

A stylized map of North America in shades of blue, with a grid of latitude and longitude lines. A black dot is placed over the location of Denver, Colorado, with the word "DENVER" written in bold, dark blue capital letters to its right.

● DENVER

# Peña Station TOD Project – Phase 1 Development and Finance Agreements (5)

Dan Poremba, Stu Williams  
Ferd Belz, LC Fulenwider, Inc.  
April 28, 2015



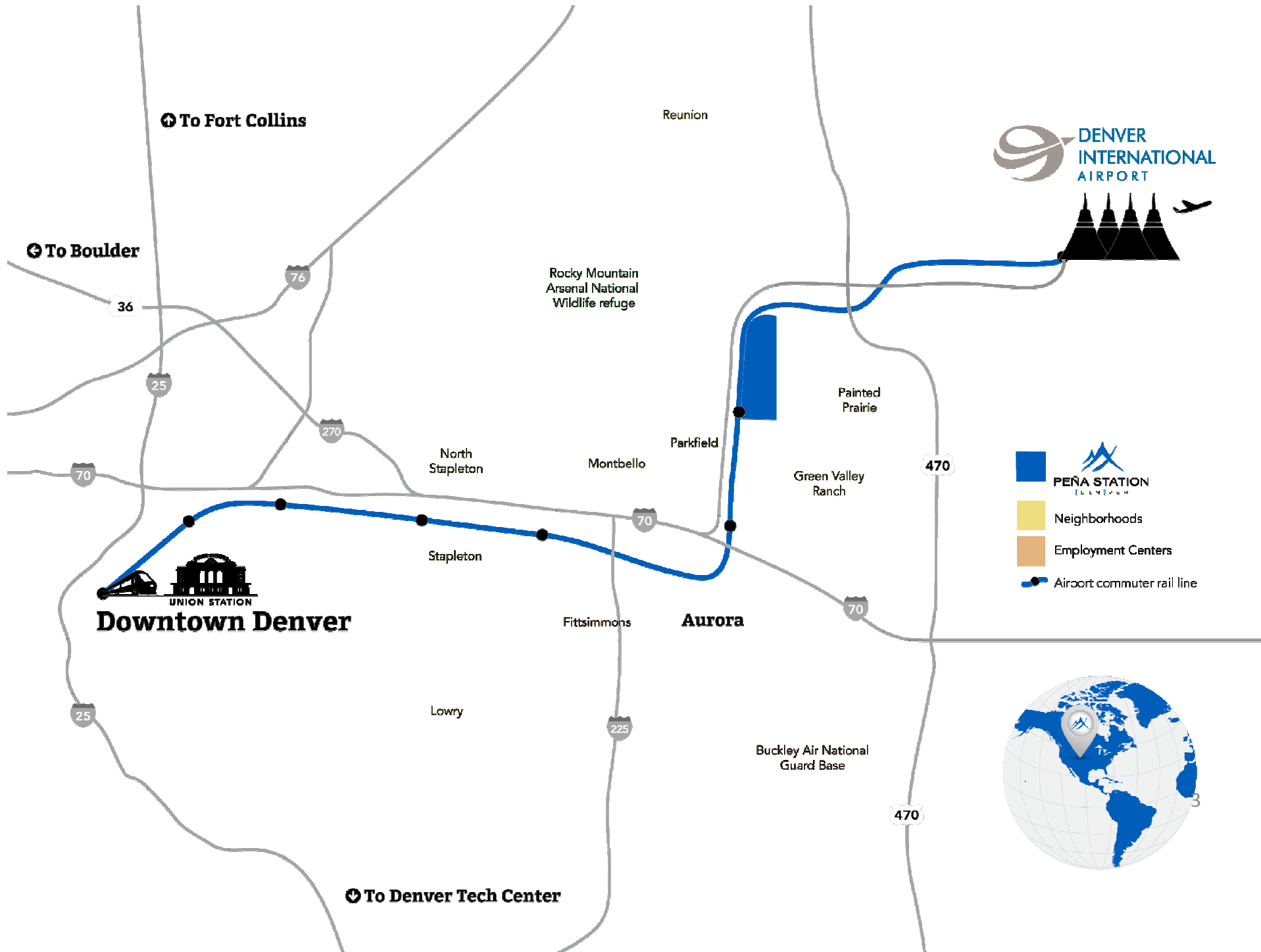
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# Peña Station TOD Background

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**PEÑA STATION**  
[ D E N V E R ]





# Project Timeline

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Milestones	Date
City Council Approves \$47 Million in Enabling Costs for Additional Gateway Area Stations	March 2012
LC Fulenwider selected as Aviation Station Developer	August 2012
City Council Approves Aviation Station Metro Districts	February 2013
City Council Approves Peña Station Area Plan	January 2014
General Development Plan Approved by Planning Board	June 2014
Five Peña Station Development & Finance Agreements	<i>Current Request</i>

# Project Overview

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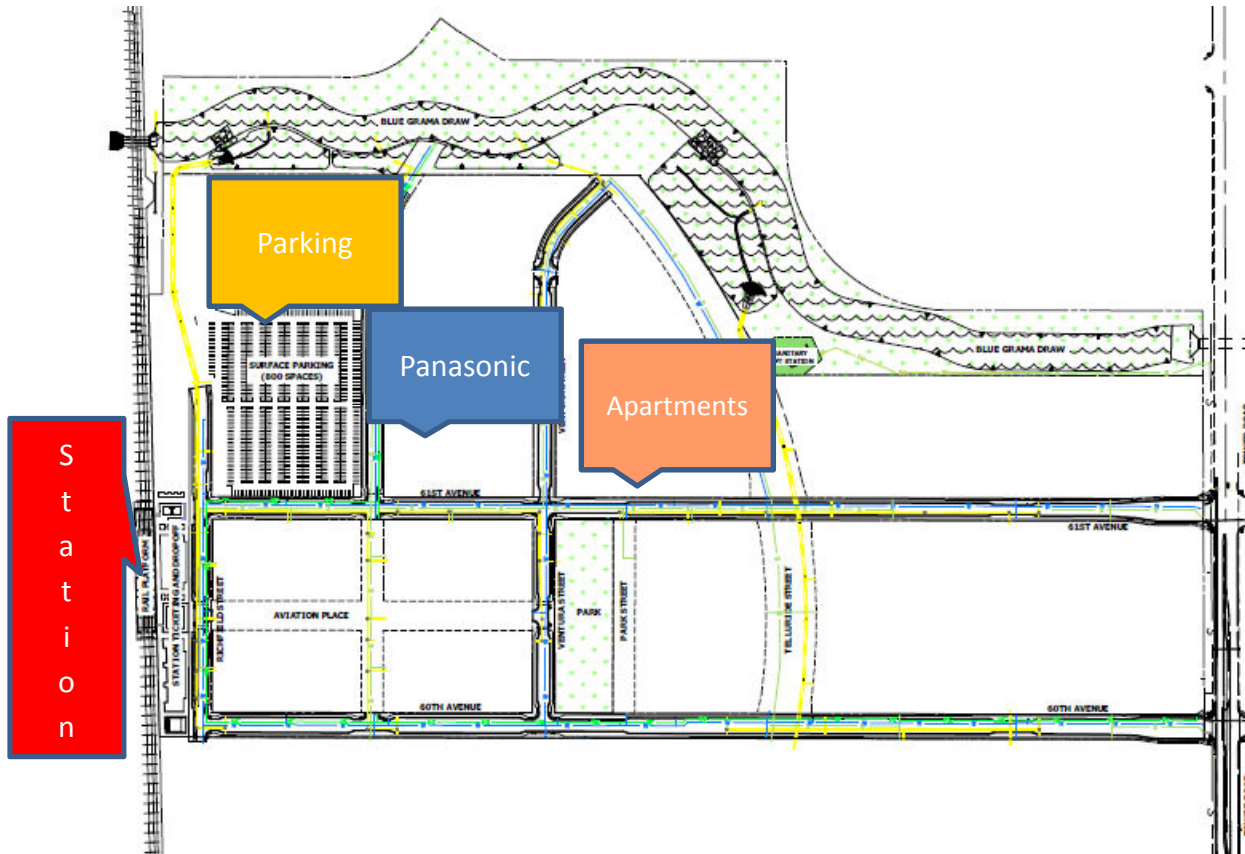


- Transit-oriented, mixed-use, mixed-income community
- Connecting workforce housing to employment centers (initial affordable housing project under contract)
- Offices, hotels, shopping, and housing located within walking distance of station
- Partnering with Panasonic to create a global showcase for sustainable community development

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# Phase 1 Infrastructure Improvements

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- Station Platform
- Station Plaza
- Station Parking
- Roads
- Park
- Water & Sewer
- Smart City Infrastructure
- Dry Utilities
- Storm Drainage

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# Phase 1 Project Costs

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Project	Cost
Total Costs*	\$58.7 M

\*Includes \$8M contingency to prudently address the rapidly escalating construction cost market and help ensure that the Panasonic building delivery remains on schedule



# DIA Phase 1 Investment

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Project	Cost (in millions)
Rail Station Platform	\$ 12.19 M
Rail Plaza and Parking Lot	\$ 4.22 M
Predevelopment Expenses	\$ .30 M
Peña Station Area Infrastructure	\$ 7.43 M
Loan to Aviation Metro District	\$ 8.00 M
Contingency	\$ 6.00 M
Total*	\$ 38.14 M
*DIA funding is budgeted in Capital Improvement Program	
*DIA is projected to receive \$42 million in cost reimbursements	

# DIA Investment Return

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Source	Revenue over 40 years
Phase 1 Cost Reimbursements from Metro District Assessments on neighboring land	\$ 42 M
<i>Fulenwider District 13 mils</i>	
<i>Smith District 10 mils</i>	
DIA Land Development Revenues	\$90 M - \$152 M
From ground leases, parking and special districts	
Estimated \$2.3 - \$3.8 M in Annual Revenue	
Projected Cumulative ROI	\$132 M - \$194 M
Projected Rate of Return	8%

# Private Partner Phase 1 Investments

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Partner	Project	Cost (in millions)
LC Fulenwider	Direct Costs	\$ 1.84 M
	Peña Station Area Infrastructure	\$ 13.20 M
	Contingency	<u>\$ 2.00 M</u>
	Subtotal	\$ 17.04 M
Smith Estate	Peña Station Area Infrastructure	\$ 3.20 M
SMT	Peña Station Area Infrastructure	<u>\$ .30 M</u>
	Total	\$ 20.54 M

# Anchor Tenant Reduces Development Risk: Panasonic Enterprise Solutions Company



# Description of Five Contracts

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## **Development Agreement**

- Defines structure for developing the property between DIA and Rail Stop LLC, an affiliated of LC Fulenwider, Inc. (40-year term)

## **IGA Peña Station Improvements**

- Defines function of Aviation No. 1 Metro District in building Phase 1 improvements and defines funding obligations of property owners. DIA funds \$38.1 million (includes \$12.2 million for station and \$6 million in contingencies, 40-year term). DIA projected to be reimbursed for \$42 million over 40 years. Investment unlocks an additional \$90-\$152 million in non-airline revenues for DIA over 40 years.

## **RTD Second Amendatory Agreement**

- Station construction and funding obligations between DIA and RTD. DIA funds \$12.2 million which will be repaid over 40 years via metro district assessments on neighbors' land. (57-year term).



## **Project Improvement Reimbursement Agreement**

- Provides for \$35.6 million reimbursement to DIA via a 10-mill levy on Fulewider land and a 10-mill levy on Smith Estate land, funded by Aviation No. 1 and Smith No. 1 metro districts. (40-year term)

## **Additional Project Improvement Reimbursement Agreement**

- Provides for \$6 million reimbursement to DIA via an additional 3-mill levy on the Fulewider land, funded by Aviation No. 1 metro district. (40-year term)



# Community Benefits

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- Peña Boulevard Rail Station will provide public transit and regional access for the surrounding communities (public parking provided)
- Adds work force housing in proximity to the Northeast Metro Area's two highest employment centers, DIA and Fitzsimons
- Generates significant new jobs in proximity to the local communities and those along the Corridor of Opportunity
- Adds amenities for surrounding Denver communities: parks and open space, public plaza, trails - includes access to the Rocky Mountain Wildlife Refuge and Open Space west of Peña Boulevard



# Business Case Summary

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- Allows for construction and opening of the Peña Blvd. Rail Station
- Provides numerous community benefits locally and regionally
- Provides needed infrastructure for Panasonic Enterprise Solutions Company (anchor tenant that reduces the financial risks)
- Positions DIA to generate substantial, long-term non-airline revenues
- Provides new tax revenues (which will also contribute to Denver's recovery of \$47 million invested to facilitate the Station)
- Catalyzes investment and job creation in the Corridor of Opportunity





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