

Rising from the plains

A new city takes shape along the fringes of DIA

By Chris Walsh, Rocky Mountain News

November 12, 2005

From the west window of her eighth-floor office on Quebec Street, Julie Bender has a stellar view of Denver's heart and soul: the downtown skyline.

Through the east window, though, is where she sees the city's future: the burgeoning Stapleton development across the street and, beyond that, the once-barren but now-buzzing plains surrounding Denver International Airport.

"We really look at this area around DIA as eventually becoming a full-service city," said Bender, head of the DIA Partnership, an organization developed to spur growth near the airport. "It will have retail, recreational development, business and entertainment aspects throughout. We expect it to grow twice as fast as the rest of the metro area."

It's certainly headed in the right direction.

Northeast Denver is rapidly changing from a nothingness people endured on the way to the airport to a fabric of housing and Home Depots, parks and planned communities, grocery stores and golf courses.

And it's all anchored by DIA, a proverbial economic engine that employs 30,000 workers and attracts more than 40 million passengers a year.

City leaders say a significant chunk of Denver's employment and population growth will occur around the airport, one of the few remaining large undeveloped tracts in the metro area. Excluding airport land and the massive Rocky Mountain Arsenal National Wildlife Refuge, the DIA Partnership-defined area includes about 200 square miles of space - bigger than downtown Denver and Lakewood combined.

But it will take careful planning to ensure the region grows as envisioned, and water and noise issues could present formidable challenges.

To get an idea of the growth around DIA, simply drive along Interstate 70, Peña Boulevard or the newly opened E-470 corridor.

Retail, commercial and housing projects pepper the plains, from Green Valley Ranch south of DIA to the Reunion housing and business development a few miles west to the Bromley Park community north of the airport.

About two dozen developments are either under construction or are on the drawing board in the area, which includes parts of four cities in three counties.

The projects represent \$20 billion to \$30 billion in investments and, when complete, will cover 35,000 acres.

All of the new neighborhoods and office buildings under development are located outside of DIA's 33,000 acres of land, which the airport uses primarily for oil and gas wells and farming.

But DIA is getting in on the game, too.

For the first time in its 10-year history, the airport is opening a small plot of its own land to developers. Plans call for a 17-acre retail site off Peña Boulevard that could include a coffee shop, a dry cleaner and restaurants.

The recent flurry of development activity on and off airport land, though, is just the start.

"The area is pretty much set to explode," said Jeff May, director of the MetroVision Resource Center at the Denver Regional Council of Governments, which works to foster cooperation among 52 county and municipal governments around Denver.

"It takes a critical mass of business to get an area going, and the airport region is starting to get to that point."

Indeed, the council's projections indicate the airport area will be one of metro Denver's leading growth regions.

About 318,000 people live in the area now, while businesses occupy 75 million square feet of space and employ roughly 184,000 workers. By 2030, the council estimates that more than half a million people will live there. It also predicts the region will account for 30 percent of Denver's job growth during the next two decades.

That will generate big bucks for the city: the area's annual economic impact is expected to balloon from \$15 billion this year to \$85 billion by 2025.

DIA also plans to eventually open up hundreds of acres of its land for more development.

"When you have a big, vital city like metro Denver and you have chunks of available land, nice things happen," said local economist Tucker Hart Adams. "Are the projections probably wildly optimistic? Sure. But growth in Denver certainly will go to the east and north."

Emerging aerotropolis

Building up a city around an airport in a measured, planned manner is a relatively new concept.

Most airports in the U.S. were built decades ago, when flying was a minor part of the American culture and the lucky few who could afford a ticket dressed to the nines when they hopped on an airline.

Developments around airports evolved haphazardly, consisting of various industrial operations and aviation businesses. Airports often were built right in the city, with little room for growth but plenty of opportunity for nearby residents to complain about noise. Today, though, air travel is vital to business. And in an age when consumers can grab fares for less than \$200, some say flying has become a commodity.

As a result, airports are becoming as important to city development as highways, railroads and seaports were in the past, said John D. Kasarda, a management professor at the University of North Carolina at Chapel Hill's business school.

"Airports are no longer just places where airplanes land and people and cargo transit," said Kasarda, who studies airport-centered development. "With time and connectivity becoming increasingly critical elements for people in their personal and business lives, airports have become critical for economic development."

Businesses and workers increasingly want to locate close to airports, a trend that will help spur growth around DIA.

Kasarda coined the term "aerotropolis" to refer to the concept of airport-centered cities. He points to emerging aerotropolis regions around the Dallas-Fort Worth, Detroit and Washington Dulles airports, where clusters of neighborhoods, businesses and retail centers are springing up. Internationally, Amsterdam has developed strong communities around Schiphol Airport, and there are similar efforts under way in Singapore, Bangkok, Thailand, and Frankfurt, Germany.

Kasarda thinks DIA, the nation's newest major airport, is on the right track and can become a poster child for the aerotropolis concept.

"Denver is blessed because it pretty much has a blank canvas," Kasarda said. "The challenge DIA initially had was that it was built way out there and there was relatively little development. Now that is the airport's advantage."

Developing a vision

Local leaders are looking to Kasarda's research as they sculpt a vision during the next two years for Denver's airport region. The DIA Partnership, which has branded the region as "aeropolitan," hopes to create an area with a distinct identity.

"Our goal is to have this be the best airport-centered region in the country," Bender of the DIA Partnership said. "We're taking a regional approach. We want this to be seen as one area with invisible boundaries, not as different parts" of Denver, Aurora, Brighton and Commerce City.

The region has several factors working in its favor.

Most importantly, the vast expanse of undeveloped land provides ample room for growth, which has translated into housing prices that are 10 percent lower than the metro average, according to the DIA Partnership.

The region is well-served by transportation, including I-70 and E-470, two railroad lines and, in coming years, three new light rail and commuter lines.

It also offers up to nine different economic incentives, including a 3 percent research and development tax credit and a 10 percent tax credit for job training. And many new communities are ideally located between downtown and the airport.

For these reasons, developers have flocked there.

"We felt like there were some interesting dynamics occurring in the area, first and foremost the recognition that the airport is an economic engine," said Jeff Willis with Shea Homes, the master developer on the 3,400-acre Reunion project. Willis also is vice chairman of the DIA Partnership. "I think it's still yet to be fully tapped. We're just seeing the tip of the iceberg."

The DIA Partnership points to the Stapleton development as a prime example of the area's potential.

Home Depots, Wal-Marts, liquor stores, restaurants, offices and condos have gone up during the past decade, creating a hip urban environment based on a master plan that allows residents to easily move around the area.

Stapleton has developed its own identity in the past few years, and it is starting to lure businesses that once might have located elsewhere.

Earlier this week, Bass Pro Shops opened a 186,000-square-foot store in Stapleton - the outdoor chain's first in Colorado.

"Stapleton has demonstrated that you can make money when you get away from the suburban patterns of development, where it's difficult to get from one area to another and buses don't penetrate neighborhoods," Mayor of the council of governments said.

"The whole idea is to increase accessibility and get businesses close to homes so that people can walk. Stapleton has done a great job of that."

Water, noise issues

Despite the optimism, the region still faces challenges that could slow growth.

A top concern is the availability of water, an issue highlighted by the recent drought in Colorado, which severely strained the state's water resources.

Aurora - where much of the growth south of DIA is occurring - saw its reservoirs drop to as low as 26 percent of capacity during the drought.

Aurora officials say they are taking aggressive steps to secure an ample water supply for the future with plans to construct a new water pipeline system that would increase supply by 20 percent.

"In the near term, we have an ability to move water up through the Denver area to serve the initial phases of development," said Peter Binney, Aurora's utilities director. "In the longer term, we're building a backbone of water delivery through the E-470 area."

But the effort, which was slated to begin next year, might be delayed because Adams County - where part of Aurora is located - put a six-month moratorium on new water projects.

The Denver Water Board, which serves developments on the airport region's west edge, says it is now updating its long-range plan and is "confident" it can adequately meet future growth needs.

Economic factors also could dictate much of the area's future.

"Over the next several years the economy is facing some difficult times, so we probably won't see the growth in metro Denver that we saw in past," economist Adams said. "I don't have the feeling that we're on verge of an explosion of growth."

And then there's the noise issue, which always seems to crop up when people start moving closer to an airport.

It was a major source of contention at Stapleton International Airport, which was one of the reasons the city built DIA in the middle of nowhere.

Most current and planned developments are located outside DIA's "noise contour," or the areas around the airport that federal agencies have identified as incompatible for residential use.

But projects are beginning to creep closer to the airport.

The biggest challenge, though, will be making sure the area undergoes "smart growth," some observers say. That will involve avoiding sprawl, developing and sticking to a sustainable vision and ensuring developments are aesthetically pleasing and environmentally sound.

And it will take time, possibly 20 years or more, for the region to take shape.

"There has been good development around DIA, and you're starting to see a nascent" airport-centered community spring up, Kasarda said. "But the issue is whether this is going to evolve in an intelligent, planned manner or in a spontaneous, haphazard and unsightly way, as much airport development has been around the country."

Now and later

The Denver International Airport area now and in the future:

• ECONOMIC IMPACT

Now \$15 billion

Estimated impact by 2025 \$85 billion

• EMPLOYMENT

Now 184,000

2030 estimate Nearly 427,000

• ANNUAL PAYROLL

Now \$7 billion

2025 estimate \$44 billion

• POPULATION

Now 317,700

2030 estimate 558,000

• HOUSEHOLDS

Now 120,000

2030 estimate About 236,077

• Projected population growth through 2030: **2.3 percent annually**

• Projected employment growth through 2030: **3.4 percent a year, which is double the rate of metro Denver**

Sources: Dia Partnership, Denver Regional Council Of Governments

Going to work

Airport region's largest employers:

United Airlines 5,500

University Hospital 3,800

Frontier Airlines 3,600

Raytheon Co. 2,700

United Parcel Service 2,600

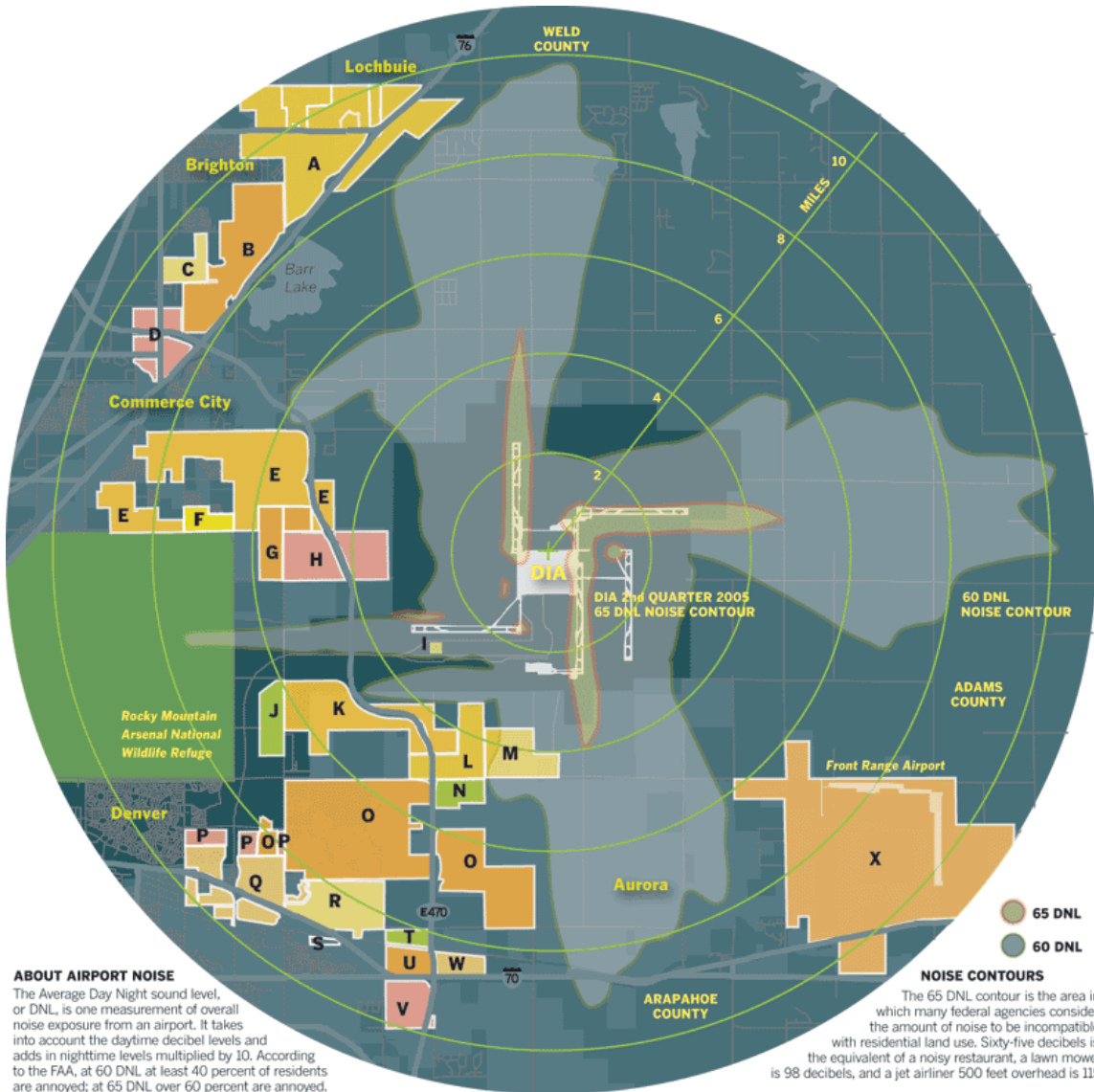
Northrop Grumman Corp. 1,600

ADT Security Systems 1,500

HealthOne 1,500

Waste Management of Colorado 1,100

Wagner Equipment Co. 800
Source: Dia Partnership, Denver Regional Council Of Governments



ABOUT AIRPORT NOISE

The Average Day Night sound level, or DNL, is one measurement of overall noise exposure from an airport. It takes into account the daytime decibel levels and adds in nighttime levels multiplied by 10. According to the FAA, at 60 DNL at least 40 percent of residents are annoyed; at 65 DNL over 60 percent are annoyed.

NOISE CONTOURS

The 65 DNL contour is the area in which many federal agencies consider the amount of noise to be incompatible with residential land use. Sixty-five decibels is the equivalent of a noisy restaurant, a lawn mower is 98 decibels, and a jet airliner 500 feet overhead is 115.

More than a blip on the radar

Denver International Airport is the economic engine of the city's fast-growing northeast region. The airport-centered area, as defined by the DIA Partnership, encompasses Interstate 70 to the south, the Stapleton, Prairie Gateway, Fitzsimons and Lowry developments (not shown) to the west, Brighton to the north and Front Range Airport to the east.

About two dozen developments, totaling more than 35,000 acres, are either under construction or are planned for the area, including:

TOTAL NUMBER OF ACRES / NUMBER OF RESIDENTIAL ACRES / NUMBER OF COMMERCIAL ACRES

- A** Bromley*
1,680 / 1,430 / 250
- B** Prairie Center
1,800 / 600 / 900
- C** Brighton Lakes
450 / 272 / 43
- D** Adams Crossing
1,000 / 400 / 600
- E** Reunion
3,400 / 2,050 / 950

- F** Fronterra Village
391 / 192 / 0
- G** Second Creek Farms and Custy
590 / 321 / 119
- H** Prime Sites
1,134 / not available
- I** Peña Project
17 / 0 / 17
- J** Denver Intl. Business Ctr.
450 / 200 / 250

- K** High Point
1,800 / 850 / 500
- L** International Airport Commerce Center
800 / 500 / 300
- M** Monaghan Farms
Not available
- N** Windler Homestead
872 / 472 / 327

- O** Green Valley Ranch
4,942 / 3,534 / 230
- P** Denver Connection
413 / 150 / 213
- Q** Gateway Park
1,300 / 141 / 1,159
- R** Majestic Commercenter
1,100 / 0 / 1,100
- S** East Park 70
110 / 0 / 110

- T** Aurora Commerce Center
162 / 0 / 162
- U** Eastgate
294 / 0 / 294
- V** Horizon City Center
500 / 144 / 267
- W** ProLogis Park 70
182 / 0 / 182
- X** TransPort
6,300 / 0 / 6,300

Sources: FAA; DIA; DIA Partnership

*Includes Brighton Crossing and Brighton East Farms

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