



**DENVER**  
THE MILE HIGH CITY

# **NWC Triangle Project Community Meeting**

Citizen's Advisory Committee

March 28, 2019

- Triangle Project Update
  - Educate and inform CAC 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

# 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)

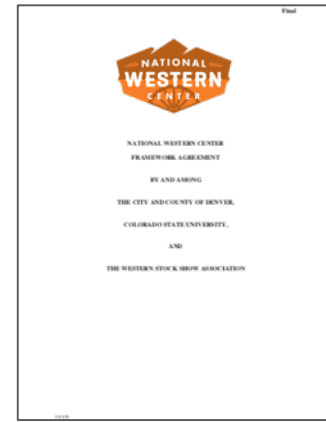
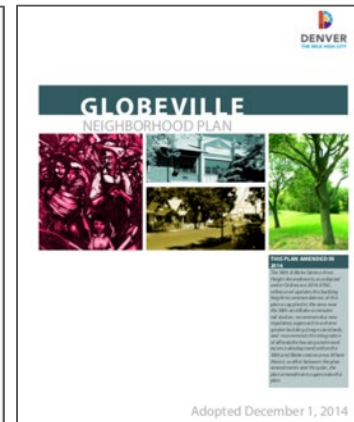
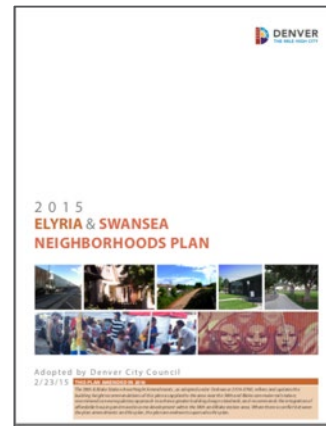
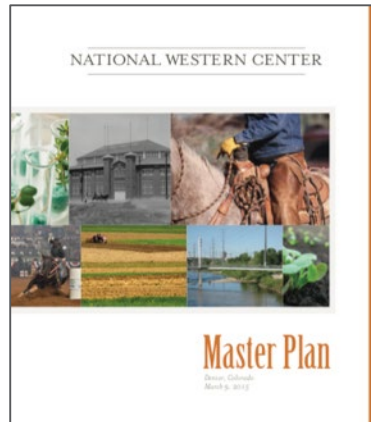
**2016**

Mayor's Office of the  
National Western Center  
Formation

**2018**

Authority  
Board  
Formed

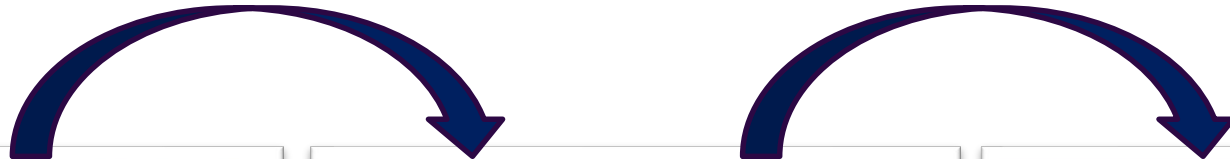
Guiding  
Documents



# 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

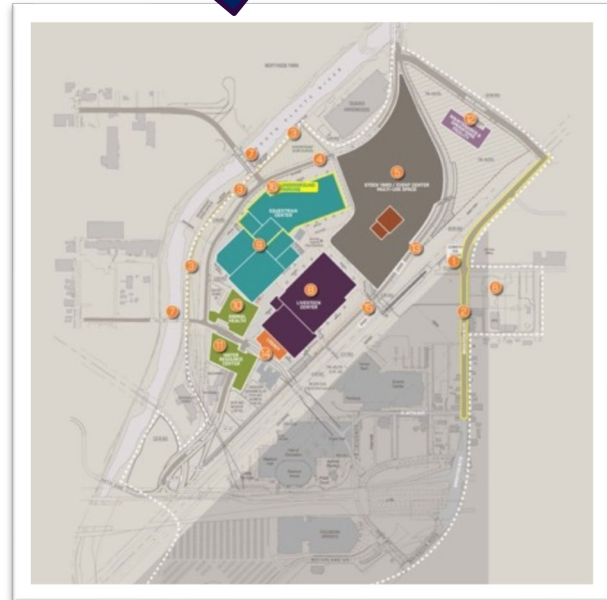
# Site Plan Evolution



**Master Plan**



**Baseline**



**Site Plan**

# PERFORMANCE BASED INFRASTRUCTURE

# PBI

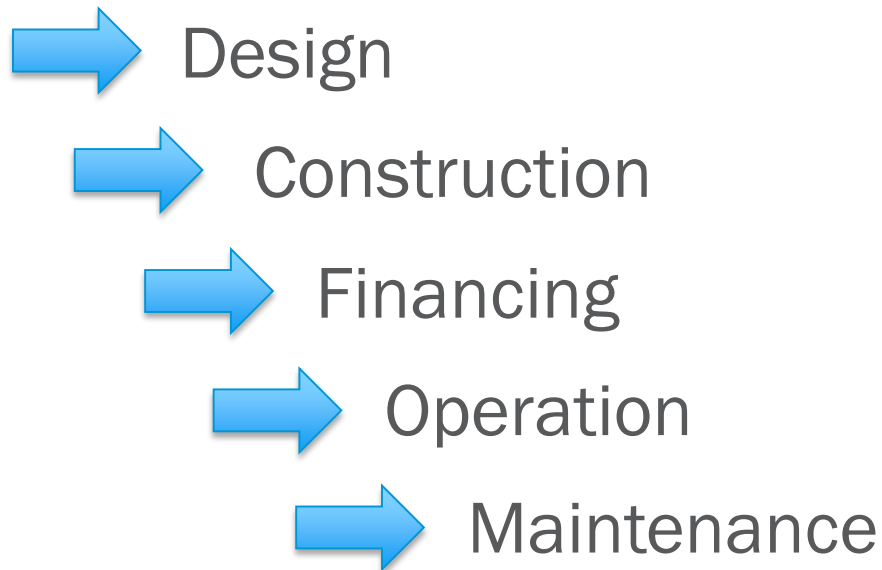


Establish a neutral, standardized and transparent process to evaluate and execute potential partnerships with the private sector to deliver public infrastructure.

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

- ➔ Inclusion
- ➔ Equity
- ➔ Economic opportunities

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 challenges 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 projects
- Costs can be higher than using traditional financing options



- 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

## 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 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.

### Community

- 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.

### City Council

- Contract Approval
- Stakeholder engagement

## The National Western Center Authority

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

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# 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>
<b>Total</b>	<b>\$528M</b>



# 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



- 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
<b>Design and Construction</b>		
Construction cost and schedule risk	●	●
Innovative technical concepts	●	●
Integrated site planning and interface	●	●
Additional design and construction risks	●	●
<b>Operations and Maintenance</b>		
Long-term operations and maintenance cost risk	●	●
Lifecycle costing strategies	●	●
Handback requirements	●	●
Facility performance and ongoing maintenance	●	●
<b>Funding and Financing</b>		
Project funding opportunities	●	●
Cost of capital	●	●
<b>Other</b>		
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
<b>Triangle RFQ Issuance</b>	<b>March 1, 2019</b>
Pre-SOQ One-on-One Meetings w/ Proposers	Spring 2019
City Council and Community Meetings w/ summary of RFQ submissions	Spring 2019
<b>Request for Proposals</b>	<b>Fall 2019</b>
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><b>City Council</b> Briefings and Committee Meetings</p>	Ongoing
<p><b>Industry</b> Triangle Partnership Opportunity Forum</p> <ul style="list-style-type: none"> <li>• Mayor, Council, Authority, PBI, NWCO</li> <li>• M/WBE Reverse Networking</li> <li>• Campus Tour</li> <li>• One-on-One Meeting with qualified teams</li> </ul>	2/11/19
<p><b>Community</b> 1909 Stadium Arena Advisory Group Final Report-Out Citizen Advisory Committee (CAC Meetings) Public Meetings Surveys, Email Messaging Facebook Live</p>	<p>1/29 3/28 and ongoing 2/26 &amp; ongoing February April tentative</p>



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# Questions?