

The Reserve at Gates: a Mixed- Income and Mixed- Use Transit-Oriented Development



Redeveloping the Former Gates Rubber Factory

- Formerly zoned USE I-1 / I-2T-MU-30 (heavy industrial)
- Now zoned TMU 30 (transit mixed use, up to 100 units/ acre)

The public financing package consists of \$85 million in tax increment financing (TIF) through DURA and the creation of three Metropolitan Districts to bond \$41 million paid solely from property taxes by owners within the Project. This public financing package for public infrastructure will cover such things as:

- Environmental remediation
- Demolition
- Underground utilities
- Perimeter streets and sidewalks
- Interior streets and sidewalks
- Pedestrian and transit infrastructure
- City of Denver capital improvements
- Publicly accessed parking.



Developing Affordable Rental Units

\$9.1M for 50 units = \$186,223/ unit
50% AMI: Income \$35,900 (family of 4),
2 BR rent = \$807
30% AMI: Income \$21,550 (family of 4),
1 BR rent = \$404



Lessons Learned...

This could not be done today's business environment

- Construction costs continue to rise
- Tax credit pricing (equity), went from \$1/\$1 to \$.86/ \$1
- Over \$1M in legal fees!
- Tax credit investors are uncomfortable with mixed-income properties
- Commercial developers are uncomfortable with mixed- use properties
- Developer fees are typically 10% of the total budget, TCR is not earning a fee.

"recognize a good thing when you have one"