

Aviation Station Metropolitan Districts



Denver City Council Land Use, Transportation & Infrastructure Committee – February 5, 2013

Project history & Milestones

- 2004 FasTracks funding approved by regional voters
- 2010 Eagle P3 contract awarded to Denver Transit Partners. East Corridor site prep begins
- 2011 C&C Denver and RTD reach agreement on locating additional station in the Gateway.
- 2012 City issues RFP for additional station on East Corridor. LC Fulenwider selected as development partner with DIA for Aviation Station (61st & Peña Boulevard).
- 2016 (1Q) East Corridor rail line will open for service between Downtown Denver and DIA**

Timing & Critical Path

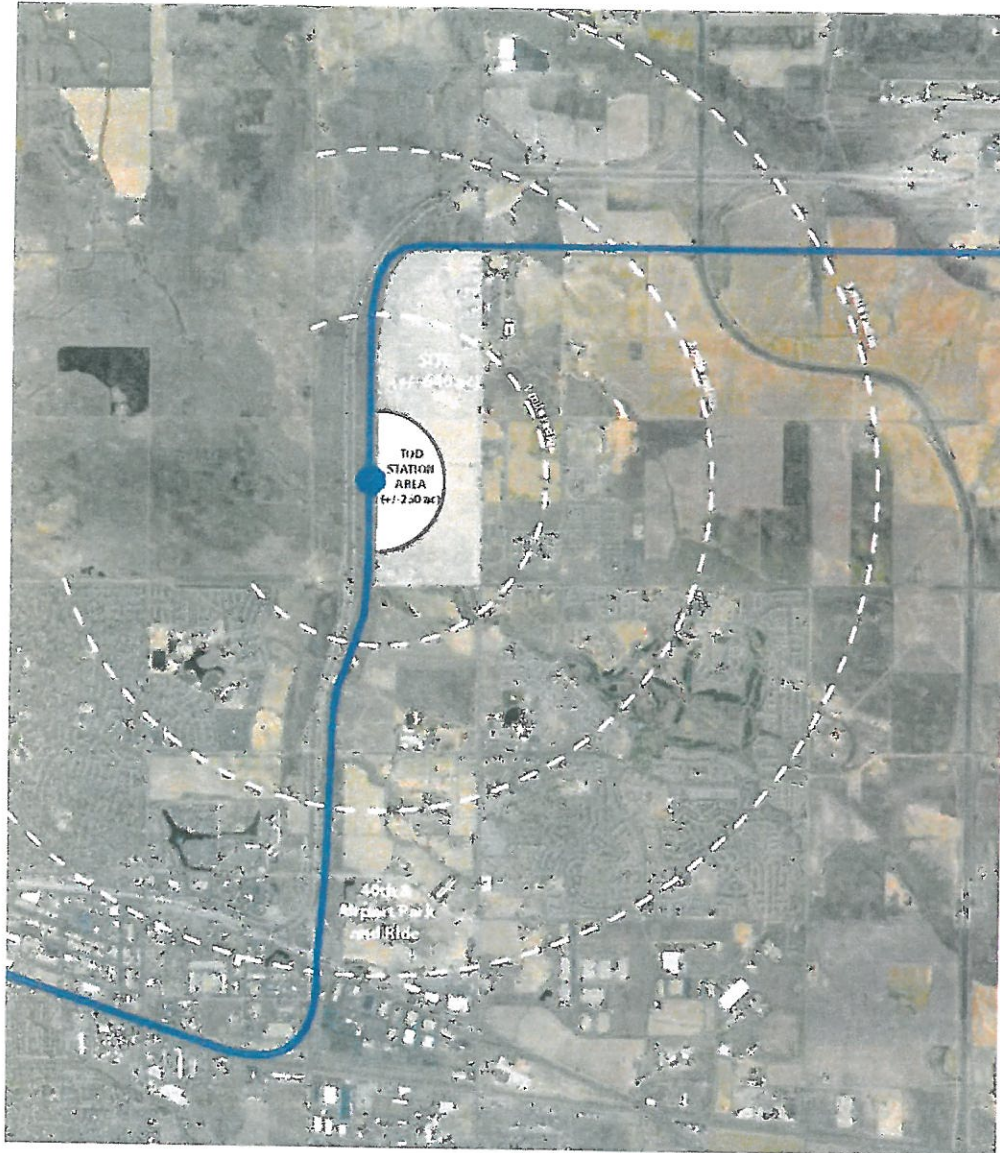
Platform and supporting infrastructure must be completed when East Corridor rail line opens for service in **Q1 2016**:

- *Rail stop & plaza*
- *Streets, water & sewer from Tower Road to station*
- *Aviation Place and Park – public space “anchor”*

Critical Path



Location

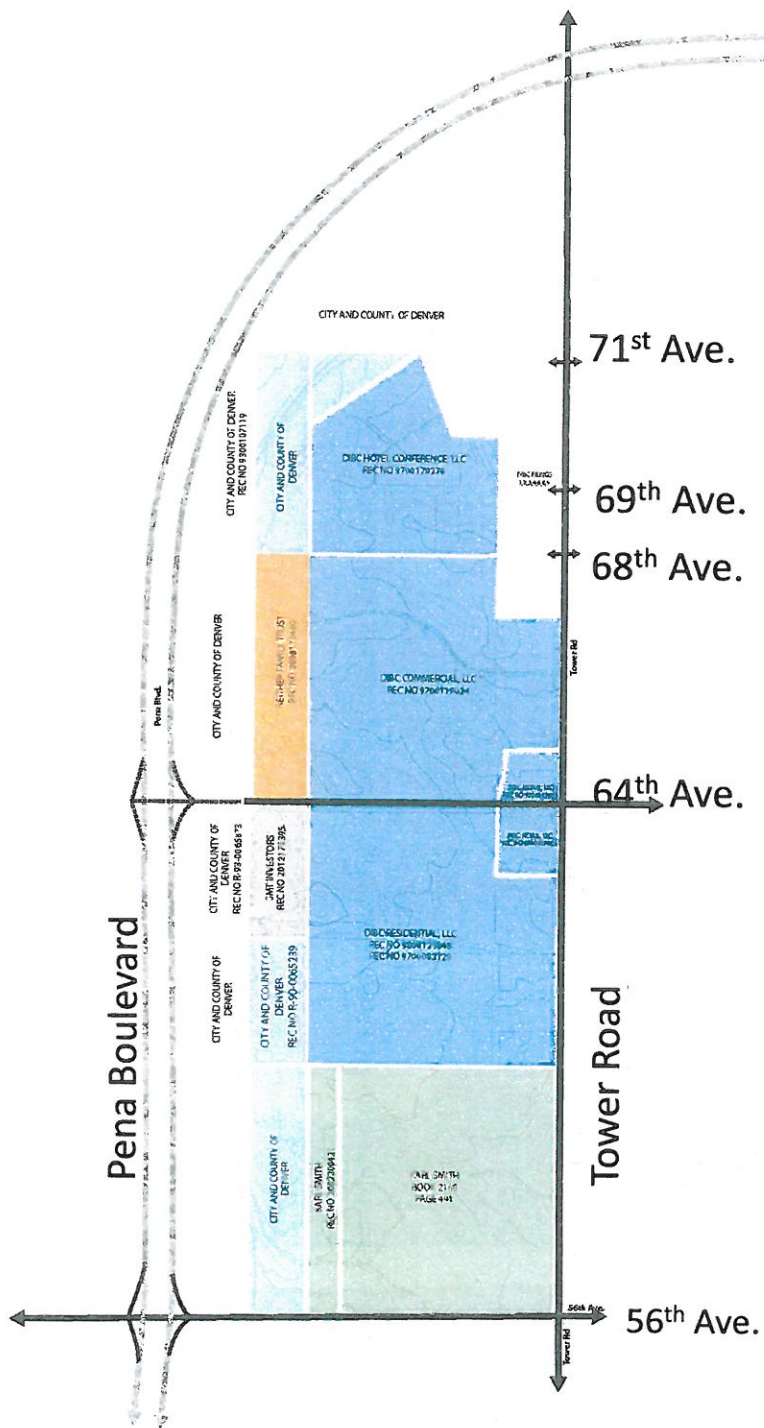


- Approximately 680 acres

- Station location:
61st & Peña
Boulevard

- The only rail stop between
40th & Peña and
DIA

Property ownership

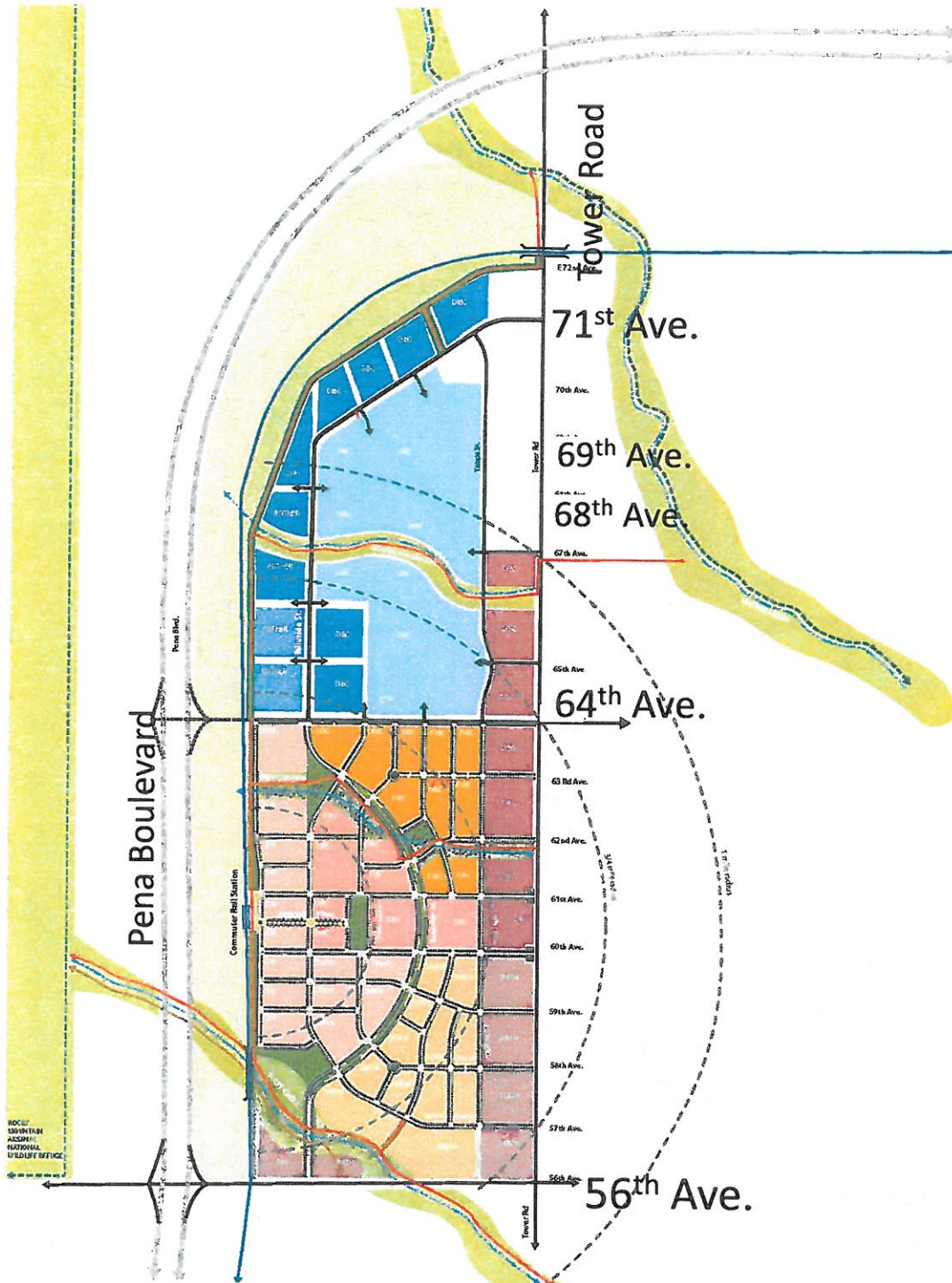


-  DIBC
-  City and County of Denver
-  Reither Family Trust
-  SMT Investors
-  Karl Smith

Aviation Station – Land Use & Planning

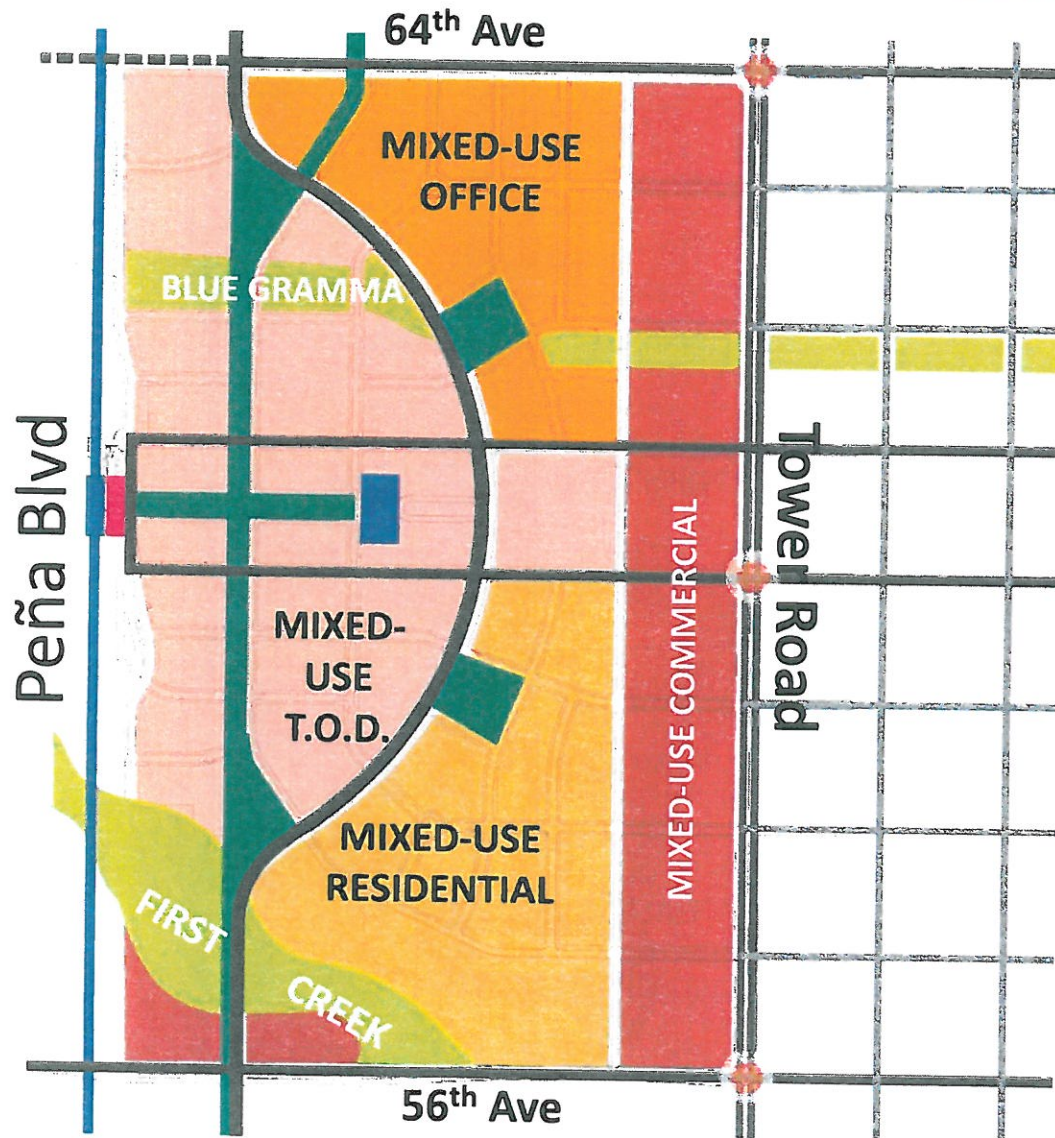


Land Uses



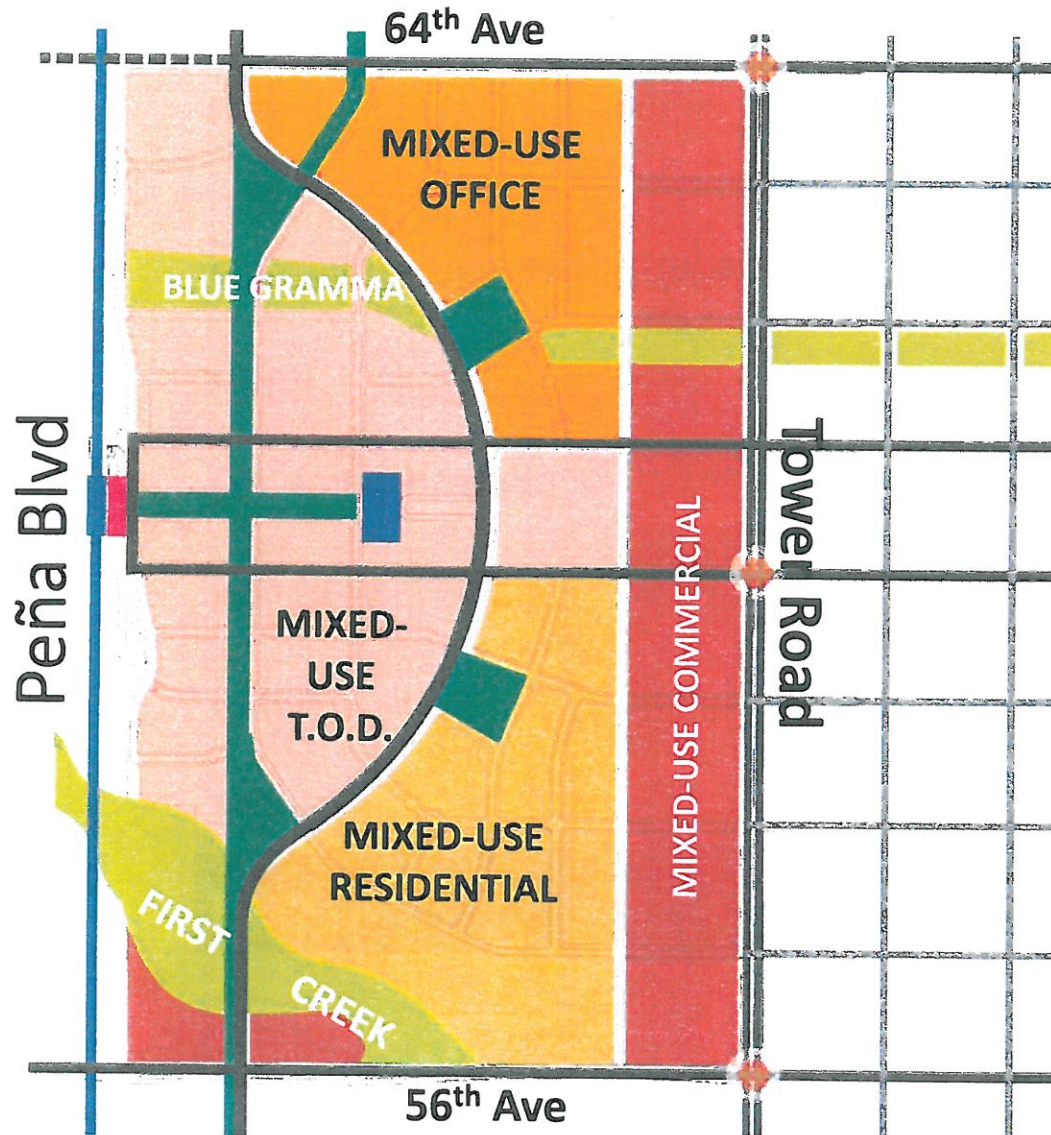
- Mixed Use - TOD
- Mixed Use - Commercial / MF
- Mixed Use - Residential
- Mixed Use - Commercial
- Corporate Office/Hotel
- Corporate Campus
- Proposed open space network
- Regional open space network
- Pena prairie
- Proposed ped and bike path
- Planned ped and bike path
- Equestrian trail
- Existing drainage channel
- Commuter rail
- Commuter rail platforms

Aviation Station Land Uses



- Create a true mixed use place
- Flexibility to adapt to the market.
- A variety of land uses create a vibrant, active community immediately adjacent to train platform.
- Retail and commercial use concentrated along Aviation Place.

Aviation Station Land Uses



- Mixed Use Transit Oriented Development that incorporates commuter rail stop
- Outside of DIA noise contours
- Emphasize western views
- Premier Commercial/Office Sites
- Hotel
- Extensive Retail Amenities
- Mixed-Income Residential
 - workforce housing
 - DIA employees
- + Infrastructure Ready

Phase I Development Plan

Description	Phase I Plan totals
Retail	228,000 s.f.
Office	1,095,000 s.f
Rental Housing	590 units
For-sale Housing	229 units
Hotel	175 rooms
Parking (temporary surface)	1,600 spaces

Aviation Station Land Uses

○ Housing Market Demand

- DIA Employees
- Airline Employees
- Frequent Business travelers
- Access to other major employment centers *via* rail

○Diversity of Product Type

- Phase I located adjacent to the transit station delivered in 2016.
- Building height 4-5 stories. Street level retail, live/work, or office.
- Focus on workforce and affordable housing.



Housing Market Comps

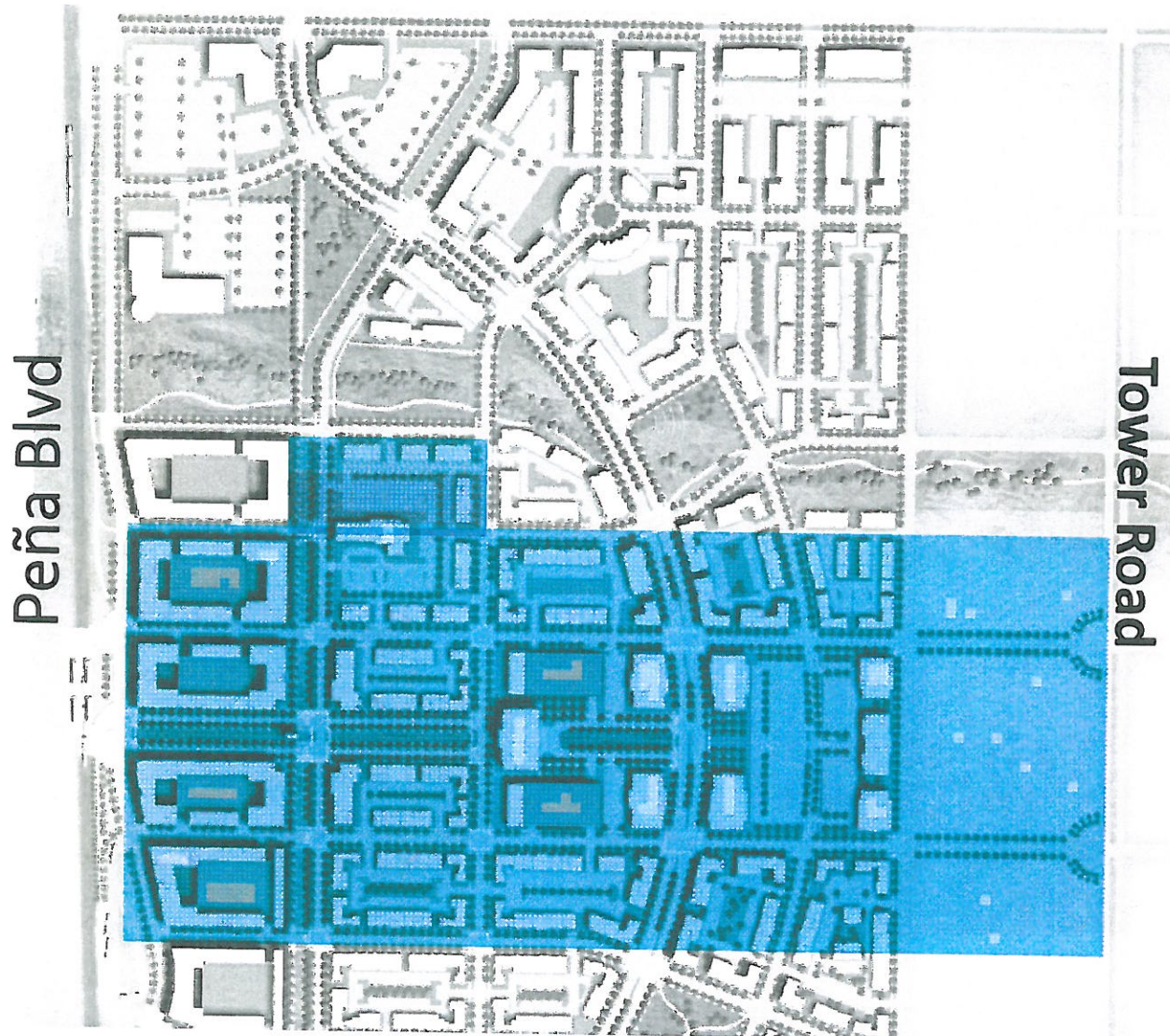
<u>RENTAL UNITS</u>	<u>UNIT TYPE</u>	<u>SQUARE FT</u>	<u>MONTHLY RENT</u>	<u>PSF</u>
REDSTONE RANCH	2BED/2BATH	849	\$ 940	\$1.10
CONDO UNIT	3BED/2 BATH	1045	\$1,148	\$1.10
PARKFIELD APTS	2BED/2BATH	940	\$1,105	\$1.18
PARKFIELD APTS	1BED/1BATH	751	\$ 815	\$1.10
HOME FOR RENT	4BED/2BATH	1756	\$1,800	\$1.02

<u>SINGLE FAMILY HOME FOR SALE</u>	<u>SQUARE FT</u>	<u>PRICED</u>
USED	3BED/2BATH	\$150,500
USED	4 BED/ 3 BATH	\$255,000
USED	2BED 2BATH	\$169,900
USED	3BED/3BATH	\$164,000
NEW GREEN VALLEY RANCH	2,000	\$175,000
NEW REUNION SPACES	2,000	\$190,000

Phase I Infrastructure



Phase I Infrastructure



Phase 1 infrastructure serves 19 blocks

Enables Aviation Station development to respond to market

Rail station and platform

Roadways

Traffic safety protection improvements

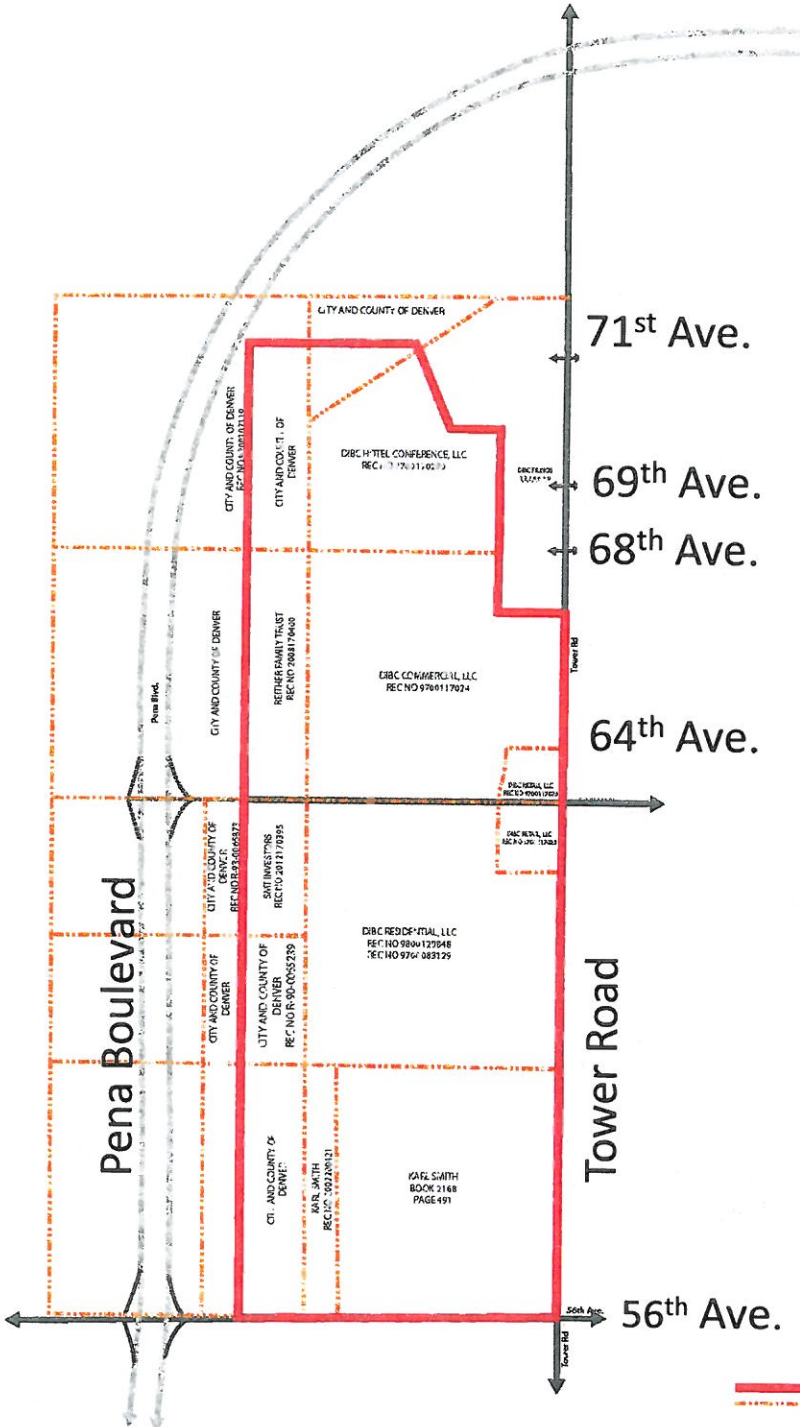
Sanitary sewer including lift station, storm sewer and detention facilities

Waterlines

Landscaping

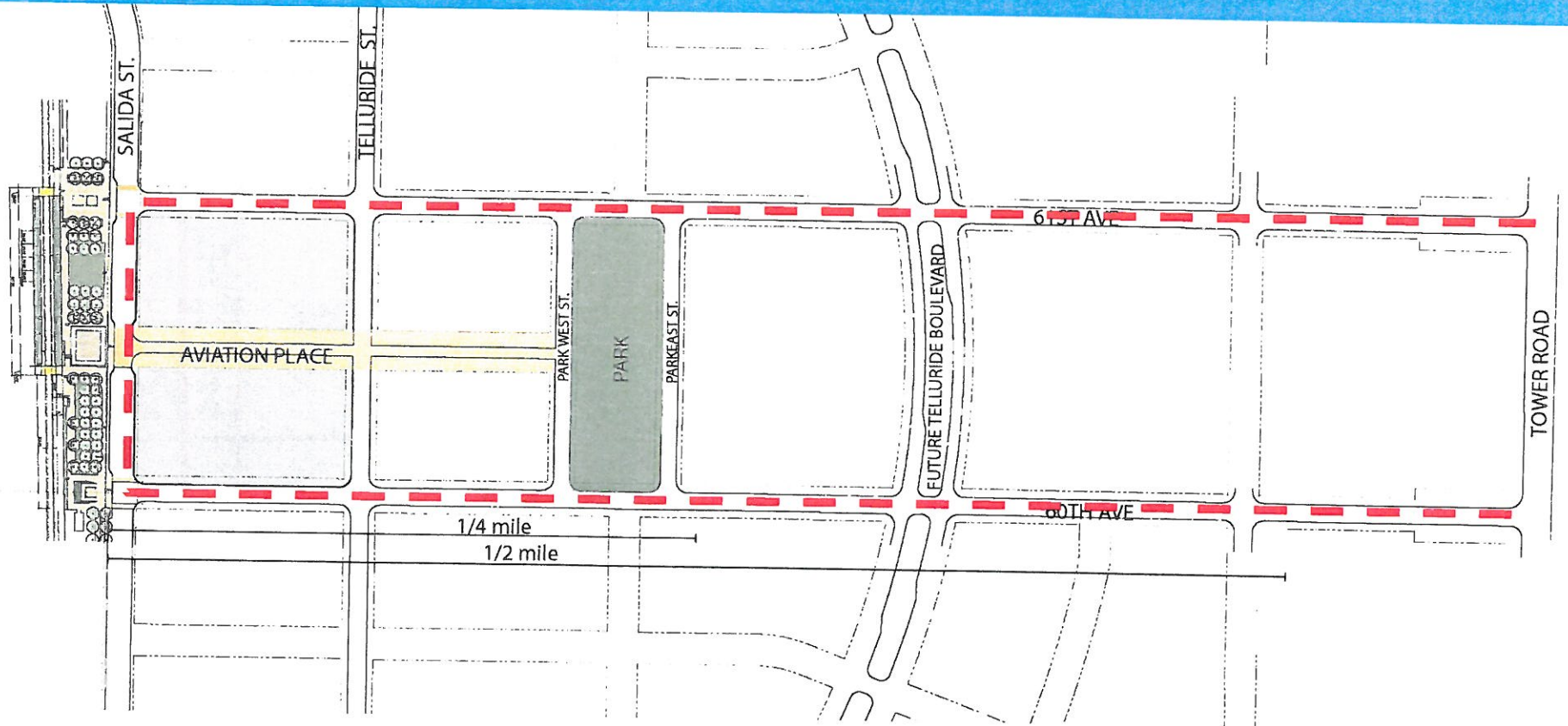
Parks, trail systems and open space

Inclusion area



— Inclusion Area Boundary
 - - - Property Lines

Phase I Infrastructure



--- Primary utility service

Phase 1 Infrastructure:

- Overlot grading
- Streets: Aviation Place, Salida, Telluride Street, Park West, Park East, 60th and 61st.
- Water
- Storm Sewer
- Sanitary Sewer and lift station
- Dry utilities
- Pipeline relocation
- Streetscape and lighting
- Park
- Platform
- Plaza
- Blue Gramma channel

Infrastructure Financing – Metropolitan Districts



Phase I infrastructure costs

- Total Cost of Improvements for Phase I: \$35 million
- Includes \$12 million for rail station platform
- Financing plan and multiple landowners requires creation of multiple metropolitan districts

Metropolitan Districts - Benefits

Why Use Metropolitan Districts?

- Tax-exempt financing for public improvements positively impacts project viability
- Keeps development competitive
- Generates independent revenues - “Growth pays its own way”
- Facilitates relationship among the City, Districts and Developers
- Governmental entity other than the City in place for perpetual operation and maintenance of public improvements
- Organization of the District is supported by the Developers
- Has little to no financial impact on the City or property owners outside the District’s boundaries

Metropolitan Districts - Structure

For this project the City and project team are proposing a total of 10 “related” metropolitan districts.

Why multiple districts?

- Multiple property ownerships
- Mixed use development
- Build-out period and phasing of infrastructure
- Ability to manage debt through multiple bond issuances

Metropolitan Districts - Structure

10 proposed Districts, including:

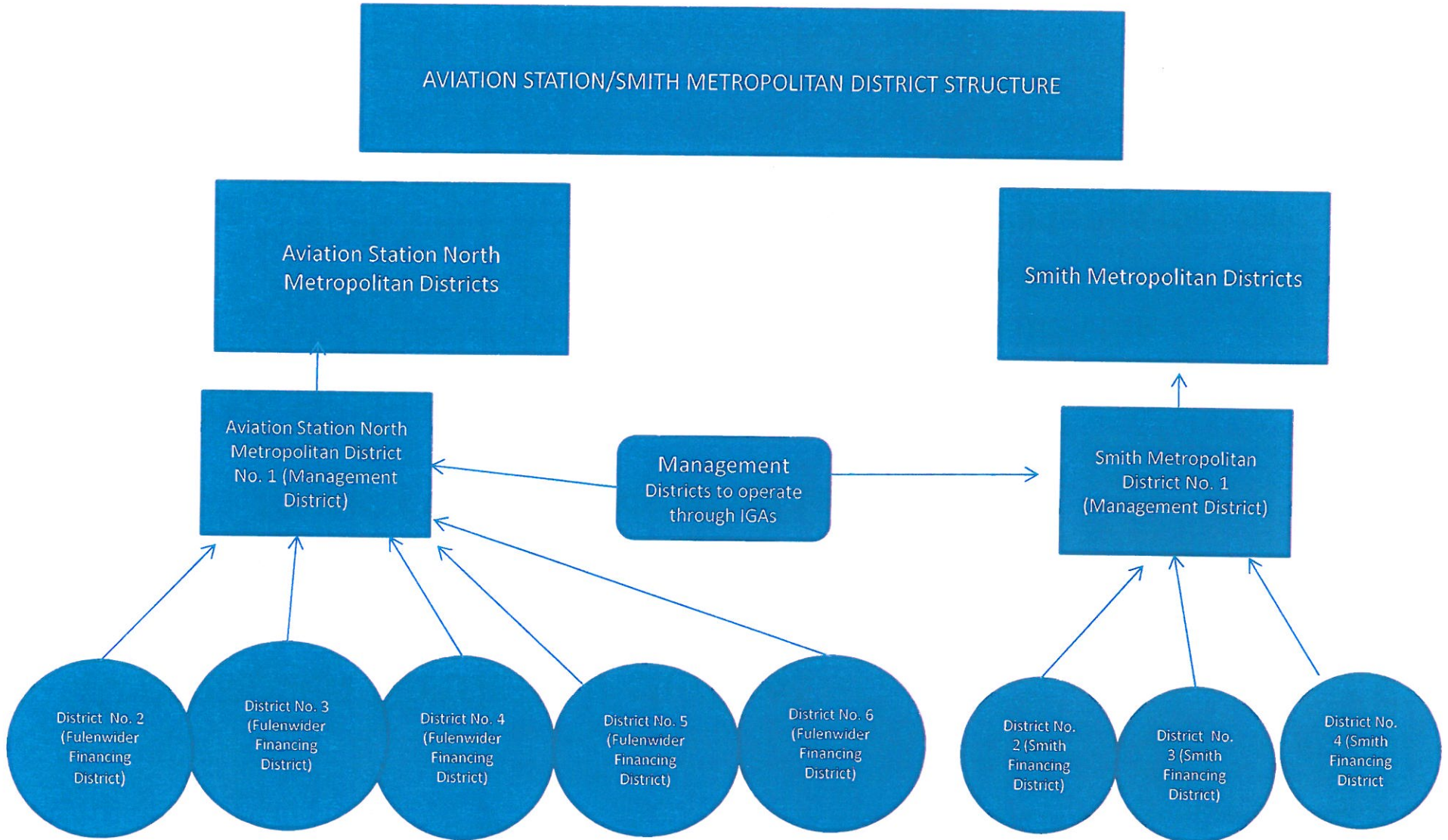
Two Management Districts

- Property within boundaries will be *de minimus*

Eight Financing Districts

- Boundaries anticipated to include property within the development upon petition of property owners
- Certain property owners may elect not to include and may pay share of infrastructure directly, such as DIA

Metropolitan Districts - Structure



Metropolitan Districts - Sources of Revenue

Metro District sources of revenue:

Metro District Property Taxes

- Operations component
- Debt Service component

District Fees (if any)

Specific Ownership Taxes

Public Improvement Fee (PIF)

Helps to subsidize mill levy imposition by obtaining revenue from users of the Districts' improvements who are not property owners within the Districts.

>PIF examples: Park Meadows, Belmar

Metropolitan Districts - Sources of Revenue

Public Improvement Fee (PIF)

- Landowner imposed fee through covenant that runs with the ground. PIF is not a tax and is collected by the landowner, not the City.
- The fee is imposed as a percentage on retail sales with the exception of those items also exempt from sales taxes (e.g., groceries)
- Benefit of using PIF is to diversify revenue sources to the Metro District and to keep mill levy competitive.
- Without PIF, mill levy would need to be 5 to 7 mills higher.

Metropolitan Districts – Financial Plan

- Total Debt Authorization: \$500 million
- Mill Levy Limitations:
 - Maximum Debt Service Mill Levy – 50 mills
 - Operations & Maintenance Mill Levy – TBD based on improvements owned and maintained by Districts

2016 Rail Opening - Infrastructure Improvements Expense Timeline

USES NEXT 3 YEARS	
PLANNING ENGINEERING AND PHASE 1 INFRASTRUCTURE	
2012 (Q4)	\$ 205,847
2013	\$ 7,692,089
2014	\$ 10,840,320
2015	\$ 13,528,266
TOTAL	\$ 32,266,522

SOURCES NEXT 3 YEARS			
	DEVELOPER ADVANCES	LOAN DEBT	TOTAL
2012(Q4)	\$ 205,847		\$ 205,847
2013	\$ 2,307,627	\$ 5,384,463	\$ 7,692,090
2014	\$ 3,252,096	\$ 7,588,224	\$ 10,840,320
2015	\$ 4,058,480	\$ 9,469,786	\$ 13,528,266
TOTAL	\$ 9,824,050	\$ 22,442,473	\$ 32,266,523

Next Steps

Metro District formation – Feb 2013

Property owner election May 2013

Aviation Station Area Plan

Underway

Completion Summer/fall 2013

General Development Plan

Fall 2013

Zoning

2013/2014

Questions

