

ORDINANCE/RESOLUTION REQUEST

Please email requests to the Mayor's Legislative Team
at MileHighOrdinance@DenverGov.org by **3:00pm on Monday**.

****All fields must be completed.****

Incomplete request forms will be returned to sender which may cause a delay in processing.

Date of Request: March 7, 2011

Please mark one: ☒ Bill Request or ☐ Resolution Request

1. Has your agency submitted this request in the last 12 months?

☐ Yes ☒ No

If yes, please explain:

2. Title: A bill for an ordinance approving The Globeville Commercial Urban Redevelopment Plan authorizing the creation of an Urban Redevelopment Area in Adams County and Denver and authorizing both property and sales tax increment financing.

3. Requesting Agency: Finance

4. Contact Person: (With actual knowledge of proposed ordinance/resolution.)

- **Name:** Andrew Johnston, Debt Administrator for Special Districts and Conduit - Finance
- **Phone:** 720-913-9372
- **Email:** Andrew.Johnston@denvergov.org

5. Contact Person: (With actual knowledge of proposed ordinance/resolution who will present the item at Mayor-Council)

- **Name:** Tracy Huggins, Executive Director of Denver Urban Renewal Authority and Andrew Johnston, Debt Administrator for Special Districts and Conduit - Finance
- **Phone:** 720-913-9372
- **Email:** Andrew.Johnston@denvergov.org

6. General description of proposed ordinance including contract scope of work if applicable:

a. Contract Control Number: N/A

b. Duration: N/A

c. Location: 495 East 51st Avenue, Denver, Colorado (NW corner of 51st Avenue and Washington Street).
Approximately 20% of the 78-acre site is located in Denver, the remainder in Adams County.

d. Affected Council District: Council District #9 – Judy Montero

e. Benefits: Revitalization of a blighted and dormant site with redevelopment of approximately 1 million square foot warehouse industrial park with the potential of up to 2,000 new jobs.

f. Costs: Total Initial Project costs are to be paid from: \$14.4 million Bankruptcy Trust; \$750,000 CDBG grant from Denver's Office of Economic Development; \$10 million HUD section 108 loan program through Adams County; TIF support through DURA not to exceed \$10.5 million for the "Initial Project" which includes collateralizing the Adams County 108 Loan. The Cooperation Agreement governs use of the TIF funds. The primary use of TIF is the repay the 108 loan if such loan is not repaid by land sales. Additional TIF after the Initial Project (repayment of the 108 loan) is completed will require written authorization of the Denver Managers of Finance and Public Works.

7. Is there any controversy surrounding this ordinance? (Groups or individuals who may have concerns about it?) Please explain.

No Controversy.

To be completed by Mayor's Legislative Team:

SIRE Tracking Number: _____

Date Entered: _____

EXECUTIVE SUMMARY

This Ordinance approves The Globeville Commercial Urban Redevelopment Plan authorizing the creation of one Urban Redevelopment Area in both Adams County and Denver and authorizing both property and sales tax increment financing. The Urban Redevelopment Area is located at the North West corner of 51st Avenue and Washington Street. It is a 78-acre site whereby approximately 20% is located in Denver and the remainder in Adams County.

Staff with the City, DURA, Adams County, and Globeville I have agreed to an Urban Redevelopment Plan and Cooperation Agreement for the creation of the Globeville Commercial Urban Redevelopment Area and the use of TIF by DURA. Structurally, there will be one Urban Redevelopment Area covering both Denver and Adams County portions of the site and four TIF areas: City Property Tax Increment Area; City Sales Tax Increment Area; Adams County Property Tax Increment Area; and Adams County Sales Tax Increment Area with all TIF flowing to DURA to assist with achieving the plan objectives for the entire redevelopment area.

This ordinance approves the Globeville Commercial Urban Redevelopment Plan, an urban renewal plan for the Globeville Commercial Urban Redevelopment Area (the Plan). The Urban Redevelopment Area is located at the North West corner of 51st Avenue and Washington Street. It is a 78-acre site whereby approximately 20% is located in Denver and the remainder in Adams County.

The Plan makes the required statutory findings for the creation of an urban renewal area, including a finding of blight (see ASARCO Blight Study, October 2008 by URS Corporation). Additionally, the Plan has been found to be in conformance with both the City's Comprehensive Plan 2000 and the Adams County Comprehensive Plan. This conformance will be represented by a finding of the Denver Planning Board and the Adams County Planning Commission, respectively. The Plan lays out objectives for revitalizing the property. In addition, the Plan authorizes DURA to undertake projects using tax increment financing (TIF) to achieve those objectives.

The primary objectives of the Plan are to allow for the full remediation and redevelopment of the former ASARCO smelter site into a modern commercial development of approximately 1 million square feet and creating as many as 2,000 new jobs in this under resourced area of the City and the County. This Plan is the first multi-jurisdictional urban redevelopment plan approved by Denver City Council.

Cooperation Agreement

The Cooperation Agreement authorizes the use of both City and Adams County property and sales tax increments for the Initial Project. Recognizing that the Initial Project to be undertaken by Globeville I, who will ready the property for sale and redevelopment, but not necessarily redevelop the property into new commercial development, the Cooperation Agreement makes a distinction between the work being undertaken by Globeville I and the work that will be done by future developers who buy the property and develop the commercial center.

While it is expected that having remediated and improved the property, the property will be able to be sold and redeveloped without further assistance, it is possible that full redevelopment may require additional assistance from DURA or construction of additional regional infrastructure improvements (i.e., improvements to Washington Street) that may require TIF funding. To allow for this, the Cooperation Agreement authorizes DURA to use TIF to finance the work undertaken by Globeville I that is paid for from the Section 108 Loan funds related to providing a clean and developable site and costs associated with DURA requirements, in an amount not to exceed \$10.5 million. This is referred to as the "Initial Project."

This structure will allow DURA to enter into a redevelopment agreement with Globeville I for reimbursement of up to \$10.5 million in eligible costs that can then be used to collateralize the 108 loan. While the full amount of the loan will be contemplated by the agreement, it is expected that only the costs not covered by land sales will actually be reimbursed with TIF.

Once the Initial Project is completed, any additional use of TIF will require written authorization by the City Manager of Finance, the City Manager of Public Works, and the Adams County Director of Finance approving a new project. If no additional projects have been identified or approved by the parties, DURA will notify the parties once all of its financial obligations have been repaid. Following full repayment of DURA's obligations, the parties will have one year to identify any additional projects or notify DURA that they would like their respective property and/or sales tax increment collections to continue to flow to DURA for projects that may be identified in the future. If no new project is approved and neither party notifies DURA of their desire to continue the collection of TIF, then the Cooperation Agreement will terminate.

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