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# NATIONAL WESTERN CENTER

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LOCAL IMPACT  GLOBAL REACH



## **The National Western Center Framework Agreement Overview**



**LUTI Presentation  
August 29, 2017**

# FIVE PARTNERS ONE VISION



# A SHARED VISION



**Be the global destination for agricultural heritage and innovation**



# A DEFINING MISSION



Convene the world at the National Western Center  
to lead, inspire, create, educate, and entertain  
in pursuit of global food solutions

# A UNIQUE CAMPUS

## Local Impact – Global Reach

### Opportunities - Past, Present, & Future

- 250-acres at buildout
- Creates a new front door into downtown Denver
- A place that honors our past for future generations
- Year-round uses across entertainment, education and agribusiness
- “Bridge” between rural and urban interests
- Positions Colorado to become the “silicon valley of agriculture”





# NWC MASTER PLAN PHASE 1 & 2



- ① NWC TRANSIT STATION
- ② BRIGHTON BLVD.
- ③ SOUTH PLATTE RIVERFRONT
- ④ NEW NAT'L WESTERN DRIVE
- ⑤ STOCK YARDS AND STOCK YARDS EVENT CENTER
- ⑥ MIXED USE TOD W/PARKING
- ⑦ NEW BRIDGES AT 49<sup>TH</sup> & 51<sup>ST</sup> STREETS
- ⑧ LIVESTOCK CENTER
- ⑨ EQUESTRIAN CENTER
- ⑩ CSU EQUINE SPORTS MEDICINE CLINIC
- ⑪ CSU WATER RESOURCE CENTER
- ⑫ MAINTENANCE FACILITY

# LOOKING BACK – a deliberative process

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- 2012** Denver Urban Renewal Authority (DURA) Report
  - 2013** Founding Partners MOU, Citizen's Advisory Committee Formed
  - 2014** NDCC Finance & Governance Committee, Venue Feasibility Study (SAG)
  - 2015** Campus Master Plan, HB 15-1344 (COP financing for CSU), Ballot Measure 2C, RTA Award, Partner Term Sheet, Executive Oversight Committee Launched
  - 2016** Mayor's Office of the National Western Center Formation, Program Management Team Selection
  - 2017** Campus Placemaking Team Selection, Framework Agreement (in progress), NWC Program Baseline (coming soon)

## **The DURA Report (2012)**

- 9 guiding principles
  - Economically viable and financially sustainable business model
  - Minimize impact and maximize benefits to adjacent communities
  - Follow City process and guidelines

## **Founding Partners MOU (2013)**

- 5 partners
- Non-binding commitment to work together

## **Campus Master Plan (2015)**

- Adopted by City Council in March 2015

## **Equity Partner Term Sheet (2015)**

- Defines partner roles within the (proposed) Authority and the Campus.
- Non-binding governance and financial commitments



The **Framework Agreement** (FA) represents the first legally binding “agreement” between the three equity (funding) partners who have been working together on the National Western Center since 2013.

## **Equity Partners**

City & County of Denver

The Western Stock Show Association

Colorado State University System

# FRAMEWORK AGREEMENT 2017

# PARTNERSHIP DOCUMENTS



**MOU**  
**(2013)**  
*Pre-master plan*  
*Binder – Tab 25*

**Term Sheet**  
**(2015)**  
*Pre-2C Measure*  
*Binder – Tab 26*

**Framework Agreement,  
Master Lease, WSSA  
Lease, Authority  
Incorporation (2017)**  
*Pre-horizontal and vertical  
development*  
*Binder – Tabs 5, 19, 21, and 7*

1. **Cover Letter**
2. **Framework Agreement Executive Summary**
3. **Frequently Asked Questions**
4. **NWC Capital Build Baseline Book Schedule**
5. **Framework Agreement**
6. **Exhibit A-R (agreement reference documents)**
7. **DURA Report – Mayor’s Guiding Principles (2012)**
8. **Founding Partners Memorandum of Understanding (2013)**
9. **Equity Partners Term Sheet (2015)**



# CONTRACT TERM: NEXT 100 YEARS

- Replaces 1990 Agreement between WSSA & City
- Initial term of 50 years
- Two (2) 25 year renewal periods
- The National Western Stock Show at the NWC campus for the next 100 years



- Authority will be a Colorado nonprofit corporation
- Board comprised of 11 voting directors, and 1 non-voting director
  - 6 appointments by the Mayor (*confirmed by City Council*)
  - 2 CSU appointees (*selected by CSU*)
  - 2 WSSA appointees (*selected by WSSA*)
  - 1 community-based Mayoral appointment (*confirmed by City Council*)
  - City CFO as a non-voting director/Authority Treasurer
- A voting director may not be an elected official, officer, or employee of the City
- Initial Chairperson appointed by the Mayor

# AUTHORITY REQUIREMENTS

- Authority Board will conduct national search for President/CEO position
- President/CEO to manage and lead campus:
  - Book events year-round (master scheduler)
  - Manage campus-wide services and sponsorships
  - Manage maintenance and operations
- Competitive procurement process for contracts, including compliance with City social ordinances
- Create a Community Investment Fund, acting only as fiscal agent
- A foundation may be formed after June 1, 2020 to support the Campus and the community



# CONTRIBUTIONS - CITY OF DENVER

- Contribution of \$622 million, plus RTA Award funds
- Own all campus land and facilities, own all Campus land and facilities funded by City
- City will lead the design and construction of campus assets that use city funds
- Provide annual capital maintenance funds through seat tax and in City's sole discretion, through CIP process
  - Continues existing WSSA Agreement on seat tax
- May dispose of land at NWC except Key Facilities
  - Stockyards, Equestrian Center, Livestock Center, Arena, and Expo Hall



# CONTRIBUTIONS - WSSA

- Contribute \$125 million (\$50M cash / \$75M land)
- Continue to operate and maintain existing facilities until transition to Authority
- Obligated to continue annual Stock Show at NWC
- Full control of necessary campus facilities for the Stock Show, Rodeo All-Star Weekend, and Denver County Fair
- Year-round priority booking rights of livestock, equestrian, and rodeo events
- Construct, own, and operate a WSSA legacy building



# CONTRIBUTIONS - CSU

- CSU will utilize \$200M of the \$250M from HB 15-1344, COP financing
- CSU will fund, design, construct, own, and program an Equine Sports Medicine Facility, a Water Resources Center, and a CSU Center
- CSU will buy land from the City, and will also pay the City for actual costs incurred in providing pad-ready sites
- CSU will collaborate with the Authority on all NWC-wide issues and comply with campus design standards, but will retain control and responsibility for its facilities



Colorado State University



# SUMMARY OF INITIAL CONSTRUCTION CONTRIBUTIONS

## **Framework Agreement secures Phase 1 and 2 design and construction funding from the equity partners:**

- \$622M Denver funding from 2C revenue
- \$50M cash and \$75M land from WSSA
- CSU pays for land and actual costs of site preparation for its three facilities, estimated to be \$27.7M

## **Other campus construction funding:**

- Maximum of \$121.5M from RTA award (sales tax increment over 36 years)
- CSU to spend total of \$200M (from HB15-1344 authorization) on NWC campus, for land, site preparation and construction of its three buildings
- Grants and other funds as awarded/available

# SUMMARY OF MAINTENANCE CONTRIBUTIONS

## **Framework Agreement secures ongoing maintenance and lifecycle funding for City-owned campus infrastructure:**

- Continues flow of seat tax from tickets sales for annual maintenance
- City may allocate additional maintenance funds at its discretion
- 15% of WSSA building-related sponsorships from essential new facilities will go to the Authority
- CSU and WSSA will pay a share of campus common-area maintenance and life-cycle care

## **NWC Phases 1 & 2 investment will result in three levels of Return on Investment (ROI) over the next 40 years**

### **Construction and Related Activities**

- Estimated 6,400 construction and supporting industry jobs created
- Construction wages anticipated to exceed \$420M

### **Growth in Number of Campus Visitors**

- 1.1M additional visitors projected based on 100 (additional) annual events
- \$100M estimated increase in visitor spending
- 1,500 estimated new local jobs in service and hospitality

### **New Agribusiness Businesses and Employment**

- Projected 300-350 new and expanding businesses equating to 7,500-10,000 new jobs
- Increased wages and consumer spending
- Estimated \$1B+ business values and investment

# INITIAL FUNDING / START-UP

- Partners to provide initial operating funding for Authority
  - \$1.5M in first year
    - City 60%
    - CSU 20%
    - WSSA 20%
- Partner support for Authority until self-sustaining
- Repayment of initial operating funds when available

# CAMPUS NAMING RIGHTS

- Exempt the NWC campus from City naming ordinance
- City and WSSA to sell naming rights to fund the NWC
- CSU will control and sell naming rights and sponsorships for its facilities according to its policies and practices
- Term of corporate naming rights is limited to 20 years
- Philanthropic naming rights are for the term of the agreement and extensions
- Limitations
  - No firearms, no marijuana, etc.
  - Approval goes to the Mayor or designee



# WHAT'S NEXT

- Prepare for the release of NWC “Program Baseline Book” - scope, schedule, and budget
- Prepare for Brighton Boulevard construction
- Procurement planning and outreach
- Workforce development
- Continued engagement with community
- Quarterly updates to City Council (LUTI)

# QUESTIONS

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