

business

## All aboard at Union Station

**Continuum/East West is selected as master developer of Union Station. Much negotiating lies ahead before building can begin.**

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It will be at least a year before construction can begin on the \$1 billion Union Station redevelopment project.

The Continuum Partners/East West Partners team was selected Wednesday as the project's master developer. It still must negotiate details of the contract with the Executive Oversight Committee, the group that owns the century-old station and surrounding 19.5 acres.

They hope to agree on basic terms that describe the deal by the end of the year. Negotiating a final contract will then take another six months to a year, said John Huggins, Denver's director of economic development.

Denver's historic train station will be redeveloped into the hub of metro Denver's FasTracks transit network. Another 19.5 acres around the station will be filled with offices, retail space and residential units.

Continuum/East West, now called Union Station Neighborhood Co., plans to bury bus and commuter-rail lines behind the station but will leave light-rail lines at street level, about two blocks to the west. Riders who want to transfer can take shuttle buses or use moving sidewalks.

The station's ownership group has hired attorneys Beat Steiner of Holland & Hart LLP and Dawn Bookhardt of Bookhardt & O'Toole to assist in the contract negotiations.

Project timelines will be established, the master plan will be revised, and additional environmental work on the master plan must be completed over the next few months.

The Executive Oversight Committee also will seek the input of leaders in the real-estate and banking industries to validate their decisions. The Union Station Advisory Committee will oversee the revision of the master plan.

Even without a contract, the development team is wasting no time in gathering community input.

Immediately after the news conference announcing its selection, members rushed off to meet with the Downtown Denver Partnership board. Wednesday evening, it met with the LoDo District Inc. board.

"I'm very interested in hearing what their community outreach and community relations plan is going to look like and how we'll be involved," said Fabby Hillyard, executive director of LoDo District, before the meeting.

Union Station Neighborhood will renovate the depot and build the light-rail station by 2009. It will complete all transportation and street-level improvements, and begin its retail development, by 2011.

About \$420 million will be needed to build the public pieces of the Union Station project. The bulk of the money will come from public sources such as FasTracks, state and federal transit funding, as well as a combination of Transportation Infrastructure Finance and Innovation Act loans, tax increment financing, historic-district tax credits and new-market tax credits.

The remainder would come from the sale of development rights. Early versions of the master developer's proposal indicated it would pay \$29 million for those rights.

"We expect the \$29 million number to go up, and we've told the developer that," Huggins said. "Hopefully, that will allow the other numbers to go down."

Huggins declined to say how much TIF Act or metro district funding is necessary.

"The more we get from the developer for development rights, the less public money we have to put in," he said. "There will be a lot of back and forth. We don't want to handicap ourselves."

The project includes 1.8 million square feet of development over nine years. It's expected to generate private investment of \$600 million.

"The key to great urban design is the integration of elements," said Peter Park, manager of community development and planning for the city and county of Denver. "This proposal is an amazing proposal that integrates those elements."

"This plan builds on existing strengths of the neighborhood, and it strengthens Union Station. We will have a place that is authentically urban."

Continuum/East West beat out Union Station Partners for the project because its proposal is less risky, Huggins said. The competing team would have buried light rail at a cost of \$495 million.

"In the models Union Station Partners gave us, they counted on everything going right in order to fully pay back the debt," Huggins said. "We know for certain not everything will go right - and it won't with this team either. It always takes longer and costs more."

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## Union Station timetable

### WHAT'S FIRST

- Predevelopment activities
- Pending contract negotiations, including updating the master plan
- Finalizing environmental-impact statement
- Furthering design concepts

### 2009

- Renovation of historic Union Station completed
- Wing buildings on either side of Union Station completed
- Public-space redevelopment in forecourt completed
- Light-rail station and improvements in the transit district completed

### 2011

- Burying of commuter rail completed
- Burying of regional bus line completed
- 17th Street transit plaza completed
- First phase of vertical development over transit including new RTD headquarters, a large-format retailer and a significant portion of the parking completed

Source: Continuum Partners/East West Partners