



Emily Griffith Opportunity School Project



Amendment to Emily Griffith Opportunity School Urban Redevelopment Plan
Emily Griffith Opportunity School Urban Redevelopment Project
Ordinance 18-0979

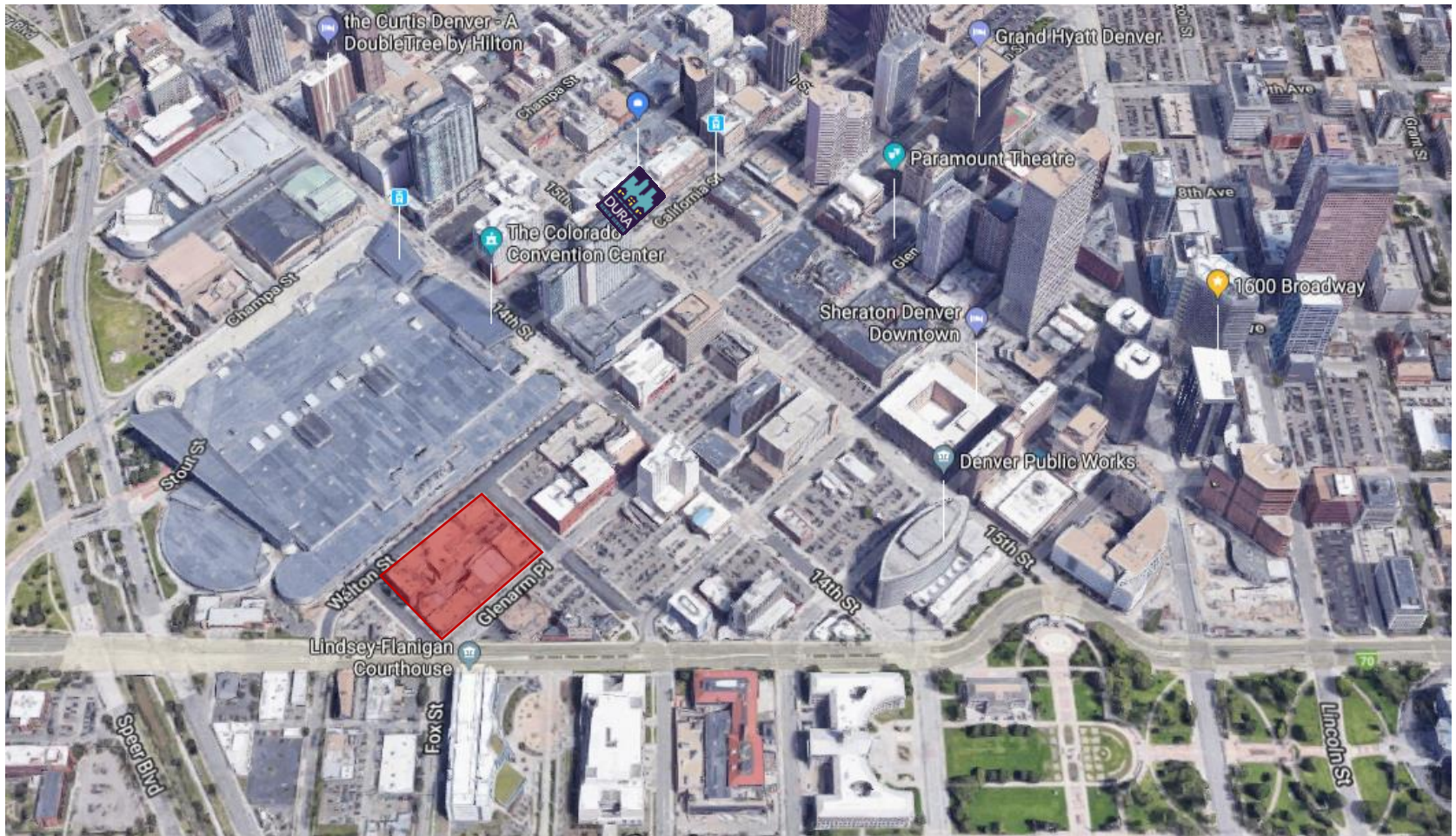


Finance and Governance Council Committee
September 11, 2018

Amendment to Emily Griffith Opportunity School Urban Redevelopment Plan



Location of Urban Redevelopment Area



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Location of Urban Redevelopment Project



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The Redeveloper has submitted a proposal to redevelop the entire 106,400 square foot site into the following:

Welton Street Side

- Rehabilitate the historic building into a 140,000 square foot hotel with 250 rooms and 6,000 square feet of meeting space
- Activate the alley between Welton Street and Glenarm Place by creating alley access to the hotel entrance, as well as pedestrian circulation between the convention center, hotel and Glenarm Place-facing retail and parking areas

Glenarm Place Side

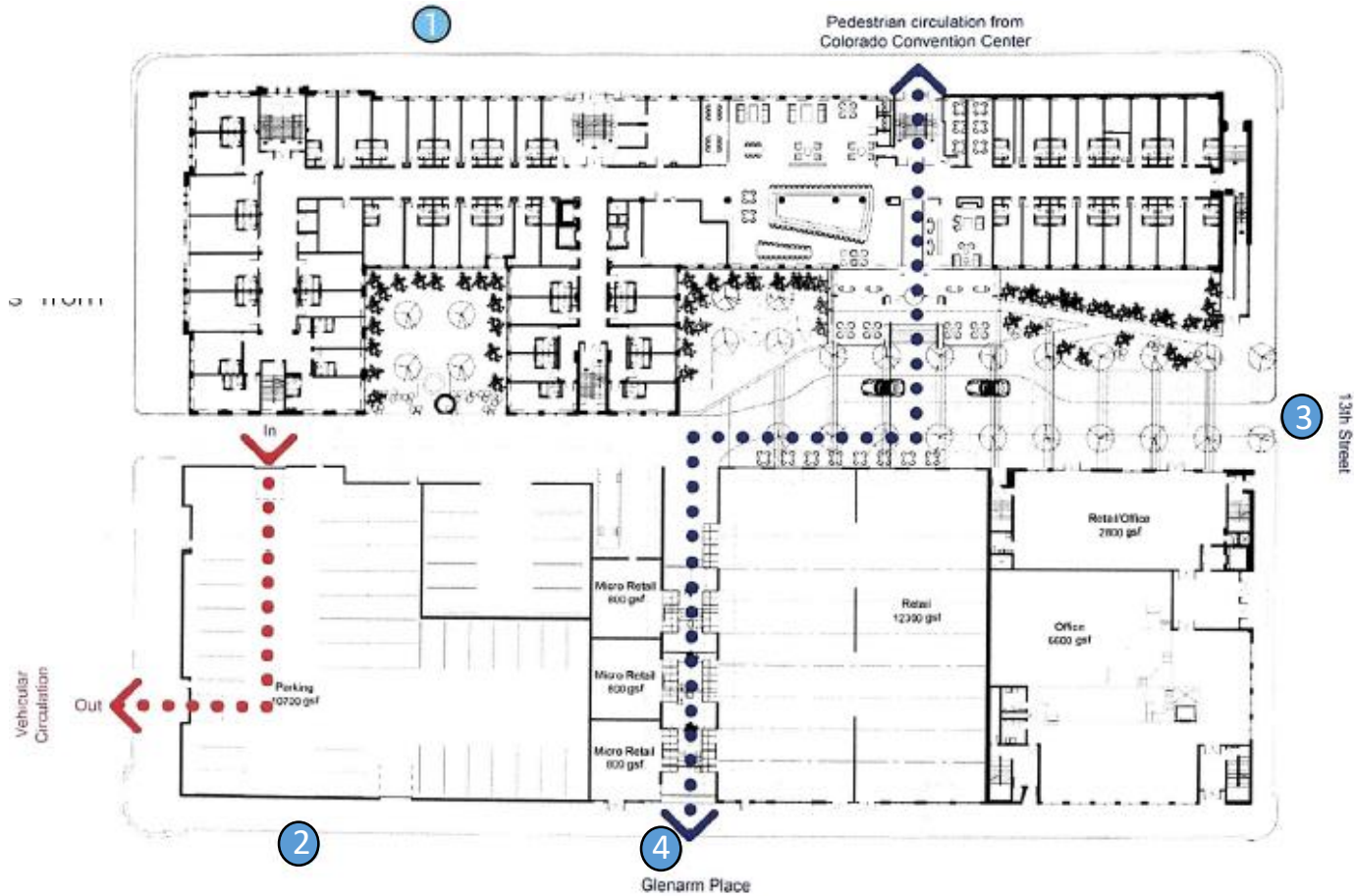
- Convert the existing building on the south side into a 120-stall parking structure to serve the entire project
- Convert the north side buildings to 37,500 square feet of retail and office space
- Demolish a portion of the mid-block building to create access to micro retailer space and complete the pedestrian access from Glenarm Place through the hotel to the convention center

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The Emily Griffith Project



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Emily Griffith Project: Hotel along Welton Street Looking North



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Emily Griffith Project: Hotel along Welton Street Looking North



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Emily Griffith Project: Retail on Glenarm Side, Looking North



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Emily Griffith Project: Retail on Glenarm Side, Looking North



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Emily Griffith Project:

13th Street Looking South - Alley Hotel Entry on Right – Glenarm Place Retail on Left



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Emily Griffith Project:

13th Street Looking South - Alley Hotel Entry on Right – Glenarm Place Retail on Left



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Emily Griffith Project: Glenarm Place Alley Activation



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Emily Griffith Project – Financial Analysis



Uses

Site Acquisition / Land	25,460,000	26%
Hard Costs – Hotel Renovation	35,888,091	37%
Hard Costs – Glenarm Place Rehabilitation	5,120,828	5%
Environmental	3,600,000	4%
FF&E, OS&E, Technology	5,760,000	6%
Financing Costs	5,188,000	6%
Soft Costs	15,536,000	16%
Total Project Uses	\$96,552,919	100.0%

Sources

Developer Equity*	11,289,892	12%
DURA TIF Reimbursement*	21,800,000	22%
Construction Loan	53,104,000	55%
Historic Tax Credits	10,359,027	11%
Total Sources	\$96,552,919	100.0%

* Initial Developer Equity \$33,089,892 34%

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Tax Increment Commitment



❖ \$21.8 Million DURA TIF Reimbursement

- Buildings contain environmental hazards which must be remediated
- Demolition of certain buildings
- Extraordinary costs related to historic designation
- Limited revenue potential of Welton St. building – defined by historic designation and view plane
 - All utilities to be replaced and updated from current condition

❖ Developer advance to be reimbursed by TIF

❖ Property and sales tax increment from tax increment areas

❖ Expected increment available at stabilization (approximate at stabilization)

- \$2.2 million annually in property tax increment
- \$345,000 annually in sales tax increment

❖ TIF obligation projected to be repaid within 25 year statutory limit

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Conformance with Current and Existing Plans

- City Council approved Urban Redevelopment Plan August, 2017
 - Urban Redevelopment Plan found to be in conformance with Denver Comprehensive Plan 2000 and its applicable supplements
- Tax Increment Financing authorized by not approved for any projects
- Urban Redevelopment Plan Amendment does two things:
 - Approves the Emily Griffith Project as an approved project
 - Corrects a Drafting Error in Urban Redevelopment Plan

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Conformance with Urban Redevelopment Plan Objectives:

- Eliminate the present and growing factors which contribute to the blight in the Urban Redevelopment Area
- Renew and improve the character and environment of the Urban Redevelopment Area
- Encourage reuse of existing buildings where appropriate, including historic preservation and adaptive reuse
- Protect and enhance the existing character of Denver structures designated for historic preservation
- Encourage retail, and commercial development and redevelopment that is socially and economically inclusive and from which the Urban Redevelopment Area can draw economic strength
- More effectively use underdeveloped land within the Urban Redevelopment Area
- Encourage and protect existing development within and immediately adjoining the Urban Redevelopment Area
- Encourage high and moderate density development where appropriate, including structured parking
- Encourage the participation of existing property owners within the Urban Redevelopment Area in the redevelopment of their property.
- Encourage high and moderate density development where appropriate, including structured parking
- Encourage land use patterns within the Urban Redevelopment Area where pedestrians are safe and welcome

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Development Plan Approval

- Landmark Commission:
 - Reviewed Phase 1: Mass, Form and Context for the project in July 2018
 - Approved Phase 1 with conditions
 - glass structure around the Opportunity Bay be eliminated
 - window opening sizes along Welton Street not be altered
 - Phase II (which includes architectural details) to be submitted for Landmark review
- Site Development Plan:
 - Pre-application meeting completed
 - Formal Site Development Plan submittal completed
- Planning Board Review:
 - Plan Amendment Submitted to Planning Board September 5, 2018
 - Unanimous finding of Conformance with Plan 2000 and it's approved supplements, including Urban Redevelopment Plan

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Coordination With Other Taxing Entities

HB15-1348 Requirements for Approval and Material Modifications to Existing Urban Redevelopment Plans

If utilizing Property Tax Increment Financing DURA must:

- Notice the other taxing districts of intention to utilizing property tax increment
- Other taxing districts to determine impact of project on services provided by the district
- Negotiate an agreement with the taxing regarding the allocation of taxes

Two Taxing Districts in the Emily Griffith Opportunity School Urban Redevelopment Area

- Denver Public Schools
- Urban Drainage and Flood Control District

Agreement reached with both Taxing Districts to utilize all available incremental taxes to support Project

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Next Steps:

- DURA Board Meeting– September 20, 2018
- First Reading – City Council – September 25, 2018
- Public Hearing – City Council – October 1, 2018

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Questions?



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