

DUS News Digest

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November 20, 2011

By Margaret Jackson, The Denver Post

The next hurdle for the team selected to redevelop Denver Union Station will be convincing preservationists that its plan will maintain the historic integrity of the building.

The Regional Transportation District is expected to announce Tuesday which team will redevelop the historic building.



One Union Station proposal would create an upscale hotel with retail on the ground level, above right, and the other a marketplace, bar, and other retail, above left..

Vying for the project are Union Station Neighborhood Co., whose \$21.1 million plan includes a market, bar and other retail; and Union Station Alliance, a team led by Sage Hospitality's Walter Isenberg and longtime Lower Downtown developer Dana Crawford, which would spend \$48 million transforming the building into a boutique hotel with retail on the ground floor.

The Union Station Neighborhood plan would fix the windows and stone work.

"The mechanical systems we are planning to install in the building will go on the flat portion of the big vaulted roof, and we are screening everything so you don't see anything," said Frank Cannon, the team's development director. "We're touching the building very lightly in what we're doing. The best way to preserve a building is to use it for its original purpose. We're not modifying that function and that use. We're enhancing it."

The Union Station Alliance plan would put dormers on the roof of the building to bring light into the attic rooms, but the team's plan is not contingent on that feature, said architect David Tryba, citing his team's extensive experience redeveloping historic buildings as hotels.

"We are very seasoned at this, and this is something we've accomplished over and over again," Tryba said. "We're extremely experienced in getting the tax credits, and everybody on the team's business relies on the tax credits to bring these historic buildings to life."

For example, when Tryba designed the Hotel Teatro, he popped the roof off to add a floor to the building.

Fellow team member architect Jim Johnson is using historic tax credits for the Colorado National Bank Building at 17th and Champa streets, where he is adding two floors to the historic building, which is being converted into a hotel.

Crawford is well known for her historical preservation efforts. Often credited for saving Larimer Square, Crawford has redeveloped numerous historic buildings into lofts, including the Icehouse, where she punched dozens of windows into the buildings for the residences.

Whichever plan is selected must be approved by Denver's Landmark Preservation Commission, which is charged with preserving structures or districts of architectural, historical or geographical significance within the city.

"A hotel probably presents more challenges to keeping the historic integrity of the building intact," said architect Dennis Humphries, chairman of the commission. "But that doesn't mean they're insurmountable. There are a lot of great examples of hotels being put into old buildings. I wouldn't say that should be considered a deal-breaker, but the design team has some challenges."

Currently, the commission is responsible only for work affecting the exterior of historic structures, though there have been discussions of changing the ordinance to include interiors.

The National Park Service is responsible for evaluating and approving plans for the building's interior if federal funding or historic tax credits are used. Both plans expect to apply for the tax credits.

"Until the prevailing party submits an application for federal investment tax credits, which involves review by State Historic Preservation Office staff, the SHPO has no official position regarding either project," said Steve Turner, vice president of preservation and deputy state historic preservation officer at History Colorado.

The existing zoning will accommodate either proposal, said Julius Zsako, spokesman for the city's planning and development department.

Union Station plans to keep — and spotlight — model trains, Staying on track

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November 21, 2011

By Anthony Cotton, The Denver Post



Tarry Harrison of the Platte Valley & Western Model Railroad Club helps one of the trains along Friday as it passes old downtown Denver, one of many scenes in historic model-railroad layouts in the basement of Union Station. (Leah Millis, Special to The Denver Post)

The two development teams fighting to win the contract for the redevelopment of Denver's Union Station — groups with fancy suits, big plans and deep pockets — find themselves wooing a small group of model railroaders who lurk in the dank basement of the grand old building.

These are people who, not long ago, would have literally told the big shots where to get off.

"We had members who were definitely anti-public," said Tarry Harrison, superintendent of the Platte Valley & Western Model Railroad Club. "They had zero social skills and psychotic personalities."

But now, the Platte Valley group and their fellow dungeon denizens, the Denver Society of Model Railroaders, are all the rage — or at least they will be whether it is the Union Station Alliance or the Union Station Neighborhood Co. that lands the contract to redevelop the historic station.

The Regional Transportation District is expected to announce Tuesday which team will lead the transformation.

But rather than being forced to vacate the premises when work begins — as seemed likely at one time — both development groups say the model railroads will not only stay but will become one of the stars of the show.

"It's an amazing thing to see when you figure that they have been there for decades, with generations of members," said Frank Cannon of the Union Station Neighborhood Co.

His group proposed a \$21.1 million conversion that would add a market, a bar and other retail.

"We want to make the experience for people visiting them as inviting and welcoming as it can be," Cannon said.

Dana Crawford of the Union Station Alliance, which proposed to spend \$48 million transforming the transportation hub into a boutique hotel with retail, called the railways "fantastic."

"We want to make it more of a museumlike place. They're a huge asset to the community, and we want to give them more exposure because



Harrison shows off the interior of a scene in his group's setup that covers 1,000 square feet in Union Station downtown. (Leah Millis, Special to The Denver Post)they aren't seen enough," Crawford said.

That part is certainly true.

While Gov. John Hickenlooper used to bring his son Teddy down when he was mayor of the city, and boffo business has occurred on random occasions such as the 2008 NCAA hockey Frozen Four and later that summer during the Democratic National Convention, for the most part the clubs exist in virtual isolation.

For a time, that didn't matter to the membership of the clubs, which, the story goes, got the basement space because they were the only people willing to wade through the muck and clean up damage caused by the Cherry Creek flood in the 1930s.

Content to marvel at their own work — wondrous re-creations of the railroads and the towns they passed through throughout Colorado — the clubs were, for the most part, a painfully private concern.

"I brought my grandsons down here once," Harrison said, "and I thought some of the members' heads were going to explode."

When the developers began poring over plans for Union Station redevelopment, with their talk of spiral staircases and glass walls, it seemed neither group had much use for the model railroaders.

However, as time passed and the developers met with the clubs, both groups realized the possibilities of building an attraction around the spreads — the Platte Valley group's covers about 1,000 square feet, while the Denver Society operates the Colorado Midland Railway, covering 6,500 square



From left, visitors Morris and Cindi Doss check out railroad scenes in Union Station. (Leah Millis, Special to The Denver Post)

It also probably didn't hurt that RTD, which will contribute \$17 million to the winning project, is a big proponent of model railroads.

"We look at that as them giving us an unwritten mandate, you might say, to be open more, to welcome the public more, to draw people to the building," said Platte Valley secretary Chris Rand. "We're a draw. We get 200 to 300 people on our open houses on the last Friday of the month."

This Friday, when the layouts are open to coincide with Denver's Grand Illumination of holiday lights, Rand expects the visitor tally to reach 2,500 to 3,000 "because of all the other events downtown."

"It's very attractive for people who know about it, and RTD looks at us as another featured attraction of the building," Rand said.

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Lights on!

The Platte Valley & Western and the Colorado Midland Railway models will be open for public inspection Friday, coinciding with the Denver Grand Illumination at 5:30 p.m., which lights up buildings across the city from Union Station to the City and County Building and the D&F Tower in between.

The displays will be open from 4 to 10 p.m. and are in the basement of Union Station, 1701 Wynkoop St. Take the elevator or south stairs to the basement.

Union Station is best served by embracing its core function rather than mixing in a 130-room hotel.

November 21, 2011

By The Denver Post



A young couple inside sits inside Union Station Wednesday afternoon, Nov. 9, 2011. (Andy Cross, The Denver Post) Denver's Union Station is due for a remarkable facelift that will help it serve the region as well — or better — in coming decades as during its heyday in the late 19th and early 20th centuries.

After looking at competing plans that envision the station as the hub of the multibillion-dollar FasTracks regional transit system, the question for those deciding its fate is simple: Does it need a nip and a tuck or major surgery?

Our view is that the patient is not in need of an extreme makeover and that the \$22 million plan to activate the building presented by the Union Station Neighborhood Co. is the most sensible moving forward.

The Union Station Alliance, led by Sage Hospitality, has developed a competing, \$48 million plan that is centered around building a 130-room hotel within the existing building.

Regional Transportation District staffers on Tuesday are expected to select one of the proposals and then negotiate with the developer in order to bring a plan to the RTD board for final approval early next year.

Each of the teams drew some of the city's boldest thinkers. Both can point to numerous projects that are civic treasures here and elsewhere.

But the Union Station Neighborhood plan impresses us for its ability to improve the building for its primary use while keeping it nimble enough to change as circumstances warrant. It enlivens but does little to encroach upon the great train room, keeping it as the centerpiece of a building designed for transit riders. Among other improvements, the plan includes a market/food emporium in the south wing, a destination restaurant for the north wing and would turn the upper floors into offices billed as incubators for the creative class.

Having looked at the details, it's fair to say the plan understands the building's bone structure and promises little trauma.

Sage Hospitality and other players on the Alliance team have developed wonderful projects in Denver and elsewhere. Theirs would be a great plan if the building needed to be adapted for a new purpose. It doesn't.

Much like the other proposal, it envisions restaurant and retail space in the north and south wings. But construction of a mezzanine level stretching across the building's western wall and the addition of rooms to the current attic, we believe, are too drastic for a historic gem that needs to be polished, not chiseled.

It has financial advantages, but not enough to dissuade us from thinking that the most important issue is development of a station to best serve riders on the buses that currently use Market Street Station and passengers on commuter rail and Amtrak trains.

Union Station Neighborhood Co., which is the master developer for the entire area surrounding the station, understands the mass of travelers who will be moving through the area in coming years — as many as 103,000 travelers per day, or 200,000 trips, by 2030.

It will be a busy place.

Union Station can be a great train station or a great hotel.

It's difficult to see it being both.

RTD board delays pivotal vote

An advisory panel backs the hotel, but lingering questions leave the decision in limbo.

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November 23, 2011

By Margaret Jackson, The Denver Post



Union Station neighbors have mixed feelings about whether its redevelopment should include a market serving Colorado products or a boutique hotel. (Cyrus McCrimmon, Denver Post file)

It's not over.

Although the panel appointed to evaluate the two redevelopment proposals for Denver Union Station recommended the boutique-hotel option, the Regional Transportation District board had so many questions during a nearly 3 1/2-hour executive session Tuesday night that no decision was made on the future of the historic building.

Additional information will be sought over the next two weeks. The board is scheduled to make a determination on the next steps at a special board meeting Dec. 6.

"The board has not made a decision with moving forward on the negotiation process at this time, and we plan to do that over the next two weeks," said Scott Reed, a spokesman for RTD.

The advisory panel, which consists of representatives from RTD, the city and county of Denver, the Denver Union Station Project Authority and two real-estate experts, recommended the Union Station Alliance team for the project.

Union Station Alliance, led by Sage Hospitality's Walter Isenberg and longtime Lower Downtown developer Dana Crawford, says its plan will pay RTD about \$65 million over the 60-year term of the lease and generate \$130 million in tax revenue.

The team plans to spend \$48 million on the project, which includes a 130-room boutique hotel affiliated with the Oxford Hotel, as well as local and national retail tenants, with everything from quick-service restaurants to gourmet grab-and-go and a 24-hour diner serving travelers passing through the station.

The project would be financed with \$11.5 million in equity, \$7.5 million from the sale of tax credits, 50 percent debt and \$17 million from RTD.

Members of the team were not present at the meeting.

The competing team, Union Station Neighborhood Co., wants to redevelop the building with a market, a bar, other retail uses and office space.

Union Station Neighborhood Co. says its plan will generate \$42.5 million for RTD over the 60 years it leases the building from the agency.

The team has identified \$22 million in available funding sources that would enable work on the historic station to start immediately. Those include the \$17 million from RTD and a \$2 million equity investment from the developer. It also is lining up \$3 million in historic tax credits.

Both teams have said their projects would be ready by the time the station opens in 2014.

Selecting the development team for the historic train station will cap a decade of planning for the building and surrounding area.

In 2001, RTD partnered with Denver, the state and the Denver Regional Council of Governments, spending \$50 million to get the Union Station building and surrounding 19.5 acres into public ownership.

Union Station is the centerpiece of FasTracks, a plan voters approved in 2004 to build six new train lines and make other key transit investments.

In 2006, Union Station Neighborhood Co. was selected as the master developer for that property.

Several years ago, RTD determined what the goals for the building should be. Topping the list is ensuring that the building maintains its original purpose as a transportation hub with the central train room as a focal point. It also must be a vibrant place where people want to hang out.

Though the Colorado Rail Passenger Association had not decided which proposal to endorse, it was leaning away from the hotel project, said James Souby, president of the organization.

"We thought the hotel really did foreclose a lot of the space that could be public, and we thought the hotel couldn't help but encroach on the waiting room," Souby said. "We want that to remain a center of public activity and transportation. On the other hand, it does produce more revenue."

RTD delays Denver Union Station redevelopment decision; staff likes hotel team

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By Dennis Huspeni, Denver Business Journal

November 23, 2011



A September 2011 aerial view of work underway surrounding Denver Union Station.

The Regional Transportation District board delayed a decision on a Denver Union Station redevelopment team late Tuesday, although RTD staff and a panel of experts recommended the team with the hotel plans.

RTD's evaluation panel, made up of staff, officials from the City and County of Denver and the Denver Union Station Project Authority as well as local real estate experts, recommended the Union Station Alliance project.

The board met in executive session because of contract negotiations, and was to decide which team to work with before formally accepting one of the developer's proposed plans, Pauletta Tonilas, RTD spokeswoman, said Tuesday.

Union State Alliance's team, led by Sage Hospitality Resources' CEO Walter Isenberg and longtime Denver developer Dana Crawford, proposes a 130-room hotel with its \$48 million plan.

Isenberg has said the plan will bring more money to RTD, more tax revenue because of the hotel and increased ridership for trains, commuter and light rail and buses.

The Union Station Neighborhood Co., which is the master developer for the 19-acre area around the building, wants to create a neighborhood market with restaurants, retail and office space. That team, led by Continuum Partners' Frank Cannon, partner, and CEO Mark Falcone, proposed a \$21 million redevelopment.

Both plans would be completed by the time the station opens in 2014. [Read more details about the plans here.](#)

The RTD board has several questions it wants answered before moving forward. A decision is scheduled for the next regular board meeting Dec. 6.

“We are pleased to have had two solid proposals from two great teams to consider how we can redevelop one of the true landmarks of the Denver metro area,” RTD Chair Lee Kemp said in a statement. “More work is to be done as we seek to move to the next step in the process.”

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November 23, 2011

By Patricia Calhoun, Westword



Union Station, 1881

The two groups vying to win the contract to redevelop Union Station are both missing the boat, says one reader. Instead of building off the concepts of the past, they need to look to the future, to the "one-off-thinking of today's youth and young adults."

Since RTD just postponed its vote on Union Station until December 6, there's still time to consider this plea from Glenn Perry:

As a private citizen of Colorado I have always had an interest in the historic preservation of our state's architectural treasures. I especially get excited when I see historic properties re-purposed into thriving hubs of activity that stimulate our curiosity and enhance creative thinking. After having reviewed both Union Station proposals, I feel each misses the mark. Development of a boutique hotel and trendy shops on site may appeal to some of our well-healed citizens, but not to the larger public as a whole. And adding office space for Denver's "creative class" could be better left to the district as a whole.

Instead, consider for a moment the work of I. M. Pei and his Pyramide du Louvre in Paris. We can learn from that concept and improve upon it in significant ways. Controversial in its design since first announced in 1985, the concept behind the Pei Pyramids often gets lost in the debate of aesthetics among those who see the Louvre as needing to be protected against the enigmatic designs and motivations of modernism. Too often forgotten is the brilliant insistence by the architect to complement the old with the new, the past with the present, into that place where from the schism between harmony and antagonism creativity emerges. While both proposals maintain the Beaux Arts beauty of the Union Station per se, they don't honor it. Missing is the "architecture parlante" the "speaking architecture" of a regenerated spirit that is brought about by the presentation of symbolic extremes.

At Union Station we can achieve this by complementing the century-old architecture of the building with a community gathering place that showcases our country as the world's leader in creative and innovative ideas. Not just a collection of displays, but a visual and tactile smorgasbord of exciting objects, concepts and prototypes.

What's missing in both proposals is the one-off thinking of today's youth and young adults, those 15-35-year-olds living in and embracing the brave new world. You find them clustered at Apple retail stores, touching and exploring the present and hungry for what the future has to offer.

Imagine a Union Station developed into a Gallery of the Future. A unique "museum" of sorts with a curator, but one where all of the "exhibits" are provided by commercial entities that also sell what they display. What a great opportunity for businesses to rent space to showcase their new and emerging products. Imagine virtual, live think-tanks in action. I'll bet companies like GE would like to showcase their "ecomagination" ideas -- or how about displays of hybrid vehicles in development, including plug-ins, electrics, and fuel cell? Not just Chevrolet, Toyota, etc, but Tesla, Fisker and Phoenix? How about showing new products and treatments in the fight against cancer, diabetes and/or respiratory diseases? Our state hosts some of the finest medical research and treatment facilities in the country.

It is important to show the public what is on the cutting edge -- they want to know, they have that natural curiosity. If you Google "museum of the future," you don't really get much but how to repackage the past. Here in Denver, we have the opportunity to create, package and display a view of the future. Union Station could be, once again, a tremendous gathering place for people of all ages and walks of life, just like it was in 1914.

It's not too late. We would be the first city to do it, but it will take the kind of courage and determination that I. M. Pei saw in Paris. That younger generation of people clustered in Apple stores would immediately understand the viability of such an idea, but first you've got to ask them.

Union Station: All aboard for saving the model train sets in the basement!

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November 23, 2011

By Patricia Calhoun, Westword

Like the Little Engine that Could, the come-from-behind proposal by the Union Station Alliance to redevelop Union Station just keeps chugging along. And at yesterday's executive session of the RTD board, it pulled ahead of its competitor, Union Station Neighborhood Co., which had been out in front early. The race is so close that RTD is now delaying its decision by two weeks.

There are many differences between the plans, most notably the 130-room boutique hotel that the Alliance wants to put at Union Station, which would be affiliated with the Oxford Hotel just down the street. But both proposals also emphasize restaurants/bars, retail and offices.

And although it's not a major component of either proposal, both would-be developers have promised to keep the model train clubs that run layouts in the basement as key tenants of the revived Union Station. Those two clubs will both open houses on Friday night, November 25, when the under-construction station will be illuminated; read about that later today in Night & Day. We're on board for that idea!

RTD will hold a special board meeting on December 6 to determine whether to follow the recommendation of its advisory panel, and go with the Alliance proposal; whatever the board decides, Union Station is supposed to be reborn by 2014.

November 23, 2011

By Huffington Post



RTD-Denver has a fairly precise vision of what the city's mass transit future will look like: a handful of light-rail lines ferrying passengers around Denver, complemented by larger (faster) trains servicing the broader metro area. From Denver International Airport to Golden, planners have spent much time--and a fair amount of money--obsessing over the order in which lines are built, rail-car design, etc., etc. One problem: the pendant on this train-track threaded necklace is missing.

Denver's Union Station, RTD's crown jewel at the center of the metro mass transit universe, faces an uncertain future. Dueling development teams have pitched two different ideas:

Union Station Neighborhood Co., the group already developing land around the building, envisions a "simple and elegant" station. The Denver Business Journal reports their vision of Union Station would create "a living room for all of downtown." This includes a food emporium, a restaurant featuring a local James Beard award-winning chef, Colorado-based retail stores, office space on the third floor and atrium suites on the second floor for a "creative class incubator" for Create Denver.

Another idea under consideration, pitched by the Union Station Alliance, would transform Union into a 130-room boutique hotel. According to the Denver Post, this redesign would cost \$48 million (\$17 million from RTD), but has the potential to generate \$130 million in tax revenue. In addition to the hotel, Union would host retail tenants and food services.

Both teams pitched their ideas to RTD on November 4th. A November 22nd RTD board meeting tentatively leaned toward the boutique hotel option, though a final decision has been further postponed until December 6. "We are pleased to have had two solid proposals from two great teams to consider how we can redevelop one of the true landmarks of the Denver metro area," said RTD Chair Lee Kemp in a statement to the Business Journal. "More work is to be done as we seek to move to the next step in the process."

7NEWS Has First Look At Underground Terminal

November 23, 2011

Ryan Budnick, 7NEWS Assignment Producer

They dominate the skyline nearby Denver Union Station -- several mountains of dirt.

The ever-growing piles of fill are reaching higher to the sky and soon will eclipse the height of the iconic structure.

"These dirt piles when it's completed will be about 40 feet tall and will hold about 70,000 cubic yards of dirt," said Hunter Sydnor of Kiweit Western.

The dirt comes from a large swath of land to the west of Union Station. This is the site of the new regional bus facility.

Already construction crews have excavated over 100,000 cubic yards of dirt in order to build the underground bus terminal.

While the gigantic mounds of dirt are the most visible sign of the construction work on-going at the \$145 million project that is slated to open in the spring of 2014, it is what is underground that is the most impressive.

Half of the underground bus terminal has been completed. It will allow commuters to switch from bus to light rail while protected from the elements.

"So when you want to get on a bus you'll go out a door and get on a bus outside there," Sydnor said. "This will be just like an airport concourse. All pretty inside, fancy."

Construction crews are working on the eastern part of the underground terminal, where light rail and Amtrak tracks will pass over the subterranean structure.

"As soon as this half of the bus structure is complete, the second half. It will be back filled with all this dirt," Sydnor said. "And you'll see a lot of work going on inside the bus facility, but also you'll see the commuter rail tracks getting built, the platforms and the really iconic structure that goes over the commuter rail."

And the tell-tale giant mounds of dirt will disappear.

November 23, 2011

By Dennis Huspeni, Denver Business Journal



Walter Isenberg

Sage Hospitality Resources' CEO Walter Isenberg knows what the public's concerns are for his group's hotel plan for Denver Union Station.

Won't a hotel be private and turn the train station's Great Hall into a hotel lobby?

Does the Regional Transportation District risk losing Union Station if the hotel goes under?

Won't a hotel ruin the historic nature of the station, which was first built in 1881?

His answer to all three? No.

RTD's staff and the evaluation panel late Tuesday recommended Sage's Union Station Alliance (USA) plan for the redevelopment of Union Station, but the transit agency's board delayed a decision until Dec. 6.

"We're very excited that the staff and the selection committee chose our plan on its merits," Isenberg said Wednesday in an interview. "We believe that at the end of the day, the RTD board will agree with that recommendation and we look forward to moving ahead with the development."

USA — comprising Sage, Denver developer Dana Crawford, Milender White Construction Co., Larimer Associates, Tryba Architects, JG Johnson Architects, REGen LLC, Ashkenazy Acquisition Corp. — wants to put a 130-room hotel in Union Station.

The competing group, the Union Station Neighborhood Co. USNC), brought the board plans for a fresh food marketplace, restaurants, Colorado-specific retail and offices. (DBJ coverage of both plans here.)

A representative from USNC could not be reached for comment Tuesday or Wednesday.

Though the USA plan would cost more (\$48 million versus \$21 million for the USNC plan), Isenberg said it's not riskier for RTD.

“If you don't reach for the stars, you don't get anywhere,” Isenberg said Nov 18. “Why not use financing methods that will create a more worthy destination to the city?”

The USA plan will generate more revenue for RTD — an estimated \$65 million over the life of the 60-year lease — create more jobs, increase ridership for RTD and boost tax revenue via the lodging tax, Isenberg said.

Though many think the station would be at risk if the hotel went under, Isenberg said terms of the financial deal call for the hotel lease to be put up as collateral, not the building itself

Terms of the financing, according to USA, include:

- Milender, with a bonding capacity of \$350 million, will “guarantee project completion on time and under budget.”
- \$11.5 million in equity.
- \$7.5 million from the sale of tax credits.
- 50 percent mortgage financing.
- \$17 million RTD participation from state FASTER (Funding Advancement for Surface Transportation & Economic Recovery) grants and the sale of property in the area.

And as far as turning the great hall into a hotel lobby, Isenberg said that's simply not true.

“The hotel's front desk would take up, like, 500 square feet. The great hall is 12,000 square feet,” he said. “People have said they don't want to walk into a hotel lobby because it's not a public place — that's just not true. Both our and their plans call for the great hall to remain a train station.”

The hotel use would also better “activate the site,” he said.

“Look, there’s a 168 hours in a week. Hotels are active 168 hours a week. Office space? Maybe 50 hours,” Isenberg said. “The question we have is if the goal is attracting people to the space, do you want activity 30 percent of the week versus 100 percent? Which plan creates more activity?”

RTD conducted a Historic Structures Assessment of the plan, which is a required step in the historical preservation process. Though the report stated: “A hotel usage may not be appropriate due the excessive modification,” one of the plan’s architects James Johnson “respectfully disagreed” and said the redevelopment won’t ruin the historic nature of the building.

“It will not be excessively modified,” said Johnson, founding principal of JG Johnson Architects. “The modification will be minimal and the hotel fits the building like a glove. Any modifications made will meet the requirements of the (U.S.) Secretary of the Interior’s standards.”

Johnson’s firm is adept at restoring historic buildings into hotels and is working on the Colorado National Bank building at 17th and Champa streets, which Stonebridge Cos. is remodeling into a hotel.

The board, which scheduled another executive session to discuss the matter Nov. 29, is expected to decide which group to work with at its Dec. 6 board meeting. It won’t formally adopt a plan until 2012, according to RTD.

Isenberg said USA will work with the board and answer any questions it might have.

“We’re confident the board will be as convinced as the committee and staff that this is the right direction for the station,” he said.

RTD may consider blending two Union Station plans

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November 24, 2011

By Margaret Jackson and Jeffrey Leib, Denver Post

Regional Transportation District directors may consider blending portions of two competing Union Station proposals as part of a remake of the historic station, according to sources close to the talks.

RTD's board deadlocked Tuesday night over proposals from two teams for redeveloping the station's interior.

One possible solution is to tweak the plan that would turn the station into a boutique hotel to include key features of the rival plan — making the great hall a more open, welcoming place for travelers and including a fresh-food market.

The Union Station Alliance hotel plan got the nod from a special panel appointed to evaluate the two proposals. The panel said that group's approach, which would have the great hall serve as the hotel lobby, was the better option because it should provide more revenue to RTD.

But that recommendation didn't carry the day, with the 12 board members in attendance split evenly, according to sources.

The competing partnership, the Union Station Neighborhood Co., wants to preserve the classic role of the station's great hall as a waiting room for transit passengers. USNC also wants to install a fresh-food market in a wing of the building.

"We are extremely excited that the selection committee and the RTD staff enthusiastically endorsed our proposal, and we are confident that when the RTD board members are allowed to have their specific questions answered, they will be as enthusiastic as the selection committee," said Sage Hospitality chief Walter Isenberg, who teamed up with longtime Lower Downtown developer Dana Crawford to form the Alliance.

"We are making plans to move ahead, and we're looking forward to negotiating our deal with RTD and answering the questions some of the RTD board members may have."

RTD board members will hold another executive session Tuesday to continue their discussions.

Directors are expected to vote on the matter at a special board meeting Dec. 6.

The 15-member RTD board has one vacancy that will not be filled by Dec. 6, so for one of the proposals to emerge as a winner, the votes of eight RTD directors will be needed.

Union Station Alliance says its plan will pay RTD about \$65 million over the 60-year term of the lease and generate \$130 million in tax revenue.

Union Station Neighborhood Co. — master developer for the entire 19.5-acre transit district that surrounds the station, which will include an underground bus terminal and rail platforms — says its plan will generate \$42.5 million for RTD over the 60 years it leases the building from the agency.

"I think it's a long way from over," said Mark Falcone, whose company, Continuum Partners, makes up half the Union Station Neighborhood Co. team. "We have gotten lots of feedback from general people in the community who were really bewildered by the decision, and I share that bewilderment. It would be a terrible mistake to sacrifice this building's abilities to meet the transit needs."

Transit is at the heart of the discussion over how the historic train station should be redeveloped and preserved, with many arguing that putting a hotel lobby in the building's great hall will intimidate commuters and other transit riders and discourage them from using it.

The USNC plan, however, would encourage commuters to flow through the great hall, continuing the role the room has played for more than 100 years.

"We remain very concerned about the conflict between transit riders and hotel customers," Falcone said.

USNC has identified \$22 million in available funding sources that would enable work on the historic station to start immediately. Those include the \$17 million from RTD and a \$2 million equity investment from the developer. It also is lining up \$3 million in historic tax credits.

Union Station Alliance plans to spend \$48 million on the project, which includes a 130-room boutique hotel affiliated with the nearby Oxford Hotel, as well as local and national retail tenants, with everything from quick-service restaurants to gourmet grab- and-go and a 24-hour diner serving travelers passing through the station.

The project would be financed with \$11.5 million in equity, \$7.5 million from the sale of tax credits, 50 percent debt and \$17 million from RTD.

Both teams have said their projects would be ready by the time the station opens in 2014.