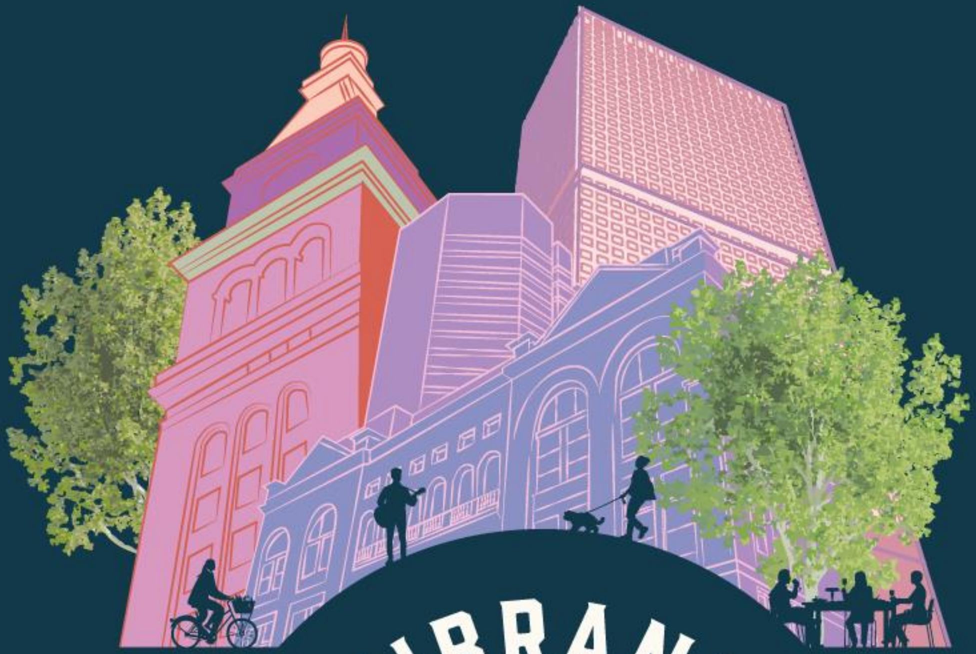

VIBRANT DOWNTOWN DENVER

DOWNTOWN DEVELOPMENT AUTHORITY

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PLAN OF DEVELOPMENT

Economic Study

- Focused on Upper Downtown (Lawrence to Sherman; Speer to 20th)
- Found evidence of blight
- Deteriorated structures, unsafe conditions, endangerments, restrictions allowing for housing accommodations, economic or social liability, conditions resulting in a menace to public health, safety, morals, welfare

Amended and Restated Plan of Development (POD)

- Adopted December 2024
- Provides categories to help eliminate evidence of blight
- Priorities were developed to further guide immediate course of action and initial project selections

FINANCING

Downtown Denver Development Authority Voter Authorized Financing:

- DDDA funds do not come from City resources (general/CIP). TIF funds are encumbered by State statute to be used strictly for DDDA purposes.
- DDDA financing is authorized by the ballot measure approved by 77% of voters in the November 2024 election, which allows the City to issue up to $570 million in debt by and on behalf of the DDDA, secured by DDDA TIF revenues and without raising taxes.
- DDDA was created in 2008 and has over performed expectations. The original 2008 Investment: $400M = $2.3B economic output.
- The associated loan and revolving line of credit was presented to FinGov on 6/24/25, and will be filed for City Council action in November 2025.

PRIORITIES

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01 Focus on 16th Street and Upper Downtown as a mixed-use neighborhood

Focus on 3 nexus locations that anchor 16th Street:

Skyline Park – Arapahoe to Champa – connection to Arts Complex

16th Street Retail – California to Tremont – connection to CO Convention Center

16th / Broadway – connection to Civic Center and neighborhoods

02 Occupy vacant and underutilized buildings

Historic Building re-use and conversions

Increase jobs to reoccupy office buildings

Grow residential properties with affordability

Add active ground floor uses

03 Activate and attract ground floor businesses

Focus on 16th Street and key corridors connecting to the Arts Complex, Convention Center and Civic Center.

Activate empty storefronts with pop-ups, artistic installations and local businesses

Boost energy, safety and foot traffic

DDDA AWARD MAP

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1.A 1.B Green Spaces Marketplace
2 Denver Immersive Repertory Theater
3 Milk Tea People
4 Cream & Sugar
5 Brookfield Lots
6 Symes Building
7 University Building
8 Skyline Park
9 Civic Center Park
10 McNichols Building
11 Denver Pavilions

DDDA Boundary

Potential Expansion

APPROVAL PROCESS

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We are here

1	2	3	4	5
✓	✓	✓	N/A	
Project Team + Executive Sponsors	**Evaluation Committee**	**DDDA Board**	**CFO/DEDO ED**	**City Council**
Checks Eligibility Requests Information Completes Evaluations Makes Recommendations to Evaluation Committee	Considers Recommendation Decides City's Recommendation to DDDA Board	Considers Evaluations Approves or Disapproves	Considers DDDA Board Disapprovals	Final Approval (Inclusions and Funding Agreements >$500k)

DDDA ACQUISITION: DENVER PAVILIONS

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Photo Credit: GartCompanies.com

REDEVELOPMENT / ADAPTIVE REUSE

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Proposed DDDA Acquisition:

Denver Pavilions (yellow)

- 354,407 sf (gross); 351,871 (net)
- 68% leased; 61% occupied
- [25] tenants (excluding Uniqlo)
- 800 parking spaces (garage)

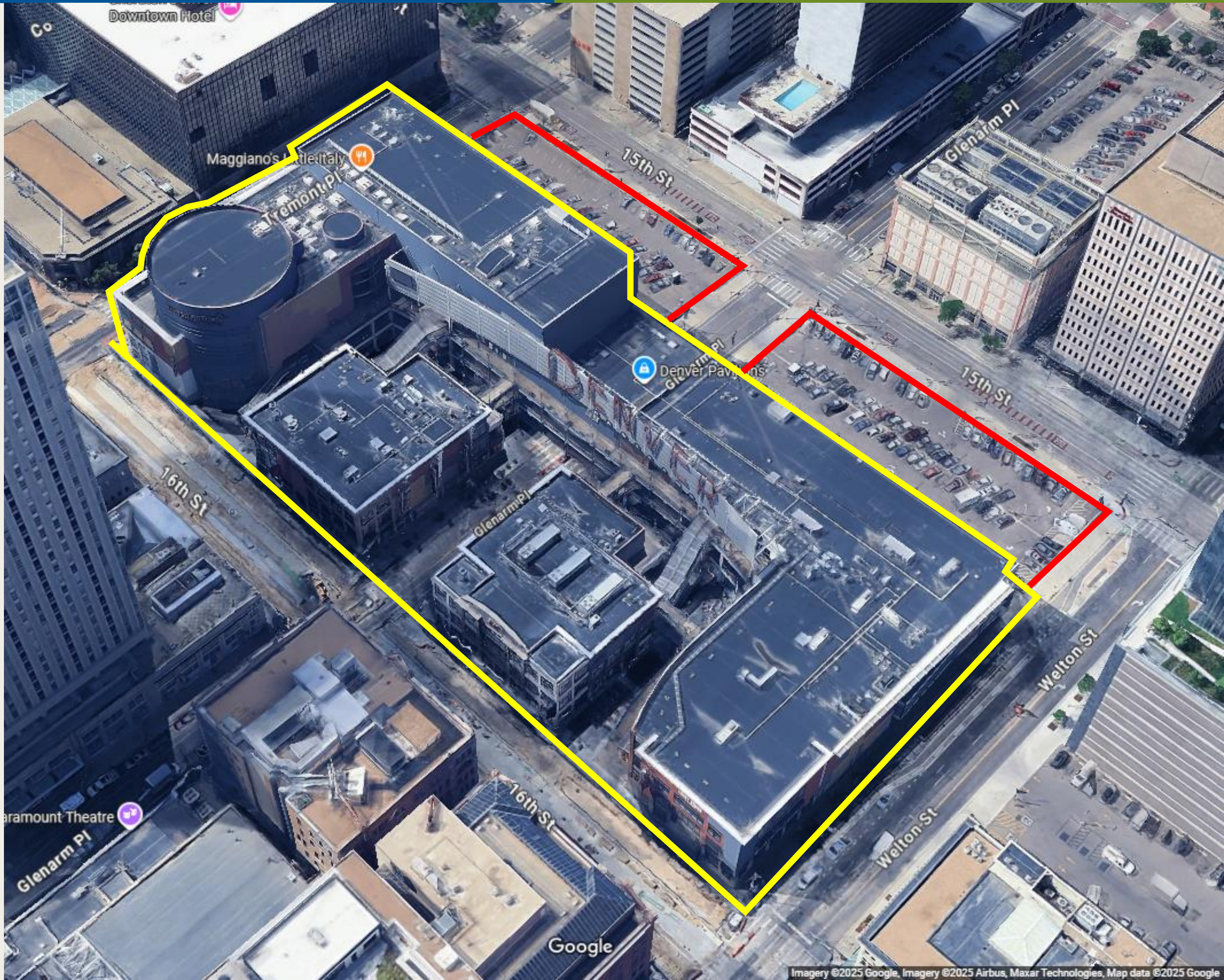
Approved DDDA Acquisition:

Two Surface Parking Lots (red)

- Owned by Brookfield
- (2) 33,250 sf parcels w/100 spaces each

Total: 1,000 parking spaces

- Garage improvements will take parking offline during construction



REDEVELOPMENT / ADAPTIVE REUSE

Existing Conditions

- Low occupancy [61%]
- Impacts from COVID19
- Impact from 16th Street Construction
- Work from home policies impacting office vacancy
- Lack of nearby housing
- Threat of lender takeover
- Potential disruptions due to bank-owned optics and uncertainty

REDEVELOPMENT / ADAPTIVE REUSE

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Acquisition Price: $37,000,000

DDDA Funding: Up To $45,000,000

- DDDA acquisition attempts to stabilize current retail operations and parking revenue assets.
- Approximately $8M, plus cash flows, will be used for critical maintenance and leasing activities.
- Positions DDDA for future catalytic redevelopment to better serve the **Upper Downtown** neighborhood.
- DDDA will be fee owner; will manage and retain leasing and redevelopment expertise to envision a new future for the site.
- Position for sale with acceptable redevelopment plan for highest and best use.

POD Alignment

New Development / Adaptive Reuse

Repositions property for potential catalytic redevelopment, transforming under-performing properties, lots, and structures into vibrant, functional spaces that will contribute to a more mixed-use in **Upper Downtown** (POD geographic priority).

Enhances downtown's cultural fabric and distinct character, bringing new jobs, residents, and visitors to downtown.

Compliments projects approved by DDDA Board (Civic Center Park, McNichols, Green Spaces, Sundae Artisan Ice Cream)

DENVER PAVILIONS / SURFACE LOTS

DDDA Next Steps

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By year end 2025 (closing)	First 6 months 2026
Complete Due Diligence	Retain new retail leasing and marketing expertise
Retain DDA Asset Manager	Draft RFP solicitations for retail and design master planning
Retain Gart Properties for property management	Manage short term CapEx (including garage, elevators and public spaces), renew Key Tenants and evaluate Accretive Lease Prospects for Denver Pavilions
Close acquisitions	

DENVER PAVILIONS / SURFACE LOTS

DDDA Next Steps – page 2

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By 3Q 2026		Before 4Q 2026	2027 - 2028	
Generate 2 or 3 Redevelopment Alternatives for Pavilions and Surface Lots	Complete CapEx projects and Energize Denver compliance approaches related to Denver Pavilions	Issue open RFP for solicitation of developer teams for Pavilions and Surface Lots as a package or individually	Maintain positive cash flow	Recoup DDDA Investment as possible with sale of Pavilions and Surface Lots for integrated redevelopment effort

DDDA ACQUISITION PLAN

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- Retain new retail leasing team and imagine alternative redevelopment strategies for Pavilions and surface parking lots.
- Immediately capitalize on new drivers which include reconstructed 16th Street, successful DDP Summer Kick-off, Glenarm Plaza, and open consumption laws that encourage mobility through the area.
- Pursue critical maintenance, including garage repairs, execute on tenant renewals, and lease to appropriate new retail and restaurant uses.
- Implement a holistic parking management strategy by collaborating with key stakeholders to provide consumer friendly transient parking to benefit Pavilions and 16th Street businesses.
- Re-envision Pavilions. Foster a vibrant, walkable destination that offers a variety of unique experiences beyond shopping. Create dynamic public spaces, active storefronts, and a mix of retail, entertainment, service and cultural offerings.
- Offer two parking lots for residential, office, and hotel uses to attract new customers.
- Potential future project: Art installation to transform blank 5-story façade fronting 15th Street.

POD ALIGNMENT + EVALUATION CRITERIA

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	New Development / Adaptive Reuse	Livability, Economic Opportunity, Jobs	Parks and Public Space	Arts, Culture, Activations	Connectivity, Mobility	Financial	Feasibility	Policy Objectives	Readiness	Activation Impact
Denver Pavilions Acquisition	✓	✓		✓		✓	✓	✓	✓	✓
Brookfield Lots Acquisition	✓	✓		✓		✓	✓	✓	✓	✓

Requested Council Actions

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APPROVAL OF:

A PETITION FOR INCLUSION:

- **Inclusion** of certain parcels of land located adjacent to the DDDA, at **500 16th Street, Denver, CO 80020**

INTERGOVERNMENTAL AGREEMENT:

- Approving the Development Project, **Denver Pavilions Acquisition,** up to **$45,000,000** including associated closing, maintenance, lease and other operating expenses.

TENTATIVE TIMELINE: Denver Pavilions

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October 14 - 31: Council Briefings

October 28: Finance and Business Committee – Denver Pavilions Petition for Inclusion + IGA

November 10: First Reading – Denver Pavilions Petition for Inclusion (Ordinance)

November 17: Second Reading – Denver Pavilions Petition for Inclusion (Ordinance)

November (TBD): First Reading – Denver Pavilions and Brookfield Lots IGAs (Ordinances)

November (TBD): Second Reading – IGA Denver Pavilions and Brookfield Lots IGAs (Ordinances)

December 19, 2025 – Closing of DDDA Acquisition of Denver Pavilions

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APPENDIX

Alignment Between Downtown Area Plan and DDDA Plan of Development

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The Investment Categories outlined in the DDDA Amended and Restated Plan of Development align with the goals and strategies contemplated in the Downtown Area Plan.

Both plans:

- Emphasize catalytic investment in focus areas like Upper Downtown, Civic Center
- Call for adaptive reuse to address high office vacancy and diversify land use
- Prioritize funding improvements to public spaces, parks, plazas, and green infrastructure
- Propose converting one-way streets, improving bike/transit access, and enhancing walkability.
- Identify equity as a core strategy to ensure downtown serve all Denverites
- Identify downtown as an economic engine and strengthening business opportunity and support as a priority

Parking Lots Redevelopment

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Surface Parking Lots For Redevelopment

1505 Glenarm Place
1518 Glenarm Place

The acquisition would include two surface parking lots adjacent to the Denver Pavilions, with each lot approximately holding 100 parking spaces.

Revenue-Based Acquisition: $23,000,000

Development Opportunity

- Exclusive opportunity to own highly sought-after redevelopment lots in Upper Downtown.

Overview

- DDDA will be the fee owner of both surface parking lots
- Property is cash flowing: Net Operating Income $2M/yr (8.7% cap rate)
- 2/3 share of revenue from lots + 2/3 share of Pavilions garage revenue
- Revenue can be re-invested into more projects
- Revenue share structure may be re-negotiated to unlock redevelopment potential of Denver Pavilions
- Short-term hold with intent to sell with acceptable redevelopment proposal for highest and best use
- May allow for alternative parking options to better serve nearby retail
- Flexible zoning: housing, retail, entertainment, hotel, etc.