

Proposed Skyline Park Local Maintenance District
Notice to the Owners of the Properties Benefited
And to All Persons Interested Generally

YOU ARE HEREBY NOTIFIED that Eulois Cleckley, Executive Director ("Manager") of Public Works of the City and County of Denver, having received petitions, therefore proposes the creation of the Skyline Park Local Maintenance District (LMD). The proposed LMD is comprised of properties surrounding Skyline Park as depicted in Exhibit A attached hereto.

Skyline Park is a city park located on the west side of Arapahoe Street on the three city blocks located between 15th Street and 18th Street. There is currently a base level of service that is provided by the Denver Department of Parks and Recreation ("Denver Parks") for the Skyline Park. The purpose of this proposed LMD is for the continuing care, operation, security, repair, maintenance and replacement of existing, and potentially new, improvements located within the Skyline Park. The proposed district's maintenance activities will be above the base level maintenance provided by Denver Parks. The costs of the continuing care, operation, security, repair, maintenance and replacement will be assessed upon the real property, exclusive of improvements thereon, benefited.

A. Description of the Maintenance Services

A Benefit Study is attached to this Notice that describes the maintenance services to be provided.

B. Exterior Boundaries of the Proposed Local Maintenance District

The boundary of the district is as follows:

Beginning at the intersection of the centerlines of the platted rights-of-way of 18th Street and Curtis Street thence southwesterly along the said centerline of Curtis Street to the intersection with the centerline of 15th Street;

thence northwesterly along said centerline of 15th Street to the intersection with the centerline of Arapahoe Street;

thence southwesterly along said centerline of Arapahoe Street to the intersection with the southeasterly extension of the southwesterly line of that parcel of land described at Rec. No. 2015069282;

thence northwesterly along said southwesterly line and its extensions southeasterly and northwesterly to the intersection with the centerline of Lawrence Street;

thence northeasterly along said centerline of Lawrence Street to the intersection with the centerline of 18th Street;

thence southeasterly along said centerline of 18th Street to the intersection with southwesterly extension of the centerline of the alley in Block 78 of East Denver;

thence northeasterly along said centerline and its extensions southwesterly and northeasterly to the intersection with the centerline of 19th Street;

thence southeasterly along said centerline of 19th Street to the intersection with the centerline of Arapahoe Street;

thence southwesterly along said centerline of Arapahoe Street to the intersection with the centerline of 18th Street;

thence southeasterly along said centerline of 18th Street to the Point of Beginning.

The above boundary shall exclude the following parcels and underground parking:

Parcel - East Denver, Block 77, surface and air rights over southeastern 100 feet of Lot 17 to 32.

Parcel - East Denver, Block 77, southeastern 100 feet of Lot 17 to 32, excluding surface and air rights over said parcel.

Parcel - East Denver, Block 76, as defined in the following: Book 1347, Page 506, surface and air rights.

Parcel - East Denver, part of Block 75, described as surface rights on southeasterly 100 feet of said Block and unlimited air space over southeasterly 83 feet said Block and air space to and elevation of 5,235 feet.

Underground Parking - parking lots located underneath Lawrence Street from the centerline of Lawrence Street to Block 76, Lots 1 through 16 of East Denver.

C. Description of Properties Benefited

1. East Denver, Block 78, Lots 17 to 32
2. East Denver, Block 96 & vacated alley
3. East Denver, Block 77, Lots 1 to 16 & northwest 25 feet, Lots 17 to 32 & vacated alley adjacent
4. Tabor Center Condos Unit 1, per Declaration Recorded 1/22/97, at Reception Nos. 9700008002 and 9700008003
5. Tabor Center Condos Unit 3, per Declaration Recorded 1/22/97, at Reception Nos. 9700008002 and 9700008003
6. D & F Tower Condos Unit B
7. D & F Tower Condos Unit 2
8. D & F Tower Condos Unit 3
9. D & F Tower Condos Unit 4
10. D & F Tower Condos Unit 5
11. D & F Tower Condos Unit 6
12. D & F Tower Condos Unit 7
13. D & F Tower Condos Unit 8
14. D & F Tower Condos Unit 9
15. D & F Tower Condos Unit 10
16. D & F Tower Condos Unit 11
17. D & F Tower Condos Unit 12
18. D & F Tower Condos Unit 13
19. D & F Tower Condos Unit 15
20. D & F Tower Condos Unit 16
21. D & F Tower Condos Unit 17
22. East Denver Block 97 Lots 1 to 32 & vacated alley adjacent
23. East Denver Block 98 Lots 1 to 32 & vacated alley
24. East Denver Block 75 Lots 1 to 32 inclusive together the vacated alley in said Block 75, except the Reserved Parcels A, B and C per City and County of Denver Clerk and Recorder's reception number 2014050021.
25. East Denver Block 74 Lot 1 through 32 inclusive together with the vacated alley adjacent per Ordinance No.346 Series 1974 and except Parcels A and B per City and County of Denver Clerk and Recorder's reception number 2015069282.

D. Proposed Method of Assessment

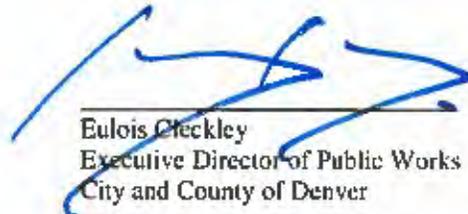
The attached Benefit Study describes the proposed Method of Assessment. The total estimated first full year maintenance budget is \$400,000.

E. General Statements

Without demand, all assessments for the proposed maintenance district shall be due and payable on the first day of January of the year next following the year in which the assessing ordinance became effective and said assessment shall become delinquent if not paid by the last day of February of the next year following the year in which the assessing ordinance became effective.

On November 14, 2018 at 10 a.m. local time in the Council Chambers, Room 450 of the City and County Building, 1437 Bannock Street, Denver, Colorado, the undersigned Manager, or his authorized representative, will hold a public hearing to hear written protests to the creation of the proposed Local Maintenance District and for the purpose of considering the desirability of and need for the proposed Local Maintenance District. All written protests to the creation of the proposed Local Maintenance District must be filed with the undersigned Manager of Public Works, Dept. 509, 201 West Colfax Avenue, Denver, Colorado, 80202 prior to 5:00 p.m. local time on November 9th, 2018.

Dated: October 17, 2018



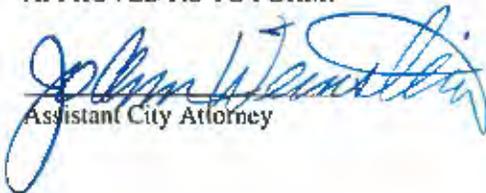
Eulois Cleckley
Executive Director of Public Works
City and County of Denver

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APPROVED AS TO FORM:



Assistant City Attorney

BENEFIT STUDY FOR THE DENVER SKYLINE PARK LOCAL MAINTENANCE DISTRICT

Introduction

Denver Skyline Park, in the heart of Downtown Denver, comprises three parcels across three blocks from 15th Street to 18th Street along Arapahoe Street; the park intersects with the 16th Street Mall. Developed in the 1970's, the intent of the park was to provide a respite from the urban setting of downtown through provision of sunken plazas and green spaces, shade trees, and fountains. Over time the park has experienced fluxes of activity both positive and negative in nature.

Skyline Park has a legacy of public-private collaboration. In 2004 the Denver City Council approved a petition from the adjacent properties to form a Local Improvement District (LID) to provide \$3 million in capital improvements to reinvigorate the viability of the park and match \$3.5 million in capital funds from the City. The \$6.5 million project included a major redesign of all 3 park blocks. Block 1 is the southern-most block, Block 2 is the middle block, and Block 3 is the northern most block. The LID expired in 2015.

The Downtown Denver Business Improvement District (DDBID) has provided tables, chairs and umbrellas in Skyline Park, block 1 since 2006. In addition, the Downtown Denver Partnership (DDP) has been working with the Denver Department of Parks and Recreation (DPR) to help provide various activities in Skyline Park, block 2, beginning with a skating rink as early as 2001. Since that time additional activation has been introduced and managed by the DDBID and DDP including: ice skating in the winter, movies in the park, lawn games, miniature golf, ping pong and a seasonal beer garden beginning in 2016. The DDBID has funded pilot projects such as a dog-off-leash area, children's play area, arts, crafts and fitness classes in Skyline Park, Block 3, since 2015.

The 2017 Outdoor Downtown Plan identified Skyline Park as a key component serving Downtown Denver's diverse community of residents, employees and visitors through unique programs and events. The DDBID and the DDP continue to champion efforts for year-round fun and family-friendly activities and have borne most of the cost to provide and manage these amenities – this, however, is not a sustainable model.

In 2017, Denver voters approved a package of investments to be funded by the City's General Obligation Bond (GO Bond) and \$2.5M was earmarked for Skyline Park to support permanent ice skating rink infrastructure. Increasing demands on the park include infrastructure on all 3 blocks that is in disrepair and increasing use that exceeds the resources available to DPR to provide more than basic base-line services with respect to maintenance, security and programming.

Boundaries of the District

The physical boundaries of the district are as follows:

Those Blocks, portions of Blocks, alleys, and rights-of-way lying in East Denver and being bounded by the following description:

Beginning at the intersection of the centerlines of the platted rights-of-way of 18th St. and Curtis St. thence southwesterly along the said centerline of Curtis St. to the intersection with the centerline of 15th St.;

Thence northwesterly along said centerline of 15th St. to the intersection with the centerline of Arapahoe St.;

Thence southwesterly along said centerline of Arapahoe St. to the intersection with the southeasterly extension of the southwesterly line of that parcel of land described at Rec. No. 2015069282;

Thence northwesterly along said southwesterly line and its extensions southeasterly and northwesterly to the intersection with the centerline of Lawrence St.;

Thence northeasterly along said centerline of Lawrence St. to the intersection with the centerline of 18th St.;

Thence southeasterly along said centerline of 18th St. to the intersection with southwesterly extension of the centerline of the alley in Block 78 of East Denver;

Thence northeasterly along said centerline and its extensions southwesterly and northeasterly to the intersection with the centerline of 19th St.;

Thence southeasterly along said centerline of 19th St. to the intersection with the centerline of Arapahoe St.;

Thence southwesterly along said centerline of Arapahoe St. to the intersection with the centerline of 18th St.;

Thence southeasterly along said centerline of 18th St. to the Point of Beginning.

Excluding the following parcels: East Denver Block 77, surface and air rights over southeastern 100 feet of Lot 17 to 32, East Denver Block 77 southeastern 100 feet of Lot 17 to 32, excluding surface and air rights over said parcel, East Denver Block 76 defined in following book-1347 and page-506 surface and air rights, and East Denver part of Block 75 described as surface rights on southeasterly 100 feet of said Block and unlimited air space over southeasterly 83 feet said Block and air space to height of 5235 feet above; and excluding the underground parking lots located underneath Lawrence Street from the centerline of Lawrence Street to Block 76, Lots 1 through 16 of East Denver.

Improvements

DPR is expected to continue to maintain and support Skyline Park base infrastructure such as electrical, fountains, existing landscape, and hardscape.

Proposed LMD investments will provide features and additional care, operations, repair and replacement that allow a wider variety of activation and capital investment; examples of which could include: temporary kiosks, seating, tent structures, tables, chairs, umbrellas, turf repair and/or replacement, trees and tree grates, planters for trees and/or flowers.

Preservation and support of these existing and future investments will require continuing care, operations, repair and replacement, hereto referred to as the "maintenance". Depending on the nature of the improvement, the frequency of this maintenance may be on a daily, weekly, monthly or annual basis. Through regular maintenance, property owners will continue to receive the benefit of these aforementioned improvements. The area to be maintained is shown on the attached "Exhibit A – Map: Denver Skyline Park Local Maintenance District".

Benefits to Property Owners and the City and County of Denver

There will be several benefits to the property owners, and the City as a whole, by maintaining the improvements, programming the Park space, and provision of supplemental security within the proposed district. These benefits include, but are not limited to:

- Improves the image/reputation of Skyline Park
- Increases safety – experience for workers and residents downtown.
- Enhances an amenity adjacent office space, hotel, and retail that will provide a more inviting space/environment for users to enjoy
- Enhancing the vibrancy of the area to attract visitors/users to the park.
- Stimulating existing and new business activity.
- Stabilizing and increasing property values.

Examples of similar downtown public parks funded and managed by private-public partnerships to the benefit of the city, neighborhood districts, adjacent properties, visitors, and residents, include:

Bryant Park, NYC, New York

Klyde Warren Park, Dallas, Texas

Founder's Square, Dallas, Texas

Pioneer Courthouse Square, Portland, Oregon

Maintenance, Security and Daily Programming

Denver Parks and Recreation will continue to provide base services daily 6:00 a.m. to 6:00 p.m. and restroom attendant services 10:00 a.m. to 6:00 p.m.

Base services include: trash removal, pan and broom, and power-washing of hardscape surface. Base landscape maintenance includes management of irrigation, mowing, weeding, and planter maintenance.

LMD will provide the following base services (Exhibit B: Work Plan and Budget, attached):

- Provision of security at Skyline Park approximately 7:00 p.m. to 7:00 a.m. daily. Patrols to include regular patrols of each block.

- Provision of supplemental maintenance services approximately 6:00 a.m. to 10:00 a.m. and approximately 6:00 p.m. to 10:00 p.m. Including the following: pan and broom of hard surfaces, power-washing as needed, emptying trash and recycling receptacles, cleaning/wiping down all Skyline Park amenities (benches, receptacles, bike racks, railings, etc.); and provision of supplemental snow removal in the pedestrian walkways.
- Contract with appropriate service providers for supplemental landscape services such as planted pots.
- Provision and management of programming and activation activities, including but not limited to games, classes, events, movies, movable tables and chairs, banners, signage and art.

Benefits Apportioned

Due to proximity to Denver Skyline Park, it is recognized that each parcel cannot receive the exact same amount of benefit, rather all parcels in the LMD will benefit through the continuing maintenance of the improvements. The benefit received will exceed the yearly maintenance, programming and security costs incurred.

The 2019 budget for maintenance, security and programming costs within the benefited area is \$400,000. The basis for apportioning the costs of the local maintenance district is directly related to property owners most immediately adjacent to the park followed by the properties directly facing the park but across a public street.

Basis of Assessment

Property owners in the LMD are assessed in accordance with benefit derived from the proposed park maintenance improvements. Each property is benefited according to size and proximity to the park. Assessments will be based on the portion of gross building square footage (GBSF), including parking, located within the district.

Based on discussions with property owners, and a review by DDP staff, two "levels" of properties have been designated as benefitting from the LMD. Properties abutting the park are classified as Level 1 and properties immediately across the street and park-adjacent are deemed classified as Level 2. Level 1 properties have been deemed to benefit from the LMD more than Level 2 properties. The relative benefit to both levels has been determined as follows: a multiplier of 2/3 (two thirds) of GBSF has been applied to Level 1 properties and a multiplier of 1/3 (one third) of GBSF has been applied to Level 2 properties.

Because Level 2 properties have, collectively, significantly more GBSF than the Level 1 properties, the split between Level 1 and Level 2 collective assessments is less than the two-thirds/one-third assessment multiplier might initially imply. Nevertheless, the Level 1 properties still benefit the most and collectively will pay 56.10% (fifty-six and 10/100 percent)

of the assessment. Level 2 properties benefit to a lesser degree and collectively will pay 43.90% (forty-three and 90/100 percent) of the assessment.

Within the two levels of benefited property, the individual properties will be assessed in relation to their total building area within the LMD, compared to the building area of all the properties in the LMD.

The resulting computation of the assessment percentage for each property is:

<u>Level 1</u>	
1515 Arapahoe Street	22.17%
Tabor Center (East Block)	5.01%
Westin Hotel	10.54%
D&F Tower	0.76%
1125 17 th Street	<u>17.62%</u>
	56.10%
<u>Level 2</u>	
1144 15 th Street	14.62%
Federal Reserve Bank of Kansas City	1.90%
Independence Plaza	11.41%
1001 17 th Street	14.45%
1801 Arapahoe Street	<u>1.52%</u>
	43.90%
Total =	<u>100.00%</u>

The specific contribution for each property owner is calculated in the attached, "Exhibit C: Levels of Benefit for Properties in the Skyline Park Local Maintenance District".

Exhibit A - Skyline Park LMD



Legend

-  Skyline Park LMD
-  parcels
-  building...
-  streets
-  parks

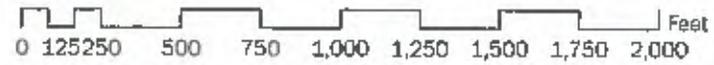


EXHIBIT B
Skyline Park Local Maintenance District
Work Plan and Budget

Work Plan for 2019

- Provision of security at Skyline Park approximately 7:00 p.m. to 7:00 a.m. daily. Patrols to include regular patrols of each block. Observe and report incidents to Denver Parks and Recreation and/or Denver Police Department as called for by the situation. Security officers will inform and educate park users of the rules and applicable laws. In addition, security may be provided during the day as well 7:00 a.m. to 7:00 p.m.
- Provision of supplemental maintenance services approximately 6:00 a.m. to 10:00 a.m. and approximately 6:00 p.m. to 10:00 p.m. including the following: pan and broom of hard surfaces, power-washing as needed, emptying trash and recycling receptacles, cleaning/wiping down all Skyline Park amenities (benches, receptacles, bike racks, railings, etc.); and provision of supplemental snow removal in the pedestrian walkways.
- Contract with appropriate service providers for supplemental landscape services such as planted pots.
- Provision and management of programming and activation activities, including but not limited to games, classes, events, movies, movable tables and chairs, banners, signage and art.
- Administration and facilitation of the LMD Board and Board meetings.
- Establish a budget and operating plan for 2020.
- Maintain insurance.
- Maintain reserve fund.
- Work with the City on perennial landscape beds and maintenance items related to the hardscape and amenities in the LMD.
- Communicate to Skyline LMD Property Owners when appropriate.
- Hire appropriate contractors for necessary services.

Operating Plan

Operations and maintenance costs include the cost to operate and maintain the existing improvements within the Skyline Park Local Maintenance District, to include administrative costs. The 2019 Maintenance and Operating Budget reflects costs for administrative items, including insurance, legal fees, auditor fees, and District administrative management and budgeted maintenance related items including planting and maintaining the flower pots, and costs associated with general maintenance, security and activation. The total amount of the 2019 Skyline Park Local Maintenance District operating budget is \$399,115. The revenue from the district assessment receipts is \$400,000. The amount allocated to the unrestricted operating reserve is \$5,000.

Denver Parks and Recreation will be responsible for utility expenses and maintenance costs, including irrigation maintenance, daily maintenance, a daily restroom attendant, park ranger patrols, mowing, weeding, and perennial bed planting and maintenance, and coordination of minor repairs with LMD contractor.

EXHIBIT B		Estimated Skyline LMD Budget
	Revenues	
Maintenance Receipts	District Assessment Receipts: Revenue	400,000
Total Revenues		400,000
	Expenses	
Operation Expenses		
	City Distr Fee-Skyline LMD (5%)	20,000
	C&CD Calc Chrg.	4,000
	Insurance Direct	5,500
	Legal Fees	3,500
	Board & Comm	500
	Admin O/H (12.5%)	50,000
	Bank Fees	150
	Audit	3,000
	Contingency (=10% of operation expenses)	5,915
Total Operation Expenses		92,565
Maintenance Expenses		
	Supplemental Maintenance Cost (est. \$3750/mo)	45,000
	Trash and Recycling Removal (\$375/mo)	4,500
	Seasonal Planting & Maintenance for pots	7,500
	Supplemental Landscape Maintenance	2,750
	Misc. Maintenance & repairs	5,000
	Holiday Light installation	7,500
Total Maintenance Expenses		72,250
	Programming and Activation Expenses	
	includes providing and managing games, events, classes, furnishings, signage, banners and art in all three blocks	67,000
	Total Programming Expenses	67,000
	Security	
	Private Security	158,800
	Security equipment	3,500
	Total Security Expenses	162,300
	Contribution to Operating Reserve	5,000
Total Expenses		399,115
Operating Revenues Over (Under) Expenses		885

Exhibit C

Levels of Benefit for Properties in the proposed Skyline Park Local Maintenance District

Assessment Zone	Property Name	Gross Building Square Footage	Zone Multiplier	Assessable Square Footage	Proposed Assessment Rate (\$/sf)	Proposed 2019 Assessment	Percent of Total District Assessment
Level 1	1515 Arapahoe Street	887,265	0.667	591,510	0.1497	\$ 88,554	22.14%
	Tabor Center (East Block)	208,569	0.667	139,046	0.1497	\$ 20,816	5.20%
	Westin Hotel	421,378	0.667	280,919	0.1497	\$ 42,056	10.51%
	D&F Tower	28,241	0.667	18,827	0.1497	\$ 2,819	0.70%
	1125 17th Street	705,254	0.667	470,169	0.1497	\$ 70,389	17.60%
	subtotal	2,250,707		1,500,471		\$ 224,634	56.16%
Level 2	1144 15th Street	1,170,132	0.333	390,044	0.1497	\$ 58,393	14.60%
	Federal Reserve Bank of Kansas City	151,947	0.333	50,649	0.1497	\$ 7,583	1.90%
	Independence Plaza	913,411	0.333	304,470	0.1497	\$ 45,582	11.40%
	1001 17th Street	1,156,868	0.333	385,623	0.1497	\$ 57,731	14.43%
	1801 Arapahoe Street	121,770	0.333	40,590	0.1497	\$ 6,077	1.52%
	subtotal	3,514,128		1,171,376		\$ 175,368	43.84%
Total		5,764,835		2,671,847		\$ 400,000	100.00%