Denver Area Regional Bus Facility Study

Final Report

Prepared for Greyhound Lines, Inc. and the Colorado Department of Transportation

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Chapter 1 - Introduction

STUDY PURPOSE

Greyhound Lines, Inc. (Greyhound) requested funding from the Colorado Department of Transportation (CDOT) to conduct a study to assess the need for a regional bus facility to meet the needs of the passengers on services that are not included in the new Denver Union Station (DUS) bus concourse. The study addresses the question of whether the Denver Bus Center (DBC) is appropriate for meeting the future needs of the intercity services not included in DUS, and what use of the DBC and its site makes sense both in terms of the public's need for high-quality transit facilities and in terms of the business needs of the firm. Greyhound contracted with a team of consultants led by the KFH Group, Inc., of Bethesda, Maryland to conduct the study. The team also included TransitPlus, Inc. of Elizabeth, Colorado; and Economic & Planning Systems (EPS) of Denver. KFH managed the overall project and together with TransitPlus focused on the bus service needs, while EPS was tasked with tasked with evaluating real estate development opportunities for the current D Bus Center (DBC) property. This report analyzes alternatives for the bus center, including the impacts and costs of options for reinvestment and/or redevelopment both with and without bus facilities.

STUDY BACKGROUND

The Denver Metropolitan Area as well as the bus industry is in the midst of significant changes. The opening of Denver Union Station, opening of several of the rail lines built through the FasTracks initiative and restructuring of bus connections is changing the role of public transit and connections between transit and other modes. Downtown Denver has been undergoing rapid development, resulting in both higher densities and a more vital and diverse Downtown community. The intercity bus industry is also undergoing changes, both in the types of services offered and the role of stations for intercity services. Intercity bus services are more likely than ever to primarily connect major cities. Many areas, but not yet Denver, have seen the rise of carriers that do not use stations, but rather strive for curbside stops or minimal facilities rather than the bus stations common in the twentieth century.

The DBC is seen by many in the Denver planning and development community as having significant potential for redevelopment to higher density mixed use office, residential, and retail uses. It is located in Arapahoe Square, a downtown neighborhood that is prime for new development. The city recently completed the Arapahoe Square Neighborhood Plan and the Denver Urban Renewal Authority drafted the Arapahoe Square Urban Redevelopment Plan. These studies have focused on the goal of transforming this area through redevelopment. The plans generally call for more effective use of underdeveloped land, with the desire to transform this side of downtown. The DBC is particularly viewed as having a high potential for redevelopment, because it is the only full city block in Arapahoe Square that is in single ownership. The Greyhound station itself is seen by some as a negative externality potentially affecting the development of other parcels[1].

[1] "Nine Condos at Ritz in Auction", *Denver Post*, July 29, 2010, pB-09.

Clearly there is pressure for Greyhound to consider if it should sell or redevelop the facility to capture some or all of the equity in the site. In recent years Greyhound has faced similar issues in a number of cities, with different results depending on the options available.

- In Washington, D.C. Greyhound moved its station into the bus deck of the Union Station, which is a major multimodal center located on a subway line. Passengers can utilize the shopping and food options of the larger station. Greyhound's facility at that site is now limited to an enlarged ticketing kiosk next to its bus bays. The former station has been demolished and will be redeveloped as it is well-located to the north in a growing employment and residential district.

- Similarly, in Los Angeles Greyhound moved into the multimodal Union Station complex and sold its previous station for redevelopment.

- The preferred option of co-locating in a multimodal center did not work out in Seattle, where the downtown 1927 bus station in the redevelopment area was sold and demolished. Greyhound built its own replacement station located on the edge of downtown across the street from a light rail station, under an elevated freeway. The new facility is much smaller, with four bus bays, sized to fit the current market.

Figure 1-1: Seattle's Greyhound Station

In Denver, the option of moving into the RTD Intermodal Center at DUS may or may not be possible. Greyhound attempted to include a new station in the DUS project, but the options available were too expensive for the firm, as they called for a separate terminal not part of the RTD bus concourse. While 22 bus bays in the DUS bus concourse provide substantial capacity for bus passengers to make connections, it is not clear that it could meet all the current and potential needs of non-RTD services as well. Also, intercity bus services have somewhat different needs, as connecting passengers need waiting areas that are out of the weather and have basic amenities (as they may have longer waits), and buses typically need a larger window of time in their bays to allow for late running, baggage loading and unloading, ticket-checking, etc. Identifying the capacity and ability of DUS to serve intercity carriers is one item addressed in this study.

While the DBC represents significant development potential, the public policy questions are:

- Could the current and potential public transit needs that the DBC meets (which are not addressed by DUS) be incorporated within a redevelopment of the site?

- Could they be met elsewhere in the downtown in such a way as to offer similar connectivity and access?

- Can the intercity and regional needs currently served by the DBC be met within Denver Union Station?

This study looks at both the needs for the transportation functions of the DBC, current and future, and the business case for alternative options that include continued use as a bus terminal, alternative redevelopment that retains the bus functions, or complete redevelopment of the site. The perspectives to be considered are both the private sector requirements regarding return on investment and the ability to meet service needs; and the public sector policy needs for connectivity of modes/services, safe and attractive facilities to support transit usage, and minimal externalities/neighborhood impacts (traffic, pedestrian, safety, and accessibility.).

While the Denver Bus Center property represents significant development potential, Greyhound Lines, Inc. and those with an interest in the future of public and intercity transportation in Colorado recognize that if this facility is lost to transit uses, it will be very difficult or impossible to replace the capacity it provides with similar proximity to downtown.

STUDY ELEMENTS

To address the above questions the study included the following elements:

- Formation of an advisory committee to look at both the needs for the transportation functions of the Denver Bus Center, current and future, and the business case for alternative options.
- Analysis of existing intercity and inter-regional bus requirements and projected requirements for the future. This included examining the rider characteristics and their needs from a terminal.
- Analysis of the facility needs for the projected level of service, covering both passenger terminal and maintenance functions.
- Analysis of options for improving connectivity of intercity bus services, to local bus service and other intercity carriers.
- Development of options for meeting facility needs.
- Examination of real estate options for existing bus center, as well as the financial and tax implications of alternative scenarios.

Many of the study elements focus on facts and data, providing a common understanding of the needs, constraints, barriers, and options. As important as these facts are, the process of understanding the perspectives of different stakeholder groups and identifying options that will both address specific issues and advance the public policy interests of one or more groups was a key part of the study.

STUDY GUIDANCE

The advisory committee of stakeholders including both the private and public perspectives guided the study. Greyhound representatives reflected the departments that have a role in the decisions surrounding the future of the bus center from operational considerations to investment

considerations. The public perspectives varied from agencies who address transportation needs, such as CDOT and RTD to those who oversee the development and planning for the neighborhood and the site: the Department of Community Planning and Development, City of Denver Public Works (Planning, Policy, and Sustainability), the Denver Office of Economic Development, the Denver Urban Renewal Authority, and the Downtown Denver Partnership (DDP).

This committee considered both the private sector requirements regarding return on investment and the ability to meet service needs, and the public sector policy needs for connectivity of modes/services, safe and attractive facilities to support transit usage, and minimal externalities/neighborhood impacts regarding traffic pedestrian safety, accessibility and more.

The stakeholders were brought together for three meetings to consider the options and their costs and impacts, and to develop the most appropriate solutions given all the different perspectives. Is there benefit in maintaining the role of DBC as a bus station that exceeds its value for redevelopment? If redeveloped, can bus functions be included? If not, is there another location that satisfactorily meets these needs?

The advisory committee was important in building an understanding of the service needs of intercity bus travelers, the community needs for a well-connected transportation network, and the impact on neighborhood and economic development of retaining the facility in the current site or opening it for redevelopment.

Appendix A lists the advisory committee members (including both those invited and actual participants). Appendix B contains meeting notes as well as participants in each of the meetings.

BASIC OPTIONS

The basic options that were considered from the outset of the project were:

- Intercity services stay at the DBC site
  - Rehabilitate current facilities
  - Build a new terminal on part of the site, or perhaps as part of a parking structure related to other development

- Intercity services move to another site
  - Denver Union Station
  - Other site, likely requiring construction of a new terminal

Greyhound Lines, Inc. has spent considerable effort and engaged commercial real estate services to identify potential sites that meet the company's criteria. These include proximity to interstates, the maintenance facility, and public transit. No sites with good potential have been identified. In Seattle, Greyhound was successful obtaining a site from the state Department of Transportation that is located under an elevated freeway, across from a light rail station. No light rail station locations in the Denver area were identified that would not require moving the maintenance facilities.

The potential for redeveloping a smaller facility on the current site is limited, as was identified in the real estate analysis. A significant benefit that the lot has is that it is a full city block. The right development could create an inviting entry to Arapahoe Square and provide a bridge between neighborhoods. This could only occur if the whole block is available.

There are not many development opportunities that are widely viewed as compatible with an intercity bus station. One idea that was floated was that the site could support CDOT's new headquarters – close to the capital, RTD, and a complete public transit network. CDOT's is on a short timeline for re-location and did not find the site as meeting all of its criteria.

Greyhound Lines is clear that their preference is to lease facility space rather than owning. They will consider a limited investment to adapt a site to their needs, but the reality is that such costs must make sense from a business perspective, related to the revenue generated per passenger. If the DBC site is sold, the proceeds will go to pay down long-term debt.

Redevelopment options are explored in more detail as part of the real estate analysis. The options are then refined in Chapter 5 based on information provided in Chapters 3 and 4.

REPORT STRUCTURE

This report begins with a description of the current and projected use of the Denver Bus Center and related facilities in the area. This chapter identifies basic options to provide context for discussion and to clarify those that may be appropriate to investigate further. Chapter 2 synthesizes the information on the passenger terminal requirements. Chapter 3 addresses the potential for consolidating intercity and regional services at DUS, and Chapter 4 provides an analysis of the real estate market and the financial implications of various options. Chapter 5 summarizes the findings and recommends continuation of this process. Together these chapters provide a set of options that can be advanced by Greyhound and other stakeholders.

Chapter 2 – Services and Facilities

This chapter describes the current intercity and commuter bus services in Denver, the functions that are typically included in a bus station, the current facilities in Denver for intercity and regional buses, and the likely growth in the services (and facility needs).

CURRENT INTERCITY BUS SERVICES

Intercity bus services are provided by Greyhound, Black Hills Stage Lines, and Burlington Trailways. Americanos (owned by Greyhound) as well as Los Paisanos and El Paso – Los Angeles Limousine Services (EPLA) serve the Hispanic market. Finally, the new Bustang services operated by CDOT provide inter-regional services within Colorado. This section describes the services and provides information on connectivity between these services and other portions of the transportation network.

National Network Intercity Bus Services

Supporting the national network of intercity bus service are Greyhound/Americanos, Black Hills Stage Lines, and Burlington Trailways. There are a dozen ICB routes out of Denver daily that travel to other states, enabling passengers to travel to many locations in Colorado and to connect to the national intercity network through such cities as Las Vegas, Salt Lake City, Omaha, and Indianapolis, as listed in Table 2-1. The Colorado services cover the I-25, I-70, US 50, US 287, and US 40 corridors, serving a variety of towns on the way. These Colorado services are important for feeding into the national intercity network, and also allow passengers to access regional services and destinations across the Colorado region.

Three of the Greyhound/Americanos trips traveling to Pueblo and points south terminate in El Paso. Combined with Los Paisanos and EPLA schedules, there are a total of nine daily departures to El Paso from Denver, and an equal number in the return direction.

The regional providers offer service from DUS and DBC between 5 routes that make approximately 40 round trips per day into and out of the Denver area. The RTD SkyRide and Denver Coach Shuttle offer direct services to Denver International Airport and service both DUS and DBC. The new CDOT Bustang services begin July 2015 and will connect Fort Collins, Glenwood Springs, and Colorado Springs to the DUS underground concourse and the DBC terminal.

Table 2- 1: Intercity Bus Services

Provider	Service Description	Freq. - Days/Hours	Interline?	Stop at DUS?
Greyhound/Americanos	2 RT/day to Las Vegas (555) 1 RT to SLC (364) 4 RT/day to Pueblo (467) 1 RT/day to Pueblo (578) 2 RT/day to SLC (360) 3 RT/day to St. Louis (360)	6 Routes (13 RT/day)	Yes	365, 467, 555, 360 and 578 only DBC
Black Hills Stage Lines	1 RT/day to Omaha (119/120) 1 RT/day to Alamosa (125/126) 1 RT/day to SLC (360	3 routes each with 1 RT/day	Yes	Alamosa route only
Burlington Trailways	1 RT/day to Indianapolis	1 route with 1 RT/day	Yes	No
Bustang	Orange Line 7 RT/weekday Green Line 6 RT/weekday Blue Line 1 RT/weekday	3 Routes (14 RT/weekday); 6:40AM - 6:15PM	No	Yes
RTD SkyRide	AF Route connecting DBC to DIA via DUS until East Rail Line opens in 2016	25 RT/M-F 22 RT/Sat 22 RT/Sun	No	Yes
Denver Coach Shuttle	Shuttle between west NE/east WY and Denver. Stops at DIA, Quebec St Best Western, DBC, DUS	Scottsbluff/ Gering daily Other locations 3-4 days/week	No	Yes

Bustang Services

Beginning in July 2015 CDOT's inter-regional commuter bus service, known as Bustang, will start operating three routes with 14 round trips per weekday. This includes six peak and one mid-day trips from Colorado Springs, five peak and one mid-day trips from Fort Collins, and one trip from I-70 West. These initial trips have staggered schedules so they can use a single bus bay at DUS and the same at DBC. The length of time they will need to be in a bus bay to load passengers is anticipated to be minimal. Buses traveling to and from Colorado Springs will also make street stops on South Broadway so the majority of this route's passengers may not even board at DUS.

Intercity Bus Services - Hispanic Carriers

There are two major carriers that offer services catering specifically to the Hispanic market with services that connect Denver to the Mexican border and services that continue into Mexico. They do

not offer interline ticketing with Greyhound or the other national intercity bus network carriers, but operate independently. They each have their own station facilities in Denver

Los Paisanos

Los Paisanos has departures for El Paso at 8:00 a.m., 7:00 p.m. and 7:30 p.m. The 7:00 p.m. and 7:30 p.m. buses are express buses direct to El Paso.

El Paso – Los Angeles Limousine Express

There are three daily departures to El Paso, Texas at 7:45 a.m., 6:45 p.m., and 7:30 p.m. The 7:30 p.m. departure is an express bus only making one stop in Las Vegas, NM before continuing on to El Paso.

BUS STATION REQUIREMENTS

Each of the services described above has needs for bus terminal facilities to meet some or all of the following requirements. These functional requirements define the type, size and location of the facilities that have developed, and so this information sets the stage for evaluating future needs and options.

Types of Requirements

The requirements for the bus terminal will be considered in the following categories:

- Operating requirements for the schedules and services
- Passenger requirements
- Maintenance Requirements

The functional requirements are examined in each category, and then the associated space required is described. This section helps to identify facility options that will be feasible and practical as well as practical constraints.

Operating Requirements

The operating requirements include the following:

- Bus bays for passenger boarding and alighting. Space requirements assume the buses will be in each bay for about 30 minutes to allow arriving passengers time to alight and collect luggage and boarding passengers time to store luggage and board the bus. Although most scheduled trips have only one bus, in peak times there may be one or even two additional sections (buses) used to board all waiting passengers. Greyhound representatives reported that as their fleet gets back to the desired levels they anticipated having schedules that more evenly spread

out the passenger loads. As a result, anticipating for one (rather than two) extra sections is appropriate.

- Bus Package Express facilities, with a place for customers to drop off and pick up packages and the variety of small freight that is transported via intercity bus.

- Staff functions, including driver report and ready-room, supervisory staff, and communications equipment

Passenger Requirements

- Restroom facilities

- Cafeteria or other food and drink establishments, with an emphasis on food that is already prepared, readily transported, and inexpensive. Items such as sandwiches, packaged salads, bottled drinks, and snack foods are popular. The time available to pick up something is important as passengers may have 30-minutes to 90-minutes layover between buses. Some of that time is used in boarding and alighting.

- Ticket sales locations

- Seating for longer layovers

- Space for baggage handling and storage

- Pay phones, charging stations

- Access to public transit network

Maintenance Requirements

Denver is a fairly long distance from other major cities, so the maintenance function is a critical one. These functions are handled at a separate maintenance facility, and the proximity to the passenger terminal is important. Greyhound prefers that maintenance be no further than 2.5 miles from the passenger terminal, and some other carriers perform maintenance at the same location as their passenger terminal. Maintenance functions include:

- Fueling
- Cleaning – Interior, exterior
- Emptying restrooms
- Light maintenance
- Preventive maintenance
- Repairs

Some or all of these functional requirements are met in each of the facilities currently used by the carriers serving Denver.

CURRENT INTERCITY BUS FACILITIES

Figure 2-1 illustrates the location of transit facilities for intercity bus services in the Downtown Denver area. Denver Union Station (DUS) serves passengers on RTD bus and rail services, Amtrak rail, and the Amtrak Thruway bus services that are part of the intercity bus network. In addition, CDOT's new inter-regional bus service, known as Bustang, will stop at DUS as well as at the Denver Bus Center (DBC). The DBC serves Greyhound, Americanos, Black Hills Stage Lines, and Burlington Trailways. Los Paisanos and El Paso-Los Angeles (EPLA) Limousine Services, the two main carriers serving the Hispanic market, each have their own facilities.

Figure 2-1: Passenger Facilities in Downtown Denver

Denver Bus Center and Greyhound Maintenance Facilities

Denver Bus Center

The DBC was built in 1975 when it was needed to serve a much larger traffic base and is owned by Greyhound Lines, Inc. At that time Continental Trailways had an extensive network operated by its Rocky Mountain Division, with many routes serving Denver (and the rest of Colorado). The DBC served both Continental Trailways and Greyhound routes, but service reductions began following the Greyhound takeover of Continental Trailways in 1987. Duplicative services were reduced and ridership declined during the Greyhound strike and bankruptcy of the early 1990's. At its peak, the DBC served approximately 2,400 passengers per day, and it required a very large bus package express storage and sorting facility. However, the decline in legacy intercity bus service means that it now serves approximately 400 passengers per day. The facility has the capacity for including new carriers or services and for long-term growth of existing services.

The DBC covers an entire city block at 19th and Arapahoe (1055 19th Street), with the main frontage of the building on 19th Street, as shown in Figure 2-2. The roof of the building is commercial parking, accessed by ramps on the Curtis and Arapahoe sides. The building is quite substantial, and was designed to support additional stories. The Arapahoe and Curtis Street sides each offer covered bus bays extending the entire block. The 20th Street side was the bus package express facility. Figure 2-3 shows the center of the terminal that provides a large open area with approximately 100 seats available to passengers waiting for their connection.

Figure 2-2: Bird's Eye View of DBC with Parking on Top

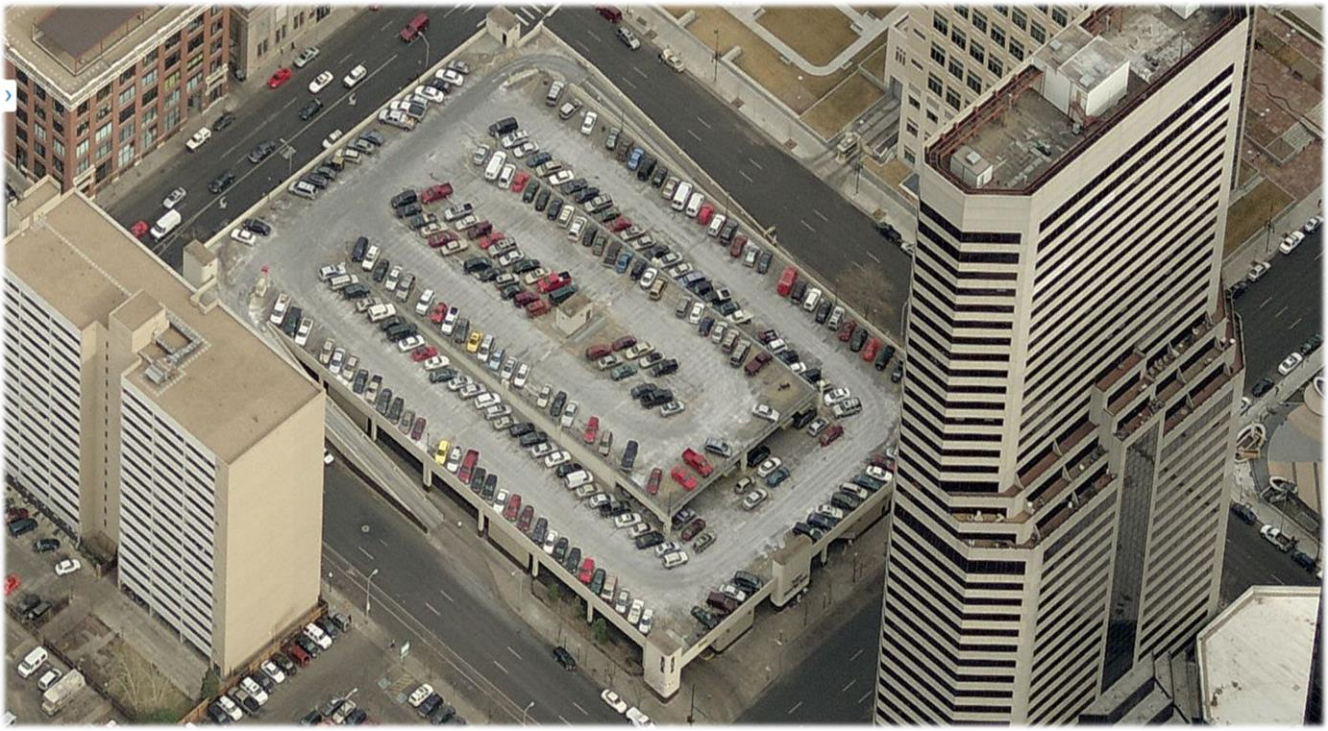


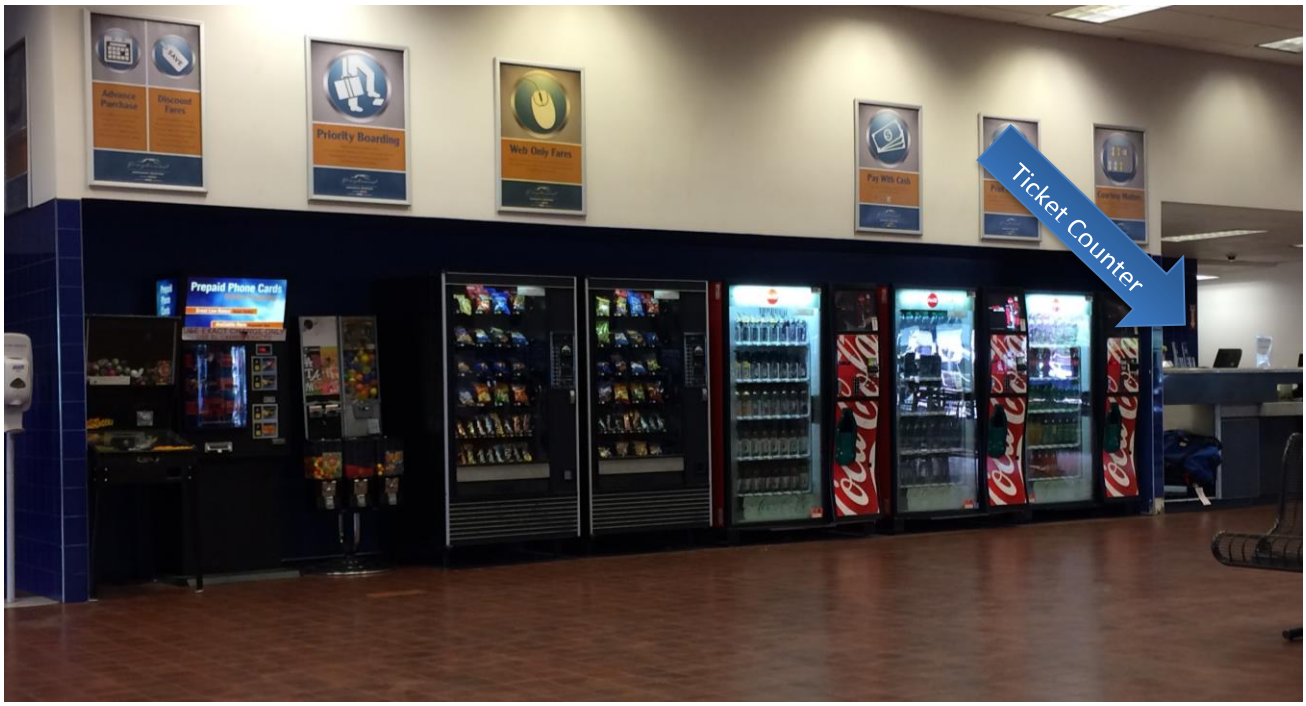
Figure 2-3: Center of DBC

A ticket counter, vending machines (Figure 2-4), arcade games, and a snack bar are located around the inside edges of the terminal. At one time there was a restaurant/cafeteria on the 19th Street side; this space is not currently used. Greyhound policy is that passengers are responsible for transferring their own bags, and passengers are directed to take their baggage to the bus, give it to the baggage handler to be placed in baggage bays underneath the passenger compartment. At transfer locations passengers are responsible for picking up their bags and taking them to the connecting bus[2]. As most passengers are not checking bags, they simply set their luggage next to their seat. Bus arrivals and departures are announced over a public announcement (PA) speaker to alert passengers when their bus has arrived and is about to depart.

As input to the study Greyhound Lines completed their own analysis of their space needs if they were to build a new facility on their own for use by Greyhound and its current tenants (except RTD SkyRide). Internally this Terminal Sizing Document is called a 4106 after the form used to develop space needs by category. Greyhound's plan would include eight bus bays, space for vending and food service, baggage storage, bus package express counters and storage, a driver lounge and lockers, and an administrative office - as well as a waiting room with eighty seats, restrooms, ticket counters, and limited customer parking. In Greyhound's own estimate this complete facility would need a freestanding terminal of with a site of 44,226 square feet, plus a building of 11,268 square feet, for a total space need of 55,494 square feet, or 1.27 acres. As can be seen, the current space needs are for a building that is a quarter of the size of the DBC, and a site that is half the size.

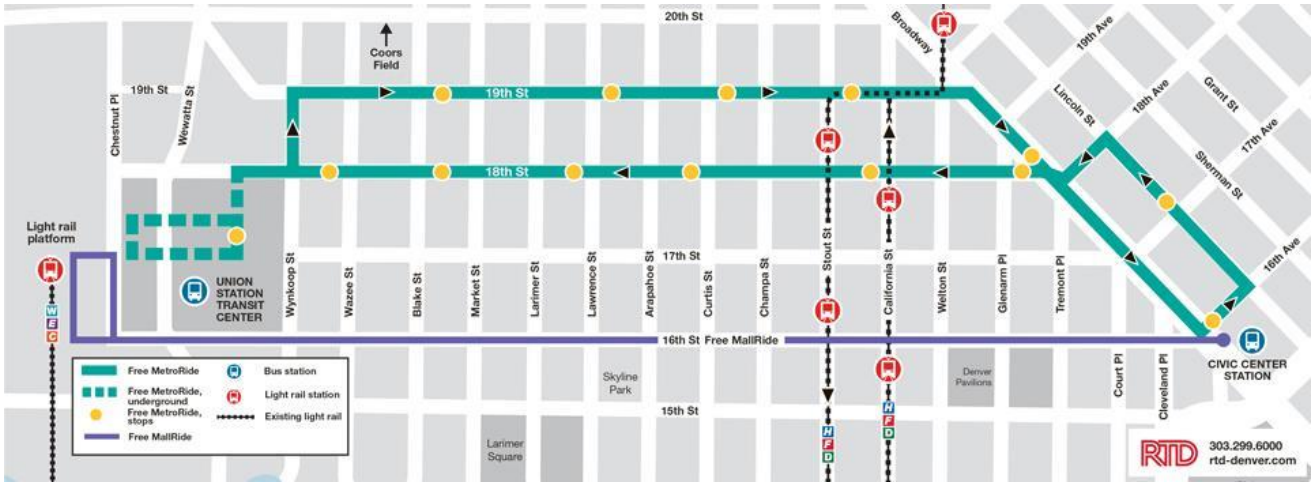
[2] There are exceptions to these Greyhound policies for persons who need help with their baggage, such as elderly passengers, persons with disabilities or adults traveling with small children. In these cases passengers may obtain baggage assistance, and all such bags must have a claim check and a baggage tag that are obtained at the ticket counter prior to boarding. So Greyhound does offer some checked baggage service for particular customers.

Figure 2-4: Vending Machines at the DBC



Although the DBC is located downtown, it is at least seven city blocks from the new RTD intermodal hub at DUS. RTD has added a free Metro-Ride shuttle service connecting DUS with the Civic Center Station. It travels eastbound on 19th Street and westbound on 18th Street as shown in Figure 2-5 below. This high-frequency bus service only operates in the morning and evening peak hours, so persons arriving on intercity modes who want to make connections to RTD light rail, commuter rail, or other bus services may have a hike if they cannot use the shuttle due to the limited hours. RTD reported planning for longer hours of operation.

Figure 2-5: Metro-Ride Route Map



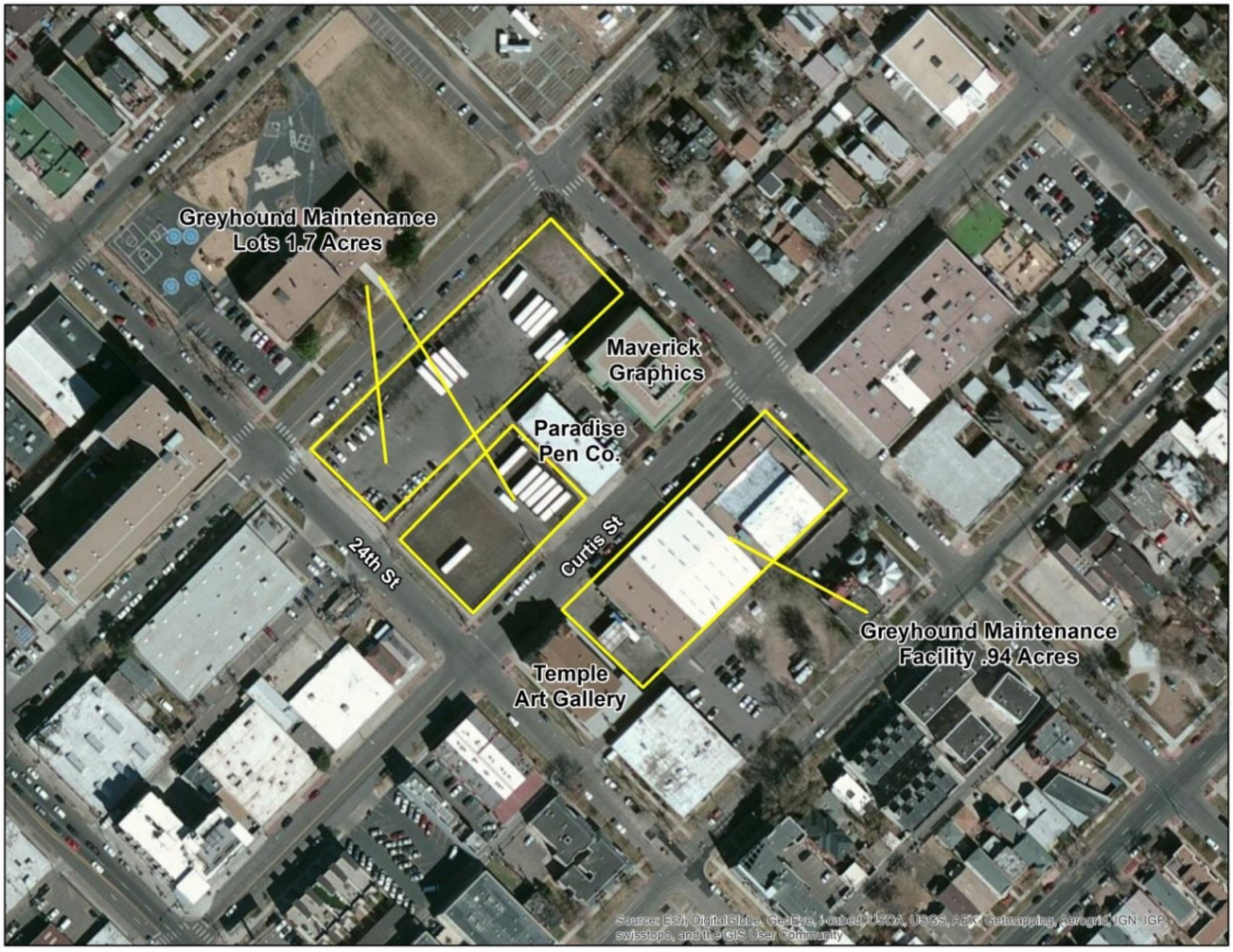
All Greyhound services originate or terminate at the bus center, though many of them also make a stop at the Union Station bus concourse in their role as Amtrak Thruway interline services (Burlington Trailways does not). RTD's Skyride AF service originates at Union Station, however, with the completion of the East Corridor commuter rail line to DIA in 2016 the AF route will no longer operate and intercity bus passengers will need to go to Union Station to travel to DIA.

Present plans are for CDOT's inter-regional commuter bus service, known as Bustang, to serve DUS and the Denver Bus Center. The Metro-Ride shuttle will be useful for those who need to make a connection to other regional RTD services.

Maintenance Facilities

Greyhound services and maintains their fleet at facilities located about five blocks from the DBC in the Curtis Park neighborhood (2420 Curtis Street). Because of Denver's geographic location, some distance from other major cities, these maintenance facilities will continue to be quite important. Most all buses arriving in Denver require servicing (fueling, emptying restroom tanks, etc.) upon arriving in Denver. The close proximity to DBC is an advantage for Greyhound as it is easy to take buses to and from the facility. The locations are shown in Figure 1, and the site plan can be seen in Figure 2-6.

Figure 2-6: Greyhound Maintenance Facility



Because of Denver's role in the national network, there is a need for a complete maintenance facility in Denver. This garage location is close to the DBC and results in minimal deadhead costs related to moving buses between the garage and the station. In terms of alternative uses (such as a new terminal) the location is further from downtown and does not offer good transit connections to DUS or other transit services.

Denver Union Station (DUS)

Denver Union Station is located at 17th and Wynkoop Streets in what is referred to the Lower Downtown (LoDo) District, Figure 2-7. The property was purchased by RTD in 2001 under a jointly-funded agreement between RTD, the City and County of Denver, and the Colorado Department of Transportation. The site was redeveloped as the major transportation hub for the Downtown Denver area, as part of a transit oriented development that includes the Crawford Hotel in the main station building, as well as several restaurants and retailers. The development of this site has spurred significant other building on the surrounding blocks.

Figure 2-7: Denver's Union Station

The facility includes the historic terminal building, a train shed canopy for Amtrak passenger rail, a 22-gate underground bus concourse, and a light rail station. There are also commuter train platforms for the East, Gold, North Metro and NW Rail Lines. Denver Union Station is one-half mile east of the Denver Bus Center. Although the bus facility has 22 bays and links to the RTD light rail it currently only has one gate dedicated to commercial carriers. Greyhound and Black Hills make Union Station stops on schedules that are also Amtrak Thruway interline services.

Seating is sporadically located around the underground bus concourse, although there are a total of 153 seats within the concourse, and seating is available in the main terminal as well. As there are no areas for passengers to check baggage, ample room surrounding each seating area allow for passengers to stow luggage or stand. There is no PA system to announce the arrival or departure of buses, but rather the bus driver announces the route name and destination when he opens the gate door. Screens at each gate display the departures for that gate, in lieu of a PA system, as can be seen in Figure 2-8. The main thoroughfare is approximately fifteen feet across and creates a broad open walking area for all passengers to reach their gates without having other passengers. Figure 2-9 shows two views of this thoroughfare which can be used for passengers to line up while they wait to board their bus.

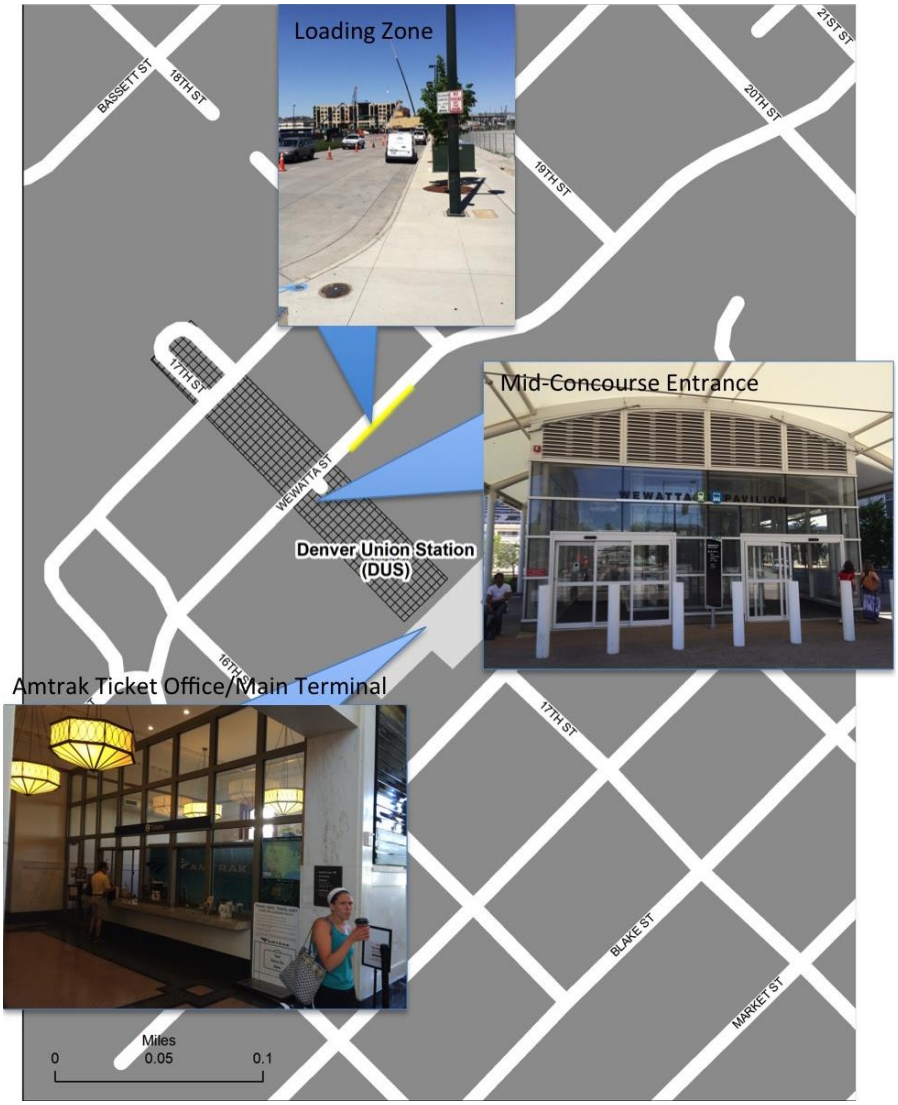
Figure 2-8: Passenger Information at the Gate in the DUS Underground Concourse

Figure 2-9: DUS Concourse

Restaurants located within the main terminal and in the surrounding one- to two- block radius of DUS offer passengers an opportunity to grab a quick meal, beverage, or small snack. No vending machines are located at the DUS complex. Passengers have four affordable meal options within the main terminal. The locations of these restaurants and eateries is listed in Appendix C. Food trucks are also common in the area during typical lunch times

As it is in the heart of downtown, parking is limited with most people accessing the area by transit; bike and car-share as well. Street parking is metered and garage parking is offered in the surrounding blocks. Garage parking fees range from $5 - $25 depending on location and special events that are taking place nearby. A loading zone located about one block from the main terminal entrance. This provides an area for taxis or for persons with disabilities to load and unload luggage. The loading zone is located conveniently for passengers accessing the underground bus concourse, and is roughly a block-and-a-half away from the Amtrak ticket office, located in the main terminal. Figure 2-10 illustrates the locations of the loading area, mid-concourse entrance, and Amtrak ticketing office.

Figure 2-10: DUS Passenger Entrances



The bus concourse at DUS has 22 bays/gates, one of which is dedicated to private commercial bus carriers. It is primarily used at this time by the Greyhound-operated Amtrak Thruway buses, which also serve the DBC. RTD provided an occupancy report for this study that shows the current utilization of the available bays by time of day. RTD holds three bays aside as capacity for non-designated drop-offs (some services use any available gate), one is dedicated for non-RTD service, and that leaves eighteen available bays. Because RTD's services have a high morning and late afternoon peak, during much of the day there are many empty gates. Over the course of a 24-hour day, there is one half-hour period when there are only two gates (plus the one non-RTD gate) not in use by RTD at some point (4:00 p.m. to 4:30 p.m.), and from 4:30 p.m. to 5:00 p.m. there are only three available gates (plus the one non-RTD gate). However, outside these peaks there is considerable excess capacity at this time. The available capacity is likely to increase over the next few years as bus services are replaced by new rail services.

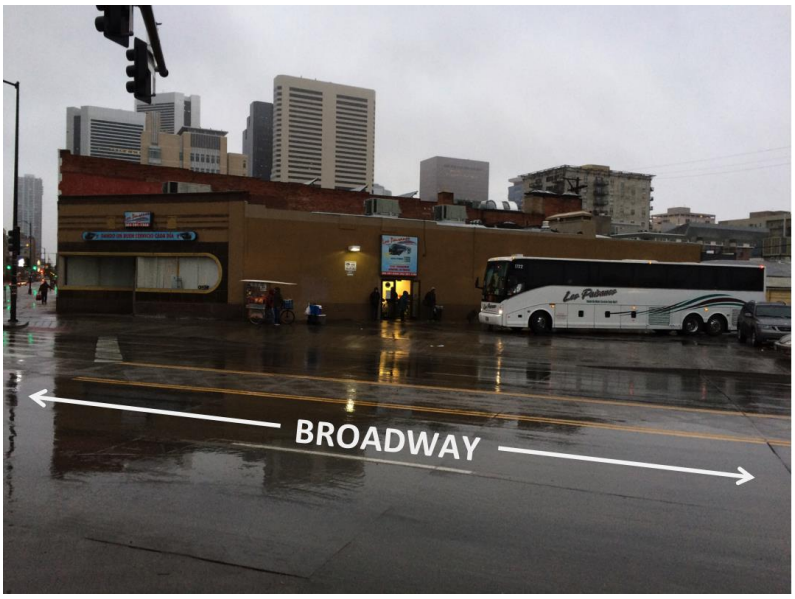
Hispanic Transit Operators

In addition to the Greyhound-owned Americanos intercity bus service, there are two other carriers oriented to the Hispanic market that provide connections from Denver to the southwest and Mexico. These firms have their own facilities and do not use DBC or DUS. Initially some Hispanic carriers used on-street pickups, but due to Denver city traffic regulations are unable to use city streets for this function. Instead they are required to provide off-street space[3]. These carriers have made the decision to operate in separate facilities to meet the needs of their customers. Their facilities are two to six blocks from the DBC and an additional seven blocks to DUS.

Los Paisanos

Los Paisanos at 2147 Broadway has a facility that allows for two buses to pull through the lot via an alley located north of the property. Figure 2-11 provides a photo of the station. The interior has been recently remodeled to accommodate passengers and ticketing. No PA system is used at this facility, but ticket counter attendants announce to the room when a bus is ready to board. There are multiple rows of seating for passengers waiting for their buses inside as well as vending machines, restrooms and two ticketing stations. There are six on-site parking spaces and surrounding street parking gets tight around 7:00 p.m. when several buses depart.

Figure 2-11: Los Paisanos Facility (Facing Corner of Broadway & Champa)



[3]Denver Revised Municipal Code regulates parking and right-of-way activities through the Office of the Manager of Public Works and City Traffic Engineer regulations pertaining to the issuance of permits. Other than bus stops established and maintained by RTD, only limited areas are identified for loading and unloading of charter coaches. When vehicles wish to stop in a lane or parking area, or use the sidewalks for specific activities (loading and unloading of passengers, in this case) a street occupancy permit is required. Street occupancy permits are used in a fairly narrow set of conditions (primarily construction or excavation), and not for intercity bus operations. This permit structure enables the City to maintain traffic flow and comply with ADA path of access regulations.

Los Paisanos has departures for El Paso at 8:00 a.m., 7:00 p.m. and 7:30 p.m. The 7:00 p.m. and 7:30 p.m. buses are express buses direct to El Paso. Ridership counts averaged 30 riders with only minor fluctuations between the different departure times.

El Paso – Los Angeles Limousine Express

The El Paso-Los Angeles Limousine Express facility at 2215 California St. has three bus bays and an indoor bus gate entrance from the main building that accommodates both passenger waiting and ticketing services. Figure 2-12 provides a photo of the facility. There are sixteen seats and ample amounts of standing room for passengers to wait for their bus, as can be seen in Figure 2-13. Snacks and beverages are available from vending machines in the waiting area. Package delivery services are a major service offered at this location, and packages are stored in a backroom, until a bus has arrived. No PA system is used at this location, but the driver announces bus departures when he is ready to start boarding passengers.

There are three daily departures from this facility to El Paso, Texas and passenger counts appear to be about thirty for each at peak hours. Departures take place at 7:45 a.m., 6:45 p.m., and 7:30 p.m. The 7:30 p.m. departure is an express bus only making one stop in Las Vegas, NM before continuing on to El Paso.

Figure 2-12: EPLA Facility as seen from 22nd Street

There is reluctance on the part of carriers Los Paisanos and El Paso-Los Angeles Limousine Express to locate at either the Denver Bus Center or other multi-modal facility. Their existing facilities each appear to be adequate for the passenger traffic and associated services.

Figure 2-13: Passenger Waiting Area

It is unlikely that the independent Hispanic carriers will have an interest in joining the other intercity bus operators. Their riders appear to value the independent locations and package express is an important part of their operations. It is more likely, if they were looking to save costs, they would share a single facility rather than operate separately as they do now.

Long-Term Bus Terminal Capacity Requirements

As noted above there is excess capacity at both the DBC and DUS, but question is whether there will still be excess capacity twenty years from now. There is not a clear-cut answer to this issue as it depends on the ability to project future conditions. RTD's future service needs are part of the equation. With light rail opening RTD has been able to significantly reduce the number of peak period buses serving commuters. This trend will continue as the FasTracks network is built out.

Bustang Growth

Bustang services are a new addition to the demand for bus terminal facilities. It is anticipated that these services will grow, but not so much so that more than one bay is needed for each primary corridor. The identified need includes three bays, one for North I-25, one for South I-25, and one for

US 85/I-70 West. These buses do not require long wait times. Once service is operating it will be possible to see how important each of the stops (DUS and the DBC) is for riders, and the number of riders who walk to their destination versus transferring to other RTD services.

As the service develops, there are questions as to:

- How much of an increase will there be in trips in these corridors? How much service might be provided to and from intermediate cities not be served by the initial routes?

- Will all, some, or none of these vehicles need to use a station (DUS or the DBC), or will general access to the network be the more important issue?

To address the questions related to how much of an increase in service might be needed, the team looked at demand estimations from the original Front Range Commuter Express study, a later estimation on service needs from Castle Rock to employment centers in the south metro and downtown areas, and projections from a north Front Range Regional Transit study. Population and employment estimates through 2040 identified in Colorado's Regional and Intercity Bus Network Plan show the strength that metro Denver will continue to have in the employment market, and also the significant growth in Weld County population where workers will be commuting to other areas for work.

In the long term, north and south I-25 corridors will have travel demands in a similar order of magnitude. Their history in terms of regional services is different: the North Front Range has FLEX service on US 287 between Fort Collins, Loveland, and Berthoud while the South Front Range previously had a successful run with FREX. The North Front Range has work destinations in diverse locations, with Boulder County being a particularly strong draw. For the South Front Range, the Denver Tech Center / Meridian has a similar role, but it is in the same travel corridor rather than a different one. However, to the extent that these trips are served, they are not likely to also go to downtown Denver except in non-peak periods.

It is unlikely that service from the I-70 corridor would have much impact on capacity. Most service to the I-70 corridor will emanate from either Jefferson County or DIA, not downtown Denver. Service in this corridor can share a bay with one of the other corridors.

The US 85 corridor is one that is not presently served but that will become more important over time. US 85 corridor residents typically travel to Commerce City, DIA and other east metro locations, and downtown Denver. Service in this corridor is anticipated to have four to eight peak hour trips vehicle trips in the peak period, based on employment travel patterns. One bay has been projected as necessary to accommodate the US 85 corridor. This will be a good bay to share with other services including the I-70 route.

Based on order-of-magnitude estimates, Table 2-2 lists projections of daily travelers in the I-25 corridors twenty years in the future. The number of peak hour buses is identified as well, and even at a two percent mode share of trips, the level of bus service required would be eight buses per hour in the peak and all could use a single slip for each corridor. While a two percent mode share is relatively low, there would need to be considerable parking provided for this many riders in either corridor.

Table 2-2: Bustang Demand Estimates Based on North I-25 Analysis for 2035

Measure	1% Mode Share	2% Mode Share
Total Daily Person Trips	1,325	2,650
Peak Daily Person Trips (60% of Total)	795	1,590
AM Peak Period Bus Trips 3 hour period; avg. of 33 passengers/bus	12	24
PM Peak Period Bus Trips 3 hour period; avg. of 33 passengers/bus	12	24

Some regional services traveling from rural Colorado to Denver presently use DUS, and it is likely that these services will grow over time. However, they typically arrive after the morning peak and depart before the afternoon peak as their destinations are quite distant.

Intercity Bus Growth

The number of intercity buses has declined over the last quarter-century as the national network re-aligned to reflect a lack of economic regulation and to fit changing market conditions. Recently there have been some increases, but these increases have largely been in the carriers providing low-cost city-to-city services, many operating without any significant investment in a terminal. Such services are a good fit in markets where major cities are located within about four hours travel time. Denver has not seen the development of such services because distances are substantially longer. Albuquerque, Salt Lake City, and Omaha are examples of good-sized cities with travel times of about 7 to 8 hours rather than the 4 to 5 hours needed for these services to be viable. Growth in the intercity bus market is anticipated, but not at times or in a manner that would increase demand for bays beyond what is projected.

CONCLUSIONS

The review of the current services and facilities leads to several conclusions. One is that the existing DBC has capacity well in excess of current needs for the intercity carriers that use it, and their space needs could be met by a much smaller facility. A second conclusion is that anticipated growth is not likely to require much additional capacity for intercity services, Bustang commuter services, or RTD. Finally, it appears that there is substantial capacity at DUS for additional bus services, particularly if they do not coincide with the peak RTD utilization. Combined with the fact that a multi-year effort by Greyhound to find an alternative location has not produced an acceptable site, these conclusions suggest that the option of consolidating intercity bus services at DUS should be considered in more detail.

Chapter 3 – Locating Intercity Bus Services in DUS: Technical Feasibility and Issues

BUS CAPACITY/UTILIZATION

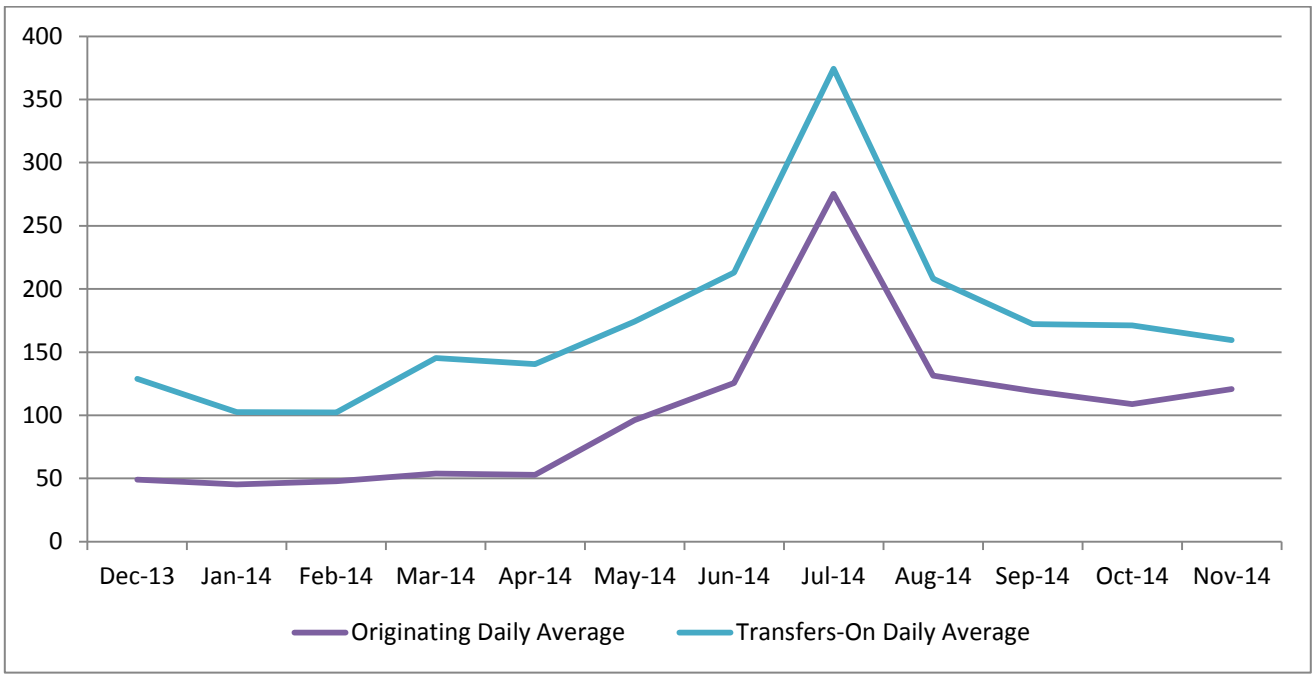
Current bus bay requirements for intercity/commuter buses are met at the Denver Bus Center with considerable excess capacity, and even the projected Bustang service would not fully utilize the capacity of the DBC. This suggests that the reduced space requirements for intercity and Bustang service might well be addressed by consolidating intercity and commuter buses at DUS, but the initial question is whether or not this is feasible in a technical sense. This issue is addressed in this section of the report.

DBC Capacity and Utilization

The current DBC has 49,000 square feet of building area on a site of 105,000 square feet. It includes 19 covered bus bays. The original design included space for two bus companies, Greyhound and Continental Trailways, each of which operated substantial networks in Colorado. There was a full service cafeteria, which is still in place but is shuttered, and a very large bus package express space (only a small portion of which is still in use).

There are several unique factors that affect intercity bus passenger terminal needs in Denver. One is that intercity bus demand in Denver has a strong seasonal peak, with July ridership being much higher than the average throughout the year. A second factor is that Denver is a major transfer point for intercity bus passengers, with transfers among Greyhound services and the other intercity carriers as well. This means that many passengers come in, deboard, and then leave within a short period of time on other buses—increasing the need for waiting areas, seating, restrooms and creating a need for some kind of food service that is quick and provides for food that can be taken on board. Figure 3-1 presents a graph of Greyhound boardings by month for 2014, with the originating passengers separated from the transfer boardings. As can be seen, the numbers of persons boarding who have transferred from another bus is significantly higher than the originating passenger count, but the two lines have the same seasonal pattern, with the July peak. The July ridership peak is so high that on many schedules during that month there are two (or more) sections (additional buses), creating a need for sufficient bus bays to handle more than one bus per schedule.

Figure 3-1: Seasonal Ridership Pattern for Denver (2014 data)



Bus Capacity Analysis

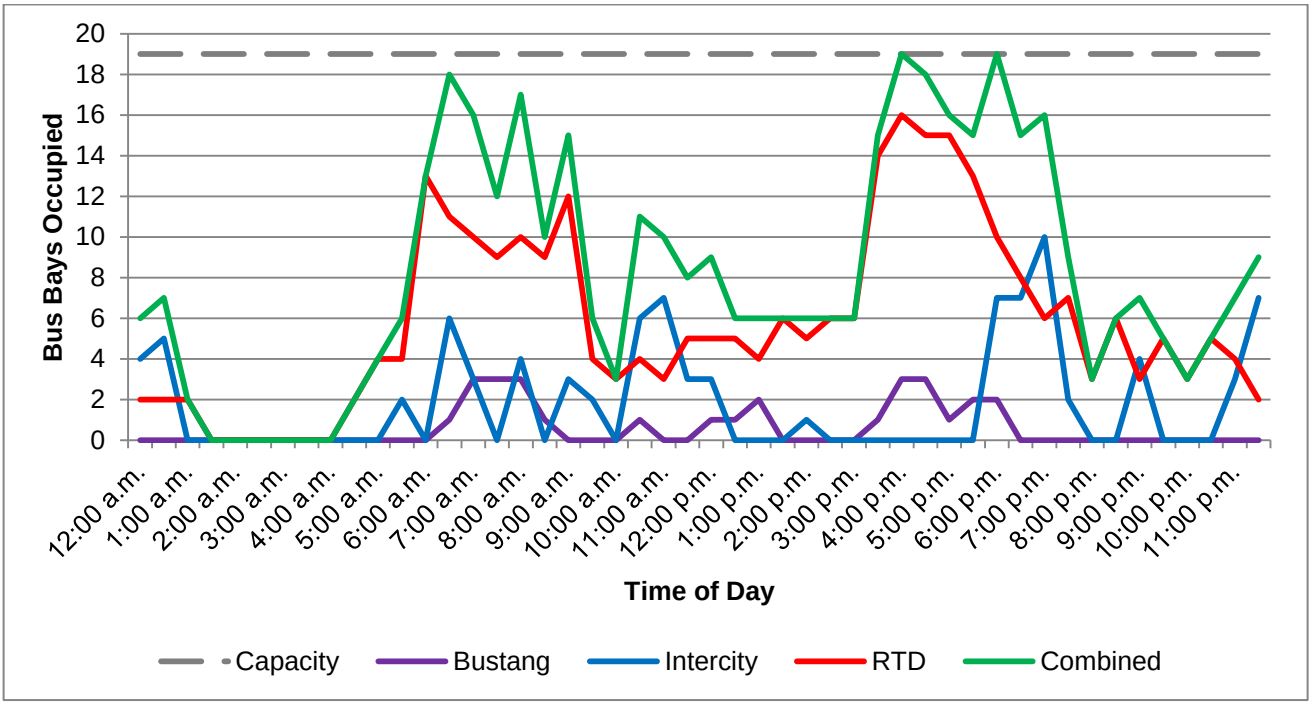
The DUS bus concourse has 22 bus bays, one of which is currently designated for use by non-RTD carriers. It serves a number of RTD services, but there are many times in which its full capacity is not in use. At the same time, intercity bus schedules do not generally have the same peak periods as local commuter services. So an initial, critical question is whether there are enough bus bays available to accommodate peak demands from both RTD and the intercity services currently served at the DBC.

In order to determine the potential feasibility of sharing the DUS bus concourse the study team performed an analysis of peak usage by time of day. Greyhound provided a "clock sheet" showing the arrivals and departures by time of day at the DBC, and RTD provided a similar document (an "occupancy report") for the DUS bus facility. Although the DUS has 22 bus bays, four of them are essentially reserved to accommodate the Metro-Ride shuttles operated with articulated buses, leaving 18 bays to serve other RTD services, intercity services and Bustang commuter expresses.

Intercity bus services often provide extra buses (known as extra "sections") to handle larger than normal crowds. During peak travel periods in the summer and on Thanksgiving and Christmas holidays, Greyhound routinely uses two and sometimes three buses to accommodate the passenger demand. When an extra section is required it may pull up in the next bay or it may wait for the first bus to leave before pulling in. In the latter case, it lengthens the time the bus bay is in use. In the analysis it was assumed that the intercity services included would be those required for an average July day, i.e. the number of buses for a given schedule. It included extra sections if the Greyhound data showed more than a single bus per day on that schedule. In order to be conservative, the peak intercity bus bay requirement was developed by taking the number of buses operated on each

schedule during the month of July 2014, dividing by 31 days to get the average, and then rounding up to the nearest whole number. No data was available for 7300 series schedules, so it was assumed that on average they would require three bays at peak. In July, the peak travel month, most schedules required at least two sections, and some as many as three or four. Figure 3-2 presents the results of the analysis.

Figure 3-2: Potential DUS Bus Utilization by Time of Day



The graph depicts the number of bus bays occupied by time of day. The analysis was conducted in half hour time periods, and if there was any RTD schedule shown within the half hour it was assumed that the bus bay was in use for the entire half hour. For intercity and Bustang services the scheduled arrival time was assigned to the appropriate half hour period and the bay assumed to be in use for that half hour. The Bustang services were assigned based on the planned schedule within a half hour window.

As can be seen, the intercity bus needs include small peaks from 6 a.m.to 8 a.m., again around 11 a.m., at 5 p.m. to 8 p.m., and from 11 p.m. to midnight. The combined services completely occupy the eighteen available bays at around 4 p.m. because of the combined commuter peak of RTD and Bustang schedules, and again at around 6 p.m. if all Greyhound schedules have multiple sections. Greyhound has indicated that there is potential in their scheduling to spread that peak somewhat if necessary. Also, it should be noted that this analysis includes bays for the RTD SkyRide AF airport services, which will be discontinued as soon as the commuter rail service to the airport is operational (anticipated in 2016). However, as this demand is close to the capacity of DUS, the decisions about the value of the space will need to be made by RTD.

Although this analysis is developed around current and near-term Bustang schedules, one concern is that the lack of spare capacity could be a problem with regard to growth. This issue is discussed at

greater length in Chapter 2. In this analysis the longer term future Bustang schedule requirements were used, and RTD believes that in the foreseeable future bus demand will be stable or even decline as bus services are replaced by rail services (also using DUS—allowing connections to continue). The intercity bus industry sees its services as essentially stable following a long period of decline. Though there is growth in "curbside" intercity bus service the market for that type of service seems to be in places that have major population centers (or university towns) within four or five hours of drive time - and Denver does not have these market characteristics, and so the forecast is for stability in terms of the number of intercity bus services. The demand for bus bays may even flatten out, as Greyhound reported that as their vehicle fleets get back to the size they prefer for business conditions, they plan on adjusting schedules in a manner that offers passengers more travel time options and would likely spread the demand more evenly through the day. So while a second section will still be required in peak travel times, the likelihood of needing three (or even four) sections will diminish significantly.

Passenger Capacity Analysis

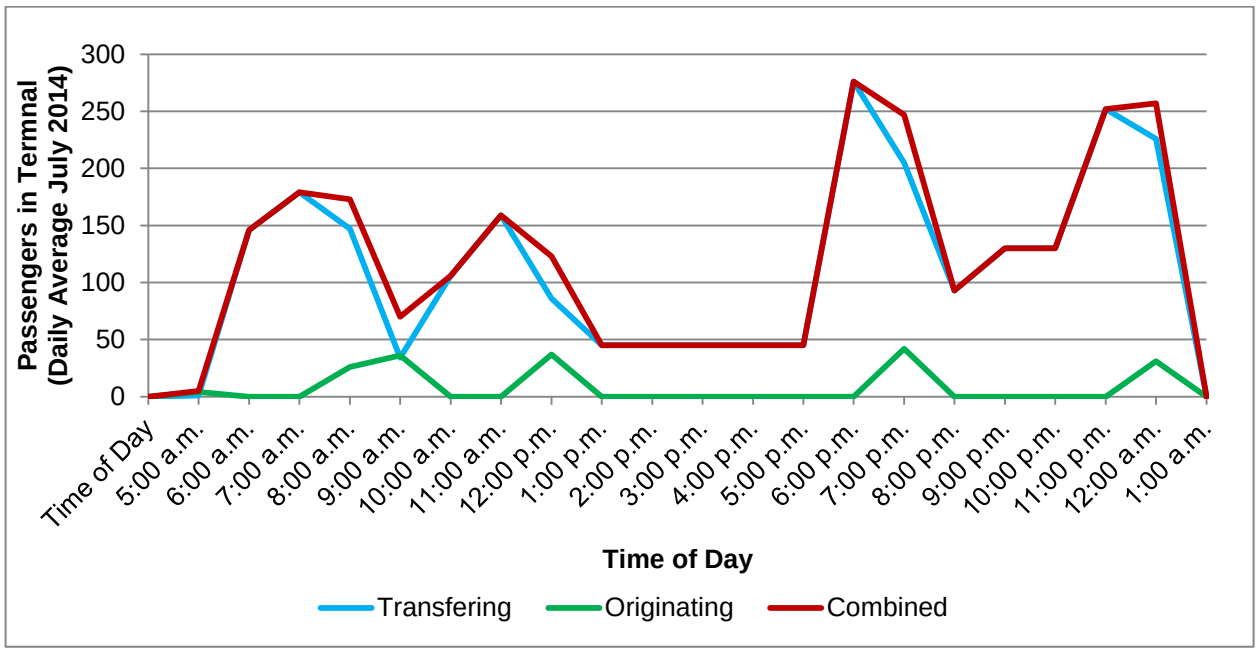
Because Denver is a major transfer location for intercity services, there are times during the day when there are many transferring passengers waiting to catch outbound buses. There is a concern that even if DUS had an adequate capacity for all the bus services, it might not have the capacity for all the waiting passengers. In order to explore the potential passenger load the study team requested detailed ridership data from Greyhound for all its schedules serving Denver. This information, called the SPAR report, showed the number of passengers getting off of arriving buses, split into those transferring off and those whose destination was Denver. It also showed the number of boarding passengers, again divided into originating passengers and those transferring on. This information was analyzed for the month of July 2014, with the monthly data divided by 31 to provide a picture of an average July day. Similar data was not available for the other carriers (Black Hills Stage Lines, Burlington Trailways), but their schedules were included in the analysis and estimates made of the number of passengers in each category based on carrier input and the need to balance out the number of waiting passengers when the station closed at the end of the day.

To determine the passenger accumulation, a model was developed that added arriving passengers to the crowd in the terminal as their schedules arrived, subtracting arrivals whose destination was Denver (assuming they leave the terminal as soon as possible). Originating passengers and those transferring were then subtracted from the crowd as their schedules left. The size of the crowd varied through the course of the day depending on the ridership of the arriving and departing schedules.

The results are shown in Figure 3-3. On average, July peak accumulation is 275 passengers between the 5 p.m. and 7 p.m. period and 250 between 11 p.m. and midnight. Morning peaks are lower, from 6 a.m. to 8 a.m. and again at 11 a.m. To some extent these overlap RTD peak periods from 6 a.m. to 8 a.m., and the evening intercity peak building from 5 p.m. to 6 p.m. Currently, at the DBC, many of these passengers are walking about, using restrooms, obtaining food, or waiting in line for their next bus[4].

[4] Note that Greyhound's own 4106 terminal sizing document calls for only 80 seats, ten seats per bus bay.

Figure 3-3: Peak Intercity Passenger Accumulation



This analysis represents a first approximation of the passenger accumulation, because it represents an average day. Friday evenings and Sunday afternoon and evening are likely to be higher, weekdays lower. However, it should be noted that peak RTD passenger times are weekdays.

NEED FOR TRANSIT CONNECTIVITY

A 2011 Greyhound market research survey of Denver Bus Center customers showed that:

- 15.2 percent of all respondents used RTD city buses for station access
- 11 percent of all respondents used taxis
- 4.2 percent of all respondents walked to the DBC
- 62.8 percent used a privately-owned vehicle

Access modes varied considerably by home zip code, with those areas best served by public transit more likely to use an RTD bus or rail line to access the station. It is likely that transit will increase for Denver passengers as the FasTracks network expands and as the high-density downtown residential population continues to increase.

In addition, it should be noted that the DBC is currently the endpoint of the RTD SkyRide AF service linking the airport with downtown Denver, meaning that arriving intercity passengers have a frequent direct link to the airport for onward travel. Data supplied by RTD shows an average of 82 daily weekday boardings on the AF at the DBC in August 2014. This is very significant considering that the Greyhound data shows 131 average daily intercity boardings for the same month. Not all of these boardings are transfers from intercity service, but it is indicative of a high level of connectivity. When the AF service is replaced by the new RTD airport rail service, the AF bus will be discontinued, and the

linkage between intercity buses and the airport will require bus passengers to go to DUS to catch the train. If the intercity bus service is located in the DUS bus concourse connections would be in the same facility on the level above the bus station.

With over fifteen percent of riders using RTD for station access, and the relatively high usage of the airport connection, a close linkage to the RTD network of services is important.

Issues

Terminal Sizing

A key piece of information is the amount of space required for the intercity bus functions as this impacts the size of a free-standing facility as well as the potential of integrating some or all of the functions of the Denver Bus Center into DUS or a facility at another location.

Freestanding Terminal

As noted in Chapter 2, Greyhound has developed a Terminal Sizing Document (4106) showing a freestanding terminal would require a site of 44,226 square feet plus a building of 11,268 square feet for a total of 55,494 square feet (1.27 acres). This includes eight bus bays or slips, seating for eighty passengers administration, driver operations, space for baggage and package express, plus space for vending and food service. The current facility is 49,000 square feet on a 105,000 sq. ft. site, so the building is four times what is currently needed and the site is twice as big as currently needed.

Space Needs in an Intermodal Terminal

If combined in an intermodal terminal, dedicated intercity space needs are much lower. Greyhound calculated the space needs a site of 9,068 square feet (including bus bays) and a building of 2,552 square feet to accommodate ticketing, offices, and baggage. If bus package express, driver lounge, and similar functions were located at the garage, the ticketing office space requirement drops to 1,618 square feet. This includes 640 square feet for staging baggage carts and 480 square feet for baggage racks. The balance (498 square feet) would be the ticketing office and associated functions. Table 3-1 presents more details on the space requirements for intercity services in Denver if included in an intermodal facility.

Table 3-1: Dedicated Space Needs in Intermodal Facility

Dedicated Space Needs in Intermodal Facility:				**Split Functions: Pickup/Drop off and Ticket Sales Only at DUS**
Facility Component	**Quantity**	**Square Foot Allowance**	**Square Feet**	
Bus Slips	8	---	5,940	5,940
GCX/GPX Parking	2	270	540	---
VRU Kiosk	2	18	36	36
Ticketing Counter-Positions	3	40	120	120
Bag Wells	2	30	60	60
Cash Room	1	48	48	48
Administration-Terminal Manager	1	140	140	140
Accounting/Reports	1	120	120	---
Employee Break Room/Conference Room	2	200	400	---
Employee Lockers	10	0.25	3	---
Record Storage Shelving Units	2	20	40	---
Office Supplies and Ticket Stock	2	20	40	40
Office Equipment (Copier/Fax)	1	40	40	40
Phone/Data Equipment Room	1	50	50	50
GCX/GPX & Baggage-Baggage Racks	20	24	480	480
Baggage Cart Staging-I Cart per slip	16	40	640	640
GCX/GPX Shipping Desk	1	63	63	---
Locked Storage & COD Racks	2	24	48	---
Driver Lounge	1	120	120	---
Driver Manager	1	140	140	---
Total Square Feet	---	---	**9068**	
Building Total Sq. Ft. (Not Vehicle Spaces--Below the Line)			2,588	---
Building Total Sq. Ft. (Not Vehicle Spaces--DUS Stop only)			---	1,654

In other locations where Greyhound has moved its services to an intermodal facility, the firm has used different options to provide the required ticketing/office space. One example can be found at Washington Union Station, where Greyhound built a ticket office that also includes the (limited) baggage functions that are still provided. This ticket office is shown in Figure 3-4. Ticketing kiosks are available inside, along with ticketing staff. Passengers who need assistance with baggage can check it at the counter, but there is very limited storage space for baggage. Bus package express is not handled at this location.

Another potential option would be joint ticketing with Amtrak. Amtrak already has an office and ticketing function in the main DUS facility at ground level, and it sells tickets and checks baggage for Amtrak customers (presumably including persons boarding Amtrak Thruway/Greyhound buses at DUS). Greyhound and Amtrak have been working more closely, and recently agreements were reached to allow Amtrak staff to sell Greyhound tickets at Chicago's Union Station.

Figure 3-4: Greyhound Ticketing Booth at Washington Union Station

Minimizing the space requirements for intercity bus operations at DUS implies some changes in its operations that include splitting up some of the functions that are typically combined in a free-standing terminal such as moving the bus package express location (most likely to the maintenance garage location), and moving the driver lounge and operations to the maintenance facility. In Greyhound's own Terminal Sizing Document the bus package express functions require 1,231 square feet, including 640 square feet for baggage cart staging—space that is not readily apparent at the DUS bus concourse.

Splitting Functions between Intermodal Facility and a Second Location

For Greyhound to split functions would require some accommodation on the part of the company. It was noted that the existing maintenance facility is located a short distance away, and the Curtis Street facility is the most likely location for ancillary functions.

- Facility modifications would be needed to transform the maintenance garage so that it could accommodate the package express function, including an area that is suitable for customers to use for dropping off packages (parking, pick-up and drop-off area, package handling). Space is adequate for this but there would be both an expense and permitting issues that would be a part of such improvements.

- There is a loss in flexibility, and possible increases in staff time to have this as a separate function. For any vehicle that did not go to the shop for servicing, the packages would need to be brought to DUS. Additional staff time would be required for the counter functions.

Greyhound does split functions at a number of facilities across the country, so they have a basis for estimating the costs and practicalities of doing so in this location.

One other alternative that was discussed in the course of the study is the separation of the waiting area for transferring passengers from DUS, so that buses would make a stop at the DUS to facilitate intermodal connections (as many schedules do now), but would originate/terminate at another facility that would have the food service and waiting area to accommodate the transferring passenger. Such a facility would not need to be located downtown in proximity to transit modes. Although this concept has the potential to reduce the number of people using DUS at peak times, it would essentially require the construction of the new free-standing intercity bus terminal as specified by Greyhound's 4106—and at the same time requiring all the schedules to make a stop at DUS, adding time (and potentially confusing riders). Also, given the choice, transferring passengers might well decide to wait between buses at DUS rather than ride to a more remote bus station. For these reasons this alternative is effectively discussed in Chapter 4 in terms of the construction of a new facility on half of the DBC site.

Food Service

Even in an intermodal terminal, the high percentage of transferring passengers means that customers would require food service. Currently the agreements between RTD and the DUS managing partners forbid the sale of food in the bus concourse, but the intercity bus riders will need some readily available food options while they wait for their connecting buses. Concerns were raised regarding the availability of food that travels well, is ready to eat, and can be procured quickly.

The area was canvassed for food availability for intercity bus riders. There are a variety of establishments in Union Station or within two blocks which provide food meeting these criteria. Appendix C provides a sampling of food options, with hours of operation and price ranges. There are options open until 11 P.M., so most the bus arrivals are covered. With the Whole Foods Market opening just outside the bus concourse and a King Soopers food market opening two blocks away, there will be many options. The availability of food is on par with what can be found at DBC, although

there are not many vending machine options. There would need to be information/signage in the bus concourse to let bus passengers know that the food options are available in the Union Station (because it is not visible from the bus area), and it may be that some sort of vending machine options would be an optimal addition.

Ideally some type of convenience shop with toiletries, sundries, and prepackaged food and drink could be located in the bus concourse, though this would require changes in the existing agreements that forbid food sales. An example of such a solution is presented in Figure 3-5, which show the 350 square foot shop, built on the bus deck at Washington, D.C.'s Union Station.

Figure 3-5: Shop at Union Station, Washington, D.C.

Photo: Hoachlander Davis Photography, LLC

Overnight Shelter in Emergency Conditions

Both facilities close for about four hours in the middle of the night (1 a.m.-5 a.m.). However, in its own facility, Greyhound readily has the ability to keep the facility open if there is bad weather and passengers are stuck in Denver. They know when buses or transferring buses are held up and cannot

make it to the station on time and when roads are closed and buses cannot leave as scheduled. While this does not occur frequently, it does happen occasionally in the winter.

If intercity services were integrated into DUS, agreements would need to be in place to pay for the security to keep the station open so passengers would be safe from the weather. While a management and cost issue, this is considered to be manageable.

Operating Practices

Boarding System

The current Greyhound boarding system, in which passengers line up early to get the best seats, contributes to two potential issues. One issue is that it is important to RTD to maintain an open walkway between buses. When passengers line up for buses today, one can observe that the aisle becomes congested and can block off clear and easy access for other passengers. However, generally these passengers are only lining up a few minutes ahead of time while with intercity service passengers may line up 30-minutes ahead of time. The other issue is that passengers are less willing to take a substantial amount of their layover time to get food. Given the size of DUS, the walk to and from an eatery and the time it takes to purchase an item is longer than it would be at DBC.

Greyhound has indicated that they are willing to consider other boarding methods, such as assigning numbers, so passengers do not have to hold their place in line.

Signage

Some signage may be desirable in order to provide patrons with information on where to access food or place baggage. This could be as simple as a temporary sign posted around peak departure times or drivers or other staff having access to a simple brochure with directional information. Overall the signage in DUS is clear, but is oriented to passengers who are generally familiar with the facility. A review of what is needed to orient out-of-town passengers and adaptation to this is considered manageable.

Seating and Maintaining a Walkable Concourse

There is a significant amount of seating in the bus concourse, and room against the wall where luggage would not impede the walkway in the main concourse. However, some gates have a good deal of seating nearby and other gates do not. It would benefit intercity passengers to assign gates where there are several banks of seats.

Travelers today are fairly well-trained to keep their luggage nearby. With traffic flow in the concourse, if there is a good place to put luggage one would not expect people to put it in the walkways. If it becomes a problem it can be addressed either by drivers or other staff directing passengers or by limited signage.

Figure 3-6: Passengers Waiting in Line in DUS Underground Concourse

The Cost of Operating at DUS

Although there are issues to be addressed, in general is appears that it is technically feasible for the intercity bus services currently using the DBC and anticipated Bustang services to utilize the DUS bus concourse. Assuming that those issues can be addressed, the significant remaining issue from the bus industry side is the cost to the industry. As described above, while Greyhound is willing to provide a capital contribution to address facility modifications needed to accommodate their services, the firm is seeking to participate in intermodal facilities such as DUS as a tenant, paying their fair share of the associated operating and maintenance costs. Table 3-2 presents some information on the types of payment arrangements that Greyhound has in some comparable intermodal facilities across the country.

Table 3-2: Examples of Intermodal Arrangements

Bolt/Greyhound Location	Description	Type	License Fee ($/Mo)	Departure Fee/Bus	$/Pax fee	Comments
Union Station Washington DC	2nd level of covered parking deck	Covered	Yes	N/A	Y	Self-contained ticket office, kiosks, Greyhound managed vending & retail
Boston South Station	Boston InterCity Bus Terminal (upper level parking deck)	Covered	Yes	Yes	N/A	Interior dedicated space for ticketing, kiosks and retail GPX
Philadelphia (located near Drexel)	Curbside	Open Air	Yes	N/A	N/A	Boltbus tickets sold online
NYC	Curbside (34th St & 8th Ave)	Open Air	Yes	N/A	N/A	Boltbus tickets sold online
NYC Port Authority	Long Haul	Covered	Yes	Yes	N/A	Interior dedicated space for ticketing, kiosks, retail GPX and food service
NYC Port Authority	Short Haul	Covered	Yes	Yes	N/A	Interior dedicated space for ticketing, kiosks, retail GPX and food service
Chicago Union Station	Greyhound operates ticket counter adjacent to Amtrak ticket counter	Open Air	Yes	N/A	N/A	Interior dedicated space for ticketing

Currently RTD SkyRide AF services use Greyhound's DBC, and Greyhound's Amtrak Thruway services use RTD's DUS bus concourse, and the two agencies have treated the costs incurred by each party as a wash. As can be seen in the table above, there are a number of different ways in which Greyhound pays to operate out of an intermodal terminal—including a license fee plus some payment related to usage, either a fee per bus departure or per passenger. Greyhound has made clear that it is willing to pay its fair share of the costs involved in using a publicly-funded intermodal terminal, and these will have to be negotiated by RTD and Greyhound.

CONCLUSIONS

The major conclusion of this chapter is that consolidating the services that currently operate out of the DBC at the DUS is technically feasible in terms of the bus bay capacity of the station. The current RTD schedules can be accommodated along with the current intercity schedules as operated on average day in the peak month of July. There are two half hour periods in which the combination of RTD services, Bustang service and intercity bus services fully utilizes the available facilities on an average peak July day.

The peak intercity passenger accumulation is significant because Denver is a major transfer point. Although there are potentially 275 passengers changing buses in the early evening on a peak July day, this peak occurs as the RTD evening peak winds down. There is more seating available at DUS than at the DBC, and the long concourse design means that these passengers would be spread out over the length of the terminal. DUS capacities exceed the terminal size requirements developed by Greyhound for a hypothetical free-standing terminal if some functions can be accommodated elsewhere. Bus package express and driver operations may need to be located elsewhere. There are other issues that would need to be addressed, including the need for an intercity ticketing office (including ticketing kiosks and limited baggage check facilities), but it appears that there is food service available at DUS and nearby to meet that need.

These issues could be addressed in a negotiation process that would also address the financial arrangements. Greyhound has made capital contributions for specific intercity facilities at other intermodals, and expects to pay its share of terminal costs as it does at other locations. This chapter has focused on the potential for moving the DBC operations to DUS, while the next chapter addresses the potential for redeveloping the DBC site if an acceptable location is found for the intercity bus operations—and it also includes some options for redevelopment that could include the intercity bus terminal at that site.

Chapter 4 – Denver Bus Center Market Framework and Development/Disposition Strategy

INTRODUCTION

Economic & Planning Systems (EPS) was a sub consultant on the KFH team tasked with evaluating real estate development opportunities for the current Denver Bus Center (DBC) property. EPS prepared this chapter presenting this analysis.

Site Description and Project Background

The Greyhound DBC occupies a full city block (approximately 106,685 square feet or 2.45 acres) at 1055 19th Street in Downtown Denver, Colorado. The site is bounded by Curtis Street on the east, 20th Street on the north, Arapahoe Street on the west, and 19th Street on the south. The first level of the site is occupied by the 48,395 square foot Greyhound bus terminal, which includes a passenger concourse, ticketing windows, a snack bar, and a number of covered bus bays. The roof of the building is entirely dedicated to commercial parking that can be accessed on the Curtis Street and Arapahoe Street sides of the building. The assessed value of the property as of January, 2014 was $6,574,760, which includes both the value of the land and the improvements on the parcel.

The surrounding market area has undergone significant growth and redevelopment since the station first opened. Most notably, there has been a significant resurgence in the number of multifamily residential projects that are being development in the area immediately surrounding the station. As a result of the increased activity in the area surrounding the site and the overall economic growth in the Denver Metro area, Greyhound now has the opportunity to explore potential redevelopment or disposition strategies.

Based on the available bus service delivery options, the Project Team has identified three potential disposition strategies, as outlined below:

- **Option 1** – The first option is for the DBC to sell the entire parcel to a private or public developer and relocate the bus facilities to an alternative site. Potential relocation sites include DUS (as discussed in Chapter 3), the existing Greyhound maintenance property, which is located on two parcels at the intersection of 24th Street and Arapahoe Street and 25th Street and Curtis Street, or relocate the bus facilities to parcel that has yet to be identified.

- **Option 2** – The second option is for the DBC to consolidate operations to one half of the current site and sell the other half of the site to a private or public developer. Based on the capacity requirement analysis outlined in Chapter 2 of this report, the current bus facilities are significantly larger than what is required to meet the needs of the current daily passenger load. In addition,

residential projects currently being developed in the surrounding area require approximately one quarter to one half of a city block, which the site consolidation would accommodate.

- **Option 3** – The third option is for the DBC to partner with CDOT and other transit providers to build a bus terminal in a below grade parking structure on the site and sell the air rights to a developer for an office tower.

Market Conditions and Development Feasibility

In order to evaluate the feasibility of the redevelopment and disposition options outlined above, EPS conducted a planning level market assessment of development conditions and activity to determine the highest probable and best use for the site, including the following tasks:

- **Site Context** – A description of the site, surrounding land uses, existing zoning, surrounding neighborhood plans, and redevelopment plans.

- **Downtown Denver Market Conditions** – Current conditions and historical trends for office, hotel, and multifamily markets in a defined competitive market area.

- **Vacant Land Values** – Includes a summary of vacant and underutilized parcels in the surrounding area.

- **Comparable Projects** – A summary of recently developed projects in the surrounding area that represent the most likely use for the site.

- **Financial Analysis** – An estimate of the potential sale value of the property calculated through an analysis of the highest and best of the property and the resulting residual land value for the site.

SITE CONTEXT

This section provides a summary of the surrounding land uses, zoning, neighborhood plans, and urban redevelopment plans that are relevant to the Greyhound DBC.

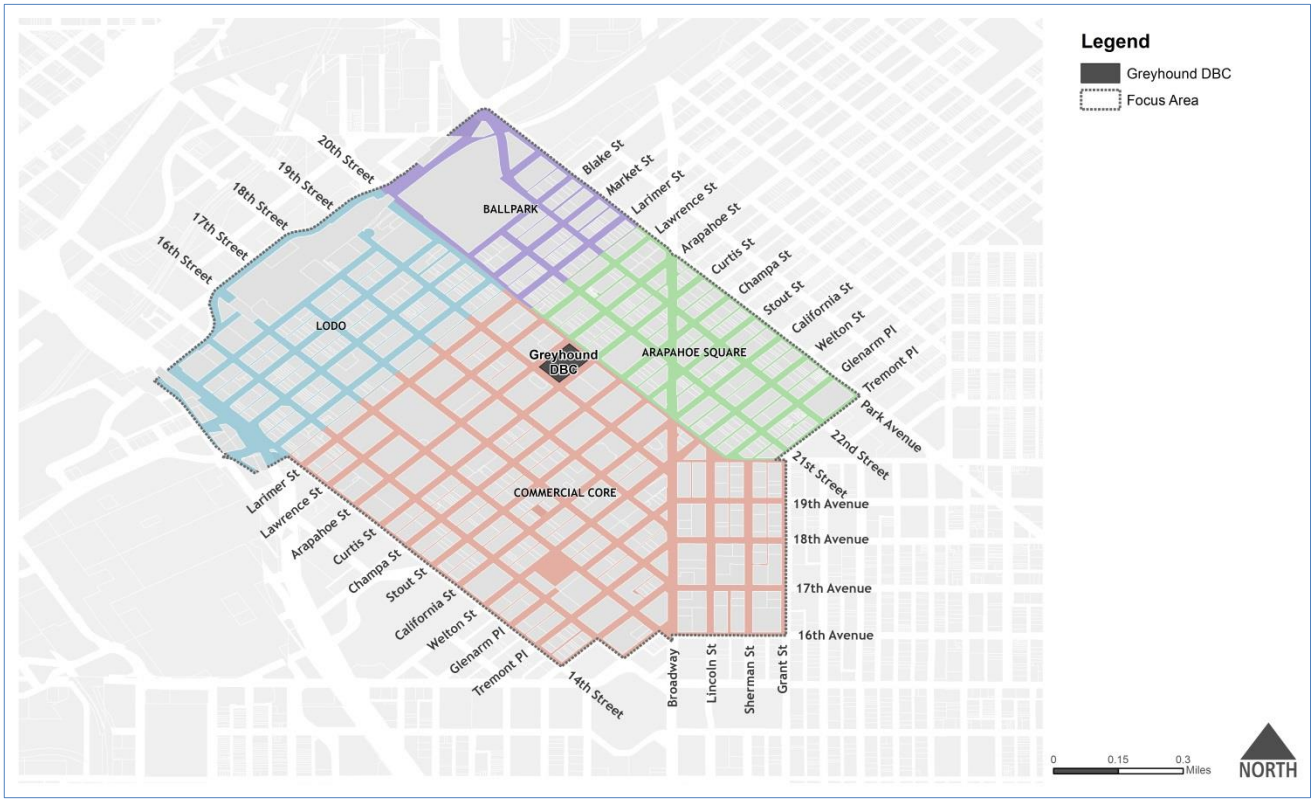
Market Area

The market area, within which the primary competitive projects are located, is defined as including the following downtown area neighborhoods and is shown on Figure 4-1.

- Commercial Core (CBD)
- Lower Downtown (LoDo)
- Ballpark
- Arapahoe Square

The DBC is located along the northeastern edge of Downtown Denver's Commercial Core and is immediately adjacent to the Arapahoe Square neighborhood.

Figure 4-1: Greyhound DBC Market Area



Adjacent Development

Existing land uses are inventoried for the 1-block radius immediately surrounding the DBC, shown in Figure 4-2 and summarized in Table 4-1. Significant developments include the two government owned parcels to the east of the DBC; Site 1 is the downtown U.S. Post Office and Site 2 is the 10-story, 325,000 square foot Alfred A. Arraj U.S. Courthouse built in 2002. To the west are two mid-sized residential buildings recently completed; Site 10 is the 120-unit Solera Apartments completed in 2010 and Site 13 is the 231 unit 2020 Lawrence Apartments completed in 2012. Two large high rise buildings lie south of the DBC; Site 3 is Denver Place, a full block mixed use development with a two-story retail mall topped by two office towers built in 1981, and Site 4 is also a full block project including the Ritz Carlton Hotel with upper story condos and the granite office tower built in 2013. Many of the smaller parcels are occupied by surface parking lots, including Site 7, Site 9, Site 22, Site 24, and Sites 14 through 19.

Figure 4-2: Greyhound DBC Immediate Area

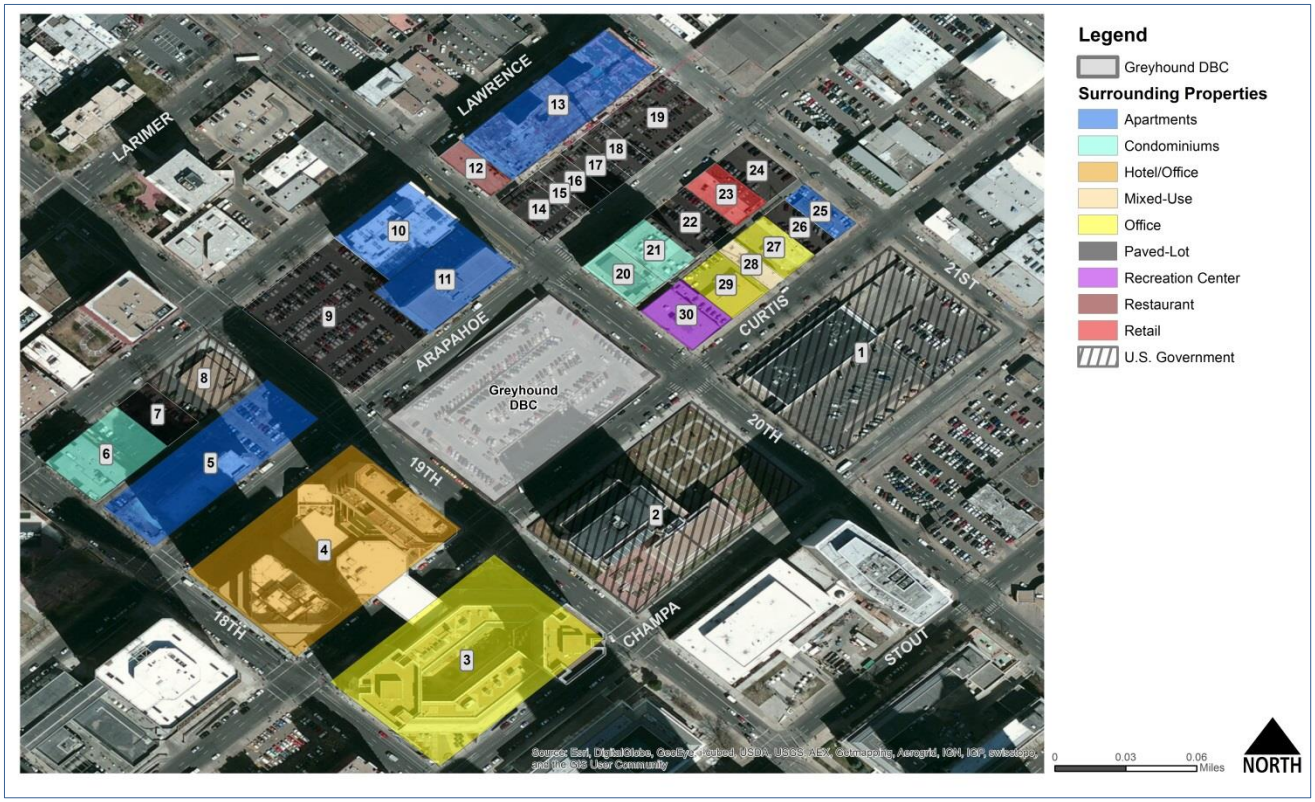


Table 4-1: Greyhound DBC Immediate Area

Map #	Name	Property Type	Additional Notes
1.	U.S. Post Office	U.S. Government	Primarily occupied by a paved lot
2.	U.S. District Court House	U.S. Government	Half of the lot is occupied by a public park
3.	Denver Place North and South	Office	23 and 34 stories, respectively; built in 1981 by Devco Property
4.	Ritz-Carlton and Granite Office Bldg.	Hotel/Condo/Office	31 and 38 stories, respectively; built in 1983 by Devco Property
5.	Skyline Apartments	Apartments	Monthly prices range from $1,500 for a 1-bed unit to $1,900 for a 2-bed unit
6.	IsBell Lofts	Condominiums	Prices range from $450,000 for a 2-bed unit to $1.1M for a penthouse unit
7.	Paved-Lot	Paved-Lot	Public Parking; $10 max.
8.	Fire Station	U.S. Government	Denver Fire Department
9.	Paved-Lot	Paved-Lot	Public Parking; $9 max.
10.	Solera Apartments	Apartments	Completed 2010; 120 units; Avg rent: $2.15 per sq. ft.
11.	Halcyon House Apts. (Aff.)	Apartments	197 assisted rental units (Section 8)
12.	Jagged Mountain Brewery and 20th Street Café	Restaurant	Brewery and café
13.	2020 Lawrence Apts.	Apartments	Completed 2012; 231 units; Avg rent: $2.19 per sq. ft.
14.	Paved-Lot	Paved-Lot	Alpha Park; $4 day rate, $5 night rate
15.	Paved-Lot	Paved-Lot	Alpha Park; $4 day rate, $5 night rate
16.	Paved-Lot	Paved-Lot	Alpha Park; $4 day rate, $5 night rate
17.	Paved-Lot	Paved-Lot	Alpha Park; $4 day rate, $5 night rate
18.	Paved-Lot	Paved-Lot	Alpha Park; $4 day rate, $5 night rate
19.	Paved-Lot	Paved-Lot	Alpha Park; $4 day rate, $5 night rate
20.	Sky Lofts	Condominiums	Completed 1983; 37 units; no units currently for sale
21.	Sky Lofts	Condominiums	Completed 1983; 37 units; no units currently for sale
22.	Paved-Lot	Paved-Lot	Central parking; $5 max
23.	Retail-Marijuana	Retail	Two marijuana retailers
24.	Paved-Lot	Paved-Lot	Alpha Park; $4 day rate, $5 night rate
25.	Curtis Street Lofts Apartments	Apartments	Completed 2014; 12 units; $1.78 per sq. ft.
26.	Paved-Lot	Paved-Lot	Private lot owned by Speedy Messenger
27.	Speedy Messenger	Office	Courier and Delivery Service
28.	Mixed-Use	Mixed-Use	Fusionbox, 2033 Curtis Flats (16 units, income restricted)
29.	Office	Office	LEI Companies
30.	Rec. Center	Recreation Center	20th Street Recreation Center

Source: CoStar; Denver Assessor's Office; Economic & Planning Systems

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Zoning

The Greyhound DBC is located in the Downtown Urban Center (D-C) zone district, as shown in Figure 4-3. In 2010, the City of Denver adopted a comprehensive form-based zoning code. The code's form based standards promote predictable development that looks to the physical form, rather than the separation of uses, as the organizing principle for the code. Additional detail regarding the specific zoning in the Downtown (D-C) neighborhood context can be found in the City of Denver's official Zoning Code in Article 8.

Figure 4-3: Focus Area Zoning

Northeast Downtown Neighborhoods Plan

The DBC property is covered by the Northeast Downtown Neighborhoods Plan, which was approved in 2011 and guides land, urban form, and general transportation vision for the subject area and includes four neighborhoods: Arapahoe Square, Curtis Park (including the Welton Corridor), Ballpark, and River North. The neighborhood plan establishes a long range vision and guiding principles for the development and future of the Northeast Downtown area. The elements of the neighborhood plan are intended to direct the neighborhoods located within the plan area towards a vision as a community where people live, work play, and celebrate the neighborhood's diverse heritage. The primary goal identified for the Arapahoe Square neighborhood is to simply catalyze development. The neighborhood plan identifies the following items as strategies that should be taken advantage of to achieve this goal:

- High & moderate intensity, transitioning to neighborhoods
- Adaptive reuse and historic preservation, where appropriate
- Economic and housing diversity
- Improve access to healthy transportation and healthy food
- Investment in parks and storm water management technology
- Redevelopment of surface parking lots

Arapahoe Square Urban Redevelopment Plan

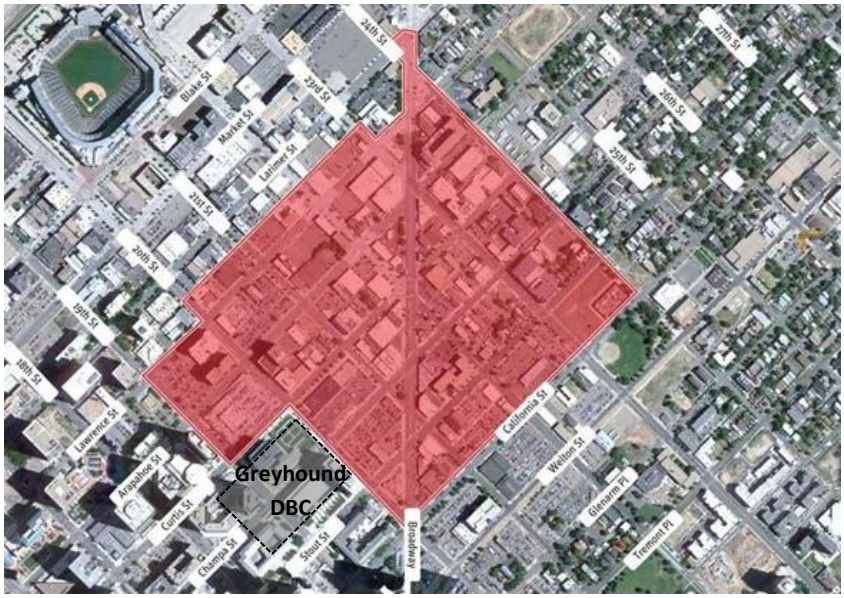
The Arapahoe Square Urban Redevelopment Plan (URP) is an urban renewal plan prepared by the Denver Renewal Authority (DURA) and approved by Denver City Council in June 2011. The Plan enables the use of tax increment financing (TIF) for improvements to the 26-block area, which includes the Greyhound DBC, as shown in Figure 4-4.

In addition to urban renewal, the plan seeks to accomplish the following in the URP:

- Eliminate blight
-
- Encourage high and moderate density development, where appropriate
- Encourage residential, retail and commercial development
- More effectively use underdeveloped land in the area
- Protect and enhance historical structures, promote building reuse where appropriate
- Encourage development patterns that reduce auto demand, encourage pedestrian activity, and provide for a more environmentally sustainable city

There are no specific projects proposed for TIF identified in the Plan. DURA will consider providing TIF to projects within the URA that are consistent with the Plan's goals and demonstrate a financial need. To date, there are no projects that have applied for TIF[5].

Figure 4-4: Arapahoe Square Urban Redevelopment Plan (URP) Area



[5] EPS interviewed DURA staff on April 13, 2015. During this interview DURA staff stated that there were no current plans to award specific projects located within the Arapahoe Square URP with TIF.

DOWNTOWN DENVER MARKET TRENDS AND CONDITIONS

This section provides a summary of the Downton Denver market trends and conditions for office, hotel, and multifamily projects in the defined DBC market area.

Office Market Trends and Conditions

Rentable building area, rental rates, and vacancy rates in the market area are shown in Table 4-2.

Table 4-2: Office Market Trends, Focus Area, 2006-2014

						2006-2014		
Description	**2006**	**2008**	**2010**	**2012**	**2014**	**Total**	**Ann. #**	**Ann. %**
Rentable Building Area (RBA)	26,770,125	27,268,930	28,071,239	28,071,239	28,440,271	1,670,146	208,768	0.8%
Average Vacancy Rate	13.9%	14.3%	13.6%	14.1%	11.4%	-2.5%	-0.3%	-2.4%
Average Rental Rate	$21.27	$27.66	$25.04	$27.83	$31.18	$10	$1.24	4.9%

[Note] Rates from Q4 of each year

Source: CoStar; Economic & Planning Systems

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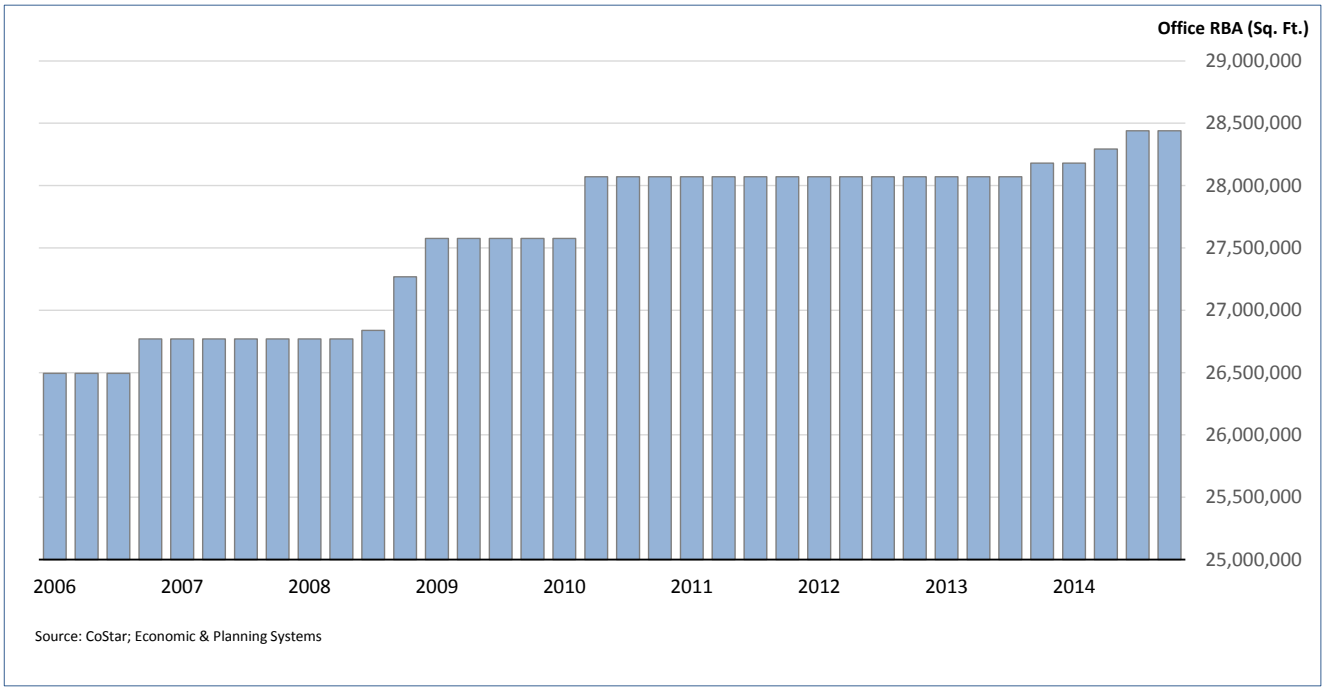
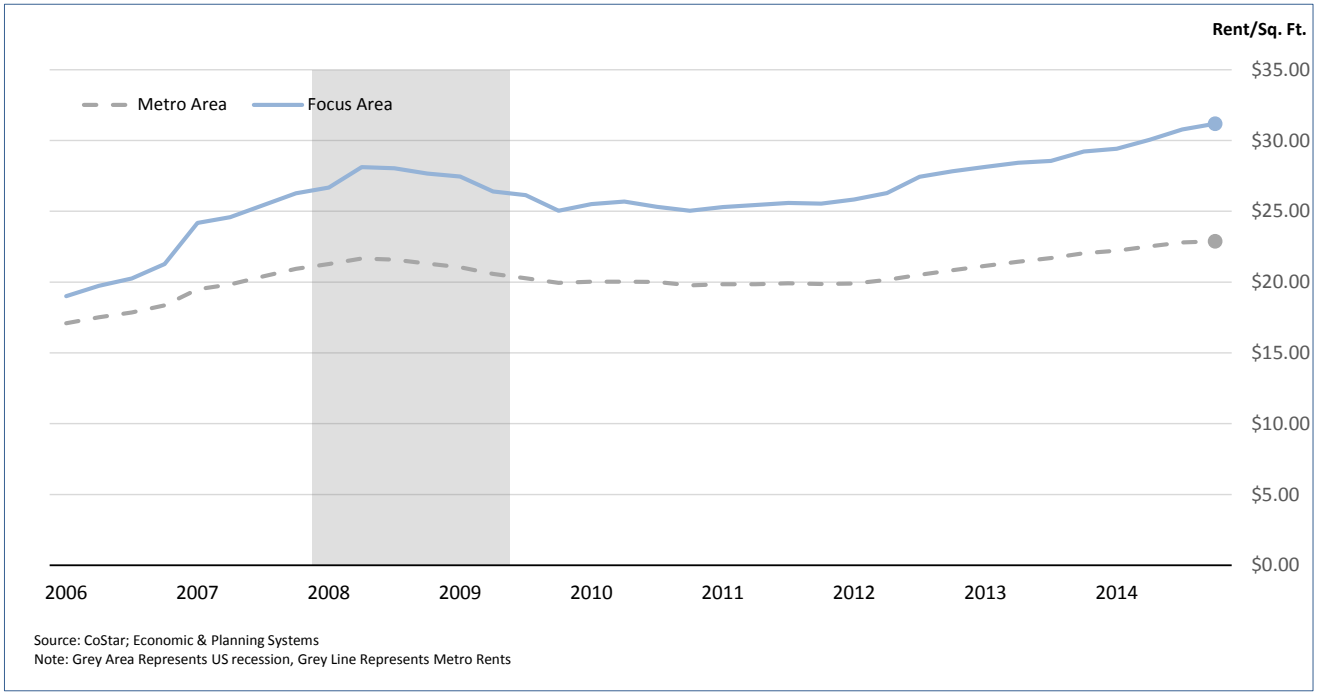
Total existing office space and the growth of space over the 2006 to 2014 time period is shown in Figure 4-5. As of 2014, there is a total of 28.4 million square feet of net rentable space. Over the last eight years, 1.67 million square feet have been added, which is approximately 209,000 square feet per year.

Figure 4-5: Office Rentable Building Area (Sq. Ft.), Focus Area, 2006-2014



Rental rates for office space currently average approximately $31.18 per square foot in the Focus Area, which represents a historic high for rental rates in the Downtown Denver area and an annual increase of approximately 4.9 percent per year since 2006, shown in Figure 4-6.

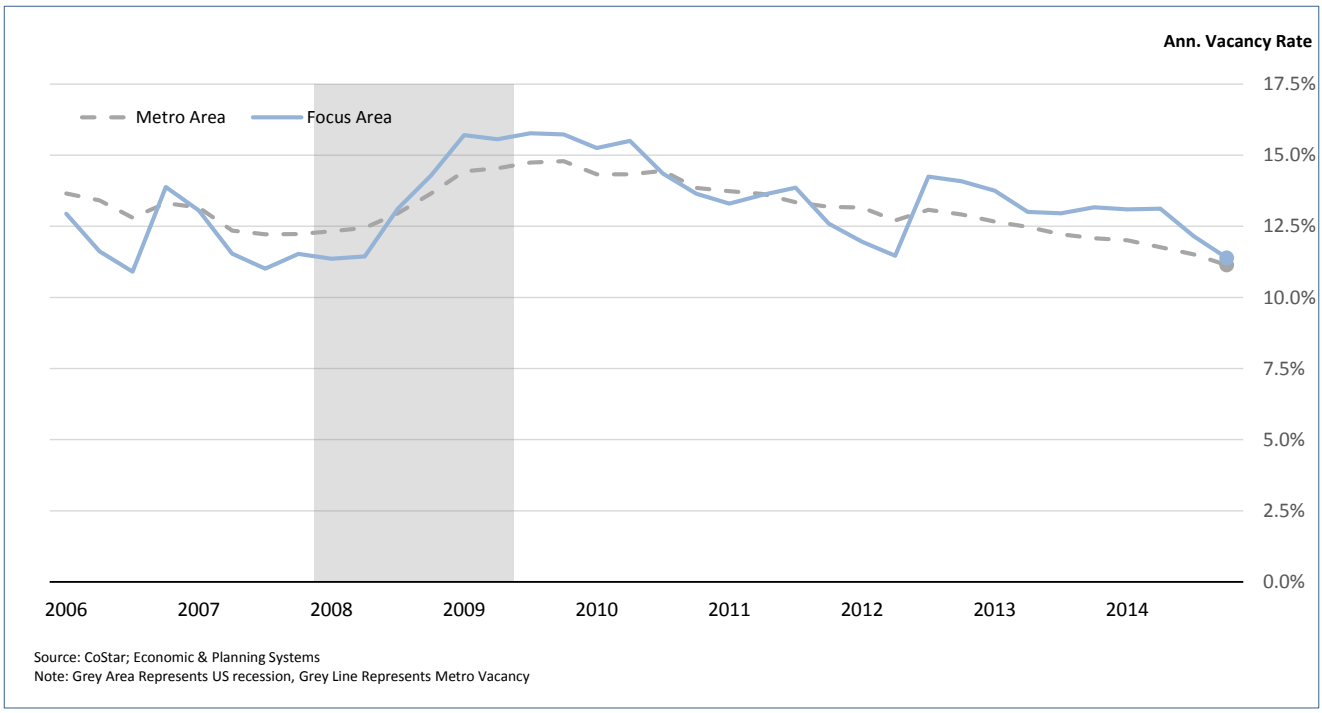
Figure 4-6: Office Rental Rates, Focus Area, 2006-2014



Source: CoStar; Economic & Planning Systems
Note: Grey Area Represents US recession, Grey Line Represents Metro Rents

Vacancy rates for office space in the Focus Area have decreased over the past 12 years. Currently, office vacancy rates are approximately 11.4 percent, which represents an annual decrease of approximately 2.4 percent per year between 2006 and 2014, shown in Figure 4-7.

Figure 4-7: Office Vacancy Rates, Focus Area, 2006-2014



Source: CoStar; Economic & Planning Systems
Note: Grey Area Represents US recession, Grey Line Represents Metro Vacancy

Current Development

There are currently four projects under construction and three projects that are proposed in the DBC Market Area, as shown in Figure 4-8. In addition, there are sixteen projects that have been completed since 2000 in the Market Area totaling over 1.2 million square feet of space, as shown in Table 4-3. The largest is 1144 15th Street, a forty-story tower with 640,000 square feet of space. When completed, it will be the fourth largest tower in downtown Denver and the largest building built since the mid-1980s. There is a second office tower under development just one block away at 1401 Lawrence that is twenty-two stories and 298,000 square feet.

The majority of new office development built over the last fifteen years is concentrated in Lower Downtown (LoDo). A significant amount of this development has been spurred by the redevelopment of Union Station and the increased level of activity and interest in the area that has resulted.

Figure 4-8: Office Projects Proposed and Under Construction, Focus Area, 2000-2015

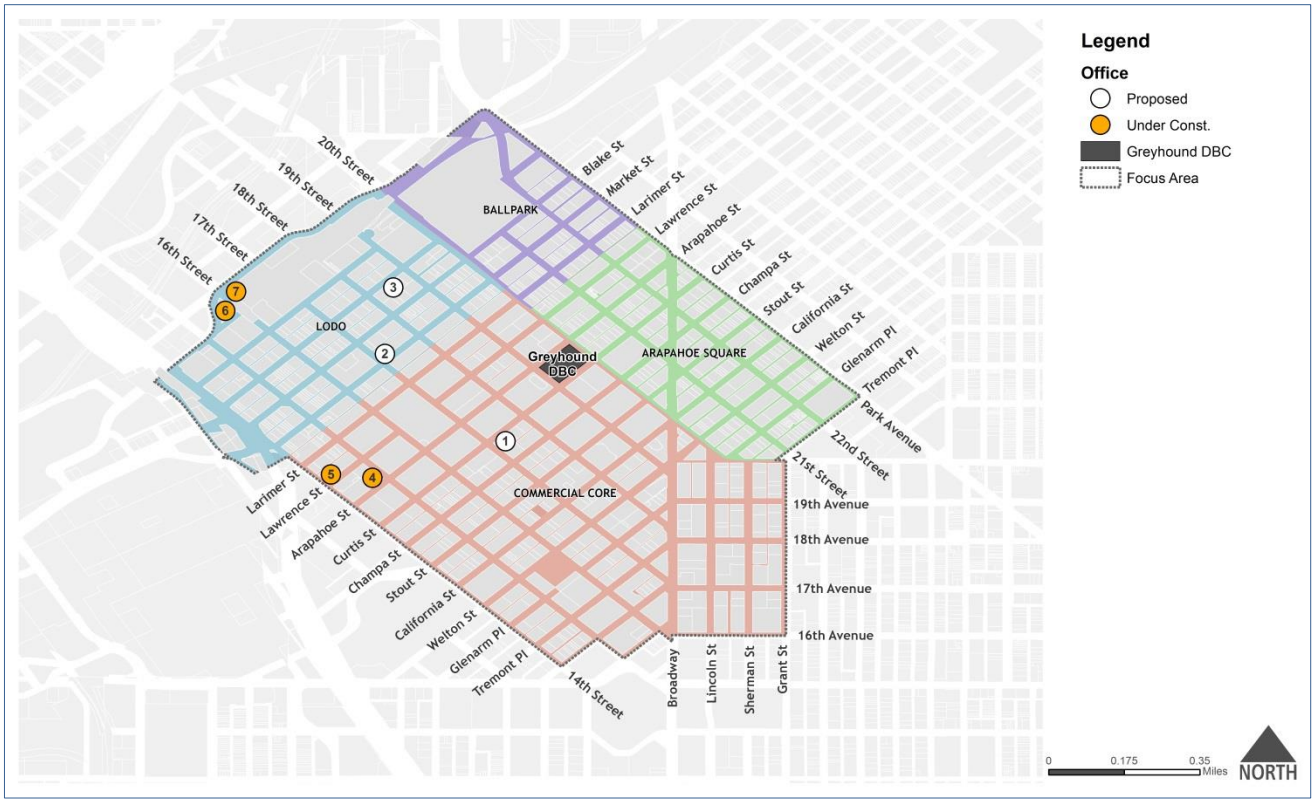


Table 4-3: Office Projects Proposed and Under Construction, Focus Area, 2000-2015

Address	Map #	Name	Market Area	Building Class	Year Built	Stories	Rentable Area (Sq. Ft.)	Average Lease Rate	Percent Leased
Proposed									
999 17th Street	1	999 17th Street	Commercial Core	A	Proposed	9	---	---	---
17th and Larimer	2	Two Tabor Tower	Commercial Core	A	Proposed	43	840,000	---	---
19th and Wazee St	3	Z Block Offices	Commercial Core	---	Proposed	6	200,000	---	---
Under Construction									
1144 15th St	4	1144 15th St	Commercial Core	A	Proposed	40	640,000	---	---
1401 Lawrence	5	1401 Lawrence	Commercial Core	A	Under Const.	22	298,000	---	---
1550 Wewatta St	6	The Triangle Building	LoDo	A	Under Const.	10	212,000	---	---
1881 16th St	7	16th and Wewatta	LoDo	A	Under Const.	5	53,000	---	---
Existing									
1650 Wewatta St	---	16M	Commercial Core	A	2014	10	115,000	---	---
1615 Wynkoop St	---	One Union Station	LoDo	A	2013	5	110,000	---	100.0%
1705 17th St	---	IMA Financial Plaze	LoDo	A	2013	5	109,078	---	87.8%
1800 Larimer St	---	1800 Larimer	Commercial Core	A	2010	22	495,518	$33	97.9%
1513-1530 Wynkoop St	---	1515 Wynkoop	LoDo	A	2009	8	306,791	$26	95.2%
1400 Wewatta St	---		LoDo	A	2008	9	210,185	$30	92.9%
1401 Wynkoop St	---		LoDo	A	2008	6	107,677	$31	99.0%
1555 Blake St	---	SugarCube	LoDo	A	2008	4	68,000	---	100.0%
1755 Blake St	---		LoDo	A	2008	5	112,943	$32	100.0%
1585 Wynkoop St	---	EPA Region 8 Headquarters	LoDo	A	2006	9	276,471	---	100.0%
1444 Blake St	---		LoDo	B	2005	2	6,400	---	100.0%
1750 15th St	---	Steele Bridge	LoDo	B	2002	4	16,154	$34	96.9%
1400-1490 16th St	---	16 Market Square	LoDo	A	2001	8	206,000	$37	97.1%
1550 17th St	---	Millennium Financial Center	LoDo	A	2000	6	133,500	$27	87.9%
1899 Wynkoop St	---	1899 Wynkoop	LoDo	A	2000	9	165,727	$25	100.0%
2109-2111 Larimer St	---	Reyes Bldg	Ballpark	B	2000	2	3,790	---	100.0%
					All Buildings (219)		**28,166,888**	**$25**	**89.0%**
					2000-2015 (16)		**2,443,234**	**$30**	**92.1%**

Source: CoStar; Economic & Planning Systems

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Hotel Market Conditions

There are currently four hotel projects or approximately 800 rooms that are under construction and an additional four hotel projects or 1,200 rooms proposed for development in the DBC Market Area, shown in Table 4-4 and Figure 4-9. The majority of recent hotel activity is concentrated in the area surrounding the newly redevelopment Union Station and adjacent to the Colorado Convention Center located at to the southwest of 14th Street between Champa Street and Welton Street.

There are an additional eight projects or 2,800 rooms that have been completed since 2000 that have been spurred, to a large degree by a large increase in convention activity and the Colorado Convention Center, which was expanded in 2002.

Figure 4-9: Hotel Projects Proposed and Under Construction, Focus Area, 2000-2015

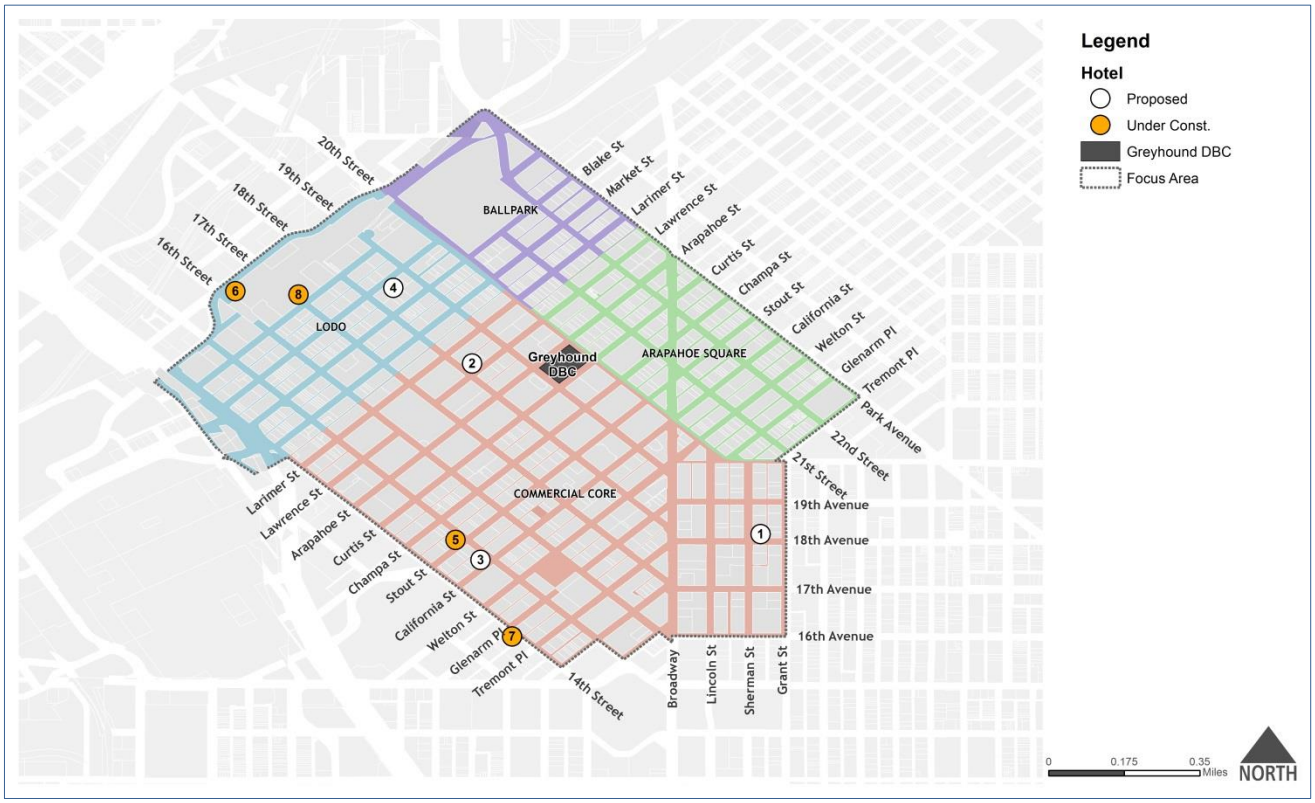

Table 4-4: Hotel Projects Proposed and Under Construction, Focus Area, 2000-2015

Address	Map #	Name	Market Area	Year Built	Rooms	Stories	Building Sq. Ft.
Proposed							
1800 Sherman	1	1800 Sherman	Commercial Core	Proposed	300	9-12	---
18th St and Lawrence	2	The Cable Building	Commercial Core	Proposed	229	15	---
15th and California	3	Le Meridien/AC Hotels	Commercial Core	Proposed	480	20	---
17th and Wazee St	4	Z Block Hotel	LoDo	Proposed	170	8	---
Subtotal					**1,179**		---
Under Construction							
790 15th St	5	Aloft	Commercial Core	Under Const.	140	6	---
1881 16th St	6	Kimpton Hotel	LoDo	Under Const.	200	12	---
14th St and Glenarm Pl	7	Hyatt House/Hyatt Place	Commercial Core	Under Const.	346	21	---
17th St and Wynkoop	8	Union Station Hotel/Crawford	LoDo	Under Const.	112	3	---
Subtotal					**798**		---
Existing							
918 17th St	---	Marriott Renaissance	Commercial Core	2014	230	8	---
550 15th St	---	Hampton Inn/Homewood Suites	Commercial Core	2013	302	13	368,000
1420 Stout St	---	Embassy Suites	Commercial Core	2010	403	20	209,420
1111 14th St	---	Four Seasons Hotel	Commercial Core	2008	239	45	766,487
1400 Welton St	---	Hilton Garden Inn	Commercial Core	2007	169	12	252,000
1725 Champa St	---	Marriott Residence Inn	Commercial Core	2006	228	14	378,756
650 15th St	---	Hyatt Regency Denver	Commercial Core	2004	1,100	28	1,250,000
1845 Sherman St	---	Hampton Inn & Suites Denver-Downtown	Commercial Core	2001	148	6	124,902
				All Buildings (22)	**7,681**		**7,964,393**
				2000-2015 (8)	**2,819**		**3,349,565**

Source: CoStar; Economic & Planning Systems

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Multifamily Trends and Conditions

Multifamily apartment inventory and absorption, rental rate, and vacancy rate trends in the Denver Metro area and the City and County of Denver are summarized in Table 4-5 below.

Table 4-5: Multifamily Market trends, City/County of Denver, 2000-2014

					2000-2014		
Description	**2000**	**2005**	**2010**	**2014**	**Total**	**Ann. #**	**Ann. %**
City/County of Denver							
Total Units	96,020	102,798	106,239	112,417	16,397	1,171	1.1%
Average Vacancy Rate	6.6%	10.5%	5.1%	4.0%	-2.6%	-0.2%	-3.5%
Average Rental Rate	$0.94	$1.03	$1.12	$1.51	$0.57	$0.04	3.4%
Denver Metro							
Total Units	254,024	279,213	289,389	305,708	51,684	3,692	1.3%
Average Vacancy Rate	6.2%	8.5%	6.1%	5.2%	-1.0%	-0.1%	-1.2%
Average Rental Rate	$0.97	$1.00	$1.07	$1.39	$0.42	$0.03	2.6%

[Note] Data from Q4 of each year

Source: Denver Metro Apartment Vacancy & Rent Survey; Economic & Planning Systems

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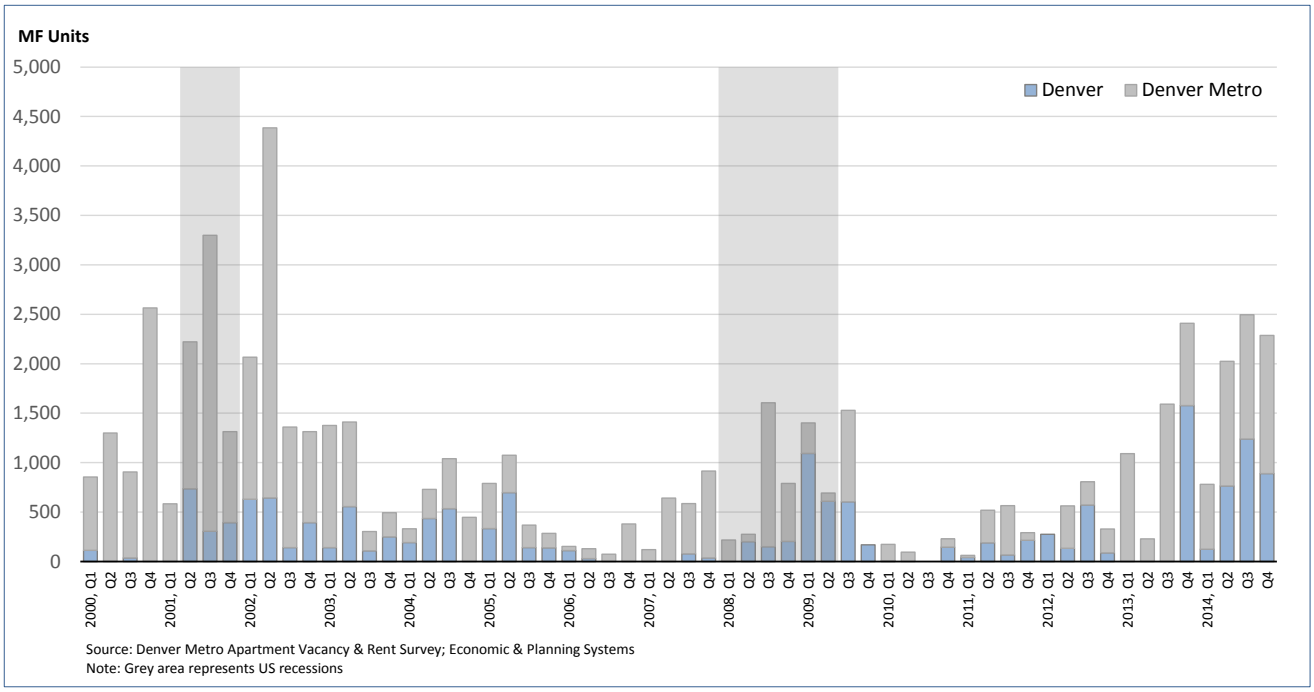
Multifamily Absorption

In the Denver Metro Area, absorption rates averaged nearly 3,700 units per year between 2000 and 2014, with more recent rates in the range of 4,100 units per year, shown in Figure 4-10. New construction has surged since the fourth quarter of 2013 with a total of 4,600 units built in the last five quarters, as shown in Figure 4-10. Developers and industry professionals have noted there is also a very large volume of units in the pipeline for the region, particularly Denver, noting that there are more than 10,000 units under construction and another 40,000 in the planning process that will likely be developed over the next four years. Among those citing these numbers, concern does not exist with regard to the market absorbing this new inventory, so long as employment continues to grow as it has in the recent past.

In the City and County of Denver, there was an average of 1,171 units built per year between 2000 and 2014. During this period the number of apartment units in Denver increased at a rate of 1.1 percent per year, while, the average growth rate in the Metro area was 1.3 percent per year during this same period.

Figure 4-10: Multifamily Quarterly Absorption, City/County of Denver, 2000-2014



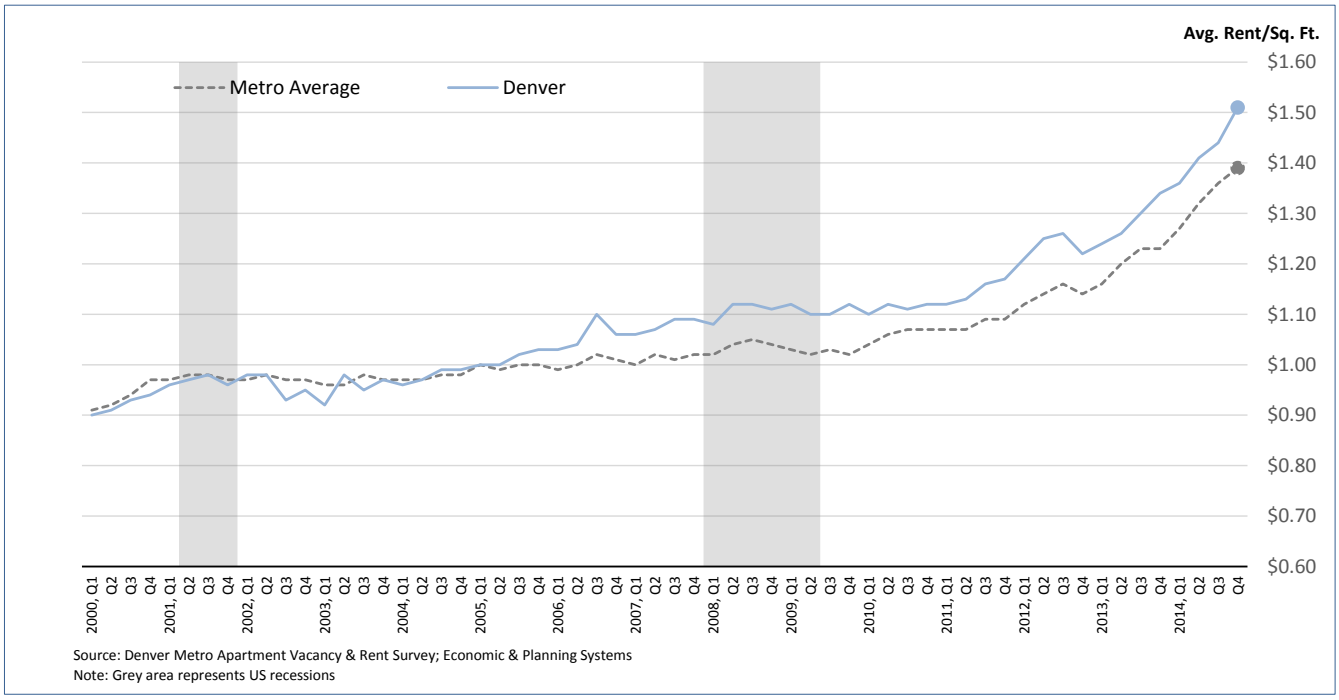
Multifamily Rental Rates

The Metro Area is currently exhibiting accelerated growth in rental rates. Over the 14 year period, rental rates among all (new and existing properties) have grown from $0.97 per square foot to $1.39 per square foot ($1,169 per unit), or 2.6 percent per year, shown in Figure 4-11. While rental rates grew by 1.0 percent per year between 2000 and 2010, rates have significantly increased to 6.8 percent per year since 2010. Increases in rental rates have been even more significant in the City and County of Denver. Between 2010 and 2014, rental rates increased by approximately 7.8 percent per year and over the entire 14 year analysis period increased by approximately 3.4 percent. As of the fourth quarter of 2014, rental rates in Denver were approximately $1.51 per square foot or an average of $1,183 per unit.

The Metro Area's recent experience with dramatically steeper rental rate increases reflects high market demand. Where supply is constrained, as it has been (and discussed in the following section on vacancy rates) and where demand remains constant or increases, property owners and developers typically raise rents. This point in a market cycle, while it cannot be sustained over a long period of time, usually triggers the construction of more inventory, which Denver is experiencing today. For developers and investors, higher rental rates mean a higher net operating income (NOI) and, compressed capitalization rates, as well as an attractive reversion or sales value.

Developers have described the Denver market as having reached a new level of development attractiveness, citing enhanced perceptions of the market for institutional investors (e.g. national pension funds). Not only are economic fundamentals seen to be compelling for investment, but a sufficient number of recent sales seem to have signaled that Denver has achieved the necessary benchmarks institutional investors look for when "placing" funds.

Figure 4-11: Multifamily Rental Rates, City/County of Denver, 2000-2014



Source: Denver Metro Apartment Vacancy & Rent Survey; Economic & Planning Systems
Note: Grey area represents US recessions

Vacancy Rates

While the apartment vacancy rate in the Metro Area has fluctuated between 5 and 10 percent over the past 14 years, it has dropped to 4.7 percent as of the fourth quarter of 2014, shown in Table 4-5 and Figure 4- 12. Following a peak in 2003, vacancy rates have steadily declined, reflecting growing market demand. In the City and County of Denver, vacancy rates are currently just below 5.0 percent, which is comparable to the Denver Metro market as a whole.

In combination with steeply increasing rents, vacancy rates serve as another gauge of market cycles. That is, a low vacancy rate usually signals demand for new product. Equilibrium, or a theoretical point at which the supply of apartment units is in balance with demand, is recognized as 5 percent. It is at this rate that turnover of occupants—households moving in and moving out—is accommodated. When vacancy rates fall below this mark, i.e. below the capacity needed to house all interested renter households, not only are higher rents triggered, but new construction typically follows.
When asked how the market can continue to generate additional demand for rental product and why more households do not seek ownership options, developers respond with a wide range of opinions. Some of the more frequently mentioned explanations include:

- The need for mobility, as the current set of residents will move to other cities (particularly on the coasts) to pursue other employment.

- The proximity to transit, jobs, and vibrant neighborhoods are features that justify premiums.

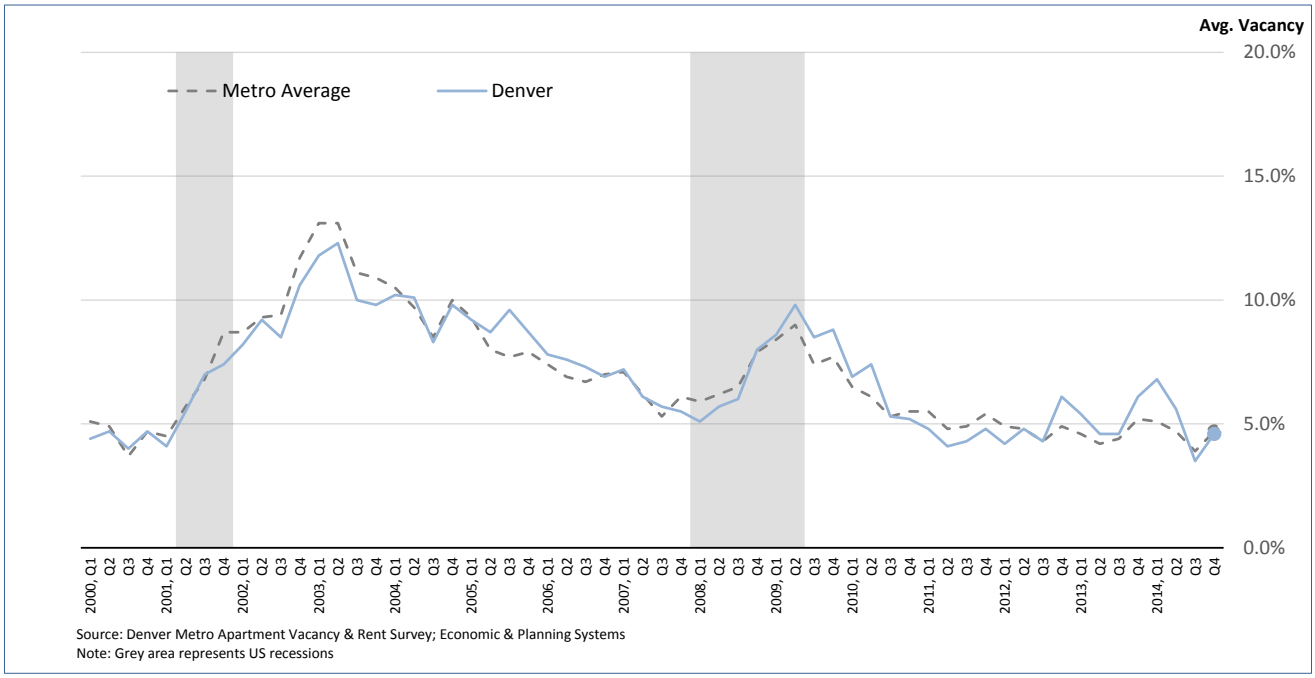
- Alternatively, there is very low interest in traditional locations for starter ownership housing (i.e., Frederick, and Firestone).

- Amenities at upscale apartment buildings are compelling.

- There is recognition that roommate households are a norm that works. The household income available to afford current rents is substantially higher when individuals double up. Property managers noted that studio units are very challenging to lease, while two-bedroom units lease the fastest.

- While somewhat tangential, developers report that the market will accept one space per unit for locations that are near downtown or have access to transit. Some are providing parking at 0.75 spaces per unit, but that has not been built or tested to date.

Figure 4-12: Multifamily Vacancy Rates, City/County of Denver, 2000-2014



Recent Development

There are three multifamily projects that are under construction and an additional two projects that are proposed for development in the Market Area, shown in Figure 4-13 and Table 4-6. The majority of recent multifamily development activity is focused around Union Station and Lower Downtown (LoDo). There are also a number of projects that have been completed in the Ball Park and Arapahoe Square neighborhoods (discussed in greater detail in the Multifamily Comparable Projects section of this chapter). These neighborhoods have the greatest potential for future multifamily development as there continues to be an availability of vacant and underutilized parcels located in these neighborhoods.

Average rental rates for more recently completed multifamily projects range from approximately $1.90 to $2.50 per square foot depending on the construction quality of the building, the level amenities provided for residents, and the location of the project. Average rental rates for market rate projects completed after 2000 are approximately $2.15 per square foot, shown in Table 4-6. While projects can range in size from 12 units (Curtis Street Lofts located at 21st Street and Curtiss) to 350 units (SkyHouse Denver located at Broadway and 18th Street), it is more common for recently completed projects to contain approximately 120 to 220 units.

Figure 4-13: Multifamily Projects Proposed and Under Construction Map, Focus Area, 2006-2014

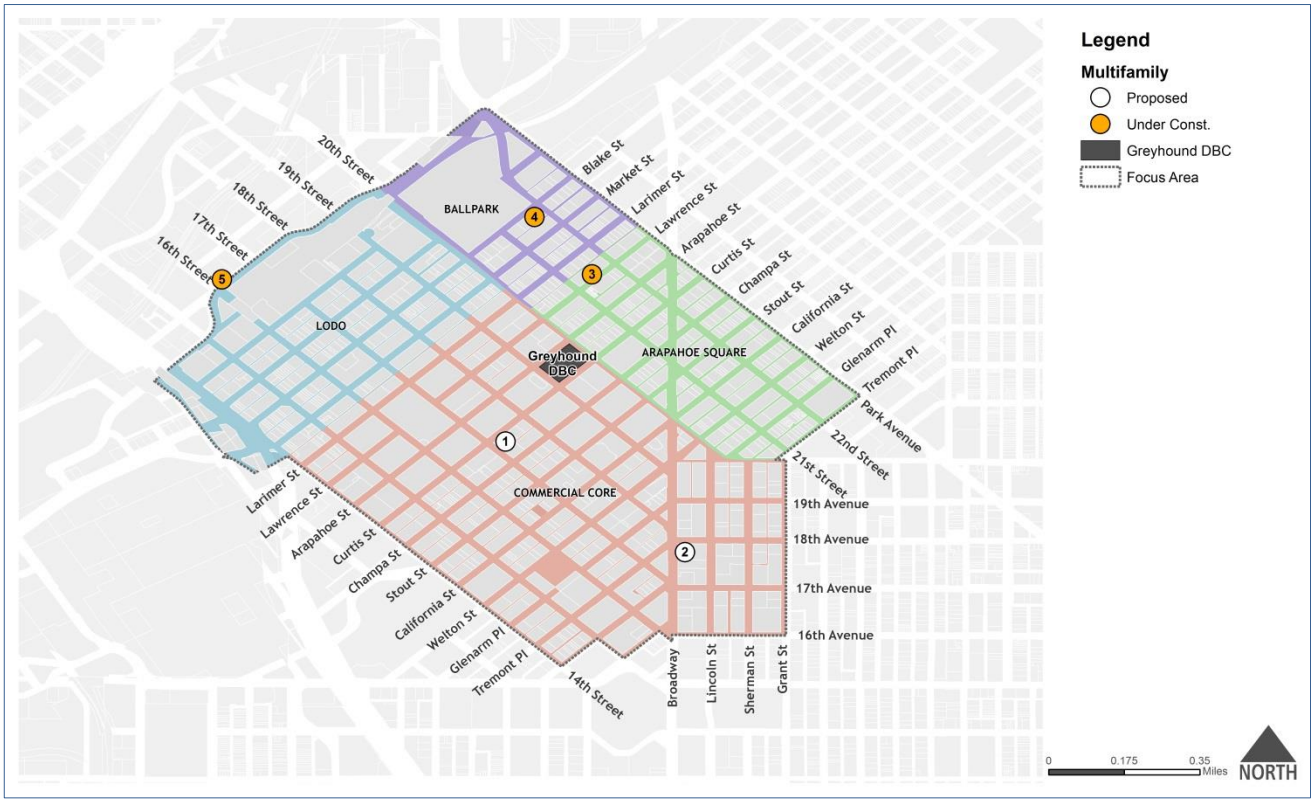


Table 4-6: Multifamily Projects Proposed and Under Construction Table, Focus Area, 2006-2014

Address	Map #	Name	Market Area	Year Built	Rent Type	Units	Avg. Rent per Sq. Ft.
Proposed							
999 17th St	1	999 17th	Commercial Core	Proposed	Market	250	N/A
1780 Broadway Blvd	2	SkyHouse Denver	Commercial Core	Proposed	Market	354	N/A
Subtotal						**604**	**N/A**
Under Construction							
2131 Lawrence St	3	Point 21 Urban Flats II	Arapahoe Square	Under Const.	Market	175	N/A
2120 Blake St	4	Broadstone Blake Street	Ballpark	Under Const.	Market	164	$2.48
1650 Wewatta St	5	The Platform at Union Station	LoDo	Under Const.	Market	288	N/A
Subtotal						**627**	**$2.48**
Existing							
2131 Lawrence St	---	Point 21 Urban Flats	Arapahoe Square	2015	Market	37	$2.26
1015 21st	---	Curtis Street Lofts	Arapahoe Square	2014	Market	12	$1.78
2180 Stout St	---	Renaissance Stout Street Lofts	Arapahoe Square	2014	Affordable	78	N/A
1350 16th St	---	16M Residences	LoDo	2014	Market	49	$2.97
2020 Lawrence St	---	2020 Lawrence	Arapahoe Square	2012	Market	231	$2.19
1956 Lawrence St	---	Solera	Commercial Core	2010	Market	120	$2.15
891 14th St	---	Spire	Commercial Core	2009	Market	496	N/A
2210 Blake St	---	Diamond Lofts	Ballpark	2008	Market	68	N/A
1600 Glenarm Pl	---	1600 Glenarm Place	Commercial Core	2006	Market	333	$2.42
298 E 20th Ave	---	Grant Street Lofts	Commercial Core	2006	Market	158	N/A
2001 Lincoln St	---	One Lincoln Park	Commercial Core	2006	Market	186	N/A
2200 Market St	---	Premier Lofts	Ballpark	2004	Market/Affordable	250	$1.96
1827 Grant St	---	Portofino Tower	Commercial Core	2003	Market	54	N/A
2135 Stout St	---	Renaissance off Broadway Lofts	Arapahoe Square	2001	Affordable	81	$0.99
				All Buildings (44)	**Units**	**5,805**	**$1.91**
					Market	**3,877**	**$2.27**
					Market/Affordable	**907**	**$1.94**
					Affordable	**1,021**	**$1.33**
				2000-2015 (14)	**Units**	**2,153**	**$2.15**
					Market	**1,744**	**$2.33**
					Market/Affordable	**250**	**$1.96**
					Affordable	**159**	**$0.99**

Source: CoStar; Economic & Planning Systems

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Vacant Land Sales

The Arapahoe Square and Ball Park neighborhoods have a large number of vacant and underutilized parcels, many of which have been converted to surface parking lots. These parcels have traditionally been challenging to develop due to the inflated land values that are driven by strong parking revenues and minimal operating costs. However, as development pressure—especially for new multifamily projects—has pushed into these neighborhoods it has become financial feasible for developers to acquire a number of these parcels and develop new commercial and residential projects.

There are approximately 13 land sales that occurred between 2011 and 2014 in the 3-block radius surrounding the site, shown in Figure 4-14. The majority of land sales are for parcels that are under one-third of an acre and currently being used for surface parking. There has also been one sale of a larger parcel (5 at 1.15 acres)) that is being developed as a multifamily project (Point 21 Urban Lofts). Average sales prices range from approximately $70 per square foot to $125 per square foot, with an average of approximately $95 per square foot, shown in Table 4-7.

Figure 4-14: Vacant Land Sale Map, 3-Block Area, 2011-2014

Table 4-7: Vacant Land Sale Table, focus area, 2006-2014

Map #	Address	Year	Market Area	Size (Acres)	Land Sale Price	Per Acre	Per Sq. Ft.
1.	2026-2030 Arapahoe St	2013	Arapahoe Square	0.29	$ 750,000	$ 2,586,207	$ 59
2.	2015 Arapahoe St Unit Misc	2013	Arapahoe Square	0.07	$ 331,250	$ 4,620,767	$ 106
3.	2015 Stout St	2013	Arapahoe Square	0.29	$ 852,000	$ 2,937,931	$ 67
4.	2131 Curtis St	2012	Arapahoe Square	0.14	$ 500,000	$ 3,571,429	$ 82
5.	2101-2151 Lawrence St	2012	Arapahoe Square	1.15	$ 5,078,100	$ 4,415,739	$ 101
6.	2091 Lawrence St	2012	Arapahoe Square	0.29	$ 1,250,000	$ 4,310,345	$ 99
7.	2150 Arapahoe St	2011	Arapahoe Square	0.14	$ 450,000	$ 3,214,286	$ 74
8.	2021-2035 Arapahoe St	2011	Arapahoe Square	0.29	$ 1,400,000	$ 4,827,586	$ 111
9.	2002-2014 Champa St	2010	Arapahoe Square	0.29	$ 1,500,000	$ 5,172,414	$ 119
10.	2020 Champa	2014	Arapahoe Square	0.14	$ 750,000	$ 5,357,143	$ 123
11.	2001 Arapahoe	2013	Arapahoe Square	0.22	$ 993,750	$ 4,517,045	$ 104
12.	2040 Champa	2010	Arapahoe Square	0.14	$ 600,000	$ 4,285,714	$ 98
13.	1030 22nd St	2011	Arapahoe Square	0.14	$ 450,000	$ 3,214,286	$ 74
	Average			**0.28**	**$ 1,146,546**	**$ 4,079,299**	**$ 94**

Source; CoStar; Denver County Assessor; Economic & Planning Systems

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DEVELOPMENT FEASIBILITY

Based on the surrounding Downtown market trends and conditions summarized in the previous section, EPS believes the most likely use for the property in the current market, should it be made available for sale, is as multifamily residential apartments. This section provides a more in-depth summary of the multifamily residential development feasibility and an estimate of land value for the Greyhound DBC. The vast majority of new developments in the north CBD and Arapahoe Square and Ball Park neighborhoods have been ¼ to ½ block apartment projects (some with first level retail space).

Comparable Projects

The following three comparable projects illustrate the type and value of higher density apartment projects supportable in the DBC market area.

Point 21

- **Developer:** Legacy Partners
- Construction Type: Stick Frame
- Stories: 6
- **Completed:** Summer 2015
- Units: 212
- **Rent:** $2.26/sq. ft. (37 units in Phase 1)
- **Site:** 1.07 acres

Point 21 is expected to be fully completed by the summer of 2015. The project includes a total of 212 residential units, which includes 37 units that were completed in a previous phase, is located on approximately 1.07 acres to the northwest of Lawrence Street between 21st Street and 22nd Street. Average rental rates for the project are approximately $2.26 per square foot (based on the rental rates for the 37 units completed in the previous phase).

Project amenities include a fully equipped fitness center, a swimming pool, additional storage space, and a multipurpose theater.

Figure 4-15: Point 21

2020 Lawrence

- Developer: Zocalo
- Construction Type: Concrete Frame
- Stories: 11
- **Completed:** Spring 2013
- Units: 231
- **Rent:** $2.19/sq. ft.
- **Site:** 1.02 acres

2020 Lawrence was completed in the spring of 2013 and includes 231 residential units. The project is located on one acre to the northeast of the intersection of 20th Street and Lawrence. Rental rates currently average approximately $2.19 per square foot.

The project offers a large number of sustainable design elements that include on site single-stream and composting services, energy efficient designs, and a fully equipped fitness center.

Figure 4-16: 2020 Lawrence

Solera

- Developer: Zocalo
- Construction Type: Concrete Frame
- Stories: 11
- **Completed:** Spring 2011
- Units: 120
- **Rent:** $2.15/sq. ft.
- **Site:** 0.28 acres
- **Sale Price:** $37M ($308,000/unit)

Solera was completed in the spring of 2011 and includes 120 units. The project is located on approximately 0.28 acres to the southeast of the intersection of 20th Street and Lawrence Street. Rental rates are approximately $2.15 per square foot which reflects the slightly older age of the building.

Amenities are similar to those offered by 2020 Lawrence and include an on-site gym, an entertainment center, and a large rooftop area.

The project was purchase in late 2011 for $37.0 million or approximately $308,000 per unit.

Figure 4-17: Solera

Comparable Project Land Sales

There is a range of approximately $115 to $163 per square foot for land purchased to develop multifamily projects in the area surrounding the DBC, shown in Table 4-8. Of the comparable projects, there are two that were developed on approximately 1-acre sites (approximately one-half the size of the DBC parcel): 2020 Lawrence and Point 21. Land prices for these projects range from approximately $134 per square foot (Point 21) to $163 per square foot (2020 Lawrence) and represent the most comparable land sales in the immediate area surrounding the Greyhound DBC.

Table 4-8: Comparable Project Land Sales

Description	Date	Acres	Sq. Ft.	Amount	Price per Acre	Price per Sq. Ft.
Solera	Feb-08	0.28	12,196	$1,400,000	$5,000,000	$115
2020 Lawrence	Mar-11	1.02	44,395	$7,221,000	$7,085,247	$163
Point 21	Dec-12	1.07	46,639	$6,249,900	$5,841,028	$134
Average		**0.79**	**34,410**	**$4,956,967**	**$5,975,425**	**$137**

Source: CoStar; Economic & Planning Systems

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Residual Land Value Analysis

Residual Land Value (RLV) analysis is a widely accepted valuation method that is used to estimate the value of a piece of land. The valuation relies on the following pieces of information to determine the appropriate price of land:

- Highest and best use for the property
- Estimated development cost
- Estimated sale revenue

For the purposes of this analysis, EPS has determined that the use that will maximize the revenue potential of the property is as a multifamily residential project. This assumption is supported by the level of multifamily development activity that has occurred in the surrounding area over the past five years and anticipated near term development trends. While there may be alternative uses that have the potential to impact the value of the project, these development scenarios require additional assumptions and are not likely to significantly change the estimated value of the property.

Development Program

The hypothetical development scenario presented in this analysis assumes that the DBC is sold to a developer or multiple developers in its entirety and developed as two separate multifamily projects each containing 230 units or a total of 460 units, shown in Table 4-9. The analysis assumes an average unit size of 900 square feet per unit and an efficiency factor of 85 percent for each building.

Table 4-9: Hypothetical Development Program

Description	Factor	Amount
Developable Area		
Sq. Ft.		106,685
Acres	43,560	2.45
Development Program		
Units		460
Rentable Building Area	900 SF/Unit	414,000
Total Building Area	85.0% Eff. Fact.	487,059

Source: Economic & Planning Systems

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Project Revenue

For the purposes of this analysis, EPS has estimated rental rates of $2.20 per square foot, shown in Table 4-10. This is in-line with nearby competitive projects and reflects the significant year over year increase in rental rates that the Arapahoe Square neighborhood has experienced over the past five years. While this estimate is in-line with nearby apartment projects, recent trends in rental rate growth indicates that this estimate is conservative and rental rates over the near term could range from $2.20 to $2.30 per square foot. In addition, the analysis assumes a 5.0 percent vacancy loss and operating and maintenance (O&M) expenditures of 30.0 percent of effective gross income (EGI). Applying these assumptions results in a net operating income (NOI) for the project of $15,800 per unit or $7.3 million for the two hypothetical projects (~$3.6 million for each project).

The value of the two projects or for the site as a whole is estimated at approximately $136.9 million (~$68.5 million for each project). This assumes a project capitalization rate of 5.2 percent, which is appropriate for Class A/B multifamily infill/urban projects in the Denver Metro region, and a cost of sale of 2.0 percent of the total estimated value, as shown in Table 4-10.

Table 4-10: Hypothetical Project Revenue

Description	Factor	Annual Revenue		
		Per Sq. Ft.	Per Unit	Total
Operating Revenue				
Base Rent	$2.20	$26	$23,760	$10,929,600
Less: Vacancy Loss	5.0%	-$1	-$1,188	-$546,480
Effective Gross Income		**$25**	**$22,572**	**$10,383,120**
Less: Operating and Maintenance	30.0%	-$8	-$6,772	-$3,114,936
Net Operating Income (NOI)		**$18**	**$15,800**	**$7,268,184**
Building Value				
Estimated Value	5.20% Cap.	$338	$303,854	$139,772,769
Less: Cost of Sale	2.0%	-$7	-$6,077	-$2,795,455
Estimate Sale Price		**$331**	**$297,777**	**$136,977,314**

Source: Economic & Planning Systems

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Project Costs and Residual Land Value

Total project costs for the two hypothetical multifamily projects are estimated at approximately $122.5 million (excluding land costs), shown in Table 4-11. This figure assumes the following construction cost assumptions:

- **Hard Construction Costs** – $145 per square foot or a total of approximately $70.6 million for the two multifamily projects or the site as a whole.
- **Soft Construction Costs** – 35.0 percent of hard costs or a total of approximately $24.8 million
- **Demolition and Remediation** – $15 per square foot or a total of approximately $723,000, which reflects a total building size of 48,395 square feet.
- **Parking Garage Costs** – $16,000 per space or a total of approximately $9.6 million.
- **Developer Profit** – 12.4 percent of total project cost or 16.0 percent of construction cost (excludes land cost). Total developer profit is estimated at approximately $16.9 million or $8.5 million per project.

In order to estimate the site's residual land value (RLV), the total development costs are subtracted from the estimated project sale price. Subtracting total development costs of $122.5 million from the anticipated project sale price of $136.9 million results in a RLV of $14.4 million for the site ($7.2 million per project) or $135 per square foot, shown in Table 4-11.

Although an estimated land value of $135 per square foot is at the lower end of the range of the land values for directly comparable projects ($134 - $163 per square foot), it includes additional costs associated with the demolition and remediation of the existing DBC building that were not a component of the overall development costs of comparable projects.

Table 4-11: Hypothetical Project Costs and Residual Land Value

Description	Factor	% of Total	Total Expenditures		
			Per Sq. Ft.	Per Unit	Total
Construction Costs					
Hard Costs (HC)	$145/Sq. Ft.	51.6%	$145	$153,529	$70,623,529
Soft Costs (SC)	35.0% of HC	18.0%	$51	$53,735	$24,718,235
Demolition and Remediation Cost	$15.00/Sq.Ft.	0.5%	$15	$1,578	$725,925
Parking Garage (598 spaces)	$16,000/Space	7.0%	$20	$20,800	$9,568,000
Subtotal		**77.1%**	**$230**	**$229,643**	**$105,635,690**
Developer Profit	16.0% of Bldg. Cost	12.3%	$37	$36,743	$16,901,710
Project Cost (Excluding Land)		**89.5%**	**$267**	**$266,386**	**$122,537,400**
Residual Land Value (RLV)		10.5%			**$14,439,914**
Per Lot Sq. Ft.					**$135**
Per Lot Acre					**$5,895,886**
Total Project Cost		100.0%	**$267**	**$266,386**	**$136,977,314**

Source: Economic & Planning Systems

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DEVELOPMENT AND DISPOSITION STRATEGIES

The above analysis provides some direction on the development and disposition options for the DBC property. However, no decisions can be made until Greyhound determines where and how future bus operations are to be provided.

From a real estate perspective, Greyhound is interested in transitioning from a terminal owner/operator to a tenant in a consolidated bus or intermodal facility owned by a public entity. If it is successful in consolidating its bus operations with other transit providers, the DBC property would become available for sale. The Denver market and the downtown area in particular, are currently in a hot real estate market. The DBC property is well located for downtown oriented development including multifamily residential or office uses with some ancillary retail space. Considering current development activity, the site would be expected to attract the most interest for apartments. Based on comparable developments and a RLV analysis, EPS conservatively estimates the supportable property at $14.4 million or $135 per square foot. This is a planning level estimate and would need to be verified by a property appraisal or more detailed market study.

If Greyhound determines that it is not possible to move its bus operations, there are two potential development options that would allow the company to achieve part of its real estate objectives. One option would be to consolidate its bus operations in a new facility on ½ of the existing DBC block. This would allow it to surplus the remaining half block and sell it for an estimated $7.2 million. Although a new bus terminal would take most or all of the potential sale proceeds, the company might be able to secure funding from other regional bus providers to share the terminal space most likely including CDOT for its new regional Bustang service between downtown Denver and Fort Collins, Colorado Springs, and Glenwood Springs.

One additional option for the DBC property was identified in the course of the study that is worthy of further study. CDOT is in the process of site selection for a future headquarters building. It has expressed interest in being located in downtown or at another transit served central location. This property would provide a potentially intriguing location, particularly if CDOT and Greyhound require a new downtown bus terminal facility to be built. A CDOT headquarters office building with a regional bus terminal in an underground parking facility could be a beneficial public partnership. The DBC property is adjacent to other governmental office properties and is served by the MetroRide connection between DUS and Civic Center Station. The site could therefore potentially be sold to CDOT with financial considerations for providing future bus terminal facilities to Greyhound.

Chapter 5 – Summary and Next Steps

STUDY SUMMARY

The study addresses the question of whether the Denver Bus Center (DBC) is appropriate for meeting the future needs of the intercity services not included in DUS, and what use of the DBC and its site makes sense both in terms of the public's need for high-quality transit facilities and connectivity, and in terms of the business needs of the firm. Greyhound has made it clear that it is interested in transitioning from a terminal owner/operator to a tenant in a consolidated bus or intermodal facility owned by a public entity. If it is successful in consolidating its bus operations with other transit providers, the DBC property would become available for sale.

This study looked at both the needs for the transportation functions of the DBC, current and future, and alternative options that include redevelopment of the site. There is considerable public and private interest in redevelopment of the DBC site as a critical initial element of the redevelopment of the Arapahoe Square area. But that redevelopment cannot take place until there is an acceptable location for the current intercity (and future commuter) bus services that use the DBC.

The review of the current services and facilities led to several conclusions:

- The existing DBC has capacity well in excess of current needs for the intercity carriers that use it, and their space needs could be met by a much smaller facility.
- Anticipated growth is not likely to require much (if any) additional capacity for intercity services, Bustang commuter services, or RTD.
- Other carriers have invested in their own off-street facilities, and they do not interline or connect with the national intercity network carriers served at the DBC.
- There is substantial capacity at DUS for additional bus services, particularly if they do not coincide with the peak RTD utilization.

Combined with the fact that a multi-year effort by Greyhound to find an alternative location has not produced an acceptable site, these conclusions led the study team to focus on the option of consolidating intercity bus services at DUS, as it would offer optimal connectivity with the regional transit network.

Detailed analysis of combined intercity, RTD and projected Bustang services at DUS led to the conclusion that consolidating the services that currently operate out of the DBC at the DUS is technically feasible in terms of the bus bay capacity of the station. The current RTD schedules can be accommodated along with the current intercity schedules as operated on average day in the peak month of July.

Another concern is that Denver is a major transfer point. Analysis of the average July passenger accumulation at DBC depicted the peak level of station utilization. Although there are potentially 275

passengers changing buses in the early evening on a peak July day, this peak occurs as the RTD evening peak winds down. DUS capacities exceed the terminal size requirements developed by Greyhound for a hypothetical free-standing terminal if some functions can be accommodated elsewhere. Bus package express and driver operations may need to be located elsewhere, primarily to allow for storage and customer access (including parking). There are other issues that would need to be addressed, including the need for an intercity ticketing office (including ticketing kiosks and limited baggage check facilities). It appears that there is food service available at DUS and nearby to meet that need (though optimally either vending machines or a kiosk in the bus concourse would better meet intercity passenger needs).

These issues could be addressed in a negotiation process that would also address the financial arrangements. Greyhound has made capital contributions for specific intercity facilities at other intermodals, and expects to pay its share of terminal costs as it does at other locations.

The Denver market and the downtown area in particular, are currently in a hot real estate market. The DBC property is well located for downtown oriented development including multifamily residential or office uses with some ancillary retail space. Considering current development activity, the site would be expected to attract the most interest for apartments. Based on comparable developments and a RLV analysis, EPS conservatively estimates the supportable property at $14.4 million or $135 per square foot. This is a planning level estimate and would need to be verified by a property appraisal or more detailed market study.

If Greyhound determines that it is not possible to move its bus operations, there are two potential development options that would allow the company to achieve part of its real estate objectives. One option would be to consolidate its bus operations in a new facility on half of the existing DBC block. This would allow it to surplus the remaining half block and sell it for an estimated $7.2 million. This would take most or all of the potential sale proceeds, but the company would continue in its current role as the property owner and manager. The City's primary interest is in the redevelopment of the property, and it is unlikely to provide funding for a new intercity bus station. A second speculative option would be a new intermodal station funded by CDOT, as such a facility could support its new regional Bustang services. However, the limited frequency of these services and their ability to use on-street pickups means that the most likely rationale for CDOT support would be to include a bus station as part its new headquarters building, building on the state goal of multimodal connectivity.

NEXT STEPS

Given the apparent technical feasibility of including the intercity and Bustang services in the DUS bus facility, the next steps involve refinement of Greyhound's requirements, development of its approach to resolving the potential issues, and preparation of a formal request to RTD for space in the DUS facility. That could serve as a basis for negotiation on the technical issues, and set the stage for early consideration of the financial issues.

In the meantime Greyhound should also continue its long-term search for other alternatives, in case the DUS options are ultimately not feasible. It may be that other options emerge.

Greyhound, CDOT, the City and County of Denver, the Denver Urban Renewal Authority, and the Downtown Denver Partnership should continue an ongoing process to jointly address the need for a bus facility that meets transportation needs, and the goals for redevelopment of that quadrant of downtown. If the public desire for redevelopment combines with market forces, it may be that these entities working together can also find a way to meet the public policy goals for the transportation system.

Appendix A: Advisory Committee

Technical and Advisory Committee Members

Name	Title	Organization	Email
Technical Committee			
Mike Timlin	Bus Operations Manager	Colorado Department of Transportation	michael.timlin@state.co.us
Randy Isaacs	Principal	Issacs & Associates representing Greyhound Lines	randy@isaacs-assoc.com
Rey Nunez	Senior Director, Real Estate	Greyhound Lines	Rey.Nunez@greyhound.com
Randal Levingston	Regional Real Estate Manager	Greyhound Lines	Randal.Levingston@greyhound.com
Fred Fravel	Vice President	KFH Group, Inc.	ffravel@kfhgroup.com
Daniel Guimond	Principal	Economic and Planning Systems, Inc.	dguimond@epsdenver.com
Suzanne O'Neill	Principal	TransitPlus	suzanne.oneill@transitplus.biz
Bruce Abel	Asst. General Manager - Operations	Regional Transportation District	bruce.abel@rtd-denver.com
Douglas Monroe	Service Planner/Scheduler	Regional Transportation District	
Advisory Committee			
Jeff Sanders	Transit Specialist	Colorado Department of Transportation	jeffrey.sanders@state.co.us
Tracy Huggins	Executive Director	Denver Urban Renewal Authority (DURA)	thuggins@renewdenver.org
Jeff Romine	Chief Economist	Denver Office of Economic Development	jeff.romine@dnvergov.org
Turid Nagel-Casebolt		Denver Office of Economic Development	turid.nagel-casebolt@denvergov.org
Crissy Faganello	Director of Planning, Policy, & Sustainability	Denver Public Works/Planning, Policy, Sustainability	crissy.fanganello@denvergov.org
Caryn Champine	Director Planning Services	Denver Community Planning and Development	caryn.champine@denvergov.org
Ryan Billings	Associate City Planner	Denver--Public Works. Policy and Planning	
Steven Chester	Senior City Planner	Denver Community Planning and Development	Steven.Chester@ denvergov.org
Courtland Hyser	Senior City Planner	Denver Community Planning and Development	
John Desmond	Director of Downtown Management	Downtown Denver Partnership (DDP)	jdesmond@downtowndenver.com
Brian Phetteplace	Senior Manager of Economic Development	Downtown Denver Partnership (DDP)	Bphetteplace@downtowndenver.com
Anika Patel	Transportation Outreach Coordinator	Downtown Denver Partnership (DDP)	Apatel@downtowndenver.com

Appendix B: Meeting Notes

Draft Meeting Notes: Denver Bus Center Study

January 8, 2015, 9:00 AM
CDOT-4201 East Arkansas Ave, Room 159

PARTICIPANTS

The participants at the meeting were: Rey Nunez (Greyhound), Randal Levingston (Greyhound), Bruce Abel (RTD), Doug Monroe (RTD), Ryan Billings (CCD-PW), Randy Isaacs (Isaacs & Associates), Aneka Patel (Downtown Denver Partnership), Brian Phetteplace (Downtown Denver Partnership), Courtland Hyser (City of Denver CPD, Jeff Sanders (CDOT), Fred Fravel (KFH), Dan Guimond (EPS), and Suzanne O'Neill (TransitPlus). Michael Timlin from CDOT attended briefly to introduce the project.

PURPOSE AND STUDY OVERVIEW

The purpose of the meeting was to introduce the project, get all stakeholders around the table, and to identify and bring out the key issues.

Fred Fravel presented a PowerPoint (copy attached) that provided an historical perspective and an overview of the project and the issues that will be examined. Key points include:

- The facility is significantly oversized for present needs. There are 19 bays (compared to Denver Union Station's 22) and approximately 6 bays are used at present; the ancillary spaces are similarly oversized.
    - The project will identify the space requirements for existing bus services and the various functions that take place (ticket sales, package express, baggage handling, passenger waiting area, restrooms).
- The project will assess potential future needs. What terminal space is likely to be needed to meet the provision of expanded inter-regional services (Bustang and other inter-regional services)?
- What if any of these needs can be served through Denver Union Station (DUS)?
- Is there a public policy interest in maintaining a facility outside of DUS but in the downtown area?

DISCUSSION

Greyhound representatives emphasized that the company is a willing partner in redeveloping the current site. Greyhound emphasized that another suitable location needs to be found for the bus activities that occur at the site, but they will be flexible and creative in figuring out how to meet the intercity bus needs. Greyhound would be interested in selling the property if the bus passenger needs are adequately addressed, however the proceeds of a property sale would not be available to re-invest in a facility, as the firm desires to become a lessee, paying for the services they need in Denver on an ongoing basis.

Courtland Hyser of the City of Denver noted that the Denver Bus Center (DBC) is a key feature that creates significant re-development opportunities in that part of downtown. The DBC and the Post Office are the two full blocks under single ownership. The location of the DBC is such that it would serve as a link to redevelopment in Arapahoe Square.

He also asked whether or not the intercity bus passenger needs had to be met in the downtown core area. This led to considerable discussion regarding the nature of the passenger needs for a regional bus facility. The draft estimate from the consultant team (400 passengers daily) is considered low. Also, the needs of intercity bus passengers vary greatly depending on whether they are originating, terminating, or transferring. Transferring passengers generally need more space, more seating, food service, etc. Greyhound will research the passenger volumes to identify a more accurate estimate. It was agreed that a key will be to understand the number of passengers originating in Denver, destined for Denver, and those transferring to other intercity buses. Among those arriving in Denver, it will also be important to learn about how many are transferring to an RTD service, and if that is a transfer to an airport connection (currently made at the DBC to RTD Skyride AF services). The different needs of originating or terminating passengers, the related space requirements, and the need for intermodal connections are all factors in evaluating the technical possibilities of any additional intercity bus usage of DUS.

With regard to the potential business aspect of new intercity bus facilities, Greyhound noted that they have numerous partnerships with public transportation authorities, Amtrak, state DOTs, and others to provide terminal arrangements. Arrangements were described in Washington DC (at Union Station, on the bus deck of the parking structure over the tracks), Seattle (new smaller facility built next to a light rail station on Washington DOT land located at the south end of downtown under a freeway), and one in which they shrunk the footprint of the operation and co-located in a parking garage. The cost to Greyhound may be on a per passenger basis or for lease of a bus bay, but must make economic sense for the business. In some cases, Greyhound has made a relatively small investment in leasehold improvements (under $1 million).

Another factor to be considered is the future of the Bustang service, and its needs for terminal facilities. Service is due to start this spring with 13 buses on three routes. There is no existing projection of service growth, though it was noted that the commute flows that it serves would likely support a much higher level of service. The question of whether or not commuter bus services require terminals or can utilize street stops is also open at the moment—the current Bustang service will terminate and originate trips at the DBC, but these are anticipated to be brief stops rather than layovers.

RTD was asked about the types of business arrangements they have made with other providers. Bruce Able responded that they have been varied, but generally the needs are small enough that an in-kind exchange has been negotiated on an individual basis.

Greyhound was asked about the importance of having both a terminal and a maintenance facility (the Greyhound maintenance facility is about 5 blocks away in the Curtis Park area), and the possibilities of co-locating them. Rey Nunez noted that because Denver is at a considerable distance from other cities, performing routine maintenance on the vehicles is necessary. Ideally both are in the same location but as long as the vehicles can be serviced nearby (so the facility can be accessed with minimal time and miles), Greyhound can be flexible and in some cities they purchase these services from others. Doug noted that RTD's nearby facility is at capacity.

NEXT STEPS

An important outcome of the discussion is determining any adjustments to the scope that are needed to assure that stakeholders have the necessary information to move forward.

- The consultant team will include an assessment of passengers by type (terminal-based versus stop-based) in their work. Greyhound will pull out some surveys that were done previously and provide this information to the team. In addition, the study team will work with Greyhound to turn this passenger information into estimates of facility needs, including sizing.

- The consultant team will follow-up with the City of Denver and Downtown Denver Partnership to access some of the resources discussed today, to better understand issues and objectives around redevelopment, and clarify enforcement issues regarding sidewalk-based loading.

- The consultant team will follow-up with RTD staff on projected future needs for their service beyond DUS bus box capacity as well as on the impacts of inter-regional (Bustang and other potential future services) services coming into Denver.

Draft Meeting Notes, Second Meeting: Denver Bus Center Study

March 12, 2015, 9:00 AM
CDOT-4201 East Arkansas Ave, Room 159

PARTICIPANTS

The participants at the meeting were: Rey Nunez (Greyhound), Randal Levingston (Greyhound), Mike Timlin (CDOT), Steven Chester (CCD-CPD), Turid Nagel-Casebolt (CCD-OED), Doug Monroe (RTD), Ryan Billings (CCD-PW), Randy Isaacs (Isaacs & Associates), Brian Phetteplace (Downtown Denver Partnership), Fred Fravel (KFH), Dan Guimond (EPS), and Suzanne O'Neill (TransitPlus).

PURPOSE AND STUDY OVERVIEW

The purpose of the meeting was to review progress to date on study elements. These included new information on the numbers of passengers waiting in or using a Denver intercity bus terminal (at peak times, by time of day), the number of bus bays required for intercity and regional services, intercity bus terminal space requirements, the fit between intercity/regional and RTD schedules if potentially co-located in DUS, projected future growth of Bustang, and the development context for consideration of the future of the DBC.

DISCUSSION

After introductions, Fred Fravel reviewed the study elements, process to date, and findings.

A key question is whether there is a way to fit ICB and regional bus operations into DUS. This needs to be addressed from two perspectives: The first is whether the buses and people would fit from a technical standpoint – is there enough room? The second is, "Would work in an organizational and financial sense?"

To the first question, the team looked at July 2014, the peak month in Colorado. There are localized holiday peaks, but July provides a good view. The data showed the passengers peaked between 5 PM and 6:30 PM with about 275 passengers in the terminal. There is a secondary evening peak between 11 PM and 12:30 AM. The morning peak has a smaller number of passengers (150 people) but is spread over a bit longer time span.

The team looked at the number of buses by time of day for ICB, RTD, and Bustang. It would be tight to fit all buses into DUS in the evening peak, but appears manageable. A question is whether the peaks could be leveled out. Randy Isaacs indicated that Greyhound, as they rebuild their fleet, will be

relying less on extra sections. Instead they will deploy the vehicles in regular schedules so this will moderate some of the peaks. He also indicated the scheduling department review of their schedules showed some latitude to adjust schedules, perhaps moving some trips 1 to 1.5 hours off the present schedules.

For a new stand-alone facility in Denver, Greyhound estimates that it require a facility of about 11,000 square feet on a site that would be about 44,000 square feet. There may be possibilities for reducing overall space requirements by moving some administrative office space, some maintenance functions, and possibly others to the garage. If Greyhound were to co-locate in an intermodal facility, the terminal space requirements would be much less. A key issue is food service, as Denver is a transfer station with significant numbers of travelers who will be looking for food service between buses. There are no food options at all in the DUS bus terminal, and this is prohibited by current lease restrictions. There are many food options between 1-2 blocks, but it may not be realistic to expect transferring passengers to leave the terminal to find food. Steven asked about the time allowed for a change of buses. The answer is 1.5 hours is usually scheduled, but if buses are late that time can shrink.

Connectivity to RTD is important, as evidenced by older market research showing 15.2% of transfers accessing ICB by RTD. Where there is a predominance of rail and bus, Randy Isaacs noted that the access mode can be as much as 30-35% when the ICB system is well connected to the public transit network.

Suzanne described Bustang demand, based on travel projections for twenty years out (2035). Using a 2% mode share, 24 peak hour buses would be needed to carry the anticipated ridership. This equates to eight buses per peak hour from both North I-25 and South I-25 and would require one bay for each direction. Some additional trips may come in from Highway 85, but it is not anticipated to have as high a level of service. The question of whether all buses need to use DUS remains.

Fred asked about the City of Denver's position regarding regional bus services in terms of keeping the buses off street (and distributing passengers via the 16th Street Shuttle and Metro Ride) versus having regional buses such as Bustang pick-up and drop-off on the street.

Steven Chester and Ryan Billings spoke to this. The major thought process is to bring regional passengers into the two terminals. City is doing DMAP 2, looking at capacity of street system; DMAP-2 will also look at local and regional capacity for buses. Where facilities don't exist, it can be madness downtown. Randy Isaacs provided the example of Atlanta with four providers. He noted that making these connections is essential for future, with a need to balance the reality of the infrastructure and passenger destinations.

Dan reviewed the location of Greyhound in relationship to the downtown focus area. He identified the level of development for office, hotel, and multi-family residential. Options for the current site remain moving all bus operations out and redeveloping with new construction, redevelop while retaining ¼ to ½ for bus operations, and adding more parking on top.

Brian Phetteplace noted that for Arapahoe Square, the Greyhound parcel is pivotal. It is catty-corner to the Post Office, another under-utilized site. Could it be an opening to Arapahoe Square? Could a land lease be used to keep Greyhound on the site? Is there a way to combine Post Office and Greyhound functions? In Arapahoe Square, some landowners have overpaid for lots making it more difficult to put together parcels for a larger project—making the Greyhound and Post Office sites more

likely sites for a larger project, as they are full blocks. There are urban renewal and Tax Increment Financing options (The NE Downtown Plan lays this out in Arapahoe Square area.) Additional research would be needed on the potential for redevelopment.

Steve noted that Denver is looking at doing a "festival" street on 21st Street. It dead ends into the ballpark.

Questions included: What information should we think about bringing to discussion? What options would Greyhound be open to? What are precedents in other markets? Selling off site is easiest, but identifying the options would be useful. Clarification would be needed on the availability of TIF. An Urban Renewal Area can go to TIF, but would DURA be willing to do this for just two blocks?

Fred corralled the discussion and noted we are going two directions:

1. Given space needs, develop options for splitting functions, identifying what might be located off-site;
2. Recognizing the connectivity between ICB and RTD networks, explore the terminal functions for transferring passengers.

Randy noted that this project has a finite life and funding, and that the intent is to get the right folks at the table to have the conversation. It is not intended to be a site location study, but the beginning of a process that might result in identification of a new site that enables redevelopment while accomodating transportation needs. Perhaps it could leverage ongoing discussions, and document that it is in urban renewal area and has potential for TIF. More information is needed on the development possibilities for the DBC, given more information on the immediate neighborhood. It was noted that the boundaries of the urban renewal area are defined but they have not turned the clock on in terms of actionable projects.

Dan asked if there are any zoning limitations regarding a terminal in Arapahoe Square. Steven said rezoning is in process and transit facilities are outlined in current zoning. It is not likely to be a prohibited use. Rey Nunoz asked, "Are there any strategies to promote other uses?" It was noted that it is useful to keep the list of uses as broad as possible.

Randy thought it would make sense for the study team to drill deeper into other bus operators (airport, ski, and casino operators) and to consider other operators who might come into the market as well as the public policy regarding street stops.

It is important to continue to examine DUS potential more, considering options that do not require all intercity terminal functions (or all services) to be shoe-horned into DUS. It is important to recognize RTD's future needs. If the space allows room to add buses, good. If not, then we can engage in conversations regarding on-street stops and splitting up transferring functions versus terminal functions.

Steve Chester asked how willing is Greyhound to relocate near a light rail station? Greyhound responded that they are very open, but finding one that meets their criteria is the challenge. They need to be located near their garage to minimize deadhead costs and time. Greyhound wants the customer experience to be good in terms of intermodal connectivity. Historically, Greyhound was to

be located at DUS but got bumped. Seattle is a good example of a new terminal location near a light rail station just outside the downtown core.

Greyhound is open to repurposing some of the garage function to make this work – driver break rooms, package express business, and administrative offices are functions that can be split out from passenger terminal functions. The two difficult things to split out from bus operations are ticketing and food service. There may be a possibility of Amtrak doing ticketing. Greyhound is working closely with Amtrak in other locations, for example Amtrak now sells Greyhound tickets in Chicago Union Station. Amtrak has capacity in Denver and is open to concept of partnering. Maybe an initial step is to put together a ticket selling agreement so people can buy bus only tickets from Amtrak at DUS. There may be union issues with alternative ticket selling methods.

If something new needs to be built, questions are, "Who pays for it and who owns it?" Greyhound prefers to not own but rather to lease. Rey noted that the biggest hurdle in most places has been political. The Denver bus garage is outside of the redevelopment area, but is owned by the company, and might be considered as an option as part of the study. Randy said that in Atlanta Greyhound is looking at improving a site using a 50-year ground lease.

It was suggested that the team talk with Tracy Huggins at DURA; Jeff Romine might also chime in. Fred said we will go deeper on operators and with RTD. Rey asked if we could look at current and projected bus capacity. Doug noted that a third of the buses already go through DUS and thinks that accommodating the rest is not a major hurdle.

NEXT STEPS

The study team will collect additional information on:

1) Other potential bus operations, including the Hispanic carriers, casino and ski operators, and potential additional intercity carriers—looking at the amount of service, likely ridership, and willingness or desire to be in a common terminal.
2) Some examples of recent activity in other cities, to demonstrate the range of options.
3) The Greyhound garage site in Denver—size, current utilization, potential options.
4) Potential for intercity/regional use of DUS—reviewing options with RTD, particularly if functions can be split.
5) Greyhound's assessment of the possibilities of splitting functions to make DUS more feasible.
6) The immediate neighborhood of the DBC in terms of existing development and values, and possible DBC uses, values, and redevelopment options.

Draft Meeting Notes: Denver Bus Center Study

June 8, 2015, 9:00 AM
CDOT- 4201 East Arkansas Ave, Mt. Evans Conference Rm.

PARTICIPANTS

The participants at the meeting were: Jeff Romine (City and County of Denver), Tracey Huggins (Denver Urban Renewal Authority), Brian Phetteplace (Downtown Denver Partnership), Doug Monroe (RTD), Rey Nunez – Greyhound, Randall Levingston (Greyhound), Fred Fravel (KFH), Randy Isaacs (Isaacs & Associates), Mike Timlin (CDOT – Transit and Rail Division), Jeff Sanders (CDOT – Transit and Rail Division), Suzanne O'Neill – TransitPlus, Tim Morzel (EPS), Dan Guimond (EPS)

MEETING PURPOSE

Fred Fravel reviewed the project purpose, progress to date, and identified that at today's meeting we would look at the market assessment for the property. He noted that there will be time at the end of the meeting to discuss where to go with the findings and how to keep the communication and momentum going.

PROGRESS TO DATE ON VARIOUS ITEMS

Fred Fravel reviewed the sizing analysis of the site, illustrating the space needs based on Greyhound's standard methodology. Jeff Romine asked if the sizing numbers were appropriate for ten or twenty years out based on Metro Area population forecasts. There was discussion with Randy Isaacs, Doug Monroe and Fred Fravel weighing in. Randy noted that there was consideration of growth trends but not necessarily contemplating a 50% growth in population. The current ICB schedule is off-peak and does not conflict with RTD's peak. The national growth in ICB has been in city-pair express services and passengers do not have much need for transfers.

Suzanne reviewed the Hispanic carrier facilities, describing the number of trips, types of facilities and typical passenger loads. Her conclusion is that the Hispanic carriers are focused on serving their markets well and are not interested in use of a joint facility. Part of this lack of interest is due to

immigration issues. The carriers have gone ahead and made investments in new (remodeled) facilities.

Rey Nunez reviewed the economic structures that are in place at other cities for licensing, departure, and per passenger fees. The fees cover operating costs and some cases a fund for improvements. While the fees may cover capital improvements specific to intercity carriers, they do not cover a share of the initial capital investment in the facility. He identified the positive relationship they have with Amtrak. Connections are interlined and they work out who can best provide different services. There are many models – Greyhound is in perhaps 120 stations, but the list presented about six that may be good peers.

MARKET ASSESSMENT AND DISCUSSION

Dan Guimond and Tim Morzel of EPS presented a general market assessment for the site. This included looking at land use, recent land and building transactions, and planning documents for zoning and building heights as well as urban renewal plans and tax increment financing.

Tracy Huggins noted that they have participated in two projects in Welton corridor that have affordable housing.

Greyhound also owns lots for maintenance functions. The facility lot is .94 acres; the two parking lots are a combined 1.7 acres (between 24th and 25th on Curtis). These lots are under-utilized pieces of property.

Basic options are to:

- Stay
- Move to DUS
- Move to another Denver location (undefined)

Real estate options include:

- Sell and redevelop the DBC site
- Redevelop DBC on site
- DBC lease in parking Structure
- Greyhound maintenance facility site

Looking at assessment of market conditions, the price per square foot ranges from about $60 – to over $350 per square foot. Nearby development has been largely governmental related or residential. Dan thinks market is most likely residential. A 10-12 story structure will likely yield the maximum land value. Jeff noted that if Greyhound is a patient landowner there may be an opportunity for commercial development. Much of the residential activity is north and east of area.

There was discussion on the role of timing in the value of the land. Jeff Romine said he believes that there is more potential for development of a full block than a half block. Rey noted the importance of clarifying options and issues that need to be considered to get to an answer in regards to DUS. The value proposition is the importance of the ICB station as part of the transportation infrastructure.

From an application of TIF it would be more appropriate to use it for redevelopment at the site (for Greyhound or other owner). The concept of capturing the tax increment and using it for facilities elsewhere is not a possibility. Dallas has done this, but they have a very different structure.

Tracy asked

- Lease at DUS
- Lease at another location that is at another transit stop and proximity to maintenance facility and I-70/I-25.
- To own or build facility at location meeting same criteria.
- Redeveloping/resizing at current location
- Doing nothing

Are the funds for one option available for the other options? If you sell it for say $5M is the funding available? Or does the $5M go to Corporate? Randy Isaacs responded that the property is leveraged so the sales price would go to pay long-term debt. Greyhound's preference is not to re-invest, but can spend some money to make a deal work.

Fred noted that the ideal solution would seem to be to get ICB into DUS and that would free up Greyhound to sell the facility. Greyhound's preferences is to operate out of leased space.

Jeff Romine suggested considering the question, "What is the value/cost of relocating the maintenance structure?" He wondered if that could add some additional value to the equation, and noted that this essentially moves the peg.

Brian Phetteplace asked about if we could flesh out each of the options in the final report. Brian said he is not seeing unused space at DUS, but asked for clarification. Randy Isaacs said generally there is room as the ICB departures generally operate off-peak, but there is one time period that is close to the peak.

NEXT STEPS

- Document the study findings, answering the questions noted
- Enable Greyhound to put together an "ask" to present to RTD
- Ongoing communication is important. City has an interest in what the land becomes

Appendix C: Eateries

Food Options in DUS:

Name of Vendor	Location	Type of Food	Cost Range	Hours
Acme Burger and Brat Corporation	Great Hall	Hamburgers, Brats, Fries	$7.50-13.85	11:00 a.m. to 11:00 p.m. Monday-Sunday
Pigtrain Coffee Co.	Great Hall	Specialty Coffee, Tea and Espresso	$1.85-$4.95	6 a.m. to 11 p.m., Monday-Friday; 6 a.m. to 11 p.m., Saturday and Sunday
Fresh Exchange	Great Hall	Salads, sandwiches, wraps, bowls	Not posted	Daily 9 a.m. to 7 p.m.
Next Door Union Station	South Wing	Burgers, sandwiches, snacks, salads	Lowest snack prices ($3 to $5) during Community Hour, 3 p.m. to 6 p.m., seven days; regular menu $8.95 burger up-	11 a.m. to close (no time specified)
Milkbox Ice Creamery	Great Hall	Ice Cream	Cup or Cone $3.85, up to $6.50	11 a.m. to 11 p.m., seven days
Snooze an A.M. Eatery	North Wing	Breakfast, breakfast sandwiches	Not posted	Daily, 6:30 a.m. to 2:30 p.m.
Tattered Cover	North Wing	Cold drinks, sundries, books and magazines	Varies	Monday to Friday 10 a.m. to 7 p.m., Saturday 9 a.m. to 7 p.m., Sunday 10 a.m. to 5 p.m.