

# Bullish on DOWNTOWN

Feb 20, 2005

*More than \$75 million in projects on drawing boards would revitalize heart of Colorado Springs*

BY RICH LADEN c THE GAZETTE

Trendy lofts, dramatic facelifts of historic buildings and one of the city's tallest-ever high rises could be coming to downtown Colorado Springs in one of the biggest potential building booms in the area's recent history.

A half-dozen residential and commercial projects — with a total price tag of at least \$75 million, but likely to cost more — are being considered for downtown's core, where developers say they're bullish on the city's thriving business, government and cultural center.

On busy Tejon Street, three prominent buildings would be razed and replaced with a towering residential and commercial project. Elsewhere, a trio of historic buildings would be converted into lofts, stores and offices. Three other mixed-use projects would take shape from the ground up.

"Downtown is perking right along, thank you very much," said Beth Kosley, executive director of the Downtown Partnership, a group of area business people and civic leaders who promote the area.

But there is a catch.

Although developers are in various stages of planning, most of the projects remain on the drawing board.

The developer of the Tejon Street project, for example, might walk away if a proposed downtown convention center isn't built. Another developer says he's still crunching numbers, and others are assembling more specific plans to flesh out their concepts.

"People may want to think of (downtown revitalization) as everything from A to Z," Kosley said. "But it's projects moving along at different rates of speed. . . . It's not boom or bust, in my opinion. It could be boom. But I think it's more of a question if it will go through organizationally and through its paces, or will we see more of a spike?"

The projects wouldn't necessarily change the face of downtown.

Yet tens of millions of dollars' worth of investment in the downtown core shows developers aren't just interested in the city's fast-growing north, northeast and east sides, where rooftops, big-box stores and shopping centers cover the landscape like ants at a picnic.

Likewise, such projects show developers aren't only interested in downtown's mostly light-industrial southwest side, which the City Council designated as an urban renewal site in 2001.

On a grand scale, an influx of lofts, office space, restaurants and shops would help make downtown a more desirable place to live and work — not just a food court of popular restaurants and bars.

For politicians, business people and civic leaders, such upgrades are critical; they want a vibrant downtown that attracts shoppers, tourists and new employers.

## **City Auditorium block slated for makeover**

The City Auditorium block could undergo an extreme makeover, according to Colorado Springs developer Ray O'Sullivan. The block is bounded by Nevada and Pikes Peak avenues and Kiowa and Weber streets.

O'Sullivan has bought a corner of the block that once was the home of a drive-through bank.

He says he also has contracted to buy three other properties on the block's west side, including

the building that once housed the old Ute 70 movie theater and is now home to an antiques business.

The theater property is scheduled to close at the end of March; O'Sullivan might close on the other properties next month, as well.

The developer has more than one vision for the block. One possibility: a 12-story building with ground-floor retail, two stories set aside as a multilevel convention center, and a nine-floor, 350-room hotel.

The idea isn't meant to undercut plans for a convention center on downtown's southwest side, a site preferred by many business leaders, O'Sullivan said. He wants to offer an alternative site that would make better use of downtown's core. O'Sullivan said his plan would preserve the existing City Auditorium and tie it together with his new building.

A city-owned parking garage across the street on Nevada Avenue could serve the hotel and the convention center, he said.

"I wanted to throw it out there and make that the center of town, instead of a new center of town (on downtown's southwest side)," he said.

O'Sullivan's other idea: Construct a similar building with first-floor retail, three to four floors of office space and another seven or eight floors with 160 lofts, apartments or condominiums.

O'Sullivan doesn't have a timetable. But like others, he expects to see the demand. "Retailers are coming back to downtown," O'Sullivan said.

"Colorado Springs to me is primed because of the number of restaurants and bars (downtown). . . There's not a parking space to be found downtown. My feeling is that retail is going to come back to downtown in a big way. I'm just not sure when. I wanted to position myself."

A longtime Colorado Springs developer, O'Sullivan's projects include a King Soopers-anchored, east-side shopping center at Powers and Stetson Hills boulevards and the proposed 5,400-home Santa Fe Springs development east of the Springs.

## **Developer plans new neighbor for Giddings property**

Springs developer Dan Robertson, who has turned the upper floors of two North Tejon Street buildings into residential lofts, is completing a conversion of the upper floors of the Giddings Building, 101 N. Tejon St. The building will have 13 lofts.

Now, Robertson plans to construct a four-story, nine-loft building north of the Giddings Building, on the site of a parking lot he bought when he purchased the Giddings property.

The \$4.2 million project would include first-floor stores and shops and a rear parking structure with 40 to 45 spaces for loft owners in both buildings. The two buildings would be linked and share an elevator.

Robertson said his loft projects have proven successful because they've been designed as custom units; buyers determine how much space they want and the look and feel of the units.

The property also is in a prime location, said Janelle Walston of Re/Max Properties, who will market the new units.

"We wanted to do something in keeping with that block," she said. "We want to create something that will fit in."

Construction could begin in six to eight months, with completion in May 2006, Walston said.

Lofts will range from 800 to 1,500 square feet and sell for \$265,000 to \$535,000, she said.

"We think there's room for a few more (downtown lofts)," Walston said. "I don't know how many more, but certainly nine more."

## **Update for historic buildings**

Springs businessman Scott Long, who converted a building at 321 N. Tejon St. into top-floor lofts

and ground-floor retail space housing the Tejon Street Market, is tackling a much bigger project.

Long has contracted to buy the historic Mining Exchange, Independence and Freeman-Telegraph buildings on the southwest corner of Pikes Peak and Nevada avenues. He's considering combining the three buildings into a single mixed-use project.

The Mining Exchange Building, constructed in 1901 by Cripple Creek mining baron Winfield Scott Stratton, was the place miners brought their gold dust and other minerals to exchange for currency. It's now an office building.

Long's preliminary plan calls for retail uses on the Mining Exchange Building's first floor. The second and third floors would become office condominiums, while the fourth and fifth floors would be remodeled into residential lofts. A sixth floor would be added to the building and house two luxury penthouses.

The next-door Independence Building, where Stratton once had his offices, would have a similar scheme: first-floor retail, offices on the next three floors and a new fifth floor that would accommodate six residential lofts.

The two-story Freeman-Telegraph Building, also built by Stratton, would remain a home for retail and office uses. As part of the project, rear portions of the Independence and Freeman-Telegraph buildings would be peeled away to make room for a three-level, 100-car parking structure.

"When you've got a building built in 1901 that can house some absolutely awesome lofts, I think the market will be there," Long said.

But the project remains 50-50, he said; his experts are determining if the numbers will work. Long said he doesn't yet know the cost, but the buildings will need major upgrades, such as new air conditioning and heating systems.

"If we can make the dollars work and everything else work," Long said, "I think it will enhance downtown."

### **More changes seen for auditorium block**

Nor'wood Development Group of Colorado Springs owns the south half of the City Auditorium block and envisions a new mixed-use building on its land. The old Trailways Bus building, which houses businesses including Kinko's, and a surface parking lot occupy the property.

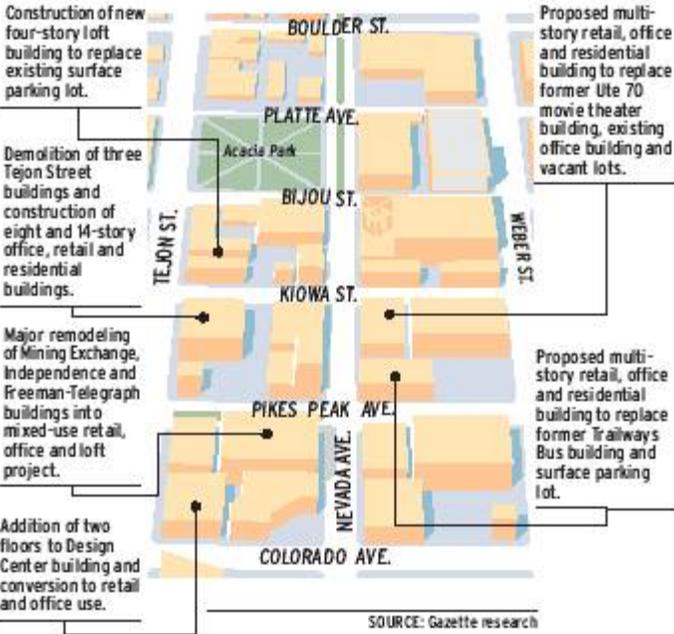
Nor'wood originally wanted the city to designate the entire block as an urban renewal site, but last week said it will pursue such a designation for only its property. A Denver consultant says the block qualifies as an urban renewal site, but City Council has the final say. If that passes, Nor'wood could use tax revenue from redeveloped property to help fund sidewalk, street and other upgrades.

Plans aren't final, but Chris Jenkins of Nor'wood said a new building likely would have stores, offices and about 135 housing units.

"Residential is a small piece of what's going on downtown," Jenkins said. "But I think it's increasingly going to become a bigger piece."

# On the drawing board

Residential and commercial projects proposed for downtown Colorado Springs





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**PRICE CHAMBERS, THE GAZETTE** - A local developer has remodeled the Giddings Building on North Tejon Street, above, into residential lofts, and now plans to construct a four-story loft building next door, below.