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DENVER UNION STATION REDEVELOPMENT

by Kurtis Morrison

The Denver Union Station, completed in 1881, served approximately 24,000 train passengers daily during its height in the 1940s. In subsequent decades, ridership fell significantly with increased reliance upon automobile and aviation transportation modes. With recent rising public demand for transportation options, Denver Union Station has been seen as a highly advantageous site for a new downtown multi-modal hub due to its central location among statewide transportation corridors, highways, bicycle paths, passenger and light rail lines, intercity and commuter bus lines, and the downtown street grid. This issue provides a summary of the project planning process, financing plans, and current status.

Background

In 2001, the Regional Transportation District (RTD) purchased the Union Station site under a joint intergovernmental agreement with the City and County of Denver, Denver Regional Council of Governments (DRCOG), and Colorado Department of Transportation (CDOT). The four entities, referred to as the Denver Union Station Executive Oversight Committee (EOC), initiated plans to redevelop Denver Union Station and 19.85 acres of adjacent property in the Lower Downtown district. The redevelopment will establish the Denver Union Station (defined as the historic building, adjacent public space, platforms, and ten parcels on the Union Station site) as a central, multi-modal hub connecting automobile, taxi, commuter bus, intercity bus, passenger rail, light rail, pedestrian, and bicycle modes. The project is also designed to impact local and regional economic

development, serving as a downtown attraction and providing new commercial and residential space.

Planning Process

Master plan development. After the acquisition of Denver Union Station, the EOC began drafting a master redevelopment plan in 2002. The plan provides a formal project vision and sets goals to guide the planning and development process. Chief elements of the plan includes:

- expansion of current capacity to include light rail, passenger rail, bus lines, and shuttles;
- restoration of the historic station as the project focal point serving as a resource center, retail space, and office space;
- creation of a bus facility to accommodate charter, tour, intercity, and circulator buses;
- a new transit-oriented, mixed-use downtown development; and
- a new public plaza and pedestrian area.

The final master plan version was completed in 2004 and endorsed by the four EOC members in 2004 and 2005. A chief provision of the original plan called for locating light rail, passenger rail, and regional bus modes beneath street level, permitting through-traffic on Wewatta and Wynkoop Streets. Under a 2008 supplement to the master plan document, plans for below-grade tracks were abandoned in favor of above ground rail lines. Under the plan supplement, the Union Station FasTracks light rail terminal would be located along the consolidated main line, adjacent to

the Millennium Bridge. Other passenger rail lines would also be located at-grade under the new plan. The changes are expected to reduce overall costs by approximately \$100 million.

NEPA requirements. Under the National Environmental Policy Act (NEPA), an environmental impact statement (EIS) must be conducted to evaluate a project's impact upon the environment and recommend preferred alternatives. The NEPA process is substantial, requiring numerous steps, drafts, and public involvement. Federal evaluation of the Union Station project began in June 2002, upon issuing public notice of intent to conduct an EIS for the project. The final step of the federal NEPA process was completed in 2008, with the issuance of a formal Record of Decision (ROD) and a final draft of the EIS. The ROD confirmed that all federal requirements have been met and that project construction may proceed.

Design and construction. In 2006, Continuum Partners LLC and East West Partners Inc. were jointly selected as master developers responsible for redeveloping and preserving the historic Union Station. Eleven developers submitted bids to serve as the project master developer. According to the Union Station partnering agencies, Continuum/East West's bid was \$75 million less than competing proposals. The developer's proposal targets 2011 for completion of all transportation and street-level improvements. In March 2009, Anderson Mason Dale Architects and Semple Brown Design were selected as architects of the Union Station project's new buildings. Both firms were selected among 14 bids from competing firms.

Project Financing

Under early plans for below-grade rail lines, total project costs were estimated at approximately \$560 million, funded through public and private sources. Under new plans for at-grade tracks, updated cost estimates are for \$477 million, \$17 million of which is dedicated for improvements to the Union Station historic structure.

Secured financing. The following list summarizes secured financing sources and mechanisms described in the 2008 letter of intent signed by the EOC and the master developer, as well as federal funds made

available. The letter of intent identifies approximately \$263 million in secured funding; 55 percent of total project cost estimates:

- \$208.8 million from FasTracks funding;
- \$36 million from the U.S. Federal Highway Administration (made available under the federal Safe, Accountable, Flexible, Efficient Transportation Act of 2005);
- \$18.6 million from the DRCOG (made available by the American Recovery and Reinvestment Act of 2009).

Estimated and anticipated financing. The remaining 44 percent is expected to be captured through other financing methods and sources. Specific dollar amount estimates are unknown at this time. The letter of intent specifies the following sources as targeted for funding or revenue generation:

- federal grant funding appropriated through the U.S. Federal Transit Administration;
- revenues generated by the creation of new metropolitan districts to assist in financing, developing, constructing, operating, and maintaining the project;
- revenues generated by RTD land sales;
- tax increment financing revenues;
- federal New Market Tax Credits; and
- state and private funds.

Current Status

Litigation. In May 2009, the Colorado Rail Passenger Authority (ColoRail) filed suit against the U.S. Federal Transit Administration (FTA). The plaintiffs alleged that the FTA failed to comply with NEPA and that a conflict of interest was present in the development of the Denver Union Station EIS. The suit requests that the court halt current planning and order that a new EIS be prepared. ColoRail has also objected that current plans leave excessive distances for commuters to walk between transit modes, specifically the proposed light rail location two blocks to the west of Union Station, and that inadequate capacity is provided for future infrastructure and growth. According to attorneys, the suit did not request injunctive relief from the court and construction will move forward during the dispute.