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From the Denver Business Journal:

<https://www.bizjournals.com/denver/news/2018/04/17/why-renovation-of-historic-hotel-building-is-this.html>

## Why renovation of historic hotel building is this Denver developer's 'most complicated project'

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Apr 17, 2018, 6:00am MDT

Not many people have built a ship in a bottle.

That's similar to what developer [David Zucker](#) of Zocalo Development is facing right now with one of his Denver projects.

Zocalo is redeveloping an historic building at First and Broadway, in the Baker neighborhood, into an affordable housing complex with 102 affordable units using a 4 percent state tax credit.

The rent for a studio in the finished renovation and rebuild will be around \$882 and \$945 for one bedrooms, with four retail spaces on the ground floor. Tenants for the retail spaces haven't been confirmed.

The building was once the 1st Avenue Hotel. Opened in 1907, the hotel offered single-room occupancy for itinerant workers at affordable nightly rates.

As decades passed, the building went through various owners and was used for a variety of purposes. In 1978, the upper two floors were deemed uninhabitable due to the lack of electricity and water.



COURTESY OF JG ARCHITECTS, INC.

The historic Denver building at 101 Broadway was originally a hotel built in 1906.

The eventually city closed the building in 2013 for code violations, when it was home to the El Diablo Mexican restaurant in a dispute over un-permitted repairs. It was sent to the bankruptcy auction block in 2015.

## **DESIGN**

The project includes restoring the historic building to modern standards, while building an additional section without damaging the existing historic building.

Zucker called it the most complicated project he's ever worked on.

"Half of the project is adaptive re-use of a historic building," he said. "Half of it is construction."

The four existing stories of the building will be remodeled, and the new construction will be five stories.

Zucker said it's crucial that the new five story building is "sympathetic" to the old one.

The building has an historic structure designation by the National Park Service, and approved similarly by the Denver Landmark Preservation agency.

Zucker said this entitlement process, which involves getting the necessary building and zoning permits, took an extra nine months than if they had just built a brand new structure.

## **LABOR**

Another challenge facing the site is attracting labor.

"It takes a certain kind of subcontractor to work in a historic building," Zucker said.

He explained that there are a lot of unknowns when workers "rip" into a wall. Plus, there's the added complication of fitting mechanical systems and modernizing the 100 year-old-building without doing harm.

Zocalo had to find a subcontractor that could work with a historic building and one that would also work on the new building.

"All the subs are so incredibly busy, so getting anybody's attention is tough now," Zucker said.

## **COST**

Controlling the costs of an affordable housing project is increasingly difficult, Zucker said, as construction costs have been increasing 11 percent annually in recent years.

The project has a loan from the city, state tax credits, national credits, a lender and is working with Denver Urban Renewal Authority.

"We have labor, we have approval, and we have financing," Zucker said. "Now, we have to figure out how to make all of this fit. We have to be really careful about what the national parks service lets us touch."

## **NEIGHBORHOOD ACCEPTANCE**

However, Zucker said he was wrong about how much pushback he'd get from the neighborhood.

Zucker said that most everyone in the Baker neighborhood recognizes the importance of affordability.

He thought it would be a challenge to convince the neighborhood to let the project go forward but Zucker said the residents want something good to happen with the space.

### **Kelcey McClung**

Reporter

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