

NEWS > YOURHUB

Why did Arvada sell 9 acres of land for \$30 when it's worth nearly \$6 million?

The site near the G-Line station is slated for mixed-use development



Image provided by Arvada Urban Renewal Authority

An artist rendering depicting an aerial view of the planned development at what is currently an RTD Park-n-Ride lot on Grandview in Olde Town Arvada.

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A slew of transit-oriented development has occurred in Arvada in recent years with little opposition. But controversy is bubbling over a deal in which a developer paid \$30 to [Arvada's Urban Renewal Authority](#) in exchange for land in Olde Towne Arvada worth nearly \$6 million.

City officials say the property requires costly mitigation before construction can begin and it offered incentives to attract qualified developers to invest in the city. They also say the finished project will bring in far more in sales taxes and other benefits than was lost in the property transfer. Critics believe the property — next to a soon-be-completed light-rail station — should have been offered on the open market.

[Trammell Crow Co.](#), a commercial real estate developer and investor, has signed on to create a mixed-use, transit-oriented development with housing, restaurants and shops on the property, now the [site of a Park-n-Ride lot](#). The company was a lead developer of the adjacent 600-spot parking garage, [which opened in February and will serve the RTD's Gold Line station](#) when it opens, and also worked on Denver's highly touted Union Station transformation.

Some residents, including Dave Palm, who [ran for City Council two years ago](#) and describes himself as a “thorn in the city's side,” are unhappy with the decision.

“This is the city trying to dictate what will go there,” Palm said. He believes the decision should have been left to the free market. “The city is incentivizing this multimillion-dollar piece of ground,” he said.

Incentives were necessary to entice developers to invest in the site, said Maureen Phair, executive director of AURA. There is a large hill on the property and a 6-foot-diameter sewer line runs diagonally across the property and cannot be built upon, rendering a large section of the land “unusable.” As a result, a developer must invest a lot of money to build on the lot, according to the city. Trammel Crow's project is estimated to cost at least \$70 million, including \$13 million for a two-level parking garage (a price tag increased by costs to excavate a portion of the existing hill and build retaining walls).

An executive oversight committee composed of representatives from the three entities that owned the land — RTD, AURA and the city — began looking for a developer in 2007. The committee wanted a transit-oriented, mixed-use development that would minimize use of private vehicles, limit surface parking and promote economic vitality for Olde Town.

The committee was upfront about the complexity of the site and the ideal project, Phair said. It reached out to more than 260 companies and by 2012 only 10 had responded, Phair said.



A view of what the RTD Park-n-Ride lot on Grandview Avenue in Olde Town Arvada currently looks like.

“(Trammell Crow) is a top-notch developer and it was an absolute coup for this executive oversight committee to get someone of that quality,” Phair said.

However, Palm doesn’t think it was the committee’s decision to make. “I would rather have seen AURA stay out of it and seen what would have happened to it in the free market,” he said.

City representatives say leaving development to the open market likely would have resulted in a strip mall instead of the multi-use project Trammel Crow will build.

“We’re still struggling, frankly, with how to make the project work to make it affordable,” said Bill Mosher, senior managing director at Trammell Crow. But, he added, “We pride ourselves on doing quality projects in quality locations. We like doing projects that redefine redevelopment.”

“A lot of people just don’t want to see growth in Olde Town,” said John Kilijan, a resident who supports the transaction. “It’s not an issue about free land, it’s an issue about whether we want transit-oriented development. If the city is going to grow, it should grow where people aren’t going to have to drive cars.”

Mayor Marc Williams said the deal is about long-term benefits for the city.

“Way down the road, by having the higher-density, mixed-use (development), it will provide sustainability for Olde Town. It will reduce having to build more homes on the outside perimeter, which will reduce traffic,” he said. “One option was to leave (the property) as a parking lot, but we don’t think that’s the highest and best use.”

Phair and Williams believe critics are less concerned with the \$30 deal than with other aspects of the development. After all, details of the negotiation between AURA and Trammell Crow were announced at a public meeting in December 2015.

“I think the reality is there are a few people who don’t like urban renewal or don’t like the height of the building who thought this would be a good way to say we were just giving away land,” Williams said.

Phair says the 256-unit, six-story apartment complex — which includes the two floors of parking— is the real concern. Some fear the building will block the “grand view” of the mountains from Grandview Avenue.

[Project details shared by AURA](#), indicate views of the Front Range will remain unhindered. “... the western section of the structure is only two stories tall, which keeps ‘the important mountain view intact,’” documents state.

“We want to preserve the view. We’re not here to ruin Olde Town, we’re here to enhance it,” Phair said.

John Malito, [a candidate for City Council](#), said there’s little trust between the project’s proponents and opponents.

“My suggestion is that an independent counsel be appointed to objectively review this project in its entirety and provide an objective and impartial recommendation as to the course of action to be taken for this 9-acre parcel of land,” said Malito.

Phair says it’s too late for that. “We have a signed disposition and development agreement with Trammell Crow, so it’s not up to us to change our minds.”

“I’m disappointed,” Williams said of the negative attention the project has received. “But I still think it’s the right thing to do.”

Williams and Phair encourage anyone with concerns or questions about the sale and planned development to look at the [list of frequently asked questions \(FAQ\) online](#).