

The Economics of Land Use



Report

East Line Corridor Market Readiness and Branding Study

Task 2 – Market Readiness Analysis

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East Corridor Working Group, and
Denver Regional Council of Governments

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1. INTRODUCTION AND SUMMARY OF FINDINGS

Introduction

The purpose of the East Line Market Readiness and Branding Strategy is to develop an implementation plan to expand economic development along the Corridor to benefit the Metro Denver region, the Cities of Denver and Aurora, and residents along the Corridor who often have less access to jobs and opportunities than people living in more affluent areas of the region. The implementation and marketing efforts need to be informed by market and economic conditions to help prioritize actions and investments. The Scope of Work for the project is organized around five major tasks and is summarized below.

Market Readiness Analysis (Tasks 1 and 2) – Tasks 1 and 2 begin with interviews with key real estate developers and brokers, property owners, and employers along the Corridor to gauge development interest, and the Corridor’s strengths and weaknesses from a real estate and employment development perspective. Task 2 also contains a detailed analysis of industry clusters along the Corridor, demographics, current land use, future land use plans, and growth trends. The outcome of Task 2 (this Report) is an identification of development potentials and business/industry prospect types for each station.

Economic Development Strategy (Task 3) – This task will produce recommended economic development strategy including policies, actions, and investments needed to remove barriers to development and increase the attractiveness and competitiveness of station areas for employment development. It will also address workforce development and access needs along the Corridor

Marketing and Branding Strategy (Task 4) – The outcome of Task 4 will be a brand and marketing strategy that will guide marketing, public relations, and other marketing activities. The strategy will be based on the findings and recommendations identified in Tasks 1, 2, and 3. It will define a target audience, and provide guidance on media type and channels; business development support tactics; event, online, direct marketing, social media, and public relations marketing tactics; and regional partnership tactics.

Final Report (Task 5) – The Final Report will summarize the activities completed under Tasks 1 through 4 into one document for policy and decision makers.

This report contains the evaluation of market readiness and identification of targeted industries for East Line transit stations, as described in Task 2. It is divided into the following seven chapters:

- Introduction and Summary of Findings
- Metro Denver and East Line Framework – An overview of macro level economic and demographic trends for the Corridor and Metro Denver region to provide context.
- Corridor Stakeholder Input – A summary of key person interviews conducted to inform the Task 2 Market Readiness Study by identifying strengths, weaknesses, and opportunities.
- Station Area Land Use Conditions – An overview of land use conditions, primarily addressing vacant land availability.

- Employment Analysis – An analysis of existing industry clusters and employment trends along the Corridor as an input to identifying targeted industries for each station.
- Station Area Development Conditions – A review of the City of Aurora and City of Denver station area plans, proposed development activity, and property ownership for each station. Property at three stations is controlled by master developers, who will influence the target markets for these sites.
- Development Potentials – Conclusions on the targeted industries for each station and development potentials for residential and retail/commercial development.

Summary of Findings

1. There is a climate of optimism surrounding the East Line as a catalyst for economic and residential growth in Northeast Denver and Northwest Aurora.

The path of regional growth to the east and the development opportunities in eastern Metro Denver are strengths for the Corridor and the region. There are several major development sites and active development projects shaping this area: Reunion at 104th and Tower Road, Gateway Park at 40th and Airport, Denver International Business Center at 61st and Peña, Denver International Airport (DIA) and Airport City, Green Valley Ranch, and Stapleton. In addition, the Anschutz Medical Campus in Aurora is the fastest growing employment center in Metro Denver, having added nearly 19,000 jobs between 2005 and 2013. Other regional activity centers on or near the Corridor include the National Western Stock Show and Denver Coliseum complex, and Dicks Sporting Goods Park.

The East Corridor is unique among the RTD rail corridors in that there are large vacant sites with master developers and consolidated property ownership at three stations. At the Central Park Boulevard, 40th and Airport, and 61st and Peña stations development can be shaped to maximize transit access and economic opportunity. Developers have also indicated a willingness to be patient and stage development in a way to preserve the best development opportunities with the most impact and value closest to the station.

2. The East Line has the potential to be one of the best airport to Downtown transit connections in the U.S., giving Metro Denver increased exposure to outside business and tourists through their positive experience.

Travelers will be able to make the connection from DIA to the East Line by walking through baggage claim in the main terminal building and through a hotel lobby directly to the station platform. Service is expected to be at 15-minute intervals during morning, daytime, and evening hours and the travel time to Union Station is estimated at 35 minutes. Other U.S. airport to downtown connections require connections on rubber tire shuttle buses, walks through parking lots or parking structures, or travel between terminals by monorail or other vehicles, adding to the complexity of the transition. The DIA connection will be world class and similar to systems in major European and other global cities.

3. The perceptions of the East Line Corridor in Northeast Denver and Aurora by the public, real estate investors, and major employers affect the types of businesses and housing that will be attracted to different locations along the Corridor.

There is a perception of “Northeast Denver” and the Corridor comprised of Denver and Aurora as largely industrial and blue-collar. Developers and real estate professionals working along the Corridor and in Metro Denver have suggested that the demographics and

development conditions (industrial) may be perceived as a weakness in terms of attracting transit oriented development (TOD) as it has been traditionally defined (e.g., mixed use retail, office, and residential). This perception, however, is highly dependent on location and station along the Corridor. While the reality is that some station areas are industrial and largely built out, there are other sites that are undeveloped and controlled by major developers, such as Central Park Boulevard, 40th and Airport (Gateway Park), and 61st and Peña.

Despite one notable corporate office near DIA (ProLogis), interviewees noted that the market for office development has not yet been established on the Corridor. It will be difficult at least in the initial years of Corridor development and redevelopment to attract more office development because of the image challenges, housing stock that is perceived to be of lower quality, and lower quality schools. Exceptions may be Central Park Boulevard within Stapleton, an upper income development with good schools; and at 40th and Airport and 61st and Peña where the opportunity for office development is tied more to DIA access rather than more localized community amenities.

4. *The East Corridor generally lags Metro Denver in key economic and socioeconomic health metrics, although some areas are changing rapidly. Gaps in community development assets and infrastructure barriers contribute to lagging economic vitality and the need for economic and community development.*

Homeownership rates along the Corridor are lower than Metro Denver averages, at 40.3 percent renters compared to 37.5 percent in Metro Denver. Seventy three and a half percent of Corridor residents have completed high school, compared to 89.8 percent Metro-wide. Labor force participation along the Corridor is estimated at 64.9 percent, compared to 71.8 percent in Metro Denver. The unemployment rate along the Corridor 12.3 percent compared to just under 8 percent based on 2012 data in the American Community Survey. Schools are also perceived to be of lower than average quality, with the exception of some magnet and charter schools and newer schools within the Stapleton development. Additionally, much of the Corridor can be considered a “food desert,” as there are few grocery stores within a mile of the Corridor. The lack of retail and grocery businesses and other community amenities such as parks, sidewalks, non-motorized paths, and good schools is a constraint on housing and economic development that needs to be addressed.

5. *The demographics of the Corridor however are in rapid transition especially at the close to downtown stations.*

The 38th and Blake area is gentrifying rapidly and attracting moderate and upper income households and restaurant, retail, and office-type businesses (located in flexible space) that command higher real estate values. At 38th and Blake, these effects are due to the combined influences of the success of River North (RiNo) and the spread of gentrification north from LoDo into the Curtis Park and even the Cole neighborhoods. Stapleton has had a major impact on the demographics of northeast Denver in particular. A key differentiator of the 38th and Blake area compared to other stations is the existing compact block structure and traditional street grid, and its connections to Downtown and LoDo. Other stations are not changing as fast, although there is anecdotal evidence that the business mix is changing, as discussed in this section.

6. While there are expected to be regional benefits with the opening of the East Line, its effects on station area land use, real estate development, and economic opportunity are highly variable and station-specific.

The amount of vacant and assembled land will be a major determinant of how much the land use pattern can change and by how much employment can expand at each station. It will be difficult to change the land use at built up stations, especially Colorado and Peoria, without major public investment in infrastructure and extensive land assemblage by either private developers or urban renewal authorities.

Within the half-mile station area, there are only four vacant properties larger than one acre at 38th and Blake, and six at 40th and Colorado. Both 38th and Blake and 40th and Colorado have approximately 20 to 25 acres of vacant land, but in scattered locations. At Peoria Station, there are nearly 40 acres of vacant property in scattered locations and 12 vacant properties larger than one acre.

In contrast, Central Park Boulevard station has 152 acres of vacant property including 20 properties larger than one acre. Forest City, the master developer of Stapleton, controls the majority of the best land for TOD along the south side of the rail. The 40th and Airport station has 320 acres of vacant land controlled largely by one developer, and there are 584 acres of vacant land at 61st and Peña controlled by a master developer and two other major property owners.

7. The rail right of way and I-70 create a hard edge that limits the ability to connect station areas with job and development locations north of these two transportation facilities.

With the exception of 38th and Blake, properties north of the rail will see little benefit from transit service and therefore have limited potential for enhanced development. The costs to relocate parking north of the rail and to construct additional street and pedestrian crossings to connect properties north of the rail will take resources from investments that can be made to benefit properties south of the rail with nearer term development potential. As will be addressed in the forthcoming Economic Development Strategy (Task 3), the cities should focus efforts and investments on shorter term and more easily implemented development opportunities south of the rail until those areas are established and new development and economic activity are expanding on their own.

8. The Union Pacific Rail and I-70 transportation infrastructure created and continues to support an industrial and distribution corridor. Land use change will therefore be at stations with existing industrial development.

The East Corridor is located within one of Metro Denver's largest distribution and warehousing hubs and industrial employment areas. Generally east of 38th and Blake, the large buildings and large block structures associated with these types of industries make integrating development and employment with walkable transit access difficult. In addition, these industries typically have far fewer employees per acre or square foot of building than office-based industries in which a large labor force benefits from transit.

Many of the industrial and transportation-related businesses have located along the freight rail and I-70 corridor because of the access it provides to move goods. Construction, construction trades, and building services businesses also value the central location and access to all of Metro Denver provided by multiple highways and major arterials. Some businesses will be slow to relocate or redevelop until property values reach the point where there is a business case to move.

9. Warehousing, distribution, and transportation-related jobs make up nearly half of the jobs within a half-mile of East Corridor. The Corridor also contains 25 percent of Metro Denver's jobs in these industries.

Wholesale trade accounts for 6,645 jobs — 13 percent of the half-mile Corridor study area total. These companies sell and distribute a broad variety of consumer, business, and industrial products. Food, building materials, tools, and industrial equipment wholesaling are the most heavily represented businesses. The transportation and warehousing sectors are made up of firms whose primary activity is the movement of goods and people, compared to wholesale trade companies that market, sell, and distribute goods. There are approximately 17,247 jobs in these sectors in the study area. Air transportation, at DIA, is the largest sector with 11,767 jobs. In addition, many large national trucking and logistics companies are in this sector such as United Parcel Service, Federal Express, long haul trucking companies, and air freight companies.

10. Other industry clusters along the Corridor include manufacturing, construction and building trades, and building services.

The East Corridor contains clusters of manufacturing businesses ranging from small scale food production to building products and industrial/commercial machinery, with approximately 7,200 manufacturing jobs, or 14.1 percent of the Corridor total. Food and beverage manufacturing are the largest manufacturing sectors, with 2,555 jobs (5.1 percent). Within food and beverage manufacturing, there are a wide variety of product types for human and animal consumption in firms ranging in size from 2 to over 500 employees. Other notable manufacturing sectors include wood products (e.g., windows and doors, engineered wood trusses, and millwork), paper manufacturing, non-metallic minerals (concrete, brick, glass), electrical equipment, and custom automotive parts.

Within the construction sector, specialty trades contractors make up 2,594 of the 3,001 construction jobs. Specialty trades include electrical, mechanical, plumbing, and other building trades. The I-70 corridor location, central in the Denver Metro area, is particularly attractive to these businesses because they can easily serve customers in all directions using I-70 (east-west), and I-25 and I-225 (north-south).

11. Some station areas contain land uses that will be undesirable as transit service begins and development interest at the stations expands.

There are numerous businesses that produce noise and fumes, store equipment and material outside, and require frequent large truck movements. The Cities should explore zoning options to prevent these businesses from expanding or locating with a certain distance of transit stations. At the City and Metro Denver level, the station areas represent a small amount of land and there are other locations where these businesses can operate without conflicts with adjacent land uses and transit riders.

12. There are anecdotal reports that some small manufacturing, building services, and construction and building trades are moving from the 38th and Blake area to locations further east or outside the Corridor as real estate values rise.

Land use and the mix of businesses are changing most rapidly at the 38th and Blake station. The consultant team heard from real estate brokers and developers that some businesses – small scale manufacturing, building services, and construction trades firms – are relocating farther east as property values rise and building owners either raise lease rates or put property on the market for sale. These types of businesses can be an initial target market for station property located further east along the Corridor, specifically the Colorado and Peoria Stations.

13. Affordable housing developers and interests are actively pursuing sites and projects along the Corridor to get ahead of rising property values.

At 38th and Blake, the Urban Land Conservancy (ULC) and Medici Communities are building 90 affordable and 60 market rate units across from the rail station. ULC has been purchasing sites near rail transit stations across the RTD system to bank property for future affordable housing development. Del West recently broke ground on 156 affordable units on 2.5-acres purchased from ULC at the southeast corner of Smith Road and Colorado Boulevard. The Colorado Coalition for the Homeless is also building a transitional affordable housing project on its site on the southwest corner of East 40th Avenue and Colorado Boulevard. In addition, the Aurora Housing Authority is planning to develop its property at Peoria Station.

14. The targeted industries and development opportunities vary widely by station, and in scale according to existing site conditions and land ownership patterns. The table below summarizes the market niches and development potentials identified for each station.

The station with the most immediate development opportunities is 38th and Blake. There are several projects proposed or underway here and investor activity in land and property acquisition. This station is expected to emerge as a creative and professional hub with a diverse mix of business types ranging from office and flexible space based creative and professional firms to small scale high value manufacturing and industrial design firms. Housing will reflect the expansion of gentrification, infill, and redevelopment occurring in Curtis Park and RiNo.

At 40th and Colorado, the initial economic development and marketing focus should be on attracting firms that house more employees per square foot of building (employment density) than warehousing and trucking operations. Building trades and services firms moving out of the RiNo and 38th and Blake areas are immediate prospects. In general, this location suits firms that need lower cost space but still need proximity to Downtown (and DIA) as well as good access to all corners of Metro Denver. A longer range prospect is to attract office employment that can be retrofitted into industrial buildings at a low cost, such as customer service and back office functions, or any firm simply looking for lower rent office space than downtown.

The Central Park Boulevard location benefits from the upper income households and generally well educated labor force in Stapleton and its associated housing stock ranging from entry level to high end executive housing. Backed by national developer Forest City, this site is ideal for a national or regional headquarters office, or for higher skill corporate divisions such as legal, financial and tax, or marketing departments.

Table 1
Targeted Industries and Development Potentials

Station	Targeted Industries	Housing	Retail/Commercial
38 th and Blake	<ul style="list-style-type: none"> • Creative industries - design, advertising, technology, arts, and media firms • Entrepreneurial ventures and start-ups • Small professional services firms • High value product manufacturing and design 	<ul style="list-style-type: none"> • Market rate and income restricted apartments; • For-sale condominiums and townhomes • Building rehab for lofts and townhomes • A mixture of densities and project sizes 	<ul style="list-style-type: none"> • Supportive restaurant/bar and neighborhood retail • Personal services
40 th and Colorado	<ul style="list-style-type: none"> • Focus on increasing employment density • Construction trades and manufacturing, similar to 38th and Blake • Sales and service functions that need central access and access to DIA. • Customer service and support functions; convert warehouses to low-cost office space 	<ul style="list-style-type: none"> • Market rate and affordable multifamily • Mix of price levels and types • Lower density products adjacent to existing neighborhoods. 	<ul style="list-style-type: none"> • Grocery store as housing expands to address food desert • Capitalize on Colorado Boulevard frontage
Central Park Boulevard	<ul style="list-style-type: none"> • Class A office tenants • National and regional headquarters offices • Hotels 	<ul style="list-style-type: none"> • Rental and for-sale multifamily • Empty nester condominiums 	<ul style="list-style-type: none"> • Limited neighborhood and station area serving ground floor mixed use space
Peoria	<ul style="list-style-type: none"> • Focus on increasing employment density • Building trades and building services • Customer service and support functions • Convert warehouses to low-cost office space • Industrial or construction-related startups 	<ul style="list-style-type: none"> • AHA affordable housing • Aurora housing authority site • Assemblage of junk yards for more affordable housing 	<ul style="list-style-type: none"> • Less than 10,000 square feet on Aurora Housing Authority site
40 th and Airport	<ul style="list-style-type: none"> • Class A office tenants • National and regional headquarters offices with frequent travel needs • Sales divisions • Advanced manufacturing needing larger sites and buildings 	<ul style="list-style-type: none"> • Apartments initially • Condominiums possible future phases 	<ul style="list-style-type: none"> • Limited until significant population growth occurs in trade area
61 st and Peña	<ul style="list-style-type: none"> • Class A office tenants • National and regional headquarters offices with frequent travel needs • Sales divisions • Advanced manufacturing needing larger sites and buildings 	<ul style="list-style-type: none"> • Apartments initially • Condominiums possible future phases 	<ul style="list-style-type: none"> • Airport related hospitality • Hotels and restaurants • Potential grocery location to serve DIA trade area as residential population grows

At Peoria, the recommended development prospects are similar to 40th and Colorado. Again, the initial focus should be on increasing the employment density. Because of its industrial context and lower real estate values, Peoria may also appeal to startup firms and entrepreneurs whose businesses are more industrial in nature, with larger building and site needs. Like 40th and Colorado, office employment that can be retrofitted into industrial buildings at a low cost is also a possibility.

The DIA area stations, 40th and Airport and 61st and Peña, are similar in their market positions and targeted industries. Both can pursue class A office tenants that value DIA access (travel needs) more than an established office location such as Downtown Denver or the other suburban employment centers in the region. These firms or functions include international companies, regional headquarters, and companies with a large travelling sales force.

2. METRO DENVER AND EAST LINE FRAMEWORK

This chapter reviews trends in population and household growth, employment, and other demographic indicators for the East Line Corridor and Metro Denver. The Corridor is defined as a one mile wide area centered on the rail alignment, or equivalently a half-mile on each side. The purpose of this analysis is to place the existing conditions along the Corridor in context of broader macro level growth and economic trends and conditions in Metro Denver.

Population and Household Trends

Metro Denver, defined as Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas, and Jefferson Counties, has a population of 2.9 million (**Table 2, Figure 1**). Metro Denver is a fast growing region having added over half a million people from 2000 through 2014 (estimated) at an annual rate of 1.4 percent, or nearly 37,000 people per year. The majority of the growth occurred in Adams, Arapahoe, and Douglas Counties with each adding over 100,000 people during this time period, compared to 84,500 in the City and County of Denver, 36,000 in Boulder, and roughly 20,000 people in Broomfield and Jefferson Counties.

Table 2
Population and Household Trends, 7-County Metro Area, 2000-2014

	2000	2010	2014	Change 2000-2014		
				Total #	Ann. #	Ann. %
Population						
Adams	347,996	441,603	464,060	116,064	8,290	2.1%
Arapahoe	487,949	572,003	597,207	109,258	7,804	1.5%
Boulder	269,713	294,567	305,708	35,995	2,571	0.9%
Broomfield	39,332	55,889	60,336	21,004	1,500	3.1%
Denver	554,631	600,158	639,117	84,486	6,035	1.0%
Douglas	175,789	285,465	303,861	128,072	9,148	4.0%
Jefferson	<u>525,298</u>	<u>534,543</u>	<u>545,893</u>	<u>20,595</u>	<u>1,471</u>	<u>0.3%</u>
Total Metro Area	2,400,708	2,784,228	2,916,182	515,474	36,820	1.4%
Households						
Adams	122,812	153,764	160,961	38,149	2,725	2.0%
Arapahoe	190,910	224,011	233,693	42,783	3,056	1.5%
Boulder	106,495	119,300	123,813	17,318	1,237	1.1%
Broomfield	14,233	21,414	23,391	9,158	654	3.6%
Denver	239,222	263,107	280,621	41,399	2,957	1.1%
Douglas	60,936	102,018	109,170	48,234	3,445	4.3%
Jefferson	<u>205,413</u>	<u>218,160</u>	<u>225,074</u>	<u>19,661</u>	<u>1,404</u>	<u>0.7%</u>
Total Metro Area	940,021	1,101,774	1,156,723	216,702	15,479	1.5%

Source: ESRI, Economic & Planning Systems

H:\143021-Denver Aurora East Line Market Readiness\Data\ESRI\{Metro_Demo.xlsx}Trends

Household growth has a closer correlation to housing demand, and the region added the equivalent of 15,500 households per year following the same geographic distribution as population growth. The suburban counties generally have an ample supply of developable land, which facilitates development at a faster pace than more built up communities, such as Denver and parts of Aurora within the East Corridor study area.

Figure 1
 RTD Rail System Map



The areas within a half-mile of existing RTD rail lines (Southwest, Southeast, and Aurora I-225) added nearly 11,000 people and 7,700 households over this time period (**Table 3**). The East Corridor captured a large share of this population and household growth, with a population increase of almost 5,000 or 46.8 percent of the population growth on existing rail corridors. The East Corridor captured 15.2 percent of household growth due to the larger household size on the East Corridor. Nearly all of the household and population growth along the East Corridor occurred in Stapleton, the large master planned community and redevelopment of the former Stapleton Airport near Central Park Boulevard Station within Stapleton. Stapleton is a master planned “new-urbanist” community with a diverse mix of housing, retail, and employment uses. Green Valley Ranch is another large master planned community near the east line between roughly 38th and 56th Avenues on the north and south, and Tower and Picadilly Roads on the west and east; however, it is more than a mile from the rail alignment.

Table 3
Population and Household Trends, Half-Mile Study Area, 2000-2014

	2000	2010	2014	Change 2000-2014		
				Total #	Ann. #	Ann. %
Population						
7-County Metro Area	2,400,708	2,784,228	2,916,182	515,474	36,820	1.4%
Existing Rail Corridors ¹	104,754	109,988	115,432	10,678	763	0.7%
% of Metro Area	4.4%	4.0%	4.0%	---	---	---
East Corridor Study Area	16,852	20,039	21,846	4,994	357	1.9%
% of Existing Rail Corridors	16.1%	18.2%	18.9%	46.8%	---	---
Households						
7-County Metro Area	940,021	1,101,774	1,156,723	216,702	15,479	1.5%
Population Per Household	2.6	2.5	2.5	---	---	---
Existing Rail Corridors ¹	45,106	49,975	52,855	7,749	554	1.1%
% of Metro Area	4.8%	4.5%	4.6%	---	---	---
Population Per Household	2.3	2.2	2.2	---	---	---
East Corridor Study Area	4,329	4,979	5,504	1,175	84	1.7%
% of Existing Rail Corridors	9.6%	10.0%	10.4%	15.2%	---	---
Population Per Household	3.9	4.0	4.0	---	---	---

¹ Existing corridors include Southeast, Southwest and West

Source: ESRI, Economic & Planning Systems

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Employment Trends

Employment data for the study area lags, and the most recent full year available is 2013. From 2005 through 2013, Metro Denver added 313,500 jobs at an annual rate of 3.9 percent (**Table 4**). Health care and education and other service providing industries showed the largest growth. Health care and education added approximately 128,000 jobs or 40 percent of Metro Denver's job growth. Service industries, including highly skilled professional services to lower skilled household services, grew by approximately 110,000 jobs, 35 percent of the increase in jobs. By comparison, goods producing sectors (e.g., manufacturing and construction) added only 14,800 jobs. Wholesale trade, transportation and warehousing, and utilities sectors grew by just over 8,000 jobs. Retail and accommodations and food services grew by more than 53,000 jobs.

The East Corridor added just over 5,000 jobs from 2005 through 2013, which is 1.6 percent of Metro Denver's 313,500 new jobs. Wholesale trade, transportation and warehousing, and utilities accounted for 73 percent of the job growth along the Corridor, adding 3,700 jobs. Nearly half of Metro Denver's growth in these sectors occurred along the East Corridor. The Corridor is located along I-70 and near the junction with I-25, giving the area four directional truck accesses, indicating its strength as a transportation and distribution location. The majority of this growth occurred in business and industrial parks located between approximately Havana Street and South Airport Road.

Retail and hospitality sectors added nearly 1,500 jobs in the vicinity of Peña Boulevard and I-70 and Quebec Street (Quebec Square Shopping Center) and within the Stapleton development. There was minor growth in health care and education, which grew by 320 jobs, and in service industries which showed less than 10 new jobs. Goods producing sectors, including manufacturing and construction, lost over 2,000 jobs along the Corridor.

Table 4
Wage and Salary Employment, 7-County Metro Area and Half-Mile Study Area, 2005-2013

Industry Super Sector	2005	2013	Change 2005-2013		
			Total #	Ann. #	Ann. %
1/2 Mile Study Area					
Goods-Producing	12,920	10,795	-2,125	-266	-2.2%
Wholesale, Transportation and Warehousing, Utilities	20,181	23,894	3,712	464	2.1%
Service-Providing	7,244	8,908	7	1	2.6%
Health Care and Education	831	1,152	321	40	4.2%
Retail, Accommodation and Food Service	5,056	6,541	1,485	186	3.3%
Total	46,232	51,289	5,057	632	1.3%
7 County Metro Area					
Goods-Producing	136,387	151,162	14,774	1,847	1.3%
Wholesale, Transportation and Warehousing, Utilities	92,083	100,149	8,066	1,008	1.1%
Service-Providing	322,509	432,170	109,661	13,708	3.7%
Health Care and Education	126,070	253,746	127,676	15,960	9.1%
Retail, Accommodation and Food Service	186,570	239,916	53,346	6,668	3.2%
Total	863,619	1,177,143	313,524	39,191	3.9%

Source: Colorado Department of Labor, Economic & Planning Systems

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Demographics

Socioeconomic indicators along the Corridor show that the Corridor lags the Metro Area in important indicators such as household income, education, labor force participation, and unemployment rates. Residents along the East Corridor are more likely to rent their homes, as 40.3 percent are renters compared to 37.5 percent in all of Metro Denver (**Table 5**). The housing vacancy rate along the Corridor is higher than the Metro average, at 7.6 percent compared to 5.7 percent Metro-wide. Educational attainment along the Corridor is lower compared to the Metro average: 73.5 percent of Corridor residents have completed high school compared to 89.8 percent Metro-wide. On average, 41 percent of Metro Denver residents have a bachelor's degree or higher, compared to 27.4 percent of East Corridor residents.

Table 5
Selected Demographic Characteristics, 7-County Metro Area and Half-Mile Study Area, 2014

Description	East Line 1/2 Mile Radius	7-County Metro Area
Housing Characteristics		
% Homeowners	52.1%	56.8%
% Renters	40.3%	37.5%
% Vacant	7.6%	5.7%
Educational Attainment		
% High School Graduates	73.5%	89.8%
% Bachelor's Degree and Higher	27.4%	41.0%
Race and Ethnicity		
% Non-White	43.0%	22.0%
% Hispanic or Latino Origin	44.1%	22.7%
Median Age	31.7	36.2
Avg. HH Size	3.5	2.5
Average Household Income	\$60,742	\$85,629

Source: ESRI, Economic & Planning Systems

H:\143021-Denver Aurora East Line Market Readiness\Data\ESRI\EastLine_Corridor_Demo.xlsx|Current Conditions

The Corridor is more racially and ethnically diverse than the rest of Metro Denver: 43 percent of Corridor residents describe themselves as non-white, and 44 percent describe themselves as Hispanic or Latino. The concentration of non-whites and Hispanics or Latinos along the Corridor is approximately twice that in the Metro Area. Average household income is lower than the Metro average, at \$60,700 compared to \$85,600.

The average household size along the East Corridor is 3.5, compared to 2.5 in all of Metro Denver. The majority of the housing stock along the Corridor is single family detached housing, and there has been a large amount of new single family housing built in Stapleton development, contributing to the larger household size. An influx of higher income households in Stapleton masks lower average household incomes along other areas of the Corridor.

Labor force participation (the percentage of people either working or seeking employment) along the Corridor is 64.9 percent compared to 71.8 percent in Metro Denver (**Table 6**). A number of factors influence labor force participation including being able to access employment opportunities, available childcare and family needs, as well as personal preferences. The unemployment rate along the Corridor is was 12.3 percent compared to just under 8 percent based on 2012 data in the American Community Survey, the only source of these indicators at the sub-county or sub-MSA level of geography. With the improvement in the economy that has occurred since 2012, these indicators may have improved along the Corridor.

Table 6
Labor Force Profile, 7-County Metro Area and Half-Mile Study Area, 2014

Description	Labor Force Participation		Unemployment Rate	
	1/2 Mile Study Area	7 County Metro Area	1/2 Mile Study Area	7 County Metro Area
Population 16 Years and Over	64.9%	71.8%	12.3%	7.9%
Race and Hispanic or Latino Origin				
White	66.3%	71.9%	9.4%	7.1%
Black or African American	54.9%	68.9%	17.0%	15.3%
American Indian and Alaska Native	56.3%	68.6%	21.0%	17.3%
Asian	71.5%	70.8%	9.6%	6.4%
Native Hawaiian and Pacific Islander	74.5%	80.6%	14.1%	9.7%
Some Other Race	75.3%	73.5%	21.9%	12.6%
Two or More Races	76.7%	72.6%	9.8%	11.6%
Hispanic or Latino Origin (Any Race)	64.0%	71.4%	16.2%	11.0%
White Alone, Not Hispanic or Latino	71.0%	72.2%	6.5%	6.5%

Source: US Census ACS, Economic & Planning Systems

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The half-mile study area has a less diverse housing stock than Metro Denver on average. Within the metro area, 66.8 percent of the housing is single family and 31.5 percent is multifamily (apartment and condominium). The Corridor has a higher concentration of single family housing at 83.5 percent of the housing stock, and a lower concentration of rental housing at 15.9 percent (**Table 7**). The 38th and Blake station abuts the Cole Neighborhood consisting of single family housing largely built prior to WWII. While there is new multifamily housing being constructed at Colorado Boulevard and Smith Road, the remainder of the neighborhoods along the Corridor are predominately single family including Northeast Park Hill and Stapleton in Denver, and Morris Heights in Aurora.

Table 7
Housing Units by Type, 7-County Metro Area and Half-Mile Study Area, 2012

Description	Total Units	% Total Units
Single Family		
7 County Metro Area	783,608	66.8%
1/2 Mile Study Area	4,611	83.5%
Multi Family		
7 County Metro Area	368,006	31.5%
1/2 Mile Study Area	881	15.9%
Mobile Home / Other		
7 County Metro Area	21,897	1.9%
1/2 Mile Study Area	27	0.5%

Source: ESRI, Economic & Planning Systems

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Commuting Patterns

Accurate data on commuting patterns at levels of geography below counties or large municipalities is not available without a survey or other primary research (e.g., license plate scans). The available data produced by a joint program operated by the US Census and Bureau of Labor Statistics provides data that is useful in making general conclusions and is used by many planners and economists with the understanding that there can be accuracy constraints. In evaluating commuting patterns, a larger area of one mile on either side of the Corridor was evaluated to consider regional commuting patterns and to account for the diminishing level of accuracy of these data at smaller geographic levels.

The most common work destinations for corridor residents are the zip code areas shown in red shading in **Figure 2**. These areas account for 30 to 40 percent of workers living within one mile of the Corridor and include Denver International Airport, the I-25/Central Denver industrial spine along the South Platte River, the West Colfax and 6th Avenue industrial areas, Adams County and Commerce City, and South I-25. With the exception of South I-25 and DIA, these areas have large concentrations of distribution and warehousing, construction and building trades, and manufacturing jobs. Downtown Denver, however, is also included in this area. By comparison, the South I-25 area has more office and service jobs. The brown shaded areas represent the areas where concentrations of employees overlap with concentrations of residents; they do not necessarily represent places where people live and work in the same area.

The most common places of residence for people who work along the Corridor and at DIA are shown in green (**Figure 3**). It is estimated that at least a third of the Corridor employees reside in the green shaded areas in Aurora, Brighton and Adams County, Commerce City, Northglenn, and Thornton.

The completion of the FasTracks system, especially the I-225/Aurora line and the North Metro line, will enable more residents of the Corridor and employees who work on it to access jobs by transit. Corridor residents will have improved access to Downtown Denver, DIA, and the South I-25 corridor. Combined, these areas have a broader mix of job types and wage levels than the Corridor, which translates to increased economic opportunity.

Last mile connections at stations need improvement at many stations throughout the region to make it safe and convenient for people to get to and from housing and jobs by transit. In order for the economic and labor force benefits to be fully realized, last mile connections need to be improved.

Figure 2
Common Places of Work for Corridor Residents

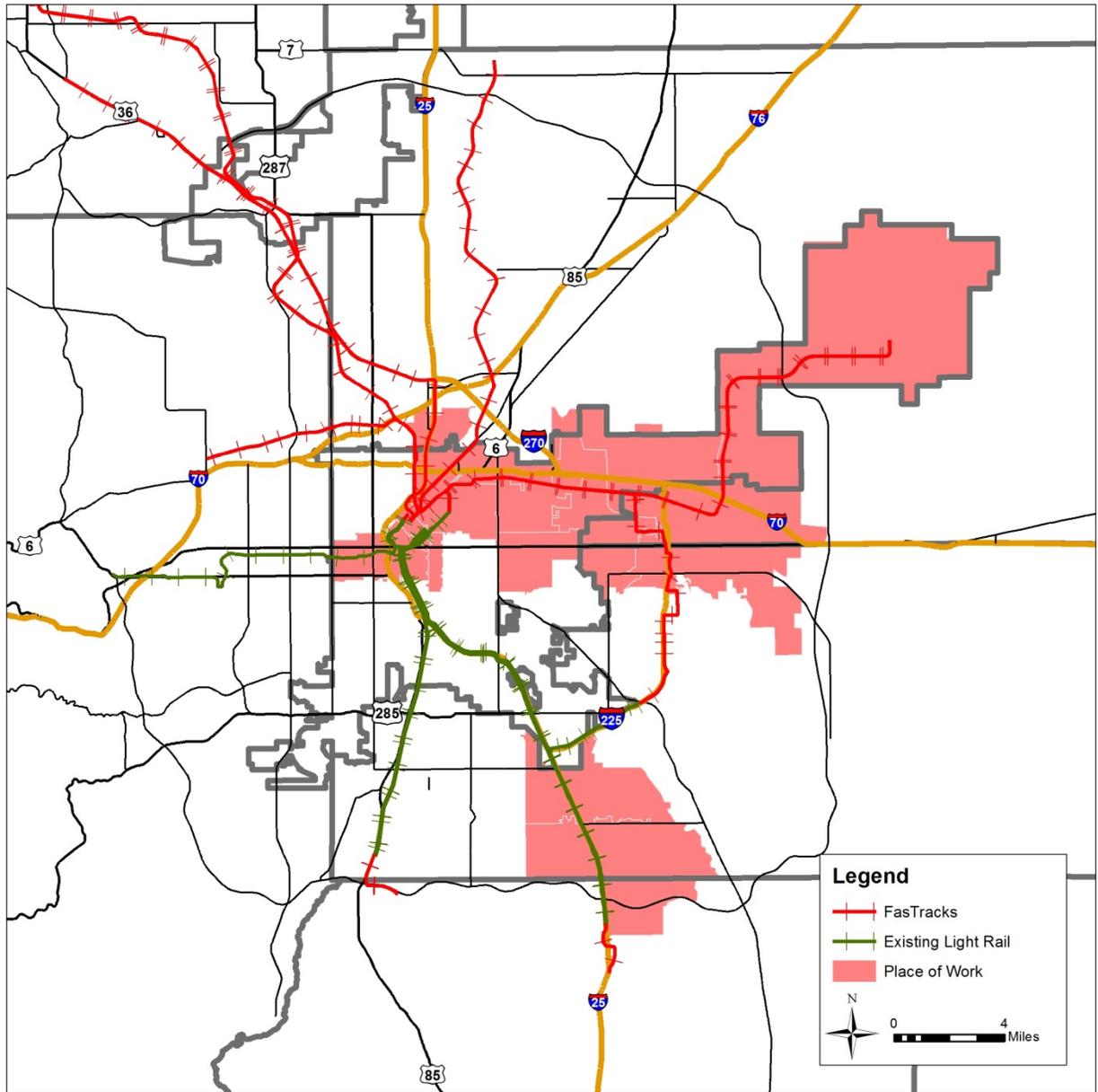
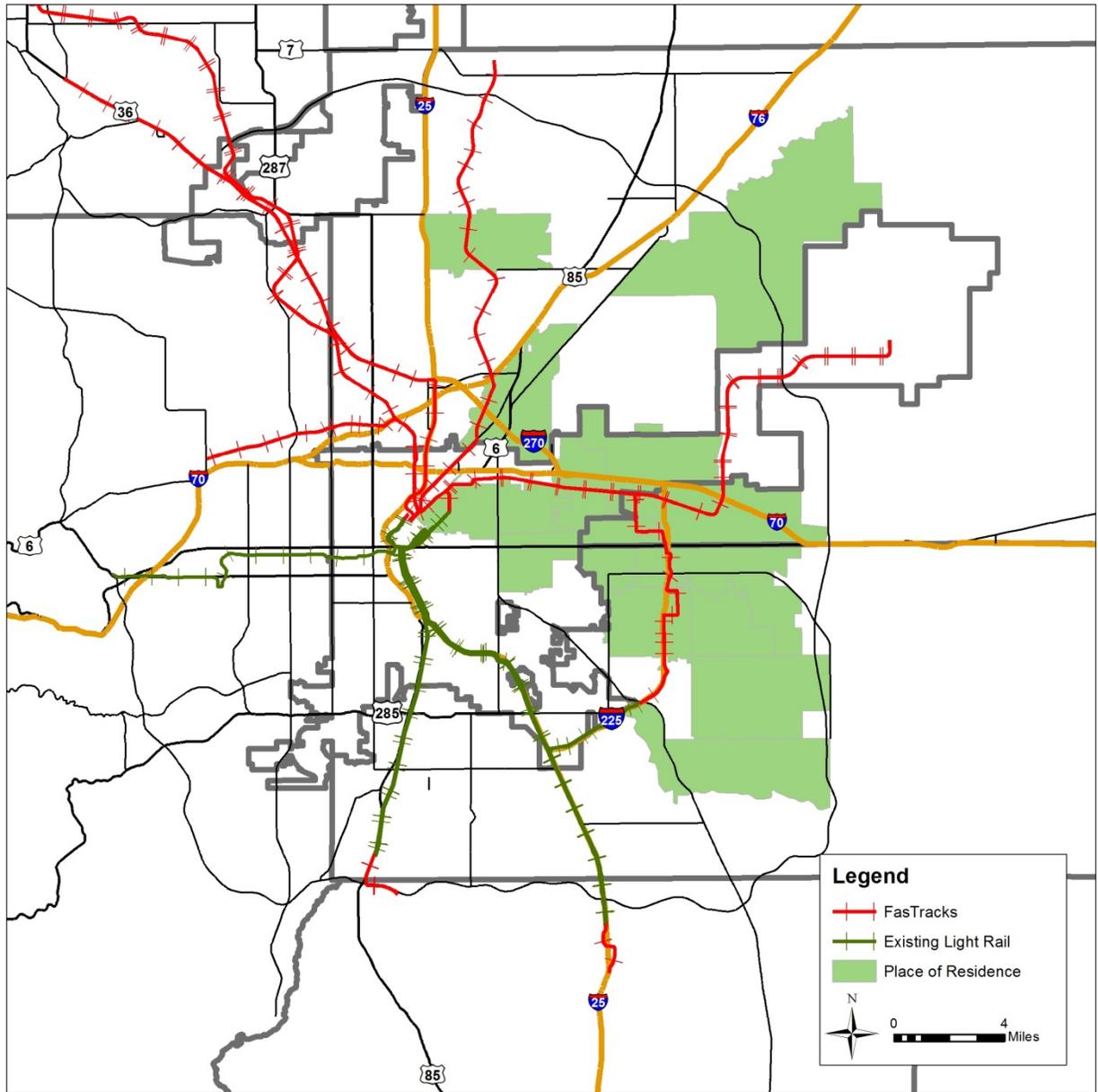


Figure 3
Common Places of Residence for Corridor Workers



3. CORRIDOR STAKEHOLDER INPUT

This chapter summarizes the Key Person Interviews conducted to gather input and perspective on development opportunities and constraints, perceptions, branding strategies, and implementation needs on the East Corridor. Each interviewee was asked what they thought were the strengths and weaknesses of the East Line Corridor (Northeast Denver and Aurora) as a development location. They were also asked what type of development they believed would be successful in different locations along the Corridor, how rail transit would change development opportunities, and about obstacles to development and the measures Cities and RTD could take to enhance development opportunities. A list of interviewees is provided in the Appendix.

Corridor Strengths

Overall, the potential for growth was a strength conveyed by all interviewees. Land availability along the eastern portion of the Corridor makes it attractive for developers, especially at the stations that are virtually undeveloped. Some of the region's largest development projects and opportunities are located along the Corridor or near it, including Stapleton, Gateway Park, DIA and Airport City, and the Anschutz Medical Campus, which show the emerging strength of eastern Metro Denver at the regional scale.

Because Northeast Denver and Aurora are growing, demographics are changing and the area is gentrifying, which was noted as a strength. Historically, the area has been perceived as industrial and working-class but is becoming more attractive to investment from a demographic standpoint. Affordable land prices throughout the Corridor, compared to Downtown and Central Denver, also make the Corridor an appealing area for growth.

Interviewees also pointed out that much of the Corridor already has adequate road and utility infrastructure to support development. Streets, sewer, water and electricity are already in place in most areas. However, community development or "soft infrastructure" needed to attract residents, employers, and employees such as good housing, retail, and schools are lacking in many locations but improving in others. Green Valley Ranch, Stapleton, and Reunion were mentioned throughout our interviews as examples of success stories along the Corridor and in east Metro Denver.

The greatest opportunities were identified at "greenfield" stations including 61st and Peña, 40th and Airport (Gateway Park), and Central Park Boulevard. For each of these stations there is a master developer controlling the majority of the developable land. Since these developers have a large inventory of sites, they are not under pressure to develop station area properties immediately. They can take a longer term perspective and pursue development projects on other less valuable properties and allow the market around the stations to improve over time.

Corridor Weaknesses

A weakness mentioned consistently by interviewees was that developers, investors, and the public have perceptions of the Corridor as being simply an industrial corridor and an inferior location for traditional TOD employment (office) and residential (high density apartments and

condominiums) uses. Perception, however, is highly dependent on location and station along the Corridor. While the reality is that some station areas are predominately industrial and largely built out, there are other sites with greater amounts of vacant land suitable for a range of development more appealing to institutional investors, such as Central Park, 40th and Airport (Gateway Park), and 61st and Peña.

Although the successes of large residential projects were mentioned (e.g., Green Valley Ranch, Reunion, and Stapleton), developers and brokers pointed out that it has been challenging to attract office-based employers. The perception of Northeast Denver and parts of Aurora has been a challenge in attracting office-based companies looking to relocate in the context of competition in Downtown Denver, Broomfield, and the Denver Tech Center. Some interviewees noted that corporate executives would not want to drive to a Northeast Denver office location. Some developers and property owners offered a contrasting opinion, largely targeted at the 38th and Blake station, which is already attractive to smaller creative, professional service, start up, and artisanal manufacturing businesses similar to the development in River North (RiNo).

Creating a vibrant place at the close-in stations (Peoria, 40th and Colorado, and 38th and Blake) will be more challenging than the eastern greenfield station areas. These inner stations are located in largely built-up areas that contain a predominance of industrial and other rail-adjacent uses. These stations are largely built out with multiple property owners and limited vacant land. The most immediate market opportunity is for affordable and market rate rental housing and each site has non-profit developers pursuing these opportunities, including Aurora Housing Authority (AHA) at Peoria, Urban Land Conservancy (ULC), Del-West, Colorado Coalition for the Homeless at 40th and Colorado, and ULC in partnership with Medici Housing at 38th and Blake.

At the Corridor level, however, the area is still considered by many to be in transition. Many stated that it will take time, strong branding, and pioneering projects that prove success to “move the needle” in Northeast Denver and Aurora. The 38th & Blake station is an exception due to the amount of development planning, land speculation, and active development already occurring there.

Development Types

When asked what type of development they believed would be successful along the Corridor, private developer gave responses that ranged from Class A office at Central Park and Gateway Park over time, to mixed use TOD at 38th and Blake and Central Park, to large distribution and flex industrial space generally east of Central Park. Non-profit groups and developers are currently developing and planning affordable housing projects at 40th and Colorado, Peoria, and 38th and Blake.

Despite a few large corporate locations near DIA, most feel that the market has not been successful with office. The existing office developments and small amount of retail development have not performed according to expectations. Air cargo and distribution were initially expected to become major economic drivers near DIA. Some distribution and advanced manufacturing have developed along I-70, but air cargo growth has been slow. Metro Denver is not a major national distribution hub for land or air cargo, but it is a large regional distribution hub for land based cargo.

All three close-in stations have seen an influx of marijuana growing facilities that have located in older warehouse buildings. Eight have been identified at 38th and Blake, four at 40th and Colorado, and three at Peoria. The influx of growing sites was seen as inflating the value of otherwise low value and outmoded industrial buildings. Some expressed concerns that if this activity continues it will be difficult to acquire existing buildings and sites for more desirable employment uses. Within Denver, if the zoning is changed from Industrial A or B (IA or IB) to Industrial Mixed Use (IMX), marijuana growing becomes a non-conforming use.

Corridor Vision

The general consensus among developers and property owners is that the East Line will improve the real estate market potential of land within the half-mile station radius, but the increased market opportunities will not be fully realized until after the line is completed and in operation. In most if not all cases, the enhanced accessibility provided by rail immediately opens up the market for multifamily residential development (apartments). By contrast, it doesn't immediately change market conditions for office, retail, or hotel uses. Developers interviewed emphasized that the rail can enhance the development potential of good real estate; it cannot make an otherwise marginal site marketable.

Despite some tempering of expectations, interviewees see the East Line as a catalyst for development along the Corridor and in east Metro Denver. Some land speculation has already occurred as developers have purchased land around station sites, most notably 38th and Blake, but also to a lesser degree at 40th and Colorado. A broker provided a recent example of a relocation in which rail transit was a major consideration. These examples support the general feeling that the East Line will enhance access to sites at stations and better connect station areas to other areas of Metro Denver as hubs of economic activity.

Obstacles to Development

The most frequently mentioned obstacles at the closer-in stations were infrastructure related. Street, sidewalk, and drainage improvements are the greatest need at 38th and Blake. Fixing "The Hump" in Blake Street and improving the 38th to Washington underpass were also on the list of needed improvements. Peoria and 40th and Colorado also lack amenities including poor connections to properties north of the tracks.

The greatest challenges identified at close-in and built-up stations are infrastructure related. Each station has some level of street, pedestrian, or drainage deficiencies that need to be addressed for TOD to take place. However, it was pointed out that the existing ownership pattern will mostly result in smaller development projects. These projects lack the financial capability to take on area-wide improvements. A number of property owners are therefore suggesting the City provide tax increment financing (TIF) assistance. In contrast, at greenfield stations on the eastern half of the Corridor, these infrastructure improvements are primarily being completed by the developer's metro district.

The 40th and Colorado station does not have a complete street grid. In particular, a pedestrian connection is needed over the BNSF Market Lead, an unused rail spur that runs in a depressed alignment just west of Monroe Street and separates the adjacent Elyria Swansea neighborhood from the station. Also, while there is a pedestrian connection under Colorado Boulevard from

Park Hill Village West, additional crossings farther south were identified as a need. Finally, it was noted that at Peoria, pedestrian improvements from the station to the Aurora Housing Authority development site to the south are needed as well as a connection north of the tracks to existing employers.

At the greenfield stations, a substantial amount of infrastructure also needs to be built, but the master developers indicated that there is a greater ability to develop and finance the roads and utilities through the existing metro districts rather than through City capital improvement funds, including the Sand Creek Metro District at Gateway, the Park Creek Metro District at Stapleton, and L.C. Fulenwider's Metro District at 61st and Peña.

One stakeholder also commented that existing TOD zoning within both City of Denver and Aurora is designed for urban infill locations and does not adequately allow for the parking demands at a suburban location.

Station Observations

Each interviewee wishes to see development and vibrancy throughout the Corridor. On a station-by-station basis, the visions and priorities were different. For many of the stations without "seed" or catalyst development (Peoria, for example), there is a desire to generate more interest in the area to attract economic development. There are varying views on the types of projects that could catalyze such interest.

Denver International Airport

DIA is focused on the greenfield stations and TODs on DIA land at 61st and Peña and at 40th and Airport. They have a vision of seeing those developed as TOD projects and early stations as the "airport city development." They would like to see them have a unique look and design and to support the overall DIA vision of sustainability.

61st and Peña

The vision for 61st and Peña station is for a true TOD that is walkable, mixed use, and mixed income. It is envisioned as a catalyst for the East Line and as a community that will bring attention and momentum to the area. It would be the heart of the eastern metro area—growing and driving interest as more amenities are put in place and as more people are using the station and working and/or living at the development.

Panasonic Corporation announced plans for a new facility in the company's solar power systems division. The facility is expected to house up to 400 jobs in sales and marketing, engineering and product development, and eventually manufacturing. An energy efficient residential component or "smart town" has also been cited as a conceptual part of the project. This development could be a major catalyst for the DIA area stations and for further Airport City development.

40th and Airport

Like other large greenfield employment sites, the major constraint at 40th and Airport is the timing of attracting a large employer, especially one that values the transit station location. Office development has been slow to materialize in Northeast Denver and Aurora along the

Corridor. Once an anchor tenant is attracted development of other complementary uses may accelerate. DIA also anticipates needing to add several thousand parking spaces to accommodate travel growth over the next 20 to 30 years which could affect development opportunities at both Peña Boulevard area stations.

Central Park Station (Stapleton)

For property that the master developer Forest City can control, their vision is for a high-density, mixed use community comprised of approximately two million square feet of office space, multifamily housing, and complementary mixed use space. While development of the RTD parking land is also envisioned, RTD needs an economic case for building structured parking. When the market can support office development at this station, building structured parking should be the next step.

38th and Blake

The stakeholders around this station envision it becoming more connected to Downtown, serving the RINO and Taxi areas with an “eco-system” around the station that is comprised of mixed use residential, retail, and office. There is a significant project planned near the station that focuses on the digital health industry and is using the rail stop to emphasize the connection between that area and the Fitzsimons Hospital and Anschutz Medical Campus. An investor has assembled approximately 2.5 blocks of vacant parcels, junkyards, and other low value buildings close to the 38th and Blake station. The property owners with an interest in the 38th and Blake area indicated that the level of sales and price appreciation is likely due to the expansion of the RiNo market.

Partners and Tenant/Buyer Types

Interviewees were also asked what kinds of partners or tenants should be targeted for the Corridor and station areas. This question prompted a range of responses:

- Initial developments should focus on middle income housing “which is the backbone of our country.”
- Proximity to DIA hospitality should be the focus of business attraction. As density increases, it allows for more amenities and retail. Once these amenities are in place, office development can be targeted.
- The goal should be to have a true mixed use development, but development may have to begin with lower densities and move to higher densities when the market is ready.
- Large employers and housing with amenities.
- “There is a whole host of developers and investors that want to be at TOD locations and want to be involved in that niche. Those are the firms to focus on. Target people that already have this as part of their value system where we’re not educating and converting them. They see the value of [a TOD location] already.”

4. STATION AREA LAND USE CONDITIONS

This chapter summarizes land use conditions for each station area along the East Corridor. The first section discusses vacant parcels at each station area. Next, a series of maps show ranges of estimated property values from tax assessor data calculated as land value plus improved value divided by parcel square footage.

Vacant Parcels

In general, the number of vacant parcels decreases and the average size increases with station area distance from Downtown Denver (**Table 8**). The 40th & Airport and 61st & Peña station areas each have fewer than 20 vacant parcels, but with average sizes of 19 and 39 acres respectively, they reflect the greenfield nature of those areas. At 40th and Airport there are approximately 320 acres of vacant land. The 61st and Peña Station has nearly 600 acres of vacant land.

Table 8
Vacant Parcels by Station Area

	# Parcels	# Acres	Average Size (acres)	# Vacant Parcels over 1 Acre
38th & Blake	132	25.8	0.20	4
40th & Colorado	116	22.7	0.20	6
Central Park Blvd.	76	152.1	1.93	20
Peoria	18	39.2	2.18	12
40th & Airport	17	320.5	18.85	17
61st & Pena*	15	584.1	38.94	9

Source: Adams County; City and County of Denver; Economic & Planning Systems

*Note: Total acres shown for the 61st & Peña station area are greater than the 502.7 acres of the 1/2 mile radius because of larger parcels that extend beyond the 1/2 mile buffer.

H:\143021-Denver Aurora East Line Market Readiness\Data\Parcel Analysis\143021-Vacant and Underutilized.xlsx] Vacant Land

In contrast, the 38th & Blake and 40th and Colorado station areas each have more than 100 vacant parcels, but the average size of those parcels is 0.20-acres, and they have only four and six vacant parcels over one acre in size, respectively. In total, only five percent of each station area is vacant land, reflecting the infill nature of these close-in stations.

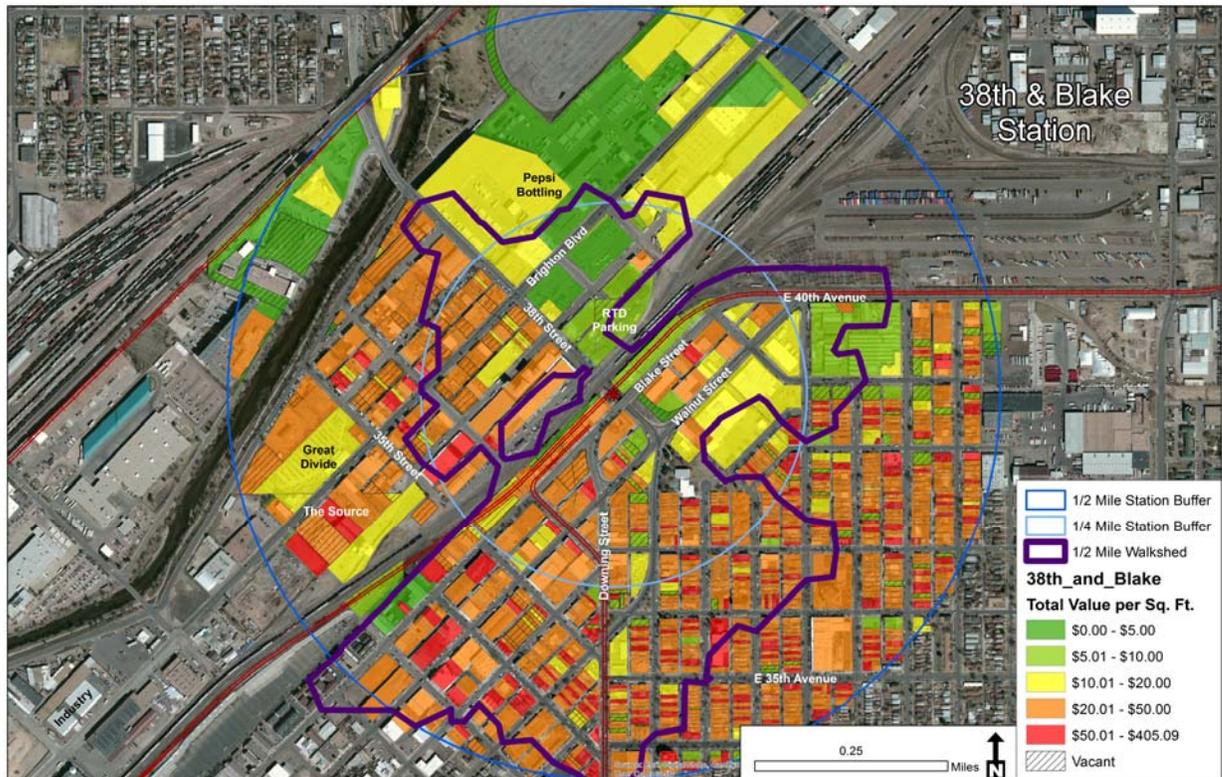
The Central Park Boulevard station area has 76 vacant parcels totaling 152 acres. Twenty of those parcels are one acre or larger, and the average vacant parcel is just under two acres. The Peoria station area has only 18 vacant parcels. With an average size of 2.2-acres, these parcels provide a total of 39 acres of vacant land.

Parcel Value

This section provides maps that show the range of parcel values for each station area based on Assessor records from Denver and Adams Counties. For this analysis, parcel value is calculated as total (land plus improved) parcel value per square foot of land. Although values and market demand vary across the station areas, parcel values less than \$10 per square foot (shown in light and dark green on the maps, in **Figures 4** through **9**) generally indicate parcels that could be considered underutilized and therefore good candidates for redevelopment. The characterization of parcels that fall in the range of \$10 to \$20 per square foot (shown in yellow on the following maps) varies considerably between the station areas. At 38th & Blake, for example, parcels with values in that range are probably still considered underutilized given the demand for land and the price escalation in the area in recent years. Only 15 percent of land in the 38th and Blake station area falls in this category. In contrast, at Peoria Station, parcels in the \$10 to \$20 per square foot range are the largest portion of parcels in the station area (143 acres) and represent the most typical price range for the area. Finally, parcels shown in orange and red on the maps have total values of over \$20 per square foot and would require higher value and more intensive uses to make them feasible for redevelopment.

38th & Blake

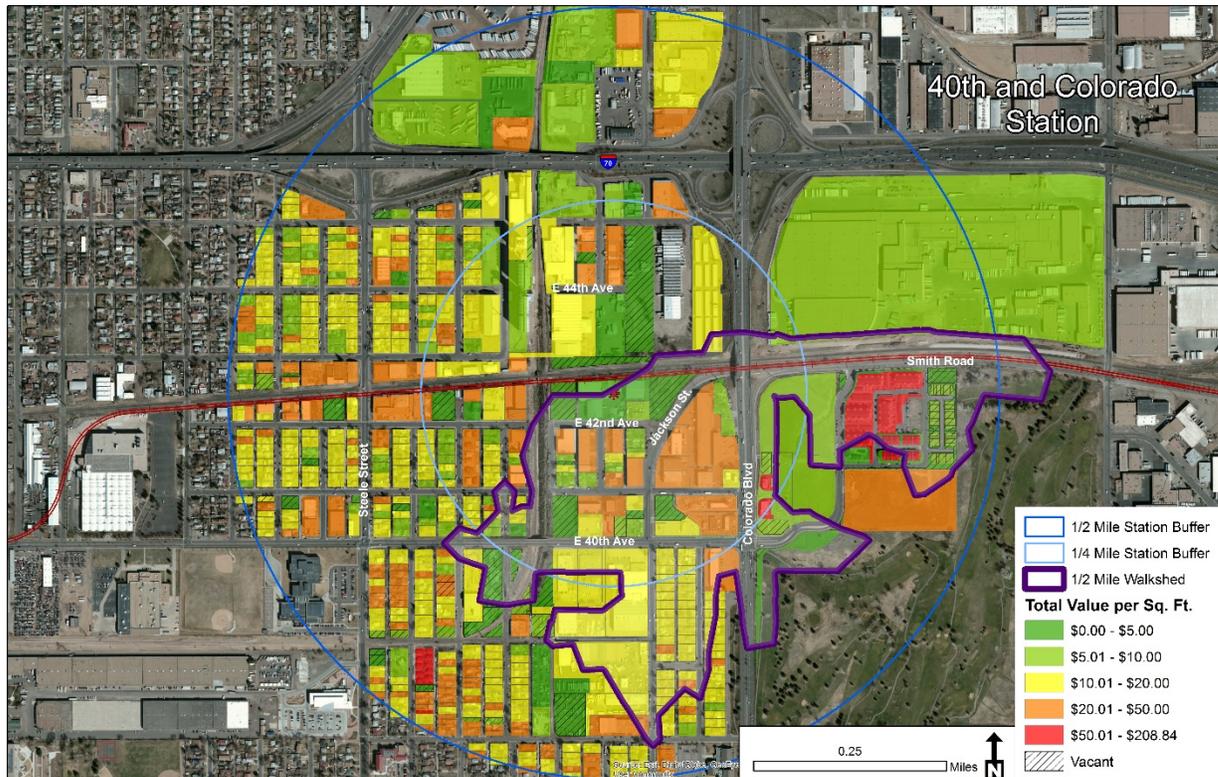
Figure 4
Parcel Values – 38th & Blake Station Area



- There are approximately 1,200 parcels in the 38th & Blake station area, 923 of which have values per square foot of \$20 or higher, primarily in residential areas of Curtis Park and in newly redeveloped sections of the Brighton Boulevard Corridor. These parcels account for one-third of the non-right-of-way acreage in the station area.
- Lower value parcels (less than \$10 per square foot total value) in the station area are mostly larger footprint parcels north and northeast of the station, including the Pepsi bottling facility, parcels adjacent to the U.P. rail yard and land reserved for the RTD parking lot.
- These lower value parcels account for 50 percent of non-right-of-way land in the station area.

40th & Colorado

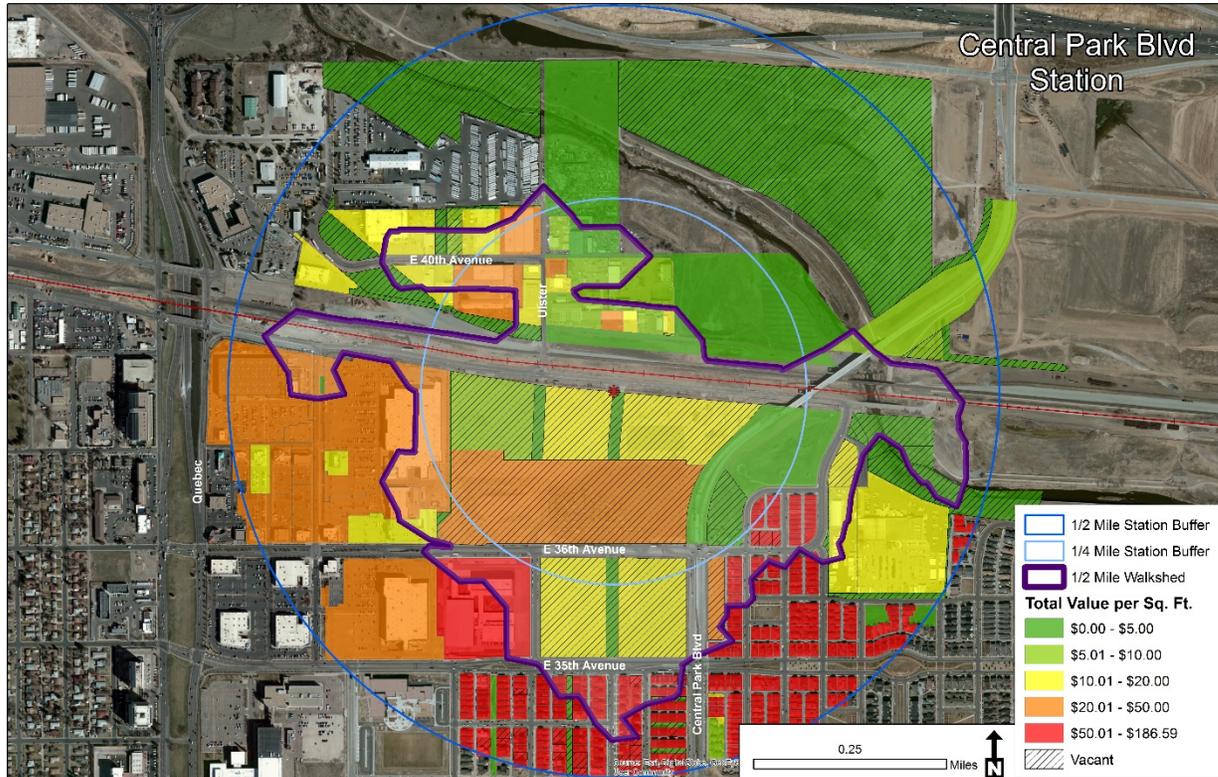
Figure 5
Parcel Values – 40th & Colorado Station Area



- 49 percent of developable land in the 40th and Colorado station area have total values per square foot between \$5 and \$10.
- Several parcels in the \$20 to \$50 per square foot range are located adjacent to the station, across East 42nd Avenue and Jackson Street.
- Parcels in the station area with total values higher than \$50 per square foot are the residential parcels at Park Hill Village and two commercial buildings (Carl's Jr. and Starbucks) on the northeast corner of Colorado Boulevard and East 40th Avenue.

Central Park Boulevard

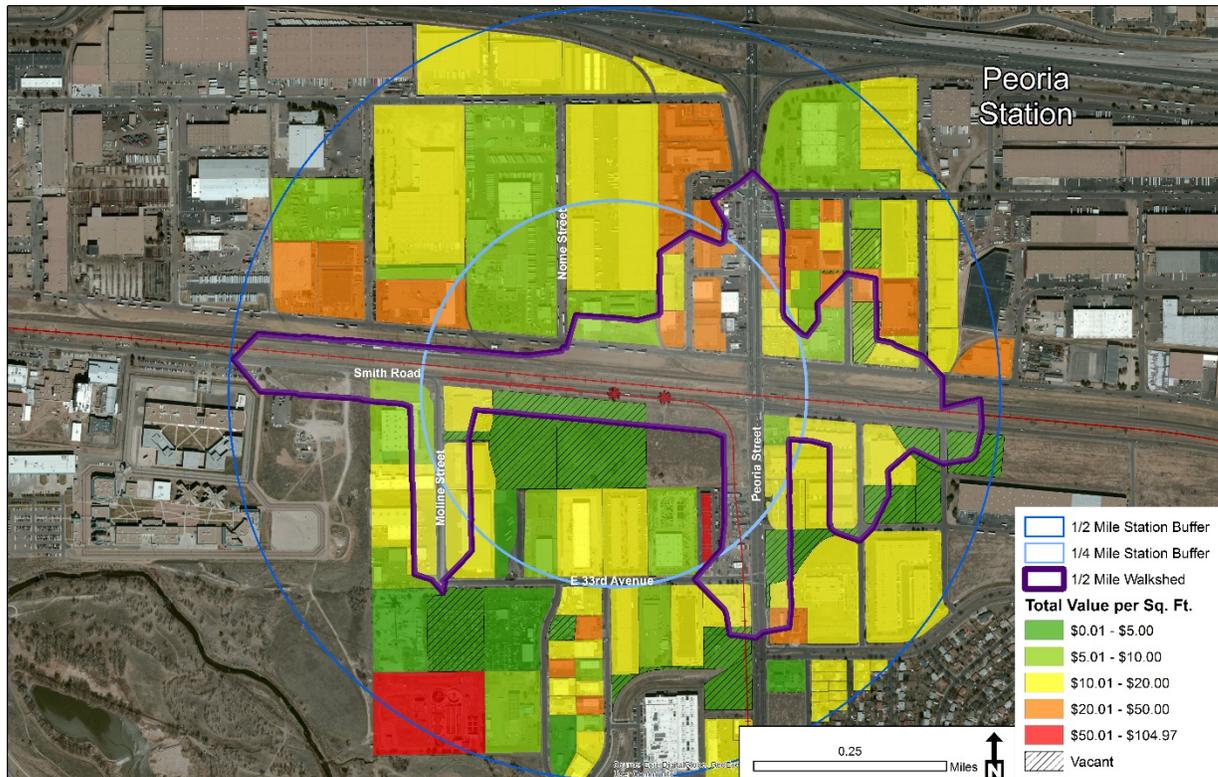
Figure 6
Parcels Values – Central Park Boulevard Station Area



- The majority of parcels with total values less than \$10 per square foot in the Central Park Boulevard station area are located north of the tracks where industrial uses and vacant land dominate.
- Parcels with total values greater than \$50 per square foot are residential parcels in the Stapleton development with the exception of the newly built FBI building at East 36th Avenue and Ulster Street.

Peoria Station

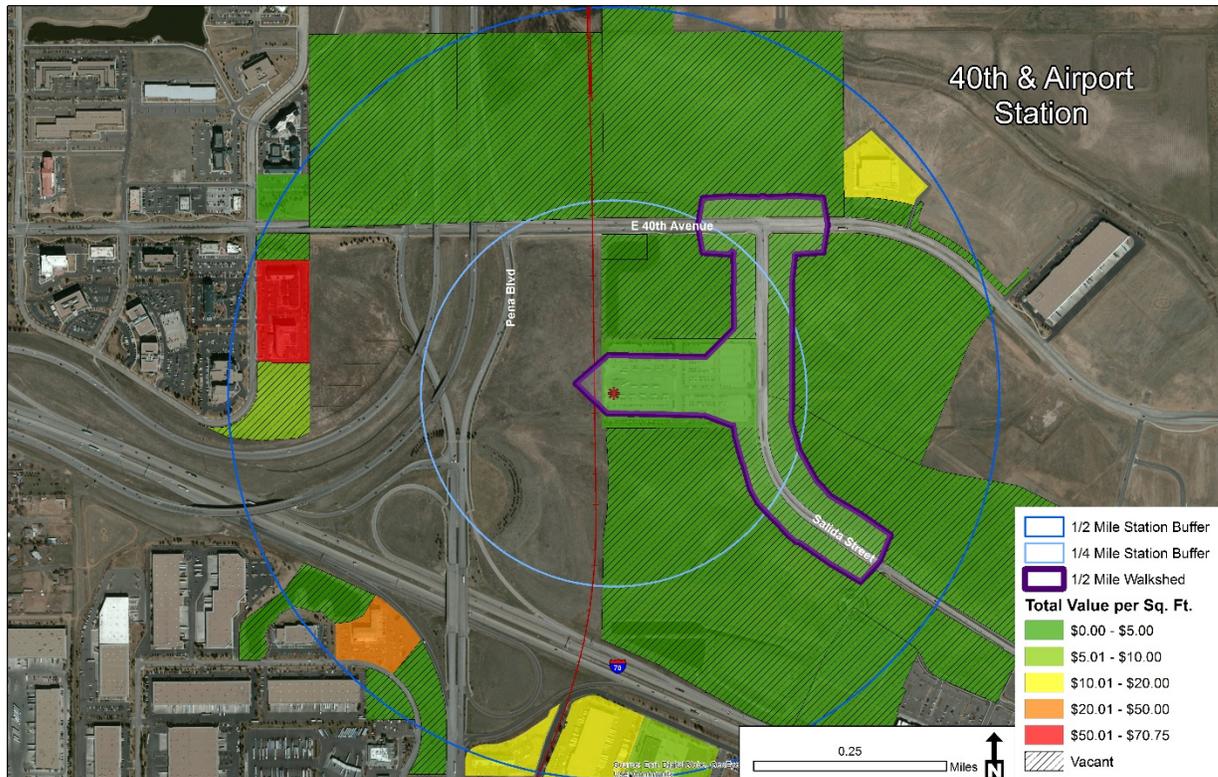
Figure 7
Parcel Values – Peoria Station Area



- 85 percent of developable land in the station area has total values of less than \$20 per square foot and is dispersed evenly throughout the station area.
- Excluding road and rail right-of-way, the Immigration and Customs Enforcement (ICE) detention center, and land occupied by the Denver County Jail, only 64 percent of land within the half mile Peoria station area is developable.
- Twenty of the 21 parcels in the Peoria station area with values over \$50 per square foot are in an industrial condominium building on the northwest corner of Peoria Street and East 33rd Avenue, the other is the Aurora Wastewater facility.
- The majority of parcels in the \$20 to \$50 per square foot range either have access and visibility from Peoria Street or have access to active rail spurs.

40th & Airport

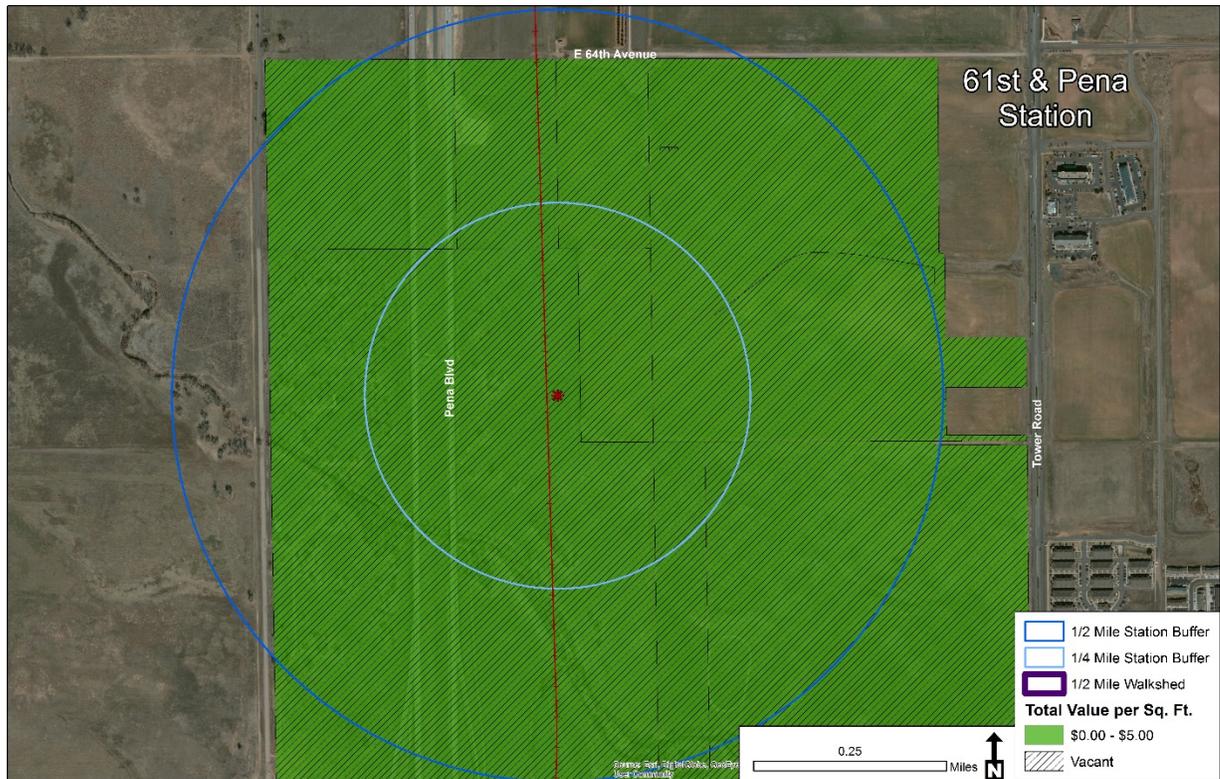
Figure 8
Parcel Values – 40th & Airport Station Area



- The majority of parcels in the 40th & Airport station area have current total values of less than \$5 per square foot and are largely undeveloped.
- Exceptions include I-70 and Peña Boulevard-adjacent parcels of the Pauls Corporation's Gateway Park and a distribution center northeast of the station off of East 40th Avenue.

61st & Peña

Figure 9
Parcel Values – 61st & Peña Station Area



- The 61st & Peña station area is an undeveloped greenfield with all parcels currently undeveloped.

5. EMPLOYMENT ANALYSIS

This chapter begins with an analysis of the current mix of jobs by major industry at the Corridor and Station area level. The analysis starts at the "super sector" level, which is an aggregation of the 21 industries (2-digit NAICS codes) classified under the North American Industrial Classification System (NAICS) into five similar industry groupings. Next, a finer grained analysis of industry clusters along the Corridor is presented at the 3-digit NAICS code level. These data describe the types of industries currently located along the Corridor and along with land use and built environment conditions also influence the types of industries that should be targeted for future economic development.

Corridor and Station Area Employment

There are 1.17 million jobs in Metro Denver (2013) and Service-Providing industries are the largest industries in terms of total jobs with 432,170 jobs or 36.7 percent of the total (**Table 9**). Health Care and Education is the next largest industry group, with 253,746 jobs (21.6 percent). Retail, Accommodations, and Food Services account for another 2.4 percent of jobs with 239,916 jobs. Goods-Producing sectors (including manufacturing and construction) make up 12.8 percent of the Metro Denver economy with 151,162 jobs, followed by Wholesale Trade, Transportation and Warehousing, and Utilities with 8.5 percent of the total or 100,149 jobs.

Table 9
Employment by Super Sector, 2013

Industry Super Sector	1/2 Mile Study Area		7-County Metro Area	
	Jobs	% Total	Jobs	% Total
Goods-Producing	10,795	21.0%	151,162	12.8%
Wholesale, Transportation and Warehousing, Utilities	23,894	46.6%	100,149	8.5%
Service-Providing	8,908	17.4%	432,170	36.7%
Health Care and Education	1,152	2.2%	253,746	21.6%
Retail, Accommodation and Food Service	<u>6,541</u>	<u>12.8%</u>	<u>239,916</u>	<u>20.4%</u>
Total	51,289	100.0%	1,177,143	100.0%

Source: Colorado Department of Labor, Economic & Planning Systems

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The Corridor has large differences in its employment mix compared to Metro Denver as a whole. Wholesale Trade and Transportation and Warehousing are the largest industries along the Corridor, with 23,894 jobs or 46.6 percent of the total compared to just 8.5 percent overall in Metro Denver. Utilities make up a negligible number of jobs in these sectors. Next, Goods-Producing sectors make up nearly half of all jobs along the Corridor with 10,795 jobs and 21.0 percent of the total compared to 12.8 percent in Metro Denver. The Corridor has approximately half of the concentration of Service jobs, a tenth the concentration of Health Care and Education jobs, and just over half of the concentration of Retail, Accommodations, and Food Service jobs.

By station, DIA has by far the largest number of jobs at approximately 35,000, according to DIA publications. In the data source available, not all employees working at DIA are reported at that location, resulting in the roughly 16,000 employee figure shown. The largest sectors at DIA are Transportation related, at 10,693 jobs (**Table 10**). Peoria station has approximately 3,678 jobs with 1,674 in Goods-Producing sectors, and 1,024 in Wholesale Trade and Transportation sectors. Thirty Eighth and Blake has 2,447 jobs mostly in Goods-Producing sectors which employ 1,239 people at this station. In contrast, Central Park Boulevard station has 2,355 jobs mostly in retail and related sectors, with 1,257 Retail, Accommodations, and Food Service jobs located mostly along Quebec Street in the Quebec Square shopping center anchored by Wal-Mart and Home Depot.

Table 10
Employment by Super Sector, Half-Mile Station Area, 2013

Industry Super Sector	38th & Blake Station	Colorado Blvd Station	Central Park Blvd Station	Peoria Station	40th & Airport Station	DIA Station ¹	Total
Goods-Producing	1,239	556	273	1,674	---	116	3,858
Wholesale, Transportation and Warehousing, Utilities	246	602	743	1,024	100	10,693	13,409
Service-Providing	560	347	52	605	273	2,369	4,206
Health Care and Education	103	74	30	107	2	---	315
Retail, Accommodation and Food Service	299	361	1,257	268	126	2,755	5,065
Total	2,447	1,940	2,355	3,678	500	15,934	26,854

¹ DIA publications report 35,000 employees.

Source: Colorado Department of Labor, Economic & Planning Systems

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The 40th and Colorado location has 1,940 jobs including 556 in goods producing sectors and 347 in Services. The station with the fewest number of jobs is 40th and Airport with 500 jobs in the half-mile station area. This station and 61st and Peña are almost entirely undeveloped and therefore have very few jobs in the vicinity.

Employment Clusters

This section more closely examines the construction, manufacturing, and transportation related sectors along the Corridor. There are approximately 7,200 manufacturing jobs in the half-mile study area, or 14.1 percent of the study area total (**Table 11**). Food and beverage manufacturing are the largest manufacturing sectors, with 2,555 jobs, or 5.1 percent of the study area. Within food and beverage manufacturing, there are a wide variety of product types for human and animal consumption in firms ranging in size from 2 to over 500 employees. Other notable manufacturing sectors include wood products (e.g., windows and doors, wood trusses, and millwork), paper manufacturing, non-metallic minerals (concrete, brick, glass), electrical equipment, and custom automotive parts. Related to food manufacturing, there are also large employers in support activities for agriculture. This industry consists of produce handling, preparation, storage, and distribution firms.

Within the construction sector, specialty trades contractors make up 2,594 of the 3,001 construction jobs. Specialty trades include electrical, mechanical, plumbing, and other building trades. The I-70 corridor location, central in the Denver Metro area, is particularly attractive to these businesses because they can easily serve customers in all directions using I-70 (east-west), and I-25 and I-225 (north-south).

Wholesale Trade accounts for 6,645 jobs, or 13 percent of the study area total. These companies sell and distribute a broad variety of consumer, business, and industrial products. Food, building materials, tools, and industrial equipment are the most heavily represented wholesale trade businesses. The I-70 and North I-25 corridors are distribution hubs for the Intermountain West.

The Transportation and Warehousing sectors are made up of firms whose primary activity is the movement of goods and people, compared to wholesale trade companies that market, sell, and distribute goods. There are approximately 17,247 jobs in these sectors in the study area. Air Transportation at DIA is the largest sector with 11,767 jobs. In addition, many large national trucking and logistics companies are in this sector such as United Parcel Service, Federal Express, long haul trucking companies, and air freight companies.

Table 11
Industry Clusters, Half-Mile Study Area, 2013

NAICS	Industry Name	Establishments	Jobs	Percent
115	Support Activities for Agriculture and Forestry	1-5	501-1,000	D
Construction and Trades				
236	Construction of Buildings	20	271	0.5%
237	Heavy and Civil Engineering Construction	10	136	0.3%
238	Specialty Trade Contractors	<u>86</u>	<u>2,594</u>	<u>5.1%</u>
	Subtotal	116	3,001	5.9%
Manufacturing				
311	Food Manufacturing	27	1,340	2.6%
312	Beverage and Tobacco Product Manufacturing	7	1,215	2.4%
314	Textile Product Mills	1-5	51-100	D
315	Apparel Manufacturing	1-5	26-50	D
316	Leather and Allied Product Manufacturing	1-5	<10	D
321	Wood Product Manufacturing	10	441	0.9%
322	Paper Manufacturing	11	539	1.1%
323	Printing and Related Support Activities	12	278	0.5%
325	Chemical Manufacturing	13	146	0.3%
326	Plastics and Rubber Products Manufacturing	13	366	0.7%
327	Nonmetallic Mineral Product Manufacturing	12	694	1.4%
331	Primary Metal Manufacturing	1-5	101-250	D
332	Fabricated Metal Product Manufacturing	24	548	1.1%
333	Machinery Manufacturing	12	146	0.3%
334	Computer and Electronic Product Manufacturing	6	157	0.3%
335	Electrical Equipment, Appliance, and Component Manufacturing	1-5	251-500	D
336	Transportation Equipment Manufacturing	1-5	101-250	D
337	Furniture and Related Product Manufacturing	11	190	0.4%
339	Miscellaneous Manufacturing	<u>13</u>	<u>379</u>	<u>0.7%</u>
	Subtotal	189	7,221	14.1%
Wholesale Trade				
423	Merchant Wholesalers, Durable Goods	208	3,796	7.4%
424	Merchant Wholesalers, Nondurable Goods	90	2,692	5.2%
425	Wholesale Electronic Markets and Agents and Brokers	<u>31</u>	<u>157</u>	<u>0.3%</u>
	Subtotal	329	6,645	13.0%
Transportation and Warehousing				
481	Air Transportation	14	11,767	22.9%
484	Truck Transportation	50	2,025	3.9%
485	Transit and Ground Passenger Transportation	15	380	0.7%
486	Pipeline Transportation	1-5	<10	D
488	Support Activities for Transportation	55	1,625	3.2%
492	Couriers and Messengers	16	463	0.9%
493	Warehousing and Storage	<u>26</u>	<u>979</u>	<u>1.9%</u>
	Subtotal	177	17,247	33.6%
	Total (All Industries)	1,668	51,289	100.0%

"D" indicates that data not disclosed for confidentiality requirements.

Source: Quarterly Census of Employment and Wages; Economic & Planning Systems

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While not present in large concentrations along the Corridor, there are still other sectors represented: Administrative and Support Services firms, which are businesses that perform "back office" and customer services for other businesses, employ 2,177 people along the Corridor (4.2 percent of the total), as shown in **Table 12**. There are also 1,161 jobs in Management of Companies and Enterprises, a "catch all" category that includes holding companies and subsidiaries of larger firms. In the Telecommunications sector, the largest employer is believed to be a customer service center office for a national wireless carrier; it comprises more than half of the sector's 739 jobs.

In Professional, Scientific, and Technical Services there are 904 jobs scattered across 134 firms. Firms range in size from one to under 200 employees. The 38th and Blake station area has approximately 43 of these firms with 224 employees; otherwise there are no significant concentrations of professional, scientific, and technical services jobs.

Table 12
Industries with Higher Employment Density

3-Digit NAICS	Industry Name	Establishments	Jobs	Avg. Employees per Firm	Percent
517	Telecommunications	10	739	74	1.4%
541	Professional, Scientific, and Technical Services	134	904	7	1.8%
551	Management of Companies and Enterprises	22	1,161	53	2.3%
561	Administrative and Support Services	92	2,177	24	4.2%
Total (All Industries)		1,668	51,289		100.0%

"D" indicates that data not disclosed for confidentiality requirements.

Source: Quarterly Census of Employment and Wages; Economic & Planning Systems

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Station Area Business Types

A list of employers with at least 25 employees in each station area, along with their building size and the number of building square feet per employee, is shown in **Table 13**. The mix of business types reflects the analysis presented above, but gives additional context of how the NAICS codes translate to actual businesses. These data supplemented by EPS research on what firms do onsite also suggest that the station areas contain some business types that may not be desirable to have in a transit station area. These business types include those with extensive outdoor storage needs, utilize chemical processes, produce audible noise, or are generally a nuisance in the traditional zoning sense. Business types that may fit these categories include metal fabrication and coating, industrial painting and sandblasting, and trucking.

The employment density in these station areas is low compared to mixed-use TODs and more urban locations that have a greater concentration of office and retail employment. Urban and suburban office buildings range from approximately 250 to 500 square feet of building per employee. The firms with the highest estimated employment densities include some small manufacturing firms, building and administrative service firms, and specialty trades contractors. Some construction, trucking and whole sale firms show high employment densities, but many employees are not onsite.

Table 13
Employers by Station

Company Name	NAICS Code	NAICS Description	Jobs	Building Sq. Ft.	Sq. Ft per Employee
38th and Blake					
Pepsi Bottling Group	312	Beverage and Tobacco Product Manufacturing	501-1,000	598,136	750 - 1,000
Colorado Pet Treats	311	Food Manufacturing	101-250	6,260	< 500
Roadsafe Traffic Systems Inc	237	Heavy and Civil Engineering Construction	51-100	6,000	< 500
Service Solution	561	Administrative and Support Services	51-100	15,625	< 500
Ready Mixed Concrete Co	327	Nonmetallic Mineral Product Manufacturing	51-100	5,871	< 500
Factory At Walnut Llc	722	Food Services and Drinking Places	51-100	35,755	500 - 750
Wyatt Edison Charter School	611	Educational Services	26-50	58,219	1,000+
Victor Marble Company	327	Nonmetallic Mineral Product Manufacturing	26-50	9,362	< 500
New Tech Machinery Corp	333	Machinery Manufacturing	26-50	51,504	1,000+
Jakes	722	Food Services and Drinking Places	26-50	4,271	< 500
TT Food Mart VI Corp	445	Food and Beverage Stores	26-50	29,116	1,000+
Mile High Mutts Inc	812	Personal and Laundry Services	26-50	7,800	< 500
Grayhawk Leasings Llc	312	Beverage and Tobacco Product Manufacturing	26-50	299,068	1,000+
Colorado Blvd					
All Copy Products Llc	423	Merchant Wholesalers, Durable Goods	101-250	29,986	< 500
Buehler Mayflower	484	Truck Transportation	101-250	7,546	< 500
Total Plumbing Inc	238	Specialty Trade Contractors	101-250	27,716	< 500
Geeks Who Drink Llc	713	Amusement, Gambling, and Recreation Industries	51-100	6,646	< 500
Denver Rescue Mission	624	Social Assistance	51-100	32,917	500 - 750
Blue Beacon Of Denver	811	Repair and Maintenance	51-100	5,185	< 500
Colorado Counter Tops Inc	327	Nonmetallic Mineral Product Manufacturing	51-100	30,859	500 - 750
Pilot Travel Center 316	447	Gasoline Stations	51-100	8,777	< 500
Gourmet Alternative Inc	722	Food Services and Drinking Places	51-100	20,490	< 500
Anderson Drilling	238	Specialty Trade Contractors	26-50	6,365	< 500
Goalie Entertainment	551	Management of Companies and Enterprises	26-50	37,044	750 - 1,000
Premier Tire Terminal Inc	423	Merchant Wholesalers, Durable Goods	26-50	108,928	1,000+
Colorado Party Rentals	532	Rental and Leasing Services	26-50	12,100	< 500
Denver Metal Finishing Co	332	Fabricated Metal Product Manufacturing	26-50	33,001	750 - 1,000
AFood Service	424	Merchant Wholesalers, Nondurable Goods	26-50	87,707	1,000+
KBP Coil Coaters Inc	332	Fabricated Metal Product Manufacturing	26-50	71,480	1,000+
Penske Truck Leasing Co	532	Rental and Leasing Services	26-50	15,022	500 - 750
Hi Performance Wash Inc	423	Merchant Wholesalers, Durable Goods	26-50	9,928	< 500
Sno White Linen & Uniform Rental	812	Personal and Laundry Services	26-50	49,635	1,000+
Carls Jr	722	Food Services and Drinking Places	26-50	2,725	< 500
Cap Air	488	Support Activities for Transportation	26-50	9,594	< 500
Manna Pro Products Llc	311	Food Manufacturing	26-50	7,540	< 500
Nuss Professional Services Group In	551	Management of Companies and Enterprises	26-50	9,658	< 500
Garage Door Specialties	238	Specialty Trade Contractors	11-25	12,000	< 500

Source: Colorado Dept. of Labor, Economic & Planning Systems

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**Table 13 (continued)
Employers by Station**

Company Name	NAICS Code	NAICS Description	Jobs	Building Sq. Ft.	Sq. Ft per Employee
Central Park Blvd					
Swift Transportation	484	Truck Transportation	251-500	30,604	< 500
Walmart	452	General Merchandise Stores	251-500	208,897	500 - 750
The Home Depot	444	Building Material and Garden Equipment and Supplies Dealers	101-250	118,815	500 - 750
Sams Club	452	General Merchandise Stores	101-250	130,516	750 - 1,000
Famous Daves	722	Food Services and Drinking Places	101-250	6,445	< 500
Integrated Airlines Services Inc	488	Support Activities for Transportation	51-100	40,636	< 500
Direct Door Of Colorado	423	Merchant Wholesalers, Durable Goods	51-100	157,970	1,000+
Aspen Baking Co & Madame Bs Gourmet	311	Food Manufacturing	51-100	44,596	500 - 750
Country Buffet	722	Food Services and Drinking Places	51-100	8,352	< 500
Finishing Professionals Llc	332	Fabricated Metal Product Manufacturing	51-100	63,164	750 - 1,000
Buffalo Wild Wings Grill & Bar	722	Food Services and Drinking Places	51-100	7,000	< 500
Ihop	722	Food Services and Drinking Places	51-100	3,994	< 500
Ross	452	General Merchandise Stores	51-100	36,000	500 - 750
Aviation Service Supply Co	423	Merchant Wholesalers, Durable Goods	26-50	13,937	< 500
Quality Linings & Painting Inc	238	Specialty Trade Contractors	26-50	17,376	< 500
Skyline Business Forms Inc	323	Printing and Related Support Activities	26-50	59,806	1,000+
Goodwill Industries Of Denver	453	Miscellaneous Store Retailers	26-50	32,092	750 - 1,000
Peoria					
Fritolay Inc	311	Food Manufacturing	251-500	172,127	500 - 750
Rolling Frito-Lay Sales Lp	424	Merchant Wholesalers, Nondurable Goods	101-250	344,254	1,000+
General Glass	327	Nonmetallic Mineral Product Manufacturing	101-250	86,036	500 - 750
Advanced Pallet Management Systems	321	Wood Product Manufacturing	101-250	19,140	< 500
Gca Production Services Inc	561	Administrative and Support Services	101-250	33,958	< 500
Auto Truck Group Llc	336	Transportation Equipment Manufacturing	101-250	39,600	< 500
Pro Drivers	561	Administrative and Support Services	101-250	1,600	< 500
Xpedx	424	Merchant Wholesalers, Nondurable Goods	101-250	251,471	1,000+
Arrow Stage Lines	485	Transit and Ground Passenger Transportation	101-250	15,000	< 500
Servicemaster Commerical Cleaning	561	Administrative and Support Services	101-250	109,592	1,000+
Deline Box Company	322	Paper Manufacturing	101-250	152,503	1,000+
Chrysler Group Llc	423	Merchant Wholesalers, Durable Goods	51-100	128,506	1,000+
Rural Metro Ambulance	621	Ambulatory Health Care Services	51-100	33,958	< 500
FI Transportation Inc	484	Truck Transportation	51-100	172,127	1,000+
Pim Asphalt And Concrete Inc	238	Specialty Trade Contractors	51-100	5,000	< 500
Overhead Door Company Of Denver Inc	444	Building Material and Garden Equipment and Supplies Dealers	26-50	32,420	500 - 750
Arch Aluminum & Glass	327	Nonmetallic Mineral Product Manufacturing	26-50	49,606	1,000+
Frontier Business Products Co	423	Merchant Wholesalers, Durable Goods	26-50	109,592	1,000+
Lian Fa Food	424	Merchant Wholesalers, Nondurable Goods	26-50	54,650	1,000+
Roofing Supply Of Colorado Llc	423	Merchant Wholesalers, Durable Goods	26-50	24,600	500 - 750
Advance Environmental Group Llc	561	Administrative and Support Services	26-50	26,700	500 - 750
Dennys	722	Food Services and Drinking Places	26-50	3,898	< 500
Super Bowl Portable Restrooms Inc	562	Waste Management and Remediation Services	26-50	12,496	< 500
Acuren Inspection Inc	541	Professional, Scientific, and Technical Services	26-50	33,958	1,000+
Ideal Electric Inc	238	Specialty Trade Contractors	26-50	12,107	< 500
Future Foam Inc	326	Plastics and Rubber Products Manufacturing	26-50	100,000	1,000+

Source: Colorado Dept. of Labor, Economic & Planning Systems

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Wages

The majority of the sectors along the Corridor have average wages in the \$20 per hour range with the exception of retail and hospitality jobs, which average \$11.92 per hour (not including gratuities), as shown in **Table 14**. These wages are benchmarked against the self-sufficiency standard for the City and County of Denver and include the major costs associated with employment for an adult household member: food, housing, transportation, childcare, and taxes. A single adult needs to earn at least \$10 per hour to cover basic costs; an adult plus a preschooler would need to earn at least \$20 per hour to cover childcare in addition to basic costs. An adult with two children, one school age and one preschooler, would need to earn more than \$24 per hour.¹ Colorado's Minimum Wage is currently \$8.00 per hour and \$4.98 per hour for tipped employees.

Table 14
Wages by Super Sector, 7-County Metro Area and Half-Mile Study Area, 2013

Industry Super Sector	Employment	Average Hourly Wage	Average Annual Wage
1/2 Mile Study Area			
Goods-Producing	10,795	\$19.73	\$41,040
Wholesale, Transportation and Warehousing, Utilities	23,894	\$22.60	\$47,016
Service-Providing	8,908	\$23.90	\$49,719
Health Care and Education	1,152	\$16.46	\$34,244
Retail, Accommodation and Food Service	<u>6,541</u>	<u>\$11.92</u>	<u>\$24,801</u>
Total	51,289	\$20.72	\$43,108
7-County Metro Area			
Goods-Producing	151,162	\$20.95	\$43,579
Wholesale, Transportation and Warehousing, Utilities	100,149	\$29.33	\$61,012
Service-Providing	432,170	\$28.69	\$59,681
Health Care and Education	253,746	\$20.90	\$43,465
Retail, Accommodation and Food Service	<u>239,916</u>	<u>\$11.38</u>	<u>\$23,671</u>
Total	1,177,143	\$22.54	\$46,892

Source: Colorado Department of Labor, Economic & Planning Systems

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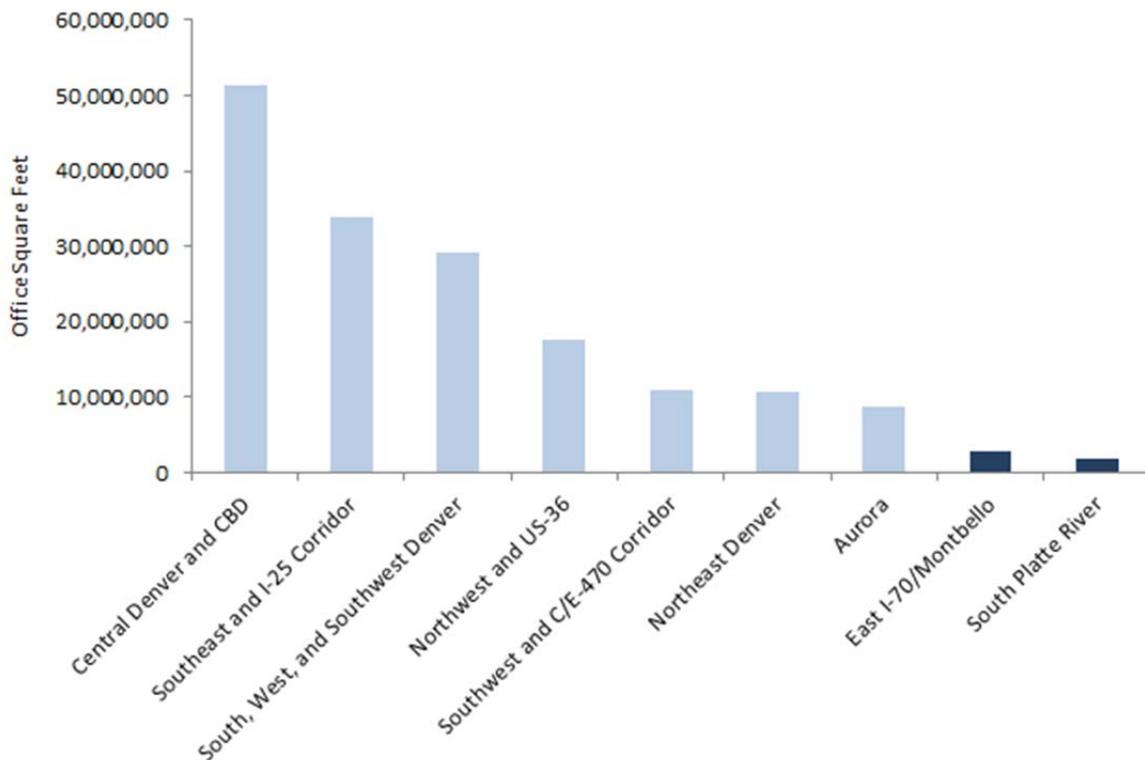
¹ The Self-Sufficiency Standard for Colorado, 2011. Diana M. Pearce, PhD, Director, Center for Women's Welfare, October 2011. University of Washington School of Social Work. <http://www.selfsufficiencystandard.org/docs/Colorado2011.pdf>

Office Market

The Metro Denver office market is comprised of 167 million square feet of space (multi-tenant inventory, excluding most owner occupied and government buildings). The Corridor is located primarily in the East I-70/Montbello and Platte River submarkets (**Figure 10**).

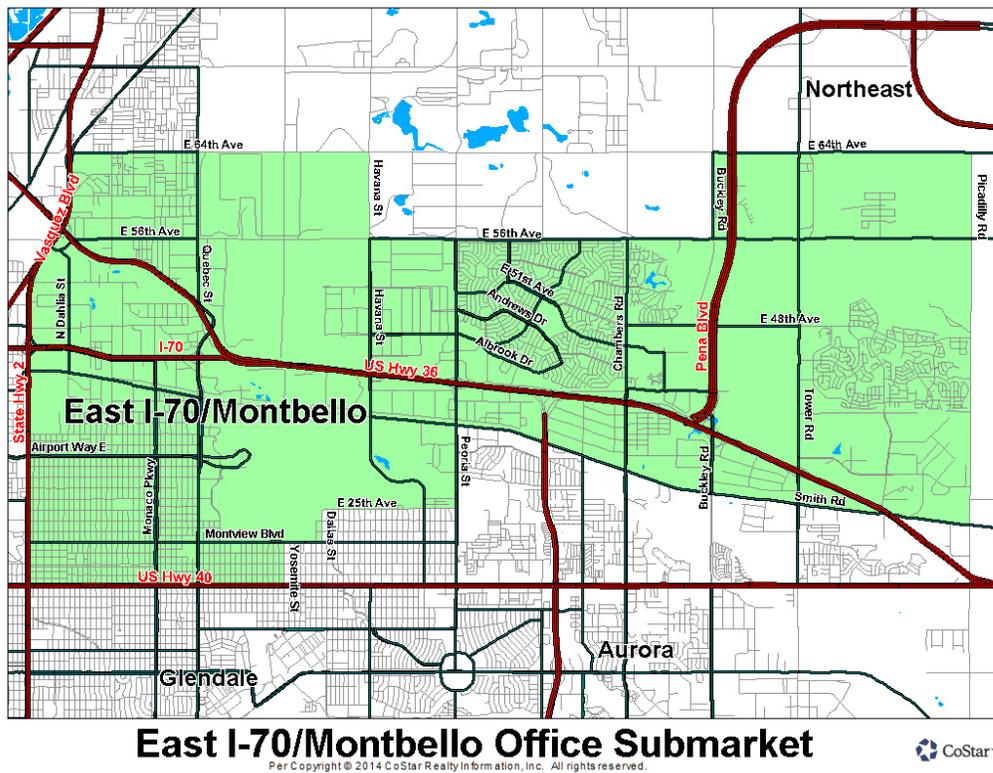
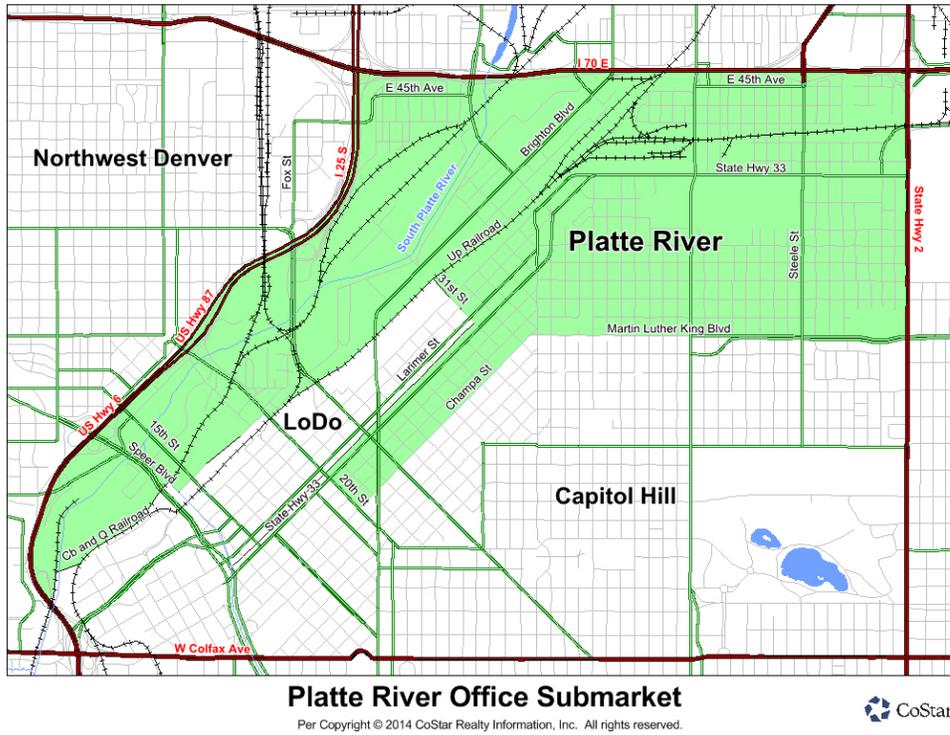
The Platte River submarket is located along the South Platte River from approximately Speer Boulevard to I-70, and also runs east to Colorado Boulevard from I-70 on the north to Martin Luther King Boulevard on the south. It excludes Lodo from 31st and Larimer between the UP rail and Larimer Street southeast to the CBD. The Platte River submarket has 1.8 million square feet of space (**Figure 11**), making it the smallest office submarket in Metro Denver. The East I-70/Montbello submarket runs along the I-70 corridor from Colorado Boulevard to Picadilly and has 2.8 million square feet of space. DIA property is located within the geographically large Northeast Denver submarket. This submarket encompasses the Highway 85 and I-76 corridors, DIA property and Adams County north of 64th and roughly west of Picadilly. It contains 10.8 million square feet.

Figure 10
 Office Inventory by Submarket, Metro Denver, 2Q 2013



Source: CoStar, Economic & Planning Systems

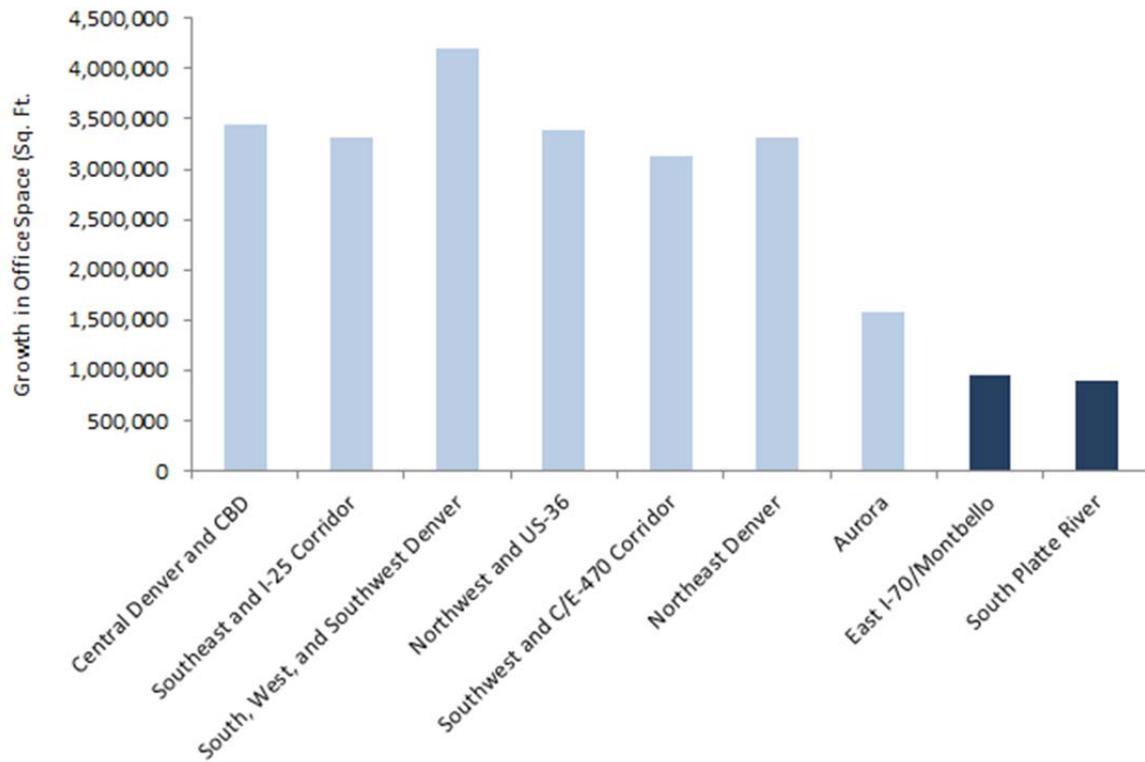
Figure 11
Platte River and Montbello Office Submarkets



The Central Business District submarket (Downtown Denver) is the largest submarket with 51.3 million square feet of space. Next, the Southeast and South I-25 corridor submarket, including the Denver Tech Center, Inverness, Lone Tree, and Meridian areas has 33.8 million square feet of space. The Northwest corridor submarket along US-36 contains 17.7 million square feet making it the fifth largest submarket.

The South Platte and East I-70/Montbello submarkets each grew by approximately 1.0 million square feet from 2000 through 2Q2013 (**Figure 12**). Combined, they accounted for 7.7 percent of Metro Denver’s growth in office space. These figures illustrate strong demand for office space close to Downtown, an opportunity that is favorable for the 38th and Blake Station.

Figure 12
Office Growth by Submarket, Metro Denver, 2000 - 2Q 2013



6. STATION AREA DEVELOPMENT CONDITIONS

This chapter begins with a general characterization of the development potential of station areas along the East Line as well as a brief summary of the active, planned, or proposed development projects underway in each station area. Next, a more detailed review of station area plans, station conditions, and development projects is presented.

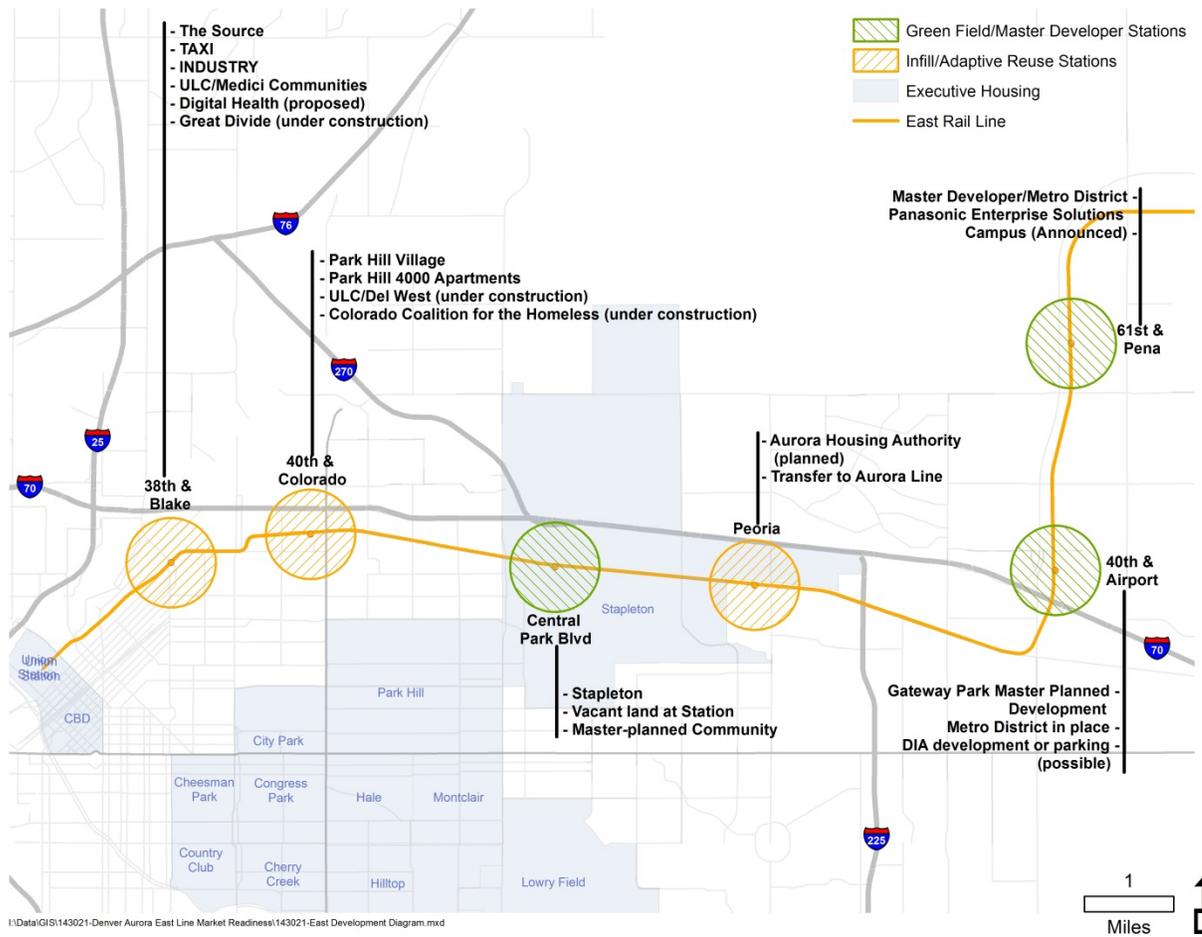
Development Overview

An overview of development activity and general conditions at station areas along the Corridor is shown in **Figure 13**. In general, the level of current activity decreases with distance from Downtown Denver and Union Station. The 38th & Blake location has the most recent and current development activity and is the one station on the East Line that will function primarily with infill opportunities in the short term. Several developments have begun to transform the area around 38th & Blake and along the Brighton Boulevard corridor, including TAXI, The Source, and Industry. Several other planned projects will add residential (ULC and Medici Communities), commercial (Great Divide Brewery), and employment (Digital Health District) uses.

The 40th & Colorado and Peoria Stations are both characterized by industrial uses; however, the two stations have a different feel and different prospects. The Peoria station area is dominated by active and established industrial uses and shows little market pressure for commercial or residential uses, whereas the 40th and Colorado Station area has demonstrated support for new market rate multi-family residential as well as two planned affordable housing developments (ULC with Del West and Colorado Coalition for the Homeless).

The Central Park Boulevard, 40th & Airport, and 61st & Peña station areas all have significant amounts of vacant land available for development. In addition, all three areas have active master developers and established metropolitan districts to finance infrastructure improvements as development progresses.

Figure 13
Corridor Development Activity



38th & Blake

The 38th & Blake Station is the first station on the East Corridor northeast of Denver Union Station on Blake Street between 36th and 38th Streets. The station is a transfer point between the East Corridor commuter rail and the Central Corridor LRT extension. The half-mile station area encompasses a variety of existing uses, with more industrial and employment uses north and west of the tracks, while residential uses are more predominant to the south and east.

The 38th & Blake station area overlaps three Denver neighborhoods: Five Points (where the station is located), Cole, and Elyria Swansea. The commuter rail line and adjacent freight lines split the station area evenly and serve as a significant barrier between the two sides; 38th Street is the only road connecting the Blake-Walnut corridor with the Brighton Boulevard corridor, the River North (RiNo) district, and the Globeville neighborhood. Access to the station from downtown and the neighborhoods to the south and east is good, with a well-connected street grid and multiple existing and planned transit options.

Station Area Plan

Multiple recent plans address the 38th & Blake Station Area. The 38th & Blake Station Area Plan (2009), the Northeast Denver Neighborhoods (NEDN) Plan (2011), and the Brighton Boulevard Redevelopment Project (2014) each approach planning around 38th & Blake with a different perspective and geographic focus. However, similar themes and priorities emerge from each, including:

- Preserving and celebrating the industrial heritage and historic residential neighborhoods of the district;
- Improving circulation, accessibility, and safety for all access modes (pedestrians, bicyclists, and cars);
- Implementing area-wide storm water management solutions; and
- Guiding development to create a unique destination that promotes economic development, improves the public realm, and integrates adjacent neighborhoods.

The 38th & Blake Station Area Plan envisions seven different land use districts in parts of the station area where redevelopment is likely (**Figure 14**). The most intensive TOD areas with up to eight story buildings are proposed for the Blake-Walnut corridor near the station and along a section of Brighton Boulevard near 36th Street. Downing Street between 35th and 38th Avenues is envisioned as a mixed use Main Street corridor. In order to increase the number of residents living near the rail station, the plan recommends mixed use infill and multi-family development along Blake Street northeast and southwest of the station and along Brighton Boulevard southwest of 36th Street. 37th Street on either side of Brighton Boulevard is proposed as a mixed use arts district, and Brighton Boulevard north of 37th is designated as a district to preserve employment uses while still allowing other uses as the market develops. Finally, urban transitional areas (townhomes and other smaller scale multi-family residential development) and park areas are proposed to help ease the transition from more intensive uses near the core of the station area to existing residential areas in the Curtis Park and Cole neighborhoods.

Development Activity

- The 38th & Blake station area is being influenced by the expansion to the north of development activity the in RiNo, Ballpark, and Arapahoe Square neighborhoods.
- Projects such as Taxi, The Source, Industry, and the Great Divide Brewery have already started changing the character of the area, injecting new entertainment uses and employment opportunities.
- The partnership behind the Industry project is planning a Digital Health project (healthcare technology) on two and a half blocks within a quarter mile of the station.
- Curtis Park continues to be an active area for smaller scale residential infill development of townhomes and condominiums and the Blake-Walnut Corridor has been the site for numerous adaptive reuse loft conversions.
- Several larger multi-family residential developments have started to bring more residents to the area, including City Gate Apartments, and Block 32 at RiNo Apartments.
- ULC and Medici Communities have partnered to develop two apartment buildings (60 market rate units in 2015 and 90 affordable units in 2016) on a 2.5-acre site on Blake adjacent to the rail station.

Development Constraints

- Access to the station area from Brighton Boulevard and RiNo is limited by the rail tracks and limited opportunities for crossing them.
- Union Pacific rail operations occupy significant area in the north of the tracks along East 40th Avenue.
- Road and sidewalk infrastructure issues and deficiencies affect portions of the station area; however, the 38th & Blake Station Area Plan and the Brighton Boulevard Redevelopment Plan have implementation measures to address these problems as funding becomes available.

40th & Colorado

The 40th & Colorado Station is located along East 42nd Avenue between Monroe and Jackson Streets, two blocks west of Colorado Boulevard. The immediate station area is comprised predominantly of light industrial and flex uses on the south side of the rail tracks and heavier industrial and vehicle storage uses to the north.

The area is in the southeast portion of the Elyria Swansea neighborhood with the Clayton neighborhood to the south and the Northeast Park Hill neighborhood to the east (east of Colorado Boulevard). Established residential areas to the northwest and west are cut off from direct access to the station area by the East Rail Line tracks and the abandoned BNSF market lead respectively. Colorado Boulevard and (to a lesser extent) East 40th Avenue also serve as barriers to residential access from the south and the east, although a pedestrian and bicycle underpass beneath Colorado Boulevard helps connect residents of Parkhill Village and the Park Hill 4000 Apartments to the station.

Station Area Plan

The 40th & Colorado station area is being studied as a component of the ongoing *Elyria & Swansea Neighborhood Plan* that will be published for public review in November 2014. Neighborhood feedback identified multiple key issues to be addressed through the neighborhood plan, including:

- Disjointed connectivity;
- Missing services (retail, health clinics, fresh food);
- Environmental issues; and
- Nuisances and crime (property neglect, underutilized and vacant land, vandalism).

Two neighborhood workshops were held in August and September 2014 to present alternative development concepts near the station. One alternative focuses more on residential development while the other shows more light industrial flex, employment-generating infill development. Both alternatives call for infrastructure and urban design improvements such as new sidewalks and street connections, and storm water drainage and lighting enhancements.

In both development scenarios, the relationship between industrial and residential uses is addressed, and light industrial development with neighborhood services integrated is used to buffer the residential development from more intensive industrial uses in the area (**Figure 15**). Both alternatives also call for the BNSF Market Lead to be purchased and filled to improve connectivity and future development opportunity.

The other major component of station area planning at 40th & Colorado involves suggestions for locating the future RTD Park-n-Ride garage needed to accommodate 1,800 spaces by 2030. One option recommends placing the garage north of the tracks and connecting it to the station area via a new pedestrian bridge while the other suggested option is to locate the garage on the footprint of the opening day 200 space surface parking lot immediately south of the tracks.

Figure 15
Balance of Residential and Flex Uses



Source: City of Denver Community Planning and Development, 40th & Colorado Neighborhood Presentation, 8/28/2014.

East I-70 Corridor Planning

In 2003, the Colorado Department of Transportation (CDOT) and RTD began collaborating on a study of the I-70 corridor between Tower Road and I-25. The transit component of the study split off as a separate project, the East Corridor Rail Line, in 2006. In 2008 the highway portion of the study project issued a *Draft Environmental Impact Statement (DEIS)* which analyzed four alternatives; however, none received strong support from the public. Another process of study and public outreach resulted in the preferred "Partial Cover Lowered Alternative" which was presented for public review in the *I-70 East Supplemental Draft EIS (SDEIS)* in August 2014.

The Partial Cover Lowered Alternative would remove the viaduct section of I-70 between Brighton Boulevard and Colorado Boulevard and rebuild the segment below grade following the current highway alignment. In addition, between Columbine and Clayton Streets (three blocks), a cover will be built over I-70, providing a public park adjacent to Swansea Elementary School, and linking the north and south sides of the Elyria Swansea neighborhood for the first time since I-70 was built in 1964. In the 40th & Colorado station area, two bridges will be built over the below grade highway, one for trains using the market lead (which is still in use between the East Rail Line tracks and the north side of I-70) and at Jackson Street which will provide a direct connection for pedestrians, bicycles, and cars from the north to the south side of I-70.

Development Activity

- The Park Hill 4000 Apartments, a 168 unit complex developed by Del West east of Colorado Boulevard in Park Hill Village, opened in late summer 2014.
- Del West recently broke ground on a development with 156 affordable units on 2.5-acres purchased from the Urban Land Conservancy (ULC) at the 9.4-acre Park Hill Village West site on the southeast corner of Smith Road and Colorado Boulevard.
- The Colorado Coalition for the Homeless plans to develop additional affordable housing on its site on the southwest corner of East 40th Avenue and Colorado Boulevard.
- There are 4-5 marijuana grow houses located within the 40th & Colorado station area, potentially putting upward pressure on land values and lease rates in the area.

Development Constraints

- Automobile and pedestrian access to the station is constrained by the East Line tracks, the BNSF Market Lead, and Colorado Boulevard.
- The East Corridor Record of Decision plans an expansion from 200 spaces to 1,800 park-n-ride spaces by 2030. Land for this expansion has not yet been purchased.

Central Park Boulevard

The Central Park Boulevard Station is located along Smith Road between Ulster Street and Central Park Boulevard. North of the tracks industrial uses predominate with scattered industrial uses to the west, the Duff Family property directly north of the station, and vacant land owned by Forest City to the east. In addition, the protected Sand Creek Regional Greenway runs through the northern half of the station area. South of the tracks a significant portion of the land is vacant and available for development. RTD owns approximately 18 acres and Forest City has the option to purchase 22.5 acres from the City/DIA along East 26th Avenue where the RTD Park-n-Ride is currently located as well as 14 acres between East 36th and East 35th Avenues. Stapleton residential development occupies the southern edge of the station area and associated commercial uses occupy the western portion.

As at the three stations to the west, the rail tracks serve as the biggest impediment to station area access, in this case from the north. Central Park Boulevard and Quebec Street currently provide access across the tracks and the eventual extension of Ulster Street will provide access nearer to the station. With more than 50 acres of vacant land on the south side of the tracks, much of the station area is currently vacant land, and can be easily connected to the existing fine-grained street grid, providing excellent accessibility for the Stapleton neighborhoods.

Station Area Plan

A large portion of the station area is inside the boundary for the 1995 Stapleton Development Plan which calls for the area to be a mixed use, transit-oriented, walkable neighborhood that links the larger Stapleton community into the regional rail network. The Central Park Station Area Plan (2012) bases its vision for the area on four main principles:

- **Destination** – Calls for high-intensity development at the station, I-70 employment centers, appropriate infill development and transitions to existing neighborhoods;
- **Active** – Focuses on urban design aspects such as active edges, building frontages public spaces, and cultural activities;
- **Accessible** – Promotes safe and convenient multimodal access via pedestrian and bicycle network improvements, traffic calming and signalization enhancements, proper design of street sections, and parking management; and
- **Sustainable** – Supports environmental, social, housing, and economic sustainability.

Station Subareas

Subareas North of the Rail Tracks

Recommended land uses in the Stapleton Industrial subarea are Industrial Mixed Use which envisions light industrial and smaller warehouses compatible with residential uses, and TOD Employment which foresees the opportunity for industrial uses that generate significant transit ridership (**Figure 16**).

North and east of the Sand Creek Regional Greenway, the Centerfield Campus is planned for standard Industrial as well as Employment uses such as office, light manufacturing, information technology, and some big box retail, although no significant residential uses.

The Central Park Boulevard Station Area Plan identifies eight “Transformative Concepts” to help catalyze additional development in the area. The majority of the ideas focus on enhancing multimodal access (improved street network, designing Uinta street as the primary pedestrian corridor from the station area to the rest of Stapleton, connections to Sand Creek Greenway) and multimodal options (intermodal transportation center, bike sharing and rental programs). Additional concepts suggest strategies for redeveloping Quebec Square as a more pedestrian-friendly shopping destination, and establishing a visual station landmark.

Development Activity

Forest City will largely control the development direction the Central Park Boulevard takes, as it owns the majority of vacant land in the area. The company has confirmed it prefers high-density, mixed use development at the station that could include Class A multi-tenant office or a build-to-suit office building or hotel uses. RTD prefers a similar approach and it appears they will work on joint venture developments with Forest City toward that end. However, Forest City has also indicated that it can be patient and may hold the land to allow land values to appreciate over time. Achieving a mix of uses and rents that support structured parking will be a key element of any successful mixed use TOD at the Central Park Station.

Some developer interest has been expressed for the industrial land north of the tracks. Specific proposed development types were not disclosed, but are likely to be industrial.

Development Constraints

- The rail tracks limit station access from the north and Quebec serves as a barrier from the Park Hill neighborhood to the west.
- Smith Road does not extend past the Sand Creek Greenway, limiting access from residential areas to the east of the station.
- The Sand Creek Greenway is an amenity to the area, but also limits the amount of developable land north of the tracks and will require substantial infrastructure (bridge) investments to eventually extend East 40th Avenue and link the area to the industrial and business park areas to the east.
- The station area will have 1,500 surface parking spaces on opening day of the East Line, limiting development potential and density until structured parking can be financed or the parking moved to a less valuable site. There is an at-grade crossing at Ulster Street that provides access north and south and that can service businesses or a potential future relocation of station parking.

Peoria

The Peoria Station is located on Smith Road west of Peoria Street in Denver and Aurora. This station has a platform for the East Line commuter rail and also serves as the northern terminus and transfer point for the I-225/Aurora Line light rail line. Industrial and warehouse uses predominate in the station area, which also has the Immigration and Customs Enforcement (ICE) detention facility, an Aurora Water Treatment Plant, and a cement batch plant. Stapleton residential areas lie to the west of the station area in Denver and the Morris Heights neighborhood in Aurora located to east. The Aurora Housing Authority (AHA) owns a vacant 5-acre parcel on the east side of Peoria Street between East 30th Avenue and Baranmor Parkway. The Montbello neighborhood is north of I-70, just beyond the half-mile station area boundary. The recently completed Peoria Crossing bridge project eliminates vehicle and pedestrian at-grade crossings for the commuter and freight rail tracks. Extending from East 39th to East 33rd Avenue, the bridge includes a 12-foot multi-use path.

Several elements within the station area limit access to the rail platforms. The rail tracks limit access from the north. Peoria street (with approximately 40,000 cars per day) and the future light rail tracks running adjacent limit access from Morris Heights and other areas to the east. The Baranmor ditch and a loose, unconnected street grid limit mobility within the station area. Finally, the Sand Creek Regional Greenway runs just outside the southern edge of the station area providing some mobility into the area for pedestrians and bicyclists from the east and west; however, access from the trail north toward the station is limited.

Station Area Plan

The City of Aurora issued a Peoria Station Area Plan in 2009 that proposes over 2 million square feet of office space, an additional 88,000 square feet of retail and other commercial space, and 1,700 residential dwelling units (**Figure 17**).

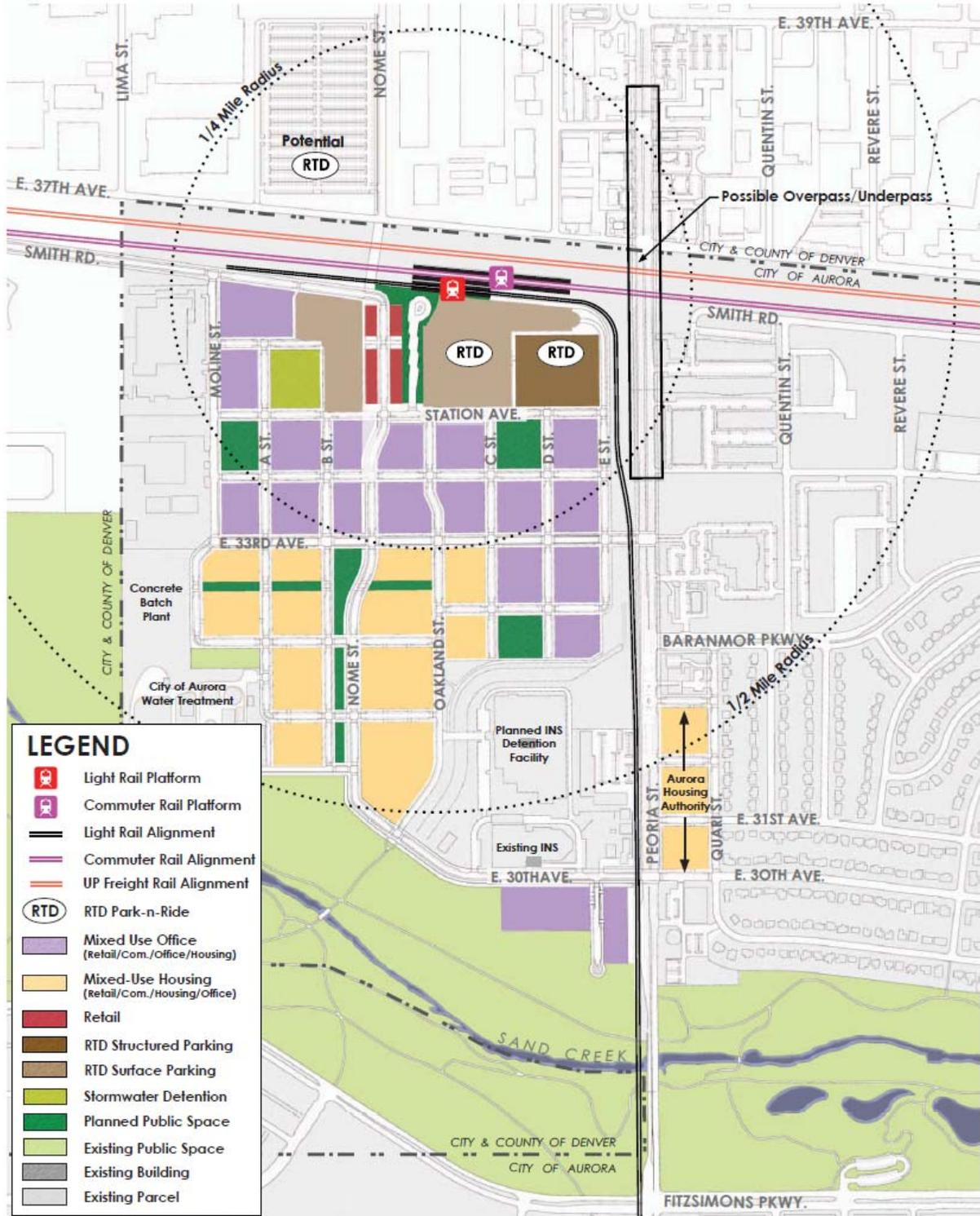
The DRCOG Peoria Station Catalytic Project (in process concurrently with this East Line Study) views the station area plan above as a long-term scenario given current market conditions. In order to help catalyze that future development, the project focuses on four elements:

- **The Immediate Station Area** – Site planning to balance RTD needs for an I-225/Aurora Line Light Rail maintenance facility and for opening day and 2030 parking commitments with preserving the potential for market-supported higher density transit-oriented development.
- **Adaptive Reuse Opportunities South of the Station** – Identifying potentially under-utilized warehouse buildings along East 33rd Avenue for adaptive reuse and for attracting businesses with higher employment density.
- **Peoria Street** – Proposal for incorporating various multi-use paths and other improvements to facilitate easier access across Peoria for pedestrians and bicyclists.
- **The Aurora Housing Authority 5-acre site** – Providing an affordable housing study and design concepts to help AHA maximize the potential of its 5-acre site.

A \$500,000 DRCOG TIP-funded (Transportation Improvement Program) project will improve last mile connections at this station. Project elements include a 12-foot wide multi-use path on the east side of Peoria Street from 30th Avenue to 33rd Avenue, new sidewalks on the east and west

side of Nome Street, bike sharrows on Nome Street and 30th Avenue, and completion of bike lanes and signage on Baranmor Parkway. In addition, the RTD I-225 light rail project will construct a sidewalk on the west side of Peoria Street from Sand Creek to 33rd Avenue.

Figure 17
Peoria Station Area Proposed Land Use



Development Activity

The AHA 5-acre affordable housing development is currently the only significant development activity in the Peoria station area. Other buildings in the area are viable industrial businesses benefitting from access to rail line spurs or highway access to I-70 and I-225. There are no known attempts at major land assemblage at this point; the market will need to develop more interest and pressure before this becomes a factor.

Development Constraints

- The heavy rail tracks of the East Line and Union Pacific limit access to the north and the light rail tracks and Peoria Street limit access from the east.
- The Denver County Jail and Women's Correctional Facility, the ICE detention center, and the Aurora Wastewater facility are all significant constraints to development in the area.
- Market pressure for industrial space is strong, limiting incentives for conversion to other uses. In addition, marijuana grow houses are adding increased pressure for industrial space.

40th & Airport

The 40th and Airport Station is located south of East 40th Avenue between Peña Boulevard and Salida Street where the RTD bus Park-n-Ride is currently located. This is a greenfield site in the middle of the Pauls Corporation's Gateway Park, which has thus far primarily developed west of Peña Boulevard and east along Tower Road. Closer to the station, a large natural foods distribution warehouse has also been developed north of East 40th Avenue. The majority of land in the area is owned by the Pauls Corporation, although DIA owns the large parcel between the East Line tracks and Peña Boulevard.

Station Area Plan

The *DIA Airport City Development Strategy, 2013* prepared by MXD Development Strategists proposes TOD around the 40th and Airport and 61st and Peoria stations within the gateway subarea of the plan.

The City of Aurora adopted the *Gateway Park East Station Area Plan* in 2008. The plan calls for a mix of uses with an emphasis on commercial uses south of East 40th Avenue (in Aurora) and residential uses to the north (in Denver). No height limits would be enforced, but expectations are for buildings ranging from five to nine stories (**Figure 18**). Public plazas are a key element of the plan, providing green spaces and helping to activate ground floor spaces. The plan also calls for grade separation of rail and road at East 40th Avenue (a project recently completed) in order to reduce potential accidents and congestion and to facilitate easier pedestrian access from uses to the north.

Finally, parking policy will exert a major influence over development decisions in the area, as the current Park-n-Ride is already heavily used by DIA employees and travelers. The *Gateway Park East* plan proposes relocating an existing detention pond and RTD commuter parking to the west side of the tracks (DIA property adjacent to the Peña Blvd right-of-way) in order to allow those existing spaces to be developed more intensively in the prime TOD area east of the station.

Figure 18
40th and Airport Station Bird's Eye View Rendering



Development Activity

The Pauls Corporation has indicated a general strategy of developing the remainder of its Gateway Park land beginning east of Tower Road, toward the west, reserving the land closest to the station for the highest value use once the market has gained momentum. Pauls Corporation has indicated a willingness to engage with RTD in a joint development venture at the station under the right conditions.

DIA has also indicated an interest in developing its site west of the station. Parking, office, and hotel uses are considered the most likely elements of a development on that site.

Development Constraints

- Development of the DIA site east of Peña Boulevard will require new exits from Airport Boulevard into the site. Access to the DIA site from the east via Salida Street has been facilitated through the construction of an underpass of the commuter rail line just south of the RTD Park-n-Ride lot.
- The amount, location, and design of both public (RTD) and private parking in and around the station area will impact access strategies and development potential.
- A more complete street grid and other utility improvements will be needed to complete the full build out of the station area. A Metropolitan District is in place to help finance these improvements.

61st & Peña

The 61st and Peña station will be located where the future 62nd Avenue terminates at the East Rail Line tracks. The station area is all currently greenfield owned by three major landowners: DIA, L.C. Fulenwider, and Karl Smith. L.C. Fulenwider has been selected by DIA to develop the property DIA owns at the site of the future station platform.

Station Area Plan

The station area plan approved in 2014 covers an area between 56th Avenue to the south, 64th Avenue to the north, the rail tracks to the west, and Tower Road to the east (**Figure 19**). The plan envisions a catalyst station for the DIA Aerotropolis, and a compact, mixed use urban center that includes a town center, employment uses, a commercial corridor and a mix of residential housing types.

The plan recognizes the need for careful phasing and implementation of this long-term green field development, guided by four principles:

- **Transit Community** – The development will be a pedestrian-friendly, mixed-use community with varying scales of development and carefully planned transitions from the higher intensity uses closest to the station to less intensive uses further away.
- **Connected** – The plan encourages maximum accessibility between the station itself and the surrounding station area via multi-modal connections.
- **Vibrant** – The core of the station area is meant to be compact, vibrant, and walkable, combining more intensive urban places with nearby open spaces.
- **Catalyze** – The 61st and Peña Station Area has the potential to catalyze further development of the regional aerotropolis and to promote employment and housing opportunities in the area.

Figure 19
 61st & Peña Station Area Conceptual Land Use Map



Development Activity

No development activity is currently taking place, but the approval of the Station Area Plan in January 2014 and the planned opening of the East Rail line in 2016 have set the stage for the formation of a metro district (completed) and for each landowner to proceed with proposed plans.

Development Constraints

Major infrastructure improvements are needed in the area to build out the street grid and to extend trunk utilities into the area. A Metropolitan District is in place to help cover the cost of these needed improvements.

7. DEVELOPMENT POTENTIALS

This chapter identifies the development opportunities for each station determined from the above market analysis, key person interviews, site characteristics, developer and land owner objectives, adopted station area plans, and land availability. It also identifies the major constraints to development at each station. The forthcoming Economic Development Strategy (Task 3) will recommend ways to address these constraints and barriers through City actions, policies, and investments; partnerships; infrastructure projects; and marketing and outreach.

Station Typology

A station typology provides a conceptual and aspirational framework for development planning that reflects the station's location, market conditions, anticipated transit service characteristics, existing land use and infrastructure, and community aspirations. The Denver TOD Strategic Plan (2014) proposed a typology for all Denver stations, plus Peoria and 40th and Airport, which are located in both Denver and Aurora. Stations were classified according to five characteristics:

- Land use mix;
- Street and block pattern;
- Building placement and location;
- Building heights; and
- Mobility.

Typology

Based on these five criteria, stations were classified into in the TOD Strategic Plan into one of five categories: Downtown, Urban Center, General Urban, Urban, and Suburban. The stations of the East Line were classified as follows:

- Central Park Boulevard and 61st & Peña were classified as **Urban Centers**, higher density mixed use areas with an emphasis on pedestrian access and multimodal activity.
- 38th & Blake was classified as **General Urban**, having a mix of uses, good multimodal access, and an emphasis on multi-family residential and main streets.
- 40th & Colorado was classified as **Urban**, with a similar mix of uses and multimodal access levels as General Urban, but with a higher proportion of single family residential.
- Peoria and 40th & Airport stations were categorized as **Suburban**, with residential neighborhoods and small town centers often lacking a traditional grid street pattern.

Functional Overlays

In addition, "functional overlays" were applied to some stations where Innovation, Institutional, or Entertainment aspects were key to understanding the station's functionality and relationship to other stations. Three stations on the East Line have an Innovation functional overlay designation (Peoria, 40th & Colorado, and 38th & Blake). Stations with the Innovation overlay are typically located in industrial areas with some newer retail and residential development activity

and a stock of existing warehouses and other structures available for adaptive reuse. These areas are focused on businesses such as advanced manufacturing, R & D, and creative design, and will be attractive to businesses seeking a certain combination of culture and amenities to help attract and retain talented employees.

TOD Continuum

The Denver TOD Strategic Plan also places stations along a “TOD Continuum” based on:

- **Market Readiness** – Demographic and real estate market conditions and developer interest in the station area and surrounding market or trade area;
- **Development Potential** – Gauges the infrastructure, legal, and political characteristics of a station and evaluates its ability to support new development; and
- **TOD Characteristics** – Station area population and employment density, physical street grid characteristics, and measures of accessibility including walkability, and bicycle and transit access.

Using the above station typologies and TOD continuum factors, the TOD Plan classifies stations into three levels of development readiness:

- **Strategize Stations** – Stations that are in the pre-development phase. There is weak near-term market potential. Additional planning is needed to guide investment and set infrastructure investment and policy priorities.
- **Catalyze Stations** – Stations with above average market potential but that need specific improvements to infrastructure or amenities.
- **Energize Stations** – Stations with above average market potential and with generally good infrastructure that is supportive of TOD. These stations require only targeted, short-term actions and responses to specific development proposals.

East Line Station Continuum

The majority of East Line stations are in the **Strategize** portion of the continuum, including 61st & Pena, 40th & Airport, Peoria, and 40th & Colorado. These stations require long-term planning and coordinated infrastructure investments to improve development potential and TOD characteristics. The 38th & Blake location is categorized as Catalyze station. Market momentum and TOD characteristics are generally good, but specific investments are needed to correct priority infrastructure deficiencies or concerns. Finally, Central Park Boulevard Station is classified in the Energize category of the continuum. Market Readiness, Development Potential, and TOD Characteristics are all near the top of the spectrum; targeted actions and investments should respond to specific development proposals and focus on first and last mile connections.

Given appropriate planning and investments, each station is expected to move along the continuum, moving closer with each step to fulfilling its TOD potential. These categorizations, and an understanding of the opportunities and challenges that determine how each station can potentially move along the continuum, inform the development potentials described below.

38th & Blake

The 38th and Blake Station is closest to Downtown and is beginning to experience market momentum that's moving north through the Ballpark, RiNo and Arapahoe Square neighborhoods. There have been a number of land sales and property assemblages for TOD projects in anticipation of the rail line opening in 2016. There are several additional sites for sale at prices exceeding \$30 per square foot of land that clearly anticipate additional demand for TOD uses.

In addition to an active development market, this station has other assets that are contributing to its success as a TOD and area of neighborhood economic opportunity. The development and investment activity occurring is an expansion of the activity and interest occurring north of Downtown Denver in the Curtis Park neighborhood, and in the River North district to the west across Brighton Boulevard and across the South Platte River. A key feature is the existing compact traditional street grid and small block structure, and direct easy connectivity to Downtown Denver and LoDo and all of the associated jobs and amenities by transit, bicycle, or car. The mix of building types and ages gives the area an authentic gritty urban feeling that is conducive to a neighborhood attractive to millennials with a mix of new housing and revitalized living spaces and creative class and knowledge based industry jobs.

Residential Development

The 38th and Blake station area will continue to capitalize on the demand for close-to-downtown housing, with both market rate and affordable housing in demand. Targeted development types are expected to be as follows:

- Market rate and income restricted apartments;
- For-sale condominiums and townhomes similar to recent infill projects in the Curtis Park neighborhood to the south; and
- A mixture of densities and project sizes depending on site specific characteristics, as the station is in an infill and redevelopment location as opposed to an undeveloped greenfield station.

Targeted Industries

While the current mix of industries at 38th and Blake reflects the overall corridor mix and that of Denver's industrial spine along the South Platte River, current activity suggests that the industry mix will change over time. In addition to the land assemblage that has already occurred, at least one other major industrial property owner has listed his buildings for sale and plans to relocate his manufacturing operations. In general, the firms expected to be attracted to 38th and Blake will be those who are seeking well-located space with urban amenities at a lower cost than LoDo and Downtown Denver. Targeted industries for 38th and Blake are recommended below.

- Creative industries including design, advertising, technology, arts, and media firms;
- Entrepreneurial ventures and start-up companies seeking urban mixed-use neighborhoods;
- Small professional services firms (engineers, architects and planners, lawyers, etc.); and
- Small firms engaged in high value product manufacturing and wholesale trade such as artisanal goods, Colorado made products, food and beverage, clothing and accessories, furniture, and other goods with a higher level of design and finish than mass market products.

Retail/Commercial Development

The market is already expanding restaurant and bar business in the area to create a unique food district within the City anchored by The Source and the Great Divide brewery (under construction). As businesses and housing expand in the area, commercial uses serving residents and employees will also expand. The expected tenant types include more eating and drinking establishments, personal services, a small market or specialty foods grocer, and other convenience and boutique retail.

Constraints

Consistent with the City's classification of 38th and Blake as a Catalyze station, the market for development is tempered by the need for a number of key TOD infrastructure investments including local street and sidewalk improvements and connections to the west across the freight rail corridor.

40th & Colorado

The 40th & Colorado Station assets include its central location in Metro Denver, easy access to Downtown Denver and DIA via I-70, and north-south access along Colorado Boulevard. The rail station will improve the locational assets by providing an additional access option. Two firms have taken advantage of rail: one is a catering company that reported it believes employees and customers will find the location convenient to get to by transit; another is a third party logistics company that has frequent business at DIA, and a sales staff that travels frequently and needs convenient airport access. Colorado Boulevard is also an asset for retailers because of the high traffic counts, highway access, and good visibility along its frontage. There is active housing development occurring in the area with Del West's Park Hill Village West affordable apartment development (156 units under construction); the recently built Park Hill 4000 market rate apartments; and a proposed transitional housing development by the Colorado Coalition for the Homeless at the southwest corner of East 40th and Colorado Boulevard.

Residential

There is an established market for housing and vacant land for additional development in the Park Hill Village development. Medium density multifamily development will likely be the most appropriate based on the context, and the densities needed to make redevelopment feasible. A mix of price levels and types should be targeted, with lower density products in the transition areas adjacent to existing neighborhoods.

Targeted Industries

Initially, the focus should be on attracting businesses with a higher employment density than the existing warehouses. These can include additional construction trades businesses, manufacturing businesses similar to those described for 38th and Blake, sales and service functions that need central access and access to DIA, catering, and building services. An additional possibility would be for customer service and support functions that can utilize warehouse buildings converted to low cost office space.

Retail/Commercial

Retail and commercial opportunities should be focused on the Colorado Boulevard frontage for its visibility. The area is not served by a grocery store and can be considered a food desert. As housing expands in the area, a grocery store would be supportable on the Colorado Boulevard frontage.

Constraints

In order to expand development at this station, additional land will need to be assembled. The forthcoming City of Denver *Elyria & Swansea Neighborhood Plan* proposes that the BNSF Market Lead be purchased and filled in to provide a potential development opportunity. Other potential areas to target for land assemblage are the industrial properties between the Union Pacific Market Lead and Colorado Boulevard, both north of the tracks to I-70 and south of the tracks to East 40th Avenue. The northern properties could be targeted for additional employment and commercial development, benefiting from the exposure along I-70 and the rail. The southern properties may be more appropriate for housing and mixed use, as a transition to the existing Clayton neighborhood. In addition, completing the street grid would greatly improve access and visibility to the station and businesses. Extending Monroe Street and East 44th Avenue are two possibilities for this type of infrastructure investment.

Central Park Boulevard

Central Park Boulevard station is distinguished from the closer in stations in that it is largely within the Stapleton Development Plan area which is the largest new urbanist infill development project in the nation. Stapleton's developer, Forest City Stapleton, began building in 2000 and has completed over 5,000 housing units (out of a planned buildout of 10,000 units) and over 3 million square feet of commercial development. Forest City has approximately 14 acres of vacant land south of the 12-acre RTD station site, north of 36th Avenue, and east and west of the Ulster Road station access.

The developer envisions the station as its highest value land appropriate for an employment driven TOD including Class A office uses, hotels, and high-density residential uses. Market conditions (land values, rents, and lease rates) do not currently support the desired development uses. With respect to office development, the East Corridor is not an established location and Forest City is actively marketing other nearby properties to establish a critical mass of office uses at Stapleton. They have business park property north of I-70 that is being marketed for 2- and 3-story tilt up office and R&D uses supporting \$16-\$17 per square foot rents in the current market. They also have a 41-acre corporate campus site south of I-70 and north of Smith Road that would accommodate a number of major users. Class A office at the station location would require \$30 per square foot rents which are not achievable in the East Corridor at this time. With many other sites under development and different market segments to pursue, Forest City has the ability to be patient in developing station area property, and can wait for the best and highest value opportunity that takes advantage of this high value location.

At opening, the station will have 1,500 Park-n-Ride spaces on a 12-acre site. This parking site will replace the current Stapleton transit center Park-n-Ride that largely serves DIA Sky Ride passengers including both travelers and DIA employees. This parking is therefore expected to be highly utilized. The city has expressed interest in a partnership between RTD, Stapleton, and the

City to move some of this parking away from the prime property at the station to allow for better TOD. In principle, this concept has merit and should be pursued.

Residential

Although the station is expected to be predominately employment uses, some amount of medium and high density residential uses would be supportable north of 36th Avenue. As with employment oriented development, these higher density products have higher construction costs and higher land values. Forest City is expected to pursue these products as its other residential properties build out and the Stapleton market matures. Because Forest City is the master developer and controls all of the land south of the station, it can control the sequence of development and build on the lower value sites further away from the station in the short run, thus maximizing the value and development potentials of the properties closest to the station by holding these parcels for later development in the longer term time horizon.

Targeted Industries

Forest City envisions the station as a higher density employment driven TOD with Class A office uses and potentially a hotel. As stated above, the multitenant market will take some time to develop within the East Corridor and at Stapleton. The station, however, also presents an opportunity for corporate build-to-suit buildings for national and regional headquarters offices as well as professional and technical services including legal, financial, engineering, and software firms. Forest City is therefore expected to begin marketing this location when the rail line opens; however, it can be a patient developer and might wait for the right user or uses.

Retail/Commercial

Ground floor space in office, hotel, or high rise residential buildings may be leased to retail and restaurant space but in a limited quantity so as not to cannibalize business from the existing 29th Street Town Center and proposed Eastbridge Town Center both within the larger Stapleton community. The regional retail market in this location is saturated with the Quebec Square and Northfield shopping centers.

Constraints

There are no major infrastructure issues regarding development south of the station. The Park Creek Metro District and Forest City will build the streets and pedestrian network. The RTD property is expected to remain surface parking for some time given that there is not an existing land constraint driving the need to structure the parking. However, the proposed concept of relocating some or all of the parking to free up land for TOD adjacent to the station has merit and should be pursued. This station is expected to have high ridership numbers and correspondingly high parking demand. If and when a joint development project (development of RTD property) is considered, replacing the surface parking with structured parking will be a major cost to the project.

Peoria

Peoria Station has the most constraints, market and physical, of any station on the East Line. The existing development pattern is dominated by low density and low value warehouse and distribution and other industrial uses. Access to the station and visibility is poor. There is no access to the north side of the rail, access from the south is limited by an incomplete street grid, and access from the east will be restricted by the high traffic volumes of Peoria Street and the future light rail tracks of the I-225/Aurora line.

One asset of the station area is the comparatively low cost of real estate that may appeal to firms looking for low cost space. An additional asset is the station's role as a transfer point to the I-225/Aurora line that connects to the Denver Tech Center and Southeast I-25 corridor, which are major white collar and service employment centers. However, the market context is not currently supportive of office or residential development that would capitalize on this access.

Residential

The 5-acre Aurora Housing Authority (AHA) property located on the east side of Peoria between 30th and 33rd Avenues is the only fully vacant site in the station area. AHA plans to build 150 to 200 units of affordable and transformational housing using CHFA's 9 percent LIHTC funding. Due to the competitive nature of the program, this project is expected to be built in two or more phases over a 3- to 5-year time period. Additional affordable housing may be supportable after this project is completed. Lease rates do not support new construction of market rate housing at this time. There may be opportunities in the longer term for multifamily rental housing as area conditions improve. There are a number of low value uses including junkyards that could be assembled for future housing within the station influence area.

Targeted Industries

It is reported that some building trades and building services firms (e.g., janitorial and maintenance) are being priced out of closer-in stations, especially 38th and Blake, and are moving east to the industrial parks east of Stapleton. These types of firms and other service firms that desire a central location and have a transit-dependent workforce could be targeted for Peoria Station. While workers may not be onsite all the time, these businesses support more employees per location than the current heavy industrial, warehouse, and trucking businesses currently located at Peoria. Customer service functions or firms that can be retrofitted into industrial buildings at a low cost are also a consideration.

Other firms that need low cost space include startups and entrepreneurs which would likely be industrial, construction, or fabrication related at Peoria compared to the 38th and Blake business targets. Peoria Station may also over time appeal to investors seeking an opportunity to get ahead of the market in a long term hold position.

Retail/Commercial

An analysis of retail development potentials recently conducted for the Peoria Station catalytic project determined that approximately 10,000 square feet of convenience retail uses would be supportable as part of the AHA development project located at the corner of Peoria and 30th Avenue allowing for access and additional support by Morris Heights residents as well as drive-by

traffic on Peoria. The largest existing retail presence in the station area is the 26,000 square foot Peoria Center located across Peoria Street from the AHA site. Access to this center will soon be further limited by construction of the I-225/Aurora line light rail tracks, thus its continued viability is in question.

Constraints

Transitioning from large block warehouse and distribution uses to more employment intensive uses will require substantial improvements to the street and pedestrian circulation system. In addition, intensification of land use north of the rail line will require increased access by a pedestrian bridge and/or road crossing that are currently not planned.

40th & Airport

The 40th & Airport Station has 178 acres of vacant land adjacent to the station controlled by the Pauls Corporation. DIA owns the 34-acre property between the rail and Peña Boulevard east to west and between 40th Avenue and I-70 north to south. The station area is therefore a “clean slate” and development can be planned and shaped to integrate the station. The Pauls Corporation is also the master developer of the larger Gateway Park development, which is targeting distribution, industrial, office, hospitality, and residential development. The developer has established a metro district to finance infrastructure costs, which may also be available to assist in some station area development costs. Pauls Corporation has indicated a willingness to wait for the right opportunity to develop the station property by phasing development from east to west to create a higher value place than just an industrial park.

Other assets include proximity to DIA and I-70 access, which will appeal to a broad range of business types in addition to the warehousing and distribution tenants locating on the East I-70 corridor.

Residential

Pauls Corporation indicated that any residential development would likely be apartments, with ownership condominiums a possibility in future phases as the location becomes established and there are more amenities in place. Residents would be a mix of DIA employees and others who work in eastern Metro Denver.

Targeted Industries

The targeted industries for 40th and Airport station reflect the developer’s stated strategy and the current pattern of employment, airport hospitality, and multifamily housing development occurring along the Peña Boulevard, Airport Way, and Tower Road corridors. Recommended major anchors to target at 40th and Airport are hotels, build-to-suit office users, and restaurants closer to the station, with distribution and warehousing uses further from the station.

The targeted industries for 40th and Airport are recommended to be differentiated from 61st and Peña, with 40th and Airport having a greater focus on major employers with large building requirements. Employers that value an airport location can include regional headquarters, companies with a large travelling sales force, international companies, and Federal government offices. Like Central Park Boulevard, this recruitment effort should be linked to state and city economic development efforts.

Constraints

Like other large greenfield employment sites, the major constraint at 40th and Airport is the timing of attracting a large employer that values the station location. Office development has been slow to materialize in Northeast Denver and Aurora along the Corridor. Once an anchor tenant is attracted development of other complementary uses may accelerate.

61st and Peña

The 61st and Peña station is similar to the 40th and Airport station. Both are vacant development sites owned by a master developer(s). The station area is owned by four major landowners: DIA, L.C. Fulenwider, SMT Investors, and Karl Smith. L.C. Fulenwider has been selected by DIA to develop the property DIA owns at the site of the future station platform. L.C. Fulenwider has a metro district established for infrastructure financing. Denver International Business Center, a project also being developed by L.C. Fulenwider, is located immediately to the north where development of limited service airport hotels and restaurants has been focused between 64th and 72nd Streets and along Tower Road. This airport-related development momentum presents an advantage for the 61st and Peña Station compared to 40th and Airport in terms of attracting residential, hotel, and retail/restaurant development. In addition, LNR Properties is developing the High Pointe project along the east side of Tower Road in the same general vicinity, consisting of housing, retail/commercial, and eventually office or other employment space.

The City and County of Denver, L.C. Fulenwider, and Panasonic Corporation recently announced plans for a major corporate facility at the 61st and Peña Station. The project is expected to utilize approximately 400 acres of land over time, beginning initially with a regional sales and operations office. It will eventually house up to 400 jobs in engineering and product development, and even manufacturing. This facility will serve Panasonic's digital video and solar power systems divisions. The announcement references a "smart town" that Panasonic created in Fujisawa, Japan,² an energy efficient residential community built with the latest efficiency technologies. This suggests that housing will be a component of the development as well, consistent with the City's Station Area Plan.

² http://news.panasonic.net/archives/2011/0526_5407.html