Station Development Peer Exchange

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Information Package for the Peer Exchange

CONTENTS OF THE INFORMATION PACKAGE

	page
Executive Summary of TCRP Study (TCRP J-11/ Task 2) – Guide to Value-Capture Financing for Public Transportation Projects	2
Group Discussion These would serve as discussion points during the peer exchange.	
• *FOCUS AREA 1: Value Capture Opportunities*	11
• *FOCUS AREA 2: Partnerships*	19
• *FOCUS AREA 3: Funding and Financing*	26
Additional Resources:	
BATIC Institute Denver Union Station Webinar Presentation The webinar video, PowerPoint presentation, interview clips, and webinar questions & answers are posted on the BATIC Institute website.	33
USDOT Resources DOT Resources meant to help projects start thinking about the funding, financing and capacity building program options available to them.	76
Material from Peer Exchange Participants	
• Amtrak's Approach to Value Capture	81
• Amtrak's Perspective on Partnering	91
• King Street Station Restoration, Rehab and Redevelopment	104
• Tucson Modern Streetcar Overview	118

[DRAFT for Limited Distribution and Use]

EXECUTIVE SUMMARY

Transportation infrastructure is a foundation of modern, thriving, and productive economies. Public transit is a key element of transportation infrastructure for many communities and local and regional economies across the U.S. Unfortunately, many U.S. transit projects are underfunded, leading to suboptimal service, long-deferred maintenance, and failure to realize desirable projects. Value capture refers to a range of mechanisms used to fund transportation infrastructure projects from value creation induced by investment in transit.

Value capture is the public recovery of a portion of increased property value created as a result of public infrastructure investment. Common value capture mechanisms for capturing this increased value include:

- impact fees,
- joint development,
- land value taxation,
- negotiated exactions,
- parking fees,
- sale or leasing of air rights,
- sales tax and special assessment districts,
- station naming rights, and
- tax increment financing.

This Guide, *Value Capture Financing for Public Transportation Projects*, has been developed on behalf of the Transit Cooperative Research Program (TCRP) to provide transit agencies, local governments, developers and others with insight regarding value capture as a funding strategy for public transportation projects. The Guide highlights requirements necessary for (1) successful value creation through transportation infrastructure investment and (2) capturing a portion of that value through specific value capture mechanisms.

The three primary value capture participants in this Guide are: the transit agency, developer(s), and local government, as defined below:

- **Transit agency:** A public entity, the primary purpose of which is to plan, construct, operate, maintain, and finance public transportation services within a specified service area.
- **Developer(s):** Private or not-for-profit entities that invest in and effect the improvement of real property.
- **Local government:** Public entity that provides municipal goods, services, and infrastructure in the area served by the transit agency.

I Conditions Necessary for Value Capture

Value capture concepts addressed in this Guide may be relevant to many modes of public transportation including bus rapid transit, light rail, commuter rail, subway systems and intercity passenger rail. The economic principles underpinning value creation and value capture in the context of public transit projects may also apply to transportation infrastructure projects in general, and even more broadly to other classes of public infrastructure investment.

Transit infrastructure investment often induces value creation in surrounding land and real estate. Capturing a portion of that value to fund transit projects is an increasingly viable and desirable option, subject to a number of enabling conditions:

- Real estate market vitality;
- Accommodative zoning and land use entitlements;
- Statutory authority enabling use of value capture mechanisms;
- Articulation of compelling business case(s) of value capture to public and private partners and to the financial markets on which they depend;
- Development of project and context-specific financial strategies that are feasible and which incentivize and reinforce value creation; and
- Institutional capacity on the part of transit agencies, local governments, developers, and other partners, working together to maximize value creation and value capture.

Value capture opportunities and strategies vary significantly due to context. The type and composition of real estate from which transit agencies and local governments may capture value vary from one circumstance and market location to another. Value capture techniques can generate revenue from within transit benefit areas that extend beyond the traditional ½-mile radius "transit areas of influence". Areas benefitting from enhanced mobility, transit accessibility, improved bicycle and pedestrian access, and other transit-induced amenities may extend two miles from transit stations.

Value capture is frequently contemplated in the context of transit-oriented development (TOD) projects. Transit-oriented development is one specific type of the many potential forms of transit-influenced development. TOD is typically comprised of vibrant mixed-use development that is amenity-rich and features proximity to transit. Many multi-modal features are included in TOD including pedestrian and bicycle improvements. Numerous studies have demonstrated that under certain circumstances TOD can command higher sales prices and rents for a variety of property types.

The opportunity for value creation and subsequent value capture will vary by transportation network and station characteristics. Unique characteristics of each transit line and station area will influence the potential for value creation and capture. Significantly different value capture strategies may be appropriate along the same transit line within a single jurisdiction. For example, transit lines and stations in mature and dense urban areas will lend itself to very different value capture strategies than those in greenfield or suburban redevelopment areas.

II Local Economic and Market Considerations

The level of transit-influenced value creation varies with local real estate market conditions. These conditions are underpinned by factors such as: the size and growth rates of population, income, employment, and educational attainment, as well as national economic conditions and trends. Competition among real estate submarkets is characterized by rates of building permit issuance or starts, occupancy and absorption rates, sales prices and lease rates, retail trade patterns, and other factors. All of these factors, in addition to the density of a particular urban area, may affect the level of value created from real estate around transit.

Successful value capture strategies are dependent upon value creation through real estate development. Real estate markets are cyclical and non-uniform. Market fluctuation will affect the rate of value creation and the effectiveness of value capture strategies in any particular period and location. Understanding market dynamics is vital for achieving optimal value creation and designing effective value capture strategies.

Developers evaluate profit potential of transit-influenced real estate value creation along with real estate development risks. Risk factors associated with real estate projects include market acceptance, project complexity, and capital intensity. Investment relevant time horizons differ markedly among major value capture participants. The most successful value capture strategies will align risk tolerances with time horizons and sensitivities among value capture participants, to the greatest extent possible.

III Regulatory Considerations

Land use regulations and zoning can support and incentivize both value creation and value capture strategies. However, regulations that are ill-conceived, inadequate, or overabundant may act as barriers to value creation. Realizing value creation potential related to transit projects requires that local planning, zoning, and development entities adopt rules that allow for and encourage optimization of the opportunity, including:

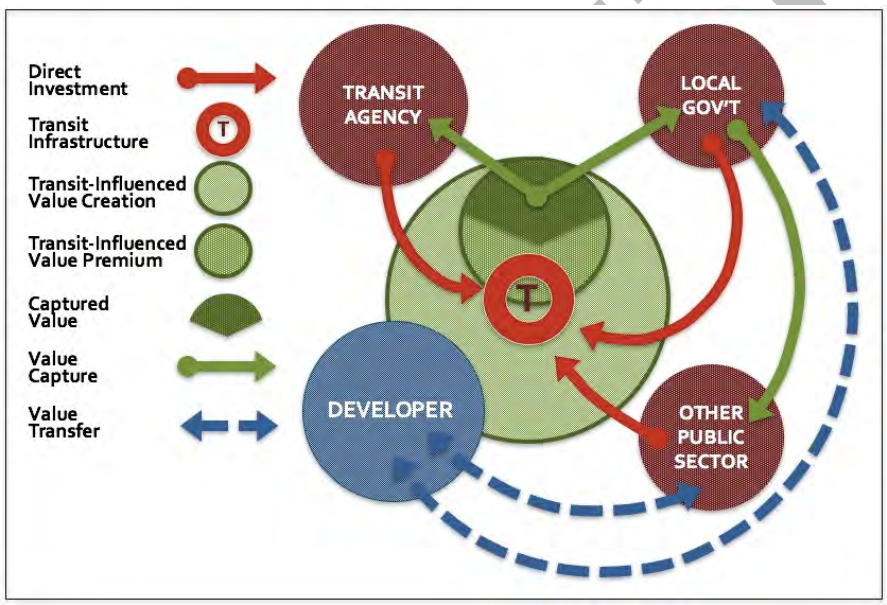
- Replacing density maximums with minimums;
- Modifying or eliminating rules requiring segregation of various land uses;
- Reduction of minimum parking requirements; and
- Use of development agreements or similar mechanisms that allow for negotiation of complex value exaction and policy objective-specific entitlements.

U.S. transit projects that utilize federal funds must comply with federal regulations, which may affect the nature and extent of value capture opportunities. For example, a range of specific transit development activities is prohibited prior to completion of the National Environmental Protection Act (NEPA) process. Such activities include acquisition of right-of-way that may prejudice consideration and analysis of alternative alignments. Additionally, statutory authority for specific value capture mechanisms and rules controlling their application and implementation vary from state to state.

IV Articulating the Business Case

Subject to market constraints, new transportation capacity and access creates opportunities for increased development. The cornerstone of successful value capture implementation is clear identification of the economic opportunity associated with 1) the real estate projects and 2) embracing a value capture strategy that optimizes benefits both for public and private partners. Developers respond to transit agency investment in infrastructure by evaluating market opportunities for value creation induced by new transportation capacity (or anticipation of such capacity). The large light green circle in Figure 1 represents value creation through transit-influenced development.

Figure 1: Transit Infrastructure Investment, Value Creation and Value Capture



Some portion of aggregate value creation may be considered market "premium" (small green circle), which reflects consumers' willingness to pay higher prices for real estate (residential units, office and retail space, etc.) in close proximity to transit and related amenities than for otherwise identical properties not similarly served by transit. A portion of the transit value premium (referred to as "captured value" in Figure 1) may be recovered through one or more value capture mechanisms.

From the developer's perspective, the business case for value capture relates to the balance between market opportunity and the cost burden of value capture. Care must be taken that the amount of value captured does not exceed consumers' perceived transit related value premium. In an efficient real estate market, value capture costs exceeding consumers' increased willingness to pay for transit amenities creates competitive disadvantage and can disincentivize investment in development and value creation. In practice, these considerations are complicated further by real estate land acquisition, entitlement, development,

construction, and financing costs; many or all of which may be higher than those in less complex projects of lower development intensity.

From the perspective of local government, the business case for value capture rests on its ability to fund or finance elements of a transit project, municipal infrastructure, or other public needs. Value capture strategies can allow local government to invest in further enhanced transportation infrastructure, transit supportive infrastructure, expanded transit service, and various public amenities—which can induce additional value creation.

Opportunity for value capture may be maximized to the extent that public and private stakeholders successfully cooperate in strategic value creation. Additional value may be created, and additional public policy objectives may be achieved, through strategic planning and partnership with other public agencies or not-for-profits such as workforce or affordable housing providers. Costs and benefits associated with development of affordable or workforce housing, parks, parking, or municipal infrastructure may be allocated between the parties in the context of development agreements negotiated toward maximizing mutually beneficial value creation.

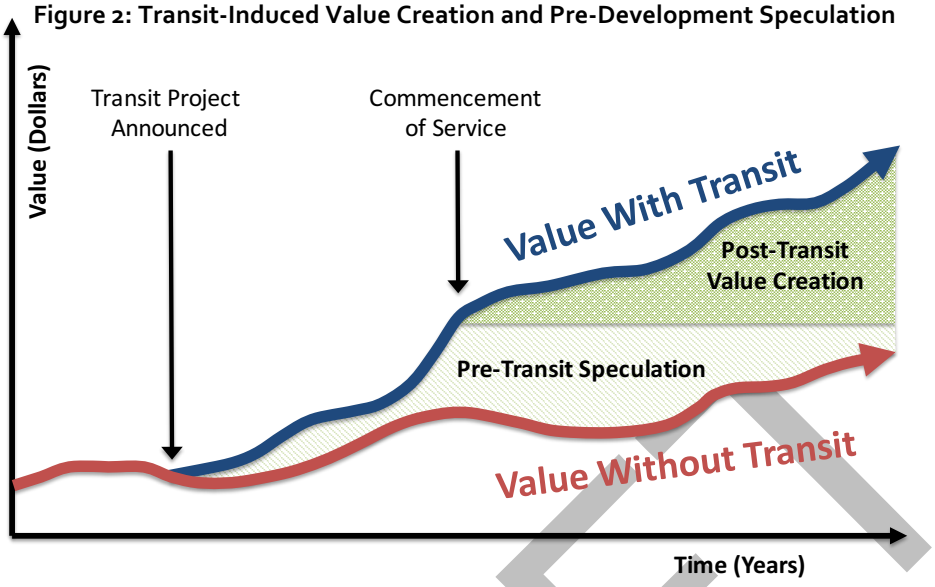
V Development Risks

Value capture projects are subject to a number of risks associated with transit development, construction, and operation, as well as those associated with real estate development. Risks of transit project delay and market downturn during business cycles have frequently been the greatest threats to otherwise successful value capture projects.

Predevelopment speculation may raise acquisition costs for developers and complicate or diminish value capture opportunities. Transportation infrastructure initiatives require significant public involvement, providing advance public notice of infrastructure and development planning. As markets respond in anticipation of future value creation, significant speculative value may be capitalized into land or other real property subsequent to announcement of new infrastructure and prior to commencement of the new transit service.

Figure 2 illustrates the differential in value creation/escalation following public announcement of proposed transit project(s). Although the figure identifies the announcement at a discrete point in time, market impacting announcements of project planning and progress actually occur at many intervals often over years or decades.

Figure 2: Transit-Induced Value Creation and Pre-Development Speculation



Transit agencies must partner strategically with developers and local governments as early as possible in the infrastructure planning process to maximize value capture opportunities. In the absence of early strategic engagement and partnership, speculators may realize much of the land-rent premium induced by prospective public investment by the time transit projects are developed.

VI Credit Worthiness, Finance, And Funding

This Guide provides insight to underwriting requirements and other components that affect credit worthiness of transit projects using value capture mechanisms as part of a funding and finance strategy.

Marketability of debt associated with transit infrastructure is dependent on credit ratings. Credit ratings agencies rate debtors' ability to repay debt through timely debt service payments, and estimate likelihoods of default. The credit rating potential of debt secured by real estate dependent revenue streams can improve once stable and dependable performance is demonstrated over three to five years of historical experience. However, credit ratings agencies have been disinclined to assign an "investment grade" to debt secured solely by value capture revenue dependent on real estate.

Transit agencies or local governments often issue bonds secured by pledge or assignment of creditworthy sources of repayment in addition to a real estate dependent revenue stream. Such "backstop" or "standby" commitments may be comprised of sales or other tax revenues and/or the full faith and credit of local governments.

Federal programs can accommodate value capture financing. These include the Transportation Infrastructure Finance and Innovation (TIFIA) loan program administered by the U.S. Department of Transportation (DOT), and the Railroad Rehabilitation Improvement & Financing (RRIF) program administered by the U.S. DOT's Federal Railroad Administration. Although each program has its own lending criteria, both TIFIA and RRIF have attractive loan terms that include:

- low rates of interest that are often below market rate, and
- generous and flexible repayment terms allowing for long periods of interest capitalization, significant back loading of repayments, and/or longer terms.

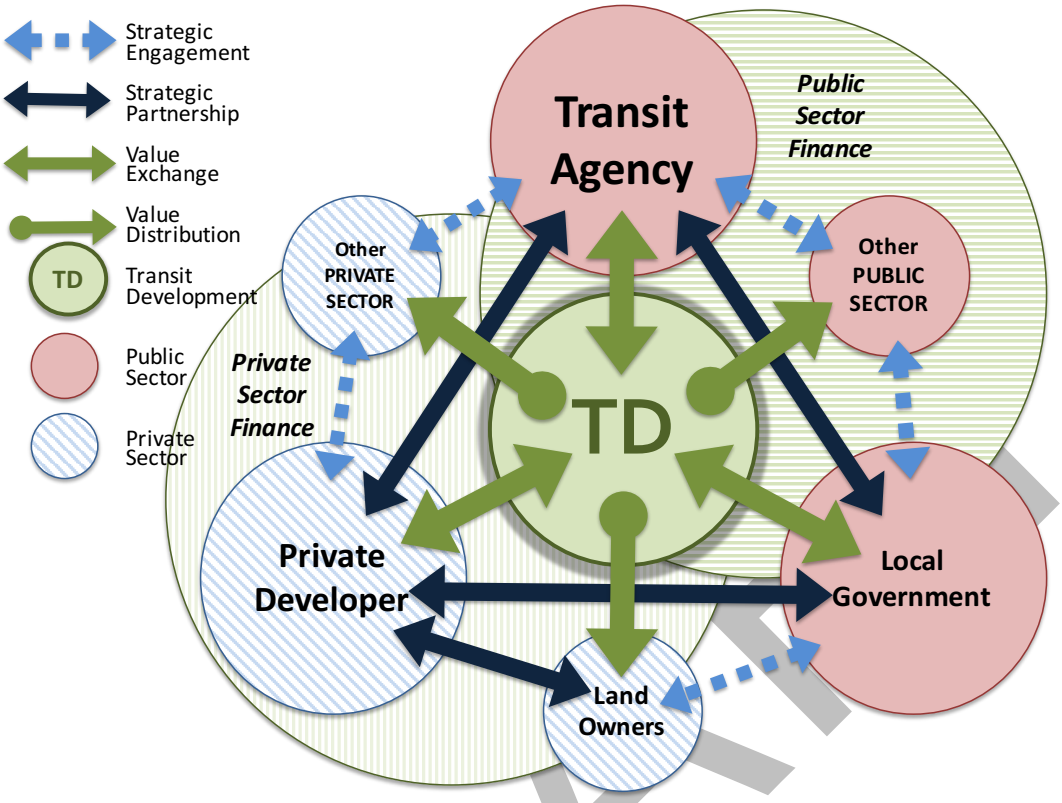
For many projects where early "ramp up" of real estate sales is anticipated or where real estate absorption is uncertain, these programs can provide cash flow relief. The 2015 Fixing America's Surface Transportation Act (FAST Act) expands TIFIA and RRIF's ability to support TOD projects, potentially enhancing value capture projects.

Public and private stakeholders must perform within constraints and opportunities defined by prevailing public and private financial markets. In many cases specific projects are financed with combinations of public, private, or quasi-public debt.

VII Institutional Capacity and Partnership

Optimization of value capture and transit project viability requires transit agencies to engage early in partnerships with developers and local governments and to participate strategically in the process of real estate value creation and realization. Figure 3 illustrates the extensive engagement required between transit agencies, local governments, and developers to optimize value creation and value capture. It also identifies secondary stakeholders that can play a role in augmenting value creation and exchange.

Figure 3: Institutional Engagement for Transit-Induced Value Creation and Value Capture



VIII Overcoming TOD Complexity and Risk

The most successful TOD and value capture projects involve:

- Establishing early and substantive dialogue among public entities and between the public and private sectors;
- Developing coherent value creation and value capture strategies between partners sharing common goals requiring the exchange of information;
- Breaching silos of professional practice that limit the sharing of knowledge; and
- Overcoming differences in culture, perspective, and institutional norms.

IX Case Studies

This Guide includes six case studies selected to demonstrate attributes of successful value capture finance projects. These cases provide insight into strategies and challenges associated with significant funding of streetcar, light rail, heavy rail, and commuter rail projects including:

- **Boston Landing Station, Boston, MA:** An affiliate of athletic shoe manufacturer New Balance funded a $25M commuter rail station as a key transportation element for its 15.48-acre office, retail, residential, and hospitality project in suburban Boston.
- **Denver Union Station, Denver, CO:** A $488M project on 19.5-acres including the redevelopment of the historic train station and construction of commuter rail, light rail, and bus facilities. The project was realized through extensive public and private support and partnership. Financing was secured primarily by sales tax revenues, TIF proceeds, and an appropriation backstop from the City and County of Denver.
- **Dulles Metrorail, Northern Virginia:** Special assessments financed approximately one-fifth of a 23-mile $5.7B extension of the Washington DC region's Metrorail system. Establishment of special assessment districts was accompanied by implementation of zoning and land use changes allowing for increasingly dense mixed-use development around stations, lower parking minimums, and urban amenities.
- **Hong Kong Mass Transit Railway Corporation (MTRC**): While it operates under different mandates and constraints than its U.S. counterparts, the Hong Kong MTRC serves as an illustrative example because it has been able to use the lease of property and partnerships with developers to fund capital and operating costs of its system, making it one of the few profitable transit agencies in the world.
- **Kansas City Streetcar:** In May 2016, a modern 2-mile $105M streetcar system opened in Downtown Kansas City, MO. Approximately two-thirds of the construction cost was funded with special assessments, district sales taxes, and parking fees.
- **Portland Streetcar, Portland, OR:** The City of Portland developed a 7.35 mile $251M streetcar in downtown Portland, forty-five percent of which was funded with special assessments, TIF, and parking fees. Value capture revenues provided approximately one third of project costs. The City allowed development of greater density once streetcar and public infrastructure improvements were completed.

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Value Capture Opportunities

June 22nd, 2016

Value Capture Opportunities

Mark Briggs
VICE PRESIDENT – US ADVISORY SERVICES
WSP | Parsons Brinckerhoff

Value Capture Opportunities

- Development Potential, Market Conditions
- Project Definition & Design, Mix of Uses
- Special Districts, Incremental Revenues
- Assigning Risk and Sharing Value
- Articulating the Business Case

Potomac Yard Metrorail Station, Alexandria, VA

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Value Capture Opportunities

Development Potential, Market Conditions

Is the new development in the path of growth?

Is what is proposed supported by market analysis?

Is the TOD on an existing line, or one being constructed?

Metro Red Line Subway, Los Angeles, CA

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Value Capture Opportunities

Project Definition & Design, Mix of Uses

Who sets the definition and design?

How is the mix of uses determined?

How do transit agencies and local government collaborate on the design?

Atlanta BeltLine, Atlanta, GA

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Value Capture Opportunities

Special Districts, Incremental Revenues

When are assessment districts appropriate?

How do you determine the levy amount?

How do you define the assessment or tax increment financing (TIF) district boundaries?

Tyson's Corner, Fairfax County, VA

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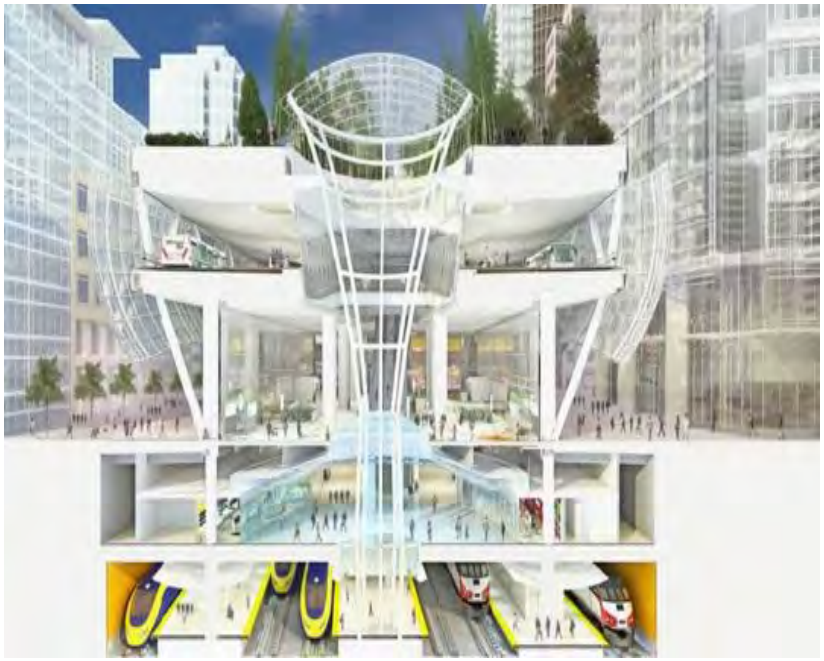
Value Capture Opportunities

Assigning Risk and Sharing Value

Who are the parties to the transaction?

What is the role of local government and the private sector?

When value is created generating tax increment and/or assessment revenues, to what elements of the project are the revenues allocated?



Transbay Transit Center, San Francisco, CA

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Value Capture Opportunities

Articulating the Business Case

Does the business case demonstrate benefit to the local jurisdiction, the TOD development and riders?

Will it happen without the value capture revenues?

Are there public sector and private sector “Champions” to make the case for the business plan?

Downtown Streetcar, Los Angeles, CA

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Partnerships

June 23rd, 2016

Partnerships

Karen Hedlund
VICE PRESIDENT – US ADVISORY SERVICES
WSP | Parsons Brinckerhoff

Partnerships

- Public Agencies
- Private Stakeholders
- Legal Framework, Regulatory Issues
- Processes and Approvals

Chicago Union Station, Chicago, IL

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Partnerships

Public Agencies

Local Governments

Transit Agencies

Special taxing districts

Special purpose authorities

Joint Powers Authorities

Business Improvement Districts

Moynihan Station, New York, NY

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Partnerships

Private Stakeholders

Developers

Commercial Property Owners

Residents

Washington Union Station, Washington, DC

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Partnerships

Legal Framework, Regulatory Issues

State law authorization

Overlapping taxing jurisdictions

Public debt issuance

Transbay Transit Center, San Francisco, CA

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Partnerships

Processes and Approvals

Referenda

Approval by tax recipients

Debt approval

Denver Union Station, Denver, CO

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Focus Area 3 - Funding & Finance

June 23, 2016

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Focus Area 3:

Funding & Financing

David Seltzer
PRINCIPAL
Mercator Advisors LLC

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Funding & Financing Issues to be Addressed in the Plan of Finance:

- Identifying the Project Sponsors and other Stakeholders
- Assessing Project-Generated and Other Available Revenue Streams
- Selecting the Project Delivery Method
- Structuring the Financing

Portland Streetcar

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Identifying the Project Sponsors and Stakeholders

Denver Union Station

- Which entity owns the station?
- Who controls the adjacent real estate development?
- Who are the Project Partners and the other key stakeholders?
- Should a new single-purpose entity be established?
- What is the entity's governance structure?

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Assessing Project-Generated and Other Available Revenue Streams

Boston New Balance Station Development Plan

What types of revenues can the project generate?

- Station Lease Payments
- Special Assessments / Tax Increments
- Proceeds from Sale or Lease of Adjacent Land / Air Rights
- Development Impact Fees
- Joint Development / Other Fees

How much of the project's capital and operating costs can be covered?

What public funding sources might be available as gap-closers?

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Selecting the Project Delivery Method

How will the project be delivered/financed/operated?

- Part of a broader Public Agency Capital Program?
- Standalone Governmental Project Financing?
- Long-term Concession (P3)?

How will the surrounding Transit-Oriented Development be undertaken?

Proposed Development
30th St. Station Philadelphia
Master Plan 2016

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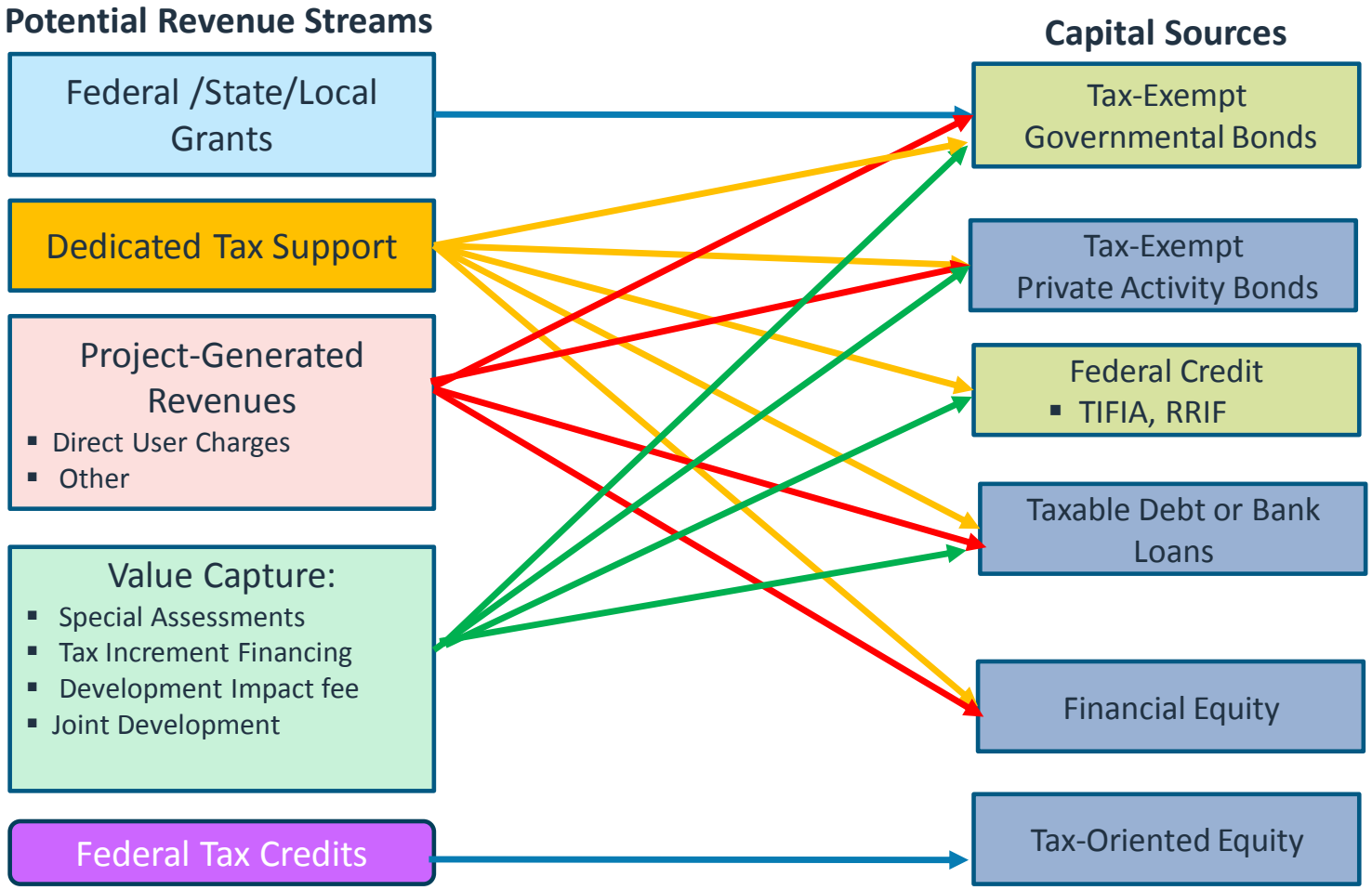
Structuring the Financing

Determining which Financing Tools are best suited to monetize the Project's various Revenue Streams



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Denver Union Station Area Redevelopment Project

Webinar Series: Innovations in Practice

Webinar 2

March 30, 2016

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Denver Union Station Area Redevelopment

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Denver Union Station Webinar Topics

1. Welcome and Introduction
2. Project Overview
3. Partnerships
4. Funding and Financing
5. Value Capture
6. Lessons Learned
7. Questions and Answers

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Denver Union Station Area Redevelopment

Project Overview

David Genova
INTERIM GENERAL MANAGER
Regional Transportation District (RTD)

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Project Objectives

- **Improve regional transportation system infrastructure and services**
- **Restore and repurpose historic station building**
- **Revitalize Denver's Lower Downtown district**

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FasTracks Projects Status

DUS **Denver Union Station**

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DUS History

Marla Lien, Kaplan Kirsch & Rockwell (Former General Counsel, RTD)

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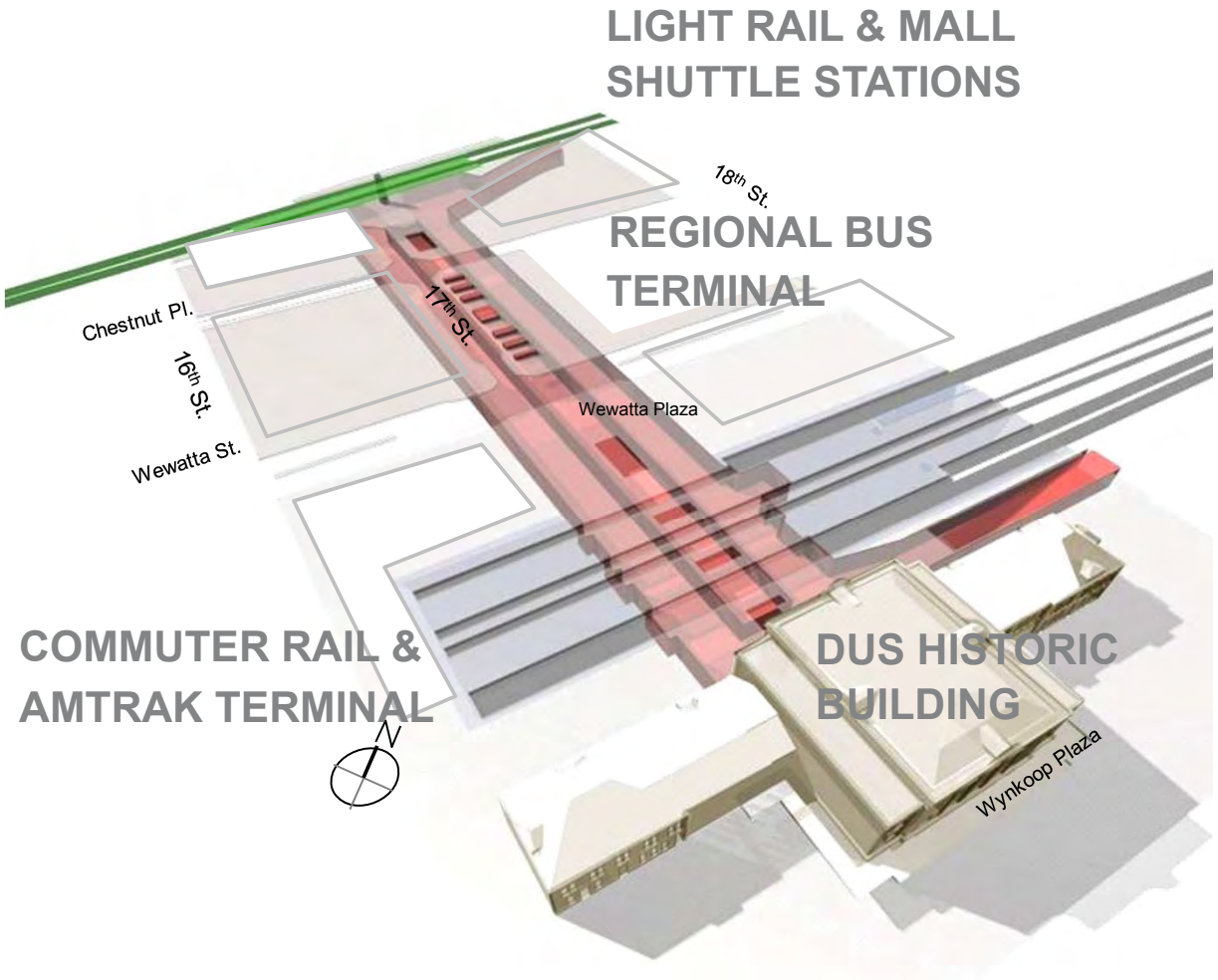
Intermodal Transportation Hub

- Light rail transit station
- Regional bus facility
- Commuter Rail & Amtrak station
- Free 16th Street Mall shuttle bus service
- Free MetroRide bus service (connects DUS to Civic Center district)



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Intermodal Hub: Bus

22-gate underground bus facility serves more than 20 bus routes

Free MetroRide between Civic Center and Union Station during peak rush hours.

Free MallRide carries more than 13M passengers a year

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Intermodal Hub: Commuter Rail & Amtrak

In 2016, Union Station will be the starting point for:

- East Rail Line to DIA (A Line)
- Northwest Rail Line to Westminster (B Line)
- Gold Line to Arvada/Wheat Ridge (G Line)

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Historic Station Redevelopment

- **Restore and repurpose historic station structure**
- **Offer a vibrant array of public and private activities**
- **Create “Denver’s Living Room” as a new civic space**

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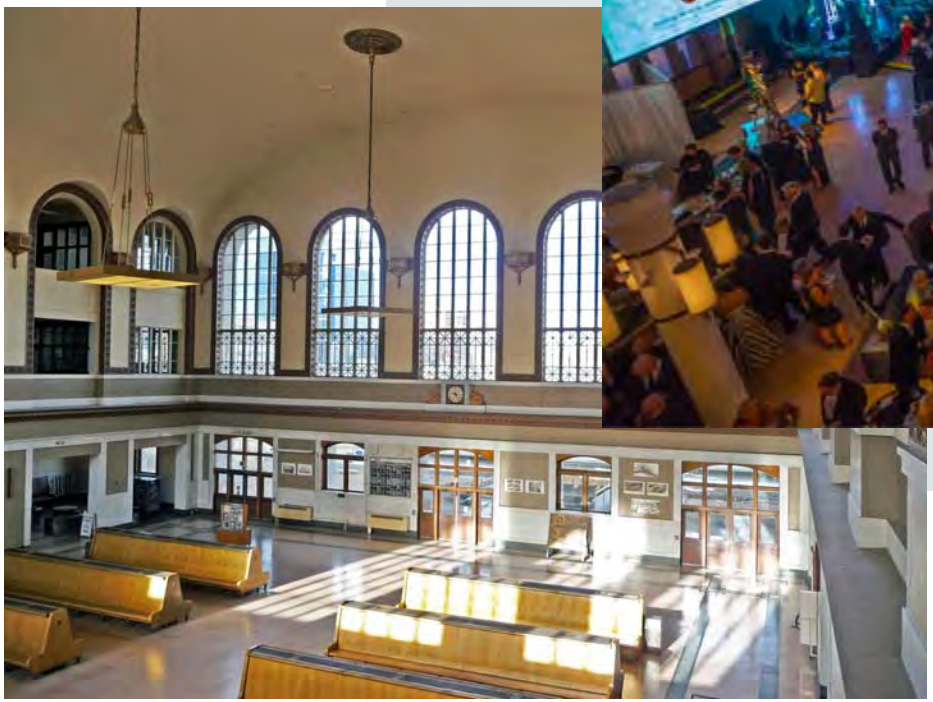
Historic Station Redevelopment

BEFORE



AFTER

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Neighborhood Development

- **Commercial development**
- **Residential development**
- **Retail development**
- **Pedestrian-friendly streets and signature public spaces**

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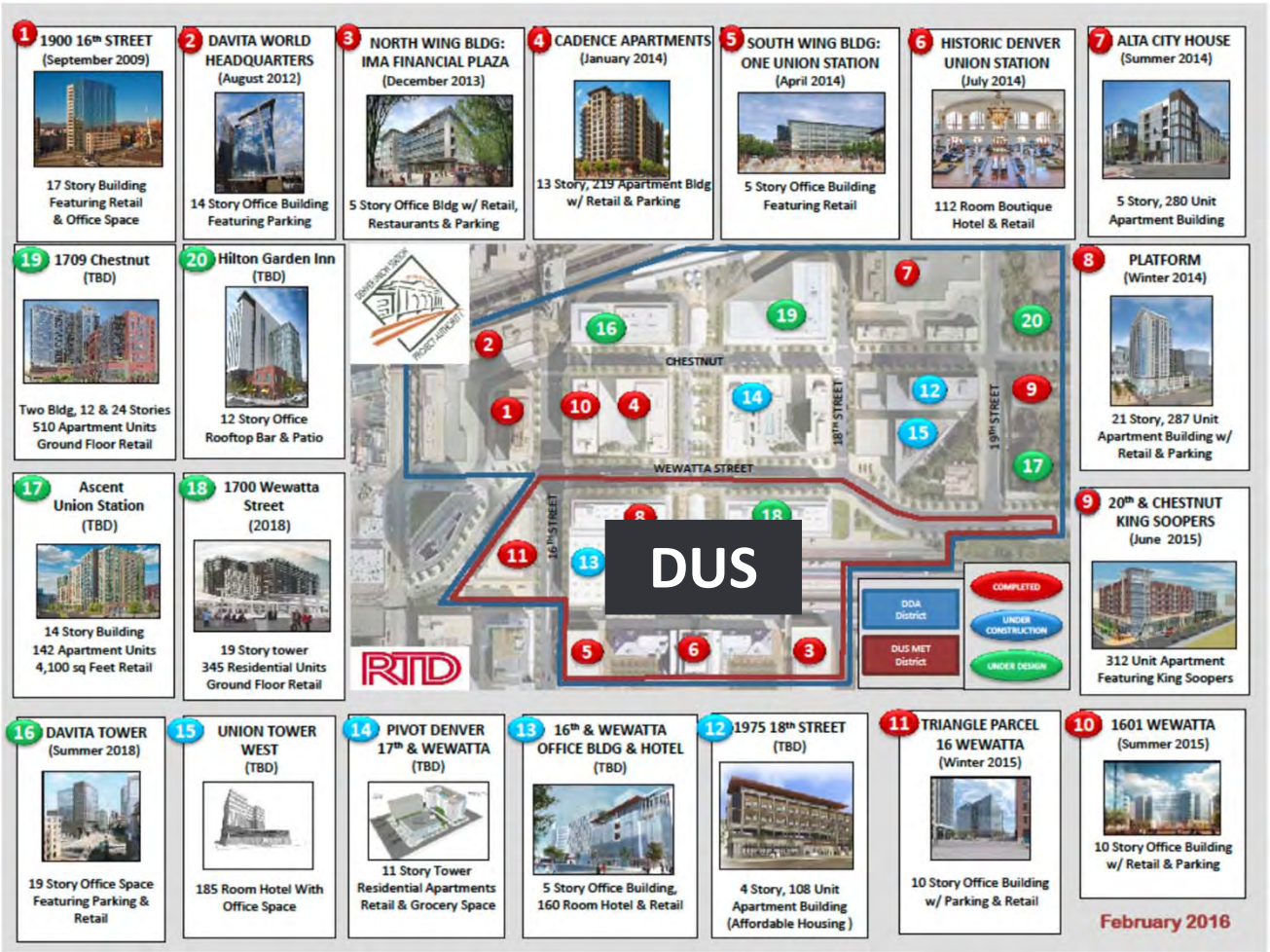
Neighborhood Development Status



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Neighborhood Development: Public Spaces

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Partnerships

How regional collaboration and advocacy gave rise to innovative partnership agreements to deliver a multi-faceted project.

David Seltzer
PRINCIPAL
Mercator Advisors

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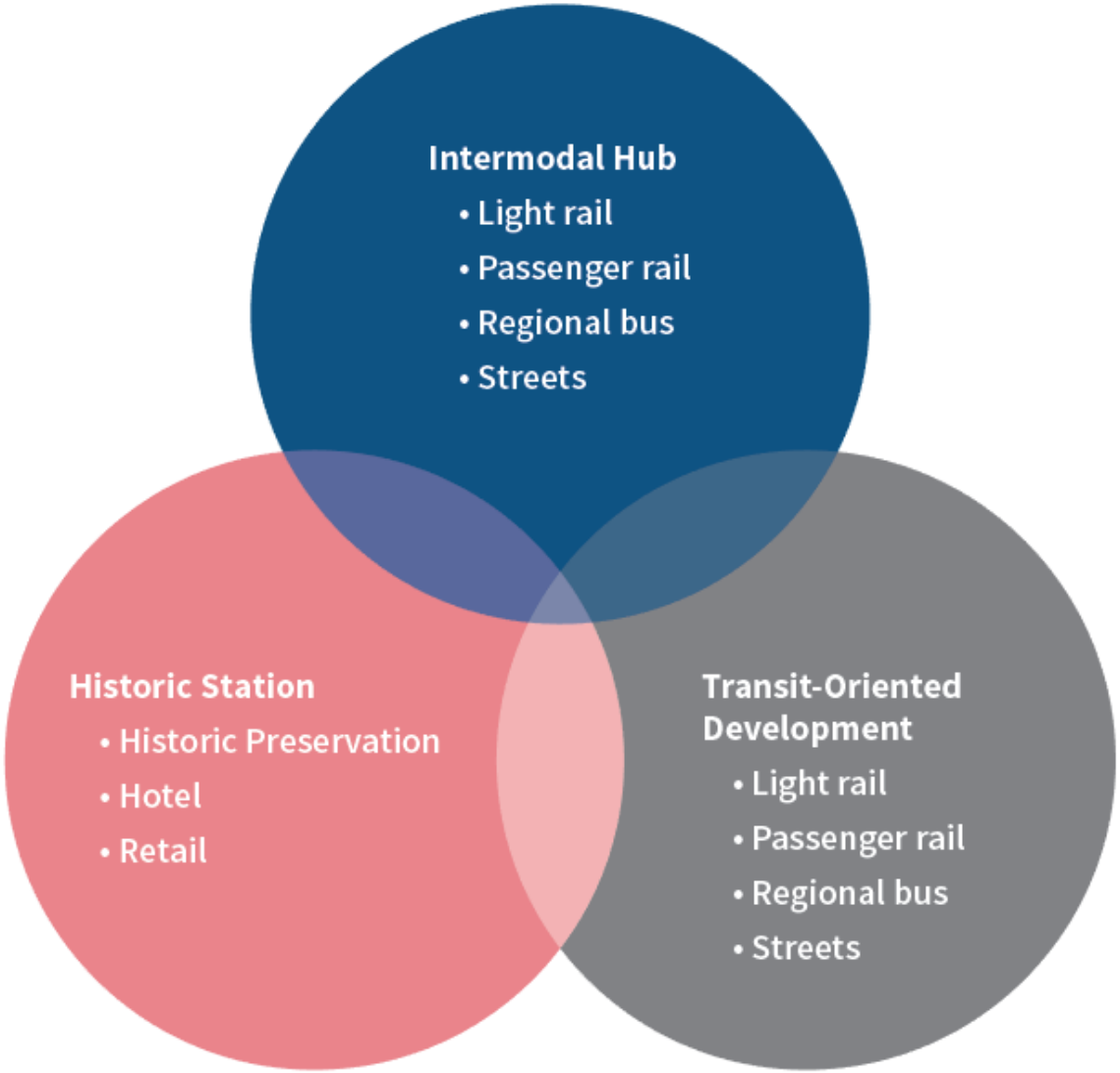
Project Elements Defined by Scope



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Collaboration

- **Regional Transportation District (RTD)**
- **City and County of Denver (CCD)**
- **Colorado Department of Transportation (CDOT)**
- **Denver Region Council of Governments (DRCOG)**
- **US Department of Transportation**
- **Local development firms**
- **Constituent groups**

> *"CDOT looks for opportunities to leverage collaborative partnerships and innovative financing methods, such as public-private partnerships, to bridge funding gaps and deliver critical transportation solutions that rise to the level of our growing economy and population."*
>
> Shailen Bhatt, Executive Director
> Colorado Department of Transportation

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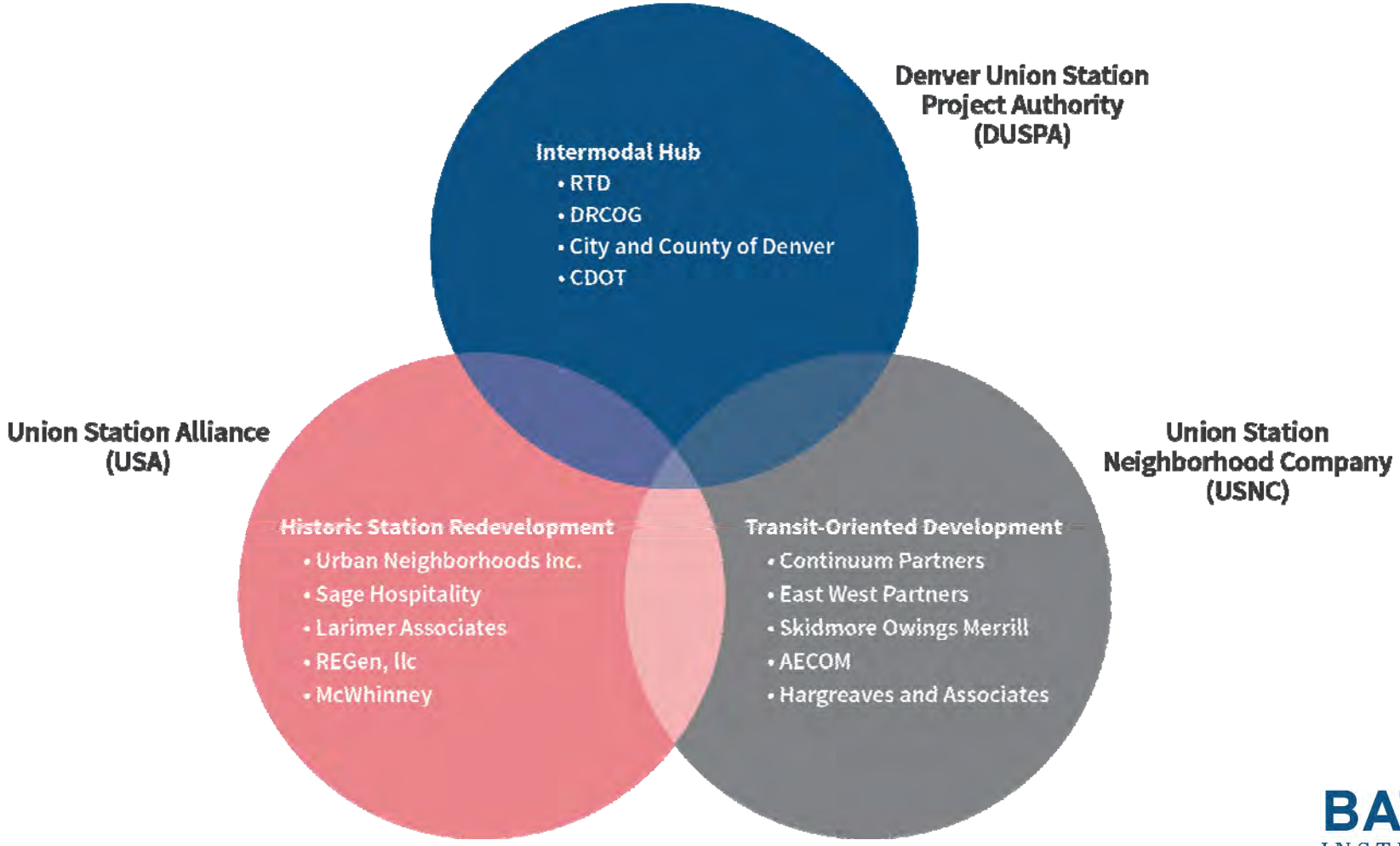
Project Entities for Each Element



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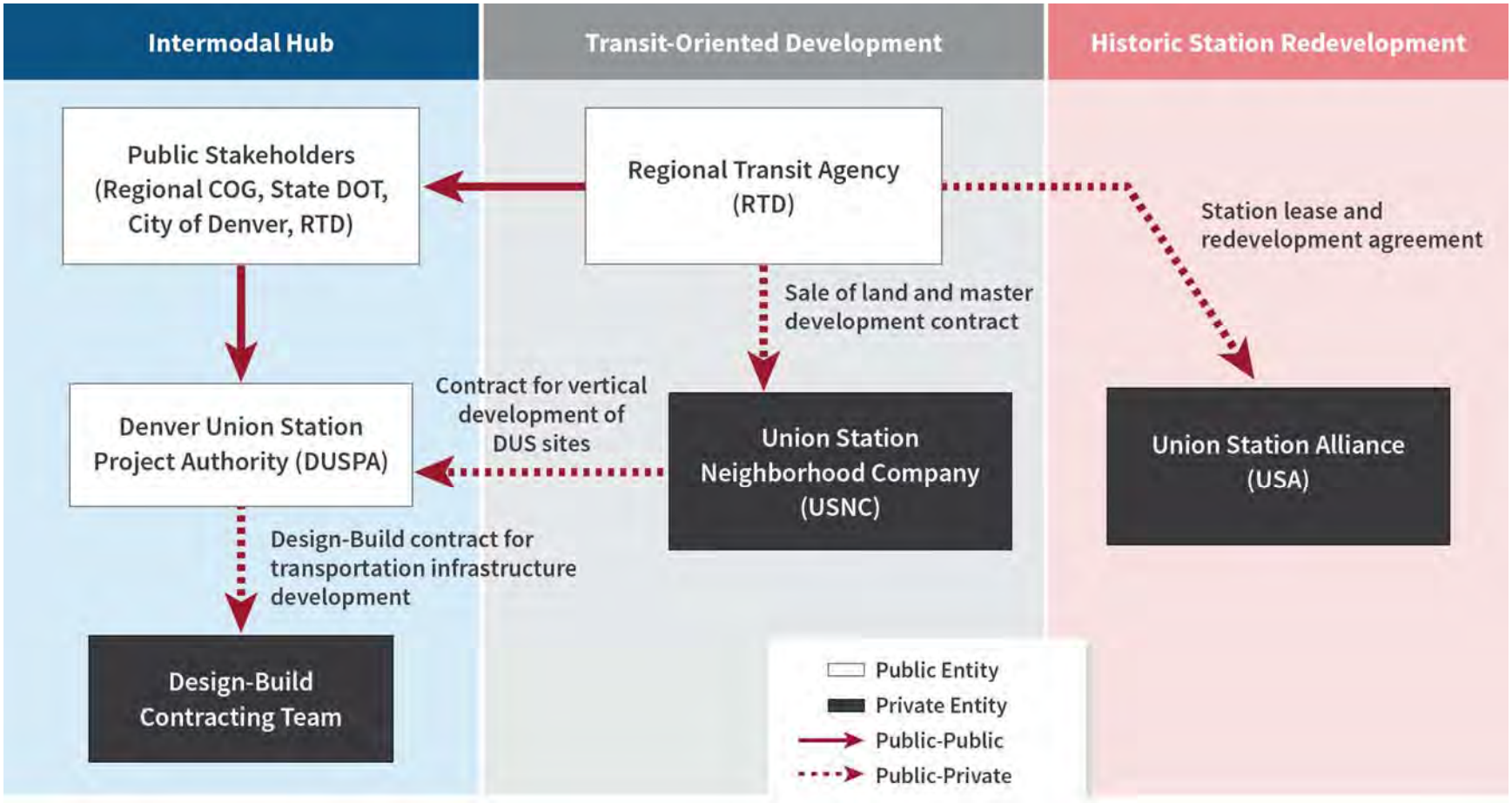
Project Elements and Partnerships



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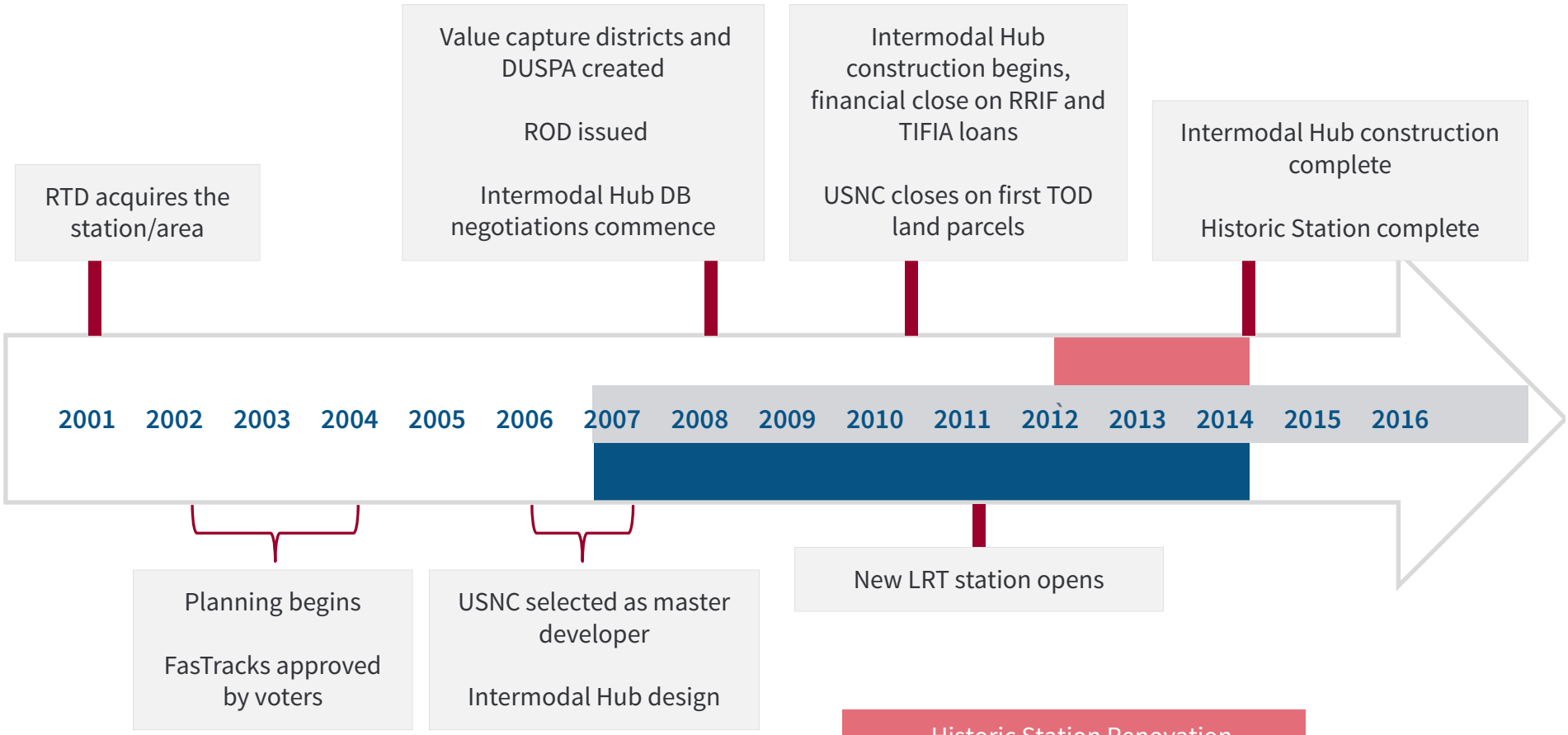
Project Timeline



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Coordination and Sequencing of Project Elements

Marla Lien, Kaplan Kirsch & Rockwell (Former General Counsel, RTD)

Ferd Belz, Principal at REGen, Union Station Alliance

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Funding and Financing

How the eligibility of the diverse components of the project informed the funding and financing strategy.

David Seltzer
PRINCIPAL
Mercator Advisors

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Allocation of Public Funding Sources

		FEDERAL GRANTS			STATE GRANTS		REGIONAL/LOCAL FUNDS			
		ARRA Federal	FHWA PNRS	FTA Grants	Senate Bill 1	FASTER Stimulus	DRCOG TIP Funds	RTD FasTracks Sales Tax	Land Sales	Value Capture (Property & Sales Tax)
Intermodal Hub	Light Rail	●	●	●		●		●	●	●
	Passenger Rail	●	●	●		●		●	●	●
	Bus	●		●	●	●	●	●	●	●
	Streets	●	●			●		●	●	
	Pedestrian Infrastructure	●	●			●		●	●	
Historic Station	Station Rehabilitation							●	●	
	Historic Preservation							●	●	
	Hotel & Retail Development									
	Neighborhood Development									●

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Utilization of Financing Tools

		FEDERAL		PRIVATE		
		TIFIA Loan	RRIF Loan	Mortgage Financing	Equity Financing	Tax Credit Financing
Intermodal Hub	Light Rail	●	●			
	Passenger Rail	●	●			
	Bus	●	●			
	Streets	●				
	Pedestrian Infrastructure	●				
Historic Station	Station Rehabilitation			●	●	
	Historic Preservation			●	●	●
	Hotel & Retail Development			●	●	
	Neighborhood Development			●	●	

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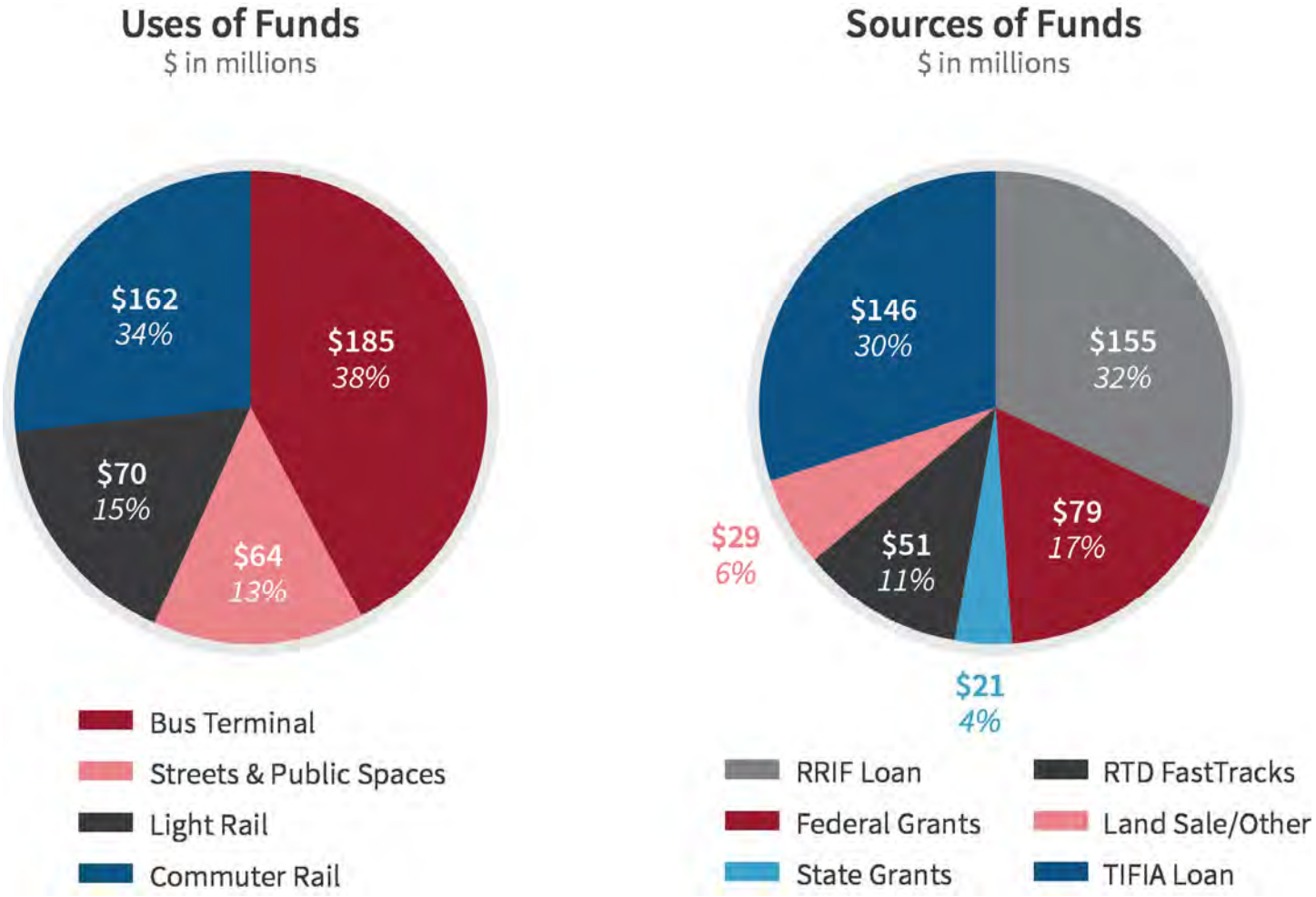
Intermodal Hub/DUSPA Uses and Sources of Funds



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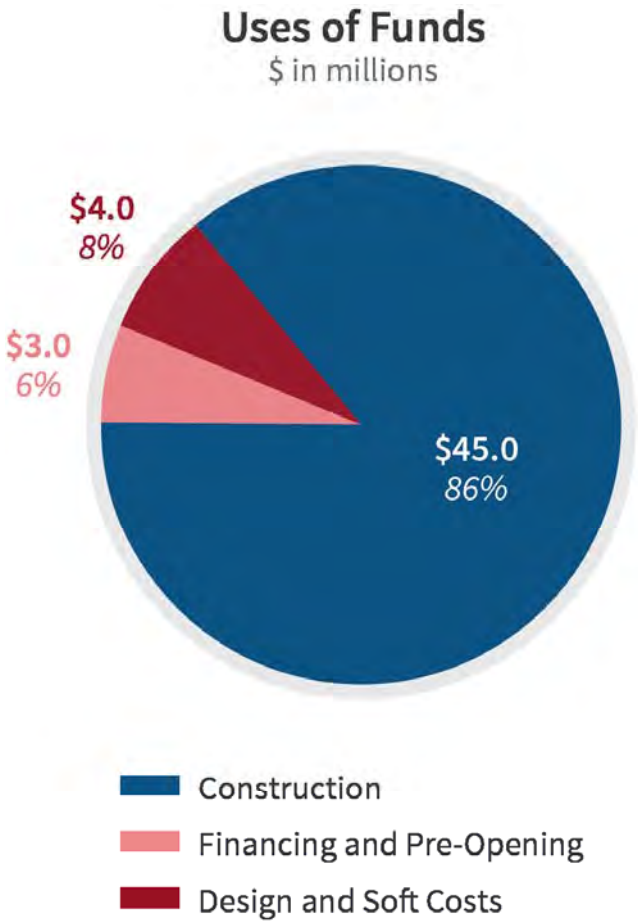
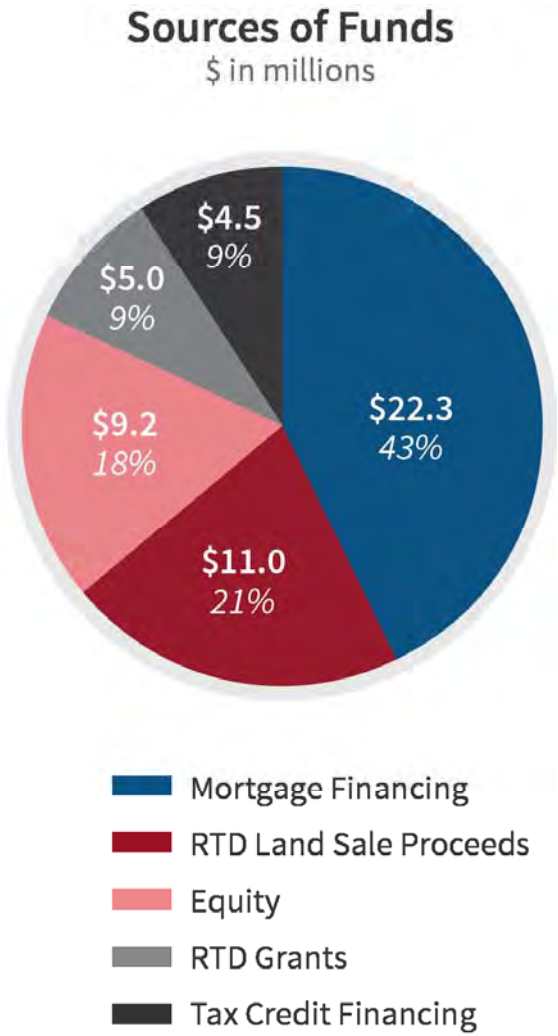
Historic Station/Union Station Alliance
Uses and Sources of Funds





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Summary of DUSPA's TIFIA and RRIF Loans

	TIFIA	RRIF
	Transportation Infrastructure Finance and Innovation Act Loan	Railroad Rehabilitation & Improvement Financing Loan
Loan Amount (% of hub financed)	$146M (30%)	$155M (32%)
Interest Rate	3.99%	3.91% (effective cost = 5.35%)*
Term	31 years	29 years
Lien Priority (credit rating)	Senior Lien (Rated A)	Subordinate Lien (Unrated)
Subsidy Cost/* (Loan Loss Reserve)	$2.2 million ~1.5% of loan amount (funded by USDOT)	$28.9 million ~18.6% of loan amount (funded by project)

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Value Capture

How future tax revenues from induced development were monetized to support a portion of the upfront costs of transportation and neighborhood infrastructure.

Catherine Reddick
SENIOR ASSOCIATE
Mercator Advisors

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Value Capture Taxes

Tax Increment Financing (TIF)

- Downtown Development Authority TIF District
  - Property Tax (forecast $644 million through 2038)
  - Sales Tax (forecast $133 million through 2038)

Dedicated Tax

- DUS Metropolitan District (Special Improvement District)
  - Additional 20 mill levy (forecast $49 million through 2040)

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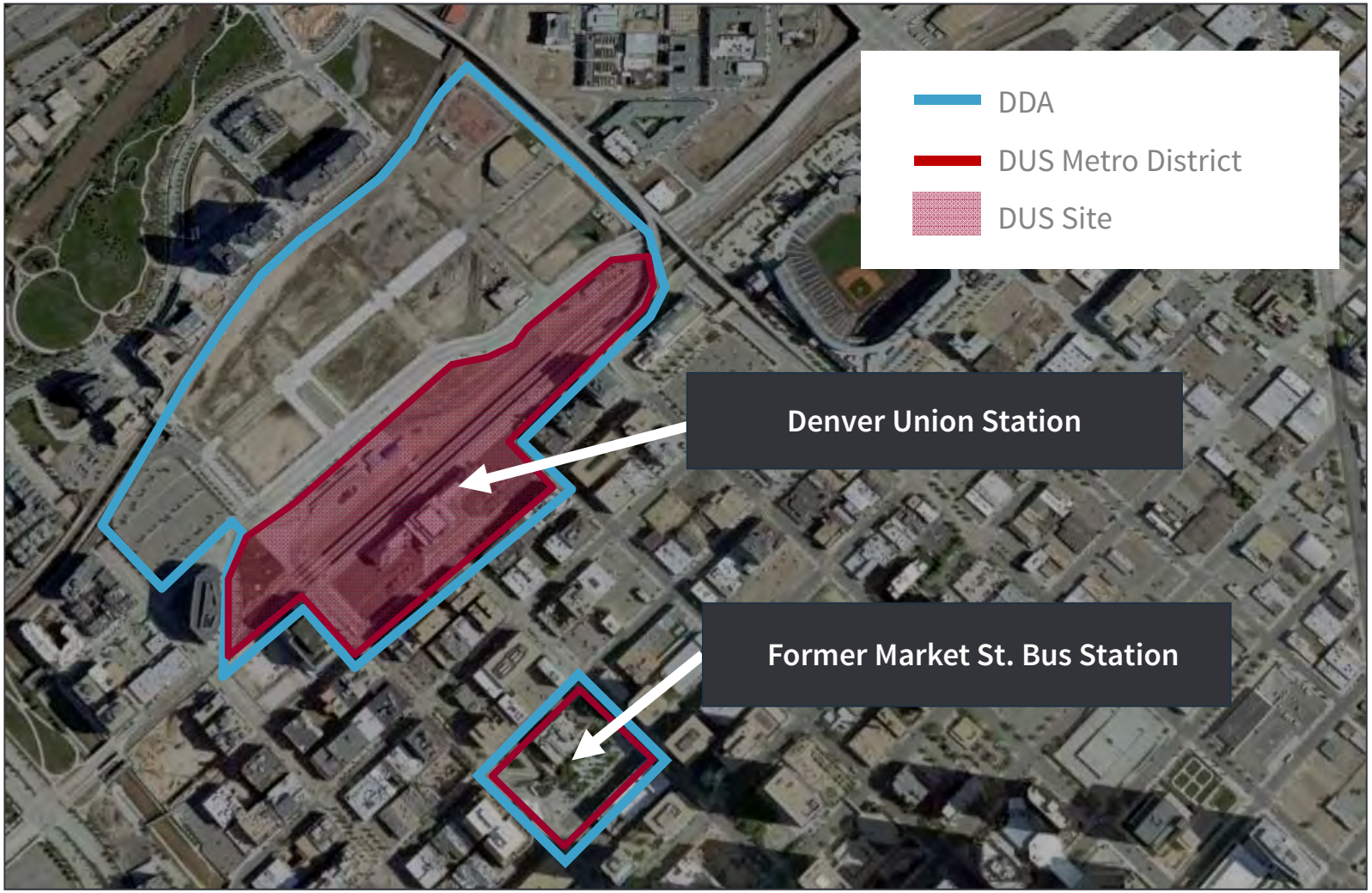
Value Capture District Boundaries



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Political and Legislative Process

Diane Barrett, Chief Projects Officer, City and County of Denver

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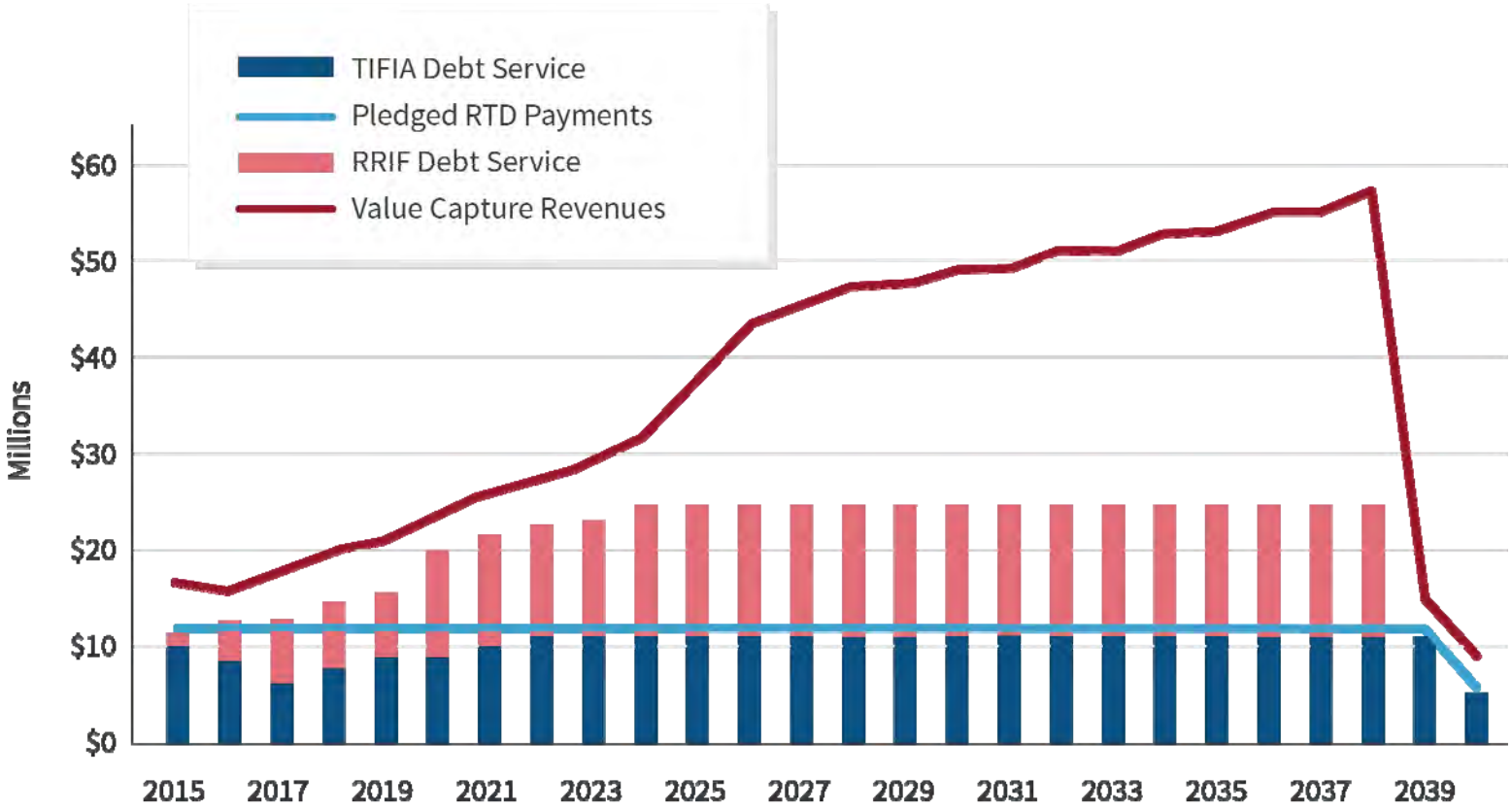
Intermodal Hub Debt Service Cash Flow "Upside" Case



(Debt service after completion)

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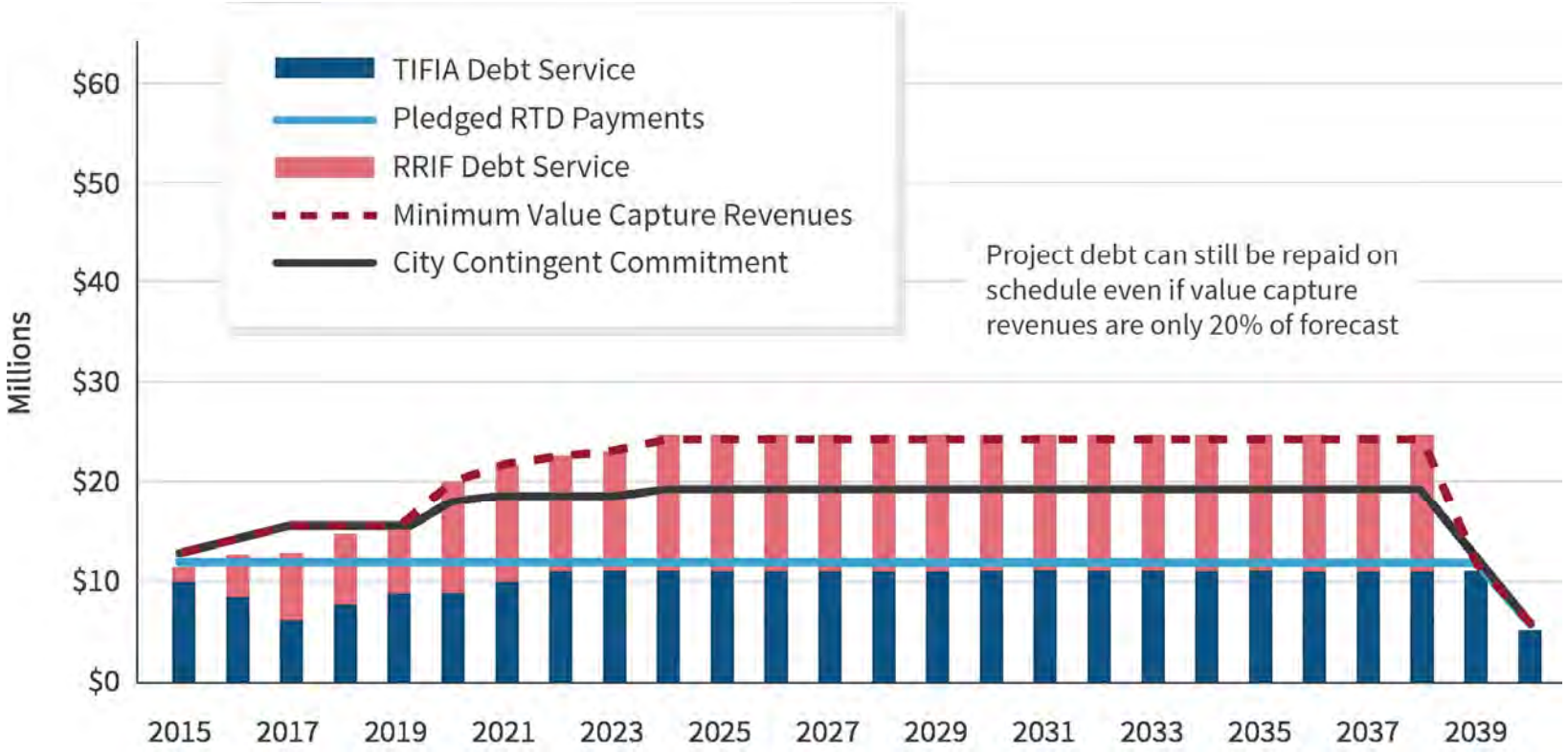
Intermodal Hub Debt Service Cash Flow "Downside" Case



(Debt service after completion)

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Lessons Learned

Techniques and findings relevant to other cities contemplating redevelopment of regional transportation hubs as engines of growth.

David Seltzer
PRINCIPAL
Mercator Advisors

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Generalizable Findings

1. **Major transportation hubs can induce substantial private development.**
2. **Funding eligibility drives both organizational and financial structures.**
3. **To optimize potential development, seek input from the real estate development community in the early stages of planning.**
4. **Value capture can fund a significant portion of public infrastructure capital costs.**
5. **Passionate champions and regional collaboration make complex projects possible.**

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Keys to Success

Ferd Belz, Principal at REGen, Union Station Alliance

Diane Barrett, Chief Projects Officer, City and County of Denver

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Impact of the Project

Elbra Wedgeworth, President, Denver Union Station Project Authority

Governor John Hickenlooper, Governor of Colorado and Former Mayor of Denver

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Questions and Answers

Jennifer Brickett
DIRECTOR
BATIC Institute: An AASHTO Center for Excellence

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Discussion

David Genova
Interim General Manager
RTD

Diane Barrett
Chief Projects Officer
City and County of Denver

Marla Lien
Kaplan Kirsch & Rockwell
(former General Counsel, RTD)

Jodie Misiak
Director of Project Development
USDOT/BATIC

Please submit any questions to our panel using the Q&A box in the bottom left corner of your screen

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Wrap-Up

- **The BATIC Institute will post responses to all questions received today on its website**
- **The webinar will also be available on the BATIC Institute website:**

  www.financingtransportation.org

BUILD AMERICA
TRANSPORTATION INVESTMENT CENTER

UPCOMING BATIC INSTITUTE OFFERINGS

Webinar Featuring Denver's Eagle P3 Project
MAY, 2016

Peer Exchange on Debt Management
JUNE 16, 2016 - FALMOUTH, MA

Station Development Peer Exchange
JUNE 22-23, 2016 - PHOENIX, AZ

Thank you for attending today's webinar

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U.S. Department of Transportation

Department of Transportation (DOT) Resources

This is not a comprehensive list of DOT funding, financing or capacity building programs, but meant to help projects start thinking about the options available to them. In fact, due to the Financing America's Surface Transportation (FAST) Act, which was enacted on December 4, 2015, there are substantive and procedural changes to many of DOT's funding and financing programs. The Department is working diligently to implement these changes. It is revising many program websites, guidance documents, and regulations. During the transition, all programs remain open for applications. Potential applicants interested in the programs should proceed under existing program guidance.

Build America Transportation Investment Center (BATIC)

The Build America Transportation Investment Center serves as the single point of contact and coordination for states, municipalities and project sponsors looking to utilize federal transportation expertise, apply for federal transportation credit programs and explore ways to access private capital in public private partnerships.

www.dot.gov/batic

Contact
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Roger Bohnert, Deputy Director BATIC
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202-366-0720

Ann Shikany, Associate Director BATIC
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202-366-3063

FINANCE

TIFIA Program

The Transportation Infrastructure Finance and Innovation Act (TIFIA) program provides Federal credit assistance in the form of direct loans, loan guarantees, and standby lines of credit to finance surface transportation projects of national and regional significance. TIFIA credit assistance provides improved access to capital markets, flexible repayment terms, and potentially more favorable interest rates than can be found in private capital markets for similar instruments. TIFIA can help advance qualified, large-scale projects that otherwise might be delayed or deferred because of size, complexity, or uncertainty

over the timing of revenues. Many surface transportation projects - highway, transit, railroad, intermodal freight, and port access - are eligible for assistance. Each dollar of Federal funds can provide up to $10 in TIFIA credit assistance - and leverage $30 in transportation infrastructure investment.

www.dot.gov/tifia

Contact:
Jorianne Jernberg, Team Lead, Credit Analysis and Budgeting
Jorianne.jerberg@dot.gov
202-366-0459

RRIF Program

The RRIF program was established by the Transportation Equity Act for the 21st Century (TEA-21) and amended by the Safe Accountable, Flexible and Efficient Transportation Equity Act: a Legacy for Users (SAFETEA-LU). Under this program the FRA Administrator is authorized to provide direct loans and loan guarantees up to $35.0 billion to finance development of railroad infrastructure. Up to $7.0 billion is reserved for projects benefiting freight railroads other than Class I carriers.

The funding may be used to:

- Acquire, improve, or rehabilitate intermodal or rail equipment or facilities, including track, components of track, bridges, yards, buildings and shops;
- Refinance outstanding debt incurred for the purposes listed above; and
- Develop or establish new intermodal or railroad facilities
- Direct loans can fund up to 100% of a railroad project with repayment periods of up to 35 years and interest rates equal to the cost of borrowing to the government.

Eligible borrowers include railroads, state and local governments, government-sponsored authorities and corporations, joint ventures that include at least one railroad, and limited option freight shippers who intend to construct a new rail connection.

Please refer to the RRIF Program Fact Sheet for additional information.

https://www.fra.dot.gov/Page/P0128

Contact
Natalie Williford, Financial Analyst RRIF
natalie.williford@dot.gov
202-407-3131

U.S. Department of Transportation

Private Activity Bonds (PABs)

Private Activity Bonds (PABs) are debt instruments issued by State or local governments whose proceeds are used to construct projects with significant private involvement. With approval from DOT to issue PABs, the State or local government issues tax-exempt debt on behalf of the private entity undertaking the project.

https://www.fhwa.dot.gov/ipd/pdfs/fact_sheets/techtools_PABs.pdf

Contact
Paul Baumer, Senior Advisor Policy
Paul.baumer.dot.gov
202-366-1092

GRANTS

https://www.transportation.gov/grants

TIGER Program
U.S. Transportation Secretary Anthony Foxx has announced $500 million will be made available for transportation projects across the country under an eighth round of Transportation Investment Generating Economic Recovery (TIGER) competitive grant program.

Like the first seven rounds, FY 2016 TIGER discretionary grants will fund capital investments in surface transportation infrastructure and will be awarded on a competitive basis for projects that will have a significant impact on the nation, a metropolitan area, or a region. The 2016 TIGER grant program will focus on capital projects that generate economic development and improve access to reliable, safe and affordable transportation for communities, both urban and rural. The Consolidated Appropriations Act, 2016, does not provide dedicated funding for the planning, preparation, or design of capital projects; however, these activities may be funded as part of an overall construction project.

Since 2009, TIGER has provided nearly $4.6 billion to 381 projects in all 50 states, the District of Columbia and Puerto Rico, including 134 projects to support rural and tribal communities. Overall, the Department has received more than 6,700 applications requesting more than $134 billion for transportation projects across the country. The TIGER grant program supports innovative projects, including multi-modal and multi-jurisdictional projects. These federal funds leverage money from private sector partners, states, local governments, metropolitan planning organizations, ports, and transit agencies. The 2015 TIGER round alone is leveraging $500 million in federal investment to support $1.4 billion in overall transportation investments.

TIGER funding is provided in the Consolidated Appropriations Act, 2016, signed by President Obama on December 18, 2015. Applications are due April 29, 2016.

https://www.transportation.gov/tiger

U.S. Department of Transportation

Contact
Robert Mariner, Deputy Director, Office of the Secretary, Policy
Robert.mariner@dot.gov
202-366-8914

FASTLANE Grants

FASTLANE grants, authorized by the FAST Act's Nationally Significant Freight and Highway Projects (NSFHP) program, will fund small and large projects, based on project size, that meet statutory requirements. Large projects (equal to the lesser of $100 million or a certain specified statutory percentage of the project state's FY 2015 apportionment) are eligible for a minimum award of $25 million. Small projects, which consist of projects below the minimum large project size threshold, are eligible for a minimum award of $5 million.

https://www.transportation.gov/FASTLANEgrants

Contact
Paul Baumer, Senior Advisor, Policy
Paul.baumer.dot.gov
202-366-1092

Capital Investment Grants (New Starts, Small Starts and Core Capacity)

This is FTA's primary grant program for funding major transit capital investments, including heavy rail, commuter rail, light rail, streetcars, and bus rapid transit. It is a discretionary grant program unlike most others in government. Instead of an annual call for applications and selection of awardees by the Federal Transit Administration (FTA), the law requires that projects seeking CIG funding complete a series of steps over several years to be eligible for funding. For New Starts and Core Capacity projects, the law requires completion of two phases in advance of receipt of a construction grant agreement – Project Development and Engineering. For Small Starts projects, the law requires completion of one phase in advance of receipt of a construction grant agreement – Project Development. The law also requires projects to be rated by FTA at various points in the process according to statutory criteria evaluating project justification and local financial commitment. For a complete discussion of the CIG process and the evaluation criteria, please see FTA's Policy Guidance.

https://www.transit.dot.gov/funding/grant-programs/capital-investments/capital-investment-grant-program

Contact
Beth Day, Director, Office of Capital Project Development FTA
Elizabeth.Day@dot.gov
202-366-5159

U.S. Department of Transportation

ADDITIONAL RESOURCES

FTA Pilot Program for Transit-Oriented Development Planning

The Pilot Program for TOD Planning helps support FTA's mission of improving public transportation for America's communities by providing funding to local communities to integrate land use and transportation planning with a transit capital investment that is seeking or recently received funding through the Capital Investment Grant (CIG) Program. Comprehensive planning funded through the program must examine ways to improve economic development and ridership, foster multimodal connectivity and accessibility, improve transit access for pedestrian and bicycle traffic, engage the private sector, identify infrastructure needs, and enable mixed-use development near transit stations.

In September 2015, FTA announced the recipients of the first round of Pilot Program for TOD Planning funding. Applications under the 2016 Notice of Funding Opportunity are due June 13, 2016.

https://www.transit.dot.gov/TODPilot

Kimberly Gayle,S Director, Policy Review and Development FTA
kimberly.gayle@dot.gov
202-366-1429

FHWA Office of Innovative Program Delivery (IPD)

The Office of Innovative Program Delivery (IPD) provides tools, expertise and financing to help the transportation community explore and implement innovative strategies to deliver costly and complex infrastructure projects.

http://www.fhwa.dot.gov/ipd/

Contact
Mark Sullivan, Director, Center for Innovative Finance Support, IPD FHWA
Mark.sullivan@dot.gov
202-366-5785

REPORT: Successful Practices for P3s
https://www.transportation.gov/policy-initiatives/build-america/successful-practices-p3s
For many transportation agencies in the U.S. public-private partnerships (P3s) offer an opportunity to tap new financing sources and transfer certain project delivery risks. These partnerships differ from standard procurement practice wherein the public sponsor controls each phase — design, construction, finance, operation and maintenance – of the project's lifecycle. In a P3, a single private entity (which may be a consortium of several companies) assumes responsibility for multiple phases, accepting long-term risks in return for prospective rewards. DOT has developed this report to describe how government agencies can best work with the private sector to deliver transportation facilities that protect the public interest.

PRESENTATION: AMTRAK FUNDING STRATEGIES FOR MAJOR STATION DEVELOPMENT:

Funding & Finance

June 22, 2016

Land Value Capture: Methodologies for determining incremental property tax revenue

As a precursor to today's Terminal Development Initiative (the 5 largest) and Asset Monetization Initiative (ROW and other assets), Amtrak identified sources of potential revenue from property based sources and opportunities for asset monetization at existing stations and proposed NextGen HSR stations. In broad terms, the study:

1. Identified and prioritized land value capture mechanisms at station catchment areas.
2. Forecasted commercial development and other revenues from existing and new NEC facilities.
3. Estimated the potential to fund capital costs for new NEC/NextGen facilities from land value capture mechanisms around station areas

Exploration of Alternative Catchment Areas

The study identified alternative mechanisms for the 25 existing and proposed NEC HSR station catchment areas (defined as up to 800 meters (1/2 mile) from the station), including:

- Tax Increment Finance (TIF) & Other Special Assessment Districts
- Real Estate Asset Disposition
- Station and ROW leasing
- Joint (Venture) Development
- Density Bonuses
- Sponsorship

Funding & Financing Model

The study analyzed the potential financial impact for special assessment or TIF districts for each of the station catchment areas.

The study's model utilized current assessment and mill rate data adjusted by variables that are characteristic of positive impact of HSR on property values. Elements of the model included:

- Step 1: Assessment Data Analysis
- Step 2: Travel Time and Fare Analysis
- Step 3: Land Value Uplift Probability Scoring Matrix

Funding & Financing Model: Step 1

Assessment Data Analysis – For each of the catchment areas, assessment data for each lot was down loaded and multiplied by each municipalities mill rate to get base year property tax revenue.

Model Spreadsheet Tabs
Raw Data
NYC
Stations
NY Stations
Mill Rates
Updated Mill Rates
Sorted Low to High Assessments
Sorted Low to High Taxes
Development Densities

Funding & Financing Model: Step 2

Travel Time and Fare Analysis – Based on a review of over 50 studies and articles concerning the impact of high speed rail overseas and commuter rail/transit in the U.S. and Canada, the team developed a scoring matrix for **all NEC stations pairs** that calibrated weighted average travel time and fares.

Model Spreadsheet Tabs
Regional (REG) Summary
HSR REG Combined
Time and Fares 2
Viable Time-Fare Matrix

Summary Table		
Not Viable (>than the below amount)		
Borderline (in between the two amounts)		
Feasible (<the below amount)		
Travel Time	120 minutes	90 minutes
Monthly Fare	$1,250	$600

Funding & Financing Model: Step 3

Land Value Uplift Probability Scoring Matrix – The resulting Travel Time and Fare Analysis score was then used to modify the identified real estate characteristics that are found to be present in station areas that are positively affected by HSR, including:

- ✓ Relative Assessed Values
- ✓ Economic / Market Development Potential
- ✓ Extent / Nature of Developable Vacant Land
- ✓ Public Urban Renewal / Revitalization Plans
- ✓ Private Master Development Plans
- ✓ Nature / Extent of Mobility Hub Plans
- ✓ Nature / Size of Land Ownership
- ✓ City / State Regulatory Environment

The result was a prediction of incremental real estate tax revenue for each of the station catchment areas.

Overview of Amtrak Major Stations

New York Penn Station

Project Status

- Joint RFP for Farely/Moynihan
- Joint RFEI/Q with NY State for New York Penn Station

Next Steps

- Determine what to RFP
- Initial Structures: JV, Ground lease for retail & O&M coupled with acquisition/densification strategies for New York Penn Station

Philadelphia 30th Street Station

Project Status

- Recently completed two-year joint master planning effort

Next Steps

- Implementation of early action improvements identified in District Plan
- RFQ/P process for station components of Phase 1
- Initial structures: J V/ground lease, air rights lease

Baltimore Penn Station

Project Status

- Precinct/Station Master Plan/SOGR
- Master Development Solicitation
- Development includes adjacent Amtrak land parcels and station upper floors
- TIF District/RRIF Loans

Next Steps

- Advance Station Master Plan/SOGR
- Release RFQ for Master Development Program

AMTRAK®

Overview of Amtrak Major Stations

Washington Union Station

Project Status

- Air rights developer in place (Akridge)
- Station master lease in place (Ashkenazy)
- Part of HSR Riff loan application

Next Steps

- Advance Phase 1: station waiting area/platform improvements “north of the wall”

Chicago Union Station

Project Status

- Phase 1A, the first stage of near-term improvements
- Master Development Solicitation
- Potential Components: head house/tarnished concourse ground lease, parking lot parcel air rights disposition, air rights lease over tracks
- Existing TIF District

Next Steps

- Advance Phase 1A
- RFQ out for Master Development Program

THANK YOU

Amtrak Station Planning

Prepared For:
BATIC Institute

By:
Rina Cutler
Senior Director, Major Stations
Planning and Development

June 22, 2016

Stewards of a National Portfolio

Amtrak is a steward of a *nationwide portfolio* of assets which generate recurring revenue or have the potential to do so:

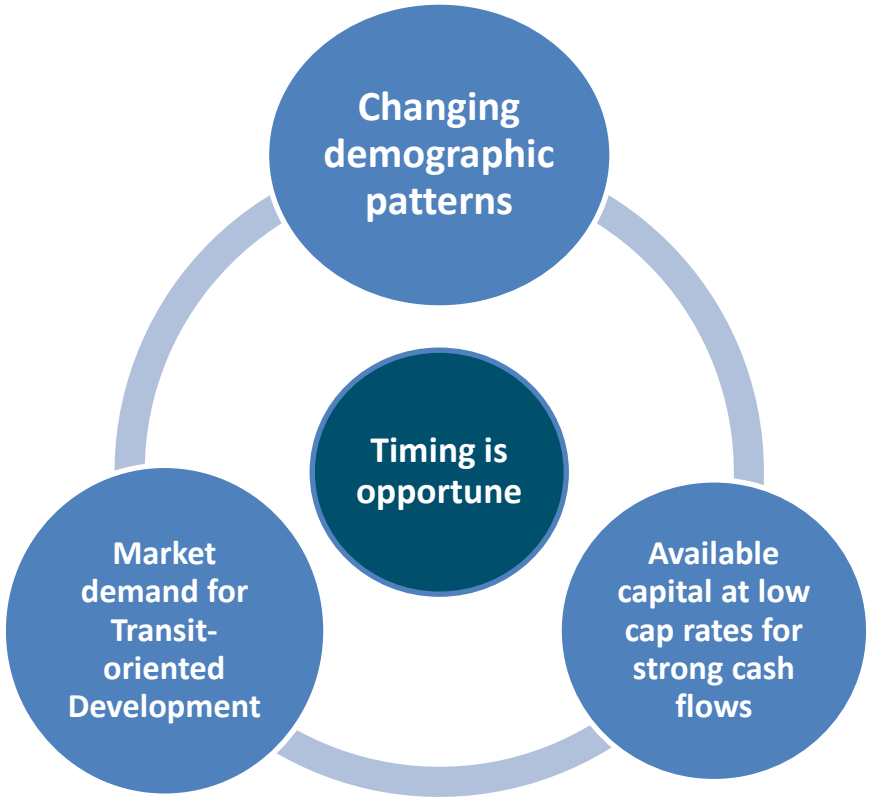
- Stations
- Facilities
- Rail infrastructure
- Air rights
- Right-of-way

- Amtrak owns and operates over 2 million square feet of industrial station properties and uses over 6 million square feet of maintenance facilities.
- Amtrak also uses approximately 1 million square feet of office buildings, both owned and leased.
- 134 active station projects with a total value of $100 million in construction projects and $5 billion under design.

A Strategic Business Approach

In 2014, Amtrak completed a comprehensive study to identify and execute innovative concepts to:

- ✓ Realize significant latent value from assets Amtrak controls
- ✓ Create opportunities to attract private capital to fund an important piece of our long-term plan for the assets
- ✓ Generate new and potentially substantial sources of revenues
- ✓ Increase private sector interest in and support for Amtrak, its projects and its goals



Major Station Highlights

Amtrak reviewed opportunities in and around five stations: Chicago Union Station, NY Penn Station, Baltimore Penn Station, Washington Union Station and 30th Street Station in Philadelphia.

Baltimore Penn Station ("BAL")

- 1.0 million passengers*
- $91.4 million revenue**
- 91,000 SF of building area

Chicago Union Station ("CUS")

- 3.4 million passengers*
- $206.3 million revenue**
- 1,329,000 SF of building area

New York Penn Station ("NYP")

- 10.0 million passengers*
- $1,002.0 million revenue**
- 1,055,000 SF of building area

Philadelphia 30th St. Station ("PHL")

- 4.1 million passengers*
- $292.9 million revenue**
- 1,140,200 SF of building area

Washington Union Station ("WUS")

- 5.0 million passengers*
- $551.6 million revenue**
- 1,268,000 SF of building area
- 31.0 acres of land

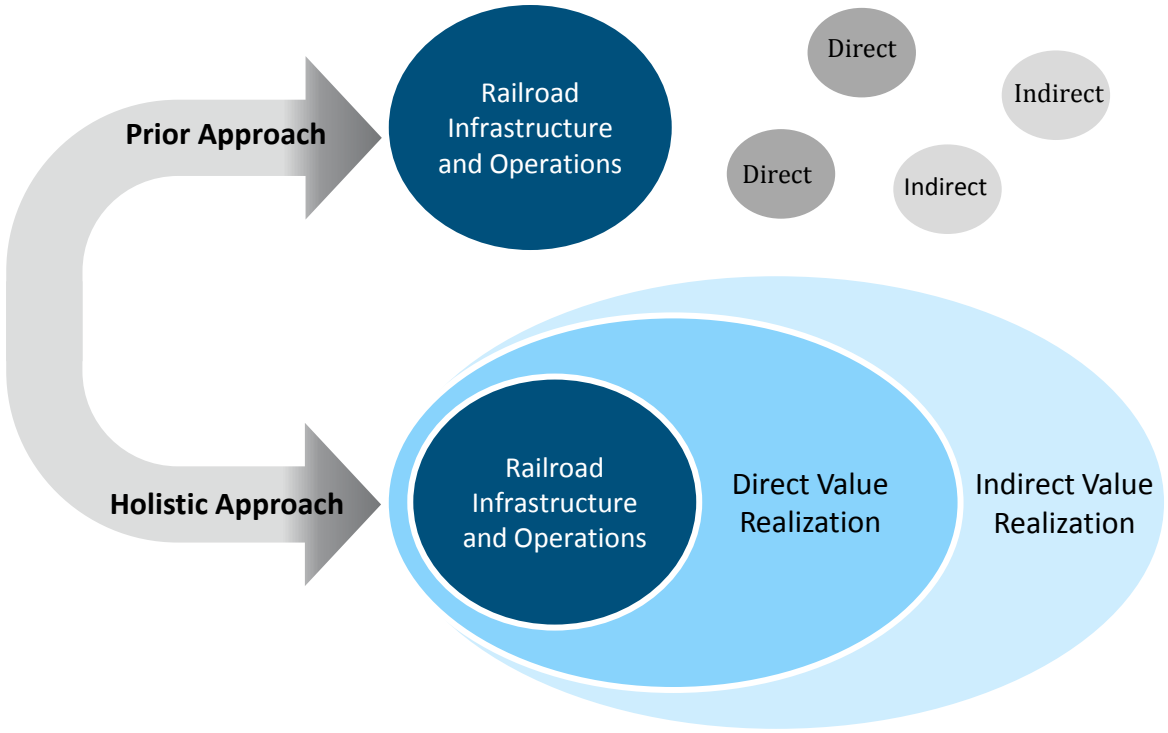
**FY2014*
***FY2014 ridership revenue*

A Holistic Approach to Value

Provide a framework for a more holistic approach to realizing value.

- To-date, Amtrak's focus on railroad infrastructure and operations has had the unintended consequence of the underutilization of certain assets and a sub-optimal approach to value realization (whether direct or indirect).
- Through this new approach, Amtrak is aiming to develop a more coordinated approach to realizing value and leveraging it to enhance their overall portfolio.

Transitioning to a Coordinated Approach to Value Enhancement



One Approach, Varied Strategies

Major stations planning and development seeks to improve stations and their surrounding areas to maximize the experience for all users, however, while there are some similarities between the stations, there are also differences.

Station Planning
- Master Planning
- Master Development Program

Real Estate Market
- Hot
- Warm
- Cool

Assets/Ownership
- Station
- Concourses
- Adjacent land parcels and structures

Political Support (Local, State, Federal)
- High
- Medium
- Low

Partnerships
- Public agencies
- Private agencies

Design
- Transportation connectivity
- Public infrastructure
- Placemaking
- Civic open space
- Neighborhood identity

Washington Union Station

STATION FACTS:
2nd busiest in the Amtrak network (30 million visitors) , #1 for Metro, #1 for MARC and #3 for VRE

PLANNING STATUS:
- Master Plan unveiled July 2012
- Plan refinement, survey/environmental assessment work underway, concourse modernization underway.

REAL ESTATE MARKET:
- Hot

ASSETS/OWNERSHIP:
- Station Concourse and adjacent building

POLITICAL SUPPORT:
- High- Local, State, Federal

DESIGN:
- Transportation Connectivity, Public Infrastructure

KEY PARTNERS:
FRA, Union Station Redevelopment Corporation (USRC), Akridge, Ashkenazy, VRE, MARC

Baltimore Penn Station

STATION FACTS:
8th busiest Amtrak station; serving nearly 3 million Amtrak and MARC passengers annually.

PLANNING STATUS:
- Master Developer Partnership for the station's development

REAL ESTATE MARKET:
- Warm

ASSETS/OWNERSHIP:
- Own station building concourses and adjacent land parcels

POLITICAL SUPPORT:
- Medium- Local, State and Federal

KEY PARTNERS:
MDOT/MTA, City of Baltimore, Central Baltimore Partnership, University of Baltimore, MICA

Philadelphia 30th St. Station

STATION FACTS:
3rd busiest station in Amtrak network (more than 11 M passengers in FY 15 including SEPTA and NJ Transit)

PLANNING STATUS:
- Master Planning effort concluding summer 2016.
- Potential to advance RFQ for Master Developer

REAL ESTATE MARKET:
- Warm

ASSETS/OWNERSHIP:
- Station building, air rights and adjacent parcels

POLITICAL SUPPORT:
- High- Local, State, Federal

DESIGN:
- Transportation Connectivity, Public Infrastructure, Placemaking, Civic Open Space, Neighborhood Identity

KEY PARTNERS:
Amtrak, Brandywine Realty Trust, Drexel University, PennDOT, SEPTA

New York Penn Station

STATION FACTS:
Busiest Station in the Amtrak Network serving NJ Transit, LIRR, Metro North

PLANNING STATUS:

- Master Developer Program by NY State
- Additional planning and development being undertaken by Amtrak

REAL ESTATE MARKET:

- Hot

ASSET/OWNERSHIP:

- Station Concourses

POLITICAL SUPPORT:

- High- Local, State, Federal

DESIGN:

- Transportation Connectivity, Public Infrastructure

KEY PARTNERS:

- LIRR/MTA, NJ Transit, Property Owners, New York City/State, PANYNJ

Chicago Union Station

STATION FACTS:

- 4th busiest station in the Amtrak network; 3rd busiest station in the United States; 3.2M riders in FY15 (Amtrak and Metra).

PLANNING STATUS:

- Phase 1A RFP, the first stage of near-term improvements, underway
- Master Development Program, RFI released in Fall 2015, RFQ currently on the market

REAL ESTATE MARKET:

- Hot

ASSETS/OWNERSHIP:

- Station building, air rights and adjacent land parcels

POLITICAL SUPPORT:

- High- State, Local, Federal

DESIGN:

- Transportation Connectivity

PARTNERS:

- City of Chicago (CDOT), Northeast Illinois Regional Commuter Rail Corp. (Metra), Regional Transportation Authority (RTA), Illinois Department of Transportation (IDOT)

Station Comparison

	NYP	PHL	BAL	WAS	CUS
Planning Status (Master Plan or Master Developer)	Master Developer	Both	Master Developer	Master Plan	Both
Real Estate Market	Hot	Warm	Warm	Hot	Hot
Asset/Ownership	Owner of limited assets	Owner	Owner	Owner of limited assets	Owner
Political Support	High	High	Medium	High	High
Partnerships	Both Public and Private	Both Public and Private	Both Public and Private	Both Public and Private	Both Public and Private

Thank You

King Street Station

Restoration, Rehab and Redevelopment

Station Area Development Peer Exchange
Bill LaBorde
June 22-23, 2016

SDOT
Seattle Department of Transportation

Our core values for transportation anchor to the core values that Mayor Murray has laid out in his vision (Move Seattle) for Seattle:

- Safe
- Interconnected
- Affordable
- Vibrant
- Innovative

For all

Presentation overview

- King Street Station history
- City acquisition
- Restoration and rehab
- Amtrak lease terms
- Other uses
- Next steps

3

Constructed between 1904-1906

Built as part of overall effort to move rails away from the waterfront (same time as construction of the Great Northern Railway tunnel)

Charles Reed and Allen Stern, Minneapolis architects later associated with design of NYC Grand Central Station

Tallest building in Seattle at time of completion

- National Rail Passenger Act provided a grant of control over passenger rail facilities necessary to operate passenger lines Amtrak took over from incumbent railroads
- Amtrak still operating under these terms through the BN merger with Santa Fe railways and to this day
- Upon merger, nearly all communications and administrative work that remained on 2nd and 3rd floors was relocated to Fort Worth, TX
- Between Amtrak takeover of BN routes and start of Amtrak Cascades service in 1994, between 4-8 trains a day operating out of station; today 28 trains (14 Amtrak) depart each weekday from KSS. By the end of this decade, we'll likely see at least 4 more Amtrak Cascades departures from King Street and likely more Sounder service, as well.
- Amtrak boardings and alightings vary between about 600-650,000 per year

City acquisition

- Early partnerships with state to repair clock and restore Compass Room by 2006
- Seattle enters negotiations with BNSF 2006
- Seattle voters approve Bridging the Gap levy - $10M for restoration 2006
- City Council approves purchase for $10 2008
- $18M high speed rail funds awarded 2010

6

- The start of state subsidized Amtrak Cascades service in 1994 and the development of a regional transit measure featuring quick initiation of commuter rail service renewed interest in restoring King Street Station;
- WSDOT's early efforts were critical to building momentum for a full restoration, but WSDOT' relatively small rail office did not have the resources to dedicate to the required fundraising and project management.
- Partnerships with state produced early wins (clock faces, Compass Room)
    - With $10M in voter approved funds dedicated to the restoration, Mayor Nickels, along with state Rep. Ed Murray, worked with the state and BNSF to move the project to City control, ultimately resulting in the City purchasing the station from BNSF for $10

Rehab and restoration

- Federal ($33 million)
  - Federal Railroad Admin
  - Federal Transit Admin
  - Federal Highway Admin
- State ($9 million)
  - Washington State Dept of Transportation
  - Washington State Historic Society
- City ($10 million)
- Private ($ 0.2 million)
  - South Downtown Foundation
  - 4Culture
  - National Trust

7

- The full rehab was finally funded thanks to the American Recovery and Reinvestment Act, especially the follow-on component dedicated to High Speed Intercity Passenger Rail, of which the Amtrak Cascades corridor received nearly $800 million
- About half the total $52M cost of the rehab was devoted to seismic upgrades
- First historic restoration to achieve LEED Platinum certification ; heating/cooling driven by geothermal system with 36 wells reaching 300 ft into the ground (well being drilled in photo)

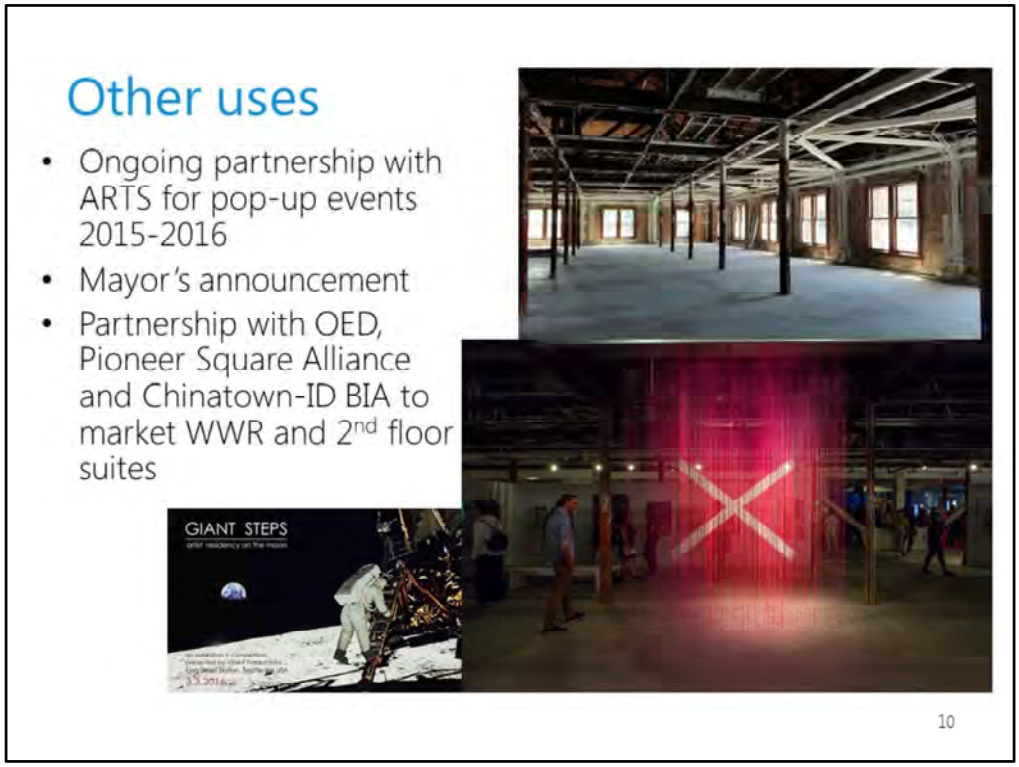
- Most extensive part of the interior restoration was, in fact, the 1st Floor that is utilized by Amtrak and is the subject of this lease
- The City's purchase of the station and the rehab also allowed us to reclaim space that had been utilized by Burlington Northern for dispatch and administrative needs for leasing to help support the Station's O&M and major maintenance
- Other features of the restoration included:
    - Reconstruction of clock faces and mechanics
    - Restoration of mosaic tile on 1st floor (including Compass Room)
    - Removal of drop ceiling and restoration and recreation of original plaster molds
    - New roof, including reproduction of glass tiles on tower roof
    - Reconstruction of grand staircase between Jackson and King Street entrances
    - Replacement of Jackson St service parking area with plaza and reconstruction of King Street entrance
    - New baggage, ticketing, Amtrak office space and other passenger rail facilities
- What was left uncompleted:
    - Only 1st floor bathrooms built out
    - Historic staircase between 2nd and 3rd floor still to be restored
    - HVAC and electrical on 2nd & 3rd floors not finished
    - Mosaic tile floor, plaster ceiling and other finishes in Women's Waiting Room yet to be completed

Amtrak lease key terms

- 20-year term
  - supersedes BNSF agreement
- Premises: 1st floor, other areas necessary to rail ops
  - Includes Women's Waiting Room, but Amtrak will not utilize
- "Base rent" + 51.61% O&M + proportionate share of major maintenance reserve
  - Year 1 estimate: $171,000 + $14,250 for reserve
- O&M based on agreed-upon maintenance and janitorial standards

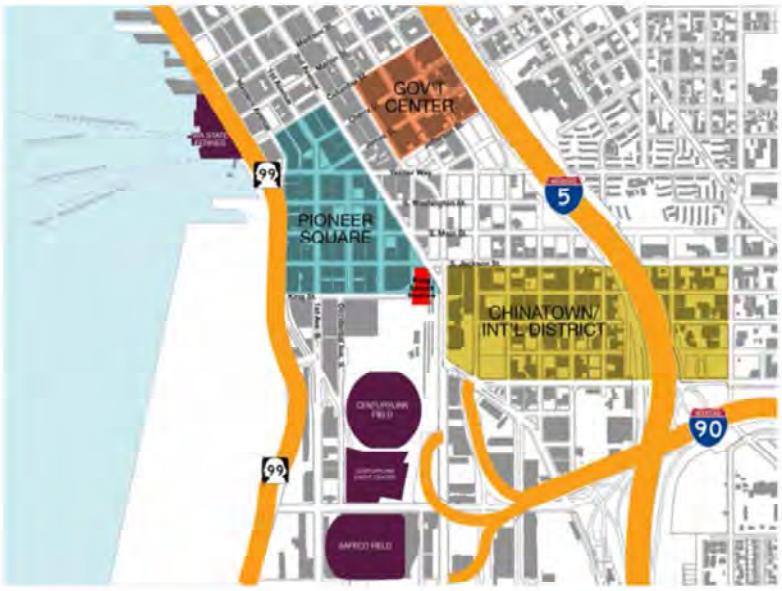
9

- The earlier slides walk you through the history of the station, its acquisition by the City and the extensive, $52 million rehab and restoration that was managed by SDOT and completed in 2013.
- A lot of care, along with a lot of city, state and, especially Federal funds went into that work
- SDOT's goal has been to fulfill an occupancy plan for the station that will sustain that investment and make the station a great destination for both travelers and the surrounding community,
- The occupancy and activation of the 2nd and 3rd Floor by Office of Arts & Culture that was announced by the Mayor in his state of the City speech in February



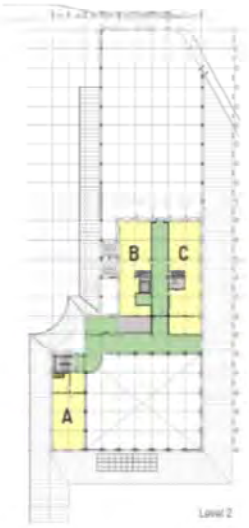
- Beyond the 1st floor space dedicated to Amtrak operations; SDOT controls about 23,000 square feet of leasable space on the 2nd and 3rd floors;
- Since last summer, SDOT has been partnering with the City's Office of Arts and Culture for temporary activations:
    - in part a response to an increasing shortage of space available to arts groups in the Center City area
    - Partly an effort to renew interest in these leasable spaces that have been difficult to market due to a lack of resources dedicated to tenant improvements
- Out of Sight, which was presented as the Seattle arts community alternative to the worldwide reach of the concurrent Paul Allen art show, drew 5000 visitors to the 3rd Floor of King Street Station over 4 days
    - Featured in the NY Times, other national and local media
    - Show will be repeated again this year on August 4-8
- This same partnership also produced an art competition entitled *Giant Steps: Artist Residency on the Moon* at King Street, March 3-April 3
- Office of Arts & Culture has also been working with more community based groups to utilize the space for smaller scale exhibitions and events (Lion's Main Collective, Goodship Academy, SCIPDA, Pioneer Square Alliance)

Site Map


GOV'T CENTER
PIONEER SQUARE
CHINATOWN/ INT'L DISTRICT
5
90
99
99

11

2nd & 3rd Floor Leasable Space



Leasable Area Common Area

	Usable Sq ft
Second Floor	
Area A	1,660
Area B	2,233
Area C	2,419
Common Area (assigned proportionally to A,B,C)	3,569
Total 2nd Floor	**9,881**
Third Floor	
Area D	16,800
Total Leasable Space	**26,681**

12

Next steps

Date	Activity/action
June 2016	Execute approved lease with Amtrak
July 2016	1st phase tenant improvements
August 4, 2016	*Out of Sight* 2016 show opens
Falll 2016	Renew efforts to market remaining leasable spaces (2 suites = 4700 sq ft)
Jan-June 2017	Final phase TI, new tenant moves in

13

Questions?

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www.seattle.gov/transportation/kingstreet

www.seattle.gov/transportation

SDOT
Seattle Department of Transportation

Sun Link Tucson Streetcar

The City of Tucson Sun Link streetcar system has been in operation since July 25, 2014. Since the launch, there have been almost 2 million passenger boardings. This 3.9 mile line connects the region's two largest activity centers (Downtown and the University of Arizona) to commercial districts and a redevelopment area, improves transit service in the corridor, supports population and employment growth, and creates economic development. Ridership remains at the projected 3,600 per weekday. Private and public development has occurred along the alignment with multiple mixed-used and hotel developments breaking ground or planned for construction in the next year bringing past construction and future planned construction to over $1.5 billion in public and private investments. A High Capacity Transit Implementation Study is being conducted by the Pima Association of Governments and the City of Tucson and will provide the basis for streetcar extensions.

Project Details

- Alignment length: 3.9 miles
- Number of stations: 18
- Fleet requirements: 8 modern streetcars (this includes 2 spare vehicles)
- Opening day ridership estimate: 3,600 per weekday
- Capital cost: $196.7 million
- Current Status: In Operations
- Opening Day: July 25, 2014

Funding

Federal funding

- Project received $63 million in TIGER funds
- Project is an "Exempt" project and received $6 million in Federal funds to date

Local funding

- Regional Transportation Authority $75 million

Sun Link Tucson Streetcar

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For additional information on the Tucson Modern Streetcar, please refer to the project website at www.sunlinkstreetcar.com