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

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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 (~1.5miles 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)
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
? ~$28n in development capital, ~$250M in infrastructure over 20+ years

= Consolidated/aligned ownership
= Public/Private Partnership the catalyst

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
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

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 ie. Alameda Station Area Plan, DDD-GDP, BMP-MD formation, GDP Urban Design Standards and Guidelines
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

THANK YOU AND QUESTIONS:

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