

**Urban Land
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**Commerce
City,
Colorado**

**Advisory
Services
Panel**



Transforming the E-470 Corridor

**Commerce City, Colorado
October 1-6, 2006**

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Special Thanks

Sean Ford
Mayor

René Bullock
Mayor Pro Tem

City Council
Reba Drotar
Tony Jonson
Kathy Teter
Orval Lewis
Paul Natale
Scott Jacquith
Tracy Snyder

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Chris Cramer
Planning Manager

Steve Timms
Planner

Daren Sterling
City Engineer

Gregg Clements
Interim City Manager

Leigh Ann Noell
City Manager's Office Project
Manager

**More than 40 Community
Leaders**

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The Panel

Ray Brown (Chair)

Architect/Designer
Self Tucker Architecture, Inc.
Memphis, Tennessee

Peter French

Director of Operations
Plum Creek Development
Austin, Texas

Thomas Curley

Group Vice President
The HOK Planning Group
New York, New York

Con Howe

Director
ULI Center for the West
Los Angeles, California

William C. Lawrence

President
Cityscope, Inc.
Jamestown, Rhode Island

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About ULI

Established in 1936.

Independent nonprofit education and research organization.

Mission: To provide responsible leadership in the use of the land in order to enhance the total environment.

More than 30,000 members worldwide.

Representing the entire spectrum of land use and real estate development disciplines.

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ULI Advisory Services

Bring the finest expertise in real estate to bear on
complex land use and development projects

All volunteer panel

Over 400 ULI-member teams assembled since
1947 to assist sponsors find creative and
practical solutions

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The Panel's Assignment

Define beneficial
types of
development and
land uses

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Identify specific,
practical
development
strategies for the
E470 Corridor

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The Process

Studied and discussed information
provided by the sponsors

Briefed by city staff

Toured the project area

Met with key stakeholders

Heard a variety of perspectives from over
40 community members and discussed
issues and concerns

Debated the issues and framed
recommendations

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Today's Presentation

A new paradigm

New ideas for land use and
development

Market forces at work

Tools for attracting development

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A New Paradigm



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What is a Paradigm?

A paradigm is the context—“a set of assumptions, concepts, values, and practices that constitutes a way of viewing reality for the community that shares them.”

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Existing Paradigm

The city as a “sink” for
undesirable uses in the
metropolitan region

Examples:

- 2 major oil refineries
- Extensive industrial and
distribution facilities
serving the region
- Transfer station
- Regional landfill.
- Rocky Mountain Arsenal



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New Paradigm: Developments of Regional and National Significance

QuickTime™ and a
TIFF (Uncompressed) decompressor
are needed to see this picture.

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Examples:

- Denver International Airport
- Rocky Mountain Urban Wildlife Refuge—the “American Serengeti.”
- The 20,000-seat Kroenke Sports Stadium for the Colorado Rapids Soccer team and 25 soccer fields, the potential to host other entertainment venues
- Proposed baseball stadium for minor league teams with stadium seating capacity of 7,500-8,500 persons.

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TIFF (Uncompressed) decompressor
are needed to see this picture.

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Potential National and Regional Significant Development Projects are:

- Large employment generators
- Locally difficult to site land uses
- Recreational destinations on unique natural features
- Retail shopping destinations
- Regional entertainment attractions

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The E470 Study Area

Buffered from normal land use conflicts due to the large areas surrounding the site

- 27 square mile Wildlife Refuge
- 53 square miles DIA
- 4 square mile Barr Lake and related conservation easements
- BFI landfill to the south

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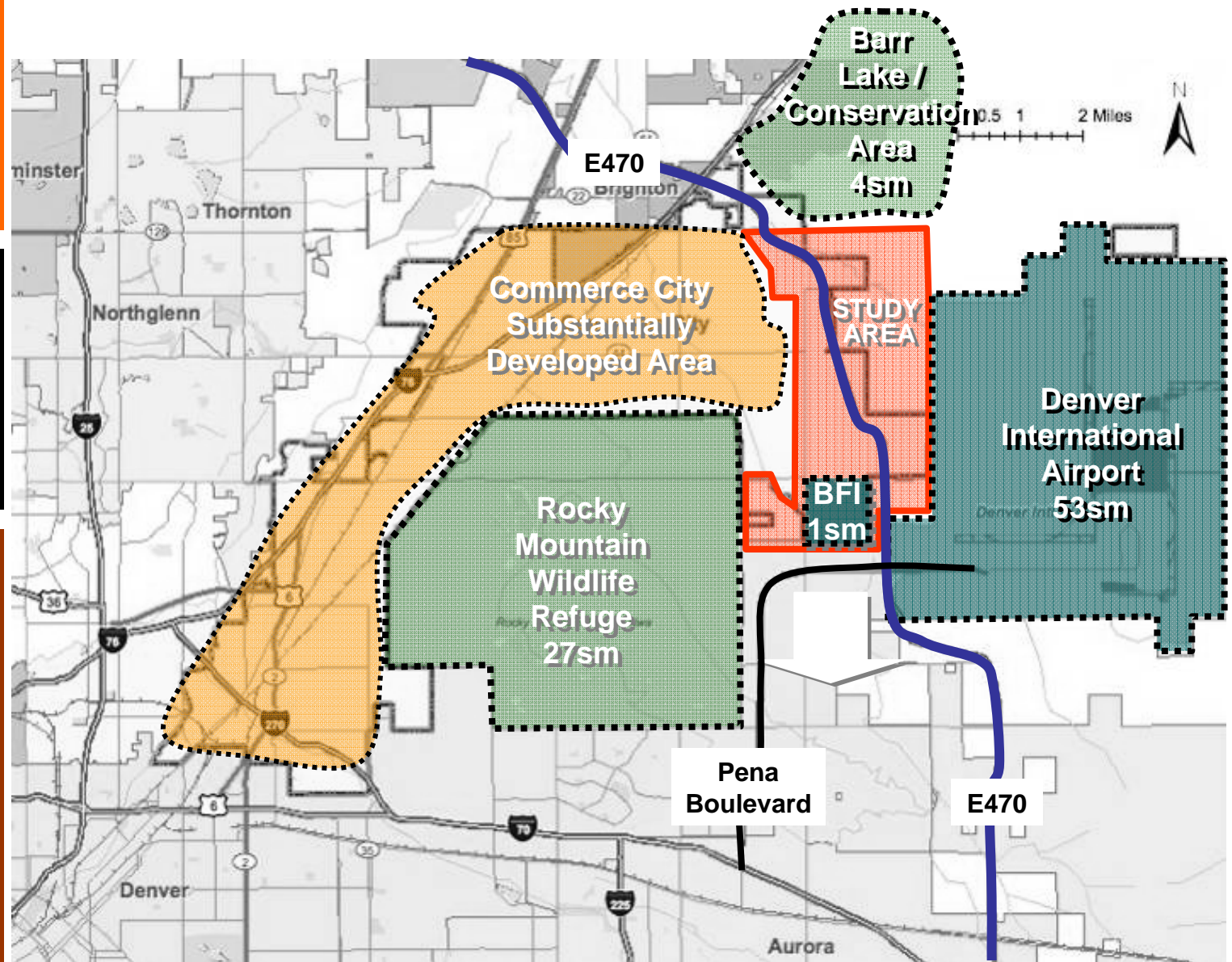
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Siting National and Regional Significant Developments

Should be located in the southern area of
the study area

- Unique physical and geographic site attributes can serve as a buffer
- Proximity to DIA

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Bottom Line

Commerce City provides key functions for the region

Site provides buffers for large scale users

Seek out potential national and regional significant developments

Developments should only be sited on the condition of accruing economic benefits to the city

Developments can be opportunities to fund necessary infrastructure in other parts of the city

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Planning and Design

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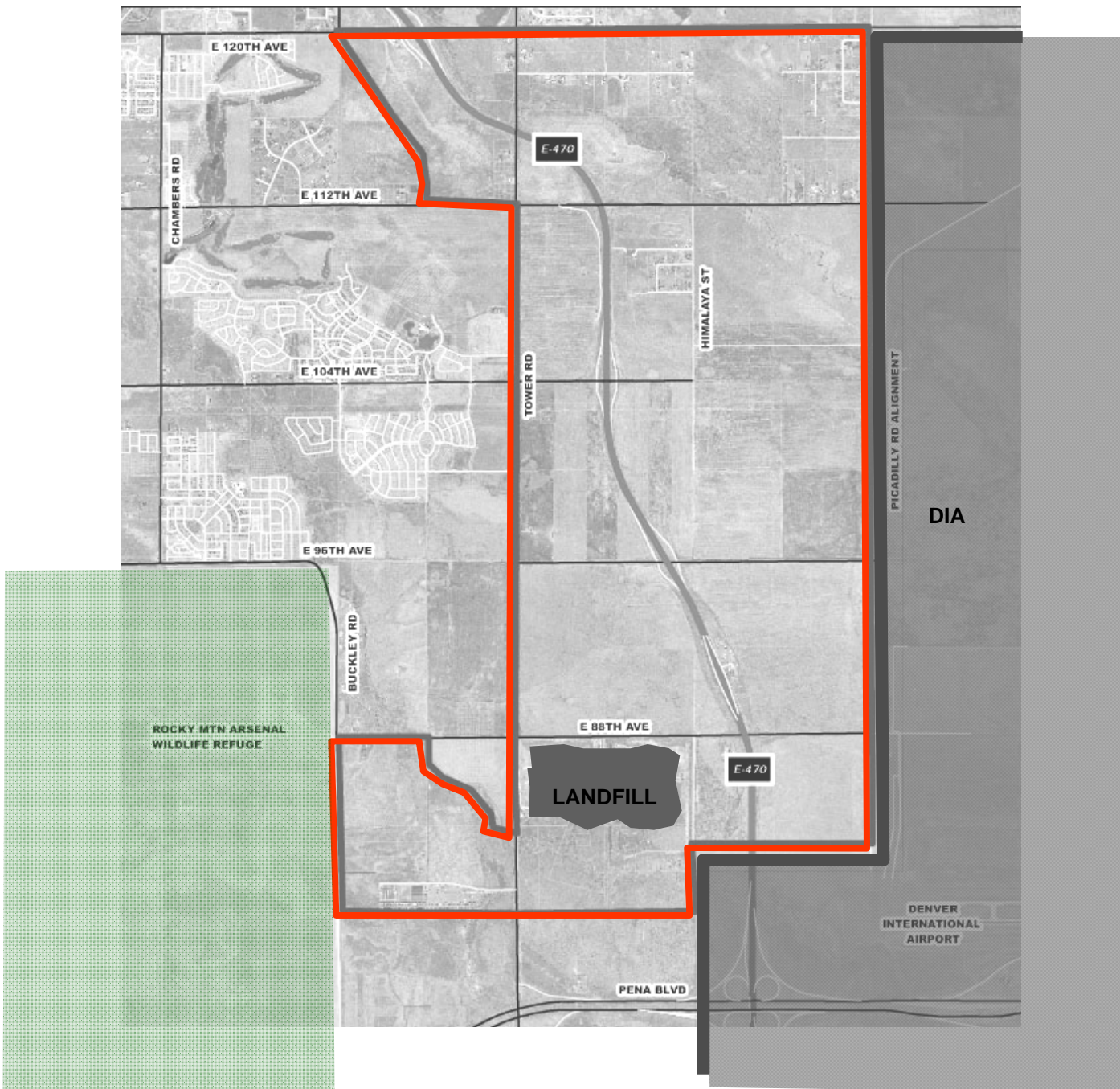
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Physical
Context



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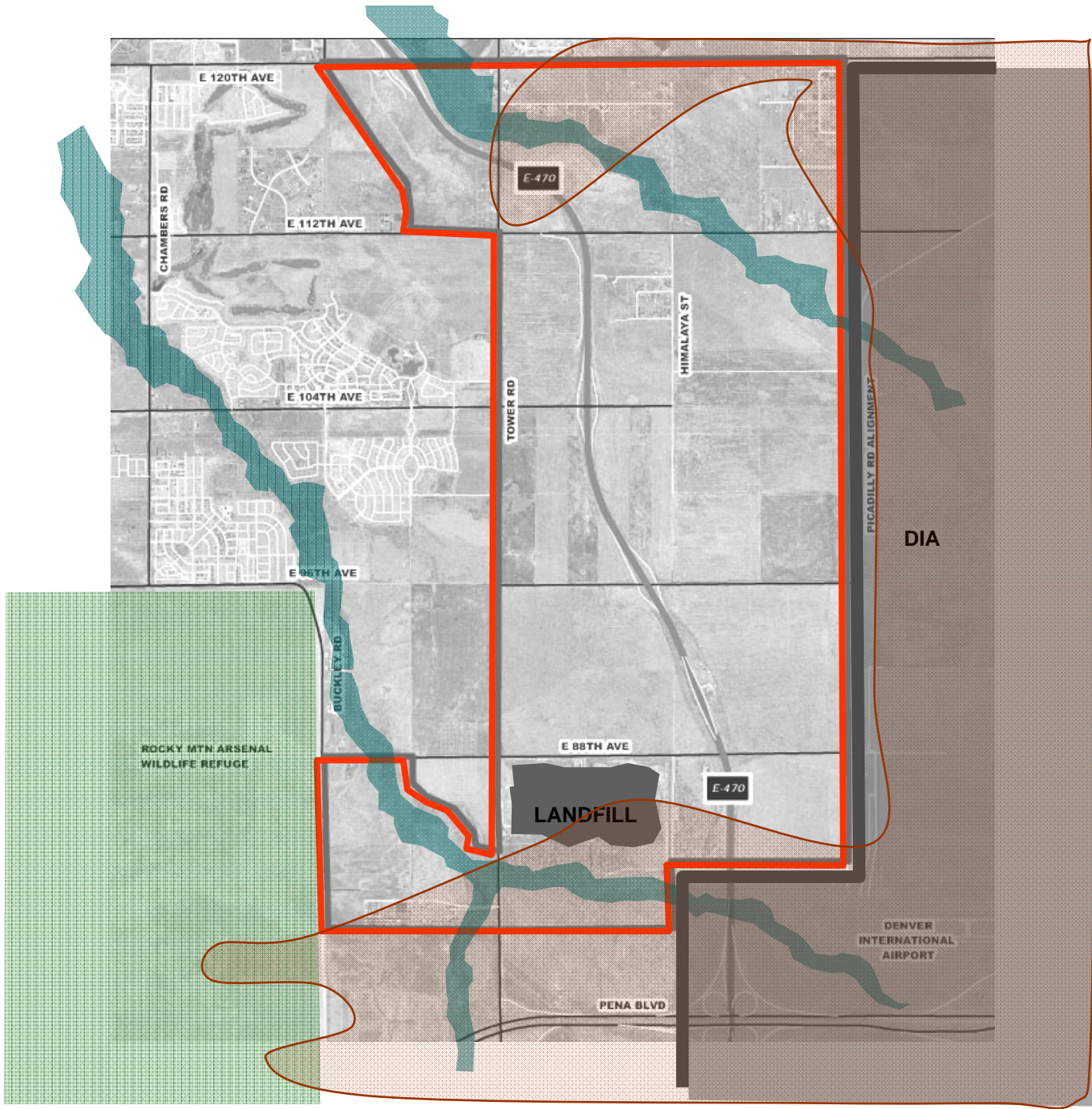
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Context



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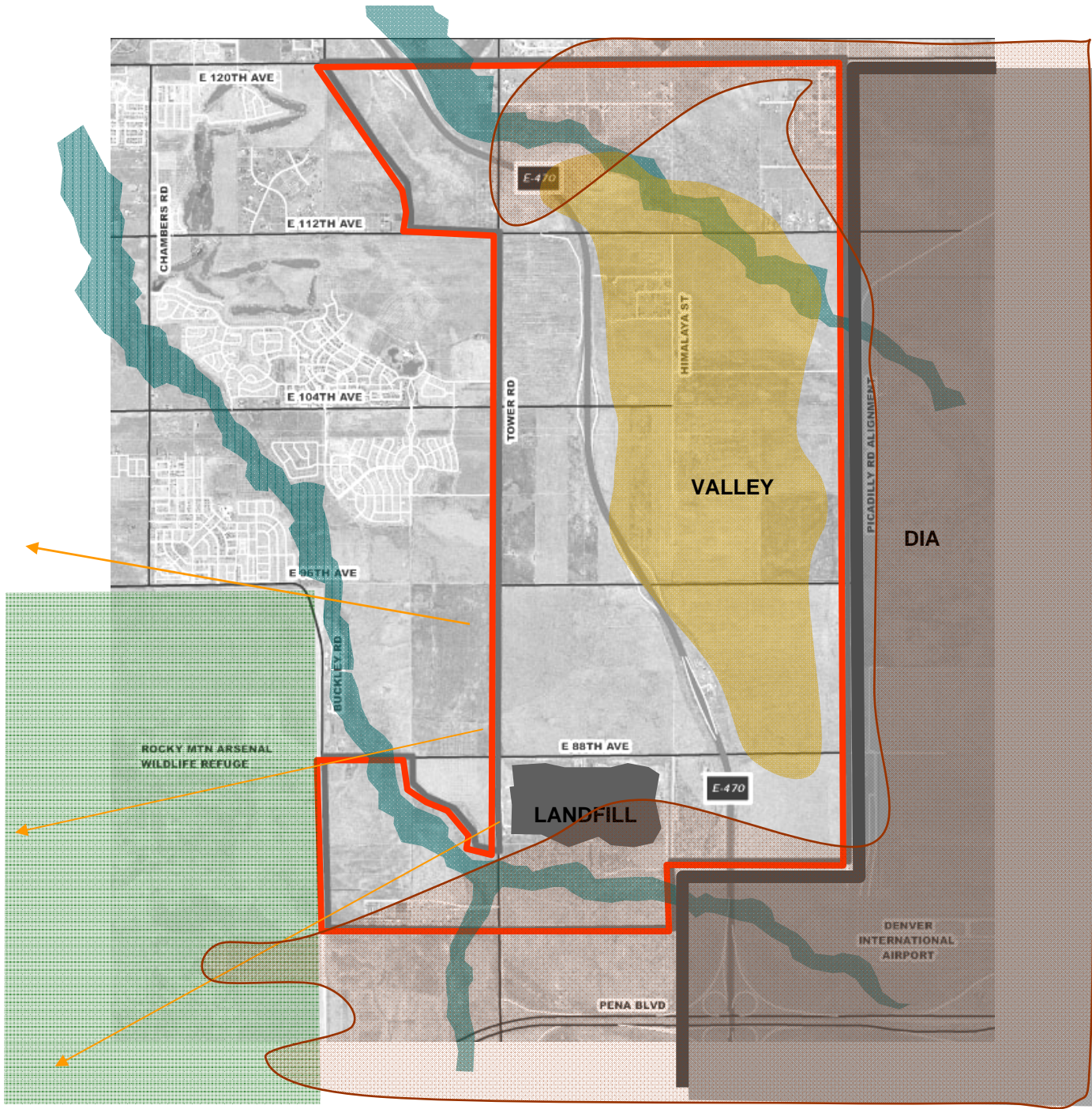
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Physical
Context



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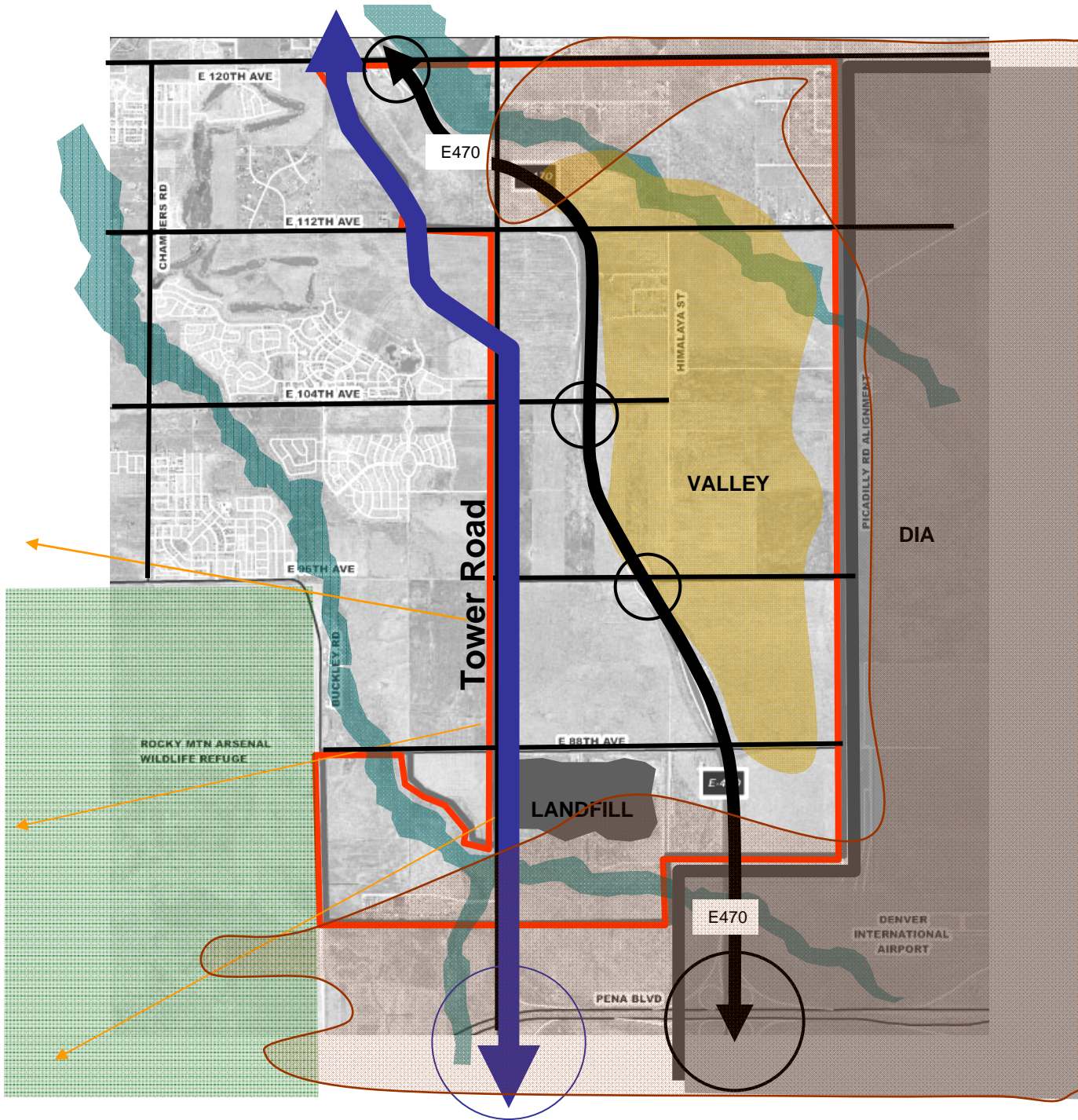
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Transportation



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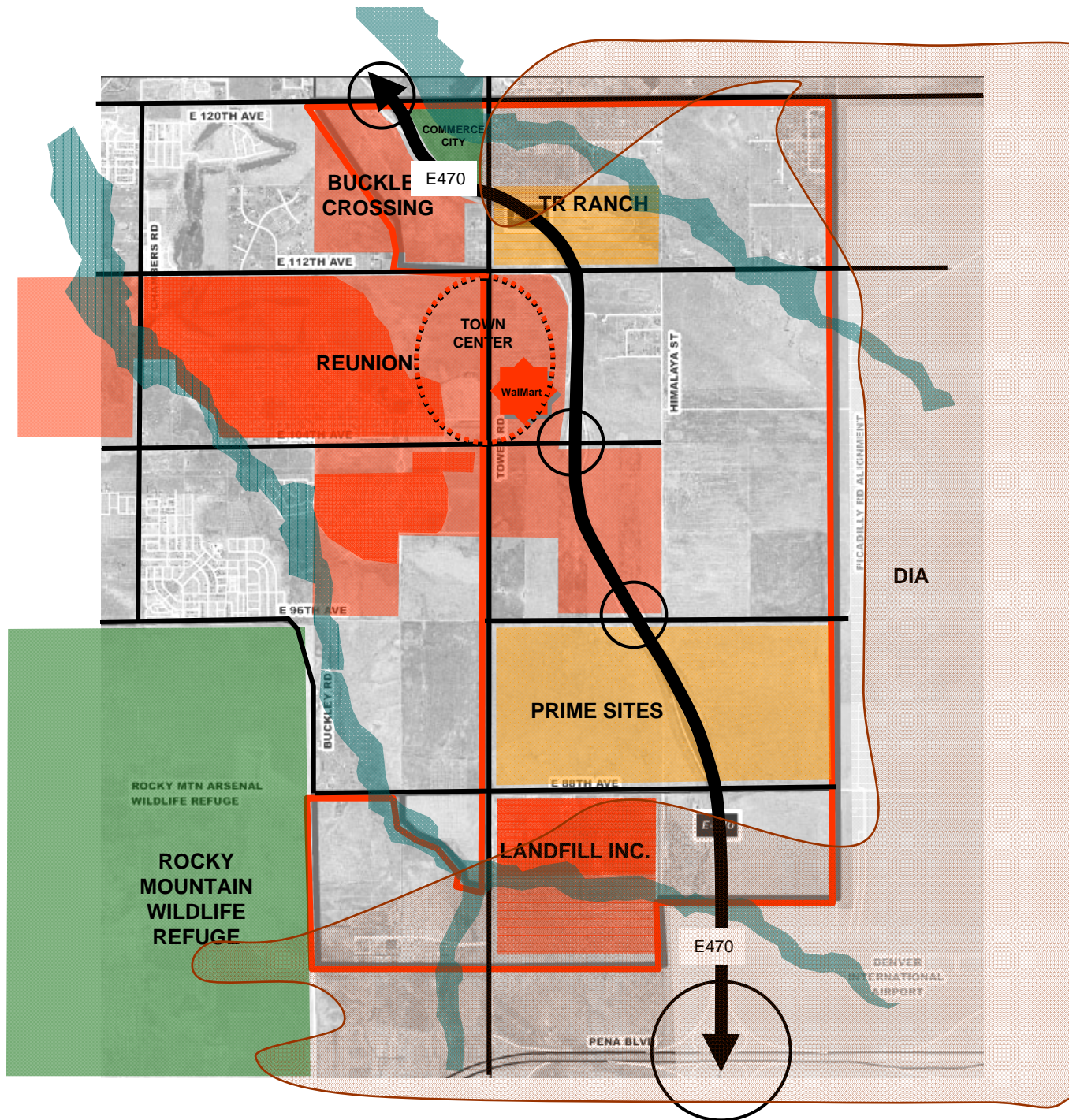
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Development Activity



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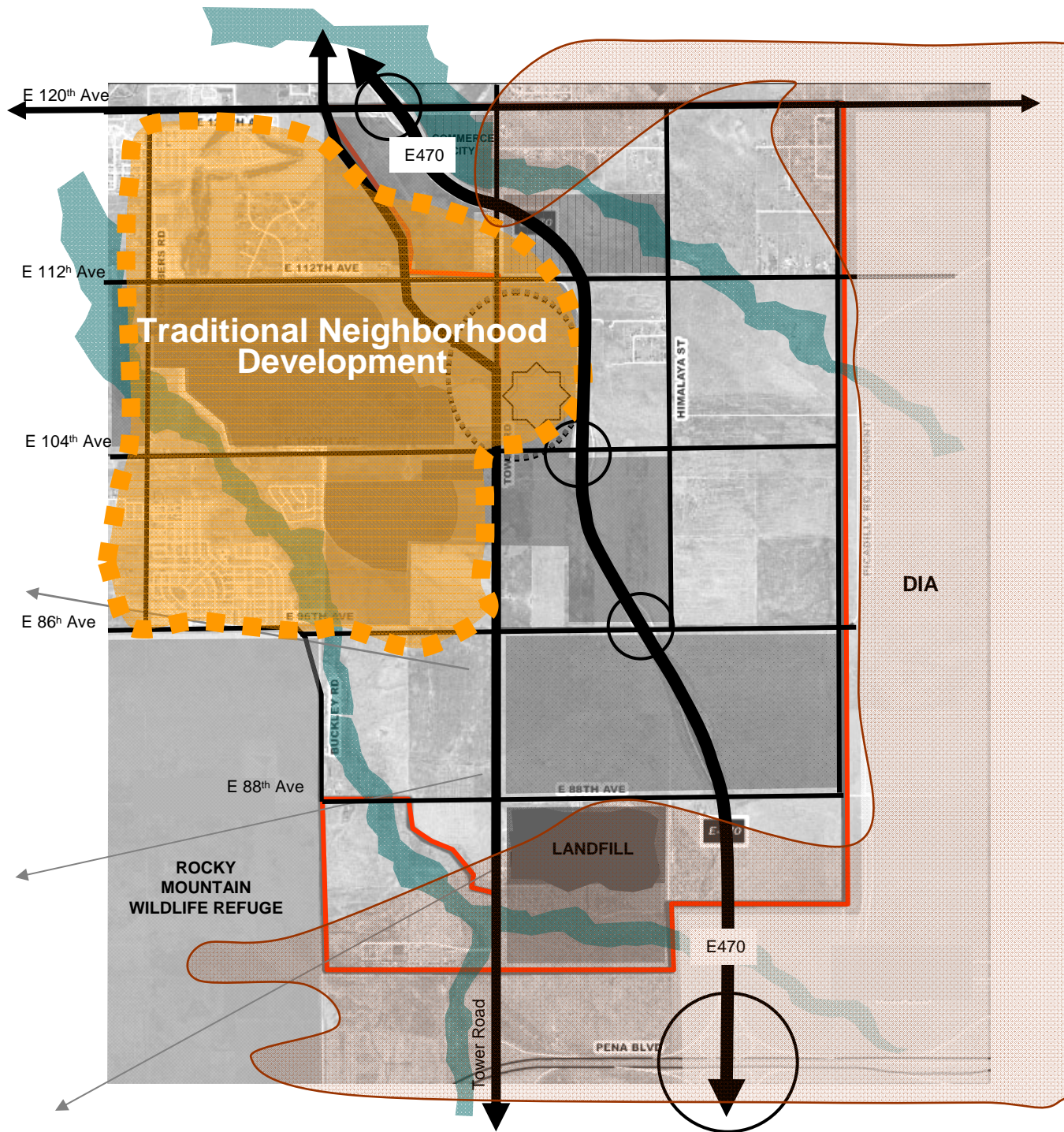


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**Traditional
Neighborhood
Development**

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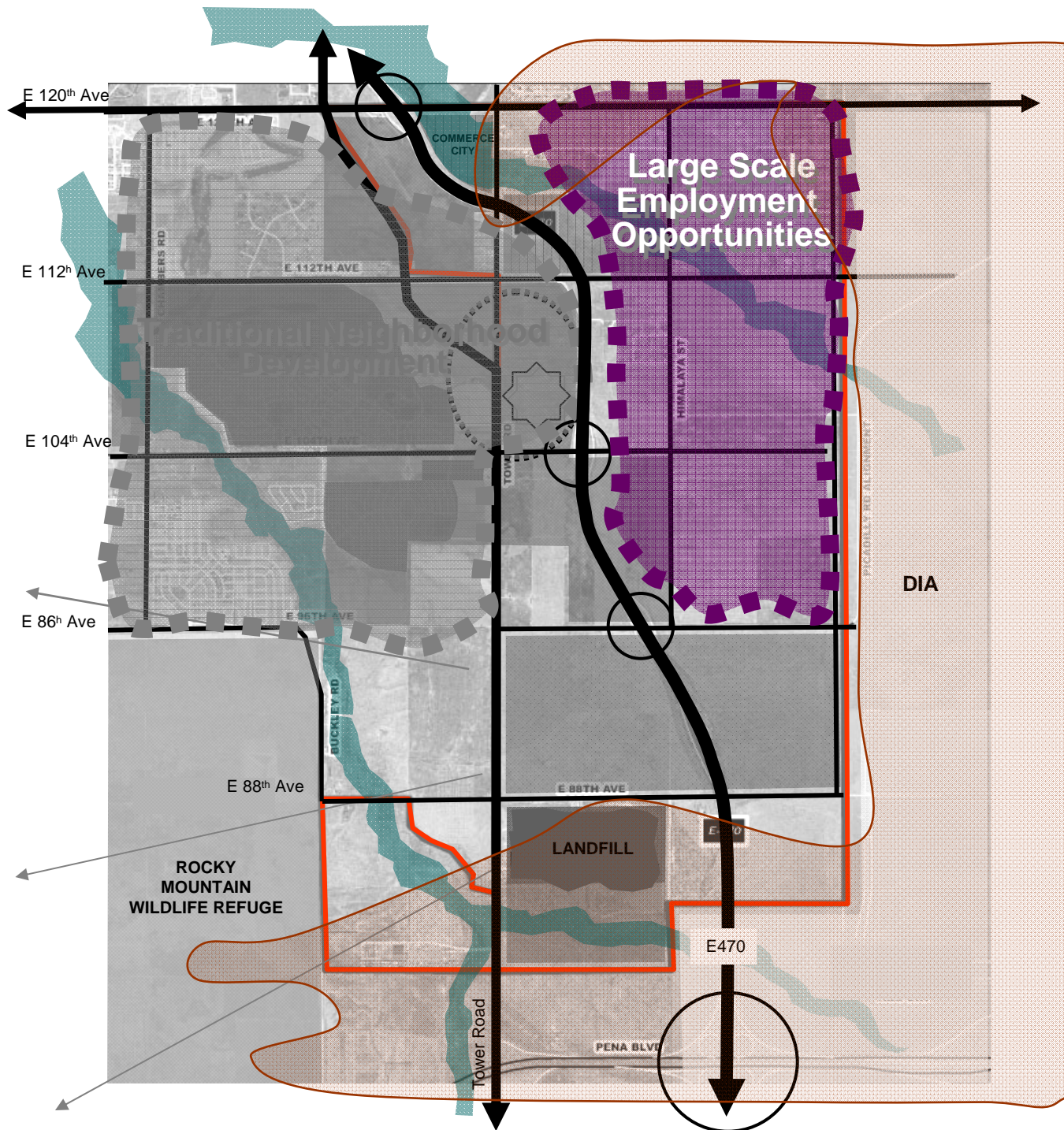


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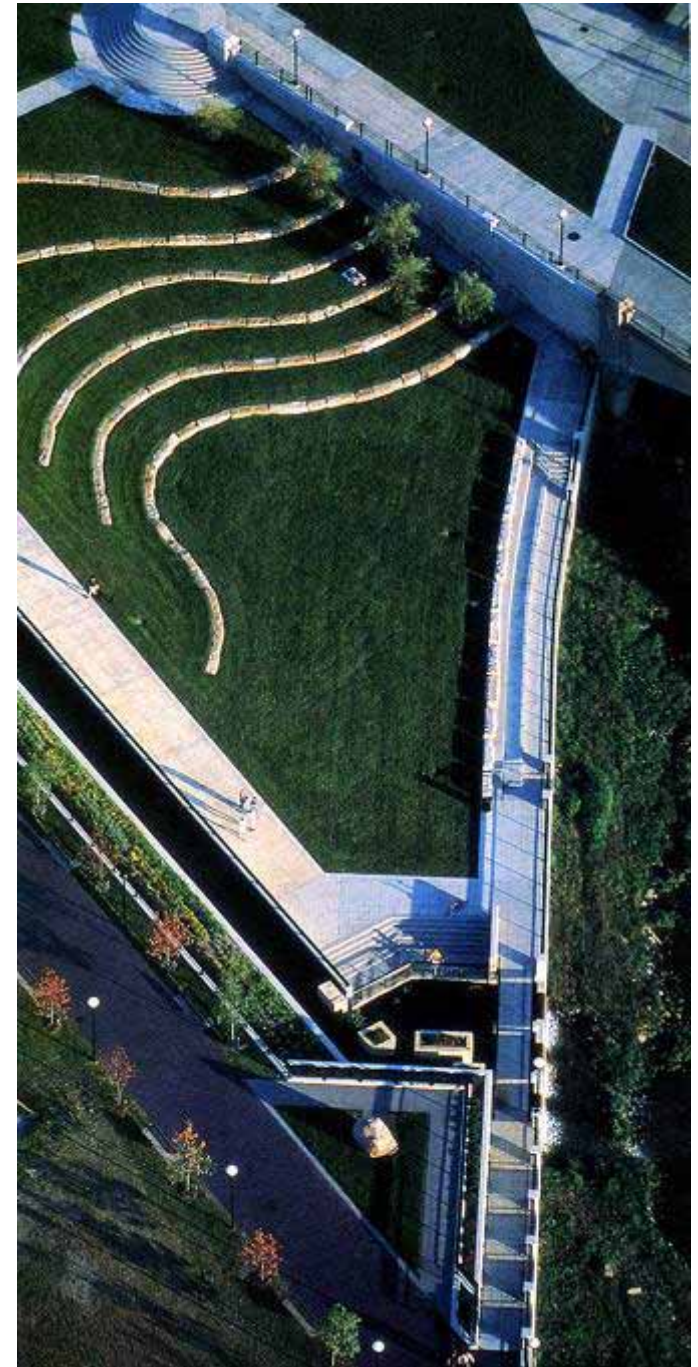


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**Large Scale
Employment
Opportunities**

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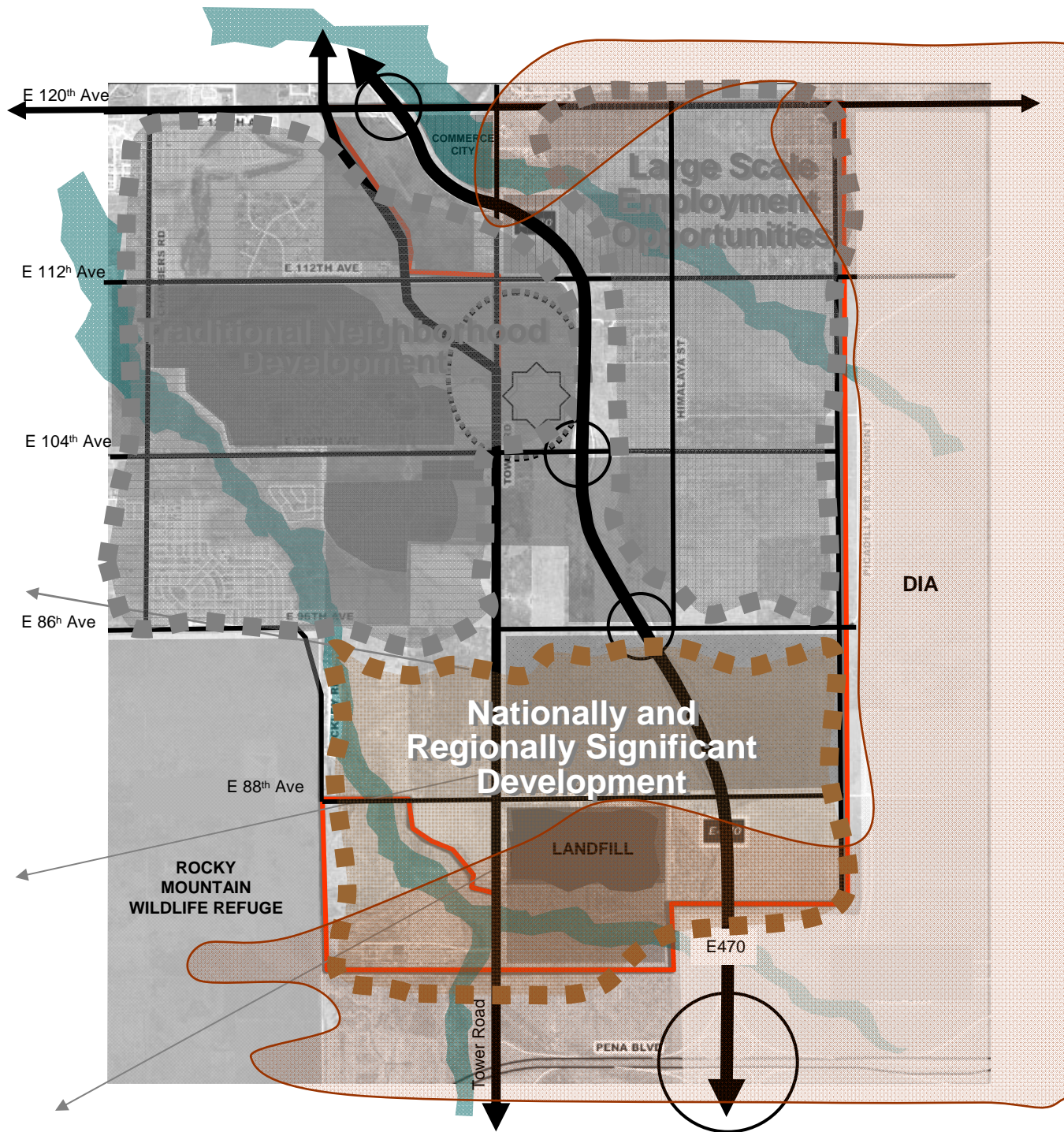


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**Nationally and
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Significant
Development**

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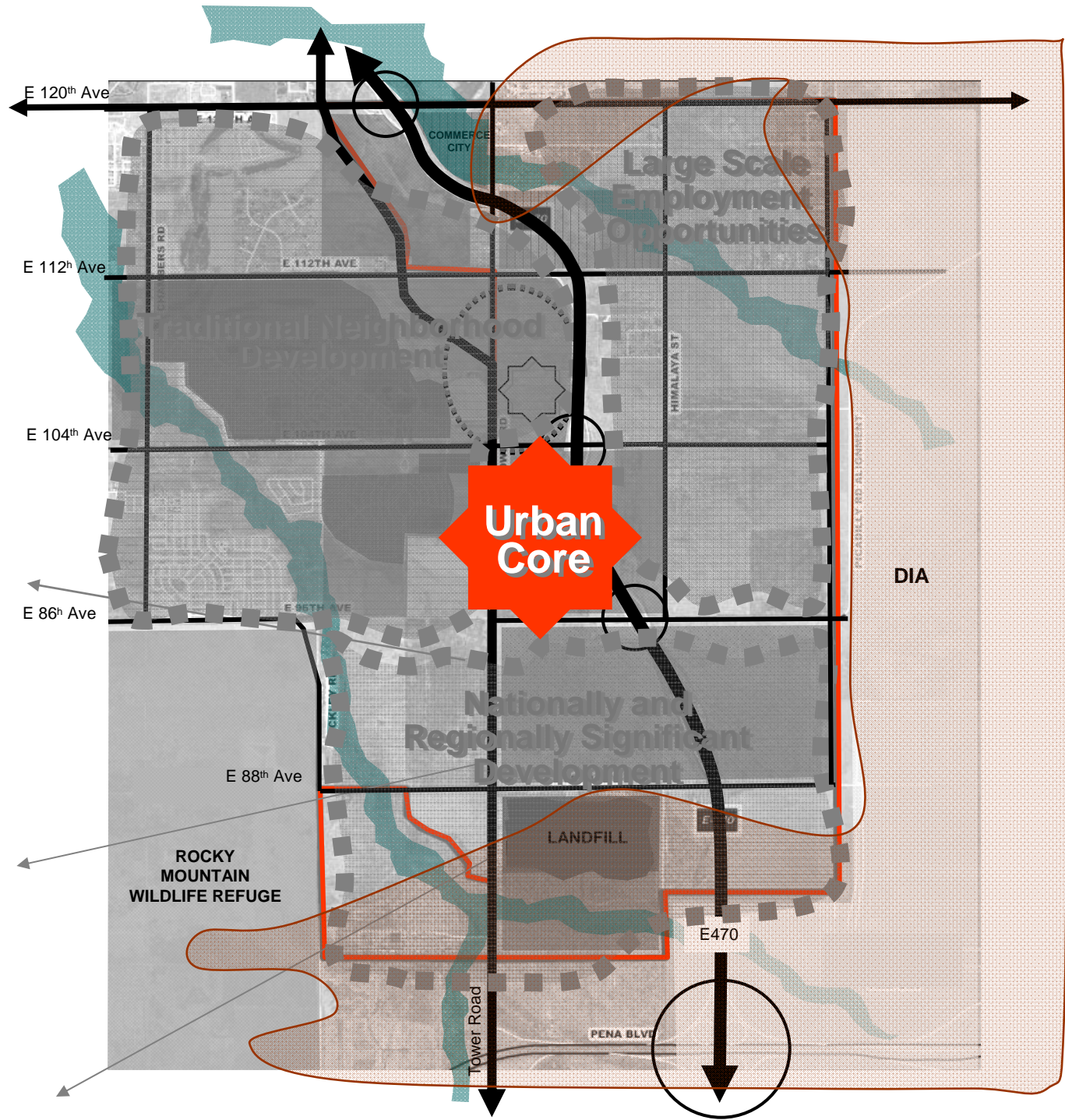


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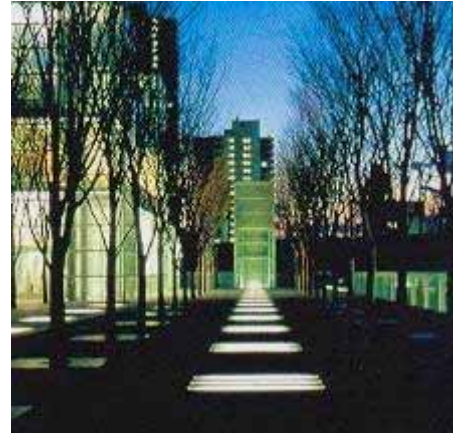


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Concept**

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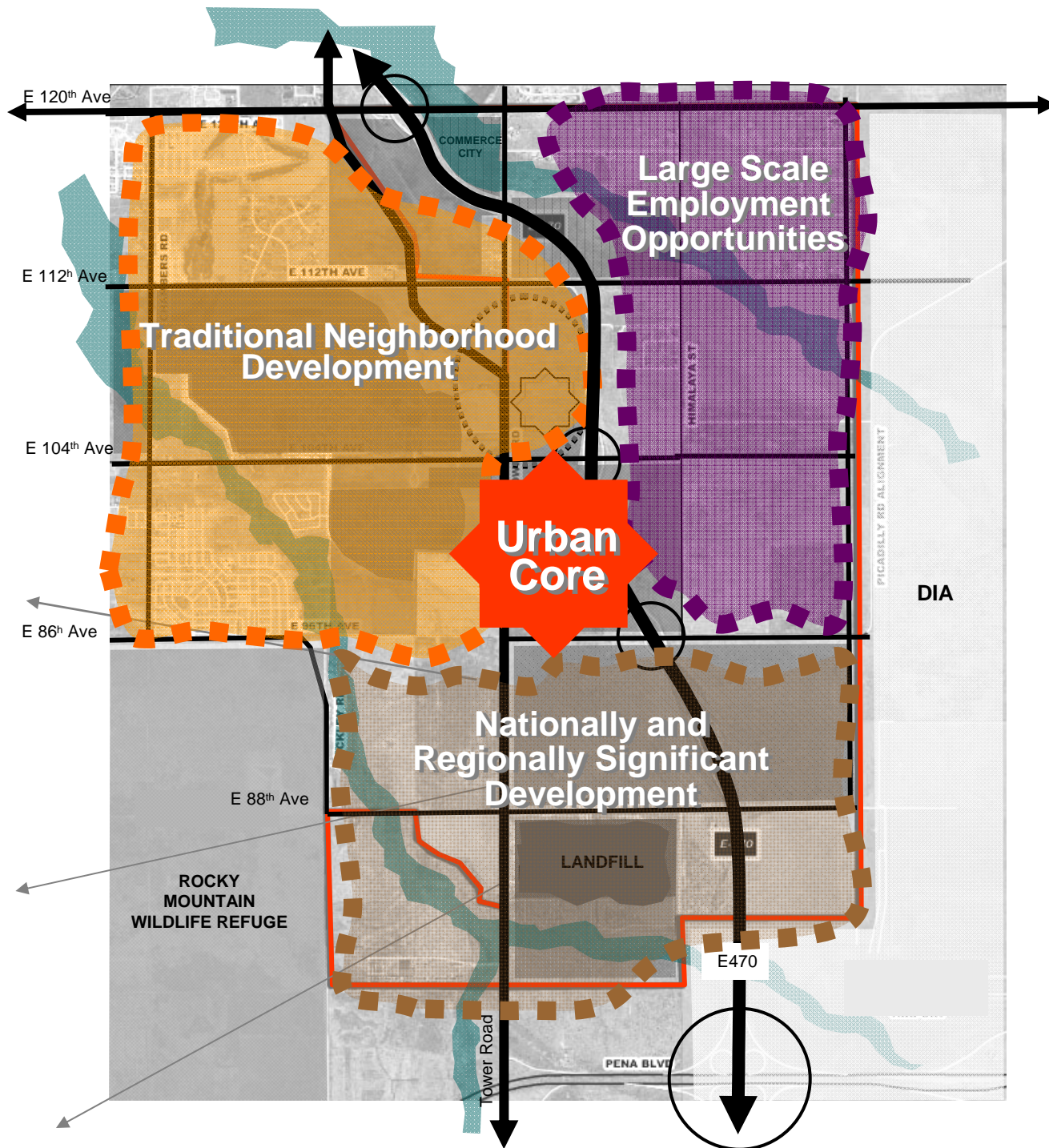
**Great streets
Employment opportunities
Interconnected neighborhoods
Great urban places
Parks and greenways
Environmental awareness
Great destinations**

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Market Analysis

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National and Regional Implications

Make Commerce City a regional
and nationally significant
community

Historical significance should not
be forgotten as the plans are laid
for the future

Image enhancement will be
achieved by embracing the
elements that make Commerce
City unique

A strong sense of place will help
overcome market factors



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Competing Developments

Other existing and proposed development projects just outside the study area will compete against projects within the study area

Which projects capture these projected demand figures will depend on how prepared they are to respond to market forces



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New Economy

Beginning of a new world of commerce around 2000

The confluence of:

- Internet and broadband technologies;
- Opening of market economics in Asia and Eastern Europe
- Changes from vertical to horizontal integration

Caution regarding historic absorption numbers to this new economic reality

DIA is well positioned to benefit from the new “global economy”

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Residential Demand

Current

55 subdivisions in various stages of entitlement and construction
7,800 acres
36,000 dwelling units
90,000 residents at build-out

Projected

Northern Range Area

- 2005 population: 16,095
- 2010 estimated population: 42,000
 - 1,500-2,000 dwelling units/year

DIA Northeast District

- Next 10 years: 4,000 estimated new dwelling units/year
- Average of 2,800 projected single family homes and 1,200 attached units



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Residential Demand

Developers have been clamoring to submit and gain entitlements

Landowners responding to perceived market opportunities

10 years of absorption already entitled

Only capturing 40% of the area's projected absorption

Housing boom has peaked in the short term

Need for another vision for the study area



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Retail Development

House construction

Residential move-ins

Neighborhood commercial (banks,
fast food, dry cleaners, etc.)

Specialty retail including
restaurants

“Big Box” or large store format

Regional destination retail such as
regional malls, outlet malls,
and life-style centers



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Competing Projects

Prairie Center (510
acres of commercial)

High Point (100s of
acres of mixed use
commercial)

Prairie Gateway (240
acres of mixed use)

Stapleton
redevelopment

DIA retail

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Retail Prospects

Compete for major name
anchors

Neighborhood and
convenience retail in
Reunion

Other plans for retail at key
intersections in the Northern
Range

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Retail Development

National chains have relatively strict minimum thresholds for new stores

Currently 2.6 million square feet of retail

Projected demand of 145,000 SF/year for 2004-2014

15 acres developed per year or 153 acres over 10 years

Unless there is a development of national and regional significance, little can be expected in the study area in the short term

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Office Space and Multi-Tenant Demand

Office Space

DIA NE District: 3 million SF in 2004

2.7% of the total metro Denver region

Vacancy factor: 20%

Projected demand: 106,000 SF/year until 2014.

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Multi-Tenant Space

DIA NE District: 1.9 million SF

Vacancy factor: 24 %

Projected demand: 135,000 SF/year until 2014.

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Office Space and Multi-tenant Demand

Small scale office follows retail

Retail follows housing units

Large scale office is built after
a critical mass of other uses
are in place or an end user

Little forthcoming development
without national and regional
significant developments

Major office should be located
in the Urban Core supporting
hospitality uses



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Industrial Demand

DIA NE District is projected to absorb
51% of metropolitan Denver industrial
space

About 1,200,000 SF/year until 2014

Competing Projects

Area west of Route 2 is well-positioned

Front Range project south and east of
the airport is a multi-modal site

Aurora has designated 1,000s of acres
of undeveloped land south of the airport

Landowners/developers in Aurora are
approaching DIA about “through the
fence” arrangements



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Major Impediments

Lack of infrastructure
immediately adjacent to the
airport

Expense of the E-470 tollway
precludes trucks from using the
more efficient north-south
expressway system.

18 wheeler (5 axle) truck pays
a one-way toll of \$24.00 to go
26 miles from I-70 to I-25

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Hospitality Industry

2,600 hotel rooms on Tower
Road and Gateway Park

Nationally few hotels have
been built in the last five
years

Demand has outstripped
supply for hotel rooms and
conference facilities

City should aggressively seek
a new hotel and conference
center as its first anchor for
“urban core”

DIA has potential to build up to
1,000 hotel rooms within
the airport boundary



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Development Strategies and Implementation

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The Public Sector Perspective



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Challenges for Commerce City

Greater Clarity and Direction and
Flexibility in Uses and Timing

Development Opportunities Now and
Preserving Greater Opportunities in the
Future

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Lower Land Costs and Simple Processes
and High Standards

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E-470 Corridor Study Area is
Presently a “Sea of Red” Needing
Greater Definition or Differentiation

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Parsing the “Red Sea”

Give clearer direction, so the private market can intelligently respond

Within that direction, provide flexibility in timing and uses, in response to market

Retain nimbleness to seize significant economic development opportunities

Limit leap-frog development

In providing greater direction, take into account:

- Market Potential
- Regional access
- Availability and likelihood of infrastructure (esp. water and sanitation)
- Noise contours
- Past plans
- Growth boundaries

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District Plans for Urban Centers

Preserve the centers' long-term economic opportunity while allowing initial development to establish the centers' presence

Accentuate the centers' regional access

Assure the necessary infrastructure for the centers' phased development

Assure the centers' mixed-use character and urban sense of place

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Developing Urban Centers

Linking Uses to Assure Mixed-Use
Character

Entitlements and Infrastructure Divided
Into Phases

Flexibility in Sequencing Development
Within Phases

Siting and Urban Design to Permit
Intensifying Over Time

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Development Strategies and Implementation

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The Private Sector Perspective



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State of Private Sector

Significant amount of on-going single family residential development in Northern Range

Numerous large tracts with preliminary PUD in place planning to add more single-family

Some proposed mixed-use projects in study area are outside of the 2030 Urban Growth Boundary

Local development community realistic about long-range timing for commercial development

Public and private sector's long-range vision promising for future of Commerce City

Private sector (and built-environment) would benefit from implementation of several concepts

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Business Climate



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Excellent regional location, lower land costs, proximity to DIA

Good reputation as a place to do business

How the city manages development is imperative to city's future

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Recommendations

Simplify and clarify the regulatory expectations for the Northern Range

Consistently apply those regulations

Adopt visually-based design guidelines

Reward visionary and nationally/regionally significant projects with incentives

Keep your expectations for future projects high (Belle Creek, Reunion, Rapids)



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Visual Guidelines



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Visual Guidelines



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Impact and Strategy for Proposed Policy Changes

City council and staff should expect push-back from some members of the private sector as they come to terms with the policy change of the Northern Range

Proactively manage the expectations of landowners and developers and create buy-in to the new plan

Work with private sector partners to articulate and quantify the mutual benefits of doing it right

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Development Sequencing

City should create a sequencing plan to guide the order and location of development

Transportation and utility infrastructure development to follow plan

Plan your work and work your plan

Leap-frog development required to fund bulk of infrastructure

The citing of economically significant projects may contravene this strategy

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Vision, Partnership, and a Balanced Community

Embrace this plan as a means of bringing
balance to Commerce City

Empower yourselves to be proactive in the
pursuit of your goals

Utilize strategic partnerships to implement your
vision for the Northern Range

Push for the creation of great places which will
create energy and lend themselves to the
establishment of community

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Transforming the E-470 Corridor

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