



Proposed Project in Welton Corridor Urban Redevelopment Area

Redevelopment of the Property Located at 2300 Welton St.

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2300 WELTON



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City Council Approvals

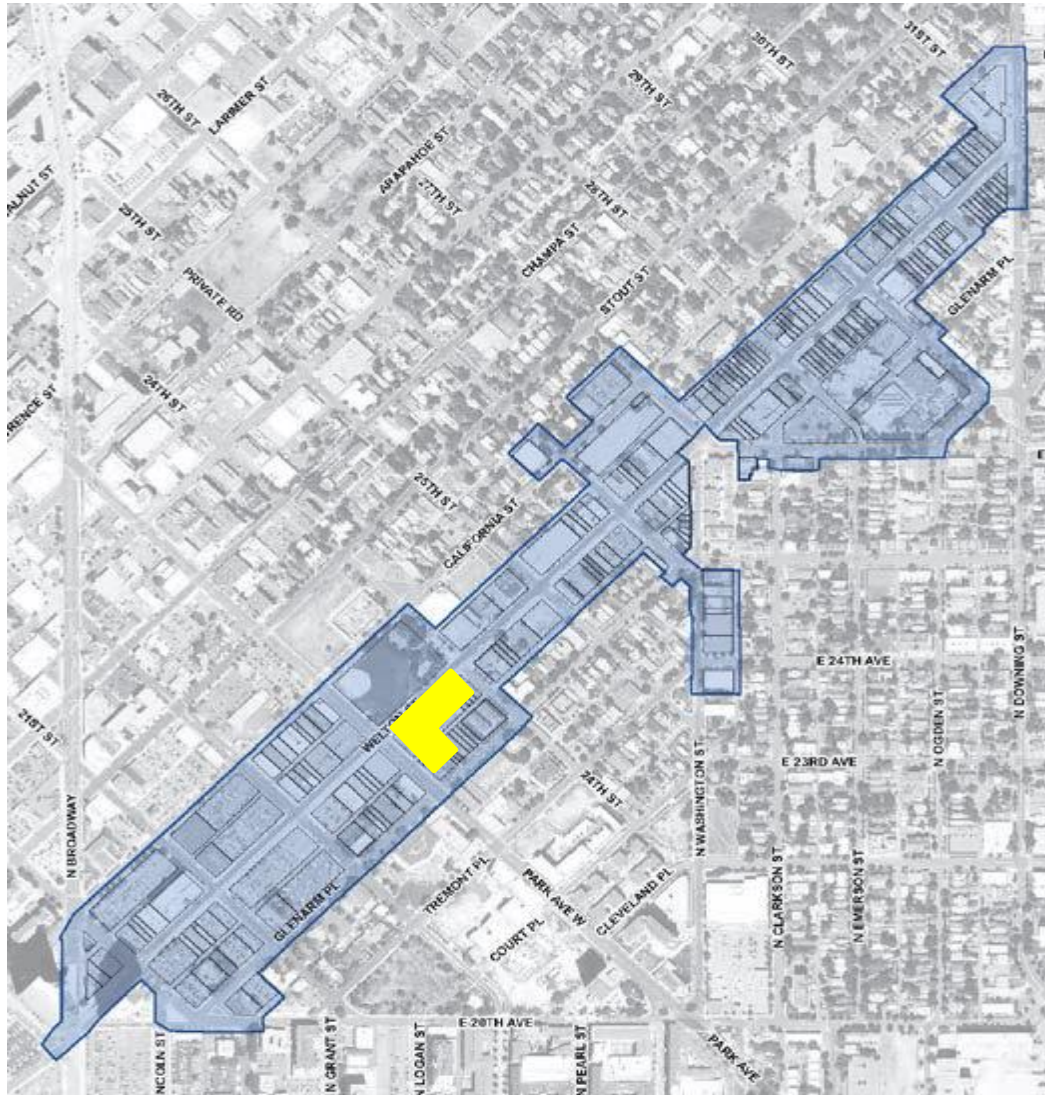
- **Urban Renewal Plan Amendment - BR14-0471**
 - Approve property tax increment area
 - Approve 2300 Welton as a Project


- **Cooperation Agreement – BR14-0470**



Site Location

Proposed project located in Welton Corridor Urban Redevelopment Area



 2300 Welton Street Project



Site Location

Proposed project bounded by Welton Street, Glenarm Place, Park Avenue and 24th Street





Project Description

- **223 unit affordable rental project (two separate buildings)**
 - **11 units at 30% AMI, 212 units at 60% AMI**
- **Larger building will span the entire block facing Welton between Park & 24th**
- **Smaller building situated on the corner of Glenarm Place and Park Avenue.**
- **Total square footage: 268,442.**

| Unit Mix | Building A | Building B | Total |
|----------------|------------|------------|-------|
| Studios | 22 | 0 | 22 |
| 1 Bedroom | 93 | 16 | 109 |
| 2 Bedroom | 76 | 12 | 88 |
| 3 Bedroom | 4 | 0 | 4 |
| Total Units | 195 | 28 | 223 |
| Parking Stalls | 207 | 0 | 207 |



Financial Analysis

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| | |
|---|-------------------|
| Site Acquisition / Land | 4,200,000 |
| Sitework / Infrastructure | 2,293,003 |
| Hard costs | 27,444,807 |
| Soft Costs | 9,087,223 |
| Total Development Budget | 43,025,033 |
| HUD 221(d)(4) loan @ 4.40% | 20,493,053 |
| Additional HUD Loan from TIF | 769,000 |
| Tax Credit Investor Equity (@\$1.00) | 15,551,324 |
| Deferred Developer fee | 2,319,077 |
| State of Colorado – Dept. of Housing Loan | 1,100,000 |
| City and County of Denver – OED Loan | 1,100,000 |
| Pre-Stabilization Cash Flow | 942,579 |
| Equity | 750,000 |
| Total Sources | 43,025,033 |



TIF Capacity

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TIF Capacity

- Property is currently owned by the Redeveloper who is paying approximately \$69,000 in property taxes (base)
- Upon completion expected to generate approximately \$70,000 per year in net property tax increment
- Property tax increment used to reimburse redeveloper for eligible expenses of \$769,000 over 25 years



DURA: Conformance with City Plans

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The 2300 Welton Street Redevelopment is Consistent with the Following Objectives Outlined in the Denver Comprehensive Plan 2000:

- **The project is located in an Area of Change as identified by Blueprint Denver.**
- **Conserve land by promoting infill development at sites where service and infrastructure are already in place (Environmental Sustainability Strategy 2-F).**
- **Encourage development of housing that meets the increasingly diverse needs of Denver's present and future residents (Land Use Strategy 1-H).**
- **Continue to support mixed-income housing development that includes affordable rental, especially in Downtown and along transit lines (Housing Strategy 3-B).**
- **Encourage public-private partnerships to facilitate development and redevelopment projects that advance the City's goals and objectives. When appropriate, take advantage of the Denver Urban Renewal Authority's powers and experience (Economic Activity Strategy 4-C).**



DURA: Conformance with City Plans

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The project will further the recommendations identified in the Northeast Downtown Neighborhood Plan by:

- **Providing high intensity development near downtown, transit stations, and along key streets, including 21st street and Welton Street (A-1).**
- **Promoting economic and housing diversity (C-2).**
- **Promoting housing density, including structured parking (C-3).**

DURA: Urban Redevelopment Plan



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- **Objectives:** ...reduce or eliminate blighted conditions and to stimulate the continued growth and development of the Urban Redevelopment Area and its surroundings. The Project will promote the following Plan objectives:
 - Assist the City in cultivating a mosaic of urban districts
 - Encourage residential development and redevelopment that is socially and economically inclusive
 - To promote a mix of dense housing options
 - More effectively use underdeveloped land within the Urban Redevelopment Area
 - Encourage high and moderate density development where appropriate, including structured parking
 - Encourage land use patterns where pedestrians are safe and welcome
 - Encourage participation of existing property owners within and adjacent to the Area in the redevelopment of their property



Public Benefits

Benefits of Redevelopment

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- **Eliminates blighted conditions within urban redevelopment area.**
- **Provides for affordable apartment units near Downtown and along a transit corridor**
- **Promotes investment in a targeted neighborhood near Downtown that has seen limited new construction activity to this scale**
- **Project will include additional affordability requirement of 5 years, following expiration of CHFA affordability term, for the 30% AMI units**



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- **Urban Renewal Plan Amendment - BR14-0471**
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- **Cooperation Agreement – BR14-0470**
 - **Land Use Matters:** Cooperate with DURA / Project
 - **Special Program Requirements:** Project Art, SBE, First Source, Enhanced Training
 - **Project:** Redevelopment of the property located at 2300 Welton Street into 223 new construction affordable apartment units
 - **Property Tax Increment Finance:** Mechanics (base, increment defined, etc)
 - **Term of TIF:** Authorizes Property TIF for 25 years or repayment of Obligation related to project, whichever is earlier



Approval Process

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- Community Outreach - complete by July 1, 2014
 - Notice of Public Hearing mailed June 12, 2014
 - Community Meeting Scheduled July 1, 2014
- Planning Board
 - Informational June 4, 2014
 - Action June 18, 2014 – Unanimous finding of conformance with Comp Plan 2000
- DURA Board – June 19, 2014 – Approval of Urban Redevelopment Plan Amendment and Cooperation Agreement
- First Reading – June 30, 2014
- Public Hearing & Second Reading – July 14, 2014
- Construction expected to begin Fall 2014



Questions?

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