August 3, 2020

Board of Trustees of the Town of Carbondale
Town of Carbondale
511 Colorado Avenue
Carbondale, Colorado 81623

Members of the Board of Trustees of Carbondale:

Thank you for your time and consideration at the July 14 meeting. As we noted in our previous letter, we decided to split our redevelopment application into two steps to allow us to collect feedback from the Town and its constituents before committing significant time and resources to a development plan. We are currently pursuing a rezoning in anticipation of a subsequent Major Site Plan and Sub-Division Exemption application for a project that will adhere to the Town’s Unified Development Code (“UDC”) and Comprehensive Plan (“Comp Plan”).

We have revised the mixed-use site plan and both building façades based on feedback from members of the community, Staff, P&Z and the Board of Trustees (revised drawings are included along with this letter). Many of the updates were first suggested by Janet in the Staff report, and we believe the updated project plan is much better than the previous version. Please see below for a discussion of how the updated plan addresses key items from the July 14 meeting.

**Location and Programming of Common Open Space:** The primary Common Open Space is now between the building and the parking lot. It is directly accessible to all residential units. There is additional Common Open Space (i) at the northwestern end of the building that should enhance the commercial experience and (ii) along the western edge of the site to provide a buffer between the building and Highway 133.

The primary Common Open space will be an amenity for residents and include shaded outdoor seating, a children’s play area, a bocce ball court, a grill, landscaping elements and open area for outdoor games and sports. The common open space at the northern end of the building will be programmed in collaboration with future commercial tenants.

**Design of the Mixed-Use Building Should Be “More Carbondale”**: The revised design emphasizes the open space and uses historic materials and building forms in a contemporary way. The open space is central to the design and provides a variety of amenities that are easily accessible. It is intended to be a place for neighbors to meet and a place where community can grow. The building’s form is an interpretation of the historic mercantile and mining buildings
and uses similar materials of brick, wood siding and metal panels. These materials help to give
the building a warmer appearance and provide a nice backdrop for the open space.

**Number and Location of Ground Floor Units Along Highway 133:** The new plan reduces the
number of ground floor units with Highway 133 frontage by 50%+. We have also replaced all
sidewalks from individual units to the bike path along 133 with a single sidewalk from the
building to the bike path.

**Length of the Building Along Highway 133:** The length of the building along 133 has been
reduced by about 25%, and the apparent massing has been reduced by stepping back the
second and third floors at the north end of the building. This building shape should also make
the commercial space more prominent and visible than it was previously.

**Retail Space:** We have consolidated the 10,000 SF of retail space at the northern end of the
building to (i) align with the primary vehicular entrance at the northern end of the property and
(ii) address concerns about commercial space on both ends of the building. The commercial
space will be demisable and available for rent in increments as small as 1,500 SF. The depth of
the commercial bay is shallow (about 50 feet on average) so that small tenants can have
adequate frontage and a space that is not overly skinny and deep. Most commercial tenants in
Carbondale are local businesses and do not require large spaces, so we hope to have many
tenants.

The table below lists (i) approved retail developments and (ii) sites in the planning phase. Some
sites, like Crystal River Marketplace Lot 5c, are not shown because they have not begun the
application process. Between the retail at the new City Market, Main St. Marketplace Lot 1,
Carbondale Center Place, 1201 Main and the Christmas Tree lot, there will likely be 40,000+ SF
of new retail space designed for local businesses.

**Approved Retail Projects and Sites in the Planning Phase**

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Year Approved</th>
<th>Total Commercial SF</th>
</tr>
</thead>
<tbody>
<tr>
<td>New City Market</td>
<td>2016</td>
<td>59,195</td>
</tr>
<tr>
<td>New City Market Retail Strip</td>
<td>2016</td>
<td>9,513</td>
</tr>
<tr>
<td>New City Market Gas Station¹</td>
<td>2016</td>
<td>180</td>
</tr>
<tr>
<td>Lot 1 - Main St Marketplace</td>
<td>2018</td>
<td>10,259</td>
</tr>
<tr>
<td>1201 Main</td>
<td>2019</td>
<td>3,881</td>
</tr>
<tr>
<td>Little Blue Child Care²</td>
<td>2020</td>
<td>2,575</td>
</tr>
<tr>
<td>Builders FirstSource</td>
<td>2020</td>
<td>29,240</td>
</tr>
<tr>
<td>Christmas Tree Lot³</td>
<td>Not yet</td>
<td>8,500</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>Not yet</strong></td>
<td><strong>123,343</strong></td>
</tr>
</tbody>
</table>
1) Excludes benefit from all gas pumps

2) Includes existing 1,760 SF structure and 815 SF addition (109 SF covered porch NOT included). Existing structure included because it was a residence before the application

3) Based on minimum requirements in HCC district; actual amount likely 15,000 - 19,000 SF

**Unit Mix:** Our main goal for the residential portion of Carbondale Center Place is to provide quality, accessible rental housing at an attainable price. Over the last several years, both in the Roaring Fork Valley and nationally, renters have increasingly chosen to live alone or with their significant other in efficiency and 1-bedroom apartments. As a result, the standard unit mix for newly built apartments is now ~75% efficiency and 1-bedroom units and ~25% 2-bedroom and larger units. We believe that the trend toward living either alone or with loved ones will accelerate in a post-COVID-19 world.

Recent events in Glenwood Springs provide a case study on demand for smaller, more attainably priced units. In December 2019, a development called Six Canyon opened in Glenwood consisting of 56 1-bedroom units and 60 2-bedrooms. As of July 4, Six Canyon has zero 1-bedroom vacancies and 42 2-bedroom vacancies. Demand for 2-bedroom units was tepid before the onset of COVID-19 and has remained so over the last several months.

In February 2020, the Lofts at Red Mountain, another Glenwood apartment complex, obtained City Council approval for a new 89-unit add-on development consisting entirely of efficiency and 1-bedroom units. At the meeting, the developer noted that the affordability of smaller units made them an attractive option for working residents of Glenwood including nurses, teachers, baristas, ski patrollers and budtenders.

The majority of the Carbondale housing pipeline consists of large units: 60% of approved housing units are 2-bedroom or larger\(^1\). Additionally, 2-bedroom units account for more than 50% of the Carbondale apartment stock. We believe that Carbondale Center Place will bring a much-needed infusion of smaller, more attainably priced units to town.

**Recently Entitled Housing Projects**

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Efficiency Units</th>
<th>1-BR Units</th>
<th>2-BR+ Units</th>
<th>Total Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>10 &amp; 15 Cooper Place</td>
<td>0</td>
<td>6</td>
<td>4</td>
<td>10</td>
</tr>
<tr>
<td>Lot 1 - Main St Marketplace</td>
<td>21</td>
<td>33</td>
<td>61</td>
<td>115</td>
</tr>
<tr>
<td>Thompson Park Phase 1</td>
<td>0</td>
<td>2</td>
<td>38</td>
<td>40</td>
</tr>
</tbody>
</table>

\(^1\) This table does not include nearby single-family homes and lots for sale in Garfield County (Aspen Glen, etc.), which almost exclusively consist of 2+ bedroom homes. Only developments of five or more units shown for ease of presentation. Restricted communities (teacher housing, LIHTC, etc.) not shown.
### Rental Apartments in Carbondale

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Efficiency Units</th>
<th>1-BR Units</th>
<th>2-BR+ Units</th>
<th>Total Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Homestead at Carbondale*</td>
<td>0</td>
<td>20</td>
<td>38</td>
<td>58</td>
</tr>
<tr>
<td>Lot 1 - Main St Marketplace</td>
<td>21</td>
<td>33</td>
<td>61</td>
<td>115</td>
</tr>
<tr>
<td>1201 Main</td>
<td>18</td>
<td>0</td>
<td>9</td>
<td>27</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>39</strong></td>
<td><strong>53</strong></td>
<td><strong>108</strong></td>
<td><strong>200</strong></td>
</tr>
<tr>
<td><strong>% Total</strong></td>
<td><strong>20%</strong></td>
<td><strong>27%</strong></td>
<td><strong>54%</strong></td>
<td></td>
</tr>
</tbody>
</table>

| Carbondale Center Place             | 61               | 9          | 6           | 76          |
| **Adjusted Total**                  | **100**          | **62**     | **114**     | **276**     |
| **% Total**                         | **36%**          | **22%**    | **41%**     |             |

* Formerly known as Garfield Ave Apartments

In summary, we believe that the relatively high percentage of efficiency and 1-bedroom units in Carbondale Center Place makes sense based on (i) the existing and planned housing stock in town and (ii) the more attainable price point of smaller units.

Carbondale Center Place, together with 1201 Main, will have amenities and design features unique to the Carbondale rental market including: elevator access to all 2nd and 3rd floor units (some deed-restricted units will be on these floors); 9’+ residential ceilings; and amenities located within the building (gym, common room, outdoor equipment storage; etc.). We believe these features will help distinguish Carbondale Center Place as a home for renters.

**Touch Up the Sides of Self-Storage Building:** We added additional details to the sides of the storage building to help break down the mass. The most noticeable change was to the west façade facing the mixed-use building. We would like to keep areas of the building with blank facades for future murals/public art. The façade has changed from greys to browns to bring more color to the exterior.
**Do More Community Outreach:** Since the July Board of Trustees meeting, we have met with a number of community members. If our rezoning application is approved, we will continue to collect community feedback in a socially-distant manner as we prepare the Major Site Plan application. We have discussed several potential options with Staff, including an open house Zoom call. We will make sure that community input is incorporated into the Major Site Plan application.

We have done our best to thoughtfully incorporate feedback we have received to date and are excited about the current iteration of the project. Thank you again for your consideration, and we look forward to discussing our updated plan at the August 11 meeting.

Best,

Jack Schrager
Partner

Riley Soderquist
Partner
REVISED SITE PLAN

TOTAL LOT AREA: 180,802 SF
MU ZONE AREA: 87,060 SF
C/T ZONE AREA: 93,742 SF
REVISED ELEVATION ALONG HWY 133