

Panel – The Suburban Downtown

Panelist:

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Good morning. I am Bob Simpson. I am the Community Development Director for the City of Englewood, Colorado. It's a pleasure to be out here. We have had snow the last few weeks. The palm trees have been very pleasant.

I am going to give you a little bit of a suburban case study here this morning. I was asked to kind of do that. My goal would be that I want to talk to you about the fact that we were a suburban place, that we really worked to re-create ourselves into much more of an urban place in that transition. I want to talk to you about who we are and who we were so it kind of gives you a sense of how it may play into your particular perspective and what you can learn from that.

I want to talk to you also a little bit about how we arrived at where we are today and what some of those results have been, and also to share with you some of the lessons that we've learned along the way.

I think it's also important to note that – I will tell you about some of those results, the awards we've received. And it gives you a sense that while it seems to be a very small project, it has actually achieved some tremendous results for a small community.

Englewood, Colorado, like many suburbs, it's a first-tier

suburb. It has a lot of the characteristics that you would expect. We see downtown Denver, very urbanized location. And where we're located is at the lower portion of this image.

And I am going to speak primarily about this location right here. What you see also is this is the Platte River corridor. Open space, trails corridor. And because of our climate, while it's not palm trees and sunshine all the time and/or snow, we do actually enjoy a really very nice climate, and it really affords a very nice outdoor lifestyle.

But the important thing you'll see here is also this corridor. It was primarily a truck route for many years and major transportation corridor for rail. But interestingly enough, because of that rail corridor, we were able to, as we started down the process of looking at a light rail solution for some of our congestion, that became also our light rail corridor. So this really helped set some of the direction of what we have today.

First-tier suburb. A lot of us have experienced that. That's what we are, that aging housing stock, aging population, aging infrastructure, declining tax base. Most of those kinds of characteristics are what we all experience. While I think we look and feel a lot like Denver, we don't enjoy some of those tax benefits. So we had to take a look at re-creating ourselves.

The side I am going to speak to you about was a former regional mall. It was a grayfield. Some of you know that term. They're gray sites. There are many of them across the United States. I think a Harvard study noted that there was going to be about 1,600 sites of these across the United States.

Best thing about a grayfield is that it is primarily within one unified ownership. And because of retail trends, many of them are going dark or needing to be redeveloped. In this

particular case, Cinderella City Mall was built in 1968. It was a mall that was built on 55 acres. It was a 1.3-million-square-foot mall. Interestingly enough, those of you who know that kind of retail equation, that's a very tight site. So what you see on this particular property was that it was primarily concrete. It was a two-level parking structure, very tight configuration. And it also was a pretty exciting place when it opened in 1968, as was many retail trends.

What we see today is a very different place. By 1995, because of retail trends, physical obsolescence, changing consumer tastes, that had led to a needed foreclosure on the property. And we needed to rethink about where we were going to be.

Many times cities get in a hurry. They don't know. They seek direction. They just want to kind of solve the problem. And Englewood is no different. Colorado, I guess, is very much like California. We rely very heavily upon sales tax to help drive municipal services. And in our particular case -- and I was talking with one of our speakers last night about this -- it's my contention that we need to figure out a way to do a fiscal overhaul of that, because it really does a very significant disservice to our land use patterns.

With that said, probably unlikely -- we are having to look at it today, we were looking at something that would solve -- kind of that short-term fix. And the developers came forward and said, back in 1995, "Why don't you do a power center, get it built, knock down the mall, build a power center which will be total auto-oriented, and you will solve your fiscal problems."

It led to an outcry in the community. And so we actually got hired in '85, and we began to rethink about where we needed to be.

Talk about the site very quickly. It is a 55-acre site. Primarily right here. Santa Fe corridor. A light rail, planned light rail corridor. Platte River on the west side here. And then Hampton, which is a state highway, on the south side of this property.

Mall built in 1968, 55 acres, going dark. It led to a significant blight. And I think in some ways crisis can lead to communities coming together. I hate to think it always has to be that way, but in this particular case, it helped.

We had a very focused process that was really seemingly long at the time, a little over a year and a half, but the last three months were very focused. And it led to a series of issues that the community really wanted us to pay attention to. They weren't very detailed, but it was something that they paid attention to. And they wanted to create jobs, they wanted the blight to go away. They wanted to make sure their increased tax base was going to either stay the same or grow. They wanted that economic stability. They also named certain things. They wanted the site to be special. They wanted the site to pay attention to the coming light rail. They wanted it to have just as many people except, with any kind of project, they wanted it to be a little bit of everything for them. They wanted it to be a place that the mall was, a place to gather for their families, a place with a little bit of going to the movies or just getting a cup of coffee. So they

really wanted the variety of uses to occur.

And I am going to really short-circuit a very long process. It was really a 10-year redevelopment project. What we have on these 55 acres, we took away 1.3 million, replaced it with about 840,000 square feet of mixed use, transit-oriented development. It's composed primarily of 350,000 square feet of retail, about 40,000 square feet of office. I actually at the time had hoped we had been able to bump that up because it's been very successful, but, again, at the time, it's an unproven product, and TOD in Denver and western communities is unproven. It has been very successful.

Housing. People were very -- a lot of people in our organization, in fact, were very resistant to that, but that has turned out to be very, very successful. And I will talk about that.

We were also able to anchor this project with civic uses. And civic use was an important major value to the project. And I would like to also point out we had included about a \$3,000,000 art collection. And in a lower-income community, that was just unheard of. But I'll talk a little about that also.

What we ended up, as you see here, is -- it looks like a lot of parking, but it was a very difficult balance to make sure parking and transit all worked together. But you'll see right here, this is the light rail station, a two-acre civic space, our civic center building, housing. We actually have a Wal-Mart on the property and retail uses and retail neighborhood uses. Wal-Mart was a very important aspect to this project. And I heard a murmur out in

the audience. And I heard rumors over the years. But interesting, when we were going through the process, the community process, people kept saying they want a large general merchandiser, either a Target or a Wal-Mart or KMart. And at the time, Target wasn't expanding. They weren't coming into the market. We already had a KMart. So we went and talked with Wal-Mart, and they were interested in being here. They didn't want this particular configuration, and it was very difficult to negotiate with them, but they ultimately chose to be here. And they have been important not only to the financial success of this project, but they really helped meet the needs of the community. And in an urban setting, they didn't actually have a negative impact on all the existing businesses.

We also took a very unusual role. The city actually took on the role of developer. There's a variety of reasons, but the primary one would be the development community did not believe in the fact that TOD could work, and the city believed it would. And we took on that role.

Now, I didn't know anything about development at the time. I have become a lot more aware, but -- it's not one of the things I'd recommend, but we did take on the public role of acting as the master developer on this project. So we acquired the property, we ended up doing the planning, the programming, participation, and all that on this project.

Planning, I ended up hiring Pete Calthorpe out of California to do some of the framework of the plan to make it work. So we created the structure.

And one of the important things that he and I talked about was creating a central place. And that's a very overused word, but it's very important because Englewood is an older community. It needed to be a place where people understood it was distinctive and special.

And so I would tell you it's important to create something that's authentic, diverse, because we didn't want to see a dead mall come back on us again, so we tried to create a diversity of uses. And we wanted to make sure that it was safe, because creating that safe, secure place is extremely important.

And finally, this project, if you want to call it that now -- it's really a place -- really connects back into the community.

To do this in a lower-income community with not a lot of money, Englewood was truly special. We contributed over 50 percent of our total dollars, public dollars, to making this predevelopment project work. It was about a \$38,000,000 predevelopment budget. Of that, the City of Englewood contributed 18. A significant portion of that came from the civic center building. And I could talk to you all about that at the break. But then we also created a whole series of partners to make this come about. And we acted, again, as developer, and so we literally sold parcels to retail developers, sold parcels to our residential developer.

I will give you a quick example of the value creation on this project, about why TOD, at least in western cities, actually can work. And it's the Alexan City Center. We sold to Chemico Residential,

and one of the important things we learned is that on 10 acres they built 438 residential units on those properties. They built those units for about \$105,000 per unit, and then were able to sell them 18 months later to USB Bank for about \$120,000, and that was a phenomenal profit that they achieved. And they were the ones who also said in the beginning, "We are not sure this is going to work, because transit and suburbs don't always go together." So it can be proven.

Another thing that we've done as a community to help extend the value of this project back into the community away from the transit station is implement a transit shuttle. And we called it the Art Shuttle for a variety of reasons, but, again, it starts at the transit station and it goes on for about a two-mile loop on 10-minute headways. It's free. It is subdivided by the city, some local CMAP dollars and federal dollars. It's on a three-year program. It's going to be phenomenally supported because it has right now over 17,000 riders per month. But the value of it is that on this fixed bus guideway that we have created away from the transit station, each one of the new transit stops is beginning to act like a new transit center, and so we are beginning to see development interest and density beginning to occur all along this route.

Finally, we like to think it's programming, but it's always about the people, and try to make sure that whatever you do in these kinds of projects, it's always about bringing the people back into it, paying attention to their needs. And so what we did is in the beginning I had a councilperson who said, "Bob, you really need to go out and talk to not-for-profit

on art." And I thought that she was crazy, because we were in a community that couldn't afford that, hadn't ever seen it before. But she was persistent. And I am too. And so I went and did the discussion. And interestingly enough, the interests were very much aligned. And what we were able to do is create a partnership with this not-for-profit that was located in another very affluent suburban location, brought it into the community, the Museum of Outdoor Art. And what they brought with them is the stuff you see, which is sculpture, into the project. It created some soul. Ed Blakely was talking about it's so important making a sense of place. But the important thing is they were also able to bring classes. And so we created programs for the school district and created the ability for art to become part of everyday life for our citizens. And I think that's what a lot of some of our partnerships become.

There's also in that public space, that two-acre public space near the transit system, we created an amphitheater. And we hold free public performances during the summer months when we don't have the snow. And it's become a place where people come and gather.

The TOD results. And I will quickly get to the end here. What this project has done and created -- and I think it's important -- is that we have created the fiscal ability for Englewood to continue to provide services. And that was very, very critical. We generate over \$2 1/2 million in revenue for the city annually. We created 1,500 new jobs. And it has had a very strong catalytic effect on creation of new projects off-site as people want to be there.

I think it's creating new housing choices and has really been able to focus people to look at Englewood when, in the past, they would never have given us a glance.

It's created some new transportation choices, too, which I am very pleased with. We have never contended that transit would be everything for everyone. It provides choice. And it has alleviated some congestion in the community. And probably as much as anything, it has had the very valuable effect of being able to cause people to see physical evidence of what TOD can do and what it can look like. And as a result, as you all know, the Denver area passed our Fast Track initiative a year ago, and we began the process of building 119 miles of light rail throughout the region. And it's because Denver is a very congested location. We are working to change that.

The one that shouldn't be, you know, missed is the fact that it gave us a new confidence. It really is evident in the community. People come there, they know, and it really is a place that they know we can do it and make a difference.

Lessons learned, really quickly. These transit-oriented developments are not easy. You have to be persistent. Either public or private, you have to be persistent and you have to work with the public sector to make sure that not only are they providing vision, but they are also participating, because unless you do that, it will not happen.

We learned a lot of lessons along the way. I can talk to you individually too. But create

regulations that are flexible enough to be adaptable.
The market's changed so rapidly, and these projects
are so long that you have to create flexibility.
Create parameters, frameworks, but keep them flexible.

You have to create a distinctive place and
remain competitive. And, finally, cooperate,
communicate, and coordinate.

Thank you.

(Applause.)