INDUSTRY DAY

9TH & Clermont - Denver

May 25, 2022
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May 25, 2022
GSA - Property and Sale Process Overview

Veronica Vorva
General Services Administration

Industry Day
May 25, 2022
Agenda

I. Property Overview

II. Auction Introduction

III. Auction Process

IV. Transaction Terms

V. Notices and Covenants

VI. Additional Information
I. Property Overview
I. Property Overview
I. Property Overview

Note: see survey for property boundaries
I. Property Overview

Finding property information and documents:

Auction website: www.RealEstateSales.gov

Property auction link: https://realestatesales.gov/gsaauctions/aucitdsc/?sl=FTWOR722016001

Open Houses:
June 1st and 15th: 9am to 1:30pm MDT
Sign up for an interior appt. HERE AND
See the Open House document, below, for important information.

For instructions on the bidding process and how to register to bid, please download the Invitation for Bids (IFB).

Additional Documents:
- Invitation for Bid (IFB) [PDF - 1504 KB]
- Open House Information (Color Brochure)
- Campus and Site Maps
- Final Plans- Elevations 1, 14, 21, and 24
- Final Plans- Elevations 22, 25, and 26
- Final Plans- Elevations 27, 28, 29, and 31
- Final Plans- Elevations 32, 33, and 34

To find addition information: Click on link for ‘Additional Documents and Pictures’…

Scroll down to ‘Additional Documents’…
II. Auction Introduction

• GSA Online Auctions
  - A fair and transparent way to dispose of excess real property

• Auctions are administered at www.RealEstateSales.gov

• Participation requires prior registration and posting of a bid deposit

• Information about sale terms is provided in the Invitation for Bids (IFB)

• Additional information about GSA Real Property Utilization and Disposal program and other property sales can be found at https://disposal.gsa.gov.
III. Auction Process

Terms

- **All Cash Sale; “As-Is, Where-Is”**
- **Marketing Period**  Now until June 20, 2022
- **Property open for bidding:**  June 20, 2022
- **Auction End Date:**  July 12, 2022
- **Bid Deposit:**  $200,000
- **Bid Increment:**  $250,000 (subject to change at any time)
- **Bid Interval:**  24 hours (subject to change at any time)
- **GSA reserves the right to**
  - modify the bid increments at any time
  - suspend or stop the auction for any reason and without award
  - resume the auction or start a new auction at any time
  - cancel the sale at any time
III. Auction Process

Bidder Registration

• Bidders must register online at www.RealEstateSales.gov

• Bidder Registration:
  1. Create an online User ID and Password
  2. Complete Bid Form
  3. Post a one-time Registration Deposit

• Approval for bid is contingent upon verification of Registration Deposit

• Bidders should allow GSA up to five (5) business days to complete the registration process
III. Auction Process

Bidder Registration

Click on ‘Register’
III. Auction Process

Bidder Registration
III. Auction Process

Registration Form

CERTIFICATE OF CORPORATE/ORGANIZATION BIDDER

This form must be signed by someone other than the bidder unless the bidder is the duly authorized representative of the corporation/organization.

 certifications of said Corporation/Organization, that said bid was duly signed for and on behalf of said Corporation/Organization by authority of its governing body and is within the scope of its corporate/organization powers.

(Signature of Certifying Officer/Manager)

(Corporate Seal here, if applicable)
III. Auction Process

Registration Deposit

- A $200,000 Registration Deposit will be required
- Cashiers Check and Certified Check are acceptable
- Personal checks are not acceptable
- Submit via mail along with registration form(s)
- Registration Deposits:
  - may be forfeited in case of revocation of bid and/or default
  - will be refunded to all but the highest and the backup bidder after auction close
  - bidder may request refund at any time prior to auction close
III. Auction Process

Bidding Process

• Types of Bids
  - Flat Bid
  - Automatic (Proxy) Bid

• Bids may be increased online by the specified bid increment (or greater) at any time until the auction closes

• Submitted bids will be posted to the website immediately, in real time

• Posted bid amounts and associated bidder number will be visible to the public on www.RealEstateSales.gov
III. Auction Process

Bidding Process

<table>
<thead>
<tr>
<th>Item Information</th>
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<tbody>
<tr>
<td><strong>American Shad Lighthouse</strong></td>
</tr>
<tr>
<td><strong>Bid Lot Number</strong></td>
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<tr>
<td><strong>Sale Type</strong></td>
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<tr>
<td><strong>City, State</strong></td>
</tr>
<tr>
<td><strong>Current Bid</strong></td>
</tr>
<tr>
<td><strong>Bidders</strong></td>
</tr>
<tr>
<td><strong>Close Time</strong></td>
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<tr>
<td><strong>Time Remaining</strong></td>
</tr>
<tr>
<td><strong>PB #</strong></td>
</tr>
<tr>
<td><strong>Case #</strong></td>
</tr>
</tbody>
</table>

Note: When a "Competitive" bidding occurs (two or more bids of the same amount are submitted), the "High Bid" is determined by GSA Auctions' system evaluation, based on the time of submission and/or by proxy.

To enhance bidder privacy, and protect GSA Auctions from fraudulent emails, GSA Auctions has changed how User IDs are displayed on the bid history page. Only you can see your User ID, all other bidders will see an anonymous user ID, such as Bidder1.

As of February 11, 2021, bidders will be assigned the actual bidder number for the first time when they place their first bid. If you are the first bidder for this lot you will see Bidder1. If you are the second bidder you will see Bidder2.

**Bidders in the Auction (Current top 10 bidders)**

<table>
<thead>
<tr>
<th>Bidder</th>
<th>Bid Amount</th>
<th>Date/Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bidder1 (Current High Bid)</td>
<td>$1,500 USD</td>
<td>01/20/21 11:52:55 PM CT</td>
</tr>
<tr>
<td>Bidder2</td>
<td>$1,200 USD</td>
<td>01/20/21 11:15:05 PM CT</td>
</tr>
<tr>
<td>Bidder3</td>
<td>$1,000 USD</td>
<td>01/19/21 09:54:27 AM CT</td>
</tr>
<tr>
<td>Bidder4</td>
<td>$1,000 USD</td>
<td>01/19/21 09:56:32 AM CT</td>
</tr>
<tr>
<td>Bidder5</td>
<td>$1,000 USD</td>
<td>01/19/21 09:58:31 PM CT</td>
</tr>
<tr>
<td>Bidder6</td>
<td>$1,000 USD</td>
<td>01/19/21 09:59:19 PM CT</td>
</tr>
<tr>
<td>Bidder7</td>
<td>$1,000 USD</td>
<td>01/19/21 09:59:36 AM CT</td>
</tr>
<tr>
<td>Bidder8</td>
<td>$1,000 USD</td>
<td>01/19/21 09:59:36 AM CT</td>
</tr>
<tr>
<td>Bidder9</td>
<td>$1,000 USD</td>
<td>01/19/21 09:58:31 PM CT</td>
</tr>
<tr>
<td>Bidder10</td>
<td>$1,000 USD</td>
<td>01/19/21 09:59:20 PM CT</td>
</tr>
</tbody>
</table>

Click here to see all bids.

**Your Bids**

<table>
<thead>
<tr>
<th>Bid #</th>
<th>Bid Amount</th>
<th>Max Limit</th>
<th>Status</th>
<th>Date</th>
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III. Auction Process

Auction Closing and Award

- Auction employs a ‘soft close’
- On soft close date, if there is any activity within the last Inactivity Period, the auction ‘rolls over’ for an additional Inactivity Period
  - e.g. if bid increment is 24 hours, and there is activity in the last 24 hours prior to auction close, the auction continues for another 24 hour period
- Auction continues to ‘roll over’ until an Inactivity Period ends with no bidding activity
III. Auction Process

Auction Closing and Award

• Upon auction closing, GSA evaluates high bid

• If GSA accepts bid, purchaser must produce an earnest money deposit of at least 10% of the total sale price within three (3) business days of award
  - The $200,000 registration deposit counts towards the 10% requirement
  - Failure to provide funds may result in rejection of bid and forfeiture of registration deposit

• The second-highest bidder (backup bidder) may be considered for award for the Continuing Offer period of 60 calendar days
IV. Transaction Terms

Closing Process

- Transaction closing must occur within forty-five (45) calendar days after acceptance of bid
- All previously paid monies will be credited toward total purchase price
- Remaining balance of purchase price is payable to Purchaser’s Escrow Holder
- Purchaser is responsible for all closing costs, including any escrow and financing fees
- Government’s interest in the property is conveyed via Quitclaim Deed
V. Notices and Covenants

Overview

Notices and Covenants to be inserted into the Quitclaim Deed:

1. Comprehensive Environmental Response, Compensation and Liability Act (CERCLA)
2. Notice of Presence of Lead-Based Paint
3. Asbestos-Containing Materials
4. Notice of the Presence of Underground Storage Tank (UST)
5. See additional Notices and Covenants in the Invitation for Bids (IFB)
VI. Additional Information

- Additional details are provided in the Invitation for Bid (IFB) document posted at www.RealEstateSales.gov

- Questions:
  
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INDUSTRY DAY

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Industry Day – 9th and Clermont property

City and County of Denver Entitlement / Development Process
Existing Zoning

CMP-H (Hospital Campus) UO-3 (historic structure use overlay)
Section 9.2 of DZC

www.denvergov.org/zoning
East Area Plan Policies

1. **Land Use**: If the site is not reused as a hospital campus, a rezoning to a mixed-use zone district with a maximum height of 12 stories and provision of community benefits (Policy L3, H-L1)

2. **Urban Design**: High quality design and compatibility with the Hale neighborhood. This includes pedestrian friendly street frontages, durable building materials, and comfortable and inviting streetscapes. (Policy L7)
3. **Affordable housing**: New development should meet the needs of a range of households, including those earning very low, low, and moderate incomes. Units should be designed to accommodate a variety of living situations, including families, multi-generational living, aging in place, residents with disabilities, and residents needing supportive services. (Policy E3)

4. **Open space** and stormwater management: Publicly accessible and usable open space with integrated stormwater management, including *green infrastructure practices within landscaping*. It should be noted that the site is located within an identified *potential stormwater inundation area*. (Policy Q3.E)
East Area Plan Policies

5. **Transportation and Mobility**: Quality sidewalks, traffic calming infrastructure, and Transportation Demand Management strategies, such as parking maximums, shared car services and allocated parking, private bike share programs, secure bike parking, car/bike share memberships for tenants, transit passes for tenants, ride hailing/taxi drop off parking or pull out, deliveries scheduled during non-rush hours, and additional on/off-site mobility infrastructure improvements. (Policy M9, M12)

6. **Historic Preservation**: Landmark designation of historically significant buildings (Policy H-L2.D)
Large Development Review

- Coordinated multi-disciplinary review and direction to advance adopted plan policies.

- Infrastructure, affordable housing.

www.denvergov.org/largedevelopmentreview
Other Processes

• Site Development Plan
• Transportation Demand Management Plan
• Rezoning (if not used for a hospital campus)
Landmark Demolition Review

Evan R. Schueckler, Associate City Planner
Why does Landmark review demolitions?

• Public notification of demolition of potentially significant buildings
• To avoid or minimize loss of historically, architecturally, geographically, or culturally significant buildings

What are the review criteria?

• Does the property have potential to be an individual landmark?
What triggers Landmark demolition review?

• Complete demolition
• Demolition of 40% or more of exterior wall area
• Accessory structures 1.5+ stories
• Any structures in a historic district or individual landmark site
Demolition

• Contractor may apply
• No Landmark fee required
• Review within 10 business days
• If approved, valid for 3 years
• Approval is tied to property, not applicant or owner

Certificate of Demolition Eligibility (CDE)

• Only owner may apply
• $250 fee
• Review within 10 business days
• If approved, Certificate valid for 5 years
• Approval is tied to property, not applicant or owner
The structure or district must meet the following criteria *:

1. The structure or district maintains its integrity
2. The structure or district is more than 30 years old, or is of exceptional importance
3. The structure or district meets at least three of ten criteria
4. The LPC considers the structure’s historic context

*Per Landmark Preservation Ordinance (Chapter 30, DRMC)
Designation Criteria: Must meet 3 out of 10

**History**

A. Direct association with a significant historic event or with the historical development of the city, state, or nation;

B. Direct and substantial association with a recognized person or group of persons who had influence on society;

C. Embodies the distinctive visible characteristics of an architectural style or type;

**Architecture**

D. Significant example of the work of a recognized architect or master builder;

E. Contain elements of design, engineering, materials, craftsmanship, or artistic merit which represent a significant innovation or technical achievement;

F. Represents an established and familiar feature of the neighborhood, community or contemporary city, due to its prominent location or physical characteristics;

**Geography**

G. Promotes understanding and appreciation of the urban environment by means of distinctive physical characteristics or rarity;

H. Represents an era of culture or heritage that allows an understanding of how the site was used by past generations;

**Culture**

I. Physical attribute of a neighborhood, community, or the city that is a source of pride or cultural understanding;

J. Associated with social movements, institutions, or patterns of growth or change that contributed significantly to the culture of the neighborhood, community, city, state, or nation.
Integrity: Does the structure still convey its significance?
Landmark Review

• If no potential for Individual Landmark Designation
  – Demolition
    • Email with Landmark approval number (valid for 3 years)
  – Certificate of Demolition Eligibility
    • Email Certificate (valid for 5 years)
    • Submit demo app, when ready
    • Landmark will issue approval number (no further review)

• If potential for Individual Landmark Designation
  – Public notice provided
  – Hold on demo/CDE for 21 days
Publicly Posted: 21-Day

- Public Notification
  - Post signage on property
  - Staff report of findings and application listed on website
- Email Notifications
  - District Councilmember
  - At-large Councilmembers
  - RNOs within 200 feet
  - Preservation Partners
Community-Driven Process

- File Notice of Intent
  - Manager of Community Planning and Development
  - Member(s) of City Council
  - Three residents of Denver

- Extends hold - 21 days to 60 days
  - Allow for dialogue

- Third-party facilitated stakeholder meeting
  - Owner/developer, community members, city staff, and facilitator meet

- Explore possible win-win compromise
Next Steps

- If no compromise reached, three Denver residents may submit a Designation application
  - $875 application fee
  - Public Hearing before Landmark Preservation Commission and City Council
  - City Council provides the final approval or denial of designation application

- If no compromise is reached and no designation application received by day 60
  - Landmark issues approval
  - Landmark has no purview over replacement plan for the site
Urban Redevelopment through DURA

Urban Renewal Objectives
- Core objective: Eliminate blighted conditions and stimulate continued growth of a blighted area
- Other objectives: affordable housing, open space, historic preservation, economic revitalization, sustainability
- Key question #1: Is the area blighted?

How does DURA help?
- By filling a financial gap for redevelopment projects that will eliminate the blighting conditions of an area and further other public objectives
- Tax Increment Financing (TIF)
- Key question #2: But for our assistance, does this Project happen?

What documents govern this?
- Urban Redevelopment Plan: establishes the boundaries of the Urban Redevelopment Area, defines the Redevelopment Project, outlines the objectives for urban renewal activity, describes conformance with applicable City Plans and authorizes the use of TIF

Who approves?
- DURA Board of Commissioners, Denver Planning Board, Denver City Council (public hearing) and agreements with other property taxing entities if TIF is requested
Blight Determination

**Blighted Area definition**: an area that, in its present condition and use and, by reason of the presence of at least four of the following factors, substantially impairs or arrests the sound growth of the municipality, retards the provision of housing accommodations, or constitutes an economic or social liability, and is a menace to the public health, safety, morals, or welfare.

What is the purpose of the Conditions Study?

- An initial step in the process to create an *Urban Redevelopment Area* (URA)

- The Conditions Study documents whether sufficient *blight factors* exist to allow the approval of an Urban Renewal Plan

- **Blight Factors**: 11 factors defined in Colorado State Statute

- *By law, at least 4 must be present in the Study Area to support the creation of an Urban Redevelopment Area*
What are the 11 factors of Blight?

1. Deteriorated or deteriorating structures
2. Defective or inadequate street layout
3. Faulty lot layout in relation to size, adequacy, accessibility, or usefulness
4. Unsanitary or unsafe conditions
5. Deterioration of site or other improvements
6. Unusual topography or inadequate public improvements or utilities
7. Defective or unusual conditions of title rendering the title non-marketable
8. Conditions that endanger life or property by fire or other causes
9. Buildings that are unsafe or unhealthy for people to live or work in
10. Environmental contamination of buildings or property
11. Existence of health, safety, or welfare factors requiring high levels of municipal services or substantial underutilization or vacancy of buildings, sites, or improvements
TIF – Need for Public Investment

Determination of TIF Assistance – Lesser of Three

• The amount needed for developer to move forward with a project – Generally IRR evaluation
• Eligible project costs
• The tax increment generating capacity of the project

Anticipated Eligible Project Costs

• Costs that have a direct public purpose
  • Eliminate Blighting Conditions
  • Support Development Program
• Prefer NOT to include land write down

TIF Assistance

Typically not to exceed 20% of project budget
Able to capture both sales and property tax increment for maximum of 25 years

• Developer Reimbursement
  • Assistance may be structured as a reimbursement to the developer as the Project generates tax increment Developer pays for eligible costs during construction
  • Reimbursement is dependent on success of the Project
• DURA Bond Issuance – Typically upon project stabilization
Focus on Equitable Development:

- Enhanced Affordable Housing Outcomes
- Robust Community Engagement
- Clear Community Benefits
Questions?

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INFORMATION ON HISTORIC PROPERTIES
COLORADO STATE HISTORIC PRESERVATION OFFICE (SHPO)
Q & A – SHPO

JOSEPH SALDIBAR
Historic Tax Credits 101

Joseph Saldibar
History Colorado
What is a rehabilitation tax credit?

- Directly reduces the amount of tax owed to the government
- Based on a percentage of the total project cost
- Example:
  - 20% credit for a $100,000 project would generate $20,000 in tax credits
- Rehabilitation: the process of making a property useful again, through repair, alterations, and/or additions while preserving those features which are significant to its historic, architectural, and cultural values
What is a rehabilitation tax credit?

- Who can take tax credits?
  - Individuals (homeowners and business owners!)
  - Non-Profits**
  - Limited Liability Companies (LLCs), General Partnerships (GPs), Limited Partnerships (LPs)
  - S and C Corporations

- Who can’t take tax credits?
  - Governments
  - Year-to-Year Leasees (or any lease under 5 years)
Rehabilitation

- Restoring, repairing, and rehabilitating historic materials, features, and spaces.
- “Material and labor” costs associated with these work items. (we’ll dive further into this later on...)
Because the goal of rehabilitation is to keep a property in service (or put it back into service), modern building materials and items qualify for the credit!
Types of Tax Credits

Federal
- Commercial

State
- Commercial
- Residential
Commercial / Residential

Commercial (Income Producing)  Residential
## Commercial vs Residential

**Commercial**
- Federal Commercial credits are reviewed by NPS
- State Commercial credits are reviewed by History Colorado

**Residential**
- Residential credits can be reviewed by CLGS if they choose to do so.
- History Colorado is the default reviewer.
Federal vs. State Commercial

Federal

› Initial review by State staff
› NPS reviewers in Washington have the final say on whether a project meets the Standards
› IRS makes decisions about eligibility and qualified costs

State

› All review is done by State staff
› History Colorado determines if project meets the Standards
› OEDIT determines if project meets the fiscal requirements
Qualifications for Tax Credits

› To Qualify, your property needs to be:
  » At least 50 years old
  » Designated historic at the local, state, or national level;
  » OR, be a contributing building in a local, state, or national historic district
Historic Designation

- Local Designation: faster, but may be subject to design review in the future.
- State/National Designation: Slower (6-9 months) but no design review.
- A person can apply for credits without designation of any kind.
LEFT: Just some of Denver’s locally-designated historic districts

RIGHT: Georgetown’s historic core is listed on the National Register, the State Register, and on the local level. (it’s also a National Historic Landmark!)
Qualifications for Tax Credits (continued)

- Rehab work must meet the Secretary of the Interior’s Standards for Rehabilitation
- State credits are capped at $1 million for commercial and $50,000 for residential.
- Applicants can carry forward credits for 10 years.
- Commercial credits can be sold at any time to anyone.
Selling Tax Credits

- Holders of State Commercial Tax Credits can sell all or part of them to any other individual or group at any time.
- Credits are worth about 90 cents on the dollar.
- Federal credits can be syndicated, but not sold directly (worth about 75 cents on the dollar).
Secretary of the Interior’s Standards

- Three levels:
  - REPAIR historic materials whenever possible;
  - REPLACE historic materials with in-kind materials when the originals can’t be saved;
  - RECREATE historic materials with new materials when repair and replace options aren’t possible.
Repair, Replace, Recreate
When There’s Conflict

- Both the federal and state programs allow applicants to appeal a decision about meeting the Standards.
- Financial appeals (over taxpayer eligibility or QREs) are usually handled in tax court.
Qualified Rehabilitation Expenditures (QREs)

- **Commercial**: any expenditure as defined under section 47 (c)(2)(A) of the internal revenue code, as amended, and the related regulations thereunder
- **Residential**: exterior improvements and interior improvements undertaken to restore, rehabilitate, or preserve the historic character of a qualified property
How many credits?

- The federal credit is 20% of QREs.
- The state commercial credit is currently 25-30% in metro Denver.
  - 30% on costs under $2 million.
  - 25% on costs above that.
- Max state credit of $1 million.
Phasing

- Federal law allows applicants to apply in one phase (24 months) or multiple phases (60 months)
- State law allows applicants to apply for an unlimited number of phases ($1 million per phase)
- Phases must be linear and have defined start and end dates.
To Learn More…

FOR MORE INFORMATION:

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