

DENVER UNION STATION PROJECT AUTHORITY
MEETING OF THE BOARD OF DIRECTORS
April 7, 2011
MINUTES

BOARD MEMBERS PRESENT

Elbra Wedgeworth
Jennifer Schaufele
Judy Montero
Laura Aldrete
Bill Bianco
Michael West
Mark Imhoff
Kent Bagley
Steve Kaplan
Jerry Glick
Barbara Grogan
Edward Scholz

BOARD MEMBERS ABSENT

Marla Lien

I. CALL TO ORDER

Elbra Wedgeworth, DUSPA Board President, called the Meeting of the Board of Directors of DUSPA to order at 1:30 p.m.

II. WELCOME AND INTRODUCTION OF GUESTS

President Wedgeworth welcomed everyone to today's meeting and congratulated Cole Finnegan, who was not in attendance at today's meeting, for being recognized as a lawyer of the decade by Law Week Colorado. Chairwoman Wedgeworth also congratulated David Fine for joining the law firm of McKenna Long & Adridge.

David Fine thanked the DUSPA Board and reported that McKenna Long & Aldridge has a public private partnership group and that he looks forward to working on transportation projects in the future.

III. PUBLIC COMMENT

President Wedgeworth asked for public comment. There was no public comment.

IV. ROLL CALL

Dawn Bookhardt called roll. Please see above.

V. APPROVAL OF MEETING MINUTES

Elbra Wedgeworth asked for comments to the March 3, 2011 meeting minutes.

Jerry Glick moved to approve the minutes as amended. Kent Bagley seconded the motion. The motion carried unanimously.

VI. DISCUSSION ITEMS

A. Denver Union Terminal Railway Company Antique Pass

Elbra Wedgeworth handed out color copies of a letter and gate pass from the Denver Union Terminal Railway Company from December 24, 1931.

B. Introduction of New Board Members Barbara Grogan and Ed Scholz.

Elbra Wedgeworth introduced Barbara Grogan.

Barbara Grogan thanked the Board Members and reported that she was the CEO of Western Industrial Contractors, Inc. for 23 years. She reported that her company provided estimating and scheduling of the terminal at DIA and that she has been deeply involved in the construction industry in Colorado and Denver for her entire career. She stated that she is familiar with the Denver Union Station project and that it is very well run project.

Elbra Wedgeworth introduced Ed Scholz.

Mr. Scholz reported that he has worked with the City of Denver for four years and has a background in government planning and non-profit management. He reported that he looks forward to serving on this Board and completion of the project.

C. Finance Committee Report

Ed Scholz reported that the Owner's Representative Report will cover the information from the Finance Committee.

D. Update Regarding FASTER Grant Agreement

Jim Paulmeno with CDOT reported that the agreement may be a three party contract between RTD, DUSPA and CDOT. He reported that the agreement is mostly template language that will be taken from the SB-1 contract. He reported that the agreement will need to go before the

Transportation Commission on April 21st and, provided the Commission approves the agreement, it will be routed for signatures.

Mark Imhoff reported that the process has been difficult through CDOT but that the agreement should be approved by the Commission.

Elbra Wedgeworth reported that everyone who has worked on the FASTER grant has tried to speed up the process.

Dawn Bookhardt reported that a summary of the grant agreement was in the Board packets for today's meeting. She reported that the grant structure is an 80 percent grant with 20 percent matching funds and that the funds must be used in support of Amtrak. She reported that the request for today is that the Board authorize President Wedgeworth to execute the agreement.

Bill Mosher reported that this process is necessary because the project is already incurring expenses where the funds are to be used, but that there is no retroactive payment by the FASTER grant, we can not use the funds to pay for previous work.

E. Owner's Representative Report

i) Update Regarding Project Progress

Mike Sullivan reported that as of the end of March, the completion percentages were:

Entire project is 36.5 percent complete
LRT is 77 percent complete
CRT is 24 percent complete
Bus Facility is 36 percent complete
Streets and Plazas are 27 percent complete.

Mr. Sullivan reported that a minor accident, a leg cut, occurred and that the accident free day count starts again.

He reported that the project has acquired a defibrillator and carbon monoxide monitors for the bus facility.

He reported that the last deck and waterproofing is near completion for the bus facility and that Phase 3 construction will start when the demolition of the old CRT platform is completed. He reported that the old CRT canopy and HOV lane demo work will be finished next week.

Mr. Sullivan reported that the new State dewatering permit has been received.

He reported that Kiewit is in the process of securing a permit for the demolition of the old pedestrian tunnel and that the asbestos handling methods will influence the type permit process.

He reported that Kiewit is finalizing the components of the LRT and that installation of relays and lightening protection is occurring.

Mr. Sullivan reported that the utilities in Chestnut Street are ahead of schedule but that the schedule and critical path could change. He reported that Joe Christy with RTD is managing this work really well.

He reported that the pedestrian bridge drawings should be complete at the end of May, the public realm should be the end of June and that only small design packages remain for the project.

He reported that the LOI agreement with USNC is almost complete.

He reported that the West Corridor light rail will impact access to downtown from July 23 to August 15 according to the cutover schedule. He reported that riders will be bused into downtown during this time.

Bill Mosher reported that the Market Street Station should close this month.

Diane Barrett responded that the only caveat to the closing is Marla Lien's schedule.

Bill Mosher reported that the preliminary closing schedule for the triangle parcel is the end of May.

He reported that there may be an update for the Board for the artwork/interpretive signage at the project next month.

Mr. Mosher reported that Mike Sullivan has worked with the Denver Transit Partners regarding \$1.5 million in requested changes and that a meeting has been scheduled to work out the funding mechanism for requested change orders.

Bill Mosher handed out copies of the Change Order Update and the Pending Change Orders list. He reported that the Finance Committee has approved the pending change order items. Mr. Mosher described each of the pending change order items and reported that he seeks approval of the pending items on the list subject to Not-to-Exceed budget numbers. Mr. Mosher also reported that the FTA has informed Trammell Crow it does not need to see these lists.

Mr. Mosher also handed out copies of the Second Quarter DUSPA Budget Forecast and reported that it reflects adjustments to the April 2010 budget as follows:

- Line 4 shows an additional \$4 million in revenues from FASTER.

- Line 64 shows the GMP is now \$357 million.

- Line 95 shows the ACM remediation/disposal cost estimate.

- Line 121 shows the owners unallocated contingency of \$7.7 million.

- A new line 151 reflects the movement of RTD's accounting fee out of RTD's project management fees.

- Lines 164 and 165 reflect additional funds for renovation of the DUS building.

Line 18 shows \$300,000 for additional right-of-way acquisition which is thought to be the worst case scenario.

The third page of the Budget Forecast is the bucket list of the potential contingencies.

Kent Bagley reported that the discussion from Finance Committee included new crosswalks and that colored concrete crosswalks are not desired by the City of Denver.

Bill Mosher reported that Luke and Dana from the Denver Union Station Advocates provided a letter regarding crosswalks as referenced in the Denver Union Station Urban Design Standards and Guidelines. He reported that the materials and designs of the subject crosswalks have been the subject of discussion and that this issue was brought to the City. He reported that the City does not want concrete crosswalks because they are hard to maintain.

Mr. Mosher reported that construction of 17th and Chestnut starts in 30 days and that the designers need a plan of action within a week.

He reported that he is requesting that the Board approve a budget for “something fancy” for the crosswalks in 17th Street at Chestnut and Wewatta, but that the remainder of the crosswalks be standard.

Judy Montero asked whether DUSPA discussed a compromise with Union Station Advocates.

Bill Mosher responded that no compromise has been discussed because he needs agreement on the 17th Street intersections right now and that there is still adequate time to evaluate the remainder of the crosswalks.

Judy Montero asked whether a viable compromise is available for the remainder of the crosswalks.

Mr. Mosher responded that he has received lots of input, such as brick and concrete are bad alternatives, and that he does not know whether other alternatives are available for compromise.

Mike Sullivan asked whether there are two or four proposed fancy crosswalks in connection with the two intersections on 17th Street.

Bill Mosher suggested that there are two fancy crosswalks at Wewatta and two at Chestnut.

Bill Mosher reported that the design team prefers one big crosswalk at each intersection.

Laura Aldrete inquired about the discussions with the City.

Bill Mosher responded that the City informed him that they have no one to maintain fancy crosswalks and that they don't want anything fancy. He reported that he believes that it does not matter.

Mike Sullivan reported that the problem is that if the crosswalk is cut for a utility repair, the entire thing must be replaced.

Laura Aldrete asked whether the City is contradicting its own approval of the Standards and Guidelines.

Elbra Wedgeworth asked Bill Mosher what he needs to proceed.

Bill Mosher responded that he needs to direct Kiewit to in 2 or 4 crosswalks on 17th Street and that he needs direction from the Board today.

Mr. Mosher reported that Line 288 in the Budget Forecast is contingency for additional asbestos costs.

Jerry Glick asked for a reminder on when the excavation for Phase 3 will start.

Tim Makin replied that the excavation will start in September.

Jerry Glick opined that if there are additional environmental issues, DUSPA should know by that time.

Mike Sullivan responded that we will know regarding soil, but not necessarily for groundwater.

Bill Mosher handed out copies of a list of DUSPA Issues and reviewed the list with the Board. He reported that #3 is expected to cost \$300,000 to allow public access to the elevator.

He reported that on April 14 the peer group will convene at 8:00 and that at 10:00 he will meet with a shareholder group regarding the Wynkoop Plaza design.

He reported that on April 20 a public meeting will be held at RTD to finalize the bike system and the Wynkoop Plaza designs and to get feedback on the crosswalk issue.

He reported that on May 13 and 17 the design group will go before the Landmark Commission. He reported that the project is still on track for 100 percent granite in the Wynkoop Plaza.

Elbra Wedgeworth reported that the issues listed will be discussed in Finance Committee and that they will be brought to the Board as resolutions are found.

Bill Mosher reported that the FTA has notified DUSPA that the USNC costs and Alex Brown costs are not eligible for federal funding. He reported that these costs are \$6.4 million and \$250,000 respectively.

Dawn Bookhardt that getting the FTA to determine whether these costs, and the costs of several other contracts including the Kiewit contract was an exhaustive effort.

F. USNC Report on Work to Date

Frank Cannon reported that USNC generated budgets for operations & maintenance a few years that relied upon a combination of RTD and Metropolitan District funds and that the maintenance area extended from Wewatta to the light rail platforms.

He reported that USNC outlined anticipated development progress on all USNC parcels and the other parcels along 17th Street including utility access, parking access and that building uses are updated.

He reported that USNC is getting to details in the public realm design.

He reported that USNC closed on the North Wing parcel in May 2010, the South Wing parcel on December 2010 and that the Triangle parcel will close in May of this year.

Mr. Cannon presented a slide show showing design sketches for several components of the project (see attachment) including signage and wayfinding, transit signage, the commuter bike station, the tail track plaza, the IMA Building and the interior of the Historic building.

Mark Falcone thanked Mike Sullivan and Bill Mosher for their work on the project and reported that USNC's third stage of vertical development is to promote the neighborhood as a place to work and play. He reported that the project is catching the front end of a new development cycle.

Frank Cannon reported that USNC has received approval from the Landmark Commission. He reported that construction of the IMA Building will start in the 2nd quarter of 2012 and occupy the building by mid 2013.

Mr. Cannon reported that the South Wing building design is now up to 5 stories from 4 and that groundbreaking should occur close to the same time as the North Wing.

He reported that the Triangle parcel will close in May of this year and that USNC is studying a two flag hotel with underground parking (and that the parking will extend under the bike station). He showed a sketch of the building with two wings at a total of 100,000 square feet as an early concept.

Mr. Cannon reported that the A Block parcel can accommodate up to 500,000 square feet and that if the project generates early revenue from this parcel it could help with the renovation of the Historic building. He reported that the parcel might be developed in two phases and that it could accommodate the 150 public parking spaces.

Mr. Cannon reported that there has been excitement from retail and high density apartments or residences for the B – Block parcel.

Mr. Cannon showed concept drawings of the interior of the Historic building and reported that RTD performed a stakeholder outreach to get input and, because of this, USNC held off on its work while it participated with RTD.

Mr. Cannon described USNC's approach to the use of the station building.

Mr. Mosher reported that the only caveat to the information presented by USNC is that DUSPA does not have funds budgeted for 150 above ground or below ground parking spaces.

G. Status of DUS Redevelopment Efforts

Bill Sirois handed out a presentation summarizing process and goals for the outreach program, the community objectives for the project, an overview of the analysis activities, major observations and assumptions and discussions of potential uses. The presentation concluded with recommendations for responding to the public process, selecting a developer for the building and a timeline for completion of its work.

H. Update regarding Market Street Station Closing

This was presented as part of the Owner's Representative Report.

I. DUSPA Board Support for Potential TIF Projects

Randy Nichols and Bill Prueter presented their concept for a large grocery with mixed use floors above totaling about 140,000 square feet to be located at 20th and Chestnut. They reported that they are still working on a financial partner for the project and are looking to the City for a potential subsidy because a grocery store, as an anchor to the building, does not pay much rent.

Mr. Nichols estimated that the real estate tax increment from the project would be \$633,000 per year and the sales tax increment would be another \$243,000, which is based on about twenty percent of sales from the store because the remainder is non-taxable food sales from groceries. He reported that the estimated increment is about \$32 million over 30 years.

Laura Aldrete asked whether the proposal has reduced parking due to the proximity to DUS.

Mr. Nichols replied that the general advice is to keep the number of parking spaces normal, otherwise there would be risks at sale of the property. He added that their current proposal is 1.5 parking spaces per unit with 100 spaces for the grocery store.

Jerry Glick asked the Board whether it wants to support any particular projects and if yes, what kind of projects?

Dawn Bookhardt replied that the Board may not be adequately prepared to have this discussion because it implicates policy questions broader than this project.

Steve Kaplan commented that he does not know whether the DUSPA Board should be involved in supporting this, or any other project within the DDA.

Jennifer Schaufele suggested that a grocery store is needed in this area.

Kent Bagley reported that he agrees with Mr. Kaplan.

Bill Mosher stated that his criteria would be that DUSPA does not commit funds or sacrifice any of its tax increment for a project.

Elbra Wedgeworth requested that this issue be tabled for the time being and be discussed in the Finance Committee meeting.

VII. ACTION ITEMS

A. Approval of the seven Pending Change Orders listed on today's hand out pending not to exceed negotiations of the costs of the change orders.

Jerry Glick moved to approve the pending change orders as stated above. Kent Bagley seconded the motion. The vote was unanimous.

B. FASTER Agreement in substantially final form

Jerry Glick made the motion to authorize Elbra Wedgeworth to sign the final draft of the FASTER agreement with RTD and CDOT. Kent Bagley seconded the motion. The vote was unanimous.

C. Approval of Quarterly Budget Project Update

Jerry Glick moved to approve the Quarterly Project Budget Update and Forecast as handed out at today's meeting. Kent Bagley seconded the motion. The vote was unanimous.

VIII. EXECUTIVE SESSION

None.

IX. ACTION ITEMS RESULTING FROM EXECUTIVE SESSION

None.

X. CARRYOVER AND FUTURE AGENDA ITEMS

XI. ADJOURNMENT

There being no further business, the meeting was adjourned at 3:30 p.m.

Approved by Vote of the Board and
accepted by:

Elbra Wedgeworth, President