

APPENDIX C

ECONOMIC AND HOUSING ANALYSIS

In support of the comprehensive plan, BBC Research & Consulting (BBC) provided the city with an analysis of economic and housing data that documented trends related to jobs, income, retail sales, housing values, affordability, and occupancy. The effort also included an analysis of Arvada’s “Opportunity Areas” as defined in the comprehensive plan.

This executive summary provides a synopsis of the salient information presented in the appendix. It is organized into three sections:

- Economic and Commercial Market Snapshot
- Housing Market Snapshot; and
- Opportunity Area Analysis.

For more information on Arvada’s housing and economic characteristics, as well as an analysis of Arvada’s “Opportunity Areas” as defined in the comprehensive plan, please refer to the full report, which is available at the Arvada Community Development Department office.

ECONOMIC AND COMMERCIAL MARKET SNAPSHOT

Arvada’s economic and commercial market analysis was shaped and targeted by the community development goals adopted by City Council in early 2013.

STRATEGIC PLAN GOALS

These goals cover the wide range of municipal concerns including economic and commercial development, housing, transportation and other items. The Strategic Plan's goals relating to economic and commercial development that City Council has set forth are:

- Create 1,000 new jobs, located in urban centers;
- Create 800 non-retail jobs
- Create \$350 million in private sector capital investments by 2019;
- Complete Arvada Ridge Transit Oriented Development site vehicle and pedestrian access improvements by 2019;
- Complete the Jefferson Parkway by 2017; and
- Establish the Wadsworth Corridor as a cultural and activity district by 2017.

These goals reflect the desire among City Council and residents alike to see Arvada continue to make the transition from a “bedroom community” of residents, who commute outside of the city to work and recreate, to a complete community offering cultural and recreational activities and more employment opportunities.

ECONOMIC AND COMMERCIAL REAL ESTATE MARKET DATA SNAPSHOT

The following items summarize data gathered on current employment, income, retail sales, sales tax and commercial real estate markets.

Economic Data

- After a moderate dip during the recent recession to 24,000, total jobs recovered to about 24,600 by the end of 2011. The cyclical recovery has since continued, but job numbers remain limited relative to Arvada's population.
- Arvada's jobs to housing ratio (0.55) is lower than that of several comparable surrounding communities. Arvada's jobs to housing ratio indicates one job for every two households and significant out-commuting for employment.
- As of 2011, Arvada's median household income was over \$67,000, greater than that of Jefferson County (\$64,000) and the Denver Metro Area (\$59,000). Other than a recession-related pause in 2009-2010, Arvada's trend has been upward and should continue to climb in the near future.
- The City's median household income (\$67,000) is also higher than that of several peer communities, including Thornton (\$62,000), Westminster (\$63,000) and Wheat Ridge (\$48,000).
- Between 2000 and 2011, Arvada's median household income grew from \$56,000 to \$67,000. Income growth in the western portion of the city accelerated in particular.
- Arvada's retail sales per household (\$48,000) are low relative to its peer communities. Sales are higher in Westminster (\$70,000) and Broomfield (\$78,000) largely due to the fact that they are each home to a regional mall, keeping retail spending among their residents within city limits and attracting outside spending. Broomfield also has fewer households than Arvada.
- Sales tax revenue dropped in cities across the country during the recent recessions, not excluding Arvada. As retail spending increased, sales tax revenue recovered in the past two years. Arvada's sales tax revenue did not drop dramatically because a large share of city sales taxes comes from grocery and utility sales. Arvada's sales tax revenue is on an upward trend, rising from about \$41.5 million in 2008 to \$43.9 million in 2012.

Commercial Real Estate Data

- Vacancies have declined in Arvada retail, office and industrial property markets since the peak of the recession, indicating economic recovery and business move-ins and/or expansions.
 - As of the third quarter of 2013, the Arvada office market vacancy rate was just over nine percent, substantially lower than that of the Denver metro office market (19 percent). Small vacancy fluctuations, like the minor rise in 2013, are common in relatively small office markets like Arvada.
 - Retail vacancies in Arvada averaged just under seven percent as of the third quarter of 2013, well below the corresponding rate of 11 percent for the Denver metro as a whole. Persistent retail vacancies this low could entice development of new retail space or redevelopment of existing buildings, which could potentially boost retail sales and sales tax revenue for the City.
 - Industrial vacancies are the lowest of Arvada's three primary commercial real estate types. As of the third quarter of 2013 the average vacancy rate was just over four percent, compared to over 10 percent for the Denver metro.
- The following provide details on the location of important commercial clusters. Maps are provided in the full version of the document.
 - Arvada is currently home to about 5.1 million square feet of industrial space, distributed among about 250 different properties. Existing industrial locations are concentrated in a few specific areas in the City.
 - The majority (over 60 percent) of industrial square footage is in the southeast corner of the city, in the Interstate 70 industrial corridor. Secondary industrial nodes are found near the intersections of Indiana Street and 64th Avenue and Ward Road and 52nd Avenue.

- As of fall 2013, most of the vacant industrial properties are located in the industrial southeast corner of the city, including virtually all vacant spaces of significant size. Of the existing industrial properties, 22 properties are at least partially vacant, totaling about 200,000 square feet.
 - Arvada is currently home to about two million square feet of office space, distributed among about 150 different properties. In terms of square feet, there is less than half as much existing office space in Arvada as there is industrial or retail space.
 - Office buildings are spread out across broader areas than are retail and industrial buildings. However, high concentrations of office space are found on Ralston Road, between Wadsworth Bypass and Arvada Triangle, and along Ward Road, near 52nd and 58th Avenues. Other office properties are scattered throughout the eastern two-thirds of the city.
 - As of fall 2013, about 30 properties are at least partially vacant, totaling only about 200,000 square feet.
 - Arvada is currently home to about 5.6 million square feet of retail space, distributed among nearly 300 different properties.
 - Retail locations are concentrated in a few specific areas in the city: the Wadsworth Corridor (especially near Olde Town, Interstate 70 and 80th Avenue), Ralston Creek and the area surrounding the Indiana Street/64th Avenue intersection. Over 55 percent of retail square footage in Arvada is found along the Wadsworth Corridor between I-70 and 88th Avenue.
 - Of the existing retail properties, 44 properties are at least partially vacant as of fall 2013, totaling about 350,000 square feet.
- While much Arvada’s vacant land is either protected as open space or zoned residential, the study team identified about 40 such vacant commercially zoned properties throughout the city, as of fall 2013.
 - Much of the land available for non-residential development is in the less dense western portions of the City, including several parcels along the Indiana Street corridor. A few pad sites are scattered in the northeast quadrant, while a pair of mixed use sites are located along the southern reaches of the Wadsworth corridor at 56th Avenue and Wadsworth Bypass and 51st Avenue and Yarrow Street. The largest parcels of developable land are three contiguous parcels in the Candelas area, totaling nearly 600 acres.

SUMMARY – ECONOMIC AND COMMERCIAL MARKET

Although Arvada is home to a relatively low number of jobs, household incomes are high and rising, especially among residents in the western side of the City. Retail sales revenues are also limited relative to Arvada’s sizable population which is growing in income and numbers. Capturing more retail sales dollars would boost sales tax revenues for the city, which are largely dependent upon grocery, utility and general household goods sales.

Commercial real estate markets are small in terms of square footage, but vacancy rates are healthier than those of the Denver metro as a whole. The City’s vacant retail space is scattered along the Wadsworth corridor, while its small amount of vacant industrial space is concentrated in the City’s southeastern corner. Additional industrial properties may be required to lure warehousing or manufacturing activity. Office properties are somewhat limited in number, though vacant spaces exist on the Ralston and Indiana corridors.

Several commercial, industrial and mixed-use parcels of vacant land are available for development, specifically at Candelas and along Indiana Street. Traffic counts are highest along the denser eastern arterials and retail sales are also highest along the high-traffic corridors. Retail prospects could improve elsewhere in the City, pending road improvements.

HOUSING MARKET SNAPSHOT

Arvada's housing market analysis was shaped and targeted by the housing goals adopted by City Council in early 2013. These goals cover the wide range of municipal concerns including housing market characteristics. The housing-related goals City Council has set forth are:

- To have 25 percent of new housing located in urban centers; and
- For 50 percent of identified neighborhoods to have organized neighborhood associations.

These goals reflect City's government and residents' desire to increase housing density in specific areas, diversify the housing stock and promote greater neighborhood cohesion within the City. Both goals are to be achieved by 2019.

HOUSING MARKET DATA SNAPSHOT

The following items summarize data gathered on current housing age; housing value; homeownership; multifamily vacancy; and affordability gaps.

Age, Value and Tenure

- Arvada's housing stock is relatively old. About 63 percent of the Arvada's housing was built before 1980, considerably more than in Broomfield (32 percent), Thornton (29 percent) and Westminster (41 percent). Wheat Ridge, an older and denser community, has a higher percentage (85 percent).
- Over 80 percent of housing units in eastern Arvada were built prior to 1980. The City's growth in the western side of town in recent decades has brought newer housing options to the area. In western Arvada, less than 40 percent of housing units were built before 1980.
- Arvada has approximately 43,000 households and a homeownership rate of about 74 percent, compared to 67 percent for the State of Colorado.
- Arvada has a higher percentage of owner-occupied housing (74 percent) than the other communities, including Broomfield (72 percent), Thornton (72 percent), Westminster (66 percent) and Wheat Ridge (57 percent).
- Homeownership rates are lowest in some of the most densely populated areas of the city, particularly near Olde Town. The Wadsworth Boulevard and Ralston Road corridors also have relatively low rates. Much of the rest of Arvada, including the entire western and north-central portions, have high homeownership rates—above 80 percent.
- Arvada has a higher proportion of single-family homes (71 percent) than Broomfield (66 percent), Thornton (63 percent), Westminster (58 percent) and Wheat Ridge (56 percent).
- Arvada's median home value is about \$240,000 as of 2011. This is slightly higher than that of Thornton (\$212,000), Westminster (\$225,000) and Wheat Ridge (\$236,000), while Broomfield's median value is considerably higher (\$270,000). Arvada's median value has been rising over the past several years with the addition of several high-end neighborhoods being built out on the western side of the City.
- While Arvada's housing stock primarily consists of owner-occupied, single-family homes, multifamily structures make up about 29 percent of the City's housing units. Most of these units are located in the eastern portions of the City, with the highest concentrations in the vicinity of Olde Town.
- Apartment vacancies have gradually fallen in Arvada, Jefferson County and the Denver Metropolitan Area over the past decade. Arvada's rates are very low at about 4 percent as of 2013, the lowest they have been in years and some of the lowest in the metro area.

- Median rents in Arvada are just over \$900 per month, which is slightly lower than Broomfield (\$1,000), Thornton (\$991), Westminster (\$973), but higher than Wheat Ridge (\$796).

Housing Affordability Gaps

To examine how well Arvada’s current housing market meets the needs of its residents—and to inform potential future city housing policy—the study conducted a modeling effort called a “gaps analysis.” The analysis compares the supply of rental and for-sale housing at various price points affordable to Arvada households at various income levels. The analysis compares the number of renter households in Arvada in 2011, their income levels, the maximum monthly rent they could afford without being cost-burdened (30% of income), and the number of units in the market that are affordable to them.

Affordability for renters has two components: mismatches in the rental market and ownership opportunities for renters wanting to buy. The gaps analysis conducted for renters in Arvada addresses both rental affordability and ownership opportunities.

A similar gaps analysis was conducted to evaluate the market options affordable to current homeowners who may wish to buy up or downsize in Arvada. The model compared homeowners, their income levels, the maximum monthly housing payment they could afford, and the proportion of homes in the market that were affordable to them.

- The rental market in Arvada largely serves renter households earning between \$25,000 and \$75,000 per year—74 percent of rental units are priced within that group’s affordability range.
- The market fails to adequately serve the 39 percent of renters earning less than \$25,000 per year—only 21 percent of units are priced within that group’s affordability range. There are 3,899 renters earning less than \$25,000 and 2,293 units affordable to them, leaving a gap of 1,606 units.
- As in many housing markets, homeownership in Arvada is relatively unaffordable to renters in lower income brackets. Only 8 percent of homes for sale in 2012 were affordable to renters earning less than \$35,000 per year, while 47 percent of Arvada’s renters have an income of or below \$35,000. This represents a Renter Purchase Gap of 39 percent for renters of that income level who want to buy a home in Arvada.
- Over 65 percent of the homes for sale in 2012 were affordable only to renters earning at least \$50,000, while such renters only comprise 33 percent of Arvada’s renting population. This represents a positive renter purchase gap of 32 percent for housing affordable to those earning at least \$50,000, showing that this portion of the market is over-supplied.
- The homeowner purchase gap for homeowners who earn \$35,000 or less (10 percent) is far smaller than that of renters wanting to buy who earn roughly the same amount (39 percent).
- Unlike the case of renters wanting to buy, there is an undersupply of homes in Arvada attainable to current homeowners in high income brackets. Homeowners who earn at least \$75,000 per year comprise 49 percent of all Arvada homeowners. Of the homes for sale in 2012, 31 percent were affordable only to those earning at least \$75,000. This represents purchase gap of 18 percent, indicating that the Arvada housing market could absorb additional high-end housing.
- In the market for current homeowners looking to buy a different home in Arvada, there is an oversupply of housing available to those earning between \$35,000 and \$75,000, and there is an undersupply of housing affordable only to those earning over \$75,000.

Housing and Future Demographics

Arvada’s population is expected to grow and age over the coming decades necessitating housing expansion and indicating that diversification of Arvada’s housing stock could be advantageous to the community. BBC analyzed expected future household characteristics such as age of householder and family status, and compared that to Arvada’s current housing stock to provide information on what types of housing Arvada should focus investment in the future.

- Of Arvada’s nearly 43,000 current households, 43 percent are headed by someone in the 45 to 64 year-old age cohort. A significant proportion (23 percent) is headed by someone 65 years of age or older.
- Arvada’s median age is 41, indicating the city contains a mature population. As the city’s significant middle-aged adult population grows older, median age is expected to rise to 52 years by 2035.
- As such, the number of households headed by someone 65 years old or older will significantly increase to about 42 percent of all Arvada households.
- Arvada will have roughly 15,000 more households in 2035 than it currently does, with nearly all of that growth coming in the 65 and over age cohort.
- Arvada’s current housing count of about 44,000 units is roughly 13,000 units short of the projected 57,000 households that are expected to reside in Arvada in 2035.
- As the number of households in Arvada grows over the coming decades, household composition will change considerably. A 48 percent increase in the number of non-family¹ households in Arvada is expected by 2035, compared to a 28 percent increase in family households.
- In Arvada, median non-family household income (\$37,000) is less than half that of family household incomes (\$78,000).
- About half of Arvada’s current rental units are affordable to a household earning the median non-family household income, while virtually all rental units in the city are affordable to a household earning the median family household income.²
- Only about 9 percent of Arvada’s ownership units are affordable to a household earning the median non-family household income, while about three-quarters of ownership units in the city are affordable to a household earning the median family household income.³

Summary - Housing

Arvada’s housing stock is aged, but new development in the west and near Olde Town is infusing new product into the City. Older, lower-value homes fill the denser eastern reaches of the City, while newer, high-value homes are becoming increasingly abundant in the west. Relative to comparable neighboring communities, Arvada’s stock is of higher value and contains a greater proportion of single-family and owner-occupied housing units.

The City’s multifamily housing stock represents about 29 percent of all housing, and very few units are currently vacant, though rents remain slightly lower than in surrounding communities.

Housing gaps analysis reveals that low-income residents have significant difficulty finding either affordable rental or for-sale housing. For current owners looking to buy up or downsize, the market for middle-income households is oversupplied, while the market for low- and high-income owners is undersupplied.

The community’s aging population will likely require a more diverse housing stock than the city currently offers. Many residents over the age of 65 may desire smaller, denser housing units near shopping and community amenities. They will likely require more easily accessible housing as well due to higher incidence of physical disability and decreasing mobility.

¹ A non-family household, as defined by the Census, include individuals living in the same household, not related by birth, marriage or adoption. Single-person households are considered non-family households.

² Maximum affordable rent is defined as 30 percent of household income.

³ Maximum affordable home price is based on a 30 year mortgage with a 10 percent down payment and an interest rate of 5.25%. Property taxes, insurance and utilities are assumed to collectively account for 30% of the monthly payment.

Arvada's number of non-family households will grow more rapidly than its number of family households. This will create a greater need for housing at lower price points and in different forms, as non-family households generally have lower incomes. Meeting the housing demands of the city's aging demographic and increasing number of non-family households will be one of Arvada's most pertinent issues over the coming decades.

OPPORTUNITY AREAS

ARVADA RIDGE STATION

This area is a transportation node in south central Arvada and holds some appealing development opportunities, given the coming rail station. The subject area lies south of 56th Place, north of 50th Avenue, west of Kipling Parkway and east of Oak Street. The light rail station itself will be located just west Kipling Parkway and south of Ridge Road. It will be north of the Arvada Ridge Marketplace and southeast of Red Rocks Community College (RRCC) – Arvada Campus.

Strengths and Weaknesses

Arvada's desirability as a community will continue to attract more households and higher-income households, supporting retail sales. As a result, Arvada Ridge will see retail sales climb, as it captures demand from households in the immediate vicinity.

Arvada Ridge Station will bring consistent foot traffic to the area, and the presence of RRCC – Arvada Campus across Ridge Road could provide retail demand. The Super Target, a large portion of the existing retail space itself, also increases traffic to the area, supporting the sales of existing and future ancillary retailers.

On the downside, Arvada Ridge is and will continue to be merely a neighborhood shopping destination, unlikely to attract outside money. With most of the area built out, there is not much space left to be developed.

Development Opportunities

There are approximately 11 acres of raw land in close proximity to the commuter rail station, representing the primary opportunities for future development. The most appealing sites are across Ridge Road from the planned rail station and the northwest corner of Ridge Road and Miller Street. Tentative plans for a mixed use project with multifamily residential retail exist for the vacant areas. Retail prospects are limited due to poor access and visibility from adjacent arterials. Any additional retail development would rely on adjacent residential development and RRCC for a customer base.

INDIANA STREET CORRIDOR

The Indiana Street corridor is a commercial focal point in western Arvada and holds a number of development opportunities – namely, near 64th Avenue and near Candelas – as the area experiences significant residential growth and income growth in the coming years.

Strengths and Weaknesses

Western Arvada is as desirable of a suburban location as can be found in Denver metro area, thanks to its strong community, quality schools, new housing stock and proximity to both the mountains and Denver's urban core. The Indiana Street corridor will see retail sales climb and industrial absorption continue, as household growth and income growth will exceed regional and national averages in the foreseeable future.

The construction of the Jefferson Parkway will be a positive influence for commercial activity along the corridor, bringing greater connectivity from the area's neighborhoods to points throughout the metro area and pulling in more outside traffic to bolster retail sales.

On the downside, Indiana Street's lack of capacity for considerably higher traffic flows and current lack of connectivity to points east and south will limit economic growth in the near future. Indiana Street does not directly connect to any of the region's major arterials (e.g. I-70, US-36 and US-6) and as a result the corridor is somewhat cut off from exterior communities.

Due to this lack of connectivity and the limitations of existing road infrastructure, development opportunities are largely limited to two specific portions of the corridor – 64th Avenue and the Candelas vicinity between 86th Parkway and 96th Avenue. Virtually none of the corridor in between these two nodes is viable for retail development, though additional industrial space could be beneficial here.

Development Opportunities

As mentioned above, retail development opportunities exist in the northern and southern extremes of Arvada’s Indiana Street corridor. The most appealing area for commercial development is likely the intersection of Indiana Street and Candelas Parkway. This location not only sits among the homes being built at Candelas and Leyden Rock, but it will be easily accessible to the Jefferson Parkway’s planned Candelas Parkway interchange. This new transportation connection will allow for easier access to Denver International Airport, the Boulder Turnpike and the southwest metro area. Stakeholders and interviewees have specified office campuses, medical offices and light industrial uses as desired at Candelas. Office uses would likely require the construction of the Jefferson Parkway as a precondition to development as the access it brings is crucial.

Indiana Street’s intersections with 86th Parkway and 96th Avenue also provide strong prospects for potential commercial developments. Although these spots would garner slightly less traffic from the Jefferson Parkway, they are also located among the new residential developments which will soon be filled with high-income households.

Between Indiana Street and Fig Street, north of several existing industrial buildings, there are several vacant parcels of land zoned industrial. These parcels, two of which are currently for sale, provide potentially successful industrial development sites. A few barriers to developing this area exist, despite it having been zoned industrial for over 25 years. Much of the land is not currently supported by water and sewer infrastructure capable of supporting multiple smaller sites, adding to investment costs associated with development. The area is also broken up by several roads and ditches, making it difficult to develop for one single user, even as the preference of the current owners is to sell the land as one contiguous parcel. Despite these barriers, this particular plot of land has the transportation connectivity and necessary future demand prospects that position it as prime industrial development location.

RALSTON CORRIDOR

The Ralston Corridor area contains Olde Town Arvada, the Ralston Creek commercial area, the city of Arvada municipal complex and numerous free-standing office and commercial buildings. The retail properties along the Ralston corridor have been the focus of ongoing efforts by the Arvada Urban Renewal Authority (AURA).

Strengths and Weaknesses

Current traffic counts along the Ralston Corridor range from 21,000 to 23,000 trips per day on different parts of the corridor, which is attractive to retail development. Those counts are expected to rise to between 26,000 and 28,000 trips per day by 2035, according to the comprehensive plan traffic projections.

There are several factors that indicate that the city’s plans to redevelop the Ralston Creek area will succeed. The city has already successfully recruited Wal-Mart, a strong retail anchor that will attract other retail tenants to nearby properties on either side of Ralston Road. The city’s changing demographics support the housing portions of the plan and incorporation of the Ralston Creek into the site along with the park directly to the east could provide a competitive advantage when considering comparable amenities at mixed use redevelopment sites. The traffic counts and associated growth provide additional support for the retail portions of the redevelopment plan. An easy public transit connection from the Ralston Creek area to the Arvada Ridge and Olde Town station commuter rail stations would benefit residents, shoppers and retailers in each area.

Weaknesses of the area include a confusing traffic pattern around the triangle area and historically moderate income levels in the immediate surrounding area. In the coming years there are a number of urban infill redevelopment projects that will provide competition, including 38th Avenue in Wheat Ridge, the Westminster Mall redevelopment, the Gates redevelopment and the redevelopment of the St. Anthony’s Hospital site. The ultimate success of the Ralston Creek site will depend on the ability of a unique tenant mix to attract shoppers in a crowded competitive landscape of redeveloped retail and TOD.

Development Opportunities

The Ralston Creek urban renewal plan calls for a mixture of uses, including introducing civic and residential uses to an area that was exclusively retail. The city has also begun the redevelopment of the Ralston-Central/Hoskinson's Park area immediately east of the shopping area. Current land use plans and design guidelines call for introduction of additional walkable streets on the site and multi-story residential and mixed use buildings.

The Ralston Creek area offers an opportunity for Arvada to modernize its retail offerings and diversify its housing stock. Arvada can offer a modern mixed-use village that can improve upon recent successful metro area projects such as Belmar in Lakewood and the Streets of Southglenn in Centennial. The success of retail in this area will depend in large part on the success of the anchor tenant and the residential component to drive traffic at the smaller retailers. Denser, highly amenitized residential targeted towards retiring baby boomers, seniors and millennials would add diversity to Arvada's largely homogenous housing stock and aid in attracting high-quality retail tenants.

ARVADA GOLD STRIKE STATION

The Gold Strike Station area sits to the northeast of the Sheridan Boulevard / I-76 interchange and is largely industrial in nature. The future Gold Line station could bring increased economic activity to the area and impact the commercial real estate landscape. The subject area is roughly bound by 60th Avenue to the north, I-76 to the south, Sheridan Boulevard to the west and Tennyson Street to the east.

Strength and Weaknesses

The Sheridan Station area has great access to both I-76 and I-70 via Sheridan Boulevard, making it an ideal industrial location within the metro area. The Gold Line will provide a commute option for employees, differentiating the area from other industrial nodes. This location is also located in close proximity to some of the metro area's commercial districts, which is attractive to many warehouse-occupying distributors.

Parts of the Sheridan Station area are in a floodplain, limiting potential development options unless those lands are removed through infrastructure improvements. Certain structures are permitted with additional building improvements and insurance costs, eating into developers' bottom lines and adding a premium to rental rates.

Development Opportunities

Because the subject area is small, development opportunities are limited but easily defined. Most of the vacant land in the area is between 58th Avenue and I-76, where there are only a few small warehouses and a large recreational vehicle storage lot. Though not currently on the market, the 10-acre RV lot at the corner of 58th Avenue and Tennyson Street is perhaps the most desirable redevelopment site in the vicinity.

The other substantial lot is just east of Sheridan Boulevard and north of Clear Creek and I-76. Though this would be greenfield development, the 20-acre parcel is surrounded by industrial uses and is likely most valuable for the same use. Much of this lot and all of the existing RV storage facility lie within the floodplain. Both potential development sites would be within a few minutes' walk from the planned transit station.

Residential development is unlikely given the existing industrial development in close proximity, and any future commercial development will likely service the employment uses nearby.

WADSWORTH CORRIDOR

The Wadsworth Boulevard corridor is an important transportation and retailing thoroughfare that experiences significant auto traffic and produces a large share of city sales tax. Wadsworth Boulevard is also the home of the Arvada Center for the Arts and Humanities—a public cultural institution that provides performances and classes on the visual and performing arts. Wadsworth Boulevard is a heavily traveled auto transportation corridor used by weekday commuters, weekend shoppers and

Arvada Center visitors. Currently, there are over 50,000 trips per day along the corridor, which makes Wadsworth one of the busiest roads in the Denver Metropolitan Area.

Strengths and Weaknesses

Retail demand along the Wadsworth Corridor is expected to rise along with the traffic counts along Wadsworth Boulevard. The increased traffic will also increase the value of land for retail prospects and potential redevelopment opportunities for underperforming areas. There are already some signs of encouragement along Wadsworth as Conn's, a large home appliance and furnishings store, has announced the opening of its first Denver area store at the Arvada Marketplace center.

Common indicators of the retail sector health are retail employment, retail sales, residential real estate construction and appreciation, consumer confidence and personal income growth. All drivers of retail demand are showing signs of recovery in the metro area and a strong traditional retail corridor like Wadsworth Boulevard should capture a share of the recovery.

Threats to the continued success of Wadsworth retailers include the rise of internet sales, which has caused shrinking retail store footprints and the appearance of non-retail uses in traditional retail areas. Large-scale redevelopment of underperforming retail sites along the Front Range is currently only occurring with the financial assistance of the public sector (i.e., 38th Avenue in Wheat Ridge, major shopping malls in Longmont and Fort Collins) and would likely require the involvement of AURA if redevelopment on that scale is desired for certain centers on Wadsworth.

Development Opportunity - Cultural Corridor

There has been interest by the city to investigate the feasibility of providing a more cohesive identity in the area between the Arvada Center and Olde Town Arvada—tentatively called the Arvada Cultural Corridor. The corridor would promote art-centric land uses near the Arvada Center.

Currently the city owns a large land parcel adjacent to the Arvada Center and there is a senior housing project directly on the east side of Wadsworth Boulevard controlled by the city that could be redeveloped into a facility that supports the arts. Discussions with the city and stakeholder interviews have indicated desire for creating a district that would include art galleries, artist workspaces and residences. Initial opportunities could potentially center in the area immediately near the Arvada Center. Initial discussions with the city indicated potential desire for a walkable arts corridor retail, restaurants and galleries. This informal vision has not been incorporated into any city plans and remains merely conceptual.

Current land uses along Olde Wadsworth are largely residential with single-family and multifamily units, as well as some religious institutional land uses. There are 10 multifamily rental properties along Olde Wadsworth ranging in size from 4 to 24 units. Redevelopment of the corridor would likely be long term. There are several challenges including shallow lot depth, high cost of infill development and the need for a currently unfunded transit connection in order for the corridor to redevelop.