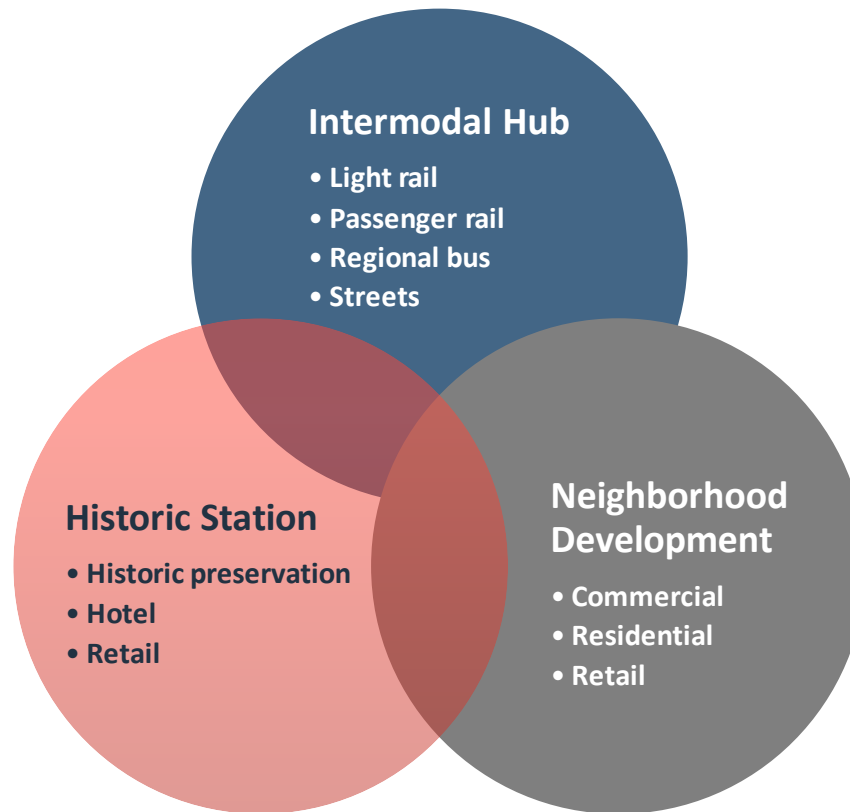


Funding and Financing Strategy for Denver Union Station

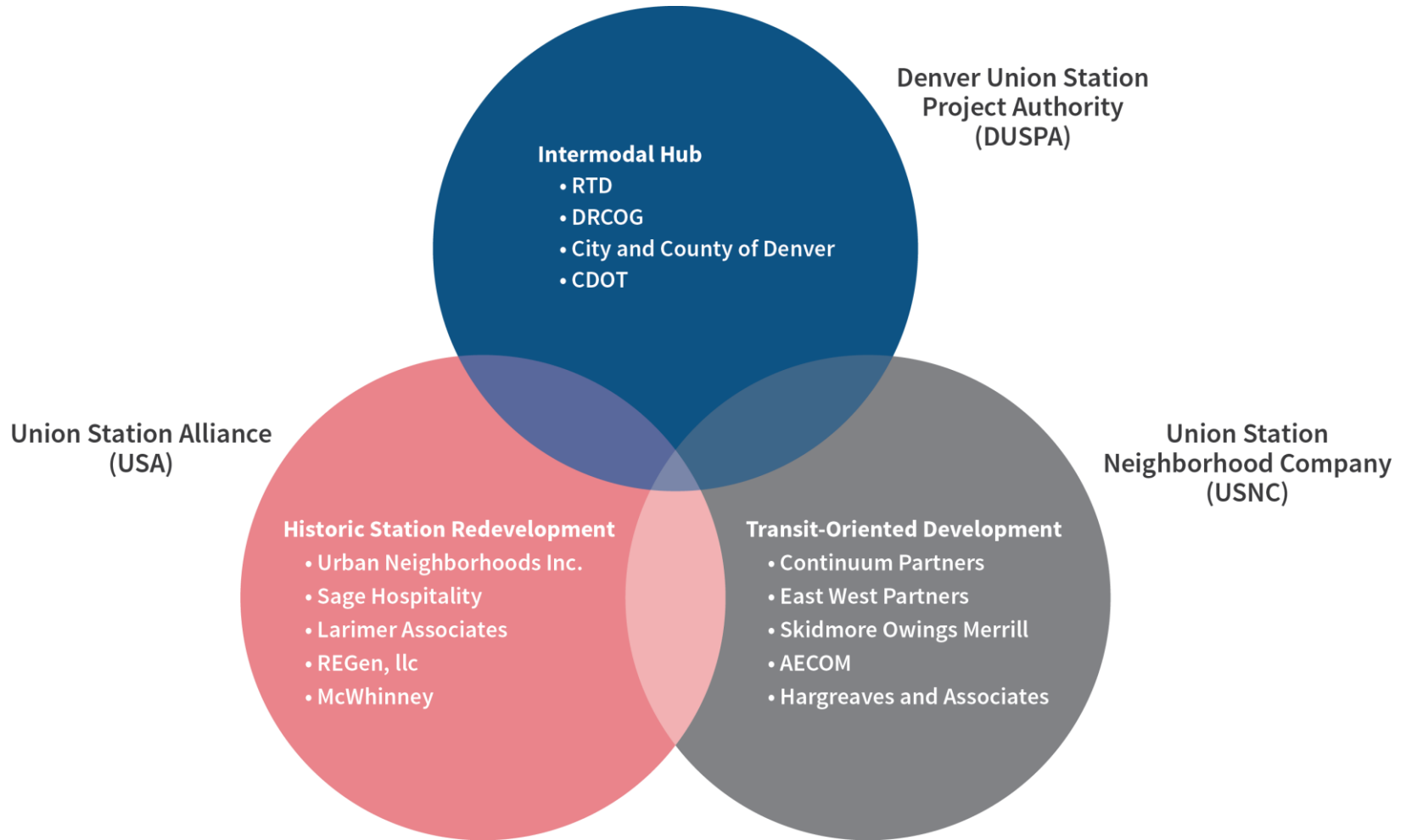
David Seltzer
PRINCIPAL
Mercator Advisors



Denver Union Station Project Elements Defined by Scope



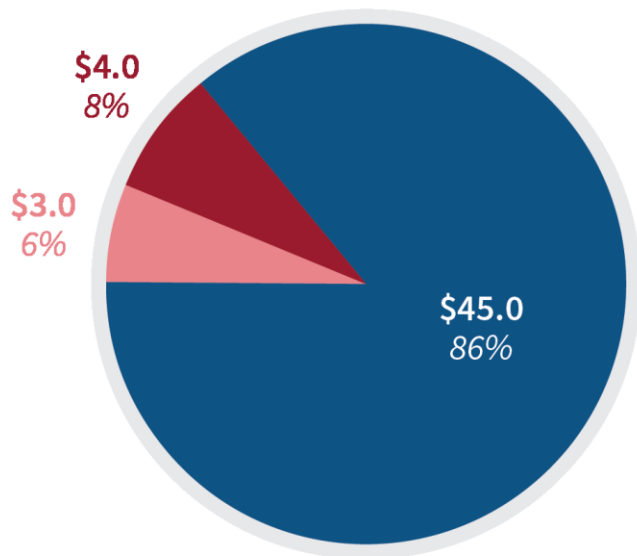
Project Entities Developing Each Element



Historic Station/Union Station Alliance Uses and Sources of Funds (\$52M)

Uses of Funds

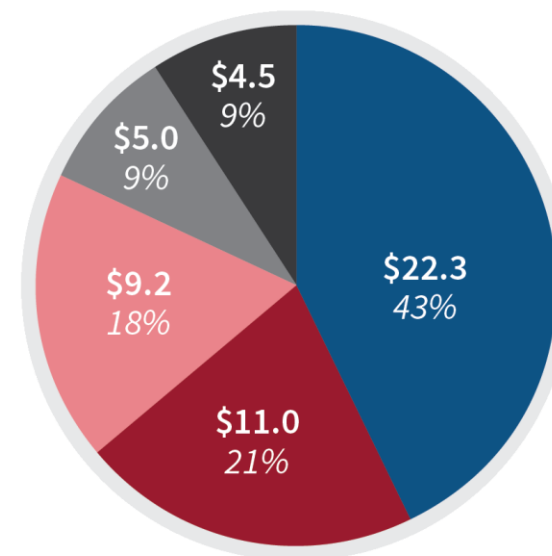
\$ in millions



- Construction
- Financing and Pre-Opening
- Design and Soft Costs

Sources of Funds

\$ in millions

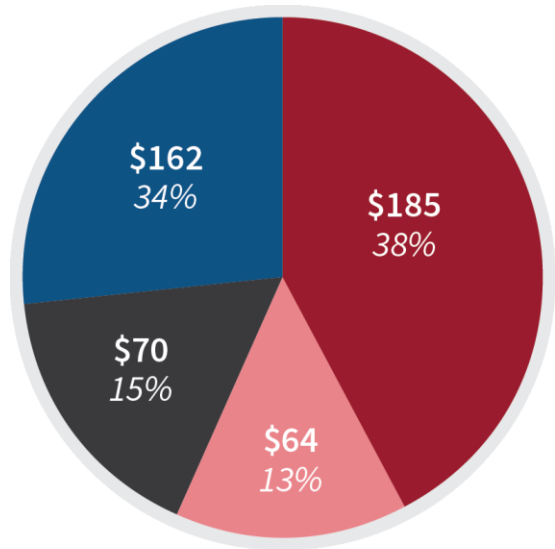


- Mortgage Financing
- RTD Land Sale Proceeds
- Equity
- RTD Grants
- Tax Credit Financing

Intermodal Hub/DUSPA

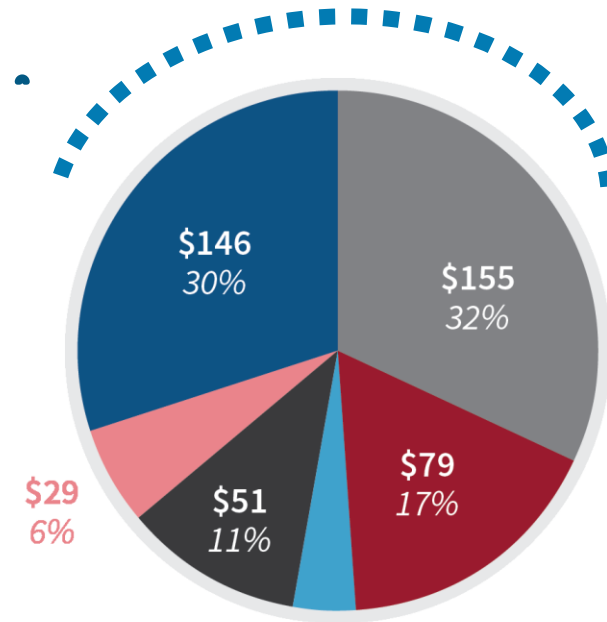
Uses and Sources of Funds (\$482M)

Uses of Funds
\$ in millions



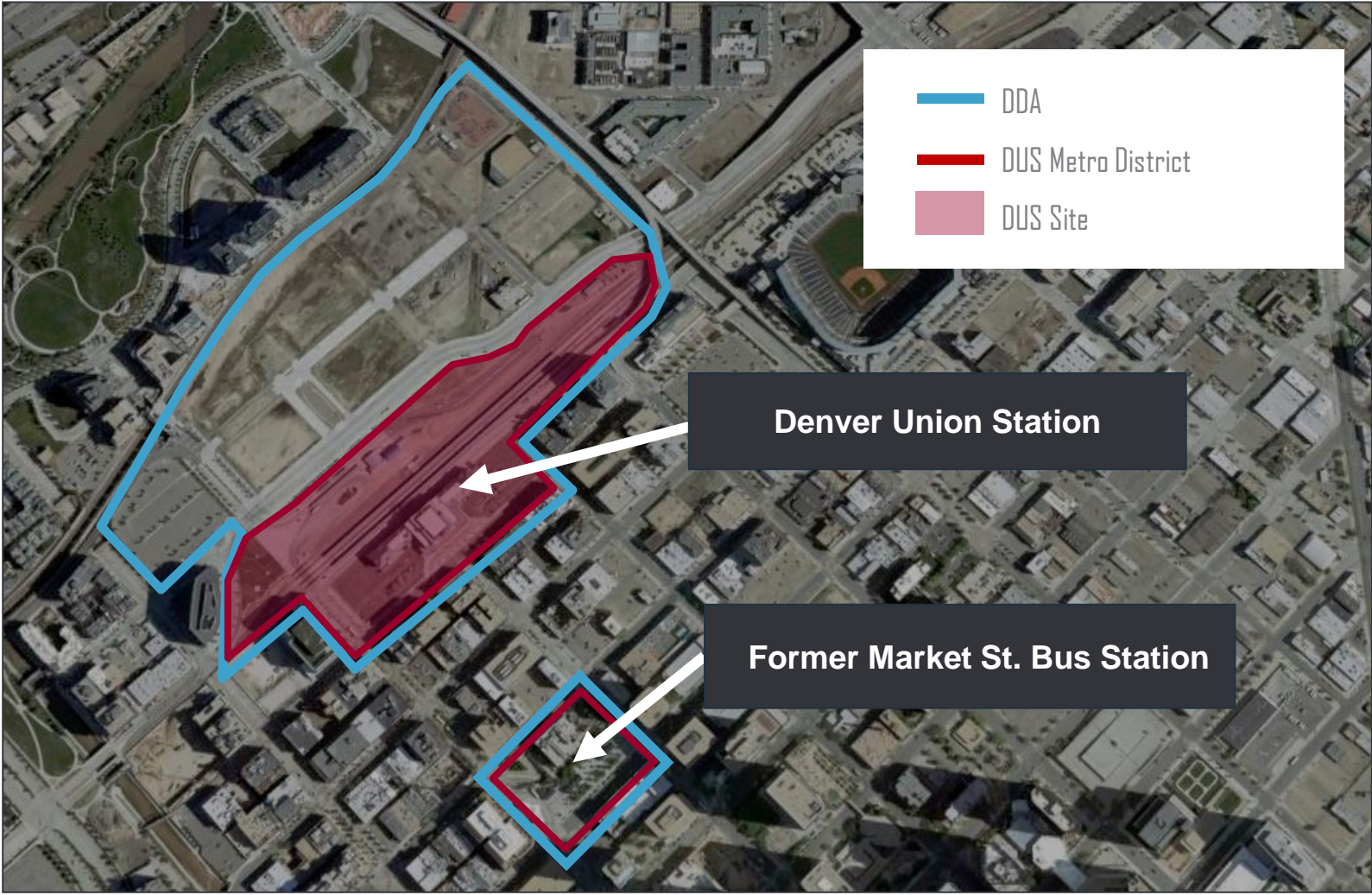
- Bus Terminal
- Streets & Public Spaces
- Light Rail
- Commuter Rail

Sources of Funds
\$ in millions



- RRIF Loan
- Federal Grants
- State Grants
- RTD FastTracks
- Land Sale/Other
- TIFIA Loan
- - - - - Debt backed by RTD & TIF Revenues

Value Capture District Boundaries



Value Capture Taxes for the Intermodal Hub

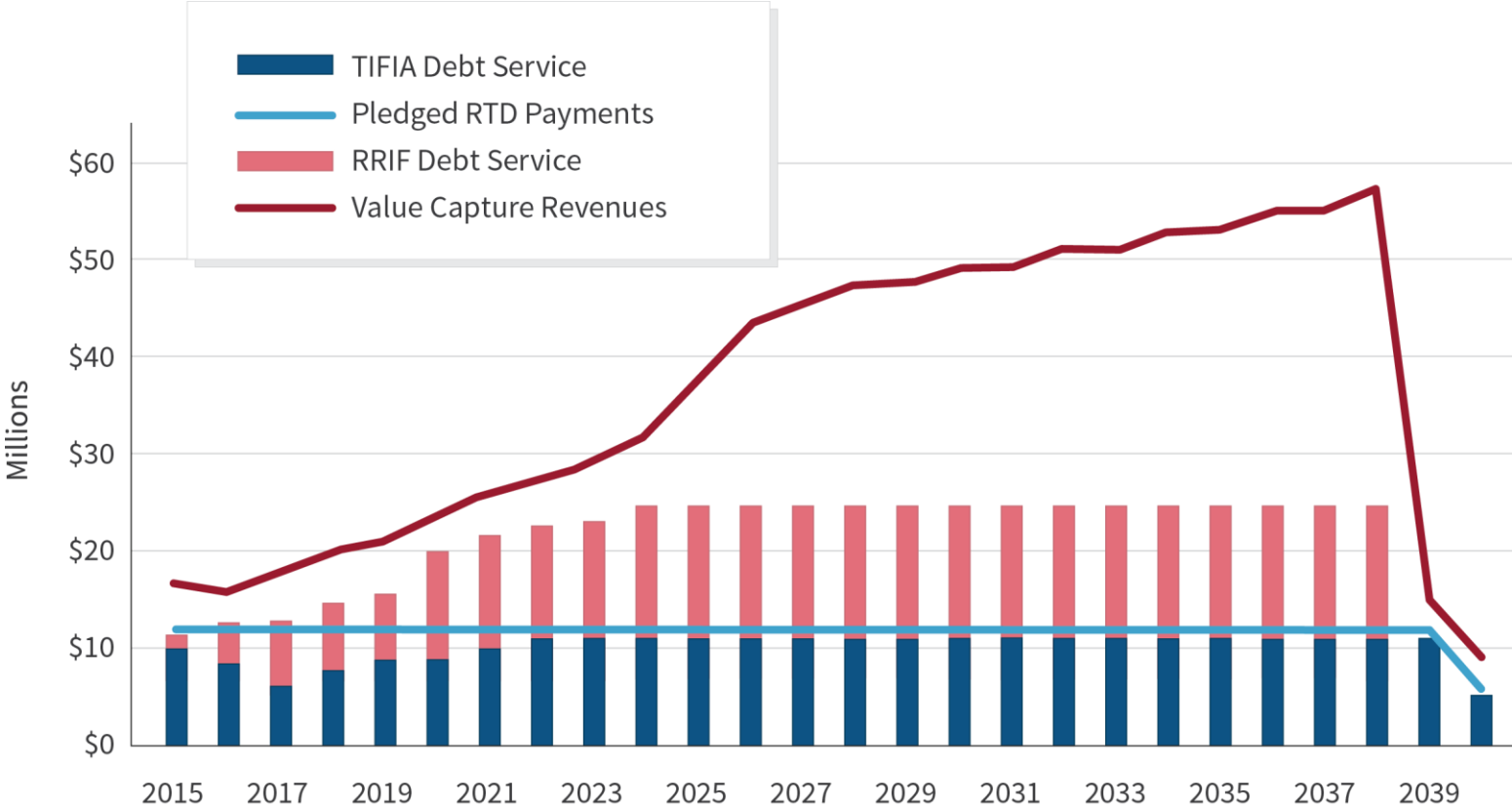
Tax Increment Financing (TIF)

- Downtown Development Authority TIF District
 - Incremental Property Tax (forecast \$470 million through 2038)
[72%]
 - Incremental Sales Tax (forecast \$134 million through 2038)
[20%]

Dedicated Tax

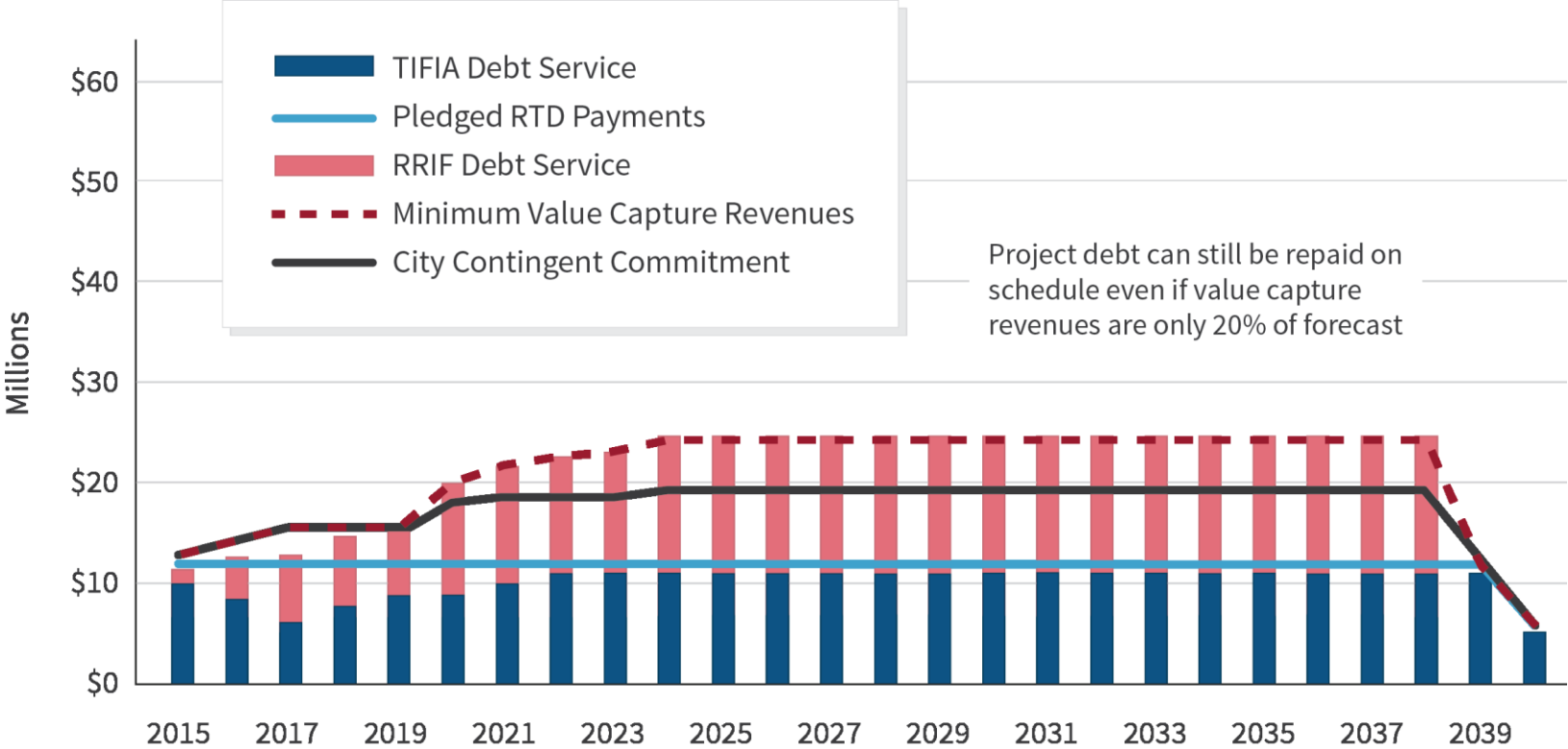
- DUS Metropolitan District (Special Improvement District)
 - Additional 20 mill levy (forecast \$49 million through 2040)
[8%]

Intermodal Hub Debt Service Cash Flow “Upside” Case



(Debt service after completion)

Intermodal Hub Debt Service Cash Flow “Downside” Case



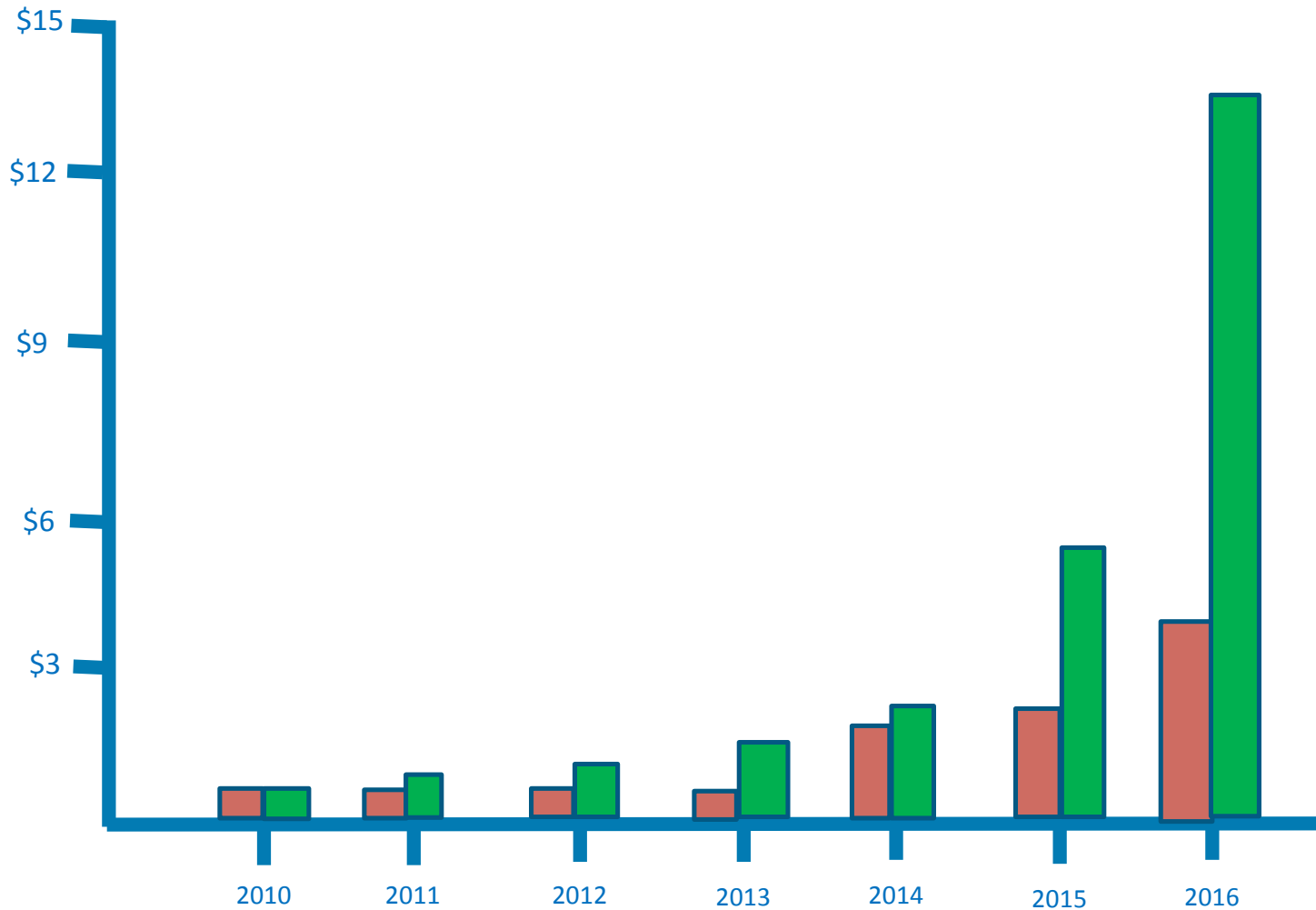
(Debt service after completion)

Denver Union Station Value Capture:

Forecast vs. Actual Annual Tax Receipts

- CBRE 2009 Projection
- Actual Property & Sales Taxes

\$ millions



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 RTD)

Takeaways from DUS

1. Eligibility of project components for public funding influences both the organizational structure and the financial plan.
2. Major transportation hubs can induce substantial private development.
3. To optimize the development potential, public sponsors should 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, but may require partial “internal credit enhancement”.
5. Federal credit tools potentially can offer lower borrowing rates and greater structuring flexibility.

