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# 16th Street Mall Reconstruction Project: Funding Agreements

Finance and Governance Committee

June 16, 2020

# Council Requests

The City seeks council approval of three funding agreements relating to the 16th Street Mall reconstruction project:

## Item 20-0560

Intergovernmental Agreement with RTD

## Item 20-0561

Interagency Agreement (IAA) with Denver Water

## Item 20-0562

Amend the Project Funding Agreement (PFA) with DURA.

# Agenda

## ● 16th Street Mall Overview:

- Mall Today
- Planning
- Mall Impact

## ● Proposed Funding Agreements:

- IGA with RTD
- IAA with Denver Water
- Amend the PFA with DURA

# 16th Street Mall Overview

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# 16th Street Mall Today

The backbone of downtown

## Downtown Mobility



**39,000 RTD  
MallRiders daily**  
14M Annual Riders

## Downtown Workforce



**145,000  
workers**

## Downtown Neighborhood



**27,000  
residents**

## Downtown Retail



**198 businesses**  
50% locally  
owned

## Downtown Tourism

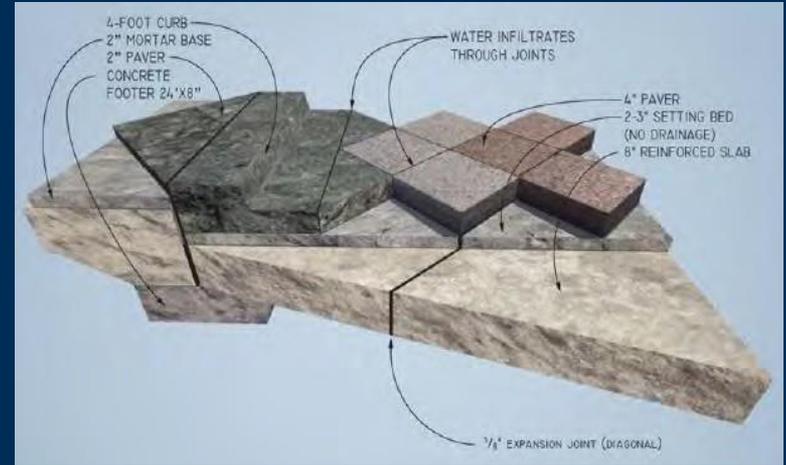


**8,759  
hotel  
rooms**

# 16th Street Mall Today's Challenges

## Failing and outdated infrastructure causes frequent, disruptive maintenance

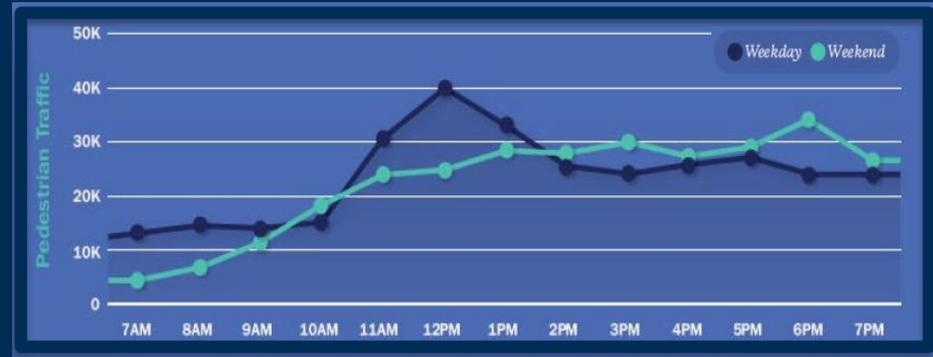
- The 38-year-old Mall costs \$1.5M+ a year to maintain
- Pavement system traps water, causing paver failure
- Slick and cracked in many places – causing people to slip/fall and preventing buses from keeping traction.



# 16th Street Mall Today's Challenges

**Narrow sidewalks and frequent maintenance no longer support the number of people using the Mall today.**

- Over capacity sidewalks unable to accommodate current and projected pedestrian volumes
- Frequent maintenance disrupts transit shuttle operations. Ridership will nearly double by 2035.

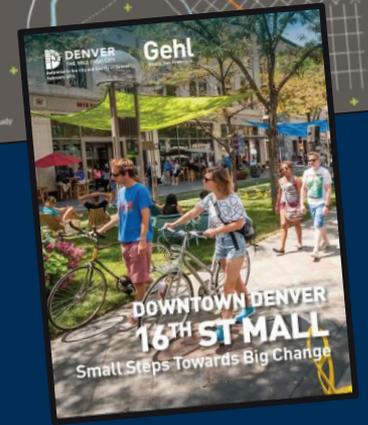


# A Decade of Planning

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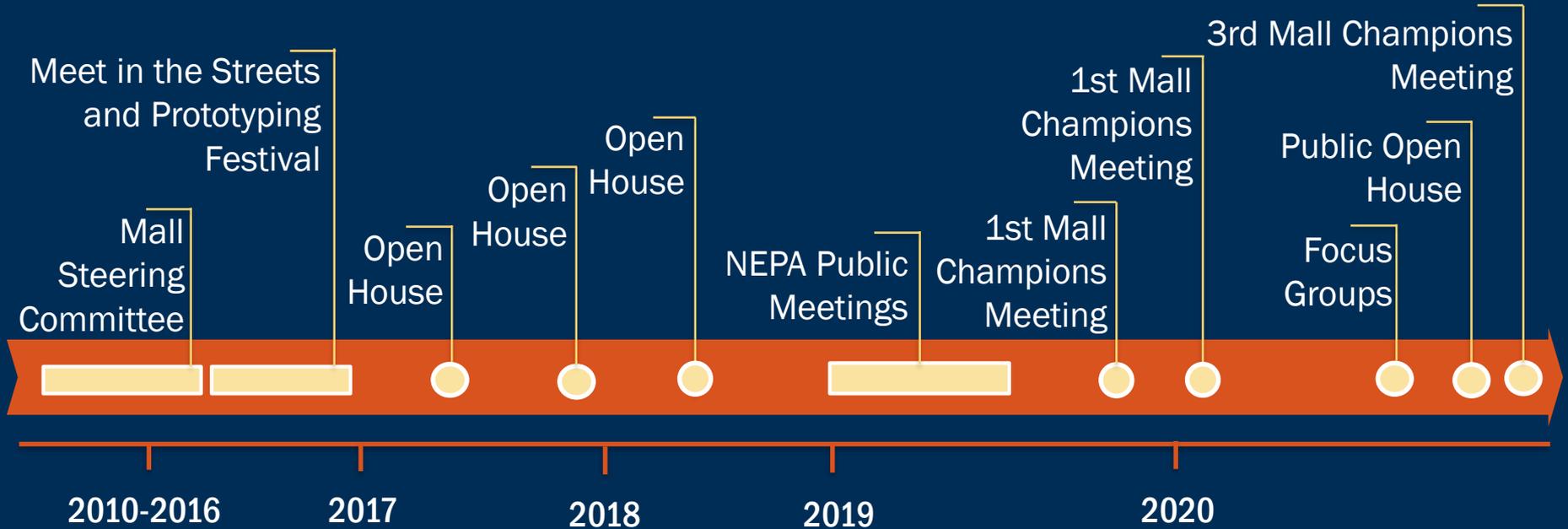
# A Decade of Planning



# A Decade of Planning



# Public Engagement



# Additional Considerations

## Public Space/Public Life:

- Continuing development of a public space and public life playbook.

## Business Supports:

- Developing a business support model specific to the needs of the 16th Street Mall business community for deployment during reconstruction.

# Downtown Public Restrooms

- Construct up to two\* restrooms serving all Mall users immediately adjacent to and visible from the Mall
- Site study underway for potential locations:
  - Between Welton and Tremont
  - Champa
- Identified \$900k Wastewater funds
- Completed initial prototype study (2016)
- Delivered with separate, concurrent procurement
- DDP Initiating Design Committee



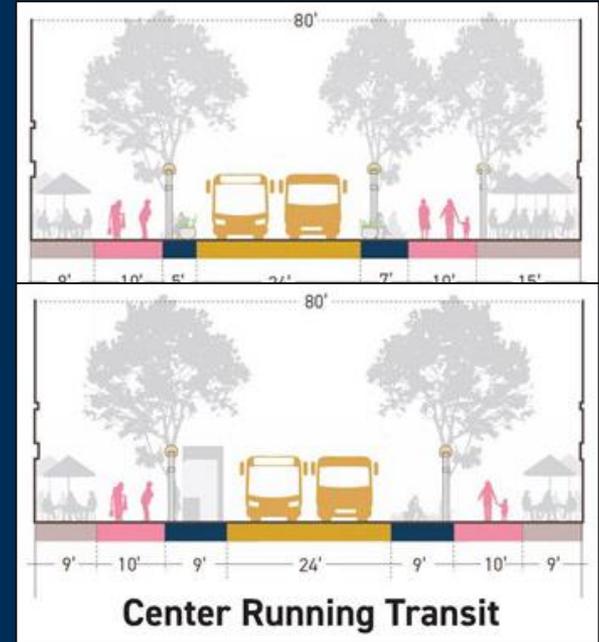
*\*Depending on cost estimates*

# Environmental Assessment

## Project purpose and need:

- Fix deteriorating infrastructure
- Provide equitable and sufficient space for high-quality public gathering opportunities
- Improve pedestrian and vehicle safety
- Continue reliable two-way transit shuttle service on the Mall
- Honor the Mall's use and iconic design

Finding of No Significant Impact (FONSI)  
Approved Nov. 2019.



# Project Timeline



# 16th Street Mall Impact

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# Input-Output Modeling for 16<sup>th</sup> Street Mall Project

Most common economic analysis method used at regional/state level to represent impact from investment projects.

Used to predict ripple effects as a result of a known initial change in economic activity.

Utilizing the funding programmed to date for the project—All values represent the expected impact within the 3 year period of construction.



# Types of Economic Impacts

## Direct Effect

Result of the initial change in economic activity as well as the effects on suppliers of initially impacted industries

## Indirect Effect

Subsequent supply chain effects resulting from direct impacts

## Induced Effect

Effects of new earnings, investment, and government spending as a result of direct and indirect impacts

# Economic Impact

1,479 jobs



\$107 million  
in labor income



\$261 million  
in anticipated sales



Occupations with Greatest Jobs Impact



# Economic Impact

	Jobs	Labor Income (\$M)	Anticipated Sales (\$M)	Value- Added (GRP) (\$M)
Direct	832	\$70.6	\$166.9	\$829.1
Indirect	79	\$4.9	\$13.2	\$347.7
Induced	568	\$31.6	\$81.0	\$2,484.7
<b>Denver Metro</b>	<b>1,479</b>	<b>\$107.1</b>	<b>\$261.0</b>	<b>\$3,661.4</b>

**\$3.7 billion** value-add to the regional economy

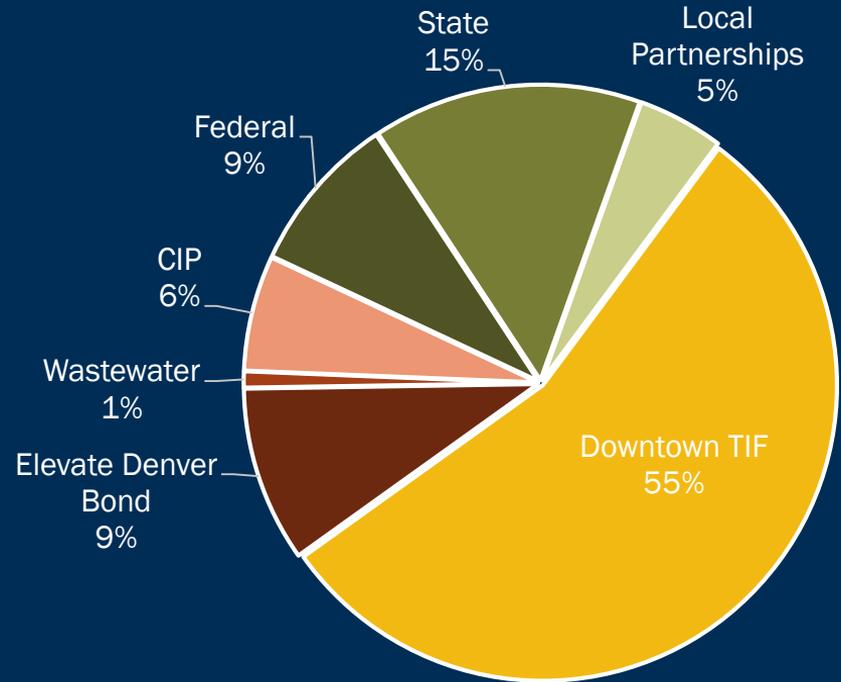
# Funding Agreements

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# Identified Project funding

More than \$100 million of secured local, state and federal funds from partners including DURA, CDOT, FTA, and the Elevate Denver Bond Program, which allocated \$13 million of voter-authorized funds toward design and construction.



# Proposed Funding Agreements

## Intergovernmental Agreement with RTD

Approves an IGA with RTD for the contribution of federal and RTD funding for the reconstruction of the 16th St Pedestrian Mall and transitway.

## Interagency Agreement (IAA) with Denver Water

Approves an IAA with Denver Water for the reimbursement of work completed on water lines during the Mall reconstruction project.

## Project Funding Agreement (PFA) with DURA

Approves an amendment to the PFA with DURA to revise submittal/reimbursement dates to align with the Mall design/construction schedule and update workforce requirements to strengthen Denver's Construction Career Pilot.

# IGA with RTD

## DETAILS

IGA to accept federal transit funding and RTD local match to reconstruct the 16th Street Mall and transitway.

## FUNDING AMOUNT

City receives \$12.8 million from RTD including:

- \$11.8 million grant
  - \$1 million matching funding from RTD
- Commits \$2.1 million city local match

## PARTNER APPROVALS

The RTD GM signed the approved IGA in February 2020

# IAA with Denver Water

## DETAILS

- Agreement for reimbursement for water line work completed during project
- Replace existing 12” and 24” service lines with a single 16” main line.
- Lead pipe abatement will be performed as well.

## FUNDING AMOUNT

City reimbursed \$5.4 million by Denver Water

## PARTNER APPROVALS

The Denver Water Board voted on the IAA during their May 13 meeting.

# Downtown Urban Renewal Area

- Urban Renewal Plan originally approved by City Council in 1992  
**Primary objectives:**
  - Make downtown a neighborhood
  - Bring retail back to downtown
  - Provide amenities to support tourism and convention center
- City Council approved four Cooperation Agreements relating to four TIF Projects in Downtown:
  - 15-Block Property Tax and Denver Dry Sales Tax – Expired 2017
  - Mercantile Square Property Tax and Sales Tax - Expires 2020
  - Denver Pavilions Sales Tax - Expires 2020
  - Adam's Mark (Sheraton) Sales and Lodger's Tax – Expires 2020
- DURA Bonds issued to support these projects were fully repaid in 2013

# Downtown Urban Renewal Area

- Amended and Restated Cooperation Agreement and Project Funding Agreement approved by City Council in 2013
- Several transformative projects for Downtown already completed:
  - Denver Public Schools – 1860 Lincoln
  - 18th St. 2-way Conversion
  - Lawrence Street Community Center
  - Broadway & 16<sup>th</sup> Ave. Improvements
  - Union Station Parking
  - 20th and Chestnut Grocery Store
- Remaining Project – 16<sup>th</sup> Street Mall ~ \$56 million

# Amend the PFA with DURA

## DETAILS

- Revises project submittal and reimbursement dates to align with project design/construction schedule
- Shifts final project submittal date to 12/31/2022 and final reimbursement date to 12/31/2027
- Updates workforce requirements to strengthen Construction Career Pilot

## FUNDING AMOUNT

No changes to the funding.

## PARTNER APPROVAL

DURA Board scheduled to vote on PFA amendment at June board meeting

# Legislative Actions

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# Additional Future Council Items

Q3/Q4 2020:

- IGA with CDOT to receive \$20M
- Contract for Selected Design/Builder



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# Questions?

# Appendix

# Denver Construction Careers Pilot

To strengthen training and job placement for large public purpose projects and build Denver's workforce of the future

Prioritize disadvantaged populations and those facing barriers to employment, including people who have experienced homelessness, those exiting foster care, veterans and others.

Ensure 15% of all project construction hours are performed by apprentices in registered apprenticeship programs.

Utilize the WORKNOW platform to provide jobseekers and current workers with integrated and supportive services, trainings and resources.