

ORDINANCE/RESOLUTION REQUEST

Please email requests to the Mayor's Legislative Team

at MileHighOrdinance@DenverGov.org by **3:00pm on Monday**. Contact the Mayor's Legislative team with questions

Submitted: August 6th, 2018

Please mark one: **Bill Request** or **Resolution Request**

1. Type of Request:

Contract/Grant Agreement **Intergovernmental Agreement (IGA)** **Rezoning/Text Amendment**

Dedication/Vacation **Appropriation/Supplemental** **DRMC Change**

Other: Approve new service plans

2. Title: An ordinance to approve a Service Plan for the formation and establishment of a Title 32 district: 2000 Holly Metropolitan District.

3. Requesting Agency: Finance

4. Contact Person:

Contact person with knowledge of proposed ordinance/resolution	Contact person to present item at Mayor-Council and Council
Name: Andrew Johnston - Finance	Name: Andrew Johnston - Finance
Email: andrew.johnston@denvergov.org	Email: andrew.johnston@denvergov.org

5. General description or background of proposed request. Attach executive summary if more space needed:

The metropolitan district will provide for construction, financing, operation, maintenance, and coordination of Public Improvements necessary to redevelop an 11.5-acre site formerly owned by CDOT. The infill site is anticipated to be primarily residential—approximately 180 townhomes and potentially a 40 to 60 unit senior living facility with some lower level commercial uses.

It is anticipated that the district manages the financing, acquisition, construction, completion, operation, and maintenance of all public infrastructure throughout the project.

6. City Attorney assigned to this request (if applicable):

JoAnn Weinstein and Noah Cecil

7. City Council District:

District 6: Paul Kashman

8. **For all contracts, fill out and submit accompanying Key Contract Terms worksheet**

To be completed by Mayor's Legislative Team:

Resolution/Bill Number: BR18 0881

Date Entered: _____

EXECUTIVE SUMMARY

The purpose of the ordinance is to approve a Service Plan after a public hearing at City Council for a metropolitan district located at an 11.5-acre infill site formerly owned by CDOT for its Region 1 Headquarters.

State law requires a public hearing on the Service Plan at City Council which is scheduled for September 10th. A presentation in Finance and Governance Committee is scheduled on August 14th.

Executive summary continued below with location map.

Schedule by Legislative Action

Date	Activity
RESOLUTION SCHEDULE	
Monday, July 9 th	Finance to submit resolution request to set public hearing
Tuesday, July 17 th	Finance Committee (consent)
Tuesday, July 24 th	Resolution at Mayor/Council
Thursday, July 26 th	Resolution filed by CAO
Monday, July 30 th	Resolution at City Council (sets public hearing on Sept. 10 th : CRS Req 20 days)
ORDINANCE SCHEDULE	
Monday, August 6 th	Finance to submit ordinance request to approve service plan
Tuesday, August 14 th	Ordinance presentation in Finance Committee
Tuesday, August 21 st	Ordinance at Mayor Council
Thursday, August 23 rd	Ordinance filed by CAO
Monday August 27 th	Ordinance at City Council for first reading
Monday, September 3 rd	City Closed for Labor Day
Monday, September 10 th	Ordinance at City Council for public hearing and second reading
Friday, September 14 th	Ordinance effective

The property is currently owned by CDOT and was the previous site for CDOT’s Region 1 Headquarters. CDOT has vacated the premises in order to relocate to a site near Colfax and Federal. Under Colorado State law, properties owned by the State are required to be offered first to local government agencies and the City exercised an option to acquire the property. The City has since selected Kentro Group, the Developer, to purchase and develop the property. The closing for the purchase of the property is anticipated in late 2018, and the Developer has deemed it necessary to move forward with the proposed district application as part of its overall financing package for the property.

The Developer is seeking the formation of a single Title 32 metropolitan district, in order to achieve the most flexibility with respect to financing, construction and continued operation and maintenance requirements associated with the development of the property located within the District Boundaries. The District is an integral component to the overall financing of the development of the property to facilitate attainable housing. Tax increment financing is not being considered at this time for this site.

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The property is comprised of approximately 11.5 acres near Holly and Evans. Current zoning is I-MX-3 – Industrial Mixed Use 3 and a re-zoning is not anticipated or necessary for the development of the property. The City has required payment by the Developer of two (2) times the standard City Affordable Housing Linkage Fee. The anticipated development is projected to occur over the next four years during 2019 through 2022. It is estimated that approximately 180 for-sale townhomes will be built with an average market value of \$450,000. Further, it is expected that approximately 5,000 -7,000 square feet of commercial space or a 40- to 60-unit senior living facility is estimated to be built in 2020 on the north section of the property. The majority of public infrastructure is expected to be funded and built in 2019 with the anticipation of developer advances to pay for the upfront costs pending the district’s ability to issue bonds. The development projections are estimates only and may be subject to change depending upon actual circumstances and approvals provided by the City.

The property is an infill development and construction of all necessary improvements will be accomplished through both district financing and conventional development financing, specifically inclusive of any public improvements that could be deemed to be regional improvements under the Service Plan. This will include public improvements required to connect the property to adjacent communities and property, as well as regional drainage requirements.

It is anticipated the District will operate and maintain landscaping within the community specific to the attached residential homes, along with other public amenities not otherwise conveyed to the City or other public entities. This will include landscaping, certain storm drainage retention and detention facilities, and common areas and sidewalk maintenance surrounding the residential areas. The District will also undertake covenant and architectural activities within the community, as the same are authorized by the Special District Act, in order to achieve the most streamlined provision of services and avoid duplicative administrative expenses that would otherwise be incurred via a separate homeowners association. The districts will have the authority to impose up to 50 mills to support both debt and operations. There will not be an operations cap to allow greater flexibility for



KENTRO GROUP

2000 S Holly Street Location



To be completed by Mayor’s Legislative Team:

upkeep and maintenance of the project. The regional mill levy authorization is not part of this service plan and the 50 mill cap can be adjusted for residential assessment ratio changes pursuant to Gallagher.

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