

# Denver's Transit-Oriented Mixed-Use Development

Earlier this month, the Urban Land Institute, the leading global real estate land use nonprofit research organization, held its Global Conference in Denver. Almost 10 years ago, ULI published a treatise on the "Ten Principles of Successful Development Around Transit." As public and private leaders in the real estate world from around the globe gather to discuss the issues of the day in the land use and development arena, it may be instructive to reflect on these 10 principles in the context of the significant developments in the Denver metro area with transit-oriented mixed-use development.

To review, the 10 principles espoused by ULI 10 years ago include: 1. Make it better with a vision; 2. Apply the power of partnerships; 3. Think development when thinking about transit; 4. Get the parking right; 5. Build a place, not a project; 6. Make retail development market driven, not transit driven; 7. Mixed uses, but not necessarily in the same place; 8. Make buses a great idea; 9. Encourage every price point to live around transit; and 10. Engage corporate attention.

When I review these 10 elements from an overall perspective, I cannot help but to reflect on our FasTracks system and how it seems to incorporate all of these principles in its planning and in its execution to date during the same 10-year time frame.

Established by our Regional Transportation District, the FasTracks system was envisioned as a system of light rail, commuter rail and bus rapid transit to connect the metropolitan Denver region through a hub-and-spoke designed series of transit-related connections and stops that would link our metro area with an integrated transportation system.

Per RTD, the RTD FasTracks program is an integration of several transit modes and other programs into a comprehensive regionwide system. Several transit technologies will be used as determined through the environmental process on each corridor. RTD already has been using buses and light rail to meet the Denver metro area's transit needs. As part of FasTracks, new technologies, like commuter rail and bus rapid transit, will be introduced to the region. In addition to the new rail corridors, extensions and bus rapid transit, FasTracks includes new Park-n-Rides, two new maintenance facilities, an expanded bus service called FastConnects and the redevelopment of Denver Union Station as the hub of the system.

This clearly defined vision received support across the impacted Denver metropolitan area through the unprecedented unanimous backing in 2004 of the 32-jurisdiction Metro Mayor's Caucus for a sales tax imposed throughout the region to assist in financing the construction and operation of the system. This public partnership was instrumental in moving the program from vision to execution.

As further noted by RTD, development at and around the system's transit stations is an



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exciting element of the FasTracks program. As the Denver region's public transit agency, RTD plays an important role in the implementation of transit-oriented development. TOD is characterized by a pedestrian-oriented environment that allows people to live, work, shop and play in places accessible by transit. The primary benefits of TOD include:

- Reducing sprawl and protecting existing neighborhoods;
- Reducing commute times and traffic congestion;
- Improving environmental quality and open space preservation; and
- Encouraging pedestrian activity and discouraging automobile dependency.

RTD's TOD mission is to help facilitate TOD opportunities that increase ridership or enhance transit investments throughout the district through station design and close coordination with local jurisdictions and developers.

Integrating the parking at each of the FasTracks transit stops is a key ingredient in the public-private partnerships developing among RTD, the local jurisdictions and the area owner/developers. Rather than focusing solely on parking to suit the ridership only, the TOD principles of development in and around the transit stops require more of an integration of the RTD parking requirements with and into the development at or adjacent to the stops. Moreover, the collaboration with the local jurisdictions in reviewing appropriate parking concessions in light of the transit ridership assist the developer in mitigating its parking challenges. The integration of the transit parking with the parking and development of mixed-use products at the stops has become a hallmark of these TOD programs, including those within the FasTracks system as it develops.

Place-making, a term of increasing usage in the TOD arena, has been applied to the FasTracks system in the public-private partnerships being implemented along the various corridors. The planning, design and pedestrian-friendly nature of the walkable communities being proposed and under construction along the initial

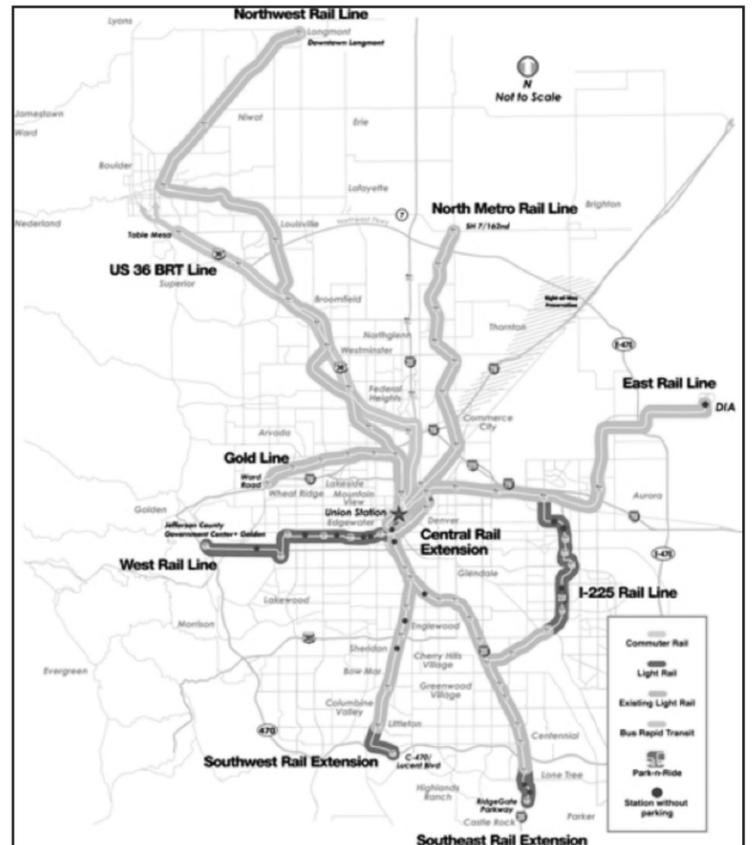
corridors being built exemplifies the importance of place-making within the context of TOD. Phil Washington, RTD's director, has referred to current TOD trends as more in line with TOC, or transit-oriented communities, the essence of appropriate place-making. The combination of a live-work-play environment connected to the larger community by transit invites a market specific mix of uses, both at the stops and along the corridors that involves a sensitive placement of the appropriate uses to advance the attraction of the corridor community, respond to the appropriate market demand at each stop and avoid the cannibalism that can result from redundant uses at each stop along the corridor. The importance of place-making in the context of "corridor community" planning is becoming an increasingly important element in the TOD world and along the various corridors of FasTracks.

The making of TODs involves several public-private elements to ensure its feasibility. In order for the mixed-use character of these TODs to be realized, both the integration of specific market-sensitive uses supported initially by capital investments in infrastructure are required. The Eagle P3 project that is developing several of the FasTracks corridors, including the Denver-to-DIA corridor, is a concession arrangement between the private and public sectors whereby a private venture among project disciplines contracted with RTD to design, build, finance, operate and maintain certain corridors. The concession agreement includes a risk-sharing arrangement whereby the success of the ridership is one essential element and the mutual risks inherent in such an arrangement requires the TOD program to be sufficiently successful to attract the necessary ridership. This TOD objective becomes a common goal of the public-private partnership as the infrastructure of the FasTracks' Eagle P3 is built out in a manner to enhance the TOD so necessary to allow the program to work within the P3 context.

Buses are an important element in TOD and are a central element of certain of the FasTracks corridors. The U.S. Highway 36 corridor of the FasTracks system involves a BRT program that is currently being pursued through a multiphased P3 program involving several sources of funding from federal, state and local sources, combined with private concessions, to bring transit ridership to the planned stops along portions of the northwest corridors. The newer designs and accommodations being incorporated into the BRT buses and the dedicated lanes are expected to enhance the attraction, comfort and convenience of the buses as an integral part of TOD within the FasTracks system.

Several incentives are being created to advance the availability of mixed-income as well as mixed-use communities at and adjacent to the transit stops within the FasTracks system.

On June 16, 2009, the U.S. Department of Housing and



Urban Development, U.S. Department of Transportation and the U.S. Environmental Protection Agency joined together to help communities nationwide improve access to affordable housing, increase transportation options and lower transportation costs while protecting the environment.

The Partnership for Sustainable Communities, created by this partnership, works to coordinate federal housing, transportation, water and other infrastructure investments to make neighborhoods more prosperous, allow people to live closer to their jobs, save households time and money and reduce pollution. The partnership agencies incorporate six principles of livability into federal funding programs, policies and future legislative proposals.

The West Corridor of FasTracks received a planning grant through the Denver Regional Council of Governments from this partnership to advance its planning for TOD development along that corridor.

The Urban Land Conservancy, a nonprofit organization, uses real estate as a tool to benefit urban communities. In much the same way that a land trust preserves open space for future generations, ULC preserves real estate assets in urban areas to ensure their continued community benefit. Their work includes land banking and community-inspired real estate development or, more concisely, community development.

ULC has established, with assistance from a ULI housing fund, a land bank with an objective to acquire suitable land at or near transit stops with the goal of advancing affordable housing and community development options at TOD locations. As this program matures, its application to many of the stops along the FasTracks system will help advance the mix of people of various income levels who will be able to live, work and play in TOD communities.

Corporate attention to

TOD has been advanced by a combination of long-term capital investments together with corporate users of major space within TODs. The capital investments in infrastructure through the P3 and similar models is increasing in the wake of burdened federal, state and local budgets combined with a need for alternative investments in our challenging global economic climate.

Private corporate capital investments in the Eagle P3, together with substantial corporate commitments for space in and around the Denver Union Station FasTrack's "hub" have contributed to the success of the TOD programs being pursued in those respective locations. As the West Corridor opens in 2013, substantial corporate investment is being committed along that corridor both in infrastructure investment and in leasing commitments.

In summary, the FasTracks program has set the stage for and, in some cases, development has commenced for, transit-oriented mixed-use development in Denver. The utilization of the FasTracks program to advance this form of development has been an example of how to participate in this trend, which is continuing its learning curve in the urban and surrounding markets across the United States and the globe, even in the face of challenging economic times. Stay tuned to this trend in real estate development as our economy and real estate markets begins to stabilize and gain some equilibrium in the coming months and years!

## What is FasTracks?

The RTD FasTracks Program is a multibillion dollar comprehensive transit expansion plan to build 122 miles of new commuter rail and light rail, 18 miles of bus rapid transit, 21,000 new parking spaces at light rail and bus stations and enhance bus service for easy, convenient bus/rail connections across the eight-county district.