



KENTRO GROUP

Presentation For:

-City and County of Denver Finance & Governance Committee

2000 Holly and 4201 Arkansas Metro Districts

August 14, 2018

Confidential Materials Prepared For Discussion Purposes Only



CDOT Disposition

- CDOT consolidated and moved Headquarters to Colfax & Federal in May 2018.
- State law requires properties owned by the State to be offered first to local government entities.
- City and County of Denver was the successful bidding agency to acquire both 4201 E Arkansas and 2000 S Holly Street.
- City and County of Denver selected Kentro Group to develop the Properties based on confidence to perform and deliver a project beneficial to community.





Contract Outcomes/Public Benefits

- 2000 S Holly Street
 - Pay two (2) times the standard City of Denver Affordable Housing Impact Fee once permits are issued
- 4201 E Arkansas
 - Requires construction of 150 for-rent apartment units at 60% AMI or lower in the City and County of Denver within seven years or pay a fee.
 - Requires construction of 150,000 square feet of commercial space and 200 permanent jobs on-site or pay a fee.
 - Requires a public rezoning process.
 - Kentro Group has hosted five neighborhood meetings this year and had multiple meetings with a neighborhood Task Force focusing on the redevelopment.
 - In addition to rezoning, Kentro Group will enter into a Development Agreement with the City as an additional tool for the neighbors.
 - The communication tower on the east side of the Property is not included in the sale and the State will retain ownership.



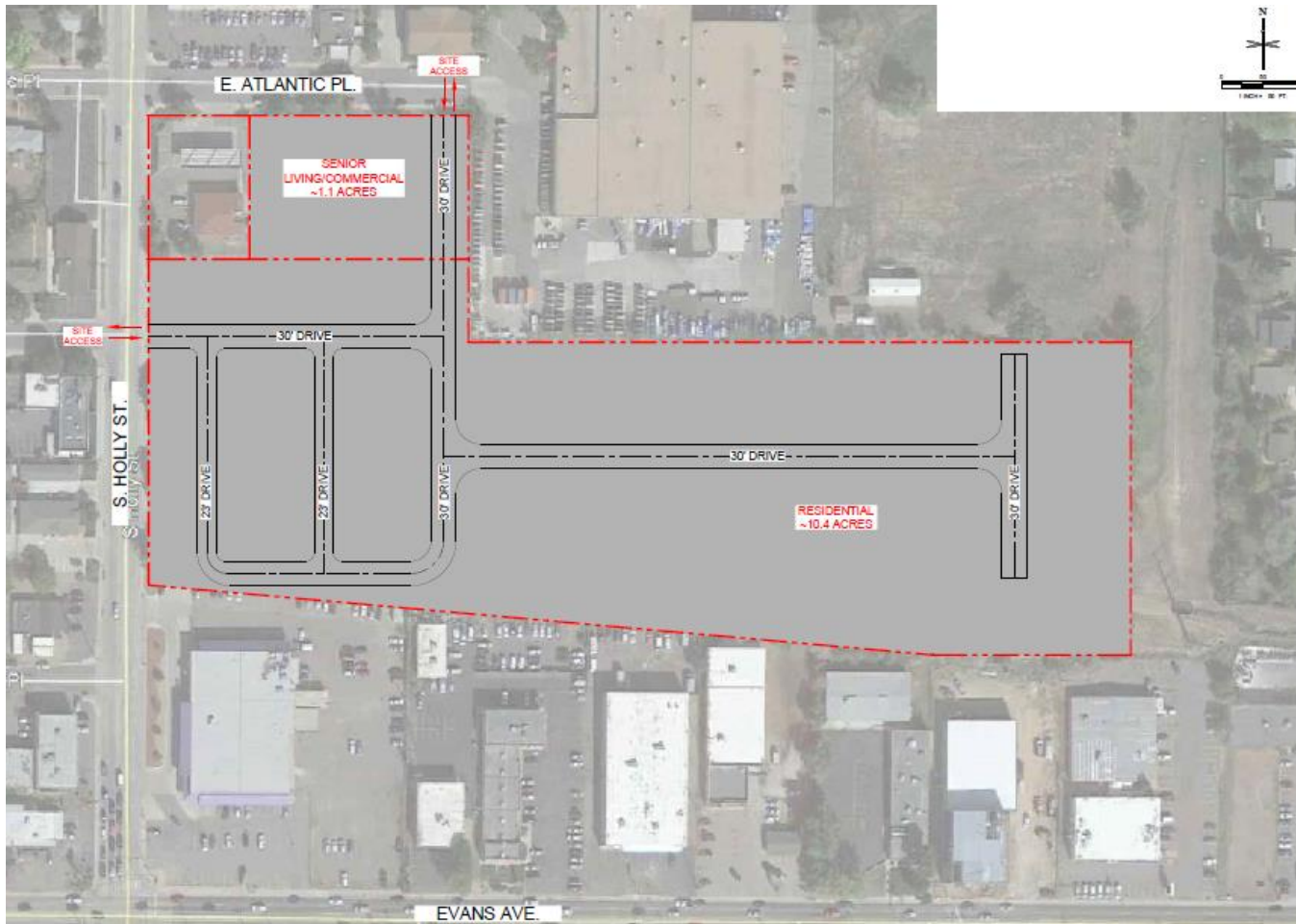
2000 S Holly Street Location





2000 S Holly Street Development Plan

- Build 140-180 for-sale, attainable housing units on approximately 10.4 acres.
- Build either 40-60 affordable senior housing units or 5,000 SF of commercial space on north 1.1 acres.





2000 Holly Metro District Service Plan

- Anticipated Par Amount of Debt (General Obligation Bonds) = \$6,720,000
- Total Combined Mill Levy Cap (O & M and Debt Service) = 50 mills
- Debt Mill Levy Cap for debt service = 50 mills until debt is below 50% of AV
 - Adjusts as residential assessment ratio is adjusted via the State
- No maximum O & M Mill Levy until debt service Mill Levy is imposed
- Adjusts as residential assessment ratio is adjusted via the State
- Max term of debt service mill levy is 40 years



2000 Holly Metro District Service Plan

- Authorization to impose fees and charges as necessary for District services
- District revenues will fund:
 - Administrative costs
 - Operations & Maintenance
 - Parks and landscaping
 - Sidewalks and open areas
 - Debt service requirements for financing public improvements
 - Covenant control
 - Any required environmental control and review



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4201 E Arkansas Location



- Approximately 13.2 Acres
- Zoned CMP-E12 & S-MX-5



4201 E Arkansas Submitted Rezoning Map





4201 Arkansas Preliminary Development Concepts

- Activated Neighborhood Center (Contingent on successful rezoning)
 - Retail/Commercial
 - Targeting grocery concepts to anchor project
 - Mix in other retailers and restaurants
 - Exploring hotel, gym and office concepts on-site
 - Approximately 150,000 SF commercial space
 - Residential
 - Includes the 150 units of deed-restricted affordable housing on-site
 - “Market Rate” for rent units, unit count not yet finalized
 - Site Design
 - Connect North/South street through site and create an active main street with shops and plaza
 - Parking
 - All parking for project will be contained on-site with underground or above-ground garage



4201 Arkansas Metro District Service Plan

- Two Metropolitan Districts (Residential & Commercial)
- Anticipated Par Amount of Debt (TIF) = \$32,395,000 (only upon agreement with DURA)
- Total Combined Mill Levy Cap (O & M and Debt Service) = 50 mills
- Debt Mill Levy Cap for debt service = 50 mills until debt is below 50% of AV
 - Adjusts as residential assessment ratio is adjusted via the State
- No Maximum O & M Mill Levy
- Adjusts as residential assessment ratio is adjusted via the State
- Max term of debt service mill levy is 40 years
- Aggregate Mill Levy for Both Districts Cannot Exceed 50 mills



4201 Arkansas Metro District Service Plan

- Authorization to impose fees and charges as necessary for District services
- District revenues will fund:
 - Administrative costs
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 - Parks and landscaping
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Positive Outcomes of Metro Districts

- 2000 S Holly Street
 - Provide 140-180 units of for-sale housing in supply constrained Denver at an attainable price level.
 - Right of way improvements and creating a community in space that was once fenced off from public.
- 4201 E Arkansas
 - Create a center that energizes the community and a place where neighbors in southeast Denver can live, shop, eat and play.
 - Build 150 units of affordable housing, which represents 45% of the annual and 7.5% of the total goal per the 2017 *Housing and Inclusive Denver* report.
 - Creation of permanent jobs on-site.
 - Reconnect street grid through Property and significant right of way improvements.



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Questions

