

DUS News Digest

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November 27, 2011

By Susan Barnes-Gelt, Denver Post

Defying pundits and civic chatter, last week an advisory panel recommended that the Regional Transportation District choose Union Station Alliance's hotel proposal, saying it offers the best redevelopment option for Denver's historic Union Station.

Two teams — USA and the site's master developer, Union Station Neighborhood Company (USNC, made up of East West Partners and Continuum) — offered very different plans. (Members of the alliance are Sage Hospitality; Dana Crawford; Larimer Square COO Joe Vostrejs; Cubie Dawson and Ashkenazy Acquisition, operators of Union Station in Washington, D.C.; and architects David Tryba and Jim Johnson.)

Project goals include preserving the building's historic architecture and activating the train room. Less discussed is the importance of generating revenues to support an additional \$2.3 billion to complete the promised 119-mile multimodal FasTracks network that voters approved in 2004.

USNC proposed restoring the train room into a transit waiting and service hall with a café and bar. Restaurants and convenience retail would occupy the station's north wing with a public market located in the south. The second floor of the station includes 25,000 square feet of office space aimed at creative entrepreneurs, with RTD occupying a portion when it moves from its headquarters at 16th and Market streets.

USNC identified \$22 million in available funding, including \$17 million from RTD, developer's equity of \$2 million and \$3 million in historic tax credits.

USA proposes a 100-room boutique hotel and about 30,000 square feet of restaurants and destination retail, curated by Larimer Square's Joe Vostrejs. The station's great hall will be open around the clock to travelers, hotel guests, visitors and the public. The hotel's lobby occupies approximately 5 percent of the public train room. Synergy with the nearby Oxford Hotel adds parking, meeting rooms and other services.

USA's \$48 million proposal includes \$11.5 million in equity, \$7.5 million in the sale of historic tax credits, 50 percent debt, and RTD's \$17 million.

The selection committee and RTD are making the right choice. The hotel generates more revenue for RTD (and the taxpayer) and adds more construction and full-time permanent jobs for the city.

Plus, USNC's approach is flawed. The proposed public market — sited on a floor plate of less than 10,000 square feet, with no parking — could result in a glorified food court for LoDo workers.

An active train room is a wonderful idea (think Grand Central). But the only transit adjacent to the historic station will be Amtrak and the East Corridor to DIA. Most commuters will hop on buses at 16th or 19th streets, avoiding the station entirely.

USNC's decision not to install covered, moving walkways between the Central Main Line and the station reinforces this disconnect. In addition, RTD will warehouse buses in the below-grade bus station behind the train room, resulting in the loss of potential parking spots. (As an aside, why does RTD think the best use of urban real estate is to warehouse buses?)

Who knows whether young creatives want to office in inefficient space without parking? How does office space, regardless of tenancy, add to the site's vitality — nights, weekends or even weekdays? How much space will RTD occupy and at what rate?

On the other hand, the USA team includes an experienced hotel operator, skilled retail and restaurant developers and managers, credentialed historic hotel architects and a plan offering an active, financially sound project.

Great public spaces are about people — not ideas. Adding the USA team to the 19.5-acre site's redevelopment brings fresh eyes and different expertise to the project, reflecting a stronger economic model for the taxpayer.

Freelance columnist Susan Barnes-Gelt (sbg13@comcast.net) served on the Denver City Council and worked for Mayor Federico Peña. She is a consultant to a local development company and a frequent contributor to the op-ed page.

November 29, 2011

By Jeremy Meyer, The Denver Post

Jeff Leib puts in his last day of work today at The Denver Post, retiring after 25 years at the paper.



A telling detail of Jeff Leib's last day at the Denver Post is the amount of paper he is at this moment still pulling out of his desk — studies, reports, memos and even an old phone number from more than 25 years ago for Donald Rumsfeld, who was then president of a pharmaceutical company.

Leib, 64, has been a beat reporter at The Denver Post for 25 years, covering business and transportation and heading up negotiations for the newspaper guild. He has more than 3,200 bylined stories, according to electronic archives that go back only to 1993. Leib started in 1986.

Leib is one of 19 Denver Post journalists who are calling today their last day at the newspaper, taking more than 400 years of experience with them. The Post in October offered buyouts to about 20 newsroom employees to reduce staffing because of increasing financial pressures.

UPDATE: Some names may be recognizable to the reading public, others were key players behind the scenes. Here are those employees who took the buyout: Mike Keefe; Jackie Feldman; Jan Torpy; Virginia Culver; Don Russell; Pete Names; John Moore; Sheba Wheeler; Kyle

MacMillan; Robert Smith; John Prieto; Jonathan Moreno; Joyce Anderson; Jeanette Chavez; Joe Hudson; Bill Husted; Jim Carr and Natalie Meisler.

Leib made no secret that he intended to grab the opportunity, which frankly left many of us wondering how that could be possible. Jeff Leib is one of those reporters who carries such respect among his colleagues — well-sourced, painfully attentive to detail and always on top of his beat.

“The only thing I won’t miss is that pressure to know everything that is going on,” said Leib, pausing briefly for an interview before returning to clean his desk.

As the final hours of his final day at the newspaper come to an end, Leib is still working hard — passing out folders full of story ideas to editors to make sure the transportation beat he has covered for 12 years doesn’t go unattended and finishing up a story that is set to run.

Leib’s path to journalism is unlike anyone else in the newspaper and another reason he commands such admiration.

After graduating from the University of Wisconsin-Madison in 1969 with a history degree, Leib spent time as a community organizer and painted houses. In 1977, he got a job as a laborer at the Wisconsin Steel mill in Chicago, which shut down in 1980. Leib, always an admirer of journalism, began reporting about the mill’s closure with a freelance gig for the Daily Calumet in Chicago.

He used those clips to get into the master’s degree program at the Medill School of Journalism at Northwestern University. He took night classes and worked during the day as a maintenance plumber at a hospital. Upon graduation, he became a stringer for the New York Times Chicago bureau, building an impressive resume and clips that led him to The Denver Post.

He came on as a business writer in 1986, penning magazine pieces about some of the titans of Colorado industry — Bill Coors of the Adolph Coors Co. and Ahmed Kafadar whose company, OEA, made airbag components.

“Just meeting people like that made it all worth while,” he said.

Leib took over the transportation beat 14 years ago, following the T-Rex construction, the FasTracks vote in 2004 and the problems with completing it, changes in air travel after the Sept. 11 terrorist attacks, plane crashes and snowed-in airports.

He is legendary for his sometimes spirited arguments with editors and sources, his boxes of business cards and a distinct aversion to the technological gadgetry of modern journalism. He has no Facebook page, has Tweeted only twice and carries a 1990s era cell phone with no camera.

He has clashed with management over contract issues and always been patient and available to help out younger reporters. Here is reporter Allison Sherry's take:

Sharing a cubicle with him was an honor because it was where I learned the attention to detail and the ownership any good reporter needs to have when covering a beat," said reporter Allison Sherry. "I saw him track down RTD officials, always on their cell phones, for a detail about the precise cost of a contract or the exact spelling of a name or title, often at 9 p.m. He was always the one there when a plane fell from the sky or skid off a runway and he would always be sitting in his chair, usually in a flannel shirt, calling copious FAA cell phone numbers and finding out everything he could. He cared more than anyone I have ever known about accuracy, getting words exactly right. He had that expectation, sometimes he was grumpy about it, for the whole newsroom and that's what I loved about him. Let's pray a plane doesn't fall from the sky. There will be no way to replace Jeff.

Here is Stacey Stegman, spokeswoman for Colorado Department of Transportation:

For the past 10 years or so, Jeff Leib has been a regular part of my life. I have spent more time on the phone with Jeff than I have some of my best friends. Jeff has covered and uncovered CDOT and transportation in Colorado and his insightful, thorough coverage has enlightened us all. Jeff calls it like he sees it. And while we've had many a spirited conversation, the end result has always been fair and balanced. On a personal note, he is one of the most genuine, honest and caring individuals I know and his laugh is always something that will brighten my day.

From Jeff Green, spokesman for Denver International Airport:

I've always said that Jeff Leib is like the TV character Columbo. He always had a sheepish, "gosh, let me understand this" way about asking questions, even though he knew exactly what he was asking and what the answer should be. He even almost mocked Columbo's trademark head scratch as he would say, "OK – just one more question to make sure I get this straight..."

Jeff is one of the smartest reporters I've ever worked with. I would call him an expert in his field and within his beat. I learned things from him. With Jeff, you could always bet on a fair story. That didn't mean that I'd like the story each time, but I knew that it would tell all sides.

He's one of the last "old school" journalists that cover this business, and he'll be missed for his professionalism, candor and expertise.

Lastly, Jeff has boasted of his "culinary" skills, promising that someday he'll brighten the holidays by making a Carrot Ring for us all to enjoy. I have no idea what the hell a Carrot Ring is, but hopefully this'll be the season for him to make good on his promise. He won't even have to feel conflicted about the gesture potentially violating his professional ethics...

Denver Mayor Michael Hancock had this to say:

Having represented Denver International Airport as a councilman and now being mayor of this great city, I've had the pleasure of working with Jeff for more than eight years. He has established himself as a well-respected voice for Denver projects that have become some of our largest economic generators and key to our global competitiveness. His balanced and matter-of-fact daily reports on the progress of our region will be missed.

By Margaret Jackson, The Denver Post

November 30, 2011

Groups with two different visions of the future of Union Station got another shot Tuesday night at selling their plans to the RTD board.

Both proposals for the historic building would keep Union Station's great hall as a hub for transit users surrounded by restaurants and retail, according to presentations the competing teams made to the Regional Transportation District board Tuesday.

The main difference between the plans is that one calls for 130 hotel rooms on the second and third floors, and the other would to keep the second floor as office space and use the third floor for mechanical systems, which would be upgraded.

Sage Hospitality chief Walter Isenberg, a member of the Union Station Alliance team proposing the hotel, said just 4 percent of the great hall's square footage would be dedicated to the hotel's front desk.

"All people will be welcome and comfortable," Isenberg said.

But the other team, Union Station Neighborhood Co., said the building should be restored to its original purpose as a train station.

"The public has asked for it to be restored to the grand train station it was in the past," said Mark Falcone, whose company, Continuum Partners, makes up half of Union Station Neighborhood Co. "A hotel lobby won't signal to (commuters) that they're marching toward their train."

The principals on the team, Falcone and Mark Smith and Harry Frampton of East West Partners, have agreed to personally guarantee through 2024 the \$550,000 annually they expect the project to generate for RTD. Smith also noted that East West has a partnership with Starwood Capital Group, giving it \$100 million in equity it will invest in the neighborhood.

The board is expected to vote on the matter Tuesday.

The vote will give RTD general manager Phil Washington the authority to negotiate a contract with the preferred team. That is expected to take about 90 days, after which the board must approve the contract.

Last week, a panel appointed to evaluate the two proposals recommended Union Station Alliance's hotel plan, saying the group's approach would provide more revenue to RTD.

But the 12 board members in attendance split evenly over the two plans, asking the panel to answer a number of questions about the proposals.

Union Station Alliance says its hotel plan will pay RTD about \$65 million over the 60-year term of the lease and generate \$130 million in tax revenue. In its plan, the station's great hall would serve as the hotel lobby.

Union Station Neighborhood Co. — master developer of the 19.5-acre site, 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. Its plan preserves the great hall as a waiting room for transit passengers. It also wants to build a fresh-food market in a wing of the building.

Falcone said his team has spent seven years meeting with people in the community to discuss ideas for the project.

By Dennis Huspeni, Denver Business Journal

November 30, 2011

RTD's board of directors late Tuesday peppered two development teams with questions about their plans for reshaping the interior of Denver Union Station.

The Denver-area transit agency's board made no decision about which team would ultimately win the redevelopment contract, but instead allowed the Union Station Neighborhood Co. (USNC) and the Union Station Alliance (USA) to make one more pitch to convince the board their plan is the best for the historic train station.

That decision could come at a board meeting scheduled for Dec. 6.

RTD's staff, and an evaluation panel of government officials and real estate experts, has recommended USA's \$48 million plan for a hotel at the station, but board members wanted more information from each side.

Board members met in a closed-door session for an hour and a half to discuss financials for each plan and plot strategy for contract negotiations.

Afterwards, the USNC team said its \$21 million plan for a neighborhood market, office space and retail would best preserve the historic nature of the building.

Team leader Mark Falcone, CEO of Continuum Partners .Continuum Partners Latest from The Business Journals RTD delays Denver Union Station redevelopment decision; staff likes hotel teamProposals for Union Station project unveiledDenver Union Station interior plans to be unveiled Nov. 3 Follow this company ., said his group's priority is to make the station convenient for passengers.

"We worry that instead of seeing a clear path to the train, if they find themselves in the middle of a hotel lobby, they might turn around and walk out," Falcone said.

The USNC will guarantee RTD's proposed \$550,000 annual lease for five years, even if rent collected from the office space called for in its proposal doesn't meet that level, Falcone said. The team also promised board members they could approve any retail business at the business.

RTD director Kent Bagley grilled the team on how much of the space would actually be open to the public considering all the office space in the USNC plan, and if there would be any activity on nights and weekends.

Falcone responded that some of that office space would double as retail and that public events would be planned for the mezzanine of the second floor.

On the other side, USA's Walter Isenberg, who's CEO of Sage Hospitality Resources .Sage Hospitality Resources Latest from The Business Journals Sage's Walter Isenberg defends hotel plan for Denver Union StationRTD delays Denver Union Station redevelopment decision; staff likes hotel teamProposals for Union Station project unveiled Follow this company ., emphasized the hotel lobby/reception desk would occupy only 4 percent of the station's Great Hall and that 99 percent of the pedestrian traffic would be from transit passengers. The retail planned would cater to those passengers, not necessarily to hotel guests, he said.

Isenberg said the hotel plan would provide for more jobs and be more of an "economic engine," with an estimated \$207 million of economic impact to the area over the course of the 60-year lease.

USA's plan would also provide RTD with an estimated \$22 million more in lease payments than the USNC plan, according to Isenberg. He maintained that the hotel plan would not ruin the historic nature of the building.

"This team knows transportation, it knows retail and it knows hospitality," Isenberg said. "Staff recommended our plan after spending hours reviewing the plans. We're ready to begin negotiations."

BUT RTD Director William McMullen poked holes in the design plans and said the plan would be "a radical departure from what we have today."

And Director Barbara Deadwyler worried aloud about the "dramatic changes inside" and said, "It doesn't feel or look as inviting."

Denver Developer Dana Crawford, known for her historic preservation work in LoDo and who's part of the USA group, countered that "we want what you want" and that the public nature of their plans would ensure "you will love this space."

At the Dec. 6 meeting, board members are expected to pick a team. RTD staffers will then spend about three months hammering out a final development contract with that team.