

BUSINESS HORIZONS

“Opportunity on the Horizon”

An Infill Assessment of Downtown Denver

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SECTION 1: DOWNTOWN DENVER OVERVIEW

Downtown Denver is located on the Front Range of Colorado, with the Rocky Mountains to the West and the great open plains to the East. Denver has a well-connected, diverse business environment. Mostly, as a result of the active environment, it has a core of young, dynamic workers who comprise the nation's second most educated workforce¹. Denver has worked hard at developing a multi-modal transportation network, which is constantly being improved upon. Denver also has world-class cultural amenities, sports teams, and recreation. The center city population is about 82,000².

The South Platte River and Cherry Creek converge at the Southwest corner of the downtown, providing for a perfect river recreation atmosphere and a multi modal trail system. The Central Platte River Valley, bordering to the West of downtown, is the location of a recent housing development boom. It is a 120 acre expanse that is home to 1,600 residential units with another 820 under construction. Currently, the most prominent landmarks in this area are entertainment venues: Pepsi Center Arena, The Children's Museum of Denver, Six Flags Elitch Gardens Amusement Park, Downtown Aquarium in Denver and the REI Superstore. The recent extension of the 16th Street walking mall to Commons Park has provided pedestrian access between the South Platte Valley and downtown.

To the east of the Platte Valley is the LoDo District. This area houses many of the city's restaurants and bars as well as houses about 3,500 people. Many of the historic office buildings have been renovated into apartment and condominium projects, mainly consisting of loft style living units.

The Denver Pavilions entertainment retail complex was opened in 1998 on the 16th Street Mall, introducing 52 shops, restaurants and a 15-screen movie theater to Downtown. Larimer Square and the recently renovated Tabor Center remain primary shopping and dining destinations for Downtown residents. The number of Downtown restaurants has increased by almost 100 since

¹ Denver Metro Profiles. Metro Denver Economic Development Council.
<<http://www.metrodenver.org/DenverProfiles/>>

² Annual Report. December 1994. Downtown Denver Partnership.
<http://www.downtowndenver.com/about/annual_report.htm>

1995³. Many Downtown residents are drawn to the area by the presence of the Auraria Higher Education Center campus.

Just behind the Colorado State Capitol is the diverse neighborhood known as Capitol Hill. In the 1880's, it was the home to Denver's wealthiest families, who built and lived in extravagant mansions. Capital Hill is an older, relatively dense mixed-use neighborhood. Many of the historic Mansions have been converted to multi-unit apartments.

Downtown Denver overall is a prestigious business district with 23 million square feet of office and 3.5 million square feet of retail space. Industries range from financial, legal and government services to computer software, engineering and telecommunications. Downtown features more than 5,000 businesses in a variety of settings including modern office towers and historic lofts. For business travel, Downtown has over 5,300 hotel rooms⁴.

Higher education is one of Downtown Denver's greatest resources. More than 50,000 students attend the Denver School of Nursing, Emily Griffith Opportunity School, The Metropolitan State College of Denver, University of Colorado at Denver, and Community College of Denver on the Auraria Higher Education Campus, adjacent to Downtown⁵.

Metro Denver's workforce consists of about 110,000 people with an unemployment rate of about 5.5%. Downtown Denver's workforce represents nearly 10% of all metro area workers. 24% of Colorado's top 100 companies are located in Downtown Denver, which was recently ranked as the 11th best area in the nation to start and grow a business⁶. The downtown boasts one of the lowest retail vacancy rates in the metro area at 5.8%.

Overall, Downtown Denver is a lively, bustling business center. The young workforce and the numerous living opportunities provide a twenty four hour city that is growing and changing to fit the needs of each generation.

³ Neighborhood Central Business District. Downtown Denver Partnership.
http://www.downtowndenver.com/housing/dt_cbd.htm

⁴ Business Overview. Downtown Denver Partnership. <http://www.downtowndenver.com/business/index.htm>

⁵ IBID

⁶ Downtown Denver Business Climate. August 2005. Downtown Denver Partnership.
<http://www.downtowndenver.com/pdfs/busclimate.pdf>

SECTION 2: DEVELOPMENT POTENTIAL SUMMARY

The large portion of vacant parcels in the Northeast corner of the development site is a confusing and underdeveloped part of the downtown area. Roads seem to come from all directions, and there is very little connectivity between the differing areas that converge at the intersection of Broadway, Welton, and 19th. The intersection of these three streets is a node of traffic activity, while Broadway serves as a dividing edge between the residential areas of uptown and the office uses downtown. The light rail station at this critical part of downtown offers a great deal of opportunities to bring more activity and synergy to an area that is characterized by surface parking and automobiles.

The parcels to the east of Broadway provide an opportunity to extend the housing of uptown towards the center of downtown and the transit station. People living in this area would be able to enjoy the amenities of downtown and the convenience of a mass transit station nearby. The parcels to the west of Broadway sit on the Eastern edge of the downtown business district. This area could serve as an extension of the business area by providing prime real estate close to a transit station for commuters. The key to development in this area is to provide the mix of uses that will bring the greatest amount of people back to the downtown area. Retail uses should be created to meet the needs of the residential, office, and light rail travel population. Retail space close to Broadway could be used to provide services such as grocery and home stores for the residential population downtown. This same retail space could meet the needs of the individuals working in the offices downtown. The light rail stop could be used to create a downtown destination retail center. The retail in this area will serve as the glue that binds the areas of different use together and creates a vibrant center of commercial and residential activity.

The cluster of parcels in the Western corner of the development forms an opportunity to create a central node of activity in the heart of downtown. The parcels lie on the outskirts of Larimer Square, the Auraria Campus, and the arts district that stretches down 14th Street and contains the performing arts and convention center. Larimer Square is an area of high commercial activity and the student population is very active around campus. The arts district down 14th street attracts a lot of people to the city, but does not yet have a support district. The vacant

parcels in this area are essential to the establishment of a well connected activity center in downtown.

The Auraria campus is home to a wealth of students who do not have many housing opportunities close to campus. This area could be used to meet those needs and bring residential units into the core of the city. Larimer Square is a very successful residential district, but it fails to capitalize on the activity generated by the entertainment facilities and convention center downtown. The vacant parcels between these two uses have created an edge that has been a deterrent to pedestrian traffic. If these parcels are developed in an aesthetically pleasing way with a mix of uses, a link will be created between these three areas. The students from Auraria could benefit from some downtown housing, Larimer Square could use a connection to the traffic generated from the entertainment district, and the arts district itself could benefit from some accessory services such as restaurants and hotels for its patrons. If this area is successfully developed, it will provide uses that will draw from these three differing areas and bring people and activity back to downtown.

Currently, there are not a great deal of residential units downtown. Businesses have been reluctant to move downtown due to the lack of workforce in close proximity to the area. The vacant parcels in the core of the city present an opportunity to densify the core business district. If residents begin to move back downtown, businesses can once again be a viable part of the area. As Denver, and the State of Colorado as a whole, continue to grow, the governmental district that borders on Colfax will need to grow as well. The vacant parcels in the Southern corner of the development site provide opportunity to expand the government area and expand the business uses from the core of the city. These parcels are also very close to the convention center and may be able to support some of the businesses associated with the activity that takes place there. The parcels in the Southern corner of the development site do not present a very desirable portion of downtown for residential uses, but the right mix of office and retail could provide for a busy area of commerce and governmental activity.

Currently, there is a poor connection between the West end of the 16th street mall and the activity in Lower Downtown. The parcels in the northern corner of the development site are close to the activity created by Coors field and the entertainment on the North end of Larimer.

These parcels could help to establish that district as a lively part of downtown close to nightlife and the culture of downtown.

SECTION 3: PROPOSED BUILDOUT SCENARIO DESCRIPTION

The Business Horizon Buildout Scenario is based around the concept of bringing corporations and businesses back into the downtown area. Many corporations are locating outside of the downtown region in areas such as Interlock and Denver Tech Center. This move out of Denver and into Suburbia increases sprawl rather than focusing on higher density. By increasing the office spaces and creating more diversity in office buildings, Denver would become more appealing to Corporate America. In addition, several housing projects in Denver are currently underway, including the South Platte Valley buildout, which includes several new projects and several recently completed projects. This expansion of Denver into the valley helps to support a business-oriented district in the central core of Denver, allowing housing to be on the outer rims.

In the Business Horizon Buildout Scenario, the plan is to increase downtown living, as well as office space. 44% of the development site will be developed as residential and hotel space, 51% will be developed as office space, and 4% will be developed as new retail. The Business Horizon Plan will add around 7.1 million new square feet of office space to the downtown area and 741,000 leasable square feet of retail. In this plan there are several new housing developments, which are essential to creating a vital downtown region.

One such region is the new Urban Housing Village, located by the Lightrail Stop. The Urban Housing Village consists of 8 new multi use housing complexes. These new towers house a total of 1,808 one-bedroom units, and 1,280 two-bedroom units. The street level of each of these buildings is zoned as retail or pedestrian friendly spaces. The vision of the Urban Housing Village is to create a variety of residential-support retail developments such as restaurants, daycare, coffee shops, and smaller scale retail food/grocery vendors. The close vicinity to the Light Rail development will also allow the commuters from outside areas to access and support the residential walking corridor. The Urban Housing Village will also be excellent support for the increased office space in Denver. This area will become an excellent destination for people working in the Downtown region, allowing a live/work area ideal for the business professional wishing to decrease travel and commute times.

Another residential core is located near the Northwest side of the build out section. In this area the focus is on creating student/university housing to support the large three-school campus. Auraria Campus is composed of three state funded higher education facilities, The Community College of Denver, Metropolitan State College, and The University of Colorado Denver. Currently all three colleges are commuter colleges, providing little to no housing. Both the University of Colorado and Metropolitan State College are interested in expanding their housing situation to include student housing and housing opportunities for staff and professors. This area provides four new buildings in close proximity to the campus. This buildout provides 778 new one-bedroom units, and 539 two-bedroom units. In addition to the close proximity to the campus, these building are also near several other amenities such as Historic Larimer Street, 16th Street Mall, and The Denver Center for Performing Arts. All of these locations are appealing areas for creating a cultural housing area for the campus.

A second large development area of interest is the mixed-use large parcel on 14th and Lawrence; parcels 46 (hotel), 47 (residential), 48 (office/retail), and 49 (residential) comprise the large infill site across the street from the CU building. The Business Horizons Buildout plan proposes to build a village with two large residential towers, an office building, and a hotel on these sites. The office building will have two floors of retail starting at ground level, serving as a downtown department store. The retail will total 96,767 net square feet. The residential buildings will all have ground floor retail, and the hotel will have ground floor restaurants. The area will serve as a link between Larimer Square and the entertainment/performing arts district on 14th street. It will bring people, shopping, and hospitality back to the core of the city as well as serve as a housing amenity to the student/professor population of Auraria Campus.

In addition to these housing nodes, there are several other new housing opportunities in this buildout spread across the Office Core of Denver to offer other housing options. Parcels 8 (office/residential), 9 (office/residential), and 51 (residential) will offer high density residential in the heart of downtown. These three buildings will incorporate office space with residential living and ground floor retail in a portion of town that does not currently offer this type of mix. The area, in conjunction with parcels 50 and 4 will serve a residential population attracted by the entertainment opportunities radiating from the Coors Field portion of downtown.

This buildout plan offers a total of 20 new residential buildings, which contain 3,399 one-bedroom units and 2,380 two-bedroom units. The Downtown core is also supported by the South Platte Buildout, which is currently planning 820 new housing opportunities for Denver. These two projects will bring roughly 6,599 new housing units into downtown Denver.

The Business Horizons Plan also proposes six new hotels strategically located throughout the Denver core. The new hotels will accommodate tourists attracted to the Convention Center and Denver Performing Arts Center, as well as short and long term visiting business professionals. Two hotels will be located directly across from the newly redesigned Convention Center, and are closely located near other new hotels, which are being developed in the area. This will create a hotel district, which will stabilize the hotel rates, creating a healthy hotel market. This hotel district will also further enhance Denver's marketability, in turn allowing Denver to become a large convention center attracting national and international opportunities as a convention hub.

In addition to the new hotels located near the Convention Center, the plan also proposes a new hotel near the Civic Center and two hotels located in the business core. The plan proposes approximately 4,800 new hotel rooms in the six new buildings. This will help Denver meet current needs for traveling business professionals as well as offer more tourist opportunities in Denver. Tourism is currently a large portion of Colorado's economy and Denver receives only a small portion of this economic windfall. By providing more hotel opportunities as well as generating a more vital downtown, Denver will be able to increase its revenue from the tourist industry.

The plan proposes a maximum buildout scenario for Denver. The 54 new buildings will bring both industry and housing opportunities to the core of the business district of Denver, revitalizing the city. In addition, the city will become a more central economic center, with a strong focus on corporations and small businesses.