



DENVER
THE MILE HIGH CITY

NWC Triangle Project Community Meeting

February 26, 2019

- Triangle Project Update
 - Educate and inform community about the current and future of the NWC campus
- How will the City deliver the Triangle project
 - Performance Based Infrastructure (PBI) 101
 - Denver’s PBI Program
 - Next Steps:
 - Process for selecting development partner
 - Future community outreach
- Q&A

DENVER, COLORADO

A City filled with rich history and a pioneering spirit.

A City that continues to innovate.

A City that makes a difference.



A CITY OF PIONEERS

Timeline of Major Milestones

Citizen's Advisory
Committee Formed

2013

Campus Master
Plan, HB 15-1344,
Ballot Measure 2C,
RTA Award

2015

Framework
Agreement,
Program
Baseline

2017

Phases 1 & 2
Construction,
Sponsoring Agency for
PBI program

2019



2012

Mayor Hancock
commits to keep the
Stock Show in
Denver

2014

Venue Feasibility
Study (SAG)

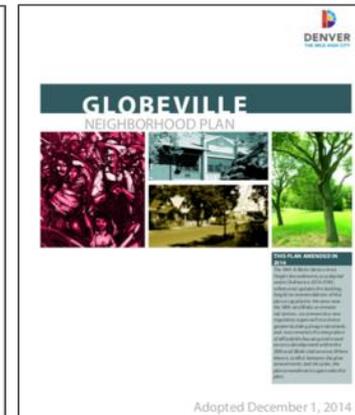
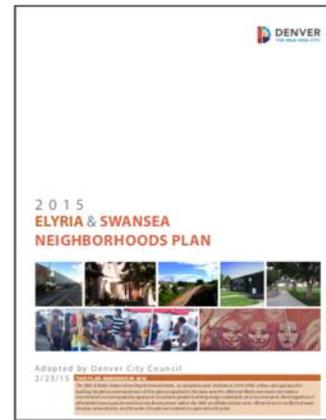
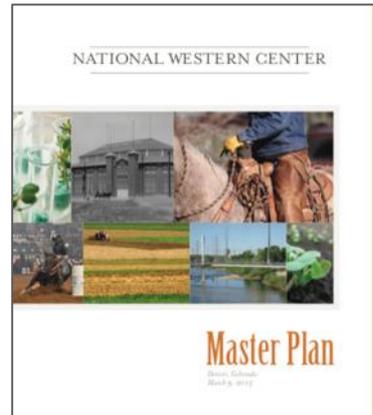
2016

Mayor's Office of the
National Western Center
Formation

2018

Authority
Board
Formed

Guiding
Documents



NWC Framework Agreement

- The City, the Authority, WSSA and CSU executed a Framework Agreement in September 2017
- This agreement formalizes rights and obligations with respect to governance, design, construction, operation, maintenance and funding of NWC Campus, including the Triangle
- The agreement provides that all parties will work together to support the future phases of the NWC

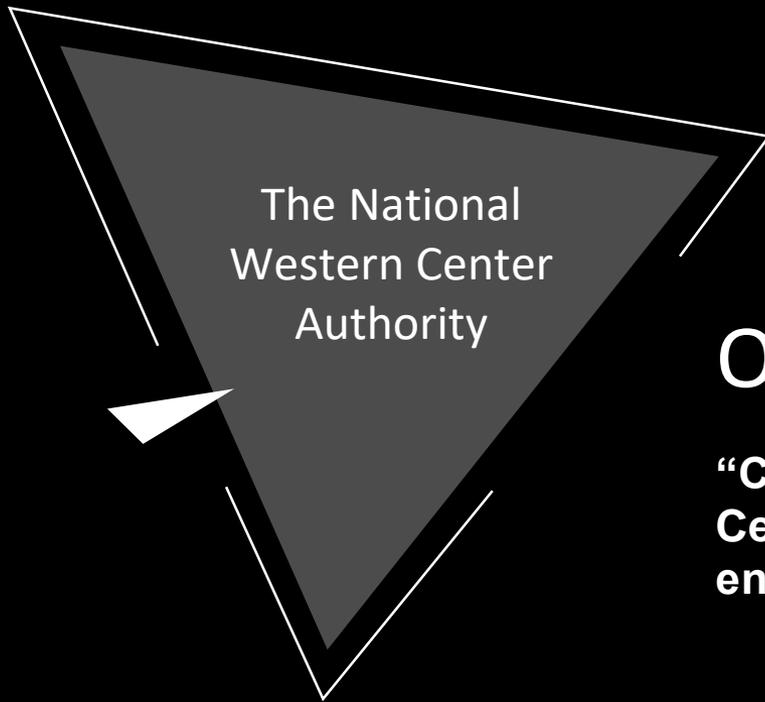
Site Plan Evolution



Master Plan

Baseline

Site Plan



ONE BOLD MISSION

“Convene the world at the National Western Center to lead, inspire, create, educate and entertain in pursuit of global food solutions”

This campus is about connections.

- Connecting people to where their food comes from.
- Connecting this disconnected neighborhood to itself through better roads, bridges, sidewalks and signage.
- Connecting the urban place to the rural place.
- Connecting Colorado and the West to the rest of the nation and the world.

And it's about a continuum: connecting our agricultural heritage to the present and the future, as we emerge as the new epicenter of innovative agribusiness and technology.

The community is a critical Triangle project partner and has been an active participant on the campus

- **Community Investment Fund**

- The Authority will develop a fund for projects and programs benefitting Globeville, Elyria, and Swansea.
- Offer a “round up” donation on customer payments to the fund

- **Agreement for the benefit of the community**

The National Western Center Authority



PERFORMANCE BASED INFRASTRUCTURE

PBI



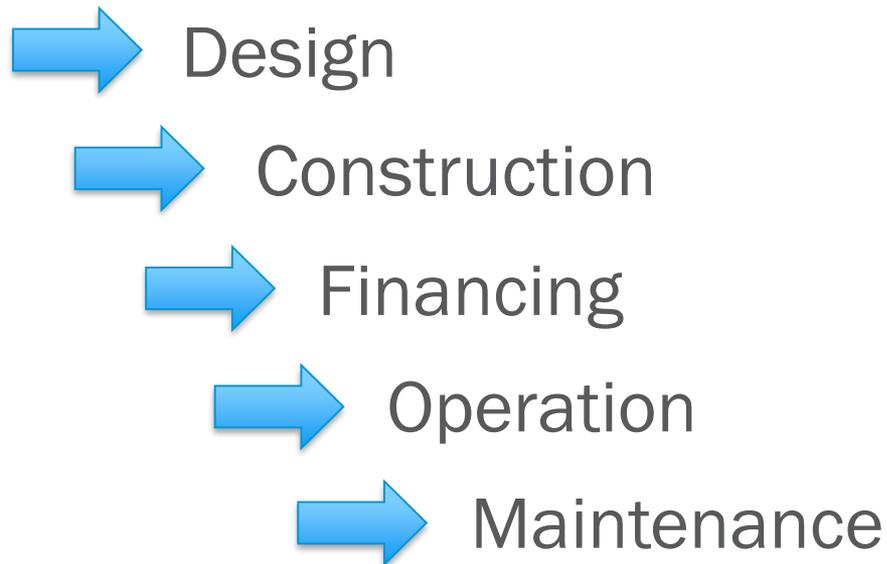
Establish a neutral, standardized and transparent process to evaluate and execute potential partnerships with the private sector to deliver public infrastructure.

Ensure any potential projects stays true to Denver's core values:

- ➔ Inclusion
- ➔ Equity
- ➔ Economic opportunities

What is Performance Based Infrastructure (PBI)?

PBI is an innovative approach to building city projects where the investment, risk, responsibility, and rewards of the project are shared between government and private-sector participants.



Trade-offs between PBI and Traditional Delivery

Opportunities

- Helps manage risks of large projects
- Expands financial tools
- Lowers cost of ownership
- Ensures asset is maintained over long-term
- Transfers risk

Challenges

- Have long and complex contracts
- Higher transaction costs
- Not best option for all project
- Costs can be higher than using traditional financing

- Creates **certainty** and **transparency** in the process
- Applies best practices from around the world and fits to **Denver's unique needs, values, and vision**
- Enables City to **execute partnerships** with the private sector **efficiently and effectively**
- Fosters economic development like **job creation and workforce development**
- Attracts private sector **innovation and investment** to build public infrastructure
- 5 stages:
 - Planning
 - Screening
 - Structuring
 - Procurement
 - Implementation

Triangle Project Goals

- Advance the vision and mission of the National Western Center
- Activate the NWC Campus to serve local neighborhoods and Denver region
- Integrate with NWC Phases 1 & 2 and the surrounding neighborhoods
- Align with current construction phasing and on-going operations
- Minimize financial obligations for the City
- Implement world-class operations and venue management practices
- Partnership

NWC Triangle Project Roles and Responsibilities

City and County of Denver

Contract counterparty

Principal land and facility owner.

City Council

- Contract Approval
- Stakeholder engagement

City and County of Denver | PBI Office

Leading the procurement process to select a development partner.

Development Partner

- DBFOM of Public Elements
- Undertake Private Development
- Single Counterparty

Mayor's Office of the National Western Center (NWC)

Sponsoring Agency for the Triangle Project—responsible for content development, Responsible for construction of Phases 1 & 2.

Community

- Stakeholder engagement

The National Western Center Authority

100-year lease with the City and County of Denver. Signatory to the Framework Agreement.

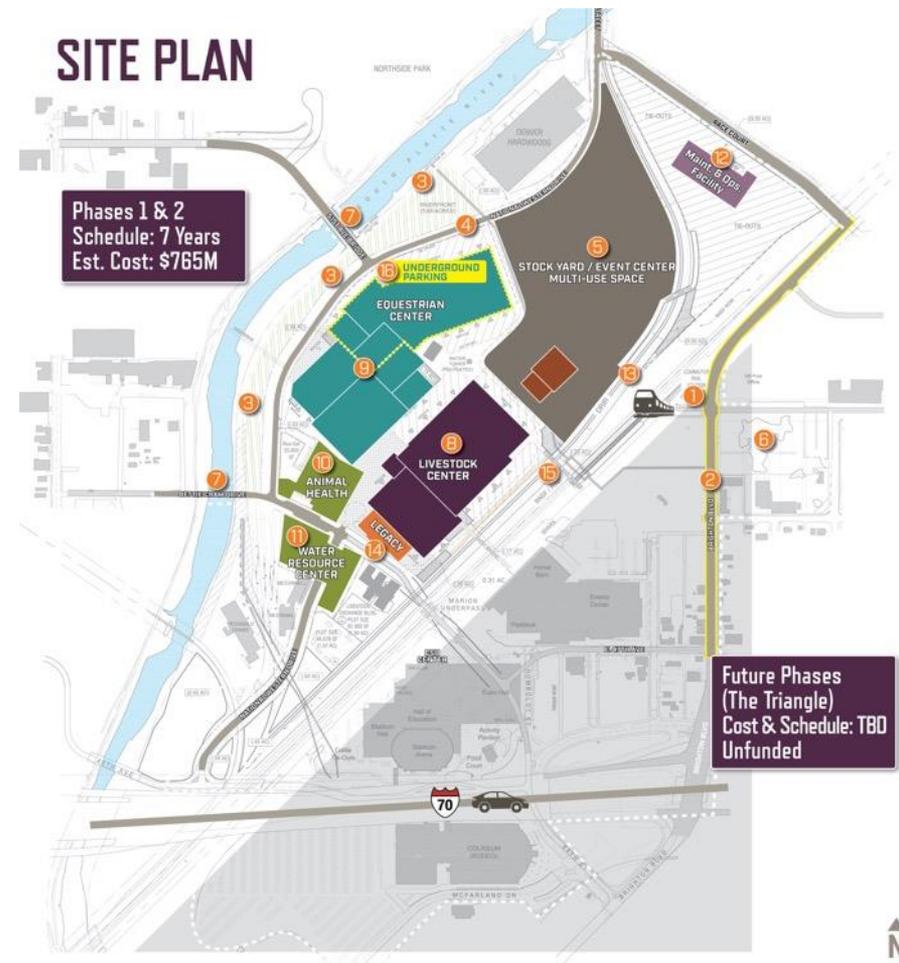
FUTURE PHASES FOR THE CAMPUS

60 acre site

Four Required Assets: (~18acres)

- Redeveloped 1909 Historic Building
- New approx.10,000-Seat Arena
- New Expo Hall
- Supporting Parking

Additional supporting development to activate the campus year-round (~42 acres)



Triangle Project Cost Assumptions

Facility Capital Cost	Amount
10,000 Seat Arena	\$234M
Expo Hall	\$201.2M
1909 Building Restoration	\$62M
Historic Buildings	\$9.7M
Coliseum Parking Lot Environmental Remediation	<u>\$21.1</u>
Total	\$528M

Triangle Project Development Assumptions

- Approximately 60 acres
 - **Public elements (~ 18 acres)**
 - Redeveloped 1909 Historic Building
 - New approx.10,000-Seat Arena
 - New Expo Hall
 - Supporting Parking
 - **Private development opportunities (~ 42 acres)**
- The land not required for the Public Elements will be available for the development of other uses to be proposed by the Developer.

Retail

Residential

Educational

Hospitality

Entertainment

Research & development



Funding through a variety of sources:

- **Private Development Value**
 - Developer will make payments for the rights to develop private real estate on the site
 - These funds will be contributed directly to fund construction costs of the Public Elements

- **Tax Increment Revenue (“TIF”)**
 - City is pursuing, in cooperation with the Denver Urban Renewal Authority, to designate an urban renewal area on the Triangle

- **Metropolitan District**
 - City anticipates organizing Title 32 metropolitan districts on the Private Development area which would have the ability to impose and collect a mill levy

Purpose of PBI Business Case

- PBI Office completed a business case for the Triangle Project
- The business case analyzes alternative project procurement methods
 - Traditional
 - PBI
- Recommends one delivery method over another, relative to at least the following evaluation criteria:
 - Qualitative Analysis
 - Quantitative Analysis (Value for Money)

Why PBI Delivery for Triangle Project?

- Quantitative analysis found similar costs between delivery methods
- PBI approach offers:
 - Single counterparty to coordinate the planning between public and private parties
 - Transfer of risk
 - Faster delivery schedule
 - Integration of site planning, vision, and interface to improve outcomes
 - Access to operational expertise for specialized facilities
 - Transfer of long-term performance risk to ensure Project success

Summary of Qualitative Analysis

	Traditional	PBI
Design and Construction		
Construction cost and schedule risk	●	●
Innovative technical concepts	●	●
Integrated site planning and interface	●	●
Additional design and construction risks	●	●
Operations and Maintenance		
Long-term operations and maintenance cost risk	●	●
Lifecycle costing strategies	●	●
Handback requirements	●	●
Facility performance and ongoing maintenance	●	●
Funding and Financing		
Project funding opportunities	●	●
Cost of capital	●	●
Other		
Community	●	●
Sustainability	●	●

● - Likely to Achieve ● - May or May Not Achieve ● - Unlikely to Achieve

To view the complete business case, please visit:

<https://www.denvergov.org/content/denvergov/en/performance-based-infrastructure-office.html>



Tentative Structuring and Procurement Next Steps

Activity	Date
City Council and Community Outreach	January/February/Ongoing
Triangle Opportunity Day (PBI Industry Forum)	February 11, 2019
Triangle RFQ Issuance	March 1, 2019
Pre-SOQ One-on-One Meetings w/ Proposers	Spring 2019
City Council and Community Meetings w/ summary of RFQ submissions	Spring 2019
Request for Proposals*	Fall 2019
Interviews/One-on-One Meetings	Winter 2019-Spring 2020
Proposal Submission	Summer/Fall 2020
Selection of Preferred Proposer	Winter 2020
City Council Action on Project Agreement	Winter 2020
Execution of Final Project Agreement	Winter 2020

* Assumes ongoing City Council and community engagement.

Stakeholder Group / Audience	Frequency
<p>City Council Briefings and Committee Meetings</p>	Ongoing
<p>Industry Triangle Partnership Opportunity Forum</p> <ul style="list-style-type: none"> • Mayor, Council, Authority, PBI, NWCO • M/WBE Reverse Networking • Campus Tour • One-on-One Meeting with qualified teams 	2/11/19
<p>Community 1909 Stadium Arena Advisory Group Final Report-Out Citizen Advisory Committee (CAC Meetings) Public Meeting Surveys, Email Messaging Facebook Live</p>	<p>1/29 1/31, 2/28 2/26 & ongoing February March tentative</p>



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Questions?