City of Littleton

Littleton Center
2255 West Berry Avenue
Littleton, CO 80120

Meeting Agenda - Final

City Council

Tuesday, August 11, 2026 | **6:30 PM** | **Council Chamber**

Study Session

1. Study Session Topics

a) ID# 26-150 Geneva Village Site Redevelopment Process Options Discussion

Attachments: 1. Technical Advisory Panel_Geneva Village
2. Presentation_Geneva Village Advisory Services

Scheduled Time: 45 minutes

b) ID# 26-155 Utility Rate Study Results Discussion - Part 2

Attachments: 1. Presentation_Utility Rate Study - Part 2

Scheduled Time: 45 minutes

c) ID# 26-157 South Platte Renew Governance Model Options Analysis

Attachments: 1.Report_FCS Group
2. Presentation_FCS Group to City of Littleton_Mar 2022
3. Presentation_FCS Group to City of Englewood_Nov 2022
4. Presentation_SPR Governance Analysis_Hazen

Scheduled Time: 60 minutes

2. Updates

a) Council Members

b) Mayor

c) City Manager

d) City Attorney

3. Adjournment

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Staff Communication

File #: ID# 26-150, **Version:** 2

Agenda Date: 08/11/2026

Subject:
Geneva Village Site Redevelopment Process Options Discussion

From:	James L. Becklenberg, City Manager
Prepared by:	Kathleen Osher, Deputy City Manager
Presentations:	Kathleen Osher, Deputy City Manager
	Eric Hiraga, Project Advisor, Matrix
	Jenn Todd-Goynes, AICP, CNU-A, Officer-in-Charge, Matrix
	Tom Berger, Construction & Demolition, Matrix
	Karlen Beitman, Broker-Developer, JLL
	Lizzie Lee, Finance & P3, Elee Advisory

PURPOSE:
Matrix Design Group has been engaged to provide Council with advisory support for the early-stage redevelopment effort of Geneva Village. Council discussion will center around decision pathways and frameworks.

LONG-TERM OUTCOME(S) SERVED:
Vibrant Community with a Rich Culture

DISCUSSION:
Matrix will share the potential market reception for Geneva Village including a high-level assessment of how the real estate market is likely to respond to redevelopment of a property with Geneva Village's characteristics. The advisory group will use four contrasting scenarios to frame the range of possible futures for the site and explore with council the value of criteria for evaluating the City's role and how the partnership model could be structured.

Council will have the opportunity to prioritize evaluation strategies for taking the property to market that maximize flexibility, creativity, and redevelopment potential. The strategies of greatest shared interest will return for more discussion on October 27, 2026.

Matrix team member Elee Advisory will provide an overview of the range of city involvement options (developer, co-developer, land seller, etc.) and effective public-private partnership structures. Illustrative examples of applicable redevelopment efforts in other communities will help council discuss and prioritize pathways and frameworks to further explore during the October study session.

The council will revisit the principles and land uses recommended by the 2025 TAP findings and recommendations to evaluate which align with City Council's preferences and achieve shared outcomes.

Lastly, Matrix will discuss the potential timing, costs, benefits, and implications of accelerating demolition of structures not anticipated for reuse to get beyond the preliminary estimate and determine the series of potential options.

BACKGROUND:

The city has not determined a desired disposition strategy, redevelopment program, governance model, or procurement approach. During the April 28, 2026, study session, City Council choose to accelerate discussions about next steps for Geneva Village and directed staff to engage a qualified advisor. Through the city's informal solicitation process for advisory services, staff received three responses to the advertised request for qualifications. Matrix Design Group was selected with a committee review.

Matrix will assist the city in evaluating redevelopment opportunities, market considerations, implementation pathways, public-private partnership structures, and strategic next steps necessary to position the Geneva Village property for future redevelopment planning and potential market engagement.

Matrix brings a combination of capabilities, including planning, civil engineering, land redevelopment, economic analysis, environmental services, demolition, construction management, partnership facilitation, and public engagement. Matrix is supplemented by four partners: JLL, a global leader in real estate services providing broker-dealer expertise; Public Alignment Communications, specializing in communications and facilitation; and Elee Advisory, a firm with deep experience in public-private partnership structuring and the specific tools most relevant to this project.

As discussed during the council retreat follow-up on April 28, 2026, redevelopment projects like this usually take 5-10 years to complete. Since the City's decision in September 2023 to move forward with relocation of former residents and redevelopment of the site, this project has been managed by the City Manager's Office without dedicated staff capacity. There is no budget established for consulting and/or community engagement work. Without additional project manager and consulting capacity, staff would not be able to begin project planning, in earnest, until 2028, following the completion of the Main Street Improvement project, the Belleview Service Center replacement project, and the Blueprint Boulevard projects. With an additional project manager FTE and a budget for consulting, the process could accelerate in 2027 with project planning and community engagement leading to City Council decisions and commencement of design in 2028. These considerations will be presented as part of the Council's 2027 budget process.

<u>Prior Actions or Discussions</u>

The City of Littleton bought the property and surrounding acreage in 1975 and built the current city hall at the east end of the site. The Geneva Village site was managed by South Metro Housing Options until they determined the management arrangement was not consistent with their organizational mission and they opted out of the management agreement in 2019. The city then engaged a new property manager and actively began a discussion with council about alternatives for the property.

Council has prioritized next steps for Geneva Village since 2019 and supported next steps that included:

- April 26, 2022, study session: Starboard Realty Group was engaged by the City of Littleton to provide potential options and next step recommendations for the Geneva Village property located at 5444 South Prince Street, and the broader approximately 28.3-acre City owned property that includes Geneva Village, Geneva Lodge, Geneva Park, and the Littleton Center.
- February 14, 2023, study session: Council reviewed the rehabilitation estimate prepared by

Reconstruction Experts (RE). Estimated at over $5M in 2021, staff also explored with Council financing mechanisms, impacts to rent, and alternatives for redevelopment. Council emphasized best practices for supporting existing residents as discussions continue about the long-term plan for the site and requested an in-depth survey of Geneva Village residents as a first step. Council also requested a discussion with the Historical Preservation Board (now Commission) about the historic merits of Geneva Village and future considerations as Council considers rehabilitation or redevelopment. Staff was tasked with hosting an update meeting with residents of Geneva Village in March 2023 and engaging B-Konnected to conduct one-on-one interviews with residents.

- April 17, 2023: HPB members engaged in a discussion about the historic attributes and the unique elements of the Geneva Village site.
- July 2023: Council identified $200,000 in ARPA funds to support ongoing housing navigation, day-to-day support, and future relocation planning for the then current residents of Geneva Village through BKonnected.
- August 22, 2023: Council reviewed the results of the Geneva Village resident survey conducted by BKonnected and the letter provided by the Historical Preservation Board outlining considerations for Geneva Village's historic significance.
- September 19, 2023, regular meeting: City Council directed staff to chart a course to redevelop Geneva Village, provide ongoing support for current residents.
- January 2024, Council provided an additional $25,000 in ARPA funds to support additional support services for Geneva Village residents. BKonnected continues to support and work on the relocation of one remaining resident.
- February 13, 2024: Staff provided an update on Geneva Village and recommended potential next steps including an application for the ULI TAP and DRCOG grant.
- November 1, 2024: Staff applied for Downtown Littleton's Northern Gateway including Geneva Village to ULI-Colorado for a for a Technical Advisory Panel and a matching grant from DRCOG.
- January 6, 2025: ULI CO and DRCOG accepted Littleton's TAP application. The city was successful in winning the matching grant.
- March 25, 2025, study session: ULI staff presented an introduction and overview of ULI and the Technical Advisory Panel process.
- May 21-22, 2025: The ULI panel toured the site, held working sessions, and held a public presentation of the ULI technical advisory panel's findings on May 22.
- April 28, 2026, study session: During the council retreat follow-up, City Council choose to accelerate discussions about next steps for Geneva Village and engage an advisor and schedule a foundational study session for August 11, 2026, that would educate the Council and foster discussion on a series of topics including market reception, city development roles, peer community examples, ULI TAP consensus, and demolition pros/cons.

FISCAL IMPACTS:

There are no fiscal impacts associated with this council discussion. Funding for any additional steps including demolition have not been identified in the current 2026 budget, but could be appropriated from General Fund fund balance, with commensurate addition to the City's operating gap, should Council wish to proceed directly to property demolition.

STAFF RECOMMENDATION:

There is no staff recommendation associated with this council discussion and introduction of the advisory team.

ALTERNATIVES:
Council discussion will explore and prioritize alternative strategies to further explore as part of the next discussion and advisory session with the Matrix team scheduled for October 27, 2026.

ULI Colorado

REDEVELOPING GENEVA VILLAGE TO CREATE A NORTHERN GATEWAY

Littleton, Colorado

Technical Advisory Panel | May 21–22, 2025

About

Urban Land Institute

Urban Land Institute is a global, member-driven organization comprising more than 48,000 real estate and urban development professionals dedicated to advancing the Institute's mission of shaping the future of the built environment for transformative impact in communities worldwide. ULI's interdisciplinary membership represents all aspects of the industry, including developers, property owners, investors, architects, urban planners, public officials, real estate brokers, appraisers, attorneys, engineers, financiers, and academics. Established in 1936, the Institute has a presence in the Americas, Europe, and Asia Pacific regions, with members in 84 countries.

Cover photo: The Geneva Village clocktower is one of the most recognizable features on the site. (ULI Colorado)

2001 L Street, NW | Suite 200 | Washington, DC 20036-4948

This report is sponsored by: City of Littleton, Colorado

ULI Colorado

As the preeminent, multidisciplinary real estate forum, ULI facilitates the open exchange of ideas, information, and experience among local, national, and international industry leaders and policymakers dedicated to creating better places. The ULI Colorado district council brings together real estate professionals, civic leaders, and the community for educational programs, initiatives impacting the state, and networking events, all in the pursuit of advancing responsible and equitable land use throughout the State of Colorado. With 1,300 members, ULI Colorado provides a unique venue to convene and share best practices in the state. ULI Colorado believes everyone needs to be at the table when the state's future is at stake, so ULI serves the entire spectrum of land use and real estate development disciplines—from architects to developers, CEOs to analysts, builders, property owners, investors, public officials, and everyone in between. Using this interdisciplinary approach, ULI examines land use issues, impartially reports findings, and convenes forums to find solutions.

ULI Colorado Leadership

Kaia Nesbitt
ULI Colorado Chair
Vice President, National Urban Design, Planning & Landscape Architecture Director
HDR, Inc.

Technical Advisory Panel (TAP) Program

Urban Land Institute harnesses its members' technical expertise to help communities solve complex land use, development, and redevelopment challenges. Technical Advisory Panels (TAPs) provide expert, multidisciplinary, unbiased advice to local governments, public agencies, and nonprofit organizations facing complex land use and real estate issues in Colorado. Drawing from its professional membership base, ULI Colorado offers objective and responsible guidance on various land use and real estate issues ranging from site-specific projects to public policy questions. The sponsoring organization is responsible for gathering the background information necessary to understand the project and present it to the panel. TAP panelists spend two days interviewing stakeholders, evaluating the challenges, and ultimately arriving at a set of recommendations that the sponsoring organization can use to guide development going forward.

About

Technical Assistance Panel

Panel Members

Panel Chair
James Atchison
Landscape Architect
RDG Planning & Design

Panelists
Heather Cronenberg
Real Estate Development Manager
City of Westminster, Colo.

Sarah Dunmire
Vice President
Economic & Planning Systems (EPS)

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Managing Director
Quarterra

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The views expressed in this report are those of the authors/panelists and do not necessarily reflect the views of their affiliated organizations.

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Acknowledgments

ULI Colorado is grateful to the City of Littleton professional staff, especially Deputy City Manager Kathleen Osher and Housing Policy Analyst Julie Latham, for their support in the information gathering, study briefing, and site tour critical to the success of this study. ULI would also like to thank the stakeholders who generously shared their time and experience with the panel.

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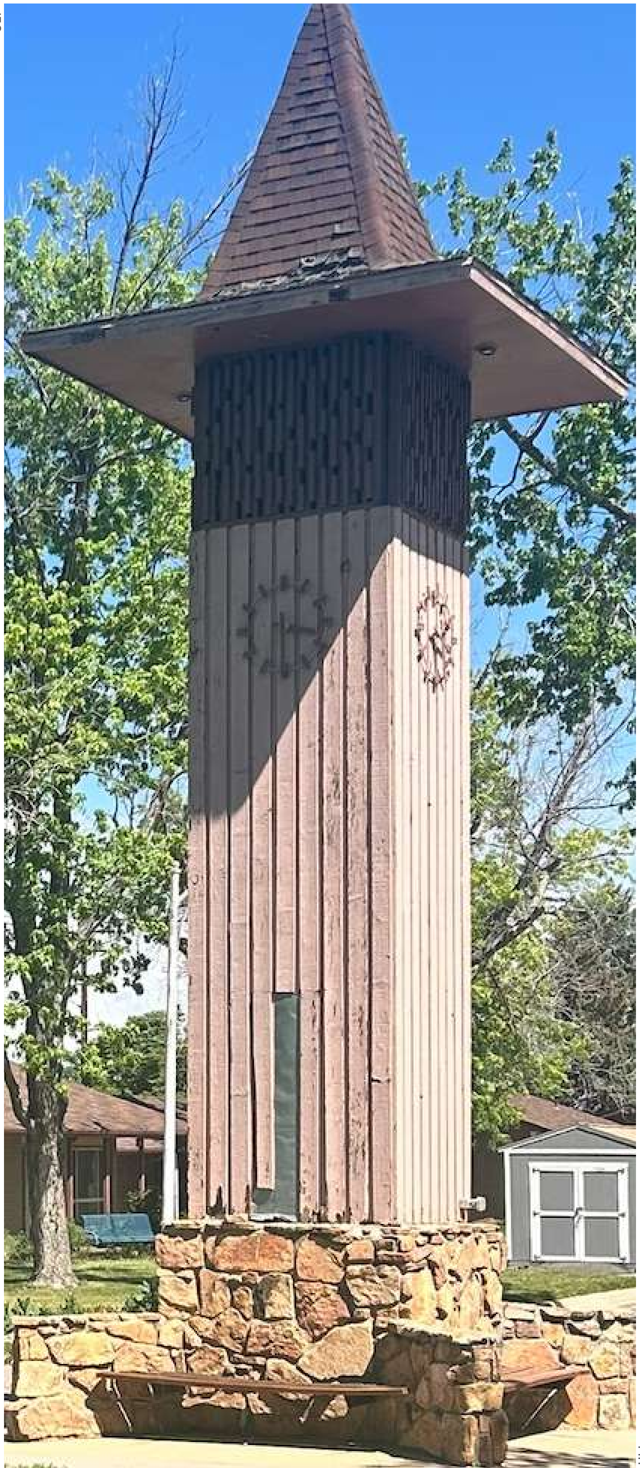
The panel touring the study area on Crestline Ave with Littleton city staff.



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Executive Summary

The Geneva Village and Northern Gateway site comprises approximately 28 acres of publicly owned land at the northern entrance to Downtown Littleton. Anchored by Geneva Park, the historic Geneva Lodge, and the Littleton Center, this area presents a unique convergence of civic use, historic character, and redevelopment potential. While some facilities remain active, others—such as former senior housing buildings and underused open spaces—are now poised for reinvestment. The site's location, adjacency to natural features like Slaughterhouse Gulch, and proximity to downtown create a once-in-a-generation opportunity to create a new civic and cultural gateway for the city.

Purpose of the TAP

At the request of the City of Littleton, ULI Colorado convened a Technical Assistance Panel (TAP) on May 21–22, 2025, to assess the redevelopment potential of the Geneva Village site and adjacent parcels. The TAP was tasked with identifying land use, design, financing, and implementation strategies that would align with community values, support economic vitality, and ensure equitable and lasting outcomes

Key Recommendations

- **Create a phased redevelopment framework** around three distinct zones: adaptive reuse of Geneva Lodge, reinvention of the civic green with new housing, and a potential civic or cultural campus at the northern edge.
- **Establish a bold identity for the site as Littleton's northern gateway,** using high-quality design, branding, and public realm investments to signal arrival and civic pride.
- **Preserve and enhance Geneva Park** and integrate Slaughterhouse Gulch as a signature ecological and recreational corridor with an emphasis on connections to the broader citywide trail system.
- **Create an active, unique destination and place of discovery,** anchored by a new civic green space with a mix of housing and ground floor commercial, cultural, and artisanal food uses, and connection to nature to build off the site's history.
- **Support a mix of housing types and incomes,** with a focus on workforce and senior housing. Create live/work housing to potentially serve artists and activate small-scale cultural uses.
- **Evaluate the reuse or redevelopment of the existing City Hall** by leveraging land to expand redevelopment opportunities.
- **Leverage TIF and public-private partnerships** by leveraging land to expand redevelopment opportunities.
- **Establish strong governance and leadership,** including a dedicated project manager, cross-departmental task force, and community advisory group.
- **Maintain robust and transparent community engagement** throughout planning, design, and implementation.
- **Adhere to a sensitive but urgent timeline** to prevent further disinvestment, preserve momentum, and capitalize on alignment with City goals and market interest.

Opportunities and Challenges

The TAP identified a number of strengths, including City land ownership, utility readiness, regional access, and community enthusiasm. Opportunities include activating Geneva Park and Lodge, branding the site as a cultural anchor, attracting mission-aligned development partners, and leveraging financing tools such as tax increment financing (TIF). At the same time, the project faces constraints such as aging infrastructure, limited vehicular circulation, floodplain restrictions, and political or community sensitivity around density and change. Successful implementation will depend on sustained leadership, early wins to build momentum, and a long-term commitment to stewarding the public realm and civic vision.

Introduction and Background

The ULI Colorado Technical Assistance Panel (TAP) convened at the request of the City of Littleton to evaluate redevelopment opportunities for Geneva Village and the surrounding northern gateway parcels, which include historically significant structures, existing municipal facilities, and parkland. The TAP's recommendations are grounded in the principles of preserving Littleton's heritage while activating the Northern Gateway to a vibrant, inclusive, and walkable community. The panel focused on placemaking, land use, housing, economic development, and implementation strategies.

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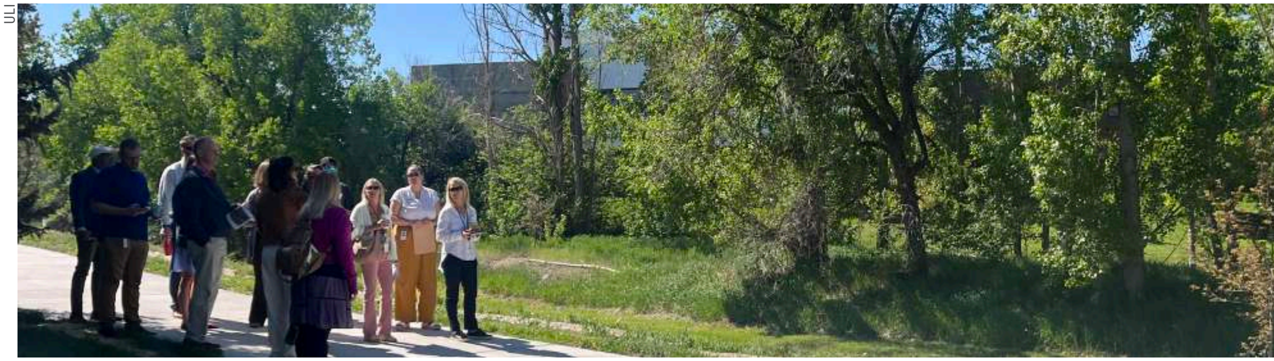
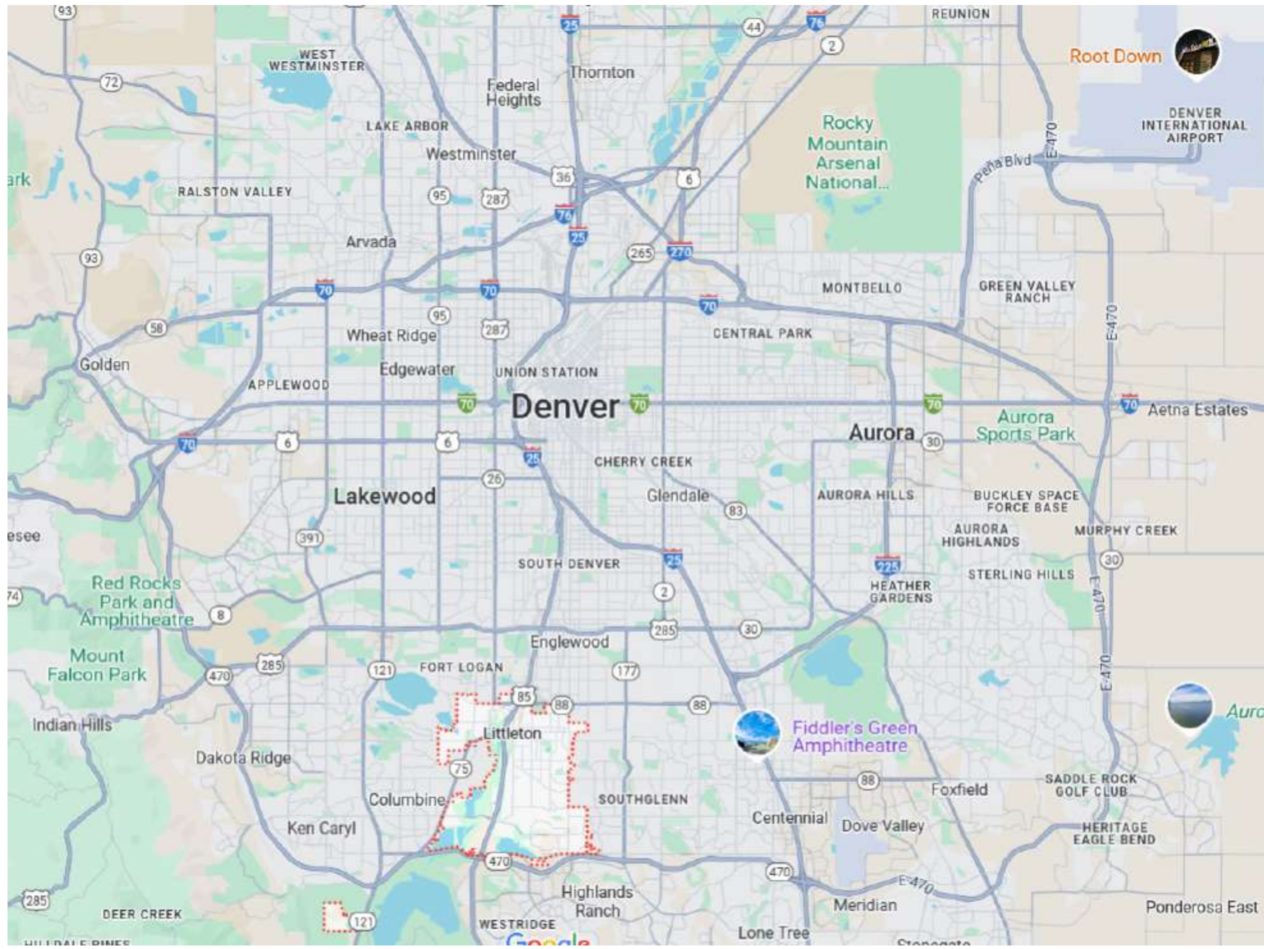


The panel toured the study area and is seen here walking along Slaughterhouse Gulch.

GOOGLE



Littleton is a suburban community located southwest of Denver, known for its charming downtown, walkable neighborhoods, and strong civic identity.

Description of the Site

Littleton is a historic and dynamic suburban community located southwest of Denver, Colorado. Known for its charming downtown, walkable neighborhoods, and strong civic identity, the city blends small-town character with a growing regional economy. The TAP study area—the Geneva Village and Northern Gateway site—sits at the northern entrance to Downtown Littleton. Anchored by the Geneva Lodge and the now-vacant Geneva Village senior housing complex, the site also includes parkland, the Littleton Center (City Hall), and connections to nearby neighborhoods, open spaces, and regional trails.

The study area includes five city-owned parcels in downtown Littleton with DMU (Downtown Mixed Use) zoning. The site currently includes the Littleton Center, historic Geneva Lodge, Geneva Park, and the vacant Geneva Village apartments. These parcels are approximately 28 acres in total, with the apartment portion comprising 2.8 acres.

Geneva Village is a 28-unit complex of apartments designed by Eugene Sternberg and constructed in 1964 to serve as low-cost housing for retired members of the International Geneva Association, including single adults and families. The property came under the ownership of the City of Littleton in 1975 as part of the overall land purchase for the new city administration building. It was retained as housing for seniors living in the apartments at that time since this specific site was not needed for the new administration building.

The City of Littleton's ownership of five historically significant parcels offers a unique opportunity where redevelopment and/or investment could serve as a catalyst for future development that would enhance shared goals of the city, community, and partners. This effort could bring the city's strategic outcomes to life, expand community amenities, enhance downtown connectivity, and foster a vibrant, sustainable, safe, and economically robust community with high quality governance.

The study area is divided into a tiered core area and a broader overall study area.

- **Core Area Tier 1** includes the 2.8 acres of Geneva Village;
- **Core Area Tier 2** includes Geneva Lodge and the other city-owned parcels;
- **Core Area Tier 3** incorporates an Arapahoe County building, retail area, and some residential and commercial buildings facing Prince Street as areas of influence on the site.

CITY OF LITTLETON

The TAP study area was divided into a tiered core area and a broader overall study area.

TAP Assignment

Sponsored by the City of Littleton, the City sought the TAP's guidance on how to align community goals, market realities, and existing public assets in redeveloping the Geneva Village area.

The city engaged the ULI Colorado TAP to evaluate the best way to think through these issues and determine its role in this effort, as well as the most effective strategies for leveraging city-owned real estate to catalyze broader development and realize the city's outcomes vision to deliver community benefits.

Questions for the Panel

1. What type of development will best preserve Littleton's historic legacy and elevate the arts and culture scene for a vibrant, inclusive city?
2. What are the best practices that ensure development will nurture a resilient and dynamic urban environment while preserving natural resources?
3. How can the city think through the best way to foster an enduring and thriving economy to bolster prosperity, innovation, and sustainable growth?
4. How will redevelopment help prioritize high-quality public safety services, enhanced engagement, and strategic reinvestment in public infrastructure and transportation for a safe community?
5. What strategies should the city consider to ensure it is advancing a governance model that is adaptive, fiscally responsible, transparent, and responsive for an informed and empowered community?

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City staff led TAP members on a tour of the study area, starting at the Littleton Center municipal building.

Stakeholder Engagement and Panel Process

In preparation for the TAP, ULI Colorado coordinated with city staff to gather background materials, conduct site tours, and interview community stakeholders. During the two-day panel held May 21–22, 2025, panelists reviewed planning documents, conducted site visits, and participated in facilitated interviews with a range of local voices, including elected officials, city staff, neighborhood leaders, real estate professionals, and members of the arts and nonprofit community. The multidisciplinary panel included experts in planning, design, housing, finance, development, and community engagement.

SWOT Analysis (Strengths, Weaknesses, Opportunities, Threats)

The TAP participated in a SWOT analysis of the Geneva Village and Northern Gateway site based on stakeholder interviews, site observations, and panel insights. This framework was a foundation for the panelists' recommendations, to clarifying where the City of Littleton can build on existing assets and where it must mitigate challenges for the site.

Strengths

Physical Assets: The site includes a large, geometrically favorable area with mature trees, a central lake, great western views, and good road frontage, especially along Santa Fe. These natural and infrastructural features provide a strong foundation for redevelopment.

Development Readiness: The land is City-owned, utility access is in place, and the site is well-connected to downtown and major routes. A successful relocation of Geneva Village residents has cleared a major hurdle.

Market Context: Littleton has a healthy downtown, and there is demonstrated interest in adaptive reuse, live/work developments, and housing diversity.

Institutional Willingness: Arapahoe County is open to collaboration, and the timing aligns with other city initiatives

Weaknesses

Infrastructure Limitations: Vehicle circulation and access to the light rail are suboptimal. Visibility and drainage, including FEMA floodplain issues, limit development potential in certain areas.

Complex Implementation: Many stakeholders with varied interests could slow progress. Lack of a clear home for City offices, limited financial resources, and sensitive public perceptions on housing present further complications.

Opportunities

Public Realm and Programming: Geneva Lake and park space can serve as community anchors. Arts and culture—including summer concerts—can enhance identity and placemaking.

Financial Tools and Partnerships: TIF, land sales, P3s, and potential GID/Metro district funding could support investment. City buildings could be sold or repositioned.

Policy Alignment: There is potential alignment with the Downtown Plan and broader community visioning around affordable housing and mixed-use development.

Branding and Identity: The site presents a branding opportunity as a new civic and cultural hub.

Threats

Political and Community Risks: Resistance to change, especially related to density and preservation, could derail plans. Political turnover may affect continuity.

Economic and Market Risks: Lack of experience implementing complex financing and delays in decision-making may lead to worsening blight and lost opportunities.

Security and Perception: The site's current vacancy raises safety and image concerns that could compound without visible progress.

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The TAP's recommendations seek to activate Littleton's Northern Gateway to a vibrant, inclusive, and walkable community.

Study Area Context

The TAP study area is comprised of five City-owned parcels encompassing approximately 28 acres, with the Geneva Village site as the centerpiece. This area includes the Geneva Lodge, the Littleton Center, Geneva Park, and surrounding land that historically supported senior housing and municipal functions. Located at the northern gateway to Downtown Littleton, this site plays a critical role in shaping the city's identity and experience as visitors and residents enter the downtown core from the north.

The TAP reviewed this site within the broader context of adopted plans including Envision Littleton 2040, the Transportation Master Plan, the Downtown Development Authority (DDA) Plan of Development, Project Downtown, and the Arts & Culture Strategic Plan. These plans establish a vision for a walkable, connected, inclusive, and economically vibrant community that also honors its historic and natural assets. The TAP built upon these planning foundations to explore how this unique and underutilized public asset could evolve into a thriving, multi-functional neighborhood and cultural destination.

Geographic and Physical Overview

The Geneva Village and Northern Gateway study area spans approximately 28 acres of City-owned land at the northern entrance to Downtown Littleton. The site is bounded by Prince Street on the west and features a prominent collection of civic buildings, green spaces, and the historic Geneva Lodge. The parcels are relatively flat with mature trees and green lawns defining the public realm. Slaughterhouse Gulch runs through the site, providing a natural corridor that connects to the regional Mary Carter Greenway trail system. This location serves as a physical and symbolic threshold to Downtown Littleton, situated just minutes from Main Street, the light rail station, and the South Platte River corridor.

Land Use and Community Facilities

The site historically served as senior housing and a civic complex, anchored by Geneva Village and the adjacent Littleton Center, which houses City Hall. It also includes Geneva Park, a popular public green space featuring a lake and walking paths. The Geneva Lodge, designed by noted architect Eugene Sternberg, is a mid-century modern structure that holds architectural and cultural significance. The parcels also host service functions such as city maintenance facilities and parking lots. As of 2025, several buildings on site are vacant or underutilized, representing an opportunity for reinvestment while maintaining key public services and green space.

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Now vacant, Geneva Village is a 28-unit complex of apartments designed by noted architect Eugene Sternberg.

Key Stakeholders and Users

Key stakeholders for the site include the City of Littleton as the landowner and service provider, and the Littleton Downtown Development Authority (LDDA), which has financial and planning jurisdiction in the area. Residents and neighborhood groups, particularly those who live nearby in established single-family and multifamily areas, are essential voices in shaping the site's future.

Arts and cultural organizations, including those advocating for performance space or live/work studios, see this as a potential cultural anchor. Nonprofits focused on housing, older adults, and food security also have interest in the future of this location. Additionally, Arapahoe County has offices adjacent to the site, and regional trail users and parkgoers regularly traverse or use this area.

Relevant Trends or Pressures

The City of Littleton faces several interconnected trends that influence redevelopment opportunities on this site. These include population growth and demographic shifts that call for more diverse and attainable housing types. Tourism and visitation continue to grow, with Downtown Littleton gaining regional prominence for its charm and walkability. At the same time, some of the study area's buildings and infrastructure are aging and in need of reinvestment.

There is also growing interest in reimagining how public land and civic campuses can be used to support economic resilience, sustainability, and equity. The Geneva Village area, long valued for its heritage, is at a tipping point: with deferred maintenance mounting and land values rising, there is both urgency and opportunity to act.

Vision and Development Framework

The panel's vision for the Geneva Village and Northern Gateway site is rooted in community values—respect for history, inclusivity, connection to nature, and civic pride. The redevelopment should create a seamless transition between Downtown Littleton and the northern neighborhoods, preserving a sense of place while welcoming future residents, businesses, and visitors. The area should embody a sense of discovery, opportunity, and belonging. The vision responds to community calls for more diverse housing, enhanced green space, arts and culture amenities, and modern civic services.

The TAP examined three interconnected zones as proposed within the site, each with distinct roles in achieving the broader vision:

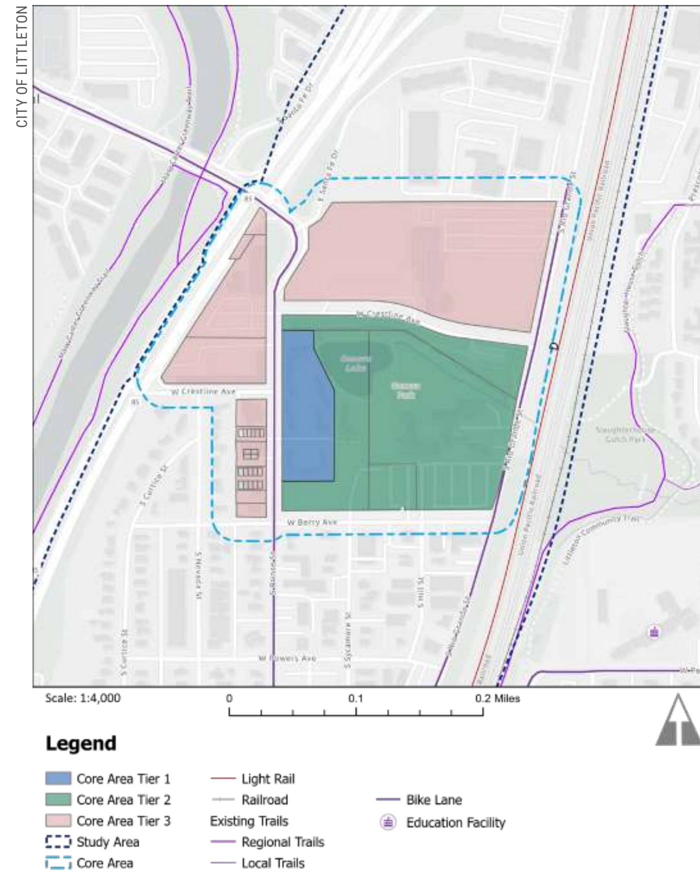
Core Area Tier 1: This area includes new mixed-income housing which could frame a new public plaza and link to outdoor amenities. This district celebrates the site's past while offering a new, active edge to Geneva Park.

Core Area Tier 2: This district reactivates the historic Geneva Lodge as a boutique hotel, heritage center, or community hub. This district also includes the Civic Green and Residential Village – The current City Hall site can be reimagined to host new residential or mixed-use development, improving the connection between green space and community life. Geneva Park would be enhanced with nature play areas, accessible paths, and improved lakefront amenities, anchoring this area as the social and recreational heart of the neighborhood.

Core Area Tier 3: Gateway and Civic Campus Opportunity – This key site, possibly in partnership with Arapahoe County, offers the potential for a new civic campus that co-locates city and county services. The site could also support ground-floor commercial or arts uses, structured parking, and event space. Slaughterhouse Gulch could be revitalized as a central greenway spine connecting all three areas.

The development framework promotes compact, pedestrian-oriented, mixed-use neighborhoods that respect Littleton's human scale and historic charm. Streets and public spaces should invite walking and gathering. Architecture could reflect the area's mid-century heritage and incorporate modern sustainability standards. The panel envisions tree-lined streets, activated ground floors, and a strong indoor-outdoor relationship throughout the development.

Key design moves include prioritizing viewsheds to the mountains, integrating Geneva Park as a central asset, and using distinctive materials and lighting to define a new public realm. Scale the development on the south side of the Tier 1 site with less dense and lower buildings that are comparable to the existing scale of downtown. Leave open the possibility of taller buildings at the northern end of Tier 1, and possibly in the Tier 2 and Tier 3 areas. The framework also encourages flexibility—allowing development to proceed in phases and adapt to future needs while staying aligned with the overall vision.



The TAP examined three proposed core study areas within the site, each with distinct roles in achieving the broader vision.

Land Use and Connectivity

The study area is currently occupied by a mix of civic buildings, open space, and underutilized or vacant structures. The Littleton Center (City Hall) and Geneva Lodge represent key landmarks, while adjacent buildings once used for senior housing are currently vacant and deteriorating. Geneva Park serves as a community amenity, but portions of the site have limited pedestrian infrastructure and connectivity. Slaughterhouse Gulch, an important natural feature, is underutilized due to access challenges and safety concerns. Vehicular access is somewhat constrained, particularly at the north end of Prince Street, and surface parking lots occupy valuable frontage and limit potential for infill development.

Stakeholders consistently voiced support for the idea of transforming the Geneva Village area into a place that combines public benefit with private reinvestment. Many participants expressed a strong desire to preserve the historic Lodge and retain the spirit of Geneva Village as a place of respite, community, and human-scale design. There was wide agreement on the need for diverse housing options, outdoor gathering spaces, and creative uses such as arts, culinary, or live/work space. Stakeholders were also clear in stating that new development should complement—not compete with—Downtown Littleton, and that thoughtful integration with the city's identity, infrastructure, and trail network was essential. The concept of a civic anchor at the northern gateway, possibly combining government and cultural uses, resonated with many.

Littleton Center, which houses City Hall, is adjacent to Geneva Village.

Potential Redevelopment or Reconfiguration

The TAP recommends reconfiguring existing land uses to create a more cohesive, pedestrian-oriented district. This includes replacing aging facilities with mixed-use or residential development and integrating civic, recreational, and cultural uses throughout the site. Geneva Lodge could be repurposed as a boutique hotel or cultural anchor, while new residential units could be clustered around enhanced public spaces.

Geneva Park should be retained and improved as the central green space, connecting all three core areas. City Hall could be relocated or co-located with county services in a new civic campus, freeing up land for redevelopment. Redevelopment should also prioritize daylighting and enhancing Slaughterhouse Gulch, establishing it as a defining ecological and recreational corridor. Leveraging the City-owned land for redevelopment could be a tool to achieve these improvements to the open space and green infrastructure.

Design Assumptions

The panel envisions a development character that reflects Littleton's small-town scale and mid-century heritage. Building heights should generally be limited to three or four stories, especially along Prince Street and adjacent to existing neighborhoods, with the potential for greater height in select locations if sensitively designed. Development should emphasize active ground-floor uses, walkability, and preservation of viewsheds and tree canopy. Green space preservation is a key design assumption—Geneva Park should not be reduced in size, and new development should integrate pocket parks, plazas, and landscaped buffers. Trails, sidewalks, and bike lanes should create seamless internal circulation and strong external connections to Downtown, neighborhoods, and the regional trail system.

Multimodal Connectivity and Infrastructure Enhancements

Redevelopment should leverage and enhance the site's connectivity to broader transportation networks. Prince Street should be reimagined as a multimodal corridor with traffic calming features, dedicated bike lanes, and safe pedestrian crossings. Improved signage, lighting, and landscape design can enhance wayfinding and comfort. Slaughterhouse Gulch and its connections to the Mary Carter Greenway offer opportunities to promote healthy living and non-motorized mobility. Infrastructure upgrades—including stormwater management, broadband access, and green energy—should be embedded in the redevelopment plan to future-proof the site and align with sustainability goals.

The Station on Berry

Nearby residential on Prince

Nearby residential on Prince

Placemaking and Cultural Identity

Placemaking and cultural preservation are essential to the identity of this site. The Geneva Village site holds deep historical significance in Littleton's civic and architectural legacy. Designed in the mid-20th century by renowned architect Eugene Sternberg, the site reflected progressive ideals about senior housing, community open space, and human-scale design.

The TAP recognized the historical significance of Geneva Village and its original architect, Eugene Sternberg, whose principles emphasized human-scale design, natural light, and access to green space. Redevelopment should respect these values by preserving the Lodge and potentially a small number of housing units, or alternatively, incorporating their design intent in new construction.

The Geneva Lodge in particular is a prominent example of Sternberg's modernist principles, including integration with nature, light-filled interiors, and community-oriented layouts. The site's heritage is woven into the city's identity and provides a meaningful foundation for future development.

Community Values and Input

Community members consistently expressed a desire for redevelopment to reflect the city's values—welcoming, inclusive, walkable, and connected to nature. Interviewees emphasized the importance of maintaining a sense of place and honoring the site's legacy while allowing room for innovation and new uses. There was strong interest in a development that serves a mix of incomes and generations, offers gathering places for arts and cultural events, and enhances the public realm through quality design. Preserving or reusing the Lodge, in particular, was a recurring theme in stakeholder input.

Historic and Cultural Considerations

Public spaces should reflect community heritage and contemporary needs. A new open space anchored by the Lodge could serve as a community gathering spot, surrounded by housing and flexible programming space. Arts and culture should be integrated throughout the site. The recently adopted Arts and Culture Plan for Littleton offers guidance on making the city a destination for creatives and visitors alike.

The site offers opportunities for public art, performance areas, and creative live/work spaces. Careful use of materials, lighting, and landscape design will reinforce the site's identity and ensure safety, beauty, and comfort for all users. Ultimately, the northern gateway should be recognized not just as a transitional zone but as a destination—a place that brings people together and strengthens civic pride.

Now vacant, Geneva Village is a 28-unit complex of apartments designed by noted architect Eugene Sternberg.

The Geneva Lodge, also designed by Eugene Sternberg, is a mid-century modern structure that retains architectural and cultural significance.

As emphasized by the Historic Preservation Board (HPB) and public input, Geneva Village stands out for its cohesive site planning, intact design, and enduring use as affordable senior housing—making it a rare and representative example of Sternberg's socially conscious design principles.

In line with this legacy, the panel's recommendations support a redevelopment approach that preserves and honors key elements of the original design. These include maintaining the symbolic significance of the iconic clocktower, preserving viewsheds and open space connections between Geneva Village, the Lodge, and City Center, and exploring adaptive reuse or partial preservation of select buildings to retain architectural integrity. Stakeholders have also advocated for interpretive signage, public education, and potential designation of a Geneva Lodge/Geneva Village Historic District to recognize the site's multigenerational significance. Through a combination of documentation, physical preservation, and design influence, the TAP recommendations aim to balance revitalization with respect for the site's unique heritage.

Geneva Village Clocktower: Honoring a Historic Focal Point

The Geneva Village clocktower is one of the most recognizable and historically significant features on the site, offering a powerful opportunity to anchor the identity of the redevelopment. In recognition of its cultural importance, the city may choose to either refurbish the original clocktower or commission a new public art piece that pays homage to it. In either case, the feature would be placed in a new, prominent location within the site.

Whether through preservation or reinterpretation, the clocktower will serve as a visual and symbolic landmark. Its integration into a new public plaza or green commons—surrounded by civic, residential, or mixed-use buildings—can help draw people to the area. Enhancing its visibility with lighting, signage, and landscape design, along with interpretive displays about the site's mid-century origins, will celebrate its legacy and reinforce its place in the community's collective memory.

ULI

In recognition of the its cultural importance, the panel recommends that the city either refurbish the clocktower or dedicate public art to the landmark in a new, prominent location within the site.

Finance

The panel identified a suite of financing tools to support redevelopment and ensure alignment with community goals. Central to this strategy is the use of tax increment financing (TIF) through the Littleton Downtown Development Authority (LDDA). The LDDA was established in 2022 and the Study Area is located within the North Gateway section of the boundary. Property and sales TIF revenue will be collected by the LDDA to use or pledge the revenues to issue bonds. Property TIF revenues may be directed toward public improvements, infrastructure, and affordable housing.

The panel recommends a flexible allocation model—for example, up to 80 percent to support commercial development and a minimum of 40 percent to catalyze residential or mixed-income housing. Options for these investments include structured parking, trail extensions, green infrastructure, or tenant improvements for community uses. In order for the redevelopment to generate TIF the property must be sold or transferred to a private entity. It will not generate property TIF while the City owns the property and it is tax exempt. The property ownership gives the City leverage to negotiate for specific desired outcomes.

Beyond TIF, the City could explore the use of a metropolitan district to finance infrastructure and maintenance, as well as certificates of participation (COPs) for civic facilities. A business Improvement District (BID) could be formed in partnership with property owners to sustain activation and maintenance. Infrastructure bonds and federal or state grants for housing, transportation, or environmental remediation should also be pursued.

To attract the right development partners, the City can offer a range of incentives, such as:

- Gap financing or predevelopment grants
- Reduced land cost or lease-to-own structures
- Property or sales tax rebates
- Development fee waivers
- Low-interest or forgivable loans

Additionally, Littleton's Economic Partnership Incentive Policy can be adapted to offer site-specific incentives and reimbursements aligned with the vision. Public-private partnerships (P3s) will likely be required for large-scale mixed-use or civic campus development, especially for Core Area Tiers 2 and 3. A phased financial strategy will be key to aligning public investment with market readiness.

Governance and Stewardship

Effective governance begins with clearly defined leadership inside the City of Littleton. The panel strongly recommends appointing a dedicated project lead—either an existing senior staff member or a newly hired redevelopment manager—with the authority and capacity to oversee all aspects of the Geneva Village project. This person would coordinate interdepartmental functions across planning, public works, finance, and communications to ensure alignment with broader city objectives. Their responsibilities should include regular progress tracking, reporting to City Council, and serving as a point of contact for external partners and the public.

Cross-Functional Project Team

In addition to a project lead, the City should form a cross-functional project team or interagency task force. This group would include representatives from departments such as planning, housing, finance, parks and recreation, historic preservation, and public information. This team should meet regularly to advance the project timeline, review development proposals, plan and support community outreach, and collaborate on funding strategies. The team's diverse expertise will help anticipate implementation challenges and maintain a cohesive approach to site redevelopment.

Partnership with the LDDA and Other Entities

The Littleton Downtown Development Authority (LDDA) is a key partner in governance and long-term stewardship. As a financing entity and planning body with jurisdiction in the study area, the LDDA can help ensure consistency with the Plan of Development, manage tax increment financing tools, and provide design review guidance. The City should formalize roles and expectations with the LDDA and explore partnerships with additional organizations, such as Arapahoe County, cultural nonprofits, and neighborhood associations, to co-lead elements of the project.

Public Engagement and Transparency

Transparent, ongoing public engagement is essential to building trust and long-term success. In addition to statutory public hearings, the City should invest in proactive engagement methods such as pop-up events, walking tours, surveys, and bilingual communications. A community advisory board or standing stakeholder group could be created to offer feedback and act as ambassadors for the vision. These groups can help shape design decisions, evaluate tradeoffs, and elevate diverse community perspectives. Communications should be clear, consistent, and inclusive, using a mix of digital and in-person platforms.

JAMES ATCHISON

A rendering of the panel's vision for a Geneva Lodge District with mixed-income housing, a public plaza and outdoor amenities.

Legacy Stewardship and Long-Term Management

Redevelopment of the Geneva Village site represents not only a construction project but the creation of a civic legacy. Long-term stewardship of the area will require ongoing investment in maintenance, activation, and programming. The City and its partners should explore models for sustainable funding—such as BIDs or metropolitan districts—and consider establishing design guidelines or a form-based code to ensure future development remains aligned with the original vision. Public realm elements, including Geneva Park and trail connections, will benefit from active programming and responsive management to keep the area vibrant over time.

Implementation Roadmap

A phased implementation strategy ensures the Geneva Village redevelopment remains feasible, community-driven, and aligned with evolving opportunities.

First Steps (0–6 months)

The City of Littleton should initiate foundational actions that set the stage for long-term redevelopment. These include:

- Conducting detailed assessments of building conditions, infrastructure, and environmental constraints.
- Creating a formal redevelopment task force or advisory board composed of city staff, LDDA representatives, local stakeholders, and potential development partners.
- Confirming roles and responsibilities across city departments and with external partners such as Arapahoe County.
- Launching targeted community engagement to inform next steps and build momentum.

Near-Term Actions (6–24 months)

Once initial coordination is established, the City should begin taking tangible steps toward redevelopment. These include:

- Developing a Geneva Village Master Plan or Redevelopment Framework that integrates land use, design standards, infrastructure, phasing, and financing strategies.
- Preparing relocation plans for City services or facilities, such as identifying interim or future locations for City Hall functions.
- Issuing RFPs or RFQs for development partners interested in housing, cultural, or civic components of the site.
- Applying for initial grants or state/federal funding to support public infrastructure and park improvements.

Long-Term Implementation (2–10 years)

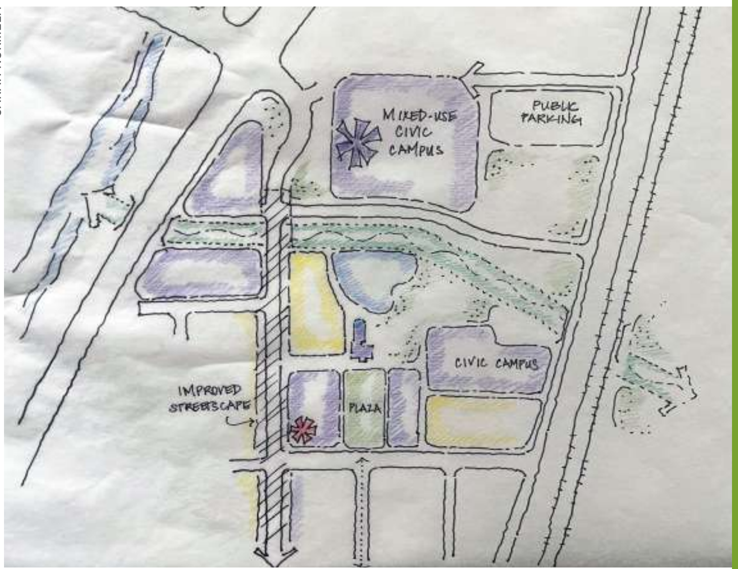
Full redevelopment of the site will occur over time and in phases, guided by a unified vision and strategic partnerships. Key actions include:

- Executing phased capital investments in roads, parks, utilities, and civic facilities.
- Constructing new housing and mixed-use buildings aligned with affordability, design, and sustainability goals.
- Implementing resilience projects such as green infrastructure along Slaughterhouse Gulch or energy-efficient building systems.
- Programming Geneva Park and public spaces with events, art, and community amenities.

Suggested Timelines and Responsible Parties

- 0–6 months: City Manager's Office, Planning, Public Works, and LDDA lead assessments and task force formation.
- 6–24 months: Planning and Community Development oversee master plan; City Council approves relocation and zoning tools; LDDA leads RFP process and TIF planning.
- 2–5 years: Development partners and City execute infrastructure and vertical development phases.
- 5–10 years: Ongoing stewardship and reinvestment by City, LDDA, developers, and newly formed community district entities.

SARAH NURMELA



Prince Street should be reimagined as a multimodal corridor with traffic calming features, dedicated bike lanes, and safe pedestrian crossings.

Conclusion

The Geneva Village and Northern Gateway site offers a rare and timely opportunity for the City of Littleton to transform a city-owned property into a model of equitable, community-oriented redevelopment. With its strategic location, historical significance, and proximity to downtown, this 28-acre site can serve as a catalyst for new housing, civic identity, and economic vitality—while honoring the community's values of stewardship, connectivity, and inclusiveness.

Through its two-day engagement, the ULI Colorado Technical Assistance Panel assembled a comprehensive framework grounded in land use, placemaking, financing, governance, and implementation best practices. The panel's recommendations reflect input from diverse stakeholders and are designed to be flexible yet actionable—recognizing the complexity of public land reuse and the long-term nature of city-led redevelopment.

The path forward will require sustained leadership, thoughtful planning, and partnerships that align resources with a shared vision. From near-term tasks such as launching a redevelopment task force and initiating site assessments, to long-term capital investments and stewardship strategies, the City of Littleton has a clear roadmap for progress.

With deliberate action, this site can become much more than the sum of its parts—it can become a place that celebrates Littleton's legacy, reflects its values, and welcomes future generations. The TAP panel encourages the City and its partners to move boldly yet collaboratively, knowing that thoughtful public investment today will shape the Littleton of tomorrow.

ULI

ULI Panel and City Staff at Geneva Lodge.

ULI

ULI Panel working on recommendations.

About the Panel

James Atchison

Landscape Architect
RDG Planning & Design

James Atchison is the Lead Landscape Architect at RDG Planning & Design's Denver Office. He is an experienced landscape architect who thrives creating spaces that enrich the lives of the people who use them. James has successfully managed numerous projects from inception to completion, consistently delivering high-quality concepts and innovative planting designs.

James received a Master's of Urban Design from Arizona State University and a Bachelor's of Landscape Architecture from the University of Nevada – Las Vegas. James moved to Denver, Colorado post-graduation to work at Davis Partnership Architects before joining RDG Planning & Design. He has worked on a variety of award-winning projects throughout his career, including Plaza de la Raza, One River North, and Freyer-Newman Center at the Denver Botanic Gardens.

James believes in the profound impact that designers can have on their communities, and not only through the built environment. In addition to helping with ULI Colorado, he volunteers coaching youth soccer and ice hockey. When he is not mountain biking or playing golf, you can find him and his family playing board games.

Heather Cronenberg

Real Estate Development Manager
City of Westminster, Colo.

Heather Cronenberg serves as the Real Estate Development Manager at the City of Westminster where she leads the development of the Downtown and Transit Oriented Development Focus Areas along with the city's real estate services program. Heather brings more than 20 years of real estate expertise and has a proven track record in negotiating complex real estate and development transactions, navigating the entitlement process, and collaborating on public-private partnerships. She holds a real estate broker's license with the State of Colorado.

Prior to moving into the private sector, Heather worked for the City of Westminster in Community Development, Economic Development, and Parks and Open Space. While working for the City, she secured over $14 million in outside funding sources, leveraging city funds to acquire over 500 acres of open space. Prior to her work with the City, Heather managed real estate transactions and partnered to secure funding for The Nature Conservancy.

Heather currently sits on the Steering Committee for the Urban Land Institute's Women's Leadership Initiative and is co-chair of the Breaking the Glass Ceiling Program. She is a previous member of the 36 Commuting Solutions Board, RTD's Citizens Advisory Committee, the Metro Denver Nature Alliance Steering Committee and the Colorado Open Space Alliance Steering Committee. Heather earned her bachelor's degree at The University of Georgia and is currently working to complete the Executive Masters of Public Administration program at the University of Colorado Denver.

Sarah Dunmire

Vice President
Economic & Planning Systems (EPS)

Sarah values finding unique, sustainable solutions for economic growth through community and economic development. She works with both public and private sector clients across the county to determine market demand, economic and fiscal impact, and create funding and financing strategies. She is technically capable of rigorous quantitative and qualitative data analysis and financial modeling in urban economics. Her data interpretation and modeling provide insights for clients and inform decision making.

Sarah joined Economic & Planning Systems in 2017 while completing her Master's in Urban and Regional Planning program at the University of Colorado, Denver. She also has a Bachelor's Degree in Community, Environment, and Development from The Pennsylvania State University. Prior to EPS, Sarah worked as a Regional Planner in Central Pennsylvania and served as an AmeriCorps member in Sacramento, California working with elementary students.

Chris Gillies

Managing Director
Quarterra

Sarah Nurmela

Director, Planning and Development Department
Town of Erie, Colo.

Sarah Nurmela is the Planning and Development Director of the Town of Erie and leads the Planning, Building, Transportation, and Affordable Housing divisions. Sarah has a wide range of experience in both the public and private sectors, with 23 years in the fields of planning, real estate development, and urban design. Her prior public sector roles prior to Erie include leading Planning and Implementation at the City and County of Denver and managing the real estate development of Downtown Westminster. Sarah's experience is heavily focused on the identification and implementation of unique places and communities and includes negotiating and vision-alignment with developers, businesses, cultural and civic organizations, and transportation entities.

Her current and past work includes leading long range planning efforts like citywide Comprehensive Plans, specific area plans and zoning, TOD, and urban design. Outside of work, Sarah currently serves as the Co-Chair for the Women's Leadership Initiative for Colorado ULI, and serves on Westminster's City Council. Sarah has a Master of Urban Planning from Harvard University and a B.A. in Architecture from Washington University in St. Louis.

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Geneva Village Redevelopment Options

City Council Presentation
August 11, 2026

Agenda

1. **Introductions**
2. **Project Overview**
3. **Background & Site Context**
4. **Pathways Forward**
   - Typical Disposition Process
   - Redevelopment Approach Options
   - Potential Criteria for Evaluation
   - Options for City Role & Partnership Models
   - Peer Community Examples
   - Demolition Considerations
5. **Next Steps**

Joining You Today

Eric Hiraga
Project Advisor
Matrix

Jenn Todd-Goynes,
AICP, CNU-A
Officer-in-Charge
Matrix

Tom Berger
Construction & Demolition
Matrix

Karlen Beitman
Broker-Developer
JLL

Lizzie Lee
Finance & P3
Elee Advisory

Project Goal

To provide City Council with decision pathways and discussion frameworks regarding redevelopment options for Geneva Village.

How We Get There: Project Considerations

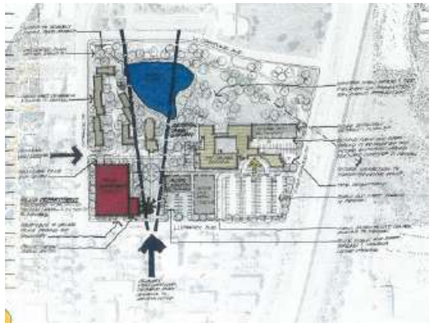
1. **Market Reception Insight**
   - Potential developer response, deal structure, pricing, public participation
2. **Redevelopment Approach Options**
   - Tradeoffs on paths to market
3. **City Role and Partnership Options**
   - Tradeoffs in ownership and development roles
4. **Peer Community Examples**
   - Where have others found success? Lessons learned?
5. **ULI Tap Review**
   - Comparison with preferred alternatives
6. **Demolition Considerations**
   - Cost estimates, tradeoffs on timeline
7. **Study Sessions**
   - August 11 and October 27

Background

1964
Geneva Village Constructed

1975
City of Littleton purchases Geneva Village

2003
Littleton Center Master Plan
Roth Sheppard Architects



2019
Master Planning Opportunities *Bryant Flink Architecture + Design*

2023
City staff-led assessment of redevelopment possibilities

2025
ULI Technical Assistance Report

2025
Property is Vacant

2026-2030
Capital Improvement Plan

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ULI Technical Assistance (TAP) Recommendations

- **Context**
  - 28-acre Geneva Village, Geneva Lodge, Littleton Center, and Geneva Park
- **Vision**
  - Create a walkable, connected, inclusive, and economically vibrant community that also honors its historic and natural assets
- **Funding**
  - Tax increment financing (TIF) through the LDDA; requires selling or transferring the property to a private entity
  - Explore: metropolitan district, certificates of participation, a business improvement district, infrastructure bonds, or incentives such as grants, tax rebates, or fee waivers
- **Outcomes**
  - Site redevelopment that includes mixed-income housing, retail, mixed-use, a public plaza, and outdoor amenities

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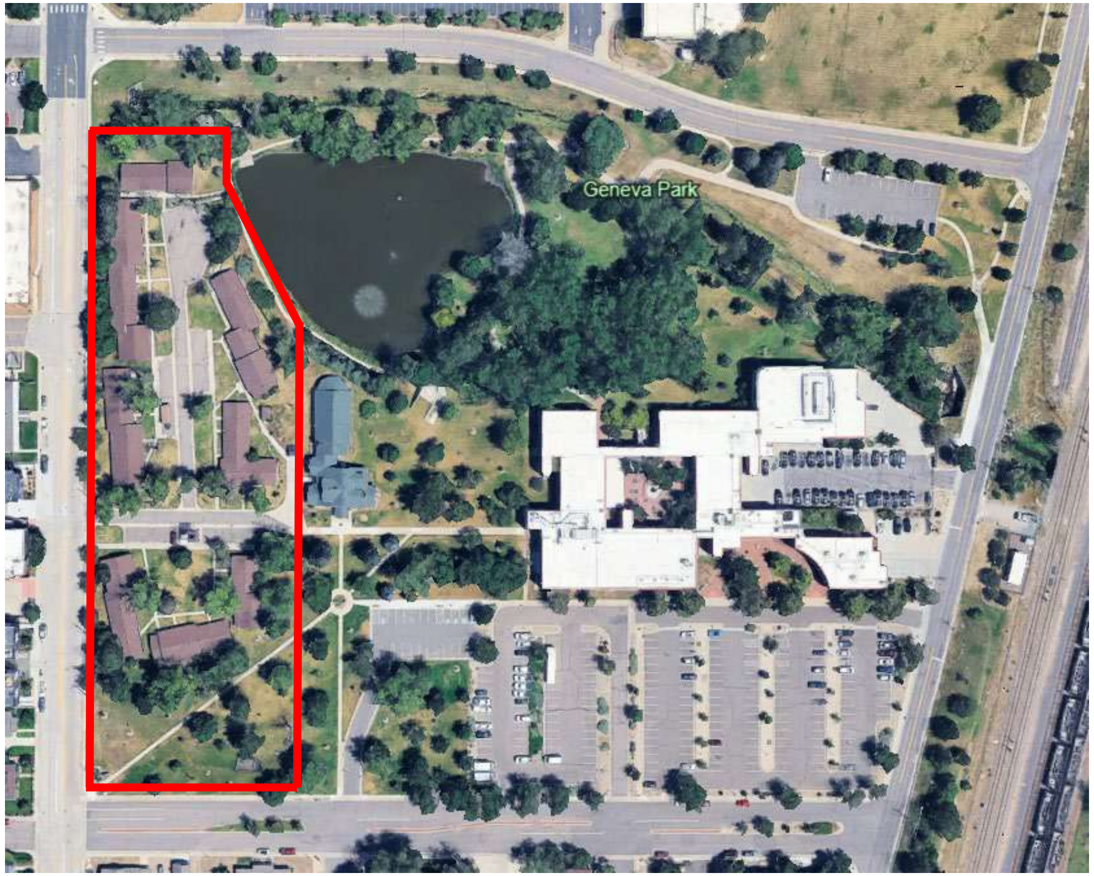
Questions for Council Consideration

- **ULI Technical Assistance Program (TAP) Recommendations**
  - What redevelopment ideas from the TAP are of most interest for the Northern Gateway and Geneva Village property?
    - *Adaptative reuse of Geneva Lodge*
    - *Reinvention of Civic Green with new housing*
    - *Civic or Cultural Campus on the northern edge*
    - Preserve and enhance Geneva Park and integrate Slaughterhouse Gulch
    - Active, unique destination and place of discovery of mixed-use
    - Mix of housing types and incomes
    - Reuse or redevelopment of City Center to expand redevelopment opportunities
  - How will the discussion around Geneva Village fit into longer-term facility master plan?

Site Overview



- 2.8 acres of City-owned land
- Northern entrance to downtown
- Unoccupied 28-unit housing complex
- Utilities disconnected in 2025
- Interest in Non-Residential Interim Uses
  - Artist Studios

Typical Disposition Process & Current Scope

The full path from visioning to closing — formal market engagement follows Council direction.

Project Initiation	Due Diligence & Financial Analysis			Market Sounding	Concept Approval	Solicitation	
Project Initiation & Visioning	Site Due Diligence	Market Analysis & Demand	Transaction Structuring	Market Sounding	Findings & Concept Approval	Solicitation (RFQ / RFP)	Contract Negotiation

Council direction — Aug 11 & Oct 27 study sessions

- Current advisory scope (2026)
- High-level advisory now; More detailed scope as part of RFQ preparation and after Council direction
- Future phase — after Council direction

Unsolicited proposals & LOIs: welcome, but through one door. Inbound interest is an early signal of market appetite, not a deviation from the plan. Each proposal is logged through a single coordinated point of contact and folded into Market Sounding, where it informs deal parameters and the RFQ/RFP — alongside outreach to the broader development community, so no single party gains an inside track.

Best practice: equal footing – every prospective partner receives the same information and competes through the same solicitation, protecting the City and serious developers alike.

Questions for Council Consideration

- **Redevelopment Approach Options**
  - Is there a preferred redevelopment scenario?
  - Are any development scenarios a non-starter?
- **Potential Criteria for Evaluation**
  - Which of the potential criteria are most important?
  - Are any potential evaluation criteria missing?
- **Options for the City’s Role**
  - Which role is of most interest?
  - Are there specific types of partnerships to evaluate in more depth?
  - Are there specific types of incentives to evaluate in more depth?
  - Are any partnerships or incentives a non-starter?

Redevelopment Approach Options

Four contrasting scenarios frame the range of possible futures for the Geneva Village site. Each will be tested on the same criteria — none is a proposal or recommendation.

1 All Residential

Maximize housing

- Housing-led neighborhood with a mix of housing types
- Affordable component included
- Open space and community amenities

2 Mixed Use

Balanced approach

- Housing alongside neighborhood retail and office
- Hospitality and civic space tested by market
- Blends revenue, housing, and activity

3 All Commercial

Maximize commercial & employment

- Employment-focused: office, retail, hospitality
- No residential component
- Maximizes taxable commercial base

4 Civic-Oriented

Maximize civic priorities

- Civic uses prioritized — to be defined with Council
- Supporting retail and office uses
- Public realm and community anchor focus

Common to every scenario: preservation and adaptive reuse of the historically designated Geneva Lodge, floodplain integration, and transition of city-owned land to productive use.

Potential Criteria for Evaluation

City Goals Alignment

Fiscal sustainability, housing, community, and civic facility priorities

Land Value to the City

One-time sale proceeds vs. ground lease income, net of site preparation costs

Ongoing Revenue

Sales, property, and increment revenue as land transitions to taxable use

Economic Impact

Jobs created and net fiscal impact after cost of city services

Feasibility & Risk

Market depth, phasing, floodplain, existing tenancies, and site costs

City Role Fit

Which ownership, partnership, and incentive structures work under each scenario

Consistent scoring: every scenario is measured on the same basis, supported by JLL market and financial analysis, and returned to Council as a side-by-side comparison.

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Options for the City's Role & Partnership Model

City involvement, control, and risk increase

Land Seller
One-time proceeds

- Fastest path, least risk
- Least long-term control over outcomes
- Proceeds can help fund city priorities

*** Not a partnership opportunity***

Ground Lessor
Recurring revenue

- City retains ownership of the land
- Long-term income stream and shared upside
- Requires patient capital and stewardship

*** Partnership opportunity***

Owner / Master Developer
Maximum control

- City shapes phasing, uses, and design
- Highest capital requirement and delivery risk
- Typically paired with private partners

*** Partnership opportunity***

Partnership Structures

Public-private partnerships will be critical tools. Options include development agreements, joint ventures, and phased dispositions — evaluated for risk, control, and return under each scenario.

Incentive & Financing Toolkit

Littleton DDA / tax increment financing, fee waivers, credit PIFs, and special districts — matched to the gap each scenario must close.

Urban renewal is no longer available.

Threshold question: how the City funds demolition and site preparation shapes which roles and partnerships are realistic.

Peer Community Examples

Example	Development Scenario	City Role (For Lessons Learned)	Criteria it informs
Olde Town Arvada	Mixed Use	Seller · Incentive provider	Land value · Feasibility · Role fit
Englewood CityCenter	Mixed Use · Civic	Ground lessor → Seller	Land value · Feasibility · Role fit
Northglenn Civic Center	Civic-Oriented	Owner · Partner (P3)	City goals · Feasibility · Role fit
Depot Square, Boulder	Residential · Mixed Use	Seller · Partner	City goals · Economic impact
Lakewood City Commons	Civic · Mixed Use	Partner (P3)	City goals · Economic impact · Role fit
Sheridan Station	All Residential	Seller · Partner	City goals · Feasibility · Role fit

Key points of comparison

- Deal structure used: sale, ground lease, or contribution
- What the public side paid for, and how it was funded
- Elapsed time from first plan to delivery
- City priorities vs. Littleton goals

Drawing from lessons learned is critical

- Opportunities to learn from what worked, what didn't
- Not all deals are created equal – identify constraints (both comparable and incomparable)

Purpose: these examples inform the analysis and recommendations but do not select the outcome. Comparison to Geneva Village to be further evaluated and presented back to Council in October.

Typical Site Readiness Factors

- **Site Control**
  - Redefining Parcels
- **Site Readiness**
  - Demolition Pros/Cons
- **Environmental Risk Mitigation**
- **Zoning Flexibility**
- **Public Investment Tools**

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Demolition Considerations

- Utilities are already disconnected
- Asbestos Containing Material is present
  - 2021 Limited Assessment by Landmark Environmental
  - Regulated ACM- drywall joint compounds, textured surfacing, CMU sealants, vinyl floor tile mosaic, caulking
  - ROM Cost Estimate - $450-$550k
  - Estimated Duration – 2-3 months
- Consider "Point-Count" Sampling to refine estimate

Demolition Considerations - continued

- Demo option #1 - Partial
  - Structures only
  - Floor slabs, roads, & vegetation to remain until development
  - No erosion-control maintenance needed
  - May reduce SF land value
  - ROM Cost Estimate – $300-350k, Duration – 4 weeks
- Demo option #2 – Full
  - Structures, foundations, roads, sidewalk removed
  - Remove select trees (consider watering remaining trees)
  - Some grading & seeding needed
  - May increase SF land value
  - ROM Cost Estimate – $525-$625k, Duration – 8 weeks

Demolition Considerations - continued

- Rehabilitation / Renovation considerations
  - Modern building upgrades needed
  - Asbestos challenges
  - Underutilized land – 28 units on 2.8 acres
  - Utilities are already disconnected
  - Asphalt resurfacing soon

Questions for Council Consideration

- **Demolition Considerations**
  - Is there a preferred alternative between demo options 1 and 2?
  - How do the demolition options influence your perspective on redevelopment scenarios and potential partnerships?

Next Steps

- **Short-Term: August-September**
  - Consultant team will revisit the discussions and direction from this conversation
  - Additional research to inform recommended alternative
  - Preparation for next City Council presentation
- **Mid-Term: October 27**
  - Second Council Presentation
    - Recommended path forward, with market reception insight, a preferred redevelopment approach and role for the City of Littleton, and next steps

File #: ID# 26-155, **Version:** 1

Agenda Date: 08/11/2026

Subject:
Utility Rate Study Results Discussion - Part 2

From:	James L. Becklenberg, City Manager
Prepared by:	Ryan Germeroth, Deputy Public Works Director
Presentations:	Brent Soderlin, Director of Public Works & Utilities
	Laurie Matta, Director of Finance
	Ryan Germeroth, Deputy Public Works Director
	Todd Cristiano, Vice President Raftelis

PURPOSE:
The purpose of this item is to provide Council with an overview of the final draft financial plan and proposed revenue increases for the Utility Rate Study. The content will cover the projected costs of both the sanitary sewer and stormwater utility capital and maintenance plans. Input received by Council at the May 12th study session has been incorporated. A proposed rate structure will also be presented that is intended to more equitably bill users as compared to the current flat rate system and encourage users to reduce water consumption if they can. Public engagement and the timeline for the review and future rate approval will also be discussed.

LONG-TERM OUTCOME(S) SERVED:
Sustainable Community with Natural Beauty; Safe Community; High-Quality Governance

DISCUSSION:
Littleton is planning for the future with a comprehensive study to update sewer and stormwater rates. These updates are essential to funding critical repairs and maintaining the infrastructure that protects Littleton homes and businesses, public health, and the South Platte River. While our 129 miles of sanitary sewer, 53 miles of storm drains, and 30 miles of drainage ways operate 24/7, many parts of the systems are aging. Proactive upgrades will prevent service disruptions and public safety concerns by providing resilience through fiscal responsibility.

Sewer and stormwater bills directly fund essential infrastructure improvements and proactive maintenance. Over the next 10 years, the City plans to repair or replace 24 miles of sanitary sewer, work with partners to modernize the South Platte Renew wastewater treatment facility to meet federal environmental requirements and replace 15 miles of storm drains. By addressing these needs now, Littleton avoids the significantly higher costs and public safety risks associated with emergency repairs like those on Jackass Hill Road or Broadway and Lee Gulch. It also assures the City charges a fair and consistent rate to the nine water and sanitation districts that connect into the sanitary sewer system for treatment only.

Over the past few months, City staff have partnered with the staff from Raftelis to create a 10-year financial plan that accounts for the costs of the day-to-day maintenance and annual capital project needs of the sanitary and storm sewer systems. The goal is to align future bills with the actual cost of service, including upgrades to critical infrastructure and regular maintenance, and ensure the City can continue to provide reliable service. The current proposed financial plan has been updated to reflect feedback received from Council on May 12th. Below is a summary of the findings of the 10-year plan:

- The total capital program need for the sanitary sewer system is projected to be about $256 million over the next 10 years. About $180 million of that is needed for projects at the South Platte Renew treatment facility jointly owned with the City of Englewood.
- Debt issuance is limited to $65M to follow the City Charter allowance for indebtedness while still fully funding the capital program. This option smooths the increase over multiple years as requested by Council on May 12th. The following table shows a comparison of the projected revenue increases for the sanitary sewer fund.

Table 1. Projected Revenue Increases

	Projected Revenue Increase	
Year	May 12th Presentati	August 11th Present
2027	25%	15%
2028	25%	15%
2029	3%	11%
2030	3%	11%
2031	3%	10%
2032	3%	10%
2033	3%	10%
2034	3%	10%
2035	3%	0%

- The total capital program need for the stormwater system is projected to be about $73 million over the next 10 years. The largest portion of that funding would cover stormwater pipe replacement projects. Rate increases and tap fees would fund about $50 million in projects while about $23 million would be funded with revenue bonds and loans.
- To meet the need for the stormwater sewer program a revenue increase of 60% will be needed for 2027 and 2028 with increases dropping to 5% per year for 2029 through 2035.
- The plan also includes the addition of three staff in 2027 and three staff in 2028. Four of these staff would join the Water Resources Engineering team and two would join the field operations team. These additional staff will be needed to keep up with the engineering and maintenance work needed on the system as the additional revenue is put to work.

The information from the financial plan was used to develop the cost of service for each class of user (single family, multi-family, and commercial) and then a proposed rate structure for both sanitary and storm was developed.

Historically, Littleton has charged sanitary sewer rates as a fixed rate for residential properties regardless of water use while the commercial rate has a minimum charge that is based on the average monthly volume of the lowest two months of use. For uses that exceed 22,000 gallons per month in the city and 44,000 gallons per month outside the city a billable rate per 1,000 gallons is used. While the fixed rate can provide a predictable bill for each user, it does not incentivize users to conserve water or equitably charge each user for water they are sending into the system for conveyance and treatment. The result is that some users are subsidizing the bill of others. Based on this, staff are proposing moving from the current fixed rate system to one that has a fixed portion for administrative costs with the rest of the charge based on actual use. For both single family and multi-family residential properties, the average use will be based on average winter consumption (AWC) from January through March while the use rate for commercial properties will be based on actual water use. Currently the average residential user consumes about 3,000 to 4,000 gallons of water per month in the winter. Under this proposed system, the following charts show the sanitary sewer monthly bill comparisons for single family, multi-family, and commercial properties for 2026 fixed rate, 2027 fixed rate, and 2027 rates using AWC.

Table 2. Single Family Residential Monthly Bill Comparison

Scenario	Inside City	Inside City in District	Outside City
Fixed Rate Structure			
2026 Fixed Rate (All consumption)	$30	$23	$27
2027 Fixed Rate (All consumption)	$35	$26	$31
Flexible Rate Structure			
2,000 Gal (AWC)	$23	$21	$25
3,000 Gal (AWC)	$28	$24	$29
4,000 Gal (AWC)	**$32**	**$27**	**$33**
5,000 Gal (AWC)	$36	$30	$36
6,000 Gal (AWC)	$40	$33	$40

Table 3. Multi-Family Residential (Per Unit) Monthly Bill Comparison

Scenario	Inside City	Inside City in District	Outside City
Fixed Rate Structure			
2026 Fixed Rate (All consumption)	$26	$19	$23
2027 Fixed Rate (All consumption)	$29	$22	$27
Flexible Rate Structure			
2,000 Gal (AWC)	$20	$17	$21
3,000 Gal (AWC)	$24	$20	$24
4,000 Gal (AWC)	$28	$23	$28
5,000 Gal (AWC)	$32	$26	$32

6,000 Gal (AWC)	$36	$29	$35

Table 4. Commercial Monthly Bill Comparison

	Inside City			Outside City		
Use (gal)	2026 Fixed	2027 Fixed	2027 Flexib	2026 Fixed	2027 Fixed	2027 Flexibl
10,000	$12	$14	$19	$15	$17	$21
20,000	$12	$14	$22	$15	$17	$24
30,000	$17	$21	$26	$15	$17	$27
40,000	$22	$28	$29	$15	$17	$30
50,000	$28	$35	$32	$15	$17	$33
60,000	$33	$41	$36	$18	$21	$36

As can be seen in these tables, the average single family user's bill within the city will go up anywhere from $1.66 per month under the AWC rate up to about $3 per month if the fully fixed rate remains in place. The benefit, though, is that users consuming less than average amount of water or who take measures to reduce their consumption, will see their sanitary sewer bills go down from what they were in 2026. The same is true of multi-family users as well. Finally, the change for commercial users is very much dependent on use. The average commercial customer uses around 50,000 to 60,000 gallons per month. The average commercial user's bill within the city will go up $4 to $8 per month depending on which rate structure is selected.

For stormwater rates, the structure is the same as what it was previously where the rate is different for single family versus muti-family and non-residential structures depending on if the lot for the given property is developed versus undeveloped. The following table shows the comparison of the current rates to the proposed rates using the cost-of-service model developed.

Table 5. Stormwater Rate Comparison (Annual Rates)

	Single Family Detached		Multi-Family & Non-Residential Property	
	2026	2027 - Proposed	2026	2027 - Proposed
Developed	$124.54 / lot	$199.26 / lot	$1,037.31 / paved a plus $259.33 / landscaped acre	$1,659.70 / paved acre plus $414.93 / landscaped acre
Subdivided, undeveloped	$31.12 / lot	$49.79 / lot	$259.33 / lot	$414.93 / lot
Unsubdivided, undeveloped	$259.33 / lot	$414.93 / lot	$259.33 / lot	$414.93 / lot
Vacant & undisturbed	$25.95 / acre	$41.52 / acre	$25.95 / acre	$41.52 / acre

As can be seen in the table, the increase for a typical single-family home will be about $6 per month or $75 per year.

Even with the proposed rate increases in both sanitary sewer and stormwater, Littleton's rates would still be about average or less than many of the other comparable jurisdictions along the Front Range.

One other consideration that can be studied in more detail as the rates above are finalized, is whether the city will provide a lower utility rate for customers who qualify for a reduced utility rate based on income. There are many ways to administer a program like this and it may result in higher utility rates for those who do not qualify to keep the revenue stream the same or the city would need to subsize the reduced rate with city funds. If council is interested at looking into the details of creating a program like this, this task can be added to the project with a summary provided at the final project presentation this fall.

Public outreach and communication will be a part of the project over the next several months as well. Staff were present during Council office hours on July 31st and will be present at the remaining Meet, Greet, & Eat events to share information and answer questions. Then staff will meet with the connector district staff in late August and hold two other public meetings. One will be in person at the Littleton Center on August 26th and the other will be a virtual meeting on September 3rd. These meetings will inform attendees of the purpose and need of the rate study and communicate the new rate structure. We will also ask for input from the public on preferences they may have on the frequency of billing whether that be monthly, bi-monthly, quarterly, bi-annually, or annually as currently billed. The feedback gathered from these meetings will be shared with Council in advance of the 2027 budget being finalized.

BACKGROUND:

To continue delivering the high-quality sewer and stormwater services Littleton customers expect and deserve, the City must periodically adjust utility rates to recover the costs of operating, maintaining, and providing these services. The City is reviewing its stormwater and sewer rates to ensure that future revenues are sufficient to operate and maintain each utility and to support the reliability and resilience of our critical infrastructure in the future.

Prior Actions or Discussions

Council approves the utility rates for stormwater and sanitary sewer each year as a part of the annual budget process. The last rate study was completed in 2020 with presentations to Council occurring at that time.

Staff provided an overview of the goals and objectives for the Utility Rate Study and gathered initial feedback at the March 10th, 2026, study session.

Staff then provided an overview of the first draft of the financial plan at the May 12th, 2026 study session. Council provided feedback on the plan including a desire to reduce or smooth the increase of the revenue increase on the sanitary sewer fund since the increases appeared higher than needed.

FISCAL IMPACTS:

The 10-year financial plan is projected to need about $256 million in capital funding for the sanitary sewer system and about $73 million in capital funding for the stormwater system. To fully fund both programs, this will require an initial revenue increase of 15% per year for 2027 and 2028 for the sanitary sewer system and 60% per year for the same two years for the stormwater system. The annual increases would then reduce per year for the remainder of the 10-year planning timeframe as shown earlier. For the average customer, this would result in an increase of about $2 per month on their sanitary sewer bill if the flexible rate structure is implemented and about $6 per month on their stormwater bill.

STAFF RECOMMENDATION:

- Support the rate structure changes for the sanitary sewer system and move to billing for average winter consumption for residential properties and actual consumption for commercial properties instead of having a fixed rate regardless of water use.
- Support the proposed stormwater rate structure as shown.
- Direct staff to proceed with public outreach as proposed.
- Direction on whether or not to investigate implementation of a program that provides support to lower-income populations by reducing their sewer and stormwater rates if they qualify for the program. The financial impact to other customers who do not qualify or the city if subsidized is unknown currently but can be determined if council is interested in finding out more.

ALTERNATIVES:

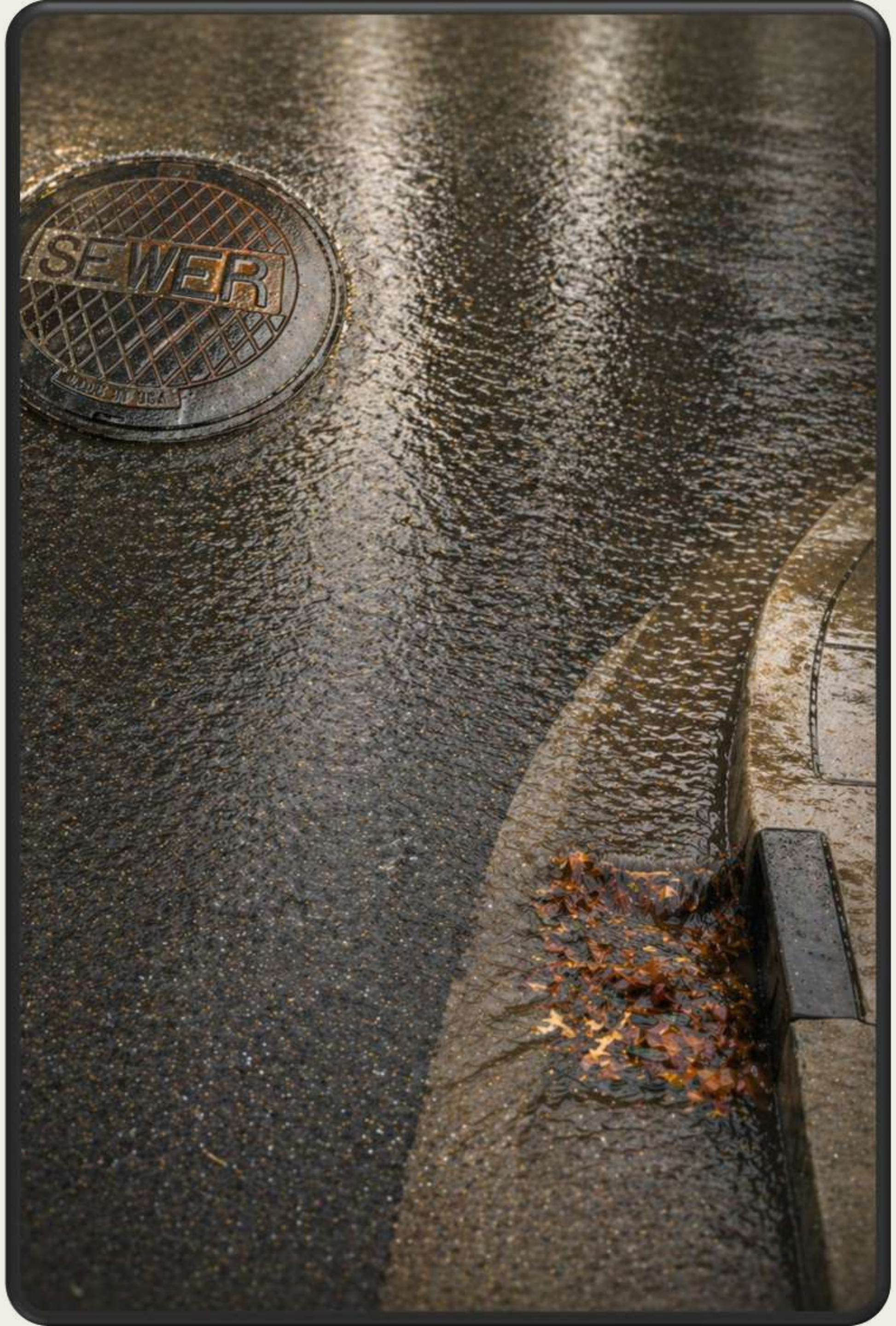
- For sewer rates, alternative direction could be to proceed with the current (fixed) model for sewer rates by user class.
- Council could request different policy approaches to completing utility capital projects (e.g., only complete urgent projects without programming additional long-term maintenance and repairs). This approach is not advisable for long-term stewardship of the system but could result in lower short-term rates. If directed, staff would schedule subsequent study sessions for consideration of these policy alternatives.

RAFTELIS

City of Littleton

Sewer and Storm Drainage Rate Study

August 11, 2026



Agenda

1. Rate study overview
2. Sewer financial plan update
3. Sewer pricing objectives & rate design
4. Storm drainage financial plan review
5. Customer billing frequency
6. Customer affordability
7. Public outreach
8. Staff recommendation

What is a Rate Study?

A rate study is a financial planning and rate-setting process that:

Identifies the cost to be recovered from rates:

- O&M
- Capital
- Reserves
- Debt Service

Sets legally defensible rates

- Cost of service analysis
- Follow industry best practices

Rates align with community objectives

- Revenue stability
- Essential use affordability
- Equity between customer classes
- Cost recovery within a class
- Conservation
- Ease of understanding, administration, and implementation

A rate study balances:

Sewer Financial Plan Update

Financial plan changes since 5/12 study session

Changes reduced initial revenue adjustments, and better-balanced use of debt issues and reserves to fund capital projects

CIP Adjustments

4-year replacement programs for line replacement, pipe patches and lining spread over 5-years.

Rate adjustment constraints

Added scenarios with annual revenue adjustments limited to 15% per year

Debt structuring

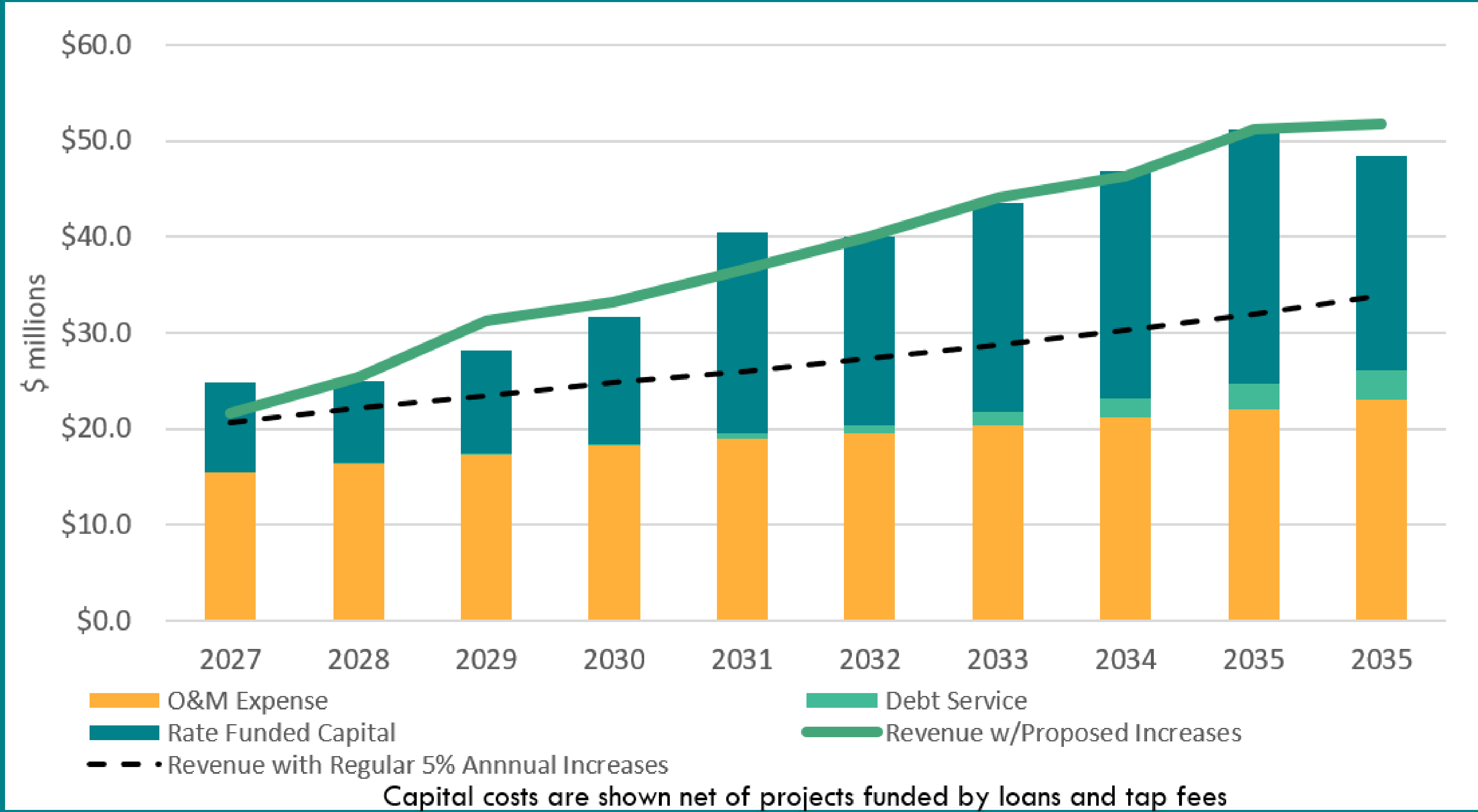
Incorporated *Federal funding program - Water Infrastructure Finance and Innovation Act* (WIFIA) financing as first priority debt financing, then state loans, then revenue bonds to finance capital projects

Reserve management

Cash reserves kept close to target reserve levels to leverage cash spending prior to issuing debt, avoiding accruing large cash balances where possible

Sewer 10-Year financial forecast

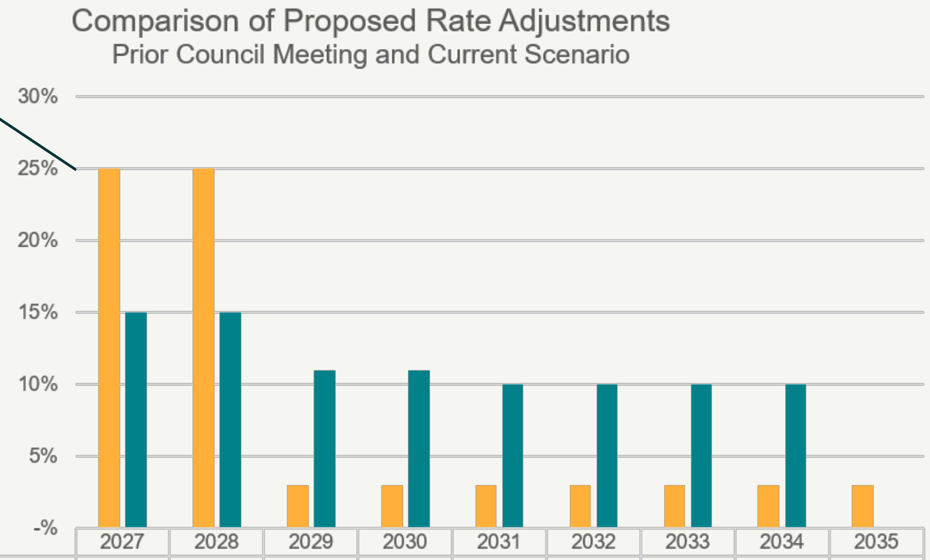
Annual Revenues and Expenditures



Financial plan assumptions

- Funds the $256.2 million capital program, annual operating expenses, and debt service
- Debt issue cap of $65 million
- Remainder funded by rates, reserves, tap fees, and other operating revenues

Scenario from prior May 2026 meeting indicated a 25% increase in 2027 and 2028



	2027	2028	2029	2030	2031	2032	2033	2034	2035
5/2026 Council Meeting	25%	25%	3%	3%	3%	3%	3%	3%	3%
Current Scenario	15%	15%	11%	11%	10%	10%	10%	10%	0%

Revenue Adjustment Summary

1 May 2026 Council Meeting

2027: 25%

2028: 25%

Average increase:
2029 – 2035: 3%

2 Updated Financial Plan Scenario

2027: 15%

2028: 15%

Average increase:
2029 – 2035: 9%

Sterling Ranch (Dominion Water & Sanitation)

- Start-up & emergency back-up agreement since August 2015
- Purpose was to provide treatment at SPR until Dominion built treatment plant within about 6 years
- Current timeframe for plant has exceeded start-up intent so new agreement currently under discussion
- Revenue assumption in plan has been made accounting for Dominion system payments due over five-year period to avoid subsidy in of Sterling Ranch in rate model

Pricing Objectives

Sanitary Sewer

Rate schedule pricing objectives
Required objectives

Revenue sufficiency

Rates must be sufficient to recover utility's costs and sustain the utility's financial health.

Defensibility

Rate structure is compliant with relevant local, state, and federal laws; satisfies any debt obligation covenants or other requirements

Rate structure pricing objectives

Revenue stability

Rate structure should generate stable and predictable revenues sufficient to meet annual revenue requirements, bond covenants and other financial requirements.

Cost equity between customer classes

Through a cost-of-service analysis, costs are recovered proportionately from each customer class' rate structure based on their unique demand characteristics and level of service requirements.

Cost equity between customers within a class

The rate structure results in individual customers paying their cost to receive service based on their unique demand characteristics (e.g. low volume and high volume customers).

Basic sanitation affordability

Rate structure should provide essential services at the lowest possible cost all the while allowing the utility to generate revenue sufficient to maintain their financial health.

Rate structure pricing objectives

Conservation pricing signal

Rate structure contains a pricing signal to encourage the wise use of water.

Customer understanding

The rate structure is easy to explain and understood by customers with minimal misinterpretations as possible.

Ease of administration

Rate structure should be compatible with existing billing and accounting systems.

Information for implementation and administration should be based on readily available, and manageable data

Pricing objectives ranking

Objective	Current Fixed Structure	Alternative – Flexible Structure
Revenue sufficiency		
Defensibility		
Revenue stability		
Cost equity between classes		
Cost equity within a class		
Basic sanitation affordability		
Customer understanding		
Ease of administration		T B D

Rate Design

Sanitary Sewer

Current sanitary sewer fixed rate structure

applies to all customers

Annual Charges

- Residential
  - Annual flat charge, $ per account
- Multifamily
  - Annual flat charge, $ per unit
- Commercial
  - Annual flat charge [1], $ per account
  - Volume rate, $ per 1,000 gallons

- Commercial volume rate applied to usage over 22,000 gallons for inside city customers and 44,000 gallons for outside city customers

Services provided

- Treatment and collection
  - Applies to City of Littleton customers
- Treatment only
  - Applies to:
    - Customers *within* City but served by District (i.e. Littleton Village)
    - Customers *outside* the City served by Districts

Areas served

- City of Littleton
- Ken Caryl
- Bow Mar
- Sterling Ranch (Dominion)
- Platte Canyon
- Grant Ranch
- Meadowbrook
- Roxborough
- Columbine

Rate comparison of fixed rate structure Existing 2026 and Proposed 2027

City of Littleton Treatment and Collection

- Residential

Residential	$ per Year	$ per Month
2026 Fixed	$360.57	$30.05
2027 Fixed	$414.66	$34.55
Inc/(Dec) - $	***$54.09***	***$4.50***

- Multifamily

Multifamily	$ per Year	$ per Month
2026 Fixed	$306.46	$25.54
2027 Fixed	$352.43	$29.37
Inc/(Dec) - $	***$45.97***	***$3.83***

- Commercial

Commercial	$ per Year*	$ per Month	$ per k-gal
2026 Fixed	$148.55	$12.38	$6.62
2027 Fixed	$170.83	$14.24	$8.28
Inc/(Dec) - $	***$22.28***	***$1.86***	***$1.66***

- *Commercial bill is the greater of the minimum charge or the billable volume x volume rate

Inside City, Served by District Treatment Only

- Residential

Residential	$ per Year	$ per Month
2026 Fixed	$273.66	$22.81
2027 Fixed	$314.71	$26.23
Inc/(Dec) - $	***$41.05***	***$3.43***

- Multifamily

Multifamily	$ per Year	$ per Month
2026 Fixed	$232.59	$19.38
2027 Fixed	$267.48	$22.29
Inc/(Dec) - $	***$34.89***	***$2.91***

Outside City Treatment Only

- Residential

Single Family	$ per Year	$ per Month
2026 Fixed	$328.37	$27.36
2027 Fixed	$377.63	$31.47
Inc/(Dec) - $	***$49.26***	***$4.11***

- Multifamily

Multifamily	$ per Year	$ per Month
2026 Fixed	$279.09	$23.26
2027 Fixed	$320.95	$26.75
Inc/(Dec) - $	***$41.86***	***$3.49***

- Commercial

Commercial	$ per Year*	$ per Month	$ per k-gal
2026 Fixed	$178.23	$14.85	$3.61
2027 Fixed	$204.96	$17.08	$4.15
Inc/(Dec) - $	***$26.73***	***$2.23***	***$0.54***

- *Commercial bill is the greater of the minimum charge or the billable volume x volume rate

Proposed flexible rate structure

Customer classes and service areas remain the same

City of Littleton
Treatment and Collection

- Residential
- Multifamily
- Commercial

Inside City, Served by District
Treatment Only

(i.e. Littleton Village)

- Residential
- Multifamily

Outside City
Treatment Only

- Residential
- Multifamily
- Commercial

Sanitary sewer flexible rate structure

Residential

Fixed Charge
$ per Bill

\+

Volume Rate
$ per 1,000 gallons
Based on average winter water volume

=

Total Sewer Bill ($)

Multifamily

Fixed Charge
$ per unit per bill

\+

Volume Rate
$ per 1,000 gallons
Based on average winter water volume

=

Total Sewer Bill ($)

Commercial

Fixed Charge
$ per Bill

\+

Volume Rate
$ per 1,000 gallons
Based on actual water volume

=

Total Sewer Bill ($)

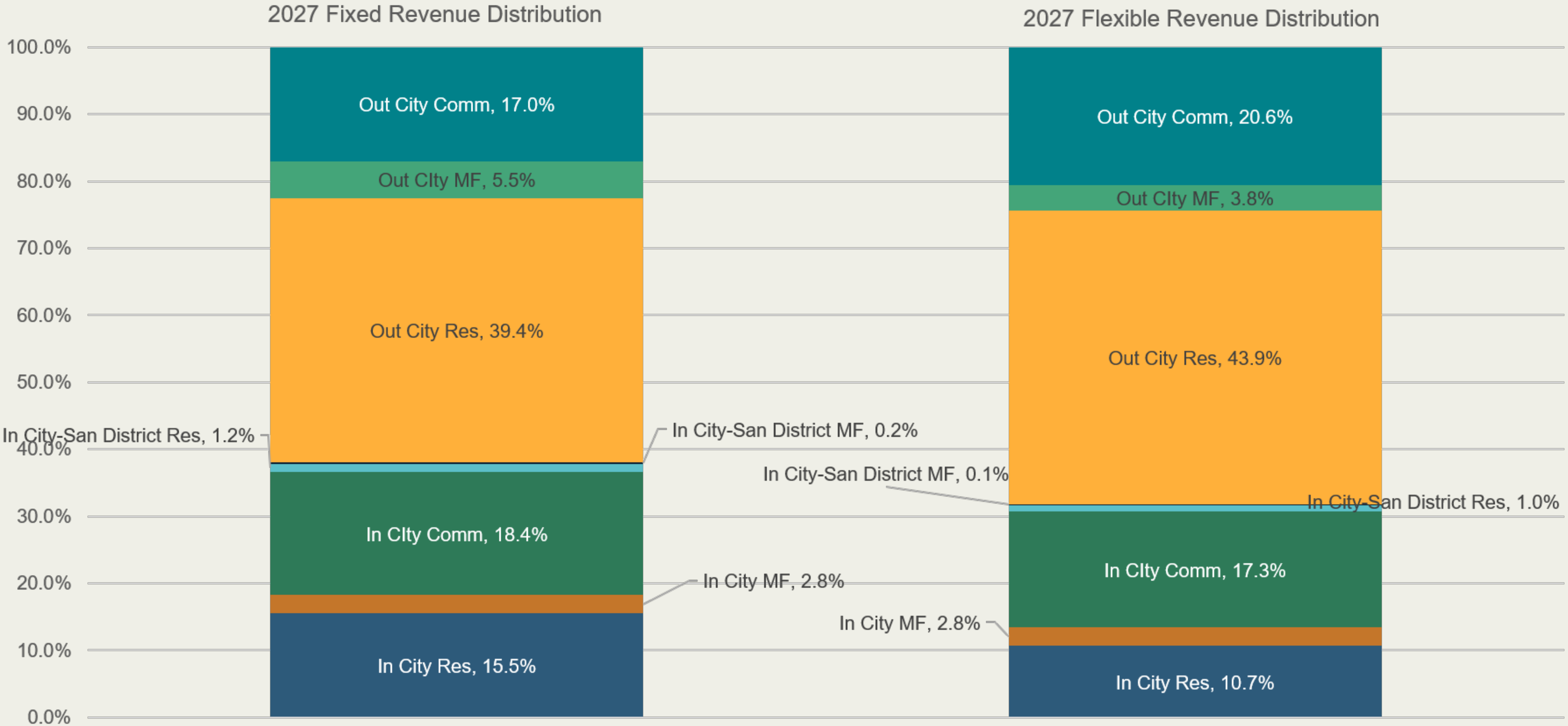
Flexible rate structure

- The fixed + variable rate structure is common among wastewater utilities along the front range
- Rebalances equity between customer classes and customers within a class
- Customers have more flexibility in managing their bill

1. **Average winter consumption**
   Average billed water use for the months January through March. Applies to residential and multifamily
2. **Actual water consumption**
   Based on commercial customer's actual 12-month water use
3. **Fixed charge**
   Recovers the cost of billing, general administrative costs and some capital costs
4. **Volume rate**
   Recovers the cost to collect, treat, and dispose of treated water that meets regulatory requirements

Distribution of revenues by customer class and service area

2027 Fixed Structure and 2027 Flexible Structure



2027 flexible rate structure

applies to all customers

City of Littleton

- Residential
  - $15.25 per bill
  - $4.10 per $1,000 gallons of average winter water use
- Multifamily
  - $11.44 per unit per bill
  - $4.10 per $1,000 gallons of average winter water use
- Commercial
  - $15.25 per bill
  - $4.10 per 1,000 gallons of actual water use

Customers in City, served by District

- Residential
  - $15.25 per bill
  - $2.98 per $1,000 gallons of average winter water use
- Multifamily
  - $11.44 per unit per bill
  - $2.98 per $1,000 gallons of average winter water use

Outside City

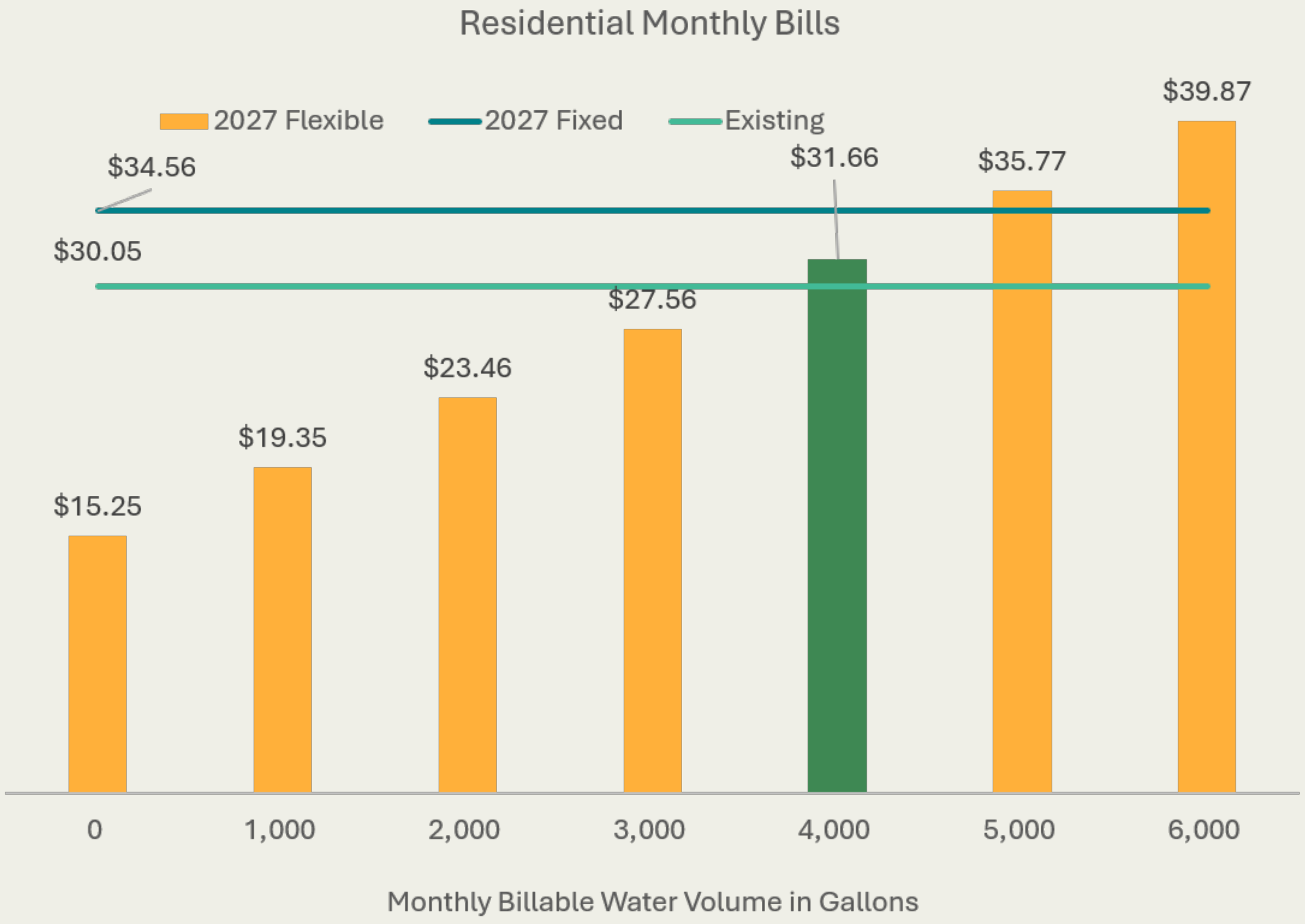
- Residential
  - $18.30 per bill
  - $3.57 per 1,000 gallons of average winter water use
- Multifamily
  - $13.73 per bill
  - $3.57 per 1,000 gallons of average winter water use
- Commercial
  - $18.30 per bill
  - $3.57 per 1,000 gallons of actual water use

Monthly Bill Comparison

Sanitary Sewer

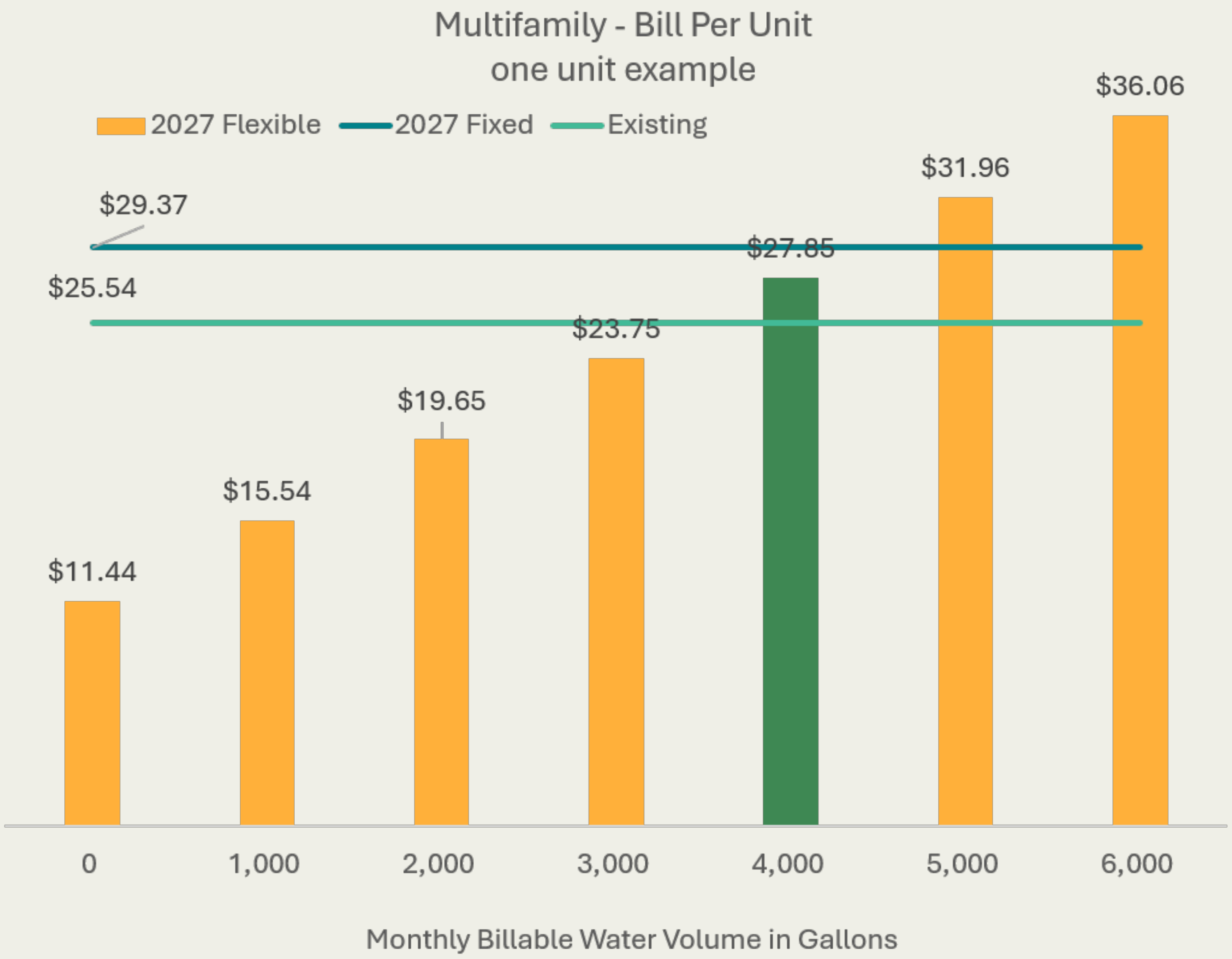
2027 Inside City residential customer bill

- Proposed rates exclude financial plan adjustments and generate the same revenue as existing rates.
- Most residential customer's winter volume averages 3,000 to 4,000 gallons per month
- Recovers collection and treatment costs
- Average winter consumption will be recalibrated annually based on most recent billing information



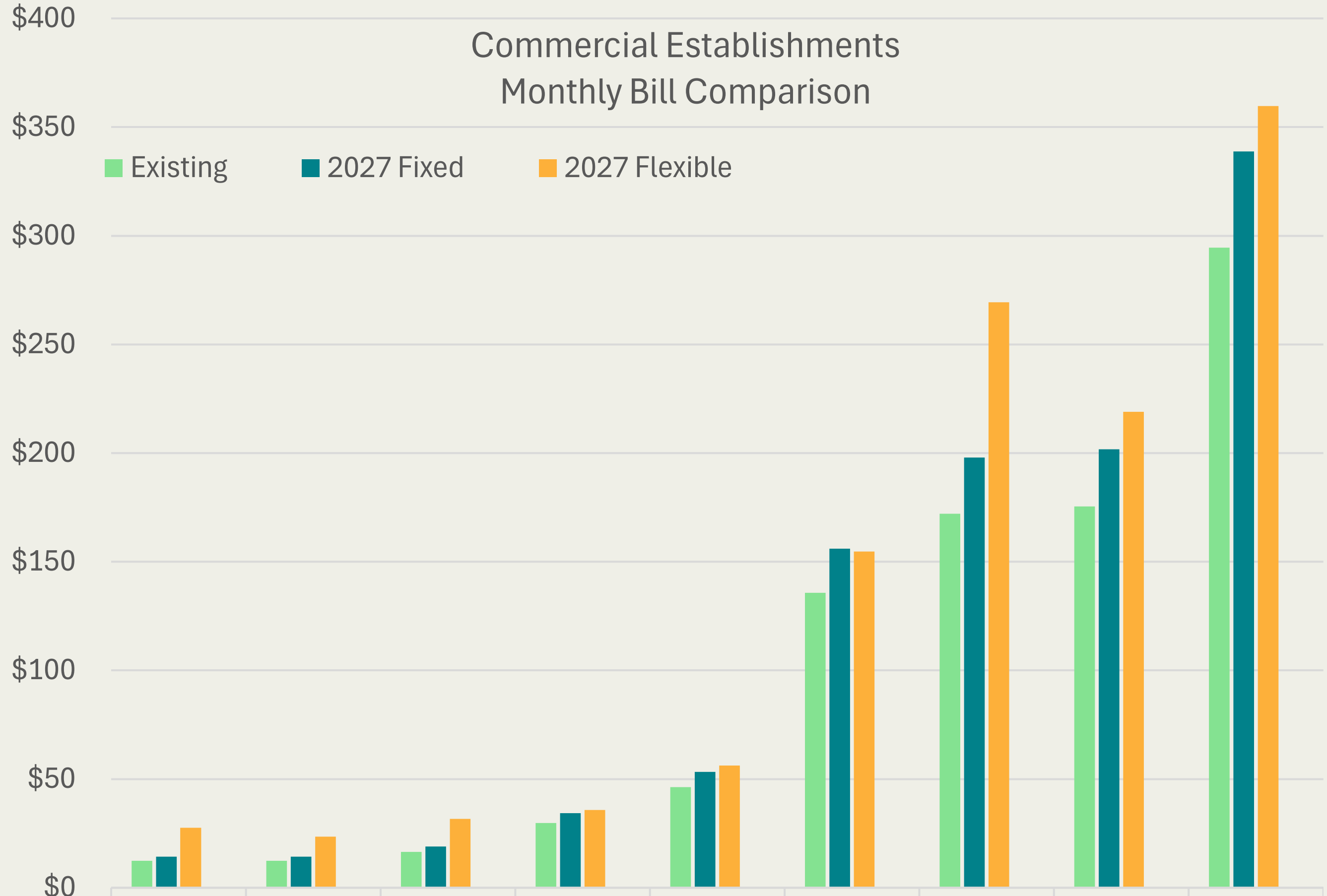
2027 Inside City multifamily customer bill (one unit)

- Multifamily customers are billed on a per unit basis for each bill
- Multifamily billable volume per unit averages 3,000 gallons
- Average winter consumption will be recalibrated annually based on most recent billing information



2027 Inside City commercial customer examples

- Current fixed rate structure is based on customers lowest bimonthly use
- Lowest bimonthly use may understate wastewater flows for some commercial customers.
- 2027 flexible structure bills customers are billed on actual water use
- Under 2027 flexible, customers with consistent year-round water use are expected to see little or no change, while those with greater seasonal variation are more likely to see an increase.

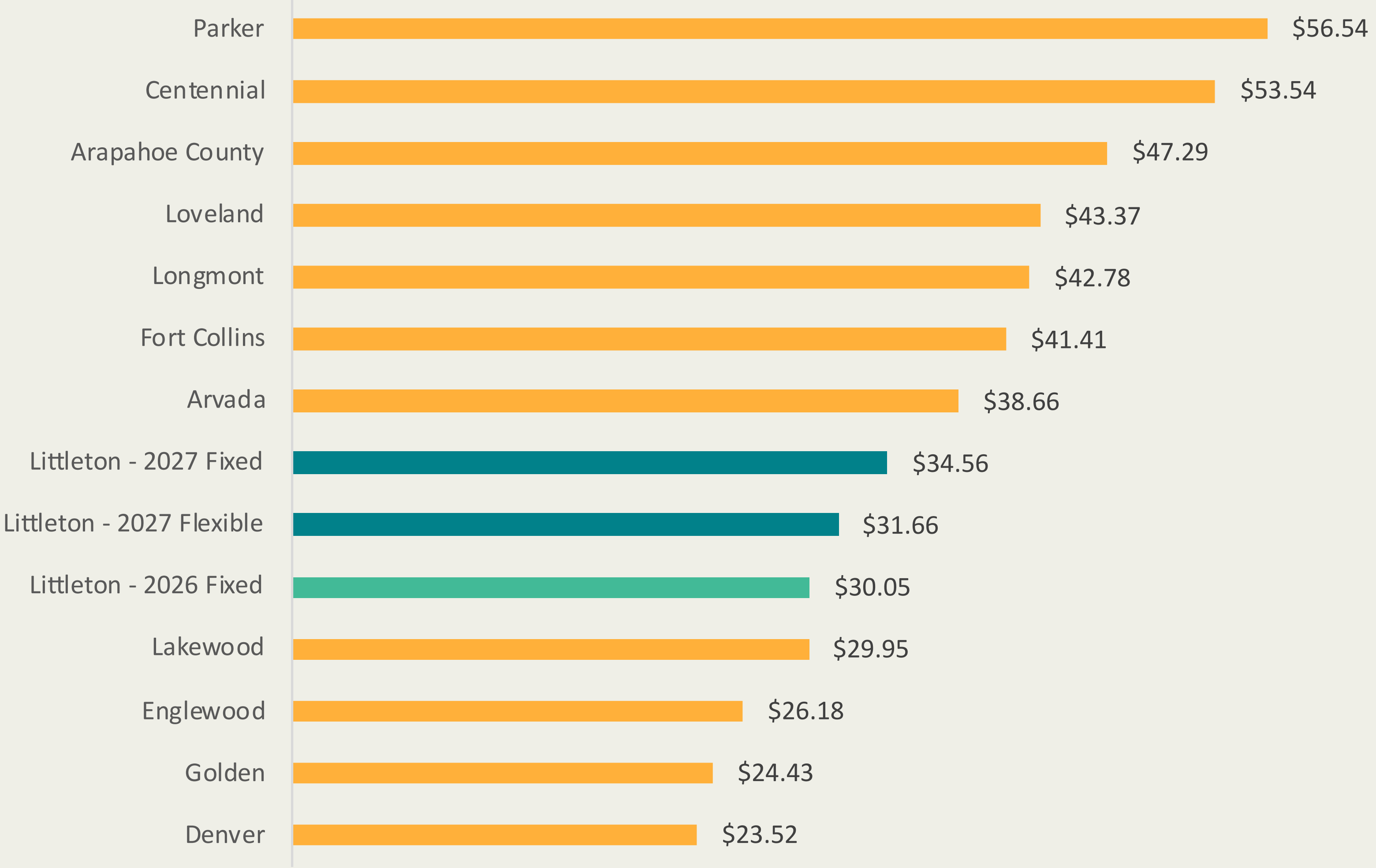


	Oil Change	Auto Parts	Bank	Convenience Store	Local Brew Pub	Small Grocery	Fast Food Burgers	Public School	Sit Down Restaurant
Existing	$12	$12	$17	$30	$46	$136	$172	$175	$295
2027 Fixed	$14	$14	$19	$34	$53	$156	$198	$202	$339
2027 Flexible	$28	$23	$32	$36	$56	$155	$269	$219	$360
Change	$13	$9	$13	$1	$3	($1)	$72	$17	$21

Peer utility survey – avg. single family (inside city)

Why sewer rates differ among utilities

- Rates reflect different operating and capital costs and funding approaches
- Rates reflect differing service levels, capital investments, funding approaches, and cost recovery
- Differences in rates do not necessarily reflect differences in efficiencies or service quality



Storm Drainage Financial Plan Update

Financial plan

No changes from May 11 Council meeting

Capital improvement program
10-year capital program totals $72.4 million

Capital funding sources

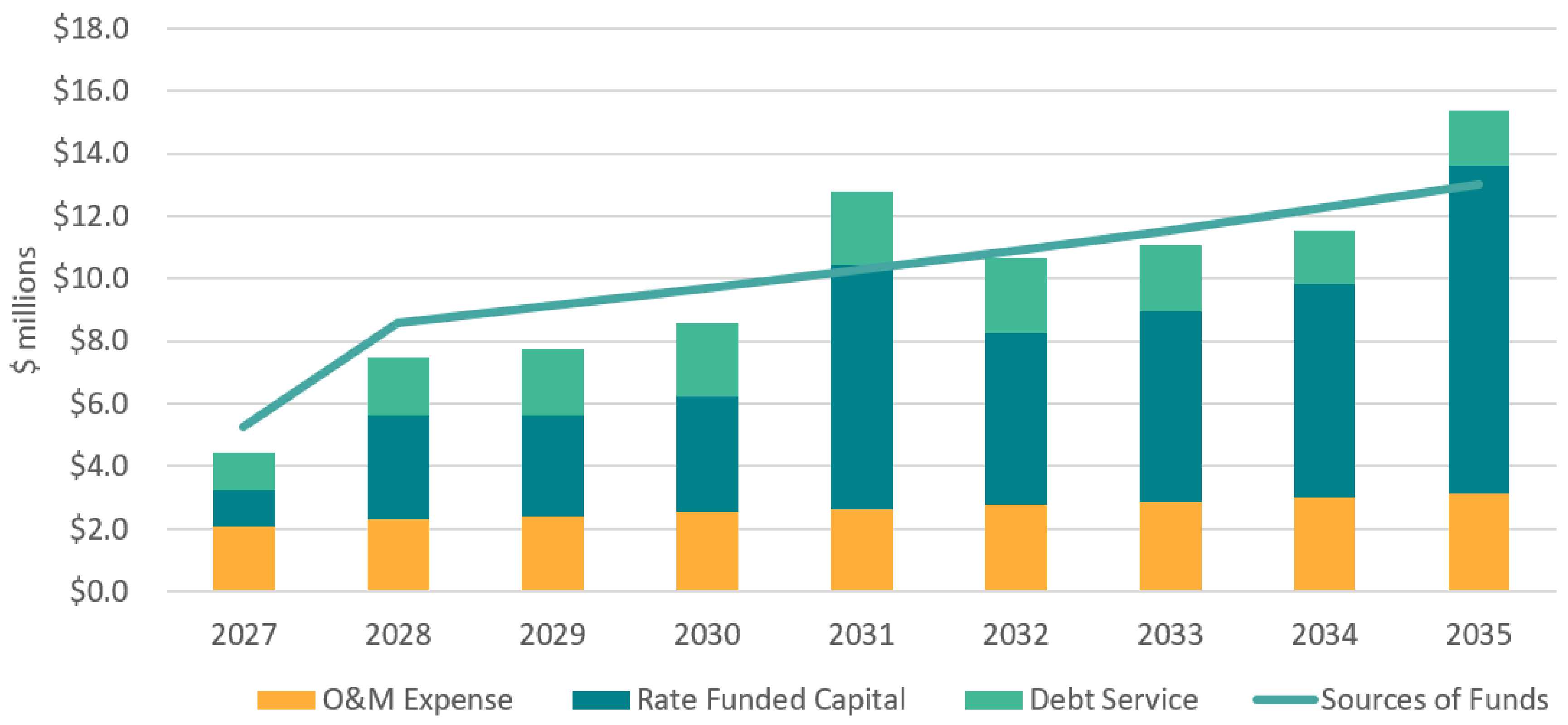
Revenue bonds:	$10.8 million
State loans:	$12 million
Other revenue:	$49.6 million

Capital driver for initial 2027 increase
Rangeview Gulch: $8.0 million

Fund balance building
2026 Balance: $31,800
2025 Balance: $2.1 million
Average target reserve requirement: $620,000

Revenue increases
2027: 60%
2028: 60%
2029 – 2035: 5.2% annually

Storm Drainage 10-Year financial forecast
Annual Revenues and Expenditures



Capital costs are shown net of projects funded by loans and tap fees

Storm drainage
Existing and proposed rates

Assessed annually

Multifamily and nonresidential developed properties fee includes a charge for:
- Impervious surfaces (parking lots, roofs, etc.)
- Pervious surfaces (grass, gravel, permeable payment)

Different charges for developed and undeveloped parcels

Different charge for unsubdivided and subdivided parcel

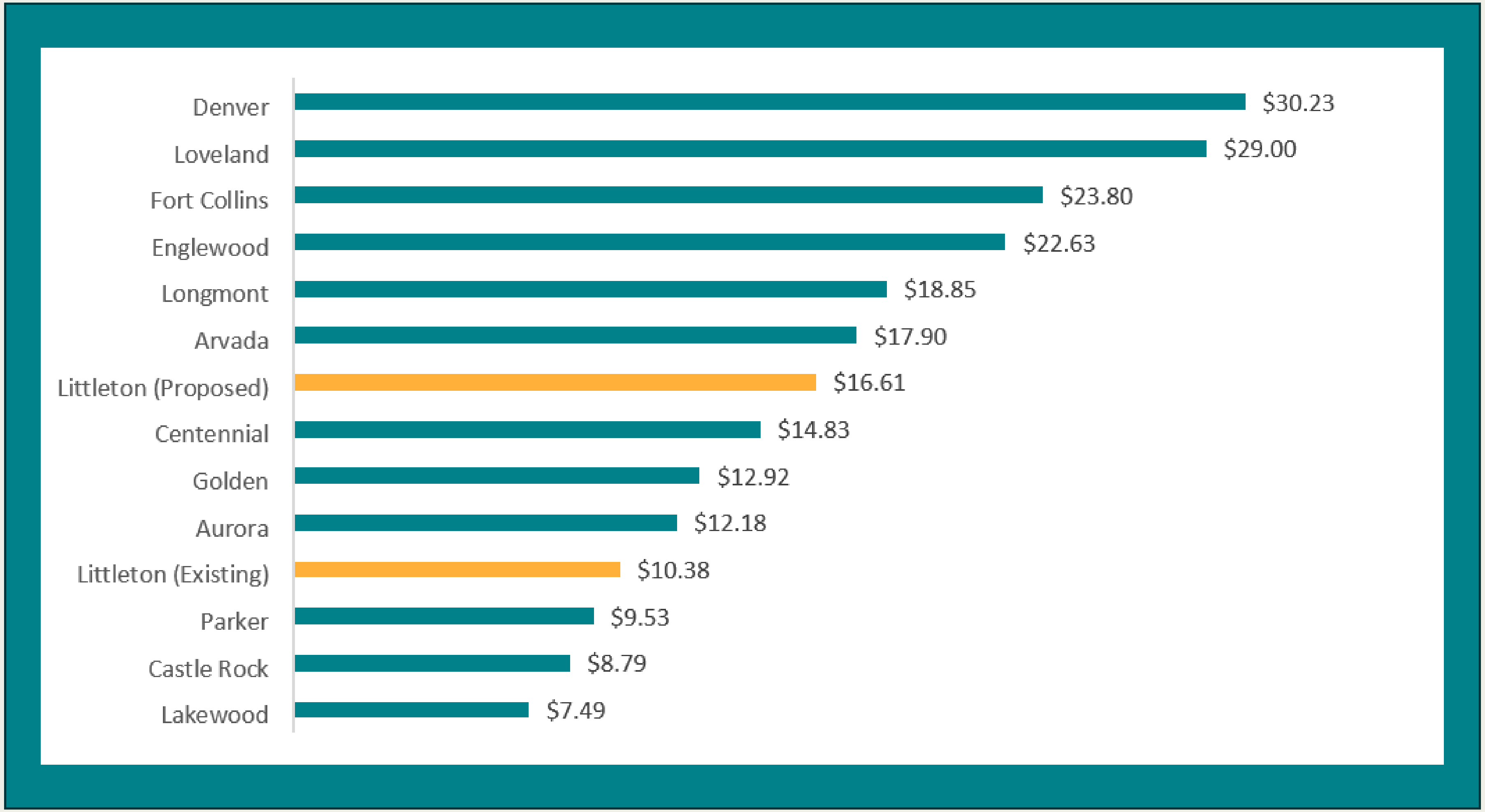
Description	Single Family Detached Structures	Multifamily Residential Commercial, Industrial, Public Properties Churches and Schools

Developed	$ per lot or property
	2026 $124.54
	2027 $199.26
	Inc/(Dec) ***$74.72***
		$ per developed acre of IA
		2026 $1,037.31
		2027 $1,659.70
		Inc/(Dec) ***$622.39***
		+
		$ per acre of pervious area
		2026 $259.33
		2027 $414.93
		Inc/(Dec) ***$155.60***

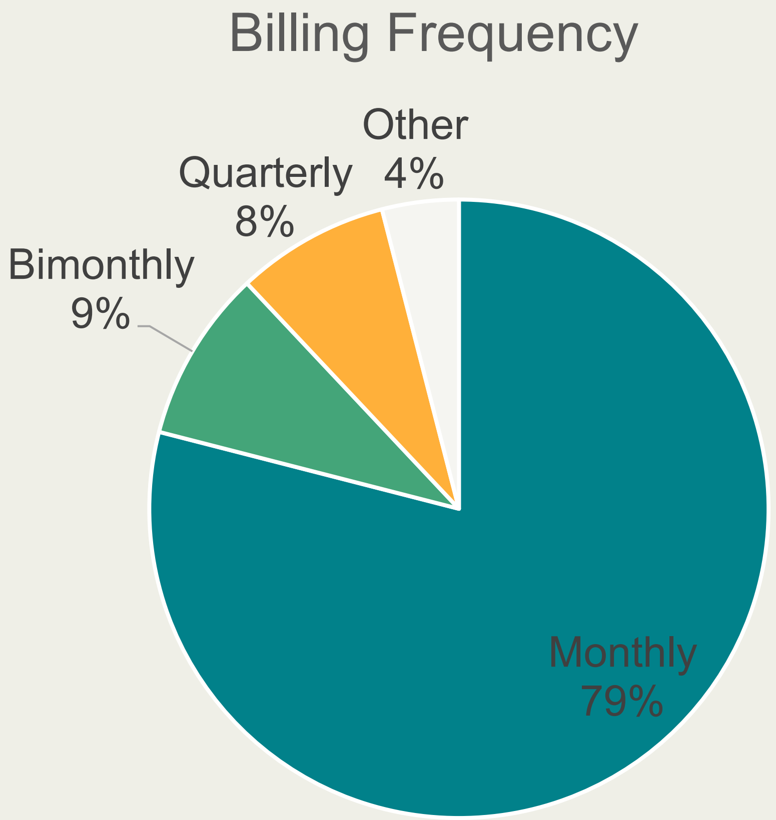
Subdivided/ Undeveloped	$ per undeveloped lot 2026 $31.12 2027 $49.79 *Inc/(Dec)* ***$18.67***	$ per undeveloped lot 2026 $259.33 2027 $414.93 *Inc/(Dec)* ***$155.60***
Undivided/ Undeveloped	$ per undeveloped lot 2026 $259.33 2027 $414.93 *Inc/(Dec)* ***$155.60***	$ per undeveloped lot 2026 $259.33 2027 $414.93 *Inc/(Dec)* ***$155.60***
Vacant and Undisturbed	$ per acre of vacant res property 2026 $25.95 2027 $41.52 *Inc/(Dec)* ***$15.57***	$ per acre of vacant res property 2026 $25.95 2027 $41.52 *Inc/(Dec)* ***$15.57***

Peer inside City residential storm drainage monthly bill comparison

11,000 sq ft
4,500 sq ft
impervious area



Customer billing frequency review



Current billing period: Annual
Industry standard practice: Monthly

Monthly billing benefits

More consistent cash flow/improved financial stability

Improved communication with customers – bill is often only regular form of communication

Avoids bill shock – allows customers to better budget their monthly expenses

Aligns with customers' budgeting/payment schedule

Other considerations

City relies on several datasets from other districts

Sufficient time required to recalibrate AWC billing. Many utilities recalibrate AWC billing with April bills

Affordability assistance program option

- Program considerations
  - Quantity of impacted customers
  - Enrollment
    - Collaboration with Xcel
  - Program administration and operating costs
  - Program funding source
  - Reaching multifamily/master metered customers
- Common measures
  - Percentage of income (median, lowest quintile)
  - Hours worked at minimum wage

Public Outreach

- On-going
  - Littleton Report articles
  - Social media posts
  - Let's Talk Littleton webpage
  - Meet Greet & Eat
  - Connect with Council
- Upcoming
  - Meeting w/ connector district staff in late August
  - Public meeting at Littleton Center on August 26th
  - Virtual public meeting on September 3rd
  - Final presentation to Council in September / October

Recap of Sewer Model Options and Staff Recommendation

Sewer rate structure options:

- Fixed rate per user class (with volumetric component for commercial), or
- Flexible model based mostly on actual water use

Staff Recommendation:

- Proceed with a flexible **sanitary sewer** rate system based on average winter consumption for residential and actual consumption for commercial
- Proceed with a **stormwater** rate model based on existing financial plan and impervious service model as modeled
- Direct staff to proceed with the public outreach schedule as proposed
- Provide direction on whether to proceed with more detailed analysis on a reduced rate structure for those customers who qualify based on income

Thank you!

Contact: Todd Cristiano
303.305.1138 / tcristiano@raftelis.com

Staff Communication

File #: ID# 26-157, **Version:** 1

Agenda Date: 08/11/2026

Subject:
South Platte Renew Governance Model Options Analysis

From:	James L. Becklenberg, City Manager
Prepared by:	Brent Soderlin, Director of Public Works & Utilities
	Reid Betzing, City Attorney
Presentations:	Pieter Van Ry, Director, South Platte Renew

PURPOSE:
Study Session to discuss the South Platte Renew (SPR) governance analysis conducted by the engineering firm Hazen in conjunction with the legal firm Cockrel Ela Glesne Greher & Ruhland, P.C. (CEGR Law) at the direction of Littleton and Englewood City Councils. This analysis is a continuation of the 2021 analysis by FCS Group initiated by the City of Littleton, presented to both Littleton and Englewood Councils in 2022. The foundational materials from 2021 and 2022 are attached for Council's reference.

LONG-TERM OUTCOME(S) SERVED:
Sustainable Community with Natural Beauty; Safe Community; High-Quality Governance

DISCUSSION:
In the initial analysis, FCS Group identified six (6) conceptual models for ownership transfer. Four (4) models involving formation of a Special District, one (1) model involving merger with the Metropolitan Wastewater Reclamation District (now Metro Water Recovery), and one (1) model of selling Littleton's interest to a private buyer. The findings of the FCS Group's analysis concluded that the favorable approach would be to pursue a new Special District.

After receiving direction from both Cities to continue the SPR governance analysis, SPR contracted Hazen, who performed an organizational and financial analysis of alternative SPR governance models. Through this analysis, Hazen identified another viable option: formation of an Authority. Hazen's analysis explored the organizational and financial impacts of creating an Authority, which they presented to the Supervisory Committee in Executive Session in January and March of 2025.

The Supervisory Committee subsequently requested SPR continue the analysis, with specific emphasis on the legal implications of formation of an Authority and associated benefits and risks to the Cities. SPR contracted CEGR Law to perform the legal analysis in conjunction with the Hazen analysis. CEGR Law and Hazen presented the findings at the February and April 2026 Supervisory Committee meetings in Executive session. The Supervisory Committee then directed SPR to present the analysis to both City Councils in Study Session in August of 2026.

This presentation will provide an overview of both phase one and two of the governance analysis and present the formation of an Authority as an alternative governance model for SPR, should the Cities wish to explore it further. During the Study Session, SPR and Hazen will review the analysis and seek input from both Littleton and Englewood City Councils on any further analysis or next steps needed.

BACKGROUND:

South Platte Renew (SPR) is co-owned by the Cities of Littleton and Englewood (Cities) and is governed by the 1973 and 1982 'Agreements between the Cities of Littleton and Englewood, Colorado for Joint-Use Wastewater Treatment Facilities,' also known as the 1973 and 1982 Joint-Use Agreement.

These agreements, written by both Cities, govern the construction, operation, and maintenance of SPR. They clarify how each City should be charged for fixed and variable costs; allocate capital investments for the SPR facility's operation; outline the role of the Supervisory Committee in the daily operational management of the facility; and clarify the City of Englewood's role as the administrative partner that provides SPR with basic business services. The 1973 and 1982 Agreements remain the foundation of the partnership with subsequent signed amendments and Memorandum of Understandings further refining how the Cities operate under the 1982 Agreement. The Cities establish the sewer rates and fees, with input provided by SPR, and manage the agreements and billing with each of the 19 connector districts part of SPR's service area.

In 2021, the City of Littleton contracted FCS Group to conduct an analysis of potential models of transitioning Littleton's ownership interest of SPR to reduce financial obligations as well as business and regulatory risk. FCS Group presented their analysis and ranking of the identified options to City of Littleton and City of Englewood Councils on March 8, 2022, and November 14, 2022, respectively.

After conclusion of the FCS Group's analysis and presentation to both Councils, the Cities directed SPR to continue the governance analysis. In January 2024, SPR contracted Hazen to conduct the second phase of the governance analysis, and CEGR Law in November 2025 to perform the associated legal analysis. This presentation will review findings from phase two of the governance analysis.

<u>Prior Actions or Discussions</u>

- FCS Group presentation to City of Littleton Council on March 8, 2022
- FCS Group presentation to City of Englewood Council on November 14, 2022
- Both Councils directed SPR to continue governance analysis

FISCAL IMPACTS:

N/A

STAFF RECOMMENDATION:

Staff recommends that Council review and discuss next steps regarding the SPR governance analysis.

ALTERNATIVES:

For information only to provide input and next steps regarding the SPR governance analysis.

| Memorandum

To: Mark Relph, City Manager **Date:** September 8, 2021

From: Jason Mumm

CC: Keith Reester, Director of Public Works

RE Potential Modes of Transferring Littleton's Interests in Wastewater Infrastructure

The purpose of this report is to summarize the options that may be available to Littleton if it were to transition its ownership interest in South Platte Renew (SPR) and related wastewater facilities to one that would reduce its financial obligations and inherent business and regulatory risks. This report is not intended to be an exhaustive examination of the available options. Instead, it is a conceptual evaluation intended to identify those opportunities that are relatively better than the others.

EXECUTIVE SUMMARY

We have examined six (6) conceptual models for ownership transfer. Four of these involve formation of different configurations within a new Special District under Title 32 of Colorado law. A fifth option would involve merging with the Metropolitan Wastewater Reclamation District as a Special Connector or Connecting Municipality. Finally, a sixth option would involve selling Littleton's interest to a private buyer. These alternatives are referred to in the report as:

Option A – Special District Littleton-Only
A new special district that would include only the corporate limits of Littleton.

Option B – Special District Littleton + Littleton Districts
A new special district that would include the boundaries of Littleton and all of its connecting districts.

Option C – Special District Littleton + Englewood
A new special district that would include only the corporate limits of Littleton and Englewood.

Option D – Special District All-In
A new special district that would include the combined service areas of Littleton, Englewood, and all connecting districts served by both entities.

Option E – Merger with MWRD
Littleton and Englewood become Special Connectors or Connecting Municipalities of MWRD.

Option F - Sale to Private Party
Littleton and Englewood sell their interests to a private utility company or other private buyer.

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Redmond Town Center
7525 166th Ave NE, Ste D-215
Redmond, Washington 98052

Locations
Washington | 425.867.1802
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Colorado | 719.284.9168

We evaluated each of the options in seven categories based on how well each option is expected to perform. A rating of "5" means the option is expected to perform extremely well within the category; a rating of "1" means the opposite.

Table 1: Summary of FCS GROUP's Evaluation of Alternatives

Feature / Category	A	B	C	D	E	F
Transfers the Assets	5	5	5	5	3	5
Transfers or Eliminates the Liabilities	5	5	5	5	3	3
Transfers All Future Obligations	5	5	5	5	4	5
Cash Flow to Littleton	2	4	2	4	1	5
Impact on Littleton Ratepayers	4	5	4	5	1	2
Time to Implement	5	3	4	2	1	1
Total Rank (highest is best)	26	27	25	26	13	21

Based on our evaluation, we are of the opinion that Littleton's best approach is to pursue a new special district where it can maximize its leverage with its exclusive connecting districts for additional financial considerations. Option B, which is a special district inclusive of Littleton and the connecting districts it serves exclusively may produce the greatest overall benefit level for Littleton. Option B allows Littleton to accomplish its objectives for transferring the assets and liabilities, and its future obligations, to an entity unaffiliated with the City (i.e., a new sewer district). These benefits could also be accomplished by pursuing Option A. However, Option B seems preferable because the City could use the offer of inclusion in exchange for financial considerations. In our assessment, we think it is likely that Littleton's equity in SPR and related wastewater facilities exceeds that of its connecting districts[1]. It may be possible to adjust these disparities as a condition of inclusion whether through up-front payments or some other financial arrangement. Meanwhile, the connecting districts may be motivated to include in a new district because it would give them a more meaningful role in governance and would allow them an opportunity to replace their District Agreements with new terms of service (notably, eliminating the 20% surcharge they currently pay).

Other options for a special district would include expanding the boundaries to include Englewood and/or its connecting districts as well. Those options are in many ways equally attractive with Option D, the All-in District, being more attractive since it offers the same opportunity for Littleton (and Englewood) to leverage the offer of inclusion in exchange for additional consideration.

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[1] While the connecting districts have no legal equity in the assets, they likely do have a certain level of contributed equity earned from payment of tap fees and other payments over time. Whether a disparity exists between the districts and Littleton is something that should be analyzed further if Littleton decides to move forward.

However, Options C and D probably take longer to accomplish, and neither is attainable unless Englewood agrees.

Merger with MWRD is almost certainly the most expensive option. We estimate that Littleton alone would have to pay a buy-in fee to MWRD of approximately $482 million. Moreover, it does not seem practical for Littleton to pursue a merger by itself. The deal would almost certainly have to include Englewood, which could bring the total buy-in to nearly a billion dollars. Offsets to the buy-in fee may be available, but it is doubtful those credits for in-kind contributions – mostly, the value of the SPR facilities contributed to MWRD in such a merger – would reduce the buy-in fee to a level that would present a positive business case for Littleton or Englewood.

We think it is unlikely that Littleton would be able to sell its 50% interest in SPR to a private third party. Doing so would convey a non-controlling interest. Having a public entity (Englewood) as an equal partner is probably an unappealing outcome for a private buyer, so a realistic sale would likely need to involve both Littleton and Englewood as joint sellers. If a sale were to occur, we believe the buyer may be willing to pay a substantial premium above the book value of the underlying assets, which would probably result in the most cash flow to Littleton of the options we evaluated. However, the private buyer is likely to request rate adjustments from the Colorado PUC that include the acquisition premium. In other words, Littleton's ratepayers would ultimately be the ones paying for both the assets (again) and for the acquisition premium; they would do it by way of higher rates.

BACKGROUND

Contracts Review

Littleton – City of Englewood Agreement

Littleton entered into an *Agreement Between the Cities of Littleton and Englewood, Colorado for Joint-Use Wastewater Treatment Facilities* (Joint Agreement) in 1982. The Joint Agreement sets forth the basic principles for joint ownership and operations of the facilities of what was then known as the Bi-City Plant, but now known as the South Platte Renew (SPR).

Regarding the operations of SPR, the Joint Agreement established the Supervisory Committee consisting of two employees from Littleton and two from Englewood, each designated by the respective City Managers. The Supervisory Committee has oversight of the operations of SPR. However, the Joint Agreement established Englewood as the operator of record. The costs of operating SPR are distributed to the two cities on the basis of volumes of contributed sewage while all capital improvements were to be shared on a 50/50 basis.

The Joint Agreement has no termination date. Section V.1 states: "this contract shall exist in perpetuity unless terminated by mutual agreement or operation of law…" Moreover, there is no explicit provision in the Joint Agreement limiting either party with respect to assignment of their interests. Subject to an expert legal review[2], we see no reason why Littleton could not assign its entire interest, including all it contractual rights and responsibilities in the Joint Agreement to a third party without the approval of Englewood.

Sewer Service Agreements

Littleton entered into exclusive Sewer Service Agreements with six districts (Littleton Districts) at various times starting in 1983 including Grant Water & Sanitation, Ken Caryl Ranch Water & Sanitation, Meadowbrook Fairview Metropolitan, Platte Canyon Water & Sanitation, Roxborough Water & Sanitation, and Southwest Metro Water & Sanitation. Two other agreements – Columbine Water & Sanitation and Bow-Mar Water & Sanitation – involve joint services with Englewood (Littleton-Englewood Districts). Please refer to Exhibit 1 on the final page of this report for a comprehensive list of districts served by both Littleton and Englewood.

The Sewer Service Agreements (District Agreements) are substantially similar. Among other things, the District Agreements establish Littleton as the publisher of all applicable rates and charges for service, or which there are two types described explicitly in the District Agreements: tap charges, and service charges. In both cases, Littleton has the right to change the charges by City Ordinance.

While no District has the right to assign its interests in the agreement, Littleton retained the explicit right "to assign its rights and obligations under this contract to a Regional Service Authority or other similar entity." Subject to further expert legal review, we see no reason on plain reading of the District Agreements that Littleton could not assign or sell its ownership to a regional entity like those described later in this report.

Englewood serves 12 connecting districts[3] exclusively (Englewood Districts) via similar contracts to the District Agreements, and shares services with the two Littleton-Englewood Districts. However, we did not review Englewood's agreements in writing this report and cannot verify their terms at this time.

Financial Positions

Financial capacities could be a limiting factor in considering any regional authority that might consist of shared interests among Littleton and the Districts. We reviewed financial disclosures made to the Colorado Department of Local Affairs (DOLA) to evaluate two key indicators of financial capacity. The first measure is the net cash position of each entity determined by deducting the long-term debt from the net working capital[4]. The second measure is the operating and total cash flows for each entity. For reasons that will become apparent later, we wanted to evaluate the extent to which

[2] FCS GROUP does not provide legal advice in any capacity whatsoever. Nothing in this report should be relied upon as legal advice.
[3] The Greenwood Village Sewer GID receives service via Southgate Sanitation District. However, because Southgate receives its service from Englewood, we have included Greenwood Village Sewer GID as an "Englewood District" for the purposes of this report.
[4] Net working capital is defined as all current assets less all current liabilities reported on annual financial reports.

the Districts may be able to make cash contributions, either up-front or over time, toward the formation of a new regional entity.

Net Cash Positions

The net cash position is intended to give an indication of current liquidity. In this case, we measured liquidity as the total of all cash, investments, and receivables (the current assets) less all short-term obligations (the current liabilities), and less all long-term debt. The net value demonstrates the cash that could potentially be available after repayment of all short and long-term liabilities. Table 2, below, summarizes the findings from our review of the most financial disclosures posted to DOLA (all values are for the 2019 fiscal period unless indicated otherwise).

Table 2: Net Cash Position ($ in thousands)[5]

Entity Name	Net Working Capital	Long-Term Debt	Net Cash Position	As % of Total Assets
Littleton	$21,635	$15,503	$6,132	7%
Columbine[6]	737	-	737	47%
Meadowbrook[7]	4,616	-	4,616	86%
Bow Mar[8][9]	747	(240)	507	19%
Grant	3,480	-	3,480	36%
Platte Canyon	11,234	(385)	10,849	46%
Roxborough	16,280	-	16,280	13%
Southwest[10]	22,317	-	22,317	36%
Ken Caryl	14,061	-	14,061	46%
Total	**$95,107**	**($16,128)**	**$78,979**	**23%**

The net positions, above, indicate there is a reasonable level of liquidity among Littleton and the Districts. The average net position as a percentage of total assets was 21%, which implies that about a fifth of the total assets could be available for use in forming a new regional entity. Those entities with higher liquid positions as a percentage of total assets may have more financial flexibility to make contributions to a regional authority if necessary.

Cash Flows

We evaluated cash flow in terms of operating activities, non-capital financing activities, capital activities, and investment activities. In many cases, the Districts' operating cash flows were

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[5] Financial results for Littleton are for its Sewer Fund only. In the case of the Districts, the values include results for all activities, not exclusively sewer-related.
[6] A Littleton-Englewood District
[7] Meadowbrook financial results from 2017 Audited Financial Statements (source: DOLA)
[8] A Littleton-Englewood District
[9] Bow Mar financial results from 2018 Audited Financial Statements (source: DOLA)
[10] Southwest financial results from 2020 Audited Financial Statements (source: DOLA)

insufficient to produce long-term solvency, but other inflows, notably from property taxes and investments, made up for the deficits. Table 3, below, summarizes the cash flow values from the most recent financial statements. The table demonstrates how Districts mostly use non-capital and investing activities to subsidize their operations, whereas Littleton does not.

The lack of reliable cash flows from operating and non-capital (i.e., mostly property tax) sources indicates that ongoing financial contributions for a potential regional service authority may meet resistance with the respective boards of directors for the Districts. Any requirement for ongoing payments, above and beyond the current rates charged for services, would have to be funded with either additional rate increases (i.e., more operating cash flow), or increased property tax (i.e., non-capital cash flows. It is unlikely the additional cash flow could come from capital activities or investment activities due to the nature of those sources.

Table 3: Cash Flow Summary

Entity Name	Operating Activities	Non-Capital Financing Activities	Capital Activities	Investment Activities	Total
Littleton	$4,222	$-	$(3,962)	$931	1,191
Columbine	(120)	137	-	15	32
Meadowbrook[11]	215	352	21	37	625
Bow Mar[12]	(231)	302	(38)	2	35
Grant	47	-	2	1,175	1,224
Platte Canyon	(951)	1,760	(1,523)	434	(280)
Roxborough	(964)	770	1,238	312	1,356
Southwest[13]	(285)	-	(232)	6,422	5,905
Total	**$1,933**	**$3,321**	**($4,494)**	**$9,328**	**$10,088**

CURRENT STRUCTURE

The current structure is defined by a combination of the Joint Agreement and the District Agreements. Littleton owns half the SPR while Englewood owns the other half and is the managing agency. Littleton provides service to its retail connections located inside the City's boundaries, and to the Littleton Districts to whom the City charges a 20% premium relative to its retail customers. Sewer rates are established annually by resolution of the Littleton City Council.

The current rates only produce a modest margin that Littleton could apply to its capital needs. In 2018, the rates produced no margin – in fact, a $250k deficit – when compared to operating costs and annual debt payments. Annual capital expenditures tend to exceed the operating margin from year to year, forcing Littleton to rely on tap fees and non-rate revenues to fund those requirements and

[11] Meadowbrook financial results from 2017 Audited Financial Statements (source: DOLA)
[12] Bow Mar financial results from 2018 Audited Financial Statements (source: DOLA)
[13] Southwest financial results from 2020 Audited Financial Statements (source: DOLA)

contribute to reserve levels. Table 4 summarizes Littleton's sewer enterprise revenues from 2017-2019.

Table 4: Summary of Revenue and Expenditures 2017-19 ($-millions)

Item Description	2019	2018	2017
Sewer Charge Revenue	$14.58	$13.97	$13.65
Operating & Maintenance Expenses	(10.01)	(10.95)	(8.90)
Annual Debt Service	(3.27)	(3.27)	(3.28)
Subtotal - Funds Available for Capital Needs	$1.30	($0.25)	$1.48
Capital Outlays	(3.40)	(3.08)	(1.52)
Other Income & Tap Fees	3.82	1.94	1.86
Decrease (Increase) in Reserve Funds	(1.72)	1.40	(1.81)
Subtotal - Net Capital Sources/(Uses)	(1.30)	0.25	(1.48)
Surplus (Deficit)	**$0.00**	**$0.00**	**$0.00**

Future Considerations

SPR is currently in design and construction of enhancements necessary to meet new environmental regulations for nutrient removal. Whereas Littleton's share of capital outlays related to SPR ranged from $1 - $3M for 2017-2019, future capital outlays are expected to be much larger. As those capital needs increase, a larger burden will fall on the rates either from direct expenditures or to support additional debt service. The recent rate study completed by the City of Englewood revealed an expected $99M in new capital projects scheduled between 2020 and 2030. Littleton's share of the CIP costs would therefore come to approximately $5M per year. Additional capital projects are expected in the timeframe past 2030 to meet even more stringent regulations in addition to normal expenditures to maintain and preserve the facilities in good order.

About 18 MGD of the SPR's permitted 50 MGD remains available for growth and other users, of which Littleton would be entitled to approximately 9 MGD[14]. New connections, whether inside the City of Littleton or in any of the Littleton Districts, must pay a sewer tap fee, currently $5,000 for connections inside the city and $5,656 for connections outside the city[15]. The tap fees vary for non-residential connections and multi-family connections. Assuming a demand of 150GPD per residential unit, the City's reserve capacity of 9 MGD is worth at least $300M based on the current inside-city residential tap fee. Realizing this value would, of course, require Littleton to increase its connections whether inside or outside the City. While the potential exists, the prospects of increasing

[14] Based on representations provided by the City of Littleton.
[15] City Code, Title 7-5-18. For Residential connections only.

the number of residential connections by approximately 60,000 units are seemingly limited. Based on representations from the City, growth potential is limited both inside and outside the City as both areas are mostly built out already. A more realistic assumption is that the City will receive a steady if not decreasing level of tap fee income into the future; it may take decades to approach the 60,000 connections available within Littleton's reserve capacity.

Therefore, while tap fees will probably continue to provide some level of offset to the annual capital expenditures in the future, it is more likely that sewer charges will have to increase, perhaps significantly, to support the increasing costs.

POTENTIAL ALTERNATIVE STRUCTURES

There is a limited number of alternative structures available to Littleton ranging in their scale, scope, and difficulty levels. We have evaluated three overarching structures: formation of a special district; sale to a private party; and merger with adjoining providers. Any of these could be potential options in meeting Littleton's goals with respect to its ownership under the Joint Agreement.

Formation of a New Special District

The District Agreements specifically allow Littleton to assign its interests to "a Regional Service Authority or similar entity." One of the alternative structures that fits the contractual description of "regional service authority" would be that of a Special District under Title 32 of Colorado law. The specific steps for forming a new Special District are prescribed by law, but include the following basic elements:

1. ***Service Plan*** – the basic service plan should include a description of the area to be included; description of the proposed facilities and services to be provided, including engineering and architectural data; a financial plan with estimated costs and proposed indebtedness; a description of any intergovernmental agreements the new district will rely on for its implementation. The service plan must be approved by the Board of County Commissioners of each county containing any portion of the proposed district boundaries. The service plan could be confined to the services already provided by SPR or could be expansive. For the purposes of this report, we have assumed that any service plan filed would mirror those services already provided.

2. ***District Court Approval*** – Once the service plan has been approved by the appropriate Boards of County Commissioners, a petition is filed with the District Court in the county in which the district is located. The petition must be signed by at least 30% of the taxpaying electors of the district. Individuals may request of the Court to exclude their properties from the proposed district.

3. ***Organizational Election*** - If the District Court finds the service plan is acceptable, it will order an election among the residents of the proposed district. The election will include the question of the organization of the district and the election of the initial board of directors. It may also include voter authorization of a property tax and the issuance of bonds if those elements are necessary for the formation of the district.

Once formed, the new district (Sewer District) is governed by its five or seven-member board of directors. The board would have authority, independent of other governing bodies, to govern the district within the scope of its powers. Certain powers, however, are retained by cities and counties, such as land-use powers (planning, zoning, etc.).

Littleton would have some discretion as to the configuration of the new Sewer District ranging from a Littleton-only district to an expansive district that could include Englewood and all connecting districts as well. We see four (4) realistic structures at this time and have summarized our thoughts for each of them in the following sections.

Option A: Special District - Littleton Only

Summary: Forming the new district would allow Littleton to transfer its sewer-related assets and liabilities to the new Sewer District, and it would alleviate future financial and regulatory obligations for the city. It would not likely result in any significant infusion of cash to Littleton; we estimate about $3 million in restricted fund balances could be retained by Littleton in the transaction.

How would it work?

Littleton would form a new Sewer District by filing a service plan with the boards of county commissioners for Arapahoe, Douglas and Jefferson counties defining the boundaries to include only the corporate limits of Littleton. As part of the service plan, Littleton would submit an intergovernmental agreement that would assign Littleton's interests in the Joint Agreement and District Agreements to the Sewer District. The IGA could further specify other elements related to the transfer of Littleton's assets, repayment of outstanding debts, establishing rates, or other matters of importance to Littleton. The IGA must be filed with the service plan. Assuming the District Court approves of the service plan, the election to organize the new Sewer District would be held among Littleton's eligible voters.

In essence, the Sewer District would become a new enterprise fund, separate and distinct from Littleton. It would inherit Littleton's rights and obligations.

Who would it include?

The boundaries of the Sewer District under Option A would include only the Littleton corporate limits. Districts currently served by Littleton under the District Agreements would continue to receive service under the terms of those agreements, but Littleton's role as provider would be replaced by the new Sewer District's.

What's in it for Littleton?

Forming a new Littleton-only district involves the transfer of Littleton's ownership and contractual rights to the new Sewer District. It will either dilute or eliminate Littleton's ability to influence the strategic direction of SPR, to be replaced with the vision and direction guided by the new Sewer District's board of directors. The transfer of ownership would also transfer Littleton's current and future financial liabilities with respect to the SPR. For instance, debts related to the SPR would be similarly transferred to the new Sewer District through a legal defeasance or similar process[16]. Rates and charges, however, are likely only minimally affected because the customers served, regardless of organizational structure, would remain the same. In other words, Littleton may be able to clean up its balance sheet by reorganizing its interests into a new Sewer District, but the rates paid by its residents and connecting districts would probably remain materially the same.

It is unlikely that reorganizing as a new Sewer District would result in any significant cash infusion for Littleton assuming one of the goals is to keep customers' rates steady. According to its 2019 annual financial report, Littleton had $26.9 million in liquid assets vs. $5.2 million in short-term liabilities, yielding net working capital of $21.7 million. Approximately $1.4 million of that amount appears to be held in a restricted account under the Joint Agreement, leaving $20.3 million of funds held in reserve. It may seem attractive to retain those funds for Littleton rather than transferring them to the new Sewer District. However, the most likely reason those funds are being held in reserve is as a source of funding for future capital projects. If the funds were used for some other purpose, it would result in the new Sewer District having to increase rates to fund those very same projects. In other words, the funds should either be transferred or retained according to their intended use. As of 2019, there was $3 million being held in a restricted account for "Rate Stabilization:" it seems plausible that this portion of the cash could be retained by Littleton, but it is unclear how much if any of the remaining $17.3 million might also be retained after accounting for the intended use of those funds.

Option B: Special District - Littleton + The Littleton Districts

Summary: Including Littleton along with the boundaries of the Littleton Districts creates a more inclusive Sewer District but also makes its formation more challenging. However, it may be possible for Littleton to leverage the offer of inclusion in such a district in exchange for additional cash considerations from the Littleton Districts.

How would it work?

Instead of filing a service plan with boundaries confined by the Littleton corporate limits, Option B would expand the boundaries to include the Littleton Districts. Doing so would increase the number of boards of county commissioners from whom the new district would need approval. Based on filings with DOLA, to include the Littleton Districts in the service plan would require approvals from Jefferson, Douglas, Arapahoe, and Denver counties (see Exhibit 1 located on the final page of this report). Assuming the service plan receives commissioner and District Court approval, the organizational vote would have to include all eligible voters within the proposed boundaries. The board of directors for the new Sewer District could be from anywhere within its boundaries. In all other ways, this proposed district configuration would work like Option A.

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[16] FCS GROUP does not provide Municipal Advice within the definition of the Securities and Exchange Commission rules and is not a registered Municipal Advisor. Nothing in this report should be construed as Municipal Advice within the meaning of SEC Rule 15B.

Who would it include?

The boundaries under Option B would include all of Littleton as well as the service area boundaries of the Littleton Districts. The Littleton-Englewood Districts would not be included.

What's in it for Littleton?

Adding the Littleton Districts to the service area boundaries for the new Sewer District would make its formation that much harder. It adds another county, Denver, to those that would have to approve the plan, and it increases the voting requirement to organize the district. The larger boundary, while being much more inclusive, also dilutes Littleton's influence in the new Sewer District.

With this approach, Littleton could attempt to require some sort of "buy-in" fee to bring the Littleton Districts' equity in the assets up to a level on relative parity with Littleton. Such a fee may have merit if additional financial analysis[17] were able to demonstrate a disparity in Littleton's equity – net of all contributions and grants – compared to the Districts'. Under that assumption, it may be possible for Littleton to gain additional cash flow considerations under Option B, but only if the Littleton Districts were agreeable to it. Littleton would need their agreement, most likely, before filing the service plan with the various counties. It is unknown whether the Littleton Districts may be agreeable to such a proposal, but they may be motivated to agree to improve their position in the governance of the new Sewer District, and to restructure their District Agreements. Restructuring the District Agreements would allow the Littleton District's to potentially eliminate the 20% surcharge they currently pay to Littleton. The elimination of the surcharge, all else being equal, may result in the rates for Littleton's residents increasing somewhat. We recommend analyzing the impacts on Littleton's rates before proceeding too far with Option B.

The financial background we presented earlier is relevant here. What those results show is that the Littleton Districts have a reasonable level of liquidity to make some amount of cash contribution, but currently lack a reliable source of annual cash flow to make ongoing payments above and beyond the rates. However, some combination of up-front contributions and ongoing payments involving portions of the 20% surcharge seem like viable solutions assuming the Littleton Districts are motivated to be included in the Sewer District rather than simply receiving service from it under the terms of the District Agreements.

Option C: Special District - Littleton + Englewood

Summary: Increasing the boundaries of the new Sewer District to include the corporate limits of only Littleton and Englewood offers the potential for organizational efficiencies but probably no immediate financial benefits other than those already available to Littleton in Option A.

[17] We were unable to conduct the kind of analysis that would be necessary to demonstrate the disparity described here; it would be something that should be examined should Littleton wish to pursue this approach.

How would it work?

This approach would consolidate both Littleton's and Englewood's interests under the Joint Agreement into a single Sewer District. The service plan would include the corporate limits of Littleton and Englewood only, and would not extend to either party's connecting districts. Being located exclusively in Arapahoe County, the addition of Englewood to the service area boundaries would not change the number of counties required for approval of the service plan compared to Option A.

We were unable to review any service agreements between Englewood and its connecting districts, so we are unable to confirm whether Englewood might be able to assign its role in those agreements to a new district as Littleton can.

Who would it include?

The new Sewer District boundaries would include the corporate limits of Littleton and Englewood. Connecting districts would continue to receive service under their existing District Agreements but the roles of Littleton and Englewood would be replaced by assignment with the Sewer District.

What's in it for Littleton?

For Littleton, Option C offers approximately the same challenges and benefits as Option A. Including Englewood into the new Sewer District, may have some additional benefits, however, from an operational and managerial perspective.

Under Option A, the governance of Littleton's interests in SPR is managed separately from SPR itself; it only replaces Littleton's role with that of a new Sewer District. The role of the Supervisory Committee would continue under Option A with Littleton's members appointed by the new Sewer District's board. However, including Englewood in the new district would create an alignment of governance, management, and operations that would be unique to the Joint Agreement relative to its history. Rather than an operator (SPR) governed by two municipalities (Littleton and Englewood), the new Sewer District under Option C would most likely establish SPR as the district's managers with an elected board of directors rather than the cities' staff members.

Apart from the potential for organizational efficiencies, there may be no immediate, quantifiable financial benefit to Littleton from pursuing a Littleton-Englewood special district above those benefits already outlined in Option A. Also, it is unclear whether Englewood has any desire to transition its interest in the Joint Agreement to a new special district. Including Englewood in the service plan would obviously require their agreement.

Option C: New Special District – All In

Summary: The All-In district would be the most expansive of those discussed as it would include all of Littleton, Englewood, and all connecting districts. This option offers Littleton the potential to gain organizational efficiencies per Option C with the potential for added financial benefits presented in Option B. While potentially offering the greatest level of overall benefits, but this approach is likely the more difficult one to implement.

How would it work?

The service plan would include a boundary encompassing Littleton, Englewood, and all connecting districts for both cities. It would require approval from four counties: Arapahoe, Douglas, Jefferson, and Denver. The area requiring voter approval would be similarly expanded.

Who would it include?

All entities currently served by SPR.

What's in it for Littleton?

Expanding the Sewer District to include all those entities currently served may offer both Littleton and Englewood the ability to address any disparities in equity that may exist between them and their connecting districts. As we described in Option B, additional financial analysis may indicate that the districts are not on parity with Littleton and Englewood in terms of their equity in the assets. Littleton and Englewood own a 50 MGD facility (25 MGD each), but the districts have only contributed up to some portion of the 32 MGD that is currently used. Thus, the two cities are holding about 18 MGD in reserve capacity, an investment they have paid for that the districts likely have not. If such a disparity exists, subject to future analyses, then addressing it could take a few forms. The "buy-in" fee mentioned with Option B would present a total sum to be paid by each district to reach parity. That sum could be repaid to Littleton and Englewood through various arrangements that could be addressed in the service plan (via IGA submitted with the plan). Although such payments seem viable for the Districts served by Littleton, we have not evaluated the financial capacities of Englewood's connecting districts.

The connecting districts may in fact be motivated to agree to the fees given the alternatives. Having a more direct role in the governance of the SPR ought to appeal to the districts, as would the idea of having their existing service agreements restructured or eliminated. Those options would simply not be available to the districts if they did not agree to an adjustment in equity because Options A and C are easier to implement and would give the districts no role in governance.

Indeed, Englewood itself may be motivated to pursue this option with Littleton. Englewood has recently gone to its connecting districts to enforce a 20% surcharge on their rates, up from a 5% surcharge in the past. The move indicates that Englewood is also looking for cash flow solutions to meet its own financial burdens with respect to SPR. So far, the rate proposal has met with some resistance from Englewood's districts. However, the new All-In District may represent an opportunity for Englewood to reduce its financial obligations – same as Littleton – and to recoup disparities in equity.

Option D: Merger with Metro Wastewater

Summary: A merger with MWRD would trigger potentially massive up-front financial payments from Littleton to MWRD, which by itself would probably be a showstopper. Littleton would potentially have to pay $482 million in buy-in fees, would have get Englewood to agree to the merger, and there would be additional operational challenges to consider too.

How would it work?

It may be possible for Littleton to merge its interest an already existing provider with a similar scope of services. Of the providers that adjoin the combined service area of SPR, only the Metropolitan Wastewater Reclamation District (MWRD) seems to present a fit in terms of technical, managerial and financial scale.

The mechanics of how MWRD might absorb SPR are unknown; MWRD has not acquired a treatment operation like SPR in its history. They have, however, added to the district's membership over the years, and we would expect a merger to take place in a similar fashion. Obtaining service from MWRD, likely as either a Special Connector or Connecting Municipality under the MWRD Rules and Regulations, would require a buy-in fee calculated as the rate per equivalent unit multiplied by the number of equivalent units to be connected. The cost could be prohibitively expensive.

According to Littleton, the current influent levels are at 32 MGD, of which Littleton is responsible for about 49%, or about 16 MGD. The approximate flow per SFRE for MWRD is 148 gpd, which means Littleton has approximately 106,000 SFRE. The current sewer connection fee is $4,550 per single-family residential equivalent (SFRE)[18], which brings an estimated buy-in to the MWRD system to approximately $482 million. It may be possible to reduce this amount for the in-kind contributions that such a merger would bring to MWRD, namely the value of the SPR facilities, but that option would only seem to be viable under the assumption that both Littleton and Englewood agreed to the merger. In that case, the total buy-in is closer to a billion dollars, and the credit for in-kind contributions would depend on the value assigned to the SPR facilities. The book equity appears to about $95 million as of 2019; it may be possible to negotiate a larger value. MWRD calculates its buy-in fees based on current reproduction estimates of its facilities. Using the same method for the SPR facilities may multiply the $95 million figure by 2-4x. At the outside range of values, one might arrive at a value as high as $400 million for the SPR facilities, but that would still leave a roughly $600 million total buy-in payment to MWRD.

There are operational challenges in addition to the significant financial burdens. There's the question of how SPR would continue to function, if at all, in the wake of such a merger (it's possible some or all of the SPR operations would be viewed as duplicative by MWRD). Moreover, a merger would almost certainly fail to materialize if both Littleton and Englewood were not in agreement; there would not be a realistic option for Littleton to proceed with a merger without Englewood alongside. Finally, it is unknown to us whether a physical connection between the SPR and MWRD is readily achieved or if it would require significant additional investment. Then again, it seems unclear whether a physical connection would even be necessary.

[18] MWRD 2021 Operating Budget Message, p. 6

Who would be included?

MWRD's board would have to approve the application for membership, which would need to be requested by both Littleton and Englewood.

What's in it for Littleton?

It is not very likely that MWRD would be willing to take on Littleton's (or Englewood's) outstanding debts and may even require additional investments in sewer infrastructure before accepting the assets at all. Coupled with the buy-in fees that would almost certainly be required, a merger with MWRD would result in a substantial net cash outflow for Littleton; probably much more than it currently has on hand.

If a merger were completed, however, MWRD would assume all responsibilities for the SPR facilities and for treatment and disposal of all wastewaters from the current SPR service area. Due to MWRD's scale of operations, the average cost of treatment may end up being less post-merger than before, and there may be other efficiencies as well. Littleton would be billed like other members of MWRD, but the city would have to continue billing individual customers because retail billing is not a service MWRD provides.

Option E: Sale to Private Party

Summary: A sale to a private party only seems viable in the event both Littleton and Englewood were joint sellers. Littleton may net a sizable premium from such a sale, but the new owner may receive authorization from the Colorado PUC to set rates at a level that would recover the costs of acquisition from ratepayers.

How would it work?

Littleton would need to approach prospective buyers, perhaps through an RFP process. Potential buyers would submit bids to acquire Littleton's interest in the Joint Agreement with Littleton selecting the best, qualified bid.

The District Agreements allow Littleton to assign its rights to a "service authority" or similar entity, but it does not say whether Littleton can simply sell its rights to a commercial interest. It seems Littleton would require some expert legal advice on this issue if it were to proceed with the idea of a sale. For the purposes of this report, however, we have assumed that Littleton could create the proper legal framework to move forward with such a sale.

Regardless of the contractual challenges, however, it seems unlikely that a private buyer would be willing to acquire only Littleton's interest in the Joint Agreement. Doing so would give the private buyer a 50%, non-controlling interest, in the SPR, which would likely be viewed as an unacceptable business risk (i.e., having a public entity, Englewood, as an equal partner is potentially inconsistent with corporate priorities related to profitability). Accordingly, it would seem necessary for the sale to include 100% of the interest in the Joint Agreement, meaning Englewood would need to be a co-seller.

Who would it include?

Per the above, it seems most likely that both Littleton and Englewood would have to agree to sell the facilities and their respective interests in the Joint Agreement at the same time. The buyers could include any number of private operators (e.g., Suez Water) or privately-owned utility companies (e.g., American Water Works Company, Aqua America, Cadiz, Inc.).

What's in it for Littleton?

A sale to a private party, assuming 100% of the interests were represented, would reasonably command a financial premium above the current book value of the assets involved. It means that Littleton (and Englewood) could probably receive much more in settlement than the $46.7 million in equity that Littleton reported as its stake in the Joint Agreement as of 2019 (assume $93.4 million total book equity between both Littleton and Englewood).

Yet, while the buyers may be willing to pay a sizable premium above book value, the effect on Littleton's ratepayers should be considered. Once a private buyer acquires the operations, it would become subject to regulation by the Colorado Public Utility Commission (CPUC) in setting its rates and charges. The premium paid above book value would represent what's called an "acquisition adjustment" which would increase the regulatory pricing base for the new owner, allowing the firm to adjust rates to recover the cost of the acquisition over time. While some commissions (e.g., Florida) have rejected acquisition adjustments, the CPUC has allowed them as recently as 2020[19]. What it means is that Littleton would receive the proceeds from the sale, but its residents would likely see a substantial increase in their rates. In other words, ratepayers would finance the acquisition through their rates. The rate impacts would most likely be enforced on both the Littleton residents and the connecting districts.

If the acquisition adjustment were not allowed, or if the rate setting process were arranged through some other contractual fashion, the private owner would still be motivated to maximize its return on investment. If there was no rate adjustment, expect the private owner would work vigorously to reduce costs. Often, private utility companies reduce costs by deferring maintenance on the infrastructure, cutting staff levels, and reducing levels of service to those minimally required by law.

FINDINGS

To evaluate the above alternatives, we set forth seven categories of criteria and assigned scores in each based on how well the given alternative could be expected to perform.

[19] Decision No. R20-0108, Recommended Decision of Administrative Law Judge Steve H. Denman Approving Settlement Agreement Without Modification and Granting Verified Application (CPUC Proceeding No. 19A-04009E)

The Categories

Categories are based on our understanding of Littleton's goals and objectives. Admittedly, most of these have been inferred based on the City's request for this report and on our previous experience with other cities with similar requests.

- Transfers the Assets – are the assets transferred to an entity unaffiliated with Littleton?
- Transfers or Eliminates Liabilities – will the proposed alternative assume the liabilities from Littleton or otherwise eliminate those liabilities (e.g., provides sufficient cash flow so Littleton can retire them).
- Transfers All Future Obligations – would Littleton be free of any future financial, operational, or regulatory requirements concerning the wastewater system?
- Cash Flow to Littleton – would the alternative result in an infusion of cash flow to Littleton?
- Impact on Littleton Ratepayers – To what extent would the proposed alternative result in higher rates for Littleton residents?
- Time to Implement – How long would it take and how much complexity is involved in the proposed solution?

A rating of "5" indicates that the proposed option would perform extremely well with respect to the category, and a rating of "1" means it would perform poorly. The categories were equally weighted for our evaluation. However, Littleton may wish to both change the categories and the weights attached to them in performing its own evaluation.

Table 5: FCS GROUP Scoring of Options vs. Selected Criteria

Feature / Category	A	B	C	D	E	F
Transfers the Assets	5	5	5	5	3	5
Transfers or Eliminates the Liabilities	5	5	5	5	3	3
Transfers All Future Obligations	5	5	5	5	4	5
Cash Flow to Littleton	2	4	2	4	1	5
Impact on Littleton Ratepayers	4	5	4	5	1	2
Time to Implement	5	3	4	2	1	1
Total Rank (highest is best)	26	27	25	26	13	21

Based on our evaluation, the better alternatives for Littleton seem to be the ones involving formation of a new special district. Specifically, Option B is preferable. We make this observation based on our assessment that this option would accomplish the basic needs – transferring assets, liabilities, and future obligations to another party (the new Sewer District) – while offering advantages for Littleton and its ratepayers by way of potential financial compensation from the connecting districts.

In the previous section, we discussed how Option B may allow Littleton some leverage with the Districts to cause them to voluntarily increase their equity in the assets to a level on parity with Littleton's. The Districts may be motivated to include in the new Sewer District because doing so would grant them more direct participation in its governance, and because being included would obviate the need for the District Agreements (notably, they could eliminate the 20% surcharge they currently pay). We think there likely is a disparity between the City's equity in the assets and the Districts'. However, we recommend further analysis to determine just how much.

Options C and D may also be attractive for some of the same reasons as Options A and B. The difference of course is that Options C and D require Englewood's participation, which may or may not be practical. We don't believe a merger with MWRD would ever present as a viable business case for Littleton given the magnitude of the buy-in fees. Unless Littleton's future obligations somehow could be estimated to cost more than the buy-in fee, merging with MWRD should probably not be considered further. Selling to a private party would almost certainly require both Littleton and Englewood to cooperate as joint sellers. Even if a private sale were completed, we have concerns about what would happen to Littleton's ratepayers should the new buyer seek rate adjustments from the CPUC to include the acquisition premium.

Exhibit 1: Listing of Littleton and Englewood Connecting Districts

District	Address	Servicing City	Counties
Bow Mar Water and Sanitation	8739 W. Coal Mine Ave. Littleton, CO 80123	Littleton & Englewood	Arapahoe, Jefferson
Cherry Hills Heights	3400 S. Clayton Blvd. Englewood, CO 80113	Englewood	Arapahoe
Cherry Hills Village Sanitation	333 S. Bannock St. Englewood, CO 80113	Englewood	Arapahoe
Cherryvale Sanitation	1221 W. Mineral Littleton, CO 80120	Englewood	Arapahoe
City of Cherry Hills Village	2450 E. Quincy Ave Cherry Hills Village, CO 80113	Englewood	Arapahoe
City of Sheridan	4101 S. Federal Blvd. Sheridan, CO 80110	Englewood	Arapahoe
Columbine Water & Sanitation	8739 W. Coal Mine Ave. Littleton, CO 80123	Littleton & Englewood	Arapahoe
Country Homes Metro.	390 Union Blvd. Denver, CO 80228	Englewood	Arapahoe
Grant Water & Sanitation	2922 Evergreen Pkwy. Evergreen, CO 80439	Littleton	Denver, Jefferson
Greenwood Village Sewer GID[20]	10001 E. Costilla Ave. Greenwood Village, CO 80112	Englewood	Arapahoe
Key Caryl Ranch Water & Sanitation	10698 Centennial Rd. Littleton, CO 80127	Littleton	Jefferson
Meadowbrook Fairview Metropolitan	98950 Girton Dr. Littleton, CO 80123	Littleton	Jefferson
Platte Canyon Water & Sanitation	8739 W. Coal Mine Ave. Littleton, CO 80123	Littleton	Arapahoe, Jefferson
Roxborough Water and Sanitation	6222 N. Roxborough Park Rd. Littleton, CO 80125	Littleton	Douglas, Jefferson
Sheridan Sanitation District	4101 S. Federal Blvd. Sheridan, CO	Englewood	Arapahoe
South Arapahoe Sanitation	143 Union Blvd. Lakewood, CO 80228	Englewood	Arapahoe

[20] Services provided by Southgate Sanitation District as of 2010 via Southgate's agreement with Englewood

District	Address	Servicing City	Counties
South Englewood Sanitation	PO. Box 2858 Littleton, CO 80161	Englewood	Arapahoe
Southgate Water & Sanitation	3722 E. Orchard Rd. Centennial, CO 80121	Englewood	Arapahoe, Douglas
Southwest Metro Water & Sanitation	8739 W. Coal Mine Ave. Littleton, CO 80123	Littleton	Arapahoe, Douglas, Jefferson
Valley Sanitation	8739 W. Coal Mine Ave. Littleton, CO 80123	Englewood	Arapahoe, Denver

Littleton

Alternatives for Wastewater Infrastructure Ownership

Jason Mumm
Principal, FCS GROUP

March 8, 2022

FCS GROUP
Solutions-Oriented Consulting

Purpose of Report

Summarize the options that may be available to Littleton if it were to transition its ownership interest in South Platte Renew to one that would reduce its financial obligations and inherent business and regulatory risks.

Topics

A. Special District – Littleton Only

B. Special District – Littleton + Its Connector Districts

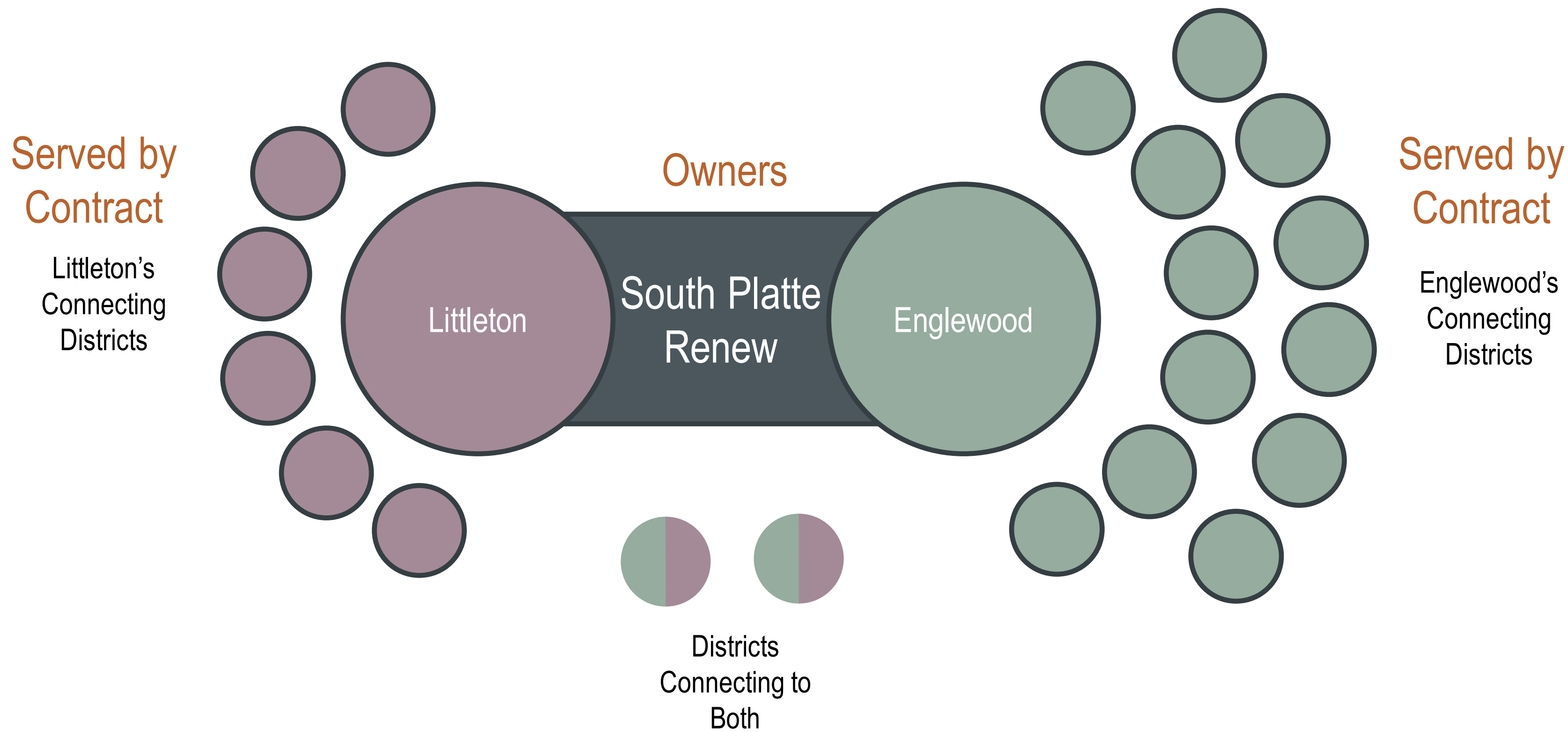
C. Special District – Littleton + Englewood

D. Special District – All –In

E. Merger with Metro Water Recovery

F. Sale to Private Party

Ownership & Contractual Layout



Forming Special Districts

Service Plan → **Commission Approval** → **Court Approval** → **Election**

Service Plan

Describes the services for the area to be included in the special district and all contractual services.

Commission Approval

For all counties included in the District boundaries.

Court Approval

For the county in which the District is located.

Property owners may petition for exclusion.

Election

All eligible voters in the proposed District.

Four of the alternatives discussed today involve this process

A. Special District – Littleton Only

- **District boundary includes Littleton corporate limits only**
- **Assigns Littleton's interest in SPR to new District**
- **Assignment is specifically allowed in your District Agreements**

Transfers Assets	Transfers Liabilities	Transfers Future Obligations	Cash Flow to Littleton	Impact on Littleton Ratepayers	Time to Implement
5	5	5	2	4	5

26

5 is best, 1 is worst

Conclusion: Littleton gets out of the sewer business, transfers all assets and liabilities to new District with least number of approvals of all options. Cash should follow its intended use, but Littleton may be able to retain the restricted reserve of $3m.

B. Special District – Littleton & Districts

- **Regionalizes Littleton's interest in SPR, districts become part owners**
- **District boundaries include Littleton and that of its connecting districts**
- **The districts may need to increase equity contributions**

Transfers Assets	Transfers Liabilities	Transfers Future Obligations	Cash Flow to Littleton	Impact on Littleton Ratepayers	Time to Implement
5	5	5	4	5	3

27

Conclusion: Littleton gets out of the sewer business, transfers all assets and liabilities to the new District but would involve the approval of up to four (4) counties. Equity contributions from districts that may benefit Littleton.

C. Special District – Littleton + Englewood

- **District boundaries include only Littleton and Englewood corporate limits**
- **Vests 100% ownership of SPR to a new district**
- **Requires approval of Englewood**

Transfers Assets	Transfers Liabilities	Transfers Future Obligations	Cash Flow to Littleton	Impact on Littleton Ratepayers	Time to Implement
5	5	5	2	4	4

Conclusion: Littleton and Englewood get out of the sewer business consolidating management and governance of SPR. Littleton is not likely to benefit financially any more than Option A (low), and it is unknown whether Englewood would have any interest in pursuing it.

D. Special District – All-In

- **Regionalizes all of SPR in an all-inclusive district**
- **Requires approval of four county commissions**
- **Equity payments from districts a possibility**

Transfers Assets	Transfers Liabilities	Transfers Future Obligations	Cash Flow to Littleton	Impact on Littleton Ratepayers	Time to Implement
5	5	5	4	5	2

26

Conclusion: Transfers all interests in SPR to a regionalized special district which would require the broadest levels of county commission and voter approval of all options. Possible financial benefits to Littleton and Englewood from equity contributions of the districts.

E. Merger with Metro Water Recovery

- **Metro absorbs SPR**
- **Littleton and Englewood become Special Connectors or Connecting Members**
- **Littleton pays $480 million (est.) connection fees before offsets**

Transfers Assets	Transfers Liabilities	Transfers Future Obligations	Cash Flow to Littleton	Impact on Littleton Ratepayers	Time to Implement
3	3	4	1	1	1

13

Conclusion: Littleton probably remains in the sewer collection & billing business. Payment to Metro is probably not offset by asset contributions and likely increases Littleton's debts to finance the connection fees. Englewood would have to agree. Unknown whether Metro or Englewood have any interest.

F. Sale to Private Party

- **SPR assets are sold to a private operator**
- **Replaces public ownership with private ownership**
- **Probably requires Englewood as co-seller**

Transfers Assets	Transfers Liabilities	Transfers Future Obligations	Cash Flow to Littleton	Impact on Littleton Ratepayers	Time to Implement
5	3	5	5	2	1

Conclusion: Private buyer likely only willing to acquire 100%_stake which means Englewood must agree. Acquisition premium maybe possible, but the company may recover that premium through rates resulting in higher costs to ratepayers.

Findings

Feature / Category	A	B	C	D	E	F
Transfers the Assets	5	5	5	5	3	5
Transfers or Eliminates the Liabilities	5	5	5	5	3	3
Transfers All Future Obligations	5	5	5	5	4	5
Cash Flow to Littleton	2	4	2	4	1	5
Impact on Littleton Ratepayers	4	5	4	5	1	2
Time to Implement	5	3	4	2	1	1
Total Rank (highest is best)	**26**	**27**	**25**	**26**	**13**	**21**

Thank you!
Questions?

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CITY OF Englewood

Alternatives for Wastewater Infrastructure Ownership

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November 14, 2022

FCS GROUP
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Purpose

Summarize the options that may be available to Englewood if it were to transition its ownership interest in South Platte Renew to one that would reduce its financial obligations and inherent business and regulatory risks.

Topics

A. Special District – Englewood Only

B. Special District – Englewood + Its Connector Districts

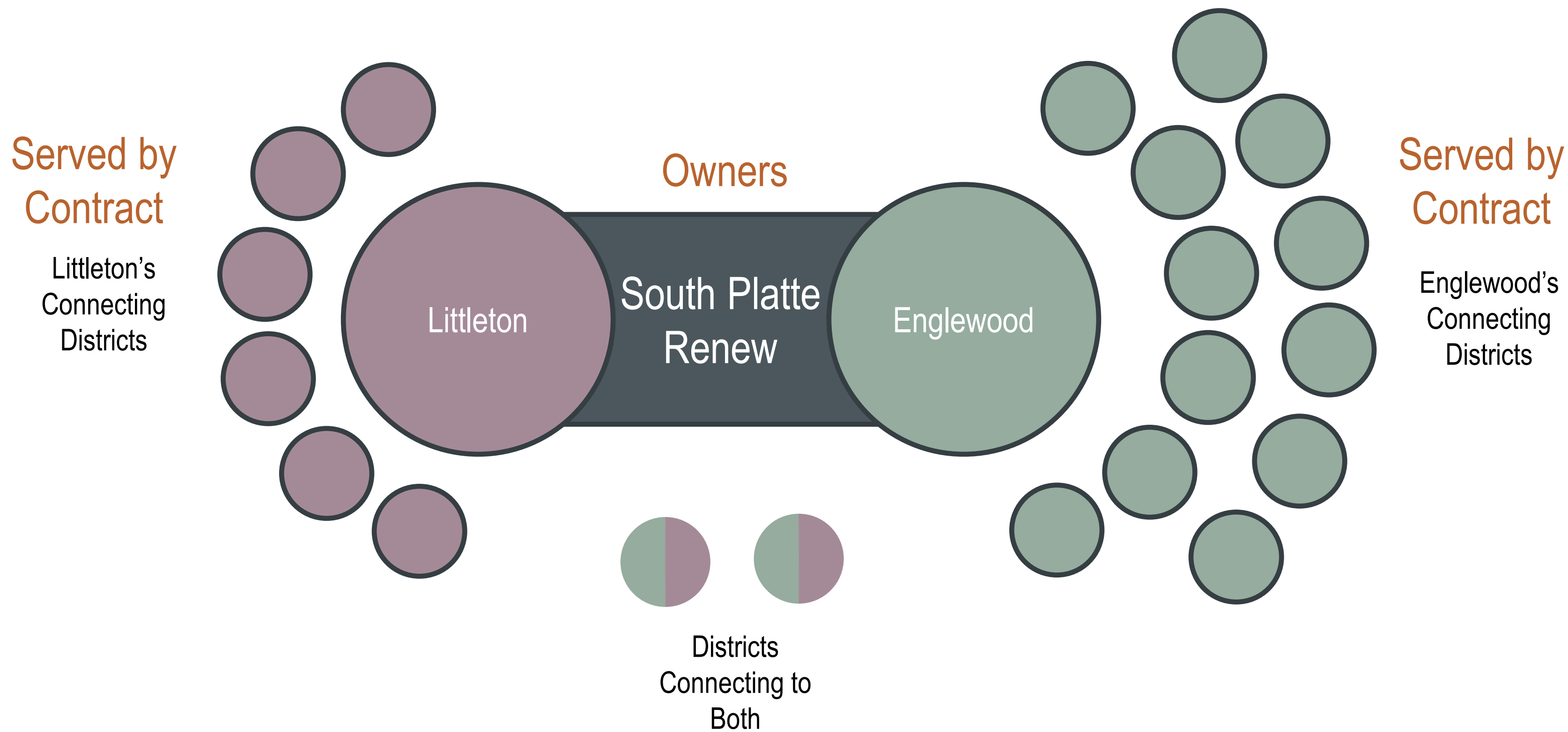
C. Special District – Littleton + Englewood

D. Special District – All –In

~~E. Merger with Metro Water Recovery~~

~~F. Sale to Private Party~~

Ownership & Contractual Layout



Forming Special Districts

Service Plan → **Commission Approval** → **Court Approval** → **Election**

Service Plan: Describes the services for the area to be included in the special district and all contractual services.

Commission Approval: For all counties included in the District boundaries.

Court Approval: For the county in which the District is located.

Property owners may petition for exclusion.

Election: All eligible voters in the proposed District.

Four of the alternatives discussed today involve this process

A. Special District – Englewood Only

- **District boundary includes Englewood corporate limits only**
- **Assigns Englewood's interest in SPR to new District**
- **Assignment appears to be allowed in your District Agreements**

Transfers Assets	Transfers Liabilities	Transfers Future Obligations	Cash Flow to Englewood	Impact on Englewood Ratepayers	Time to Implement
5	5	5	2	4	5

26

5 is best, 1 is worst

Conclusion: Englewood gets out of the sewer business, transfers all assets and liabilities to new District with least number of approvals of all options.

B. Special District – Englewood & Districts

- **Regionalizes Englewood's interest in SPR, districts become part owners**
- **District boundaries include Englewood and that of its connecting districts**
- **The districts may need to increase equity contributions**

Transfers Assets	Transfers Liabilities	Transfers Future Obligations	Cash Flow to Englewood	Impact on Englewood Ratepayers	Time to Implement
5	5	5	4	5	3

27

Conclusion: Englewood gets out of the sewer business, transfers all assets and liabilities to the new District but would involve the approval of up to three (3) counties. Equity contributions from districts that may benefit Englewood.

C. Special District – Littleton + Englewood

- **District boundaries include only Littleton and Englewood corporate limits**
- **Vests 100% ownership of SPR to a new district**
- **Requires approval of both cities**

Transfers Assets	Transfers Liabilities	Transfers Future Obligations	Cash Flow to Englewood	Impact on Englewood Ratepayers	Time to Implement
5	5	5	2	4	4

25

Conclusion: Littleton and Englewood get out of the sewer business consolidating management and governance of SPR. Neither city would likely benefit financially any more than Option A (low).

D. Special District – All-In

- **Regionalizes all of SPR in an all-inclusive district**
- **Requires approval of at least four county commissions**
- **Equity payments from districts a possibility**

Transfers Assets	Transfers Liabilities	Transfers Future Obligations	Cash Flow to Englewood	Impact on Englewood Ratepayers	Time to Implement
5	5	5	4	5	2

26

Conclusion: Transfers all interests in SPR to a regionalized special district which would require the broadest levels of county commission and voter approval of all options. Possible financial benefits to Littleton and Englewood from equity contributions of the districts.

Findings

Feature / Category	A	B	C	D
Transfers the Assets	5	5	5	5
Transfers or Eliminates the Liabilities	5	5	5	5
Transfers All Future Obligations	5	5	5	5
Cash Flow to Littleton	2	4	2	4
Impact on Littleton Ratepayers	4	5	4	5
Time to Implement	5	3	4	2
Total Rank (highest is best)	**26**	**27**	**25**	**26**

An additional consideration is potential shift in governance. Options A and C would keep it nearly the same as current. Options B and D would expand governance to a wider area.

Thank you!
Questions?

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FCS GROUP
Solutions-Oriented Consulting

Hazen

South Platte Renew Governance Analysis

Dennis Jackson, Hazen

August 2026

History and Goals

History of South Platte Renew (SPR): 1970's

- 1972 - Clean Water Act Passed
- Englewood & Littleton had two plants
- Required to establish single regional plant
- 1977 – Began joint operations
- Regional provider for other districts

History of SPR: 1980’s and Where We Are Today

- “The 1982 Agreement”
- 19 Connector Districts with contracts through the two Cities
- COE chosen to administer plant
    - COL pays 3% to COE General Fund
    - COE Sewer Enterprise Fund pays 3% to COE General Fund

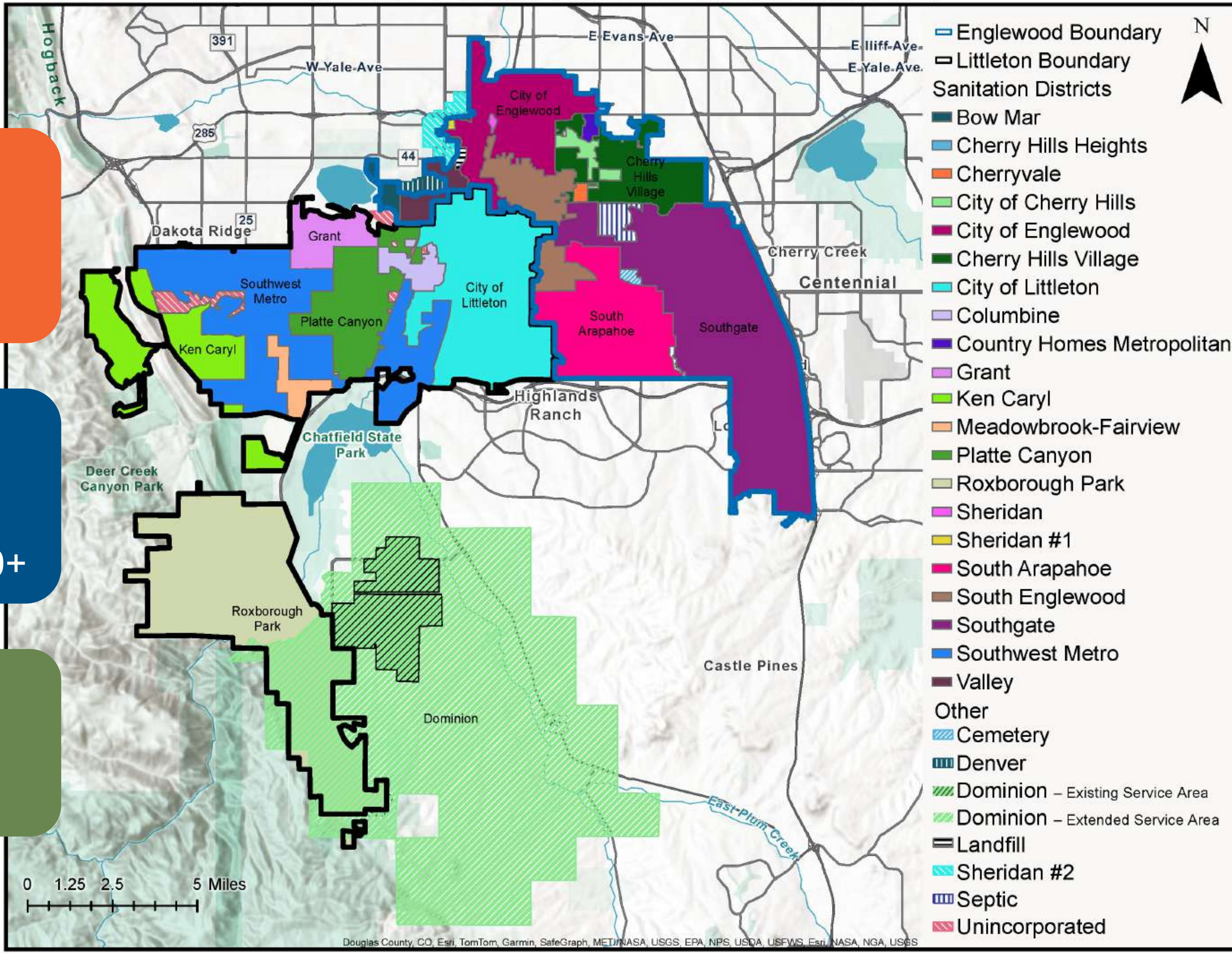
Littleton & Englewood
- 50/50 Ownership

Regional Service Provider
- 113 Square mile service area

300,000+ Customers
- Englewood: 35,000+
- Littleton: 45,000+
- Connector Districts: 220,000+

19 Sanitation Districts
- Englewood: 13 districts
- Littleton: 8 districts
- **2 districts connect through both cities*

South Platte Renew Service Area



SPR Current Governance Model

Littleton

City Council | **City Council**

Supervisory Committee

City Manager | Public Works Director | City Manager | Public Works Director

Englewood Connector Districts

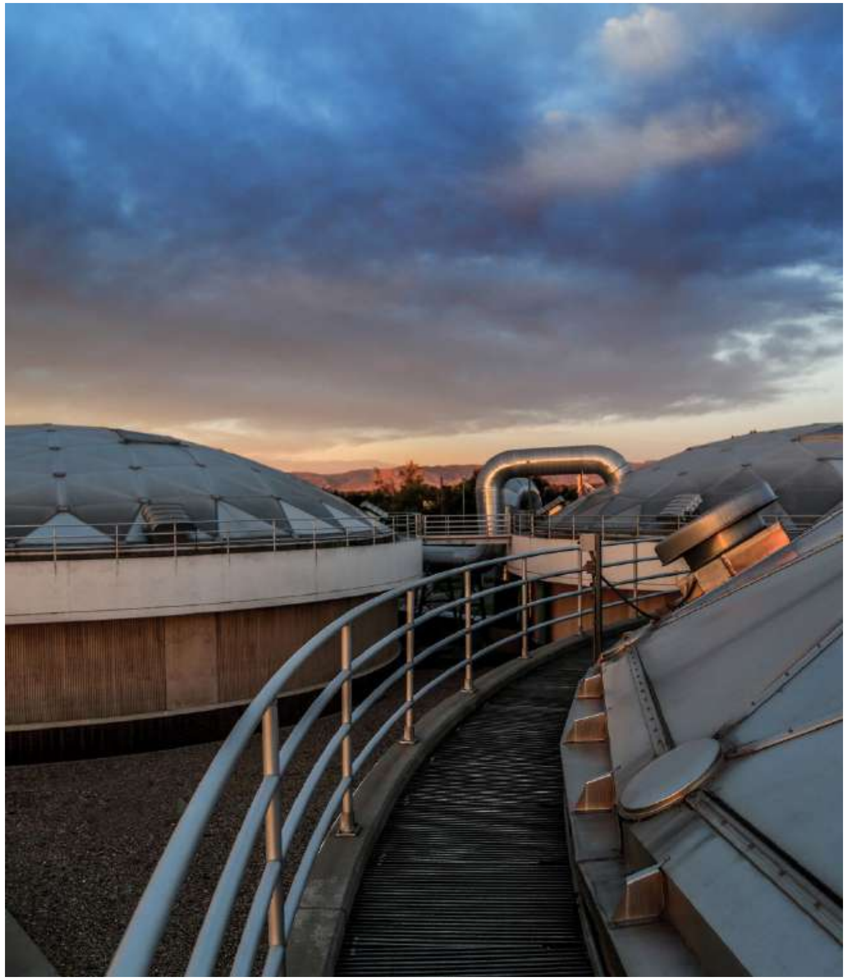
- Bow Mar*
- Cherry Hills Heights
- Cherry Hills Village
- Cherryvale
- City of Cherry Hills
- City of Sheridan
- Columbine*
- Country Homes Metro.
- Sheridan Sanitation #1
- South Arapahoe
- South Englewood
- Southgate
- Valley

Littleton Connector Districts

- Bow Mar*
- Columbine*
- Grant
- Ken Caryl Ranch
- Meadowbrook-Fairview
- Platte Canyon
- Roxborough Park
- Southwest Metropolitan
- *Dominion (temporary)*

**Both cities*

Aspects of the Contract Have Worked Well for 50 Years



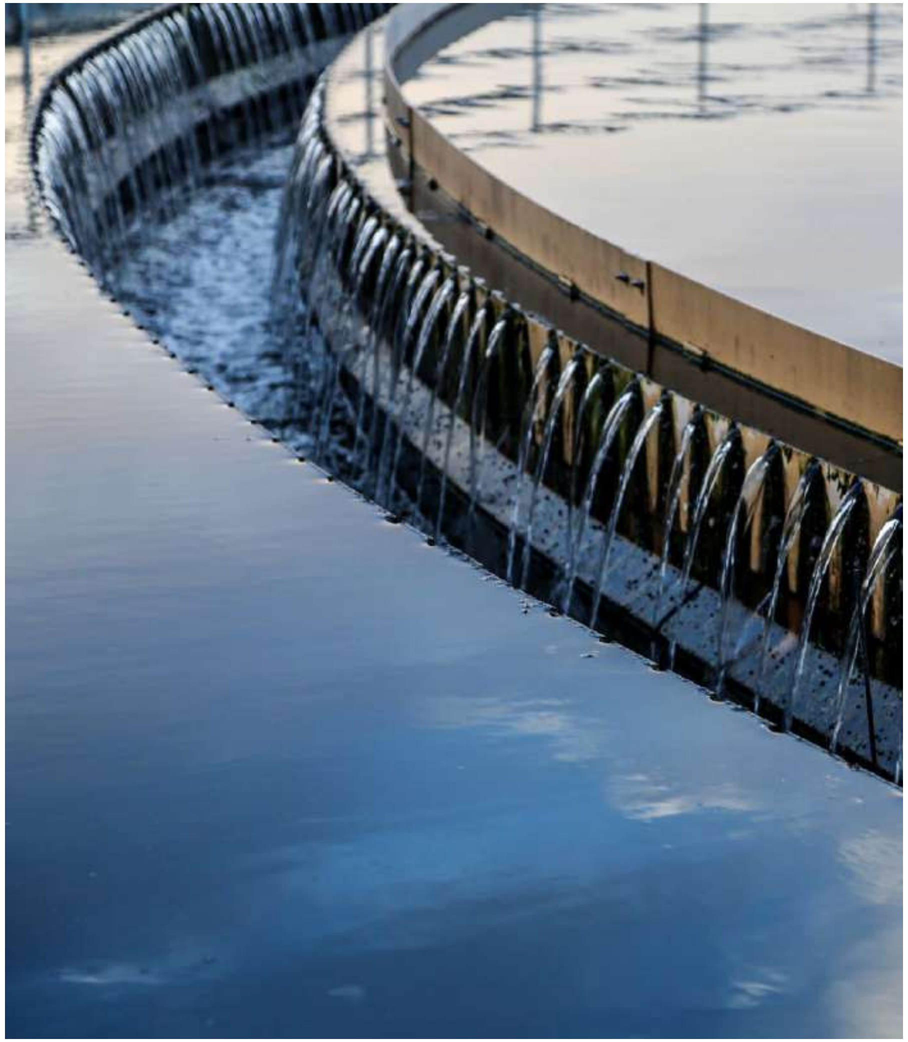
- Supervisory Committee
- Core responsibilities
- Direct ownership by Cities
- Councils maintain direct control
- Promotes shared responsibility

Challenges Exist in Current Structure

- Reduced economies of scale
- Significant capital funding needs & coordination
- Administrative burden for COE
- Past and present liabilities
- Limited planning horizon

Would a different Governance model for SPR provide benefits to Littleton and Englewood?

Purpose: Analyze Potential Impacts



- Efficiency
- Customer Service
- Community Value
- Risk Management
- Long Term Planning

Topics for Analysis by Hazen and CEGR Team

- Governance Model
- Operations & Efficiency
- Financials
- Liability

SPR Governance Analysis Timeline

2021

Littleton Initiates SPR Gov. Analysis & Contracts with FCS Group

March 2022

FCS Group presents analysis to Littleton City Council

November 2022

FCS Group presents analysis to Englewood City Council & Cities direct SPR to continue analysis

January 2024

SPR contracts Hazen to perform Governance Analysis

January & March 2025

Executive Session: Financial & Organizational Analysis

Nov 2025

SPR contracts CEGR to conduct legal analysis

February, April & July 2026

Executive Session: Legal Analysis

August 2026

Presentation to Littleton & Englewood Councils

2021 FCS Group Evaluation of SPR Governance Structure

- Special Districts:
  - **Littleton Only**
  - **Littleton and Connector Districts**
  - **Littleton and Englewood**
  - **All In (Across 4 Counties)**
- Merger with Metro Water Recovery
- Sale to Private Party

Governance Types Other Than Existing Contract

Special District	• Title 32 separate legal entity • Publicly elected Board
Merger	• Metro Water Recovery • 23 represented entities on Board, serves 65+ entities
Authority	• Formation of independent legal entity • Contract between COE & COL
Privatization	• Sale of assets to private entity • Uncertainty in identifying capable private entity

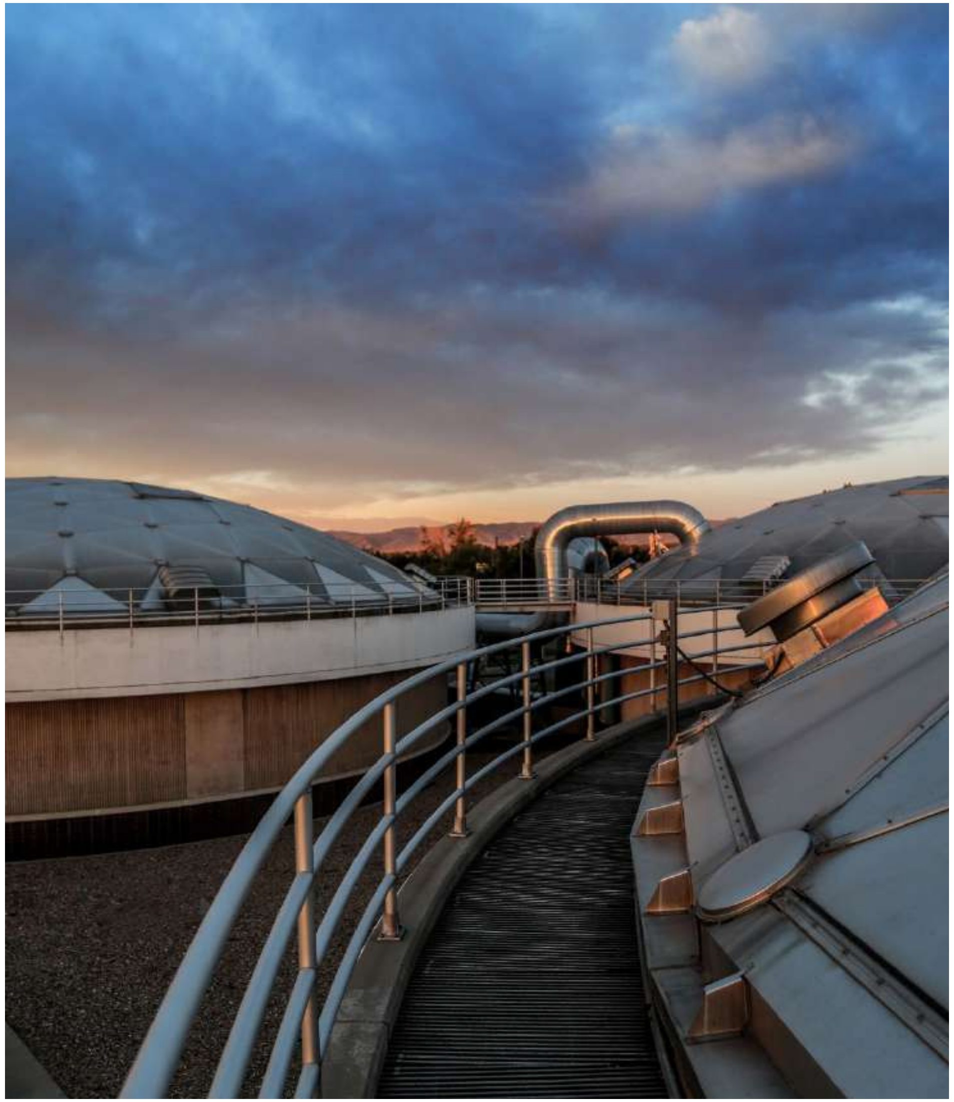
Authority Governance Model Option

Legal Analysis: New Authority Model

- Efficiency in formation
- Legal independence from Cities
- Liability separation
- Financial separation
- Cities maintain oversight through board appointment

Authority Independence Established in State Law

- Separate legal entity
- Becomes a public corporation of the State
- Provides liability protection



Assumptions for Creating an Authority – SPR Impact

SPR

- Financials, operations, & capital
- 88 existing employees
- New employee additions
- SPR wholesale bills to Cities
- Funding / billing structure

Assumptions for Creating an Authority – Cities Impact

Littleton & Englewood

- Existing SPR assets transfer
- New board make up
- Collection systems remain
- Connector contracts remain
- Customer billing remain

Potential Challenges & Risks to COL and COE

- Public Scrutiny
- Connector Districts Concerns
- Remaining Legacy Liability
- Less Direct Control

SPR Authority Board Makeup & Appointment

- Cities appoint board members
  - *Recommend consistency*
- Maintain 50/50 split
- Tie-breaker vote
- Flow considerations

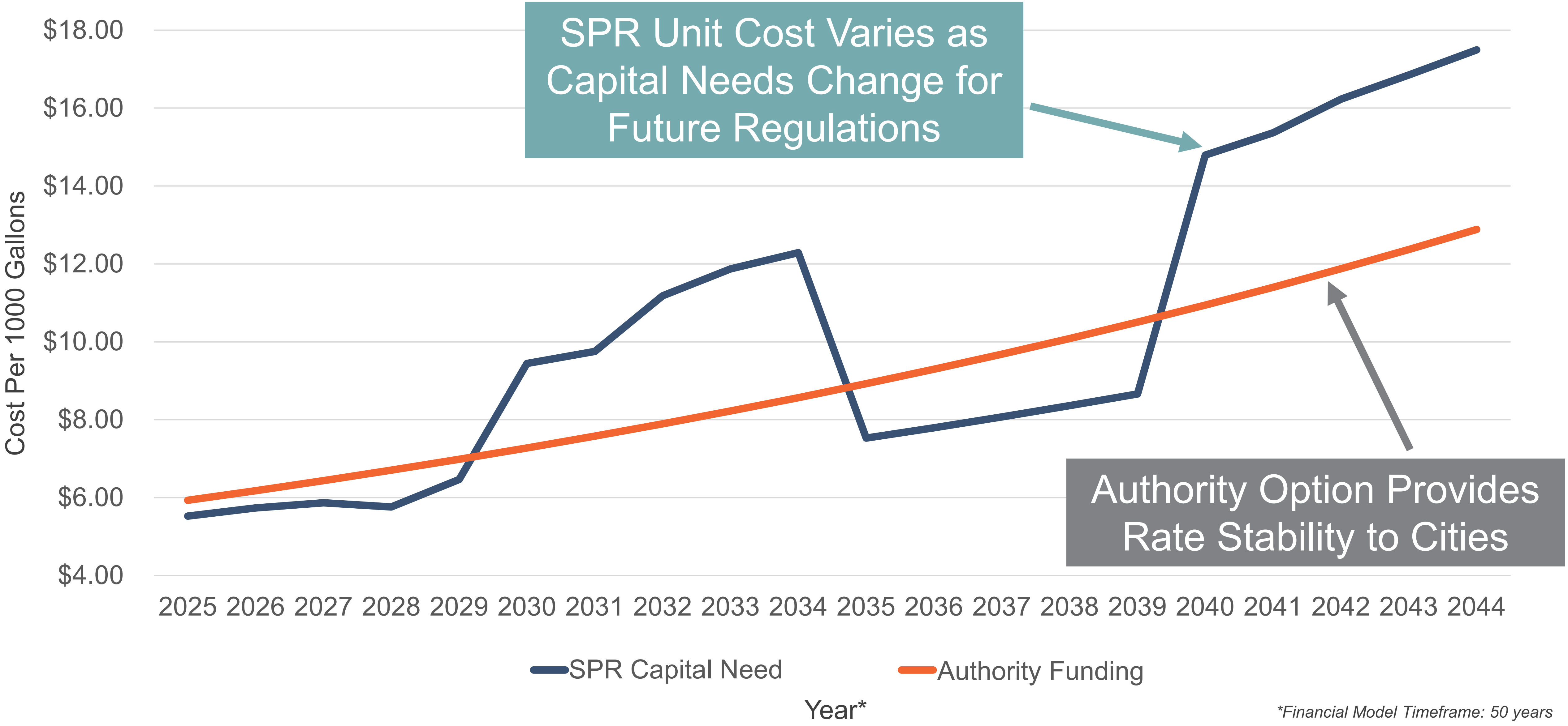
Examples of Successful Authorities in Colorado

Soldier Canyon Water Treatment Authority

- Three member entities:
  - **East Larimer County Water District**
  - **Fort Collins-Loveland Water District**
  - **North Weld County Water District**
- Authority owns/operates shared regional treatment plant
- Member-entities own/operate distribution systems & bill customers

Financial & Operational

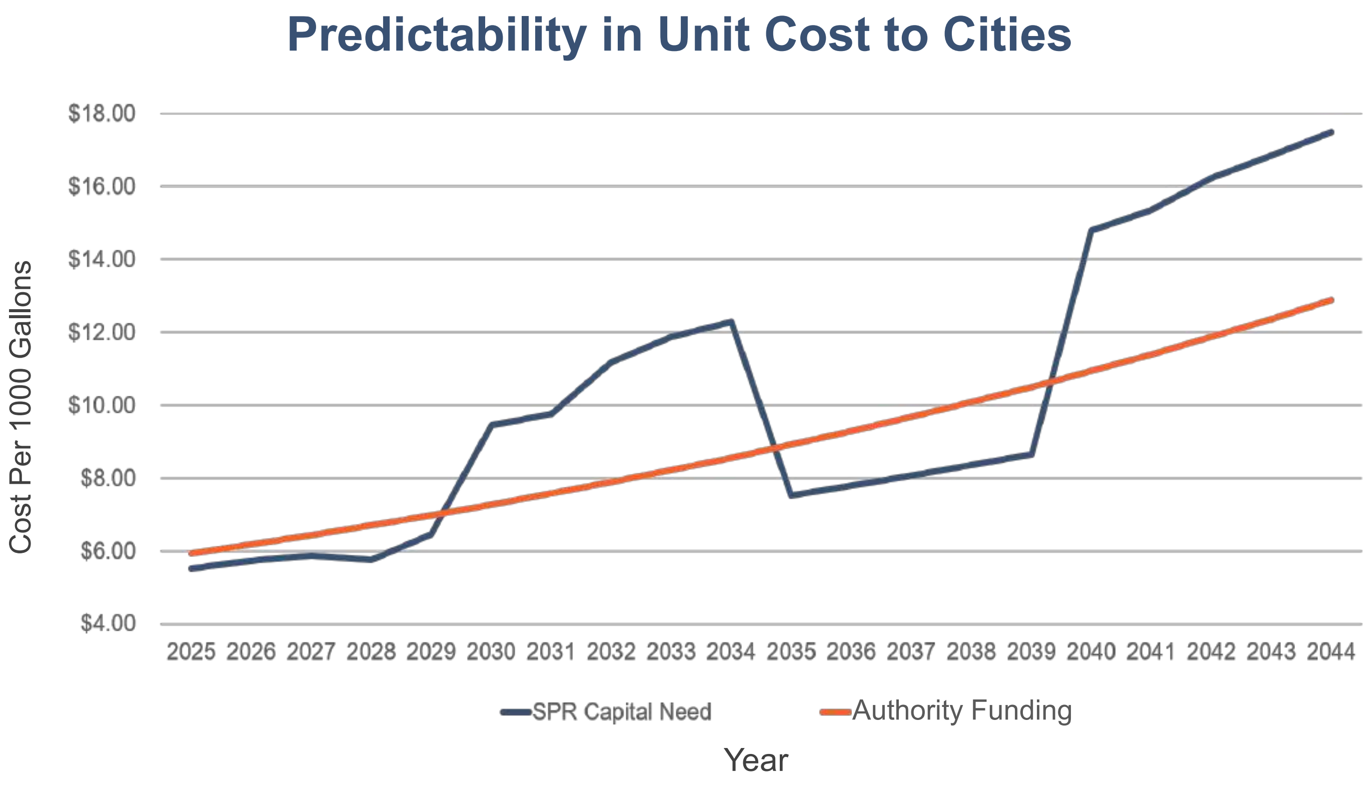
Predictability in Unit Cost to Cities



*Financial Model Timeframe: 50 years

Bonding & Debt Sculpting Impacts

- Debt and rate smoothing
- Potential rate savings (0.5%)
- Decreased transaction costs
- Possible improved interest rate
- SPR debt separation
- Utility-specific financing focus
- Rate predictability for Cities



Predictability, Financial Resiliency, & Efficiency

- Future-proofing
- Service delivery focus
- Managing regulatory risk
- Reduced financial risk
- Cost certainty
- Central administration

Impact to Debt and Loans

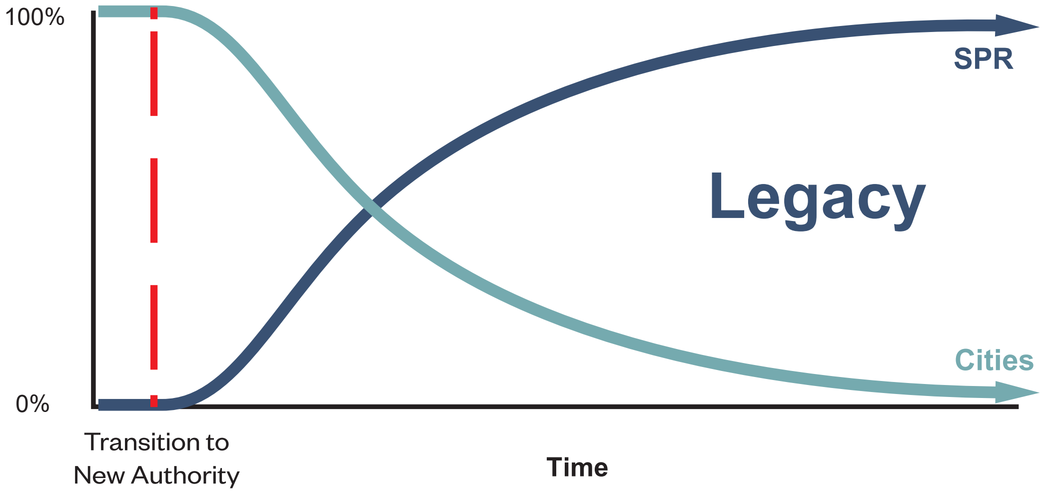
Considerations

- Debt capacity consolidation
- No reduction in debt capacity
- Credit rating
- Clear boundaries for future debt issuance
- Single issuing entity
- City charter limits
- Existing debt (WIFIA Loan - COE)
- Further enterprise fund analysis

Liability

Distribution of Liability for Cities & SPR

- Segregates past & future liability
- Operational liability transfers immediately
- Cities' legacy liability diminishes over time
- Some legacy liability remains



Summary

Future Considerations

- Connector District Agreements
- Customer Billing
- Interceptors

An Authority Model Provides Key Benefits to Community

- Improves financial & operational efficiency
- More effectively serves customers
- Builds on past success
- Proactive approach
- Brings better value to customers

Items for Discussion

- Seeking input on results
- Requesting Council direction on next steps
- Identifying potential additional analysis needs

Questions & Open Discussion