



Elmira St. Land Sale: Executive Summary

Brief Project Description:

The proposed contract is a land sale agreement between the City & County of Denver through the Department of Aviation and Paradigm Systems, Inc. for a parcel of former Stapleton land located in Aurora, CO and known as Elmira St. parcel. The land is outside of the Master Lease and Disposition Agreement. The parcel is approximately 20,209 sq. ft. or .464 acres. The proposed contract amount is \$162,000 minus closing costs. The land transfer is a non-competitive direct negotiation. The money from the property sale will be put into the Stapleton Fund. That money can only be used to (1) cover expenses related to the Stapleton Redevelopment, and (2) pay down DEN debt.

Background:

DEN is required to sell this property. The property was part of the former Stapleton Airport. An agreement with SIA's signature airlines (generally called the "Stipulated Agreement") requires DEN to sell all SIA property, including this parcel. The vast majority of SIA property is subject to sale agreements with Stapleton Development Corporation and Forest City. However, for unknown reasons a few parcels were not included in those agreements. This is one of those parcels. Since it falls outside the existing agreements, DEN can sell to any buyer, as long as DEN meets the FAA requirement to receive fair market value.

Appraisal:

We received a third party appraisal for adjacent land with the land values ranging from \$5.20 to \$11.23 per square foot based upon the market value of the entire adjacent site. They believe that a value of \$9.00 per square foot is reasonable. The zoning of the property is residential. The adjacent parcel referred to in the appraisal was sold under the Master Lease and Disposition Agreement (MLD) with Stapleton Development Corporation for approximately \$1.22 per square foot in October 2015.

Land Sale:

The proposed buyer contacted the DEN staff for the Stapleton project after being directed to us by the Developer, Forest City Stapleton, of the Former Stapleton Airport property. The proposed buyer is purchasing the private property adjacent to the south of ours to move his business. DEN initially asked for \$9.00 a square foot and they, the buyer, countered with \$8.00 square foot based upon their evaluation of land sales in north Aurora. The parcel is approximately 20,209 Sq. ft. or .464 acres. The land value based upon \$8.00 per square foot results in a price of \$348,480.00 per acre.

Paradigm Systems, Inc.

Paradigm Systems, Inc. is a locally based company whose offices are located in the Stapleton area, the owners of Paradigm Systems, Inc. also live in Stapleton. They are in the process of purchasing the building at 2513 Elmira St which is scheduled to close on February 4, 2016. The Elmira St parcel will be added to the adjacent property that the proposed buyer is purchasing to expand the building for his business. The land's current zoning as PD-single family and the buyer is submitting a request to rezone the property to SIR (Sustainable infill Redevelopment).

