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RTD DUS Historic Building Future Uses

DUSPA Board Meeting

April 7, 2011

RTD Goals for the project

Develop a common understanding of building and investment required for redevelopment in order to weigh viability of future uses

Requirement under any scenario to have space for Amtrak to move back into the building

Develop an understanding of the building through use of USNC's Technical Assessment and Historic Structures Assessment (HSA)

Look at options for dealing with capital and ongoing operating costs, and evaluate ownership and governance options for the building

Conduct series of stakeholder and public meetings to introduce analysis, solicit input, develop alternatives, display preliminary findings for comment

Independent consultant/expert panel to provide feedback on USNC's analysis and recommendations from analysis activities

Provide staff recommendation based upon all of the preceding for an RTD Board decision

Community Objectives

Criteria summary

1. New destination uses must activate the building during peak and non-peak transit times.

2. New uses will energize Union Station as the regional transportation hub.

3. New first floor uses will give life to the adjacent public realm and vice versa.

4. The central train room must remain a focal point of the building and adjacent public realm.

5. Redevelopment must preserve the historic integrity of the building.

6. New uses should serve the neighborhood and the station district area.

7. New uses must allow the building to be financially independent or have a dedicated funding source.

FASTRACKS

Analysis Activities Overview

Oct. 14/Jan. 26	Initial public meeting/second public meeting
Dec. 7/Jan. 4	FasTracks Monitoring Committee updates
Oct. – Dec.	Stakeholder/expert panel meetings: review potential uses, governance, costs
Jan. – Mar.	Stakeholder/expert panel meetings: public input review, finalize study results, review process, governance, costs
Apr. 5	Findings/staff recommendation to Board Committee

Major Observations/Assumptions

DUS Development Constraints

- Structural characteristics may limit specific uses; e.g., walls that stay in place limit availability of contiguous space.
- Existing costs to maintain/operate the building are approximately $1 m/year.
- Estimated funds needed to improve the building are tied to uncompleted land sales, funds cannot be diverted from existing transit improvements.
  - $7 million for improvements under construction
  - $10 million dependent upon future land sales
- Amtrak will require similar size space upon return in 2014.
- Future uses must be self-sustaining as there are no funds in RTD's budget to fill any gap between revenue and operating costs.
- Most pedestrian activity from transit will occur *around* the building, not inside, therefore uses cannot rely solely on transit riders for viability.

Major Observations/Assumptions

DUS Financial Constraints

- Concerns likely to focus on:
  - Potential expanded future transit use (post FasTracks) of the building unknown.
  - RTD management discomfort in possibly subordinating too much building control.
  - Funding gap estimates need to be confirmed.
  - Specific building code and Historic Structure Assessment infrastructure improvements need to be identified.
  - Net leasable space unknown until RTD transit and Amtrak operation needs are met.
- In general, the more restrictions placed on control of the building will result in less likely ability to garner financial interest and therefore potential developer responses.

Use discussion

Scenario 1 — Destination Retail

1st floor – retail (specialty market, store), destination restaurant

2nd, 3rd floor – office single tenant or multi-tenant

Scenario 2 — Boutique Hotel

1st floor – hotel function space, hotel restaurant

2nd floor – hotel rooms and back of house

3rd floor – hotel rooms

Scenario 3 — Civic/Cultural

1st floor – civic/cultural destination, destination restaurant

2nd floor – civic/cultural, office space

3rd floor – office space

Process Alternatives

- Competitive RFP process

Pros
- may generate a better financial deal for RTD/public
- may get creative ideas
- may generate additional resources not currently identified
- support from stakeholders

Cons
- may extend timeframe for building re-use past 2014 Amtrak return to DUS
- may be challenging due to timing uncertainty of building funding

- Contract with USNC

Pros
- saves time using USNC's existing knowledge base
- can coordinate DUS re-use with USNC's adjacent development on wing/triangle buildings

Cons
- loses stakeholders support and perceived opportunity for other creative/competitive ideas

- Make needed Amtrak improvements only, defer other improvements to development partner selection

Pros
- committed funding will allow more potential certainty for success
- may allow for additional funding opportunities not known now

Cons
- pushes out timing/uncertainty about building completion
- more problematic to plan building and Amtrak uses separately
- may foster public perception that building is being ignored
- requires RTD to fund ongoing operations

Process Alternatives Response

- Public
  - DUS-specific interests appear to support the RFP process
  - General public appears to support the three use scenarios
- Stakeholders
  - Strong support for RFP, perception that open/transparent competition is best approach
  - Preference for proceeding with competition now to see what ideas are out there
- Expert Panel/consultants
  - Supports RFP process after financial and development constraints are identified, concern that responses may be limited if not
  - Financial constraints, RTD priorities and development constraints should be dealt with first; real estate deal is challenging enough even without them
- RTD staff
  - Supports RFP process after financial and development constraints are identified
  - In addition to preparing RFP now, also need to: 1) document re-use process "for the record" for FTA/others review to be used as needed if federal funds are requested at some point, and 2) aggressively pursue alternative funding sources for the building

Staff process recommendation

1. Proceed with RFQ <u>and</u> subsequent RFP with a request for innovative ideas to address funding gap and development constraints.

2. In addition to evaluation criteria and panel participants, RFQ should specifically disclose financial and development constraints, re-use analysis results, and RTD priorities and evaluation criteria to generate the most serious and thoughtful responses.

3. Prepare analysis documentation for FTA/other review in the interim if source for Federal funds is identified.

4. Based upon number of responses and/or information received addressing requests for information in #1 above, decide whether RTD interests are sufficiently met to continue with RFP process.

5. Develop backup plan for building interim re-use and protocol for continuing ultimate re-use effort as needed.

Staff process recommendation

- Responds to study participant requests for a competitive process.

- Allows RTD an opportunity to gage developer interest, appetite for and knowledge base of addressing funding and development challenges; provides backup plan if responses are insufficient to proceed now.

- Potential for soliciting information without a more extensive and lengthy RFP process if not needed.

- Anticipated to be accomplished within an approximate 10-month time frame.

Staff process recommendation

Anticipated timeframe for completion:

	Time to complete	Expected Date
RFQ development/release (develop basic RFP language concurrently)	30 days	May
Questions/pre-proposal conference	15 days	June
Submittal evaluation/discussion	30 days	July
Revise RFP draft as needed/issue to shortlist	30 days	Aug
Responses due	60 days	Oct
Evaluate/review (including public process)	90 days	Jan 2012
Negotiate, evaluate financials, draft contract	60 days	Mar 2012

Questions?