

DENVER UNION STATION PROJECT AUTHORITY

MEETING OF THE BOARD OF DIRECTORS

September 17, 2009

MINUTES

BOARD MEMBERS PRESENT

BOARD MEMBERS ABSENT

Elbra Wedgeworth

Michael West

Tom Gougeon

Don Hunt

Terry Howerter

George Scheuernstuhl (for Jennifer Schaufele)

Jerry Glick

Robin Kneich

Marla Lien

Claude Pumilia

Mario Carrera

Judy Montero

I. CALL TO ORDER

The Meeting of the Board of Directors of DUSPA was called to order at 1:30 p.m. by Elbra Wedgeworth, DUSPA Board President.

II. WELCOME AND INTRODUCTION OF GUESTS

Elbra Wedgeworth welcomed the Board Members and Guests to the meeting. She then announced that, in celebration of the one year anniversary of DUSPA, she brought cake and invited everyone to have some.

III. PUBLIC COMMENT

There was no public comment.

IV. ROLL CALL

At the request of Elbra Wedgeworth, Dawn Bookhardt called roll. Please see above.

V. APPROVAL OF MEETING MINUTES

Jerry Glick moved to approve the September 3, 2009 meeting minutes. Don Hunt seconded the motion. The motion carried unanimously.

VI. DISCUSSION ITEMS

A. Affirmative Statement of Annual Meeting

Elbra Wedgeworth stated that this Board Meeting would serve as the annual meeting of the Board of Directors.

i) The annual schedule

A copy of the proposed annual schedule of Board meetings was included in the Board packet. Elbra Wedgeworth asked for comments to the schedule. Don Hunt stated that the schedule addressed his questions regarding the holidays. Elbra Wedgeworth stated that the Board will adopt the schedule as provided in the Board packet.

ii) Record of Accomplishments

Jerry Glick stated that the list of accomplishments is substantial and rather than read it into the minutes he asked Dawn Bookhardt to distribute copies to the Board members. Mr. Glick thanked all of the Board members for their efforts and hard work in allowing DUSPA to achieve its success over the last year.

iii) Public Notice Posting Location

Dawn Bookhardt announced that the location for the posting of Public Notices will be the lobby of the RTD offices at 1600 Blake Street, Denver, Colorado with no change from the previous year.

iv) CDOT Board Vacancy

Dawn Bookhardt stated that Peggy Catlin submitted a letter of resignation as a Board member. She informed the Board that the CDOT Executive Director is the appropriate authorized officer to appoint a new Board member for the CDOT position. Ms. Bookhardt stated that the Executive Director Russ George has provided correspondence appointing himself to fill the CDOT position. She suggested that the Board must vote to confirm the appointment of Mr. George.

Jerry Glick moved to confirm Russ George as the DUSPA Board member to fill the CDOT position. Tom Gougeon seconded the motion. The vote was unanimous.

v) Slate of Officers

Elbra Wedgeworth opened the floor for nominations of Board officers.

Robin Kneich suggested nomination by slate and nominated the current officers for re-election: Elbra Wedgeworth as President, Jerry Glick as Vice President and Tom Gougeon as Secretary.

Elbra Wedgeworth asked if there were any other nominations for any of the officer positions. There were no other nominations. Ms. Wedgeworth then closed the floor for nominations.

Robin Kneich moved to re-elect the three current officers. Marla Lien seconded the motion. The vote was unanimous.

B. Owner's Representative Agreement

Jerry Glick stated that last month the Board received a draft of the Owner's Representative Agreement and that at the last meeting a summary of the Agreement was provided. He asked the Board if there were any questions.

Mario Carrera stated that the draft version has an end of term date of 2013 and that he thought

it was 2014.

Dawn Bookhardt responded that the date error changing 2014 to 2013 in this draft has already been corrected for the final version.

Jerry Glick moved to approve the Owner's Representative Agreement. Mario Carrera seconded the motion. The vote was unanimous in favor of approving the Owner's Representative Agreement.

Elbra Wedgeworth thanked Bill Mosher and Mike Sullivan for their patience with the process to finalize the Agreement and for their hard work and dedication on behalf of DUSPA.

C. Plan of Finance Schedule and Update.

Claude Pumilia stated that the cake is really good and thanked Elbra Wedgeworth for brining it.

i) CBRE Report Peer Review

Alex Brown started the presentation by stating that he will vary from the agenda in the order of discussion today. He informed the Board that TIFIA is requiring DUSPA to engage a second consultant to perform a peer review of the CBRE feasibility study. He suggested that the peer review is not a new study and does not generate any new numbers, but that it looks at the methods used by CBRE for comparison to industry standards. Mr. Brown stated that his group distributed a request for proposals for the peer review and that responses are due back next week.

Mr. Brown suggested that he and Chad would appreciate any assistance from Board members in reviewing the proposals.

Elbra Wedgeworth stated that Mike West has expressed interest in assisting and that if anyone else has interest to please let her know.

ii) RRIF/TIFIA Update

Mr. Brown continued his discussion stating that RRIF has provided a preliminary estimate of the amount of the project budget that would qualify for funding and that it appears to be over \$200 million, which is very encouraging. He stated that RRIF has also provided a draft loan agreement and that he has caused it to be conformed to the draft Master Indenture. He stated that closing appears likely.

Mr. Brown suggested that the only new issue with TIFIA is that the TIGER program received over \$7 billion in applications and therefore TIGER is already over subscribed.

iii) Rating Agency Submission and Update

Mr. Brown stated that S&P has requested additional information and that the complexities of DUSPA have made their preliminary rating more difficult. He also suggested that S&P is a changed organization from two years ago which has also made the rating process more difficult and that it has taken longer than he had estimated.

Mr. Brown referred to the presentation slides in the Board packet for an update on the Plan of Finance as follows:

Slide #2 shows the stages in finance plan development. The DUSPA plan is currently at the fifth stage "Cost Optimization."

Slide #3 shows the demarcation between the construction period and post construction period portions of the plan with focus on the construction expenditures.

Slide #4 shows the principal issues during construction and post construction.

Slide #5 discusses the flow of funds during construction and after construction.

Slide #6 describes the primary objectives of the plan of finance.

Slide #'s 7 and 8 are the overall summary of the plan discussing the construction period revenues and uses, including interest and reserve funds.

Slide #'s 9 and 10 describe liquidity issues during construction.

Mr. Brown suggested that it is still too early to present detailed cash flow models because the numbers are still expected to change. He also suggested that the credit risk premium is still a critical short term liquidity issue and that the goal is to use grant funds or perhaps look the possibility of an intergovernmental loan if grant funds cannot be used.

Mr. Brown stated that with respect to liquidity, the duration of the liquidity facility is critical and that he has inquired with commercial lenders and that a commercial loan for one year or for eighteen months may be feasible, but that a longer loan would be difficult.

Don Hunt stated that he was looking for the latest sources and uses of funds table and inquired as to whether Mr. Brown had prepared a more recent version to dovetail with today's

presentation.

Mr. Brown stated that he would provide a copy of the latest version.

D. Direct Cost Allocations

Marla Lien stated that there have been numerous discussions regarding federal eligibility for the uses of funds and that it appears as though the FTA will conduct the federal oversight of this project. She suggested that there has been confusion as to direct and indirect cost allocations and that she wrote a letter explaining that DUSPA is a single purpose entity and therefore all cost allocations are for the project. She stated that the key to this position is that DUSPA does nothing other than this project and therefore all funds are used for the project.

Ms. Lien stated that the next issue is the federal eligibility of the uses of funds versus uses that are not federally eligible. She indicated that the EIS identified two uses of funds that are not federally eligible, the historic station building and the offsite storm sewer. She indicated that the instruction from the FTA is that we cannot use a general percentage of the project for calculating eligible versus non-eligible uses. She stated that separate work orders and invoices will be necessary to identify and separate the non-eligible uses of funds.

Ms. Lien stated that these separate work orders are necessary for Kiewit and the Owner's Representative agreements as well as the Master Developer Agreement. The work orders and invoices need to show a split of time and work and an apportionment of the fees. She stated that one of the components of this apportionment will also be to show that the Owner's Representative and the Master Developer are not duplicating work on the project.

Elbra Wedgeworth asked whether, in light of FTA overseeing the project, RTD will serve as the primary contact in working with the FTA.

Marla Lien responded that she has worked mostly with Region 8 and anticipates a continued working relationship with Region 8.

Robin Kneich asked Ms. Lien whether RTD has everything it needs to work with the FTA.

Marla Lien responded that she will look at the Kiewit and Owner's Representative Agreements, but that since the public involvement agreement has not been drafted, she does not yet have a conclusion. She suggested that since public involvement is different, we may be able to address it based upon on-going work.

E. Owner's Representative Report

i) Financial Reports and Budget

Bill Mosher handed out a statement of assets, organizational budget and project budget. Mr. Mosher asked that these forms be the attachments to the Owner's Representative Agreement.

Mr. Mosher then pointed out page 3 of the organizational budget that shows DUSPA expenditures and identifies vendors by name so the Board members can see where expenditures have been used.

Mr. Mosher next pointed out the overall project budget showing \$8.5 million has been paid to date along with a list of vendors.

Jerry Glick addressed the “additional snow melt” line item and asked whether this should be a positive number.

Mike Sullivan responded that it should be zero instead of negative \$500,000 because RTD has cut this requirement. He stated that this item was to be a heated half-pipe for melting snow.

ii) Update regarding Project Progress

Mike Sullivan reported that work in Wewatta Street started last week, one day early. He stated that when they performed the saw cut in the street and exposed the water line they found coal contaminated soil. He indicated that four soil samples were obtained and that only one of the samples came back high for hydrocarbons. He suggested that since it is hard to tell what soil is impacted with coal versus what is not affected, that Kiewit is hauling all of the soil to the landfill. He also suggested that this is not a big deal because of the small amount of soil and that the soil is not hazardous. He stated it is just classified as contaminated with coal dust. He also indicated that the samples were tested for lead, and that the results showed low levels.

Mr. Sullivan reported that the initial draft of the historic building assessment is in progress and

one of the issues is the relocation of Amtrak. He stated that the temporary lease deal with the Light Bulb Supply Building looks good and that this should be the temporary location for Amtrak.

Judy Montero confirmed that it was the Light Bulb Supply Company.

Mr. Sullivan replied that the building at 21st and Delagany will serve as the temporary Amtrak facility. He suggested that it is a great location for the platform, it has spaces for luggage and passengers and that Amtrak likes the plan. He also stated that using this building will be less expensive than was expected.

Councilwoman Montero inquired about parking.

Bill Mosher responded that there was a process to get the Light Bulb Supply Company on board and that he was compelled to keep the deal quiet until that time. He suggested that now that they have a deal, the remainder of the plan, including parking, pedestrian access and luggage are being worked out. Mr. Mosher suggested that the temporary platform be an agenda item for the next meeting and that he was not certain whether all details could be disclosed at this time.

Mike Sullivan suggested that because the Light Bulb Supply Company has not completed negotiations with its new landlord, we have no access to the building at 21st and Delgany and we are unable to work out the details at this time. He added that it is understood that parking is an issue, but that the current DUS configuration requires that Amtrak customers pay for parking. He suggested that, because of this, DUSPA not offer to provide free parking at this time.

Judy Montero stated that she is familiar with the building and the parking issues and needs to discuss this further with Mr. Mosher and Mr. Sullivan.

F. Ski Train update

Bill Mosher informed the Board that recent communications with Ski Train suggested that, for them to operate this year that they need to negotiate with Amtrak. Mr. Mosher then corrected the statement and stated that DUS will be available for ski train this year, but that next season it will need a temporary location.

G. Public Outreach Consultant

Mario Carrera suggested that, since this is still being negotiated, this discussion should be a part of the executive session.

VI. ACTION ITEMS

The Board unanimously voted to accept the appointment of Russ George to fill the CDOT Board seat on DUSPA.

The Board unanimously voted to re-elect the slate of officers that are currently serving as follows: Elbra Wedgeworth is the President; Jerry Glick is the Vice President and; Tom Gougeon is the Secretary of the Board.

The Board also unanimously voted to approve the Owner's Representative Agreement.

VIII. EXECUTIVE SESSION

Elbra Wedgeworth requested a motion that the Board now enter into an executive session in order to discuss certain matters as permitted under the Colorado Open Meetings Law (C.R.S. §24-6-402 et seq.) related to financial and contract negotiations and financial management.

Pursuant to a motion by Jerry Glick, a second by Robin Kneich and a unanimous vote, the Board entered executive session at 2:30 p.m. Pursuant to a motion by Jerry Glick, a second by Mario Carrera and a unanimous vote, the Board exited the executive session at 3:23 p.m.

XI. ACTION ITEMS RESULTING FROM EXECUTIVE SESSION

None.

X. CARRYOVER AND FUTURE AGENDA ITEMS

Please look forward to an update/discussion of the RRIF and TIFIA application process as well as the evaluation of the rating agencies.

Mr. Mosher will have an update regarding:

- i) project progress;
- iii) AMTRAK issues and;
- iv) auditor selection.

Mario Carrera will provide an update on the agreement with the public outreach consultant.

Dawn Bookhardt and Cole Finnegan will continue reporting on transaction movement as appropriate.

XI. ADJOURNMENT

There being no further business, the meeting was adjourned at 3:24 p.m.