

# Amendment to Welton Corridor Urban Redevelopment Plan 2460 Welton Street Redevelopment Project



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Denver City Council Finance & Services Committee  
December 16, 2014

# **Amendment to Welton Corridor Urban Redevelopment Plan 2460 Welton Street Redevelopment Project**

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## **Two Ordinance Requests:**

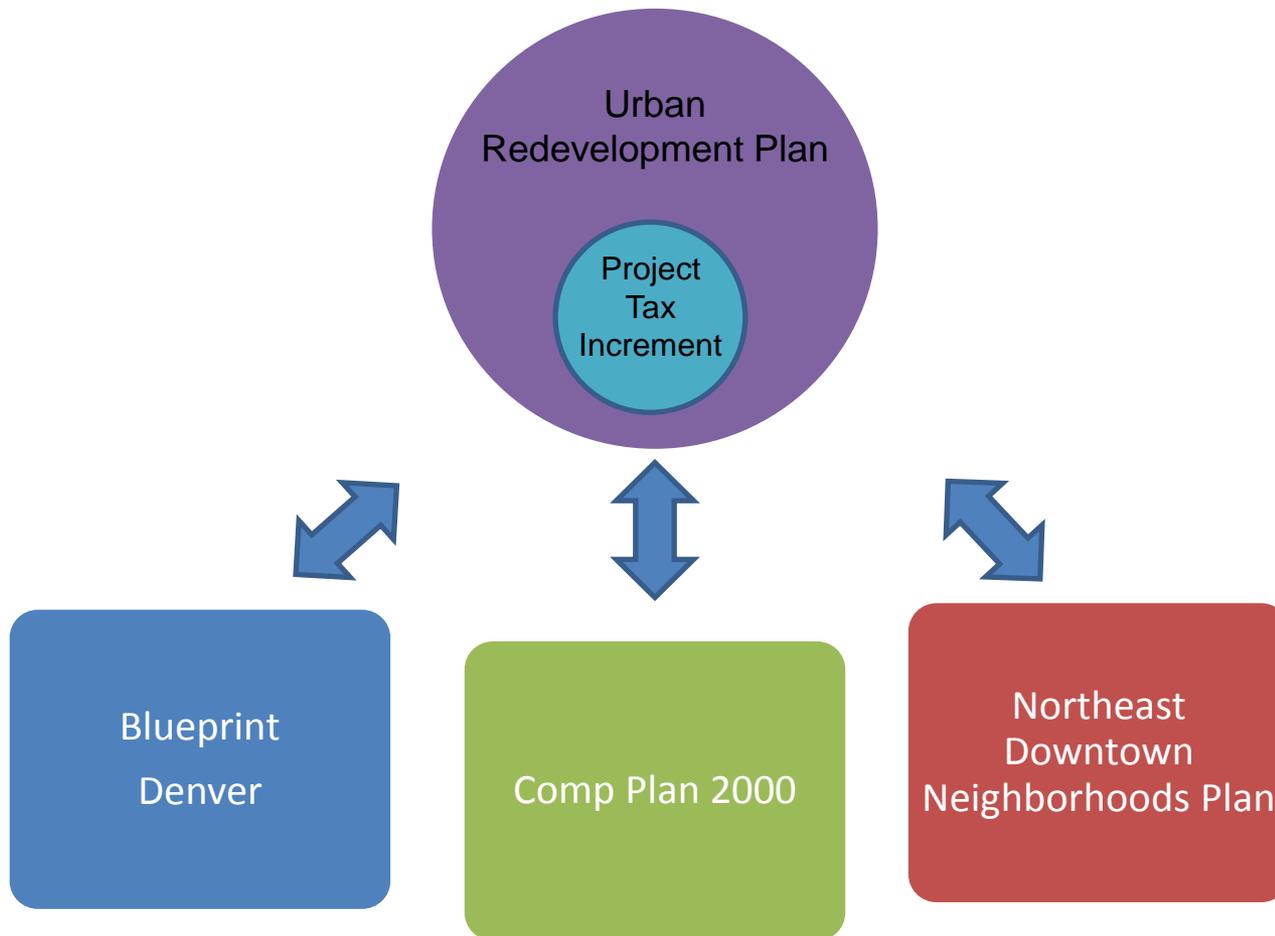
**CB 14-1101 – Amendment to Welton Corridor  
Urban Redevelopment Plan for 2460 Welton  
Street Project**

**CB 14-1102 – 2460 Welton Street Property Tax  
Increment Area Cooperation Agreement**

# Amendment to Welton Corridor Urban Redevelopment Plan

## 2460 Welton Street Redevelopment Project

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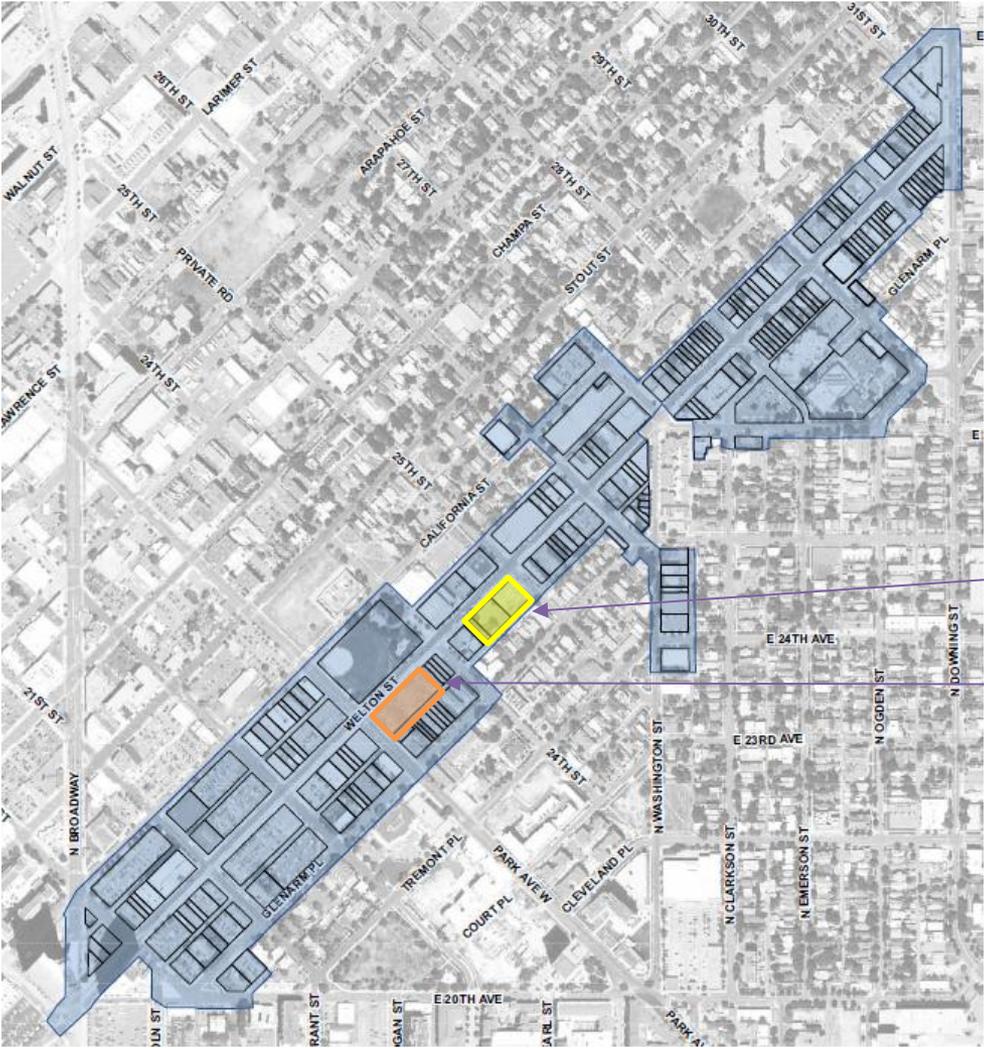


# Amendment to Welton Corridor Urban Redevelopment Plan

## 2460 Welton Street Redevelopment Project



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2460 Welton St. (Property Tax Increment Area)

2300 Welton St. (Property Tax Increment Area)

- Urban Redevelopment Area
- 2300 Welton Street Project
- 2460 Welton Street Project



# Amendment to Welton Corridor Urban Redevelopment Plan

## 2460 Welton Street Redevelopment Project

**Proposed project located at southern corner of Welton Street and 25<sup>th</sup> Street**





# Amendment to Welton Corridor Urban Redevelopment Plan

## 2460 Welton Street Redevelopment Project

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### Existing Condition – 2460 Welton Street



# Amendment to Welton Corridor Urban Redevelopment Plan

## 2460 Welton Street Redevelopment Project



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- Development of two currently vacant parcels to include three discrete buildings built on top of below grade-structured parking.
- 5-story stick on podium building at the corner of 25<sup>th</sup> and Welton St. will house 82 apartment units and 3,500 SF of retail. 14 townhome style condos will be built with 9 fronting Welton St. and 5 fronting 25<sup>th</sup> Avenue.
- Of the 82 apartment units: 64 will be market rate and 18 will be rent restricted to 80% AMI.
- 98 parking spaces will serve the entire project. 84 below grade parking spaces will be designated for the apartments and retail. The 14 condos will each have tuck under parking at grade level.



# Amendment to Welton Corridor Urban Redevelopment Plan

## 2460 Welton Street Redevelopment Project



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### Unit Mix

<u>Unit Type</u>	<u>Bed's</u>	<u>Bath's</u>	<u>Number of Units</u>	<u>Area (SF)</u>	<u>Rent per SF</u>	<u>Rent per Unit</u>
0	1	1	17	553 - 573	\$1.87	\$1,072
1	1	1	40	631 - 812	\$1.58 - \$1.87	\$1,129 - \$1,283
2	2	2	7	938	\$1.67	\$1,566
0 - Affordable	1	1	7	553 - 573	\$1.87	\$1,034
1 - Affordable	1	1	10	631 - 812	\$1.79	\$1,129
2 - Affordable	2	2	1	938	\$1.37	\$1,285

<u>Unit Type</u>	<u>Max Rent – 80% AMI</u>	<u>Income Limits (1 person)</u>	<u>Income Limits (4 Persons)</u>
0 - Affordable	\$1,073	\$42,950	\$61,350
1 - Affordable	\$1,150	\$42,950	\$61,350
2 - Affordable	\$1,381	\$42,950	\$61,350

# Amendment to Welton Corridor Urban Redevelopment Plan

## 2460 Welton Street Redevelopment Project



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### Financial Analysis – Sources and Uses

Equity for Townhomes	1,240,033
Equity for Apartment/Retail	2,046,078
Additional Equity to be repaid with TIF Reimbursement *	400,000
Debt for Townhomes	3,641,116
Debt for Apartments/Retail	11,987,261
Additional Loan Proceeds from TIF Reimbursement *	950,000
OED Loan	475,000
OED Challenge Grant Award	100,000
<b>Total Sources</b>	<b>20,839,489</b>

Site Acquisition / Land	2,009,503
Soft Costs	1,723,762
Hard Costs – Townhomes	3,831,150
Hard Costs – Apartments/Retail	12,477,952
Construction Finance & Related	437,122
Developer Fee	360,000
<b>Total Project Uses</b>	<b>20,839,489</b>

\* TIF reimbursement of \$1,350,000 approximately 6.5% of Total Project Budget

# Amendment to Welton Corridor Urban Redevelopment Plan

## 2460 Welton Street Redevelopment Project

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### TIF Capacity

- TIF Reimbursement \$1,350,000 of property tax increment
- Property is currently owned by the Redeveloper who is paying approximately \$15,000 in property taxes (base)
- Upon completion expected to generate approximately \$130,000 per year in net property tax increment
- Property tax increment used to reimburse redeveloper for eligible expenses over 25 years
- Property Tax Increment Area same as Project area

# Amendment to Welton Corridor Urban Redevelopment Plan

## 2460 Welton Street Redevelopment Project

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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 and its surroundings by preventing or ameliorating economic, physical and environmental deterioration.
- **Encourage residential, 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 land use patterns within the Urban Redevelopment Area which will reduce dependence upon private automobiles for transportation.**
- Encourage land use patterns within the Urban Redevelopment Area where pedestrians are safe and welcome.
- 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.**
- **Promote a diverse mix of dense housing options.**
- Promote a diverse, sustainable neighborhood economy, including mixed use and commercial development opportunities along the Urban Redevelopment Area.

# Amendment to Welton Corridor Urban Redevelopment Plan

## 2460 Welton Street Redevelopment Project

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### Cooperation Agreement

- **Land Use Matters:** Cooperate with DURA / Project
- **Special Program Requirements:** Project Art, SBE, First Source, Enhanced Training
- **Project:** Redevelopment of the Property Tax Increment Area through the construction of a mixed use project encompassing sixty-four (64) market rate apartments, eighteen (18) affordable units, fourteen (14) for-sale townhomes and approximately 3,500 square feet of retail, with structured below grade parking
- **Property Tax Increment:** Mechanics (base, increment defined, etc)
- **Term of TIF:** Authorizes property tax increment for 25 years or repayment of Obligation related to project, whichever is earlier

# Amendment to Welton Corridor Urban Redevelopment Plan

## 2460 Welton Street Redevelopment Project

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### Approval Process

- **Planning Board** - December 3, 2014 – Found Plan Amendment to be in conformance with Comp Plan 2000
- **Denver City Council**
  - Finance & Services Council Committee – December 16, 2014
  - Public Hearing – January 12, 2015

# Amendment to Welton Corridor Urban Redevelopment Plan 2460 Welton Street Redevelopment Project



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## Questions?



Denver City Council Finance & Services Committee  
December 16, 2014



# Amendment to Welton Corridor Urban Redevelopment Plan 2801 Welton Street Redevelopment Project



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Denver City Council Finance & Services Committee  
December 16, 2014

# **Amendment to Welton Corridor Urban Redevelopment Plan 2801 Welton Street Redevelopment Project**

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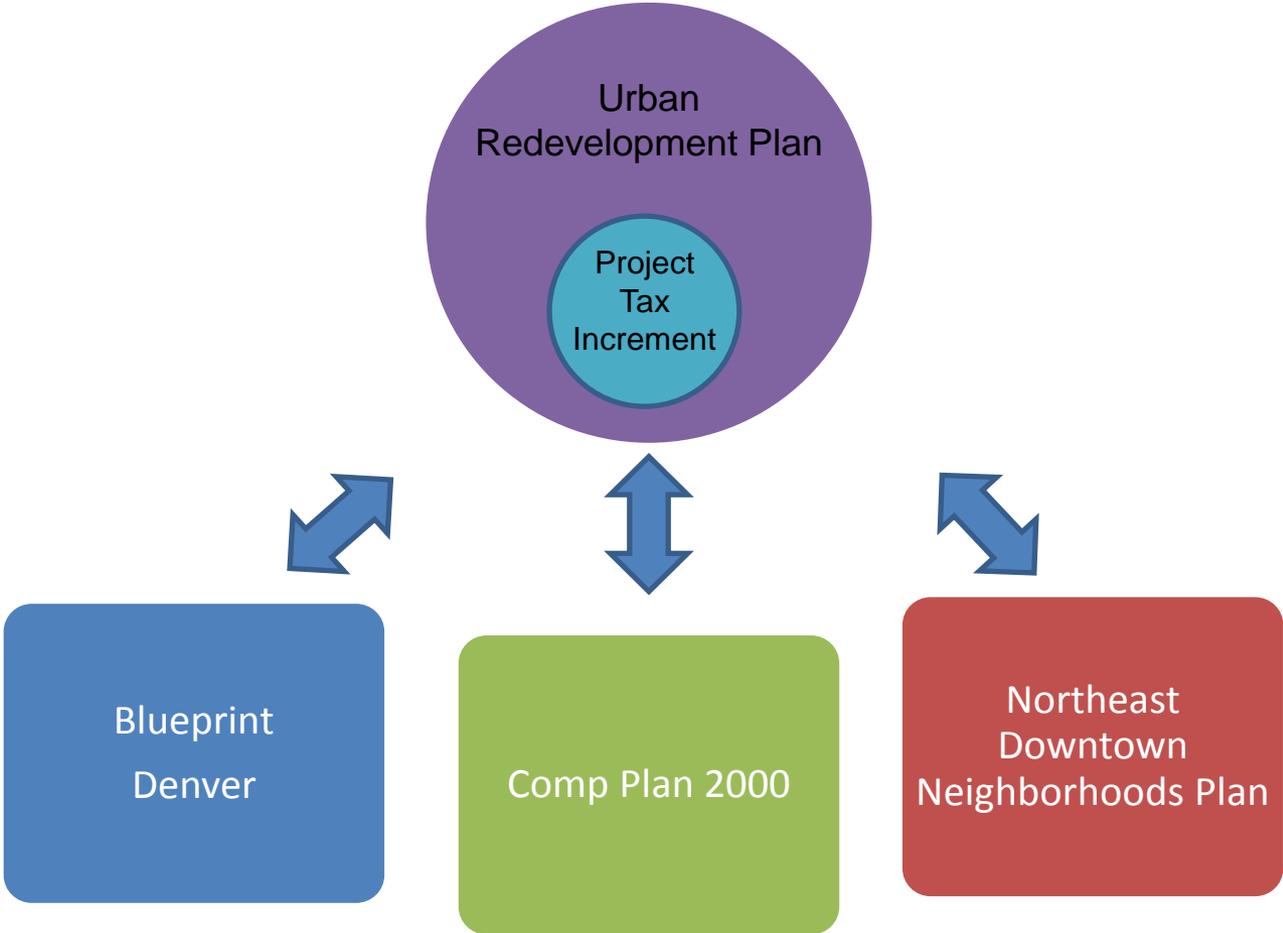
## **Two Ordinance Requests:**

**CB 14-1103 – Amendment to Welton Corridor  
Urban Redevelopment Plan for 2801 Welton  
Street Project**

**CB 14-1104 – 2801 Welton Street Sales Tax  
Increment and Property Tax Increment Area  
Cooperation Agreement**

# Amendment to Welton Corridor Urban Redevelopment Plan

## 2801 Welton Street Redevelopment Project

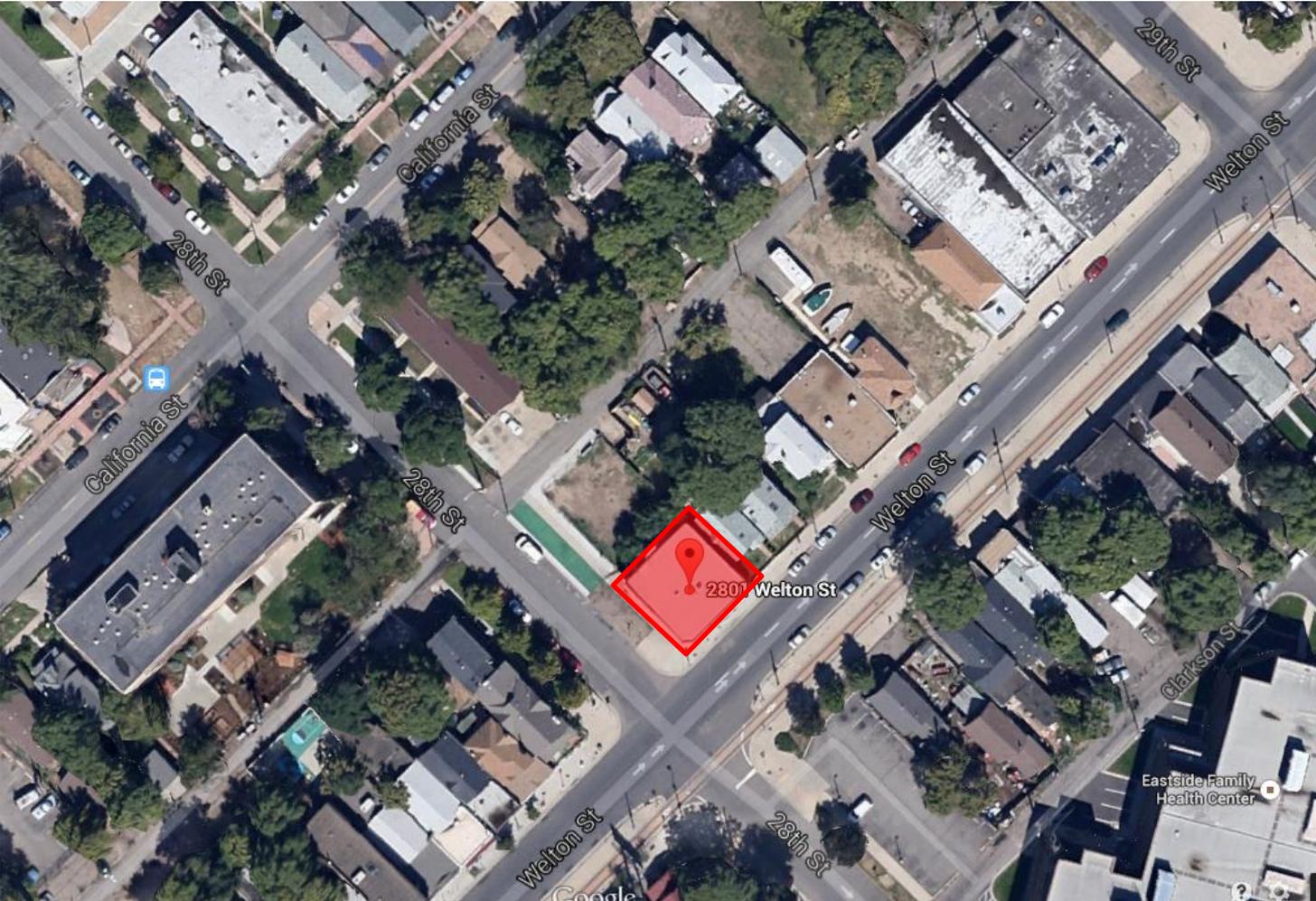






# Amendment to Welton Corridor Urban Redevelopment Plan 2801 Welton Street Redevelopment Project

Proposed project located at northern corner of Welton Street and 28<sup>th</sup> Street



# Amendment to Welton Corridor Urban Redevelopment Plan

## 2801 Welton Street Redevelopment Project

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### Existing Condition



# Amendment to Welton Corridor Urban Redevelopment Plan

## 2801 Welton Street Redevelopment Project

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- **Redevelopment of existing vacant structure.**
- **Preserve a 100+ year old existing structure, which is currently being reviewed by Landmark for historic designation.**
- **Approximately 2,500 sf ground floor retail-proposed restaurant use.**
- **Approximately 2,500 sf. second floor office space.**

# Amendment to Welton Corridor Urban Redevelopment Plan

## 2801 Welton Street Redevelopment Project



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### Financial Analysis – Sources and Uses

#### Sources

Equity	\$ 298,785
Equity (Reimbursed by TIF) *	350,000
Construction Loan	742,806
Federal Historic Tax Credits	57,527
State Historic Tax Credits	40,000
OED Loan	35,000
	<hr/>
Total Sources	<u><u>\$ 1,524,118</u></u>

#### Uses

Acquisition & Closing Costs	\$ 397,010
Construction Costs	854,083
Tenant Improve & Commissions	234,525
DURA Fees	38,500
	<hr/>
Total Uses	<u><u>\$ 1,524,118</u></u>

\* TIF reimbursement of \$350,000 approximately 2.3% of Total Project Budget

# Amendment to Welton Corridor Urban Redevelopment Plan

## 2801 Welton Street Redevelopment Project

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### **TIF Capacity**

TIF Reimbursement \$350,000 of Sales and Property Tax Increment

- Property is currently owned by the Redeveloper who is paying approximately \$5,200 in property taxes (base) - \$0 sales tax base
- Upon completion expected to generate approximately \$50,000 per year in net property and sales tax increment
- Tax increment used to reimburse redeveloper for eligible expenses over 25 years
- Sales and Property Tax Increment Area same as Project area

# Amendment to Welton Corridor Urban Redevelopment Plan

## 2801 Welton Street Redevelopment Project

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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 and its surroundings by preventing or ameliorating economic, physical and environmental deterioration.
- **Encourage residential, retail, and commercial development and redevelopment that is socially and economically inclusive and from which the Urban Redevelopment Area can draw economic strength.**
- **Encourage land use patterns within the Urban Redevelopment Area which will reduce dependence upon private automobiles for transportation.**
- Encourage land use patterns within the Urban Redevelopment Area that result in a more environmentally sustainable city.
- Encourage the participation of existing property owners within the Urban Redevelopment Area in the redevelopment of their property.
- **Encourage reuse of existing buildings where appropriate, including historic preservation and adaptive reuse.**
- **Promote a diverse, sustainable neighborhood economy, including mixed use and commercial development opportunities along the Urban Redevelopment Area.**

# Amendment to Welton Corridor Urban Redevelopment Plan

## 2801 Welton Street Redevelopment Project

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### Cooperation Agreement

- **Land Use Matters:** Cooperate with DURA / Project
- **Special Program Requirements:** Project Art, SBE, First Source, Enhanced Training
- **Project:** Redevelopment of the property located at 2801 Welton Street into mixed use building consisting of ground floor restaurant and second floor office space
- **Sales & Property Tax Increment:** Mechanics (base, increment defined, etc)
- **Term of TIF:** Authorizes property and sales tax increment for 25 years or repayment of Obligation related to project, whichever is earlier

# Amendment to Welton Corridor Urban Redevelopment Plan

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