

Mile High Greyhound Park – Extension Request

May 28, 2020



Purpose



- Provide an update to CCURA on status of closing on the sale of the MHGP Property.
- Obtain CCURA Board's direction on amending the Purchase and Sale Agreement (PSA) and Master Developer Agreement (MDA) to:
 - Extend the June 1 closing deadline to September 1, 2020.
 - Modify and establish other deadlines in the MDA.
 - Amend administrative items:
 - Modify legal description to match the subdivision plat.
 - Describe a portion of the conveyance (Tract D-3) as a "gift."



Progress Since March 2020



- Master Subdivision Plat (including twelve tracts, park, dedication of rights-of-way, regional detention pond, and an associated public improvement agreement) deadline was May 20 – ready for administrative approval pending:
 - Public Improvement Agreement required by code and MDA .
 - Infrastructure PUD permit completion (underway).
- Environmental testing submitted to CDPHE.
- Delwest working on building permits and related plat for affordable multi-family project (D-2) and PUD permit for single family project (C-1)

Environmental Testing



- Additional sampling was completed and did not identify any unanticipated soil or subsurface issues. CDPHE is expected to approve a Voluntary Clean Up Plan (VCUP) for the site, which would require development of a Groundwater Management Plan to protect construction workers and an environmental deed restriction to restrict the use of shallow groundwater beneath the subject property.

Other Major Progress



- Design guidelines have been completed and approved.
- Infrastructure engineering is moving along and the City's outside consultant is currently reviewing Delwest's most recent submittal.
- CCURA satisfied water requirements for closing.
- CCURA/City prepared to escrow funds for closing.
- CCURA's Owner's Representative continues to work on developing hotel prospect on the site's commercial parcel.

Request for Extension



- Delwest financing/equity investor (Wells Fargo) requires Colorado Housing and Finance Authority (CHFA) approval and bond issuance before Delwest can close.
- Delwest has requested an extension of closing and certain other dates because the municipal bond market has frozen due to pandemic.
- Delwest anticipates financing for the affordable project will be approved by CHFA in time for a September 1 or earlier closing.
 - Closing obligations of PSA are not dependent on financing source.

Proposed Extensions



- Closing: 9/1/20 or earlier (originally 4/1, then 6/1)
- Infrastructure construction:
 - Begin: 9/15/20 (was 7/1/20)
 - Complete: 5/13/21 (was 2/26/21)
- LIHTC permit submittals: 7/15/20 (was 7/1/20)
- Single family project submittals: 8/21/21 (was 8/21/20)
- Submittal/approval dates delayed to match closing
- Established a deadline multi-family project building permits (9/15/22)

Other Amendments



- Tract D-3 (affordable) designated as a “gift” without change to overall purchase price
- Legal description matching plat and providing authority to make minor changes to match final plat
- Incorporate prior amendment of subdivision approval deadline
- Completed items marked complete

Extension Impacts on TIF



- Approving a one year extension on pulling permits for the single-family project will not materially affect the financial plan
 - That residential project is only taxed at 7.15% and is expected to drop to 5.88% in 2 years. While the commercial project is taxed at 29%.
 - The clock delay relates more to the commercial parcels, and a City Council action will be required to “turn on” that TIF clock phase.

Board Action



- Recommended actions:
 - CCURA: Motion to approve the proposed amendment to the PSA and MDA as provided in the packet.
 - Council: Motion to approve the proposed PSA amendment.
- Alternative actions:
 - Request executive session pursuant to the COML (24-6-402) to obtain (b) legal advice and/or (e) discuss negotiations
 - Authorize staff and counsel to take action under the MDA and PSA

Discussion



MHGP Proposed Site Plan

