

NAIOP Educational Series: The POWER of P3s - Financing the Operation

Chris Waggett,
CEO – D4 Urban LLC
October, 21st 2015


DenverDesignDistrict
D4Urban



DenverDesignDistrict D4Urban

PROJECT SYNOPSIS

- ~75 acres (incl. Bus Barn site) assembled over 19.5 years, ~900,000sf existing, income-producing improvements ~95% leased
- 10x potential density increase approved by GDP 2009, Rezoning approved and Metro District formed 2010
- Largest contiguous landholding in Denver core
- Surrounded by desirable neighborhoods: Walkscore of 89/100, Bikescore 95/100 for initial residential project
- Phase 1 = LEED Gold, Future community = LEED ND
- Central Location (~1.5 miles from CBD/easy access from anywhere in city)
- Close proximity to I-25 and Broadway (~260,000 vehicles pass every day)
- “Bookended” by existing light rail stations at Alameda & I-25/Broadway, (2-stops to Theater District, 5-stops to Denver Union Station and then 35 minute connection to DIA in 2016 ie. ~45 minutes from DDD to DIA)



2

DenverDesignDistrict D4Urban

THE CHALLENGE IS TRANSFORMING THE CURRENT STATUS INTO THE FUTURE VISION:

- ? Existing Leases and Tenants
- ? Existing income producing assets
- ? Existing capital structure
- ? Passive investment v's active development
- ? ~\$2Bn in development capital, ~\$250M in infrastructure over 20+ years

= Consolidated/aligned ownership

= Public/Private Partnership the catalyst

Current Site Conditions

Development Plan

3

DenverDesignDistrict D4Urban

**PUBLIC PRIVATE PARTNERSHIP = “MULTIPLIER-EFFECT”
HARNESS THE CRITICAL STAKEHOLDERS TO ESTABLISH CATALYST**

DURA – Urban Renewal Plan amendment facilitates project with existing TIF + inter-agency cooperation;

CITY – Project orchestration + Infrastructure/TOD/Economic development objectives + Public Works project specification/scrutiny/monitoring, + inter-agency cooperation;

RTD – 1st Pilot Project at Alameda Station + inter-agency cooperation;

D4 – Deal catalyst between Public-Private Partnership + representing consolidated DDD ownership/Metropolitan District (incl. Eminent Domain) plus Alameda Station Pilot Project + responsible for coordination/execution + 25 year maintenance of RTD Transit Plaza;

Phase 1: ~\$18M Public contribution results in ~\$50M follow-on private investment = ~2.8X, 10x on “new money” within 12 months following commitment

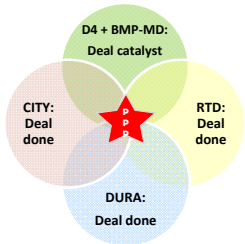
Ultimate DDD redevelopment: ~\$250M site infrastructure, \$~2Bn development capital to achieve full build-out



4

DenverDesignDistrict **D4Urban**

PHASE 1, PART 1 – HORIZONTAL DEVELOPMENT, PPP FOR REGIONAL INFRASTRUCTURE AND STREETScape IMPROVEMENTS

- ✓ PPP as project catalyst involving the City of Denver with Denver Urban Renewal Authority (“DURA”) and the Broadway Marketplace Metropolitan District (BMP-MD) represented by D4, benefitting the RTD Alameda Station Pilot Project
- ✓ Regional Drainage Project obviating the need for future storm water detention within the GDP redevelopment area
- ✓ Provides visual and physical connection from existing RTD light rail station to adjoining BMP and surrounding neighborhoods
- ✓ Creates additional streetscape improvements for improved connectivity
- ✓ Requires Eminent Domain to be implemented by BMP-MD
- ✓ Project cost sharing by City (~\$18M), BMP-MD (~\$4M) and RTD-benefitting sites of Alameda and Bus Barn contributed (\$1.1M) to use DOP



5

DenverDesignDistrict **D4Urban**

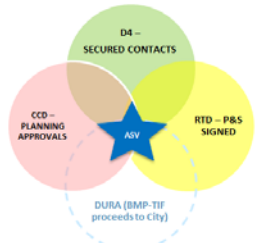
PHASE 1, PART 2 – VERTICAL DEVELOPMENT COMPRISING MULTI-FAMILY, TRANSIT-ORIENTED DEVELOPMENT


RTD General Objectives:

- ✓ Demonstrate successful TOD
- ✓ Test expanded role for RTD in catalyzing land development
- ✓ Learn from diversity of projects
- ✓ Provide flexibility where appropriate (i.e. parking)
- ✓ JV with other government agencies or development offerings
- ✓ Focus on stations with greatest opportunity for success (e.g. Alameda Station)

Alameda Station Specific Objectives:

- ✓ 1st choice for RTD TOD Pilot program by City of Denver
- ✓ Transition from commuter to neighborhood station
- ✓ Extensive pre-planning completed i.e. Alameda Station Area Plan, DDD-GDP, BMP-MD formation, GDP Urban Design Standards and Guidelines





6

DenverDesignDistrict D4Urban

PHASE 1, PARTS 1 + 2 INTERACT:

- ✓ Enhanced connectivity, on-site and within the regional context
- ✓ Pedestrian friendly/enhanced public streets
- ✓ Strong passive surveillance of station area
- ✓ Partial maintenance of RTD parking through licenses in adjoining properties
- ✓ Catalyst for GDP and broader TOD opportunity
- ✓ Anticipating next phases

7

DenverDesignDistrict D4Urban

THANK YOU AND QUESTIONS:

Chris Waggett,
 CEO
 c. 720-220-0409
 o. 303-551-9599
cwaggett@d4urban.com
www.d4urban.com

8