

**Development Potential**

The Denver Union Station Master Plan emphasizes development of a regional multimodal transportation center, while also encourages private development on the site to create an active, economically successful, cost-effective, and attractive facility. Metropolitan Denver has seen renewed interest in higher-density, mixed-used development, particularly around transit stations. This is a major goal of *Blueprint Denver*, the City and County of Denver's land use and transportation plan, and other regional plans. The addition of offices, residences, and retail shops on the Denver Union Station site will help support transportation and increase pedestrian traffic.

The access and activity generated by local and regional transportation will make the site attractive to developers and tenants. The redeveloped Denver Union Station will complement Downtown by creating a niche for high-profile addresses, easy access for employees and patrons, high pedestrian volume, and reduced reliance on private vehicles.

This section summarizes a Spring 2003 market analysis by Economic and Planning Systems (EPS) of prospects for private real-estate development in the Denver Union Station multimodal transportation center. The development potential can serve multiple markets and have various locations and configurations. Potential development elements include:

- Office, residential, retail, or hotel development on land not needed for transportation facilities.
- Single-use or mixed-use buildings built on air rights over the transportation facilities.
- Retail and service commercial uses primarily serving transportation riders and located within multimodal center facilities.
- Office space for public-agency partners or private-transportation providers.
- Retail or office in portions of the historic building not needed for transportation.
- Parking to support on-site and nearby demand.

Including private real-estate development addresses several project goals, such as:

- Generating revenues to help finance development and construction, as well as some future costs of transportation facilities.
- Creating activity throughout the site at all times of the day, thus enhancing public use, appeal, and safety.
- Providing active pedestrian edges to complement the site's perimeter streets and public spaces.
- Buffering the transportation-intensive uses, and,
- Making the project compatible with surrounding development.

**Market Conditions Today**

In the last decade, Downtown Denver experienced unprecedented housing and population growth. From 1990 to 2001, the Downtown population (including LoDo, the Central Platte Valley, and the Golden Triangle) increased from 3,050 to 6,170, or 6.6 percent per year. In the early 1990s, housing growth mainly resulted from conversion of historic warehouses to lofts in LoDo and vacant office and department stores to apartments and lofts in the Downtown core. Although the inventory of older buildings is diminishing, the Downtown housing boom has continued through the construction of new housing units. In the last five years, LoDo has added 564

housing units with another 302 units proposed or under construction. The Central Platte Valley increased by 584 units, with another 1,353 in the pipeline.

The Downtown office market has cooled after a period of vigorous growth. From 1996 to 2000, the Downtown market absorbed more than 2 million square feet of new office space, bringing the vacancy rate below 5 percent. The recent economic downturn drove the vacancy rate to 15 percent in 2003. In the last five years, new Downtown office construction focused on the LoDo area, with four new buildings and three warehouse conversions totaling more than 1 million square feet. The Downtown core has seen two major new government buildings and several renovations. No new nongovernmental office buildings have been built in the Downtown portion of the Central Business District since the mid-1980s.

Both public and private investment have been important catalysts to Downtown growth, redevelopment, and renewal. Since the early 1990's, there has been more than \$900 million in public investment in Downtown, including Coors Field, Six Flags-Elitch Gardens, the Pepsi Center, Invesco Field at Mile High Stadium, Central Platte Valley light rail (C-Line), and Commons and Cuernavaca Parks. Another \$700 million in projects with substantial public investment are underway with the Colorado Convention Center expansion, Convention Center Hotel, and the Denver Art Museum expansion.



The Central Platte Valley, as it looked in 2003. Mixed-use redevelopment is slated for the former railyards in the foreground.

**Potential Uses at Denver Union Station**

The development component of the Vision Plan identifies the potential uses, square-foot requirements, and massing of redevelopment. The development potential also considers the T-MU-30 zoning with height and bulk-plane limits, as well as urban design principles, transportation footprints and locations, parking reductions, and neighborhood compatibility. The allowed maximum height of 250 feet in T-MU-30 has been modified by the proposed Denver Union Station zoning through waivers and conditions.

This program includes:

- 600,000 square feet of Class A and Class B office space.
- 440,000 square feet of residential space (This could include a business-oriented or boutique hotel of 120 to 200 rooms.)
- 130,000 square feet of retail/commercial space, including a specialty-food market, entertainment, street-level specialty retail, and transit-oriented convenience retail.

**Office**

The DUS site provides a good location for new multi-tenant office development. Denver Union Station is at the edge of LoDo, which has emerged as an attractive office market. The site’s transit-oriented development (TOD) assets should distinguish the project from competitive sites when the overall office market recovers.



Gates headquarters in the Central Platte Valley.

Summary of Development Potential			
Use	Potential	Timing	Comment
<b>Office</b>			
Class A	300-400,000 SF	2009	
Class B	200-225,000 SF	2008	
<b>Residential</b>			
Condominiums	300-400 units (1200 SF each)	2008	
<b>Hotel</b>			
Boutique or Business	120-200 rooms	2010	After East Corridor is complete
<b>Destination Retail</b>			
Restaurant, retail shops, transit convenience	105-175,000 SF	2008	Additional specialty retail may be supportable at a later date

Source: Economic and Planning Systems  
Summary of Development Potentials - Denver Union Station Master Plan.

- By 2009, Denver Union Station potentially could capture 10 percent of new Downtown demand, meaning it could support 300,000 to 400,000 square feet of market-driven Class A office development. To succeed, the new office space must be well-designed and integrated within mixed-use redevelopment.



New office building at 16th & Market Street.

The site can also support 200,000 to 225,000 square feet of Class B office building space. This office space, as well as the Class A office space, could be completed in conjunction with the construction of adjoining transportation facilities.



Promenade Lofts at Riverfront Plaza, with ground-level retail/office.

**Residential Development**

With its convenience to Downtown and access to transit, Denver Union Station site is a strong location for for-sale condominium, loft development, and rental units. LoDo is a desirable neighborhood with little room for new residential development. The site's Wynkoop Street side is an excellent location for residential development. The Wewatta Street side relates to the Commons Neighborhood and could complement the Union Center, Riverfront Park, and Prospect Park projects.

- The Denver Union Station site could support between 300 and 400 units within five years, starting from the inception of redevelopment.
- Wynkoop Street is attractive for LoDo-oriented mid-rise housing.
- The success of properties facing Wewatta Street hinges on design approaches that consider street frontage, parking access, and buffering from transportation facilities. Residences could be built on the upper floors of mixed-use buildings.
- A mixed-use development program weighted toward residential uses could achieve higher land values and faster absorption than a program weighted towards office-based development.



Park Place Lofts at Riverfront Plaza.

In support of the affordable housing goals set forth in Denver's Comprehensive Plan 2000, a variety of housing opportunities need to be provided as part of the residential component of the future development. This includes housing with a range of housing types and prices and an affordable housing component that accommodates people and families of all incomes. This opportunity at the connection to multiple transit lines and transportation services should be capitalized on at DUS.

**Retail Development**

The Denver Union Station site is at the intersection of Downtown Denver's two major destination retail areas: the 16<sup>th</sup> Street Mall and the LoDo arts-and-entertainment district. A short walk from both, Denver Union Station is well-positioned to include a range of specialty retail, restaurant, and entertainment venues, with convenience retail for transportation riders.

The site can support 105,000 to 175,000 square feet of retail, including restaurant, entertainment, specialty, and convenience retail. Retail frontages along the site's perimeter streets and public spaces will form active and visible edges for the site. The Denver Union Station Train Room and other transit waiting and connection facilities can support 10,000 to 20,000 square feet of convenience retail, which may include coffee shops, newsstands, and limited fast food.



Retail located inside of Grand Central Terminal, New York.



Adaptive reuse in LoDo with first three floors retail (Tattered Cover Bookstore) and residential lofts above.

**Hotel**

Based on growth projections for the Central Platte Valley and demand created by the rapid-transit link to DIA, the site could attract a business or boutique hotel. The business-oriented hotel could include 200 to 250 rooms, with limited meeting and conference space on either Wewatta or Wynkoop Streets. Alternatively the site's LoDo side could support a 120-to-200 room, high-end boutique hotel.

As redevelopment nears, market conditions will need to be re-evaluated to adjust the site's development potential. The site's private development value should increase as potential users recognize the benefits of developing and leasing space next to the Denver metro area's largest transportation hub.



Oxford Hotel in LoDo, one block from DUS.