



PARKER AUTHORITY FOR REINVESTMENT STUDY SESSION AGENDA
March 25, 2019

1. **Authority Board Items**
2. **Study Session Items**
 - **Real Property Disposition Policy - Rogers - 30 minutes**



MEMORANDUM

TO: Parker Authority for Reinvestment Chairman and Board

FROM: Jason Rogers, PAR Director; Weldy Feazell, Redevelopment Manager

DATE: March 25, 2019 Study Session

SUBJECT: Real Property Disposition Policy

ISSUE:

The Parker Authority for Reinvestment (PAR/P3 Parker) does not currently have a Real Property Disposition Policy. PAR Staff has drafted a Real Property Disposition Policy which will be included in the Operations Manual for PAR.

FISCAL/BUDGET IMPACT:

None.

BACKGROUND:

This policy is intended to create a unified and consistent approach to disposition of real property owned by P3 Parker. In the interest of providing predictability and transparency to the sale and reuse of property, this policy will provide guidance to P3 Parker when disposing of property as well as information to individuals and organizations considering the acquisition of property owned by P3 Parker. Disposition of real property by P3 Parker shall occur only in accordance with this Policy.

The goals of this policy and the disposition of P3 Parker-owned property are to:

- Encourage the development and reuse of vacant properties consistent with P3 Parker's Urban Renewal Area plans and Strategic Plan;
- Eliminate Blight;
- Convey land through a predictable, timely and transparent process; and
- Encourage timely development and discourage real estate speculation.

The P3 Parker will consider these goals when making decisions regarding the disposition of their property.

All real property disposition will require approval by the Authority Board.

RECOMMENDATION:

Staff recommends the Authority Board schedule adoption of this policy for April 15, 2019.

REQUESTED DIRECTION:

Staff requests the Real Property Disposition Policy be brought before the Authority Board for approval on April 15, 2019.

ATTACHMENT:

Real Property Disposition Policy

Real Property Disposition Policy

Purpose and Intent

This policy is intended to create a unified and consistent approach to disposition of real property owned by Parker Authority for Reinvestment (“P3 Parker”). In the interest of providing predictability and transparency to the sale and reuse of property, this policy will provide guidance to P3 Parker when disposing of property as well as information to individuals and organizations considering the acquisition of property owned by P3 Parker. Disposition of real property by P3 Parker shall occur only in accordance with this Policy.

Guiding Principles

The goals of this policy and the disposition of P3 Parker-owned property are to:

- Encourage the development and reuse of vacant properties consistent with P3 Parker’s Urban Renewal Area plans and Strategic Plan; and
- Eliminate Blight; and
- Convey land through a predictable, timely and transparent process; and
- Encourage timely development and discourage real estate speculation.

The P3 Parker will consider these goals when making decisions regarding the disposition of their property.

Applicability

P3 Parker will remain responsible for their own decision-making and adherence to this policy during the disposition process. P3 Parker may enter into negotiations with one or more bidders. A submission of a counter offer or final and best offer may be required prior to P3 Parker accepting any offer. P3 Parker may elect not to convey a requested property.

Qualified Purchasers and Bids

All purchasers of P3 Parker-owned property must fulfill their commitments to P3 Parker and to the Town of Parker (“Town”), in accordance with all municipal codes and ordinances.

A Qualified Purchaser has submitted a Qualified Bid if the application adequately describes:

- The purchaser’s plan for the property. The use must be consistent with the objectives identified in the P3 Parker’ Urban Renewal Area plans or any property specific plans adopted by the P3 Parker Board of Commissioners (e.g. My Mainstreet Strategic Framework).
- The purchaser’s plan for the property must be consistent with the Town of Parker’s adopted plans, including but not limited to the Parker 2035 Comprehensive Plan, Urban Renewal Plans, the Mainstreet Master Plan, the Parker Road Corridor Plan, Capital Improvement Plan, Transportation Master Plans, and Engineering and Public Works Department.
- The purchaser must demonstrate financial and operational capacity to carry out the plans.

Plans that require zoning changes or other town land use approvals may be processed as a Qualified Bid if the underlying project proposal is supported by P3 Parker.

All new owners are required to comply with all Town, County, State and Federal ordinances, codes, regulations and statutes.

Site Control: Options and Property Reservations

P3 Parker recognizes that developers often require legally recognizable site control as part of the development process. P3 Parker may execute contingent agreements of sale, property reservation agreements or option agreements to allow developers to pursue financing and other approvals necessary for development.

Agreements or contracts for this purpose must meet the following conditions:

- For each proposed project, P3 Parker will determine the length of time it will allow for that agreement or contract and may renew the agreement or contract at its discretion.
- The applicant may not occupy or use the property unless approved in writing by P3 Parker.
- The contract terms will be public information.
- Site Control options will be issued only for those projects which P3 Parker deems feasible and which the P3 Parker can recommend for approval by the P3 Parker Authority Board after the developer secures the necessary entitlements, financing, tenants and/or approvals.

Public Information

Information provided to the Authority may be a public record subject to public disclosure pursuant to the Colorado Open Records Act. Financial Information identified and marked as Confidential by the applicant may be exempt in accordance with the Colorado Open Records Act.

Any financial information submitted that the applicant desires to remain exempt from Colorado Open Records Act should be provided separately, bound and clearly marked as follows:

“Confidential Commercial and Financial Information – Exempt From Public Disclosure in Accordance with the Colorado Open Records Act.”

Applicants whose proposed transactions require review will be notified when their request is scheduled for consideration, and be given the opportunity to present information and documents.

Property Sales

Competitive Sales

Competitive Sales will invite bids for P3 Parker properties: Advertising such as broker listings, the use of the Multiple Listing Service, websites or other recognized methods may be used to encourage broad participation in the sale of selected properties.

Public Notice: Pursuant to Colorado State Statute §31-25-106 Disposal of property in an urban renewal area, P3 Parker will publish the required Public Notice for two consecutive weeks in the Douglas County News Press.

Properties will be placed on the market for a period of time sufficient to allow for broad engagement by potential buyers.

P3 Parker retains its rights to approve or reject a Qualified Bid based on clear criteria, including price.

Requests for Proposals/Qualifications

P3 Parker has a specific planned use for one or more parcels, or if certain parcels are deemed of a significant scale and/or of neighborhood or Town significance, a Request for Proposals (RFP) or Request for Qualifications (RFQ) may be issued to identify and select a potential developer. This format allows P3 Parker to explain the planned use and any restrictions that might be placed on the developer or successive owners of the property. An RFP/RFQ may be developed in consultation with Town of Parker Council, Town of Parker Community Development Department or other stakeholders, as appropriate. It will be advertised to encourage broad participation. Selection criteria will be included in the RFP/RFQ and may include factors such as developer capacity and proposed development outcomes as well as the price. The issuance of an RFP/RFQ does not obligate P3 Parker to select a developer or a purchaser.

Pricing

General Appraisal Theory

An appraiser will be responsible for identifying the Fair Market Value (FMV) of the property. The FMV will determine the price at which property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell, and both having reasonable knowledge of relevant facts.

In determining FMV, the appraiser may value the property based on sales comparison, cost and/or income approach depending on the property to be acquired. The appraiser will decide which approach best reflects the FMV of the property. In the appraisal, the appraiser will provide an explanation of why one approach better reflects the value of the property.

Nominal and Discounted Pricing

P3 Parker may choose to support certain projects that serve a public purpose by conveying a property at a price less than FMV. If a property complies with the goals identified in P3 Parker's Urban Renewal Area Plans and Strategic Plan, P3 Parker will evaluate the proposal and property request to determine if the proposed project provides significant community benefits and elimination of blight that would merit P3 Parker's support in the form of the reduction in price.

Ineligible Bid or Purchaser

Any Purchaser or Bid will be deemed ineligible if the compensation requested offered, paid and received in connection with the property sale was developed with consultation and/or competing bidders for the purposes of depressing the fair market value of the land.

Town of Parker and Parker Authority for Reinvestment; elected officials, appointed board members, appointed commission members and employees are ineligible bidders or purchasers in which they hold any financial interest in whole or in part.

Real Property Disposition Authorization

All real property disposition requires approval by the P3 Parker Authority Board.