

Downtown Denver is booming, but it is a tale of two cities

By Jeremy P. Meyer *The Denver Post* *The Denver Post*

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Chris and Jennifer Livingston are part of a new wave in downtown Denver that has transformed the area over the past decade.

The downtown population has boomed, increasing 142 percent since 2000. Businesses are relocating to downtown, hotels are rising and the city center is becoming a playground for millennials. Clubs, restaurants and even a miniature golf course are now part of the downtown scene.

There is another side to the boom, apparent in the doorways at night, where homeless people set up instead of heading to shelters. And the city continues to wrestle with what to do about public drug use that has offended tourists and residents.

City officials are balancing the need for more affordable housing with the demand from people who will pay top dollar for downtown lofts. Homeless advocates say the lack of transitional housing, shelter space and services has created an almost intractable problem in the downtown area. The need is for at least 25,000 units, they say, when city officials are proposing only 3,000 over the next five years.

The Livingstons, however, have found their dream home.

"We love it," said Jennifer Livingston, 33, who moved here from Los Angeles, selling off her car and renting with her husband a two-bedroom Riverfront Park loft. The couple is pregnant with their first child and looking forward to growing their family with the blossoming city.

"We wanted to live in a city that had an easier way of life, quality life. Affordability," Livingston said. "We are nature people and love the mountains. We wanted to be in a vibrant community. ... We love walking to Highland and being on the green space."

Once a sleepy city that shut down at night, downtown Denver's streets now come alive after 5 o'clock.

Denver has become the [No. 1 destination city](#) for millennials, people born between 1981 and 2000, according to the Brookings Institution.

"Research shows these individuals are looking for great transit, walkability, sporting events and inclusive environments," said Tami Door, president and CEO of the Downtown Denver Partnership that just released its [State of Downtown Denver report](#). "Denver has done an amazing job to strategically build the city to put that infrastructure in place."

More than 17,500 people call downtown Denver home — a count expected to grow by nearly 18 percent over the next five years. Three-quarters of the downtown population is white, nearly 60 percent has a college degree, and the average age is 33 with an average annual household income of \$76,263. A fourth of them don't own a car.

More than \$630 million in downtown projects were built last year, adding more than 2.2 million square feet of new space. Of the 26 projects under construction, 15 are residential. When completed, downtown

Denver will have more than 2,800 additional residential units — more than the total number of downtown residential units just six years ago.

[Zocalo Community Development](#) has two high-rise apartments and another one coming in December in downtown Denver with nearly 600 total units among the three.

Each complex comes with fully equipped bicycle maintenance shops for the residents and fleets of bikes to borrow. They are LEED-built residences with energy-saving touches like solar panels, and they're located near transit routes.

"People choose downtown for the lifestyle, the energy and it's close to their work," said Susan Maxwell, Zocalo principal. "The only thing that is missing is a nice grocery store."

But [King Soopers has a store](#) planned at 20th Street and Chestnut Place to serve the thriving area. And Denver Public Schools will locate its [first downtown school in a building at 1860 Lincoln St.](#) this spring.

Residential growth coincides with a boom in business. More than 27 million square feet of office space serves 115,020 employees, and roughly 3.2 million square feet of retail space, stores and restaurants brings in a whopping \$37.5 million in sales tax revenue every year.

"Downtown Denver is important economically not only to the city of Denver but frankly to the state of Colorado," said Paul Washington, director of Denver's Office of Economic Development. "For that reason, the mayor and the office of economic development pay close attention to the strength and vitality of the city's core."

Denver is looking at using about \$65 million of revenue from sales and property tax increment financing for further improvements downtown, including an estimated \$14.3 million for a downtown plaza at 14th and California, \$30 million to refurbish the 16th Street Mall and \$5 million for homeless facilities. The revenue also would provide \$1.75 million to finish the King Soopers and \$3.3 million for improvements for the new school.

The city has passed laws such as the [Unauthorized Camping Ban](#), which arguably was intended to clear the central business district of vagrants who could legally sleep in public at night. And city lawmakers are looking at a law targeting pot smoking on the 16th Street Mall and parks, even though public smoking already is illegal.

"There is another story going on here," said David Zucker, co-founder of Zocalo Development.

"The center city appears as if it is better, but it is not," he said. "You squeeze the toothpaste and it goes elsewhere. It squirts into the Ballpark neighborhood, Curtis Park. Right after the camping ban, you started seeing a nightly influx of homeless people seeking every nook and cranny to sleep.

"We have an incredible opportunity to create a set of distinct, discrete neighborhoods, all of them vibrant and inclusive. ... But without an all-encompassing approach, the goal we all have to make Denver a truly great city is at risk."

Downtown Denver is lacking shelter beds for the homeless, transitional housing and even just workforce housing, said John Parvensky, president of the [Colorado Coalition for the Homeless](#).

"You can't deny there are a lot of great things happening downtown, but clearly it is a tale of two cities," Parvensky said.

Parvensky said the city's fundraising efforts for homeless services fell, forcing nearly a \$1 million cut in Coalition services. Millions of dollars pour into downtown, he said, citing last month's approval of a 10-year contract with VISIT Denver to direct \$15 million a year from hotel taxes to the tourism agency. Meanwhile, Denver's Road Home's budget request for 2014 is \$6.3 million, he said.

After the camping ban, city officials promised anyone who wanted shelter would get it and that services would be there to help. Parvensky said those promises have not been fulfilled.

"Shelters haven't been sufficient to meet the need, or appropriate for individuals who continue to be homeless," he said.

Denver's Road Home director Bennie Milliner last week asked City Council for \$1 million more to pay for expenses related to the cold weather shelter plan that includes busing homeless men out to recreation centers every night. Milliner said the city has kept up with its promises, adding mental health professionals to the street outreach team and creating more shelter space this year.

Before the camping ban, the city had 867 shelter beds. After the ban, 360 year-round beds were added. For winter overflow, now 1,454 beds have become the standard.

The city has been unsuccessful in finding new permanent shelter space and is seeking a facility for a permanent "rest and resource center."

"We have been actively courting the commercial market," Milliner said. "But we are finding that sometimes they can't hang up fast enough."

Mayor Michael Hancock's goal is not to build more new shelters, Milliner said.

"Our emphasis needs to be on transitional housing," he said.

Hancock [has acknowledged](#) the city hasn't done enough to provide affordable housing — including creating transitional housing and "workforce housing units."

Now, according to the Office of Economic Development, 19 percent of the 13,000 residences in downtown Denver are "affordable." But that percentage is expected to fall as more market-rate housing is built.

Hancock has proposed \$3 million in 2014 to launch an affordable housing fund that would help create more affordable housing. His goal is 3,000 affordable units within five years. He also is encouraged that 60 units are planned to be built next to Union Station. And Door from the Downtown Denver Partnership said her group has developed formal strategies and goals to add as many as 18,000 affordable units to downtown by 2027.

Parvensky of the Homeless Coalition said the goals are "a drop in the bucket" when the current need exceeds 25,000 units.

"The measures being talked about at this point are totally inadequate," he said.

A few council members studying the downtown report noted the lack of diversity among people moving into downtown. The Downtown Denver Partnership's report said 8.3 percent of downtown residents are Latino compared with Denver County's overall Latino population of 31.5 percent.

"I want to see downtown Denver be a place where everyone can live and enjoy despite your background and income level," said Councilman Paul Lopez, who voted against the tax district for downtown, outraged that tax money would subsidize a grocery store for a wealthy community.

"It should not mirror Manhattan. That shouldn't be a goal for downtown Denver. How can we struggle to create grocery stores in communities of color, but at the snap of finger we can create money for a downtown store?"

Councilwoman Judy Montero, whose district includes parts of downtown, said challenges will continue to exist for the city as the growth continues.

"Denver really runs the risk of becoming an elitist city," she said. "With development and transportation build-out and all of these transit stops, the idea was for this to be mixed income and equitable. ... We have to find a middle. We have to find a balance."

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142%

The downtown population increase since the year 2000

18% The expected population increase of downtown's 17,500 residents in the next five years

\$630 million The amount spent on building projects in downtown in 2012

15

The number of projects under construction - out of 26 total - that are residential