

DRCOG – Infill Idea Exchange:
*“Infill redevelopment experience
at the DDD, Phase 1...”*

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CEO – D4 Urban LLC
December 16th, 2013

Denver**Design**District

D4Urban





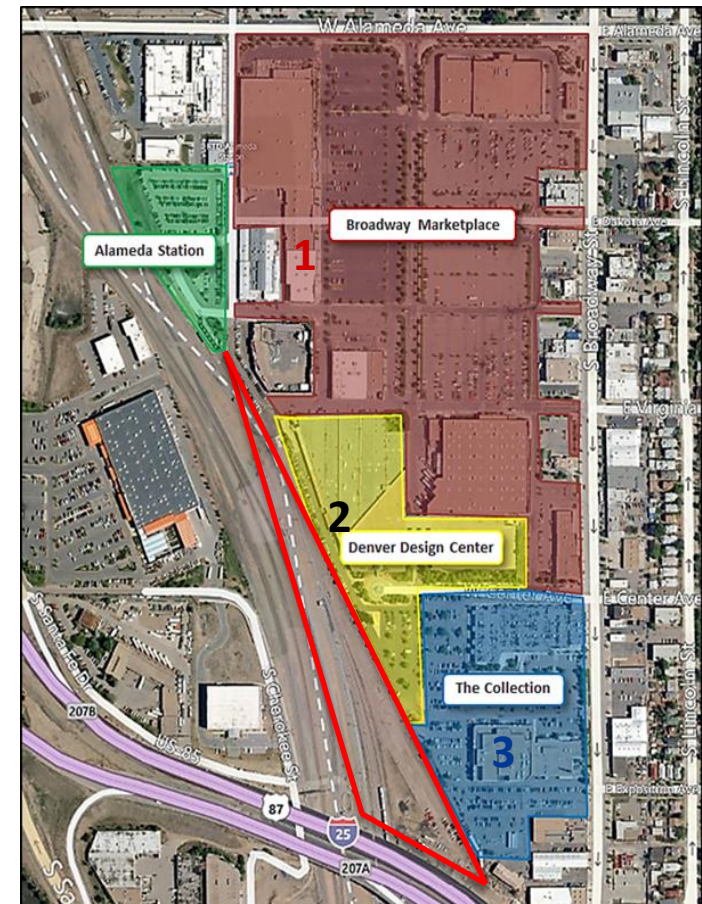
PROJECT OVERVIEW:

- ~67 acres, ~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 “...Very Walkable...” 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. 44 minutes from DDD to DIA)



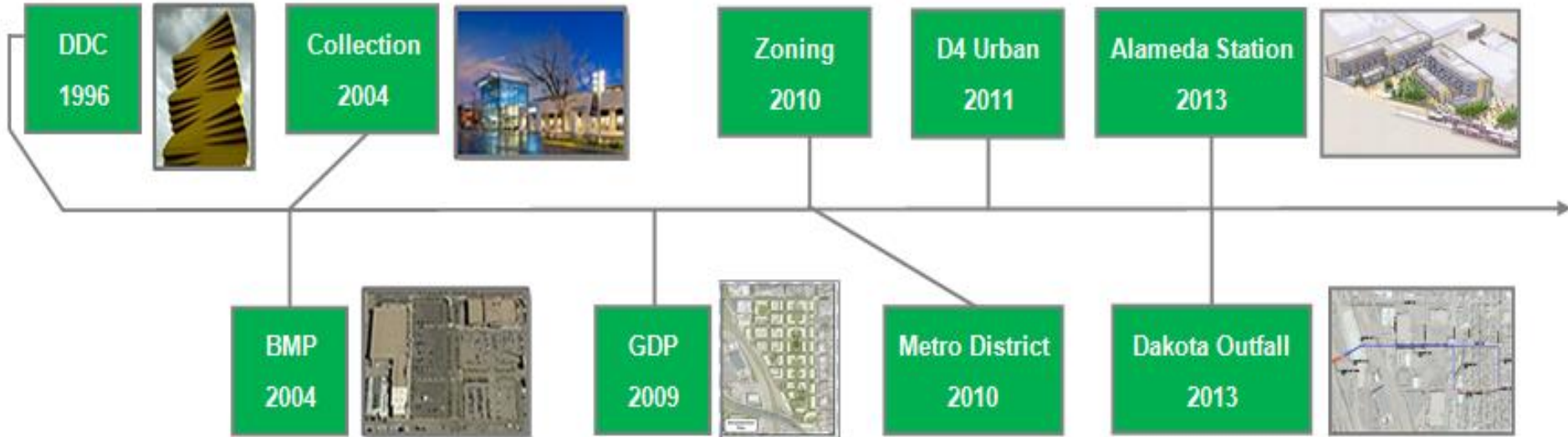
THE DDD EXISTING IMPROVEMENTS + ASSOCIATED TRANSACTIONS:

1. **Broadway Marketplace (BMP)**
 - ✓ 387,500SF - Power center anchored by Sam's Club, K-Mart, Albertsons, and Office Max
 - ✓ ~50 year lease/options profile
2. **Denver Design Center (DDC)**
 - ✓ 233,300SF – Wholesale showrooms catering to home furnishings and design industry
 - ✓ ~5 year lease profile
3. **The Collection (COL)**
 - ✓ 251,000SF – Mix of office/laboratory, education and showroom accommodation
 - ✓ ~5-10 year lease profile
4. **Alameda Station Village (ASV): D4 + RTD**
5. **Sliver Option: D4 + RTD**





~62 ACRE ASSEMBLAGE AND PREPARATION OVER ~17 YRS BY COHEN-FRANK, EXPANDED TO ~68 ACRES :



APPROVED ENTITLEMENTS, 2006-2010 @ ~\$2.6M:

1. General Development Plan:

- ✓ Approved by City in 2009
- ✓ Allows for 10M SF of density
- ✓ Follows “Blue Print Denver” – *integration of transportation and land use planning*

2. Zoning:

- ✓ Approved by City in 2010
- ✓ Commercial mixed-use (CMX) and main street (CMS)
- ✓ Highly flexible, allowing for a variety of uses (residential, retail, hospitality, office)

3. Metro District:

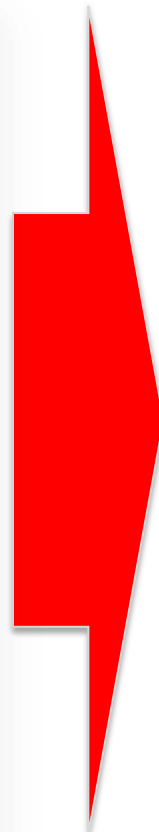
- ✓ Approved and formed in 2010
- ✓ \$90M in bonding capacity for public infrastructure improvements in BMP





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 30 years
- = Consolidated/aligned ownership
- = Public/Private Partnership the catalyst





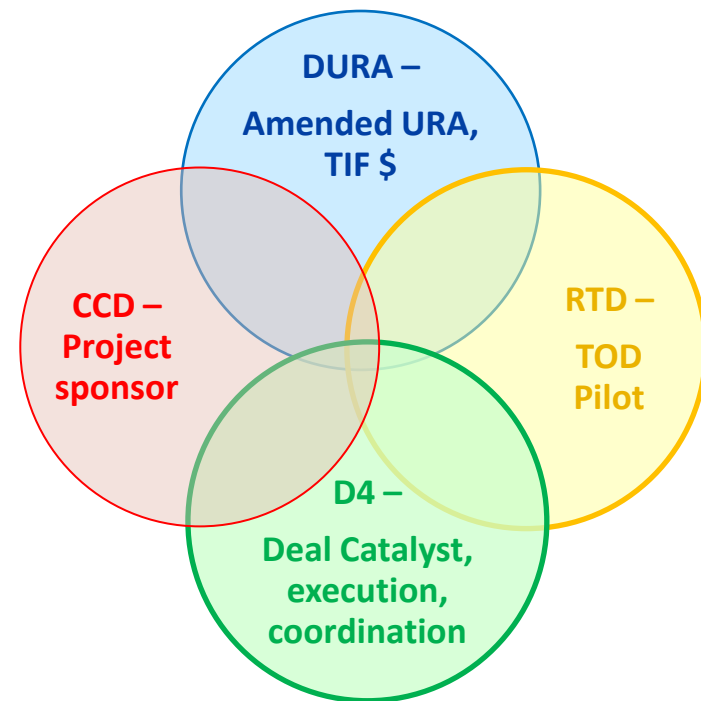
PUBLIC PRIVATE PARTNERSHIP = “MULTIPLIER-EFFECT” HARNESS THE CRITICAL STAKEHOLDERS TO ESTABLISH CATALYST

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;*

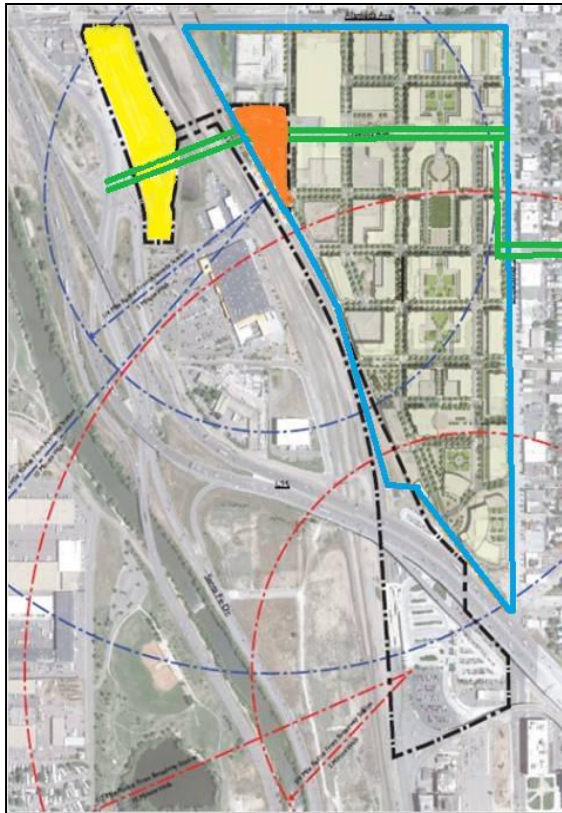


Phase 1: \$17.8M Public contribution results in ~\$48M follow-on private investment = ~2.7X
Ultimate DDD redevelopment: ~\$250M site infrastructure, \$~2Bn development capital



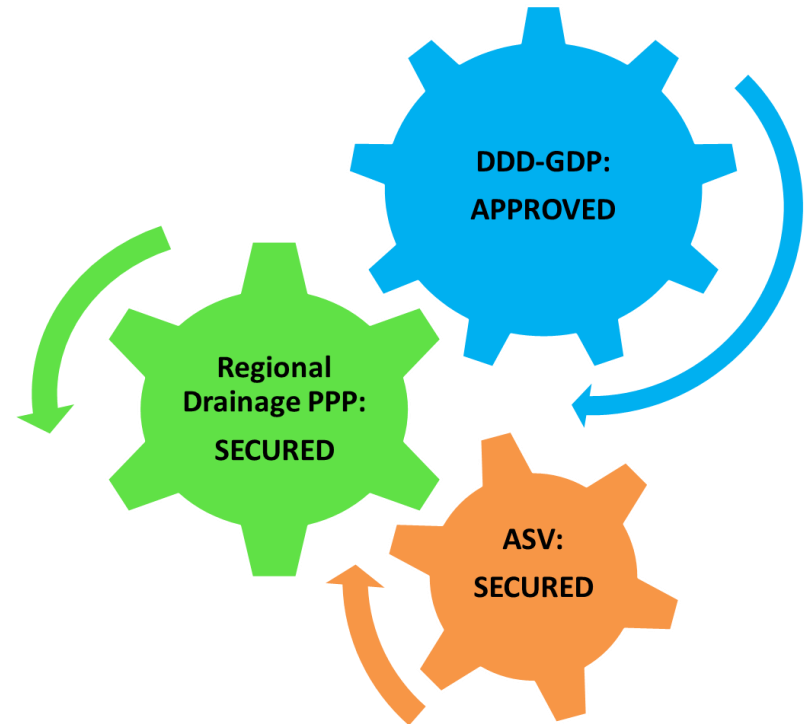
PHASE 1 DEVELOPMENT STRATEGY

Unlock the latent value through a 2-part, Phase 1 project that aligned key, long-term stakeholders, secured adjoining property while creating the conditions for subsequent follow-on phases of development...



“...Synergy and Serendipity...”

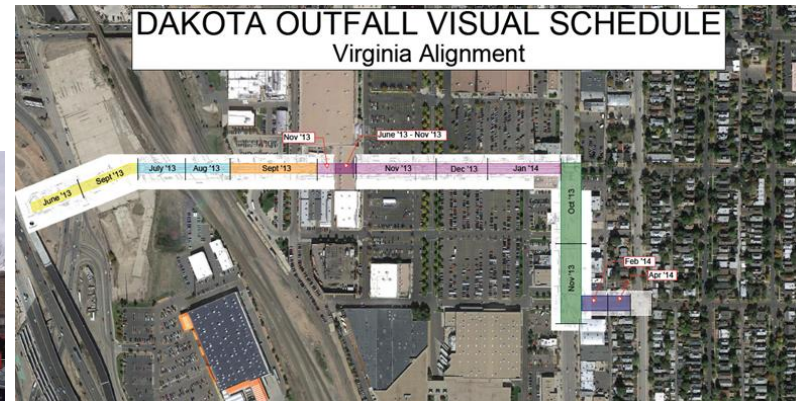
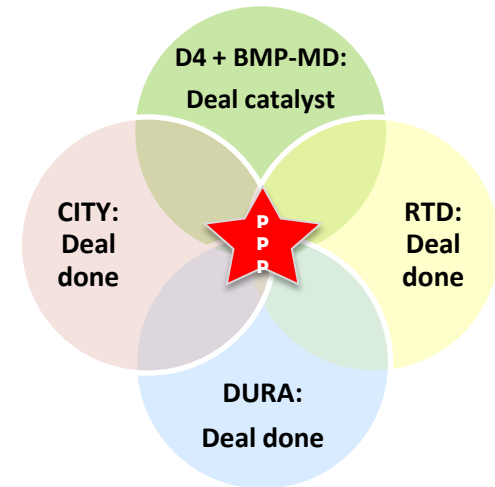
Diane Barrett,
Chief Projects
Officer - Office
of Mayor
Michael B.
Hancock, City
of Denver,
2/9/12





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 (~\$3M) and RTD-benefitting sites (\$1.1M)
- ✓ **Contractual commitment by City to BMP-MD, March 13th 2012**



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

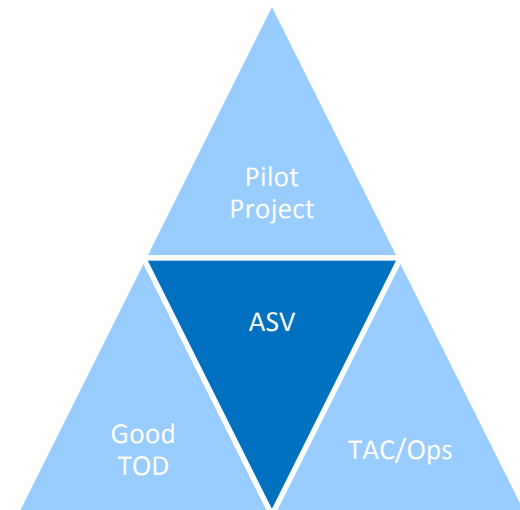
RTD General Objectives:

- ✓ 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:

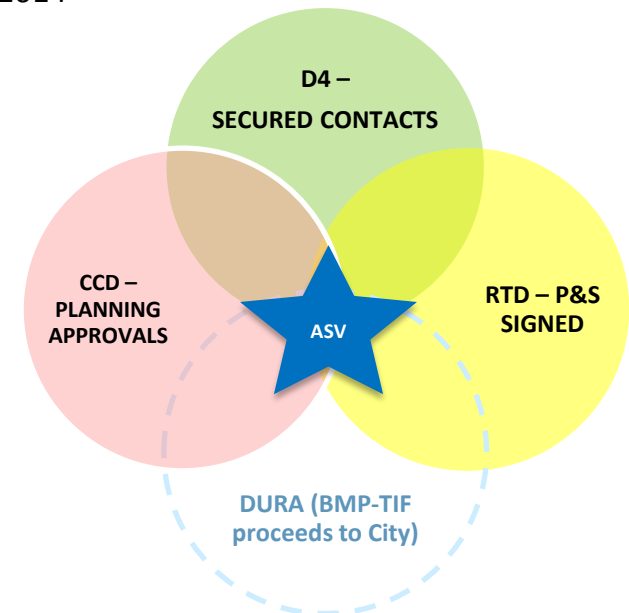
- ✓ 1st choice for RTD TOD Pilot program by City of Denver
- ✓ Transition from commuter to neighborhood station
- ✓ Extensive pre-planning completed
 - + Alameda Station Area Plan
 - + DDD-GDP
 - + BMP-MD
 - + GDP Urban Design Standards and Guidelines
- ✓ **Contractual commitment by RTD to D4 April 30th, 2012**





PHASE 1, PART 2 – VERTICAL DEVELOPMENT: RTD PILOT PROGRAM AKA “ALAMEDA STATION VILLAGE” (ASV) APARTMENTS:

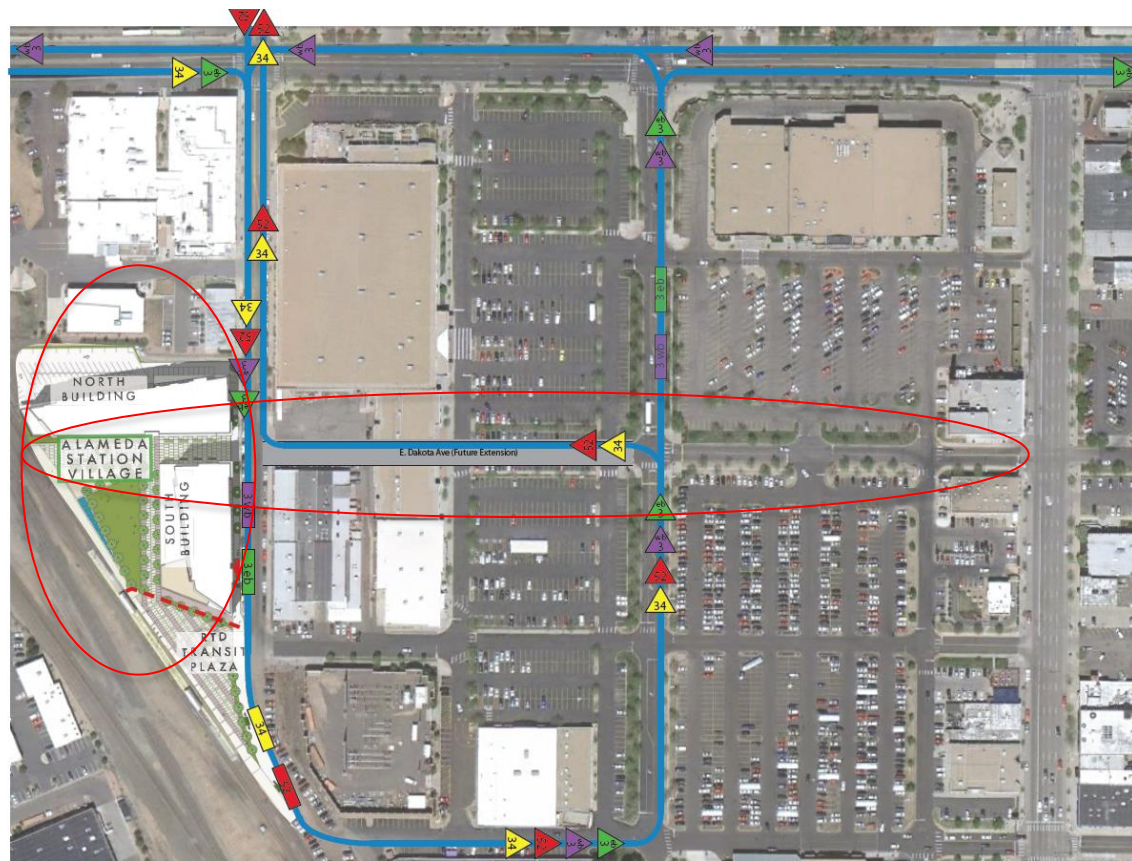
- ✓ 275 units, market-rate multifamily apartments (~85% 1BR) directly adjacent to existing light rail station, parking at 1:1
- ✓ LEED Gold project within a future LEED ND community
- ✓ Walkscore of 89/100 “...Very Walkable - Most errands can be accomplished on foot...” www.walkscore.com
- ✓ RTD Purchase and Sale Agreement with D4 executed April 30th, 2012
- ✓ Final Site Plan Approval + Final Guaranteed Maximum Price imminent
- ✓ Equity + Debt being secured, simultaneous closing with land end-January 2014



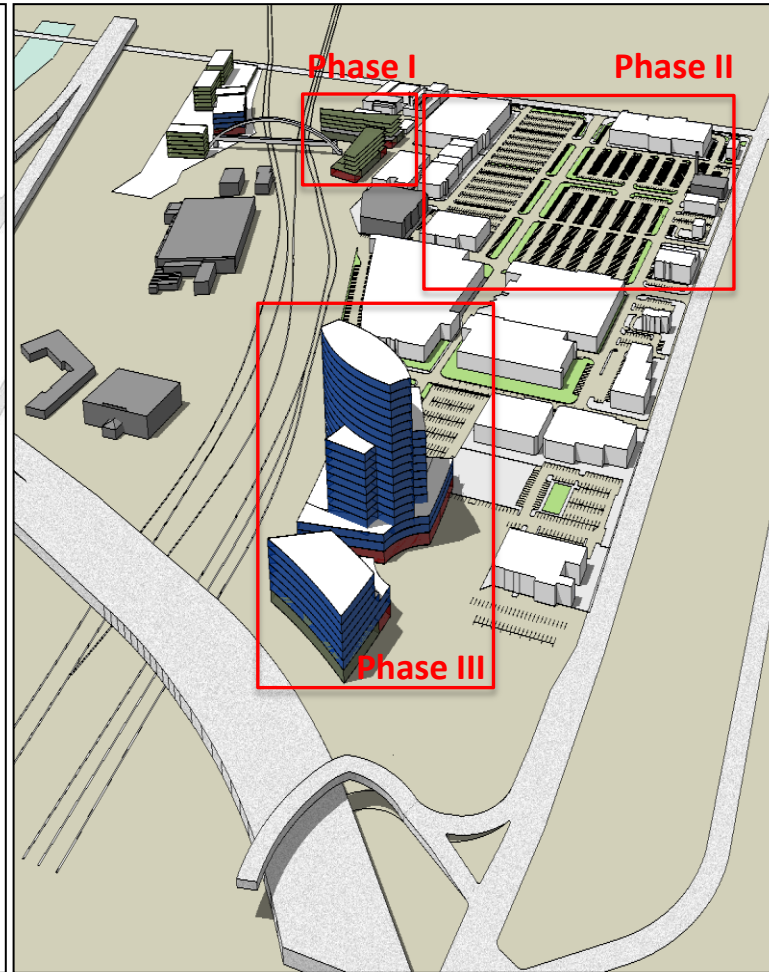


PHASE 1, PARTS 1 + 2 INTERACT:

- ✓ Enhanced connectivity, on-site and within the regional
- ✓ Pedestrian friendly/enhanced public streets
- ✓ Strong passive surveillance of station area
- ✓ Partial maintenance of RTD parking through licenses in adjoining properties
- ✓ 9 mins train ride to LoDo, 45 mins to DIA (2016)
- ✓ Catalyst for GDP and broader TOD opportunity
- ✓ Anticipating next phases



ANTICIPATED NEXT PHASES:



- Phase I:**
ASV –
1st Pilot Project
- Phase II:**
Redevelopment within the BMP – strategy to be implemented within context of existing Lease/Option contracts
- Phase III:**
Southern Pre-commitment Office opportunity (*incl. RTD “sliver” Option land*)

LESSONS LEARNED SO FAR ON INFILL DEVELOPMENT.....

Requirments:

- ✓ Vision
- ✓ Leadership
- ✓ Partnership
- ✓ Inter-agency cooperation
- ✓ Catalyst
- ✓ Multiplier-effect
- ✓ Trust
- ✓ Patience
- ✓ Alignment
- ✓ Consolidated land ownership
- ✓ Balance sheet
- ✓ Prior expertise
- ✓ Long view
- ✓ Strategic & tactical thinking

Challenges:

- ✗ Politics/Planning/People
- ✗ Complicated
- ✗ Challenging
- ✗ Costly
- ✗ Coordination
- ✗ Interagency agreements
- ✗ Time consuming
- ✗ Fractured land ownerships
- ✗ Split incentives
- ✗ Capital raising
- ✗ Development risk

THANK YOU AND QUESTIONS:

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