



270 Mountain Avenue (Sonoco Building)
Redevelopment Concept Rendering

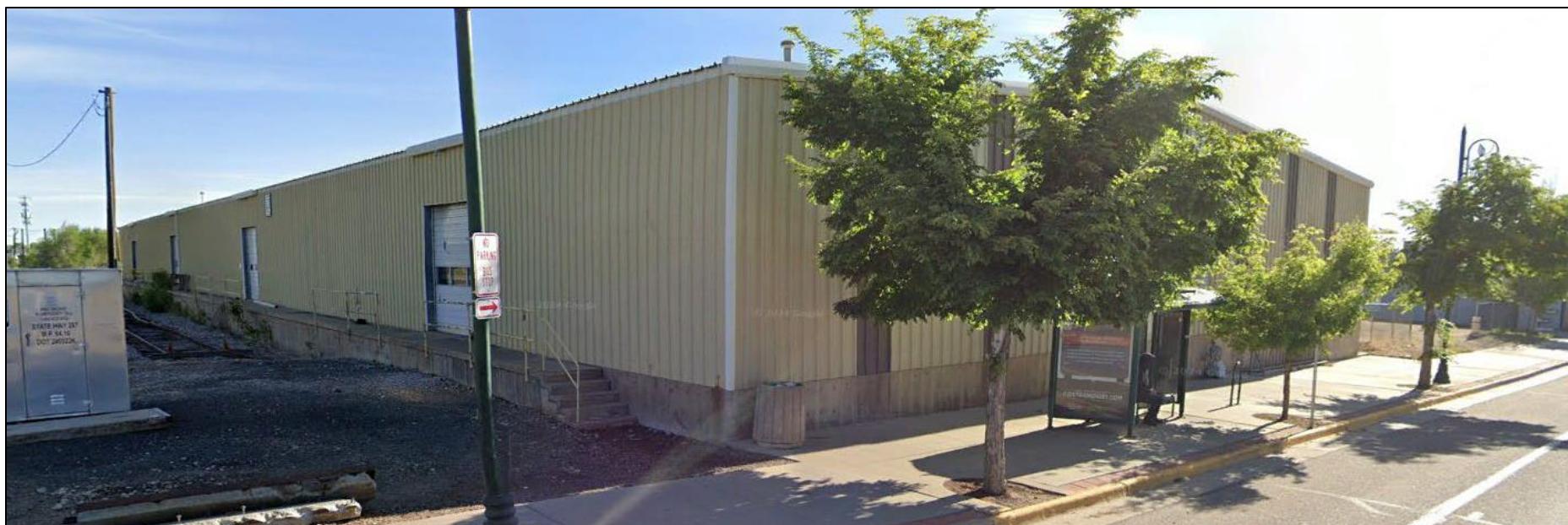


The 30,000 square foot building at 270 Mountain Ave was originally constructed in 1971 and has historically been used for a variety of light industrial uses. It sits on a 1.66-acre site and is zoned M-1 (Light Industrial). The property has been for sale for many years and there is one lease tenant in the building currently that occupies approximately 15,000 square feet. The property sits within the Mountain Avenue Overlay District.





View from property, looking south. East side of building.



View from Mountain Ave, looking north. West side of building.





Interior of unoccupied space. Currently, the power is off in this portion of the building and there are no windows.

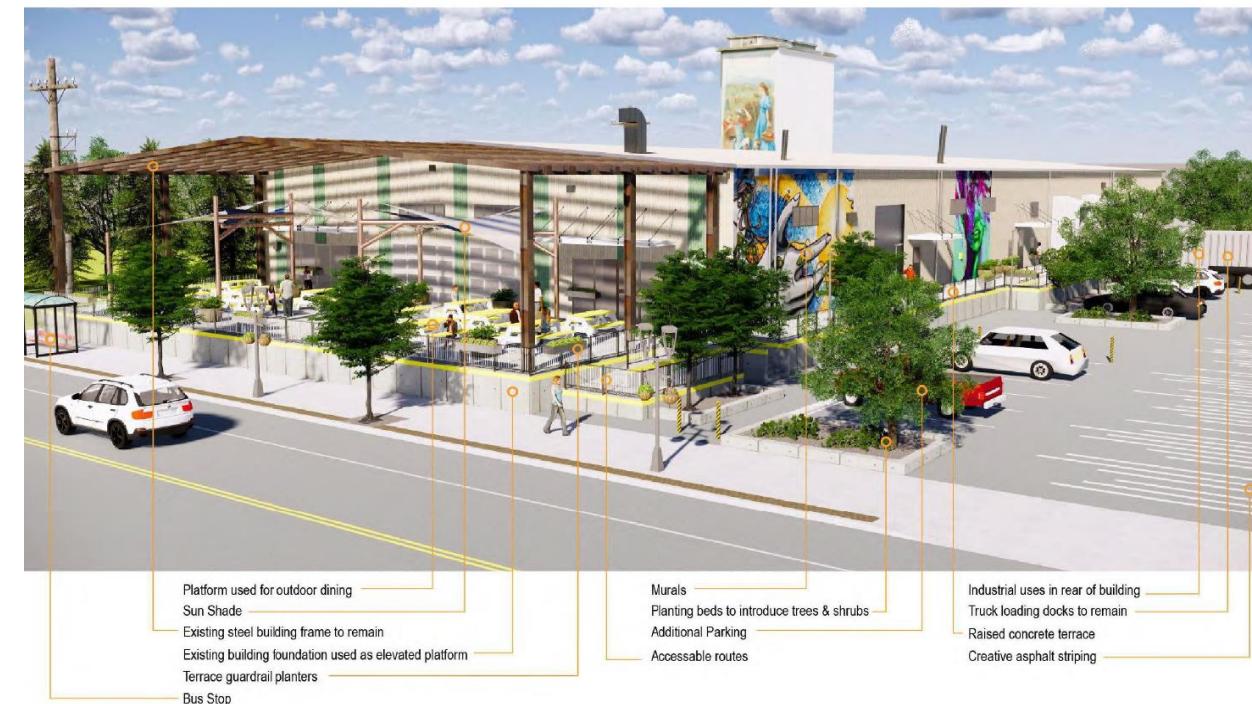


Warehouse Development Opportunity

There are many inspiring examples of buildings that have been repurposed instead of replaced, and they're often more unique and authentic than a new building. The RINO District (Denver) and Granville Island (Vancouver) are prime examples because they focused their efforts on repurposing existing buildings that are rooted in the community and their placemaking power is remarkable.

The existing steel warehouse is not much to look at now, but it has a lot of potential. The image on the opposite page illustrates one concept for the adaptive reuse of this building.

The expansive parking lot next to the warehouse could also be improved with a few simple changes such as new asphalt surfacing, artistic striping and tree plantings. See photos on the bottom of this page.



In 2019, the Town Board adopted the Mountain Avenue Overlay plan, establishing visions for the future development of Mountain Avenue, from Hwy 287 to I-25. The building at 290 Mountain Ave was extensively discussed and identified as a future redevelopment opportunity.



In August 2024, the House of Neighborly Service (HNS) approached the Town Board to request \$6 Million in financial support for the construction of a new larger facility in Berthoud. While the Town Board generally expressed support for HNS and their mission, the Board was unable to provide the requested support and directed Town Staff to look for creative alternatives.

In November 2024, Town Staff presented a creative solution to the Town Board whereby the Town would purchase 270 Mountain Avenue with the intent of redeveloping the building and the site. The redevelopment would create a new downtown parking lot, new retail and restaurant space, new community meeting space, and space available for lease to HNS for their offices, and the offices of many other local and regional non-profits.

<https://berthoudsurveyor.com/town-board-signs-off-on-multiple-acquisitions/>

In December 2024, the Town Board authorized the purchase of the building for the purposes of redeveloping the site and the Town closed on the property in April 2025 at a cost of \$2,950,000. Approximately 75% of the purchase was funded with federal grant funds and the remaining 25% of the purchase was paid for with Town general funds.

ABOUT HOUSE OF NEIGHBORLY SERVICE

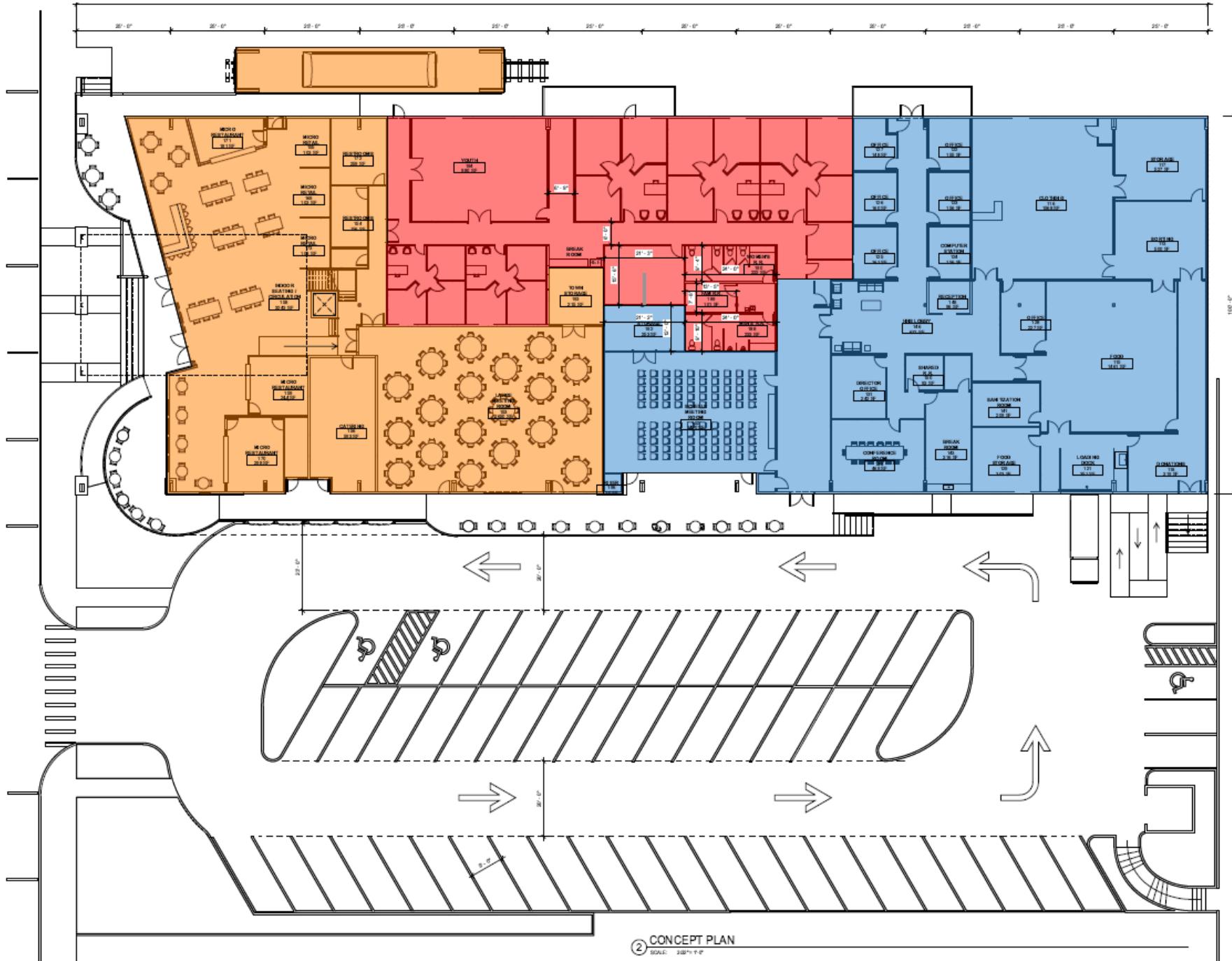
HNS is a local non-profit that provides a large variety of social services such as family support, crisis prevention, pre-packaged food support, clothing, and utility assistance and other similar programs for Berthoud individuals and families. It is currently located at 375 Meadowlark Dr in Berthoud and is open on Tuesdays and Thursdays from 9:00 AM to 5:00 PM. HNS does not and shall not discriminate on the basis of race, color, religion, gender, gender expression, age, ancestry, disability, marital status, sexual orientation, military status in accordance with State and Federal law.

<https://www.honservice.org/>

In addition to its regular services, HNS provides utility assistance for the Town of Berthoud Water and Wastewater departments, and assists the Town in managing and providing recreation program scholarships to local youth who may not be able to afford to participate in our sports and activities.



Mountain Avenue



The current concept plan for the project includes:

-11,700 sq ft for HNS, including community meeting room. (blue) This space is intended as a very low-cost lease with option to purchase.

-7,000 sq ft for other local and regional non-profits including possible teen center. (red) This space is intended as a very low-cost lease with an option to purchase.

-8,800 sq ft for a community meeting room/Senior Center controlled by the Town as well as retail and restaurant space to be retained and leased by the Town to a third-party yet to be determined. (orange)

-Remaining building square footage will be converted to outdoor patio space on Mountain Avenue.

-61 new public parking spaces

To make this project a reality, the Town hired Asher Architects to develop construction drawings. Asher used previous HNS designs for a different building in order to determine space needs and layout at 290 Mountain Avenue.

Design for the entire redevelopment is expected to take six months, and construction could start as early as spring of 2026, pending Board approval and funding availability. The Town currently envisions renovating the outside of the building and constructing new parking areas.

A lease agreement has been drafted for Town Board consideration for the portion of the building planned for HNS and non-profit use. This lease requires HNS to fund the construction of their spaces (details on next page).

The remaining restaurant and hospitality space will be leased to a third-party operator who will be expected to fund and construct the majority of the interior improvements. These will also require Town Board approval, and the operator is expected to be selected through a competitive selection process.



Current Draft Lease and Purchase Option with HNS

The current draft of the lease agreement and option to purchase with HNS will be presented to the Town Board for initial consideration on September 23, 2025. A summary of the general terms of those agreements are outlined below.

Lease

- Lease of approximately 19,000 sq ft.
- 30-year lease term with two 10-year extension options, for a total of 50-years.
- In light of the \$3-4 Million investment in the building that HNS will make to construct their spaces, rent charged at \$0.50/sq ft per year for first 10 years, increasing at 10-year intervals.
- HNS can only use the space for human or community services and the administration of those services.
- HNS may sublease to other non-profit organizations that provide community services. Rates shall be below market rate. Town shall approve any subleases.
- HNS will have designated use of a portion of the parking lot during business hours.
- HNS will pay 50% of trash removal, snow removal, and exterior lighting costs.

Purchase Option

- After HNS has completed their interior improvements, the Town will work to subdivide the lot to create commercial condominiums.
- Following the creation of the new unit, HNS has 5 years to exercise its option to purchase. The purchase price shall be \$215,000. After 5 years, the Town may set a new sales price.
- The new condo unit will be subject to a common interest ownership association. The unit will be subject to covenants, rules, and regulations of that association which the Town will create.
- If, after purchase, HNS ever wishes to sell the condo, the Town will have the Right of First Offer to purchase the condo at a formula to be agreed upon prior to signing the option agreement.





Lease Rate Consideration

The low lease rate for HNS reflects their investment in the property. Assuming an approximately \$3.5 Million investment in the finish of the 19,000 square feet, that represents approximately \$117,000 per year value for 30 years that HNS will have invested. That translates to approximately \$6.17/sq ft/year. Current lease rates for the building are approximately \$7/sq ft/year.

Purchase Price Consideration

The Town purchased the property for \$2,950,000. Only a portion of that price was paid for with Town funds. The amount of non-Federal grant funds used for the purchase was roughly \$750,000. While HNS will control more than half the building in the proposed arrangement, the Town will control the parking area. Assuming a portion of the Town funds went to pay for the parking area, the \$215,000 purchase option price represents a relative portion of the building cost paid at purchase.

