

2010 NAIOP ROCKY MOUNTAIN REAL ESTATE CHALLENGE

COLISEUM AT RIVER NORTH DENVER, COLORADO

Executive Summary

You are the principal of a real estate development firm. You have been hired by the City and County of Denver to evaluate and make recommendations for the redevelopment of the Denver Coliseum property (the "Property") located in northeast Denver. Your firm is to prepare an analysis of the Property and propose a development vision with supporting data and market research that incorporates the different opportunities, constraints, strengths and weaknesses of the Property. The City and County of Denver is the owner of the majority of the property. The Union Pacific Railroad owns a small parcel.

This study will be used by the City, as the prime stakeholder, and the Regional Transportation District (RTD) to evaluate a development scenario for the property that creates a valuable asset for the citizens of Denver and for RTD, and achieves the best economic potential of the property. The vision should be inventive yet feasible, incorporating the unique nature of the site, the historic aspects of the Coliseum building and the context of the surrounding area. The study should also capitalize on the new transit lines and the potential for new pedestrian-oriented uses.

General Information and Assumptions:

1) Owner Background

The subject site consists of several different land parcels, most of which are owned by the City and County of Denver (CCD) with one small parcel owned by the Union Pacific (UP) railroad. CCD has owned the Coliseum parcel since it was constructed in 1952. Mayor Quigg Newton dedicated the Denver Coliseum on January 10, 1952 expressing the hope "that through the years the Coliseum will become established as a public events center of the Rocky Mountain West, where sports, entertainment and cultural presentations can be viewed under ideal conditions." The Coliseum certainly has fulfilled Mayor Newton's vision - it is one of Denver's longest-used public assembly facilities having served a diverse audience for 57 years.

CCD Goals and Objectives - The Denver Coliseum Redevelopment will:

- Create a lively urban space that is attractive to occupants, visitors and residents
 - Use commuter rail and entertainment venues as anchors for redevelopment
 - Reinvigorate the usability of the Denver Coliseum facility and its connection to surrounding neighborhoods
 - Provide a mix of uses and a financing structure that maximizes the value of the property
 - Avoid displacement of residents and businesses that may be impacted by the implementation of a redevelopment master plan
 - Activate Globeville Landing Park so that it becomes a greater asset to the neighborhoods, RTD riders and venue patrons
- Extend the urban fabric of downtown Denver along transit corridors
 - Integrate the Globeville and Elyria/Swansea neighborhoods physically and economically
 - Create an environment that fosters the growth of new businesses
 - Ensure access to rail for all residents and employees of the surrounding neighborhoods
 - Preserve and enhance open space (existing and planned) and recreational opportunities

2) Property Overview

The Property is comprised of six parcels totaling 45.8 acres in Denver, Colorado. The Property includes the Denver Coliseum building, a large parking lot, Globeville Landing Park, and the Union Pacific parcel. The Property is bound by I-70 on the north, 44th St. to the east, McFarland Dr/Arkins Court to the south (diagonally from I-70 to the river), and the river to the west. The following chart gives the property breakdown that corresponds with Attachment A. The parcels are listed counter-clockwise starting from the northwest parcel on the river.

Parcel Number	Ownership	Acreage	Use
0223200160000	City and County of Denver	5.72 AC	Globeville Landing Park
0223300046000	City and County of Denver	2.71 AC	Globeville Landing Park
0223300045000	City and County of Denver	1.47 AC	Globeville Landing Park
0223200159000	City and County of Denver	4.52 AC	Globeville Landing Park
0223200190000	Union Pacific Railroad	.98 AC	Vacant Land
0223200123000	City and County of Denver	30.4 AC	Denver Coliseum Site

* See City and County of Denver Assessor Real Property Record Database for complete parcel information.

The Coliseum has hosted the National Western Stock Show (NWSS) rodeos for more than 50 years. During its first decade of operation, the Coliseum was Denver's premier public assembly facility. After the construction of Currihan Hall in the late 1960s and the opening of McNichols Sports Arena in the mid-1970s, the Coliseum's primary users were the NWSS and the circus.

The Department of Theaters and Arenas within the CCD manages the Coliseum complex and several other performance venues: Red Rocks Amphitheater, Colorado Convention Center and Denver Center for Performing Arts complexes. When the City decided to close and demolish McNichols Sports Arena during the Webb Administration, the City contemplated a major redevelopment of the Coliseum. The City ultimately decided not to move forward with a \$40 million renovation of the Coliseum but instead chose to invest approximately \$7 million for a face-lift of the venue in 2002. After that renovation, Department of Theatres and Arenas began marketing the Coliseum again as a venue for family and musical entertainment. The number of events held annually in the Coliseum has more than doubled since 2003.

The NWSS has the exclusive right to use the Coliseum during the month of January every year until 2040 at the rental rate of \$1 per year. While the NWSS's annual use of the Coliseum does not generate rental revenue for Theatres and Arenas, it generates significant seat tax, food and beverage commissions and parking revenue. Over the past five years, the Denver Coliseum has grossed from \$3 million to \$3.9 million per year in revenue for the CCD. This revenue is applied to the Theatres and Arenas annual budget. Over the past five years, the breakdown of Coliseum revenue is fairly consistent— 25% from Food & Beverage, Catering, Merchandise commissions; 2% from equipment rentals; 17% from facility rental; 23% from labor reimbursements (event staff, stagehands, security and parking); and 33% from parking revenue. Facility Development Admissions (FDA) Tax revenue ranges from \$850,000 to \$1,000,000 per year, depending on the number of events, attendance at those events, and the ticket prices charged for those events. The 2008 FDA Seat Tax collected was approximately \$850,000 and is not included in the revenue figure, as it is collected into the City's "Enterprise and Cultural Capital Project Fund."

The Denver Coliseum is home to family shows produced by Feld Entertainment, such as Disney on Ice and the Ringling Brothers Barnum & Bailey Circus, high school sporting events and competitions sponsored by the Colorado High School Activity Association, other amateur and professional sporting events, Spanish-language musical concerts and dances that serve the region's diverse Latino/Hispanic communities, an annual Native American Pow Wow and other religious programming. See Attachment B for a complete list of Coliseum events.

The Denver Coliseum's 127-foot wide by 233-foot long arena can seat up to 10,500 people. In 2002, the Coliseum was updated with an approximate \$7 million face lift funded by Theatres and Arenas' capital improvement program budget. The Coliseum's concourses were updated, new windows and doors

refreshed the front entrance and a new box office was built. The venue does not meet current ADA standards for access by people with disabilities. A capital project scheduled for Spring 2010 will substantially increase the number of wheelchair accessible seats in the Coliseum's arena. See Attachment C for the Denver Coliseum Dedication Program for additional information about the facility.

The Denver Coliseum has serious infrastructure challenges. There is no adequate air-cooling mechanical ventilation system, so the venue is not able to comfortably accommodate events in the warmest summer months. The sound system is in need of extensive overhaul. Dressing rooms, public restrooms and the concourses all need major renovation and upgrade. The barn is dilapidated and urgently needs to be replaced. The parking lot is full of swales and needs to be regraded and resurfaced.

Since the 2002 investment of approximately \$7 million in Coliseum upgrades, few capital improvements have been made at the Coliseum because Theatres and Arenas has devoted its scarce capital resources to the maintenance and repair of the Colorado Convention Center, Red Rocks Amphitheatre and the venues at the Denver Performing Arts Complex. Because the seat tax fund does not have the capacity to be a source of funding for significant Coliseum infrastructure improvements, a new source of funding will need to be found to undertake the major infrastructure projects that need to be done to keep the Coliseum viable.

Currently, the Coliseum is not individually landmarked or part of a historic preservation or special district, nor is it part of a designated State or National Register. However, State Historic Preservation Officer has declared that the structure is contributing to a potential historic district, which comes with some potential redevelopment obstacles.

If the demolition was requested using private funding: City Landmark staff would post the structure for a period of 21 days as being a potential historic structure. If the landmark staff receives a designation application during this time, then the procedure for designation would begin which would put any potential demolition on hold. Designation at the quickest can take 90 days. At any time the various groups involved (Landmark Preservation Commission, Blueprint Denver Council Committee, City Council) could deny the designation, stopping the process and allowing the demolition permit to be issued.

If demolition is requested using federal funds: The federal agency responsible for the undertaking would be required to perform a Federal Environmental Review which includes a Section 106 historic resource review. Since the structure has been deemed potentially historic, various preservation groups in Denver would be consulted concerning the demolition and invited to formally comment. Depending on the funding agency, the procedure for the Section 106 varies. A minimum time frame would be 120 days. Section 106 does not necessarily stop a demolition, but would likely require some mitigation such as possibly moving the structure, reconstruction, signage, documentation, etc.

If the structure is designated as a landmark prior to a demolition permit being issued, then the demolition would be reviewed by the Landmark Preservation Commission and subject to the Landmark Preservation Commission review process. If they deny the demolition it would stop any demolition permit from being issued.

Surrounding land uses include a variety of industrial uses, light and heavy; older residential neighborhoods; and a variety of commercial spaces. Some redevelopment has occurred in the area to date including the TAXI development (1/2 mile south along the South Platte River). Multiple urban design and planning efforts have occurred to identify long-term goals for the redevelopment of the area. The City and County of Denver envisions this Property as an entertainment district with supporting uses that provide a safe environment for transit riders, integrate the Coliseum with the Stock Show Complex and create an urban environment along multiple transit corridors.

Upon completion, the North Metro Commuter Rail Line will run along the west side of the Property with a stop anticipated in one of two locations. One possible location is on the subject Property. See Attachment D for a map of the proposed stop. If the determination is made to locate the station on the Property, there are multiple challenges that impact the Property. First, RTD will need Public right-of-way (ROW) access large enough for buses to the station location. As shown on the attachment, currently there is no granted access to

the west side of the Property where the station would be located. Second, RTD has expressed interest in potentially purchasing a portion of land owned by the City as well as the Union Pacific Parcel to address access concerns and achieve the required space for the station. Attachment D also illustrates the land being considered. It has not been determined if this is the City's preferred approach.

Final location has yet to be determined and is dependent on recommendations of the North Metro Corridor Environmental Impact Statement (EIS) and final determination from RTD. Independent of the final location of the stop, this property will be significantly enhanced by multiple new RTD transportation lines including two commuter rail lines, East Corridor to DIA and the North Metro Corridor. The property is in close proximity (1/3 mile) to the 38th Avenue Station along the East Corridor. This location is where the East Corridor and the Central Corridor Extension from 30th and Downing will meet. This stop is anticipated to be a high intensity stop with approximately 500 parking spaces by the year 2030.

Interstate 70, on the northern boundary of the property, is in need of repair. The Colorado Department of Transportation (CDOT) has prepared the East Corridor Draft Environmental Impact Statement (DEIS) to analyze the repair and/or rebuild options. The future alignment of I-70 is being evaluated as part of the DEIS. A determination of the future alignment and configuration for I-70 in this area should be announced in late January 2010. Two of the alternatives listed in the DEIS include a realignment of I-70 to the north; two alternatives include a widening of I-70 at its current location. A no action alternative also is being evaluated.

The Globeville Landing Park, located to the south of the Coliseum parcel and fronts the South Platte River, is currently under the jurisdiction of the City Parks and Recreation Department and maintained by the CCD. These parks are part of the River North open space master plan. Goals of this plan as well as the 38th and Blake Station Area Plan, the River North Plan, and Blueprint Denver need to be considered when developing recommendations for the Property. See the resources page in this case statement for links to these plans.

The Coliseum property lies within the footprint of Operable Unit 2 of the Vasquez Boulevard/Interstate-70 (VB/I-70) Federal Superfund Site. Around 1900, a smelter was located near the Coliseum that resulted in surface soil contamination of arsenic and lead. The EPA has asked the City, as the major property owner, to investigate the entire site and the City has agreed to remediate the Coliseum property. See Attachment F for the location of the VB/I-70 Superfund area. An additional environmental and geotechnical element is the presence of a historical landfill under a large portion of the parking lot, which can easily be seen by the undulation of the asphalt created by differential below grade settlement. See Attachment G for a map of the landfill location on the site and depths of the landfill.

3) Development Assumptions

Close attention must be paid to stakeholder goals, usability of existing assets, urban design and planning goals in the development process. The study should include zoning and entitlements, market and phasing, financing, construction and implementation, environmental issues, etc. The following assumptions are to be used when making decisions regarding your development recommendations for the Property. Keep in mind that the approach to a development project as a municipality is different than a private development company. Recommendations should be made accordingly.

Zoning and Entitlements

- Assume that the property will be developed under the regulations of the proposed Form Based Zoning Code that the CCD is in the process of implementing.
- See Resource List in this section for a list of applicable studies, regulations, etc. that should be reviewed and incorporated in the redevelopment of the Coliseum Property.

Market and Phasing

- The study must use current and future market conditions for proposed uses in recommending when and how to develop the Property.

Ownership

- Assume that the City will retain ownership of the Property (excluding the Union Pacific parcel)
- The City would consider purchase of the Union Pacific parcel, redevelopment proposals should include a recommendation for the UP parcel.
- The Property will be redeveloped under a Public/Private Partnership with a long-term land lease to the CCD.

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Financial

- The CCD currently has bonding capacity based on an AAA rating.
- The CCD's Capital Improvement Project (CIP) budget is not currently a source of funding for proposed renovations to the Coliseum building. Alternative funding sources need to be proposed.
- City owned property is exempt from property taxes.
- Use the actual values on the CCD website as the basis for the land and improvements on the site.
- Utilities costs to operate the Coliseum ranges from \$340,000-\$360,000 per year.

Land Use and Transportation

- Assume that the redevelopment recommendations will be executed under the future Form Based Zoning Code.
- Residential uses are NOT permitted on the site.
- For purposes of this exercise, assume the Commuter Rail stop will be located on the Coliseum parcel (south of the I-70 ROW).
- Do not assume that RTD must purchase the land to develop the station; alternative ownership structures can be used.
- Proposals must include the station location and must provide RTD with Public ROW access for the station in the redevelopment program.
- The RTD Commuter Station requires approximately 2 acres for the transit stop as well as 120 parking spaces. This parking must be accommodated onsite and must be separate from the Coliseum event parking.
- Assume that I-70 will remain in its elevated position and current alignment.
- There are approximately 3,000 parking spaces on the Property to serve the entertainment uses; parking ratios should be determined as part of the redevelopment proposals.
- The CCD leases 1.55 acres of land from CDOT for Coliseum parking during events for \$53,763 per year. See Attachment E for the full lease agreement.
- The Globeville Landing Park may NOT be redeveloped; it must retain its use as a park. However, it should be integrated into the redevelopment recommendations for the Property emphasizing connections to the river

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Environmental

- Assume that by year-end 2010, the site is remediated to the extent that it is safe for commercial use.
- Any proposed construction will need to comply with restrictions and materials management requirements for proper handling of excavated soils.
- Subsurface investigation of the landfill area did not reveal any chemicals of concern.
- Any construction plans must take into account added costs and time for building over a landfill.
- Below-grade development is not permitted on the site except for structured parking.

General Development Assumptions

- The Coliseum building is a great asset to the City but the structure does not need to remain as part of this development plan. A recommendation for the future of the Coliseum must be included in the redevelopment plan.
- If a recommendation to keep the Coliseum is made, the following assumptions apply:
 - Façade changes to the Coliseum may be proposed, however, any change should respect the historic character of the building and its significance in architectural history.
 - The activities currently hosted by the Coliseum can be expanded with improvements to the mechanical systems. Cost of improving the HVAC system is estimated at \$3 million and the installation of a new sound system is approximately \$1 million, these numbers are approximate and students should account for slightly larger numbers if they choose to make these improvements.
- If a recommendation to demolish the Coliseum is made, the following assumptions apply:
 - A comparable facility must be constructed with the same capacity, or more, for events and entertainment uses.
 - CCD Bonding Capacity must be considered when evaluating the ability to construct a new facility
- Regardless of the recommendation for the Coliseum building, the current contracts with the Stock Show and other vendors/shows/acts must continue to be viable under any improvements to the Coliseum or new facility.
- Review and consider the goals and objectives of the area plans that may apply to this area including goals for economic development, job creation, tax base, etc.

Resources:

1. Denargo Market General Development Plan – Adopted April 2007
2. River North Greenway Master Plan – Adopted April 2009
3. River South Greenway Master Plan – 2009
4. Brighton Corridor Design Guidelines
5. Citywide Storm Drainage Master Plan – 2009
6. 38th and Blake Station Area Master Plan – 2009/2010
7. North Metro Station Area Plan – 2010
8. 40th Avenue to South Platte River Storm Water Outfall Project – 2010
9. Conceptual Design Study – Arkins Court/Park Design – 2010
10. Elyria/Swansea Small Area Plan
11. 41st and Fox Station Area Plan
12. I-70 East Environmental Impact Statement
13. Blueprint Denver

Attachments:

- A. Parcel Map of the Project Area
- B. Denver Coliseum Event List
- C. Denver Coliseum Dedication Guide
- D. RTD Station Location Map and Parcel Overlay
- E. CDOT Lease Agreement
- F. Superfund Area Map
- G. Landfill Depth Map

Deliverables:

As real estate consultants and developers of the Property, you are to provide the City and County of Denver a comprehensive document that identifies a redevelopment strategy for the Property and makes recommendations for the highest and best use of the Property. You are expected to evaluate each component of the redevelopment process that gives the CCD and RTD the best option for the property, can serve as a stimulus for rail ridership, and is supportive of urban revitalization in surrounding areas. The recommendations made in the document should include a financing method for all steps proposed.

The 2010 Competition Ground Rules in Section 3 of this notebook describe the logistical requirements for the written report in detail. The content of the written report should include (at minimum) an evaluation of the following components:

- 1) Executive Summary – Synopsis summarizing the vision for the project with key components of the development plan and recommendations including an overview of the financial analysis. **Not to exceed 5 pages.**
- 2) Proposed Redevelopment Plan- A detailed description of the proposed recommendations:
 - a) Vision and Master Development Plan.
 - b) Property Analysis including a description of its surrounding neighborhood and a discussion of the property's strengths and weaknesses, opportunities and constraints.
 - c) Zoning & Entitlement Analysis including traffic and other governmental constraints and considerations for the site, incorporating strong urban design principles and form based zoning strategies.
 - d) A complete market analysis demonstrating that the proposed redevelopment strategy is viable and economically feasible. This analysis should include the relevant metropolitan economic overview and an analysis of relevant uses (civic, cultural, office, retail, hotel, transportation, other uses, etc.). The market analysis should address not only the feasibility of the recommended development program but also the forecasted rents and income for each product type, the capital markets environment, and the available financing options.
 - e) An analysis of entertainment trends across the country and description of additional opportunities for the Coliseum (if applicable). The recommended Coliseum uses or new entertainment venue should complement the National Western Stock Show Complex, not compete with it.
 - f) Development Strategy showing the various uses and components of the proposed redevelopment and phasing.
 - g) The Redevelopment Plan section should answer the following key questions:
 - a. What would be the best uses for the Property?
 - b. How can the Property best be used as a catalyst for the redevelopment of the transit corridors and strengthen the existing neighborhoods (Elyria/Swansea, Globeville) surrounding the property?
 - c. Should the Coliseum expand its current use and activities or should the building be demolished and replaced? What are the opportunities for the current facility? What would the new facility entail?
- 3) Financial and Ownership Analysis, including:
 - a) Recommendation of the most appropriate financing and ownership strategy that provides the best return for the City.
 - b) Description of the financial mechanisms used to fund the project including public and private options.
 - c) Detailed description regarding the land lease structure between the City and the final development entities including recommendations for the UP parcel.
 - d) Detailed description of the preferred ownership or lease structure between the City and RTD for the station.
 - e) If districts are used as a funding mechanism, a detailed financial analysis of how these will function and who the included parties are should be included in this section.

- f) Cash flow analysis showing the overall economic viability and returns of the project. This analysis should include projected financial returns on an NPV and IRR basis.
 - g) Must include accurate cost representations, forecasted rents for each product type, capital markets environment, and anticipated escalations in construction material costs.
 - h) The Financial and Ownership Analysis should answer the following key questions:
 - a. What are the most appropriate funding mechanisms for the Property?
 - b. What role should the CCD play in the financing and redevelopment of the Property?
 - c. What is the opportunity cost to the city?
 - d. Should the CCD continue to lease the CDOT property? How is the ownership of the Union Pacific parcel being addressed?
- 4) Phasing and Implementation:
 - a) Recommend an implementation strategy for the redevelopment including how and when to execute the development plan, the key milestones and the largest obstacles. This includes projected time for property positioning, environmental work, financing and phasing of the project.
 - b) The timeline should be detailed and show pre-and post-development milestones.
 - c) The Phasing and Implementation Analysis should answer the following key questions:
 - a. What tasks need to be completed prior to redevelopment of the Property and what are the implications of those tasks on the implementation?
 - b. When is the most appropriate time to redevelop the Property?
 - c. What, if any, are the phasing and implementation impacts from the environmental conditions on the site?
 - 5) Project Economic Analysis including projections on:
 - a) The number of jobs that will be created through this redevelopment.
 - b) Potential benefit to RTD services and additional ridership projections based on the redevelopment plan.
 - c) The added property tax value.
 - d) The potential expectation of sales tax dollars to the City.
 - e) The Economic Analysis should answer the following key questions:
 - a. How does the redevelopment proposal address potential displacement of residents and businesses and impacts to surrounding neighborhoods?
 - b. Do the additional jobs align with key employment opportunities for Denver?
 - c. What is the tax impact of the redevelopment strategy?
 - 6) Exhibits (as necessary)
 - 7) Recognition of outside resources/consultants and architectural resources used during the competition
 - 8) Team member names and brief biographies

Submission Requirements:

As also stated in the 2010 Ground Rules, each school's finalist teams must submit the following to the address listed below by 4:00pm on Monday, April 26, 2010:

- Student finalist teams must submit 18 hardcopies of the proposal and four (4) electronic copies of the proposal on CD to the address shown below. Proposals must comply with the guidelines provided in the Rocky Mountain Real Estate Challenge School Materials Notebook dated December 15, 2009.
- A separate three (3)-page Executive Summary and Financial Overview to be published in the audience materials for the May 5, 2010 competition event. The Executive Summary is to be two pages and the Financial Overview is to be one. The Financial Overview must be on 8.5x11 paper.

Delivery of Proposals:

To be considered, submissions must be received no later than 4:00 p.m. on Monday, April 26, 2010. Submit proposals in response to this RFP to:

Karyn Hoffman
NAIOP
1720 S. Bellaire Street, #110
Denver, CO 80222
Phone: 303.782.0155
Fax: 303.820.3844
khoffman@wmrdenver.com

Teams must also submit two (2) CD copies of all PowerPoint presentations that are given with the judges and audience presentations. **These CDs are due on the day of the event, May 5, 2010.**

**Disclaimer: The information set forth herein is provided for informative purposes only for the NAIOP 2009 Rocky Mountain Real Estate Challenge. The information consists of hypothetical facts, plans, assumptions and circumstances created for such CHALLENGE. In no event does the information set forth herein reflect the views of the City and County of Denver or RTD concerning the redevelopment of the Property.*



RMREC 2010: Coliseum-River North Memorandum

Date: January 15, 2010

To: RMREC Committee Members, NAIOP Staff, Designated School Liaisons, School Representatives, and all student participants in the RMREC

From: Morgan Landers – Project Competition Subcommittee Chair
Al Colussy – RMREC Committee Chair
Katy Spritzer – Sponsor Representative

Subject: Addendum to the RMREC 2010 Coliseum-River North Ground Rules and Case Statement

GROUND RULE CLARIFICATIONS:

The following changes are being applied to the 2010 RMREC Competition Description and Ground Rules. These rules are created to ensure the consistency of information provided to the students as well as respecting the wishes and development approach of the sponsors. These rules are extremely important for the successful execution of the RMREC project competition.

CCD Availability - Steve Gordon of Community Planning and Development (steve.gordon@denvergov.org) and Colin Lewis of Theaters and Arenas (colin.lewis@denvergov.org), or their designees, are will accept **ONE** brief email inquiry per week (no calls) from each team. These City contacts will do their best to turn around answers to the questions within two days.

IMPORTANT: Questions to all other City agencies are to be submitted via the process described in the 2010 Competition Description and Ground Rules issued on December 15, 2009, whereby, questions need to be submitted via email to the school liaison, who will evaluate and forward the question to the CCD representative as appropriate.

STUDENTS AND SCHOOL REPRESENTATIVES ARE PROHIBITED FROM CONTACTING THE COLORADO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT, DENVER CITY COUNCIL MEMBERS, DENVER MAYOR'S OFFICE, AND THE ENVIRONMENTAL PROTECTION AGENCY.

CASE STATEMENT CLARIFICATIONS:

During the first few weeks of January 2010, the City and County of Denver Planning Department, in conjunction with their consultant, completed the station area

planning exercise for the North Metro Corridor station to be located on the 2010 RMREC project area. This exercise concluded with a recommendation that the rail station to service the National Western Complex and surrounding area was better suited for a location on the north side of I-70 instead of the south side as described in the previously issued Case Statement on December 15, 2009.

After discussions with the CCD and RTD, it is concluded that the RMREC competition project no longer includes the rail component as part of the development programming and financial parameters. HOWEVER, this is not to infer that the students ignore the potential impact that the rail may have on their redevelopment plans. The Coliseum-River North project is intended to complement the greater National Western Complex and rail will undoubtedly have an impact on programming due to its close proximity to the project area.

The following bullets serve to clarify any changes in the development assumptions that this change in the project may have:

Owner Background – this section of the Case Statement remains the same, the composition of parcels included in the project area remain the same.

Property Overview – this section of the Case Statement also remains the same, with the exception of the last paragraph on page 3 of the case statement.

- Because of the new station location, the RTD is now no longer interested in purchase of the UP parcel
- Attachment D is no longer applicable to the project

Development Assumptions – the following changes now apply to the project competition

- *Zoning and Entitlements* – NO CHANGE
- *Market and Phasing* – NO CHANGE
- *Ownership* – NO CHANGE
- *Financial* – NO CHANGE
- *Land Use and Transportation*
 - No longer assume that the Commuter Rail stop will be located on the Property
 - The RTD parking spaces are not a required component of the Property parking solution
 - With the removal of the RTD stop, this area is now available for additional development opportunities within the development plan
 - The UP parcel is still included in the Property and must be addressed in the redevelopment recommendations
 - The RTD no longer has an interest in purchase of the UP parcel
- *Environmental* – NO CHANGE
- *General Development Assumptions* – NO CHANGE

Spritzer, Kathryn G. - Strategic Real Estate Group

From: Morgan Landers [mlanders@brownfieldpartners.net]
Sent: Tuesday, February 02, 2010 2:56 PM
To: Jonathan Brahmer; John Warnick; Katie Mrazik; Jeffrey Engelstad
Cc: Al Colussy; Spritzer, Kathryn G. - Strategic Real Estate Group
Subject: Case Statement Response re: RTD

Hello All-

A questions was asked regarding deliverables 3b and 5b in the Case Statement and whether they should still apply with the removal of the rail station on site. Item 3b as it stands is no longer necessary in the form it is written. HOWEVER, given the close proximity of the rail to the site, students still need to evaluate the impact on rail and to their development. Students are not required to include a land lease/purchase structure between RTD and the City for the station, however, they may want to consider additional overflow parking if they think it is beneficial for the project.

Item 5b is still a deliverable for the project. Even though the rail station is not located on the site, development of the Coliseum property will undoubtedly have an impact on ridership. Remember, the students are ultimately consultants to the CCD and RTD and this information is valuable for everyone.

Please contact me with any further questions.

Thanks,

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Morgan R. Landers
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P. 303.205.7910
F. 303.893.3989

Please consider the environment before printing this email.

RMREC 2010: Environmental and Residential Restriction Clarification

There are two separate issues on the site that are not related to each other. The first is the site contamination from the VB I-70 Superfund Site and the other is the landfill that is currently on the site.

The following assumptions should be made when dealing with these issues separately.

Development Assumptions for VB I-70 Superfund Issues:

1. No Environmental remediation is necessary on the site and the students do not need to carry remediation costs in their financial statements. There is no concern for vapor intrusion issues and the groundwater on the site is not impacted.
2. Contamination from metals in soils at the Coliseum Site are a concern when soil comes into direct contact with a person via ingested soil or blowing dust/soil that is inhaled. Current regulatory requirements mandate that the effected soil must be contained under a cover that prevents direct exposure to anyone that may be on-site at any given time (prior, during and after construction)
3. Currently, this requirement is being achieved by the existing parking lot and structures.
4. If the parking lot or buildings are to be removed or disturbed, an equivalent cover must be placed in order to comply with regulatory requirements.
 - a. Adequate covers include building foundations, streets, sidewalks, other concrete features or clean fill/soil.
 - b. In areas of the development plan where there is no concrete cover, a clean fill cover of 18" must be placed over impacted soil to comply with regulatory requirements. This includes any open space areas, landscaped areas, etc.
5. Subsurface garage and basement areas are permitted given there is no direct exposure to soil.
6. Excavated soil from the site may be used on site for fill in other areas or disposed of off-site as long as there is a cover placed on top.
7. Students also will be required to carry Environmental Liability Insurance and carry that cost in their financial statements.
8. Residential is NOT permitted on site at the ground floor level. No Single Family units are permitted. Residential is permitted on the upper floors of mixed-use products.

Development Assumptions for the Landfill:

1. Assume that the landfill is construction debris and there are no elements of concern or need for remediation of the landfill.
2. Students need to take into account subsidence issues and compaction, but there are no additional environmental concerns.
3. Students need to account for additional construction costs related to development on a landfill.

