.

Currently, the maximum amount that can be approved is 50% of the final project cost up to \$25,000 per applicant, per year. The only exception to this is for projects that are initiated by the city/urban renewal authority within the Derby District for the benefit of the District as a whole, which can be approved for up to 100% of the job valuation.

There are approximately 6 legally non-conforming single-family detached homes currently within the Derby District, along with 3 public uses (AnyThink Library, South Adams County Fire District Administration Building, and the Post Office), 3 parks, and 1 school. There has been increasing interest from some of these property owners in doing exterior improvements, but finances stand in the way.

The question before the Derby Review Board is: Should catalyst funds be able to be applied to non-commercial properties, including public and residential uses? As the Planning Staff analyzed this issue, the following benefits and concerns were identified:

| Benefits | Concerns |
|--|---|
| Availability of funding for exterior projects for all properties in Derby, including residential and public uses, may make the district as a whole more attractive and safer. | Providing funds for residential properties may decrease the amount available for commercial properties, as the catalyst fund was historically intended. |
| Allowing funds for non-commercial properties may act as catalyst for additional properties to improve exterior appearances and bring more people into the district to patron local businesses. | |
| Catalyst funds may provide an incentive for more people to live in Derby, activating the district and making it safer and more attractive for new businesses. | Funding for residential properties may further entrench existing legal non-conforming single-family detached homes. |

Moving forward, staff is seeking direction from the Derby Review Board on this issue. Staff has identified the following options for the Board in making a decision:

- The Board can choose to keep the implementation of the commercial catalyst fund program as it is currently.
- The Board can choose to alter the implementation of the catalyst fund program to allow funding for public and/or residential exterior improvements with the same requirements as for commercial properties.
- The Board can choose to alter the implementation of the catalyst fund program by limiting the types of eligible improvements and the maximum amount of funding for public and/or residential properties.