

**DUS News Digest**  
April 13, 2012 to April 20, 2012

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April 17, 2012

By Andy Vuong, Denver Infill Blog

Sorry for the long delay in updating the Union Station project... I've been out of the country for several weeks and didn't have time to take some new pictures for a little while after I returned.

Let's start by checking out the progress of the pavers near the light rail station and Chestnut Pavilion. At the time this picture was taken, the crew had laid down almost all the preliminary pavers between the station, Chestnut Street, and the 16th Street Mall Ride access road. I say preliminary because cause after the general pattern of varying colors is laid down, the crew goes back and makes the necessary cuts where two or three colors meet to make the curved patterns you see below.



Also, check out the trees that have been added to the large tear drop planters! I counted three large trees in the planter closest to the 18th Street Pedestrian Bridge, and about 15 smaller ones in the planter directly next to it. While the trees were bare when the picture was taken, they have already started to green up a bit since they were planted.



Staying on the same side of the project, work continues on the remaining half of the bus box directly behind Union Station. In our last post, I mentioned that the floor of the bus box was completed—connecting the bases of both halves of the box. Currently, crews are pouring the side walls of the box, with what appears to be about 30% of the work complete at the time of this posting. I wasn't able to get a good picture of the walls this time around, but will try to get a good shot in the next couple of days.

The other major areas of progress to report are the public works related projects taking place next to and in front of the station. After installing new pipes and wires, crews have started to rebuild the lane of 16th Street between Wynkoop and Wewatta. Once that section of 16th Street is completed, crews will begin to work on the other side of the street—eventually widening 16th Street in that block to match the width of the street between Wewatta and the Millennium Bridge.



Unfortunately, I was not able to get a good picture of the work being completed on 18th Street. The street, which formerly ended at Wynkoop, is being extended into what was part of the parking lot next to the Ice House lofts. This will allow for car access to the upcoming IMA Financial building that will flank the Station, as well as bus access to the underground bus terminal.

Finally, crews have started to excavate a large section of land in front of the Station entrance. This will eventually house a water overflow tank that will collect water from around the station during a heavy rainstorm—reducing the chance of any sewage overflow issues.

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April 19, 2012

By Chrissy Mancini Nichols, Value Case Studies

*Value Capture Case Studies is an ongoing series highlighting ways in which cities and regions across the country are using value capture mechanisms to fund transportation plans. These case studies present novel learnings for the Chicago region as it grapples with how to pay for necessary transportation improvements. Each post will focus on real-life examples of value capture mechanisms at work.*

*To learn more about the basics of value capture read [“Value capture case studies: What is value capture?”](#)*

Value capture mechanisms referenced in this post:

- Tax Increment Financing

The word “no” was not an option when Denver officials began planning to restore the city’s Historic Union Station, built in 1914. According to Frank Cannon, It took that kind of “can do” thinking to piece together the nearly \$500 million in funding needed to redevelop the transit hub as the center point of a new transit system and vibrant neighborhood in downtown Denver. Ultimately, the project tapped nine different sources, including an inventive use of two federal loan programs repaid with Tax Increment Financing (TIF) revenues, and a public-private partnership.



Denver Union Station will serve as the hub of the region's new FasTracks transit system, a \$7 billion, 12-year program to build 122 miles of new commuter and light rail, 18 miles of bus rapid transit service, 21,000 new parking spaces at rail and bus stations, and enhanced bus service across the eight-county Regional Transportation District (RTD). FasTracks transit lines will be fully built in 2020.



The revitalized Denver Union Station and adjacent community sits on a former rail yard.

After extensive renovation and expansion, Denver Union Station will connect the FasTracks light rail, commuter rail, and intercity rail, as well as local, regional, and intercity buses. By 2015, when renovation is scheduled to be complete, 200,000 passengers will travel through the station each day. Yet the station is also envisioned as much more than a transit hub; it is also the core of a vibrant, pedestrian and transit-friendly neighborhood. Plans call for a private developer to build a brand new neighborhood of housing, retail, restaurants and offices on 20 acres of currently vacant land owned by the RTD. In total, 42 acres of vacant land in downtown Denver, including the station and adjacent land, will be developed.



Former rail yard turned bustling neighborhood spurred by transit investment.

Financing the restoration of Union Station was a feat unto itself. Beginning in 1995, a collaboration between the station's owners (a consortium of three private partners), the City and County of Denver, Colorado Dept. of Transportation (CDOT), RTD, and U.S. Environmental Protection Agency initiated a feasibility study for bringing the building back to life. The Union Station Transport Development Company (USTDC) was formed, funded partly by the RTD, City and County of Denver, CDOT and the private owners. In 1999, the project received a planning grant for projects that link transportation, community and preservation through the Federal Highway Administration's Transportation and Community and System Preservation Pilot Program (TCSP). Following the TCSP grant, Denver was awarded a \$500,000 Transportation Enhancements grant to construct a bicycle facility at Union Station. After purchasing the station in 2001, the RTD, CDOT, City and County of Denver, and the Denver Regional Council of Governments formed an Executive Oversight Committee to develop a master and finance plan. Following a three-year public input process, the master plan was finalized in 2004.

In 2004 voters in the eight-county RTD approved a sales tax increase of 0.4 percent (4 pennies on every \$10) to finance the FasTracks transit project. Because rehabilitation Union Station was a critical element of the FasTracks system, it, too, was "fast tracked." In 2006, The Union Station Neighborhood Company (USNC) – a collaboration of Continuum Partners, LLC and East West Partners – were selected as the private developer to oversee planning, development, financing, design and construction for the 20 acres of RTD land surrounding Union Station. USNC also purchased the land from the RTD.



The future Denver Union Station.

In 2008 the Denver City Council created the Denver Union Station Project Authority (DUSPA) to finance, acquire, own, design, renovate, and maintain the transportation and public infrastructure parts of Union Station. DUSPA is a nonprofit, government-owned corporation authorized to issue debt for the project. That debt is only payable from the project. As the transit components of the project are completed, they will be transferred to the RTD who will own and maintain them.

In tandem with the creation of the DUSPA, the Denver City Council approved a 30-year TIF district (called Metropolitan Districts in Colorado) comprised of the entire Union Station and surrounding 20 acres. Tax Increment Financing is a special district created during a development period, where the tax base is frozen at the predevelopment level (on the assumption redevelopment would not occur in the area without public investment or intervention). Property taxes continue to be paid, but taxes derived from increases in assessed values resulting from new development (the tax increment) either go into a special fund created to retire bonds issued to originate the development, or to leverage future growth in the district.

The property taxes generated in the TIF district will go toward the debt services on two federal loans; a \$145.6 million Transportation Infrastructure Finance and Innovation Act (TIFIA) loan and a \$155 million Railroad Rehabilitation and Improvement Financing (RRIF) Loan. This financing structure is unique in that it is the first time the U.S. Dept. of Transportation combined a TIFIA and RRIF loan for a single project.

Total financing sources include:

Source	\$ Amount in Millions
TIFIA Federal Loan	\$145.6
RRIF Federal Loan	\$155.0
Land Sales	\$39.5
FasTracks	\$41.3
ARRA	\$28.2
TIP Funds	\$2.5
Colorado Senate Bill 1 Strategic Planning	\$17.3



FTA 5309 Fix Guideways Grant \$9.5

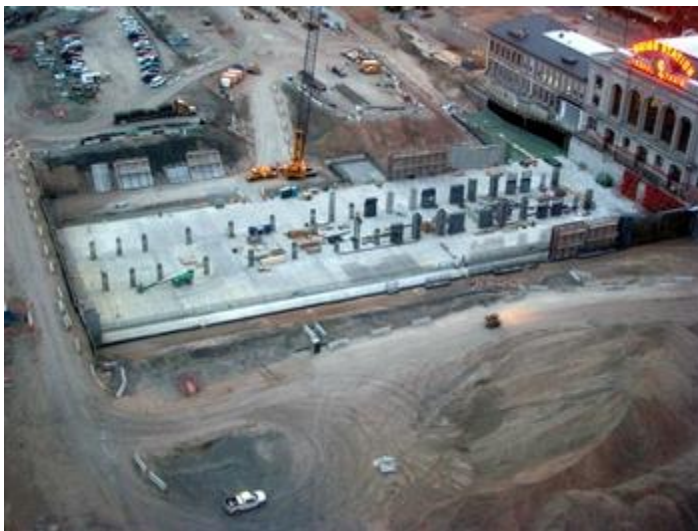
Colorado Dept. of Transportation	\$45.3
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Total	\$484.2
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Riders waiting for the next bus at Denver Union Station will have a nice view.

Making this \$500 million investment to redevelop its historic Union Station will generate myriad benefits for Denver, including an annual economic return of \$3 billion, 31,272 short-term construction jobs, and almost 20,000 long-term jobs. Twenty acres of an abandoned rail yard will become a new vibrant neighborhood surrounding the transit hub. Ten acres of new public plaza will be constructed, as a full \$32 million of the \$500 million budget was spent on public spaces. Traffic congestion will be reduced and new housing, business and activity centers will come to life. The rehabilitation of Denver Union Station is a perfect example of how a region – leaders and taxpayers alike – came together around a shared vision to creatively finance a project that will transform the city and region for centuries.



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Construction begins at Denver Union Station.