



# National Western Center

Governance & Term Sheet Overview

Presented October 2015/Updated June 2017

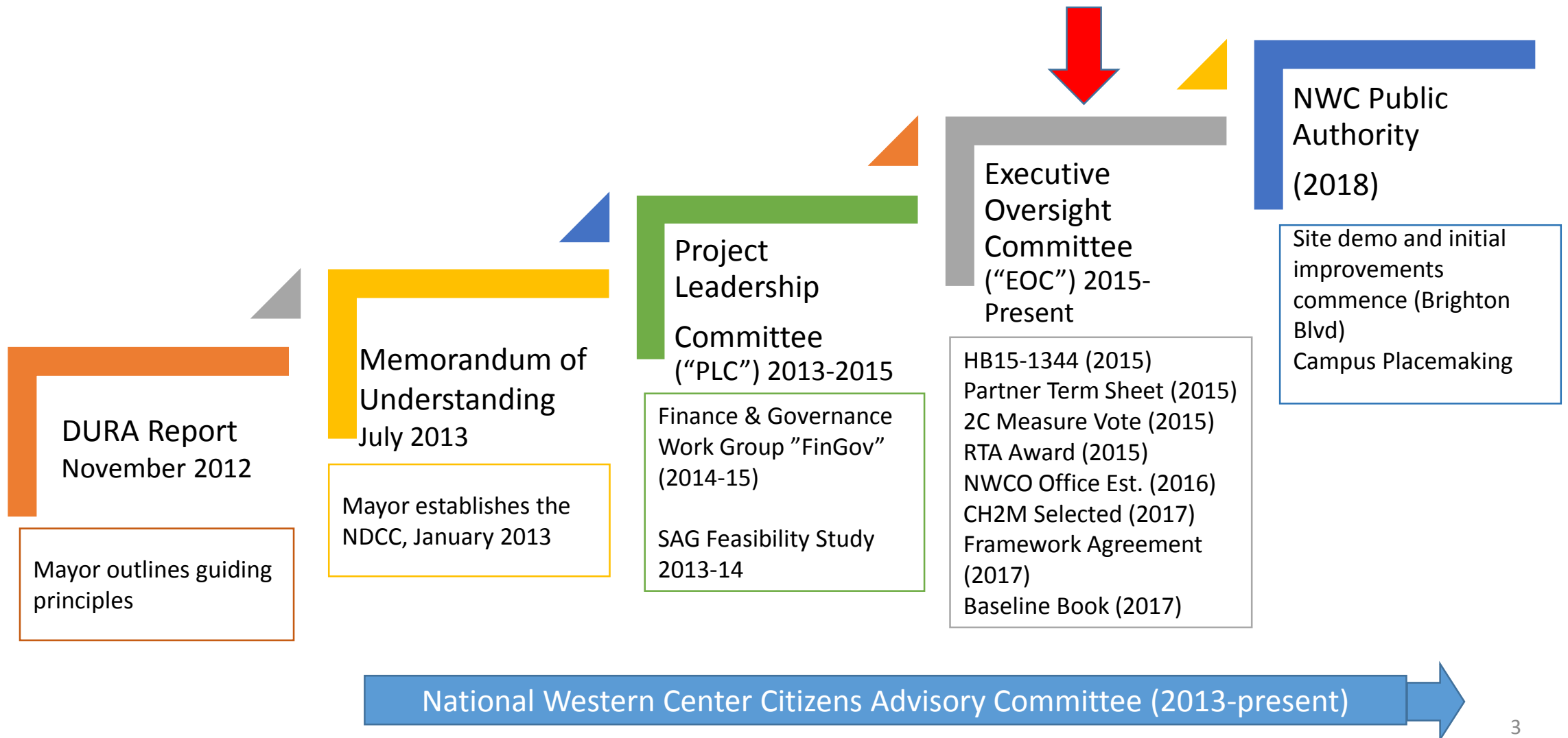
## 2C Measure Preparations: Setting Context for the 2017 Campus Framework Agreement

*The following is the presentation used leading into the November 2015 vote by the Citizen's of Denver on Measure 2C, which is funding a large portion of the City's share of the NWC campus redevelopment.*



# The Evolution of NWC Project Governance

2012-Present



# DURA Report

## Setting the Stage for a New Start

- The DURA Report was issued in November 2012 and included nine (9) guiding principles from the City:
  - Preserve the historic January show with a business model that is financially sustainable
  - Any new plans for the current site must take into consideration how these plans can compliment/support the vision for the redevelopment of Brighton Blvd, the River and the surrounding communities
  - Any new development of the site must comply with the new zoning code and the general principles of urbanism, sustainability and transit oriented development
  - Any potential new site for the National Western Stock Show (NWSS) must be located within the City and County of Denver
  - Any expenses/investment by Denver should be cost neutral and provide an economic benefit to the City
  - Any new development must comply with all City ordinances and regulations
  - City support of new facilities at the site requires a measured evaluation of the impact on the coliseum, performing arts complex and Colorado Convention Center
  - Any expansion of the site should minimize impacts and maximize benefits to the adjacent communities
  - Any new plans should compliment the City's commitment to education, children, economic development and job growth

# Creating a New Partnership

## Local Impact-Global Reach

- Memorandum of Understanding (“MOU”) signed July 2013
- Partners: City of Denver, Western Stock Show Association, Colorado State University, Denver Museum of Nature & Science and History Colorado
- MOU established a “*Shared Intent*” around the following issues:
  - COMMUNITY PLANNING
  - VENUE FEASIBILITY STUDY
  - RTD’s NORTH METRO LINE INTEGRATION
  - LAND ASSEMBLAGE
  - MASTER PLANNING and DUE DILIGENCE
  - PROJECT FUNDING
  - STAFF RESOURCES
  - NWC PROJECT MANAGEMENT TEAM
  - IMPLEMENTATION STRATEGY



The Partners agreed to develop an implementation plan that would included a vision for property build-out, projected timing for build-out of the site, financing strategies, and a governance/decision-making structure responsible for public outreach, master planning, land acquisition, project finance, design, construction management, and venue management.

# Strategic Advisory Group Study

## A Market-Based Feasibility Assessment

- One component of the SAG Study (May 2014) noted that a new governance structure would be required to both implement and manage the NWC.
- SAG outlined the following objectives:
  - Reflects the requirements of the financing for the site, facility improvements and resulting ownership
  - Creates a unified and collaborative sales, marketing and management approach among facilities, associated vendors and site subcontractors
  - Assures representation and participation among stakeholders and contractors
  - Merges and aligns efforts of broad geographic basis to include downtown, AVD facilities throughout Denver and the NWC, and
  - Jointly establishes and tracks shared use performance metrics to advance out of town visitors.
- Benefits of a unified governance and management system:
  - Fully aligned model to allow all stakeholders to maximize use of resources
  - Leverages Denver's very skilled talent and models of collaboration, such as the Denver Alliance
  - Allows stakeholders to focus respective energy and resources on growing their respective programs
  - Creates a new level of strategic collaboration across facilities within the City
  - Establishes a single point for strategic planning , sales, marketing and asset management
  - Provides and organizational framework for long-term stability/sustainability in the delivery of events and activities for the City and its partners.

# NWC Citizens Advisory Committee (CAC)

Active Engagement of Local Citizens

- Founded by the National Western Stock Show in 2013
- Inaugural group comprised of 27 members, with significant representation from residents and business owners who live or work within the Globeville, Elyria, Swansea and RiNo neighborhoods
- NWC MOU Partners are participants (CCD, WSSA, CSU, HC and DMNS)
- CAC has met monthly since its inception, actively participating in the review of the master plan during its development and creation of new zoning for the NWC.
- It is intended the CAC shall have a future role in proposed NWC Authority.

# NWC Project Leadership Committee (PLC)

- Objective: given the eventual regulatory aspects of the campus program, the PLC helped guide development of master (vision) plan for the National Western Center that was adopted by Denver City Council in March 2015
- Meeting Frequency: Bi-monthly
- Status: Closed out, objective completed
- Members:
  - Kelly Leid, CCD-NDCC
  - Jose Cornejo, CCD-PW
  - Jerry Tinianow, Office of Sustainability
  - Cary Kennedy, CCD-CFO
  - Ron Williams, WSSA
  - Paul Andrews, NWSS
  - Amy Parsons, CSU
  - Jocelyn Hittle, CSU
  - Lesley Thomas, CCD-PW
  - Brad Buchanan, CCD-CPD
  - Laurie Dannemiller, CCD-DPR
  - Kent Rice, CCD-AVD
  - Tad Bowman, CCD-AVD
  - Gretchen Hollrah, CCD-DoF
  - Steve Nalley, CCD-CPD (Deputy PM)
  - Jen Hillhouse, PM
  - Scott Gilmore, CCD-DPR



# NWC Executive Oversight Committee (EOC) Initial

- **Objective:** at the direction of the Mayor Hancock, the EOC has been directed to advance the adopted **Master Plan and RTA Plan of Finance\*** until such time that the Authority is established
- **Meeting Frequency:** Monthly/Now Quarterly (2016 – present)
- **Status:** Active
- **Members (9):**
  - Anna Jones, NDCC Executive Director
  - Brendan Hanlon, CCD Chief Financial Officer
  - Diane Barrett, CCD Chief Projects Officer
  - Cristal DeHerrera, CCD Deputy City Attorney (**EOC Chair**)
  - Albus Brooks, City Council District 9
  - Pat Grant, Chair Western Stock Show Association
  - Paul Andrews, President/CEO National Western Stock Show
  - Tony Frank, President Colorado State University
  - Drew Dutcher, NWC Citizens Advisory Committee Rep
  - Kelly Leid, NWCO Executive Director (*ex officio member*)

*(\*) The RTA Plan of Finance (Phases I and II), totaling \$856 million touches over 80% of the campus.*

# Proposed NWC Authority (2015)

Based upon the guidance and assessments that arose from the SAG Study, NDCC Finance & Governance Work Group, and organizational reference due diligence from local, regional and national operating models for large facilities of this type, a “Public Authority” is being proposed as the final governance model for the operation of the NWC campus.

- **Objective:** following a transition with the NWC-EOC (TBD), the Authority shall oversee the **overall operations** of the anticipated 250-acre site.
- **Meeting Frequency:** TBD
- **Transparency:** Authority shall be subject to open records/open meeting requirements and all city social ordinances and executive orders
- **Status:** Future
- **Members:** initially to be appointed by the Mayor
- **Anticipated Start-Up:** although a variety of factors may drive the timing for the Authority's activation, a likely trigger would be the completion of the Center's first programmable space (The Yards/Events Pavilion; which is included in RTA Phase I work)

# NWC Term Sheet (2015)

Defining NWC Roles and Responsibilities

# NWC Term Sheet

## Defining roles and responsibilities

The NWC Partners advanced their formal relationships via a “Term Sheet” that began to define the partner roles within the (proposed) Authority.

- **Objective:** the **nonbinding term sheet** frames underlining business and operating relationships (“*shared intent*”) between investment partners regarding the funding, design, construction, operation and maintenance of the project through phases I & II (RTA Plan of Finance)
- **Components:**
  - Define role of each “party”, including WSSA, CSU, City and Authority
  - Terms (agreement length)
  - Project Funds
  - Land Ownership
  - Facility Ownership
  - Governance
  - Transparency
  - Social Ordinances
  - Interim Governance
  - Programming
  - Competitive Bids
  - Future Phases
  - Intellectual Property

# Next Steps (2015)

- Until such time that the Authority is established by CCD, the **NWC Executive Oversight Committee (EOC)** shall oversee the implementation of the NWC master plan & financing structure and alignment.
- There are five initial critical path items on the site to prepare it for eventual vertical development that will be the focus of the EOC:
  - Land Acquisition
  - Site Remediation and Demolition
  - Short-line Rail Consolidation
  - Program Entitlements
  - Site Infrastructure due diligence (energy, waste, water, roads, bridges, etc.)
- The City's Dept. of Finance will lead preparations for the initial bond issuance (projected Q1 2016); **issued April 2016**
- The NDCC and partner agencies will continue to play a key role in helping prepare the NWC program for success
- The EOC shall provide ongoing updates to the Administration, City Council and the Auditor as the NWC program progresses.

# Framework Agreement (2017)

Formal (legal) Agreement Binding the Equity Partners

# Framework Agreement (Key) Sections

- Definitions
- Term
- Form, Formation, and Powers of Authority
- Compliance with the RTA and HB15-1344
- Initial contributions of the parties
- Acquisition and ownership of the real property and facilities
- Initial campus development
- Campus operations and maintenance
- Intellectual property
- Naming and sponsorship rights
- Campus foundation and community investment fund
- Sources and uses of campus revenues
- Insurance and other services
- Reports, audits and budgets

# Proposed Framework Agreement Schedule

- **NWC Framework Agreement/City Council Process\***

- August 3 – Special CAC Meeting (review agreement and program schedule)
- August 7 – Submit Framework Agreement Ordinance Request to Council
- August 8,9,10 – GES Community Office Hours (Q&A on agreement)
- August 15 – LUTI Committee
- August 22 – Mayor Council
- August 24 – City Attorney’s Office files ordinance
- August 29 – 1<sup>st</sup> Reading
- September 11 – 2<sup>nd</sup> Reading

(\* ) *Tentative, subject to change*



# NWC Community Investment Fund Preview

William Chan