



The Tears-McFarlane Project

Fulfilling a 50 Year Community Vision

BACKGROUND: In 1969 a group of concerned citizens rallied to prevent the proposed conversion of East 11th and 12th avenues into one-way streets. Since then, Capitol Hill United Neighborhoods (CHUN) has played a central role in addressing the most vexing issues facing Denver. CHUN is Denver’s largest, longest-running registered neighborhood organization (RNO). The historic Tears-McFarlane Mansion was built in 1899 and is recognized as an architectural jewel in Capitol Hill. The mansion and adjoining property became CHUN’s home in 2005. The organization celebrated its 50th anniversary in September 2019 and continues to operate from the property located at 1290 Williams Street in Denver. The historic mansion houses several small businesses and nonprofit groups; adjacent to the mansion is Hedlund Hall which expanded CHUN’s ability to provide myriad community programs including:

- Hosting job training and networking opportunities, financial planning services to young families and seniors, programs supporting low-income families;
- Providing free meeting space to other neighborhood associations and park advocacy groups;
- Accommodating larger groups and events including community meetings, nonprofit fundraisers, and public education and enrichment opportunities.
- And hosting special private events like weddings, reunions, memorial services, and group celebrations.

UPGRADES, MAINTENANCE AND RESTORATION: After a century of multiple usages, as well as years of deferred maintenance and repairs, the historic mansion and hall need some attention. Under its new leadership, the CHUN board has identified more than \$250,000 in immediate, deferred maintenance projects. In addition, the organization has been gathering input on how best to determine the next steps for the historic landmark and make the property economically viable and sustainable for the sorely needed repairs and maintenance.

- **Current Zoning:** The Mansion is presently zoned G-MU-20 which only allows for residential uses. The zoning overlay, UO-3, allows limited non-residential uses such as office and B&B uses, which has allowed CHUN to keep the building active over the years. However, the current zoning does not allow CHUN to meet its current and future financial needs.
- **Required Rezoning:** Rezoning to a Planned Unit Development (PUD) is necessary. A PUD is a site-specific customized zoning and is the appropriate zoning tool for the property. Unlike standard zone districts, a PUD will be based on G-MU-3 zoning, with the ability to modify the G-MU-3 zoning to better protect the property. For example, the zoning code issues can be better addressed for: parking; setbacks; building height; historic status; and so forth.
- **Financial Considerations:** Rezoning will permit CHUN to generate income for a neighborhood-friendly, public use and provide amenities which will be enabled through the PUD zoning. The rezoning will allow the annex to:
 - Serve as a community gathering space with a small café—offering coffee, breakfast pastries, sandwiches and snacks, and a variety of beverages which include a liquor license.
 - Provide an area for patrons to enjoy a beverage on the outdoor patio or the interior of the annex.
 - Serve as a neighborhood hub and community-building space enhanced by neighborhood walkability and access.

STATUS OF REZONING APPLICATION: A rezoning application has not yet been applied for, however, the concept outlined above will serve as the basis for the application. We expect the rezoning to take a few months as we work with Community Planning and Development.

CONCLUSION: PUD rezoning will enable CHUN to continue using the property as it has for many years to work with local small merchants, artists, entrepreneurs and service providers with ties to the neighborhood. A community becomes healthier and more vibrant through the active involvement of those who live and work in the neighborhood.

Frequently Asked Questions

As it faced significant financial concerns in late-2016/early-2017, Capitol Hill United Neighborhoods (CHUN) began a broad engagement process in 2017 with community outreach and communications with external stakeholders. In 2018, CHUN engaged City Street Investors (CSI)—responsible for transforming historically significant jewels, like Denver’s Union Station—to determine neighborhood perspectives and identify potential uses for the property. Collectively the two groups have initiated the necessary due diligence required for a project like restoring and preserving a 120-year-old property. Throughout this outreach process, a set of frequently asked questions have developed. They along with their respective responses can be found below:

Q. What is the Tears McFarlane House?

A. Built in 1899, this Colonial Revival style mansion has been the property and home of the Capitol Hill United Neighborhoods organization (CHUN) since 2005. The mansion itself is approx. 8700 S.F. and the grounds include an additional 1500 S.F. building, called Hedlund Hall (or the Annex), which was built as an event center in the early 1980s.

Railroad attorney Daniel W. Tears and his wife commissioned the construction of the house in 1898. They lived in the house for more than 40 years. In 1937, the house was purchased by Ida and Frederick McFarlane. After Ida’s death, Frederick married Lillian Cushing, a dancer and actress, who gave dancing lessons in a studio in the basement.

The *Denver Post* proclaimed the home’s dining room as “one of the loveliest in the city” in 1962, the same year that Mr. McFarlane died. Lillian stayed in the mansion until 1966. In 1966, it became the residence and offices of U.S. Senator Gary Hart. The house was owned by the McFarlane family until 1972 when it was sold to investors. The house served as an office building until 1977 when it was purchased by the City of Denver for use as the Capitol Hill Community Center. It became the Greater Capitol Hill Events Center in 1977, and then the Center for the People of Capitol Hill. It would be owned by a separate nonprofit bearing the same name.

When the Center for the People of Capitol Hill shutdown due to poor financial performance in the early 2000s, the entire property was transferred to CHUN. CHUN has owned and operated the property since then.

Q. Why does the House need to be revitalized?

A. Although the mansion is very beautiful, it is in a poor state of repair and has been a significant financial burden for CHUN since the organization acquired the building in 2005. Some argue that the condition of the property caused the financial demise of its previous owner(s) as well. All of the systems in the building require replacement. Revitalization of the building, grounds and other improvements, including enhanced access in order to comply with the Americans with Disabilities Act are expected to cost in excess of \$2M.

Q. How will the revitalization be financed?

A. CHUN will enter into a 50-50 partnership with City Street Investors LLC (“CSI”). CHUN will sell a 50% equity in the property to CSI and retain a 50% interest. The proceeds of the sale will provide CHUN with a significant endowment to be invested in perpetuity. Thus, providing CHUN with the financial resources it needs for programming in the future. CSI will finance the revitalization costs.

Q. How will this partnership work?

A. While day-to-day management of the property will be the responsibility of CSI, all significant decisions affecting the property will be made by agreement of both CHUN and CSI in accordance with the terms of a detailed Operating Agreement. In the unlikely event of a significant disagreement, the Agreement contains provisions that require 3rd party mediation.

Q. Who is City Street Investors LLC?

A. CSI is a partnership of Pat McHenry, Joe Vostrejs and Rod Wagner, all long-time Denver residents. The company is primarily known for its neighborhood retail and restaurant projects, some of which include 6th & Gilpin (Novo Coffee, Satchel’s, etc.), 6th & Fillmore (Shaver-Ramsey, Barre3), 12th & Madison (TAG Burger Bar, Blue Pan Pizza) and Hangar 2 Dining District in Lowry (Lowry Beer Garden, Officers Club, North County). The company also co-developed Denver Union Station and is responsible for the all-local retail line-up and operates Terminal Bar, Cooper Lounge, Pigtrain Coffee and Milkbox Ice Creamery.

Q. What is the vision for the revitalization?

A. CSI and CHUN conducted a series of focus groups with neighborhood residents, business owners and other stakeholders to determine preferences, needs and desires for the property. Participants in these focus groups helped formulate a set of concepts that would help CHUN preserve the property, invigorate the nonprofit’s programming, and help create a funding stream for CHUN’s future operations and community support. Paramount among the results was that the property be opened up to the community as much as possible. Moreover, it should serve as an accessible, inclusive neighborhood gathering place—a place to have a cup of coffee; read a book; work on a computer; buy a bottle of water; grab a bite to eat or meet friends for a glass of wine; etc. Other expressed desires included that the building continue to offer space for community events, fundraisers, etc.

Q. How were the focus group participants selected? How were the focus groups conducted? What other neighborhood outreach has been done?

A. CHUN has an extensive membership database of more than 800 area residents and business owners. Wide outreach was conducted, including social media postings that generated thousands of views. Participants were randomly selected. CHUN board members were also invited to observe the focus groups. In all 4 focus group sessions were conducted with more than 15 participants in each group. The focus groups were conducted using proper techniques. No leading questions were asked, and participants were encouraged to freely share their thoughts, suggestions, opinions and concerns about the property. In addition to the focus groups, CHUN volunteers conducted surveys of park visitors over 5 weekends. More than 150 surveys were collected.

Q. So what will be the uses in the property?

A. The historic mansion itself will continue its primary use as leasable office space and home of CHUN. It will also continue to be available for small events and meetings. The Annex building will be fully reconstructed on a similar size footprint. The Annex building will be built-out as a small café. The grounds and gardens will be extensively restored and improved as public space with seating and tables.

Q. What will the Café be like?

A. Although not identical to any, Olive & Finch <https://www.oliveandfincheatery.com>, Ivy on 7th <http://ivyon7th.com/> and Levin Deli Co. <https://eatleven.com/> have conceptual similarities to what is planned. The café will include a full coffee shop with breakfast pastries, bagels, pressed juices, etc. It will also feature grab and go salads, fresh deli sandwiches, tartines, cheese & charcuterie, ice cream & other desserts, which can either be taken to go or enjoyed on-site. Free high-speed internet will be provided.

Q. Will the café have a liquor license?

A. Yes. Like the businesses referenced above, café guests will have the opportunity to enjoy a glass wine, beer or spirits. In addition, as the property will continue its use as a place for small-scale events where alcoholic beverages are served, a license will be required for this.

Q. What steps will be taken to ensure the consumption of alcoholic beverages is not a problem for the neighborhood?

A. Alcoholic beverage service has been a regular part of events at the property for many decades without problem. That said, CSI is a highly experienced operator of licensed food and beverage establishments, most of which are embedded in dense residential neighborhoods. As with all CSI operations, strict compliance with alcoholic beverage service and sales laws is enforced and all servers must be “TIPS” (Training for Intervention Procedures) certified to ensure underage or over-served patrons are not able to buy or consume alcoholic beverages. Patrons will not be allowed to carry alcoholic beverages beyond the property’s fence and signs prohibiting beer, wine and alcohol will be posted prominently in accordance with State and City regulations. Alcoholic beverage service will not begin until lunch or brunch service. The license application process requires significant engagement with the neighborhood and concerns such as noise, hours of operation can be addressed with an agreement with the appropriate neighborhood representatives.

Q. What will be the hours of operation?

A. Hours of operation are expected to be no earlier than 6:00 am or later than 10:00 pm. As noted above sales of alcoholic beverages will not be permitted before lunch or brunch service.

Q. What about parking and traffic?

A. The property has regularly hosted events over the past several decades—sometimes exceeding 200 attendees—and parking has not been a major issue. The café concept proposed for the property is very much a neighborhood amenity, not a destination. Like the similar concepts listed above, and the 6th & Gilpin property where Novo Coffee is a tenant, a large percentage of patrons will arrive by foot or bicycle. As a neighborhood amenity, the café will overwhelmingly serve patrons who are already in the neighborhood, rather than drawing patrons from a distance. The property will retain all its existing parking and many new bike racks will be provided. Valet service will be provided for events.

Q. Will the property and its uses infringe on Cheeseman Park?

A. The City of Denver originally built the Annex Building and the small patio which currently sits partially on park property. CHUN inherited this condition but plans to remove the patio. All proposed activities will be contained strictly within the house’s property lines. A gate in the house property’s fence will permit the public to access the house from the park and also permits the public to access the park from 13th Avenue over an existing easement on the house’s property.