DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: February 25, 2015

Board Item: II-B-6

Sale of Wynetka Reservoir Property to 4501 West Bowles, LLC Agreement 15909A

☐ Action by Consent ☐ Action ☐ Information

Since 1940, Denver Water has owned 9.798 acres of vacant land at 4501 West Bowles Avenue in Littleton. Initially the site was intended for a clearwater reservoir named Wynetka. With the development of the Foothills project in the 1980s, the Wynetka Reservoir was no longer needed. With no other waterworks purpose identified for this parcel, it was declared surplus on July 10, 2002.

This property was offered on the market in October of 2014, and five buyers have expressed interest. At first, all of the proposals require Denver Water to pursue entitlements along with the buyer. A second round of negotiations took place to secure a buyer willing to purchase the site without the entitlement contingency. Sopris Homes/Terra Causa Capital, operating under 4501 West Bowles, LLC, submitted the highest offer at $2,075,000.00, with the ability to close the transaction seventy-five days after the mutual execution of the agreement.

The purchase and sale contract is contingent on a sixty-day due diligence period where the buyer may terminate the contract if it is not satisfied with the physical condition, title, survey, development feasibility, market analysis, cost estimates, financing, and any other due diligent matter deemed by the buyer. During the diligence timeframe, the earnest money of $50,000.00 is fully refundable. Following the due diligence period and acceptance of the property by the buyer, the earnest money will be forfeited to Denver Water if the transaction fails to close.

Recommendation

It is recommended that the Board authorize the sale of the property to 4501 West Bowles, LLC under the terms and conditions in Agreement 15909A for the purchase price of $2,075,000.00 less transaction, survey and closing costs.

Approvals:

Robert J. Mahoney
Director of Engineering

Patti Wells
General Counsel

Respectfully submitted,

for James S. Lochhead
CEO/Manager

Terri Bryant, CPA
Controller