

ORDINANCE/RESOLUTION REQUEST

Please email requests to the Mayor’s Legislative Team

at MileHighOrdinance@DenverGov.org by **3:00pm on Monday**. Contact the Mayor’s Legislative team with questions

Submitted: August 6th, 2018

Please mark one: **Bill Request** or **Resolution Request**

1. Type of Request:

- Contract/Grant Agreement** **Intergovernmental Agreement (IGA)** **Rezoning/Text Amendment**
- Dedication/Vacation** **Appropriation/Supplemental** **DRMC Change**
- Other: Approve new service plans**

2. Title: An ordinance to approve two (2) separate Service Plans for the formation and establishment of two (2) Title 32 districts: 4201 Arkansas Metropolitan District No. 1; 4201 Arkansas Metropolitan District No. 2.

3. Requesting Agency: Finance

4. Contact Person:

Contact person with knowledge of proposed ordinance/resolution	Contact person to present item at Mayor-Council and Council
Name: Andrew Johnston - Finance	Name: Andrew Johnston - Finance
Email: andrew.johnston@denvergov.org	Email: andrew.johnston@denvergov.org

5. General description or background of proposed request. Attach executive summary if more space needed:

The districts will provide for construction, financing, operation, maintenance, and coordination of Public Improvements necessary to redevelop a 13-acre site formerly owned by CDOT. The infill site is anticipated to be a mixed-use development with residential, retail, office and commercial uses.

It is anticipated that the districts will coordinate to manage the financing, acquisition, construction, completion, operation, and maintenance of all public infrastructure throughout the project. It is anticipated one district will contain residentially assessed property and the other will contain commercially assessed property.

6. City Attorney assigned to this request (if applicable):

JoAnn Weinstein and Noah Cecil

7. City Council District:

District 6: Paul Kashman

8. **For all contracts, fill out and submit accompanying Key Contract Terms worksheet**

To be completed by Mayor’s Legislative Team:

Resolution/Bill Number: BR18 0880

Date Entered: _____

EXECUTIVE SUMMARY

The purpose of the ordinance is to approve two Service Plans after a public hearing at City Council for each of the metropolitan districts located at the 13-acre infill site formerly owned by CDOT for its headquarters.

State law requires a public hearing on the Service Plans at City Council which is scheduled for September 10th. A presentation in Finance and Governance Committee is scheduled on August 14th.

Executive summary continued below with location map.

Schedule by Legislative Action

Date	Activity
RESOLUTION SCHEDULE	
Monday, July 9 th	Finance to submit resolution request to set public hearing
Tuesday, July 17 th	Finance Committee (consent)
Tuesday, July 24 th	Resolution at Mayor/Council
Thursday, July 26 th	Resolution filed by CAO
Monday, July 30 th	Resolution at City Council (sets public hearing on Sept. 10 th : CRS Req 20 days)
ORDINANCE SCHEDULE	
Monday, August 6 th	Finance to submit ordinance request to approve service plans
Tuesday, August 14 th	Ordinance presentation in Finance Committee
Tuesday, August 21 st	Ordinance at Mayor Council
Thursday, August 23 rd	Ordinance filed by CAO
Monday August 27 th	Ordinance at City Council for first reading
Monday, September 3 rd	City Closed for Labor Day
Monday, September 10 th	Ordinance at City Council for public hearing and second reading
Friday, September 14 th	Ordinance effective

CDOT has vacated the premises in order to relocate to a site near Colfax and Federal. As per Colorado State law, properties owned by the State of Colorado are required to be offered first to local government agencies and the City exercised an option to acquire the property. The City has since selected the Developer to purchase and develop the property. The closing for the purchase of the property from the City to the Developer is anticipated in late 2018 and the Developer has deemed it necessary to move forward with the application for the proposed districts as part of its overall planning for the property.

The Developer is seeking the formation of two Title 32 metropolitan districts, in order to achieve the most flexibility with respect to financing, construction, operation and maintenance of the property. The proposed districts will be established with legal boundaries upon the residential and commercial property, respectively. This will best accommodate the different interests and services that may ultimately be provided to the commercial and residential property and the potential need for different mill levies.

The financing of the required Public Improvements needed for the development of the property is anticipated to include tax increment financing (“TIF”) issued in cooperation with DURA, and discussions between the

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Developer and DURA are ongoing. The Developer is currently negotiating with DURA to establish the terms and conditions upon which TIF may be made available for the redevelopment. It is anticipated the districts will not issue debt with the pledge of tax increment revenues until a future agreement with DURA is attained.

It is anticipated the districts' primary purpose will be to facilitate the operation and maintenance of landscaping and common elements within the community, along with other public amenities not otherwise conveyed to the City or other public entities. This includes covenant and architectural activities within the community.

The districts will have the authority to impose up to 50 mills to support both debt and operations. There will not be an operations cap to allow greater flexibility for upkeep and maintenance of the project. Mill levies are not anticipated to be used for debt service. The regional mill levy authorization is not part of this service plan and the 50 mill cap can adjust for Gallagher Adjustments.

The development currently is anticipated to center around an anchor user, with supporting residential, retail, office and commercial space. A contract with the City for the purchase of the property includes requirements for construction of 150 affordable housing units at 60% of Area Median Income within the City, or payment of a cash in-lieu fee to the City's affordable housing fund; at least 150,000 square feet of commercial space; and at least 200 permanent jobs on-site (with a fee to be imposed if either goals are not completed). It is expected that the delivery of product will occur between 2021 and 2023.

The property within the District Boundaries is currently zoned CMP-E12 and S-MX-5 (UO-1 and UO-2), and it is proposed that the zoning for the development be changed to be S-MX-12, S-MX-8, S-MX-5, S-MX-3, and S-MU-3 to allow for a mix of uses that would include retail. It is anticipated that re-zoning efforts associated with the property will conclude with a public hearing and consideration by the City Council in approximately November 2018 concurrently with a development agreement.



KENTRO GROUP

4201 E Arkansas Location



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