

ALEX BROWN CONSULTING

Capital Finance Plan Update June 25, 2009

Base Plan Using RRIF and TIFIA Loans

- Model updated to increase assumed interest rate to 4.75%
- Credit risk premiums included for both loans
- RTD finance payments during construction used to:
 - Pay credit risk premiums
 - Pay interest on RRIF loan and portion of TIFIA interest
 - Fund debt service reserve funds
- RRIF loan at \$167 million and TIFIA at \$155 million
- Debt service reserve funds are:
 - \$5.75 million for RRIF – 6 months debt service
 - \$8.52 million for TIFIA – maximum annual interest
- RRIF loan payments below \$12 million annually
- RRIF coverage (post construction) between 1.70 and 4.30
- TIFIA minimum coverage of 1.10X debt service and increases to 1.93
- RRIF loan repaid 2026; TIFIA repaid 2029
- Some deferral of TIFIA interest during construction

Alternative Using RRIF Loan and Open Market Debt

- Interest rates climb to 6.00% and 7.50%
- Capitalized interest included in bond issue
- Deferred interest bonds (zero coupon) required to lower debt payments early years; thin market for this type of bond
- RRIF loan increases to \$225 million
- RRIF credit risk premium increases substantially
- Annual debt cost on RRIF exceeds RTD annual finance payment
- Funding level slightly below full budget with all contingencies
- Debt service coverage ratios generally lower but minimum of 1.25X debt service

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**DENVER UNION STATION PROJECT AUTHORITY
STATEMENT OF NET SURPLUS IN ASSETS
AS OF MAY 31, 2009**

ASSETS

Current Assets:

Cash - Vectra (Pre-Development Account)	1,500,247
Cash - Vectra (Construction Account)	0
Accounts Receivable	0
Total Current Assets	<u>1,500,247</u>

Non-Current Assets:

Capital Assets	1,961,626
Total Assets	<u>3,461,873</u>

LIABILITIES AND NET SURPLUS IN ASSETS

Current Liabilities:

Accounts Payable - Draw #1	1,961,626
Accrued Liabilities	0
Loan Payable - City & County Of Denver	500,000
Loan Payable - RTD	1,000,000
Total Current Liabilities	<u>3,461,626</u>

Non-Current Liabilities:

Bonds Payable	0
Total Liabilities	<u>3,461,626</u>

Net Surplus In Assets:

Invested in Capital Assets, Net of Related Debt	0
Restricted	0
Unrestricted	247
Total Surplus in Assets	<u>247</u>
Total Liabilities and Net Surplus in Assets	<u>3,461,873</u>

**DENVER UNION STATION PROJECT AUTHORITY
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET ASSETS
FOR THE TWO MONTHS ENDED MAY 31, 2009**

Operating Revenues (Expenses)

Misc Operating Revenues	0
Misc Operating Expenses	<u>0</u>
Net Operating Income	<u>0</u>

Nonoperating Revenue (Expenses)

Interest Income	247
Bank Charges	<u>0</u>
Net Nonoperating Income	<u>247</u>

Increase In Net Assets	247
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Net Surplus In Assets at March 31, 2009	<u>0</u>
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Net Assets At April 30, 2009	<u><u>247</u></u>
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DENVER UNION STATION PROJECT AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE TWO MONTHS ENDED MAY 31, 2009

Cash Flows From Nonoperating Activities

Interest Received	247
General & Administrative Expenses	0
Net Cash Provided By Nonoperating Activities	<u>247</u>

Cash Flows From Capital and Related Financing Activities

Loans From City & County Of Denver	500,000
Loans From RTD	1,000,000
Payments for Prepaid Insurance	0
Net Cash Provided By Capital and Related Financing Activities	<u>1,500,000</u>

Net Increase (Decrease) In Cash	1,500,247
Cash, Beginning of Month	0
Cash, End of Month	<u>1,500,247</u>

Reconciliation of Increase in Net Assets to Net Cash Flow Provided:

Increase in Prepaid Insurance	0
Increase in Accounts Receivable	0
Increase in Loans Payable	(1,500,000)
Increase in Accrued Liabilities	0
Net Cash Used By Nonoperating Activities	<u>(1,500,000)</u>
Change in Net Assets	<u><u>247</u></u>

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SPA Pre-Development Budget
Project Cost Tracking

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Development Budget

Category	Initial Budget	Revisions	Revised Budget	K Amount	Non-K Est	Pd To Date	Est To Compl	Ttl Forecast	Variance
Hard Costs									
	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
Hard Cost Contingency	0	0	0	0	0	0	0	0	0
Total Hard Costs	0	0	0	0	0	0	0	0	0
Soft Costs									
TIFIA Application Fee	30,000	0	30,000	0	30,000	0	30,000	30,000	0
TIFIA Transaction Fee	300,000	0	300,000	0	300,000	0	300,000	300,000	0
TIFIA Processing Fee	75,000	0	75,000	0	75,000	0	75,000	75,000	0
TIFIA Project Monitoring Fee	40,000	0	40,000	0	40,000	0	40,000	40,000	0
TIFIA Annual Service Fee	11,000	0	11,000	0	11,000	0	11,000	11,000	0
RRIF Application Fee	200,000	0	200,000	0	200,000	85,000	115,000	200,000	0
S&P Rating Fee	100,000	0	100,000	0	100,000	0	100,000	100,000	0
Financial Advisor	105,000	0	105,000	0	105,000	0	105,000	105,000	0
D & O Insurance	60,000	0	60,000	0	57,156	57,156	0	57,156	2,844
Legal Fees Thru 4/30/09	500,000	0	500,000	0	500,000	0	500,000	500,000	0
Legal Fees - May, 2009	100,000	0	100,000	0	100,000	0	100,000	100,000	0
Owners Rep, Jan - Apr, 2009	200,000	0	200,000	0	200,000	0	200,000	200,000	0
Owner's Rep - May, 2009	75,000	0	75,000	0	75,000	0	75,000	75,000	0
Developer Fee, Jan - Apr, 2009	700,000	0	700,000	0	700,000	0	700,000	700,000	0
Peer Design Review	12,500	0	12,500	0	12,500	0	12,500	12,500	0
Historic Assessment Grant Match	30,000	0	30,000	0	30,000	0	30,000	30,000	0
Public Process	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
Bank Fees	0	0	0	0	0	0	0	0	0
Interest Income	0	0	0	0	0	0	0	0	0
Soft Cost Contingency	461,500	0	461,500	0	0	0	0	0	461,500
Total Soft Costs	3,000,000	0	3,000,000	0	2,535,656	142,156	2,393,500	2,535,656	464,344
Total Project Costs	3,000,000	0	3,000,000	0	2,535,656	142,156	2,393,500	2,535,656	464,344
Check				0	0	0			

DUSPA Pre-Development Budget

Project Cost Tracking

 Notes**Reconciliation To Books**

Loan From CCD	500,000
Loan From RTD	1,000,000
Interest Income	247
A/P at 5/31/09	142,156
	0
	0
Total Sources Per Books	1,642,403
Total Costs Per Tracking	142,156
Cash On Hand at 5/31/09 (Pre-Development Account)	1,500,247

DUSPA Pre-Development Budget
Project Cost Tracking

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Detail By Vendor

Vendor	Category	K Amount	Non-K Est	Pd To Date	Est To Compl	Ttl Forecast	Comments
Marsh	D & O Insurance ▼		57,156	57,156	0	57,156	thru 5/1/10
Federal RR Admin	RRIF Application Fee ▼		85,000	85,000	0	85,000	
TIFIA Application Fee	TIFIA Application Fee ▼		30,000	0	30,000	30,000	
TIFIA Transaction Fee	TIFIA Transaction Fee ▼		300,000	0	300,000	300,000	
TIFIA Processing Fee	TIFIA Processing Fee ▼		75,000	0	75,000	75,000	
TIFIA Project Monitoring Fee	TIFIA Project Monitoring ▼		40,000	0	40,000	40,000	
TIFIA Annual Service Fee	TIFIA Annual Service Fee ▼		11,000	0	11,000	11,000	
RRIF Application Fee	RRIF Application Fee ▼		115,000	0	115,000	115,000	
S&P Rating Fee	S&P Rating Fee ▼		100,000	0	100,000	100,000	
Financial Advisor	Financial Advisor ▼		105,000	0	105,000	105,000	
Legal Fees Thru 4/30/09	Legal Fees Thru 4/30/09 ▼		500,000	0	500,000	500,000	
Legal Fees - May, 2009	Legal Fees - May, 2009 ▼		100,000	0	100,000	100,000	
Owners Rep, Jan - Apr, 2009	Owners Rep, Jan - Apr, 2 ▼		200,000	0	200,000	200,000	
Owner's Rep - May, 2009	Owner's Rep - May, 2009 ▼		75,000	0	75,000	75,000	
Developer Fee, Jan - Apr, 2009	Developer Fee, Jan - Apr, ▼		700,000	0	700,000	700,000	
Peer Design Review	Peer Design Review ▼		12,500		12,500	12,500	
Historic Assessment Grant Match	Historic Assessment Grant ▼		30,000	0	30,000	30,000	
Public Process	Public Process ▼		0	0	0	0	
	▼		0	0	0	0	
	▼		0	0	0	0	
	▼		0	0	0	0	
	▼		0	0	0	0	
	▼				0	0	
	▼				0	0	
	▼				0	0	
	▼				0	0	
	▼				0	0	
Bank Fees	Bank Fees ▼		0	0	0	0	
Interest Income	Interest Income ▼		0	0	0	0	
Soft Cost Contingency	Soft Cost Contingency ▼		0	0	0	0	
		0	2,535,656	142,156	2,393,500	2,535,656	
Check		0	0	0	0	0	

**Denver Union Station Project Authority
Peer Design Review Panel
Member Biographies**

Wendi Birchler, RLA, LEED® AP

Wendi Birchler, a principal with Norris Design, has been practicing landscape architecture and land planning disciplines since 1995. She has extensive experience in coordinating the efforts of project teams including developers, civil engineers, architects, irrigation, lighting and traffic consultants with the variety of jurisdictions in the Front Range region of Colorado.

Her project experience includes commercial, retail, and mixed-use development, as well as single and multi-family residential development, and office and hospital campuses. Wendi also has been involved in the landscape architecture and design of parks, open space, trails, streetscapes, swimming pools, entry monuments and plazas. In addition, she has provided construction administration services, and has prepared construction documents, specifications and cost estimates for a variety of projects.

Wendi has been involved in the community through volunteering with several organizations and enjoys teaching children about gardening, design and the built and natural environment.

Richard C. Farley, FAIA

Dick received his Bachelor of Architecture from the University of Nebraska and his Master of Architecture from Cornell University. Of his almost 39 years in the professions of Urban Design and Architecture, Dick has spent about 15 years in the public sector, including almost 9 years as Deputy Director of the Denver Community Planning and Development office in charge of Urban Design, and about 21 years in the private sector as an architect and urban designer, including the last eight years with Civitas. He is well versed in all aspects of urban design, including land use and environmental planning. Dick has worked on many projects in the Denver and front range area such as the 1991 Central Platte Valley Urban Design Plan; the design of the Central Platte Valley's viaduct replacement projects; Downtown Denver Rezoning; the Airport Gateway Plan, the Stapleton Redevelopment Plan; Civic Center Design Guidelines; Belmar, the redevelopment of Villa Italia in Lakewood; Denver Union Station Master Plan; Belleview Station TOD; Highland's Garden Village; and Bradburn, a mixed use community in Westminster.

Dick's honors include the Denver Chapter of the American Institute of Architects Public Service Award for Outstanding Service to the Built Environment by an Architect in the Public Sector and the election to the American Institute of Architects College of Fellows.

region's first mixed-use transit-oriented civic center and transit station – Englewood CityCenter. Tryba subsequently worked with public officials in Greenwood Village to design a compact, mixed-use, transit-oriented Town Center in anticipation of the completion of RTD's second light rail line – the Southeast Corridor at the Arapahoe Station. Most recently the firm has developed the master plan, design standards and guidelines for three additional stations: Denver Design District at the Alameda Station; Gates East at the Broadway Station, where the southeast and southwest corridors merge to take riders downtown; and Colorado Center at the Colorado Boulevard Station, the southern gateway to downtown. Recent urban mixed use projects include the award-winning Lowry Town Center and Clayton Lane Redevelopment at Cherry Creek North.

David served as President of AIA Denver in 2007. He received an Honorary Doctorate of Humane Letters from the University of Colorado for significant transformation of Denver's urban form in 2005. David lectures extensively on adaptive reuse, historic preservation and the rebirth of the downtown. He is a founding member of Greenprint Denver, the city's sustainability initiative, and the Mayor's 2007 Build-a-Better Denver Infrastructure Bond Committee. He has served on the boards of a number of institutions including Historic Denver, the Design Council of the Denver Art Museum, the Denver Botanic Gardens, and the Downtown Denver Partnership Civic Ventures Board.