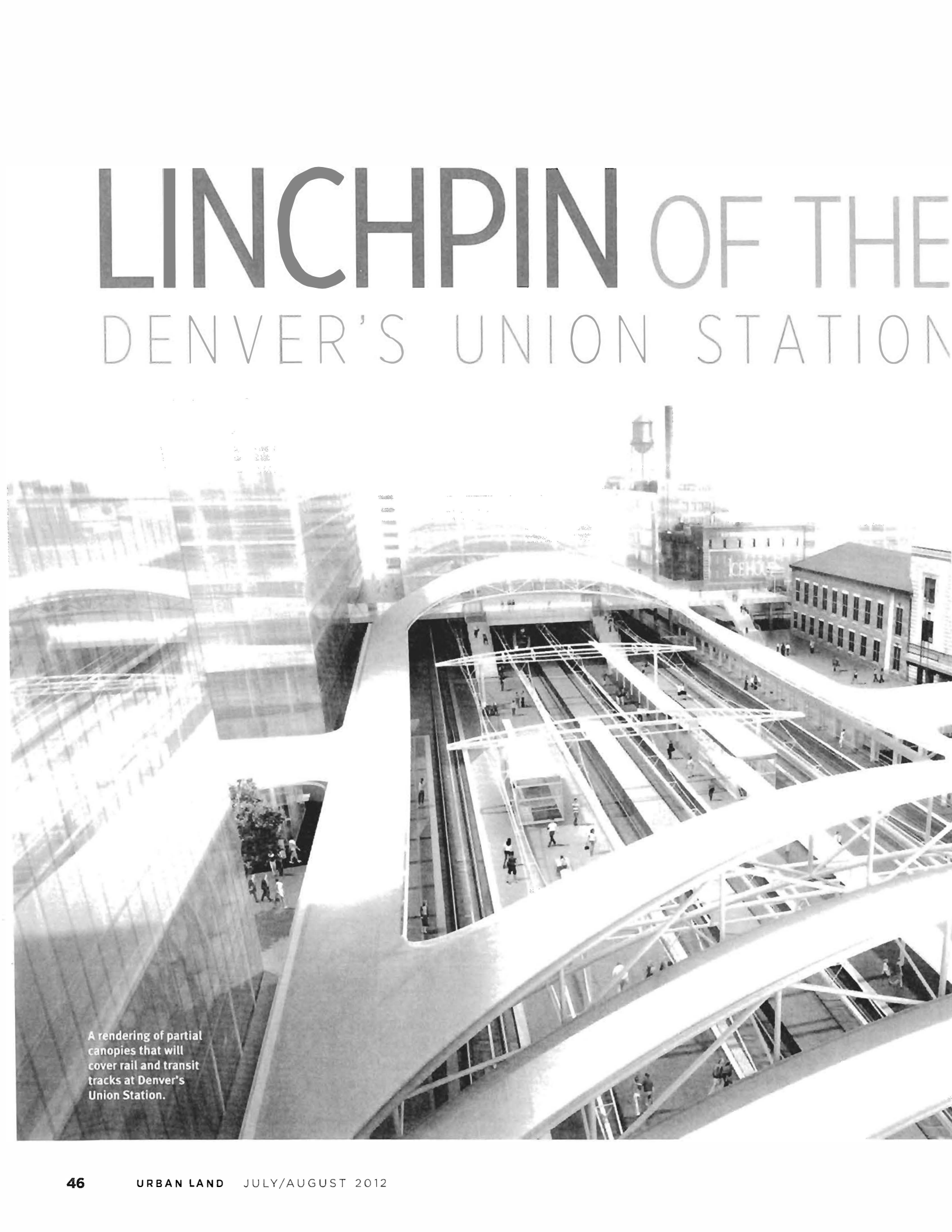


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LINCHPIN OF THE DENVER'S UNION STATION



A rendering of partial canopies that will cover rail and transit tracks at Denver's Union Station.

WEST

KATHLEEN MCCORMICK

Denver's historic train station is being re-created as a multimodal transit center, hotel, and shopping venue. And it is already spurring development in the Mile High City.

AFTER DECADES OF MINIMAL USE, Denver Union Station is being transformed into a model multimodal transportation hub through a series of cooperative planning decisions, well-timed opportunities, and leaps of faith.

Denver Union Station is the centerpiece of the \$7.8 billion FasTracks project, the largest public transit project under construction in the United States. The historic station is being redeveloped as a hub for connections via rail and other transit modes between downtown Denver and the region, as well as for national and international travel through Denver International Airport located 25 miles (40 km) northeast of the city.

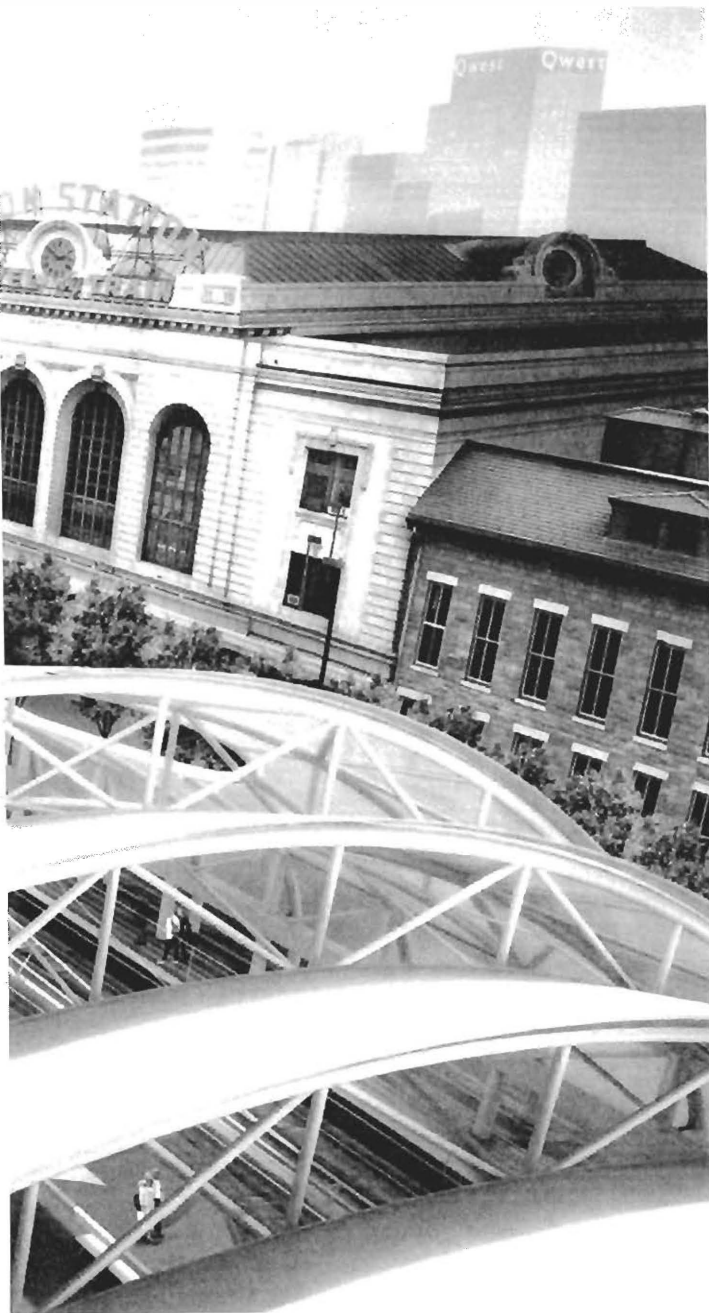
Denver Union Station has posed “about as many challenges as you could have on a project,” says Bill Mosher, project manager for the Denver Union Station Project Authority (DUSPA) and senior managing director of Trammell Crow Company. “This has never been a neatly packaged project. It’s been a big, messy project. But it’s a game changer.”

The \$500 million multimodal hub project, involving five public/private partners and nine financing sources, is two-thirds finished and on schedule for completion in April 2014. Redevelopment of the station and the new neighborhood around it is projected to create thousands of jobs and boost the Colorado economy by \$3 billion through 2020, according to Governor John Hickenlooper, a former mayor of Denver.

Kiewit Western Company began project construction in May 2009. Today, a new light-rail station and plaza are open on the site, and a local and regional bus facility is under construction. And the nearly 40 acres (16 ha) of land available for development on and around the transit site are creating the hottest downtown real estate market seen in Denver in decades.

Redeveloping the Historic Station

“Denver Union Station is the epitome of a landmark: it symbolizes the union of the old and new,” says developer Dana Crawford, CEO of Urban Neighborhoods



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Denver Union Station circa 1924, when 80 trains operated there daily.



Inc., which specializes in adaptive use of historic buildings and is a key partner in the Union Station Alliance, a private entity that is redeveloping the station as the Union Station Hotel. Built in 1881 and rebuilt after a fire in 1894, the station is listed on the National Register of Historic Places and designated as a Denver landmark.

“As stations go, it’s not a big place, but it has a big responsibility to fulfill in terms of being public space,” says Crawford. The Union Station Hotel, with a compact 125,000 square feet (11,600 sq m) of space, will be a 120-room boutique hotel, managed by Denver-based Sage Hospitality in conjunction with the historic Oxford Hotel one block away. The hotel plan calls for 22,000 square feet (2,000 sq m) of destination retail space and restaurants, and 21,000 square feet (1,950 sq m) of transit-oriented space. The station’s Great Hall will serve as a transit waiting room and public area with a bar and café that will extend out to the Wynkoop Street public plaza, flanked by the two main station entrances. Shops will frame the Great Hall and extend into the wings, which will be capped with restaurants. Amtrak ticketing and baggage areas will be located on the ground floor.

Union Station Hotel “will be like Grand Central Station, oriented to travel but also the living room of the city, with special events and receptions,” says Crawford.

The \$48 million project’s funding includes \$11.5 million in equity, \$7.5 million in historic preserva-

tion rehabilitation tax credits, 50 percent mortgage financing, and \$17 million from the Regional Transportation District (RTD)—\$5 million from a state Funding Advancement for Surface Transportation & Economic Recovery grant and \$12 million from the sale of RTD-owned land next to the station. The Union Station Alliance says taxes, especially the city’s 14.85 percent lodging tax, will generate up to \$207 million in revenue over the 60-year lease of the station from the RTD. Construction is slated to begin by early 2013 and be completed by summer 2014; the project is targeting Gold certification under the Leadership in Energy and Environmental Design (LEED) program.

Planning for Connectivity

Beginning in the 1980s, transformations in Denver’s Central Platte Valley were geared toward providing a denser, more connected downtown neighborhood that could serve a transit center. By the 1990s, old viaducts had been cleared and rail lines combined to form the Consolidated Main Line (CML) tracks on the western edge of the valley’s decayed 50-acre (20 ha) former railyard. Denver’s Commons Park and execution of the Riverfront Park master plan drew thousands of residents to the area between the tracks and the South Platte River. The Commons master plan and transit/mixed-use zoning for the station area paved the way for major investments in new streets, transit infrastructure, and other public amenities. Within the past decade, extensions of



Left: The Union Station Alliance plans a \$48 million renovation of the station building, which will feature restaurants, shops, Amtrak services, and 120 hotel rooms. **Below:** The station's Great Room will become a transit waiting room and reception area.

regional light-rail lines and the 16th Street Mall Shuttle, which traverses the downtown commercial and retail spine, were linked to the station area. Three pedestrian bridges, including the cable-stayed Millennium Bridge with its tall white "mast," were built to link the valley and the Highlands neighborhood across Interstate 25.

In 2001, the RTD purchased 20 acres (8 ha) in the valley, including the station, a deal made possible by an agreement involving the Denver city/county government, the Denver Regional Council of Governments, and the Colorado Department of Transportation. These partner agencies in 2004 adopted the Denver Union Station master plan, a blueprint for combining as many as 16 modes of public and private transportation at one site, using the historic station as a hub. The master plan envisioned restoring Denver Union Station to its historic role as the gateway to downtown Denver and the region.

In 2006, the partner agencies chose the Union Station Neighborhood Company (USNC), a joint venture between Continuum Partners LLC and East West Partners, as the master developer for the site because its proposal outlined how to accomplish the master plan's transportation and development goals in a single phase, using the concept of a transit district. In 2008, the DUSPA was created to



design, finance, and construct the infrastructure project, and the Downtown Development Authority was created to provide tax increment financing (TIF) to help fund it.

The Multimodal Hub

Denver Union Station was the logical site for a transit hub because heavy rail and commuter rail lines

About FasTracks

▷ FasTracks is the Denver region's \$7.8 billion, 12-year program to build 122 miles (196 km) of commuter rail and light-rail lines served by 60

new stations along six new rail corridors, create 18 miles (29 km) of bus rapid transit (BRT) service and extensions to three light-rail lines, plus

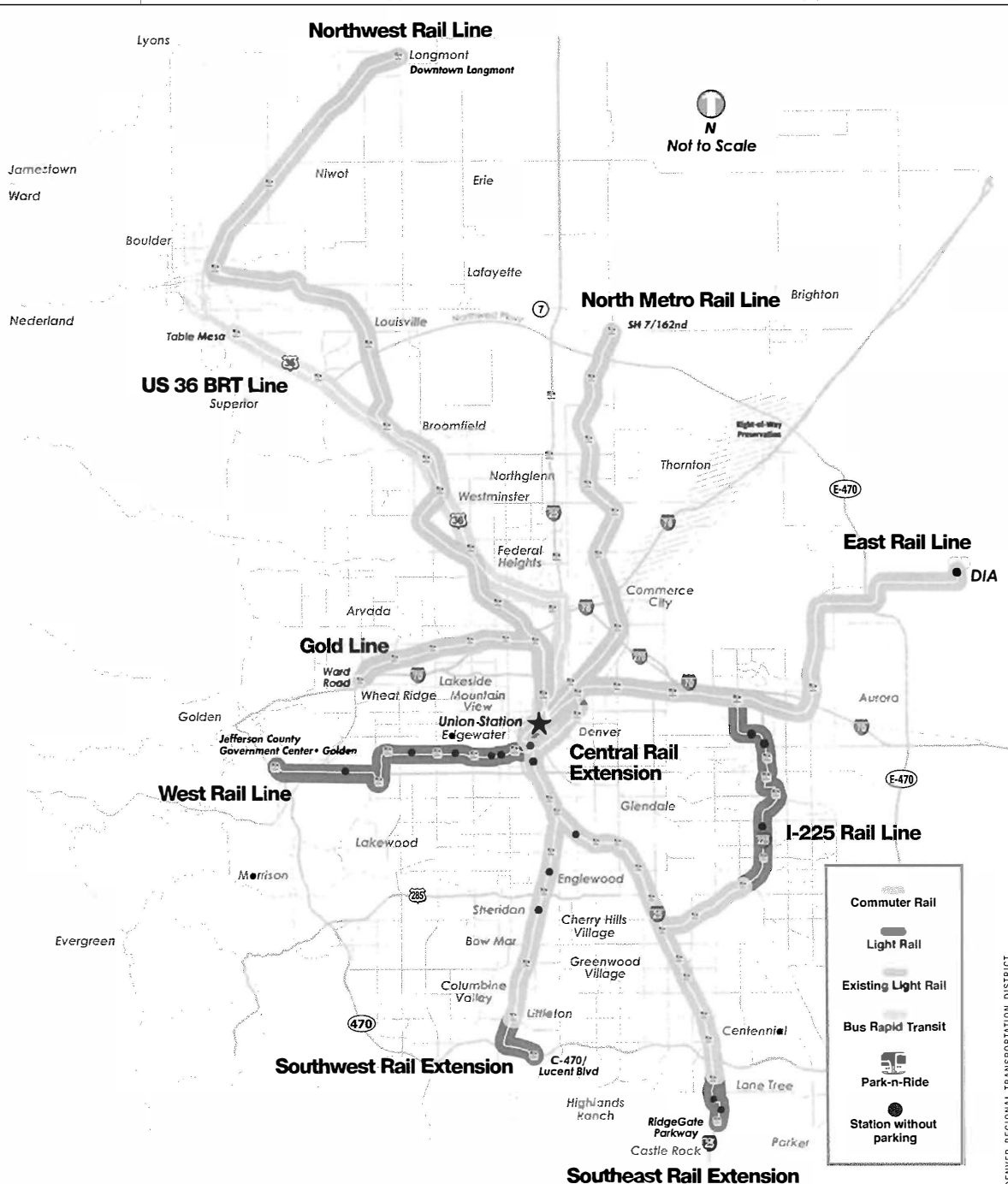
provide 21,000 new parking spaces at rail and bus stations across the eight-county Regional Transportation District (RTD).

▷ Denver Union Station is the hub for eight of the nine FasTracks rail and BRT lines.

▷ The 23-mile (37 km) East Rail Line to Denver International Airport, scheduled for completion in 2016, will transport passengers from downtown Denver to the airport in 35 minutes. The East Line link to the airport is part of the \$2.1 billion Eagle P3 project, the nation's first public/private transit partnership.

▷ The 12-mile (19 km) West Rail Line will be the first FasTracks-funded corridor completed when it opens in April 2013. It will link downtown Denver to residential neighborhoods in west Denver, Lakewood, and Golden; federal, state, and county government centers with 8,500 employees; and college campuses with more than 50,000 students.

▷ FasTracks' estimated costs have increased from \$4.7 billion since voters passed a 0.4 percent sales tax in 2004. The biggest FasTracks cost controversy concerns the 41-mile (66 km) Northwest Rail Line from Denver Union Station to Boulder and Longmont; ballooning costs could delay completion until 2044. Noting FasTracks' \$4.2 billion in projects under construction across the region, program spokesperson Pauletta Tonillas says, "Our goal is to complete the system sooner rather than later, but it will take a tax increase to do that, and the board is waiting for the right time."—K.M.



DENVER REGIONAL TRANSPORTATION DISTRICT

already converged at the site. But when planning started, officials realized that local and regional buses that used the overburdened Market Street station three blocks away also should be included. So planning focused on a new problem: how to incorporate everything at one site, including light rail and passenger rail, regional and local buses, commercial and private vans/buses, the 16th Street Mall Shuttle, a new Downtown Circulator shuttle, taxis, private vehicles, high-occupancy vehicle lanes, rental cars, bikes, pedicabs, pedestrian networks, and parking.

DUSPA studied other redeveloped train stations, but none provided a model for a project as large and complex as Denver's multimodal hub, which would handle an estimated 200,000 trips daily from all transportation modes, not counting walking and biking.

Financing the transit hub has been the greatest challenge, given the decline of the global economy just as the project was being launched in 2008 and a disconnect between the master plan and the FasTracks program. The master plan outlined a 30 year-plus vision for developing a transit hub, but

two months after it was approved, voters passed FasTracks, which called for completion of the whole transit program within 12 years—by 2016. FasTracks provided \$208.8 million to Denver Union Station for Phase I light rail and commuter rail, but no other phases or modes were funded. Because of the lack of funds and the compressed time frame, the public agencies turned to the private sector and the federal government to help execute the project.

USNC and the partner agencies reconfigured the program to reduce costs and accommodate all the transit modes. All the transit facilities originally were intended to be placed underground with development above. However, the estimated cost—\$1 billion—and the density of development above would not have worked, says Frank Cannon, USNC president. "Denver can absorb moderate-scale buildings, not 5 million [square] feet [465,000 sq m] of development in a condensed period of time."

The solution allowed all the transit development, plus nearly ten acres (4 ha) of new public space and private development, to occur simultaneously for \$500 million, roughly half the project's projected



A rendering of DaVita world headquarters. The white cable-stayed bridge will allow pedestrians to cross an interstate highway.

“This has never been a neatly packaged project. It’s been a big, messy project. But it’s a game changer.”—BILL MOSHER

overall cost. Private real estate development was disengaged from the public infrastructure, and light rail and commuter rail were brought up to street level. The bus facility remained underground, extending two blocks from the historic station to the light-rail and CML tracks, with a passenger concourse connecting the historic station to the light-rail station under the 17th Street public right-of-way. The plan also addressed transit program growth, providing additional bus bays and commuter rail tracks. USNC assembled the design/build team—Kiewit Western Company, AECOM, Skidmore Owings & Merrill, and Hargreaves Associates. USNC also contracted to purchase three parcels within the transit site to develop privately, providing the RTD with funds for the transit project; development at the site also will generate TIF revenues to fund the public infrastructure.

The largest financing source for the project is the federal government. DUSPA assembled \$191 million in cash from the partner agencies, proceeds from the sale of RTD land, and funds from other federal, state, and local sources, leaving a \$300 million gap that required financing. In February 2010, the U.S. Department of Transportation’s Federal Transit Administration loaned \$300 million to DUSPA to redevelop the transit site—a \$145 million Transportation Infrastructure Finance and Innovation Act (TIFIA) loan and a \$155 million loan from the Railroad Rehabilitation and Improvement Financing (RRIF) program. The commitment represented the first time the two federal loan programs had been combined to fund a major infrastructure project.

Another challenge has been the complexity of the project. Major logistical feats were figuring out where to locate each transit mode and how to phase construction, given the need to move the Amtrak station, build a light-rail station and an underground bus facility, renovate Denver Union Station, build a new Amtrak and commuter rail facility, and create pedestrian and vehicle routes to connect with transit and the downtown grid.

Construction of the transit improvements has been phased because of requirements to maintain street access, utilities, light rail, and the mall shuttle. The light-rail station and mall shuttle loop

have been operating since August 2011. Several new streets have been constructed to connect the interior of the site to the downtown grid. During the current, final phase, the bus facility and public plazas and pavilions will be completed; the Train Hall’s commuter rail and Amtrak tracks and platforms will be constructed with a canopy and bridge connecting to the historic station; and Amtrak service will return to the station from its temporary site. Public parking will be provided at privately developed buildings in the neighborhood.

Public Space

Designed by Hargreaves Associates, the 2.5 acres (1 ha) of public plazas offer places that support activity as well as places to relax. The signature public space is Wynkoop Plaza, spanning two blocks between 16th and 18th streets along Wynkoop Street in front of the historic station. The 16th Street side has an interactive fountain with pop-up spray jets; on the 18th Street side, a grove of trees with tables and chairs welcomes travelers. When complete, the 17th Street Gardens will have recessed plazas arranged in a pattern of gardenlike seating alcoves and skylights that stretch above the bus facility for two blocks. The light-rail plaza, which opened this May, has islands of native trees and grasses.

Wynkoop Plaza will be paved in granite, reflecting the desire for the design “to rise to the level of greatness of a signature public space for a great city,” says Ken Schroepel, a Union Station Advocates board member and founder of the denverinfill.com blog. Union Station Advocates and DUSPA sought recommendations on governance and maintenance from the Project for Public Spaces and the Downtown Denver Partnership. A public/private partnership and possibly a metropolitan district are being considered to fund improvements and maintenance of public spaces, Schroepel says.

Private Development: Attracted to Transit

The total vacant or redevelopable land around the station is estimated at 40 acres (16 ha)—double the area dedicated to the transit site. The availability of land so close to a transit hub has attracted new busi-



A rendering of IMA Financial Group's headquarters, part of the renovated Union Station complex.

nesses, such as DaVita, a Fortune 500 kidney care company with 31,000 employees. DaVita relocated from El Segundo, California, and construction is being completed on its worldwide headquarters, next to the Millennium Bridge, which will accommodate 950 employees. The \$100 million, 14-story office building, developed by Trammell Crow and designed by Denver-based MOA Architecture, was scheduled to open in July with LEED Gold certification.

The five private development parcels within the 19.5-acre (7.9 ha) Union Station property include one parcel north and one parcel south of the historic station wings, two parcels just west of the commuter rail facilities, and a triangular site at 16th and Wewatta streets. Another eight blocks of privately owned parcels exist in the Union Station neighborhood. Zoning restricts most of the buildings heights to 140 feet (43 m), though a few sites can be built up to 250 feet (76 m) high. Several projects are under construction, and an estimated six others are in planning. The accelerating pace of development is particularly welcome because private development is key to repaying the \$300 million in federal loans.



ANDERSONMASONDALE ARCHITECTS (LEAD) & SEMPLE BROWN ARCHITECTS (INTERIOR)

The first private building to break ground within the Union Station property was IMA Financial Group's \$32 million, five-story mixed-use office building at 1751 Wynkoop Street. The IMA headquarters, designed by Anderson Mason Dale Architects and Semple Brown Design to achieve LEED Gold certification, is expected to open late in 2013.

East West Partners' One Union Station, located on the south wing parcel at 1601 Wynkoop Street, is a \$35 million, five-story office building with ground-floor retail space. Designed by Anderson Mason Dale

A rendering of One Union Station at 1601 Wynkoop Street.

and Semple Brown Design to achieve LEED Gold certification, the project was scheduled to break ground in August and be finished by January 2014.

Zocalo Community Development is building the first high-rise apartment project in the neighborhood—the 13-story, mixed-use Cadence Apartments, located on 17th Street next to the light-rail station. Zocalo is developing the 219-unit building in part-

Urban Land Conservancy and the Denver TOD Fund

THE URBAN LAND CONSERVANCY (ULC), an independent non-profit organization in Denver, uses the \$15 million Denver Transit-Oriented Development (TOD) Fund to purchase strategic sites for community uses. Launched in 2010, the TOD fund is financed by eight investors, including ULC, the city/county of Denver, and Enterprise Community Partners, which manages the fund. They are working to double the fund to \$30 million for use regionwide, says Aaron Miripol, chief executive officer of ULC.

As of June 2012, ULC had purchased six transit-oriented properties. Along the West Rail Line, for example, a two-acre (0.8 ha) parcel between two light-rail stations at West Colfax Avenue and Irving Street is being developed into the Mile High Vista project, with 60 affordable apartments under development by Del Norte Neighborhood Development Corporation, plus a small commercial building. Denver bought part of the ULC site to build the new West Side Denver Public Library, due to open in 2013.—K.M.

nership with Des Moines, Iowa-based Principal Real Estate Investors; it is registered for LEED Gold certification.

The Nichols Partnership's mixed-use project at 20th Street and Chestnut Place will include a 46,000-square-foot (4,300 sq m) grocery store, another 11,000 square feet (1,000 sq m) of retail space, 314 apartments, and parking on the ground floor and below grade. The project was scheduled to break ground in August and be completed by summer 2014.

As of June, 1,240 apartments were in design within the Downtown Development Authority boundary, with a total of 4,500 apartments projected for

the area. Only one project so far has affordable housing: the Alta City House, East West Partners and Atlanta-based Wood Partners' \$62 million, five-story building at 1801 Chestnut Place, will have 280 apartments, 140 of which will be designated as affordable. Construction was scheduled to begin in August. Developers say the neighborhood's housing market will include empty nesters and, if a proposed charter school is approved, some families with children. Young professionals are drawn to the transit-linked downtown location; Denver already is the number-one U.S. city for migration of the millennial generation, according to a recent Brookings Institution report.

In addition to the "super-heated" apartment market, "all the office momentum in the central business district has gravitated to the Denver Union Station site," says Dan Guimond, principal of Economic & Planning Systems in Denver. Whereas the central business district has added only a couple of private office buildings since the mid-1980s, office projects will continue to drive development in the Denver Union Station neighborhood, he says.

"We have a beautiful historic train station, with a \$7 billion FasTracks investment, in the heart of downtown," observes USNC's Cannon. "We have a public agency owning the train station, vacant land around it, and all of the energy of downtown moving in this direction for office, residential, and entertainment. That opportunity doesn't exist anywhere else in the U.S."

Denver is known for its regional cooperative spirit, can-do attitude, and pride of place, all of which will be needed to make Denver Union Station a successful multimodal transportation hub. "We're just getting going at Denver Union Station," says Chris Frampton, managing partner for East West Partners-Denver. "This place will help identify the whole city. You get off the train here from the airport, and it's the terminus for every line, and that has a really big macro-regional effect." **UL**

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Find details on programming scheduled for ULI's 2012 Fall Meeting in Denver, October 16-19.