

Legislation Text

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Subject:
Economic Update & Future Considerations

Presented By: Denise Stephens, Economic Development Director
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REQUESTED COUNCIL ACTION:

Does city council support staff pursuing the recommendations presented at the study session on July 31, 2018?

PURPOSE:

Retail sales tax has traditionally been a major source of revenue for local governments in Colorado and certainly for the city of Littleton. It is a well-known fact that companies like Amazon have significantly changed how cities across the country look at retail development as a major source of revenue. The “bricks and mortar” stores that many people have historically learned to expect are simply diminishing due the competitiveness of on-line stores like Amazon. How cities respond to this change is not just the challenge for the future, but the problem now at hand.

This study session is intended for staff to suggest some broad concepts and look for council direction on how we might approach economic development for the future. Much of what staff would propose would take further refinement and discussion, but two opportunities make this discussion timely; the adoption of the Belleview Corridor Vision and the project to update the city’s Comprehensive Plan. Council’s direction would allow staff to further refine the concepts as the city looks to develop an implementation work plan for Belleview and develop a specific economic development element of the Comprehensive Plan.

BACKGROUND:

City council approved an *Economic Incentives Policy* on September 19, 2017 (*attached*). This policy sets the framework for thoughtful consideration of requests for incentives from business owners and developers. Staff is asking council to consider additional recommendations that will help encourage business attraction, improvements to existing properties, and guide new developments to meet the needs and vision of the community.

STAFF ANALYSIS:

If the City of Littleton is to be economically vital in the current and future market, the city must add tools that can bring desired development to the community.

Staff recommends city council consider these concepts:

1. A framework for identifying and defining **Areas of Economic Significance** and how that could encourage certain types of desired development. Some of the specific options within these areas could include some of the concepts noted below.
2. Expansion of the Revitalization Incentive Grant to include additional funding reserved for

improvements related to applications within Areas of Economic Significance

3. Convene stakeholders to learn and judge the level of interest with improvement districts. The city could financially participate at specific levels in an improvement district depending upon meeting certain criteria (e.g. types of improvements, level of property owner participation, etc.)
4. Include provisions in development agreements for mixed-use projects; for example, to ensure a specified percentage of commercial/retail is built prior to completion of housing.
5. Develop criteria and process for an accelerated development review process. This could be a concept applicable to only areas of economic significance, or broadened for specific types of development. There would be an additional cost for this process, but could be subsidized by the city within the areas of economic significance.

FISCAL IMPACTS:

Economic sustainability depends on the ability to guide thoughtful residential and commercial development including the attraction of viable retailers and primary employers who provide higher paying jobs. Specific fiscal impacts will be identified as specific projects are proposed.

OPTIONS/ALTERNATIVES:

1. Approval by city council will allow staff to pursue recommendations (Any action beyond further investigation by staff will be brought to city council)
 - a. Pro - Properly implemented, the recommendations will help the City of Littleton remain competitive in a constricting and changing market
 - b. Con - Not pursuing the recommendation will subject the City of Littleton to market driven development, fewer mechanisms for maintenance and improvements around the city and potentially, developments with more demand for services and less revenue generating commercial/retail components
2. City council can direct staff to pursue some and not all of the recommendations
3. City council can decide not to support any of the recommendations