Denver Union Station -
A transit hub that’s driving development

Rail~Volution
October 15, 2012
Presentation Overview

• Background
• Development plan for DUS
• Financing plan for DUS
• Historic building development
• Private development associated with DUS
• Lessons learned

DUS circa 2008
Background – RTD FasTracks

- 122 miles of new light rail and commuter rail
- 18 miles of Bus Rapid Transit (BRT) service
- 31 new park-n-Rides; over 21,000 new spaces
- Enhanced Bus Network & Transit Hubs
- Redevelopment of Denver Union Station
Background – Denver Union Station

- **August 2001** – RTD acquires the Denver Union Station historic building and 19.3 acres surrounding it.

- **April 2002** – Partner agencies initiate master planning process

- **2004** – Master Plan approved by partner agencies. FasTracks passes

- **November 2006** – Union Station Neighborhood Company selected as Master Developer
Background – The Master Developer

- Agreement: USNC will purchase 6 parcels from RTD for fixed prices within specific dates
  - Funds from land sales are contributed to the project for public realm upgrades, planning, and historic building rehab
- Purchase land and development rights, facilitates private vertical development
- USNC coordinates transportation and other public infrastructure design with development
The Plan

- Light Rail Station
- Below-grade Bus Concourse
- 18th St Connection over Commuter Rail Terminal
- Train Shed
- Historic Station
The Plan
The Plan
The Plan

Denver Union Station Redevelopment
The Plan
The Financing – Flow of funds

- City & County of Denver
  - Tax Increment
    - Property Tax
    - Sales Tax
  - Lodger’s Tax

- Downtown Development Authority

- USN Metropolitan Districts 1, 2 & 3

- Constituted Authority
  - Bonds
    - Investment grade
    - Insured (if economic)
  - GMP Contract w/ D-B Contractor

- USNC Development Rights
  - Annual payments

- Regional Transportation District
  - Annual payments

- Federal $ State $
## The Financing - Sources

<table>
<thead>
<tr>
<th>Cash Sources</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>FHWA</td>
<td>PNRS</td>
<td>$45.3 M</td>
</tr>
<tr>
<td>RTD/FTA</td>
<td>5309</td>
<td>$9.3 M</td>
</tr>
<tr>
<td>CDOT</td>
<td>SB-1</td>
<td>$17.3 M</td>
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<tr>
<td>DRCOG</td>
<td>TIP funds</td>
<td>$2.5 M</td>
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<tr>
<td></td>
<td>ARRA (stimulus) grant</td>
<td>$18.6 M</td>
</tr>
<tr>
<td>RTD</td>
<td>ARRA (stimulus) grant</td>
<td>$9.8 M</td>
</tr>
<tr>
<td>RTD/USNC</td>
<td>Property sales proceeds</td>
<td>$38.3 M</td>
</tr>
<tr>
<td>RTD</td>
<td>FasTracks Commitment</td>
<td>$40.8 M</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>$181.9 M</strong></td>
</tr>
<tr>
<td><strong>TIFIA/RRIF Loans</strong></td>
<td></td>
<td><strong>$298.4 M</strong></td>
</tr>
<tr>
<td><strong>Total Project</strong></td>
<td></td>
<td><strong>$480.3 M</strong></td>
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</table>
# The Financing – Repayment of Loans

<table>
<thead>
<tr>
<th>Sources</th>
<th>Description</th>
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<tbody>
<tr>
<td>RTD FasTracks Proceeds</td>
<td>Lease payment structure utilizing FasTracks DUS bond proceeds</td>
</tr>
<tr>
<td>Tax Increment Finance</td>
<td>Property &amp; sales tax increment from DDA boundary</td>
</tr>
<tr>
<td>Metro District Revenues</td>
<td>Additional property mil levy captured as increment from DUS property</td>
</tr>
</tbody>
</table>
The Historic Building

- Treated as a separate process
- Summer 2010 – Stakeholders, expert panel, and general public defined goals and advised RTD on reuses for historic building
- Summer 2011 – Incorporated goals into RFP
- Winter 2011 – Developer selected, negotiations for rehabilitation, adaptive reuse, and master lease begin
The Historic Building

- 110 hotel rooms on the upper floors
- Transit waiting and lounge in Great Hall
- Over 15,000 square feet of restaurant and retail space
- Amtrak reincorporated into the building
- Currently drafting master lease agreement between RTD and Union Station Alliance – start of construction in late 2012.
# Private Development – Plan vs Reality

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<thead>
<tr>
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<tbody>
<tr>
<td></td>
<td><em>Projected Lo – Hi Absorption</em></td>
<td></td>
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<tr>
<td>Office</td>
<td>418,000 - 628,000 SF</td>
<td>856,600 - 1,620,400 SF</td>
</tr>
<tr>
<td>Retail</td>
<td>193,000 - 245,000 SF</td>
<td>49,300 - 162,400 SF</td>
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<tr>
<td><strong>Commercial Subtotal</strong></td>
<td>611,000 - 823,000 SF</td>
<td>905,900 - 1,782,800 SF</td>
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<tr>
<td>Hotel</td>
<td>0</td>
<td>110 rooms</td>
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<tr>
<td>Residential</td>
<td>1,520 - 1,930 Units</td>
<td>1,100 - 1,250 Units</td>
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</tbody>
</table>

*Projects constructed, under construction or under city review*
Private Development
Private Development

• DaVita Corporate Headquarters
  – Complete
  – Relocated to Denver
  – $101 million, 450 employees w/ capacity for 900
  – 270,000 square feet

• Cadence Apartments
  – Under construction
  – First multifamily building to start construction
  – $60 million
  – 13 story, 220 units

Photo credit: www.denverinfillblog.com
Private Development

- **North Wing – IMA Financial**
  - Under construction
  - $32 million, 5 story
  - 108,000 square feet of office space

- **One Union Station**
  - Under construction
  - 110,000 square feet of office, ground floor retail
  - Antero Resources lead tenant
Private Development

- **A Block – Holland Residential**
  - Planned
  - 21 story, 300 apartment units
  - Scheduled to break ground 4Q, 2012.

- **20th & Chestnut**
  - Planned
  - 50,000 square foot grocer on ground floor
  - $82 million, 312 apartments
Lessons Learned

• Develop common vision upfront, but be flexible

• Partner with others to leverage resources and seek innovation

• Develop distinct roles for players in process
Lessons Learned

• Persevere through tough times

• Major transit hub investments can drive the development market
QUESTIONS?

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