

Carmen Court

Update - October 8, 2020

This case was continued at the September 1st, Land Use, Transportation, and Infrastructure committee, with the admonition to the parties to try their best, one more time, to find a resolution. It was rescheduled for October 13, 2020.

During the additional time, I have talked with the applicants, owners, Historic Denver, and Hines/Morningstar. Two options remained; 1) rezoning to allow for a sixteen-story development, and 2) resale of the property.

1. After discussions with Hines/Morningstar and with the Applicants, it was agreed that the rezoning option was a non-starter for multiple reasons.
2. The resale of the accumulated properties under contract with Hines was diligently pursued by all parties involved. Historic Denver alone contacted twenty local and national development companies they believed would have legitimate interest and the ability to take on a project of this nature. Of the twenty contacted, six expressed enough interest to discuss price and other information consistent with the non-disclosure agreement signed. Unfortunately, we were unable to secure a sale.

I believe we have exhausted all ideas and options, given the unique layout, and the Applicants and Hines' very different vision and goals for the property.

I also believe that all parties acted in good faith and did their best to reach a resolution, given their differences and the challenges. Any time spent disparaging another party in this process should not be given credence. I am hoping decisions will be made on the merits of the facts.

Initial Summary - July 27, 2020

At the request of Kara Hahn, Principal Planner – Landmark Preservation, I was asked to facilitate and mediate with the current owners of Carmen Court, the potential developer Hines/Morningstar, and those seeking to historically designate Carmen Court. The goal being to reach a mutually acceptable resolution to what appeared to be the conflicting goals of the parties.

Unfortunately, to this point we have not been able to reach an agreed upon or acceptable resolution. However, Hines/Morningstar and the historic preservation neighbors have agreed to leave the door open for renewed discussion, should there be any further ideas or possible solutions.

I met with representatives from all three groups: Owners, Hines/Morningstar, and Historic Preservationists. We began meeting in mid-April and met regularly until early July. We also had the staff of Landmark who served as a very helpful resource, along with Annie Levinsky from Historic Denver who was invaluable.

Throughout the entire process those participating worked diligently to find possible solutions.

This piece of property is particularly challenging. Because,

- The plan proposed by Hines/ Morningstar requires the use of a very significant portion of the property in order to stay within the current zoning and to achieve their vision.

- Historically designating Carmen Court, given the location of the building, requires setting aside a very significant portion of the property.

Which in many ways makes the desires of both groups appear to be mutually exclusive. However, the value of mediation and talking is the possibility of seeing the situation in different ways and hopefully finding an acceptable resolution.

We tried a number of approaches:

- Hines/Morningstar agreed to let another party assume their contract with the property owners and to purchase the property. We had interest but were unable to ultimately make a deal.
- We met with several well-known Denver developers who specialize in developing historic properties. They shared and discussed ideas and drew sketches. In the end, these did not meet the requirements Hines/Morningstar said were necessary to meet their plans for the property.
- We successfully explored the addition of another lot to the collective properties assembled for the Hines/Morningstar project.
- The neighbors spent time running numbers and doing the math to illustrate their perspective on how the square foot requirements might work with minimal additional height.
- Hines/Morningstar redesigned the project in a way to substantially save Carmen Court and the open space at the front of the property, but this required adding significantly more height to the development.

In the end, Hines/Morningstar said they were unable to substantially save Carmen Court and the open space, without rezoning and creating a significantly higher building. The neighbors wanting to historically designate and save Carmen Court said the additional height was unnecessary and unacceptable to them and most likely the neighborhood.

I remain hopeful that before a vote is taken by City Council, we are able to work together to find an acceptable resolution. However, at this time no new ideas seem forthcoming.