

TAPs

Technical Advisory Panels

Ward Road Station Area, Wheat Ridge, Colorado

February 18th-19th, 2015



Urban Land **Colorado**
Institute

Leadership in Responsible Land Use

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TAP panelist, Leanne Toler, presents the panels findings.

Technical Advisory Panels (TAPs)

Technical Advisory Panels bring Urban Land Institute (ULI) Colorado expertise directly into communities to help solve tough real estate problems. TAPs provide advisory panels are composed of ULI Colorado members who volunteer their time to offer unbiased, disinterested professional advice. Since 2004, ULI Colorado has been invited to conduct more than 50 TAPs throughout Colorado.



ULI volunteers Kate Schwarzler, Chris Coble, and Leanne Toler tour of Ward Road Station Area.



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I. Summary

The City of Wheat Ridge, Colorado, asked ULI Colorado to conduct a TAP regarding the Ward Road Commuter Rail Station area. A panel of ULI members —professionals with architectural, development, brokerage and financial expertise — met at the Wheat Ridge Recreation Center on February 18-19, 2015, to suggest how the area might be best developed leveraging the new transit.

The panel interviewed numerous stakeholders including property owners, elected officials, an RTD representative, industrial and housing experts, area employers and City staff.

The panel proved somewhat optimistic about the Ward Station Area's potential. Building on the area's current industrial strength may be key. So is funding better infrastructure including a compact, walkable network of streets and blocks. Modest gains in medium-density housing are very possible.

Wheat Ridge needs to do more research and community consensus work on such issues as taking on the risk of public finance, creating a vision for the entire station area, and creating realistic expectations for future development. While the current TOD zoning is flexible, it creates an expectation for dense, multi-story, mixed-use buildings that does not seem consistent with market demand.



Kenneth Johnstone of Wheat Ridge leads a station area tour.

II. Background and Problem Statement

The Ward Road/Wheat Ridge commuter rail station is the end-of-line (although some prefer "beginning of the line") station on the FasTracks Gold Line. The line anticipates ridership of 16,000-18,000 per week. The Gold Line electric commuter rail is scheduled to open in 2016. The City of Wheat Ridge prepared a subarea master plan (Northwest Subarea Plan) for the area in 2006 and updated it in 2013.

The Northwest Subarea Plan addresses future land uses and transportation needs for an area in an about ½-mile radius of the station area. The plan generally recommends medium- to high-density, mixed-use development for the area as well as a tight grid of pedestrian-oriented streets. North of the railroad tracks, the plan recommends mixed-use development with the potential for a residential focus, transitioning to retail-oriented mixed uses adjacent to Ward Road. South of the station and tracks, the plan recommends mixed-use development with a commercial/employment focus.



Chris Coble discusses the background and panel findings of the site with the Ward Road Station community.

In addition to the subarea plan, the City has pursued several other planning efforts and regulatory changes to facilitate implementation of the plan and development of the station area into a mixed-use urban village.

Those efforts/changes include:

- EPA smart growth grant studying financing mechanisms that support mixed-use transit-oriented development (TOD) infrastructure.
- Adoption of an urban renewal plan for the station area.
- Development of mixed-use commercial/TOD zoning district.
- Rezoning the 14-acre former Jolly Rancher site to Mixed-Use Commercial-Transit Oriented Development (MU-C-TOD) and creation of a Metropolitan District for the site.
- Participation in DRCOG/Federal Sustainable Communities Initiative (SCI) Project-Gold Line Working Group with the following deliverables expected in early 2015:
 - Affordable Housing Creation and Preservation Study.
 - Market Readiness Study and accompanying Gold Corridor Economic Development and Community Services Strategy.
 - Ridge Road Catalytic Project Multimodal Street Design.

Today's uses in the station's surrounding area are mainly employment based, including light industrial and manufacturing. Kaiser Permanente has a medical facility on the west side of Ward Road, within a ½ mile of the station. Among Gold Line station areas, the Ward Road station area has by far the highest existing employment density.

There are significant vacant or lightly developed properties near the station, particularly on the north side. Three such properties totaling about 25 acres abut the station area and commuter parking lot on the north side.

The area road network is limited and lacks improvements for bicycles and pedestrians. The railroad tracks are a barrier to north-south connectivity for all modes of travel. Vehicular crossings are located at Tabor Street and Ward Road, which are nearly a half-mile apart. Tabor Street will have significant bike and pedestrian accommodations when the rail station opens. No vehicular or pedestrian crossings are provided at the station, which is located midway between Ward and Tabor. A location has been identified for a pedestrian bridge across the tracks at the station, but the bridge is not funded as part of RTD's planned station improvements for opening day in 2016.



Station area features spectacular views and active industrial uses but a lack of safe and inviting pedestrian and bike amenities.

RTD's planned improvements prior to the station's opening include:

- Bike and pedestrian improvements to Tabor Street south of the I-70 frontage road.
- Ridge Road will be extended from its current west terminus, through the station area and becoming 50th Place extending to Ward Road. The extension will include on-street parking and bike/pedestrian accommodations.
- Taft Court will be extended north to 52nd Avenue, including on-street parking, detached sidewalks and a tree lawn.

Problem Statement:

While much has been done to facilitate future transit-oriented, mixed-use development, no private-sector development has been initiated so far. Numerous developer inquiries have been made, primarily for residential construction on properties north of the station. Many residential development inquiries have proposed densities at less than what the City desires, including a proposed small-lot, single-family housing project for the 8-acre parcel northeast of the station that's currently an alpaca farm with residence. A developer has inquired about a proposed three-story townhome product with structured parking.

Development inquiries for the Jolly Rancher site have generally been for three-story, walk-up apartments with surface parking. The City's adopted planning documents prefer structured or subsurface parking.

The City's subarea plans for the station region include only general recommendations, with no specific development program for sites immediately surrounding the station. Plans include a preferred future street grid to ensure multimodal connectivity, which the area currently lacks.

The economic development strategy draft being completed through the DRCOG/EPA grant suggests a moderate potential for housing around the station, and the possibility of employment uses, including some type of innovation incubator similar to ones created at other metro Denver locations. The strategy also notes the potential for retail/restaurant/service uses in the area to support future housing as well as existing and future employment uses. That land-use mix is consistent with the City's planning documents.



The Jolly Rancher made candy in Wheat Ridge until 2002 and operated this retail store in nearby Golden. Today the cleared 14-acre site is key to the station area's future.

III. Findings

The panel agreed that commuter rail presents a major opportunity to make best use of the new transit while increasing the city's economic vitality and housing options. However the panel also noted that with 72 stations in the FasTracks network reaching 22 Metro Denver communities, Wheat Ridge faces competition to attract new investment, development, and businesses.

Based on study of the local market and experience in real estate in general and TOD specifically, the panel made the following findings:

- New housing may be appealing in the station area, but it will be medium-density, lower-rise housing, not urban density on the scale of central Denver locations. Nonetheless, this represents at least 20 homes to the acre, which is enough density to support transit and other services when a critical mass is built and occupied.
- Retail is an unlikely use today, since the station area does not have a big enough residential base to support a lot of shopping. The real estate mantra is "retail follows rooftops." Retail may be a longer-term outcome once much more housing is built
- Office is possible if it falls into the "flex" category, meaning flexible space that can be adaptive for either light industrial, storage, R&D, or office space.

- Conventional multi-story office buildings are not a likely outcome.
- Industrial remains a strong possible use. In our region, industrial vacancies are low and lease rates have recently increased 25 percent, suggesting strong potential demand. But the panel had specific recommendations (below) on how to improve the appearance and quality of current and future industrial uses.
- The site does not yet support TOD zoning density.
- There is a great opportunity to develop one or two larger-scale main uses on the north side 25 acres of vacant or lightly developed land.
- Land values are too high for the market partners, an “unintended consequence” of TOD zoning on one property.
- Coworking spaces (shared spaces for creative startup businesses) could be appealing at this location.
- The former Jolly Rancher site remains the key to the station area at large

Findings from Stakeholder Interviews:
(see page 10 for list of stakeholders interviewed)

- Current property owners have not been able to get redevelopment projects going or sell their properties to developers
- Local businesses range from storage yards to an innovative plastics recycling company to a steel fabricator and alpaca farm
- Because of a tight local market for industrial spaces, such businesses would be pressed to afford moving to another site
- A local Kaiser office serving 36,000 members offers stable employment for 150 people
- The Mountain Vista Senior Living Community employs 250 and is expanding
- There is a demand for senior housing. Current projects have a wait list of 1,000
- Innovation and coworking spaces (like Galvanize in Denver) are currently attracted to more urban, central locations
- Affordable housing builders have interest in the station area but have not been able to find property at the right price. Currently there are 20+ acres of vacant land.
- Development is booming in Olde Town Arvada because of the historic district and the walkable streetscapes. The transit alone is “icing on the cake,” said one developer, not the driving force for development
- RTD is uncertain of future parking demand and not ready to commit to structure parking; parking garages along the new West Line are underused as ridership remains well below capacity
- The city may want to take another look at zoning in the station area. Perhaps it needs to be more flexible

Site Strengths and Weaknesses:

A. Site Strengths:

- End-of-line transit station
- Large-parcel ownership
- Opportunity to extend city grid
- Potential for regional water detention
- Established residential market around site
- Strong west-side employment demand
- High tax revenue from commercial uses
- Access to Kaiser Permanente
- Good I-70 access
- Western mountain views and visibility

B. Site Weaknesses/ Challenges:

- Generational ownership
- Lack of active developers
- High value expectations that may be unrealistic
- Limited investment from City of Wheat Ridge
- Lack of a clearly articulated plan for the station area

C. Immovable Objects:

- Industrial uses south of station not likely to change
- Industrial uses just north of rail along Ward Road are likely to stay



A rough sketch of a potential site plan based on identified strengths and weaknesses of the existing site.

IV. Recommendations

Core recommendations:

- The City needs to define and commit to a market-based vision
- The City and the Urban Renewal Authority (URA) must commit to funding infrastructure, in particular a walkable street grid to provide a framework for future investment and development
- Heavy industrial uses are not compatible with the vision of a mixed-use transit village with residential and retail. The City and the URA may need to work with some industrial owner/users north of the railroad tracks to relocate their business to a suitable site
- With the street grid, zoning, clear vision and business relocation in place, the area could develop into a mixed-use village. While the density may still not achieve its subarea plan goals, the station area can still develop in an “urban” form that supports transit and community vitality.

Other recommendations:

- Strengthen the industrial marketplace south of the rail.
- Infuse new employment along Ward Road north of rail line
- Create a multifamily zone with reduced parking ratios right at the station. Do not require a vertical mixed-use building. This is a catalytic site that will attract development to the rest of the station area. The current market demand is for three-story walkup apartments, which can provide enough density to support transit and a compact, walkable area.
- Create a lower-density (townhouse or single-family) urban residential zone to the east
- Encourage small retail opportunities such as coffee shops where possible
- Build on the area’s current industrial strengths by attracting flex office, R&D, and light innovative industrial land uses complementary to existing businesses
- Review and consider revising MU-C TOD use and design standards to promote employment-based uses and to improve the appearance of current and future industrial uses



The panel looked at other examples of TOD and urban villages. Left: Bellevue Station’s 50-acre master plan has attracted major apartment and office development to the Southeast light rail corridor. Right: although not a TOD, Belmar offers a great example of placemaking but has been financially challenging for the developer and the community.

How Rowlett, Texas, brought development to rail:

Panelists examined the example of Rowlett, Texas, a Dallas bedroom community that got light rail and an end-of-line station in its downtown. The town wanted to optimize those assets and attract an urban developer to help that effort, so it created a campaign to introduce itself to the market-place. After 18 months, Rowlett received interest from four developers and picked one for a 50-acre, \$32 million project with 230 units of residential with retail space. The developer got \$7 million in incentives, partly cash, from the town.



The New Downtown Village of Rowlett, Texas, is a \$30 million project that provides a new kind of village center combining mixed use densities, and public venues in a TOD setting.



An example of place-making in Old Towne Arvada.

V. Key Questions and Panelist Responses

1. How can Wheat Ridge create a realistic private development program that's employment intensive with urban residential?

Look at employment opportunities to bring people and tax revenues to the area. To attract new employment along Ward Road, north of the rail line particularly, it would help to improve area streets and create a sense of place. Encourage small retail opportunities where possible, but don't think of retail as a main development focus; think of employment.

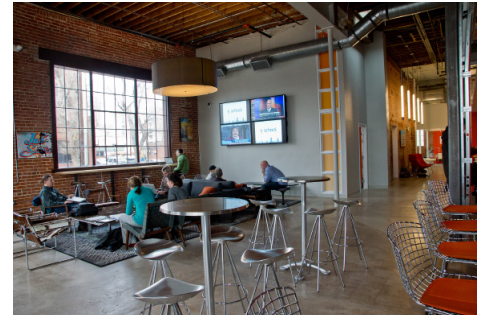
Residential may not be practical for properties abutting Ward Road. Focus on flex office and industrial. Metro Denver industrial real estate is currently expensive. Transit may provide a "value added" benefit that attracts new businesses, employment and vitality.

2. How can we achieve residential density goals?

The Panel didn't think that can happen now, since the market is not responding to land that's already being marketed. The City needs realistic expectations, including creating a mix of lower-density urban residential and a multifamily zone right at the station.

3. Can a "co-working" innovation hub work near the station?

Yes, it's a great place for that, though the Panel wasn't sure what the product would look like. With the potential to create pedestrian access across the light rail, there are opportunities on the south side of the rail to continue the kind of infill property that's already there and possibly rebrand it with innovative industrial uses. The Panel suggested "let the area be what is, and let it grow as strong as possible; that strategy has the most potential to succeed."



Located in the historic Rocky Mountain Bank Note building in Denver's Golden Triangle, Galvanize introduced a new type of "co-working" providing shared spaces for start-ups and young, creative companies. The panel considered whether this concept could work in the Wheat Ridge station area.

4. Can structured parking work?

That's tough, according to the Panel, because the Ward Road Station is an end-of-line Gold Line station, and it's not known how many people might want structured parking. RTD says it's getting 1/3 to 1/2 the ridership projected for the West Line and parking garages are being lightly used.

5. What additional regulatory changes should the City make?

TOD zoning has established intent for higher-density mixed use and residential development. This in turn has resulted in land owner's value expectations to exceed market conditions. The panel recommends a review of the zoning in place to determine if language can be revised to promote employment vs. an implication of mixed use density. This recommendation is based on the panel's review of the site, market demand and feedback from stakeholder interviews with developers of all asset classes.

6. What kinds of financing tools would be needed for development?

Tax-increment finance (TIF) could work. There are many examples of cities and special districts to fund and maintain infrastructure (including parks, plazas, sidewalks and pedestrian bridges) that before long attracts substantial development that replenishes the investment through new tax revenues.



Community stakeholders review final recommendations and ask questions of the panel.

VI. Stakeholders Interviewed by Panel

Property Owners:

Marty Farnsworth, IBC Holdings LLC/Owner of 5060 Ward Road

Barb Hance, Owner of the Hance Ranch alpaca farm (11818 W. 52nd Avenue)/and Broker

John Emmerling, DTZ (formerly Cassidy Turley)

Bob Harmsen, Owner, Ward Road Storage LLC (5025 Ward Road)

Biff Robertson, Owner, Applied Plastic Coatings Inc. (5000 Tabor St.)

John and Erika Geiger, Owners of Apache Steel Corp. (12280 W. 50th Place)

Kevin Gilligan, Owner of vacant land at NWC Ridge Rd and Quail St. (11901 W I-70 Frontage Road)



Stakeholder interview with John Emmerling and Barb Hance.

Elected Officials:

Joyce Jay, Mayor, City of Wheat Ridge

Bud Starker, Dist. 1 City Councilman

Regional Transportation District (RTD):

Bill Sirois, RTD Senior Manager, Transit Oriented Communities

Industrial:

Esther Kettering, Senior Vice President/Industrial Broker, DTZ (formerly Cassidy Turley)

Steve Rasmussen, Regional Partner, MIE Properties Inc., Golden

Tim Rogers, Senior Broker, Genesee Commercial Group LLC, Lakewood/Renewal Wheat Ridge, Dist. III Representative

Scott Marcum, Managing Broker, Marcum Commercial Advisors, Wheat Ridge.

Housing:

Alan Feinstein, Executive Director, Jefferson County Housing Authority, Wheat Ridge

Brendalee Connors, Chief Real Estate Officer, Metro West Housing Solutions, Lakewood (Developer of Lamar Station Crossing, Lakewood)

Aaron Foy, Principal, BLVD Builders LLC, Denver. (Specializes in building attached and detached single-family homes in infill neighborhoods.)

Bill Mosher, Senior Managing Director, Trammell Crow Co., Denver. (Trammell Crow is developing a mixed-use TOD site in Olde Town Arvada, across from a commuter rail station)

Tyler Downs, Partner, Wazee Partners LLC, Denver. (Wazee Partners developed the Wheat Ridge Town Center Apartments, a 88-unit four-story stick-built property, in 2012. The project was funded partly by low-income housing tax credits from the Colorado Housing Finance Authority)

Major Employers:

Jane Runge, Regional Director of Community Relations, Mountain Vista Senior Living Community (4800 Tabor St.)

Kraig Schmidt, Director, Kaiser Permanente Wheat Ridge Medical Offices (4803 Ward Road)

Creative Industry:

Chris Crosby, Executive Vice President, Nichols Partnership Inc., Denver

City Staff:

Kenneth Johnstone, Director, Community Development

Steve Art, Manager, Economic Development

Lauren Mikulak, Senior Planner, Community Development

Mark Westberg, Design Supervisor, Public Works

Scott Brink, Director, Public Works



Stakeholder interview with Bill Mosher, Trammell Crow Co., on housing options.

VII. Overview of ULI Advisory Services



Pictured here: Jesse Adkins and Leanne Toler, ULI Panelists.

The Urban Land Institute (ULI) is an international 501(c)(3) nonprofit organization whose mission is leadership in responsible land use. ULI realizes this mission by engaging the volunteer expertise of its 30,000 members, who represent 26 different professions including architect, developer, financier, planner and public official. Since 1947, the national ULI Advisory Services program has assembled more than 400 ULI-member teams to help sponsors find solutions for pressing land use. In Colorado, ULI Advisory Services has provided solutions for such key sites as the Colorado Convention Center, Coors Field, former Fitzsimons U.S. Army post, 16th Street Mall and Denver Justice Center.

ULI Colorado's Technical Advisory Panels (TAPs) offer ULI expertise at the local level through our 1,100-member District Council. Founded in 1998, ULI Colorado is one of ULI's most active District Councils. Each panel team is composed of qualified and unbiased professions, who volunteer their time to ULI. Panel chairs are respected ULI members with previous panel

experience. Panel findings and recommendations are nonbinding and strategic to helping communities move forward on key sites and issues.

VIII. Panelists



Chris Coble (panel chair)

Managing Director, Black Label Real Estate, LLC, Aurora

Chris Coble has a diverse background in real estate development, corporate real estate and economic development. He's considered an expert in TOD, and led the Regional Transportation District's (RTD) TOD division, working on projects from the 13-mile T-REX project to the \$7 billion FasTracks project. Coble co-founded Black Label, a Denver-based urban commercial brokerage and consulting firm, to large TOD



Jesse Adkins

Principal/Architect, Shears Adkins Rockmore (SA+R), Denver

Adkins' projects include apartments, commercial space, parking structures, urban design and TOD in markets such as Denver, Boulder, Kansas City and San Diego. Adkins has a BA in architecture from the University of Nebraska-Lincoln and a master's in architecture from the University of Michigan.



Murray L Platt

SOIR, First Vice President, Brokerage and Industrial Services, CBRE Inc.

Greenwood Village has specialized in the sale and leasing of industrial real estate since 1984. Honors include being a CBRE Top 10 Producer in the Denver office in 2009, and being involved in a NAIOP Industrial Deal of the Year (GE Solar) for 2011.



Jeff Temple

Developer

Temple has developed several award-winning master-planned communities, including Storm Mountain Ranch and Marabou in Steamboat Springs. Multifamily projects include Uptown Broadway in Boulder. Jeff also has experience in land acquisition, entitlements, master planning, construction, finance and sales. A Colorado native, Jeff got a finance degree from the University of Colorado Boulder, where he was also an All-American on the NCAA Championship ski team. He co-founded the Spyder Active Sports Inc. skiwear company and was vice president/general manager for 15 years.



Leanne Toler

Public Finance Banker, Stifel Financial Group, Denver

Toler joined Stifel's Public Finance Department in 2012 with significant experience in commercial real estate finance and acquisitions. She was previously director of real estate acquisitions at the Pauls Corp. and assistant VP for U.S. Bank. She has a bachelor's degree in architecture from the University of Southern California and an MBA from Emory University.



Scott Yeates

Principal, SW Development Group, Denver

Denver native Yeates founded SW Development Group after successfully developing multiple projects on behalf of Cypress Equities, Staubach AutoGroup (a Staubach Co. specialty group focused on automotive real estate) and Koelbel and Co. He has worked and partnered with institutional and local clients to develop a portfolio of projects that includes more than \$200 million in multifamily apartments, office, retail and land development.

IX. Acknowledgements and Thanks

Special thanks from ULI Colorado to:

TAPs co-chairs: **Al Colussy**, Principal at gkk works, and **Arleen Taniwaki**, Owner of ArLand Land Use Economics City of Wheat Ridge, including **Mayor Joyce Jay**; City Development Director **Kenneth Johnstone**; Senior Planner **Lauren E. Mikulak**, Economic Development Director **Steve Art**

Wheat Ridge City Council, including Dist. 1 **Councilman Bud Starker**

Wheat Ridge Recreation Center

Regional Transportation District (RTD): **Bill Sirois**, Senior Manager, Transit Oriented Communities, and staff

Our panelists, who volunteered their time in the spirit of improving the community.

Report writer: Paula Moore

Design: Sarah Franklin

Volunteers: Kari Mundschau, MidFirst Bank; Kate Schwarzler, otak



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Chair: Kirk Monroe, Vectra Bank Colorado
Staff: Michael Leccese, Executive Director
Kacey Wilkins, Development Director
Sarah Franklin, Senior Associate