

## COMING UP

Watch for next week's Finance section that includes the quarterly financial roundtable.

# REAL ESTATE QUAR

DENVER BUSINESS JOURNAL

# Havana Street being brought back

BY DENNIS HUSPENI

DENVER BUSINESS JOURNAL

Camelot I and II were there before the building of Buckingham Square Mall in Aurora, and are still there after the complete redo of the mall area.

Built in the early 1970s, the two eight-story office towers on the northeast corner of Havana Street and Florida Avenue will enjoy new life thanks to an infusion of investment money and efforts by the Havana Business Improvement District (BID), doing business as "On Havana Street."

They were once the tallest buildings east of Colorado Boulevard. A bustling commerce center developed nearby, with the mall as its epicenter. But later, Buckingham Square slowly died and Havana Street began to slide downhill.

Now the towers stand as a symbol of what can happen when a group of business and property owners, city leaders and neighborhood activists decide to do what's necessary to save their neighborhood.

## Tax district began in 2007

The district was formed in 2007, covering the 4½-mile area along south Havana Street from Sixth Avenue south to Dartmouth Avenue. Business and property owners voted to tax themselves a 4.5 mill property levy annually to help market the area, attract new development and lobby the City of Aurora for business-friendly laws.

Not that the BID alone spurred the area's redevelopment, but it had an impressive list of victories in 2011 as it pushed a rebranding effort:

- The retail vacancy rate was driven down to 8.5 percent.
- 24 new businesses bringing 271 jobs came to Havana Street.
- \$6.5 million worth of new construction was completed, with some started in 2010.

In 2012, using a \$346,000 budget, the district:

- Launched a marketing campaign for the Havana Motor Mile to highlight the many car dealerships there.
- Will finish erecting "On Havana Street" markers along the street.
- Bring art projects and community events to the street and continue pushing for the redevelopment of blighted areas — namely the old Fan Fair shopping center on Havana and Third Avenue.

"Having the ability to fund these initiatives really focused energy on that street and was absolutely critical to its redevelopment," said Skip Noe, Aurora city manager.



Jeff Carlson, project manager at Omni Development Corp.; Dennis Witte, owner of Omni Development Corp.; and Gayle Jetchick, executive director of the Havana Business Improvement District, meet on the third floor deck at 1470 S. Havana St. The building is slated to be senior housing.

BID Executive Director Gayle Jetchick said the initial board laid the groundwork for the redevelopment as the Buckingham Square Mall was torn down in 2007. A tax-increment finance district was formed at the site off east Mississippi Avenue, and The Gardens on Havana was born. Initially, it was a joint venture between Miller Weingarten LLC of Englewood and Houston-based Weingarten Realty Investors (NYSE: WRI). Miller Real Estate Investments LLC recently bought it outright.

"Last year, it just all seemed to click," Jetchick said, noting construction of the new Office Depot and Toys-R-U's/Babies-R-U's at the Gardens, which will join the residential and retail development that's already anchored by Target, Kohls, Petco, Dick's Sporting Goods, Sprouts and others.

## Camelot II

All of this can be seen from the eighth floor of Camelot II at 1470 S. Havana St., home to the City of Aurora offices until 2003.



SEE HAVANA | A18 The building at 1450 S. Havana St. is leasing office spaces and is slated for im

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The DTC office market is bouncing back in a big way. A22-A23





# HAVANA: More new projects are on the drawing

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Dennis Witte, president of Omni Development Corp. of Englewood, bought the 98,593-square-foot building for \$2.5 million in 2003 and planned to lease it for office space. He tried twice to lure anchor tenants there, but came up short. Then the recession set in, and companies began to use less space, not more. So Witte changed his plans.

The market, he said, was telling him something else was needed there.

So he formed Omni Senior Living LLC and brought in a partner, Covenant Retirement Services, a Skokie, Ill.-based not-for-profit retirement housing organization.

"The BID arranged meetings between the city, Omni, Miller RE and Ventana [Ventana Capital Inc. of Englewood, which bought the former Camelot I building for \$1.5 million from Beal Bank] earlier this year to figure out the details of the service road and how to all work together on the idea of the extension of Ironton so that the city planners were satisfied," Witte said via email, of the road that will provide greater access to both buildings, 1470 and 1450 S. Havana St.

Earlier this year, Aurora's planning commission signed off on Witte's \$16 million plan to redevelop the 1470 S. Havana building into an 86-unit senior living facility. Covenant's Ontrac Management Services will run the facility.

"What attracted us to this building as a senior location was the ability to walk to Target or the beauty shop or Kohls," said Moraine Byrne, president of Ontrac, who will begin preleasing the site later this year.

Witte said the BID worked with him for years to help him discover the best reuse for the building.

"The BID has attended planning commission hearings to testify in favor of the senior housing plans and explaining to planning commissioners how we all worked together," Witte said.

## Camelot I

To the west of the yet-to-be named 1470 Havana building, across a dilapidated parking lot, stands the building's twin, 1450 S. Havana St.

Ventana purchased the building earlier this month. It used to be called the Wells Fargo building, until the bank moved its consumer banking division to a new building at the Gardens on Havana and now just occupies the first floor for business banking. Newmark Knight Frank Frederick Ross' Wade Fletcher brokered the deal.

The 68,000-square-foot building was only 33 percent occupied at the time of the sale.

"I guess we saw the value there," said Tom Clark, Ventana's project manager. "We've watched a lot of the Havana corridor redeveloped and revitalized in the last couple of years."

The new owners plan to invest capital into the building to lure new tenants, with upgrades to the common areas and an improved parking area, Clark said.

"I don't think it's going to be anything dramatic overnight. Certainly nothing like next door," Clark said. "But we're going to make small, steady improvements over the next two to three years."

## Fan Fair

The BID has been working, since the day it was formed, to help the owners of the Fan Fair site demolish the "bubble



KATHLEEN LAVINE | BUSINESS JOURNAL

The abandoned Fan Fair building off of Havana is owned by Capital Financial Ventures, a group of owners that includes Herb Buchwald of Tri-Havana LLC and Larry Mizel, CEO of M.D.C. Holdings.

building" that has sat vacant and been deteriorating for more than 30 years.

The BID chipped in \$10,000 toward a 2010 blight study, which found the building at 333 Havana St. met 10 out of 11 possible blight factors.

It's owned by Capital Financial Ventures, a group of owners that includes Herb Buchwald of Tri-Havana LLC and Larry Mizel, CEO of M.D.C. Holdings. Owner representative Michael Sheldon, a Greenwood Village attorney, said the site would be too expensive to redevelop without some assistance from Aurora.

Sheldon, BID secretary, said negotiations to obtain those incentives to remediate the area are under way and a possible deal is "in the very near term."

"We all hope this chapter in the history of Fan Fair, the old shopping center that used to be award-winning, will be over soon, and it will be a new redevelopment

that will be appropriate in the corridor," Sheldon said.

The Aurora City Council discussed Fan Fair earlier this month.

"We have existing urban renewal plans for the area," Noe said. "There's been a lot of work by the city to prepare for the potential redevelopment in that section of the corridor."

Noe praises the BID for its marketing and rebranding effort, calling the group "very powerful" instruments of change for the area. He said it's been extremely helpful to the city to have one point of contact, Jetchick.

"It's helped us communicate with, and get feedback from, a large number of commercial enterprises in this area," Noe said. "It makes our job a lot easier. That kind of community is very important."

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Buckingham Square Mall was torn down in 2007. A tax-increment finance district was formed at the site off east Mississippi and was developed.

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