

RIFLE, COLORADO

DOWNTOWN DEVELOPMENT CODE STUDY



CREATING A VIBRANT DOWNTOWN

During the last six years – through economic analysis, the creation of an urban renewal authority and the adoption of a downtown master plan – the City of Rifle has been working to guide its future growth in both financially sustainable and desirable ways. The Downtown Master Plan envisions a thriving, walkable and lively downtown with a variety of transportation options that will attract residents and tourists alike. One of the best ways the City can ensure the Plan's success is by optimizing the Downtown Development Code to match the intended high-density, mixed-use character of Downtown, and leverage market factors to create the desired types of development. This study provides an assessment of the proposed zoning code updates to help determine how specific land use regulations affect development feasibility and what further improvements could be made to help catalyze the types of projects envisioned for downtown Rifle.

The City of Rifle's recent efforts to revitalize the Downtown area:

2005

The City of Rifle conducted an Economic Opportunity Analysis that identified substantial redevelopment opportunities in the Downtown area.

2007

The City created an Urban Renewal Authority that encompasses much of downtown.

2008

A Downtown Master Plan was created to set the vision for a high-density, mixed-use Downtown. To implement the Downtown Master Plan, an update to the Downtown Zoning Code was initiated.

2009

The City began to develop the Energy Village Plan that describes the City's goal to bridge the gap between traditional fossil fuel industries and the evolving renewable energy industry.

The Gateway Study designed a new street network concept for the entrance to Downtown that will improve traffic flows and infill potential. The study also included concepts for streetscape enhancements.

The City partnered with the Garfield County Library District and the State of Colorado's Department of Local Affairs (DOLA) to build a new library, civic plaza, and a 150-stall parking next to City Hall.

2010

in partnership with the Roaring Fork Transit Authority (RFTA), the City completed a Bus Circulator Study that identified options for a transit system throughout Rifle. In 2010, Rifle began Phase 1 of the redevelopment of the three-acre Valley Lumber property, which the City purchased as a catalyst for downtown redevelopment. The property will include a 6-plex movie theater scheduled to open in 2011 and additional pad sites for retail, restaurant or entertainment uses

DOWNTOWN AREA OPPORTUNITIES

In 2005, the City of Rifle conducted an Economic Opportunity Analysis that identified substantial redevelopment opportunities in the Downtown area.



These opportunities could be strengthened through the implementation of a new Downtown Development Code and catalytic new projects located downtown.

Urban Form

The city's historic urban form and street grid are the foundations of walkable, infill development. Across the Intermountain West, cities have successfully used their historic character to draw residents and visitors downtown. Rifle's urban form includes downtown amenities such as a large park, theater and new library. When more people live and work near the downtown, these attractions will be already situated for optimal use.

Public Spaces and Parks

Rifle has several existing and planned open spaces and parks in or near the downtown area. Again, these are exactly the kind of urban amenities that appeal to young families and the elderly alike, and can attract them to live within a mixed-use environment. The ability for residents to walk to the Rifle Creek Trail and Centennial Park, and the extent to which public spaces are implemented in realizing the downtown vision, will increase the feasibility of housing and some destination retail in the downtown.

Transit

Although the concepts are preliminary, a future RFTA Bus Rapid Transit (BRT) in or near the downtown could serve as a catalyst for new investment within the downtown area. In addition, a transit linkage to the rest of the valley from downtown could encourage new market segments, including workers, the elderly and young professionals, to consider downtown Rifle as a convenient and desirable place to live.

Role in the Larger Region

Rifle plays several roles within the larger region. As a hub for a region's energy industries, Rifle has been particularly prone to boom-and-bust cycles. This is a positive at times in terms of bringing new people to town and creating demand for new development, but overall effectively implementing the downtown vision would diversify the City's economic base and smooth out the ups-and-downs. Additionally, Rifle is a relatively inexpensive housing market in an expensive region. This workforce housing niche is one that new downtown development can leverage.

PROPOSED ZONING SUBDISTRICTS



One part of the proposed Downtown Development Code updates creates six geographic sub-districts: Historic Core; North Gateway; Second Street Mixed Use; River Gateway; and Creekside Neighborhood.

REVISING THE DEVELOPMENT CODE

A city's zoning code can have profound effects on the outcomes of development. It can influence development costs, dictate an area's land use and standardize design. As a city establishes a vision for what it wants to look and feel like, it's therefore important to ensure that these planned development types are both permissible as well as financially feasible. As part of the Downtown Master Plan process, the City initiated an update to the Downtown Development Code. **How does the proposed code compare?**

Current Code

- Commercial Business District is all one zone, no subdistricts.
- Residential development is allowed.
- No setback requirements.
- Heights above 35 ft is considered conditional use.
- Residential mixed-use developments within a commercial building is considered conditional use.

Proposed Code

- Six geographic subdistricts are created.
- Three subdistricts require 75% minimum lot coverage (Historic core, Second Street MU, North Gateway).
- Varying height and setback standards are based on development location.
- New, single-story development is not permitted.
- No limits on residential or commercial building density.
- Mixed uses within buildings and districts is allowed and encouraged.
- First 5,000 sq ft of non-residential area is exempt from any parking provision.
- Shared parking, both surface and structured, is encouraged in the downtown area.
- Parking options for developers: 1) Comply with current or old code requirements; 2) One space required per 250 gross sq ft; 3) Prepare a project-specific parking demand analysis.

TESTING DEVELOPMENT FEASIBILITY WITH PROTOTYPES

Development feasibility hinges on the relationship between the costs to build a project and the income stream or sales price associated with the final development. In other words, if a project does not generate a sufficient return, a developer won't build it. Using prototypes to model different variables is one way to test future development outcomes, in this case, to test the benefits and drawbacks of Rifle's proposed zoning code. By using the development types and land uses envisioned in the City of Rifle's Downtown Master Plan as a starting point, a customized library of prototypical buildings were created with the Envision Tomorrow Return on Investment (ROI) Model. The ROI Model is calibrated to reflect local market and regulatory conditions to reveal opportunities for policy change to foster desired development.

BUILDING PROTOTYPES

The ROI model calculated development feasibility for 11 building prototypes for downtown Rifle:

- 1-Story Main Street Retail
- 2-Story Garden Apartment
- 2-Story Townhome
- 3-Story Mixed-Use Residential
- 3-Story Mixed-Use Office
- 4-Story Mixed-Use Residential
- 4-Story Mixed-Use Office
- 6-Story Mixed-Use Residential
- 6-Story Mixed-Use Office
- 8-Story Mixed-Use Residential
- 8-Story Mixed-Use Office

PROTOTYPE ASSUMPTIONS

In order to create the assumptions for each prototype it is necessary to include a mix of local and national market research combined with actual rents and sales prices from comparable thriving downtowns.

Residential rents ≈ \$1.50/sf (monthly)

Retail rents ≈ \$15-20/sf (annually)

Office rents ≈ \$20+/sf (annually)

Land prices ≈ \$1 million/acre for vacant

Single-family construction costs ≈ \$91-107/sf

Multi-family construction costs ≈ \$98/sf

Retail construction costs ≈ \$98-104/sf

Office construction costs ≈ \$112-130/sf



FEASIBILITY SPECTRUM

Since long-range market predictions are impossible to make, the study focused on the near- to short-term feasibility of a project. The analysis revealed that the prototypes fell along a feasibility spectrum. The most feasible buildings will be important to focus on in order to set expectations for downtown development and guide the Plan's implementation process.



Main Street Retail, Townhomes

3- and 4-Story Mixed-Use

6- and 8-Story Mixed-Use

most feasible

FEASIBILITY SPECTRUM

most challenging

THREE PROTOTYPE SUMMARIES ILLUSTRATE THE IMPACTS OF RIFLE'S PROPOSED NEW ZONING CODE AND OPTIMIZED RECOMMENDATIONS

3-STORY MIXED-USE RESIDENTIAL

A three-story building on a 20,000 sf site with retail on the ground floor and condos above.

	Current Code	Proposed Code	Optimized Code
Site Size	Not possible under current standards. Residential development standards would cap development on this site at 3 units (6,000 sf per unit).	20,000 sf	20,000 sf
Height		3	3
Lot Coverage		75% of site	52% of site
Parking Style		Tuck-under and surface	Surface
Residential Parking Ratio		2 spaces/unit	1 space/unit
Commercial Parking		4 spaces/1,000 sf (first 5,000 sf exempt)	2 spaces/1,000 sf (first 5,000 sf exempt)
Residential Units		25 units	37 units
Average Unit Size		850 sf	850 sf
Sales Price for Feasibility		\$261,000 per unit	\$146,400 per unit
Price Reduction			79% less



2-STORY GARDEN APARTMENT

A two-story, courtyard-style garden apartment building on a 10,000 sf site

	Current Code	Proposed Code	Optimized Code
Site Size	Not possible under current standards. High parking requirements don't permit high-density retail.	10,000 sf	10,000 sf
Height		2	2
Lot Coverage		75% of site	52% of site
Parking Style		Surface	Surface
Residential Parking Ratio		1.75 spaces/unit	1 space/unit
Commercial Parking		N/A	N/A
Residential Units		11 units	11 units
Rent for Feasibility		\$1,585/month	\$1,215/month
Average Unit Size		750 sf	750 sf
Rent Reduction			31% less



MAIN STREET RETAIL

A compact form of infill, one-story retail with no on-site parking on a 10,000 sf site.

	Current Code	Proposed Code	Optimized Code
Site Size	Not possible under current standards. Residential development standards would cap development on this site at 1 unit (6,000 sf per unit).	One-story buildings are not permissible under the proposed zoning code in any sub-district.	10,000 sf
Height			1
Lot Coverage			95% of site
Parking Style			None on site
Residential Parking Ratio			N/A
Commercial Parking			None required
Retail Jobs			8 jobs
Rent for Feasibility			\$20/sf/year





FINDINGS AND CONCLUSIONS

In the past, regulatory barriers, such as building height restrictions and minimum parking requirements, have led to a lack of desirable development and low market demand in downtown Rifle. This in turn has led to low achievable rents and limited development feasibility. These impacts apply to the desirable prototypes as well. **Most of the prototypes developed for this analysis are not allowed – and certainly not feasible – under the current zoning code.** However, the proposed zoning code revisions address many of these issues and key desirable prototypes would be allowed and made feasible in the future.



Despite the significant improvements over the current zoning code, the proposed zoning code could be further optimized to ensure that the kinds of mixed-use development the city has prioritized are easy for developers to build. For example, the parking standards are still high by downtown standards. Increasingly, communities are looking at parking maximums, not minimums, and allowing developers to make decisions below these caps that still result in marketable housing units. This is a step Rifle should take. Additionally, the high minimum lot coverage requirements (coupled with high parking requirements) adds significantly to the cost of construction and may serve to limit investment.

The prototype analysis above demonstrates how relatively minor changes to development regulations can have dramatic impacts on the affordability of both rental and for-sale housing units. **By reducing parking standards and allowing surface parking at the back of the building, Rifle can achieve its affordability goals without sacrificing the quality urban design that creates vibrant, walkable downtowns.**

RECOMMENDATIONS

Along with past planning efforts to create a more prosperous, pedestrian-friendly and vibrant downtown Rifle, **a well-structured and thoughtful zoning code is crucial.** Implementing the recommendations from this study will complement and support the growing momentum.



Reduce minimum parking requirements. Parking is always an important issue for the public. However, in an urban area with services nearby, research shows that residents are far more likely to walk or bike for short trips than in suburban areas. Parking standards for urban areas then, don't need to be as high as their suburban counterparts. Rifle should reduce minimum parking requirements in the downtown area to 1 space per residential unit and 2 spaces per 1,000 sf of commercial space. Developers may choose to include more parking depending on their target market, however, reducing required parking can significantly reduce the cost of housing.

Reduce lot coverage requirements on mixed-use buildings. The 75% lot coverage requirement in the three sub-districts should be eased in certain circumstances. Requiring such high lot coverage forces developers to build structured parking and can add as much as 20% to the cost of a project. These higher costs result in more expensive housing. Rifle should rely on design standards to ensure desired design outcomes rather than a prescriptive standard.

Encourage Main Street-style retail. The proposed zoning code does not allow the kinds of buildings that have served as the fabric of successful downtowns around the country. The code should allow one to two-story Main Street style buildings in the sub-districts of the downtown that allow commercial activity; the City can ensure that these are truly downtown-style by creating detailed site design standards.

Implement a shared parking district and plan. Rifle has already started to employ a shared parking plan. A plan for the entire downtown will provide a coordinated strategy and certainty for developers who may be considering higher densities and reduced on-site parking.



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