Stapleton
A case study on how to turn vacant land into a vibrant community
Stapleton International Airport
1929-1995
Current Project Status

- Over 21,000 residents
- 3,000 acres developed
- Over 6,500 lots sold to residential builders
- Over 6,700 homes purchased by residents
- Over 1,200 apartments built
- 400,000 sq. ft. of office space developed
- Over 2.2 million sq. ft. flex/industrial space developed
- Over 2.1 million sq. ft. retail developed
- Over $800 million of local/regional public infrastructure built
- Over $2.7 billion of Value created
Stapleton History

- Major airport serving Denver metro area until the early 1990s

- Redevelopment efforts led by various interest groups, including:
  - Stapleton Redevelopment Fund
  - Mayor’s Citizen Advisory Board
  - Stapleton Development Corporation
Planning 1989-1995
Stapleton Development Plan
“A network of urban villages, employment centers and significant open spaces, all linked by a commitment to the protection of natural resources and the development of human resources.”

- 1995 Stapleton Development Plan
Stapleton Development Plan
Social Initiatives

- Workforce Housing
- Parks / Open Space
- Education
- Sustainability
- Technology
- Public Art
Prime Central Location

- 15 minutes from Downtown Denver
- 20 minutes from DIA
Stapleton’s Size is Impressive
4,700 Acres or 7.5 Square Miles
Stapleton Current

Downtown Denver

STAPLETON REDEVELOPMENT AREA

- Adopted as part of the Denver Comprehensive Plan in 1996
- 4000 acres including residential, commercial, and open space
- $5 - $6 billion in private development over 30 years
- $700 million local and regional infrastructure
- Environmental remediation
- Demolition
- Minimum 15 year build out
1998 SDC selected Forest City (FC) as Master Developer through RFP process

**Purchase Agreement (2000) between SDC and FC:**
- Contract to purchase 2,935 acres at appraised value of $79.4 million + CPI increase
- System Development Fee – Pay $15,000/acre upon takedown to be used by the District for Trunk Open Space development, totals $44M
- Develop according to the Stapleton Development Plan, SDC places covenants on the land

**Development Agreement (2001) between FC and City:** uses and densities, affordable housing
Deal Framework

**Forest City will:**

- Purchase 2,935 acres at appraised value of $79.4 million + CPI increase
- Pay $15,000/acre parks impact fee totaling $44 million (utilized for regional open space)
- Purchase a minimum of 1,000 acres every 5 years for 15 years
- Develop according to the Stapleton Development Plan
- $5 million down payment
Deal Framework

City of Denver will:

- Complete Zoning for the entire site
- Establish Tax Increment Financing for Regional Infrastructure
- Create Title 32 Metro Districts
- Complete Environmental Remediation
- Complete Demolition of Buildings & Runways
Stapleton Infrastructure Financing
City Council approved Stapleton Urban Renewal Plan and Authorized property and sales tax increment, 2000

DURA obligations

- Fund “trunk”/regional infrastructure using TIF through City/DURA Cooperation Agreement and PCMD/DURA Redevelopment Agreement
- Fund schools using TIF through DURA/DPS School Funding Agreement
- Pay % of sales tax TIF to City through City/DURA Cooperation Agreement
Stapleton Infrastructure Financing

- **Tax Increment Financing (TIF)**
  - Stapleton Urban Renewal Area has TIF for 25 years (2025)

- TIF to fund Trunk Infrastructure estimated at $300M, plus financing costs for approximately $900M in financing needs

- City retains increasing portion of sales tax increment to fund City services as Stapleton builds out
- **Trunk Infrastructure**
  - REGIONAL key collector or distribution facilities and improvements
    - Streets
    - Water
    - Sanitation
    - Safety
    - Parks and Recreation
- **City on County of Denver**
  - City Projects
  - Fire Stations etc.
- **Denver Public Schools**
  - New schools for Stapleton and surrounding communities
Stapleton Infrastructure Financing

- **Title 32 Metro Districts**
  - Provide funding of intract infrastructure through District’s mill levies (50 mill levy cap)
  - Estimated $310M in intract infrastructure plus financing costs for approximately $1 billion in financing needs
  - Park Creek Metropolitan District constructs all infrastructure (both trunk and intract) using Westerly Creek District tax revenue, TIF and developer advances
  - Complete all infrastructure construction and additional demolition
Stapleton Infrastructure
Financing Summary

- **Sales Tax**
  - 3.5% of Retail Sales

- **Tax increment Financing (TIF)**
  - For Regional Infrastructure

- **Property Tax**
  - 83 Mil Base
  - 55 Mil District

- **Title 32 District Financing**
  - For Local Infrastructure
  - (Commercial Taxed at 3X Residential)
Stapleton Infrastructure
Financing

- **System Development Fees**
  - Forest City pays Park Creek Metropolitan District $15,000/acre to be used exclusively for Trunk Open Space
  - Total SDF anticipated to be $44 million
- Bonds are issued for both Regional (Trunk) and Local (In-tract) Infrastructure
- If Bonding Capacity not available, Forest City ADVANCES funds for Trunk & In-tract Infrastructure
- Forest City is REIMBURSED for these costs as project created funds from the TIF and Metro Districts are available
- DEVELOPMENT PAYS ITS OWN WAY
For-Sale Housing Program

- Design Book - Vision
- Broad diversity of housing
- Multiple residential product types
- Up to 19 homebuilders
- Prices from the low $100,000 to over $1 million
- Lot price 16% - 21% of projected home value
- Required Energy Star 3.0
Builder Land Sales Program

Optimize land value by:

- Segmentation of plan
- Design book
- Selection of quality builders
  - 100 interested
  - 25 selected to submit an RFP in August 2000
  - 8 builders selected (national and local)
- Business Deal
  - Price participation
  - Umbrella marketing program/fee
Denver’s Residential Context

- Traditional Denver Neighborhood Design
- Compact, walkable scale
- Diversity of housing types, densities and prices – no production Builders then
- Tree lined streets - detached sidewalks
- On-street parking
- Alley loaded garages
Parks & Open Space

- 1,116 acres Regional Parks and Open Space
- Additional 109 acres in local parks and town squares
- Increases Denver Park System by more than 30%
- Bike & Walking Trails to reduce need for auto
- Funded via $15,000 per/acre Impact Fee & TIF
Regional Parks & Open Space

- 1,116 acres
  - Central Park
  - Linear Greenways
  - Sand and Westerly Creeks
  - Prairie Park
  - Bluff Lake Nature Center
  - Fred Thomas Park
  - Urban Farm at Stapleton

- Adjacent to 17,000-acre Rocky Mountain Arsenal National Wildlife Refuge
Lessons Learned… Developer’s Perspective

- Contracts are subject to constant interpretation and re-interpretation
- Redevelopment is a springboard for innovative planning and sustainable development practices
- Infrastructure construction is expensive, both long and short term.
- Maintaining long-term relationships among all of the players is critical.
- Financial modeling on 25 year project will not be 100% accurate
- Market drives all development
- Flexible financing
Lessons Learned
For Sale Affordable Housing

- Stapleton Affordable Housing Plan
- 10% of for sale units at 80% AMI
- 20% of for rent units at 60% AMI
- Method of Delivery: Partner with homebuilder, donate land and additional subsidy
- Homebuilder brings construction, marketing, and sales expertise
- Affordability is maintained with a 15 year deed restriction capping price appreciation to percentage of CPI
Lessons Learned

Park Space

- Operation & maintenance planning for open space
- Disconnects grid
- Multiple Roles of open space
- Single loaded streets create additional value
Lessons Learned
Expectation Setting

- Careful creation of a Master Community Association
- Disclaimers don’t matter
- Be careful with your signage

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Development Progress Map (1.10.15)