



TAPs

TECHNICAL ADVISORY PANELs

Assembling the Future for a Key
Transit-Oriented Development

Lakewood Oak Street Station Area
March 12, 2013



Urban Land **Colorado**
Institute

Technical Advisory Panels

Technical Advisory Panels (TAPs) bring ULI Colorado expertise directly into communities on tough real estate problems. TAPs provide advisory panels composed of ULI Colorado members for local communities. TAPs were specifically designed to be run and implemented by District Councils.

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ULI Staff and Board

Chair: Chris Achenbach
Executive Director: Michael Leccese
Development Director: Kacey Wilkins
Associate: Sarah Franklin

Lakewood Oak Street
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730 17th Street #630
Denver, CO 80202

P: (303)893-1760
E: colorado.uli.org

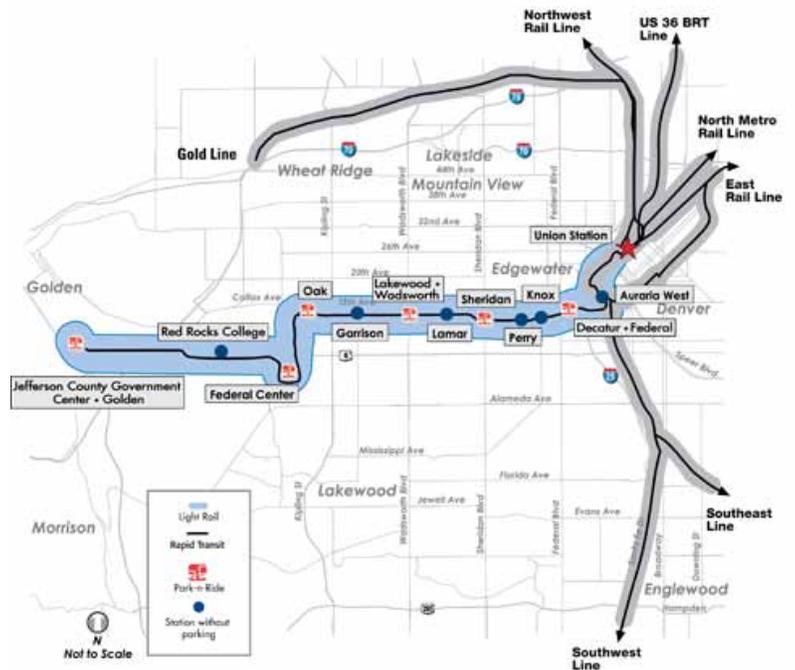
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I. INTRODUCTION

ULI Colorado thanks the City of Lakewood and its citizens, business community, volunteers, City Council, members of City boards and commissions, and especially city staff for their organization and generous hosting of this event. Special thanks also to the Regional Transportation District (RTD) and West Colfax Lakewood Business Improvement District (BID) for underwriting major portions of this ULI Colorado Technical Advisory Panel (TAP); and to Terumo BCT, Lakewood's largest private employer, for hosting the panel.

With excitement building over the opening of the 12.1-mile RTD West Line light rail on April 26, 2013, Lakewood has been planning to make the best use of new stations by creating livable, walkable, mixed-use urban communities around transit stations. To that end, on March 12, 2013, the Colorado District Council of the Urban Land Institute (ULI Colorado) convened a Technical Advisory Panel (TAP) to study the future of the Oak Street Station Area. At the invitation of the city, RTD, and West Colfax Lakewood BID, the ULI TAP assembled six land-use experts who volunteered their time to offer objective advice regarding the station area (see bios in Section VII).



ULI studies have shown that FasTracks station areas may capture about half of all future development in metro Denver in the coming years. This represents not only billions of dollars of potential investment and economic development; but also an opportunity for communities like Lakewood to reshape their urban form. Like most suburbs of Denver, Lakewood has largely developed since the 1950s in a low-density, auto-dependent pattern. The mobility, health and environmental consequences of this type of suburban development are well documented, from increased childhood obesity to poor air quality to hours of productivity lost to gridlock.





Station areas like Oak Street present the perfect opportunity to welcome incremental change with a new type of development into the suburbs: one that is more compact, walkable, convenient, and less reliant on the car for each and every activity outside the home.

However there are challenges to realizing this development potential. In the Oak Street Station Area, small parcels of land need to be assembled into larger parcels suitable for redevelopment. To foster a more compact, walkable environment, the area needs basic infrastructure improvements, including better drainage, sidewalks, street trees, safe street crossings, and public spaces.

The City of Lakewood may have limited capacity to assemble land and to pay for such improvements. Public-private partnerships that encourage and allow new development to pay its own way will be essential to realize the vision of the Station Area Plan. City leadership remains essential. But the city will not be able to transform Oak Street Station on its own.

The Urban Land Institute has studied the transformation and revitalization of suburbs (especially inner-ring suburbs like Lakewood) extensively. Finding, case studies and recommendations are contained in *Shifting Suburbs: Reinventing Infrastructure for Compact Development* (ULI Infrastructure Initiative, 2013), which will be the subject of a special ULI TOD program in August 2013.

II. SUMMARY FINDINGS AND RECOMMENDATIONS

The Oak Street Station area has some of the better development prospects in the West Line. Its assets include a location between two job centers: Denver's Central Business District and the Lakewood Federal Center. In addition Oak Street is a job center in its own right as home to Terumo BCT, Lakewood's largest private employer. A future Streetcar Museum can provide a cultural anchor and destination attraction.

Large vacant parcels of privately owned land (up to 23 acres) are available for redevelopment. The Regional Transportation District (RTD) also controls some land and is eager to participate in redevelopment. Revitalization has already spawned in other parts of East and West Colfax, where the avenue's urban grit and underused land has become an asset.

Challenges to redevelopment include real estate values that are not yet robust enough to support complex, dense, mixed-use development, which is more expensive to build and needs higher returns to finance and find market success. Funding public improvements such as plazas, pedestrian connections, and the streetcar museum also requires creative financing. City budgets are tight and the local business improvement district does not generate enough revenue to fund major public improvements, maintenance and special events on the level of the 16th Street Mall.



ULI panel recommendations are strategic but also practical with a strong focus on achievable next steps.

The panel recommends:



The City should take an active lead in promoting redevelopment of this area. This is not the same as the city acting as a developer.

Appropriate city roles can include the design and construction of placemaking amenities like public spaces and connections, economic development activities designed to attract and retain businesses, with a focus on tech and light industry and, when appropriate, public finance of structured parking. If not actively financing projects, the city can certainly take the lead to orchestrate and broker deals.

The city can take the lead on establishing an area identify by creating design guidelines and design review.

The city can also act proactively as a broker and intermediary among RTD, property owners and current businesses. Two specific goals of these efforts are:

- 1) assembling a larger development parcel closest to the station
- 2) encouraging Terumo to integrate its campus with the station area

Integrating the Terumo campus may create a magnet for similar businesses to locate in an emerging technology district. Engaging Terumo as a partner with the city is a vital next step.

The Streetcar Museum can be maximized as an attraction for businesses; for example, the panel examined using a short streetcar loop as a practical connection between destinations in the Station Area.

City (and city-orchestrated) investment in infrastructure serves two purposes. One is to create a new street and sidewalk patterns to foster a walkable neighborhood/district. The other is to create new real estate value by investing strategically.

The city should encourage development in three product types: housing (primarily rental apartments), light manufacturing/tech, and neighborhood-serving retail.

All these steps are achievable in the short term. The first steps involve organization and building partnerships rather than fundraising or bricks and mortar projects. The City and its partners should start today.

III. MAJOR FINDINGS

The panel drew its findings and observations by reviewing the Advance Packet provided by the panel sponsors, touring the Oak Street Station Area, and interviewing stakeholders.

Character/Identity

Oak Street is really the only West Line station where you can create a new neighborhood or district. Other stations are constrained by the narrow light rail right of way, existing buildings, and multiple property owners. Many are really “walk up” stations.

Yet the Oak Street area lacks its own brand or visual design identity. Although it may build on the brand of “Colfax Cool,” it does not yet possess a neighborhood or district identity related to its architecture, urban design, streetscapes, signs, a business sector, or “destination uses.”

The challenge is that the Station Area does not have much visible character to build upon.

The area’s history (agriculture, trains, irrigation ditches) may provide some cues.

On the positive side, the combination of the station, train museum, existing housing stock and industrial uses (all in addition to the Colfax factor) could provide a great opportunity to create a unique identity that leverages current neighborhood strengths.

The proximity to NREL, the Federal Center and other West Side uses may appeal to some tech or light-industrial business; especially if their executives or workforce lives nearby and does not want to commute to downtown Denver.

Development Prospects and Issues

Given the proximity of Belmar and Colorado Mills, the Oak Street station area may not attract a large amount of additional retail.

The office market is minimal.

The creation of a small-block urban grid (along with more walkable streetscapes) would help create a much more urban feel.

Nothing will happen until key parcels of land closest to light rail are assembled into one larger development site.

There are apparently willing sellers for land assembly, but the city and its partners should not underestimate the challenges of assembling larger parcels, but should prepare and plan accordingly. This is a huge unknown that will take time and resources to resolve.

Housing Current and Future

Current residential is scattered with no critical mass

Higher rents are needed to support a higher quality of product including features like structured parking (\$1.50 per square foot and up)

Current market is \$1.25 or less for residential.



Creating Value

Appropriate zoning is in place to create a mixed-use district focused on housing, light industrial and public spaces.

Investment in public spaces, connections, drainage, and access to transit will increase the value of private development. Issues and challenges include multiple property owners, existing businesses that might have to move, drainage, pedestrian connections. Thus the most valuable land closest to the station is also the hardest to develop.

Placemaking and infrastructure are needed to create the value and the property values follow (examples: Central Platte Valley and River North in Denver).

IV. QUESTIONS FOR THE PANEL AND PANEL RESPONSES

Before the TAP, the City posed the following questions to the panel, based on the city-generated Oak Street Station Vision for:

- A mixed use Transit Center with an emphasis on housing, commercial office, research and development, and retail opportunities.
- Pedestrian friendly with wide sidewalks and street trees to reinforce the immediate planning area to support a strong neighborhood character.
- Multi-story residential and office buildings with ground floor pedestrian scaled uses (retail) will be located in the blocks nearest the station and in redevelopment areas north of Colfax.



Background and Questions

Market-Based Implementation: Identify primary opportunity sites for TOD development and associated market constraints. Prioritize development locations (phasing) through analysis of the following factors:

Viable Use Mix: Station area plan anticipates a wide mix of uses and the City acknowledges the need to introduce a significant residential component to the Colfax corridor. However, the optimal use mix, desirable catalytic development, and keys to long-term viability have not been determined.

Question 1: What real estate product types would be successful within the existing station area geography?

Panel response. Office and retail prospects are limited. Attracting and retaining neighborhood retail (including the local supermarket and more places for employees to have quick-service meals) is vital. Rental housing is a good choice and could find a market. The area will have appeal for tech and light-industrial businesses.

Question 2. How dense could these products be given existing market conditions? How can the City facilitate increased densities on the site if current market conditions do not support those envisioned in the Oak Street Station Area Plan?

Panel response: This is a chicken and egg question. The current market for apartments is about \$1.30 a square foot rental rate, which translates to about \$1,300/month for a 1,000 square-foot apartment. Apartments renting at higher rates in metro Denver approach \$2/foot. This provides the impetus for financing higher-quality, more “urban” construction including structured parking that allows for higher density, which in turns feeds vitality and walkability. Investment in public spaces and connections could create that higher value. The light rail station is only the first step toward placemaking in the entire station area.

However, even garden apartments (such as those proposed by Prospect LLC) may be built at a relatively high density of 20 to 25 residences per acre. This is dense enough to support transit use.

The city should also consider funding structured parking (for the right private project) through tax-increment financing (TIF).

Question 3. How can Lakewood and other partners participate in expanding the current research and development uses in the area to better take advantage of the proximity to transit? How can traditionally lower-density research and development uses complement a higher density mixed use station area?

Panel response: Using the example of Terumo BCT, which is a good neighbor and valued corporate citizen, there is no reason a lower-density campus cannot complement light rail and a TOD station area. Although low-density and suburban in appearance (one story buildings scattered on the site and separated by parking lots and landscaping), Terumo is in fact welcoming the West Line and plans to buy Eco Passes for its 2,000 employees. However, because Terumo’s industrial shifts do not work well with the light rail schedule, many employees will not be able to use the West Line to commute. In addition, the Terumo campus, while attractively landscaped, is not well integrated into the station area. Terumo says it would like employees to have more options to eat and live in the area, but is also concerned with maintaining a secure facility. The City may want to work with Terumo to determine if the campus can be transformed into a model project for other employers seeking to locate near Oak Street.



Development uses in the area to better take advantage of the proximity to transit? How can traditionally lower-density research and development uses complement a higher density mixed use station area?

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For new development, Lakewood can update its industrial zoning to require site development and massing that will complement the station area and mixed-used.

RTD parcels nearest the rail station may attract new employers. Increasing the curb appeal and connectivity of the entire district will also appeal to potential new businesses.

Historic Car 25: The City would like to incorporate the train car as a defining element of the station area. The current vision for the station area includes a transit museum to house the car as well as an electric catenary system of track through the area to allow semi-regular or special event use of the car by visitors.

Question 1: Is there an economic way to incorporate this element in the broader development? Can the development benefit from the museum and associated rail line? How could additional funding for this project best be obtained?

Panel response:

- Seek a strategy that ties funding of train museum to a private development project (inverts the logic of using the train museum to stimulate development)
- Help fund the rail museum through existing property tax
- Integrate alignment of track into public realm, including the central spine and across Colfax
- Leverage presence for district branding
- To build public interest, sell custom imprinted Railroad Ties (like selling bricks to support a park or museum)

Phasing: It seems unlikely that the project area can be developed all at one time given the existing land ownership and use.

Question 1: What is the optimum phasing for private development, how can it be accomplished based on the configuration of current land ownership and the timing of existing leases?

Panel response: “Allow the core area to mature.” Development may well occur around the edges of the station area before happening in the core right about the station platform. Already this is occurring with 244 proposed apartments by Prospect LLC. The former Super Target being actively marketed by Arizona Partners. The development axiom is that you save the best site in a master plan for the last development, thus building value toward a peak at the end of the project. Meanwhile the city and its partners will have time to orchestrate streetscape improvements, pedestrian connections, the streetcar cultural site, and deals to assemble land around the station platform: “the hole in the donut.” In summary, recognize that this “donut hole” is also the most challenging to develop so give it time and perhaps focus on other sites first

Question 2:

Are there ways to catalyze development and encourage faster redevelopment of the area? What should Lakewood’s role be to facilitate private sector real estate development?

Panel response: As outlined above, the city should proactively seek to broker deals among private land owners. RTD land near the station can possibly be swapped with existing businesses that want to stay in the station area while freeing land closest to the station for robust mixed-use development.

Infrastructure: Although the site is located within a developed area of the City, some infrastructure to, and within, the site is lacking (e.g., transportation, some utilities, structured parking, public spaces).

Question 1: Generally, what infrastructure appears to be necessary to support the viable real estate product types and phasing identified above.

Panel response:

Short-term: Placemaking, connections, and streetscaping improvements. The city should investigate the creation of district design guidelines and design review to set a course for a district identity and brand

Longer term: stormwater drainage, parking structures, sanitary sewer, domestic water.

Question 2: What financing tools can be tapped to facilitate the needed infrastructure upgrades?

Panel response:

- City capital improvement funds
- Urban renewal/TIF district
- Metro District
- General Improvement District
- Public Improvement Fee (PIF), a fee tied to sales tax used
- City incentives such as sales and property tax rebates for investors
- Investigate state incentives and special economic development zones
- Combine these funding mechanisms as practical



Structuring development: What is the best way to attract interest from developers? Favorable zoning? Other incentives such as TIF? A public-private partnership through a special redevelopment authority? Outreach through Lakewood’s economic development efforts? Other?

Panel response:

Integrating Industrial Property: Currently much of the station area to the south and west of the station is zoned for industrial and research uses. One of Lakewood’s largest employers, Terumo BCT, is located immediately adjacent to the station on the south.

Questions: How can the station area be designed so that new development and existing low-density industrial uses are mutually supportive? How will the existing uses near the station influence the next level of real estate development?

Panel responses: See above comments about public improvements, land assembly, appropriate land uses and real estate product types, and partnering with Terumo.

V. STAKEHOLDER INTERVIEWS AND KEY COMMENTS

“Crossing Colfax is a critical piece. There are pedestrian crossings at Owens and Quail and an unpleasant one at Oak. It needs sprucing up with concrete or some special demarcation.”

—Scott McFadden, apartment developer, Prospect LLC

“The power of Lakewood is that it is forward looking, but at the same time an aging community, our young professionals are decreasing and aging pop increasing. You also need the mixed use. We need opportunities for young emerging companies who want to be here and not just in central Denver.”

—Brian Williams, President, West Chamber

“Light rail is an attraction benefit for our associates. We are buying Eco Passes for all of them. We’d like the rest of Lakewood to be more of destination. Everyone has to drive a mile or two to go to lunch or buy a gift. It’s not the up and coming location we’d like it to be.”

—Debbie Nunnelee, Senior Manager Facilities Services, Terumo BCT

“Originally the streetcar museum was considered to be the catalyst for Oak Street development. But that hasn’t happened and now we’re looking at development to catalyze the museum.”

—Michelle Nierling, Rail Car #25 Museum and site developmen

“The key to the success of attracting new development is keeping the grocery store. You have to have more than land, you have to have a functional system, and mixed use makes it so. You can’t just have park and rides. If you have services at TOD, people can park, go to work and shop and their way home. In the whole light rail system, there are only two places where you can go shopping.”

—Scott McFadden

“If you build an apartment building right next to light rail, you will get 25 percent of residents as riders.”

—Kate Iverson, RTD Fastracks

“This was an onion field when my great grandmother bought it and then it was a radio station KLAK. I would like to see this put to a good use.”

—Diane Dodge (?), property owner, Lakewood Fordland site

“The hurdle to developing the core [sites closest to the station] is high and it may not happen in the near term.”

—Roger Pecsok, ULI panel chair

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 27,000 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 issues such as downtown redevelopment, land management strategies, evaluation of development potential, growth management, community revitalization, brownfields redevelopment, military base reuse, provision of low-cost and affordable housing, and asset management strategies, among other matters. 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.

ULI Colorado’s Technical Advisory Panels (TAPs) offer the same type of national ULI expertise at the local level through our 1,000-member District Council. Founded in 1998, ULI Colorado is one ULI’s most active District Councils.

Each panel team is composed of qualified professionals who volunteer their time to ULI. They are chosen for their knowledge of the panel topic and screened to ensure objectivity. Panel chairs are respected ULI members with previous panel experience. Panel findings and recommendations are non-binding and are intended to be strategic to help communities move forward on key sites and issues.

<http://colorado.uli.org>

VII. PANELIST BIOS



ROGER PECSOK (panel chair) Development Director, Principal, Continuum Partners
 Roger joined Continuum Partners in 2001. His roles include financial analysis, construction, budgets, design, entitlements, horizontal and vertical development, establishment of a residential development program and numerous third-party land transactions. At Continuum he worked on the 3.5 million square foot Belmar mixed-use development. He also oversees development of Bradburn, a 120-acre mixed-used project in Westminster. Roger worked on Continuum's pre-development activities for Belleview Station, a proposed 50-acre mixed-use. Before Continuum, he developed commercial properties in the Seattle area with Opus. He has undergraduate degrees in Economics and Political Science as well as a Master's Degree in Civil Engineering with an emphasis in construction management. He has had membership in NAIOP, CNU and ULI.



Chris Achenbach, Principal, Zocalo Community Development, ULI Colorado's chair
 Chris is a licensed Architect, General Contractor, and co-founding Principal of Zocalo. As Construction Director, Chris manages the design and construction of urban, LEED certified mixed-use projects for Zocalo, named Denver Business Journal's "Developer of the Year" in 2012. Recent projects include Solera Apartments, a 120 unit LEED Gold building completed in 2010; Riverclay Condominiums, a 62-unit mixed-use project and the first condominium building in the Rocky Mountain region to be certified LEED Silver; and 2020 Lawrence, a 231-unit LEED Gold registered apartment building. Chris received a degree from the University of Vermont and a Master of Architecture degree from the University of Colorado.



Loretta Daniel, AICP, Principal Planner with the City of Aurora
 Her 20 years of experience in the public and private sectors includes planning and urban design projects in Canada and the U.S. As a long-range planner, she has worked on comprehensive, downtown and sub-area plans and neighborhood revitalization and public improvements projects. With Aurora, she has managed planning efforts for station areas along the I-225 light rail corridor and is working on implementing the I-225 rail line. Loretta has a Masters of Landscape Architecture from the University of Guelph and an MBA from the University of California, Irvine.



Daniel J. Horvat

Her resume includes \$1.3 billion worth of projects worldwide. In 2007, Dan co-founded Archer Development with his brother John to focus on infill development in overlooked neighborhoods. Projects include medical offices, mixed-use and multi-family. Dan's responsibilities include site evaluation, financial analysis, entitlements, design, and construction. Previously Dan worked with Skidmore, Owings and Merrill (SOM), 4240 Architecture and Gensler. His work spans three continents and includes over 200 institutional and commercial commissions from mixed-use to airport terminals to offices. Local project examples include the Aurora Municipal Justice Center, Vail Lionshead Redevelopment and the MDC headquarters campus in the DTC. Dan is a licensed architect in five states and a member of ULI and AIA.



Sarah Rockwell, Kaplan Kirsch & Rockwell LLP

Sarah practices law emphasizing land use, real estate and public sector negotiations. Ms. Rockwell has represented public and private sector clients in land use, real estate and municipal law issues associated with small and large-scale development projects, including transit oriented development projects, airports and residential, industrial and commercial development. Ms. Rockwell chairs the Board of the Lowry Redevelopment Authority, and serves on the boards of Downtown Denver Partnership Management Committee and Denver Civic Ventures. She received her undergraduate degree from Stanford and her law degree from Boston University. She also holds a Master's Degree in City Planning from MIT.



Todd Wenskoski, Principal City Planner, City and County of Denver

He has spent his career working on complicated urban design and planning projects focused on redevelopment, transit, public space design and city building. He has worked in the U.S., China, Malaysia, Saudi Arabia and the UAE. Todd focuses on large urban design and public space projects, most notably the 16th Street Mall Extension and Millennium Bridge at Riverfront Park in Denver. He was a member of the ULI Blue Panel in Washington D.C. and has lectured at universities throughout the country. Todd also is a studio instructor and critic at CU Denver and has been a Career Discovery instructor at Harvard's Graduate School of Design. Todd attended the University of Arizona and graduated with a Bachelor of Landscape Architecture and then received a Master of Landscape Architecture in Urban Design from Harvard GSD.

VIII. ACKNOWLEDGMENTS



Would like to thank
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panelists, and stakeholders.

ULI Colorado TAPs co-chairs: Alan Colussy and Arleen Taniwaki, who put endless hours and expertise into producing at least four TAPs a year.

City of Lakewood Planning Director Travis Parker,
and City Planners: Roger Wadnal and Rob Smetana

TAPs Volunteer Derek Soule, AIA, Gensler

Debbie Nunnelle, Senior Manager, Facilities Services, Terumo BCT

Scott McFadden, Prospect LLC

Mark Burns, Arizona Partners

Michelle Nierling and Andrea Miller, Rail Car # 25 Museum

Bill Marino, West Chamber, West Colfax BID

Brian Willms, West Chamber

Trevor Brown, Cassidy Turley Colorado

Phil Washington, William Sirois, Kate Iverson, Patrick McGlaughlin
with Regional Transportation District

Bob Liedel, Lakewood Fordland



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