

THE REBUTTAL

The \$30 Land Deal

Arvada Urban Renewal's 'FAQs Regarding the 9-Acres Site'

Now ... with responses for the Taxpayers of Arvada

Q: What is the 9-acre site?

A: The 9-acre site is located at W. 56 and Wadsworth Bypass. For years it has been used by RTD as a Park-n-Ride lot. With the construction of the new Transit Hub and parking garage for the G Line, RTD no longer has use for the site.

Q: How will AURA acquire the land?

A: In exchange for the ability to utilize the City's new Transit Hub and parking garage for RTD's transit riders, RTD will deed the property to the City and AURA. In addition to the RTD's property, the City and AURA already own three acres.

Q: What is the City's vision for the use of this property?

A: The City of Arvada and Arvada Urban Renewal Authority (AURA) have a vision for high-density, mixed use development as part of our Transit Oriented Development (TOD) plan for the area. In addition to residential the site will include restaurants, shops and small commercial uses all within easy walking distance to Olde Town and the G Line.

Best practices for TOD development recommend a higher density of uses located in the vicinity of transit stations. This practice can reduce sprawl, traffic congestion and help the environment by focusing uses at a transit station which allows residents to walk out their front door and board a train, rather than drive, to their destination.

Here is the crux of the issue: the Board of Commissioners of the Arvada Urban Renewal Authority (which includes Arvada's mayor who appointed himself and all the other members) and the non-Arvada-resident executive director have imposed a very rigid, narrow, and specific "vision" for this property – **instead of letting the free market determine best use.**

It is ironic that AURA's "vision" proclaims they want "residents to walk out their front door and board a train, rather than drive", yet the \$30 land deal and the sales and property tax rebate to the developer is primarily to subsidize the construction of a private, tenants-only parking garage for cars. Thus, AURA would have the taxpayer's subsidized yet another parking garage right next to the just completed \$34 million taxpayer-funded RTD parking garage.

Go figure.

Q: What is the assessed value of the property?

A: It is valued at approximately \$4.3 million dollars.

Recent sales of properties adjacent to or nearby have sold for much, much more. In the Denver metro region's hot market this is prime real estate for a site-appropriate enterprise.

Q: If it's worth so much money, why would AURA 'give' the property to Trammell Crow for \$30?

A: If the City's vision for this property is to be fulfilled—i.e. a high density development in keeping with TOD—it will be very expensive because the property has serious constraints, including:

- o There is a 30-foot hill on the north side of the site. \$13 million will be invested in excavating into the hill, building retaining walls, and developing a two level parking garage on the site. The project requires no surface parking for residential. The proposed development includes four levels of housing above a two level parking garage.

- There is an existing 6 foot storm sewer line that runs diagonally through the south side of the property. A structure cannot be built on top of the line, making a good portion of the property unusable and the site difficult to build on, which makes the property less valuable. It is estimated that it will cost up to \$1 million to relocate the storm sewer line. It hasn't been determined if the grade of the site will allow the relocation.
- Wadsworth Bypass is owned by CDOT and they have a 150 foot ROW on the east side of the site, further reducing the developable property.
- Due to these property constraints, the site's water detention has to be constructed under the residential building, which is extremely expensive.



We don't need to over analyze this: AURA's "vision" is to fit a square peg into a round hole.

Q: Why not just let the free market decide what will be built and sell the land at its assessed value?

A: That option was considered. Under this scenario, however, no developer would be willing to make the investment required to fulfill our vision. The resulting development would not maximize the best use of the property – envision large surface parking lots. The City and AURA are making an investment towards creating the highest and best use for the 9-acre site by deeding the property over to a developer who will deliver a high-quality project that will greatly benefit the entire community both now and into the future.

This project is the result of an extensive public process. A request for proposal was issued and ten qualified private sector developers responded. RTD, the City of Arvada and AURA worked together and selected Trammell Crow as the preferred developer.

Here we go again ... the operative words for AURA are "to fulfill our vision". The City's and/or AURA's vision *does not equal* the citizen's vision.

Furthermore, the "extensive public process" mostly involved the AURA board meeting in executive 'secret' session to determine who would be their "preferred developer".

Q: Won't the development block the "grand view"?

A: A lot of consideration has gone into preserving the grand view from Grandview Avenue.

The City removed the buildings at the Olde Town Station platform to construct the large public plaza. This project provides a view of the mountains in the central core of Grandview where transit riders, parking users and the public will be more likely to enjoy it.

Likewise, a lot of consideration has gone into the architecture of the proposed residential building. Although it is a six story building, the western section of the structure is only two stories, therefore, keeping the important mountain view intact.

The building would rise 37 feet above the grade level of historic Grandview Avenue blocking the *grand view* of the Clear Creek and Platte River Valley panoramas.

Q: Isn't Trammel Crow getting a 'sweetheart' deal?

A: No. Trammel Crow will be investing over \$70 million dollars into this site and is willing to embrace the complexity and constraints of the property. They will construct a high quality, mixed-use, transit oriented development. AURA discounted the property in order to make the project financially feasible. In the event Trammel Crow does not deliver, AURA will receive the property back.

Yes. Taxpayers would be subsidizing the construction of a two story, private, tenants-only parking garage for Trammel Crow. *At the taxpayer's cost*, this would greatly enhance the value of the project with all the profit going to the owner ... there isn't any share-back to the Arvada taxpayer.

Q: Isn't this a bad deal for taxpayer?

A: Absolutely not. The City and AURA are looking towards the future of our community and how to take the best advantage of the arrival of the G Line. We are working to create great spaces to live, work, and play. In addition to the lengthy list of site and infrastructure improvements, a new park-like pedestrian walkway will link the development and Olde Town; this streetscape will feature wide sidewalks, flower pots, benches, and distinctive signage. Ultimately the taxes from this high density, mixed-use development will greatly benefit the entire community.

The City of Arvada has been very successful in its use of urban renewal. AURA's first urban renewal area is currently contributing \$15 million annually to the City's general fund, \$12.5 million to the State of Colorado, and \$4.3 million to Jefferson County in sales tax receipts alone.

Be skeptical ... this explanation doesn't include the cost to taxpayers of the *incentives* given to developers in the first place. *Arvada for All the People* is currently asking AURA to supply all of the financial details for these projects so the public can make an informed judgement about the success of urban renewal.

Arguably, urban renewal may have been useful 36 years ago; now it appears that AURA has become a government agency bent on self-perpetuation.

In the meantime, *the proof is in the pudding* for Arvada taxpayers. The city council unanimously placed on the November 2016 election ballot a proposal to hike the city sales tax because it does not have enough money to maintain and fix our deteriorating streets. **AURA and the city government have given away millions of dollars in revenue over the past four years alone:**

- \$6 million to Walmart;
- \$7.2 million to Solana;
- \$10 million to Park Place Olde Town;
- \$2.5 million to Conn's
- All the lodging tax back to Hilton;
- \$2.5 million to King Soopers;
- \$500,000 to Harken Theater
- \$250,000 to Steuben's
- \$200,000 to Sherwin-Williams
- Now all the sales and property tax back to Trammel Crow for 17 years

They have also virtually given away property:

- \$10 sale price for Park Place Olde Town land;
- 75% discount price to Hilton;
- Now \$30 sale price for property worth millions of dollars to Trammel Crow.