

1840 Grant Street Redevelopment



Finance & Governance Committee
Denver City Council
September 15, 2020



1840 Grant Street Urban Redevelopment Plan

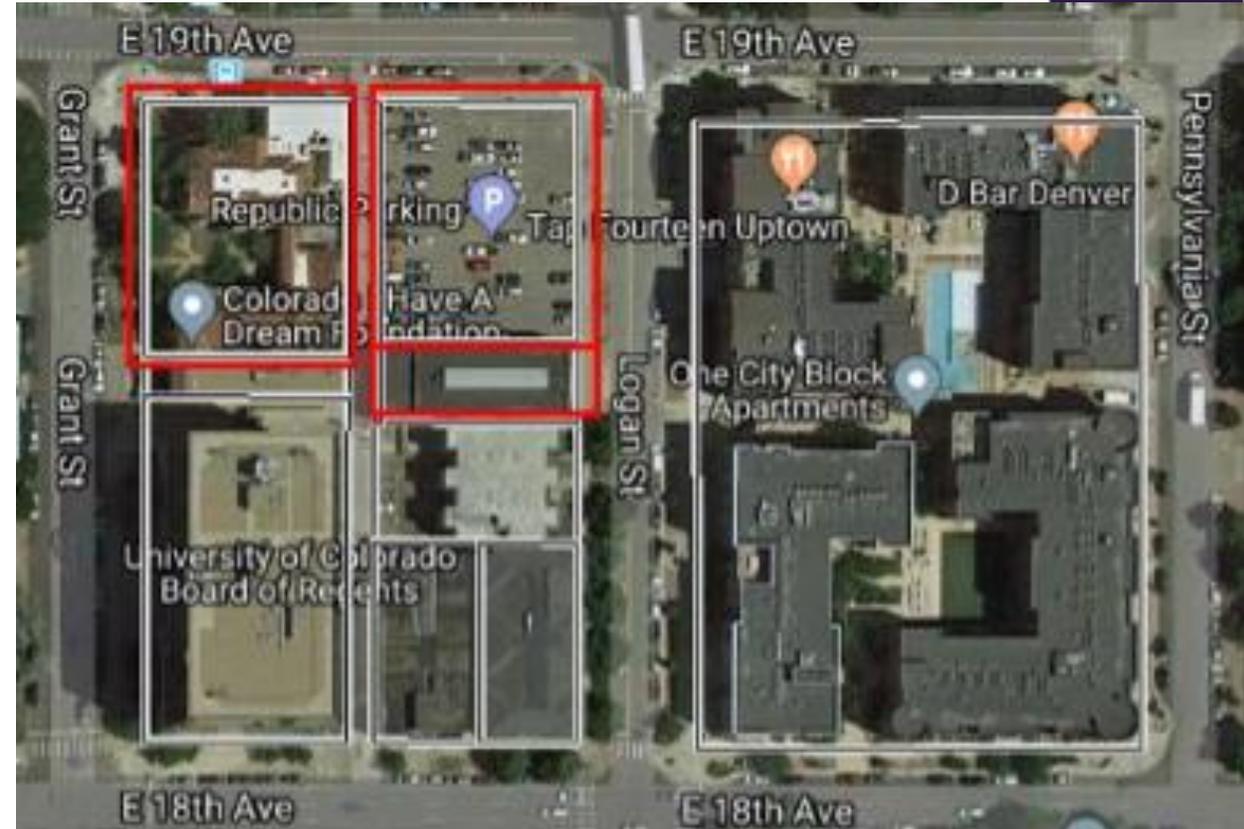
- Ordinance 20-0933 – Approval of 1840 Grant Street Urban Redevelopment Plan and Amendment to St. Luke’s Urban Redevelopment Plan
- Ordinance 20-0934 – Approval of 1840 Grant Street Cooperation Agreement

Presentation Overview:

- Proposed Project
- 1840 Grant Street Urban Redevelopment Plan
 - Finding of Blight
 - Plan Objectives
 - Conformance with City Adopted Plans
 - Amendment to St. Luke’s Urban Redevelopment Plan
- Schedule

1840 Grant Street Redevelopment: Area Context

- Owner: RAFMO, LLC (Redeveloper)
 - Affiliate of GFI Development Company
- Size: Three Parcels (1.04 acres)
- Zoning: C-MX-12
- Neighborhood: North Capitol Hill
- Council District: 10
- Historic Structures:
 - Cathedral High School and Sisters of Charity Convent Building
 - Oscar Malo Jr. Memorial Hall Gymnasium
 - Structures do not have landmark designation



1840 Grant Street Redevelopment Project: Background

- Cathedral High School & Sisters of Charity Convent Building constructed in 1921
- Oscar Malo Jr. Memorial Hall Gymnasium constructed in 1928
- Historic structures have been vacant since 2014
- October 2011: Potential developer submitted application for non-historic status for the structures
 - A coalition of historic advocacy groups and a registered neighborhood organization submitted applications for historic designation.
 - Then developer terminated their purchase contract.
- December 2016: Redeveloper purchased site and committed to preserving and activating the historic structures



1840 Grant Street Redevelopment: Project Proposal

- Rehabilitate and adaptively reuse the historic structures
- Construct 11-story, approximately 214,000 sf tower on existing parking lot
- New tower
 - 170 room-hotel
 - ~ 35,000 sf office space
 - ~ 4,500 sf retail space
 - ~ 49,250 sf of below grade space
 - 65 parking stalls
 - Back of house
- Cathedral & School Building
 - 17 additional hotel rooms
 - Restaurant & beverage outlets
 - Courtyard activation
- Gymnasium
 - ~ 6,700 sf event space



1840 Grant Street: Proposed Urban Redevelopment Area Boundary



1840 Grant Street Redevelopment: C.R.S Factors of Blight

1. Deteriorated or deteriorating structures
2. Defective or inadequate street layout
3. Faulty lot layout in relation to size, adequacy, accessibility, or usefulness
4. Unsanitary or unsafe conditions
5. Deterioration of site or other improvements
6. Unusual topography or inadequate public improvements or utilities
7. Defective or unusual conditions of title rendering the title non-marketable
8. Conditions that endanger life or property by fire or other causes
9. Buildings that are unsafe or unhealthy for people to live or work in
10. Environmental contamination of buildings or property
11. Existence of health, safety, or welfare factors requiring high levels of municipal services or substantial underutilization or vacancy of buildings, sites, or improvements

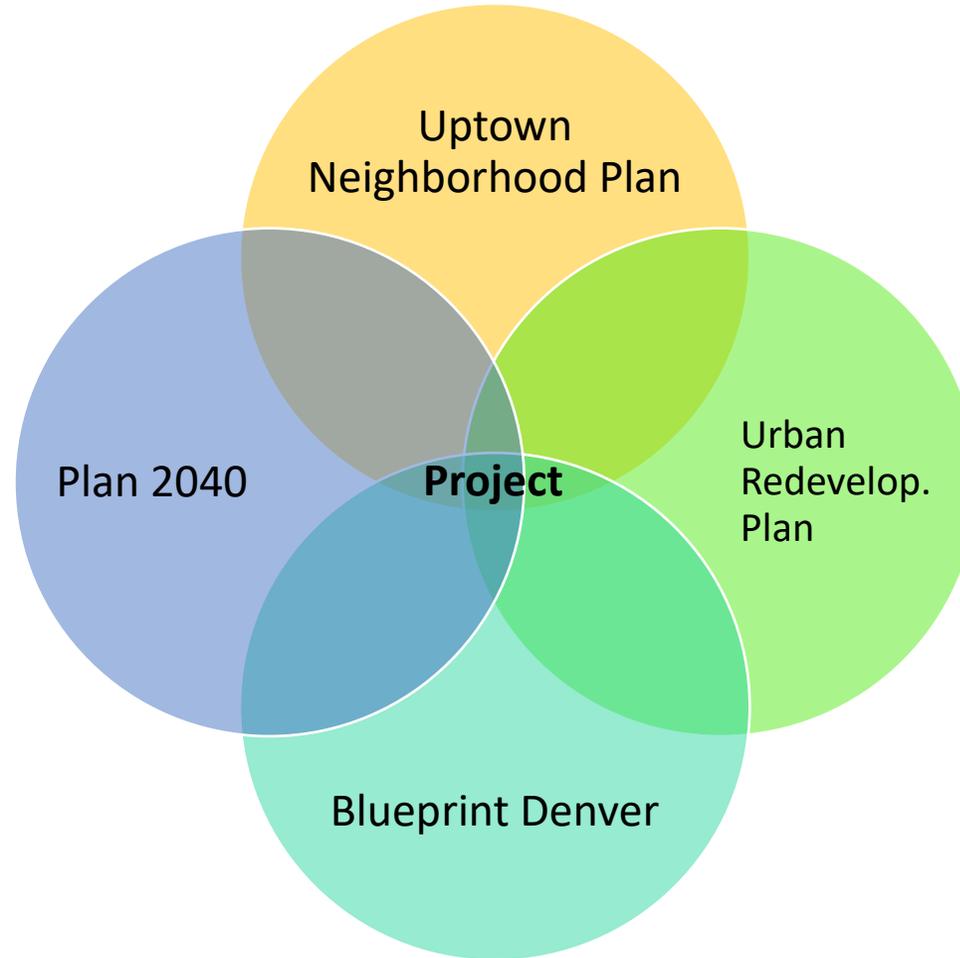


1840 Grant Street Redevelopment: More Exhibits from Condition Study



1840 Grant Street Urban Redevelopment Plan: City Plan Compliance

Plan Compliance



1840 Grant Street Urban Redevelopment Plan: City Plan Compliance

Adopted City Plans – Goals related to Historic Preservation

“Prioritize the reuse of existing buildings...” (Comp Plan 2040: Environmentally Resilient – G7.C)

“Continue the City’s commitment to existing historic districts and landmarks...” (Comp Plan 2040: Strong and Authentic Neighborhoods – G3.B)

“Support the stewardship and reuse of existing building, including city properties.” (Comp Plan 2040: Strong and Authentic Neighborhoods– G3.E)

“Embrace existing communities and their cultural assets” (Comp Plan 2040: Strong and Authentic Neighborhoods– G7.B)

“Identify important mixed-use historic structures and encourage their continued use or adaptive reuse.” (Blueprint Denver: Land Use and Built Form - Design Quality & Preservation – P3.K)

“Incentivize the preservation of structures and features that contribute to the established character of an area, even if they are not designated as landmarks or historic districts.” (Blueprint Denver: Land Use and Built Form - Design Quality & Preservation – P6)

“Promote incentives to preserve the reuse of historic buildings...” (Blueprint Denver: Land Use and Built Form - Design Quality & Preservation – P2.I)

“Emphasize Historic Preservation” (Uptown Neighborhood Plan, pg. 38)

1840 Grant Street Urban Redevelopment Plan: City Plan Compliance

Adopted City Plans – Goals related to Mixed-use & Infill Development

“Build a network of well-connected, vibrant, mixed-use centers and corridors.”
Comp Plan 2040 Strong and Authentic Neighborhoods– G1.A)

“Encourage quality infill development that is consistent with the surrounding neighborhood...” (Comp Plan 2040 – Strong and Authentic Neighborhoods – G1.D)

“Promote infill development where infrastructure and services are already in place.” (Comp Plan 2040 – Environmentally Resilient– G8.A)

“Encourage mixed-use communities where residents can live, work and play in their own neighborhood.” (Comp Plan 2040 – Environmentally Resilient– G8.B)

“Align the impact of private development with transportation infrastructure and promote development that creates walkable, transit-friendly communities.”
(Blueprint Denver - Mobility– P2)

“Incentivize redevelopment of opportunity sites such as downtown surface parking lots.” (Blueprint Denver - Land Use and Built Form - General – P2.D)

“ Promote and anticipate planned growth in major centers and corridors and key residential areas...” (Blueprint Denver Land Use and Built Form - General – P1)

“Encourage Mixed Use Projects”
(Uptown Neighborhood Plan, pg. 24)

“Encourage the compatibility of new development with the existing character of this district...” (Uptown Neighborhood Plan, pg. 27)

“Limit the number of abandoned buildings and vacant lots” (Uptown Neighborhood Plan, pg. 45)

1840 Grant Street Redevelopment Plan: Equitable Development



An Equitable City

Planning for social equity and guiding change to benefit everyone

Analysis from Blueprint Denver indicated that the Area lies within an area that has:

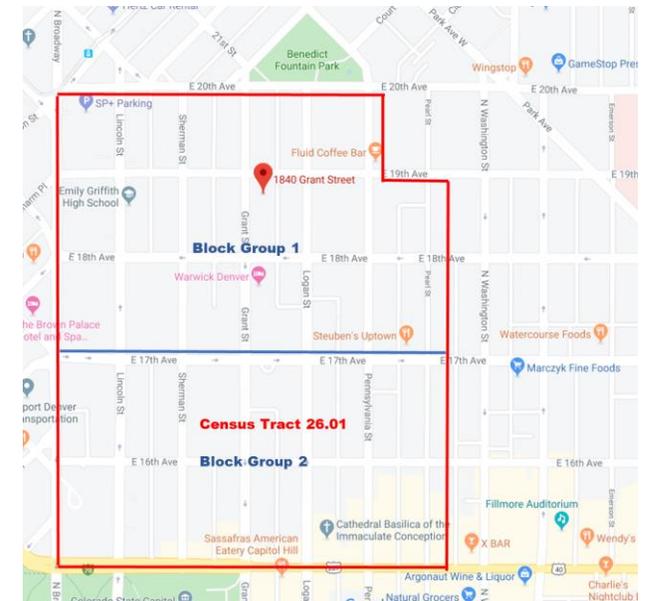
- **Moderate** Access to Opportunity
- **High** Vulnerability to Displacement
- **Low** Housing and Job Diversity

However, Blueprint Denver's macro-level data analysis methodology makes evaluating equity concepts for small areas difficult.

Analysis of Equity Concepts on the Census Block Group level indicated the Area lies within an immediate context with:

- **High** Access to Opportunity
- **Low** Vulnerability to Displacement
- **Low** Housing and Job Diversity

Key Strategy: Create businesses that will bring new and diverse employment opportunities to the neighborhood.



1840 Grant Street Urban Redevelopment Plan: Objectives

The main objectives of the Urban Redevelopment Plan are to:

- Eliminate blight in the Urban Redevelopment Area; renew and improve the character of the Area
- Encourage the reuse of existing buildings including historic preservation and adaptive reuse
- More effectively use underdeveloped land within the Area
- Promote a diverse, sustainable neighborhood economy
- Encourage land use patterns that result in a more environmentally sustainable city
- To assist the City in cultivating complete and inclusive neighborhoods
- Encourage land use patterns where pedestrians are safe and welcome
- Improve the economy of the City by stabilizing and upgrading property values
- Encourage high and moderate density development where appropriate
- Achieve goals as outlined in adopted City Plans



1840 Grant Street Redevelopment: Tax Increment Assumptions

Project Sources			Project Uses		
	\$	%		\$	%
Equity	\$37,000,362	26%	Acquisition	\$7,506,338	5%
Mezzanine Financing	\$32,000,000	22%	Hard Costs - New Construction	\$55,336,583	39%
Construction Loan	\$74,500,000	52%	Hard Costs - Historic Rehab	\$20,115,272	14%
			Hard Costs - Parking	\$5,411,397	4%
			Hard Cost Contingency	\$4,043,163	3%
			Tenant Imp./FFE/OSE	\$12,516,693	9%
			Soft Cost	\$19,312,082	13%
			Soft Cost Contingency	\$1,478,881	1%
			Developer Fee	\$4,417,635	3%
			Capitalized Interest Reserves	\$13,362,319	9%
Total Sources	\$143,500,362	100%	Total Uses of Funds	\$143,500,362	100%

Current TIF Proposal*

Historic Preservation Only		\$
Demolition & Abatement		\$0.80 million
Site Improvements		\$0.60
Structural Rehabilitation		\$2.60
Plumbing, Electrical, HVAC		\$5.50
Conveyance & Life Safety		\$1.10
Restoration of Historic Finishes		\$1.40
Soft Costs		\$2.00
DURA Program Costs		\$0.25
Total TIF Assistance		\$14.25 million

* Approximate numbers

- Proposed DURA assistance will be structured as an annual reimbursement to the Redeveloper as property and sales tax increment is generated
- Only costs associated with the rehabilitation and adaptive-reuse of the Historic Structures will be eligible for reimbursement

1840 Grant Street Urban Redevelopment Plan: Plan Components

- Makes required legislative findings
- Describes the Urban Redevelopment Area and Plan Objectives
- Describes Project Activities
- Authorizes Tax Increment Financing
- Requires land use within the Urban Redevelopment Area to conform with Comprehensive Plan 2040, its supplements, and applicable ordinances and regulations, including zoning
- Requires application of various DURA programs
 - Project Art
 - First Source Hiring
 - Small Business Enterprise Utilization
 - Construction Employment Opportunities
 - Prevailing Wage (when applicable)

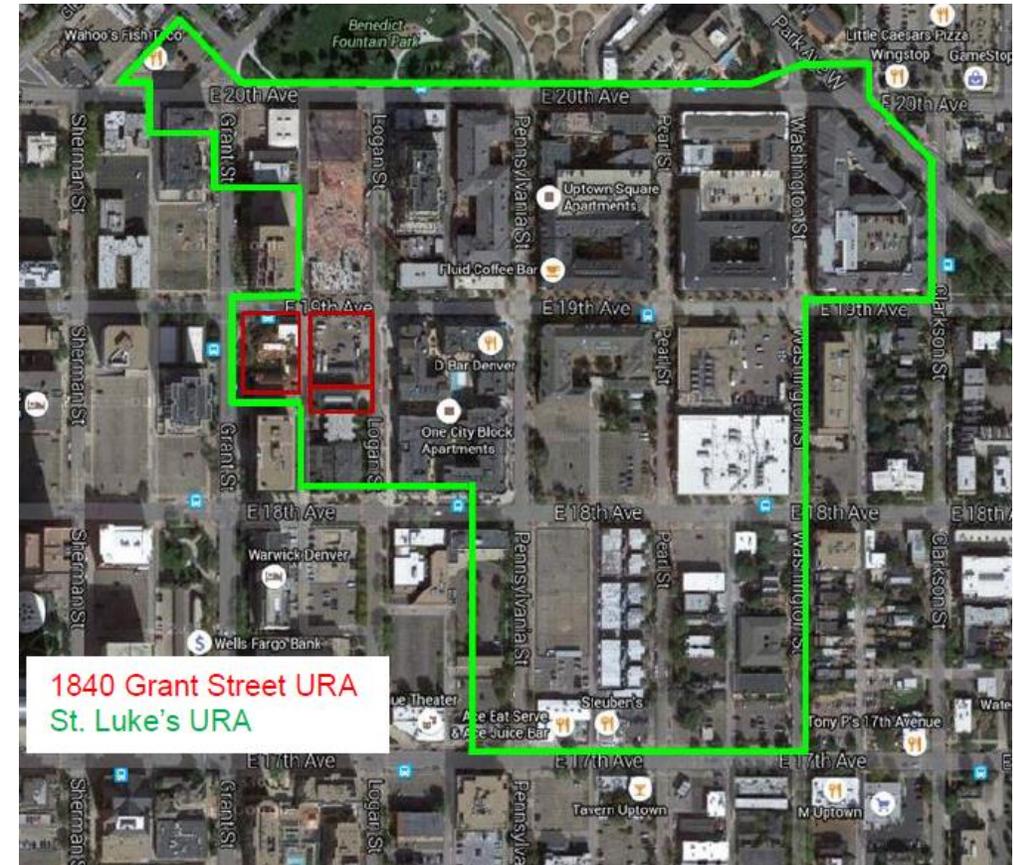
1840 Grant Street Urban Redevelopment Plan: Additional Agreements

- DURA/City Cooperation Agreement
 - Addresses collection and remittance of both property and sales tax increment to support redevelopment
 - Term of Agreement – earlier of repayment of DURA obligation or 25 years
- DURA Urban Drainage and Flood Control District Letter Agreement
 - Ability to collect and utilize full amount of incremental property taxes from UDFCD mill levy
- DURA/DPS Intergovernmental Agreement
 - Ability to collect and utilize full amount of incremental property taxes from DPS mill levy

Amendment to St. Luke's Urban Redevelopment Plan



- The proposed 1840 Grant Street Urban Redevelopment Area is within the existing St. Luke's Urban Redevelopment Area boundary
- St. Luke's Urban Redevelopment Plan ("St. Luke's URP") was adopted in 1996
- Tax increment areas associated with St. Luke's URP were terminated in 2012
- St. Luke's URP will be amended to remove the three parcels that will be included in the 1840 Grant Street Urban Redevelopment Area
- Staff and counsel do not consider the amendment to be a substantial modification to the St. Luke's URP
- Staff provided notice to DPS and UDFCD of the proposed modification to the St. Luke's URP
- DPS & UDFCD concurred with DURA's position that the amendment is not a substantial modification of the St. Luke's URP
- The amendment to the St. Luke's URP will be considered in the Ordinance approving the 1840 Grant Street Urban Redevelopment Plan





1840 Grant Street Urban Redevelopment Plan: Council Approval Schedule

- DURA Board Meeting March 19, 2020 – Approval of:
 - Urban Redevelopment Plan
 - DURA City Cooperation Agreement
 - DURA Urban Drainage and Flood Control District Letter Agreement
 - DURA/DPS Intergovernmental Agreement
 - St. Luke’s Urban Redevelopment Plan Amendment
- Neighbors for Greater Capitol Hill Meeting – January 15, 2020
- Capitol Hill United Neighbors (CHUN) Meeting – January 30, 2020
 - Letter of Support received from CHUN Board – March 27, 2020
- Denver Planning Board April 1, 2020 – Found Plan to be in conformance with Plan 2040
- City Council Approved Resolution setting Public Hearing – September 14, 2020
- City Council Finance and Governance Committee September 15, 2020
- City Council Consideration of Urban Redevelopment Plan & St. Luke’s Plan Amendment, Cooperation Agreement:
 - First Reading – October 12, 2020
 - Public Hearing – October 20, 2020

1840 Grant Street Urban Redevelopment Plan: Next Steps



- Questions?