



**RTD DUS Historic Building
Future Uses**

Planning and Development Committee

April 5, 2011

Tonight's Agenda

- Background/Building overview
- Community objectives
- Comparative use analysis
- Process alternatives/responses
- Recommendation
- Next Steps

RTD Goals for the project

Develop a common **understanding of building and investment required** for redevelopment in order to weigh viability of future uses

Requirement under any scenario to have space for **Amtrak** to move back into the building

Develop an understanding of the building through use of USNC's Technical Assessment and Historic Structures Assessment (HSA)

Look at options for dealing with **capital and ongoing operating costs**, and evaluate **ownership and governance options** for the building

Conduct series of stakeholder and public meetings to introduce analysis, **solicit input**, develop alternatives, display preliminary findings for comment

Independent **consultant/expert panel to provide feedback** on USNC's analysis and recommendations from analysis activities

Provide **staff recommendation** based upon all of the preceding for an RTD Board decision

Analysis Activities Overview

Oct. 14/Jan. 26	Initial public meeting/second public meeting
Dec. 7/Jan. 4	FasTracks Monitoring Committee updates
Oct. – Dec.	Stakeholder/expert panel meetings: review potential uses, governance, costs
Jan. – Mar.	Stakeholder/expert panel meetings: public input review, finalize study results, review process, governance, costs
Apr. 5	Findings/staff recommendation to Board Committee

Major Observations/Assumptions

DUS Development Constraints

- Structural characteristics may limit specific uses; e.g., walls that stay in place limit availability of contiguous space.
- Existing costs to maintain/operate the building are approximately \$1 m/year.
- Estimated funds needed to improve the building are tied to uncompleted land sales, funds cannot be diverted from existing transit improvements.
 - \$7 million for improvements under construction
 - \$10 million dependent upon future land sales
- Amtrak will require similar size space upon return in 2014.
- Future uses must be self-sustaining as there are no funds in RTD's budget to fill any gap between revenue and operating costs.
- Most pedestrian activity from transit will occur *around* the building, not inside, therefore uses cannot rely solely on transit riders for viability.

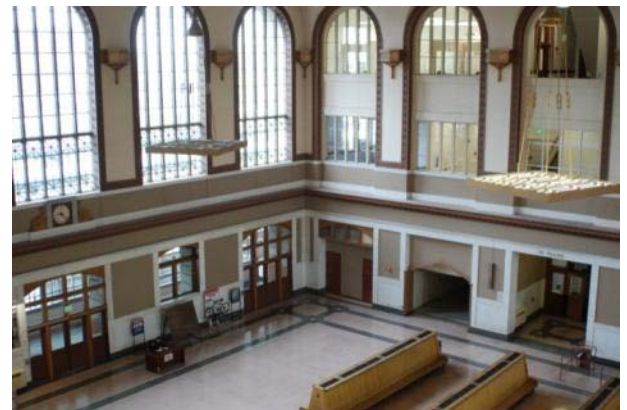
Major Observations/Assumptions

DUS Financial Constraints

- Concerns likely to focus on:
 - Potential expanded future transit use (post FasTracks) of the building unknown.
 - RTD management discomfort in possibly subordinating too much building control.
 - Funding gap estimates need to be confirmed.
 - Specific building code and Historic Structure Assessment infrastructure improvements need to be identified.
 - Net leasable space unknown until RTD transit and Amtrak operation needs are met.
- In general, the more restrictions placed on control of the building will result in less likely ability to garner financial interest and therefore potential developer responses.

Building Overview

- RTD operations -
 - Information
 - Passenger waiting
 - Ticketing
- AMTRAK operations
 - Ticketing
 - Baggage Service
 - Operations support services
 - Office and Staff support services
- Other transportation related uses
 - DIA/TSA – Information and possible baggage
 - Rental Car / Hotel kiosk
- Building Operations and Maintenance
 - Office & Back of House



Building Overview

Committed/Funded improvements

- Cooling the building
- Bus enclosure removal and restoration
- Steam line relocation (or removal)
- Utility service, both temporary and final locations
- Building transformer relocation
- Dumpster and trash strategy-- completed
- Amtrak and other transit-related construction



Building Overview

Station Renovation Budget & Schedule – based upon information learned, develop an initial renovation plan and program the necessary construction phasing, and confirmation of available funds.

- \$17M DUSPA budget contribution
- \$7M to 8M minimum investment commitment (funded and underway)

Prioritize improvements based on funding

- Adjacent improvement coordination
- Systems upgrades
- Code and life-safety upgrades
- Vertical circulation upgrades
- New use reconfiguration
- Train room restoration
- Exterior restoration



HSA Summary examples

- Code requirements

Replace fire escape, install sprinkler system on each level, add fire alarm notifications, signage at entry/egress points, upgrade roof areas to accommodate snow loading

- Water management

Caulking/sealing, clear drains, re-slope gutter corners, add downspouts

- Others

Remove buckled terra cotta, add guardrails at tops of stairs/walkways, conform area lighting to be of same height, size and appearance, pigeon guards at roosting areas



Future transformed neighborhood - Aerial View

Community Objectives

Criteria summary

1. New uses must **activate the building** during peak and non-peak transit times.
2. New uses will energize Union Station as the **regional transportation hub**.
3. New first floor uses will **give life to the adjacent public realm** and vice versa.
4. The central **train room** must remain a **focal point** of the building and adjacent public realm.
5. Redevelopment must preserve the **historic integrity** of the building.
6. New uses should **serve the neighborhood** and the **station district area**.
7. New uses must allow the building to be **financially independent** or have a dedicated funding source.

Comparative Use Analysis

<u>DUS Total gross footprint (sq. ft.)</u>	<u>124,000</u>
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Washington Union Station	1,045,000
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New York Grand Central	860,000
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Kansas City Union Station	500,000
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Los Angeles Union Station	160,738
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Portland (Ore) Union Station	90,000
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Comparative Use Analysis

Denver Union Station Net leasable space (sq. ft.)

Basement	17,000
First Floor	14,000
(includes expansion area by re-arranging existing space, doesn't include Amtrak, and doesn't include train room– 11,000 sq. ft.)	
Second floor	20,000
Third floor (non-attic)	<u>5,000</u>
TOTAL LEASABLE SPACE	56,000

Comparative Use Analysis

DUS leasable space (sq. ft.) **56,000**

Destination Retail

Public/Specialty Market

Pikes Place Market, Seattle	420,000
Ferry Plaza Market, San Francisco	238,000
Grand Central Public Market, NY	10,000
Marczyks specialty market	6,000

Flagship Retail Store

Tattered Cover	30,000
REI Flagship Retail	90,000

Restaurant/Entertainment Uses

Large restaurant	5,000+
Landmark Theatre art cinema	27,000
Comedy Works	15,000

Boutique Hotel

Brown Palace hotel (241 rooms)	271,235
Oxford hotel (80 rooms)	63,342

Civic/Cultural

Regional Museum	200,000 – 280,000
Clifford Still Museum	30,000
Event Center	10,000 ₁₅

Process Alternatives

- Competitive RFP process

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|------|---|
| Pros | <ul style="list-style-type: none">- may generate a better financial deal for RTD/public- may get creative ideas- may generate additional resources not currently identified- support from stakeholders |
| Cons | <ul style="list-style-type: none">- may extend timeframe for building re-use past 2014 Amtrak return to DUS- may be challenging due to timing uncertainty of building funding |

- Extend contract with USNC

- | | |
|------|---|
| Pros | <ul style="list-style-type: none">- saves time using USNC's existing knowledge base- can coordinate DUS re-use with USNC's adjacent development on wing/triangle buildings |
| Cons | <ul style="list-style-type: none">- loses stakeholders support and perceived opportunity for other creative/competitive ideas |

- Make needed Amtrak improvements only, defer other improvements to development partner selection

- | | |
|------|---|
| Pros | <ul style="list-style-type: none">- committed funding will allow more potential certainty for success- may allow for additional funding opportunities not known now |
| Cons | <ul style="list-style-type: none">- pushes out timing/uncertainty about building completion timing- more problematic to plan building and Amtrak uses separately- may foster public perception that building is being ignored- requires RTD to fund ongoing operations |

Process Alternatives Response

- Public

- DUS-specific interests appear to support the RFP process
- General public appears to support the three use scenarios

- Stakeholders

- Strong support for RFP, perception that open/transparent competition is best approach
- Preference for proceeding with competition now to see what ideas are out there

- Expert Panel/consultants

- Supports RFP process after financial and development constraints are identified, concern that responses may be limited if not
- Financial constraints, RTD priorities and development constraints should be dealt with first; real estate deal is challenging enough even without them

- RTD staff

- Supports RFP process after financial and development constraints are identified
- In addition to preparing RFP now, also need to: 1) document re-use process “for the record” for FTA/others review to be used as needed if federal funds are requested at some point, and 2) aggressively pursue alternative funding sources for the building

Staff process recommendation

1. Proceed with RFQ and subsequent RFP with a request for innovative ideas to address funding gap and development constraints.
2. In addition to evaluation criteria and panel participants, RFQ should specifically disclose financial and development constraints, re-use analysis results, and RTD priorities and evaluation criteria to generate the most serious and thoughtful responses.
3. Prepare analysis documentation for FTA/other review in the interim if source for Federal funds is identified.
4. Based upon number of responses and/or information received addressing requests for information in #1 above, decide whether RTD interests are sufficiently met to continue with RFP process.
5. Develop backup plan for building interim re-use and protocol for continuing ultimate re-use effort as needed.

Staff process recommendation

- Responds to study participant requests for a competitive process.
- Allows RTD an opportunity to gauge developer interest, appetite for and knowledge base of addressing funding and development challenges; provides backup plan if responses are insufficient to proceed now.
- Potential for soliciting information without a more extensive and lengthy RFP process if not needed.
- Anticipated to be accomplished within an approximate 10-month time frame.

Staff process recommendation

Anticipated timeframe for completion:

	<u>Time to complete</u>	<u>Expected Date</u>
RFQ development/release (develop basic RFP language concurrently)	30 days	May
Questions/pre-proposal conference	15 days	June
Submittal evaluation/discussion	30 days	July
Revise RFP draft as needed/issue to shortlist	30 days	Aug
Responses due	60 days	Oct
Evaluate/review (including public process)	90 days	Jan 2012
Negotiate, evaluate financials, draft contract	60 days	Mar 2012

Discussion and Questions

Appendix

1. Expert Panel summary
2. Stakeholder summary
3. Public meetings summary

APPENDIX 1: EXPERT PANEL SUMMARY

EXPERT PANEL REVIEW AND RECOMMENDATIONS

This memo summarizes the findings and recommendations of the Expert Panel concerning potential uses, development, and financing options for the Denver Union Station (DUS) building in Downtown Denver.

Project Background

RTD commissioned a Stakeholder Committee to identify potential uses for the rehabilitation and reuse of the historic Union Station building. The Stakeholder Committee developed building reuse goals, considered alternative reuse scenarios, evaluated the ability of the reuse scenarios to meet community goals, and discussed the process for selecting a developer to complete the building restoration and reuse.

The agency also recruited an Expert Panel of real estate development and finance experts to advise RTD, as owner of the historic station building, on real estate development and financing issues including supportable uses, financial feasibility and risks, and developer selection. The Expert Panel included:

- **Bruce Alexander**, President and CEO of Vectra Bank (Real Estate Finance/Banking)
- **John Shaw**, President of McWhinney Enterprises (Real Estate Development)
- **Larry Nelson**, 620 Corp., Inc. (Historic Real Estate Development)

The Expert Panel met regularly with RTD TOD staff and the project consultant (EPS) to discuss project information, stakeholder feedback, and potential implementation opportunities and obstacles. The Panel's major findings and recommendations are summarized below.

Findings and Recommendations

Building Uses and Constraints

Building Goals – The Expert Panel endorses the project goals developed by the Stakeholder Committee including specifically developing uses that: activate the building, serve the LoDo neighborhood, are compatible with the primary transportation hub functions, preserve the historic integrity of the building, and—a particular focus for the Panel--addresses the need for a financially viable use.

Existing Building Conditions – The Expert Panel began the process with a tour of the historic building to assess existing conditions and uses. The Panel finds the building to be extremely challenged in terms of condition (deferred maintenance) and configuration for new uses (limited usable space). The Panel also reviewed a summary of national examples of similar station redevelopments provided by EPS. This review confirms the Panel's relative concerns over the building's size limitations and usable space.

Projected Pedestrian Flows – The Expert Panel reviewed a flow diagram of peak period projected pedestrian traffic activity estimated by RTD. Upon reviewing the data, the Panel concluded that the economic success of the building's reuse will likely require new uses that

drive additional traffic other than that driven solely by the building's transportation function. This is based on the finding that the anticipated pedestrian traffic generated by the adjacent transit uses is likely insufficient to support station uses on its own and successful redevelopment will require additional traffic-generating "destination" uses to ensure economic vitality over the long-term.

Potential Uses – The Expert Panel reviewed the uses in the three scenarios identified and evaluated by EPS including Scenario 1: Destination Retail; Scenario 2: Boutique Hotel; and Scenario 3: Civic/Cultural Uses. The three scenarios were not intended to represent the only potential redevelopment alternatives, but to provide a context to test evaluation criteria and market and financial feasibility.

Market and Financial Feasibility

The Expert Panel reviewed the analysis of potential uses and the financial feasibility analysis performed by EPS. Three potential reuse scenarios were identified based on a high level market analysis and a comparative analysis of other station development programs. The use scenarios were selected based on discussions with local developers regarding their marketability and ability to demonstrate a diverse range of potentially viable uses.

Scenario 1: Destination Retail with Office – Based on the consultant's financial analysis, the Panel believes Scenario 1 likely yields the highest potential returns with the lowest risks. The Panel believes retail lease rates will need to be competitive with or below market rates in the area in order to ensure long-term occupancy and economic success. Thus, long-term tenants secured at slightly lower rates are preferred over short-term tenants secured at higher rates. In addition, lower retail rates will attract more unique destination tenants, rather than national chains. The Panel also believes that securing RTD as an owner or tenant in the office space on the second and third floors will substantially reduce overall project risk versus leasing multi-tenant space. RTD serving as a long-term office tenant also appears to complement the stakeholder objective of keeping a public and/or transportation emphasis at the building. Finally, the Panel believes that as a result of the reduced capital requirements and physical flexibility of retail space, Scenario 1 offers significant phasing and implementation advantages versus the other scenarios, reducing overall project risk.

Scenario 2: Boutique Hotel – As a result of the additional capital requirements associated with Scenario 2, the Panel believes this scenario is substantially riskier to both RTD and the project developer. Based on consultant cost estimates, this scenario more than doubles the total project budget and requires significant upfront capital investment, limiting the ability to phase the project over time. Based on initial revenue and operating expense estimates, the net operating revenue (NOI) generated in this scenario is likely to provide insufficient financial returns to the project developer. This is most likely the result of the limited number of rooms that can be accommodated in the station as well as considerable rehabilitation and buildout expenses. In order to enhance feasibility, the Panel believes that combining hotel operations with a nearby or adjacent hotel (as has been suggested by a potential bidder for the project) would be prudent. This allows for the sharing of such items as event space and back of the house operations, reducing capital costs and enhancing ongoing net operating revenue. Combining operations would also reduce risk to a potential lender, providing for a stable revenue stream and valuable collateral (from the adjacent hotel) to leverage against.

Scenario 3: Civic/Cultural – Based on the Panel’s experience, demand for event space, which serves as the primary driver of income in Scenario 3, is less certain and therefore riskier than typical office or retail space because leases are extremely short-term (nightly) versus annual or multi-year. In addition, limited market data or project precedence is available to identify or confirm potential demand. While Scenario 3 does appear to cover operating costs, the Panel believes the financial returns are unlikely to attract private development alone and would require some sort of partnership with a local organization to provide ongoing operational support.

Sources and Uses of Funds

There is currently \$17.0 million earmarked in the Denver Union Station Project Authority (DUSPA) budget for capital building improvements. These funds are estimated to come from a variety of sources, with the majority of funding based on future land sale contracts that may or may not be realized by the December 2014 contract date. The unknown/unclear timing of capital sources may affect the ability of RTD to solicit a viable development proposal/use for the building. There are also other potential sources and uses of funds that should be clarified prior to positioning the building for a potential developer RFP, including the recently obtained \$4.0 million FASTER grant and the potential use of federal historic tax credits for private commercial investment in the building rehabilitation.

RTD provided a summary of the anticipated capital structure and timing, as shown in **Table 1**. The primary funding sources for the building’s core and shell improvements are anticipated to be \$3.0 million from RIF/TIFIA federal loans, the \$4.0 million FASTER grant, and the land sales executed by the Union Station Neighborhood Corporation (USNC) for Blocks A and B in the rear (west) of the building. These blocks are estimated to sell for \$10.0 million each (\$20.0 million total), with \$14.0 million allocated to the building budget. As shown, total potential sources exceed potential uses by \$4.0 million, or the amount of the recently secured FASTER grant.

Table 1
Project Financing and Timing
Expert Panel Feedback

Description	Total	Committed	Deferred	2010	2011	2012	2013	2014	2015
Uses (Millions)									
Minimum Core and Shell	\$7.0	\$7.0	\$0.0		\$4.5	\$2.5			
Additional Core and Shell	<u>\$10.0</u>	<u>\$0.0</u>	<u>\$10.0</u>					<u>\$10.0</u>	
Total Capital	\$17.0	\$7.0	\$10.0	\$0.0	\$4.5	\$2.5	\$0.0	\$10.0	\$0.0
Sources (Millions)									
RIF/TIFIA Federal Loans	\$3.0	\$3.0	\$0.0		\$3.0				
Land Sales	<u>Sale Price</u>								
Block A	\$10.0	\$7.0	\$0.0					\$7.0	
Block B	<u>\$10.0</u>	<u>\$7.0</u>	<u>\$0.0</u>					<u>\$7.0</u>	
Subtotal	<u>\$20.0</u>	<u>\$14.0</u>	<u>\$0.0</u>					<u>\$14.0</u>	
Grants	<u>\$4.0</u>	<u>\$4.0</u>	<u>\$0.0</u>		<u>\$1.5</u>	<u>\$2.5</u>			
Total Sources	\$21.0	\$7.0	\$14.0	\$0.0	\$4.5	\$2.5	\$0.0	\$14.0	\$0.0
Difference (Shortfall/Surplus)	\$4.0	\$0.0	\$4.0	\$0.0	\$0.0	\$0.0	\$0.0	\$4.0	\$0.0

Source: RTD; Economic & Planning Systems

H:\20886-Denver Union Station Feasibility Analysis\Models\030311 EPS Draft Alt. Feasibility.xls\Sources and Uses

The Expert Panel raised the possibility that the expected revenues for the estimated price and at the estimated timing originally anticipated by the DUSPA plan may not be realized. The original projections were established a number of years ago, prior to the major softening of the market. Value estimates for Blocks A and B at that time were based on estimated new development of 500,000 square feet for each block, or 1.0 million square feet total, for a price of \$20 per buildable square foot. While more recent program estimates are for roughly the same development density, projected absorption has been pushed well beyond 2014. Should the absorption of Blocks A and B extend beyond 2014, RTD and/or DUSPA will need to secure some form of bridge financing to move forward as scheduled. In addition, the most recent wing building transactions were executed for approximately \$15 per buildable square foot. This would result in an estimated sale price of \$7.5 million per block, or \$15.0 million total. How this would affect the funds allocated to the historic building is unknown. However, because of the recently secured FASTER grant, there is additional leeway to compensate for less than anticipated land values.

The Expert Panel emphasized that to achieve the desired financial returns and attract potential private developers, core and shell capital funds need to be secured. If total core and shell funds are unavailable, some form of bridge financing needs to be explored and provided. Conversely, just as a developer would seek initial capital investment guarantees, RTD should evaluate the financial strength and technical ability of any potential development entity and various project partners.

Based on discussions with project engineers, the building requires some minimum immediate core and shell improvements. The Expert Panel expressed a concern and desire that RTD limit the amount of core and shell that needs to be replaced based on potential incompatibility with future building uses. Should new uses not be considered when immediate core and shell improvements are made, RTD will likely incur significant additional costs. Thus, RTD should make every attempt to limit conflicts regarding the timing of these building improvements.

Developer Solicitation Process

RTD engaged in a public review of the potential uses and required steps to attract and select a development entity as master developer for the DUS building. Based on the results of the Stakeholder Committee process, at least two parties have indicated a preliminary interest in pursuing a development proposal with RTD. The Panel therefore believes an RFQ/RFP process will be required to meet public expectations, as well as to solicit the most financially sound proposal.

RTD should resolve several outstanding issues prior to proceeding with the developer solicitation process as follows:

- Obtain the building condition engineering reports and cost estimates conducted by USNC for DUSPA in order to provide this information to potential bidders as part of the solicitation package.
- Provide a detailed core and shell budget addressing all improvements to be financed by RTD.
- Provide a specific schedule regarding the availability of capital funds by source as well as address any contingencies if the required funds are not available on time.

- Agree to a back-up contingency plan should RTD not receive viable or acceptable development proposals.

The RFQ/RFP solicitation should provide information on the following project requirements to be agreed to or addressed in the proposal responses:

- RTD will not allow for subordination of the building as part of any project financing.
- Building locations and square feet of space will be allocated to AMTRAK and other transit functions.
- Preserve the right for the expansion of future transit facilities within the building as conditions or opportunities may allow.
- Responsibilities for payment of annual operating costs for public and other common areas.
- Full financial disclosure for all development partnership entities to ensure that the successful bidder has the resources to complete the building renovation and to operate the project for the specified lease period.

The DUS building is an important civic icon and will be appealing to many residents. Based on the building constraints and complexities of the project, only a limited number of potential bidders are anticipated. It is, however, more advantageous to screen out any potential developers unwilling or incapable of developing the building within these constraints and complexities.

Appendix 2: Stakeholder Summary

Recommendation to RTD from the Stakeholder Group
Union Station Historic Building

Overview

- DUS Historic Building Stakeholders
 - o DUSPA – Elbra Wedgeworth, Jerry Glick
 - o City and County of Denver – Diane Barrett, Ellen Ittelson
 - o Union Station Advocates – Anne Hayes, Ron Straka
 - o Downtown Denver Partnership – John Desmond
 - o Lower Downtown District Inc. – Holly Barrett, Chris Shears
 - o Historic Denver – Annie Levinsky, John Olson
 - o Lower Downtown Neighborhood Association – Mike West

- Recommendations cover these topics
 - o Redevelopment goals
 - o Criteria to apply to any redevelopment idea (in an expanded submittal)
 - o Illustrative scenarios – apply the criteria to three possibilities
 - o Process

Goals

1. New destination uses must **activate the building** during peak and non-peak transit times.
2. New uses will energize Union Station as the **regional transportation hub**.
3. New first floor uses will **give life to the adjacent public realm** and vice versa.
4. The central **train room** must remain the **focal point** of the building and adjacent public realm.
5. Redevelopment must **preserve the historic integrity of the building**.
6. New uses should **serve the neighborhood and the station district area**.
7. New uses must allow the building to be **financially independent** or have a dedicated funding source.

A more detailed set of criteria that expands this list of seven goals is attached.

Scenarios

We examined three scenarios and discussed whether each could meet the goals. While each has advantages and challenges, we determined that all three are viable alternatives that can realize the goals.

Scenario 1

1 st Floor	Retail attraction (specialty market or unique store) Destination restaurant Includes Amtrak and transit services
2 nd Floor	Office single tenant or multi-tenant
3 rd Floor	Office single tenant or multi-tenant

Scenario 2

1 st Floor	Hotel function Hotel restaurant Includes Amtrak and transit services
2 nd Floor	Hotel rooms and back-of-house
3 rd Floor	Hotel rooms

Scenario 3

1 st Floor	Civic or cultural destination Destination restaurant Includes Amtrak and transit services
2 nd Floor	Civic/cultural and office space
3 rd Floor	Office space

Process

To secure the best possible future use for Denver Union Station and the best possible development agreement for RTD and the public, we recommend (all but 1, TBD) that the RTD Board issue a request for proposals and select a development partner in a competitive process. Two considerations with respect to this process will be the timing of project funds for core and shell improvements and identifying Federal procurement requirements; resolution of these will make it possible for potential development partners to create viable proposals.

Process Recommendation

Denver's historic Union Station is one of region's most significant standing structures. Its role as the centerpiece of Metro Denver's FasTracks regional transit system will reaffirm and likely increase this significance. The successful reuse of the Historic Station is critical to the success of the entire Denver Union Station redevelopment, including the transportation elements and adjacent public spaces in which the citizens within the Regional Transportation District are investing considerable dollars. It will be very important to assure that the ultimate use of the historic station is determined through a process that encourages broad participation and elicits creative and financially sound solutions. The DUS Stakeholders believe that their goals and supporting criteria will have the greatest chance of being

realized if RTD solicits proposals from a number of developers and evaluates the proposals to select the best solution for the historic station.

A Request for Proposals (RFP) would clearly communicate the project goals that have been identified through this DUS Stakeholder/Expert Panel public process. The RFP can make clear the funding and timing of the core and shell improvements that are part of the current DUS redevelopment project budget and also can include applicable federal procurement requirements. The RFP should set forth absolute requirements such as assured financing, satisfactory accommodation for AMTRAK and other essential elements of a successful reuse plan. The DUS Stakeholders believe that an RFP process will provide RTD with the best chance to receive creative and diverse proposals both from a spatial and a financial perspective and give them more choice in their ultimate decision for the successful reuse of the historic station.

Respectfully Submitted,

DUSPA

Elbra Wedgeworth

Jerry Glick

City and County of Denver

Diane Barrett

Ellen Ittelson

Union Station Advocates

Anne Hayes

Ron Straka

Downtown Denver Partnership

John Desmond

Lower Downtown District Inc.

Holly Barrett

Chris Shears

Historic Denver

Annie Levinsky

John Olson

Lower Downtown Neighborhood Association

Mike West

Criteria

We recognize that it may be difficult to satisfy each and every item in the list that follows and we recognize that pursuing some of these objectives may foreclose the ability to pursue others. Nonetheless, we believe it is important to consider all of these objectives.

New destination uses must activate the building during peak and non-peak transit times.

- Uses should draw in visitors, residents and workers in Lower Downtown, the Commons neighborhood and downtown Denver, as well as create a destination for people everywhere in the Denver region.
- A majority of new uses should be destination-oriented uses which meet the needs of transit users in peak and non-peak times and the needs of Lower Downtown, the Transit District and adjacent areas at all times.
- Uses should draw in travelers on bus, light rail and commuter lines and enhance the transit/traveler experience:
 - o Those who will move quickly through the station to catch a train or bus and those who travel to the station and then move quickly through the station to their downtown destination
 - o Those who will use their limited time in the building on the way to or from a transit trip for a quick bite to eat or a cup of coffee or to get a piece of information about their travel
 - o Those who arrive and have time to shop, eat a leisurely meal, or walk through an exhibition that entertains, instructs or inspires.
 - o Those who will be there for arriving or departing travelers.
- New uses should give the building life day and night, seven days a week.

New uses will energize Union Station as the regional transportation hub.

- The central train room, as an integral part of the public realm that connects Wynkoop Plaza and the new train hall, needs to be accessible at all hours of transit operations.
- Uses in the train room should relate to the new train hall and create a visual connection through the historic central train room on the new train hall side of the building.
- New first floor uses should activate the central train room, including accommodating Amtrak's needs with sufficient square footage in appropriate locations.
- Suggested uses must recognize that the Union Station Project as a whole is a transportation project, and new uses must be compatible with FasTracks and Amtrak customers.

New first floor uses will give life to the adjacent public realm and vice versa.

- Uses on the first floor of the north and south wings must relate to and take full advantage of the public plazas on the Wynkoop side of the building, drawing users into and out of the building and creating east-west pedestrian movement.
- New uses on the ground floor of the historic building and in the new wing buildings offer an opportunity to activate the plaza space and should complement each other.

The central train room must remain the focal point of the building and adjacent public realm.

- The central train room should not be substantially divided and the volume of space should maintain visual access to both sets of grand windows to the east and the west. Users should perceive the central train room as a singular space.
- While the integrity of the central train room is important, this should not exclude the possibility of using the mezzanine as an integral part of the space and making it publically accessible.
- Uses adjacent to the central train room (on both first and second floors) are critical to help activate the space, provide natural surveillance (eyes on the space) and provide a visual connection from the exterior to and from the central train room.

Redevelopment must preserve the historic integrity of the building.

- Individual architectural features identified as original throughout the Historic Structures Assessment, regardless of their construction date, and the various finishes and materials that make up the walls, floors, and ceilings should be given every consideration for retention prior to planning for modifications.
- Critical deficiencies, as outlined in the Historic Structures Assessment, should be addressed in any plan going forward and repairs to serious deficiencies should be given careful consideration when choosing any use or layout.
- The central train room restoration should make the train room active while utilizing and preserving some or all of the benches in some configuration (repositioning, relocating or making them moveable).
- The uses must fit the physical constraints of the building envelope.

The new uses should serve the neighborhood and the station district area.

- The uses should support and complement the development program in the rest of the station district, Commons and Lower Downtown neighborhoods.
- It is important to encourage uses unique to Denver, the transit district, Commons, Lower Downtown.

The new uses must, in the aggregate, allow the building to be financially independent, or the uses should have a dedicated funding source.

- Using historic preservation tax credits, even though that could require selling the building to a private interest for at least some period of time, should be considered in financing the restoration and revitalization of the building.
- Public/private partnerships should be encouraged as a way to meet the dual need for the building to serve the citizens of Denver, and to be financially self sustaining.
- Uses must generate revenue for building renovation and cover building operations.
- Uses must support tax generation in the project area which is essential to repay project debt.



March 11, 2011

Michael Hughes
The Keystone Center
1600 Broadway #1920
Denver, CO 80202

Dear Mike,

On Wednesday, March 9, 2011 our Board of Trustees considered the draft recommendation prepared by the Denver Union Station Stakeholders group in which we have been participating for several months. At the meeting the board unanimously adopted the following motion (with two abstentions):

Historic Denver recognizes that there are several viable options for the redevelopment of the historic Union Station structure. The continued integrity of this important building and its needed rehabilitation are our priorities, which are expressed in the criteria drafted by the stakeholders group. We endorse these criteria and, as it is our understanding that there is no existing agreement regarding the process for redeveloping the building, Historic Denver also supports the stakeholder recommendation that RTD issue an RFP to solicit creative and financially viable proposals.

I further understand that the stakeholders finalized the recommendation on Thursday, March 10 and as such we are prepared to sign that document so that it can be transmitted to RTD.

Thank you for your efforts in coordinating the Stakeholder's group. Please let me know if you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "Annie Levinsky".

Annie Levinsky
Executive Director

**MINUTES OF THE BOARD OF DIRECTORS MEETING
OF THE LOWER DOWNTOWN NEIGHBORHOOD ASSOCIATION
HELD FEBRUARY 14, 2011**

Pursuant to proper notice, a meeting of the Board of Directors of the Lower Downtown Neighborhood Association was held on February 14, 2011 beginning at 5:30 p.m. In attendance were: Mel Cruger, Josh Davies, Lara Davies, Terry Hershey, Diane Huntress, Kirstan Marks, Chuck Shifflett, Byron Watson, and Mike West.

Absent were David Cole, Joyce Lozow, Jim McCotter, Eric Nakata, San Ong, Paul Rothman, Christine Santucci, and Jack Tone. Josh Davies chaired the meeting and Lara Davies recorded the minutes as secretary.

Approval of January Minutes:

Chuck motioned to approve the January minutes. Kirstan seconded. All were in favor and the motion passed.

Annual Meeting Review:

The only feedback we received from participants at the board meeting were favorable. Because the meeting was so successful there has been discussion to do quarterly forums with other neighborhood groups in this same format. We had 197 attendees – a 20% increase. We had the largest attendance at this meeting but our expenses were also high so we did not really make any money. The group discussed possibly charging \$25 for the next year.

DUSPA Update:

The DUSPA board formed a stake holders group put in place to help RTD with recommendations on what to do with Union Station. Mike West is a member of this stake holders group and they have been tasked with putting together some recommendations to RTD and signing it. Mike West represents LoDoNA so he did not want to sign unless we were okay with the recommendations. There are currently three scenarios for redevelopment at Union Station: 1. Turn Union Station into a retail center with office space on the upper floors, 2. Turn Union Station into a hotel, 3. Turn Union Station into a civic and cultural destination with office space on the upper floors. The task force recommends to RTD that they do a RFP as part of the process of choosing what to do with the station.

Mel was concerned about if RTD would keep LoDoNA's vision statement in mind when thinking of what to do with the station. The group recommended that we send out vision statement to the RTD Board.

Byron motioned that the board agree to Mike signing the task force recommendations that RTD do an RFP as part of the process of choosing what to do with the station. Mel seconded this motion. Josh recused himself and the remaining board members were all in favor. The motion passed.

KIDDO- Grant Funding:

Terry reported that Kiddo is working to get a charter school in downtown Denver. Cyndi Kahn is forming a steering group of parents who live and work in LoDo. They are currently looking for grant money – about \$2500 to \$5000 and need someone to “handle the money at arm's length” so they are asking LoDoNA if we would be a “bank of sorts” for Kiddo. Byron said he is okay with this because we would only be acting as a fiduciary.

Byron made a motion that he would be Kiddo's bookkeeper of funds and that we would put together a formal agreement with Kiddo, signed by both parties, with a clause to review the agreement at the end of the year. Diane seconded this motion and all were in favor. The motion passed.

GNC Membership and GNA Ratifications:

Byron moved that we approve the GNA for BackCountry Provisions per Jim's discretion. Mike seconded the motion and all were in favor. The motion passed.

Chuck moved that we approve the GNA for Marakesh if signed by TD and if they did not object to a modification and transfer of the license. The Marrakesh deal is contingent on the agreement to not have speakers outside. Byron seconded the motion and all were in favor. The motion passed.

The board ratified all the GNC members that Josh appointed. The current members will stay on and Jim will be the chair with Charles Nadler and David serving as vice chairs. Existing members are David, Charles, Byron, Eric, Mel, Chuck, Gary Gottesfeld, Arleen Parker, Paula Grey, Salzmans, Housers, Zee Ferrufino, Bill Rittner, Robert Blankenship (COO of Chamber and Chloe's new landlord) and Jim.

President's Update:

The board retreat will be in the June time frame and most likely after our regular monthly meeting. Board members should plan on that meeting being three hours so we do not interfere with the weekend.

We need a board member to be in charge of membership. Some of the duties might be to send emails to lapsed members, try to sign up members from the Women's Series and WeeBOT events and perhaps do a membership drive. This person would be more a marketing person than a database person. Kirstan said she was perhaps interested in this and would put together some ideas and bring them back to the board.

Committee Reports:

Jim Theye is no longer serving as the President of LoDo Cares and Terry Hershey is now serving in that role. The group had a great February meeting and she is currently putting together a calendar of events.

The meeting was adjourned at 7:05 pm and the next meeting will be March 14 at 5:30 pm.

Respectfully submitted,

Lara Davies

UNION STATION ADVOCATES

Citizen participation in planning and governance of the public spaces at Denver Union Station

Resolution of Union Station Advocates, Board of Directors Regarding Denver Union Station Project - Historic Building Reuse

Whereas, Denver Union Station's Historic Building is embedded with a rich history in its crucial role as a catalyst for Denver's successful growth as a major metropolitan region and as such the station building is an iconic structure widely considered as a high profile public asset; and

Whereas, Denver Union Station's Historic Building is the symbolic and functional centerpiece of Metro Denver's expanding multi-modal transit system, and along with its adjacent new public spaces, will play a significant role as such to future visitors, residents and workers with far reaching impact culturally and financially both locally and regionally; and

Whereas, Denver Union Station's Historic Building and adjacent public spaces will often be the first impression many have of Denver as they disembark from the airport train and will be observed collectively as to their design, use and function and will have a profound impact on the success of DUS as a transit center and on the future reputation of Denver as a 21st Century City; and

Whereas, Union Station Advocates strongly supports public participation in the redevelopment of Denver Union Station's Historic Building as an essential measure to assure that plans reflect the high quality, vibrant redevelopment that the Station merits and to create a welcoming, active gateway at the Station which is sensitive to neighborhood and historic concerns; and

Whereas, Union Station Advocates participated in a collaborative effort with other relevant Stakeholders to craft a redevelopment strategy recommendation to the Regional Transportation District that most appropriately supports the importance of Denver Union Station's Historic Building as outlined above;

Therefore, Be It Resolved that the Union Station Advocates Board of Directors supports the Union Station Stakeholders Committee recommendation document as finalized on March 10th, 2011 that outlines specific criteria and goals for redevelopment and strongly encourages a transparent public process in selecting a redeveloper for Denver Union Station's Historic Building through a formal RFQ/RFP process initiated by RTD.

Cc: Bill Sirois, RTD
Mike Hughes, The Keystone Center
DUS Historic Building Reuse Stakeholder Committee

Motion made and seconded to write a document in support of the proposed recommendation, as crafted and finalized by the DUS Historic Building Stakeholder Committee at its final meeting on March 10th, 2011, that identifies certain redevelopment criteria and goals and requests a transparent public process in selecting a redeveloper for Denver Union Station's Historic Building by way of an RFP selection process. Motion unanimously approved at the monthly USA Board meeting on February 28, 2011 with Dana Crawford abstaining due to potential conflict of interest.



**Resolution of the LoDo District, Inc. Board of Directors
Regarding Denver Union Station Project – Historic Building Reuse**

Whereas, progress is being made to bring the renovation of Denver Union Station into an invaluable multi-modal transit hub and destination for numerous users, residents and businesses of Lower Downtown and as such will have far-reaching local, regional and national significance; and

Whereas, Denver Union Station is positioned to become a true City treasure and as such it is so important to have each voice heard and each idea considered, with the hope that each will be considered valuable and helpful; and

Whereas, the active group of architects, urban designers, planners, residents and business owners who sit on the LoDo District, Inc. Urban Design Committee have reviewed the Union Station Master Plan and have come to consensus regarding the recommendations of the Union Station Stakeholders Committee; and

Whereas, LoDo District, Inc., in an effort to create a collaborative effort, stands with our fellow neighborhood and city partners who sit on the Union Station Stakeholders Committee;

Therefore, Be It Resolved the LoDo District Inc. Board of Directors supports the Union Station Stakeholders Committee request for a transparent public process in selecting a developer for Denver Union Station by encouraging RTD to engage a formal but expedited Request for Proposals process, with direct assistance from the Denver Union Station Project Authority.

Adopted on this Wednesday, February 16, 2011, by the LoDo District Board of Directors.

David Cole, Chair, LoDo District Board of Directors
H McNeish, Chair, LoDo District Urban Design Committee
Holly Barrett, Executive Director, LoDo District

CC: Anne Hayes, President, Union Station Advocates
Annie Levinsky, Executive Director, Historic Denver

Motion to support a transparent public process in selecting a developer for Denver Union Station and to encourage RTD to follow it in a timely format with help from DUSPA: Fabby Hillyard—moved; Guenther Vogt—2nd; vote: unanimous, motion passes.

Appendix 3: Public Meetings Summary

The initial public meeting for the DUS Historic Building Reuse project was held on October 14th in RTD's T&D conference rooms, 1600 Blake Street, 5:30 to 7:30 pm. Notice of the meeting was sent as an email blast to an existing database compiled from attendance at previous DUS studies and posted on RTD's website, in addition to a request for posting on stakeholder web home pages. Fifty-seven people were in attendance. The first half of the session covered the meeting purpose, introductory background material, and presentations addressing the building's historical and existing condition settings while the remainder was reserved for questions and answers. Audience responses were recorded on large butcher block sheets at the front of the room and participants were referred to RTD's website for a posting of the presentation slide show. A summary of comments follows.

- Historical elements should be a focal point as a meeting place (example: “meet me at the fountain”).
- Where do we draw people into the building and/or disperse them? Should this be the train hall?
- The group expressed concern about not having enough people going through the building to activate it. Also people expressed that they didn't want too many people walking through the building so there needed to be a balance.
- Other existing examples of similar settings: San Francisco Ferry Building, Seattle Pike Place market. A public market use has to have the right size, location, and market potential.
- The end result should be attractive to surrounding residents and neighbors.
- It was considered valuable to have an RTD presence in the building as an association with the transportation function and the advantage of a built-in security presence.
- Train hall benches represent a poor use of space, how do we preserve their historic element but also activate the space?
- The study should focus on adjacent uses to complement DUS, not just on the building itself.
- Will the model railroad activity stay in the basement?
- What role would public art play with future uses?

- Would RTD consider selling the building for private use to help pay for it?

Potential use suggestions:

- Event space
- Office/retail space on the second and third floors to bring in income
- Small scale retail (examples: Los Angeles Fashion District, café, flower shop, take out food/outside seating, bakery)
- Conferences, class rooms, charter school
- Concierge services, ticket outlet for entertainment venues, tourist information, wayfinding

How viable are these uses?

The second and final public meeting for the DUS Historic Building Reuse project was held on January 26, 2011, in RTD's T&D conference rooms, 1600 Blake Street, 5:30 to 7:30 pm. Notice of the meeting was sent as an email blast to an existing database compiled from attendance at previous DUS studies and the first public meeting held on 10-14-10, and posted on RTD and stakeholder websites. Ninety-one people were in attendance. The meeting agenda consisted of a recap of the October meeting's topics, a summary of stakeholder and expert panel discussions since then, presentations of evaluation criteria for selecting uses, and a discussion of use scenarios. Audience responses were recorded on large butcher block sheets at the front of the room and participants were referred to RTD's website for a posting of the presentation slide show. A summary of comments follows.

- How will people find their way to the temporary Amtrak station and what kind of information will go out about the move? Has anyone considered letting taxi cab companies and hotels know so that people aren't misdirected to the wrong place?
- Retail uses in the building should be affordable and not too upscale. Consumer purchase activity, especially from Amtrak customers, will depend on competitive pricing.
- Will there be a publicly-advertised RFP as part of the developer selection process?
- Convenience uses for everyday items would work: post office, ATM, wi-fi, greeting cards, coffee, etc.
- The train part of Kansas City's Union Station is much smaller than Denver's and is an accessibility problem, especially for handicapped and blind passengers. Chicago Union Station's main hall is very attractive and available to rent for functions. Paddington Station in London is also a good example of attractive space. St. Paul Union Station just completed a redevelopment project.
- What is meant by "event" center? Does this refer to sports or a gathering place?
- Will the model railroad companies be moving? This is a popular area but frequently hot. Perhaps the benches could be moved down there for use by people waiting to get into the exhibit area.
- Transportation is a basic infrastructure need. If RTD can't, some other group should subsidize this use.
- The REI flagship store is very attractive to bikers, perhaps DUS could eventually be known as a cycling center too especially because of its inter-modal function.

- Will the Denver Landmark Preservation Commission allow any modifications to the building?
- If all of the available DUS space were taken up with a variety of uses, the building could come to be thought of as a great urban amenity.
- Currently, DUS doesn't provide very much in the way of travel information and Denver is a tourist destination. Perhaps consider combining a visitor center with a history exhibit to welcome visitors. In Europe, train stations are typically also visitor centers with a wealth of this kind of data.
- Periodic events, such as around Christmas time, will fill the main train hall.
- Will increased security be required for Amtrak and DIA-bound baggage collection? Will there be DIA ambassadors as at the airport? Will there be an ability to check luggage?
- The area needs a grocery store, even one for locally-produced goods. There are good examples in Philadelphia and Baltimore (Lexington Market).
- Office uses won't activate the building. Retail uses such as an Apple store, Victoria Secret, video store would. Also, retail uses should reflect the historical and transportation nature of the building—transportation book store, Lionel train store, etc.
- A hotel use connected to the Oxford would provide several of the goals of the study—parking, extra meeting space, management needs.
- The criteria should emphasize the building's connection with the rest of LoDo; it should complement the historical and cultural nature of the area and traveler's needs, a hotel would ignore the neighborhood. Another commenter stated he thought a hotel would "embrace" the neighborhood.
- An informational ticket office—larger than Market Street—would be useful and hopefully one as pleasantly designed as the Boston South station.
- How much change will be allowed in the upstairs offices? For example, could a railroad history exhibit be provided here?
- Bringing back roof towers to the wings should be considered. Have we made allowances for how additions to the buildings will contribute to its history as the area grows from this point on?

- The stakeholder committee has not expanded all use opportunities and is open to other uses like the ones expressed at the meeting and developed through a competitive process [stakeholder representative].
- The process timeline needs to be considered carefully as the public should also be involved during conceptual phases.
- Transportation needs should be balanced for the different users; e.g., hotel destination travelers vs. everyday commuters.
- Determining uses for former union stations is not a new problem, what have other areas done and what has contributed to their successes?
- Building uses should be designed to attract foot traffic going around the building, especially in the plaza areas—these should draw people inside the building. The plaza areas should also be designed to serve as an interface between the neighborhood and the building. Prepared food is probably the most consistently attractive draw.
- Benches were part of the original heating system. Will they be used for that purpose in the future and what will happen to them?
- Railroad stations around the world seem to be in typically hostile settings—industrial and remote. DUS is an exception to this in a unique cultural environment (LoDo) with easy accessibility to the rest of downtown via the shuttle. Future uses should capitalize on this.
- With respect to governance, multiple ownerships could confuse responsibility. RTD should own or oversee a management company to operate but in either case, clear roles of responsibility should be determined.