



MILE HIGH VISTA COMMUNITY MARKET ANALYSIS

Prepared by

Radian INC.

Shift
RESEARCH LAB
A Program of The Piton Foundation





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ADVOCATE FOR THE COMMUNITY

Radian Inc. advocates for a city in which community engagement and empowerment is centered at the heart of the design and planning process. As a community design center, Radian Inc. provides guidance for individuals, organizations, and neighborhoods to actively participate in creating healthier, sustainable, and more equitable communities.

“

OUR PROJECTS ARE COMMUNITY DRIVEN AIMING
TO STRATEGIZE AND SOLVE URBAN ISSUES

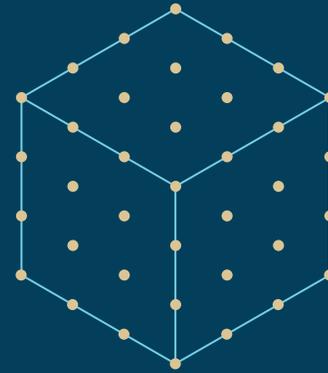
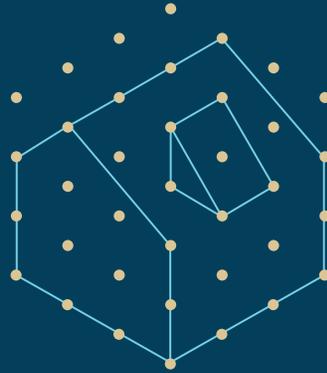
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A COLLABORATIVE DESIGN GROUP THAT FOCUSES ON CREATING **HEALTHY** AND **SUSTAINABLE** COMMUNITIES

Radian Inc. is a collaborative design group focused on creating healthy and sustainable communities in under-served areas. As a non-profit community design center, we provide urban design and architectural services to community-based initiatives. Radian Inc. bridges the gap between neighborhood-based projects and the design community by acting as a resource serving all sectors including private organizations, government/municipalities, community and nonprofit groups. Our group focuses on inner-city development in transit-oriented and surrounding urban corridors to enhance the health, sustainability, and the quality of our communities.

LEARN MORE: [RDIANINC.ORG](https://www.radianinc.org)



A Program of
**THE PITON
FOUNDATION**

Shift Research Lab, a program of The Piton Foundation, transforms neighborhood-level data into actionable information that improves the social sector's ability to serve Colorado's low-income communities.

Through our products and services, we provide data and analysis, perform objective research to support community change initiatives, and provide technical assistance to help organizations build their capacity to use data.

This is #DataDrivingSocialChange.



PEOPLE

We focus on forging partnerships with social change organizations to create lasting impact for low-income children and families.



PLACE

Shift's services and products are all purpose-built to serve the seven-county Denver metro region.



PURPOSE

Our easily accessible data and analysis helps our partners take on the most pervasive social issues with confidence, clarity and empathy.

Products and Services

Shift supports social change work in metro Denver by offering products and services that help our partners use data and research to advance their missions.

Our Products & Services Include:



OPEN DATA TOOLS

We develop web-based technology platforms that provide open data and information about social issues.



COMMUNITY ASSESSMENT

We build data and research tools that help organizations monitor and understand the impact of community change initiatives so they can make better decisions related to their work.



RESEARCH

We conduct research and analysis in support of community issues such as early childhood development, transit-oriented development and affordable housing.



CAPACITY BUILDING

We help organizations build their technical capacity to use data by providing mapping, analysis, data-visualization, sense-making support and consultation.

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MILE HIGH VISTA SITE

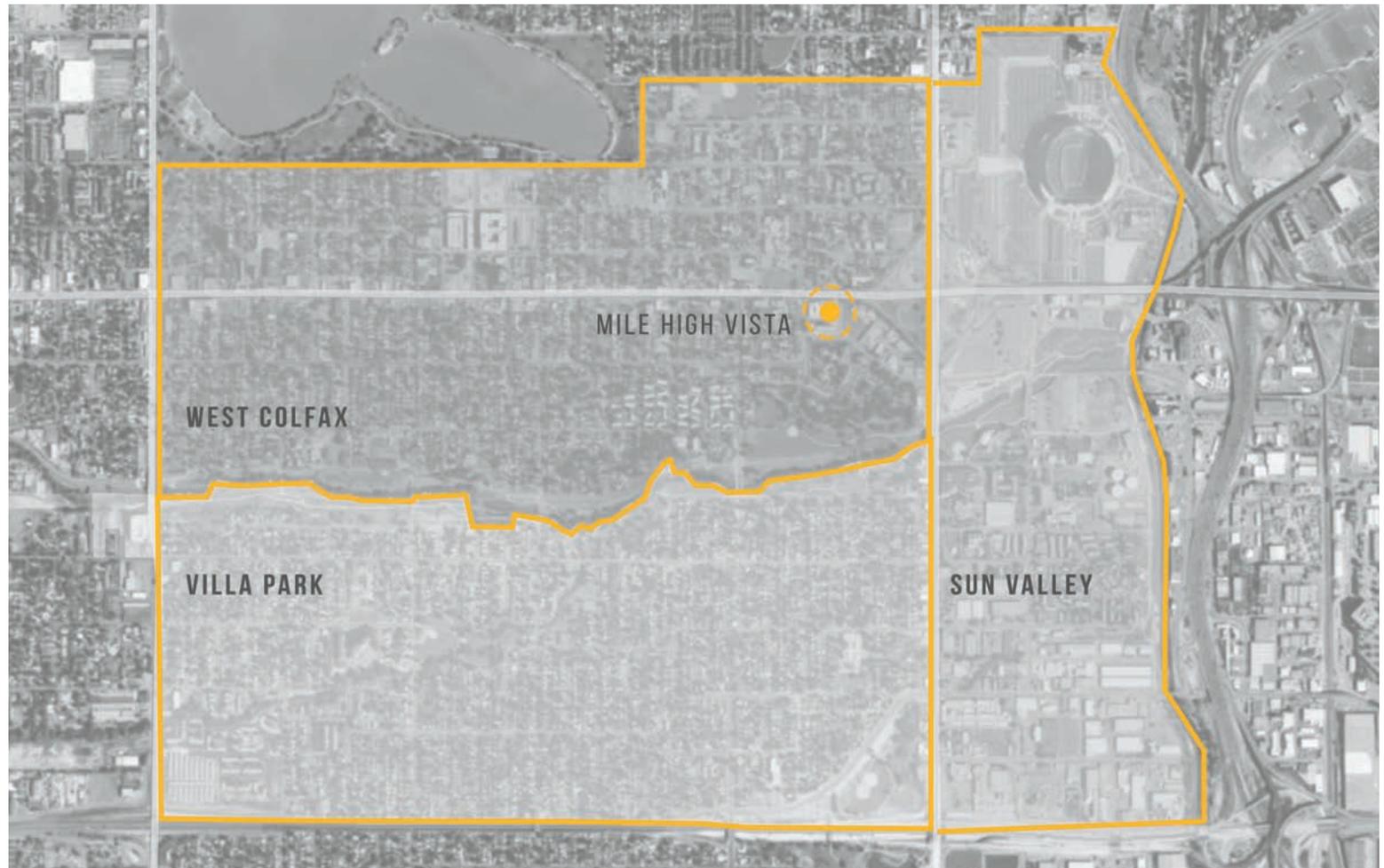
In 2011, the Urban Land Conservancy (ULC), sole member of the Avondale Commons, LLC (also known as Mile High Vista), purchased the 2.16 acre site located at 3200/3290 W. Colfax and 1400 Irving. The proposed plan for the site was as a mixed use development to be comprised of three structures: (1) Multi-family affordable housing; (2) Community Need – Library; and (3) Commercial Use (possible Non-Profit mixed w/market rate). Of the three proposed structures, the housing and library are constructed and are in use. The housing

includes 80 units of affordable apartments with 19,000 square feet of commercial/non-profit space. The second structure, the Denver Public Library, is the home of the 28,000 square-foot Corky Gonzales Library. The remaining, undeveloped parcel on the site is approximately 7,000 square-feet. This is the portion of the site that we are seeking to find the most appropriate uses through community engagement and through the results of the market study.



SITE INFORMATION

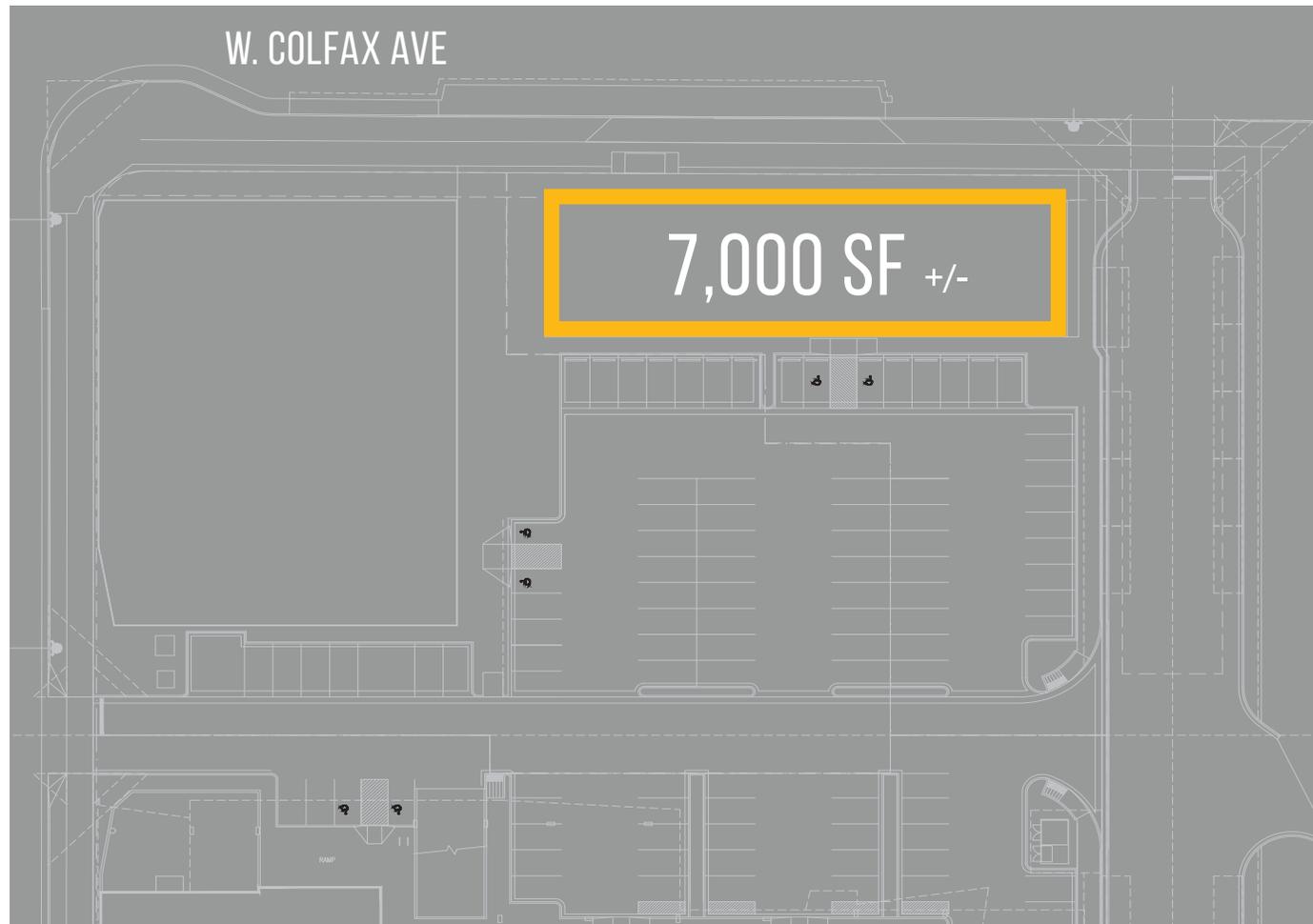
The Mile High Vista site is strategically located along the West Colfax corridor in the West Colfax neighborhood, in close proximity to the Villa Park and Sun Valley neighborhoods. It is located approximately two miles from downtown, accessible by car, light rail transportation, and bike, along the Lakewood Gulch Trail. It is also located less than one mile from the Sloans Lake Park.



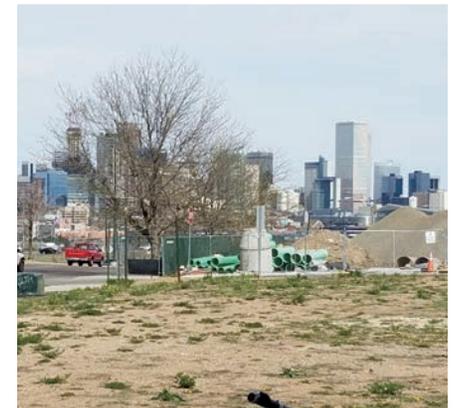
Zoning on the site is C-MX-12, meaning Urban Center Neighborhood Context, Mixed Use, 12 stories (or max. 150 ft) in height. According to the Denver Zoning Code, "The Mixed Use zone districts are intended to enhance the convenience, ease and enjoyment of transit, walking, shopping and public gathering within and around the city's neighborhoods." In this zoning designation, maximum build-to is 10 ft, and surface parking is not allowed between the building and the primary street. Setbacks in building height are required after 27 ft and 51 ft. Transparency

of 40% is required, and the primary building entrance must be located along W. Colfax Avenue. Further, 100% of the portion of the street-level building frontage that meets the minimum primary street build-to requirement must be occupied by street-level active uses. Under this zoning designation, eating and drinking establishments, outdoor eating and drinking areas, general office, and food sales or market are all permitted uses. In a parking lot shared with the library, there are currently 24 dedicated parking spaces for these uses.

EXISTING SITE PLAN



EXISTING CONDITIONS



SITE ACCESS VIA PUBLIC TRANSIT

SOURCE: RTD



COMMUNITY NEEDS ASSESSMENT

To better understand uses that would be most frequently patronized by residents surrounding the Mile High Vista property, we reached out to 25 neighborhood and nonprofit organizations based in the Sun Valley, Villa Park, and West Colfax neighborhoods. We asked these organizations to share information about this project and solicit feedback from their clients and members. For this feedback, we offered two channels. First, we designed and distributed a link to an online survey that could be completed in less than ten minutes. Questions ranged from basic demographics to opinions about four particular uses (e.g. food, health care, day care, and business services), as well as opportunities for qualitative and open-ended feedback. To the online survey, we received 196 responses over the approximately two weeks for which it was open. Second, we held two community meetings in the Avondale Apartments lobby in the morning of Saturday, March 4th and evening of Wednesday, March 8th, 2017.

In these interactions, participants walked through four stations, first, capturing their base demographics. Second, we captured the location of their home, primary grocery store, primary health care service provider, and early childhood care center (if applicable). Fourth, we asked for opinions of what uses should be located at the Mile High Vista site and qualitative aspects desired for each use. Finally, we asked for their general perceptions of the neighborhood in which they lived. At community meetings, we spoke with approximately twenty people, a majority of which being residents of the Avondale Apartment building. Following are details of both key takeaways and detailed results we learned from this process. Unfortunately, there were participation gaps regarding renters in the three communities, and results from Sun Valley were too low to be analyzed. If time allowed, we recommend a more targeted process to hear from those specific populations.

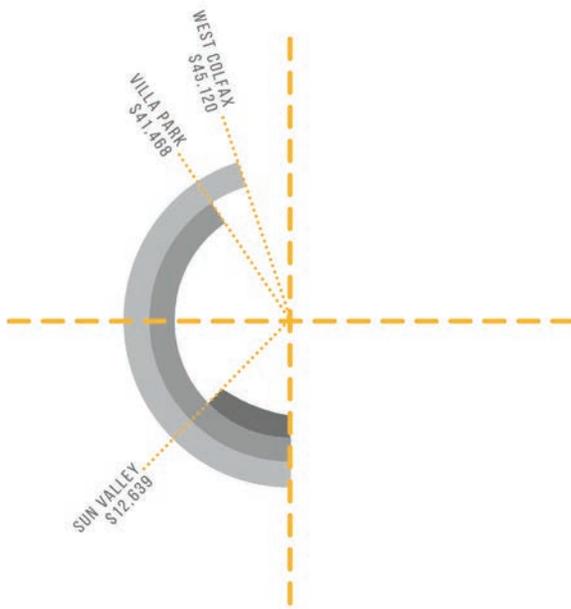
KEY TAKEAWAYS

- 1 EXTRAORDINARY SUPPORT FOR HEALTHY FOOD RETAIL AT MILE HIGH VISTA
- 2 HIGH LEVELS OF INTEREST IN COMMUNITY AND MEETING SPACE, REPRESENTED BY THE TYPES OF FOOD OPTIONS REQUESTED—MARKETS WITH SMALL VENDORS PAIRED WITH GROCERY STORE
- 3 LESS DEMAND FOR EARLY CHILDHOOD EDUCATION THAN WE ANTICIPATED BASED ON HIGH PERCENTAGE OF FAMILIES WITH YOUNG CHILDREN
- 4 POTENTIAL DEMAND FOR SMALL BUSINESS OFFICE SPACE ON UPPER FLOORS

DEMOGRAPHICS

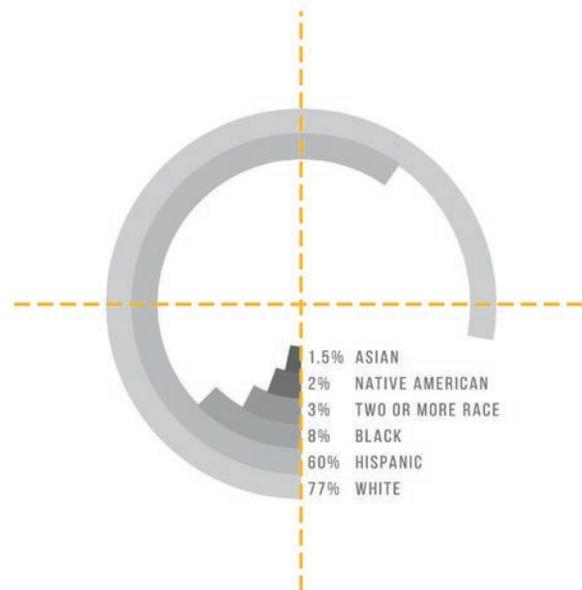
3 NEIGHBORHOODS: SUN VALLEY, VILLA PARK, WEST COLFAX

AVERAGE HOUSEHOLD INCOME



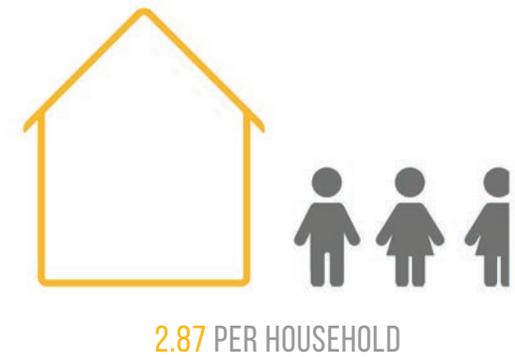
SOURCE: 2014 ACS

RACE & ETHNICITY



SOURCE: 2015 ACS

HOUSEHOLDS

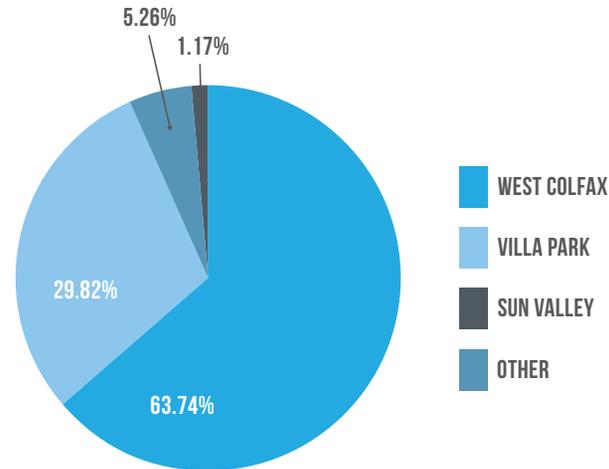


SOURCE: 2015 ACS

WHO WE HEARD FROM

A large majority of public engagement responses came from West Colfax neighborhood residents, and as previously mentioned, responses from Sun Valley residents were too low to be analyzed. While there were responses from several long-time residents, approximately half of respondents in both Villa Park and West Colfax have lived in their respective neighborhood for only about two years. We heard from a higher percentage of renters in West Colfax than in Villa Park. The average size of families, as well as percentage of families with young children, were substantially smaller in West Colfax than in Villa Park.

NEIGHBORHOOD



TIME LIVED IN NEIGHBORHOOD

WEST COLFAX

AVERAGE 61 MONTHS

MEDIAN 25 MONTHS

VILLA PARK

AVERAGE 61 MONTHS

MEDIAN 27 MONTHS

HOUSEHOLD

WEST COLFAX

HOME OWNER 74.3%

AVERAGE FAMILY SIZE 2.20

FAMILIES WITH CHILDREN AGED 0-5 14.7%

VILLA PARK

HOME OWNER 90.2%

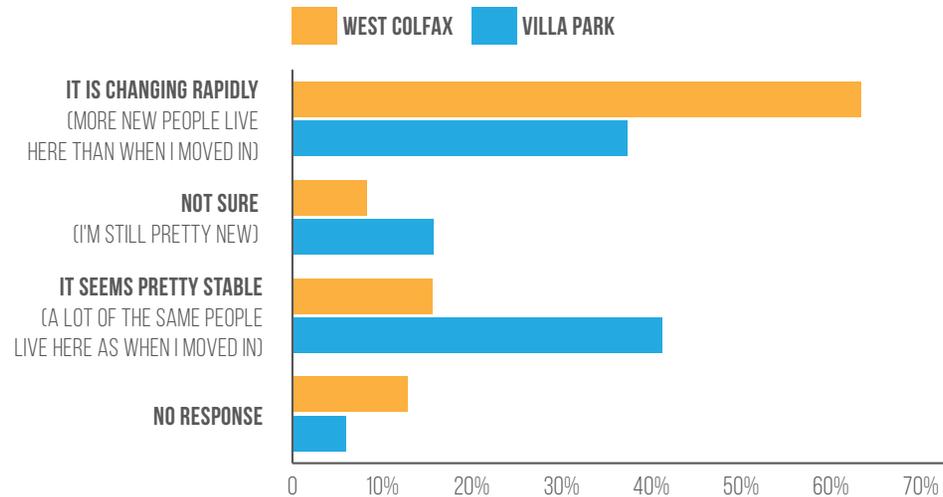
AVERAGE FAMILY SIZE 2.57

FAMILIES WITH CHILDREN AGED 0-5 21.6%

PERCEPTIONS OF CHANGE

More than 60 percent of residents of West Colfax perceived the neighborhood as changing rapidly, compared to 37 percent of Villa Park residents. While more than twice the number of Villa Park residents noted that their neighborhood was stable than West Colfax residents, more individuals in Villa Park noted that they were new to the neighborhood and did not have a perception of neighborhood change.

PERCEPTIONS OF CHANGE IN THE NEIGHBORHOOD



WHAT'S GOING ON IN THE NEIGHBORHOOD

WEST COLFAX

- YOUNG PROFESSIONALS WITHOUT CHILDREN
- FAMILIES/FAMILIES WITH YOUNG CHILDREN
- COUPLES WITHOUT CHILDREN
- MIXTURE/DIVERSITY
- HECTIC CONSTRUCTION
- FEW AMENITIES - NOTHING TO WALK TO
- NEIGHBORHOOD SEEMING CLEANER
- IMPROVED PEDESTRIAN SAFETY

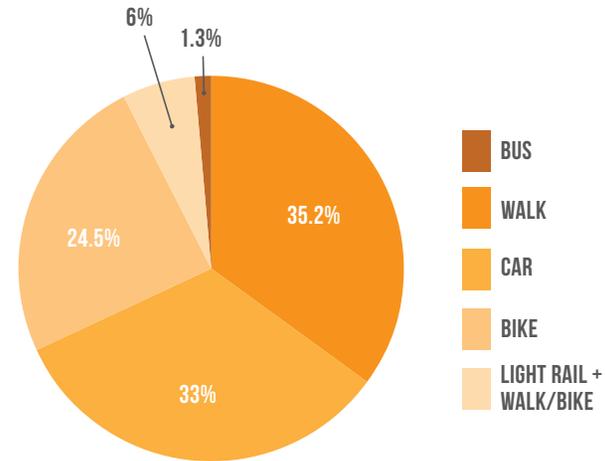
VILLA PARK

- FAMILIES
- YOUNG SINGLE PEOPLE
- OLDER PEOPLE/RETIRED
- ORIGINAL FAMILIES/
MULTI-GENERATIONAL

TRAVEL METHOD

The most popular travel method for getting to the site was walking, at 35.2 percent. A majority of respondents indicated that they would prefer travel methods other than car, at a combined total of 67 percent versus 33 percent for car.

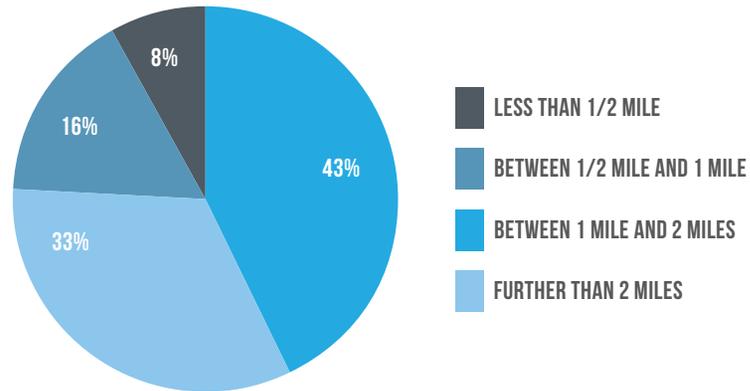
TRAVEL METHOD TO SERVICES AT MILE HIGH VISTA



FOOD ACCESS

Food uses were by far the most popular of those proposed to respondents in both the online survey and at community meetings. More than three-fourths of respondents live more than one mile from their primary grocery store, with only eight percent living within what is traditionally understood as walking distance (1/2 mile). The most popular shopping destinations mentioned were King Soopers, Sprouts, and Safeway. Besides distance, more than 80 percent of respondents said they would be drawn to the site by fresh produce, followed by specialty food options and affordable food at approximately 60 percent each. The most common specific amenities requested were organic produce, ethnic foods, deli, coffee shop/café, and meals on the go.

HOW FAR DOES YOUR FAMILY TRAVEL FROM YOUR HOME TO YOUR PRIMARY GROCERY STORE?

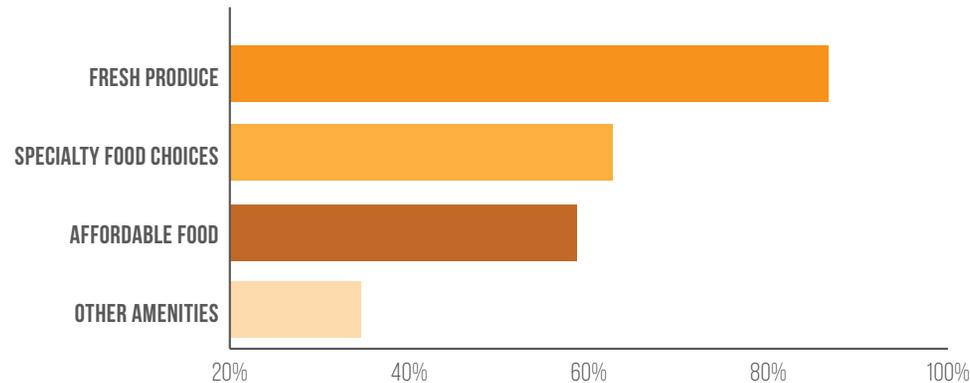


MOST POPULAR GROCERY STORES

1. KING SOOPERS
2. SPROUTS
3. SAFEWAY
4. WHOLE FOODS
5. TRADER JOE'S
6. COSTCO
7. VITAMIN COTTAGE
8. WALMART



BESIDES DISTANCE, WHAT FACTORS WOULD ENCOURAGE YOU TO SHOP FOR GROCERIES AT MILE HIGH VISTA? (CHOOSE ALL THAT APPLY)



DESIRED AMENITIES

“ORGANIC PRODUCE”

“ETHNIC FOODS”

“DELI”

“COFFEE SHOP/CAFE”

“LOCAL PRODUCE”

“AFFORDABLE”

“MEALS ON THE GO”

“It would be great to have a store with a **variety of choices** within walking distance.”

“Would be great to see something **embraced by all the neighbors**—however that might happen. Produce that’s different from King Soopers perhaps, or an overall feeling of a **local, unique space** in a way that is opposite to the corporate feel of Kroger.”

“Area lacks **restaurants and shopping**. I want to be able to do everything **close by, without going far** to do it.”

“**Food option for lunch** 3-5 times per week.”

“Create more of a **neighborhood sharing space** rather than just a place to arrive, shop, and leave...such as a cafe or coffee shop that takes full advantage of the amazing views from this point.”

“**A food co-op or city run food market** would be amazing. Similar to the daily markets you see in almost every foreign city and in some U.S. cities.”

“Ingredients used in **Latino, African, and Asian cuisine**.”



EARLY CHILDHOOD EDUCATION

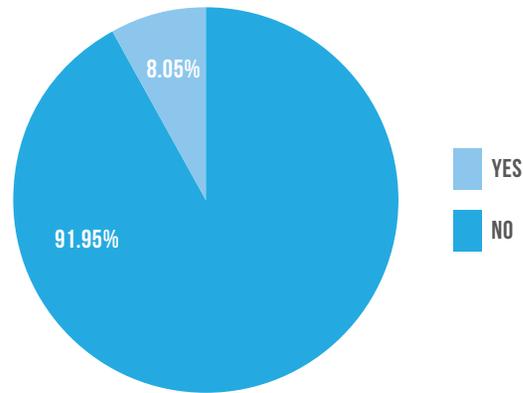
Despite an average family size of 2.2 in West Colfax and 2.57 in Villa Park, only eight percent of respondents said that they had a child in participating in an early childhood education program. A large majority of those with children in an ECE program traveled further than two miles away to reach their child's provider.

DESIRES "LOWER PRICE, SMALL CLASSES"

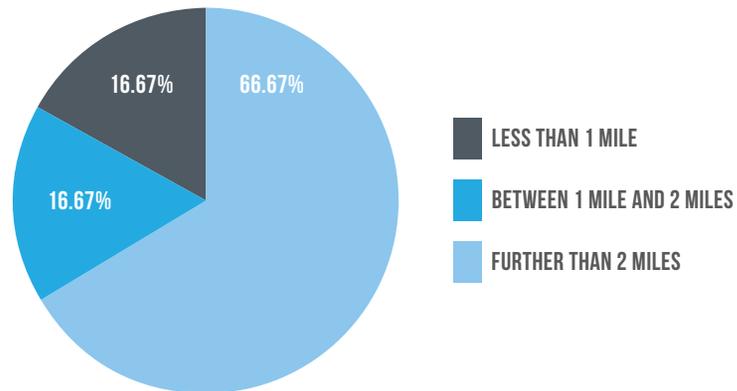
"QUALITY OF TEACHERS, FACILITIES,
OUTDOOR AREA, SAFETY"

PRIORITY "KNOWING MY CHILD IS GETTING THE BEST
EDUCATION/CARE AVAILABLE."

DO YOU HAVE A CHILD IN ECE?



HOW FAR DOES YOUR FAMILY TRAVEL FROM YOUR HOME TO YOUR CURRENT CHILD CARE PROVIDER?



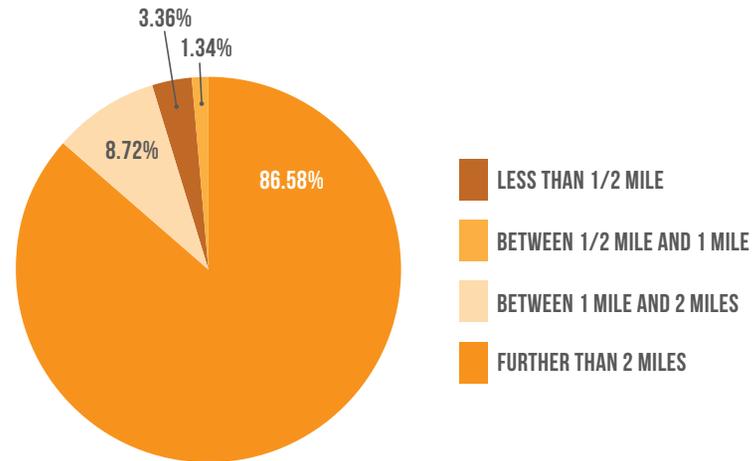
HEALTH CARE

Health care services were not very popular among respondents, a large majority of whom travel further than two miles to reach their primary care clinic or provider. Many provided qualitative insight that they were committed to visiting their current provider or were limited by health insurance networks. There were a few requests for an urgent care-type clinic. However, with future competition in the DHA Vita project, an urgent care may not be competitive at Mile High Vista.

DESIRES “URGENT CARE”

“SPANISH-SPEAKING PROVIDERS”

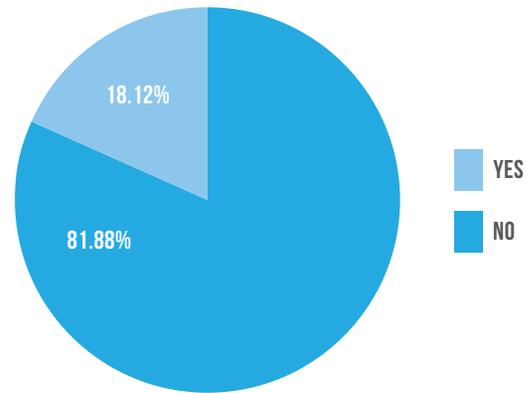
HOW FAR DOES YOUR FAMILY TRAVEL FROM YOUR HOME TO VISIT YOUR PRIMARY CLINIC OR CARE PROVIDER?



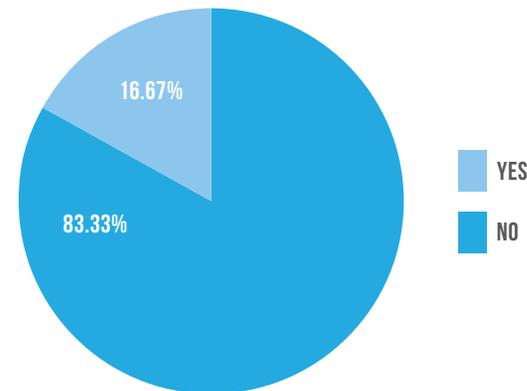
LOCAL BUSINESS SUPPORT

Almost twenty percent of respondents said that they owned a business, five of whom said that they needed space to operate that business. Businesses that offered their information ranged from Etsy producers/sellers to wallpaper installation businesses to realtors. In addition to needing operations space for their own business, many respondents mentioned business-supporting retail requests, ranging from office supplies and shipping to restaurants to dry cleaners.

DO YOU OWN A BUSINESS?



DO YOU NEED SPACE FOR YOUR BUSINESS?



LOCAL BUSINESSES

- HOMEWATCH CAREGIVERS (IN-HOME CARE SERVICES)
- DOVER CARD CO ON ETSY
- POST TO POST FENCES
- QUEEN CITY EVENTS
- HEATHER JOHNSON
- CONVEYOR
- DC LANDSCAPE
- BOLD BEANS
- ANON
- FRESH START INC
- LIFE SOAP
- CREATIVE SERVICES
- WALLPAPER INSTALLATION/SERVICE
- REALTOR

DESIRED AMENITIES

“UPS/FED-EX”

“LOW-COST DRY CLEANERS”

“WELLS FARGO BANK, SMALL COFFEE SHOP, LOCAL BUSINESSES (I.E. NO BIG BOX STORES)”

“SPACE TO MEET WITH POTENTIAL AND EXISTING CLIENTS, AND AN OFFICE SUPPLY STORE”

“RESTAURANTS, GROCERY STORE, OPTOMETRIST. RETAIL SPACES WOULD BE NICE AND THERE IS A NEED ON THIS END OF COLFAX.”



OTHER REQUESTS + RECOMMENDATIONS

Survey respondents and community meeting attendees were provided an opportunity to request other uses in an open-ended format. The most common theme was general desire for space for community/social uses, with top requests including coffee shops, restaurants/bars, community gathering places, and activity space for children. Health and fitness were also key themes, with healthy food, fitness centers/gyms, and yoga being popular requests.

TOP OPTIONS

*GROCERY AND COFFEE SHOP MENTIONED MOST AGAIN

1. RESTAURANTS/BARS AND SOCIAL SETTINGS
2. COMMUNITY GATHERING PLACES (INDOOR/OUTDOOR)
3. FITNESS CENTER/GYM
4. BREWERY
5. CONVENIENCE STORE
6. CHILDREN'S ACTIVITY PLACE
7. YOGA
8. SMALL BUSINESS INCUBATOR/ARTISAN SPACE
9. PET SHOP
10. BIKE REPAIR





“I’d like to see a community space **focused on food and gathering**. I admire the models on the East Side of town like The Growhaus & Denver Central Market. If something similar were present I would visit 1-3 times per week. It would be really great if the vendors were **neighborhood-based vendors/businesses**, perhaps with a larger anchor tenant. Other great models that have anchored communities are **Pike Place Market in Seattle or Findlay Market in Cincinnati**.”

“There really is not much for our youth in the neighborhood so would love to see **something oriented toward youth**. As far as how often I would visit it would depend on what went there but I would be a regular visitor since I live nearby and

also drive downtown everyday so it’s easy access.”

“It would be a shame not to fully embrace a location that has arguably one of the most spectacular views in Denver...**Community arts, outdoor amphitheater, farmers market** might hold the space during the daytime, while multi-functional festival space, international food marketplace, and evening bonfire/pub atmosphere for adults would serve the needs and interests of many here. In my opinion, the key will be to keep the **space activated during most every hour of the day**...building a thriving community space for all. The more diverse activities and programming, the more likely I am to visit often and bring friends and neighbors asking to explore and celebrate. ”



MARKET FEASIBILITY

With our insight from the Community Engagement phase, we selected five different uses to study more closely. In partnership with Shift Research Lab and the West Colfax Food Co-op, we gathered market feasibility data for the five uses within a one mile radius surrounding the Mile High Vista site. The following pages provide market data for: 1) Grocery/Market 2) Food Retail 3) Housing 4) Early Childhood Education and 5) Office.

GROCERY/MARKET

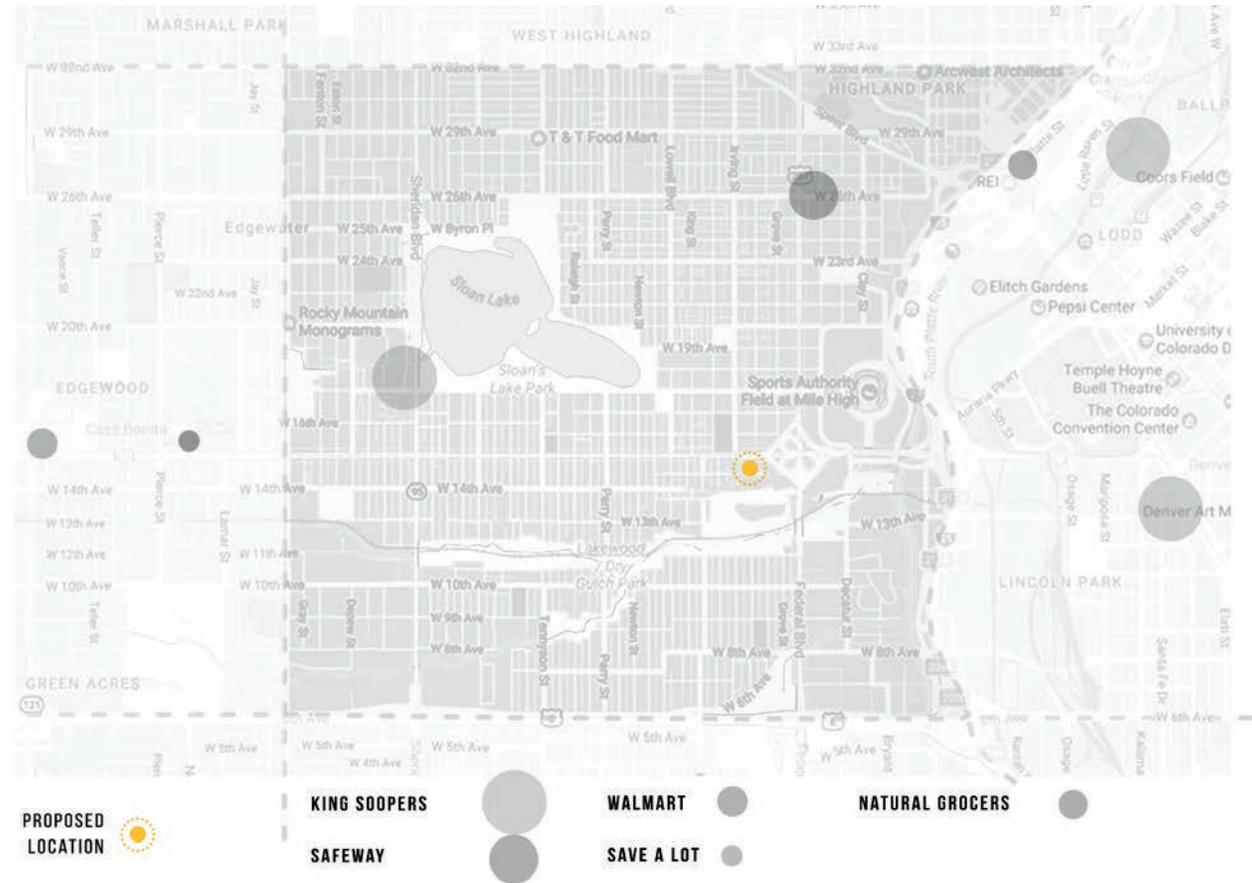
RESEARCH PROVIDED BY:



WHILE THERE ARE EXISTING GROCERY STORES WITHIN DRIVING DISTANCE, THERE IS STILL UNMET DEMAND AND AN OPPORTUNITY TO PAIR DEMAND FOR FRESH PRODUCE WITH FOOD RETAIL IN A MARKET FORMAT.

Currently, there are 11 supermarkets in the trade area studied in the 2016 West Colfax Food Co-Op Market Study that were identified as competition. King Soopers, with four stores, had the largest market share with 42%. Safeway, with one store was second with a 13% market share. Third were two Walmart supercenters with 8%. Sprouts, with one facility, was fourth with 5%. Two Natural Grocers followed with 4% and last was a Save A Lot with 1%.

The total potential, based on a ½ mile buffer of the West Colfax neighborhood, was \$2,222,095 and the 11 facilities identified were receiving \$1,644,750 or a 74.02% of market share. Estimates of demand not met by these major retailers, consisting of minor facilities and leakage, was \$577,345 or 25.98%. Only one grocery store currently exists in the study area: Safeway on the corner of 26th Ave and Federal (at the north of the study area), indicating that residents are traveling long distances to purchase groceries.



LOOKING AHEAD

According to a projected three-year growth pattern for the West Colfax Food Co-Op, sales per square foot for a 4,000 square foot grocery store footprint would increase from \$15.92 in year one to \$17.56 in year three. There is significant opportunity and

precedent for hybrid grocery/market models in which the market portion subsidizes the grocery footprint by charging retail rates.

FOOD RETAIL

RESEARCH PROVIDED BY:



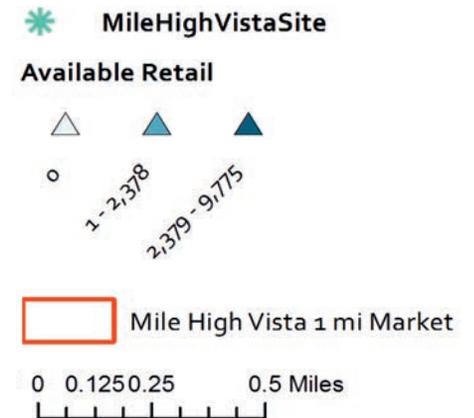
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NEW SUPPLY OF RETAIL SPACE HAS LAGGED HOUSEHOLD GROWTH AND SPENDING CAPACITY IN THE STUDY AREA.

Supply on small footprint retail space (approximately the size of the subject site) has become extremely tight, with an effective 1.0% vacancy rate in the study area, compared to a 9.2% 5-year average. For all sizes of retail space combined, there is currently a 3.7% vacancy rate, 5.2% 5-year average.

Small footprint retail space accounts for 20% of the total square footage in the study area. However, all 32,000 square feet currently under construction are of small footprint. Average rents are at \$15.52 NNN in the study area, up only slightly from the \$14.92 5-year average for small footprints. Rents for all retail spaces average are higher, currently \$21.20, up from the \$16.51 5-year average.

Delivery of new retail properties constructed since 2010 only account for 10% of the total inventory, equaling only 29 square feet per capita in the study area, well below Denver average of 66 square feet per capita. Household per capita income, however, has increased almost 50% in the study area over same time period.



LOOKING AHEAD

Robust household income growth since 2009, paired with dropping retail vacancy rates, and little pipeline activity for future deliveries point to ripe demand to serve not only the immediate area, but also the greater Denver area, capitalizing on the southward

extension of northwest Denver's eating and drinking destination footprint. Additionally, food retail at this location would benefit from adjacency to retail expansion in Sun Valley as a regional destination supported by the City.

HOUSING

RESEARCH PROVIDED BY:

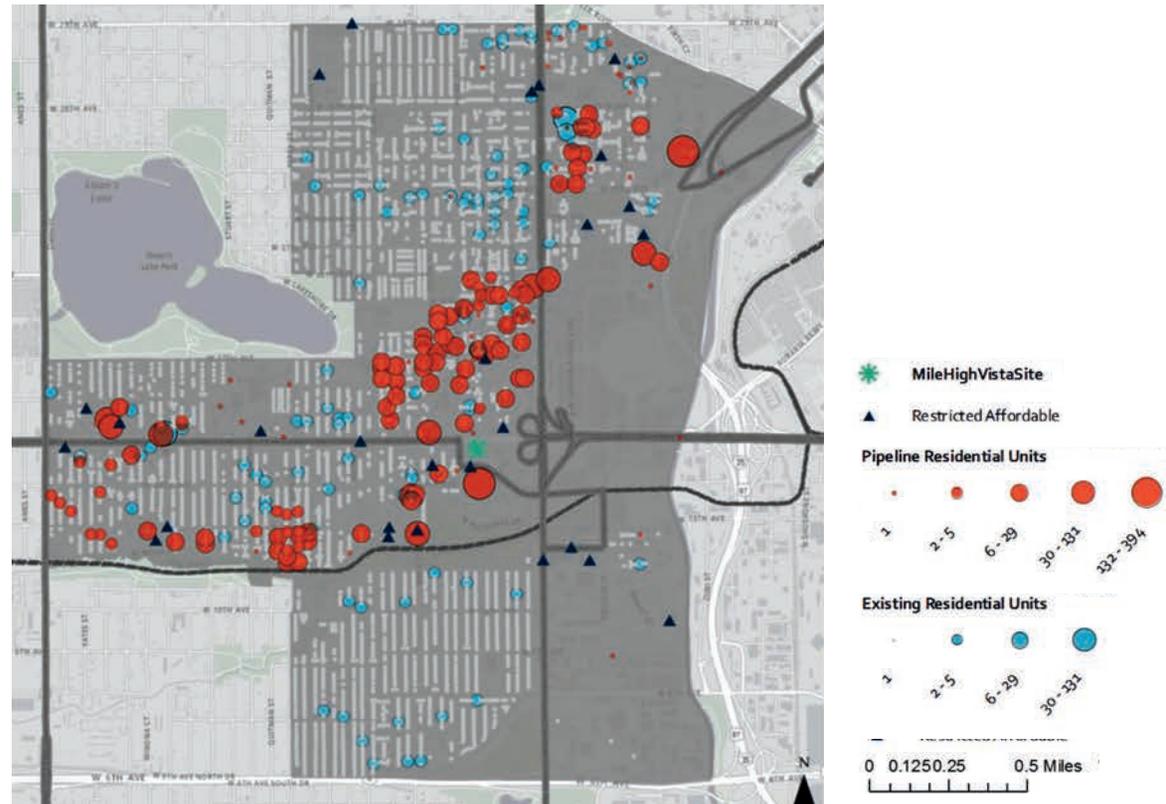


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SIGNIFICANT RECENT GROWTH IN NUMBER OF UNITS IN THE STUDY AREA, BUT MISMATCH EXISTS FOR RENTAL AND OWNER PRODUCTS.

Most of the analyzed housing inventory analyzed is located the north of the project site. Just over 200 units were constructed between 2010 - 2014, while over 650 units officially went under permit in 2015 and 2016, almost entirely composed of for-sale rowhouses. Recently constructed products tend to be more expensive. The median value of all transactions since 2010 is \$385,000, \$419,000 for transactions of properties built in 2015 and 2016, indicating significant increases in expense. Regarding for-rent product, studio asking rents average \$994, while 2 bed asking rents average \$1,207.

AMI	RENTAL GAP	OWNERSHIP GAP
60-100%	-400+	
100-130%	-100+	-200+



LOOKING AHEAD

The housing stock of northern part of the study area has been under great change in recent years, and therefore, in varying stages of gentrification. There are over 2,600 units proposed units in the study area, two-thirds of which are for sale products, primarily rowhouses, and again, are concentrated north of the project site. While several units being built remain somewhat affordable, if left unchecked,

affordability will not likely persist. Pricing pressures, particularly on the rental side, have cost-burdened half of the renter households. On the owner side, a segment is already appearing that is not fully served (new home-buyer market), a gap which will likely grow based on recent development trends.

EARLY CHILDHOOD EDUCATION

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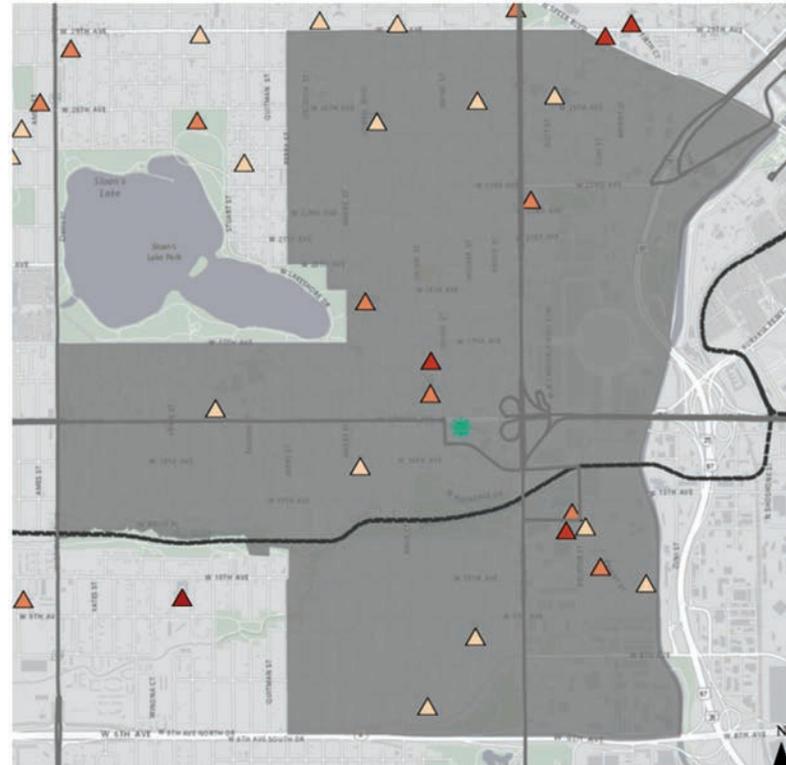
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TOTAL BIRTH RATES HAVE BEEN ON THE DECLINE, BUT NEED STILL EXISTS FOR SUBSIDIZED EARLY CHILDHOOD CARE IN THE STUDY AREA.

Births in the most recent five years (2011-2015) totaled over 2,000, down by approximately 700 from the previous five year period (2006-2010). Births of children in vulnerable families saw an even greater decline over the 10 year period, a decrease of 60%. By comparison, the number of licensed slots within the study area is only 766.

When looking at the measure of quality, almost 90% of the available slots are in ECE facilities rated Level 3 or higher (meaning high quality), ratings likely associated with facility acceptance of some level of public subsidy (CCCAP, Head Start, etc.). Unfortunately, the number of CCCAP slots available today serve only one in four of the vulnerable children in the study area, indicating likely increased need for public subsidies to allow these families to take advantage of child care.

	BASE ACCESSIBILITY	UNCONSTRAINED ACCESSIBILITY	LATENT DEMAND
2011-2015	1.03	0.34	1,382
2016-2020	1.42	0.47	808



LOOKING AHEAD

Even when accounting for average participation rates, accessibility hovers just at equilibrium, where supply is meeting demand. If demand was left unconstrained, accessibility results (.34) indicate significant shortage of ECE slots in the study area in the future, causing families to drive great distances to access child care. The next five years will yield even fewer births, and without an associated increase in supply, overall accessibility

(.47) will remain challenged. Based on these results, coupled with the broader socioeconomic shifts, it is plausible to suspect that significant latent demand exists in the immediate study area. Families in need of subsidized care will remain part of the community. Instead of taking advantage of licensed care facilities, families will either continue to travel further to their ECE provider or make arrangements for care in unlicensed environments.

OFFICE

RESEARCH PROVIDED BY:

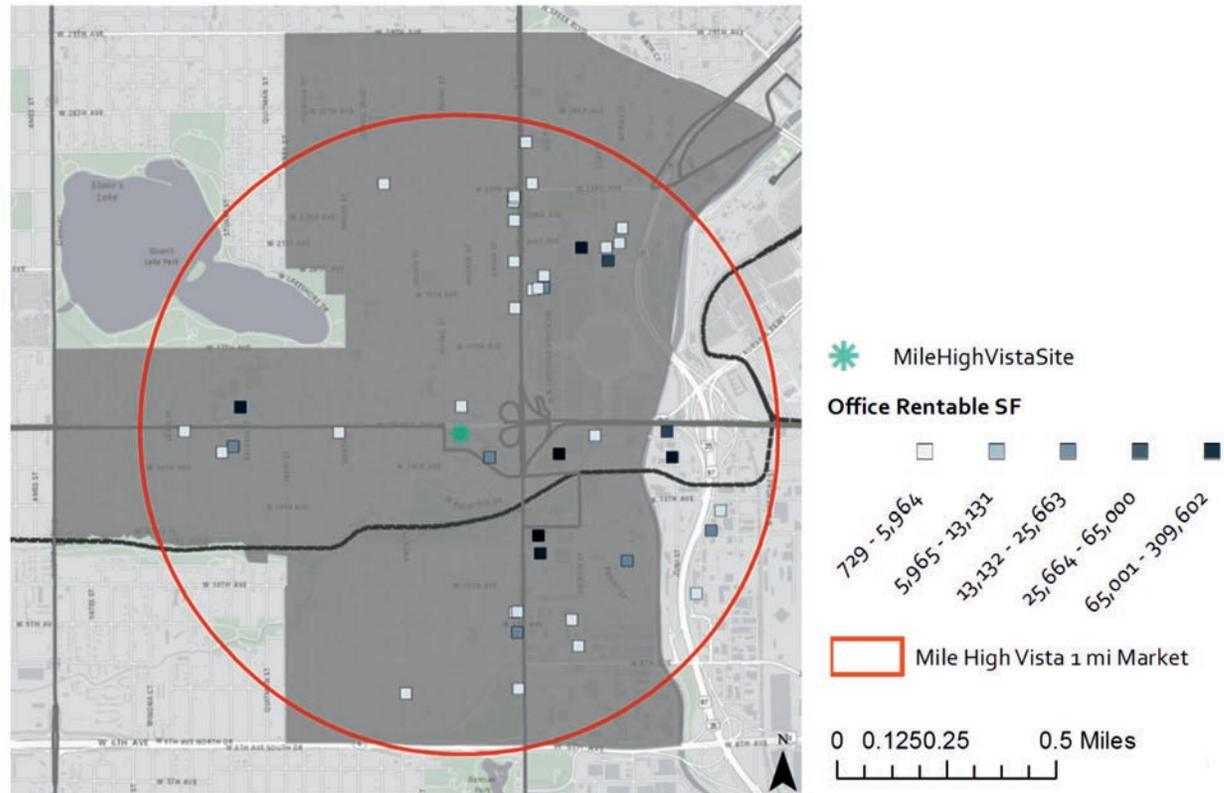


A Program of
THE PITON FOUNDATION

SMALL FLOORPLATE OFFICE SPACE IS LIMITED AND OF LOWER QUALITY IN THE STUDY AREA, WHILE EMPLOYMENT GROWTH IS EXPECTED.

Traditional office space is in limited supply in the immediate study area and predominantly comprises small floorplate buildings similar to that which would be developed at this site. Out of the 42 buildings located on parcels ranging from ½ to one acre in size, only two buildings are rated Class A. Of these Class A buildings, one is still under construction, providing 65,000 square feet of new office space. If the building under construction is fully vacant at the point the certificate of occupancy is issued, the 7.5% vacancy rate in the study area would effectively double.

Gross office rent per square foot in the study area is at \$29.94 NNN, 35% above the 5-year average of \$22.18. Within a three-mile radius, market average is \$31.77 NNN, with a 5-year average of \$28.55, indicating the immediate market has recently realized strong rent growth.



LOOKING AHEAD

Even with the pending delivery of 65,000 square feet at 1401 Zuni in Q4 2017 (asking rent: \$24.00 - \$26.00/sf NNN), additional supply is needed to meet future demand. According to the employment forecast, considering employment sectors requiring office space, the immediate study area could

accommodate an additional 60,000 to 100,000 square feet of space by 2020, depending on space utilization assumptions. Barring the ramifications of another recession, employment growth would demand another 200,000 square feet before 2025.

WHAT WE RECOMMEND

Based on community engagement, we present to you three potential scenarios of complementary mixed uses. ULC may choose to mix or match these options differently based on market analysis. For each scenario, we estimate total square footage and parking required, as well as some basic construction cost estimates. We hope that these data elements will support development of a more detailed future pro forma.

- 1 COMMUNITY GROCERY/MARKET + MICRO HOUSING**
- 2 FOOD RETAIL + OFFICE**
- 3 EARLY CHILDHOOD EDUCATION + AFFORDABLE HOUSING**

PRECEDENT

FIVE88 HOUSING

ARCHITECT **DAVID BAKER ARCHITECTS**

STATUS **UNDER CONSTRUCTION**

LOCATION **SAN FRANCISCO, CA**

This affordable mixed-use building will bring 200 residences and 10,000 sf of neighborhood-serving retail to the Mission Bay South Redevelopment Area. The retail arcade wraps around the corner of the block, creating a lively interaction with the adjacent UCSF campus.

The massing of the large building is broken into discrete volumes to create a varied, interesting, and accessible street edge.

This high-density design is located along a bicycle route and adjacent to the Light Rail. It features 200 secure residential bicycle parking spaces.

The development design will incorporate a series of complementary sustainable strategies—such as energy efficiency, domestic solar hot-water panels, and drought-tolerant landscaping.





TOTAL # UNITS **200**
 1 BEDROOM **72**
 2 BEDROOM **128**

RETAIL SF **10,079**
 PARKING SPOTS **100**

DENSITY RATIOS

PROJECT SF **230,422**
 SITE SF **80,859**
 ACRES **1.86**

TOTAL BEDROOMS **328**
 BEDROOMS/ACRE **176**
 UNITS/ACRE **108**

1 2 3 **COMMUNITY GROCERY/MARKET + MICRO HOUSING**

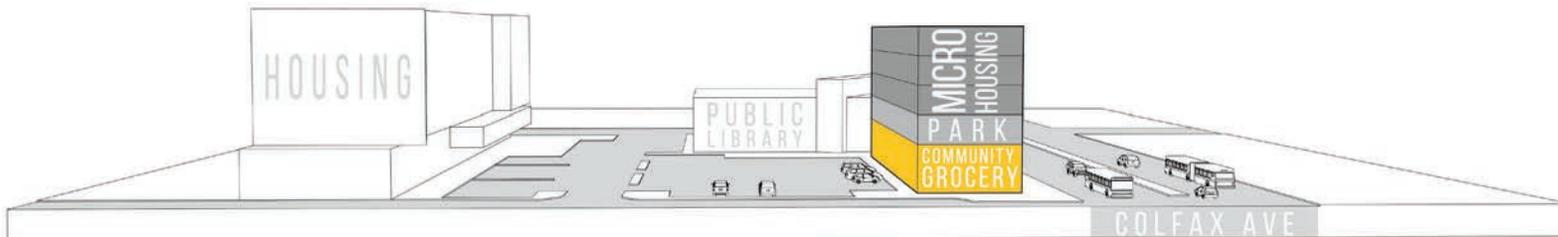
PROPOSAL

12 STORY



TOTAL GROSS SF **82,368**
GROCERY/MARKET **6,864**
PARKING **20,592**
HOUSING **54,912**
TOTAL PARKING SPOTS **74.75**
GROCERY/MARKET **8.75**
HOUSING **66**

5 STORY

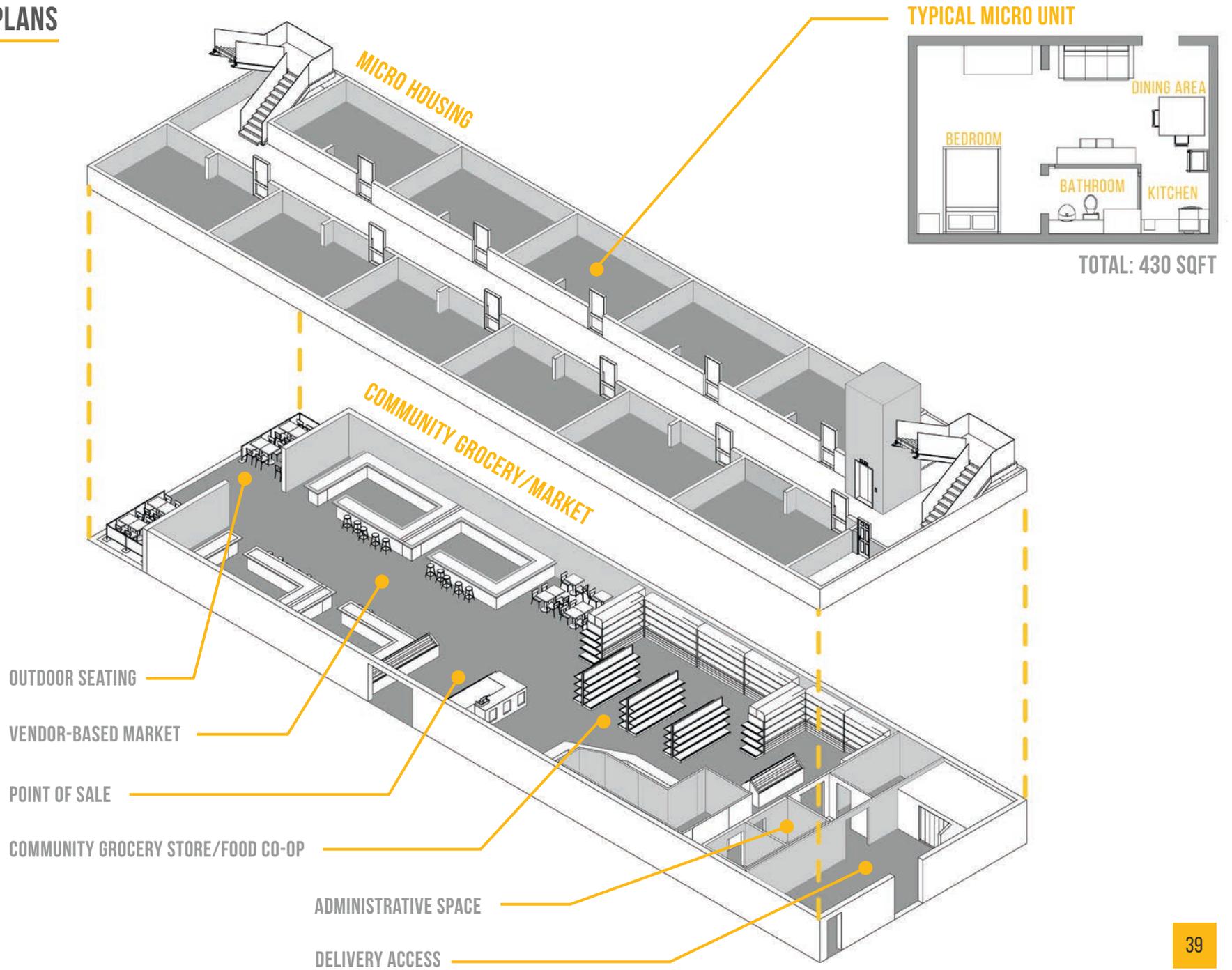


TOTAL GROSS SF **34,320**
GROCERY/MARKET **6,864**
PARKING **6,864**
HOUSING **20,592**
TOTAL PARKING SPOTS **33.5**
GROCERY/MARKET **8.75**
HOUSING **24.75**

As previously mentioned, fresh food and gathering places were very popular among surveyed neighborhood residents. Grocery stores/markets thrive from additional customers in dense residential environments. Therefore, we paired that ground use with the maximum allowable residential density in micro housing. In this scenario, 6,864

square feet of ground floor food grocery/market would be covered in a 5-story building by 1 floor of parking and 3 floors of micro housing (300 square feet each, 11 units per floor). In a 12-story building, the food grocery/market would be covered by three floors of parking and 8 floors of micro housing.

FLOOR PLANS



PRECEDENT

RICHARDSON BUILDING

ARCHITECT **DAVID BAKER ARCHITECTS**

STATUS **BUILT**

LOCATION **SAN FRANCISCO, CA**

A former parking lot, the building has risen on one of the sites freed for development by the demolition of the collapsed Central Freeway in San Francisco.

This five-story building includes a tall retail level with an awning trellis that extends over the sidewalk and maintains a human scale at the street edge. A social-enterprise bakery that provides an employment program to residents anchors the corner. Lighting, drought-tolerant plantings, and bicycle racks also improve the streetscape.

The project is part of the Market + Octavia Neighborhood Plan, which aims to create a dense transit-oriented neighborhood with housing over retail and streets that are friendly to pedestrians and bicyclists.





TOTAL # UNITS 120
STUDIO 120

RETAIL SF 2,700
PARKING SPOTS 0

DENSITY RATIOS

PROJECT SF 65,419
SITE SF 18,906
ACRES .47

TOTAL BEDROOMS 120
BEDROOMS/ACRE 261
UNITS/ACRE 261

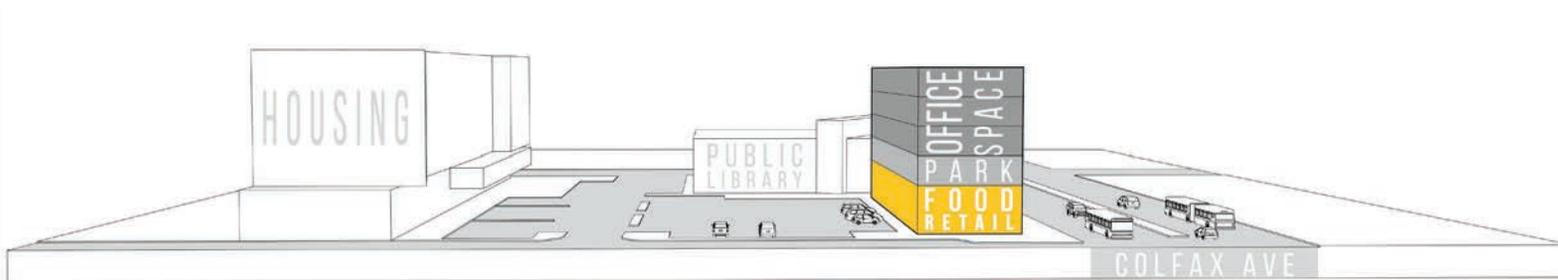
PROPOSAL

12 STORY



TOTAL GROSS SF **82,368**
 FOOD RETAIL **6,864**
 PARKING **20,592**
 OFFICE **54,912**
 TOTAL PARKING SPOTS **87.5**
 FOOD RETAIL **17.5**
 OFFICE **70**

5 STORY

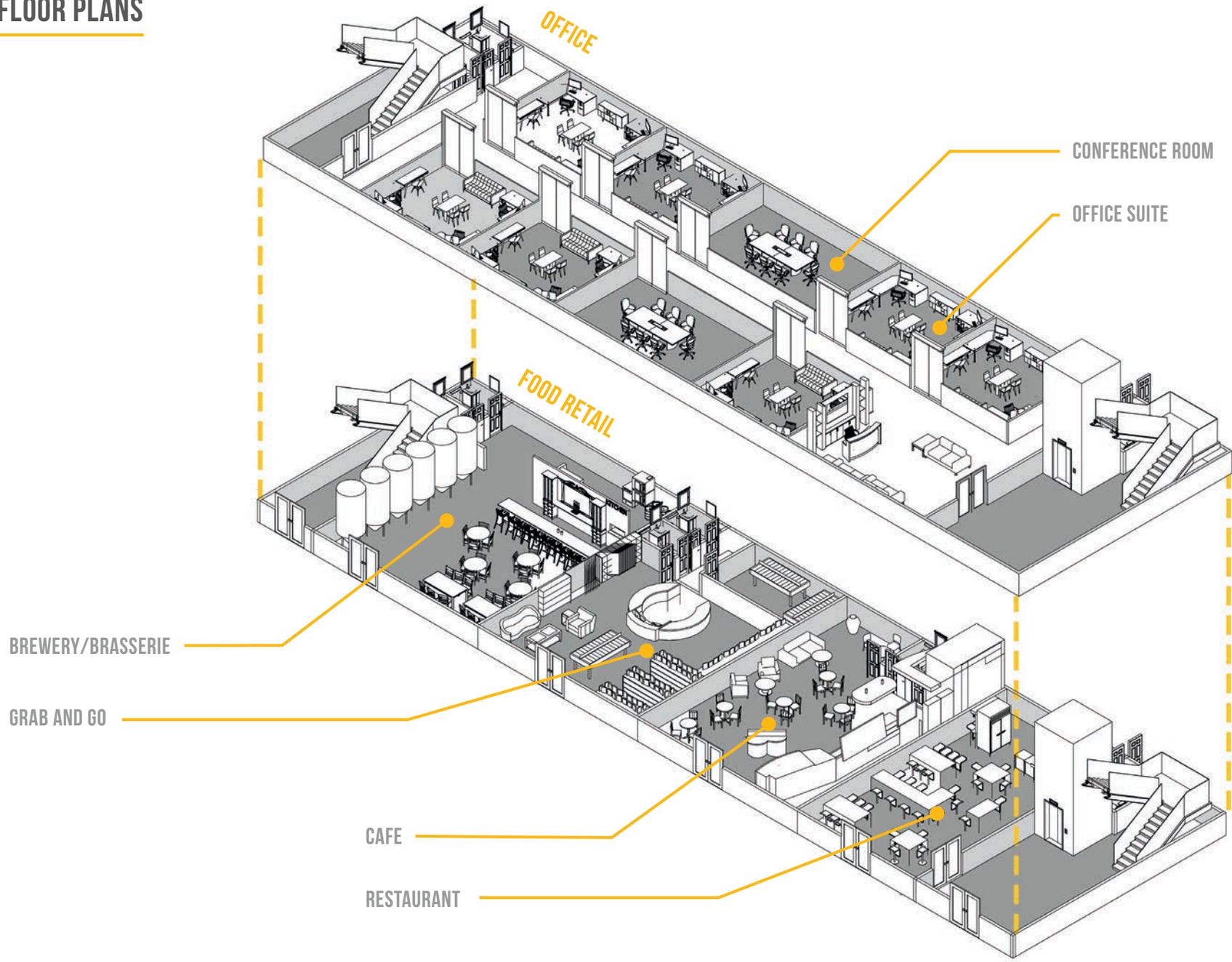


TOTAL GROSS SF **34,320**
 FOOD RETAIL **6,864**
 PARKING **6,864**
 OFFICE **20,592**
 TOTAL PARKING SPOTS **43.75**
 FOOD RETAIL **17.5**
 OFFICE **26.25**

As previously mentioned, fresh food and gathering places were very popular among surveyed neighborhood residents. Grocery stores/markets thrive from additional customers in dense residential environments. Therefore, we paired that ground use with the maximum allowable residential density in micro housing. In this scenario, 6,864 square feet

of ground floor food grocery or market would be covered in a 5-story building by 1 floor of parking and 3 floors of micro housing (300 square feet each, 11 units per floor). In a 12-story building, the food grocery or market would be covered by three floors of parking and 8 floors of micro housing.

FLOOR PLANS



PRECEDENT

388 FULTON ST

ARCHITECT **DAVID BAKER ARCHITECTS**

STATUS **BUILT**

LOCATION **SAN FRANCISCO, CA**

This new market-rate micro-housing in Hayes Valley—developed in tandem with a new clubhouse for the Boys and Girls Club—features 70 studio and two-bedroom apartments clustered around a courtyard with ample, secure bicycle parking. The housing will top neighborhood-serving retail spaces on the street level.

A portion of the units are 325-square-foot studios that are designed to provide “affordability by design.” This type of apartment has proven popular with younger professionals, as well as seniors. More than 40% of the apartments—at each corner and facing the courtyard—have two bedrooms. This accommodate families.

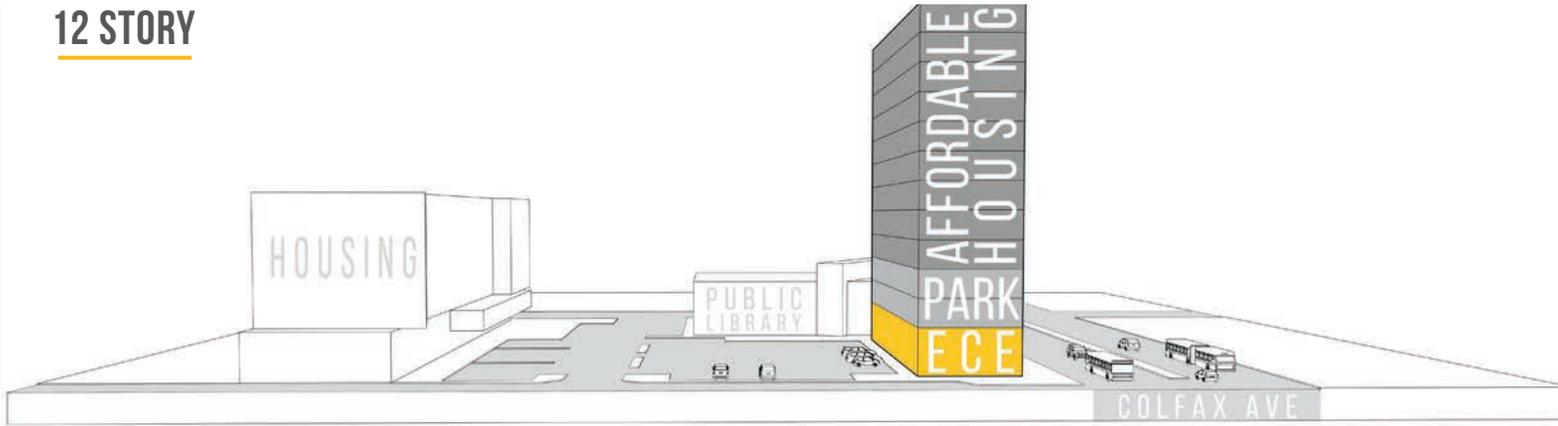




TOTAL # UNITS 69	RETAIL SF 3,150	DENSITY RATIOS	PROJECT SF 50,750	TOTAL BEDROOMS 97
MICRO UNITS 35	PARKING SPOTS 0		SITE SF 12,520	BEDROOMS/ACRE 338
1 BEDROOM 6	CAR-SHARE 1		ACRES .287	UNITS/ACRE 240
2 BEDROOM 28	BICYCLE 86		OPEN SPACE SF 5,400	OPEN SPACE SF/UNIT 78

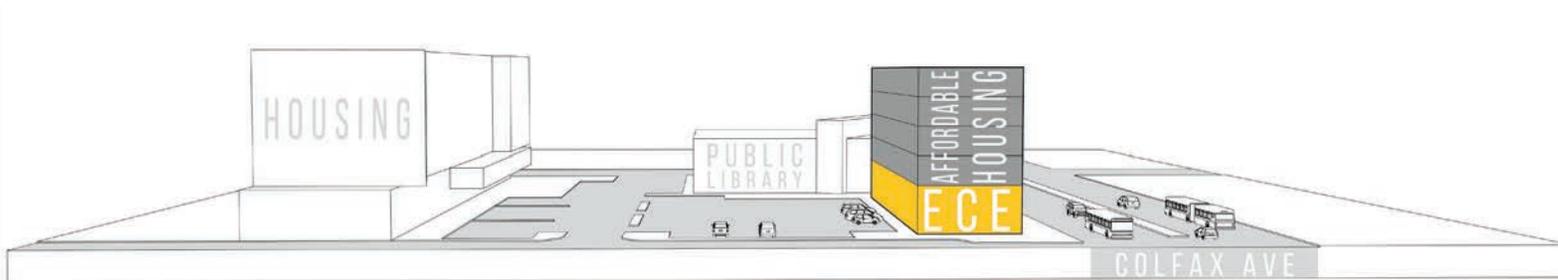
PROPOSAL

12 STORY



TOTAL GROSS SF **82,368**
 ECE **6,864**
 PARKING **13,728**
 HOUSING **61,776**
 TOTAL PARKING SPOTS **52.25**
 ECE **5**
 HOUSING **47.25**

5 STORY

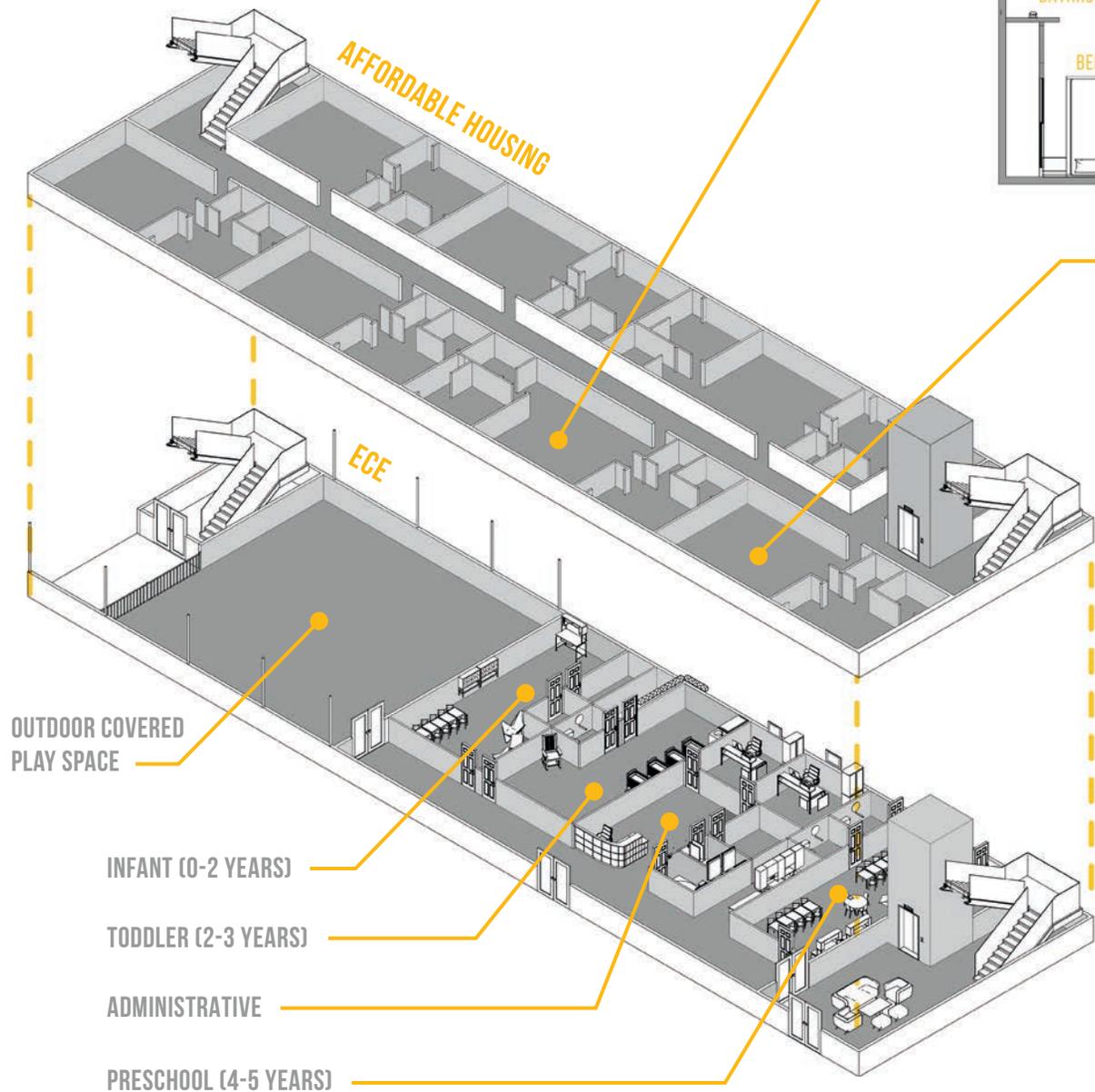


TOTAL GROSS SF **34,320**
 FOOD RETAIL **6,864**
 OFFICE **20,592**
 TOTAL PARKING SPOTS **26**
 ECE **5**
 HOUSING **21**

Since early childhood centers are meant to serve children and families, we paired that ground use with larger affordable residential above. In this scenario, the 6,864 base would be split into approximately 5,000 indoor square feet and 2,000

outdoor play area, covered by 4 floors of residential. In this case, no structured parking would be required. In a 12-story building, the ECE ground floor use would be covered by 2 floors of parking and 9 floors of multi-family residential.

FLOOR PLANS

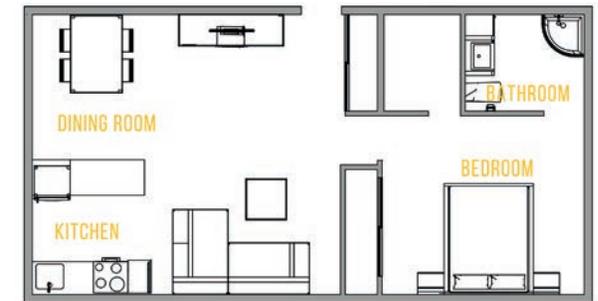


TYPICAL 2 BEDROOM UNIT



TOTAL: 1080 SQFT

TYPICAL 1 BEDROOM UNIT



TOTAL: 645 SQFT

CONSTRUCTION COST ESTIMATE

5 STORY

WOOD CONSTRUCTION

BUDGET \$6,187,147

GROSS SF 34,320

TARGET \$/SF 180.28

(NOT INCLUDING FF&E)

MILE HIGH VISTA 5 STORY WOOD CONSTRUCTION - COST ESTIMATE			
Project	MHV - 5 - W		
Budget	\$6,187,147		
Gross SF	34,320		
Target \$/SF	\$180.28		
Division	Description	Total Cost	Cost / SF
01	General Conditions	\$686,400	\$20.00
03	Concrete / Foundations	\$656,696	\$19.13
04	Masonry	\$0	\$15.60
05	Structural Steel	\$172,973	\$25.20
06	Carpentry	\$102,960	\$3.00
07	Foundation WP and Insul	\$68,640	\$2.00
07	Wall Insulation	\$87,584	\$2.50
07	Roofing	\$122,102	\$3.55
07	Joint Sealants	\$29,172	\$0.85
08	Doors/Frames/Hardware	\$154,440	\$4.50
08	Windows / Storefront	\$171,600	\$5.00
09	Drywall and Framing	\$343,200	\$10.00
	Interior Finish	\$755,040	\$22.00
13	Elevator	\$65,000	\$2.00
21	Fire Sprinkler	\$102,960	\$3.00
22	Plumbing	\$343,200	\$10.00
23	HVAC	\$858,000	\$25.00
26	Electrical	\$686,400	\$20.00
26	Fire Alarm	\$34,320	\$1.00
27	Structured Cabeling	\$94,380	\$2.75
31	Civil - Earthwork	\$240,240	\$7.00
31	Utilities	\$240,240	\$7.00
31	Site Hardscape	\$85,800	\$2.50
32	Landscaping	\$85,800	\$2.50
Total		\$6,187,147	\$180.28

12 STORY

STEEL CONSTRUCTION

BUDGET \$17,717,281

GROSS SF 82,368

TARGET \$/SF 215.10

(NOT INCLUDING FF&E)

MILE HIGH VISTA 12 STORY STEEL CONSTRUCTION - COST ESTIMATE			
Project	MHV - 12 - SL		
Budget	\$17,717,281		
Gross SF	82,368		
Target \$/SF	\$215.10		
Division	Description	Total Cost	Cost / SF
01	General Conditions	\$1,647,360	\$20.00
03	Concrete / Foundations	\$1,581,466	\$19.20
04	Masonry	\$0	\$15.60
05	Structural Steel	\$2,075,674	\$25.20
06	Carpentry	\$247,104	\$3.00
07	Foundation WP and Insul	\$164,736	\$2.00
07	Wall Insulation	\$87,584	\$2.90
07	Roofing	\$122,102	\$3.55
07	Joint Sealants	\$82,368	\$1.00
08	Doors/Frames/Hardware	\$494,208	\$6.00
08	Windows / Storefront	\$617,760	\$7.50
09	Drywall and Framing	\$1,235,520	\$15.00
	Interior Misc	\$2,059,200	\$25.00
13	Elevator	\$95,000	\$2.00
21	Fire Sprinkler	\$288,288	\$3.50
22	Plumbing	\$823,680	\$10.00
23	HVAC	\$2,471,040	\$30.00
26	Electrical	\$1,647,360	\$20.00
26	Fire Alarm	\$82,368	\$1.00
27	Structured Cabeling	\$329,472	\$4.00
31	Civil - Earthwork	\$576,576	\$7.00
31	Utilities	\$576,576	\$7.00
31	Site Hardscape	\$205,920	\$2.50
32	Landscaping	\$205,920	\$2.50
Total		\$17,717,281	\$215.10

MICRO HOUSING

We were able to identify parking ratio and unit sizes for six micro housing complexes in Denver, among dozens planned in the City. Of these six complexes, three of which did not provide any parking to residents. The other three provided at least the ratio of 0.75 per housing unit as required by the City. Between July 2016 and May 1, 2017, the City had a moratorium in place on the building of micro housing units without associated parking. Under the City Council ruling on May 1st, new buildings receive full exemption from providing on-site parking only for housing or offices in the first story, or on the first two floors if the property is within a quarter-mile of a frequent bus line or a half-mile of a rail station. The property at Mile High Vista qualifies for that exemption due to immediate proximity to the 16/16L RTD bus line. However, given the recommendation for mixed use on the first floor building and need for structured parking within the 12 stories of the building for other desired uses on the property (grocery/market and office), this property would not be able to take advantage of this exemption. Above the new thresholds of one or two floors, developers must provide on-site spaces according to city parking ratio requirements that vary depending on the building's use, which on this site are 0.75 spaces per unit.



MICRO UNIT AT
TURNTABLE STUDIOS

We found very few examples of standalone for-sale micro housing units around the country. Most examples of small for-sale condo units are co-housing models, which have large shared amenities like kitchens and living room space. The few examples we found were in Washington, DC, San Francisco, and New York City. While we found prices ranging from \$250,000 to \$500,000 per unit, most buildings had expensive amenities, such as rooftop gardens, as well as high-end finishes.

FOR-RENT MICRO HOUSING IN DENVER

NAME OF DEVELOPMENT	NAME OF DEVELOPER	ADDRESS/NEIGHBORHOOD	NUMBER OF UNITS	PARKING UNITS	SIZE OF UNITS
UNKNOWN	URBAN VILLAGES/ LARIMER ASSOCIATES/ CITY OF DENVER (LAND)	14TH AND COURT/GOLDEN TRIANGLE	12-14 STORIES	NONE	300-350 SQUARE FEET
TURNTABLE STUDIOS	NICHOLS PARTNERSHIP AND CAPITAL REALTY GROUP	MILE HIGH STADIUM CIRCLE AND BRYANT/LOWER HIGHLANDS	179	PROVIDE 350 SQUARE FEET OF PARKING SPACE FOR EACH APARTMENT UNIT THEY BRING TO MARKET	335 MOST, SOME PENTHOUSES LARGER
DOWNING STREET APARTMENTS	UNKNOWN	31ST AND STOUT/CURTIS PARK	56	NONE	320 SQUARE FEET
PANDO HOLDINGS	BARRY HIRSCHFELD	HUMBOLDT AND E. COLFAX/ CITY PARK WEST	54 (SPREAD ACROSS 2 5-STORY BUILDINGS ON ADJACENT LOTS)	45 SPOTS IN OFF-SITE LOT	UNKNOWN
UNKNOWN	UNKNOWN	PEARL STREET	16	6	UNKNOWN
UNKNOWN	NICHOLS PARTNERSHIP	15TH AND WEWATTA	91	NONE	350-550 SQUARE FEET

CONCLUSIONS

The Mile High Vista site is an ideal location, in terms of accessibility and visibility, for all the uses explored in this market feasibility study, all of which show strong market demand compared to current supply in the study area. Timing is good with regard to development of any of the explored uses. However, based on the nexus of community demand and market study results, we recommend that ULC pursue the combined uses of grocery/market (comprising a portion of food retail) on the ground floor, with mostly residential and some office footprint above. While the development footprint is too small for a traditional grocery store, a hybrid grocery/market model such as the West Colfax Food Cooperative would likely be viable in this

space. Regarding above-ground uses, we believe that the market in the study area can support great density of affordable rental housing, especially at the 60% AMI level. If parking break allowances can be achieved, we believe that the market would support a high density of affordable micro units (up to the maximum of 12 stories allowed on the site), as that particular unit style is in short supply in the study area and would be supported by demographic trends in the neighborhood.

While demand is also strong for other uses, the Mile High Vista site is either not of ideal (sufficient) size to support those uses in a cost-effective manner and/or there is less documented community demand for

them. We believe it would be difficult to identify an interested ECE provider for the site due to the small size of the likely facility, which would support very few children. Further, viability in terms of supporting vulnerable families representing the highest demand segment in the study area would be contingent upon receiving additional public subsidy spots. Finally, the space does not allow an ideal outdoor space to meet playspace requirements, which may make it difficult for an operator to achieve quality ratings necessary to receive public subsidies. While we believe that there is significant office demand, high parking ratios may make larger office buildings infeasible. We believe there is enough substantiated demand for three floors of office.

BEST OPTION 12-STORY COMMUNITY GROCERY/MARKET + OFFICE + MICRO HOUSING

12 STORY

TOTAL GROSS SF 82,368

GROCERY/MARKET 6,864

PARKING 20,592

OFFICE 20,592

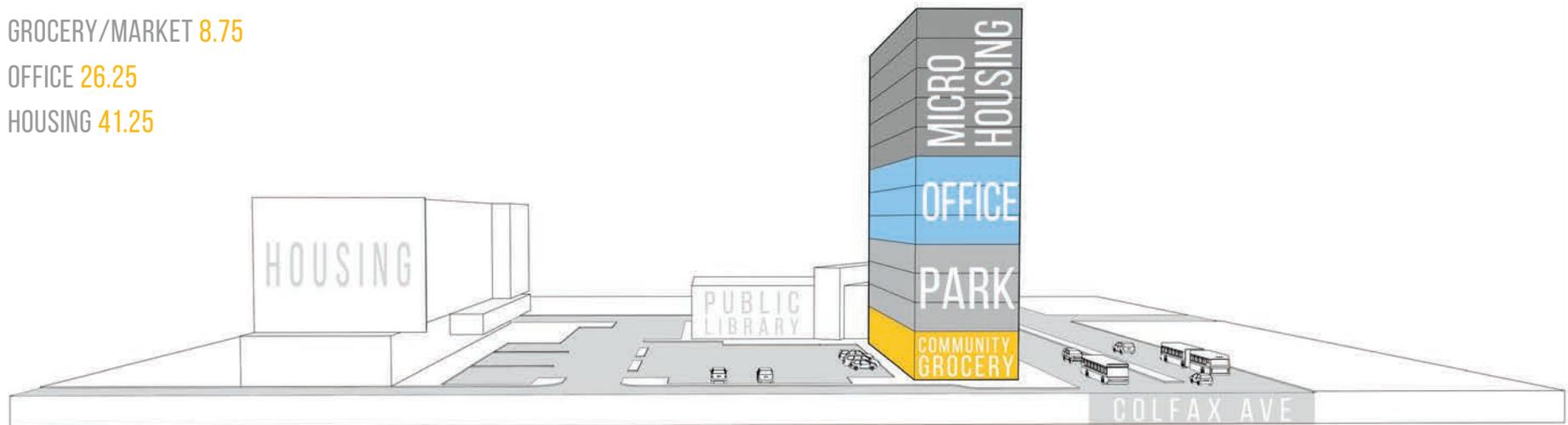
HOUSING 34,320

TOTAL PARKING SPOTS 76.25

GROCERY/MARKET 8.75

OFFICE 26.25

HOUSING 41.25



THANK YOU

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