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COMMERCIAL REAL ESTATE

## 'BEST STREET IN DENVER'

Business is booming on the quickly evolving Platte Street.

When Charlie Berger and Patrick Crawford were first dreaming about a beer business together, they climbed trees on Platte Street on July 4, 2009, to watch the fireworks at Coors Field.

Those trees no longer exist there, but their brewery does.



Denver Beer Co. on Platte Street on July 26, 2023, in Denver.

SETH MCCONNELL | DENVER BUSINESS JOURNAL

The co-owners of Denver Beer Co. said that when they were negotiating their lease for an old auto body shop at 1695 Platte St., the area was already getting eyed by big names. Their landlord was considering another tenant: a showroom for Elon Musk's company Tesla.

Platte Street has gone through several eras, from its industrial days to more recently attracting hot tech tenants and significant development.

When Denver Beer Co. first opened in August 2011, the street nestled between the congested lanes of Interstate 25 and the flow of the South Platte River was home to a collection of local, small businesses, including Salvagetti Bicycle Workshop and Confluence Kayaks.

The half-mile street has become less quaint in recent years, attracting the likes of international outdoor retailer Fjällräven and Gap-owned activewear brand Athleta at one end and big businesses like BP and WeWork in the office buildings at the other.

"We've seen it completely change and evolve," Crawford said. "Now, have they over-developed it? I don't know. There's a lot of empty buildings — a lot of very nice empty buildings — on the street now."

Platte Street runs between North Speer Boulevard and 20th Street, technically within Denver's Highland neighborhood. The Highland Bridge connects the neighborhood to Commons Park and the rest of downtown.

And yet, the feel of the street is quite singular, almost like its own neighborhood.



Amanda Walk gives her dog, Winona, a treat as it performs a trick on the patio at Denver Beer Co. on Platte Street on July 26, 2023, in Denver.

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Even with consistent change and a recent boom of construction, many Platte Street retailers and landlords say the street has been crucial to their success, and they remain optimistic about its future.

Some of those business owners have identified a larger opportunity and are spearheading efforts to brand and market the street as a destination.

#### **The past and present Platte**

Platte Street was a residential corridor in its earliest days, according to Beth Glandon, director of research and engagement at Historic Denver.

But when the streetcar line was built in 1888, commercial construction began. Similar to its present era, the street attracted a variety of businesses, including saloons and billiard halls, groceries and restaurants. A cigar manufacturer operated in the Zang Building. At one point, there were even two casket makers on Platte Street, likely due to the street's proximity to Olinger's mortuary, according to Glandon.

Over time, Platte Street welcomed more industrial users such as Big Chief Bottling Company, cereal manufacturer Midwest Milling Co. and Kris Upholstery.

Some of the buildings that housed those businesses remain, but recently got a new owner.

In January, Charlotte, North Carolina-based real estate firm Asana Partners paid nearly \$40 million for three red brick buildings: the A.H. Root Building, the Big Chief Bottling Company Building and the Zang Building.



1537 Platte St. on July 26, 2023, in Denver.

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The firm had already made a name for itself in the Denver area, having purchased properties along Tennyson Street and in downtown Denver. But its biggest investment has been Larimer Square, which it [purchased in 2020 for \\$92.49 million](#).

“The acquisition of Larimer Square is consistent with Asana Partners’ investment approach of targeting dynamic, walkable urban and near-urban properties in high-growth markets such as Denver,” Brian Purcell, a partner at Asana, [told the Denver Business Journal](#) at the time.

As Asana has moved forward with infrastructure updates on the block since 2020, many longtime [tenants have vacated](#) their spaces in Larimer Square, including Green Russell, Russell’s Smokehouse and Bistro Vendome.

“We see an opportunity to enhance this iconic asset by restoring and preserving these properties while improving interior spaces to meet the expectations of today’s retail and creative office tenants,” Purcell said in 2020.

Asana’s buildings along Platte Street have also seen closures.

At 1553 Platte St., Carbon Cafe & Bar and its next-door Habit Doughnut Dispensary abruptly [closed in May](#), with founder and CEO Lisa Ruskaup saying that “the headwinds of rising costs made it impossible for us to sustain the business any longer.” Restaurant and bar Modis in the City, also at 1553 Platte St., closed in June, according to other media reporting.

Despite the street’s rich business history, Glandon said that none of Asana’s three new buildings are Denver landmarks, and therefore aren’t protected from being torn down.

The Root building, located at 1553 Platte St., is the only one of Asana’s three new properties on the street that’s recognized on the National Register of Historic Places for its history and architecture.



1553 Platte St. on July 27, 2023, in Denver.

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“Asana Partners has no intention to demolish any of the historic buildings we acquired along Platte Street,” Purcell said in an email. “We believe this corridor is an attractive destination for retail, restaurant, service, and boutique office tenants for the long term and plan to continue operating these assets at their current scale. We will make physical improvements as needed over time to continue to attract a complementary mix of tenants to this authentic destination.”

As the street has grown with new office development – including six new buildings in eight years – Glandon said the new construction complements the old buildings, in terms of materials and size.

“The scale of the new buildings is somewhat compatible. You don’t have anything that has been constructed that is towering over these 1890s buildings,” she said.

While those new buildings don't loom over the street's historic properties, they do promise the potential of new tenants.

Office leasing is proving to be a challenge in other parts of the city, but Daniel Nichols, project manager for The Nichols Partnership, said that Platte Street is one of a few areas in town that national office tenants gravitate to when shopping for new space.

Platte Street's vacancy rate is just 14.4% and it boasts some of the highest rents in the metro with an average of \$42.50 per square foot, according to CoStar Group. Downtown's vacancy rate is nearly 29%, CBRE's most recent report shows.

The Nichols Partnership developed and owns two office and retail properties totaling 333,384 square feet between 1644 and 1701 Platte St. The Nichols Partnership's own office is also located at its 1644 Platte St. development.



1701 Platte on Platte St on July 26, 2023, in Denver.

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“Whenever a big tenant comes through Denver, we’re always on the shortlist,” Nichols said.

Large tenants on the block include BPX Energy, the U.S. oil and gas business of BP that moved into its new Denver headquarters at 1700 Platte St. in 2018, and cloud-based accounting firm Xero Inc., which leases space at 1615 Platte St. for its approximately 170 Denver-area employees.

But space remains plentiful due to changes to in-office work.

Two major coworking companies have reduced space or are trying to reduce space on the street, and some tech tenants have signed leases, but have not moved in.

Coworking and tech bootcamp company Galvanize originally opened at the Nichols Partnership-developed 1644 Platte St. in 2015, but has been looking to unload its nearly 50,000 square feet of space there for nearly a year.

Prior to its rescue by Japanese conglomerate SoftBank in 2019, WeWork opened two locations along Platte Street in 2015 and 2018. The company recently closed one of its offices at 2420 17th St. and is currently facing a lawsuit from its landlord over claims of unpaid rent. WeWork is still operating a second location at 1615 Platte St.

Stock trading company Robinhood leased 120,000 square feet at the newly completed One Platte building at 1701 Platte St., but listed it for sublease late last year.

Smaller tenants, however, have chosen to move into the 252,000-square-foot One Platte.

They include construction firm McCarthy Building Companies Inc., with its 12,500 leased square feet, and Denver-based HR tech firm Velocity Global, which moved into a 17,530-square-foot space at One Platte in July.

Available office space on the street totals 250,000 square feet, with nearly 100,000 up for sublet, according to CoStar Group.

“We are in negotiations with groups that would bring us to about 85 to 90% leased,” Nichols said of One Platte, the block’s newest building.

#### Retail on Platte

When office workers break for lunch, many head to Proto's Pizza.



The restaurant located in the Root building at 2401 15th St. has been profitable ever since it opened 20 years ago, according to President Pam Proto.

When the pizzeria first opened, she said the street was “rough,” with crime and drugs rampant.

“No national chain at the time would ever have opened up down there,” she said.

Now, Proto said Platte Street is unrecognizable, but the operator of six shops in the metro area says this spot is special.



Customers dine at the bar at Proto's Pizza on July 20, 2023, in Denver  
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“Of all my Proto's locations, I think aesthetically, that's just the most beautiful one we have, because it has so much history,” she said.

Proto's has about 10 years left on its lease, with Asana as her new landlord.

“If they came back at the renewal and raised it significantly, we would have to question whether or not we could continue to afford to be there. But for now, we feel comfortable,” she said.

Although construction of the past few years was rocky, and she's concerned that future development could cause disruption to foot and car traffic, Proto said the addition of new office workers has been a benefit for her pizza joint, especially for her lunch business.

Lindsay Naughton and Brittany Brennan own women's boutique Patterns & Pops at 1620 Platte St., and have operated a retail location on the street for about seven years.

“We've never been on the street without construction,” Naughton said.



Co-owner Lindsay Naughton straightens a rack of clothes at Patterns and Pops on Platte Street on July 26, 2023, in Denver.  
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But the growth has been positive for the owners, as each new office building that opens brings more customers, who stop by on their lunch breaks, to their shop. The boutique's revenue doubled from 2020 to 2021, and 2022's revenue grew by 9.5%.

While several current retailers agreed that Platte Street used to be home to mostly local businesses, a handful of national names have now joined the mix, including outdoor clothing store Fjällräven at 1510 Platte St., Athleta at 2372 15th St. and Dave's Hot Chicken

at 1615 Platte St. Owners, including Proto and Naughton, say the new businesses are a positive addition to the street.

“We want a shopping culture. So we want a mix of different types of businesses because then when people come here, they can really fill all their needs,” Naughton said.

Andrew Myhre, owner of Inside Scoop Creamery, located at 1535 Platte St., hopes that the empty retail spaces left by Carbon and Modis get filled with new tenants soon.

“That hurts my business because ... I was counting on that foot traffic,” he said.

Other than in 2022, Myhre’s business has grown 20% year over year for the past seven years, he said. Monthly rent and utilities in the 1,100-square-foot ice cream shop cost Myhre about \$8,750, he said, and his lease is up in the fall of 2025.

Although Platte Street’s new office tenants are not frequent customers of Myhre’s, the residents of nearby Commons Park West and Westend Apartments are, and they come in on nights and weekends for ice cream.

“I don’t think we’ve lost the charm on Platte Street,” Myhre said.

### **The future of Platte**

Over the past two years, Naughton and Brennan have spearheaded an effort to capitalize on that charm and create an identity for the street that’s tucked between the Highland neighborhood and downtown.

“We wanted to turn Platte Street into a destination that people were talking about, similar to South Pearl Street or Tennyson Street, and it’s just kind of snowballed from there,” Naughton said.

Since that initial effort, developer and landlord Nichols has taken the helm of the organizing and is now helping to lead the efforts to brand Platte Street and bring together tenants and building owners.

His formal effort to bring the community together stops short of a formal Business Improvement District because Nichols said he did not want to put additional taxes or other burdens on tenants, but includes hosting events and providing more safety and cleanliness efforts.

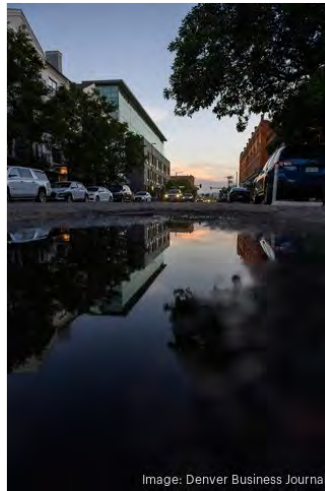


Image: Denver Business Journal

Platte 15, left, and 2401 15th St. are reflected in a rain puddle on Platte Street on July 26, 2023, in Denver.

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Nichols said he spent approximately \$2,000 to hire Denver-based advertising agency Two Parts to create a brand deck and logo for the street.

According to the brand deck viewed by the Denver Business Journal, a website and Instagram account have already been secured for future marketing efforts.

Next, the group aims to ramp up events to attract people to the street on weekends and make it a “24/7 destination,” Nichols said.

“It’s a way to give back to the street here. But all of the decisions [are] being directed by a combination of tenants on the street as well as property owners,” he said.

Denver Beer Co.’s Berger and Crawford, who belong to a formal business district at their location in Olde Town Arvada, believe other parts of the Denver metro area have “out-