



City of Broomfield

City Council Study Session

Tuesday, July 16, 2024, 6:00
PM

Council Chambers
One Descombes Dr
Broomfield, CO 80020

1: Concept Review

1A. Palisade Park Medical Office Concept Review

2: Study Session

2A. 2024 Enterprise Funds Overview

2B. Broomfield Housing Alliance Update

Update from Broomfield Housing Alliance, including project updates and organizational performance. BHA is in the 3rd year of the IGA (2022-2024), and has provided their annual report as part of (and in preparation) of this update.

2C. Councilmember Delgadillo Request for Future Action Regarding Council Compensation

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Date Posted: July 10, 2024



City of Broomfield

City Council Study Session

Palisade Park Medical Office Concept Review

Meeting	Agenda Group	
Tuesday, July 16, 2024, 6:00 PM	Concept Review	Item: 1A
Presented By		
Anna Bertanzetti		
Community Goals		
<input checked="" type="checkbox"/> Thriving, Diverse, Safe and Welcoming Community		

Overview

[View Correspondence](#) and visit [BroomfieldVoice.com](https://broomfieldvoice.com)

Urban Frontier, LLC has submitted a concept review application for a proposed medical office development in Palisade Park. The conceptual proposal is for a two phased medical office campus. Each phase is proposed to include a 68,000 square foot, three story medical office with associated parking.

Attachments

[Palisade Park Medical Office Concept Review Memo.pdf](#)

Summary

[View Correspondence](#) and visit BroomfieldVoice.com

Urban Frontier, LLC has submitted a concept review application for a proposed medical office development in Palisade Park.

The property is zoned Planned Unit Development (PUD), and is governed by the Palisade Park PUD Plan. Medical office is a permitted use in the PUD Plan.

The project area is lot 3 of Palisade Park Filing No. 1, Replat D, and totals approximately 5.38 acres.

The underlying Comprehensive Plan Land Use Map designates the property as Mixed Use Commercial. The proposed medical office development is consistent with the anticipated land uses within this designation.

The conceptual proposal is for a two phased medical office campus. Each phase is proposed to include a 68,000 square foot, three story medical office with associated parking.

Phase 1 of the development proposes a single building with surface parking and site landscaping.

Phase 2 of the development would remove a portion of the surface parking, add a second 68,000 square foot, three story building and a parking structure to accommodate the necessary off street parking for the new building and the removed surface parking from phase 1.

The applicant has not identified any timeline for the two phases to be completed at this time.

Financial Considerations

The proposed use is consistent with the existing approved land use, and the assumptions for the sustaining financial modeling of the property.

Prior Council or Other Entity Actions

February 14, 2006 - City Council approved the Palisade Park Planned Unit Development Plan by adopting Resolution No. 2006-21.

[October 22, 2019](#) - City Council approved Resolution No. 2019-217 regarding the Final Plat, Site Development Plan, and a Subdivision Improvement Agreement and Resolution No. 2019-230-UR regarding an Urban Renewal Site Plan regarding the Palisade Park Filing No. 1 Replat C Final Plat and the Site Development Plan/Urban Renewal Site Plan for Palisade Park Filing No. 1 Replat C Lots 4 and 6-110 and Tract A

Board and Commissions Prior Actions and Recommendations

N/A.

Proposed Actions / Recommendations

Hold concept review discussion. There are no formal actions required.

Alternatives

No official action taken at concept review.

Discuss any concerns regarding the proposed use of this property such as the proposed siting, architecture, landscaping, signage, impacts on adjacent properties, pedestrian access, and/or vehicular access.

Project Website

<https://www.broomfieldvoice.com/palisademedicaloffice>

Public Comment

[Correspondence Folder](#)

Sustainability

The applicant's concept proposal notes that the elements of sustainability for this project will center around meeting the energy code(s) of the City and County of Broomfield, along with the provision of several parking stalls dedicated to Electric Vehicles and charging stations.

Key Issues Identified By Staff

Staff has not identified any key issues with this conceptual proposal.

Links to Application Materials

- [Narrative / Project Description](#)
- [Conceptual Plan](#)

Supplemental Documents

- [Area Drone Video](#)

How to Submit Public Comments on this Proposal

Email directly to Planning@broomfield.org

Property Owner and Applicant

The property owner is Kevamra, LLC. The applicant is Urban Frontier, LLC.

Broomfield Process

The concept review is the first step in Broomfield's development process, and allows the applicant to receive comments and direction from City Council, the Land Use Review Commission (LURC), and other advisory boards and commissions, and the public. The applicant should use the feedback received during concept review to make changes to the concept plan, if necessary.

If the project proceeds to a formal development application, it will require a Site Development Plan and Subdivision Improvement Agreement. The application is for a project that is less than seven acres in size and as such will require a public hearing with the Land Use Review Commission and will be subject to the City Council call up provision.

Zoning, Previously Approved Development Plans, and Status of Development

Zoning

The property is zoned Planned Unit Development (PUD). There is an existing Palisade Park PUD Plan which governs the site. The property is permitted for a mixture of commercial development including retail, commercial/office and other employment uses. The proposed medical office development is consistent with the anticipated uses for this property.

Previously Approved Development Plans

The project area is within the existing Palisade Park development. The Palisade Park PUD Plan was originally approved by City Council in 2006 and has been amended multiple times to expand the development and add additional uses. The lot included in this application is platted, and is vacant.

Status of the Development

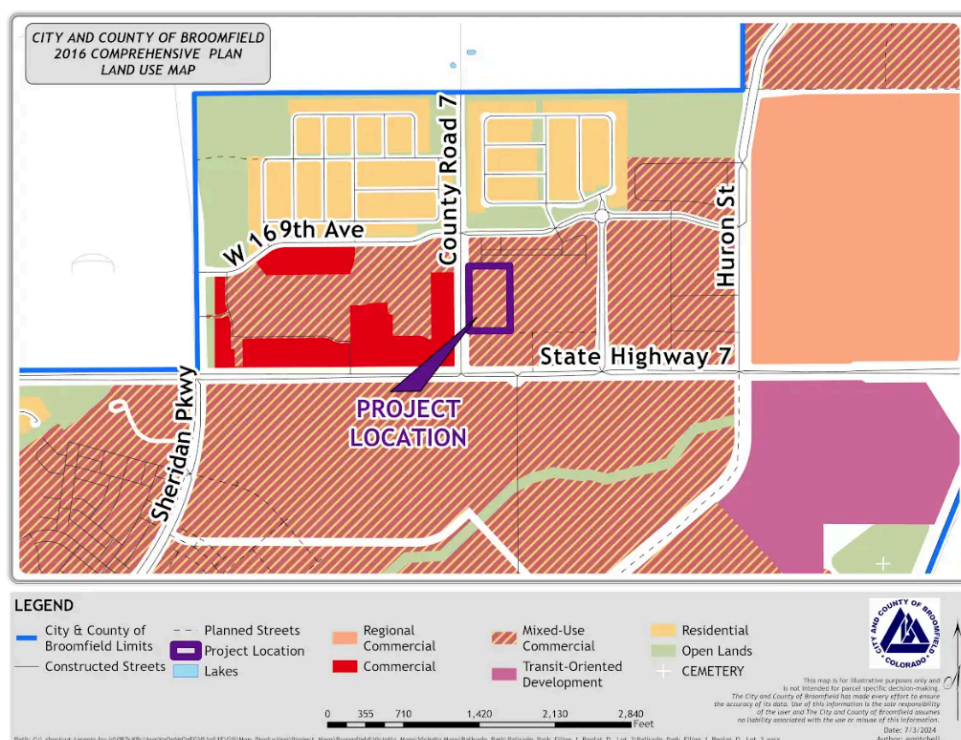
The subject property is currently vacant, but there are a number of developed parcels within the Palisade Park development surrounding the subject parcel. The Palisade Park development has a number of retail and commercial uses, a flex industrial complex, Children's Hospital, and has multiple residential developments constructed and approved but not yet constructed.

Applicable City and County of Broomfield Plans

Broomfield Comprehensive Plan

The 2016 Broomfield Comprehensive Plan land use designation for this property is "Mixed Use Commercial." The following map shows the project location within a portion of the land use map for the surrounding area.

The Comprehensive Plan describes the primary uses anticipated within Mixed-Use Commercial areas as commercial, employment and multi-family or single-family attached residential uses. The proposed medical office development is consistent with the underlying Mixed Use Commercial land use designation.



A Portion of the 2016 Comprehensive Plan Land Use Map

Goals and Policies

Elements of the proposed project could help meet the following Comprehensive Plan goals and policies:

Goal LU-A: Mix of Land Uses - “Plan for an appropriate mix of land uses that ensures connectivity, livability, flexibility, environmental sustainability, and economic vitality.”

Policy LU-E.13: “Encourage and support a variety of business employers and industries.”

Goal LU-I: Development Standards - “Use development standards and guidelines to help realize the community’s overall vision and goals.”

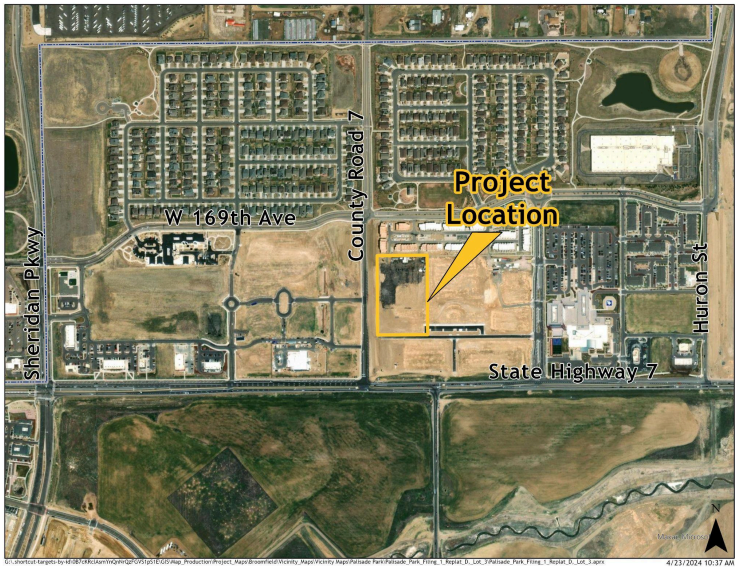
Economic Vitality and Financial Impacts

The proposed use is consistent with the existing approved land use, and the assumptions for the sustaining financial modeling of the property, and as such no negative impacts to the financial model are anticipated.

Area Context and Property Location

The project area for this proposal is generally located on the eastern side of County Road 7 in between W 169th Avenue and CO 7 and totals approximately 5.38 acres. To the north of the property is the Brownstones rental multi-family residential development and to the east is a private park with public access and Children’s Hospital. The Brownstones, Children’s Hospital and the private park are all located within the Palisade Park development. To the west of the site is the Highland development which is also a mixed use

development including a number of retail, restaurant, and commercial uses as well as a senior living development. To the south of the development are additional vacant lots within the Palisade Park subdivision, CO 7 and to the south of CO 7 is the Baseline mixed use development.



Project Location Map

Current Application - Detailed Description and Staff Review

Description

Urban Frontier, LLC is proposing to develop an existing 5.38 acre parcel of land within Palisade Park Filing No.1, Replat D. The conceptual proposal is for a two phase medical office development consisting of two 68,000 square foot medical office buildings and associated parking (surface and structured).

Background/Base Data

Property Owner	Kevamra, LLC
Applicant	Urban Frontier, LLC
Property Location	Generally east of County Road 7 in between W 169th Ave and CO 7
Property Size	Approximately 5.38 acres
Current Zoning	PUD
Proposed Zoning	PUD
Current Land Use	Vacant
Proposed Land Use	Medical Office
Comprehensive Plan Designation	Mixed Use Commercial

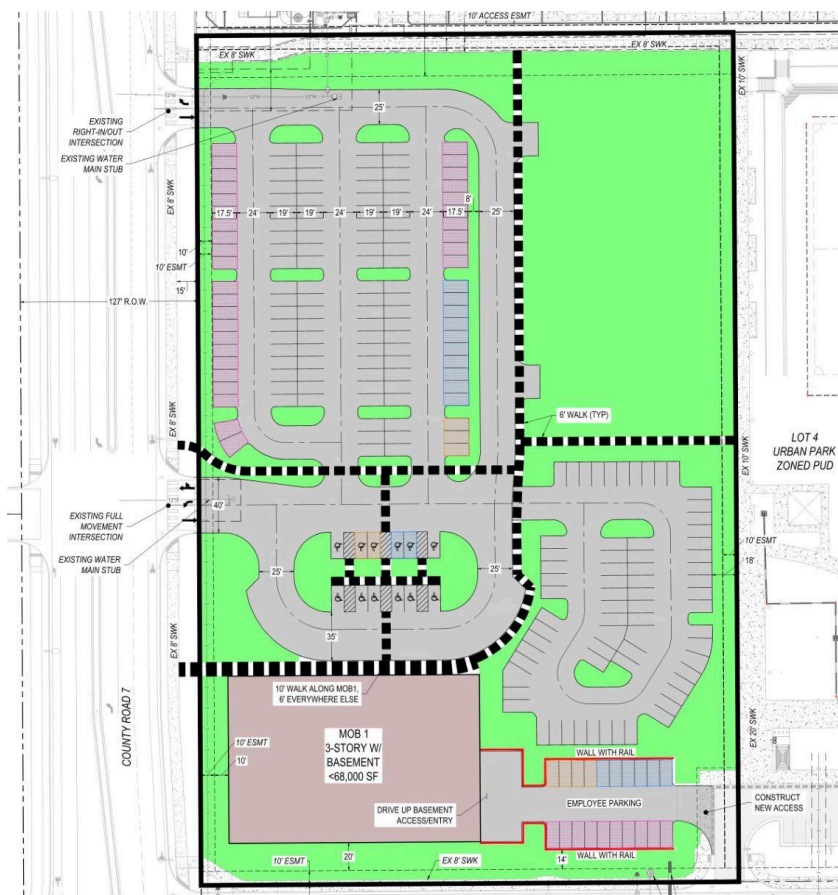
Site Layout

The developer's conceptual proposal is for a two phased medical office development. At build out the development is proposed to consist of two 68,000 square foot, three story medical office buildings and associated surface and structured parking with site landscaping. The two phases of the development are discussed in greater detail below, and the final buildout site layout is depicted in the Phase 2 discussion.

Phase 1

The first phase of the development will include Medical Office Building 1 (MOB1) and the associated utility and access infrastructure for the project. MOB1 is a 68,000 square foot, three story building with a small partial basement which provides opportunities for service and loading/unloading.

MOB1 is proposed to be located on the far southeastern corner of the parcel at the intersection of County Road 7 and W 168th Place. To the east of the building is an employee parking area, to the north and northeast of the building are general parking. The ADA accessible spaces are located closest to the building entrance.

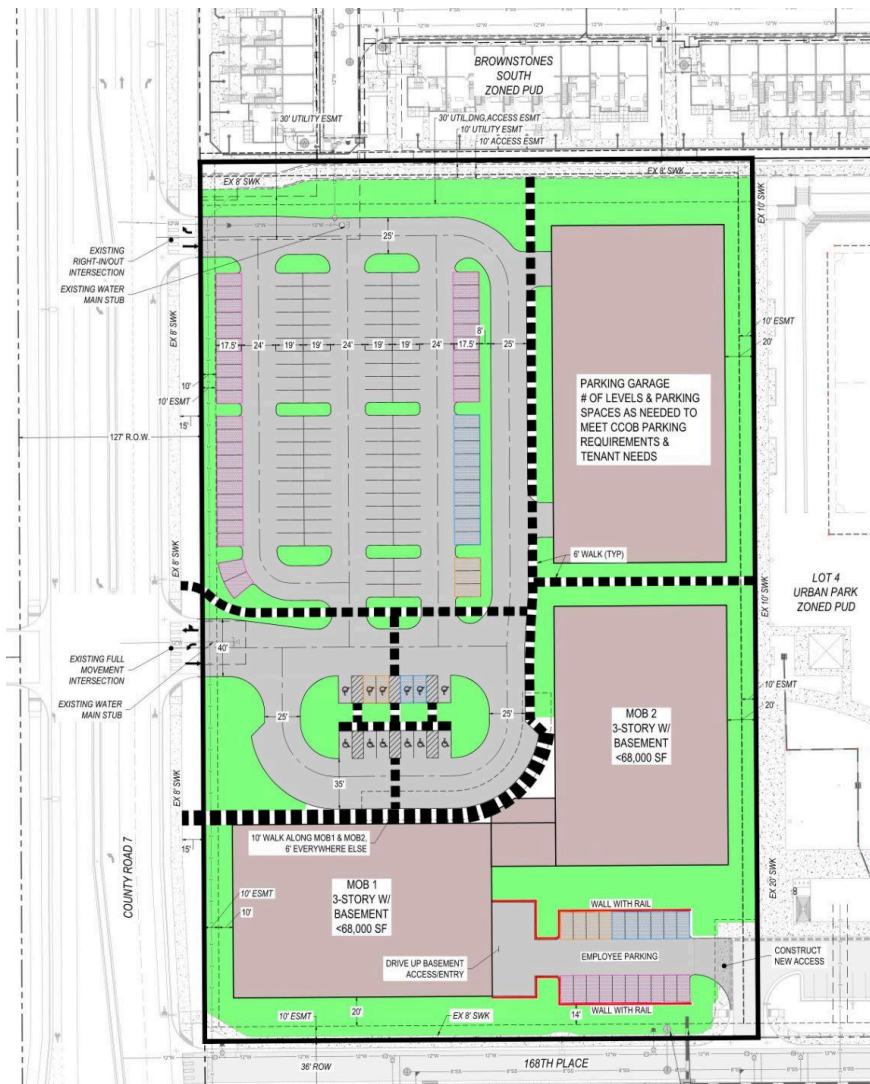


Phase 1 Site Layout

Phase 2

The second phase will construct Medical Office Building 2 (MOB2) and the associated infrastructure improvements needed for the second phase. MOB2 is proposed to be sited to the northeast of MOB1 and would replace the surface parking that was constructed as part of Phase 1. MOB2 is proposed to be an additional three story, 68,000 square foot building with the same basement setup for service and loading/unloading area.

With the elimination of the surface parking included as part of Phase 1, and the additional parking required to serve MOB2, Phase 2 also includes a proposal to construct a parking garage to the north of MOB2.



Phase 2/Buildout Site Layout

Vehicular Access, Parking, and Circulation

The proposed project is designed to have three access points. Two accesses are directly from County Road 7; there is a full movement access located north of MOB1 and a right-in-right-out access at the northeastern

corner of the site. The third access point is proposed to be a shared access with the adjacent Urban Park to the east of the site off of W 168th Place. The access off of W 168th Place will serve the employee parking lot located in between MOB1 and MOB2.

The site provides internal vehicular and pedestrian circulation. The site is designed with a dropoff/pick up drive adjacent to the two medical office buildings which connects to an internal 25 foot wide drive aisle which circles the site connecting the two ingress/egress points along County Road 7. There are also two 24 foot wide drive aisles that bisect the surface parking lot that connect directly to this main drive aisle. The parking lot also has two additional 24 foot wide drive aisles which provide connection throughout the surface lot. The parking garage has two access points off of the 25 foot wide drive aisle that encircles the site.

Pedestrian connections are provided between the two medical office buildings through a 10 foot sidewalk. The 10 foot sidewalk also connects to County Road 7 at the location of the full movement ingress/egress point. There are six foot sidewalks which provide connection from the parking garage and surface parking lot to the medical offices. There are six foot wide sidewalk connections to an existing sidewalk in between this proposed development and the Brownstones development to the north, and to the urban park to the east.

The project is located within the CO 7 Parking Reduction Area. In parking reduction areas, the parking maximums are set to the minimum off-street parking requirements for non-parking reduction areas and parking minimums are calculated as a twenty percent reduction to the parking maximum. This means that for medical offices in the parking reduction area, the maximum parking ratio permitted for this development would be 3.5 spaces per 1,000 square feet of gross floor area, and the minimum parking spaces would be 2.8 parking spaces per 1,000 square feet of gross floor area.

There are a total of 395 surface parking spaces, as well as an undisclosed number of spaces in a proposed parking garage currently proposed in the conceptual plans. Each of the 68,000 square foot medical buildings would require a minimum of 190 spaces and would be allowed a maximum of 238 spaces. At build out the development would be required to provide a range of 380-476 parking spaces.

Phase 1 of the plan shows 232 surface parking spaces; this is within the range of parking permitted for the 68,000 square foot medical office and is less than the maximum parking permitted. At build out the development requires at least 380 parking spaces and the conceptual plan shows 163 surface parking spaces which is 217 less than the minimum required. As such, the parking garage will be required to have at least 217 spaces, and up to 313 parking spaces. If the developer desires more parking than is permitted or less parking than is required they would need to request a variance as part of their future site development plan.

Transit Access and Walkability

The project is within the RTD service area for the Broomfield North FlexRide, but is not served by any current RTD bus routes. RTD's North Area Mobility Study (NAMS) recommended CO 7 as a corridor to include Bus Rapid Transit (BRT) at build-out. This key east-west BRT corridor is planned to provide service from Brighton to Boulder and will fulfill the requests of Broomfield residents to have transit access in north Broomfield. As part of the planning, potential BRT stations were identified and the intersection of CO 7 and the vicinity of Sheridan to County Road 7 was determined to be a key location for a future station. Communities along the corridor from Brighton to Boulder, with the support of the Broomfield, Adams and Boulder Transportation Forums, were successful in securing a grant from the Denver Regional Council of Governments (DRCOG) to initiate starter transit operations beginning in 2026. CDOT's interim mobility hub at I-25/CO-7 will begin construction in Fall 2024 and is estimated to be complete by mid-2026. The initial transit service will begin in conjunction with the opening of the interim mobility hub to provide access to I-25 transit operations and Park n Ride facilities. Over time, service is planned to increase with ridership as funding is identified to support increase in operations.

There are comprehensive pedestrian connections throughout the Palisade Park development, which includes sidewalks along roadways and through surrounding developed sites as well as public trail corridors throughout the surrounding area.

Architecture

This development will include two, three story 68,000 square foot medical office buildings, and a multiple level parking garage. The developer in their application narrative has stated that both of the medical offices will have an architectural design which is consistent with the surrounding development existing in Palisade Park. The proposed building materials will include brick, stucco, metal panels, along with aluminum curtain wall and storefront glazing systems. The parking garage will utilize a precast concrete structural system which will provide the ability to incorporate screening from surrounding areas including the park to the east and Brownstones to the north.

Stakeholder And Public Outreach

The City and County of Broomfield standard public notice requirements have been met for this case. These requirements include:

Concept Review Meeting:

- Sign(s) were posted on the property a minimum of ten days in advance of this meeting.
- Mail notice to property owners located within 1,000 feet of the parcel boundaries (or such additional distance deemed necessary by the city and county manager based on the proposed size, density, and intensity of the proposed development), mailed a minimum of ten days in advance of the meeting
- The concept review has a project website on the Broomfield Voice.

The applicant has also held a neighborhood meeting for the proposed development proposal. The neighborhood meeting was held virtually on June 27, 2024. The neighborhood meeting had three residents and/or interested surrounding property owners attend. The applicant provided a brief presentation describing their proposal and there was a round of question and answers which largely revolved around

anticipated tenants and timing of construction. No major concerns or opposition was raised during the meeting.

Staff Review Of Key Issues

Staff has not identified any key issue for this concept plan.

Next Steps

The formal development application will include a Site Development Plan. This application will be for a site less than seven acres in size and as such will require a public hearing with the Land Use Review Commission and will be subject to the City Council call up provision.



2024 Enterprise Funds Overview

Meeting	Agenda Group
Tuesday, July 16, 2024, 6:00 PM	Study Session Item: 2A
Presented By	
Ken Rutt, Director of Public Works	
Community Goals	
<input checked="" type="checkbox"/> Financial Sustainability and Resilience	

Overview

[View Correspondence](#)

Beginning in 2021, with the support of the Council, staff began an intentional journey to identify outstanding commitments related to existing developer agreements, financial obligations, and other long-standing commitments. Staff also began to shift a decades-long operational philosophy to focus less on new infrastructure and increase focus on years worth of deferred maintenance of Broomfield's most critical infrastructure assets. The long-standing "run to failure" philosophy relied heavily on growth and development to pay for new and existing infrastructure, which has proven unsustainable. Sprinkle in a pandemic resulting in unprecedented inflation and cost increases, years-long absence of a formal asset management program, and structural deficiencies in Broomfield's most critical infrastructure - water, sewer, reclaimed water, and the lack of a stormwater program - has reached a fever pitch.

The cumulative effect of historical focus on new infrastructure and deferred maintenance, years-long stagnation of Broomfield's utility rates not keeping pace with costs to provide services, increasing regulations, unfunded mandates, unprecedented inflation and minimal to no increase in staffing, specifically in Public Works, to adequately incorporate the increased infrastructure needs has led Broomfield to a critical crossroads.

Over the past two years, staff has presented Council and the community with comparison tables, including one that outlined the 2012 utility rate study and the subsequent increases that were (or mostly were not) implemented between 2013-2021. As recently as fall 2023, staff also provided a comprehensive overview of Broomfield's existing enterprise funds, including what constitutes an enterprise fund, associated fees and an overview of anticipated infrastructure projects.

To ensure the short and long-term solvency of Broomfield's existing Enterprise (Utility) funds and to meet the community's current and future service demands, changes are not only recommended to Broomfield's utility rates, but vital to secure Broomfield's future financial and operational sustainability.

Attachments

[7.16.24 Study Session - Enterprise Fund Memo.pdf](#)

Memo to Review: Utility Rate Review and Recommendations

Prepared By: Ken Rutt, Director of Public Works
Katie Allen, City and County Engineer/Co-Director of Community Development
Graham Clark, Interim Finance Director

Summary:

[View Correspondence](#)

In partnership with our City Council, Broomfield staff continues to serve our community with purpose, integrity, and transparency. Putting the community's immediate and long-term needs first often means both staff and the Council are in the unenviable position of making difficult and sometimes unpopular recommendations and policy decisions, respectively.

Beginning in 2021, with the support of the Council, staff began an intentional journey to identify outstanding commitments related to existing developer agreements, financial obligations, and other long-standing commitments. Staff also began to shift a decades-long operational philosophy to focus less on new infrastructure and increase focus on years worth of deferred maintenance of Broomfield's most critical infrastructure assets. The long-standing "run to failure" philosophy relied heavily on growth and development to pay for new and existing infrastructure, which has proven unsustainable. There have been several vital milestones that, over the decades, solidified the "run to fail" philosophy; those milestones are noted in detail below and were further exacerbated by the pandemic, which resulted in unprecedented inflation and cost increases, years-long absence of a formal asset management program, and structural deficiencies in Broomfield's most critical infrastructure - water, sewer, reclaimed water, and the lack of a stormwater program - has reached a fever pitch.

The cumulative effect of historical focus on new infrastructure and deferred maintenance, years-long stagnation of Broomfield's utility rates not keeping pace with costs to provide services, increasing regulations, unfunded mandates, unprecedented inflation, and minimal to no increase in staffing, specifically in Public Works, to incorporate the increased infrastructure needs adequately has led Broomfield to a critical crossroads.

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On June 13, 2024, The Colorado Sun published an article titled ["Has your water bill gone up?" that provides insight to](#) the financial challenges local water utilities have in adapting to increasingly stringent environmental regulations and infrastructure repairs or aging pipelines, pumps and facilities. To ensure the short and long-term solvency of Broomfield's existing Enterprise (Utility) funds and to meet the community's current and future service demands, changes are not only recommended to Broomfield's utility rates but vital to secure Broomfield's future financial and operational sustainability.

In June, staff provided a [comprehensive overview](#) to the Mayor, Mayor Pro Tem and Councilmembers scheduled 2:2 meetings for staff to walk through the recommendations that are outlined below.

Recommendations Proposed: Water, Sewer, and Stormwater Rates

Below is an overview of each enterprise fund, including proposed increases related to each fund and a proposal for adding a dedicated funding mechanism for a stormwater enterprise fund.

2025 Estimated Impact Per Average Household (Water, Sewer, Stormwater)

Single Family Residential - Average Monthly Bill					
	Rates		Average Bill *		Monthly Difference
	Existing 2024	2025 Proposed	Existing 2024	2025 Proposed	\$
Water Flat Rate	\$16.93	\$36.91	\$16.94	\$36.91	\$19.97
Water Usage	tiers	no change	\$27.23	\$27.23	\$0.00
Water Service*			\$44.17	\$64.14	\$19.97
Sewer Cost/1,000 gallons	\$4.46	\$5.44	\$26.76	\$32.64	\$5.88
Fed Mandate Charge	\$0.52	\$0.52	\$3.12	\$3.12	\$0.00
SW - Compliance Fee	\$6.00	\$9.00	\$6.00	\$9.00	\$3.00
Sewer Service*			\$35.88	\$44.76	\$8.88
Stormwater Service	\$0.00	\$11.00	\$0.00	\$11.00	\$11.00
Total Bill			\$80.05	\$119.90	\$39.85
* based on 9,000 gallons for water and 6,000 gallons for sewer.					
9,000 gallon/month based on 4 year historical average of 107,000 gallons per year for single family 0.75 inch					

4-Year Outlook

Projected Average Monthly Bill over time based on Current Anticipated Expenses				
	2025	2026	2027	2028
Anticipated Bill	\$119.90	\$132.99	\$141.62	\$150.30

The projected average monthly bill for 2025 has increased from prior year projections to ensure adequate funding for ongoing operating costs, necessary capital projects, and repair and replacement.

Background:

History of Broomfield and Utility Infrastructure Development

1961-1997

Broomfield was incorporated as a city in 1961, with a population of 6,500 and an area of [1.5 square miles](#). In the 1970s and 1980s, Broomfield grew significantly with the annexation of the Northmoor subdivision and the development of the Greenway Park, Lac Amora, Westlake Village, Highland Park, and Columbine Meadows subdivisions. The 1990s brought significant retail and office development in southwest Broomfield with the development of the Interlocken Business Park and the completion of the 96th Street/US 36 Interchange as the catalysts.

During this time, Broomfield had two drinking water sources: Great Western Reservoir, which is downstream of Rocky Flats, and Denver Water, which was delivered to Broomfield through Conduit 81.

1997-2000

Through extensive lobbying and federal legislation, Broomfield obtained a grant from the Department of Energy (DOE) to sever the physical connection between Rocky Flats and Broomfield's drinking water supply by building a new water treatment plant and the Carter Lake Pipeline, as well as acquiring Colorado-Big Thompson (C-BT) and Windy Gap water shares. The new water treatment plant on 144th Avenue was brought online in August 1997.

During this time, Broomfield profited from rapid, "world-class" development. In August 2000, the Flatiron Crossing Mall opened, dramatically increasing sales tax revenue and future revenue potential for Broomfield.

2001-2012

Arguably, Broomfield's crowning achievement was the passage of Referendum C in November 1998, which allowed Broomfield to pursue becoming a City and County. In November 2001, Broomfield became a City and County and was empowered to control the county portion of tax revenues. At that time, a pledge was made to Broomfield residents that a combined City and County would operate more efficiently and cost-effectively than had Broomfield remained in four separate counties. Broomfield leadership was very invested in keeping that pledge with a "do more with less" lean government philosophy and identity.

Broomfield continued to grow, and significant infrastructure was constructed for the Arista, Anthem, and Anthem Highlands subdivisions. During this time, much of Broomfield's utility infrastructure was reasonably new, and in keeping with the lean government spending philosophy, preventative maintenance (capital and staffing) was budgeted at the bare minimum.

The Federal Clean Water Act began to focus on urban stormwater runoff by requiring communities to obtain a National Pollution Discharge Elimination System Municipal Separate Storm Sewer System permit (NPDES MS4) from the State for stormwater discharges. Broomfield was required to comply by March 2003. To offset the cost of stormwater maintenance and other requirements of the NPDES permit, the City Council considered the creation of a stormwater utility enterprise fund. The council rejected forming a stormwater utility in 2004 and opted to continue to fund operation and maintenance activities through the General and Sewer Funds and capital projects through the Capital Improvement Program. Most Front Range communities had already established a stormwater utility fee by 2003.

The Great Recession from 2008 to mid-2009 enforced a lean government spending philosophy. The number of employees dropped during the recession and wasn't restored to pre-2008 levels until recently. Meanwhile, the population skyrocketed, and the amount of infrastructure to support the population increased, but not at a corresponding level. Due to the low maintenance funding and staffing levels, Broomfield Public Works staff could only react to infrastructure problems as they arose, thus creating a "run to fail" philosophy of operation.

2013-2019

The North Area Lift Station, located just north of CO 7 and west of I-25, was completed in 2013. This sanitary sewer lift station allowed development east of Sheridan Parkway and north of 160th Avenue, including the Highlands, Palisade Park, and Baseline subdivisions. During this time, build-out population projections were increased from 83,300 as initially anticipated in the 2005 Comprehensive Plan to 95,500 in the 2016 Comprehensive Plan Update.

Broomfield's infrastructure continued to increase while the maintenance and staffing funding levels remained relatively static.

2020-2023 - Change in leadership brought much needed attention to planning for the future.

By 2020, Broomfield had a population of approximately 73,739 people, significantly higher than those estimated to reside in Broomfield in 2020 per the 1995 Broomfield Master Plan (46,700 people).

In 2020, the COVID-19 pandemic caused economic instability and added further pressure to keep costs low. Meanwhile, profound inflation and supply chain issues affected capital projects. Large utility projects, including the Mesa Zone Water Booster Station and the Siena Reservoir Pump Station and Pipeline, were delayed.

2024 - Current Status and Utility Rates

Based on Broomfield's efforts to diversify housing and incorporate housing density within mixed-use areas, staff is now projecting a population of approximately 125,000 by 2050.

The history above is intended to provide context to the Council and the community regarding decisions made by previous leadership as the city developed from a rural town to a thriving suburban community. The focus was on securing and investing in transformational developments while keeping taxes and fees as low as possible for residents. While arguably very successful - Broomfield is ranked #6 on Livability's 2024 list of the Top 100 "Best Places to Live" in America - the lack of funding strategies to ensure revenue stability, the lack of asset maintenance, increased growth, and the urgent need for significant capital improvements related to Broomfield's infrastructure has led Broomfield to a critical crossroads in the utility enterprise funds.

What is an Enterprise Fund?

Broomfield's Water Fund, Sewer Fund, and Water Reclamation Fund (collectively the "Utility Funds") operate as "Enterprise" funds where rates and fees within each fund are set to cover the costs of providing respective services to customers. By law, **enterprise funds are not supported by tax revenues but service charges and fees**. They must operate as a "stand-alone business" and generate the revenues necessary to provide services. The revenue components include:

- **Base Fee:** supports fixed operating costs (staff, electricity, preventative maintenance)
- **User Charges:** supports variable operating and maintenance costs due to metered consumption (chemicals, electricity, asset replacement, and corrective maintenance)
- **License Fees:** support capital expansion or growth

The operating component accounts for the day-to-day functions of running the utility for existing customers, the costs of providing services, and the maintenance of the existing capital investment. The primary revenue sources associated with the operating components are user service charges and fees.

The capital component includes costs related to building or expanding the existing system, which may include new debt associated with constructing new infrastructure. The significant revenue associated with the capital component is the license fee (designed to recover the costs of capital improvements or facility expansions when a new or expanding user ties into the system).

City and County of Broomfield Utility Operations Infrastructure - \$3.428 Billion in Assets & Growing

What is Utility Water Infrastructure? This term refers to all the systems used to move, store, treat, distribute, or dispose of water. Broomfield Utility Operations Infrastructure serves four main functions:

- Supplying clean water for public use;
- Treating wastewater to protect public health;
- Enhancing water supply through non-potable reuse irrigation; and
- Collecting and conveying stormwater away from homes and businesses.

Broomfield's continued growth and the added emphasis on higher-density development means that Broomfield's utility infrastructure assets will need to accommodate a larger increase in usage, impacting the operations and maintenance costs associated with these critical assets.

According to the Congressional Budget Office, the Federal government's share of capital investment has fallen from 63% in 1977 to less than 5% in 2023. The burden of clean water compliance and infrastructure investment is almost entirely with the local government and community they serve. Broomfield, like many of our neighboring communities, urgently needs to renew investment in our community's utility infrastructure.

Infrastructure Assets by the Numbers:

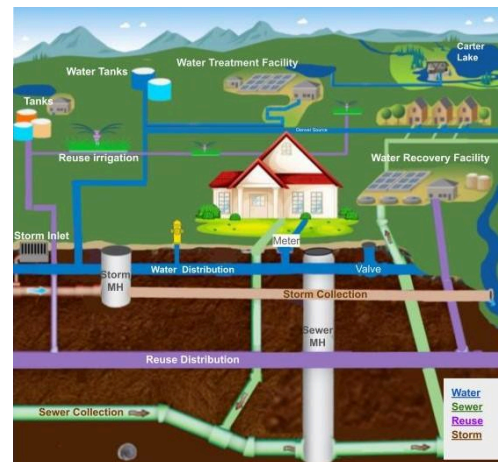
Water System - \$1.379 billion (not including Glasser Reservoir, Siena Reservoir or Broomfield's share of Chimney Hollow Reservoir)

- 1 Water Treatment Facility - 24 million gallons per day
- 5 Booster/Pump Stations
- 4 Water Tanks (9 million gallons - west of Main St. and 6 million gallons east of Main St.)
- 447 miles of underground water distribution pipe
- 4,342 Hydrants
- 14,436 Valves
- 22,433 Meters

Wastewater System - \$1.236 billion

- 13 Lift Stations
- 323 miles of underground sewer collection pipe
- 8,243 sewer manholes
- 1 Wastewater Treatment Facility

Non-potable Reuse System - \$146.321 million



- Storage Reservoir - Great Western
- 2 Treatment System - 1 at Wastewater and 1 at Great Western Reservoir
- 2 Storage Tanks - 3.75 million gallons
- 40 miles of underground reuse distribution pipe
- 483 Valves
- 20 Pressure-reducing Valves

Stormwater System - \$667 million (not including ponds or detention basins)

- 15 miles of Surface drainage conveyances
- 174 miles of Underground stormwater collection pipe
- 2603 Stormwater manholes
- 3,553 Stormwater inlets
- 114 Retention basins
- 52 Water Quality and Stormwater Ponds

Upcoming Major Utility Operations Infrastructure Projects - 2024 - 2034

Annual Asset Replacement Investment

- Water line replacement (\$24.6 million), sewer collection piping lining, upgrades to existing sewer lift stations (\$22 million), water meter, replacement (\$11.4 million), pH control redundancy (\$790K), algae analysis system (\$141K), airport water tank maintenance (\$162K); Water Distribution System Pressure Monitoring and Controls (\$980K)

Water System

- Water Tanks - \$66.72 million (buried)
- Water Treatment Plant Expansion - \$70.2 million (design scheduled for 2028; completion needed by 2031)
- Broomfield Reservoir - \$137 million (design scheduled for 2027; completion needed by 2034)
- Highway 7 Waterline - \$4.3 million
- Sheridan Waterline 36in - \$19.2 million
- Heit Pit - \$7.7 million
- Airport Booster Station - \$4.5 million
- Interlocken Booster Station - \$4.6 million
- Baseline Water System Reimbursement - \$10,113,246

Wastewater System:

- Wastewater Treatment Plant Expansion - \$526 million (a 13-year project with \$206 million allocated to new and/or more restrictive regulatory requirements)
- Lift Station - Compliance Required Demo and Replace both the Sunridge and Outlook lift stations - \$8 million
- Collection System Master Plan - \$800K

Stormwater:

- Stormwater Master Plan and Pond - \$850K
- Water Quality Pond Evaluation - bathymetric assessments to map and monitor sediment accumulation and implement preventative solutions - \$250K

- Pond algae control systems - \$190k per pond
- Pond Dredging - costs range from \$50 to \$300 per cubic foot of material removed depending on location and land restorage costs. Annual \$950K

Non-potable Reclaimed/Reuse Water:

- Water Tank - \$22.2 million
- Great Western Reservoir Dam - \$19.6 million
- Great Western Raw Water Pump Station - \$6 million

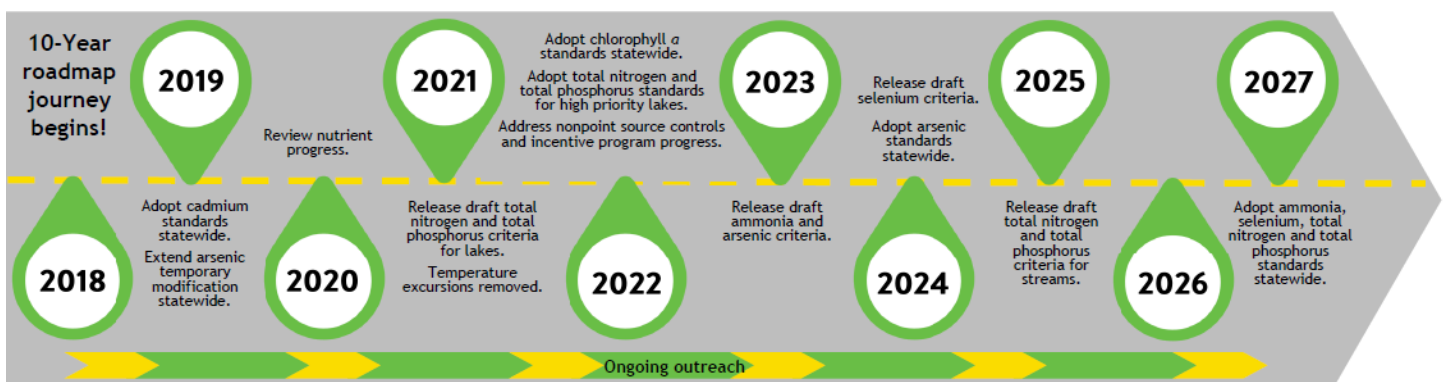
Unfunded Regulatory Mandates

How do water, wastewater, stormwater, and reuse regulations impact the City and County of Broomfield? Through the authorization of the Clean Water Act and Safe Drinking Water Act, the U.S. EPA enacted various water quality regulations designed to protect aquatic and human life. Both the Clean Water Act and Safe Drinking Water Act allow states to set and enforce their standards if the standards are, at a minimum, as stringent as EPA's national standards.

In Colorado, the Colorado Department of Public Health and Environment's Water Quality Control Commission (WQCC) adopts water quality classifications and standards for waters of the state to achieve compliance with those classifications and standards. These standards must be reviewed and revised as needed every three years. Surface water quality standards consist of three core components:

1. Classified uses - based on each waterbody's current or future suitability.
2. Criteria - assigned to protect the use.
3. Antidegradation designations - protect existing uses.

The WQCC and the Water Quality Control Division also developed a 10-year Water Quality Roadmap (2017-2027) to update and create new water quality standards. The roadmap includes standards for nutrients ((nitrogen, phosphorus, and chlorophyll a) in streams and lakes, ammonia, arsenic, cadmium, selenium, and temperature.



Complying with evolving regulations presents many challenges, such as making sure aging infrastructure meets new and more restrictive regulations. These regulations impact the complete water, wastewater, and reuse water systems, including supply, delivery, and treatment. According to the Congressional Budget Office, the Federal government's share of capital investment has fallen from 63% in 1977 to less than 5% in 2023. The burden of clean water compliance and infrastructure investment is almost entirely with the local government and community they serve.

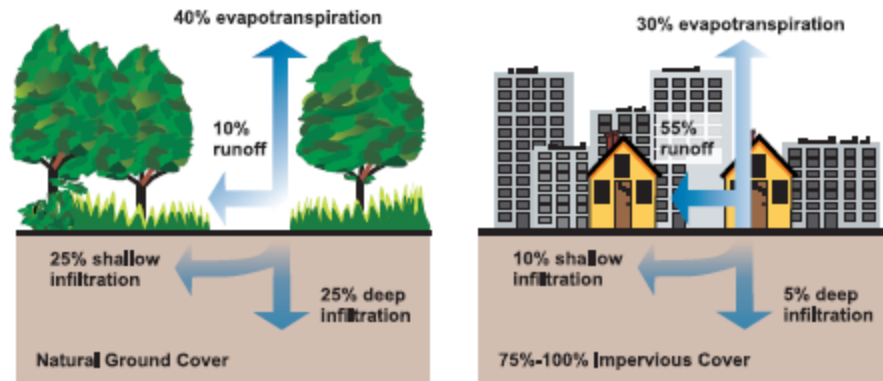
Long-term Economic Sustainability for Utilities

Staff is continuing to evaluate and build long-term economic and environmental sustainability to include a whole new set of ecological issues never envisioned by the Clean Water Act (CWA), such as the impacts of climate change, drought, and growing nutrient impairments combined with unprecedented economic and infrastructure pressures affecting utilities both operationally and economically.

Significant steps taken by Broomfield include water reuse, water conservation, green infrastructure codes, and the use of technology to improve greenhouse gas reduction as part of the wastewater treatment facility upgrade. Additionally, Broomfield's forward-thinking includes participating in national and state-wide emerging contaminant monitoring and working with nationally recognized experts in evaluating asset management, specifically condition assessment tools and analytical tools for predictive failures.

Significant keys to addressing and preparing for these challenges include:

- **Utility Workforce Issues**—Public Works developed a five-year staffing plan based on regulatory mandates, obligations, and critical operations needs. The plan included analyzing workflows, procedures, service levels, and opportunities for efficiencies and organizational structure changes.
- **Peer-to-Peer Learning** - Participates in regional, state, and national stakeholder organizations to continue addressing emerging challenges.
- **Technology** - Incorporating automation, sensors/monitoring devices, and analytical tools to improve operational and management efficiencies.
- **Energy**—Broomfield Utilities is working to improve energy efficiency and planning renewable energy generation and integration as part of the wastewater treatment facility upgrades.
- **Watershed Approaches**—Urbanization has increased the variety and amount of pollutants carried into streams, rivers, and lakes. It has also increased stormwater runoff from 10% to 55%. This is a critical step in addressing stormwater runoff as it is not treated before entering local water bodies.



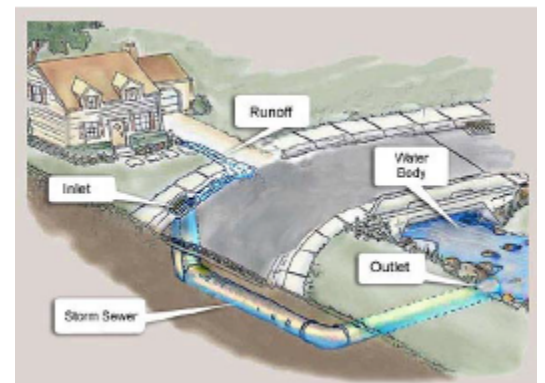
Relationship between impervious cover and surface runoff. Impervious cover in a watershed results in increased surface runoff. As little as 10 percent impervious cover in a watershed can result in stream degradation.

- **Water Reuse & Recycling** - Climate change and drought have made water an even more precious resource, especially in the West and Southeast regions of the country. Broomfield's use of water reuse will only grow in importance.
- **Climate Change & Resiliency** - There may be no more significant challenge facing the municipal clean water community over the coming decades than climate change. Changing precipitation patterns and more extreme weather events are already upending years of planning and infrastructure investment based on historical data. It is critical to Broomfield's utility sustainability to continue developing resiliency planning ensuring staff is prepared to address these unpredictable conditions.
- **Green Infrastructure (GI)** - A cost-effective tool in managing stormwater is using stormwater/water quality ponds and basins to increase the precipitation and intensity of storm events resulting from climate change. While also providing other ancillary community benefits (wildlife), maintenance of these ponds is vital to ensure their effectiveness.

Stormwater

In 2003, the City and County of Broomfield received the State of Colorado-issued NPDES (MS4) permit. The permit includes the six minimum controls as outlined in the regulation:

1. Public education and outreach on stormwater impacts
2. Public involvement/participation
3. Illicit connections and discharge detection and elimination - any discharge to the storm sewer system not composed entirely of stormwater. Examples - sewage, detergent, waste oil/auto fluids, paint, pesticides/fertilizers, pool/spa discharge, household waste.
4. Construction site stormwater runoff control—prevent discharges to the stormwater system from construction sites. Pollutants commonly associated with construction sites include sediment, phosphorus, nitrogen, pesticides, oil and grease, concrete truck washout, construction chemicals, and construction debris.
5. Post-construction stormwater management in development/redevelopment - There are generally two forms of substantial impacts of post-construction runoff. The first is caused by the increased type and quantity of pollutants in stormwater runoff. As runoff flows over areas altered by development,



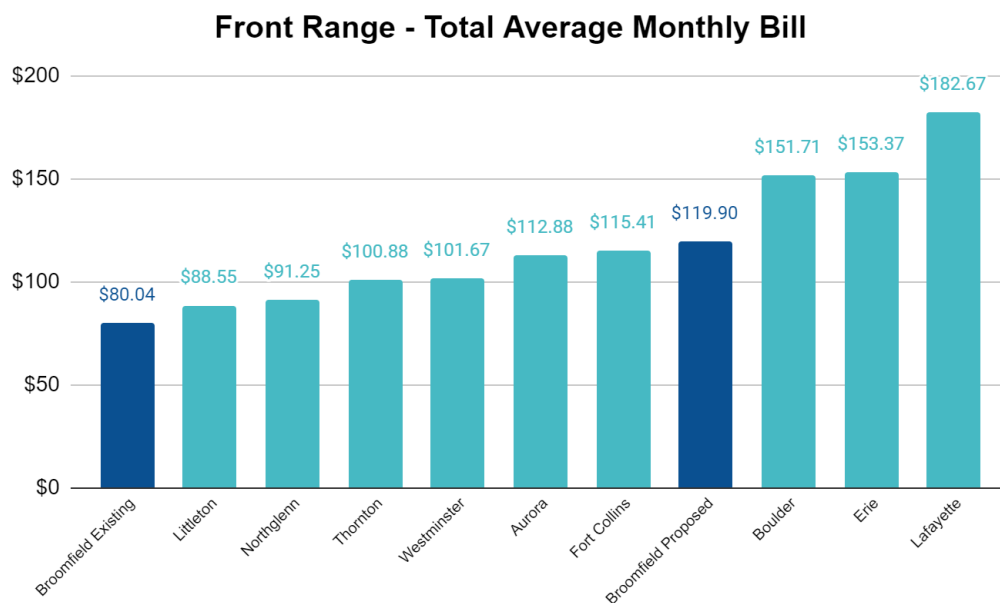
it picks up harmful sediment and chemicals such as oil and grease, pesticides, heavy metals, and nutrients (e.g., nitrogen and phosphorus).

6. Pollution prevention/good housekeeping for municipal operations - This control measure intends to ensure that existing municipal operations are performed to minimize contamination of stormwater discharges. Key issues are the proper maintenance and use of the best management practices, structural controls, and cleaning and recycling programs, including stormwater detention basins and stormwater and water quality ponds.

In the Front Range, [37 of 38 municipalities](#) charge a stormwater fee. Broomfield is the only municipality that does not.

Comparable Cities - Utility Rates

The graph below includes Broomfield's total average monthly utility bill for water, sewer, and stormwater compared to our neighboring municipalities. The comparison reflects where Broomfield is currently and how it would compare if the Council approves proposed utility rates.



It is important to note that many surrounding municipalities indicate additional increases to utility rates are imminent. The degree to which neighboring municipalities increase their utility rates depends highly on how well they have managed their Enterprise funds over the past decade, the growth versus expense challenges the municipality faces, and other factors unique to each entity. Increases communicated to Broomfield staff are expected to be in the double digits. If neighboring municipalities increase by 6% or more, Broomfield will again be in the lower quadrant.

#1 Community Goal - Financial Sustainability and Resilience

Historically, Broomfield has relied on growth and license fees to subsidize operational costs in the Enterprise funds. This philosophy does not account for the costs of delivering critical services to Broomfield residents. As Broomfield has matured and nears buildout, growth will continue to slow, making it imperative to correct

our philosophical and fundamental approach regarding utility rates. Doing so will allow Broomfield to stabilize revenue streams (revenue = cost to provide services) now and into the future.

2025 Estimated Impact Per Average Single-Family Household (Water, Sewer, Stormwater)

Below is a table that outlines a single-family residential household's average monthly utility bill. As the staff proposed, it is essential to note the inclusion of the stormwater fee. Following a 2004 City Council decision **not** to establish a stormwater fund, stormwater costs have been subsidized mainly by the Sewer fund. The ongoing stormwater and flood management costs are substantial, and continuing to subsidize these costs in the Sewer fund is not sustainable. Establishing a specific Enterprise fund for stormwater will empower staff to effectively manage continually evolving regulatory requirements and environmental conditions.

Single Family Residential - Average Monthly Bill					
	Rates		Average Bill *		Monthly Difference
	Existing 2024	2025 Proposed	Existing 2024	2025 Proposed	\$
Water Flat Rate	\$16.93	\$36.91	\$16.94	\$36.91	\$19.97
Water Usage	tiers	no change	\$27.23	\$27.23	\$0.00
Water Service*			\$44.17	\$64.14	\$19.97
Sewer Cost/1,000 gallons	\$4.46	\$5.44	\$26.76	\$32.64	\$5.88
Fed Mandate Charge	\$0.52	\$0.52	\$3.12	\$3.12	\$0.00
SW - Compliance Fee	\$6.00	\$9.00	\$6.00	\$9.00	\$3.00
Sewer Service*			\$35.88	\$44.76	\$8.88
Stormwater Service	\$0.00	\$11.00	\$0.00	\$11.00	\$11.00
Total Bill			\$80.05	\$119.90	\$39.85
* based on 9,000 gallons for water and 6,000 gallons for sewer.					
9,000 gallon/month based on 4 year historical average of 107,000 gallons per year for single family 0.75 inch					

4-Year Outlook

Projected Average Monthly Bill over time based on Current Anticipated Expenses				
	2025	2026	2027	2028
Anticipated Bill	\$119.90	\$132.99	\$141.62	\$150.30

The projected average monthly bill for 2025 has increased from prior year projections to ensure adequate funding for ongoing operating costs, necessary capital projects, and repair and replacement.

The proposed rate increases are the minimum required to get Broomfield back in the black to sustain current operations and services. Additional increases over the next five years will be necessary to ensure the solvency and long-term health in all facets of Broomfield's Enterprise funds.

Bond Rating and Capacity

The 5-year Capital Improvement Plan (CIP) anticipates bond issuances (and associated debt payments) needed in 2026 to fund critical capital projects as outlined below. Utility revenue bonds are typically issued for a 20-year repayment period.

- Enterprise Fund - Water

- North Area Water Tanks and Pump Station - \$58 million
- Enterprise Fund - Wastewater
 - Wastewater Treatment Plant Expansion - \$114 million

The decision to debt finance (bond) versus cash finance capital projects is generally determined by the total project cost and the timeline for completing the improvements. A significant improvement project at a treatment facility or the construction of large water tanks would generally be challenging to cash finance, making it more practical to pay over time.

Broomfield has yet to have the required 180 days of cash in each Enterprise fund. This results in Broomfield potentially not being able to bond for future capital projects, which in turn runs the risk of negatively impacting Broomfield's overall bond rating (noted below).

- Sewer Bonds = Moody's Aa3 (Insured) Moody's Aa2 (Uninsured)
- Water Revenue Bonds = Moody's Aa2
- Water Reclamation Bonds = Moody's Aa2 (Uninsured) Moody's Aa3 (Insured)

Community Goals - Prioritizing Revenue and Expenditures

Broomfield is committed to fostering a sustainable future, which is essential for navigating external uncertainties. All budget decisions are evaluated to ensure continued alignment with Broomfield's Community Goals, including:

- Financial Sustainability and Resilience
- Thriving, Diverse, Safe Community
- Growing Greener
- Mobility
- Organizational Health

Financial Hardship:

Staff is aware that any rate increase could adversely affect a portion of Broomfield's population. The staff remains committed to introducing a targeted approach to assist ratepayers who need assistance through an established fund for those with financial hardship. Ratepayers who have an outstanding balance can receive help with their water bill by contacting the Utility Billing office.

Staff will be prepared to provide the Council with additional information when they consider the ordinance on its first reading in September.

Critical Crossroads - Inaction or Phased Approach Not Recommended

The vital nature of the proposed utility rate increases cannot be overstated. Failure to approve and implement the proposed increases will risk catastrophic results, endangering the health and well-being of our community. Over the past two years, staff has worked diligently to implement a less impactful, phased approach for Broomfield's residents. Despite best efforts, these attempts did not untangle decades-long neglect resulting from the "run to failure" operational philosophy. Without immediate action, Broomfield's aging infrastructure will continue to deteriorate, negating staff's ability to meet existing service demands

and regulatory requirements and the ability to be responsive to expanding needs as the community continues to grow.

A third-party consultant, AECOM, has also reviewed Broomfield's current infrastructure and confirmed staff's recommendation and plan.

Effective Date - If Council Approves Proposed Utility Rate Increases

If the Council approves the proposed increases, including existing utility rates and implementing a new stormwater fee, the rates will be effective beginning January 1, 2025, with the first bills due in February 2025 (billed in arrears).

An ordinance for the Council's consideration will be presented as noted in the recommended next steps below.

Recommended Next Steps

- August 20, 2024 Study Session
 - Economic and Fiscal Update and Proposed 2024 Revised and 2025 Operating and Capital Budgets
- September 4, 2024
 - 2024 Revised and 2025 Proposed Operating and Capital Budget Distribution Packet Provided to Council.
- September 10, 2024
 - 2024 Revised and 2025 Proposed Operating and Capital Budget Distribution Packet Available to the Public
- September 24, 2024
 - Proposed Ordinance Utility Rate Increases - 1st Reading
 - Proposed Ordinance 2024 Revised and 2025 Proposed Operating and Capital Budget - 1st Reading
- October 22, 2024
 - Proposed Ordinance Utility Rate Increases - 2nd Reading and Public Hearing
 - Proposed Ordinance 2024 Revised and 2025 Proposed Operating and Capital Budget - 2nd Reading and Public Hearing

Additionally, staff will host five (5) public forums in August and September, as outlined below.

- Thursday, July 25, 2024 - Enterprise Funds and Recommended Utility Rate Increases
- Thursday, August 22, 2024 - Economic and Fiscal Update
- Thursday, August 29, 2024 - Economic Vitality and Development
- Wednesday, September 4, 2024 - Transportation
- Wednesday, September 11, 2024 - Elections

Request for Council Direction

The purpose of this study session was to provide City Council and the public with a comprehensive overview of Broomfield's Enterprise funds (current state) and recommendations to ensure solvency now and in the future.

Staff is seeking direction from the Council as follows:

- Does staff have direction from Council to proceed with bringing forward the recommended utility rate increases, including establishing and implementing a stormwater fee, to be effective January 1, 2025, and to bring forward an ordinance on 1st and 2nd reading in late September and October of this year.