

TAPs

Technical Advisory Panels
Bridging the Lakewood- Denver Divide

Sheridan Station Area

January 29th, 2014



Urban Land **Colorado**
Institute

Leadership in Responsible Land Use

Contents of TAP Report

- I) Overview
- II) Background and Problem Statement
- III) Recommendations
- IV) Answers to Questions
- V) Key Stakeholder Comments
- VI) Overview of ULI Advisory Services
- VII) Panel bios
- VIII) Acknowledgements



Other communities on the West Line have begun to develop positive new identities for their station areas. For example, the 40 West arts district at Lamar Station capitalizes on the proximity of the nearby Rocky Mountain college of Art + Design (RMCAD)

Technical Advisory Panels (TAPs)

Technical Advisory Panels bring ULI Colorado expertise directly into communities on tough real estate problems. TAPs provide advisory panels comprised of ULI Colorado members.



The TAP panel and area stakeholders during a tour of the study area.



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I. Overview

The Sheridan station area in the RTD FasTracks West Line corridor has been subject to ambitious plans. These range from local (cities of Denver and Lakewood) to national (the federal Sustainable Communities Initiative). Communities envision a compact and walkable mixed-use neighborhood, where residents can find daily needs and services within a 20-minute walk of the station (a concept known as “The 20-Minute Neighborhood”).

Plans have been adopted for the Sheridan Station Area, Lakewood/Dry Gulch open space, the Villa Park and Two Creeks neighborhoods, and special Sheridan and Colfax corridor zoning. At least three nonprofit developers, NEWSED, Rocky Mountain Communities, and the Urban Land Conservancy, have acquired land and advanced toward creating new projects around the station at 10th and Sheridan. Nonprofits like the West Line Corridor Collaborative (WLCC), and Denver and Lakewood Colfax business improvement districts have made positive, community-minded development around the station a high priority.



The West Line runs through the Lakewood Dry Gulch.

Yet major redevelopment has not come. It has been hindered by the immediate area’s visual blight, as well as by poor infrastructure and connectivity. Despite established communities with a mixed rural-urban feel, the area lacks an “identity.”

There is no one “champion” for civic, commercial and housing improvements. This is exacerbated by the Denver-Lakewood divide. The two municipalities have different standards for development, roads and infrastructure. There is no structure in place that allows one to serve as the “lead agency” that will impact their respective city boundary.

The situation is challenging but hardly dire. Numerous neighborhoods that saw no new investment for a generation have come on strong in the last 10 years. Denver’s Highlands and downtown Arvada come to mind.



Sheridan Station divides Lakewood and Denver.



Holiday shops at 10th and Sheridan- a prime redevelopment site.



Major bike route connecting Denver and Lakewood.

A major positive is that these two cities have chosen to work together and to collaborate. A key goal of this TAP is to identify logistics and a structure to allow that collaboration to bear fruit. The end result should be vertical, mixed-use development that takes advantage of a major new transit line linked to at least three employment centers.

On January 29, 2014, at the request of 10 organizations and agencies serving as sponsors and stakeholders, Urban Land Institute (ULI) Colorado convened a Technical Advisory Panel (TAP) to study the area and to produce concrete recommendations and quick action steps. Panelists are ULI members who are experts in their respective fields. They volunteer to work with communities to address land use problems. Since 2003, ULI Colorado has held 45 TAPs in communities across the state. Recommendations are unbiased and non-binding.

This panel (see bios in Section VII) focused on financing and redevelopment strategies that can help realize the vision of previous plans to create a walkable, thriving and sustainable transit-oriented neighborhood.

The panel's key recommendations are summarized below (see section III for more detail).

The panel truly believes that these steps send a message to developers and investors that “We care!” and the station area is “open for business.”

ULI panel recommendations:

- o Choose or create a “Champion” entity (such as a nonprofit organization) to oversee and orchestrate development in a single district across municipal borders
- o New lead entity is needed to create a positive station-area identity and to market and help finance development opportunities in this new district
- o Denver and Lakewood should each support its own catalytic project contributing to the greater good of positive station area development
- o While limited by political boundaries, Denver and Lakewood urban renewal authorities must collaborate to support both individual “catalytic” projects, as well as overall infrastructure improvements

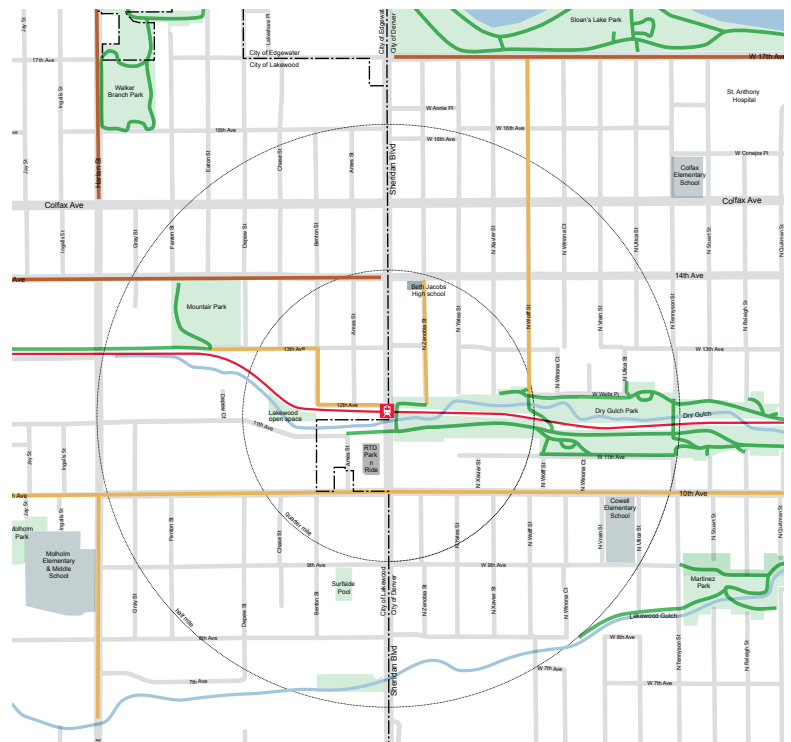
II. Background and Problem Statement

The Sheridan Station area that the TAP focused on is generally bounded by:

- o North - 13th Ave
- o South – 9th Ave
- o East – Xavier St.
- o West – Depew St.

This area includes aging, low-density residential neighborhoods with limited and low-quality commercial development. Municipal oversight comes from both the cities of Denver and Lakewood. Much of the area is split into north-south sections by the two creeks, Lakewood Gulch and Dry Gulch.

By design, the TAP complemented the current 20-Minute Neighborhood Catalytic Planning process, while diving deeper into questions regarding development strategy and issues of financing and legal structure.



Sheridan Station Area Map

More than 10 sponsors sought a professional, objective and unbiased set of strategic recommendations for the future development, evolution and revitalization of the Sheridan Station Area. This revitalization should include a wide variety of housing and business opportunities.

The TAP sought to provide a strategic roadmap and practical next steps.

Key opportunities:

- Both cities have rezoned to encourage more density and mixed use.
- Both Lakewood and Denver hope to diversify development options to maximize the potential of light rail.
- Light rail service is open and operating.
- The station includes an 800-space parking garage that is underused; this may create options to provide parking that supports new development.
- Positive development is occurring nearby. This includes the redevelopment of St. Anthony's hospital into a high-density, mixed-use community; new investment in the Sloans Lake neighborhood; and the new Metro West Housing Solutions mixed-income apartments at Lamar Station on the West Line.
- The area includes thriving light-industrial uses closer to 6th Avenue. Though these businesses are disconnected from 10th and Sheridan, they demonstrate the potential to attract new businesses and investment to the area. New businesses integrated into a mixed-use master plan can generate jobs, local services, and tax revenues.



The under used park and ride at 10th and Sheridan.



Montair Park in Lakewood is the site of a new urban farm that may be linked to west line station.



Potential redevelopment site at 10th and Sheridan.

- Some park and infrastructure improvements are underway and a new urban farm is planned in Montair Park.
- Both cities have potential funding for capital improvements such as better sidewalks on Sheridan and other pedestrian corridors.
- Denver's Villa Park neighborhood is participating in Mayor Hancock's Certified Sustainable Neighborhoods program (<http://www.sustainableneighborhoodnetwork.org/information/overview>), designed to engage residents to participate in environmentally friendly improvements.
- Civic leadership and neighborhood organizations support change.
- Most property owners support change (although they need to have realistic pricing expectations when considering sale of their properties).



The West Line Corridor opening tour, April 2013, focussed on development opportunities.



Potential redevelopment site at 10th and Sheridan.

Key challenges:

- Lack of a positive, cohesive community identity.
- Because the large redevelopment area straddles two municipalities equally, there seems to be no defining single civic leadership.
- Weak local market for redevelopment. Specifically, market demand is weak for private investment; private developers do not now see a strong market for selling or leasing new real estate.
- Rail service and the station are an underused community amenity.
- Located in Dry Gulch, the station is not visible from the street or from adjacent neighborhoods.
- There are no wayfinding signs to help pedestrians find the station platform.
- Lack of automobile, pedestrian, and bicycle connectivity from the station to Colfax.
- Lack of internal circulation, especially for pedestrians.
- Lack of adequate infrastructure (primarily stormwater detention and pedestrian connectivity) inhibits redevelopment.
- Addressing steep grades on development sites adds costs to redevelopment.
- Underused civic space and parkland contribute to perception of blight and safety concerns.
- Current businesses do not serve residents everyday needs and do not relate to one another or the area as a whole. For example: Neighborhoods lack such basic services as a grocery store.
- Out-of-state property owner of the Holiday shopping center at the southwest corner of 10th and Sheridan has not invested in the center. This eyesore suffers from lack of maintenance and has only a few tenants. This key site has much greater potential for development and to provide neighborhood services.
- Because of federal funding requirements, RTD cannot allow free parking for other uses in its garage.
- Some key properties may be overpriced for the market.
- Adjacent Lakewood neighborhoods lack basic infrastructure such as sidewalks and stormwater drainage.
- Small and divided platted parcels constrain private development by adding expense and time to assembling land for development.

III. Recommendations

- A) **Find, appoint, or create a “champion” organization** to manage and promote the station area as a single redevelopment district. Panelists suggested that the existing West Line Corridor Coalition (WLCC) take this on; however, due to WLCC time commitments, a new organization may have to be formed and funded. No process will be made without a champion to lead and point the way.

- B) **Have this Champion, Denver and Lakewood redevelopment authorities coordinate their efforts** to create mixed-use redevelopment that includes tax-generating commercial uses. This is needed to make TIF funding available for infrastructure and other district improvements (residential development alone will not generate TIF).

The panel prioritized improvements in two phases as follows.

Phase 1:

- Pedestrian improvements (improved sidewalks, street crossings) to Sheridan
- A new, pedestrian-oriented Ames street
- Solve stormwater and grading issues
- Depew Street connection

Phase 2:

- Pedestrian improvements to Sheridan
- Solve stormwater + access + utilities
- 10th & 11th avenue improvements
- Dry Gulch improvements and amenities to attract more development (equals increased ridership)



Example of a design to convert an arterial road into a street that functions for pedestrians, bikes and cars (courtesy Victor Dover)

- C) **To fund such improvements, each jurisdiction should create a special district** (urban renewal or otherwise) to provide tax-increment financing for improvements. The Champion should manage these two areas as one district with congruent standards for streetscapes, branding, marketing, and drainage.

- D) **Support a catalytic private/nonprofit development in each jurisdiction.** Denver should focus on the Jody Apartments project located at 10th Avenue and Ames Street next to the new RTD parking garage. This is already being planned by the Urban Land Conservancy and NEWSED with land and executed agreements in place.

Lakewood should focus on the blighted Holiday shopping center right across from the station on Sheridan.

Specific steps include:

- Showing political support for NEWSED’s 9 percent low-income housing tax credits (LIHTC) housing tax credit applications.
- Using negotiation to acquire blighted properties. DURA and Lakewood Reinvestment Authority should dedicate staff time to being property owners together with potential developers.

Once these projects are underway, focus on assembling properties right around the station for a second phase of development.

E) **Study shared parking possibilities for RTD parking garage.**

On a recent business day, this 800-space garage was at least 80 percent empty. Although RTD is restricted in its use of federally funded parking structures, the Champion entity could partner with RTD to study innovative ways to leverage parking to support adjacent development. Structured parking costs developers about \$20,000 per space to build.

- Shared parking could remove some of this development overhead, and thus become an incentive for commercial or residential developers.
- This has been done successfully at the RTD parking garage at University Station in Denver.



F) **Build political will toward capital improvements.**

Stakeholders suggested that capital funds may be available to support infrastructure improvements and streetscapes in the station area. However, city funds are obviously limited and funding requests are highly competitive.

Local leaders and stakeholders participating in the West Line Corridor Collaborative (WLCC) need to speak loudly and clearly as one voice to make Sheridan station area investments a priority.

Offices of economic development and redevelopment in both cases should designate staff “case workers” to work directly with property owners and to generate interest in redevelopment.



Site tour with TAP panelsits and sponsors.

G) **Improve local open space to leverage development.**

The Dry Gulch open space is underused and lacks a parks and recreation “draw.” New amenities and other improvements will draw people and ultimately help attract redevelopment to the station area.



IV. Panelist Answers to Sponsor Questions

- a) ***What public/private financing mechanisms are most appropriate to address the costs of needed infrastructure and the costs to fill the gaps in vertical projects needed to foster redevelopment?***
- There is no magic bullet, but tax-increment finance based on appropriate commercial development is a key to fund phase one improvements.
 - Both jurisdictions should form urban renewal districts to make TIF possible. A special district can be formed with the authority to collect an increased mil levy from property owners.
 - Both cities have capital funds for physical improvements like sidewalks and drainage—but competition for these limited funds will be intense.
 - The Champion entity will provide a framework to make local, regional, and private funding sources more effective. The Champion will be the go-to for research and planning for compatible vertical development and infrastructure improvements. The Champion will help organize and prioritize the two cities and secondary sources of funding and support.
- b) ***The broader Sheridan area has numerous challenges. Where should public investment and activity be focused to get the “biggest bang for the buck?”***
- Public investment should focus on infrastructure needs closest to the station. Safe street crossings and sidewalks leading to the station are a high priority. Another one is pedestrian connections to Colfax Avenue.
- c) ***Prioritize the important and most likely sources of financing or funding that could be used to foster infrastructure improvements and vertical housing and/or commercial development in the 20-minute Neighborhood? What are the pros and cons of each?***
- Urban renewal (Tax-increment finance, or TIF). Pro: Straightforward, proven technique. Con: Urban renewal districts cannot cross municipal boundaries.
 - Increased mil levy. Pro: A small increase in the mil levy can fund many of the proposed improvements. Con: Requires establishment and maintenance of a special district or districts, which involves substantial legal and administrative costs (\$100,000+). Con: Property owners have to agree to the increase.
 - Capital Improvement Funds. Pro: Both cities have established funds for infrastructure and streetscapes. Con: Competitive with other neighborhoods and needs.
- d) ***What are the legal issues and requirements associated with each of the priority financing techniques or programs? What entity needs to take the lead? How would two urban renewal authorities (Denver Urban Renewal Authority and Lakewood Reinvestment Authority) best potentially work together to incentivize development? Is a Metropolitan District a potential tool here given the property ownership?***
- A joint “Nonprofit Champion” organization should be created or pressed into service to identify priority projects and to facilitate funding, implementation and management.
 - Implementation will require close cooperation among city governments and urban renewal authorities
 - This special district or districts may not be a Metro District but needs capacity to collect tax and to issue debt.
 - Different types of districts (for example, urban renewal and metro districts) can be layered over the same space to produce more financing tools. The can be coordinated through the champion and an IGA.
 - A model may be the Lowry Redevelopment Authority (LRA), which oversees redevelopment in both Aurora and Denver.
 - Setting up such a district across municipal boundaries requires the attention of an attorney specializing in Metro Districts/Special Districts (at least six types to investigate).
 - Test local appetite for increased mils in a special district to generate funds for infrastructure.
 - Another benefit: a special district, which is essentially private, can be more flexible and perhaps more innovative than local government in design, construction and administration. For example, a special district can create a special street with different dimensions, special paving, and green infrastructure. This can contribute to creating a special place and brand for the district

- e) ***Discuss the most advantageous time frame for bringing the various financing or funding techniques on line for use at the Sheridan Station/20-minute neighborhood. For example, would it be best to form Urban Renewal/TIF Districts before the transfer of RTD property to private/nonprofit entities?***
- Now! Set the urban renewal TIF area NOW. When the RTD land transfers it will become taxable and will start generating increment.
 - Also: Support local CHFA applications for Low-Income Housing Tax Credits.
 - Create infrastructure plan to coordinate standards and improvements on both sides of city line.
- f) ***What are the critical next steps in order to secure funding from each of the priority techniques or programs?***
- We recommend urban renewal and special districts coordinated by 501-c-3
- g) ***What are the potential costs associated with securing each of the priority funding sources and who is usually responsible to pay for these costs?***
- In each jurisdiction it might cost \$150k to create a special district
 - Creation of two new urban renewal project areas requires drafting and City Council approval of (1) blight studies, (2) urban renewal plans, (3) county impact reports, and allocation of resources to cover administrative and programmatic costs.
 - Both Denver and Lakewood should be able to do this within their URA budgets
 - The Champion entity should be tasked with applying for grants.
 - Investigate to see if federal Sustainable Communities Initiative (SCI) grant money is available to help staff a Sheridan component to oversee a plan.
 - Both jurisdictions might waive some permit fees to reduce overhead as incentive to develop
 - Denver and Lakewood need to make their service plans similar so they can be administered in a single district.
 - Lakewood and Denver might create an Intergovernmental Agreement (IGA) to modify this agreement arrangement.
- h) ***Would it be useful to forge an agreement to issue a joint Request for Proposals (RFP) for a master developer for either the ULC or NEWSED sites alone or ULC/NEWSED combined? What would the pros and cons of this approach be?***
- Con: The single RFP may not work. This scenario assumes that all large infrastructure issues are resolved before issuing the RFP. That could take three years at the expense of catalytic projects that could be done sooner.
 - Con: ULC and NEWSED have already established a partnership with legal agreements in place to create affordable housing. These agreements are time sensitive.

V. Stakeholder Comments

“We’re starting to get more entrepreneurs, things like boutique tea, bike manufacturing , but nobody from these businesses spends anytime in the neighborhood. I’ve never seen anyone walk across the street for lunch. They are the kind of people who would like to spend more time in the neighborhood.”

—Owner of light industrial space in Sheridan corridor

“Developers always approach me about two problems: Detention and parking. When you’re talking about 300 units built on a podium, it doesn’t leave much room for detention. You start thinking about shared infrastructure for multiple developers. Otherwise, are developers expected to pay their own way for infrastructure? That will scare them away.”

—Engineer

“People say the neighborhood has a great location but they don’t feel safe. Narrow sidewalks are a problem. They come look at the neighborhood and are not even aware the light rail station is there. There’s nothing but an RTD sign to announce it.”

—Local property owner



“In concept reviews, there was always a lot of ‘no no no, You can’t turn a firetruck around there. Go away and solve your problems and come back to us.’”

—Affordable housing developer

“The zoning requiring higher density and ground floor retail will take years and is frankly an impediment. On the other side the Lakewood side, the impediments are infrastructure. In every meeting the word sidewalks come up, there’s no curb and gutter, there’s nothing, there’s no storm drainage. As a developer having to front all those costs makes it a challenge. Just because you’re next to a light rail station doesn’t mean you will turn into LoHi.”

—TOD developer



“We’ve looked at sidewalks for station connections and Sheridan came up pretty high. It’s an expensive link and currently not funded, and also it’s a state highway. The policy of Lakewood is for developers to pay their own way. We only have \$200,000 funding for sidewalks for the whole city. The costs of sidewalks with tree lawns is \$1 million a mile for only one side of street.”

—Lakewood official

VI. Overview of ULI Advisory Services



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 have provided solutions for such key sites as the Colorado Convention Center, Coors Field, Fitzsimons, 16th Street Mall, and the Denver Justice Center.

most active District Councils. Each panel team is composed of qualified and unbiased professionals who volunteer their time to ULI. Panel chairs are respected ULI members with previous panel experience. Panel findings and recommendations are non-binding and are strategic to help communities move forward on key sites and issues.

ULI Colorado's Technical Advisory Panels (TAPs) offer ULI expertise at the local level through our 1,000-member District Council. Founded in 1998, ULI Colorado is one ULI's

VII. Panelists



Mark Heller (panel chair)

Redevelopment Administrator, City of Thornton

Mark has 20+ years of experience in community planning, economic development, real estate, sustainability, small business legal counseling, and cultural organization management. From 2004 to 2014, he was Executive Director for the Golden Urban Renewal Authority, including major redevelopment projects, the award-winning Golden Sustainability Initiative, and even hosting professional bike races. He is now the City of Thornton's Redevelopment Administrator. Mark is a Board Member of Downtown Colorado, Inc. and an Advisory Board Member of the Colorado Chapter of the Congress for New Urbanism. He is also a member of the Urban Land Institute and American Planning Association Colorado Chapters. He earned his undergraduate degree with honors in interdisciplinary studies (Plan II) in 1987 and a law degree in 1991, both from the University of Texas at Austin. He earned a Masters in Urban and Regional Planning from the University of Colorado at Denver in 2006.



Cameron Bertron

Senior Vice President - Development Services, EnviroFinance Group

Cameron manages the real estate and financing components of brownfield and Infill projects. With more than a decade of public and private sector real estate experience, he brings a hands-on understanding of how successful public-private partnerships are structured and financed. Previously he was Redevelopment Manager for the Denver Urban Renewal Authority (DURA).



Bruce C. O'Donnell

President, Starboard Realty Group

Bruce is a fifth-generation Coloradoan who specializes in annexations, zoning and rezoning, subdivisions, site plans and water rights; as well as master planning and urban design and transportation solutions, has rezoned 7,000+ acres of land in Colorado. He has participated in underwriting of \$1 billion+ in municipal bonds for financing, and as developer, consultant or investment banker been involved in forming 25+ metropolitan districts. Bruce's clients have included L.C. Fulenwider, Inc., Koelbel & Company, the Colorado State Board of Land Commissioners, and DIA. He recently completed his third term as a Denver Planning Commissioner. In addition, Bruce serves on ULI Colorado's executive committee as treasurer.



Sarah Rockwell

Partner, Kaplan Kirsch & Rockwell LLP.

Ms. Rockwell's practice emphasizes land use, real estate and public sector negotiations. Ms. Rockwell has represented both public and private sector clients in land use, real estate and municipal law issues associated with complex, small and large-scale development projects, including transit oriented development projects, airports and residential, industrial and commercial development projects. She has prepared, negotiated and implemented agreements related to a variety of public/private sector development projects, has advised airports on land use compatibility issues and has counseled clients on endangered species issues. Ms. Rockwell serves on the Board of the Winter Park Recreational Association, the Downtown Denver Partnership Management Committee and Denver Civic Ventures. She received her undergraduate degree from Stanford University and her law degree from Boston University. She also holds a Master's Degree in City Planning from the Massachusetts Institute of Technology.

VI. Acknowledgements and Thank You's

ULI Colorado thanks especially:

TAPs co-chairs: **Al Colussy** (Klipp gkk Works) and **Arleen Taniwaki** (Arland Land Use Economics)

Event captain: **Laura Elena Aldrete**, AICP (Project Manager, PlaceMaking , Parsons Brinckerhoff)

Our panelists: **Mark Heller**, **Cameron Bertron**, **Bruce O'Donnell**, and **Sarah Rockwell**

Other key sponsors, stakeholders and organizers:

JJ Folsom (MIG)

Chuck Perry and **Chris Spelke** (Perry Rose Company)

Debra Bustos (Urban Land Conservancy)

Ray Stranske (NEWSSED)

Bill Sirois and **Kate Iverson** (RTD)

Deirdre Oss (City and County of Denver)

William P. Marino (West Colfax Lakewood BID)

Metro West Housing Solutions

Denver Regional Council of Governments (DRCOG)

Win King (King Commercial Real Estate)

Dan Shah (West Colfax BID)

Renaissance West End Flats

Travis Parker, **Jay Hutchinson**, **Alexis Moore**, **Roger Wadnal**, **Nanette Neelan**

Amy Deknikker, and **Neil Marciniak** (City of Lakewood)

Two Creeks Neighborhood Association

Villa Park Neighborhood Association

Walgreens, West Colfax neighborhood

West Colfax Association of Neighbors (WeCAN)

Derek Soule (Gensler)

Stakeholder interviews: Barb Baker, Debra Bustos, Amy Deknikker, James Godwin, Tracy Huggins, Charlie Johnson, Win King, Neil Marciniak, Nanette Neelan, Alexis Moore, Deirdre Oss, Ray Stranske, Eric Swan, Dick Taft, Beth Truby, Cynthia Vitale, Scott Watkins, Roger Wadnal



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Leadership in Responsible Land Use

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Staff: Michael Leccese, Executive Director
Kacey Wilkins, Development Director
Sarah Franklin, Associate

