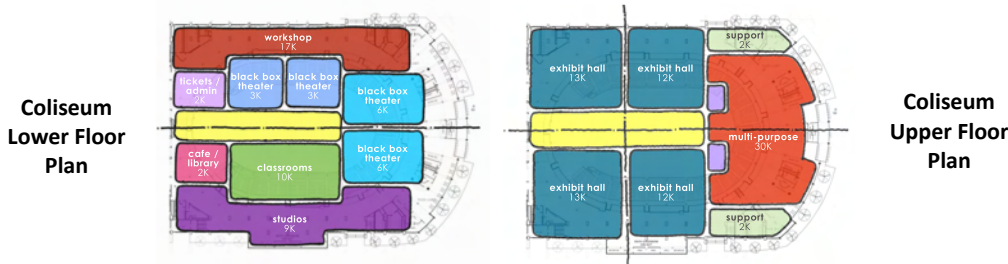


the DENVER CENTER for Creating Art

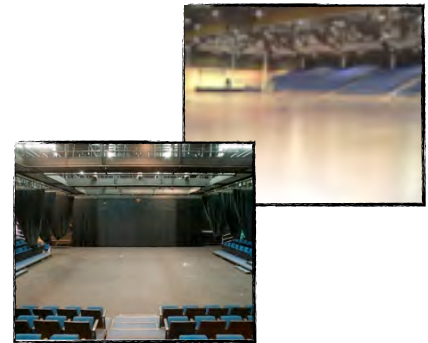
The Denver Coliseum sits at the northern boundary to Denver's River North Art District (RiNo), home to a growing number of working artists and creative enterprises. Our vision at Flatirons Development Group (FDG) is to extend the creative energy that exists in RiNo and provide a central hub for Denver's fragmented creative class; a place where creativity and collaboration thrive; a place where artists, professionals, students, teachers, locals, and visitors can experience and contribute to the creative process; a place designed not simply to view art, but to foster its creation.

We call this place The Denver Center for Creating Art – the DCCA.

The DCCA is anchored by the renovation of the Denver Coliseum, retrofitted to support three new uses.



The first use is “black box” performance space, a flexible venue that offers the basic infrastructure to arrange stages, seats, and lights in a variety of configurations. The second use is a 30,000 square foot multi-purpose hall. With an open floor plan and retractable seating, this venue can continue to host much of the Coliseum's current programming, while attracting additional events. The City and County of Denver's (CCD) Theaters and Arenas division will continue to own and operate these venues, which bring in higher revenues than the Coliseum as a fixed-seat arena. Together, these versatile spaces fill a gap in Denver's cultural landscape and fulfill the CCD's mission to provide affordable programming.



The final piece of the Coliseum's adaptive reuse is an experiential art museum called the Collabratorium. The Collabratorium is not a place for passive observation, but a place to become immersed in the creative process through hands-on exhibits, workshops, lectures, and classes. This concept has proven successful in the realms of science (The Exploratorium in San Francisco), music (The Experience Music Project in Seattle), and history (The Newseum in Washington DC). Experiential attractions are the future of cultural tourism and the Collabratorium puts Denver on the map in this up and coming sector.

The DCCA's northwest corner becomes home to a second anchor – the **Art Institute of Colorado (AIC)**. The AIC currently serves 2,500 students, but its facilities are spread across three locations and its student housing is located near Lowry. While the AIC is not actively looking to relocate, it has reached capacity in all of its existing buildings and is continually evaluating ways to position itself for growth. FDG has had discussions with the real estate executives from AIC and has incorporated many of the institution's “wish list” items into the DCCA plan. In addition to a centralized campus and room for growth, our plan gives the AIC excellent visibility from a major highway, options for on-site housing, and a learning environment that is synergistic with its students' professional interests.



The renovated Coliseum and the AIC campus provide two dynamic anchors that immediately generate a critical mass, activate a dormant site, and create energy to support vertical construction for other uses, including “workspace,” “creative class” office, shared office, traditional office, residential, and supporting retail. Collectively, these uses create a cohesive art district, a place similar to the Distillery District in Toronto and the Torpedo Factory Art Center in Alexandria, Virginia. In this environment, workspace can double as gallery space for artists to exhibit and sell their work, and members of the creative community can capitalize on the proven synergies of co-location. Vertical construction for these uses totals 375,000 SF in four buildings, which are named the Painter, Musician, Sculptor, and Chef.



Globeville Landing Park is also an underutilized community asset. The DCCA development program activates the park with public art amenities, including a sculpture garden, art walk, and children’s playground. This art-related attraction will become a complimentary destination and gathering place for DCCA visitors.

The Effect . . . The CCD set forth a number of development goals that laid the foundation for this proposal. The DCCA meets and exceeds these goals by preserving the historic Denver Coliseum as an events venue, introducing a vibrant mix of uses, and activating both the Coliseum property and Globeville Landing Park.

Total economic activity related to arts and culture in Denver exceeds \$1.7 billion per year, and the migration of the creative community to a neighborhood is proven to have a significant revitalization effect. The DCCA will provide a home to the creative engines that help spur economic growth and social vitality. In doing so, the DCCA reinvigorates the northern gateway to downtown Denver and builds a realistic platform for urban renewal in the surrounding neighborhoods.

“Despite its many clusters and large arts facilities, Denver lacks a node for producers of creative content to congregate, share, collaborate, network and/or co-create.” (Space Matters)

The DCCA becomes the node for creative activity that Denver lacks. The adaptive reuse of the Coliseum fills unmet demand for flexible performance and rehearsal space, provides a new place to explore creativity, and remains a revenue-generating asset for the City and County of Denver. As a result, the DCCA becomes the creative center for the region – a place brimming with discovery, innovation and collaboration.



Coliseum
CCD Event Space: 75,000 sf
Collaboratorium: 76,000 sf
Art Institute of Colorado
Classroom Space: 150,000 sf
Culinary Space: 20,000 sf
“Painter”
Retail: 10,000 sf
Workspace: 25,000 sf
Creative Office: 70,000 sf
“Musician”
Workspace: 25,000 sf
Shared Office: 15,000 sf
Residential: 130 units
“Sculptor”
Traditional Office: 105,000 sf
“Chef”
Restaurant(s): 5,000 sf

Financial Overview . . . The CCD will retain ownership of the Coliseum and all land under the DCCA. To incentivize private development on a site saddled with environmental issues, the CCD will grant a 99-year land lease for \$1 per year on all developable parcels. Site work for the DCCA will commence in 2015. This allows time for final design and further market stabilization. Market demand supports the construction of all buildings in staggered phasing to be completed by the end of 2017.

The role of FDG will vary across the project. FDG will:

- Renovate the Denver Coliseum for a 5% developer fee
- Serve as the developer and equity partner for the AIC campus, which earns a 20% return on equity
- Serve as the master developer and general partner for the Painter, Musician, Sculptor, and Chef, which earn a combined 19.92% return on equity

Financing for the DCCA comes from both public and private sources:

- FDG contributes \$2.3 million as the 10% general partner
- Private and institutional investors contribute \$21.4 million as the 90% limited partner
- A metro district of 41 mills provides \$7.5 million to fund infrastructure, road work, and surface parking, but keeps rents at the DCCA competitive with market comparables
- Property tax increases on the site support \$14.7 million of tax increment financing (TIF) bonds to fund structured parking

The Denver Coliseum retrofit is financed independently from the rest of the site. Like other cultural facilities in Denver, the Coliseum is funded by a combination of City-backed bonds and a private capital campaign:

- A general obligation bond of \$25 million funds the retrofit of the Coliseum and finishes the City's performance venues
- The Collabratorium is funded by a \$19 million capital campaign. This amount is in line with Denver's historical capital campaigns and sufficient to finish the museum

The DCCA yields competitive IRRs for investors and adequate debt service coverage for lenders. The proposed development is financially feasible and provides the CCD with a driver for tremendous economic growth in an under-served part of the City. These factors make the DCCA a successful public/private partnership.

Sources		Use Detail	
Public Funds			
TIF	\$19,112,579	Structured Parking	\$14,728,577
		Capital Interest	\$4,384,002
Metro District	\$9,999,925	Infrastructure/Site Work	\$7,487,885
		Capital Interest	\$2,512,040
General Obligation Bond	\$25,000,000	Coliseum Retrofit	\$25,000,000
Private Funds			
General Partner (FDG)	\$2,373,774	Painter	Sculptor
		\$17,923,349	\$19,289,612
Limited Partner(s)	\$21,363,964	Musician	Chef
		\$24,556,333	\$1,138,422
Debt	\$39,169,978		
Total Private for Vertical	\$62,907,716		\$62,907,716
Capital Campaign	\$19,000,000	Collabratorium	\$19,000,000

Return by Building	
The Painter	21.72%
The Musician	16.35%
The Sculptor	23.05%
The Chef	20.05%
The Coliseum	\$1.8m fee
The AIC	20.00%
Return by Investor	
General Partner (FDG)	18.14%
General Partner (w/ Coliseum Fee)	40.68%
Limited Partner	20.11%
Project Wide	19.92%