

# DUS News Digest

January 29 to February 5, 2010

|   |   |
|---|---|
| IMA Financial will relocate to Union Station building.....  | 2 |
| January 31, 2010 <i>Denver Post</i>                         |   |
| Laying the rails for Union Station.....                     | 3 |
| January 31, 2010 <i>Denver Post</i>                         |   |
| Union Station film to debut .....                           | 4 |
| February 1, 2010 <i>Montero's Council District Web Site</i> |   |
| Union Station project gets push.....                        | 5 |
| February 5, 2010 <i>Denver Post</i>                         |   |
| Union Station project gets \$304M in loans.....             | 6 |
| February 5, 2010 <i>Denver Business Journal</i>             |   |

## IMA Financial will relocate headquarters to Union Station building

By Margaret Jackson

The Denver Post

Posted: 01/31/2010 01:00:00 AM MST

IMA Financial Group Inc. plans to relocate its headquarters to Union Station's planned north-wing building, kickstarting the first phase of private development at the site.

The \$32 million project is part of the private development that will surround the historic train station. It is key to repaying a portion of the \$300 million federal loan backstopped by Denver's general-fund dollars, a measure approved by the City Council on Monday.

When construction is complete, the building will generate an estimated \$670,000 in tax dollars annually that will be used to help repay the loan in a process known as tax-increment financing.

"It's a huge deal to have something announced that is this tangible this early," said Claude Pumilia, the city's chief financial officer. "This just adds to our argument that the risk to the city is minimal."

Roughly half of the \$300 million federal loan the city is expecting to receive will be repaid through the money generated through the FasTracks funding.

The remainder will be repaid through funds generated through tax-increment financing flowing into the project from development surrounding the station.

IMA Financial will occupy the top four floors of the 100,000-square-foot, five-story building at 18th and Wynkoop streets, immediately north of the station. A restaurant or other retailer will occupy the first floor.

"This is a unique opportunity to do something really special," said Rob Cohen, chairman and chief executive of IMA. "Union Station has always been this magical place of what could be when it happens."

Over the past nine years, IMA's Denver office has grown from 45 to 180 employees, outgrowing its current Lower Downtown office space. The company is the 13th-largest independently owned brokerage in the country.

"IMA's decision to stay downtown and reinvest is an excellent example of what it's going to take to make sure downtown remains vibrant in the future," said Tami Door, president and chief executive of the Downtown Denver Partnership. "It's a strong vote of confidence in the project and really serves as a catalyst to get this project rolling."

The building, designed by Anderson Mason Dale Architects and Semple Brown Design, is a joint venture between Cohen and Union Station Neighborhood Co., a partnership formed between Continuum Partners and East West Partners to redevelop Denver Union Station and the 19.5 acres surrounding it.

Haselden Construction LLC is expected to break ground on the project early next year.

The IMA project is the first deal Union Station Neighborhood Co. has made for the surrounding land. Under terms of its deal with the Regional Transportation District, the developer must adhere to a schedule for purchasing the property.

Under the agreement, Union Station Neighborhood Co. was supposed to have acquired the land for the north-wing building by the end of 2009. However, RTD would not sell the land before financing for the transportation project closed, said Tom Gougeon, president of Union Station Neighborhood Co.

The next required land purchase is for the south-wing building by the end of this year.

Read more:

[http://www.denverpost.com/businessheadlines/ci\\_14299803#ixzz0eJX2qaM1](http://www.denverpost.com/businessheadlines/ci_14299803#ixzz0eJX2qaM1)

Laying the rails for Union Station  
By Margaret Jackson  
The Denver Post  
Posted: 01/31/2010 01:00:00 AM MST

The Millennium Bridge offers a glimpse at the land waiting for the public-private Union Station redevelopment project. Bill Mosher spends a lot of time evaluating risk, whether it's for a complicated project like the redevelopment of Denver's Union Station or determining how rocky a ski run is.

On a warm day at Winter Park, Mosher gazed down from a chairlift and remarked that it would be worthwhile to ride a mountain bike over the resort's ski runs in the summer to learn which ones have the most rocks. That way, he said, you can avoid those runs in poor conditions during ski season.

"It's due diligence," he said. "It's learning as much as you can about something so you can take the most risk."

Mosher's spent plenty of time doing due diligence on Union Station, starting in the late 1990s when he led the Downtown Denver Partnership.

Bill Mosher is the owner's representative in what is arguably the most complicated public-private development project in Denver's recent history. (Photos by Craig F. Walker, The Denver Post )At the time, the organization was trying to figure out how the public could acquire the historic building.

"The potential (for Union Station) was certainly understood," he said.

Today, Union Station is set to become the centerpiece of FasTracks, the region's tax-funded \$6.5 billion transit plan. Mosher is at the center of the process, serving as the owner's representative in what is arguably the most complicated public-private development project in Denver's recent history.

Mosher, 59, has built his reputation on orchestrating complex public-private deals. After leaving the Downtown Denver Partnership in 1999, Mosher entered the private sector, forming Mile High Development with George Thorn, then his own firm, Mosher Sullivan, which he merged with Trammell Crow in 2006.

As a private developer, Mosher has worked on some very public projects, including the Hyatt Regency at the Colorado Convention Center, the Wellington E. Webb Municipal Building, the Colorado History Museum and the new justice center.

"I've always tried to have at least one public-private project," he said.

Union Station will likely rank among the most complex.

The \$480 million project includes a convergence of light rail, bus and Amtrak service around the station. In addition to the transit hub, an estimated 1.3 million square feet of retail, office and residential development valued at \$450 million is planned on the 19.5 acres surrounding the station.

It's all about the loan

The fate of the plan is riding on a \$300 million federal loan awaiting approval from the U.S. Department of Transportation. Without the loan, the bus facility would not be built, killing the multimodal transportation vision.

"You'd end up with a surface train yard behind Denver Union Station, which wouldn't be all that much different than what we have today," said Mosher. "And you lose the opportunity to build a public place."

Losing the loan also would derail plans for private development on the land surrounding the site, said Tom Gougeon, president of Union Station Neighborhood Co., developer of the project.

Union Station Neighborhood Co. was awarded the redevelopment after a heated competition with a team that included Mosher.

"Sometimes we joke with USNC about who really won this," Mosher said.

He and his team from Trammell Crow were selected as the owners' representative in December 2008.

"What we really needed was to hire someone to get us through the construction period," said Dianne Barrett, who represents the mayor on the board of the Denver Union Station Project Authority, known as DUSPA.

DUSPA is responsible for the financing, acquiring, owning, equipping, designing, constructing, renovating, operating and maintaining the Denver Union Station redevelopment project. Its volunteer board of directors is composed of 13 members.

One step at a time

Mosher's first move was to negotiate a guaranteed maximum price contract with general contractor Kiewit Construction by May 2009. He spent days in Kiewit's offices reviewing the scope and design of the project in order to understand the pricing.

"It was very intense at the beginning," Mosher said.

About nine months ago, his focus shifted to financing. He's spending about half his time each week working on Union Station, a project for which he and his team, as well as

developer Union Station Neighborhood Co. and other professional service providers, have not been paid since April.

"In a good economy, this would be an opportunity-cost issue," Mosher said. "But right now the opportunity cost isn't very high because there aren't very many opportunities. If this were a decent economy, this would be very problematic."

But it's all part of the agreement, said DUSPA chairwoman Elbra Wedgeworth. They'll get paid when the \$300 million in federal loans for the project are approved.

"We wanted to make sure we wouldn't be paying out money unless the project is a green light," Wedgeworth said.

Though no one would openly discuss the status of the loan, several people close to the project said they expect an approval announcement is forthcoming.

"The minute we get financing and close the loans, we go," Mosher said.

"We've ordered machinery and equipment, and Kiewit has its staff going and is lining up contracts," Mosher said. "Basically they're getting things ready so that when we pull the trigger, they can pull the trigger."

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Profile: Bill Mosher  
Managing director, Trammell Crow Co.

Education: Master's in urban and regional planning from University of Arizona, 1974-76

Employment history: • 1978-90, president of Downtown Development Corp., Tuscon, Ariz.

- 1990-99, president of Downtown Denver Partnership
- 1999-2003, president of Mile High Development
- 2003-06, president of Mosher Sullivan Development Partners

Family: Wife, Molly Broeren, owner of Molly's of Denver downtown. Two daughters, two stepsons

Read more:

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Union Station Film to Debut  
Judy Montero's Council District Web Site  
February 1, 2010 ·

This Friday Judy will be co-hosting the premiere of "Denver Union Station: Portal to Progress," a documentary by local filmmaker Jim Havey. It will be shown this Friday at the Hyatt Regency / Convention Center; reception begins at 6 p.m., and screening (with remarks) will follow at 7 p.m.

The film's underwriters and supporters include several District 9 organizations; Union Station Advocates, LoDo Inc., the Downtown Denver Partnership, and the Union Station Neighborhood Company all contributed to the production of this film, which highlights the historic and future significance of Union Station.

Tickets cost \$15 and are available [here](#). For more information and a sneak preview of the film, [click here](#).

Union Station redevelopment expected to get boost with \$300 million federal loan

By Mike McPhee

The Denver Post

Posted: 02/05/2010 01:00:00 AM MST

RTD's FasTracks could get the boost it is looking for this afternoon, when the Federal Transit Administration makes an announcement about a key chunk of funding needed to redevelop Union Station as a hub for the regional transportation plan.

FTA Administrator Peter Rogoff is scheduled to "announce some news about Union Station" at 1:30 p.m. today at the historic train depot in Denver.

FasTracks is a \$6.5 billion project that would build six metro light-rail lines and extend three existing lines, with Union Station as a hub for buses, trains and light rail that service much of the metro area.

FasTracks has applied for a \$300 million federal loan to help fund the \$480 million Union Station project.

The \$300 million loan, which Denver's City Council agreed to guarantee last week with the use of general funds if necessary, is one of the last hurdles before the redevelopment can get started.

The money is not available from the private investment market and would have to be loaned by the federal government for the project to become feasible, organizers have said.

President Barack Obama's budget proposal for fiscal 2011 includes recommendations to spend \$40 million each on the proposed Gold Line corridor from Union Station to Wheat Ridge and the east line from Union Station to Denver International Airport.

Compared with the \$1 billion in federal funding the Regional Transportation District has requested for a public-private partnership that would complete those two lines, \$80 million seems like small change.

But FasTracks spokeswoman Pauletta Tonilas said the recommendations "signal that the federal government intends to fully fund those corridors."

"Typically, the federal government will not recommend any money for projects they will not fully fund," she said.

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## Union Station project gets \$304M in loans

Denver Business Journal

February 5, 2010

The U.S. Department of Transportation on Friday announced \$304 million in loans for Denver Union Station to help fund the transformation of the historic railway station into the hub of a modern transportation system.

The DOT funds will come in the form of a \$151.6 million loan under the Transportation Infrastructure Finance and Innovation Act and a \$152.1 million loan under the Railroad Rehabilitation and Improvement Financing Program.

The funds will cover 64 percent of the nearly \$500 million cost to transform Union Station into a key part of the Regional Transportation District's plan to link light rail, commuter rail and buses. Denver Union Station already has received \$28.4 million in funds under the American Recovery and Reinvestment Act.

Construction of the Union Station project is expected to take four years.

Denver Union Station Project Authority is the organization that applied for the loans and is a nonprofit entity formed by the city of Denver in July 2008. The authority is a partnership between the city, RTD, the Colorado Department of Transportation and the DUS Metropolitan District.