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## Land Use, Transportation & Infrastructure Committee Summary Minutes

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**Tuesday, March 01, 2011**

**10:30 AM City & County Building, Room 391**

**Members Present:** Johnson, Madison, Montero, Robb, Sandoval

**Members Absent:** Hancock

**Other Council** Nevitt

**Present:**

**Committee Staff:** Gretchen Williams

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### Presentations

**1 Denver Union Station Project Authority Update.**

*Elbra Wedgeworth and Jerry Glick, Denver Union Station Project Authority; Bill Mosher, Project Manager; Diane Barrett, Mayor's Office*

Elbra Wedgeworth, President of the Denver Union Station Project Authority (DUSPA) presented the background and accomplishments of this voluntary board appointed by the Mayor. Formed in 2008, DUSPA's purpose is to guide redevelopment of the Denver Union Station site. DUSPA members represent the project partners: the City, the Regional Transportation District (RTD); the Colorado Dept. of Transportation (CDOT); and the Denver Regional Council of Governments (DRCOG). In addition, members include private citizens.

DUSPA negotiated and executed a design/build guaranteed maximum price contract with Kiewit Construction in April 2009 for construction of the transportation elements of the redevelopment project.

In 2009, DUSPA executed a Master Development Agreement with Union Station Neighborhood Company (USNC), which subsequently purchased the North and South wings of DUS in 2010. In April 2010, the final project budget was approved at \$484 million. The City has approved 95% of the designs.

Funding includes \$300 million in federal loans and a \$48 million state grant awarded in April.

In April 2014, the project will be completed, and it will be a national model for transportation.

Councilwoman Montero noted that the project is on schedule and on budget, and she thanked all members of the DUSPA Board.

## **Bill Requests**

**BR11-0146 Approves a Purchase and Sale Agreement regarding the City's purchase of the Market Street Station property from RTD for \$11.436 and the City's sale of the property to Union Station Neighborhood Company in 2014 or later.**

*Diane Barrett, Mayor's Office*

Ms. Barrett presented the proposed purchase and sale agreement regarding the Market Street Station. In 2008, Council approved transfer of \$11.436 in reserve funds into a special fund able to hold property assets in order to allow this transaction to occur. Now we are ready to execute the transaction. The sale of this site to the City will infuse much-needed non-federal cash into the project budget.

We need non-federal cash to complete sections of the project that were not approved through the federal review process (NEPA) and so may not be funded with federal funds.

Councilwoman Johnson asked if the City gets credit for these funds as matching funds. Ms. Barrett will research that and report back to the Committee.

RTD needs to stay in its headquarters building on the Market Street site because it cannot afford to move to DUS at this time. The building and its access and egress, especially the ADA facilities, will remain in RTD's possession until 2014 or whenever it can relocate. The vacated alley will be reinstated for RTD's use. When the property is conveyed to the City, RTD will need easements across the property for the utilities. Other than those easements, all underlying land will be conveyed to the City. The canopy on 16th Street will be removed, the curb will be reconstructed, and the stop will become one more regular shuttle stop along 16th Street.

Union Station Neighborhood Company (USNC), developer of the DUS site, wants to buy and redevelop the Market Street site. Purchase of the site from the City by USNC has been negotiated, allowing the sale once USNC has met certain

requirements. It must purchase the five development parcels from RTD per the original DUS agreement. Two have been purchased and the third will be closed on shortly. USNC must also generate \$1.6 million in tax revenue (sales and/or property tax) from the DUS site. Once these requirements are met, USNC can buy Market Street for \$14.5 million. This amount reflects the City's purchase price plus an annual 5% escalator.

Jen Welborn, Assistant City Attorney, presented a summary of the 40-page Purchase and Sale agreement, which will be finalized in the next few days. The agreement will have all City signatures before it is on first reading at Council.

Councilwoman Montero requested an executive summary of the agreement.

The Downtown Development Authority (DDA) consists of five members, including the president of Council. This is a tax increment financing tool created by Council as part of the financing framework for redevelopment of the DUS site. DDA covers over 40 acres in the Platte Valley, including the DUS site. All of the tax revenue is pledged and will be a major source for re-payment of the federal loans. The City and DUSPA are anxious for the DUS site to be redeveloped, and that is the purpose of the tax revenue trigger included in the Purchase and Sales agreement.

Bill Mosher said light rail for the West, Southeast and Southwest lines will come to DUS on July 1 of this year. The Mall Shuttle will then be extended to the Millennium Bridge so we can start construction on the eastern part of the underground bus facility.

Councilman Nevitt said that the City is buying Market Street Station land from RTD for \$11 million, and RTD continues to have its offices and the underground bus station through April 2014. The City is out the \$11 million to do this transaction but the money goes into the enterprise when it is needed, so the City isn't making a bad deal. It is being a good team player.

Councilwoman Robb said we are taking the \$11 million out of the Tabor reserve account that we can't easily use. The City is not taking funding away from any services.

Councilwoman Montero said this project has been an economic engine for our community so far, and she asked for some perspective. What percent is completed to date? How many jobs have been created?

Mr. Mosher said we have expended \$118.5 million as of Jan. 31, 2011, which represents 32.4% of the project. A couple thousand construction jobs have been created, but he will get the actual number.

Councilwoman Montero asked also for the projected total number of jobs related to the redevelopment of DUS.

Councilwoman Nevitt noted that Kiewit has a 15% apprentice goal. They are training the workforce of the future.

Mr. Mosher noted that with 95% of the design completed, many designers and engineers have been employed for two or three years.

Councilwoman Johnson suggested providing a kiosk on the site with the video showing how the entire project will look when complete.

A motion offered by Councilmember Nevitt, duly seconded by Councilmember Johnson to file a bill to carried by the following vote:

AYES: Nevitt, Johnson, Montero, Robb, Sandoval(5)

NAYS: (None)

ABSENT: Hancock, Madison(2)

ABSTAIN: (None)

A motion offered by Councilmember Nevitt, duly seconded by Councilmember Johnson to file a bill to carried by the following vote:

AYES: Nevitt, Johnson, Montero, Robb, Sandoval(5)

NAYS: (None)

ABSENT: Hancock, Madison(2)

ABSTAIN: (None)