

Market Street Station



Summary of Proposed Lease Terms



History



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- Served as RTD regional bus hub for 30 years.
 - During this time, RTD was responsible for paying all costs to operate the facility and maintain the plaza.
 - In May of 2014, RTD moved their operations to DUS leaving the facility vacant.
 - As part of the Denver Union Station (DUS) plan of finance, the City of Denver, RTD and Union Station Neighborhood Corporation (USNC) entered into a Purchase and Sale Agreement (PSA) in 2010.
 - The PSA allowed the City of Denver to acquire Market St. Station from RTD in 2011 for \$ 11.4M while allowing RTD to continue operating out of the facility until RTD relocated to DUS.
 - The PSA also allowed USNC the right to purchase Market St. Station from the City for \$14.6M by 12/31/2015. There are certain conditions in the contract that must be fulfilled in order for this transaction to happen, one of which is for USNC to notify the City no later than 4/30/2015 of its intent to acquire by the deadline.
 - The Division of Real Estate & Parking Operations were tasked with figuring out how to keep the site active, minimize the City's exposure to operational expenses and generate revenue until such time the property is sold.

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- The facility must be operated as a public parking garage and consist of at least 74 parking spaces.
- Standard Parking will be responsible for up to \$32,000 in annual utility costs.
- Standard Parking will be responsible for all costs related to the ongoing maintenance, and preventative maintenance, for the systems that support the facility. These systems include heating, interior and exterior lighting, the CO2 exhaust system, elevators, overhead doors, the fire alarm and general clean up and maintenance of the outdoor plaza.
- Standard Parking will provide onsite security during evening hours.
- The proposed lease rate is \$11,500/month during months 1-12 and \$14,166.67/month thereafter.
- The first (12) months have a lower rental rate because Standard Parking incurred costs of \$32,000 to modify the facility to accommodate 116 spaces and agreed to be reimbursed for said costs during the first year via a reduced monthly rent.
- Gross revenues in excess of \$335,000 annually are split 50/50 between the City and Standard Parking.
- Gross revenues in excess of \$365,000 are split 80/20 in the City's favor.
- The lease has an expiration date of 12/31/15. However, the City is able to terminate the lease with proper notice before this date should USNC decide to close on the property before 12/31/15.

Questions?



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