



Mile High Greyhound Park Purchase and Sale Update

June 17, 2019

Purpose

- Provide update to Council on status of MHGP
- Review of proposed City's obligations
 - Regional detention pond & estimated costs
 - MHGP LIHTC gap financing
- Obtain Council's action on the resolution approving the Purchase and Sale Agreement with the Escrow Agreement attached as an exhibit



Actions Since Last Update

- CCURA amended MDA with REGen so DelWest is the master developer
- Negotiations occurred on:
 - Purchase & Sale Agreement (PSA)
 - Escrow Agreement
 - Modified Master Developer Agreement (MDA)
 - Owner's Rep Agreement
- All four agreements scheduled for CCURA Board action on June 17



PSA & Escrow Agreement

- Purchase & Sale Agreement (PSA)
 - Delwest's \$9.5 million for residential land to escrow
 - City's \$2.5 million for stormwater pond to escrow
- Escrow Agreement
 - \$9.5 million is escrowed for public infrastructure
 - \$2.5 million separately escrowed for pond
 - Delwest asked for \$3.75 million for LIHTC funding gap to be escrowed as well
- Escrow Agreement to be signed by City, URA, & Delwest
 - Manages \$9.5M, \$2.5M, and \$3.75M on how and when it may be released to Delwest
 - Handles escrowed deeds in case CCURA exercises right to repurchase



MDA Update

- Delwest will have right & obligation to develop commercial area:
 - Exclusive right to market commercial land
 - Receive $\frac{1}{2}$ of land sales proceeds for commercial land
 - They are all in for 5 years
 - URA has sole discretion to approve letter of intent, including listing price and proposed development
- Contains schedule of deadlines (i.e.:
 - Infrastructure construction must start by July 2020,
 - Pond must be completed within 18 months of closing,
 - SF construction start by 1-1-2021, LIHTC 2-1-2021)
 - Must construct the affordable housing within 10 years of \$3.75M escrowed by URA
- URA keeps all Incremental Taxes received over the Plan's 25 years
- Delwest must go through public art process & construct Project Art
- If they don't perform by deadlines, URA can repurchase land



MDA Update Cont.

- If Delwest uses all \$9.5M and isn't done with horizontal infrastructure, they bear the rest of the cost
- If Delwest completes all horizontal infrastructure and there is \$ left in the \$9.5M, it goes to the project
- If Delwest completes Regional Storm Water Facility and \$ is left in the \$2.5M, it goes to the project
- URA Remedies
 - Delwest has 90 day notice and cure
 - Terminate MDA
 - Seek enforcement by injunction
 - Cure and Redeveloper indemnifies
 - Right to repurchase



Owner's Rep Agreement Update

- Parties are URA and REGen
- Owner's Representative Agreement paid by TIF
 - Reimbursement for expenditures to date - \$331,590
 - Requesting \$5,000 per month for services
 - Not paid until increment is received by URA
 - On-going work to (examples):
 - Assist negotiations on PSA, Escrow Ag., & MDA
 - Approve infrastructure engineering plans
 - Monitor developer infrastructure construction progress
 - Sign off on escrow payment draws
 - Advise CCURA team
 - Submit monthly reports on developer progress



Owner's Rep Agreement Cont.

- Auto terminates when Delwest completes horizontal infrastructure
- URA can terminate early and at any time upon 10 days' written notice, with or without cause



Regional Storm Pond

- Existing pond capacity is 29 acre feet
- It is supposed to serve 384.3 acre surface area
- The regional detention pond needs to be expanded to 45 acre feet to serve that large of an area
- The pond serves the Boys & Girls Club and a small sliver of the remaining MHGP site
- The pond needs to be enlarged as part of the MHGP redevelopment because:
 - The work needs to be coordinated with redevelopment
 - The excavated dirt is needed on the MHGP site



MHGP Area Map



MHGP – 2018 Proposed Site Plan

MHGP – Proposed Site Plan



LIHTC Update

- The redevelopment plan calls for LIHTC housing
- The IGA with Adams County calls for 150 units of income qualified housing
- Delwest projects a funding gap of \$3.75 million (for 4-storied, elevator served) and requests that the City fill that gap
- Adams County may assist with that gap
- This will need to come from the General Fund
- City staff is working with Adams County staff on PAB cap (Private Activity Bonds) to also assist financing



Reason for Gap

- Higher density product means higher construction costs per unit (elevators, concrete vs. wood, structured parking)
- Rising interest rates reduce the amount of available debt because of fixed revenue
- Tax reforms reduced the value of LIHTC tax credits
- Construction costs are at historic highs
- AMI restricted income levels rising slower than costs and interest rates
- Many affordable projects are tax exempt, removing a source of TIF revenue



Gap Funding Options

- General fund loan to LIHTC project with loan repayment
- City GF loan to URA to loan to LIHTC with loan repayment



Purchase Terms

- \$9.5 million for all residential land
- All \$9.5 million to be escrowed for public infrastructure construction
- Located on the NE corner of 62nd and Parkway
- Begin Construction in 2020
- City – At Closing, \$2.5M regional storm water facility and \$3.75M affordable housing
- CCURA – Convey Blocks 3-13 of MHGP to Delwest



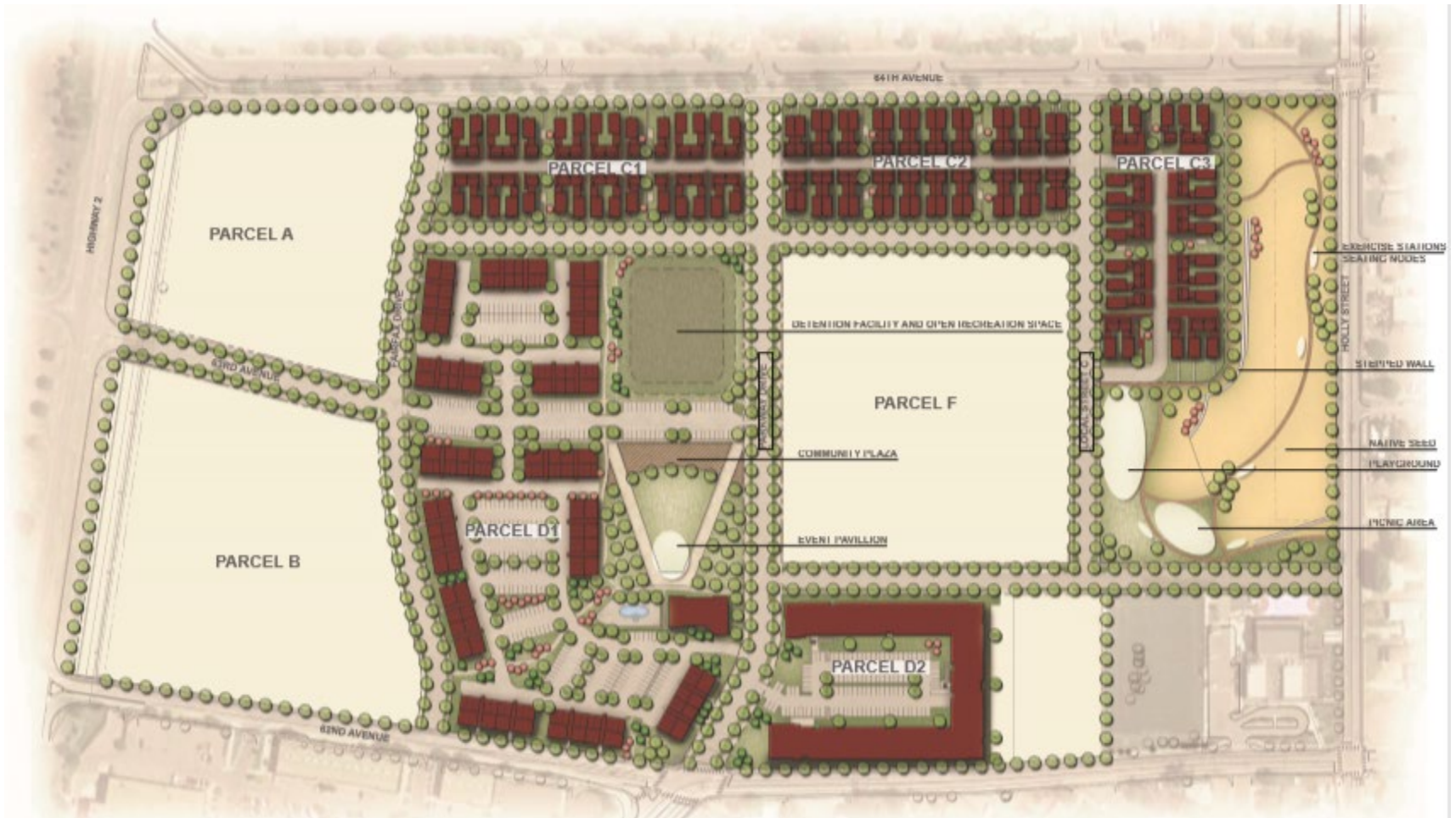
Approximate Development Blocks

MILE HIGH GREYHOUND PARK

BLOCK DIMENSIONS
SEPTEMBER 30, 2016



2019 Site Illustration





Questions?

A decorative horizontal dotted line in a dark blue color, starting from the left edge of the slide and extending to the right. It features two solid dark blue dots: one near the end of the line on the right, and another further to the left, positioned below the word 'Questions?'.A large, light blue stylized tree graphic is positioned on the right side of the slide. It has a thick trunk and several large, curved branches that fan out towards the top right corner.