

To The City Council
of Wheat Ridge, Colorado

REPOSITIONING WHEAT RIDGE Neighborhood Revitalization Strategy

Text-only Document for Approval
July 25, 2005

This document has been prepared by a joint venture of

Winston Associates

Jeff Winston
Allan Calder
Jill Strange
Chase Mullen

czbLLC

Charles Buki
David Boehlke
Karen Beck Pooley

RRC Associates, Inc,

Chris Cares
Wendy Sullivan

McCormick and Associates

Kathy McCormick

Cornerstone Housing LLC

Mary Roosevelt

REPOSITIONING WHEAT RIDGE

PART A

- A1. FOREWORD
- A2. HOW TO READ THIS REPORT
- A3. INTRODUCTION

PART B

- B1. KEY INDICATORS

PART C

- C1. THE PLAN
- C2. THE TOOLS
- C3. THE ACTIVITIES

APPENDICES

- Data Tables

REPOSITIONING WHEAT RIDGE

PART A

- A1. FOREWORD
- A2. HOW TO READ THIS REPORT
- A3. INTRODUCTION

A1. FOREWORD

Like many communities neither succeeding wildly nor failing dramatically, Wheat Ridge is at a crossroads. It has all the assets it needs to successfully become a vibrant and thriving Jefferson County community.

- It has a *core of engaged citizens* capable of mobilizing to realize a vision. This was demonstrated when committed residents came together to get the recreation center built. The Wheat Ridge Recreation Center is a beacon for what is possible. It is a tangible illustration of the extremely positive future Wheat Ridge can make for itself.
- It has a *committed city council*, willing to tackle hard but important issues like sales taxes and looming and inevitable code enforcement. The City Council's grasp of the need to reposition Wheat Ridge *now* while it can at a reasonable cost, illustrates just the beginning of the power of good public management.
- It has *many beautiful neighborhoods* that, when discovered, will prove to be a magnet for new families looking for a great place to live in Jefferson County. So much of the housing being built in the surrounding area lacks charm. It sells because today's families are starved for upgraded, larger homes. The uniqueness of Wheat Ridge's tree-lined residential streets will be a great advantage in the future when they are leveraged by upgrades and infill development.
- It has a *powerful price advantage*. Relatively speaking, housing and retail in Wheat Ridge are a bargain! This means that a repositioned Wheat Ridge can sell an equal or better product for 88 cents that might cost a dollar in Westminster or Arvada or Broomfield.
- It has a *potentially thriving commercial life* based on both some of the businesses already there, and the advantage of significant thoroughfares and access to I-70.
- It has a *remarkable physical setting*, ranging from rolling terrain and ridges that provide variety and vistas, to one of the largest open space systems in the metropolitan area.
- It is unusually convenient, its central location and adjacency to I-70 provide ready access to downtown Denver for employment and entertainment as well as to the mountains for recreation and diversion.
- It has a unique residue of rural characteristics (that once typified all of Wheat Ridge) in the form of large agricultural lots, small-town streets without sidewalks, and a number of horticulture-oriented businesses (nurseries, farm-implement dealers, fruit stands, etc.).

To achieve its potential, the city will need to start leveraging these assets right away. It can no longer afford to wait; success on these and other fronts will not occur without decisive action. Neighboring communities like Arvada, Broomfield and Lakewood have a head start.

- Years ago, Lakewood, Arvada, and Westminster recognized the need to take outdated strip mall retail and make it more appealing for today's customers.

- Five to seven years ago they started to build new, exciting housing projects demanded by Colorado's middle-class families. They supplemented those efforts with investments in soccer fields, open space pathways, period lighting, and signage.
- They increased investments in beautification, with special emphasis on landscaping.
- They began regulating multi-family development.
- They got into the business of vibrant place-making, in the process creating attractive destinations like Lakewood City Commons, Flatiron Crossing, historic Olde Town Arvada, and the West Highlands neighborhood (Denver).
- And, importantly, they were content to let Wheat Ridge serve, by default, Jefferson County's lower income population; so as they gathered more strong families – which they intended to do and succeeded in doing – Wheat Ridge fell behind.

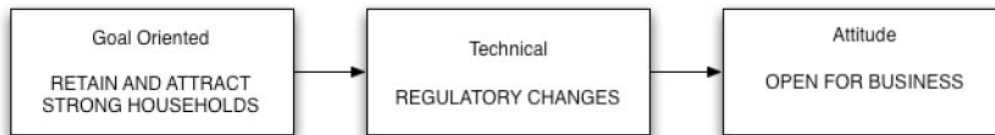
Unpleasant as it is to confront, the bottom line is this: while Wheat Ridge stagnated for much of the period between 1980-2005, the rest of Jefferson County got busy, rolled up its sleeves, competed for their share of strong households, and succeeded.

- While Wheat Ridge and Mountain View were unable to address the problems at, and adjacent to Lakeside, Belmar opened, West Colfax and Wadsworth was planned, the Flatirons Crossings Mall was opened, and surface transportation dollars were being put to creative use by Arvada in its exciting redevelopment of its historic district.
- While Wheat Ridge was being indecisive about the redevelopment of 38th Avenue, and standing aside while the intersection at 35th and Wadsworth was turned into an auto dealership with little fiscal benefit to the city, vibrant mixed-income housing was built at Highland Gardens and historic housing stocks were being reclaimed in north Denver just a few block east of Sheridan Avenue.
- While Wheat Ridge accepted marginal garden apartments falling into disrepair, block after block of homes in Denver's West Highlands were being restored.
- While others were getting a head start on planning for FasTracks stations, Wheat Ridge decided to wait until after the 2004 voter approval, losing a valuable leadership opportunity to guide development around the city's only light rail station into a mixed-use development opportunity.
- While Lakewood was celebrating its development at South Wadsworth and Alameda, Wheat Ridge was 'Walgreening' 44th and Wadsworth and doing nothing to help destination businesses like Wheat Ridge Cyclery and Valente's find suitably comparable businesses to open nearby.

In these facts are *three lessons* that Wheat Ridge must learn if it is to move forward:

1. The work done by neighboring communities is already paying them dividends; similar efforts by Wheat Ridge will too. **Wheat Ridge can succeed.**

2. None of the surrounding communities started with more than what Wheat Ridge has now; in fact many, like Lakewood and Arvada, started with less. **Build on strengths.**
3. Extraordinary vibrancy in Wheat Ridge is based on an **uncomplicated formula**:
 - a. Learn and demonstrate “open for business” habits;
 - b. Make prerequisite regulatory changes without which the strategies in this report cannot be implemented;
 - c. Be intentional about going after the strong Jefferson County households that have for too long been increasingly choosing someplace other than Wheat Ridge to call home.



What do these lessons say more specifically about what to do? They provide a roadmap:

- Status quo zoning now sends signals to the development community about what can be built in Wheat Ridge. Status quo attitudes among officials and some civic groups about commercial development send signals about how tedious the permitting process in Wheat Ridge is apt to be. Status quo enforcement of poorly maintained properties sends signals to potential residents about how much Wheat Ridge cares about itself. These all comprise the status quo and they contribute to present circumstances – low and falling home ownership rates, low and falling school test scores, low and falling incomes and high and rising crime. In other words, status quo norms in Wheat Ridge are paying dividends in the form of declining economic strength, while the norms exhibited in Arvada and Lakewood, for example, are paying dividends in the form of increased demand for housing by strong households, increased sales taxes, and increased fiscal health.

Wheat Ridge used to be a more balanced community. Residents across all family and income spectrums were attracted to and remained in the community. However, since the 1980's, other communities have effectively out-competed Wheat Ridge in attracting families and higher income households from Wheat Ridge, resulting in these “strong households” either leaving Wheat Ridge or simply not being attracted to Wheat Ridge in the first place. This has resulted in an unbalanced community – one in which at-risk households (lower income, single parent households) comprise more than their optimum share of resident households. This imbalance has affected the image, condition, economic health and competitiveness of Wheat Ridge in the context of the greater Denver-Metro region.

For Wheat Ridge to regain its strength in the area and reinvent itself as a thriving, economically diverse community, with broad commercial and residential opportunities, Wheat Ridge needs to regain its share of strong households that it has lost over the past 25 years.

The Lesson: the status quo will not pay the dividends Wheat Ridge deserves. Therefore, the status quo is unacceptable.

- Five years ago, the intersection at Wadsworth and West Colfax in Lakewood was in arguably worse shape than the state of Wadsworth and 44th in Wheat Ridge today. Fifteen years ago, retail conditions in West Highlands were in worse shape than Applewood Village today. Housing along 38th in Denver where Highland Gardens stands today was in far worse shape than the condition of the Camelot in Wheat Ridge today. In those cases and in many others –the difference between these neighboring communities and Wheat Ridge is that these other communities aggressively took weak circumstances and turned them into assets by paying attention to what the market *outside of those communities* wanted and would have otherwise found elsewhere.

The Lesson: communities with less to build on yesterday than Wheat Ridge has today showed resilience that Wheat Ridge can adopt. With more to start with than other communities had, only a failure to commit to an improved Wheat Ridge stands in the way of resurgence. Moreover, this is not about Wheat Ridge created something it never before enjoyed. To the contrary, Wheat Ridge *used* to be a place where strong households settled and stayed. This is about returning to those days of strong households but in a contemporary economic setting.

- Wheat Ridge used to be a more balanced community. Residents across all family and income spectrums were attracted to and remained in the community. However, since the 1980's, other communities have effectively out-competed Wheat Ridge in attracting families and higher income households from Wheat Ridge, resulting in these “strong households” either leaving Wheat Ridge or simply not being attracted to Wheat Ridge in the first place. This has resulted in an unbalanced community – one in which at-risk households (lower income, single parent households) comprise more than their optimum share of resident households. This imbalance has affected the image, condition, economic health and competitiveness of Wheat Ridge in the context of the greater Denver-Metro region.

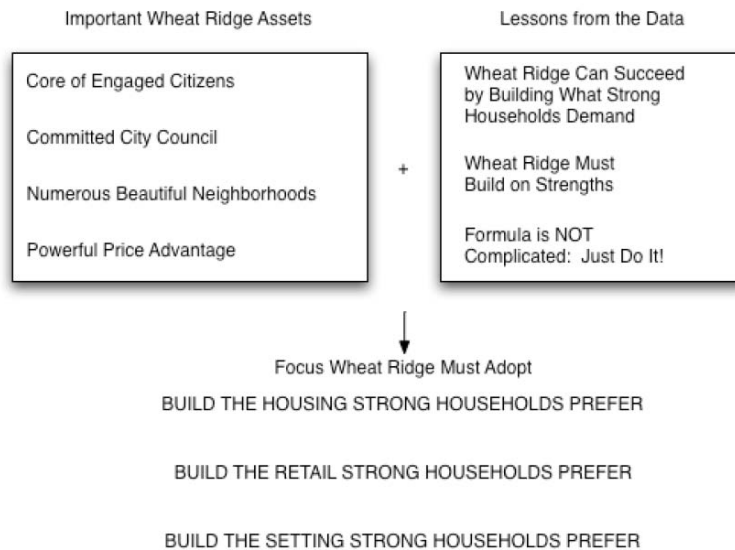
The Lesson: for Wheat Ridge to regain its strength in the area and reinvent itself as a thriving, economically diverse community, with broad commercial and residential opportunities, Wheat Ridge needs to regain its share of strong households that it has lost over the past 25 years.

- What other communities have done is a recipe for what Wheat Ridge can, and has the tools to do. Other communities' actions also stand as a testament to what Wheat Ridge has not done, in spite of the ability to act. When other communities modified their zoning to encourage mixed-income infill and mixed-use, pedestrian-friendly development, Wheat Ridge maintained a framework suitable for unsightly strip retail to prevail. When other communities aggressively started to market to middle income households, Wheat Ridge was idle in the face of declining property upkeep and in the process discouraged strong households from coming to Wheat Ridge to live or shop.

The Lesson: become *intentional* about retaining and attracting strong households to Wheat Ridge.

The repetitive nature of this right-up-front assessment of Wheat Ridge is necessary. Wheat Ridge can succeed *if it intends to*.

- ✓ This report shows why **the status quo is unacceptable, and changeable**.
- ✓ It shows how **a vibrant, even visionary future is attainable** because Wheat Ridge has powerful assets to build on, and committed residents able to do the heavy lifting of change.
- ✓ It makes clear that **a vibrant future will not just happen**; residents and officials must make repositioning Wheat Ridge a singular priority, and be intentional about implementing the parts needed to create the whole.



To build the housing, retail, and setting that strong households prefer, and therefore work toward repositioning Wheat Ridge, this report makes three recommendations that create the framework through which this can be achieved:

1. Implement the nine strategies that appear in this report.
2. Invest in a new generation of leaders and overhaul how the city and residents manage change.

3. Create a public, nonprofit corporation capable of facilitating and encouraging appropriate development in Wheat Ridge. The suggested name for this organization is Wheat Ridge 2020.

The User's Guide in this report clearly identifies the components involved in this framework. If Wheat Ridge focuses on these three points, it will succeed.

A2. HOW TO READ THIS REPORT

This report contains several sections. Interpretation and use of these sections will be aided by the following:

1. Users may find it preferable to navigate the document not sequentially but thematically.
2. Users will find excerpted data throughout the report speaking to specific issues, and a full set of all data is included in the appendices.
3. Users will find strategies organized into categories, and should view all the strategies as *linked geographically and conceptually*.

The report has two main thrusts.

First, the *what*.

Second, the *how*.

The "*what*" is the definition of the problem. In the case of Wheat Ridge, the city has not been successful in retaining and attracting strong households; this is where the data is important. The "*how*" is the recommended *way* to solve that problem; the roadmap for this is the set of linked strategies contained herein.

A USER'S GUIDE FOR ALL CITIZENS

This entire document is organized around one central concept: that change for the better will not occur in Wheat Ridge until the actual users, its citizens, take responsibility for making a new Wheat Ridge. Doing so will mean the public needs to authorize the City Council to make significant zoning changes. It will mean the public will have to allow the Council to make expenditures that have no guarantee of success. It will mean increased citizen involvement in the planning process - not merely to show up and complain when a proposal to one's disliking happens to be on the City Council docket, but rather, to show up and support the City Council as it attempts to raise and

deploy resources that can reposition Wheat Ridge to successfully compete for strong households, and create a more balanced Wheat Ridge community.

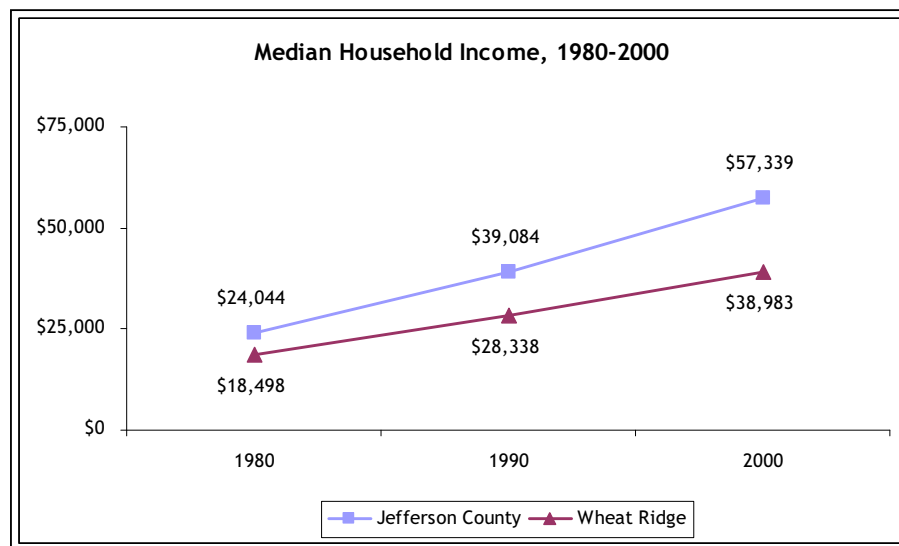
Therefore, this document is targeted not just at the City Council, but at all citizens of Wheat Ridge. **It is a User's Guide for All Citizens.**

As a result, this report has been drafted to be as free of planning jargon as possible. Still, there are key terms and concepts that are essential. To make the most of this report, we strongly recommend readers become familiar with the vocabulary used. Much of it is based on common sense while some is counter-intuitive. City Council will be using much of this language, so residents should understand what is meant in order to take part in supporting council efforts.

THE VOCABULARY OF REPOSITIONING WHEAT RIDGE

Market

A community is a market. The various kinds of households in the community comprise that market. What every Wheat Ridge resident should know is that Wheat Ridge is not a market in a vacuum. The city exists **in a context**. That context is the balance of Jefferson County and north Denver suburbs. All of these communities **compete** for their share of households and businesses. Some "win" and some "lose". The current Wheat Ridge market (who lives in Wheat Ridge) is defined in large measure by the decreasing percentage of middle and upper middle-income households making Wheat Ridge home compared to the percentage choosing another area as their home. This is skewing the ideal balance of Wheat Ridge households toward lower-income, more at-risk households; a pattern that has been developing over the past 25 years.



In 1980 the Wheat Ridge market (buying power) was 92 percent as strong as the Jefferson County area. This means that in 1980 the buying power (that determines capacity to own and probability of reinvesting) in the community was just about the same in Wheat Ridge as anywhere else in the county. Wheat Ridge was right in the middle. Its housing was just about on par and its fiscal base was just about even. Its home ownership rates were roughly in the middle.

In the ten years between 1980 and 1990, the rest of county had begun to make changes that Wheat Ridge did not. By 1990, the Wheat Ridge *market* was merely 73 percent as strong as the competition – a 19 percent drop! Between 1985 and 1990 leaders in Wheat Ridge should have been making planning and zoning adjustments to address this. In the absence of these changes, the homebuilding and retail sectors in Jefferson County jumped on opportunities in the emerging Arvada, Golden, and Broomfield markets and began to build quality homes and shopping centers. At the same time these cities began expanding community facilities and parks and redeveloping decrepit commercial corridors.

So by 2000, the Wheat Ridge market had declined another six percent. Since 2000, the gaps have only increased; neighboring communities have grown even stronger while Wheat Ridge is out of balance. More strong households are needed and a fairer share of the distribution of poverty households in the county is necessary to strengthen Wheat Ridge as a community and a city.



Image And Conditions Influence The Market

The *market* (WHO IS IN WHEAT RIDGE, including their income and wealth) is affected by the image and the conditions in town. A poor image depresses demand (desirability), which drive *relative* prices down. This reduces market share of strong households.

Image is derived largely from the conditions of the community. Everything from the color of the homes to the style of the houses and from the presentation of the stores to the appeal of the parks contributes to *image*.

As *conditions* improve, image generally gets better. When this happens, the size of the market grows. That is, the nicer a place is, the more people want to live there. When this happens, supplies of homes and commercial space initially keep up with demand, but eventually, when they do not, demand outstrips supply and prices rise. When prices rise, affordability goes down.

Everyday cities contend with two prized values. On one hand many cities prize *affordability* as an expression of equity and fairness. On the other, communities prize livability and being able to depend on strong property values. A city in Wheat Ridge's present condition has to decide which of these two prized values *is most important at the present time*.

The present *condition* of Wheat Ridge is dominated by too many instances of weak property maintenance and low standards and upkeep. This is what has given Wheat Ridge a negative image in the real estate market, and thus what has reduced demand.

Conditions are a function of intent. People sweep their sidewalks, rake their leaves, shovel snow, paint their porches, and mow their yards not because they are required to but because they *want* to. The slow, relative decline of Wheat Ridge traces to the fact that too many residents and businesses in Wheat Ridge don't take the time to maintain their property. This is what has given Wheat Ridge a negative image in the real estate market, and thus what has reduced demand. Too many times houses go unpainted, not for want of \$60 in paint, but for lack of investing the time to scrape and paint.

The mistake nearly every community makes when it attempts to confront problematic *conditions*, such as low standards of property maintenance, is that interventions are geared strictly to *enforcement and other regulatory measures*. This never works and will not work in Wheat Ridge. Given the above, simply passing laws that fine owners that keep junk cars on their lots will not alone rebuild the Wheat Ridge market. A series of collective and parallel efforts are needed, and a main one is an investment in the *capacity* of existing residents to do these basics.

City investments in public improvements (beautification and collective community pride-building activities) will also make an important difference in the city's ability to trigger improvements in the physical conditions on private property, and thus the city's image. Improvements in capacity lead to improved conditions that lead to a better image and which in turn stimulate a more vibrant civic and commercial life and a stronger real estate market.

Stock-Flow

Wheat Ridge is comprised of stocks. Stocks of people, Stocks of businesses, Stocks of buildings and Stocks of landowners. What's important to know is that these stocks attract or prevent investment flows. And that an investment can flow to *only one instrument at a time*. For example, a young couple just starting out can buy and live in only one home at a time. So they will seek to find the place that makes most sense to them and best fits their needs, and when they do, two critical outcomes result. First, one community "won". Second, another community "lost" in the competition to "get" that household. The stronger that couple is in terms of income, buying power and behaviors, the more successful the "winning community".

Each time a community “wins” over a strong buyer, successive potential buyers take notice. Each time a community gets a less strong buyer, successive potential buyers also take notice. This process of investment “flows” determines future market strength. In Wheat Ridge, less-strong buyers started replacing high quality buyers in the early 1980s. Each time stronger buyers “chose” Broomfield, Broomfield succeeded. The growing income gap between the rest of Jefferson County and Wheat Ridge over the last 25 years is a clear indication that Wheat Ridge has been “losing” for some time.

Newer areas in outlying suburbs are “places of choice”. Why? Homes are new, with the latest technology and are large with multiple bedrooms and bathrooms. Builders have purchased cheap land, with the result that new buyers are buying a lot of house for the money. How does Wheat Ridge combat this advantage that outlying communities have? Through regulatory changes to make it easier to develop and redevelop good projects in Wheat Ridge, through civic improvements that improve the image of Wheat Ridge and provide amenities desired by the desired buyers, through preservation activities that celebrate the environmental and historical assets of Wheat Ridge, through activities that encourage property owners to maintain and upgrade their properties and develop ‘house pride’ and city-wide ‘community pride’, and by making commitments to long-range planning, consistent, policy-driven decision-making, and allocating funds to accomplish goals – all of which will make Wheat Ridge a truly desirable, livable community and instill confidence in those considering making investments and re-investments in Wheat Ridge.

Key Implementation Terms

This document makes reference to a logical sequence of steps that lead to desired end results (outcomes). These steps in the logic model include:

STRATEGIES	The ingredients that go into shaping Wheat Ridge. Examples: <ul style="list-style-type: none"> - Infrastructure investments - Revisions to zoning codes - Improving the development review process
ACTIVITIES	The work that gets done to produce results. Examples: <ul style="list-style-type: none"> - Pre-purchase homebuyer education and counseling - Community meetings - Down payment assistance to first time home buyers - Block improvement projects
RESOURCES	The expense of undertaking the activities and financing the inputs. Examples: <ul style="list-style-type: none"> - CDBG dollars for beautification in qualifying census tracts - TIF monies to finance construction - Enhancements for developers to undertake certain kinds of projects
OUTPUTS	What has been produced. <u>Examples:</u> <ul style="list-style-type: none"> - 16 clean-ups - 40 newly qualified buyers

mainly a bedroom community to the Denver employment base in the 1940s and 1950s illustrates the neither-fish-nor-fowl place Wheat Ridge occupies in the regional economy.

Housing stocks in Wheat Ridge are not mainly the 'McMansions' that proliferate in newer subdivisions, nor the large-lot homes desired by families, nor period homes of architectural significance that define West Highlands and others parts of North Denver. Wheat Ridge's houses and related retail areas reflect a community that matured between 1960 and 1980 and stopped growing.

Eventually it made more sense for many in Wheat Ridge to move out in order to move up. Many others just stayed, and didn't upgrade. Consequently, although Wheat Ridge homes are sound (basically 'good bones'), they seem modest compared to what is available throughout the County. Furthermore, the market has been sent two decades of confidence-undermining signals about Wheat Ridge in the form of either strong family exodus or absence of housing upgrades.

When the market receives different signals about Wheat Ridge, Wheat Ridge will be rewarded. However, citizens in Wheat Ridge should understand the chicken-and-egg dilemma facing the city. Wheat Ridge needs new housing stocks to attract strong families. But, new housing alone (without upgrades to existing neighborhoods too) may not guarantee strong families will buy. And yet, unless strong families are buying, there appears to be little incentive to upgrade. This cycle can be broken by providing incentives to owners to upgrade *while* new housing is also being developed. Both activities will require capital to be put at risk. To offset risk, these twin activities – providing incentives to current owners to upgrade and developing new housing for new buyers – must occur in geographically targeted ways to maximize impact.

There are three primary options for deploying resources to upgrade and develop new housing:

- (1) Diffuse them across the city;
- (2) Concentrate in the toughest areas; and
- (3) Concentrate, but not in the toughest areas.

We recommend the third approach for Wheat Ridge. The "middle market" in Wheat Ridge – where values are between \$200,000 – \$275,000 – is where home ownership remains more or less stable (above 45% on a given block), yet where there are slipping standards, which are not yet too costly to turn around. These are streets with committed residents who are planting flowers and painting their homes and parking their cars where they are supposed to be parked. This is where the market can be grown cost-effectively, where strong resident leadership can take hold. Where property values are going to be leveraged without excessive subsidy, and where creative residential infill is most likely to occur quickly.

We recommend such concentrated housing activity occur between 32nd and 44th Avenues, between Kipling and Depew. This part of Wheat Ridge is marketable yet at risk; it is neither fully healthy nor overwhelmed with problems. By increasing permissible densities in this area, and encouraging both infill of high quality housing (single family detached as well as upper-tier multi-family/condominium) and high quality housing rehabilitation, the market for better quality neighborhood retail will be strengthened. This approach generates two important outcomes:

1. An upgraded housing stock more marketable to strong households in an area that is presently at risk of decline, and
2. A resulting strengthened commercial corridor in an area that is presently stuck between recovery and obsolescence. This focused effort will assist the recovery of 38th Avenue as a Main Street.

The central message for citizen leaders is that quality retail follows strong neighborhoods and strong neighborhoods reward investments that build on strengths. By choosing the east-center of Wheat Ridge (rather than the northwest corner where more distress exists), market recovery is more probable and will occur more quickly for less cost.

A running theme in this report is that recovery and market growth does not occur by mainly focusing on fixing problems, or, for that matter, by focusing too heavily in the areas that are in the worst condition. Rather, recovery occurs more quickly and efficiently in areas that are at 'tipping points' – where existing strengths provide a base from which the market can derive confidence that improvements are occurring. There are exceptions to this general rule of thumb, mainly when circumstances can't get much worse and where larger scale urban renewal activity is a tool of last resort. This would be the case for example, were the city to conclude that the sub-par motel district between Kipling and Youngfield along 44th needed total renewal, to cite one example.

The "X" Factor

Of course the history of urban development is the constant struggle to acquire and retain various forms of capital. Invariably, some places rise only to fall, others never truly succeed, and others do well and seem to stay on top. For every successful place there's another in dire straits with virtually a nearly identical built environment. The difference frequently comes down to which community is capable of adapting. The community that remains flexible is the community that is capable of responding to the region around them, a region that must be collaborated with even as it is competed against. The community capable of adapting is the one that rises to the top and stays there. Thriving communities are full of citizens who exercise leadership, residents and business owners who routinely mobilize their neighbors and colleagues to solve problems, and identify alternative visions of the future and work to secure input to shaping both what that future might look like and the path to get there.

The roots of exercising leadership are grounded in the community's capacity to differentiate between the various kinds of challenges that confront them, of which there are two main types.

The first are those challenges that are more *technical* in nature. In Wheat Ridge an example of a technical challenge is the signage work that needs to be done. In Wheat Ridge one never knows where they are in relation to important landmarks unless you have lived in Wheat Ridge already. There is a problem to be solved: Wheat Ridge's signage is unappealing and disconnected and consequently important assets are obscured and hidden from open view. Solving this may involve no more than designing signs, choosing sites, and financing installation and maintenance. Most communities that struggle focus too heavily on the technical challenges they face. In the process they miss the larger issue too frequently. Struggling communities *think* their problem is the lack of signage and solving it is merely a matter of design and installation, when their real problem is why the signs weren't there in the first place.

The second type of challenge that communities face is *adaptive*. In Wheat Ridge an example of an adaptive challenge is the issue of why good signage hadn't materialized in the first place. An adaptive challenge is the work that a community must do to *change* from a community that once eschewed designed signage to a community that embraces signage. This is the work of changing, of adapting to a new future that some in the community do not favor. Communities capable of making these changes keep pace or ahead of neighboring communities that are changing.

For Wheat Ridge to regain its place in the region as a community of choice, residents must mobilize towards a new future that will inevitably mean learning new ways. The old ways are not working. The new ways provide no guarantees but must be learned. Standards have to improve not through enforcement but voluntary compliance. This degree of adaptive capacity will need to be grown. Every community has a different level of tolerance for learning new ways. Now is the time for Wheat Ridge to begin to adapt successfully. Getting the most out of this effort is the place to start.

A3. INTRODUCTION

WHY WHEAT RIDGE MUST BE REPOSITIONED AND A VISION OF WHAT WHEAT RIDGE CAN BE

Loss of Strong Households

The central challenge facing Wheat Ridge is its loss of strong households. Strong households are the backbone of every thriving community.

Strong households are consistently employed, have the potential for upward mobility, demand quality rentals or own and reinvest in their homes, take good care of their property, and participate in and contribute to civic life. Above all the characteristics of strong households, income is the most useful measure, for it captures employment consistency and employability, and correlates with home ownership and education. Strong households typically earn between \$59,000 and \$88,000 per year.

The central challenge facing Wheat Ridge is its loss of strong households that are the backbone of every thriving community. Such households are consistently employed, have the potential for upward mobility, demand quality rentals or own and reinvest in their homes, take good care of their property, and participate in and contribute to civic life. In Wheat Ridge we estimate those households typically earn between \$59,000 - \$88,000 per year.

These households are part of the overall fabric of any community. A community need not have all residents earning \$75,000 a year - but to thrive, Wheat Ridge needs a fair share of such households. A community need not have all residents complete college - but to compete in Jefferson County today, Wheat Ridge needs a larger share of such households. Not everyone in Wheat Ridge must be part of a married family with children - but Wheat Ridge needs to have more families with children living in the city. It's not critical that every working adult in the city be employed full-time - but Wheat Ridge needs more full-time workers than it now has, especially professional full time workers. These strong households constitute "demand". It is they who demand good family housing and good retail.

When a community does not have an ample supply of quality housing, quality retail, and a quality environment to live in, it cannot retain the remaining strong households it has, much less attract new ones.

We have analyzed population, household trends and job trends as well as evaluated the commercial real estate inventory and retail sales trends including housing sales activities. All trends lead to the conclusion that Wheat Ridge has not been attracting the

Boiled down to its essence, the state of Wheat Ridge today and the path it is on is defined by the fact that there's too little quality housing, desired retail and positive, and amenities to offer strong households that have the ability to choose to go elsewhere.

middle income, educated and “strong” households in Jefferson County needed to stabilize the city. Instead Wheat Ridge is increasingly home to lower income, at-risk households.

What this means is that too many Wheat Ridge residents have less disposable income to support local area retail and other businesses; that they are less able to invest in property maintenance and improvements; that they are at greater risk of displacement through the inability to pay housing costs; and that housing purchases will be more marginal and subject to foreclosure.

- The population and number of households in Wheat Ridge are projected to be slightly lower in 2010 than in 2000¹. This means less rooftops which means less purchasing power.
- Almost 27 percent of households in Wheat Ridge are headed by seniors (age 65 or older), which is higher than other compared Jefferson County communities². Many of these seniors are low-income, as indicated by the finding that about 18 percent of total Wheat Ridge households received their primary income from social security in 2003. Low incomes mean less purchasing power and lower home ownership probability.
- About 16 percent of total households in Wheat Ridge are single-parent households and 27 percent of family households are single-parent households. Single-parent households earn more than one-and-one-half times *less* than that for married-couple families in Jefferson County (\$38,669 versus \$74,159). This means more at-risk youth, lower school test scores, low home ownership rates, and lower purchasing power.
- About 25 percent of Wheat Ridge adults have a Bachelor’s degree or higher compared to 37 percent in Jefferson County as a whole. This means less upward mobility, and thus less long term earning capacity. This translates into less buying power and less capacity to reinvest.
- Of the 23 communities we evaluated, Wheat Ridge was the only compared community in Jefferson County to have a higher percentage of people earning below the poverty level in 2000 than in 1990. In addition, over 60% of Wheat Ridge households earned under \$50,000 per year in 1999, compared to 42% in Jefferson County as a whole; median household incomes increased the least of all compared communities between 1990 and 2000 (37.6 percent); and the average household income of owners moving into Wheat Ridge between 1990 and 2000 was \$61,382 compared to \$75,000 for owners that moved to the community between 1980 and 1989. This indicates the increased attraction of low-income households to Wheat Ridge and the lower attraction of stronger, higher-income households to Wheat Ridge compared to other areas of Jefferson County. The emerging status quo is one where Jefferson County is disproportionately balancing its poverty problems on the backs of Wheat Ridge. Still in its early stages, this is a condition that, without an intervention, will only solidify. Once this condition takes firmer hold on market expectations and institutional behaviors, efforts to diffuse poverty on a more fair-share basis throughout the county will be met with much stiffer resistance, from both real estate interests (in the form of NIMBY-ism) as well as housing agencies tasked with addressing the housing needs of the poor (‘mission protection’).

¹ DRCOG

² Compared to Mountain View, Golden, Lakewood, Northwest Denver and the Jefferson County portion of Arvada and Westminster.

- Finally, Wheat Ridge had among the highest percentage of cost-burdened households of compared communities in 2000. About 31 percent of Wheat Ridge households paid over 30 percent of their income for housing, despite the generally lower housing costs and rents in Wheat Ridge than other communities. This indicates that, despite the relative affordability of Wheat Ridge compared to other areas of Jefferson County, the price of housing in Wheat Ridge is still higher than many low income households can afford. In other words, the people living in Wheat Ridge are less and less affluent and more and more stretched to meet their housing costs.

What form does this take in the community? Right now Wheat Ridge has one Camelot. It has one perpetually vacant lot at Depew and 38th. It has a small handful of very low-end motels. However, the trajectory of Wheat Ridge under current conditions is not that the Camelot is the exception but that it becomes the rule. A paradox Wheat Ridge must come to terms with is that residents are clear that they want no more Camelot apartments in town, yet all of the forces to ensure precisely that outcome are in place – from zoning, to standards of care by property owners, to the city’s anti-business climate, to some citizens’ zealous disdain for government and regulations.

At its essence, the state of Wheat Ridge today, and the trajectory it is on, are the consequence of there being too little in the way of higher-end housing, quality retail, and desired amenities to offer strong households that the data show would otherwise choose Wheat Ridge given the city’s price advantages.

To retain and attract such households, several ingredients are necessary, and include supplying the housing, retail, and community desired by strong households. Though distinct, each element is interconnected, and all elements are needed. Each element is briefly discussed below and will be presented in numerous ways throughout this report. In summary:

A paradox Wheat Ridge must come to terms with is that residents are clear that they want no more Camelot apartments in town, yet all of the forces to ensure precisely that outcome are in place – from zoning, to standards of care by property owners, to the city’s anti-business climate, to some citizens zealous disdain for government and regulations.

1. There must be the housing that strong households desire.

Jefferson and Denver County’s strongest households prefer newer, larger, single-detached housing. On average, “communities of choice” (census tracts attracting stronger households) have higher percentages (nearly 90%) of single-family detached housing, the greatest portion of housing built since 1990 (typically three times as much as in tracts attracting the weakest households), and the largest share (nearly 50%) of units with four or more bedrooms. “Second choice” communities typically have slightly smaller housing (a larger share of units with only 3 bedrooms) built in the 1970s or 1980s.

Unfortunately, throughout most Wheat Ridge neighborhoods, just one-third to two-thirds of the housing stock is single-family detached housing. (The one exception is the city's southwest corner, where over 90% of units are single-family detached.) The majority of housing in all tracts (48% to 90%) was built in 1969 or earlier – a housing generation that typically does not attract households with the most choice. The vast majority of the city's housing stock in most tracts (from 70% to 95%) has less than 4 bedrooms (again, with the exception of the city's southwest corner).

This basic combination of 'houses that strong households want' – large, new, attractive – does not exist in Wheat Ridge. If desired housing remains unavailable, strong households will find it someplace else. For these reasons, the message is clear: Wheat Ridge needs more housing attractive to strong households. Strong Jefferson and Denver County households want houses that are rare in Wheat Ridge. Among other things, to retain and attract strong households, new housing desired by strong households is a non-negotiable.

In addition to providing housing to attract *new* strong households, Wheat Ridge must also demonstrate to *current* Wheat Ridge strong households that it makes sense to stay in Wheat Ridge. When strong Wheat Ridge households increase reinvestment in their homes, strong households outside of Wheat Ridge will take notice. When strong households begin to stay in Wheat Ridge as they move up in housing, strong households outside of Wheat Ridge will take notice. When strong households in Wheat Ridge stay, and their children stay in school, test scores will stabilize and improve. Strong households outside of Wheat Ridge will notice all of this. To retain and attract more strong households, the housing they demand and the incentives to invest in their property must exist *within Wheat Ridge*. Right now, small housing not upgraded since it was built, a proliferation of unimaginative ranch homes, and unappealing commercial corridors all make it easy for strong households to go elsewhere in the county. Wheat Ridge needs a supply of what strong households want in order to compete for their investments.

Changes to the existing zoning will make it easier for developers to build the housing desired by strong households. Supplemental incentives designed to encourage developers to build the housing desired by strong households will be necessary. A result will be the basis for a changed market in Wheat Ridge, characterized by higher rates of home ownership, higher median incomes, and more upward mobility.

2. There must be the retail that strong households desire.

Strong households do not want characterless boxes only. While they will patronize Wal-Mart, they don't want their entire retail experience to occur in a big box. Strong

households do not want retail that is not friendly to pedestrians. It is ironic that Wheat Ridge, with its high percentage of seniors, has such a pedestrian un-friendly spectrum of commercial real estate. Strong households want to be able to easily drive to one store and then be able to walk to several others in an appealing environment. This is what West Highlands and Olde Town Arvada have offered to the market, and their success illustrates the power of good design of commercial spaces. Strong households want shopping places to be visually appealing. They want places to shop that are maintained to a high standard. That is why they like places like Flatiron Crossing – stores there are new, beautifully maintained, enjoyable to be in, and easy to get to. Once there, it is easy and enjoyable to leave one store and go to another.

This very basic combination – new, attractive, maintained retail that is easy to get to and enjoyable to be in – does not exist at concentrated sites in Wheat Ridge. For these reasons, the message is clear: Wheat Ridge needs to update its retail in order to be attractive to more strong households. Strong Jefferson and Denver County households want pedestrian-friendly retail that is appealing and easy to get to. Among other things, to retain and attract strong households, new retail desired by strong households is a non-negotiable. When both the housing and retail desired by strong households is in short supply in a place, strong households go elsewhere.

3. **There must be an attractive community setting that strong households desire.** An ample supply of high quality housing and good retail is rarely enough to retain strong households, and almost never enough to attract new ones.³ Unappealing corridors, poorly maintained property (commercial as well as retail), and unattractive urban design all contribute to a poor image. The wider market takes image into consideration and doubts that the neighborhoods have much appeal, even when quality housing stocks are available. What's more, if the way a community presents itself is negative, retail is usually in transition downward.

The above explains why simply building more housing won't work in Wheat Ridge. Wheat Ridge has to combine its housing development activities with a concerted effort to upgrade the visual appeal of the city. While lots are acquired and consolidated and developed into high quality housing for strong

The most important rule for Wheat Ridge to follow is the law of holes, which says "if you want to get out of the hole you're in, the first thing you do is stop digging." By adopting these lessons and replacing old habits with new customs, the reasons Wheat Ridge is in this predicament will no longer be present.

³ The exceptions to this rule are when markets are severely overheated on a regional basis with little breathing room, as was the case when East Palo, CA properties began selling in the wake of the dot.com real estate rush between 2001-2003 in the San Francisco Bay Area. Though strong, the Jefferson County housing market bears little resemblance to this example.

households, the commercial corridors will need to be cleaned up. While incentives are packaged for retail establishments to maintain their businesses more attractively, investments in beautification are a must. While stores and streets are being upgraded, the parks and the open space must become more appealing.

Said another way, it won't matter to a strong household that they can buy a 4-bedroom house on a large lot in Wheat Ridge if they have to drive past ugly businesses and poorly maintained right-of-ways along 44th. It won't matter to a strong household that they can get a great deal on a house if their new neighbors have poorly managed farm animals in the backyard. And the abundance of open space won't matter to a strong household if they can't find the access point and/or if the path to the open space is strewn with broken beer bottles.

The environment must communicate a legible message that people and businesses and institutions in Wheat Ridge care enough about their community to keep the sidewalks clear of trash, the highway sound barriers free of graffiti, the homes freshly painted, yards full of flowers, and businesses in attractive settings. When strong households from outside Wheat Ridge are able to conclude that current residents don't care enough to tend to these basics, confidence about relocating to Wheat Ridge is undermined.

	MARKET	IMAGE	CONDITIONS	CAPACITY
Current Wheat Ridge	\$40,000 HH Renter	Low Standards	Disrepair	Marginal
New Wheat Ridge	\$60,000 HH Owner	High Standards	House Pride	Strong
Strategy Summary	New - Housing - Retail - Environment	- Codes - Raised Bar	- Investing in strong current residents for upgrades	- Investing in resident leadership

In summary, the desired housing must get built or renovated, the retail must get upgraded, and the connective tissue binding it all together must be attractive so that a clear message is sent that Wheat Ridge has pride. If the surrounding Jefferson County market were weak, this "build it and they will come" strategy would not work. However, because the region is strong, this report shows that if

Wheat Ridge implements recommended revitalization measures, demand for new and upgraded development in Wheat Ridge will surge.

Whatever vehicle is ultimately used to facilitate change in Wheat Ridge (we recommend creation of a public-private corporation) every action taken must be able to pass a basic test: does it result in making Wheat Ridge more attractive to strong households? *Any proposed change in zoning or land use, any real estate development, or any public or private behavior that does not pass this test should not be permitted.*

How did this happen?

Why focus attention on delving into how it came to be that a once vibrant Wheat Ridge fell so far behind? Why not just state the strategy? In our experience, communities like Wheat Ridge – characterized by slow decline relative to the competition – frequently are good at acknowledging things could be better, but have a hard time implementing recommendations that might be helpful. Case in point is the recent Wadsworth Corridor

Study, an excellent analysis of the challenges facing Wheat Ridge on Wadsworth, and which contained many sound recommendations – none of which saw implementation. Our experience is that when this occurs, it is most often the case that the genetic code that ushered in the problems is still present, so strategies by themselves won't matter. What Wheat Ridge needs is a set of strategies *and* assistance facing the reasons for the decline in the first place. What must the residents and leaders of Wheat Ridge fully understand?

- The same inputs remain within Wheat Ridge today that shaped the decline.
- The same tough competition from Arvada, Broomfield, Lakewood and Westminster is working overtime to keep their communities healthy.
- Unless either the inputs or the competition changes, Wheat Ridge won't recover, and the competition isn't going anywhere.

Past is prologue. But in Wheat Ridge's case, this is even more so, because while Wheat Ridge was practicing bad habits (making it hard for businesses to expand, permitting sloppy standards to take root, encouraging unsightly strip retail to proliferate, failing to undertake purposeful economic development, neglecting to update codes), adjoining cities were adopting better practices. While neighboring cities were moving forward, past city councils in Wheat Ridge had yet to put the city's rural heritage in the right context.

In the course of developing this report, more than 200 citizens attended dozens of council-led discussion about the future of Wheat Ridge. The current council has shown remarkable tenacity in

The following question can serve as a basic evaluation for all activities proposed by the city or residents

Will this (development/regulatory change / behavior) make Wheat Ridge more attractive to strong households?

mobilizing hundreds of Wheat Ridge citizens to the initial stages of work in developing a recovery strategy for the city. Among many of the comments repeated at these meetings was a yearning for the city to stay true to its rural heritage and also upgrade how it is perceived.

The 29 council-led meetings that occurred in March and April of 2005 continually surfaced the importance of repositioning Wheat Ridge—but not by sacrificing history and culture. At these meetings and four other, large city-wide sessions held at the Recreation Center in April, May and June, and in City Council work sessions, the challenge of reconciling economic improvement within an historic Wheat Ridge context was always present.

The importance of this apparent contradiction is that it is not a contradiction at all. Rather it illustrates that there was a time when it was suitable to be a rural community in Jefferson County. And at that time, such a mindset was sufficient. As the region changed dramatically in the 1980s, Wheat Ridge did not shed its rural memories. In our interviews with citizens, we have determined that the overall Wheat Ridge characteristic during much of period between 1970-2000 was one where Wheat Ridge really didn't *want* to admit it was in the middle of a sprawling, suburban region, and so it didn't. It didn't implement the citywide systems needed to cope with urban and suburban levels of development and planning. At the same time, neighboring communities were doing just that.

They were learning how to be creative with surface transportation monies. They were exploring the new urbanism and mixed-use development. They were sending delegations to Washington, DC to ensure their community had resources. They were remarketing inner-city commercial strips into hip retail magnets. They were marketing, hustling, and in general doing the "make our city great" jig at every turn. And they did this at Wheat Ridge's expense. Wheat Ridge got the Camelot while

A Sampling of Comments from Council Outreach Meetings

- Need to protect and encourage rural ambience.
- The city needs more retail shopping. Residents' money is going to other cities. The city needs department stores, also a movie theater.
- Quality families do not consider Wheat Ridge.
- Wheat Ridge asset: small town sensibility.
- Need higher density housing, if done right, and increase our draw like other cities.
- Property rights shouldn't be allowed to negatively impact neighbors.
- Need to attract better businesses that reflect actual community.

What's Working

- Country setting, urban feel.
- Small town atmosphere
- Fruit markets on 44th Ave.
- Animals, livestock, horses.
- Rural ambience.
- Enclaves of deeply caring neighbors
- Open Space!

What's Not Working

- People boarding horses in R-1 zone.
- Hodge-podge look—doesn't command a lot of respect.
- Too small, 'country', blah.
- Lack of shopping variety—restaurants, book stores, higher-end is missing.
- Lack of downtown—no central area for gathering.
- Low maintenance for many properties.

North Denver got Highland Gardens. Wheat Ridge got John Elway Ford while Arvada got Olde Town.

Belmar, Arvada Center

	The Competition	Wheat Ridge
BEST PRACTICES		
Creative Use of Transportation Resources		
Experimentation with Urban Design Guidelines		
Adaptive Re-Use of Historic Corridors		
Intentional Marketing to Niche Customers		
Remarketing Moribund Commercial Strips		
Building Large New Homes		
Facilitating Upgrades of Older, Historic Homes		
BAD HABITS		
Making it Hard for Local Businesses to Expand		
Permitting Sloppy Standards to Take Root		
Encouraging Strip Retail to Proliferate		
Failing to Undertake Purposeful Economic Development		
Neglecting to Update Codes		

Positioning of Elway Dealership, Walgreens Development Process

If the bad habits aren't soon replaced by best practices, it won't matter what current assets Wheat Ridge has to leverage. Wheat Ridge as a city must absorb and understand the lessons contained in this report which have been present for years but un-adopted, and learn to practice new habits, including:

1. **Retain and attract strong households** as the city's on-going #1 priority. For too long the city's collective priority was to provide nothing more or less than the services demanded by current residents. But during the same time, surrounding jurisdictions made it their priority to retain and attract strong households, while Wheat Ridge failed to keep many of the strong households they once had, and stopped attracting new ones as well. Into this vacuum too many weak households moved to Wheat Ridge.
2. **Invest public resources more on building upon strengths** than on fixing problems. When problems began to surface in Wheat Ridge, such as slipping standards, enforcement was not focused; indeed penny-wise and pound-foolish decisions were made that resulted in reduced funds for enforcement. Furthermore, as standards slipped here and there and resulted in pocket blight, no investment was made in the households and blocks where blighting influences had not yet taken hold, allowing spotty low standards to spread.

3. **Get after it and stay with it.** The work Wheat Ridge must do is hard but not complicated which means that the recovery is not complex. Change the development environment so it is easier to build what strong households want. Right now building mixed use projects, or infilling with medium-density housing, or linking open space to housing more effectively all are somewhat tedious for developers. Further undermining the city, the regional development community regards Wheat Ridge as not being business-friendly. These are easy changes to make. Every current regulation must be examined to determine whether it encourages or discourages the development of facilities demanded by strong households. If it does not, the regulation should be modified. Likewise, every behavior at the city – from the way public policies are debated to the way city staff interacts with the public – should be examined to see whether the behavior or process facilitates or impedes the retention or recruitment of strong households. *These are difficult changes, but they are not complex, and they are mandatory.*

Much of the work facing Wheat Ridge hinges on breaking old habits, and adopting new ones. Without progress on this important front implementation of the lessons will be undermined. For example, the lesson of going after strong households would be lost if flexible zoning changes were not adopted because of the old habit of thinking that infill is a problem. Or, to provide a second example, the lesson of building on strength would be misused if the city began allocating resources to address problems on the worst blocks while failing to remediate lesser distress on more cost-effective recoverable blocks.

	<i>Old Way</i>	<i>New Wheat Ridge</i>
NORMS	Bad Habits	Best Practices
OUTCOMES	<ul style="list-style-type: none"> - Unsightly Strip Retail - Out-of-date Housing Stocks - Lack of Curb Appeal - Low Buying Power - Declining (Relative) Property Values - Slipping Property Maintenance 	<ul style="list-style-type: none"> - Vibrant Commercial Life - New, Quality Housing - Ability to Support Upper Tier Retail - Stable and Rising Property Values - High Levels of <i>house pride</i> and <i>block pride</i>

HOW TO GET THERE		<ol style="list-style-type: none"> 1. Implement 9 Recommended Strategies 2. Broad Overhaul of How the City Manages Change 3. Create WR 2020
-------------------------	--	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Current habits and norms in Wheat Ridge developed over decades. Where these norms may have served the city well when Jefferson County was more rural and less affluent, they have more recently served to weaken long held community values and aspirations.

- A long cherished value in Wheat Ridge has been to be a *homeowner community* of residents with sustained ties over time to the city. Yet this has been continually undermined by zoning practices and an unwillingness to set and maintain high standards of care among property owners.

The work to be done by citizens is to reconcile these two cherished values and decide which is more important – sustained homeownership and high standards, or the unregulated freedom to maintain private property any way one wishes. These are two cherished values but *only one* will serve the city well in this economy. The old habits that undervalue homeownership need to be broken and replaced with a new custom of promoting homeownership and reinvestment and stability.

- A second long-cherished value in Wheat Ridge has been to be a community with a *small town flavor* exemplified by a pedestrian-friendly Main Street with small shops. Yet this has been continually undermined by land use and zoning decisions that have made ‘strip retail’ the dominant norm.

Again, the citizens need to reconcile these two cherished values and decide which is more important – small-town type retail responsive to local demand or strip retail offering mainly a menu of fast food, service stations, and in-and-out shopping activity. Both provide sales taxes and so both have their place and have merit. Yet they are at odds and do not serve the community equally well; Trends in retail sales by trade indicate that the auto and health industries increased substantially as a percentage of retail sales between 1990 and 2000, while industries such as food stores, eating/drinking establishments and building materials declined as a percentage of sales. The percentage of retail sales from retail trades in Wheat Ridge is lower than any other community, at 41 percent in 2004 (through the third quarter). The old habits that undervalue the small town character of Wheat Ridge need to be broken and replaced with a new custom of encouraging a Main Street renaissance and other similarly-scaled, pedestrian-friendly, small town commercial activity.

- A third long held value is for Wheat Ridge to be a *family-friendly community*. Yet Wheat Ridge is mainly a city of adults, senior citizens and single parents. The city is incredibly car-oriented and is not pedestrian-friendly. Shopping centers in town are not where families want their kids to be since they are auto-dominated and frequently in disrepair, yet there are comparatively fewer ball fields in town than in surrounding communities, where suitable alternative space would be. The park system is extensive but hard-to-locate, hard-to-access, and dominated by poorly maintained edges. The Recreation Center – which is justifiably the pride of the community – is truly only accessible by car, so if you are a nine-year-old boy

living on the other side of Kipling, getting to the Recreation Center without being shuttled is not an option.

Citizens need to reconcile two conflicting values – the aspiration to be a family-friendly community and the dominant family-unfriendly environment ushered in by a strong orientation to the car. Wheat Ridge needs to reconcile its auto-orientation values with its family-friendly values. Fortunately, this is possible with good planning and strong citizen support. The old habit of undervaluing the family friendliness of Wheat Ridge needs to be replaced with a new custom of orienting a majority of economic development thinking around strong family households, and by investing heavily in athletic fields and arts facilities and children-friendly urban design, and in supporting the educational innovations needed to improve the schools.

- A fourth long-held value is the *self-image of high standards*, yet increasing standards in Wheat Ridge have slipped and an increasing number of commercial properties invest less and less in exterior upgrades. Few businesses sweep and clean the sidewalks in front of their shops as a morning routine. Few strip centers install and maintain landscaping. More and more apartment buildings pay too little attention to where the dumpster is, or how vacancy signs are posted, or whether the grass is mowed and snow shoveled. Fewer homeowners are painting with regularity, planting flowers, keeping porch lights on, or doing activities that signal house pride.

The work that citizens in Wheat Ridge must do is to reconcile these two conflicting values: the belief that low standards are not good versus the conviction that a property owner ought to be able keep their property pretty much any way they want it without interference from neighborhoods or worse, local government. The former will help the city become more attractive to strong households; the latter will not. The old habit of undervaluing high standards needs to be replaced with a new custom of promoting reinvestment and house pride, investments in landscaping, recognition of garden accomplishments, and historic property maintenance so the city's positive heritage comes through loudly.

- A fifth cherished community value is the belief that *Wheat Ridge is a rural place, with open space, rural character, and as such is distinctly anti-urban*. Yet this is belied by 30 years of anti-rural real estate development that has produced suburban strip retail throughout the community, one suburban cul-de-sac after another, a diminished town center, and formless boundaries. And it is further weakened by low prevailing standards of upkeep. One result is a Wheat Ridge with a tiny handful of 'farmettes' overwhelmed by more than five-thousand ranch homes. Another is a patchwork quilt of semi-rural homesteads, many less rural than they are shoddy. Consequently, visitors to Wheat Ridge don't arrive and think they are in the country, or in an otherwise pastoral setting with views of the Front Range. They arrive and some parts of Wheat Ridge signal tired homes with sagging split rail fencing, a horse in the backyard, and two rusted cars out front. There is rural kept with pride and rural that dismisses the values of the broader community.

The work that citizens in Wheat Ridge must do is reconcile their cherished self image of being rural with their cherished value of being free from rules about rusted cars and overgrown fence lines. Only one of these values will help the city retain and attract strong households. Citizens will have to choose which they value more. The old habit of undervaluing the pastoral beauty of Wheat Ridge's setting needs to be replaced with a new custom of presenting rural Wheat Ridge more beautifully, while more appropriately connecting suburban scale development with already existing rural properties.

Citizens in Wheat Ridge must follow the *first law of holes*, which states, “if you want to get out of the hole you’re in, the first thing you do is stop digging.” By understanding the data, adopting these lessons, and replacing old habits with new customs, the reasons that Wheat Ridge is in this predicament will no longer be present.

SUMMARY OF THE DATA

What was collected and what it tells us:

- Owners have been replaced by renters.
- Houses have become apartments.
- Good homes have been transferred to residents with less capacity to maintain them to high standards.
- Weak renters have replaced strong renters.
- Greater levels of absentee ownership and poor quality multi-family property management are dealing with weaker renters.
- In response top tier retail has been replaced by second tier retail.
- Second tier retail has been replaced by third tier retail.
- Restaurants and clothing stores have been replaced by gas stations and car dealerships.
- Chain stores and fast food outlets have replaced local specialty stores.

From this data, we know that Wheat Ridge does not attract strong households to the city. In fact, it has been losing strong households for 20 years and they have been replaced by ever-weaker households. The perception of many in the community and surrounding areas that Wheat Ridge lags behind nearby cities and this perception is supported by the data.

Population and Households

Wheat Ridge has not been attracting the more affluent, educated and “strong” households in Jefferson County and has become “home” to lower income, at-risk households. Lower income households mean that residents have less disposable income to support local area retail and other businesses; that they are less able to invest in property maintenance and improvements; that they are at greater risk of displacement through the inability to pay housing costs; and that housing purchases will be more marginal and subject to foreclosure.

Wheat Ridge has a higher percentage of seniors in the community than is found in surrounding areas. These are residents who have been members of the community for a long time, many of whom are living on fixed incomes. These citizens have increasing needs and desires for services and

retail oriented to meet their demands. The presence and influence of seniors is substantial and in many ways, signals a future direction for many metro area communities that are facing an increase in the number of senior households living in the area.

Jobs and Commercial Inventory:

Increased redevelopment and active recruiting of businesses by neighboring communities has been affecting the ability of Wheat Ridge to attract and retain businesses. Despite Wheat Ridge's generally lower (or similar) lease rates and sale prices of commercial space. The fact that Wheat Ridge still saw declining demand for space indicates the low regard with which the area-wide business community views Wheat Ridge as a place to locate retail.

Wheat Ridge's ability to attract and retain businesses and jobs is also affected by the older commercial stock, lower investment in property upgrades and improvements, passive business recruitment, anti-growth perception among the business community, and lack of housing for higher-wage employees (compared to neighboring communities).

Arvada and Lakewood have been attracting jobs more effectively than Wheat Ridge in the recent past. While Wheat Ridge had a faster rate of increase in jobs between 1990 and 2000 than Arvada and Lakewood, between 2000 and 2005 Wheat Ridge's increase in jobs was slower than these communities (and all other compared Jefferson County communities). If this trend continues, Wheat Ridge will continue to see slower job growth than other communities through 2010.

Workers in the area are not choosing to live in Wheat Ridge. Only 16 percent of workers employed in Wheat Ridge live in Wheat Ridge. This is low compared to most other communities in the area, including 42 percent of workers that live and work in Arvada and 32 percent that live and work in Lakewood. Further, less than 4 percent of workers in Lakewood, Golden, Arvada and Westminster combined live in Wheat Ridge. *When people are able to live someplace else, they do.*

Existing commercial space in Wheat Ridge is older than many parts of Jefferson County. About 37 percent of existing space in Wheat Ridge was built prior to 1970, compared to between 20 and 29 percent in most of the other compared areas of Jefferson County. *This illustrates two decades of declining investment in commercial real estate development.*

Demand for retail space in Wheat Ridge is lower than in other parts of the County. 2005 MLS figures indicate sales prices are 30-40 percent lower than elsewhere in Jefferson County⁴. What's more, better than half the available commercial space in the county is in Wheat Ridge alone.

⁴ It should be noted that this analysis does not take into account differences in the condition and location of properties or other factors that may affect sale prices.

Retail Sales Trends

Past growth in retail sales in Wheat Ridge was primarily due to two industries: health care and auto sales/service. While these industries flourished, others declined in their share of retail sales, including food stores, eating/drinking establishments, building materials and finance/insurance and real estate. Sales leakage information indicates that Wheat Ridge residents purchase furniture, clothing, building materials and garden equipment/supplies and visit food and drinking establishments in areas outside of Wheat Ridge. These industries present potential future retail opportunities for Wheat Ridge, but are tied to the affluence of local households in order to attract and retain these businesses. Bottom line of sales trends: people come *to* Wheat Ridge to buy a car or go to a job, and then leave--and on the way in or out, stop for a cheeseburger and to fill up their car. Meanwhile, Wheat Ridge residents who want a nice dinner, or a new pair of shoes, or a new couch, go elsewhere.

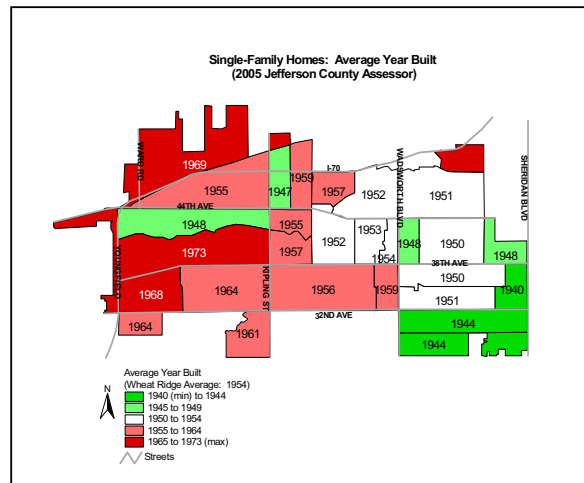
- Retail sales have increased in Wheat Ridge since 1990, as have sales per capita. Wheat Ridge captured about 13 percent of retail sales in Jefferson County in 1990 and this increased to 15 percent in 2004 (through the third quarter). However, this increase is largely a factor of the growing auto and health care industries since 1990, which together comprised 58 percent of all retail sales in Wheat Ridge in 2003. Sales tax from motor vehicle sales is attributed to the purchaser's place of residence and not the place of purchase.
- Trends in retail sales by trade indicate that the auto and health industries increased substantially as a percentage of retail sales between 1990 and 2000, while industries such as food stores, eating/drinking establishments and building materials declined as a percentage of sales. The percentage of retail sales from retail trades in Wheat Ridge is lower than any other community, at 41 percent in 2004 (through the third quarter). Wheat Ridge cannot count on the health industry to account for the bulk of sales in perpetuity. In a world of constantly changing medical technology, there is always a risk that Exempla will seek out a stronger market and over time scale down its Wheat Ridge facilities.
- Between 1990 and 2000, Wheat Ridge was the only community to report a loss in sales revenue from building materials and finance/insurance and real estate. Wheat Ridge also had the lowest percentage gain in construction sales (27 percent), whereas the other compared communities showed increases between about 136 percent (Arvada) and 655 percent (Westminster). This is somewhat reflective of the limited development in Wheat Ridge compared to other areas since 1999 and the attraction of lower income households to the area. Less development results in less need for construction workers and materials and finance/insurance and real estate companies to fund and sell the properties. Also, lower income households are less able to invest in improvements in their properties and spend money on associated building materials. Other factors, such as more active development in neighboring areas and the influx of home improvement stores, such as Lowe's in Lakewood, Arvada and Westminster, and Home Depot in Arvada, would impact these industries as well.
- Wheat Ridge largely has an oversupply of retail sales given the spending potential of local residents, indicating that Wheat Ridge attracts many buyers from outside the region, but the primary products that are over-supplied in Wheat Ridge include motor vehicle parts and

dealers (which generate 440 percent more in sales than would be demanded by local residents alone); food and beverage stores (about 107 percent more in sales generated than local demand); and gas stations (about 134 percent more in sales generated than local demand). Wheat Ridge is where you go to get a truck and Chicken McNuggets; not where you go to get a blouse and a good cup of coffee.

- New retail opportunities in Wheat Ridge are limited to a few industries given the potential demand from residents. About 46 percent of consumer demand for non-store retailers is spent outside of Wheat Ridge, along with 31 percent of furniture and clothing demand, 20 percent of consumer demand for food services and drinking places and 16 percent of demand for building material and garden equipment/supplies. The largest loss in 2004 occurred in food services and drinking places, resulting in about \$10,000,000 in leakage.

Housing Characteristics

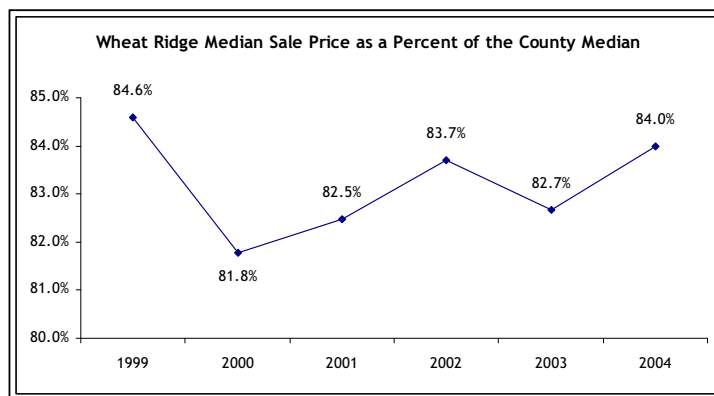
The characteristics of the existing owner housing stock in Wheat Ridge explain some of the household demographic trends observed in the 1990's and presents challenges for the future. Housing in Wheat Ridge is generally older, smaller (nearly two-rooms smaller on average), and less diverse (primarily single-family ranch homes) than neighboring communities. These units are generally attractive to seniors and small households (one or two people) and the lower total price is attractive to lower income households, including single-parent families. Housing stock for families and more affluent households looking for larger homes is limited, whereas other areas of Jefferson and Adams Counties offer a variety of products for these households. Many real estate professionals recognize the limitations on the housing stock and generally take families looking to purchase to areas other than Wheat Ridge.



- Housing available for ownership is primarily single-family homes (84 percent). About 82 percent of single-family homes are ranch-style, 56 percent of units have either one-bedroom (18 percent) or two-bedrooms (38 percent), and 61 percent of units are less than 1,500 square feet in size. These smaller, one-story homes are often suitable for seniors and smaller households, but are a challenge for attracting families and more affluent households, particularly when larger homes are available in nearby parts of the County. However, the smaller homes in Wheat Ridge are on similar or larger sized lots than the bigger homes in other communities, indicating potential for expansion of existing homes to meet the needs of households desiring larger homes.

- About 52 percent of existing ownership housing (single family and multi family) was built between 1940 and 1959. While many of these units are in need of repair, they also have the advantages of unique architecture, location in neighborhoods with mature landscaping, and use of more expensive materials than found on many newer homes (brick exteriors, wood floors, etc.).
- The median value of homes in Wheat Ridge is comparatively low for Jefferson County, in large part because of the smaller size of home. The value per square foot of units in Wheat Ridge (and asking sales price per square foot) is generally higher than other communities, but the value of the land is lower (which is a stronger indicator of overall demand in a community). This is important and indicates that the lower value of homes in Wheat Ridge is not a result of declining value, but is due to their smaller size. As newer, larger homes are built and renovated in other parts of Jefferson County, Wheat Ridge is falling behind in terms of offering larger housing for modern families, resulting in overall lower median values. The high value per square foot in Wheat Ridge indicates that if investment is made in renovating these properties that value will be gained in future sales of the homes.

- Sales prices of single-family homes in Wheat Ridge have been increasing since 1999. The median sale price of single-family homes in Wheat Ridge increased 31 percent (from \$159,000 to \$210,000), compared to a 32 percent increase in Jefferson County properties as a whole (\$189,050 to \$250,000) between 1999 and 2004.



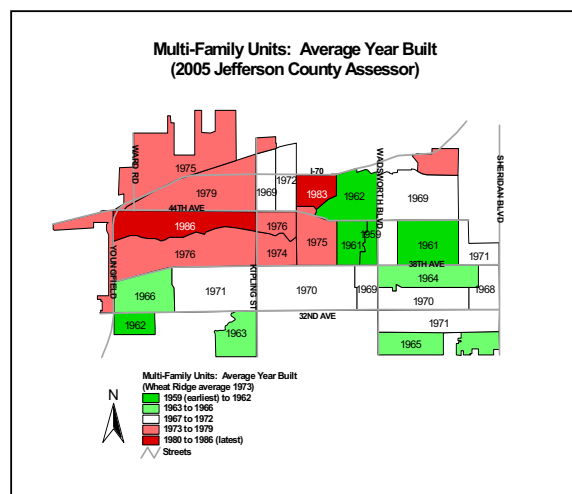
Further, the percentage of Jefferson County sales that occurred in Wheat Ridge remained between 4 and 5 percent during this period. However, an important indicator of the strength of a real estate market is the time it takes to sell a property. In Wheat Ridge for each of the last three years, it has taken successively longer for single-family homes to sell. In 2002 it took 50 days for homes to sell. In 2003 the average time on market was 65.7 days, and in 2004 it took 81 days on average for a home to sell. The substantial increase in “duration on market” figures – particularly for homes priced in the \$200,00 - \$250,000 range, indicates that the product in this price range in Wheat Ridge in its current condition has a shrinking market.

- Real estate agents in the area are more inclined to take clients, particularly families, to Lakewood, Arvada and Northwest Denver before considering Wheat Ridge. The sense from agents is that Wheat Ridge is an adequate community, but that other places have more amenities (shopping, large parks, better schools, etc.) than Wheat Ridge. In the buyer market, “perception is reality.” Homes in Wheat Ridge are also generally too small for young families looking to buy, so agents generally take them into Adams County where there are newer homes that are larger for the same money. As an extension of this, many MLS listings advertise properties “being near Highlands” (in Denver) as a selling point for homes, rather than focusing on a local Wheat Ridge amenity.

- Rental units in Wheat Ridge demand lower rents than neighboring areas, but have had higher vacancy rates than the County since 2002. The lower rents and higher vacancies are related to the age of the rental stock, where the vast majority of apartment units in Wheat Ridge were built prior to 1980. Rents have been 20 to 30 percent lower than those in Jefferson County on average since 2001, but generally track the patterns of the County, indicating the rental market in Wheat Ridge is affected by the larger area market. The lower rents attract lower income households, particularly single-parent families. However, the high rate of cost-burdened renters in the community indicates that the price of housing in Wheat Ridge is still higher than many low income households can afford. The foremost challenge Wheat Ridge must solve with respect to rental property is poor quality and low levels of upkeep of many facilities. Only secondary consideration needs to be given to housing cost burden, with the exception of negotiating with the county and neighboring jurisdictions for development and implementation of an area-wide fair share arrangement regarding the location and distribution of low-income housing.
- About 41 percent of Wheat Ridge renters paid over 30 percent of their income for housing in 2000, despite the generally lower rents in Wheat Ridge than other communities. This indicates that, despite the relative affordability of Wheat Ridge compared to other areas of Jefferson County, the price of rental housing in Wheat Ridge is still higher than many low-income households can afford. The objective is not to lower housing cost but to attract stronger renters.
- Average rent in Wheat Ridge increased 58 percent between 1990 and 2000, which lagged Jefferson County as a whole (67 percent) and other compared communities. In 2000, Wheat Ridge had among the lowest average rent of other communities (\$594) and, as of the fourth quarter 2004, average rents in Wheat Ridge were lower than all compared communities (Arvada, Golden, Lakewood, Westminster and Northwest Denver). These lower rents attract low income households from the region. The Jefferson County Housing Authority recently relocated to a new facility in Wheat Ridge, in part because many of their clientele live in the area.

Average rents by age of unit show that units built prior to 1980 have lower average rents than newer units in Jefferson County – at least 17 percent lower during the fourth quarter of 2004. This affects rents in Wheat Ridge, given that about 85 percent of apartment units were built prior to 1980.

Vacancy rates are also higher among properties built prior to 1980 than newer units in Jefferson County. Recent trends show that vacancy rates in Wheat Ridge surpassed Jefferson County in the fourth quarter of 2002 and have remained higher through the fourth quarter of 2004. Vacancy rates in the fourth

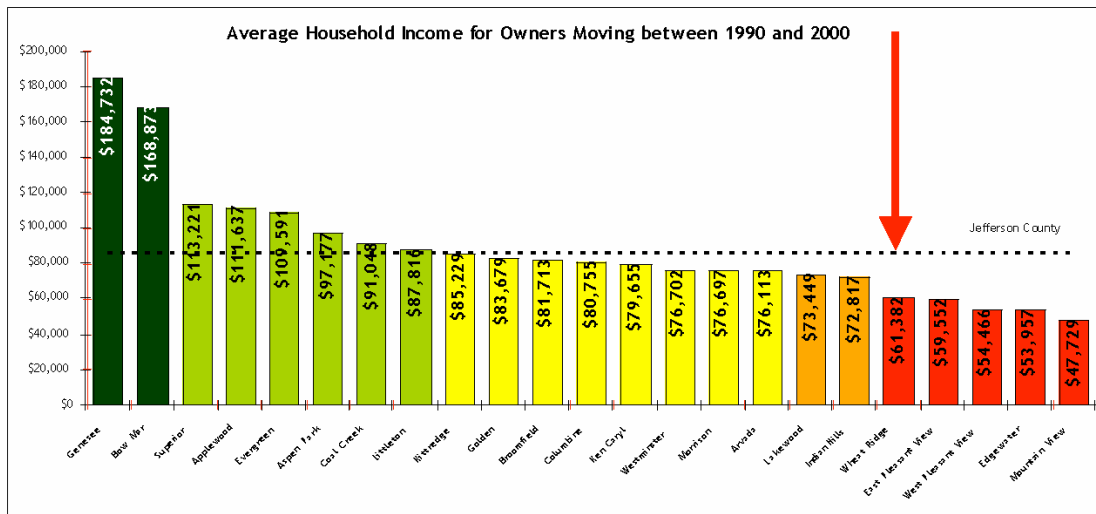


quarter of 2004 reached 11.7 percent in Wheat Ridge, compared to 9.3 percent in the County overall. Lakewood has shown the lowest and most consistent vacancy rates since 2001 – ranging from 5 to 8 percent in the North and 8 to 9 percent in the South.

WHAT IS INVOLVED IN CHANGING COURSE?

The challenge facing Wheat Ridge is to become more successful at becoming a community that strong Jefferson County households want to call home. Household income is a very important (though incomplete) indicator of household strength, since it correlates so thoroughly with employment stability, educational attainment, and home ownership rates.

Wheat Ridge fell to *fifth from the bottom* in average household income for owners moving between 1990-2000. The typical Wheat Ridge mover had less to spend and spent less on housing than the typical owner moving within or to Westminster, Lakewood, or Arvada. The typical Wheat Ridge mover had less to spend on dining out, cars, clothing, and other consumer goods and services. As a result, Wheat Ridge collected less property tax and fewer sales taxes.



At the very least, changing course from this trajectory will mean Wheat Ridge is going to have to decide who their new customer is going to be –precisely who is the typical Wheat Ridge resident.

The market we are recommending Wheat Ridge be intentional about repositioning, retaining and attracting is the household earning between \$74,000 - \$87,000. These are households that Wheat Ridge at one time had, but have slowly lost over the past 25 years. These households are owner households capable of supporting mortgages between \$284,000 - \$347,000.

Wheat Ridge must encourage and facilitate the development of housing and retail to appeal to these households. Between 60-80 new buyers a year for five years of housing at these price points begins to put Wheat Ridge on par with where Broomfield and Arvada are likely to be in 2015, and by 2020 even better.

The most important learning that Wheat Ridge must do, however, is to understand the limitations of just focusing on housing and relying on a build-it-and-they-will-come strategy. Though the broader Jefferson County and north Denver market is strong, it is not so hot a real estate market that simply building a competitively priced product will prove sufficient. The stronger the household, the more choices they have. The more choices households have the more you have to offer them. Every jurisdiction in the region except for Wheat Ridge has proven capable of encouraging the construction of contemporary housing in demand. As Wheat Ridge changes this fact, and begins to work through a public-private nonprofit to stimulate development of in-demand housing, it must also work overtime to *upgrade the setting in which the new housing will exist*.

- Paths must be created that link homes to the Open Space.
- Sidewalks must be lit by appealing period lighting.
- Signage must convey a sense of arrival.
- Vegetation must be mature but not out of control.
- Business that do a poor job of keeping up appearances must be strongly encouraged to upgrade their parking lots, install and maintain landscaping, and, in general put on a better presentation.

New housing that is not accompanied by an attitude of pride in the community, which is exemplified through the state of the physical conditions in Wheat Ridge, will be housing that does not sell quickly. Housing that fails to move quickly will decline in relative value and the condition of Wheat Ridge will not change (with the exception of having newer homes). Better retail will not follow if housing is developed in a vacuum unsupported by fundamental reinvestments in resident leadership and an overhaul in city attitudes and habits.

This is why Wheat Ridge must invest heavily not just in the changes to zoning and planning and in the capitalization of community-based corporation, but in the development of resident leadership. A new generation of Wheat Ridge leaders must see to it that Wheat Ridge communicates pride at every turn.

- Visitors see the promise of the intersection at 38th and Wadsworth only to have to contend with the effects of poor transportation planning and the obvious absence of an economic development strategy. Visitors see disconnected retail and commercial development where the Elway dealership is, and unsightly auto-oriented businesses exerting a siege mentality upon the Wheat Ridge Middle School. A new generation of leaders must insist that planning

efforts in Wheat Ridge be connected to an outcome of a vibrant civic and commercial life, not just an outcome of a piece of land being converted into a car dealership. A new generation of leaders must decide that Wheat Ridge can do better and insist on it. For too long the bar has been too low.

- Visitors see the potential vibrancy of 38th Avenue only to discover you can't walk from store to store easily and that there is no marketing strategy or consistency whatsoever among existing businesses. Visitors feel disconnections and abandon the effort and go elsewhere to shop, which means to Olde Town Arvada or 32nd and Lowell in northwest Denver. A new generation of leaders must insist that economic development efforts in Wheat Ridge be connected to an outcome of commercial places that celebrate Wheat Ridge's unique history, not just an outcome of a sales tax generating, characterless big box. A new generation of leaders must decide what Wheat Ridge can do better and insist on it. For too long the bar has been too low.
- Visitors see the remarkable Recreation Center on Kipling only to discover it is functionally disconnected from the Open Space in an unappealing way, and that it is disconnected from either commercial or residential life as well. Visitors see the frayed edges of the Open Space and are dismayed that so much land along Kipling within sight of the Recreation Center lay fallow. A new generation of leaders must insist that planning efforts in Wheat Ridge be connected to an outcome of a physically reconnected and physically appealing city, not just an outcome of the mere existence of Open Space. A new generation of leaders must decide that Wheat Ridge can do better and insist on it. For too long the bar has been too low.
- Visitors see the lovely and unique homes in many parts of Wheat Ridge only to discover that numerous streets have to contend with poor quality infill garden apartments or too frequent owners failing to keep up their properties. Visitors see wonderful large lots where they might build a home only to have to contend with neighbors who chose not to park in the driveways or regularly cut their grass or paint their homes when needed. A new generation of leaders must insist that planning efforts in Wheat Ridge be connected to an outcome of measurable pride of ownership, not just the result of an affordable place to live where property neglect is acceptable and commonplace. A new generation of leaders must decide that Wheat Ridge can do better and insist on it. For too long the bar has been too low.

The status quo in Wheat Ridge is that the community has been in slow decline for a long time; to some degree, its challenges (such as slipping standards) have been overcome by great assets like location and affordability. Ironically digging out of a situation like this can be harder than if conditions were far worse, because the rate of decline has been slow and the community is plainly not in distress.

The fact that so many parts of Wheat Ridge appear to be

Housing redevelopment, by itself, will be housing that does not sell quickly. Housing that fails to move quickly will decline in relative value and the condition of Wheat Ridge will not change (with the exception of having newer homes). Better retail will not follow if housing is developed in a vacuum unsupported by fundamental reinvestments in leadership by residents and businesses and an overhaul in city attitudes and habits. New development must be accompanied by a shift in attitude.

doing well will be what many in the community point to as reason to question, and even undermine, efforts to change the course of the city's real estate markets. Leaders must thoroughly familiarize themselves with the data, and be able to communicate correlations between behaviors and statistics, and most important of all, be able to articulate the necessity of looking at trends as a whole, rather than focusing on snapshots.

APPROACH OVERVIEW

Raising the bar – raising expectations -- is the sinew connecting the efforts that Wheat Ridge must confront. Leaders in Wheat Ridge – the City Council and residents and business leaders alike – will need to expend energy in three ways.

- Fixing some things.
- Making some things great.
- Keeping what is good.

Fixing things that everyone in Wheat Ridge knows needs fixing – ugly strip retail, vacant parcels sitting fallow, poorly maintained apartments – raises the bar in town, and communicates powerful signals to the wider market in Jefferson County.

Making some things great – a town center, a Main Street, new housing developments, enhanced and accessible open space – raises the bar throughout the community and also sends powerful signals to the wider market.

And genuinely honoring and keeping what is good about Wheat Ridge – its rural heritage, the unique and well built housing, mature vegetation and neighborhoods, a fantastic Recreation Center – also raises the bar in Wheat Ridge – for it signals to current and future residents alike that this place – Wheat Ridge – *is special, is different*. It says Wheat Ridge is not a collection of cookie cutter subdivisions but rather a place with a history. A place to be *in and experience* as opposed to a place merely to *go through*.

WHY THIS IS HARD

Communities, like individuals, get stuck in their ways. A community is a market – that is, a collection of households with certain characteristics and expectations. That market imposes its will on its physical and political surroundings. Changing the status quo always means changing one's ways. Yet communities and individuals alike frequently resist doing so.

Many communities commission reports to tell them which changes are needed yet fail to take the next step to actually implement those changes. Resistance to certain types of change is

commonplace. Overcoming this resistance is very hard work, and Wheat Ridge is going to face considerable difficulty implementing recommendations in this report. We strongly urge the City Council and residents alike to find a way to move forward, and we believe that important lessons can be learned from the process that created the Wheat Ridge Recreation Center. The Center is a remarkable facility in every way. Whether 5:15 am on an average Tuesday or right at closing time at 7:55 pm on a Sunday, kids are swimming, adults are riding exercise cycles, someone is playing racquetball, and someone else is using the climbing wall. The product – the outcome – is a facility everybody can use and of which everyone can be proud. It is a facility that is attractive to strong households. The architecture of the building and the programs it offers both strengthen the community and appeal to strong households. The Denver Post noted that the Wheat Ridge Recreation Center had “the best public swimming pool in Colorado.”

When citizens in Wheat Ridge made the decision to build a great recreation facility, they proved completely able. Now the citizens of Wheat Ridge must do the same thing for the city as a whole: make the city great.

In the case of the Recreation Center, there are crucial lessons:

1. A great facility was not cheap. Money had to be raised. Money had to be spent. That money might have purchased something else. In other words the facility – the outcome – was a high enough priority for which to justify significant sacrifice.
2. A great facility had to have appeal. Quality architecture and excellent finishes had to be central parts of the equation. In other words the outcome had to be a place of quality, a place where members of the community wanted to be.
3. A great facility needed leadership. Someone had to own the effort. Someone had to step up and stay with it. A group of people had to mobilize others to a vision of an outcome – a great facility – and coordinate the work of getting there.

A future Wheat Ridge will not come cheap. A future Wheat Ridge will have to be an appealing place of excellence. And a future Wheat Ridge will not just appear as the result of one more consultant report. Leadership will be essential. The City Council will have to take ownership of the process and enlist a wide spectrum of residents and business owners to join in the effort to make Wheat Ridge great, make hard decisions, and build a city of unquestionable charm.

So far hundreds of Wheat Ridge citizens have met with the current city council to discuss what needs to get done, what has worked and failed to work in the past, and what hurdles exist that could undermine current and future efforts. This is your report.

REPOSITIONING WHEAT RIDGE

PART B

B. KEY INDICATORS

KEY INDICATORS

Citizens will need to hold the City Council accountable for starting the process of recovery. And in turn, citizens of Wheat Ridge must assume responsibility for implementation. Together, both officials in positions of authority and the citizens providing that authority, are responsible for the outcomes - from either supporting or failing to support the robust intervention in the status quo.

Citizens should expect results. But which ones? How can Wheat Ridge stakeholders really know if things are getting better? After all, decline has been slow and obscured. What will make recovery any more discernable?

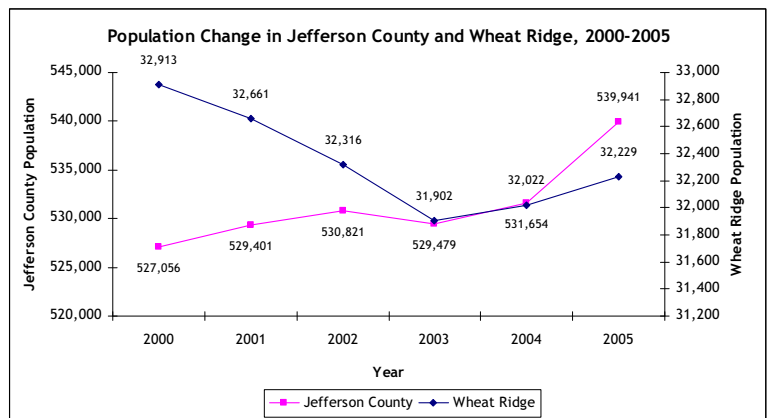
We recommend that citizens become active participants in the recovery process. Attending council meetings. Becoming versed in the language of revitalization. Running for boards and commissions and Council itself. These are all vital ways to contribute and we encourage all of them. But a more profound way to contribute is to look around your community. Small, even modest improvements to properties will be infectious. Lawns mowed frequently. Homes painted regularly. New flower gardens planted. Trees pruned. Fences repaired and painted. Cars washed and neatly parked. Mailboxes hung straightly. Porch lights on at night. These small details communicate pride and generate positive reactions among neighbors. What's more, they send critical signals to the market that Wheat Ridge is a prideful place, worthy of affection and investment.

As recovery in Wheat Ridge takes shape, more and more homes will show more prominent signs of pride. The most easily measurable indication of improvement will be changes in property values. As property values change, confidence will spread and take a variety of forms, from changes in the age of residents to amount of private sector dollars being invested in capital home improvements.

The following is a summary of the key indicators of conditions in Wheat Ridge.

Population in the City of Wheat Ridge

- Between 2000 and 2002, while the county's population rose from 527,056 to 530,821, Wheat Ridge actually lost residents – shrinking by roughly 600 people. Between 2003 and 2005, Wheat Ridge grew less than 1%⁵. Over the same period, Jefferson County's population rose by nearly 2% – or



⁵ Source: Colorado Department of Local Affairs.

roughly three times as fast as the city.

- The number of households in Wheat Ridge is expected to decline between 2000 and 2010. By 2010, all other communities studied in Jefferson County (except Mountain View) and the county as a whole will gain households.

Importance To Citizens: The citizens of Wheat Ridge will need to know that recovery is taking root when the city begins to gain households. This will mean it is retaining and attracting residents – and thus businesses. Population gains usually indicate that a place is becoming popular.

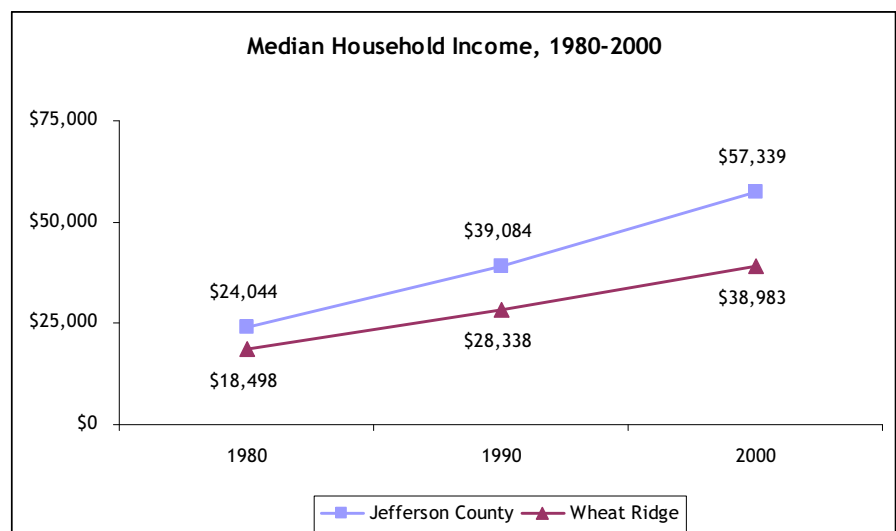
Age of Wheat Ridge Residents

- One in five Wheat Ridge residents (19%) and one out of every four Wheat Ridge householders (27%) are 65 years old or older. The city's portions of seniors – senior residents and senior householders – are both roughly double those for the county: Throughout Jefferson County, one in ten residents (10%) and one in seven householders (15%) are 65 years old or older.
- A large senior population is likely in Wheat Ridge for the near future – as the portion of older residents has risen countywide (from 6% in 1980 to 8% in 1990 to 10% in 2000).

Importance To Citizens: Users of this document will want to keep in mind that on average, seniors spend less on capital home improvements, so a senior-dominated community commonly translates into housing stocks that may not keep up with broader market preferences. High concentrations of senior citizens usually indicate that goods and services are inexpensive.

Income (First of the Big Three Indicators Every Citizen Should Track)

- The median household income in Wheat Ridge in 2000 was just \$38,983 – equal to only 68% of the county median (roughly \$57,000). Most critical? Wheat Ridge incomes have been losing ground (relative to the county): Equal to 77% of the county median in 1980, the Wheat Ridge median income was down to just 73% in 1990 before slipping to 68% in 2000.
- On average, Wheat Ridge household incomes rose 38% between 1990 and 2000; countywide, incomes increased



47% over the same period.

- Not only are long-term Wheat Ridge residents not seeing income increases, Jefferson County's new higher-income owner households are not choosing Wheat Ridge. The average household income of owner households moving to Jefferson County between 1990 and March 2000 was just over \$80,000, compared to \$61,382 in Wheat Ridge.

Importance To Citizens: Incomes are one of the most important indicators of community health. Higher incomes usually result from higher education. They are highly correlative with low crime, high rates of home ownership, and high property values and steady appreciation. If household incomes are not going up at rates equal or better than the county median, Wheat Ridge is *losing ground*.

Poverty

- Between 1990 and 2000, the poverty rate in Wheat Ridge actually increased (from 8.3% to 8.8%) while poverty countywide declined (from 5.7% to 5.1%).
- Wheat Ridge is where Jefferson County's poor increasingly live. This drains the city's financial resources in crucial ways that add up to fiscal stress. Poor households require costly city services but are unable to pay in taxes enough to cover those costs. The greater the share of poor households in any given jurisdiction, the greater the net drain.

Importance To Citizens: For there to be a concentration of poor households in Wheat Ridge, there has to be a concurrent less-than-fair-share of poor households in neighboring Jefferson County communities. Poor households exercise choice in housing markets like everyone else, though with less mobility. The primary draw is affordable housing. Citizens should pay close attention to the amount of housing in Wheat Ridge affordable to households earning less than 80 percent of area median income. This should decrease as the city recovers from its current weak market position. Citizens should pay particularly close attention to city-county relations. An area where citizens should especially scrutinize is the degree to which city officials aggressively push Jefferson County to locate subsidized housing for low-income households elsewhere in the County. If poverty rates in Wheat Ridge have not pulled even with the county in 10 years, citizens will know progress has not come fast enough.

Education Level

- In 2000, just one-quarter of adults in Wheat Ridge (25%) had at least a college degree. This contrasts with nearly 37% of adults countywide.
- Between 2000 and 2010, the portion of adults with at least a Bachelor's degree is expected to grow more gradually in Wheat Ridge than in the county as a whole.
- Why are education levels important? Education correlates very strongly with incomes and with home ownership rates. Incomes, in turn, correlate with retail market strength, while home ownership rates correlate with reinvestment activity, pride, and high standards. One attribute alone accounts fully for cause or effect; but together they contribute to overall market health.

Importance To Citizens: Wheat Ridge citizens can expect the percentage of the community with a college degree to steadily rise. If WR2020 and the City Council are successful at encouraging 60-80 new strong households to buy in Wheat Ridge per year, of which 80 percent will hold degrees, citizens can expect the current 25 percent rate to increase to 32 percent by 2016. This would still be below Jefferson County's rates, but would probably be sufficient to trigger faster rates of increase in this area thereafter. If the percentage of Wheat Ridge citizens holding degrees remains less than 30 percent, the city will continue to have difficulty repositioning itself in the increasingly well-educated Jefferson County/North Denver market.

Household Type

- Single-parent households (with or without children under 18) comprised roughly 16% of households in Wheat Ridge in 2000 – compared to just 12% countywide. This percentage is expected to increase between 2000 and 2010.
- In 2000, Wheat Ridge had significantly fewer two-parent households than Jefferson County: Just over half of all Wheat Ridge households (57%) were two-parent households, compared to more than two-thirds of all households (68%) in Jefferson County.

Importance To Citizens: This is an enormously important indicator because single-parent household rates almost perfectly correlate with poverty and with low school test scores. High rates of single-parent households will mean high rates of poverty. This will mean low median incomes, low rates of home ownership, low test scores, low consumer buying power. Poor households are not by themselves, on an individual basis, a problem that a community cannot absorb (even a fiscally stretched city like Wheat Ridge). But when one-in-six Wheat Ridge households are headed by a single parent, Wheat Ridge has more cost-burdened and at-risk families than it has resources to handle.

Housing Type

- In Wheat Ridge, barely half of all housing units are single-family detached homes. This contrasts with over two-thirds of units countywide (68%).
- In addition, roughly 13% of single-family homes in Wheat Ridge are renter-occupied; nearly double the county's rate (8%).
- Wheat Ridge's single-family housing is also significantly smaller (on average, two rooms smaller) than surrounding communities and the county as a whole: the city's median sized home is approximately 1,360 square feet, compared to about 1,680 in Jefferson County overall.
- Nearly two out of every three homes (61%) in Wheat Ridge have less than 1,500 square feet; only 15% - or one in seven - has 2,000 square feet or more. This creates a challenge for attracting higher income and larger family households to Wheat Ridge, particularly when this larger home inventory is available in other parts of the County.

- Compared to Jefferson County as a whole, a large percentage of housing units in Wheat Ridge are one-bedroom (18%) and two-bedroom units (38%). (The equivalent figures for the county are 12% and 25%, respectively).
- Almost all single-family homes in Wheat Ridge (82%) are ranch-style homes.

Importance To Citizens: Neither small homes nor ranch-style homes are what the broader market prefers. Older homes that are not old enough to be historic are not what the broader market prefers. Yet these features describe the majority of the housing stock Wheat Ridge has to offer the broader market. This is like trying to sell single scoop vanilla ice cream cones to a market that has said repeatedly for 25 years it prefers double scoop chocolate. Citizens will know progress is being made when the only multi-family housing being built is for upper middle income households, when vacant lots are being redeveloped into new, larger single family housing with amenities, and then older ranch homes are being upgraded with additions, second stories, porch and gable add-ons, and a variety of other improvements that take existing neighborhoods and renovate them to be more appealing to the wider market.

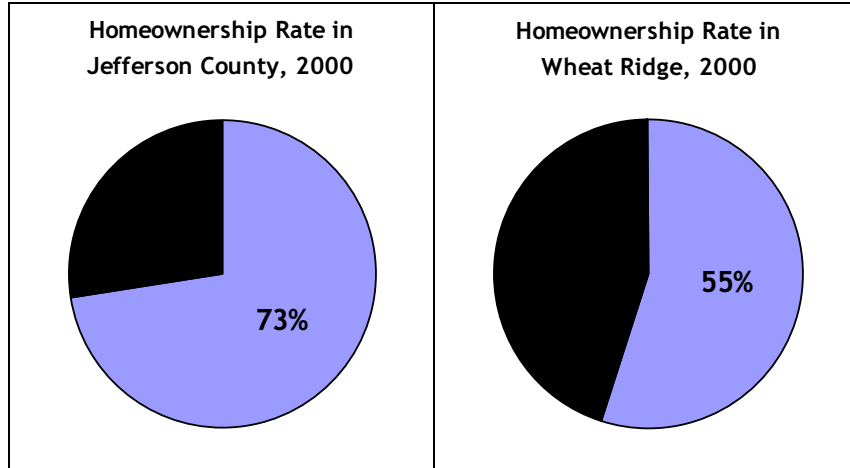
Housing Age

- Nearly all of Wheat Ridge's single-family units (89%) were built prior to 1970. The median sale price of units in Jefferson County built prior to 1970 is at least 50 percent lower than units built since 1990.
- Fully half of all housing units in Wheat Ridge (52%) were built between 1940 and 1959, compared to only 13% in Jefferson County as a whole.

Importance To Citizens: Older housing is a hard sell, period. Even historic homes appeal only to a small percentage of the market willing to put a lot of sweat equity into upgrades and wishing to live in urban settings. Wheat Ridge's stocks are old but lack historic significance. What they *do have* is charm in a sea of repetition county-wide. Citizens should expect that revitalization efforts will continually add between 50-150 new homes a year in Wheat Ridge for the next 20 years, generating between 1,000-3,000 new homes. This would correlate to higher rates of contemporary housing as well as population increases whereby Wheat Ridge becomes a community of roughly 45,000.

Homeownership Rate (Second of the Big Three Indicators Every Citizen Should Track)

- Wheat Ridge has one of Jefferson County's lowest ownership rates: just 55% in 2000 (compared to 73% countywide).



- Wheat Ridge also had a lower percentage increase in owner households in the 1990's: Owner households increased 13% in Wheat Ridge between 1990 and 2000, compared to 28% in the county overall.
- Homeownership is perhaps the single most valuable indicator of market health. Even though there are instances in some communities of persistent market problems even though ownership rates are high, those cases typically involve communities older than Wheat Ridge, often in an area experiencing population loss. *Generally speaking*, when home ownership rates are high, the market is strong.

Importance To Citizens: Except when the prevailing norm is that low standards are acceptable, high rates of home ownership translate into high levels of house and block pride. As the city makes progress on its revitalization efforts, citizens should expect the rate of home ownership to go up and notice visible increases in the property maintenance and upkeep. Citizens may not have time to track all these indicators. If not, home ownership rates are one of the three most critical to know – the three that can tell 90 percent of the story by themselves.

Median Value Of Housing (Third of the Big Three Indicators That Every Citizen Should Track)

- Median housing values increased about 90 percent in Wheat Ridge during the 1990's. In comparison, single family homes in the County increased about 101 percent. In other words every dollar invested in housing in 1990 returned \$1.90 in 2000 in Wheat Ridge and \$2.01 elsewhere in the county not in Wheat Ridge. All else being equal, no investor will put scarce capital at risk in Wheat Ridge for what Wheat Ridge offers in return if they can get 11 cents on the dollar better outside Wheat Ridge.
- By 2005, the median value of single-family homes in Wheat Ridge was \$224,505 – equal to just 92% of the county median (\$242,865).

- Approximately one-third of single-family homes in Wheat Ridge (32%) are valued under \$200,000 (compared to 21% in Jefferson County overall) and just 14% are valued over \$300,000 (compared to 28% countywide). Even if high value mountain communities (arguably catering to a different market than non-mountain suburbs like Wheat Ridge) were excluded from the analysis, the value of Wheat Ridge housing would still be below the Jefferson County median.

Why the lack of new product in Wheat Ridge?

Citizens need to understand that it is the regulatory environment combined with builders' perceptions, which serves to curtail risk and development. This report will be meaningless if the data showing a near zero housing market cannot be translated into a changed regulatory environment in Wheat Ridge conducive to revitalization. The responsibility for this rests solely with residents who must support changes in zoning, the Charter and the Comprehensive Plan if changes in development posture are to result.

Importance To Citizens: Housing values are the single most useful proxy for citizens wishing to know how well Wheat Ridge is doing. Housing values are an expression of two factors. The first is the volume or amount (supply) of housing on the market. The second is the demand for that housing in the context of what other options for the same dollar prospective buyers have nearby. In the simplest sense, today the supply of Wheat Ridge houses is larger than the demand for them by strong households. This translates into what is known as a soft market, where prices do rise but not as fast as they do in competing markets like Lakewood and Broomfield. Citizens should expect to see improvement in this area within three years. Improvement would be indicated by several measures. First, homes would sell for higher prices and prices would rise at the same rate as Arvada and Broomfield and Westminster prices. Second, when homes go on the market in Wheat Ridge, they would sell faster each year. Third, homes that are sold would start to actually sell for amounts much closer to or even above the initial asking price three years from now than today. Finally, the buyer profile for sales would start to change. Today's prototypical buyer is a \$55,000/year household. Three years from now, the prototypical Wheat Ridge buyer should have more education, a higher income, an ability to command lower mortgage interest rates, and the financial capacity to put more cash down on the purchase.

Housing Market

- The number of housing units in Jefferson County grew by 19% during the 1990s. By contrast, Wheat Ridge had one of the county's lowest rates of growth over the same period – just 6%. This indicates several factors. First, it indicates that the private sector perceived Wheat Ridge to be a comparably unappealing option to take risk in the housing market. Second, it illustrates that Wheat Ridge today is more or less the same physical community it was 15 years ago. This means that Wheat Ridge is now forced to compete for market share using older products against Lakewood, Broomfield and other communities with newer ones. Third, it reflects Wheat Ridge's near-build out condition, which results in higher land costs than greenfield development.

- The percentage of home sales that were new units (sold within one year of construction) increased in most Jefferson County communities between 2001 and 2003. In contrast, new unit sales in Wheat Ridge declined since 1999, dropping from 7% of sales in 1999 to 3% in 2004. This is an extension of the housing market story, illustrating the fact that so little housing in Wheat Ridge is new⁶. This begs the question: why the lack of new product in Wheat Ridge? The increase in new unit sales between 2001 and 2003 (in communities other than Wheat Ridge) coincides with the slight decline in Wheat Ridge's share of sales in Jefferson County.
- About 22% of units for sale in Wheat Ridge have two bedrooms, compared to between 7% and 9% in other Jefferson County communities. Wheat Ridge also has the lowest percentage of 4-bedroom or larger units (33% compared to between 41% and 58% in other communities).
- The vast majority of Wheat Ridge's for-sale homes (78%) are priced under \$300,000, compared to just 56% countywide.

Importance To Citizens: Citizens need to understand that it is the regulatory environment combined with builders' perceptions (that the approval process is difficult), which serves to curtail risk and development. This report will have failed if the data showing a near zero housing market cannot be translated into a changed regulatory environment in Wheat Ridge conducive to revitalization. The responsibility for this rests solely with residents who must support changes in zoning, the Charter and land use policies if positive changes in development are to result.

Rental Housing

- Wheat Ridge has rent levels comparable to Northwest Denver and Mountain View; in all three communities, median rents are less than \$600. These are poorly performing markets with high levels of fiscal stress.
- Average rents in Wheat Ridge, between 2001 and 2004, were roughly 20% to 30% lower than Jefferson County averages. In spite of low rents, vacancy rates remain high.
- Rental units built prior to 1980 have lower average rents than newer units in Jefferson County – at least 17% lower during the fourth quarter of 2004. In addition, vacancy rates for properties built prior to 1980 have ranged between 8% and 13% between 2001 and 2004 while properties built since 1980 have typically had vacancy rates around 8% or less. This has significant implications for Wheat Ridge, where 85% of rental units were built prior to 1980 (compared to just 57% countywide).

Importance To Citizens: The older apartments in Wheat Ridge pose challenges to the city. By and large they are unappealing, costly to maintain, and represent a low return with a lot of headaches to most owners. For these and other reasons, these properties are maintained at increasingly lower levels, and thus have problems attracting quality tenants. These problems are compounded by absentee landlords. A tangible result will be a spiral of ever-lower margins for owners and decreasing justification for privately financed physical upgrades to the facilities,

⁶ What citizens want to keep in mind is that older housing is only a good situation in a historic community, at *full build-out*. Wheat Ridge is approaching build-out, but is far from being an historic community.

much less everyday maintenance and meaningful landscaping measures. Citizens thus have a choice forced upon them by two decades of failed public policy in the 1970s and 1980s: they can make public investments by demolishing existing buildings and paying to relocate tenants, or by upgrading rental properties that otherwise will go unimproved. Failing either, citizens will have to live alongside apartment buildings of decreasing quality that exert powerful (and usually negative) influences over the neighborhood. As citizens decide which path to take, they would do well to look at the small one-story apartments along the west side of Sheridan between 26th and 28th to see the future.

Commercial Space

- Wheat Ridge has 9% of the total commercial space in Jefferson County (or roughly 13.2 million square feet of existing commercial space) but about 25% of the total space available for sale and just 7% of the total space available for lease (as of March 30, 2005).
- More than one-third of Wheat Ridge's existing commercial space (37%) was built prior to 1970, compared to just 23% countywide. The high percentage of commercial space that is outdated presents serious challenges to the city. Upgrading is often less expensive than new construction, and the market to support upgrading is thin, even if the zoning were in place to make it easier, which is not the case.
- For-sale retail space advertised on the MLS on March 30, 2005, in Wheat Ridge is more abundant and less expensive on a per-square-foot basis than available retail properties in other parts of Jefferson County.

Importance To Citizens: Many residents in Wheat Ridge feel poorly served by the current retail environment in the city and it is no wonder. Most properties are old and too many are poorly maintained. Since few are historic, there is little advantage to the older age of most facilities. Getting a leg up on this means permitting an entity (WR2020) to aggressively purchase commercial property, rezone, and redevelop alternatively. It means upzoning for higher residential densities in key areas (such as behind the Safeway on Wadsworth) to create more buying power for higher quality retail. Properties will remain outdated and in need of repair until the market is grown. Citizens can use the rate of new commercial space as a good indication that the market has finally come back, especially for new space generated near the physical center of Wheat Ridge. Conversely, it is citizens themselves who are going to be responsible for the lack of a recovered retail sector in Wheat Ridge – if what holds back recovery is citizen unwillingness to permit higher density residential infill at key locations, or to invest in the *non-big* box retail development essential to carving out a niche.

Retail Sales Trends

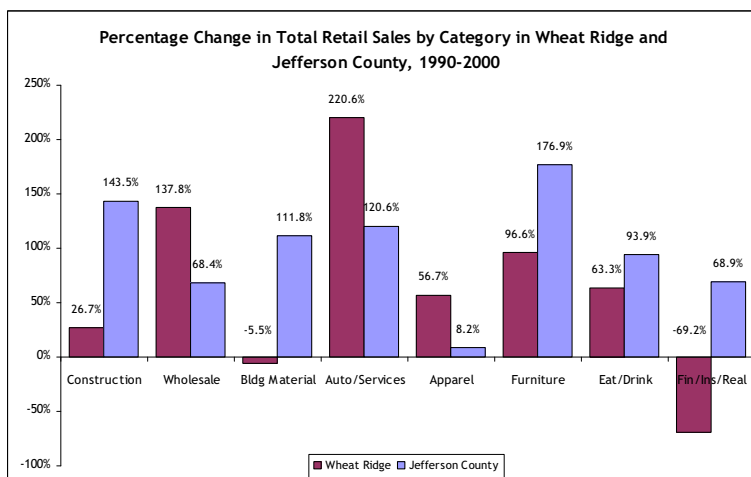
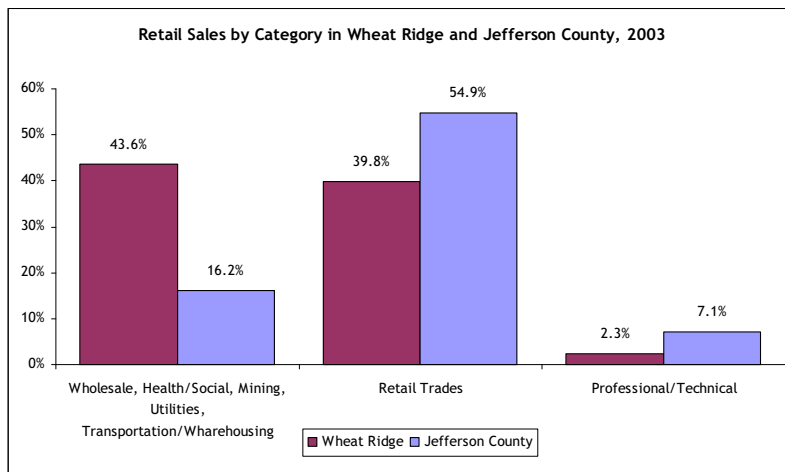
- 58% of 2003 retail sales in Wheat Ridge are attributed to two retail categories: health care and social assistance (including hospitals, nursing and residential care facilities, social assistance and ambulatory services) and motor vehicle parts and dealers (41% and 17%, respectively). These industries increased substantially as a percentage of retail sales between

1990 and 2000, while industries such as food stores, eating/drinking establishments and building materials declined as a percentage of sales.

- Motor vehicles and auto parts account for 42% of all retail trades in Wheat Ridge, nearly twice the portion as in Jefferson County as a whole (23.3%).
- Between 1990 and 2000, Wheat Ridge was the only one of the compared communities to report a loss in sales revenue from building materials and finance/insurance and real estate. Wheat Ridge also had the lowest percentage gain in construction sales (27%), whereas nearby communities showed increases between 136% (Arvada) and 655% (Westminster).

Importance To Citizens:

Wheat Ridge is overly represented by healthcare and auto services in terms of sales activity. This makes Wheat Ridge vulnerable to decisions a few key employers, like Exempla, might make. Citizens want and should expect the Wheat Ridge recovery to result in a more evenly distributed sales tax base. That means more sales of clothing and sit-down restaurant meals to balance sales of mufflers, oil filters, and wheelchairs. Citizens also want a more balanced sales base because the present imbalance is tilted away from sales that derive from activities which strengthen the fabric of the community. Restaurant and coffee shop sales for instance can coincide with the rebirth of a city's commercial and civic life. People congregate and socialize between book stores and bakeries in ways that are less likely to occur when people are buying brake pads and medical supplies. By rebalancing commercial activity, Wheat Ridge also gets a purchase on a renewed civic life, *if* that rebalancing is connected to an improved urban design fabric. Lastly, the drop in sales revenue



from building materials is potentially due to the lack of new commercial development and/or redevelopment.

REPOSITIONING WHEAT RIDGE

PART C

- C1. THE PLAN
- C2. THE TOOLS
- C3. THE ACTIVITIES

C1. THE PLAN

The what of this report is straightforward: Wheat Ridge has been steadily losing strong households to sister communities in the region, and is on a path to lose more of the same without abrupt changes in a number of areas.

Wheat Ridge *can* regain its fair share of these households. What follows is *the how*: a set of recommended strategies Wheat Ridge must engage in to achieve measurable success. The framework for recommended strategies is shown in the table below:

STRATEGIC THRUSTS					
Goal	Objectives	Market	Image	Condition	Capacity
Reposition Wheat Ridge	Fix what is holding Wheat Ridge back	Increase Share of Strong HHs	Improve Perception of Wheat Ridge	Upgrade the physical conditions in Wheat Ridge	Grow the ability of the community to manage change
	Create something great and special	Infill w above market new housing	Project a higher standard	Offer contemporary housing products	Utilize past success as model (Rec Center)
	Build on strengths	Infill in easily recoverable areas	Leverage marketability of established neighborhoods	Encourage new products that are unique	Tap into proven leaders
	Generate scaled impact	Infill connected to other upgrades	Harness value of current strong owners and renters	Work at scale sufficient to tip submarket	Work where leaders reside or own businesses
	Link efforts in coordinated and comprehensive manner	Establish regulatory basis for high expectations through planning processes	Upgrade public space adjoining private infill locations	Connect retail investments to strengthen neighborhood - serving businesses	

The framework calibrates the activities that we recommend in four main ways.

1. Market
2. Image
3. Conditions
4. Capacity

If done as we recommend, the forthcoming strategies will improve market share, upgrade the city's image, establish higher standards for physical conditions, and rebuild the base of resident leadership that will be needed to carry the city forward. The end result of this will be *a vibrant civic and commercial life* that so many Wheat Ridge residents yearn for and that is within reach.

MARKET.

Wheat Ridge is no longer a community of choice among strong area households. It doesn't offer enough of what strong households want and are paying for to get someplace else. The market will improve when the image improves.

IMAGE and PHYSICAL CONDITIONS.

Wheat Ridge is poorly perceived in the market. The perception is that Wheat Ridge is not an easy place to do business, so builders and developers go elsewhere. The perception is that Wheat Ridge is not safe, so families go elsewhere. The perception is that new, quality housing does not exist, so many households go elsewhere. The perception is that the commercial life is not hip, so young professionals go elsewhere. The perception is that the schools are barely marginal, so families with children go elsewhere. The perception is that Wheat Ridge is unkempt, so households that expect high property maintenance standards go elsewhere. The strategies to improve Wheat Ridge's image are oriented around the following six activity areas:

Citizens need to come out in force to support the strategic efforts needed to rebuild Wheat Ridge as a community of choice. In the end, improvements to building facades and sidewalks are ephemeral unless there is a solid foundation of residents connected by common purpose and shared vision .

1. *Address Visually Unattractive/Eyesore Areas.*
Wheat Ridge is not very visually appealing to strong households. Interventions must address this problem.
2. *Create Recognizable 'Gateways' to Wheat Ridge.*
Wheat Ridge meanders and without a discernable center or clear edges. Interventions must address this shortcoming.
3. *Increase the Visibility of Open Space in Wheat Ridge.*
Wheat Ridge's best "hidden" asset is open space. It must become easier to find, access and more appealing upon discovery.
4. *Promote/improve Wheat Ridge's Rural Qualities.*
Wheat Ridge offers residents a chance to live in an urban setting with neither the predictability of repetitive suburbia nor the cheek-by-jowl setting of some Denver neighborhoods. Yet the current anti-urban form is too rustic and poorly maintained to appeal to strong households, so this will have to be addressed.
5. *Promote/improve Wheat Ridge's Historic Qualities.*

Wheat Ridge has a history that is a hundred years deeper than the suddenly-here town homes being constructed in surrounding cities. This history is appealing to strong households who seek to live in a place that has an identity. Interventions must leverage the Wheat Ridge identity.

6. *Market Wheat Ridge as a Community of Choice.*

Wheat Ridge has many strengths but is held back by failure to make them easy to reinvest in because of what amounts to a few glaring weaknesses. On balance the city is not a place of choice. As the strategies are implemented, their results – new housing, improved commercial corridors, new signage, new vibrancy – need to be promoted throughout the region. They won't just get discovered.

To leverage improvements (image and conditions) that project Wheat Ridge as socially and economically vibrant, housing market improvements are the foundation, but only part of the equation. The final outcome – vibrancy in key locations – will require investments in the creation of environments where commercial and civic engagement can interact.

This will necessitate costly redevelopment of key commercial areas. We recommend at least four:

1. Redevelopment of the Wadsworth Corridor.
2. Accelerate and Shape the Development of 38th Avenue.
3. Development of 44th Avenue into an Orchard District.
4. Development of a Town Center.

CAPACITY AND CIVIC ENGAGEMENT.

For many years, the residents of Wheat Ridge have wanted a Town Center. For a long time they have wanted Wadsworth to become more beautiful and less congested with noisy and unappealing traffic. For a long time they have been dissatisfied with the way 44th Avenue has evolved. Residents in Wheat Ridge like neighborhood-serving retail as well as malls and discount stores, and they have said they'd support a Main Street. Yet these desires have not materialized in spite of physical settings sufficient to support these desires and years of articulated aspirations. What's been missing is sufficient civic engagement by leaders in the community to mobilize the city as whole to these outcomes. There are many strong renters and owners in Wheat Ridge and many strong businesses. They all must be mobilized to the common outcome of repositioning the Wheat Ridge market. Citizens need to come out in force to support the strategic efforts needed to rebuild Wheat Ridge as a community of choice. In the end, improvements to building facades and sidewalks are ephemeral unless there is a foundation of residents connected by common purpose and shared vision.

This translates into two sets of responsibilities for Wheat Ridge as the strategies are deliberated.

1. Leaders must take the risk of articulating a future Wheat Ridge attainable by certain approaches.

2. Citizens must authorize those in City Council and in other prominent positions to move forward comprehensively.

C2. THE TOOLS

Throughout this report it's been emphasized that the work of repositioning Wheat Ridge hinges on a comprehensive intervention in the status quo. Though hardly distressed, the Wheat Ridge market is held back from full vibrancy not by any one factor, but by the interconnected fabric of social, political, and economic norms that have failed to keep pace in a rapidly changing Jefferson County. Housing investments without beautification investments will not result in a sufficient shift to compel the market to view Wheat Ridge differently. Investments in change at numerous levels are necessary, which this report has repeatedly made clear.

The imperative for a powerful economic development tool is the recognition that retail establishments thrive where disposable income exists and is willingly spent. In other words there must exist both the *capacity* to spend and the *willingness* to spend. Risks in business are only taken when the regulatory environment encourages entrepreneurial activity and the market has sufficient purchasing power.

In the next section of this report (C3. Activities) what must actually occur is spelled out. For those activities to work, elected officials in Wheat Ridge, working together with professional city staff, a range of partners, and a newly created Wheat Ridge 2020 (WR2020) will need to ensure basic tools are in place. They are:

1. ***Sub-Area Planning for portions of Wheat Ridge*** that have one or more common features. A sub-area is often defined by major roadways or topographic conditions. Usually a sub-area has some level of common land uses (such as the prevalence of nurseries along west 44th Avenue).

Whereas the Comprehensive Plan looks primarily at the overall city, sub-area planning translates several local conditions and relates them to the broad directions of the Comprehensive Plan. Sub-area planning provides guidance and predictability, for changes and/or preservation of a sub-area. This local level of planning allows residents, property owners and/or businesses to address specific problems and reach consensus about solutions that are specific to the sub-area.

Sub-area planning recognizes that one size doesn't fit all, that there are unique aspects of Wheat Ridge neighborhoods that demand unique responses. For example, there are a number of neighborhoods in Wheat Ridge that have "rural road sections" (no curb and gutter, no sidewalks).

In order to lay the groundwork for improvements identified in this report, it is essential that sub-area planning be done for many areas of the city, with some urgency for the following sub-areas: the area surrounding the future light rail station north of I-70, 44th

and Wadsworth, 44th and Kipling (referred to herein as the “Orchard District”), 38th and Kipling, specially targeted commercial sections of 38th Avenue (‘main street’).

2. The *City’s Comprehensive Plan*. A Comprehensive Plan is the articulation of the direction in which a city wants to go. It takes into account projected changes in population, demographics, and labor. It tries to project demand for housing and services. And it proposes a regulatory framework needed to guide development along the way. The current Comprehensive Plan in Wheat Ridge is out of date. It does not assert what kind of a community Wheat Ridge should be. It does not sufficiently differentiate Wheat Ridge as an urban center or a small town or a semi-rural community. An updated Comprehensive Plan is critical to encourage real estate development and to guide local government budgeting. An example of why the current plan needs to be up-to-date is the struggle to create a physical center for Wheat Ridge that is meaningful to current residents and honors Wheat Ridge’s past. With the potential of Cabela’s coming to Wheat Ridge, the vitality of such a large enterprise would invariably add to the shift the city’s economic center of gravity ever westward. This leaves the issue of a town center unresolved. Should the town center be at 38th and Wadsworth, 44th and Wadsworth, 38th and Kipling, or elsewhere? Given the large amount of commercial development that will be drawn near Cabela’s, perhaps a town center should be around the new Cabela’s site? That would put the new center west of I-70, located far from the physical and historical center of the community. This conundrum would be addressed in an updated Comprehensive Plan. And in the process, citizens involved in crafting the Comprehensive Plan would have the chance to weigh in on where a Town Center would be.

For the strategies outlined in this report to begin to be implemented, much less take root, the Comprehensive Plan must be updated.

3. An updated set of *Zoning Codes and Land Use regulations*. Presently it is not possible under the City’s density restrictions to develop housing above retail in densities needed to support upscale shops. Nor is it possible to build mixed-income housing in densities needed to breathe new life into commercial corridors. At the same time it is perfectly legal for many single family houses to become subdivided into apartments, for livestock to live next to a senior citizen apartment complex, and for big box retail to locate at precious intersections that would otherwise be the key to vibrant place-making efforts. Existing codes need to be updated to encourage development activities in Wheat Ridge that will wind up making Wheat Ridge more pedestrian-friendly, more economically diverse, more architecturally appealing, and more in-synch with the expectations of strong households. **For the strategies outlined in this report to begin to be implemented, much less take root, current zoning and land use documents must be updated.**

4. The work of *Budgeting for Capital Investments*. The budgeting process is a powerful planning tool. If actions aren't budgeted, they seldom happen. What is included in the budget is the most accurate reflection of the City's priorities. Therefore, looking ahead to make sure that revitalization actions are in the annual budgets, as well as in the longer-term budgets (5-year and more), is essential to the realization of plans and goals.

There are obviously many needs in the city competing for limited fiscal resources. Each department typically has a list of projects that it would like to implement, and each department often has its own justification for the projects it nominates for each year's City budget. Since there are often more projects than funds available, the City Council then is faced with making the decisions as to which projects get funded and which get deferred. Logically, the priority is often determined on the basis of worst problems to be fixed.

However, they do not need to be thought of as 'either-or' tradeoffs. It is possible to use 'coordination of efforts' as a prioritizing theme. In this approach, the City would ask its departments to coordinate their work efforts in a specific area of town. For example, the City might place a priority on improvements in the Orchard District. Following this directive, the Public Works Department would move up in priority its street improvements in the Orchard District, the Parks and Recreation Department would elevate the priority of its parks and trails projects in the Orchard District, and all of this might be preceded by neighborhood planning by the Community Development Department. This approach does not eliminate projects in other parts of the city, it merely adjusts the phasing or sequence of work items so that the City's actions can be coordinated and focused. Of course, there will always be high-need items that will need to be addressed, even though they are not within the focus area.

5. *Economic Development*. Along with planning and regulatory tools, if the work of revitalization is to proceed the city must have in place the capacity to advance the community's economic standing. Economic development in Wheat Ridge's case is defined as market rate housing development, business development, and commercial real estate development, which are all inextricably linked.

The imperative for a powerful economic development tool is the recognition that investing and reinvesting in a business entails some level of risk. Businesses, especially retail establishments, thrive when three conditions are present:

1. Sufficient purchasing power exists (capacity⁷ and willingness⁸ to spend in Wheat Ridge);
2. The regulatory environment encourages entrepreneurial activity; and
3. There is confidence that the previous two conditions will continue and/or improve.

For Wheat Ridge, the challenges on these fronts are clear:

- Increase aggregate buying power by growing either (or both) the number of households or the income of Wheat Ridge households.
- Improve the aesthetics of existing commercial real estate, and upgrade facilities in terms of ease of access and shopping environment quality.
- Create a regulatory environment and business culture of a sort that makes businesses *want* to take risks.

Ideally, the private sector, in the course of normal competitive business practices, would eventually respond to these three needs. However, when the needed revitalization requires the coordinated efforts of many small property owners and businesses, it is difficult for the private sector to have the patience, tools and financial resources to address these problems.

The private sector can, and will eventually, make interventions in Wheat Ridge—but left to its own devices it will likely be in very small steps, scattered widely over the city, and it may not occur until the city experiences further decline. To instill the confidence that businesses need in order to make their own investment risks typically requires some form of economic boost, public investment, to kick-start the process. This can take many forms, including upgrading streets, building needed City facilities, providing financial subsidies to help business get on their feet, etc. In many cases, subsidies of this nature stimulate economic activities (investments) that result in a public benefit (tax receipts) that exceeds the initial public subsidy.

How can this economic development best be implemented? It would be very difficult to restructure city agencies so that an entrepreneurial initiative could be an integral part of the city's bureaucracy. Indeed, if the primary focus of the work is encouraging the real estate market – both residential and commercial – to enhance the products offered to

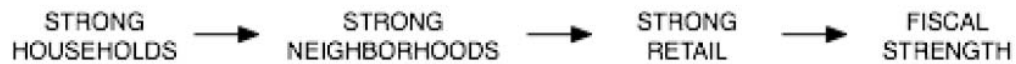
⁷ Capacity is the amount of disposable income households have to spend. This is determined by the number of households multiplied by household disposable income. When the number of households or the average household income is low, business in search of more sales or sales of more costly items will go elsewhere

⁸Willingness is the degree to which households are disposed to spend what they have. Retail facilities have to be visually appealing, easy to get to, and pleasant and safe to shop in once there.

customers, it is likely that an independent or semi-independent organization will be needed.

Therefore, for the strategies outlined in this report to begin to be implemented, much less take root, a strong economic development capacity must be created and invested in.

Furthermore, it is strongly recommended that economic development be overseen by a semi-public, non-profit corporation with the organizational capacity to aggressively address the market conditions while effectively and transparently utilizing public funds. (This is referred to later in this report as Wheat Ridge 2020 or WR2020).

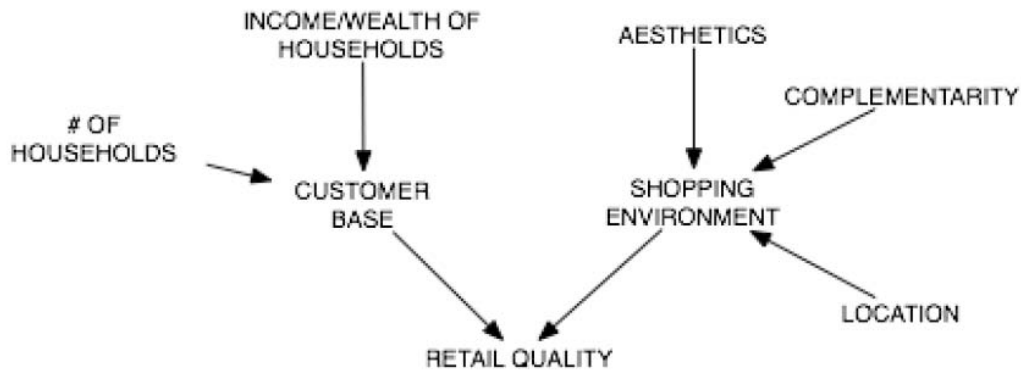


This entity will benefit from a close working relationship with the city and county agencies, but it will also have the flexibility of working outside the complex rules of government and will instead act much more like a not-for-profit business.

For these efforts to work there must exist a regulatory environment and business culture of a sort that makes businesses *want* to take risks. Both purchasing power and the business climate in Wheat Ridge have to improve for retail to get better, so an economic development tool capable of generating these improvements is a must.

At the root of the trends of declining quality of retail in Wheat Ridge amid surges in quality nearby but elsewhere – is the demographic challenge we’ve outlined.

When retail begins to leave, it departs for very good and identifiable reasons. Some combination of factors is usually at work, including a regulatory climate that businesses may find disagreeable. However, in shaping retail, what’s more important than a problematic regulatory environment is the customer base and the shopping environment itself, and how the two interconnect.



Customer base strength = how many households there are for businesses to draw from, multiplied by the amount and type of spending those households do. For retail to be strong, there either needs to be a lot of households (volume of buyers) or a lot of wealth (purchasing power of the households), or some combination of the two, and neither will materialize without a strong and well-capitalized economic development entity such as WR2020 empowered to take responsibility for steering development activities. There are exceptions to this rule like in resort or highly specialized communities, neither of which is the case in Wheat Ridge. Generally speaking, retail will be a good proxy for customer base strength. If retail is strong, buying power is strong. Of course, not all sales transactions are local. People who live in Westminster and Golden buy cars at John Elway Ford, just as people from Wheat Ridge buy cars from Phil Long Ford in Denver, shirts from Nordstrom at Flatiron Crossing in Broomfield, and pastries from Rheinlander's Bakery in Arvada.

This is the reason the shopping environment is also very important. People come from miles around to buy scones from the Denver Bread Company on Irving Street in the West Highlands neighborhood of Denver, and road bikes from the Wheat Ridge Cyclery on 38th Avenue. But if the environment where people do their shopping is not desirable, then it is very difficult for even the best products on the shelves to sell in even the best-managed stores. What shapes the shopping environment? Many factors do, from how easy or hard it is to find, get to and park, to how well lit a place is, to how attractive the surrounding area is, to how safe people feel, to whether or not adjoining businesses are complementary. If the neighborhoods surrounding a commercial corridor are weak, it is very hard to convince potential customers from outside the area to penetrate the local market. If the goal is better retail, you have to address the factors that shape it: number of households in the trade area, purchasing power of those households, aesthetics of the built environment, and arrangement of the retail. Both the environment *and* the base must be strengthened.

The organization we recommend be created - Wheat Ridge 2020 - is *the essential tool in the kit* without which none of the activities will have ownership, and, therefore, chance for success. Wheat Ridge 2020 should become an organization that represents what Wheat Ridge has the potential of being. It won't be in the business of duplicating anyplace else; its sole reason for being will be to represent the citizens of Wheat Ridge in their collective effort to rebuild a unique and quite remarkable place.

WR2020's job is to guide the redevelopment of Wheat Ridge into a dynamic, small city with unparalleled diversity in income, housing stock, and amenities right in the middle of Jefferson County, a place with quirky buildings, destination businesses, and livable, walkable neighborhoods.

WR2020's charge will be to lead in the development of a place where citizens will have a real voice in managing their blocks and the city and where volunteerism and the virtues of small town self-help are thriving in a major metropolitan area. Moreover, Wheat Ridge will be a place that is constantly evolving by being open to new development of its commercial life, its housing stock, and its public spaces.

WR2020's job is to guide the redevelopment of Wheat Ridge into a dynamic, small city with unparalleled diversity in income, housing stock, and amenities right in the middle of Jefferson County, a place with quirky buildings, destination businesses, and livable, walkable neighborhoods.

WR2020 will be a center of economic energy, giving back to the community a powerful sense that they aren't just fixing something that isn't working but are instead creating something that they truly want for their families and community. **For the strategies outlined in this report to begin to be implemented, much less take root, a strong economic development capacity must be created and invested in.**

6. **Urban Renewal and Eminent Domain.** If Wheat Ridge had many large areas of vacant land, one might expect that one or more major developers would be attracted, and, to accomplish the City's objectives would only require coordinated planning and regulatory oversight—such as occurred at Flatirons Crossing and Park Meadows (and that might occur at the Cabelas site in Wheat Ridge). However, even these instances show that in today's competitive environment, cities have to compete for, and provide incentives to attract, large developments.

The challenge is greatly increased in a build-out condition such as we face in Wheat Ridge—the desirable areas for revitalization are not large tracts of land, but rather, they are comprised of many small tracts of land, often with existing buildings. In these

circumstances, assembling a parcel of sufficient size to accomplish a significant project can require endless hours of painstaking research, negotiation with many individual entities, each with their own varying circumstances and demands, and in the end, the entire process can be held hostage by a single land owner unwilling to accept anything less than an exorbitant compensation. Most developers are terrified by the unknowns of these circumstances, and lenders compound the problem with impatient, conservative fiscal requirements.

Every state in the US has created a number of tools to address these very circumstances. The most-often used tools are urban renewal and eminent domain. To assure that these powerful tools are used only in appropriate areas, urban renewal often requires that an area must be shown to be blighted. Unfortunately, the definition of “blight” is a technical one, and areas have been categorized as ‘blighted’ that would not appear to the casual observer as a derelict slum. In some cases, the process has probably been abused. Thus, in some areas urban renewal has been subject to strong criticism and on-going mistrust.

Eminent domain, or the power of condemnation, is also a powerful tool that is often misunderstood and occasionally misused. It is intended to provide a means of assembling properties when all other approaches are not feasible. It recognizes that occasionally there are public needs that are more important than private property rights. It allows a city, special district or other specifically designated public agency to force a property owner to sell for ‘fair market value’. Fair market value is typically determined by obtaining appraisals from multiple qualified property appraisers. It is not unusual for a property owner to have an inflated opinion of the value of his/her property and therefore to be convinced that they were not compensated adequately under this process. And, admittedly, the appraisal process is subjective.

Eminent Domain is intended to provide a means of assembling properties when all other approaches are not feasible. Clearly eminent domain must be used with discretion and sensitivity to make sure that it is not unfair to the property owner, nor that a property owner can arbitrarily obstruct legitimate projects that benefit the entire community.

Most statutes, including Colorado’s, require that eminent domain only be exercised for legitimate public purposes. There are significant tax benefits for those whose land is taken under eminent domain. Thus, often property owners will take advantage of ‘friendly condemnation’ where, rather than sell willingly, they request (or agree to) the property being acquired through condemnation.

Public input during this process suggests that, because of several past examples (Walgreen’s was often mentioned) there is a lingering mistrust in Wheat Ridge, even

antipathy, toward urban renewal and the use of eminent domain. However, at the same time there is general agreement among a majority of commenters that Wheat Ridge needs to take bold action toward creating vibrant commercial centers, even a downtown, and projects of the size and complexity of Highland Garden and Belmar. To be sure, valuable improvements can be achieved through working with individual property owners and businesses. However, to accomplish several of the proposed actions of this report, urban renewal and eminent domain may be required. To safeguard the process, assure fairness and avoid abuses it is recommended that the process be overseen by a committee of citizens, most likely in conjunction with the formation of the non-profit semi-public development corporation (WR 2020).

7. **Transportation Planning.** Transportation forms the framework of the city. The grid of streets defines the scale and accessibility of neighborhoods. The capacity of major roadways contributes to the ease of travel to and through major destinations. The design and appearance of roadways conveys an image about the values of the community (the relative value on moving cars vs. creating walkable, livable environments along the roadways). *Transportation planning* needs to address both functional needs as well as aesthetics in order to help form the 'great community' envisioned by this plan.

There are several aspects of transportation planning that are both opportunities and urgencies for Wheat Ridge. They are related to the overall strategy of strategic public investments to: improve the image of Wheat Ridge, provide additional transit and transportation amenities that will attract strong families, and complement and enable some of the commercial improvements that will provide desirable downtown activity centers attractive to strong households.

The first transportation project to be taken advantage of is the proposed light rail station north of I-70 near Ward Road. The proposed transit station location is currently a mixture of warehouses, motels, office buildings and vacant land. While this location is somewhat remote, and will not significantly serve the core part of the city, it is an opportunity to create a small, urban, transit-oriented neighborhood to take advantage of the increased accessibility of downtown Denver. Absent any intervention by the City (at least in the form of coordinated planning) the continuation of the current pattern of disparate uses will likely result in the station being merely a park-n-ride facility, in a relatively unattractive context.

Other communities with designated light rail stations have been aggressively laying groundwork to take advantage of the spin-off benefits of a light rail stop – with actions ranging from concept plans to portray possibilities all the way to detailed plans, zoning and land acquisition. The Wheat Ridge station is adjacent to the irregular border

between Wheat Ridge and Arvada and may hold the possibility of boundary line adjustments or cooperative planning.

A second transportation-related task, that will have some urgency if the Cabela's development proceeds, is to address the interconnection of the Cabela's site with the main part of the community (in the Applewood Center area). Cabela's has the potential to be an important landmark that will hopefully increase Wheat Ridge's visibility. Providing easy access to this area for west-end residents, and making the west-end area easy to get to from the Cabela's site (if developed), will be a double benefit to the community.

A third transportation-related project is the treatment of Wadsworth Boulevard through Wheat Ridge. Wadsworth is a state roadway, not under the City's jurisdiction. However, it is Wheat Ridge's main artery. It carries significant traffic through the community. It is the city's front door as well as its 'main street'. For many commuters it provides their only impression of Wheat Ridge (which currently is negative for most).

In the public input to this plan, there was general acknowledgement that heavy traffic on Wadsworth will require some future action. The most prevalent suggestion was widening. However, widening will further alienate one side of Wadsworth from the other. It will also have a significant impact on existing businesses. The uncertainty about widening appears to be preventing some from making improvements to their Wadsworth buildings. The importance of Wadsworth to Wheat Ridge is more than its traffic capacity. Improvements to Wadsworth in Wheat Ridge deserve careful, balanced consideration of all the implications for the community.

This report recommends taking advantage of transportation planning as a tool to help bring about coordinated development of Wheat Ridge's key areas and assets, balancing all its various functions.

These tools must be in place for the strategies to succeed: an updated set of regulations, a common vision expressed in a Comprehensive Plan, and an organization empowered to mobilize the community.

And, just as some strategies without the others will not generate success, strategies with only some tools will fail as well. A full range of strategies and tools are needed to make the shift in Wheat Ridge from a slowly declining market with residual strength to the vibrant community with healthy housing markets and thriving commercial centers needed to generate fiscal stability.

C3. THE ACTIVITIES

This report makes **THREE CENTRAL RECOMMENDATIONS**.

1. All nine of the following strategies must be implemented.
2. Wheat Ridge must overhaul how the city and residents manage change.
3. Wheat Ridge must create a public, nonprofit corporation capable of facilitating and encouraging appropriate development in Wheat Ridge.

RECOMMENDATION #1: ALL NINE OF THE FOLLOWING STRATEGIES MUST BE IMPLEMENTED.

There are nine strategies, which are interlinked. Three are primarily residential. Four are mainly commercial. And two are unifying, designed to tie everything together.

RESIDENTIAL	<ol style="list-style-type: none"> 1. Develop new market rate housing at key locations throughout the city. 2. Acquire, upgrade, and sell out-of-date housing stocks throughout the city. 3. Improve existing multi-family rental property throughout the city.
COMMERCIAL	<ol style="list-style-type: none"> 4. Redevelop Wadsworth Corridor. 5. Develop West 44th into an Orchard District. 6. Accelerate and Shape the Development of 38th Avenue. 7. Develop a Town Center.
UNIFYING	<ol style="list-style-type: none"> 8. Continue the development of Wheat Ridge Open Space. 9. Develop signage and enhance gateways and general appearance. (beautification)

Strategy #1: Develop new market rate housing at key locations throughout the city

Wheat Ridge offers potential newcomers great bargain prices on homes in comparison to the higher cost products in Golden and Broomfield and elsewhere. But the products are older and smaller. Few scaled developments have materialized in Wheat Ridge recently of higher end single family housing. While land is scarce, ample opportunity does exist (an excellent example is along Kipling between 38th and 35th) for high end infill. Repositioning Wheat Ridge depends in no small measure on the city becoming a place where doctors and other professionals would both want to live and be able to find a home that is appealing.

- **Develop new market rate housing throughout the city but in targeted locations**
 - New housing must be developed for strong households.
 - The middle market (buyers in area with incomes from 70-150 AMI) is undersupplied with the following:
 - 3 BR single family-homes with 2 baths, a high quality amenity package (\$270,000 - \$330,000)
 - 2 and 3 BR town homes targeted to middle and upper middle income HHs priced from \$250,000 - \$300,000.

- **WR2020 must develop/facilitate the development of 60 units per year in any combination of single family detached homes, or mixed-use development of single-family homes and townhouses. Nearly all will be infill development.**
 - Target market is a HH with \$75,000 - \$100,000 annual income (WR newcomers)
 - Each HH would contribute \$22,000 - \$26,000/yr in consumer spending
 - By 2008 each HH would generate \$700 - \$900 in property taxes to Wheat Ridge
 - By 2020 the home ownership rate in Wheat Ridge would be 59.8%

- **Additional Requirements City Council Will Have To Ensure**
 - Necessary zoning changes to permit infill development when necessary.
 - Streamlined approvals processes.

- **Key Locations for new, market rate housing**
 - Between Kipling and Parfet, the Open Space, and 26th
 - Between More and Ward, 44th and the Open Space
 - Between 29th and 35th, Fenton and Teller

Strategy #2: Acquire, upgrade, and sell out-of-date housing stocks at key locations

Housing in Wheat Ridge is by and large older and smaller than the current Jefferson County market demands. Slow sales activities are the chief indicator that houses in Wheat Ridge are less appealing. It is crucial that new, more contemporary stocks be introduced to Wheat Ridge. Yet it is equally crucial that new stocks not be added that would not be in keeping with the character of the neighborhood. Infill development must build on the vernacular whenever possible. It must build above market. Rehabilitation of existing housing must occur above the market, so that older stocks not only become updated, but can appeal to the middle market.

The work of rehabilitating older homes in Wheat Ridge at no less than 24 a year gives the city a chance to concentrate reinvestment activity in key, older neighborhoods. When tied to tandem investments in resident leadership and volunteer development, whole blocks in the specific areas will notice spillover investment in the form of new siding, new driveways, new windows, and additions when incomes are high enough to support significant upgrades.

- **Acquire, rehab/upgrade, and reposition out-of-date housing stocks throughout the city but in targeted locations.**
 - Upgraded housing must be developed for strong households.
 - The middle market is undersupplied with the following products
 - 3 BR single family-homes with 2 baths, a high quality amenity package (\$250,000 - \$275,000);
 - 2 and 3 BR SF homes w 1-1.5 baths and upgrades

- **WR2020 must develop/facilitate the rehabilitation of 24 per year**
 - Target market is a HH with \$50,000 - \$75,000 annual income
 - Main targets are existing owners needing encouragement to upgrade, and new strong households wanting an upgraded, older home with character
 - Additional target is absentee owners convertible to new owner-occupants
 - Each HH would contribute to strengthening of the neighborhood

- **Additional Requirements City Council Will Have To Ensure**
 - Authority to acquire and sell homes at fair market prices and retain proceeds to fund activities
 - Authority to condemn as necessary
 - Necessary changes to zoning to facilitate infill development
 - Expedited approval processes based on pre-approved improvement plans

- **Key locations for acquisition/rehabilitation efforts**
 - Between 44th and 38th, Depew and Upham
 - Between 45th and 48th, Pierce and Wadsworth
 - Between Pierce and Wadsworth, 28th and 32nd
 - Between 41st and 34th, Wadsworth and Kipling

Strategy #3: Improve existing multi-family rental property at key locations

Apartments in Wheat Ridge are generally older than elsewhere in Jefferson County. Many have not been upgraded for some time. Many were shoehorned into predominantly single-family neighborhoods at inappropriate scales, and many of these were poorly designed to begin with. The problem is not multi-family housing. The problem is not density. The problem is not affordable rental for low-income families. The rental housing problem in Wheat Ridge is as follows:

1. Too much rental in concentrated locations
2. Older rental housing that has not been upgraded
3. Concentrations of low-income households
4. Obsolete designs that are not appealing to the contemporary market
5. Low quality property management

To mitigate these problems, which altogether negatively impact property values, the crucial lesson is not to impede the construction of new multi-family housing, but when new multi-family housing is proposed, to ensure that it is well-sited, well-designed, and well-managed. In the meantime, WR2020 must undertake substantial rehabilitation of existing stocks whenever feasible.

- **Improve existing multi-family rental property throughout the city but in targeted locations**
 - Upgraded rental housing must be developed for strong households
 - Average rental product in Wheat Ridge is too old and too small to compete for quality renters in the wider area
 - The middle market is undersupplied with the following products
 - 3 BR single apartments with upgraded facilities/quality amenity package
 - Significantly upgraded apartments for empty nester renters
 - Target market is renters with incomes ranging from \$35,000 - \$60,000 year
- **WR2020 must develop/facilitate the rehabilitation of**
 - One large multi-family project with at least 60 units every three years
 - Two medium to small rental properties with between 6-12 units per year
 - Each HH would contribute to strengthening of the neighborhood

- WR2020 should encourage conversion of appropriate rental properties to condominiums
- **Additional Requirements City Council Will Have To Ensure**
 - Authority to acquire lots at fair market prices
 - Authority to condemn as necessary
 - Necessary changes to zoning to permit infill development
- **Key focal points of the multi-family efforts should include the work of upgrading properties such as:**
 - Camelot at 44th and Kipling
 - Ceasar's at 48th and Garrison
 - Smaller 4 and 8plexes along Sheridan between 26th and 38th

Strategy #4: Redevelop Wadsworth Corridor

The Wadsworth is prime real estate. It is many people's first glimpse of Wheat Ridge. As such it sets the tone for the community in important ways. Right now the message sent from Wadsworth is quite negative. Most commercial real estate between 38th and 48th is in disrepair. Signage is confusing and unsightly. Little effort has been made to present Wadsworth as an attractive commercial destination for strong families.

The work of rebuilding Wadsworth is critical. It will involve rebuilding the housing market nearby. It will require changes in land use regulations and in zoning. It will require costly investments in signage and traffic calming. It will require the redevelopment of key parcels.

None of this will occur immediately. Inducing the market to upgrade retail along Wadsworth will not be inexpensive either, as the commercial center of gravity has moved ever westward, superior retail is just north of city limits, and many of the existing properties require significant investments. Moreover, many current uses are simply incompatible with a corridor likely to appeal to strong households, so the range of fast food and auto-service businesses will have to be addressed comprehensively.

- **Concepts**
 - Address severe and increasing congestion, narrow widths and excessive number of access points
 - Consolidate unsuccessful retail centers and vacant stores
 - Address pedestrian-hostile design and landscaping inadequacy

- **Actions**
 - Revisit/Update Wadsworth Boulevard Corridor Plan
 - Evaluate capacity of Wadsworth to host *town center*
 - Work with CDOT to Determine Initial Cost Projections
 - Prepare subarea plan for Wadsworth and 44th; incorporate into Comprehensive Plan
 - Begin acquiring and land banking problem properties between 44th and 48th

- **Additional Requirements City Council Will Have To Ensure**
 - Authority to acquire lots at fair market prices and authority to condemn as necessary
 - Increases in residential density in surrounding land and other zoning changes

Strategy #5: Develop West 44th Avenue into an “Orchard District”

Wheat Ridge along 44th west of Kipling represents a golden opportunity for the city. It is an undeveloped commercial corridor with bargain pricing for obsolete real estate. At the same time it is tucked into a protected corner of the city, almost nestled along the Open Space, and as such has retained elements of the city’s rural heritage.

To drive along west 44th now is to be confronted with one shabby business after another. But the core of this under-developed strip is a potentially powerful destination corridor. Redeveloped into an Orchard Overlay District where the intention is to promote a concentration of complimentary agricultural, open-air market, and landscaping businesses, 44th can easily be positioned as a family destination for strong Jefferson County households. Gravel yards, landscaping businesses, retail nurseries, design centers, mulch depots, and farmer’s markets all are consistent and related destination entities that would be encouraged to expand or open businesses along the corridor.

The center of the new district is the historic Fruitdale School the parking lot of which would be leveraged into a weekend market. New designs for the corridor would recognize the importance of auto access but would emphasize pedestrian usage, with historic light fixtures, decorative paving, seasonal banners, coordinated signage, and pedestrian amenities (benches, trash receptacles, shade trees, etc. WR2020 would begin acquiring parcels along 44th for the purpose of inserting into the corridor fabric residential development aimed at middle and upper middle income households drawn to the Open Space and the prospect of a small town commercial setting.

- **Concepts**
 - Create commercial corridor oriented around gardening, home and yard improvement, agriculture, farmer’s markets, landscape design
 - Leverage existing businesses and take advantage of location

- Future corridor would have: mega-nursery center, farmer's market, fruit stands, design services, stone/gravel, mulch pick-ups, Christmas tree sales all adding to destination retail

- **Immediate Actions**

- Inventory existing properties/businesses
- Work with owners to create schematic concept to inform feasibility analysis
- Create a business development incentive package
- Longer range/concurrent activities
- Create sub-area plan; incorporate into Comprehensive Plan
- Land banking, farmer's market development, master gardener clinics, establishment of BID

- **Additional Requirements City Council Will Have To Ensure**

- Authority to acquire lots at fair market prices and condemn as necessary
- Land banking and rezoning authority
- Support for WR2020 to relocate some commercial tenants

Strategy #6: Accelerate and shape the development along 38th Avenue

Wheat Ridge is a community that lacks a defined center. It also badly needs several appealing destinations to be responsive to the various retail and commercial desires of strong Jefferson County households. One of the characteristics of strong household demand for retail in Jefferson County is a pedestrian-oriented place with character that is differentiated from other places. North Denver's West Highlands area satisfies this. Arvada's Olde Towne satisfies this. Belmar satisfies this. 38th Avenue between Sheridan and Wadsworth has the potential to be redeveloped into a neighborhood-serving retail Main Street. To accomplish this, design standards are necessary. The City needs to examine the architectural standards contained in the Streetscape and Architectural Design Manual to determine if the objective of creating a main street can be met with the current standards. Additional market rate housing is necessary. Reduced auto dominance is necessary. Tenant remixing is necessary. Alternative transportation designs for the intersections at Sheridan and Wadsworth are necessary. Formalized cooperation among business owners is necessary. Infill commercial development will be necessary.

A Main Street provides the community with a gathering place. A place for where civic and commercial life intersects. 38th Avenue is an ideal opportunity for Wheat Ridge to develop the kind of destination Main Street that long time residents have yearned for and visitors expect to see when coming to a historic community like Wheat Ridge. A rebuilt Main Street may or may not become a Town Center, per se. But it will serve a critical function in the commercial life of the community if it

can be repositioned as a neighborhood serving retail corridor with small shops that have destination qualities to them like Wheat Ridge Cyclery and Big Sky Espresso.

WR2020 will need to invest in the creation of a business improvement district, the creation and implementation of new or modified design guidelines for existing and new businesses, new business recruitment, business development, and market rate housing development within walking distance of shops on 38th Avenue.

- **Concepts**
 - Create/Improve on recent effort to make 38th pedestrian friendly
 - Leverage access into destination retail

- **Immediate Actions**
 - Inventory existing properties/businesses
 - Work with owners to create urban design framework
 - Establish BID
 - Longer range/concurrent activities
 - Create sub-area plan; incorporate into Comprehensive Plan
 - Land banking
 - Feasibility analysis of redeveloping senior tower

- **Additional Requirements City Council Will Have To Ensure**
 - Authority to acquire lots at fair market prices and condemn as necessary
 - Land banking authority; BID Authority
 - Adopt sub-area plan and allocate resources for project completion

Strategy #7: Develop a Town Center

As Wheat Ridge moves ever west, citizens will have to determine whether they want Applewood Village Center to function as a town center, the emerging Cabela's development to become the new center, a Main Street such as a revamped 38th as the town center, the intersection of 44th and Wadsworth as a town center, if citizens want a center at all.

The importance of a physical center is clear: it provides a social anchor for residents and visitors alike that helps people gauge when it is that they are *in* Wheat Ridge and no longer someplace else. In terms of identity, a center is crucial to differentiation. Given the superior retail in surrounding communities, strong households in the region have plenty of places to choose from when selecting destinations. Wheat Ridge falls through the crack in large measure because "there is no there there." What suffices for a gathering place – a place where a vibrant civic life can occur is the Recreation

Center. After that, the drop off is steep, compelling citizens to make common cause in the parking lot of the Wal-Mart or while standing in line for a burrito at Chipotle. Consequently, as many citizens remarked in the numerous interviews conducted in the development of this report, they might as well be anywhere at a moment in time when people are starved for authenticity.

A town center provides a mooring, a way to facilitate civic engagement without having to be at City Hall. It helps encourage interaction. Wheat Ridge today is almost entirely experienced by car except when in the Open Space. We strongly urge the City Council to invest in the development of a town center, first determining where one should be located, and then developing the mixed use plans needed to spur development proposals.

- **Concepts**
 - Address lack of destination center in Wheat Ridge that “promotes” Wheat Ridge
 - Create place that is centrally located geographically and emotionally
 - Establish place for combination of vibrant civic and commercial life

- **Immediate Actions**
 - Evaluate Wadsworth/44th as potential site
 - Evaluate 38th/Kipling as potential site
 - Evaluate 44th/Kipling as potential site
 - Evaluate Youngfield/38th as potential site
 - Outreach with developers

- **Additional Requirements City Council Will Have To Ensure**
 - Authority to acquire lots at fair market prices and condemn as necessary
 - Land banking authority
 - Council commitment to concept of *town center* as focal point for commercial and civic life

Strategy #8: Continue to increase the visibility and accessibility of the Wheat Ridge Open Space

Just as the most noticeable missing element of Wheat Ridge is a center, the prominent yet under leveraged asset is the city’s Open Space.

Open space, and associated trails, has proven to be one of the most popular recreation amenities on the Front Range of Colorado. The trails are heavily used by all ages, and property values typically

are higher for land adjacent to open space. An open space and trail system certainly contribute strongly to Wheat Ridge's appeal to strong households.

Wheat Ridge has acquired an extensive open space system. One component of it parallels Clear Creek that traverses most of the city from west to east. However, much of the Clear Creek open space is hidden from view behind the backs of houses and businesses. There are relatively few locations where the open space is visible and even fewer where it is accessible from public roadways. Where access points do exist they are often almost inadvertent, that is, they are located in obscure settings (small side streets, at the end of cul-de-sacs, etc.) and are often denoted simply by a break in the fence and the presence of a trail. There are relatively few developed trail heads (signage, parking, trash receptacles, etc.). The Recreation Center is near Clear Creek but doesn't have a direct connection to open space!

Unlike many communities, Wheat Ridge doesn't have to incur the cost of *buying* open space; it merely needs to leverage the extraordinary open space amenity it already has. Improving the visibility, accessibility and knowledge of the open space/trail system will do much to differentiate Wheat Ridge from surrounding communities and will greatly increase its appeal as a desirable amenity.

Recommendations include:

1. Create formal, inviting, trail heads at open space access points—complete with designated parking, trash receptacles, a location map, mileage markers, notices of restrictions (e.g. dog must be leashed, usage by bikes, horses, etc.).
2. Require additional open space access as new development occurs adjacent to open space, and purchase additional private access (properties, or portions thereof) in locations that will best serve residential neighborhoods and major destinations (historical museum, shopping centers, parks, etc.).
3. Increase exposure of open space by insisting that in future development roads are placed along open space rather than yard fences. This will assure that all of the public can enjoy open space, not just houses that line its edges.
4. Improve the appearance of open space by bordering all visible edges with attractive, durable fencing.
5. Improve the visibility of open space by developing standard signage at trail heads, and installing direction signage to open space from major roadways.
6. Expand the use of volunteers for clean up of open space, thereby increasing the public stewardship.

- **Concepts**
 - Address lack access
 - Upgrade facilities

- Improve linking Recreation Center to Open Space
 - Connect Open Space to Market Rate Housing Development as Amenity Package
 - Acquire additional trail inks and land for trailheads
 - Prepare a bicycle/pedestrian master plan
- **Immediate Actions**
 - Intensive upgrade of access/appearance along/from Kipling as it traverses the open space.
 - Evaluate relative accessibility from adjacent neighborhoods and prioritize acquisition needs.
- **Additional Requirements City Council Will Have To Ensure**
 - Authority to acquire lots at fair market prices and condemn as necessary
 - Land banking authority

Strategy #9: Develop identity signage and gateways and improve the city's general appearance

Wheat Ridge would benefit greatly from a clear set of images that communicate a consistent positive message to the long term residents and to newcomers, to long-established businesspersons, and potential investors. In an America that leads the world in marketing and promotion, it is critical that communities recognize that they too must have a clear message that is widely promoted, easily understood, repeated throughout the community, and leveraged to maximize economic impact.

Wheat Ridge is a city with a long history and the all the idiosyncrasies that accompany development over many decades. Schools were built and later used for other uses. Parks were developed and then new facilities were added. Some public buildings like the Recreation Center were built on a major thoroughfare; others like the library were tucked into an existing building. Those who really know Wheat Ridge have no difficulty locating its schools, hospital, library, parks, city offices, senior housing, and other key places. Those who don't yet know the community have difficulty finding some of the best amenities in the city. Uniform signage can help the driver navigate the streets safely while quickly locating public buildings. The way that these buildings are identified can profoundly impact on perceptions of Wheat Ridge. This is particularly true if there are uniform, high quality, eye-catching entry signs on the city's borders to welcome everyone to the city. These gateway points set a tone which can be built upon at various points around the city. For example, the newly-designated Main Street area, the nexus of recreation services and facilities at and near the Recreation Center, and collections of commercial ventures like the Orchard District can all be highlighted with signage that relates to the entry sign themes.

Finally, all of this identity and image building work is an excellent opportunity to include residents and other volunteers in outreach to the community to gather ideas, in shifting through various themes, in refining and selecting the message, and in communicating the decisions to residents, who can reinforce the positive messages through block-based improvements on homes and self-help projects in parks and other open areas. Further, these same volunteers can be invaluable in the process of installing and maintaining the gateways and other key signage points.

- Concepts
 - Address lack of attractive coherent orientation system
 - Market assets: “Historic Wheat Ridge Orchard District: 3 mi”
 - Activate volunteer base and resident pride in beautification efforts

- *Immediate* Actions
 - Signage on major roads
 - Alignment of future roads along the open space
 - Upgrade character of open space along Kipling
 - Implement block beautification efforts at key sites and tie to organizing
 - Beautification awards programs for blocks, homes, historic houses, gardens
 - Establishment of a fishing derby for families in open space ponds

- Longer Term
 - Creation of amphitheater for the arts in or adjacent to Open Space
 - Installation of trail connectors through new development
 - Community-wide clean-ups

RECOMMENDATION #2. WHEAT RIDGE MUST OVERHAUL HOW THE CITY AND RESIDENTS MANAGE CHANGE

Right now Wheat Ridge must leverage its assets so it winds up with *both* a built environment with character *and* a functioning social fabric. When these two assets are maximized, change can be managed so that strong households *continue* to have confidence in Wheat Ridge. Successful implementation of strategies hinges on several factors relating to government:

- Updated zoning and related codes. (see Tools)
- Updated Comprehensive Plan.
- A new “Open for Business” attitude.
- Presence of a “rapid response” capacity in planning.

Successful implementation of strategies also hinges at least *equally* on several factors related to citizens.

First is citizen planning “literacy”. Most Wheat Ridge citizens are not familiar with planning terminology that affects their lives such as traffic counts, new urbanism, social capital, rooftops, buying power, multiplier effects, and so on. While a deep knowledge of such jargon is hardly necessary, we recommend that citizens maximize their capacity to steer the direction of their community, and having a working knowledge of some technical terminology will help, especially when real estate development becomes part of the recovery effort.

Second is citizen participation in planning processes beyond the usual few interested parties. While it is true that the squeaky wheel gets the grease, it is also true that a tyranny of a few can curtail progress for a whole community. It will be important for a new generation of leaders to emerge in Wheat Ridge and take control of establishing tone and direction.

Third, investment in leadership development and volunteerism must occur. Of course, more people need to be present in Council discussions and redevelopment hearings. But more critical is involvement in everyday activities, like helping neighbors get their homes painted or groceries into the house, or sidewalks shoveled. Investments in prideful and neighborly activities are essential to growing more participation and raising the amount of stakeholder ownership.

Citizen leadership in Wheat Ridge marketing efforts is necessary as well. The most effective ambassadors of Wheat Ridge are the people who live and work here. When citizens communicate pride about their community to neighbors in Arvada and elsewhere, Wheat Ridge leaves a positive impression. This is not only done when Wheat Ridge residents travel outside the community but when residents from outside Wheat Ridge come into the city. If they see poorly maintained property along Sheridan they think Wheat Ridge might not be worthy of their time. If they see the Camelot as they drive along I-70 they might second guess any idea of stopping in Wheat Ridge. How private homes and businesses appear to outsiders becomes a foundation of successful marketing because property is the city’s most noticeable billboard.

Fifth, resident compliance with high property maintenance standards is part of the overhaul that is needed. Too many homes have cars parked on the front yard. Too many fences are in disrepair. Too frequently trash is on the sidewalk. More and better laws regulating property standards can help, but are not the answer. Residents have to conclude that it makes sense to make the everyday small investments in keeping up their homes and contributing to the upkeep of the public and semi-private property around them. As investments are made in parts of the city where there are strong households already, other neighboring families will begin to conclude that it makes sense for them, too, to seek similar higher standards.

The very first step needed in overhauling how the city manages change is the immediate work of developing a more flexible zoning framework. Developers that might want to respond to market demand in Wheat Ridge are thwarted by a zoning framework that is outdated. Developers would prefer so few regulations that the result would be chaos. The community, on the other hand, may want more regulations than the development community is willing to abide in the current market.

To this end, as a first step we are recommending that Wheat Ridge adopt an experimental *overlay or process* to explore ways to provide increased speed and flexibility with regard to development approvals, in exchange for a higher level of quality and compliance. This experiment will lay the groundwork for, or be a way to try out, changes to regulatory procedures prior to implementing them in code revisions. It will also help send a message to the development community that Wheat Ridge is development friendly.

The intent of this experimental process is that the City and the applicant would form a partnership to promote development that supports and enhances the Vision and Goals for the community. A key to clearly communicating that Wheat Ridge is open for business is to show that in a relatively short time, an applicant can obtain approval for the concept of the project. Because the X-Zone is applied to willing property owners on a site-by-site basis, the City is not creating precedence that it will have to live with over the long term. The City can evaluate the X-Zone at anytime and determine if it is working. The objective is to revitalize the community and reverse the present downward trend. If the X- Zone is not working (i.e. revitalization is not started), the City can easily change its planning priorities.

RECOMMENDATION #3: CREATION OF A PUBLIC, NONPROFIT CORPORATION CAPABLE OF FACILITATING AND ENCOURAGING APPROPRIATE DEVELOPMENT IN WHEAT RIDGE.

Civic leaders across the country, facing the challenge of re-developing all or part of their communities, have chosen various ways to structure programs aimed at community revitalization or affordable housing development.

Model 1. Some leaders have focused on the *service delivery issues*, such as homeownership counseling, lending to low-income households for property repairs, or providing volunteer teams to build or repair houses. In most of these cases, the organizational format has been to develop and support an independent nonprofit (i.e., Habitat for Humanity, a 'NeighborWorks' Organization, a community development corporation with a 501(c)3 status). In these cases, there is usually an elected board of directors assisted by paid staff. The board has nominal participation by city government officials and the organization receives only part of its budget from public sources. Corporate,

individual, and foundation gifts coupled with grants, contracts, and user fees provide the remainder of the budget.

Model 2. Other civic leaders have put primary emphasis on the *actual development of affordable housing*. In these cases the most common format is a community development corporation or Mutual Housing Organization with a 501(c)3 status much like the structure noted above. In some cases, there is less participation by residents or renters and more emphasis on having a high level of professional skills on the board and staff. The professional skills are usually those related to building (or renovating) and managing low-income housing. In their budgets, most of the organizations rely somewhat on the resources cited above, but are usually structured to use developer fees and rents to support operations.

Model 3. Still other leaders have focused community revitalization on neighborhoods, commercial areas, and property development challenges. Some have determined that these functions are best delivered through city staff and municipal programs. There might be an advisory board to assist or there might be a separate status such as a redevelopment authority designation. In any case, the director and the staff are part of the city's staff and are subject to usual rules and regulations that apply to municipal activities. Operations and programs are usually supported exclusively through public sources (local, State, and Federal), since the work is usually understood to be an extension of the city government.

Many residents in Wheat Ridge feel poorly served by the current retail environment in the city. It is no wonder. Most properties are old and too many are poorly maintained. Since none are historic there is no advantage to the older age of the facilities. Getting a leg up on this means permitting WR2020 to aggressively purchase commercial property, rezone, and redevelop alternatively.

Model 4. Select communities have approached community revitalization of Model 3 however, approaching it through an independent, nonprofit corporation. They typically have a 501(c)3 status based on their role of "relieving burden on local government". This designation and the related independence allow the organization to act quickly on real estate opportunities and to incentivize re-development by leaving money in deals. The board usually consists of respected individuals from throughout the community and its professions. One or more representatives of local government often sit on the board of directors, but the legal status of the nonprofit allows it to avoid many of the most restrictive rules of government regarding each real estate activity or staffing decision. The nonprofit status allows the organization to accept resources from public and private sources and allows donations of land, buildings and dollars to facilitate development. Therefore, the budget sources tend to be varied and most likely include all sources cited above.

For Wheat Ridge, there is a critical need to set priorities in directing community change. It is unlikely that a service focus (Model 1) can address the scale of market dysfunction facing the city; it

is inconceivable that an affordable housing initiative (Model 2) could reverse the current market trends and it is likely that it could make matters worse. Model 3 is not responsive to the urgency of the needs and limited staff resources currently facing Wheat Ridge.

Therefore, it is strongly recommended that a version of Model 4 be created to provide the organizational capacity to aggressively address the market conditions while effectively and transparently utilizing public funds. This is to be known as Wheat Ridge 2020. (WR2020)

WR2020 would need to develop at least a five-year work plan that would have measurable results in terms of the identified outcomes in the larger "Repositioning Wheat Ridge" plan. At this time the final format of the organization is not fully defined, but after a community process, it is likely that the initiative will actively work in at least five areas of "product development," including:

1. Creating an image for Wheat Ridge and promoting the specific identities to selected market niches, both residential and commercial.
2. Facilitating more competitive housing development through communication with builders, investors, home buyers, home owners, real estate agent/brokers and others.
3. Encouraging higher levels of improvement and maintenance, in residential areas, commercial sites, and public spaces.
4. Promoting development of designated commercial sites and clusters.
5. Encouraging effective resident, institutional, and business leadership on the board of the organization and in neighborhood and city-wide activities.

To achieve sufficient level of production in these areas, it will require a highly skilled, well-managed staff of professionals. It should include a residential property specialist, experienced in new construction and renovation of quality middle-income properties, and a commercial development specialist, skilled in development and redevelopment of commercial sites and promotion of business clusters. The staff should be directed by an executive director that knows how to support a board, raise funds, oversee staff, encourage leadership development, and understand principles of community marketing. Of course, none of this will succeed without an excellent administrative assistant coordinating the day-to-day work of the organization.

The Board of WR2020 should consist of individuals with a wide range of skills and viewpoints. This Board

The membership – approximately 100 individuals or stakeholders – should reflect all aspects of the community and should be informed regularly of the work of the organization and should vote at the annual meeting on the new board members and on the annual work plan.

should meet at least ten times a year and should empower six to eight committees to accomplish work in the specific work areas cited above as well as operations and resource development tasks. The Board should hold annual elections with individuals agreeing to serve for two-year terms. The number of terms should be determined in the by-laws, but the main goal should be about a 25% board turnover each year. This should allow for turnover while encouraging continuity. The Board should report annually to the membership of WR2020. The membership – approximately 100-125 individuals or stakeholders – should reflect all aspects of the community and should be informed regularly of the work of the organization and should vote at the annual meeting on the new board members and on the annual work plan. Membership should also turnover at about 25% annually.

WR2020 should operate very much like a conventional business in terms of seeking various “profit” centers to support the work of the organization. Because there are five different products being produced by the group, it is likely that very different sources of funding will be bundled together for each activity. None of the activities should be thought of as self-sustaining. The work of this organization is to facilitate the creation of products that aren’t being delivered today but which are critical if Wheat Ridge is to become more competitive in the future. Some of those products such as optioning land might have relatively small capital needs; others such as creating model properties might require hundreds of thousands of capital dollars. Some of the products such as marketing and leadership development have very small capital costs but high operating costs that will likely need to be re-secured annually.

WR2020 must have a very clear understanding of both its capital needs and operating needs. There should also be clarity about dollars which are lent, those that are invested for short and long terms, and those which will be invested in properties with little likelihood of re-capture. Remember, the goal is to strengthen residential and commercial values of all properties in Wheat Ridge, so losses on a few sites must be factored against broad-based increases in property values.

Summary Directions for WR2020

We recommend that the Wheat Ridge City Council authorize and fund WR2020 to begin working on January 1, 2006. The organization should be established as a nonprofit, public-private 501(c) 3 organization, independent of the City of Wheat Ridge. Its independence makes it accountable to a *combination of stakeholders*: The Wheat Ridge City Council, the City Manager, and citizens.

WR2020 must be capitalized initially by the City, and over time it must become responsible for generating enough resources to function independent of city support. The organization should be in place with a charter by December 31, 2005. By the end of 2005, WR2020 should have in place an executive director authorized to hire staff and begin operations by March 31, 2006.

WR2020 will not be able to generate projects instantly; therefore the capacity of WR2020 to generate fees to cover expenses and undertake projects financed by its own efforts will not exist for some time.

We are recommending that the Wheat Ridge City Council commit to fully funding WR2020 for the period from 2006-2010, at an average of \$1.5M per year. The estimated return on this investment in new housing development alone will exceed \$75M over ten years, and \$4.8M in housing rehabilitation.

2006	2007	2008	2009	2010	TOTAL
\$1.5M	\$1.5M	\$1.5M	\$1.5M	\$1.5M	\$7.5M

WR2020 will be directed by a cross-representational board of directors comprised of elected officials (City Council members), citizens, and representatives from the business community in Wheat Ridge.

In addition, WR2020 must be politically encouraged and legally permitted to:

- ✓ *Enter into partnerships* with public and private organizations, such as redevelopment agencies, local government, BIDS, et. al.
- ✓ *Develop real estate.*
- ✓ *Earn fees* necessary to fund development and operations activities, including fees from such activities as property sales, arbitrage, technical assistance, et. al.
- ✓ *Acquire and dispose of property.*
- ✓ *Issue paper*, such as selling 501(c)3 bonds.
- ✓ *Work with a high degree of autonomy and authorization* from citizens so cumbersome approval processes are minimized whenever appropriate.

This new organization must be a fast-moving, entrepreneurial entity. Part of the history of Wheat Ridge is that the private sector has wanted to undertake projects in Wheat Ridge in the last two decades only to be dissuaded by the political environment and city bureaucracy which it viewed as cumbersome and “anti-business”. WR2020 by contrast must be able to fast-track good ideas from the private sector, stimulate investment in emerging areas of the city, and complement - not replace - existing city staff roles in planning and elsewhere.

WR2020 should be led by the board that works in partnership with an experienced Executive Director. The director must be authorized to build a team of well-managed professionals. WR2020 will report to a stakeholder group consisting of approximately 100 individuals from various segments of the Wheat Ridge community.

WR2020 will function according to a five-year work plan that is drafted and approved by the Board of Directors. The work plan will stipulate outputs, such as new rental housing unit production or

number of loans made, that must be achieved. The work plan will also identify the outcomes of activities in five specific areas mentioned previously, which are:

- Creating an image for Wheat Ridge and promoting the specific identities to selected market niches, both residential and commercial.
- Facilitating more competitive housing development through communication with builders, investors, home buyers, home owners, real estate agent/brokers and others.
- Encouraging higher levels of improvement and maintenance, in residential areas, commercial sites, and public spaces.
- Promoting development of designated commercial sites and clusters.
- Encouraging effective resident, institutional, and business leadership on the board of the organization and in neighborhood and city-wide activities.

WR2020 must be accountable for the following *production goals*:

1. Encouragement/development of 60 units a year of middle market new construction housing for sale to buyers in the target market of \$75,000 - \$100,000 in annual household incomes. Five-year output is 300 units.
2. Encouragement/development of 24 units a year of rehabilitated existing housing, whose target market is households (new or existing) with incomes between \$50,000 - \$75,000 per year. Five-year output is 120 rehabilitated units.
3. Encouragement/development of 30 substantially upgraded rental units per year whose target market is households with incomes between \$35,000 - \$60,000 per year. Five-year output is 150 substantially upgraded apartments.

WR2020 must be accountable for the following *non-production goals*:

1. Creation of city-wide and neighborhood specific marketing campaigns and related community projects at the rate of ***one campaign initiative annually and no fewer than two city-wide projects and 6 neighborhood projects each year***. Five-year output is five major marketing campaigns, ten city-wide projects, and 30 neighborhood projects.
2. Facilitation and subsequent promotion of ***ten standard setting actions each year through loans and grants to homeowners, rental property owners, commercial businesses, and institutions***. Five-year output of 60 standard setting activities and promotions.
3. Provision of ***two events annually to encourage developers, real estate agents, builders, renovation firms, and contractors to consider focusing additional initiatives to Wheat Ridge***. Five-year output of 12 events to target groups.
4. Co-development with local groups committed to ***build leadership capacity among residents and leaders from businesses and institutions***. Five-year output creating a pool of 60 additional local individuals actively involved in civic participation.

Since 2006 will be a start-up year for WR2020, it will be difficult to both initiate the organization, its board *and* develop a first-year work plan. With this challenge in mind, it is suggested that at least 9 projects be included in the first year's work plan.

These projects are intended to build experience in the staff and board, to communicate the work of the group to the larger community, and to test potential programs and initiatives for future years.

The signature projects in year one should include:

1. A demonstration of how dated but quality housing can be upgraded and remarketed to the target customers.

Three houses (likely three bedroom, ranch-style houses) should be purchased and upgraded either directly or in cooperation with a construction firm. The houses will likely range from \$180,000 to \$210,000 and will require \$40,000 to \$70,000 in renovation.

Total project impact:	\$750,000
WR2020 investment:	\$150,000
Construction line of credit:	\$600,000
Expected loss:	\$60,000-\$75,000 (for marketing, carrying costs, etc)

2. An effort to create and nurture interest from developers and contractors in existing houses.

Three houses at good locations and of quality construction should be optioned as part of an outreach effort. It is assumed that \$15,000 per property should secure rights for 45 to 60 days. If a sale occurs, the option monies will revert to WR2020 or be granted to the developer or contractor if the proposed project sets high standards.

Total project impact:	\$750,000
WR2020 investment:	\$45,000
Expected loss:	\$30,000 (due to inability to sell or as incentive for work)

3. An initiative to package and market vacant land for up-market new construction.

At least five lots should be purchased and competitively marketed to builders willing to construct properties at \$350,000 and above.

Total project impact:	\$1,800,000
-----------------------	-------------

WR2020 investment:	\$350,000
Expected loss:	\$75,000 (to encourage competitive bidders)

4. A program to provide demonstration rehabilitation loans to show how quality homes can be updated and made more attractive.

Six rehabilitation loans should be made at 3% (twenty-year term) for a total of \$40,000 per house on average to create a \$240,000 portfolio and supplemented by \$5000 per house in design assistance or demonstration activities.

Total project impact:	\$270,000
WR2020 investment:	Loans: \$240,000 Grants: \$30,000
Expected loss:	\$30,000 (design and demonstration grants)

5. A community self-help initiative put in place to support volunteer-driven Great Blocks projects.

Six grants of approximately \$2000 each should be made to selected blocks to demonstrate how small sums of grant dollars can be leveraged into visible, positive impacts on block standard setting.

Total project impact:	\$12,000 plus extensive donated labor
WR2020 investment:	\$24,000 grants plus contracted facilitator assistance
Expected loss:	\$24,000 (non-recoverable expenditures)

6. A program in support of upgrading small apartment complexes.

A single 12-unit (plus or minus) apartment upgrade should be completed with a \$90,000 commercial construction loan and a \$60,000 grant providing a total of \$12,500 per unit with at least 20% spent on exterior improvements.

Total project impact:	\$150,000
WR2020 investment:	\$60,000

	\$10,000 (for design and improvement)
Expected loss:	\$70,000 (for marketing, carrying costs, etc)

7. Marketing and community identification events and installations.

A series of projects, signage, events, and celebrations should be implemented to create shared identities, promote positive language and market both neighborhoods and the city.

Total project impact:	TBD
WR2020 investment:	\$50,000 Design: \$20,000
Expected loss:	\$70,000

8. A series of neighborhood- or city-wide self help projects.

Five to ten volunteer projects should be implemented to demonstrate citizen involvement in community projects such as stream clean-ups and landscaping in public areas.

Total project impact:	TBD Extensive Citizen Participation
WR2020 investment:	\$50,000 Coordination Help: \$30,000
Expected loss:	\$80,000

9. An experimental program to option commercial land or structures in support of a coordinated commercial revitalization strategy.

Optioning of one or more parcels or buildings should take place to demonstrate what is involved in re-positioning commercial sites either for improved business uses or for possible conversion to upscale residential use.

Total project impact:	TBD
WR2020 investment:	\$100,000
Expected loss:	Legal/Holding: \$5,000

GETTING THE MOST OUT OF THIS REPORT AND THIS EFFORT

Wheat Ridge is a community on the rebound. This is clear. The current City Council has committed itself to turning Wheat Ridge around. Now citizens and business owners must join them, and facilitate a full recovery by forcefully supporting zoning and planning changes recommended in this report (see Part C). Ultimate success is going to rest on two commitments by citizens. The first is helping Council adopt and implement *all of the strategies contained in this report*. The second is being on guard against being lulled into a false sense of security.

The Plan is the set of nine strategies we recommend. As has been mentioned before, they are all interconnected, which means they *all* need to be implemented. Otherwise recovery will be anemic. The strategies address both physical and social elements of Wheat Ridge that are relevant to recovery. One without the other will hamper success. Treating trash accumulation through code enforcement without ‘incenting’ owners to police their own property to higher standards will not work. Likewise, investing in a town center without investing in the appearance of Wheat Ridge throughout the community at key areas will not work. They all are tied together.

Because Wheat Ridge has so much potential, it is understandable that many would not feel a sense of urgency about addressing the challenges outlined in this report. This would be a mistake.

Additionally, residents and business owners alike must not be lulled into a false sense of security. Because Wheat Ridge has so much potential, it is understandable that many would not feel a sense of alarm or urgency about addressing the challenges outlined in this report. A useful analogy is an old roof. It doesn’t leak now, but it will eventually, and when it does, it will be more costly to repair and needless damage will have been done. Wheat Ridge is like a house with an old roof that was once very suitable, but which needs to be fixed. The time to do that is when the sun is out. There will be pressure from some quarters in town to view today’s non-leaking roof as proof that all is well. For example, housing prices *are* rising. Homes in Wheat Ridge *are* selling. While factual, these are only partial truths. The larger or whole truth is that properties sell faster, and for more, in Arvada. So if people in Wheat Ridge point to rising property values as an indication that all is well, it is essential that leaders in town keep in mind that rising values *relative* to the competition is what matters.

There are a number of examples of successes in Wheat Ridge. But these assets are to be built upon and grown, and should not be confused as reasons to not to seek further improvement. For instance, the presence of Wal-Mart on Youngfield can be viewed in at least two lights. First, it confirms that retail demand exists in Wheat Ridge today. But a closer, second examination reveals indicators that Wal-Mart might vacate that site. If Wal-Mart leaves, it will be hard to backfill their space with an equal quality tenant. What citizens must focus on is *the trend* as much or more than *the moment*. Focusing on the moment can lead to a false sense of security.

PUTTING THE PIECES TOGETHER

By now it has been made clear that the strategies in this report are interconnected, and thus interdependent. Retail recovery hinges on the real estate market. Market recovery hinges on product. Product development hinges on changes in attitude. Changes in attitude depend on agreement on the future. Agreement on the future is based on understanding the present and developing the capacity to manage change.

To get the most from this report, and turn this analysis and these recommendations into action and measurable progress, the steps are clear:



APPENDICES

DATA TABLES [TO BE INSERTED FOR FINAL VERSION]