

BUSINESS

Denver light-rail stations to border large multiuse development

High-density development stacked with residences, retail, offices will suit site because that's

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The Denver Design District on Thursday, April 21, 2011 at S. Broadway and E. Center Ave. that is in the center of a new development project. (Cyrus McCrimmon, The Denver Post)

Over the next few decades, a high-density development that includes residences, retail and office space will sprout up between two of the region's most prominent light-rail stations.

Under a plan approved in May 2009, the developer of the site, D4 Urban LLC, can build up to 10 million square feet of space on about 75 acres between the Broadway at Interstate 25 and Alameda light-rail stations.

Today, a sea of parking lots separates the retail locations sprawling over the site, which includes three distinct districts: Broadway Marketplace, Denver Design Center and The Collection, the latter two of which are part of the Denver Design District. The buildings total about 900,000 square feet right now.

"It's not consistent with the compact city and modern urban-design principles," said Chris Waggett, chief executive of the newly established D4 Urban, which controls about 60 acres of the area included in the general development plan.

The vision calls for more than 3,000 residences, 350 hotel rooms, 2.6 million square feet of office space, 1.2 million square feet of retail and 200,000 square feet of educational space west of Broadway between Alameda and Ohio avenues, an area roughly the size of Lower Downtown or Cherry Creek North.

Waggett stressed that redevelopment of the site would not begin until market conditions are favorable and financing can be obtained. The team is working on a plan to do the project in phases so existing tenants see as little disruption as possible.

Waggett, former president of Lend Lease, teamed up with the lead investors in the property, Warren Cohen and Jim Frank, to form D4 Urban in February for the purpose of redeveloping the site. Cohen and Frank split their time between Colorado and California.

The location of D4 Urban's site near the Alameda light-rail platform gives them the inside track to develop the 4-acre parking lot serving the station, a project that could start next year.

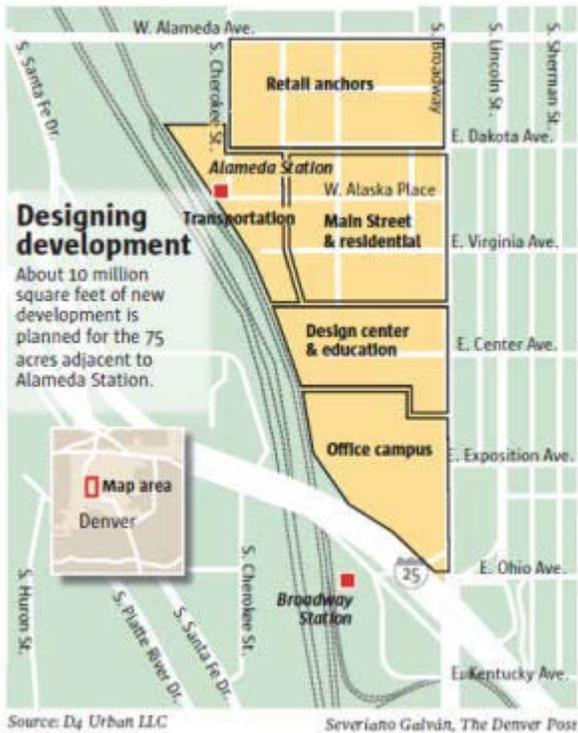
"We don't want an isolated project on our site that wouldn't relate to what is happening within the marketplace itself," said Bill Sirois, manager of transit-oriented development for the Regional Transportation District, which owns the lot. "Development of our site could be a first step in the evolution of that area."

People in the neighborhoods near the site were involved in the process for both the Alameda Station plan and the general development plan, said Denver City Councilman Chris Nevitt, who represents the district the project is in.

"The plan looks deeply cool," Nevitt said. "Right now, it's just a parking lot with a couple of big-box stores, and the station itself is hidden behind the Kmart."

Several businesses fronting Broadway, such as Blue Bonnet and Imperial Chinese, are included in the plan, but D4 Urban doesn't control that real estate.

"We've been on Broadway for a long time, and it's great to see some interest and activity that will be taking place," Blue Bonnet owner Gary Mobell said. "This area where we are located is just outside of downtown and very easily accessed from the south side of town. It seems like a natural that this area would have the development taking place."



D4 Urban Chief Executive Chris Waggett, left, and development manager Dan Cohen stand next to the Herbert Bayer sculpture "Articulated Wall", which is in the Denver Design District. Cohen is the son of Warren Cohen, a lead investor in the property that D4 Urban plans to develop

Broadway Marketplace was developed 17 years ago under a 25-year tax increment financing district set up by the Denver Urban Renewal Authority.

"In that 17 years, people started to recognize the benefits of public transportation, which changes the land usage and how we should develop that land," Waggett said.

But because the property is about 95 percent leased to tenants such as Albertson's, Sam's Club and Kmart, the challenge is how to redevelop the site without disrupting the income flowing to investors. The earliest a lease for an anchor tenant expires is 2018, but some have options that extend to 2069, Waggett said. The designer showrooms in the Denver Design Center and The Collection have shorter leases.

"There's got to be a phasing strategy that retains them in a different format," Waggett said. "We're at the point where we've moved the first pawns on the board. We're doing a ton of planning work, ton of design work and a ton of costing work."

It's likely that multistory buildings would be built for large-format retailers, similar to the recently opened Target at Belmar in Lakewood.

The Denver Design Center, a resource for the region's interior designers, is the lone survivor of what once was a three-way battle among design centers in Denver.

Jo Frank, executive director of Denver Design Center and who also handles leasing for the entire development, said that while development is years away, the plan is exciting.

"It's certainly an important urban project because of the proximity to downtown and access to the two light-rail stations and access to I-25 and the major arterials," Frank said.

Although the development plan was approved two years ago, not much attention was paid to the area. Rather, the focus was on the redevelopment of the old Gates Rubber factory at the Broadway light-rail station.

Gates Corp. took back a portion of the 50-acre former rubber factory south of downtown in 2009 after Cherokee Denver was unable to get financing to continue environmental remediation. The much-touted project, which would have been Denver's largest redevelopment since Stapleton, was expected to cost \$1 billion and take up to 15 years to complete. The city had pledged \$85 million in public financing toward cleaning up the site and rebuilding it into a residential and retail hub designed around access to public transportation.

While there are no firm plans for the site, a number of developers have been evaluating opportunities.

Also in play is RTD's former bus-barn site at West Alameda and South Santa Fe Drive, now under contract to Alameda Station LLC, which is among the locations Greyhound Lines is considering for its new location.

"We're evaluating a number of different options and trying to respond to the changing market," said Tom Wootten of Alameda Station. "It's nice to see a lot more activity than what we've seen in the last 18 months. We're also looking at retail and apartment uses. We want to make sure we have a development that is viable and sustainable."

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Development breakdown

How land west of South Broadway between Alameda and Ohio avenues would be developed:

3,000 residences

350 hotel rooms

2.6 millionsquare feet of office space

1.2 millionsquare feet of retail space

200,000 square feet of educational space

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