M E M O R A N D U M

February 18, 2011

TO: BURA Board of Commissioners

FROM: Jane S. Brautigam, City Manager
Liz Hanson, Economic Vitality Coordinator

SUBJECT: February 23, 2011 BURA Meeting

The next BURA meeting will take place on Wednesday, February 23 in the Creekside Room of the West Senior Center and will begin at 7:00 p.m. A meeting agenda is attached. The main item of new business is to review and comment on the Urban Land Institute (ULI) of Colorado's Technical Advisory Panel (TAP) report on Diagonal Plaza (also attached). Comments by the BURA Commissioners will be forwarded to the City Council.

On January 20, a ULI TAP met to discuss the future of Diagonal Plaza. After the full day panel, the TAP presented its initial findings and recommendations to an audience of about 50 people which included City Council, Planning Board, and BURA Board members, Diagonal Plaza property owners, developers, and community residents. This week, ULI has provided the city with a draft report which provides an overview of the TAP's answers to the city's problem statement/questions, summaries of stakeholder interviews, and recommendations.

Please contact Liz Hanson (hansonl@bouldercolorado.gov or 303-441-3287) if you will be unable to attend next Wednesday's meeting.

Boulder Urban Renewal Authority (BURA)
Board of Commissioners Meeting

Wednesday, February 23, 2011 7:00 p.m.
Creekside Room / West Senior Center / 909 Arapahoe Avenue

AGENDA

1. **Roll Call**

2. **Public Participation**

3. **New Business**

   - Review and Comment: Urban Land Institute's Technical Advisory Panel Report on the future of Diagonal Plaza

4. **Report of Executive Director**

   - Review of Next Steps – Diagonal Plaza Redevelopment

5. **Adjourn**

Urban Land Institute
Colorado

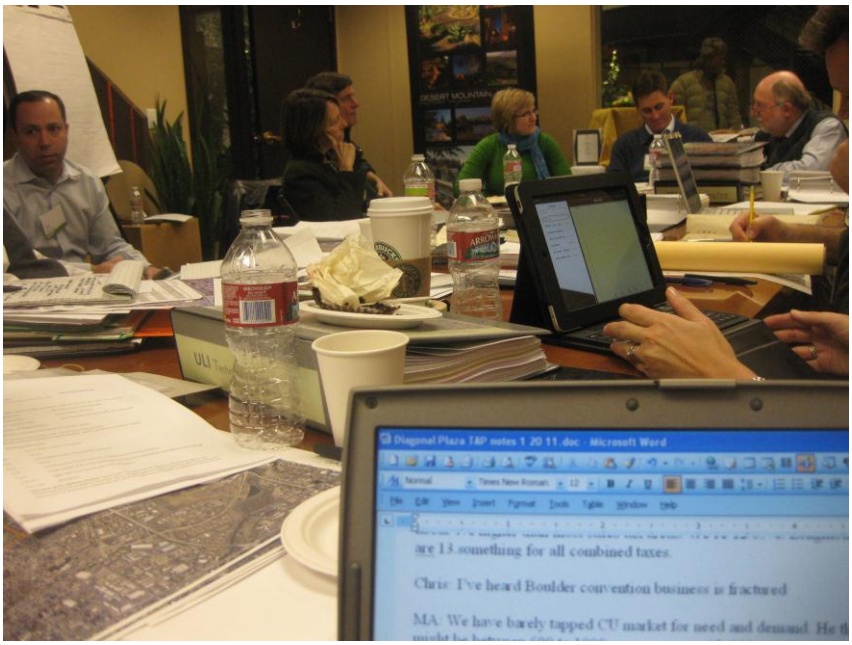
DRAFT 2 17 2011

Leadership in Responsible Land Use

Technical Advisory Panel (TAPs) Report on the future Of Diagonal Plaza

January 20, 2011

Report prepared by
Colorado District Council of the Urban Land Institute (ULI Colorado)
for City of Boulder
February 2011



Based in Washington, D.C., the Urban Land Institute is a 501-c-3 nonprofit dedicated to leadership in responsible land use. District Councils are ULI at the local level in 65 regions worldwide serving more than 30,000 members. District Councils support best practices in land use through Smart Growth programs, seminars, and project tours. By offering nonpartisan, unbiased expertise to community leaders, ULI Colorado positively influence land use issues while engaging its 900 members to participate in their community. Based in Denver in the historic Equitable Building. ULI Colorado's leadership includes William E. Mosher, Chair; Chris Achenbach, vice chair; Michael Leccese, executive director, and Kacey Wilkins, director.

Special thanks to:
City of Boulder: Samuel Assefa, David Driskell, Liz Hanson
ULI Colorado TAPs co-chairs: Al Colussy and Arleen Taniwaki
Volunteers: Dan Cohen, Liz DiLorenzo, Aaron Schlagel
Host: DTJ Design

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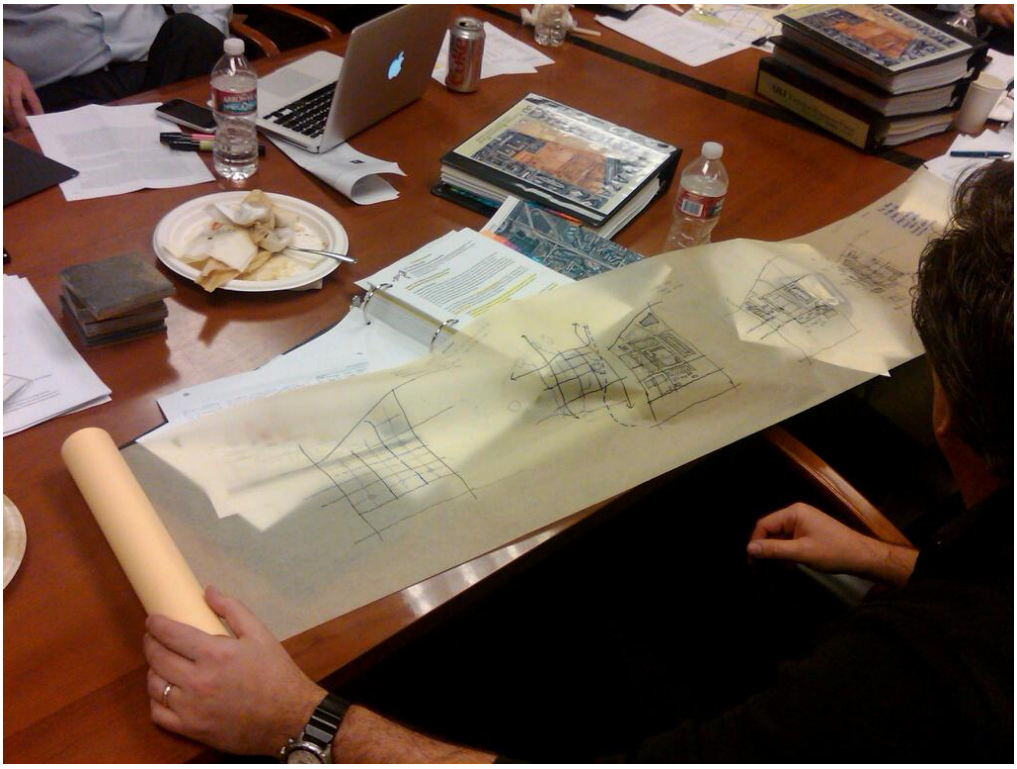


I) Executive Summary

On January 20, 2011, at the City of Boulder's invitation, Urban Land Institute Colorado (ULI Colorado) convened a one-day Technical Advisory Panel (TAP) to consider redevelopment of Diagonal Plaza, a 46-year-old, 24-acre commercial center located at 28th and Iris in North Boulder.

Viewed as both a real estate proposition and a significant site for the community, Diagonal Plaza has many advantages. It holds a potentially vibrant location near high-quality, high-density housing, a major RTD transit stop, and a growing system of greenways. It is also located near the future Boulder Junction transit village with new pedestrian, bicycling, road, and transit connections planned.

Other positives include Diagonal Plaza's several viable businesses; its "Gateway" location for commuters and visitors coming from Longmont and points north; and its "dumbbell" location anchoring the north end of Boulder's 28th and 30th streets commercial corridors.

But in recent years Diagonal Plaza has lagged. Several years ago, Albertson's grocery store closed as an anchor tenant. More recently several other large retailers closed leaving empty storefronts behind. Sales taxes collected on site have plummeted. Visually the center looks tired. It presents the typical low-slung, nondescript suburban commercial buildings set back behind a Sargasso Sea of parking. Landscaping and urban design are not up to Boulder's current standards.

In addition, redevelopment action on Diagonal Plaza has been forestalled by fragmented ownership. It has some 15 different owners, several located out of state. It may be a challenge to get all these owners marching in the same redevelopment direction.

Alternatively the city or a private developer could assemble the land. But the cost might be quite high (more than $1 million an acre). Unless the city can offer a major subsidy, this reality of high land cost rules out some desirable land uses like affordable housing and discount retailers, which by definition need low land costs.

The TAP consisted of seven ULI members with extensive experience in mixed-use development, retail development and leasing, urban design, landscape architecture, real estate law, and urban renewal (full bios in back). The panelists prepared by touring the site and reviewing an Advance Packet, prepared by City of Boulder staff, and containing relevant policies, plans, data on traffic and demographics, retail sales tax trends, a 2010 Retail Study prepared by Economic and Planning Systems (EPS), City Council proceedings, and correspondence with property owners.

Meeting for just one day, panelists interviewed stakeholders (see Section III) and then quickly deliberated to answer questions posed by the City.

The result was three different courses of action with a preferred option. The panel weighed pros and cons of each option.

At a 5 pm open meeting the panel delivered its findings and recommendations to City Council and Planning Board. Some 50 citizens and stakeholders also attended.

Panel recommendations are designed to be strategic. It is up to the city and its partners to further test and implement these ideas.

Analysis and findings

Diagonal Plaza is a site with potential but no clear, compelling reason for dramatic action or investment by the city. However, the city could (and should) take intermediate steps to improve the look of Diagonal Plaza and prepare the site for positive redevelopment down the road.

Immediate action would be warranted by the following conditions:

--A mixed-use developer or major retailer with **strong interest** in the site and impatient to act

--The **assemblage of the site** under one developer or landowner; or an agreement among all the current landowners (and possibly also all retail tenants) to move together as a team on redevelopment

Other findings:

--**High land cost** of Diagonal Plaza (estimated in the 2010 EPS report at $29 to $45 million or more than $1 million per acre) is a barrier to redevelopment, especially for a discount retailer or for affordable housing. By their nature these uses require low overhead, eg affordable or below-market land costs

--Diagonal Plaza has the **potential to create a landmark gateway** as well as **neighborhood identity** that is now somewhat lacking. Despite the presence of high-density housing, there is no nearby neighborhood association for Northeast Boulder

--A **major grocery store** is a **possible new use**. According to a real estate representative of King Soopers, the site could support a 125,000 square-foot "Marketplace" store (50 percent larger than the new Whole Foods at 28th and Pearl), even with the presence of the redeveloped Safeway across the street

-- More research is needed (including perhaps an Economic Void Study to determine what retailers Boulder lacks that would do well here) to learn **which retailers truly have interest** in both Boulder and the mixed-use, higher-density format

--A **hotel** is a potential use although there does not seem to be a compelling need for a hotel on this site and other sites may be better

--To proceed with a major redevelopment with the city's participation and support, the city must **first identify a major retailer or other anchor** who really wants to be on the site. Investing in the site or assembling land without an "end game" strategy would be a mistake

--In the same vein, the city needs to do more homework to determine what retailers are absent in Boulder and may have interest in locating at Diagonal Plaza (Economic Void Study)

-- The City of Boulder has **not developed a compelling vision** for what it wants to see happen on this site and there does not seem to be a consensus about the direction of future redevelopment.

--A **comprehensive Neighborhood Plan** is the first step in developing and building consensus about the vision for what the site might become.

-- --Greater effort is needed to **engage current property owners** and businesses in redevelopment planning and redevelopment itself

Recommendations (Three Alternatives)

1) **Limited or No action.** Lacking an economic driver to transform the site through redevelopment, the city could make Diagonal Plaza a low priority and wait for real estate markets to recover to reevaluate. Still the city can move on to #2.

2) **Incremental Approach**. The city sets the stage for redevelopment through tougher code enforcement (to improve the physical appearance of Diagonal Plaza) and by building partnerships with on-site property owners and adjacent players such as Boulder Housing Partners. This may not require cash or financing but does need the time and attention of council and staff.

3) **Dramatic action.** To spur redevelopment as soon as possible, the city assembles the land into one site through a blight study, urban renewal and other aggressive policies and actions.

The TAP **recommends** # 2, The Incremental Approach. Limited or no action can only lead to more deterioration at Diagonal Plaza. Dramatic action has many risks and ill-defined rewards. See sections IV and V for more details.

II) Panel Responses to City of Boulder Questions

1) *What non-traditional (e.g. multistory, structured parking, sustainable) large format retail options are feasible for the Diagonal Plaza site?*

The panel recommends more outreach and study on this issue. On the positive side a real estate representative of King Soopers who attended as a stakeholder said King Soopers would be friendly to a mixed-use center anchored by a King Soopers Marketplace (125,000 square feet).

This suggests mainstream interest in the site from large-format commercial developers and retailers. But more research is needed to determine what retailers might be interested.

To test these waters with national and regional retailers, the panel suggested approaching Wal-Mart at the corporate level to assess interest in a prototype "Boulder" store in an urban format on this site. But this may be controversial.

2) *How can development be supported by higher density and/or a mix of uses?*

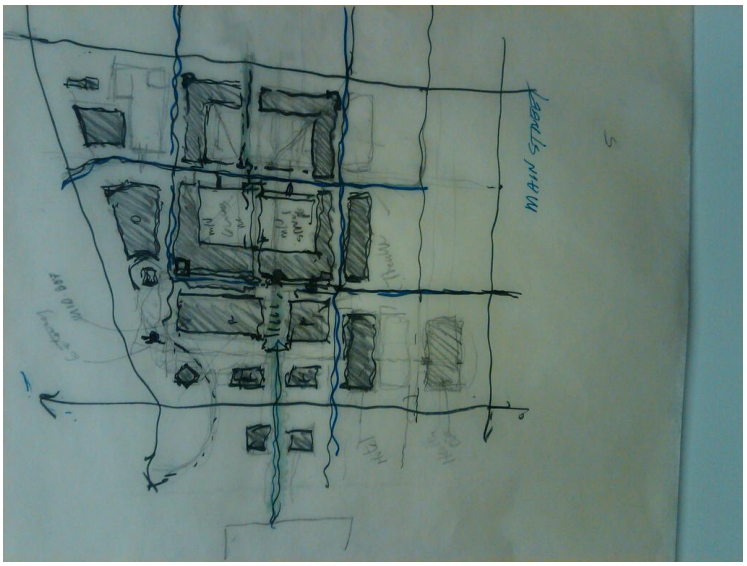
Retail development is driven by the presence of "rooftops," usually defined as homes within driving distance of a prescribed area. Mixed-use developments create their own rooftops by including housing on site. The panel showed examples of urban-format Target stores, attached to structure parking. Higher density and mixed use promises higher returns and richer social uses—but it also requires public support including public finance.

3) *What are the urban design opportunities?*

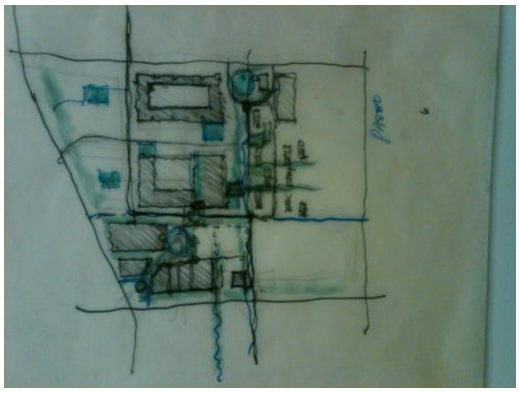
The current urban design is a mixed bag. The panel noted the presence of a highly used transit stop and higher-density housing around Diagonal Plaza--in stark contrast with the suburban strip format of the center itself. In addition new pedestrian crossings at 28th Street connect the center to other established neighborhoods to the west. The center's northern orientation is a disadvantage in Boulder, which loves sunny locations with Flatirons views to the south.

The panel explored three placemaking possibilities:

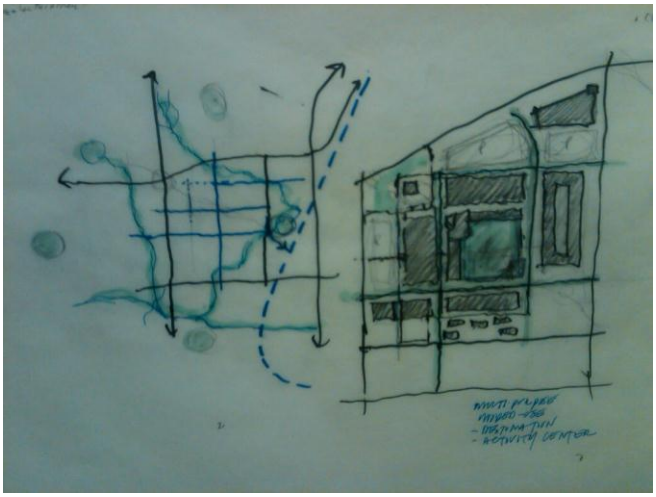
a) **Main Street**:
Assumes that retail anchors remain or new ones can be attracted. Restructures the center around a new low-speed north-south street that pushes buildings to the edges of the site enveloping more intimate public spaces.



b) **Paseo.** Does not assume the presence of major retail, but creates a compact neighborhood with connections. Creates walkable links along intimate pathways that lead to BHP housing and other adjacent neighborhoods



c) **Community Destination**.
Replaces or enhances major retail by adding a community destination like playing fields (softball, soccer, lacrosse, etc), always in short supply in Boulder. If mixed with major retail, the playing fields could be placed on a deck over structured parking at the center of the site.



4) *What are the most feasible public financing/partnership options?*

a) The public tools are well-known and have been used in Boulder.

Urban renewal has become politically difficult and has only been been used twice in Boulder since the 1980s.

b) Tax-increment finance only makes sense if used in partnership with a major retailer guaranteed to generate sales taxes over a long period
c) A Business Improvement District (BID) makes sense only if the businesses are in for the long haul—and this may not be the case if the property is assembled and completely redeveloped

5) *Is there any strategic advantage to moving forward now rather than waiting?*

There is no strategic advantage to pushing ahead for a complex speculative redevelopment in this "down" market for real estate. This only makes sense with a major new anchor tenant or land use assured in advance.

There are however strategic risks with waiting. The center might attract less desirable tenants to its vacant spaces. The center might continue to deteriorate physically and create blight at one of Boulder's north gateways. In addition there is an opportunity today to build on today's momentum by working with a motivated partner in Boulder Housing Partners.

6) *What are the pros and cons of an incremental phased approach, including retention of existing viable businesses?*

The panel strongly favors this approach. A project born of consensus among current landowners and tenants stands a strong chance of implementation; it turns the current stakeholders into an asset rather than an obstacle to redevelopment. However the City has much work ahead to organize this group.

III Stakeholder Interview Summary

Matt Appelbaum, Boulder City Council

- This is the city's last big box site, but it needs something less suburban, with more substantial architecture and an urban, walkable feel
- City has no money to invest into this
- Unclear if we want a big box; if so, how do we get it without the suburban form?
- Let's use the site for something special
- Is there a timely opportunity that we shouldn't miss that would lead us to action sooner than later?
- Not sure if Council supports affordable housing on this site.
- Office would be fine, but office demand seems weak in Boulder. For example an approved 300,000 SF office building hasn't been built for lack of market.
- Hotel – no objection, not sure why one should be here.
- Could put a recreation center there in concept, but don't have funding to build and operate.
- Not a good site for the conference center. Too far from University and Pearl Street

Jerry Lee, Reynolds-Lee and Boulder Urban Renewal Authority (BURA) Commissioner

- The City wants sales tax
- For at least the next five years, redevelopment doesn't make economic sense without major subsidy.
- This may require condemnation, but city hasn't used this tool much in 30 years
- City is sensitive about condemnation, so would have to be for a very compelling reason.
- City has been in contact with all of the owners. Owners have been very positive. The down economy that makes them interested.
- Among the 15 owners, there would likely be some holdouts. No one has indicated they would be an all out holdout.
- Avoid structured parking for retail here. Locals don't like it.
- Don't use 29th Street redevelopment as a template. 29th Street: is an underperforming asset. Design is the reason. The site needs more density.
- What's the highest and best use for the site? retail, commercial, residential would all be good.
- Incremental approach would be too fragmented.
- Financing – No projects in town have a PIF.
- Height limit – absolutely not the place to break 55 foot height limit. Downtown is the place to do it. Would be politically very difficult.

Mary Ann Mahoney Boulder Convention and Visitors Bureau

- key site as an entrance/gateway but location is challenged by high land costs
- Hotel use? Occupancy in Boulder is 67 percent. There are already 2,400 hotel rooms in Boulder and a 100-room hotel slated in Gunbarrel

- City would like to see a "boutique" convention center built with a 2,000-3,000 seat hall, but this location is not the place to do it
-

Stuart Grogan and Liz Wolfert, Boulder Housing Partners

- Would like to leverage HUD's Moving to Work program for Public Housing Authorities to become redeveloper of DP
- Because of income of census tract, site is eligible for New Market Tax Credits, which you don't have to compete for, like standard affordable housing tax credits
- Could potentially participate in urban renewal/land assembly
- Housing demand in Boulder is strong with 1,000 people on BHP wait list
- BHP could also partner with a master developer

KC Becker, Boulder City Council and BURA

- Sees this as a last box site and good for lower cost retail
- Not sure what the community wants
- Thinks EPS scenarios were "not dense enough"
- Always a demand for affordable housing, but Boulder especially needs family housing
- Most of council and community not on board with big box.
- Family housing is needed.
- Council needs to support TIF at a minimum to make anything happen
- Doesn't like the idea of incremental effort.

Liz Hanson, City of Boulder Economic Vitality Coordinator

- 2002 meeting with Wal-Mart: City Manager said we weren't interested. So they left.
- Council might get behind a traditional mixed use, with housing, office, and a supermarket.

Shawn Camden, Latin America Cultural Immersion (LACI)

--Stakeholder on site (leases two spaces)
--Thinks complex needs "facelift"
--Sees potential for affordable retail that would appeal to a diverse population, such as Avanza Supermarket, which has done well as an affordable grocer in 25-35k square feet

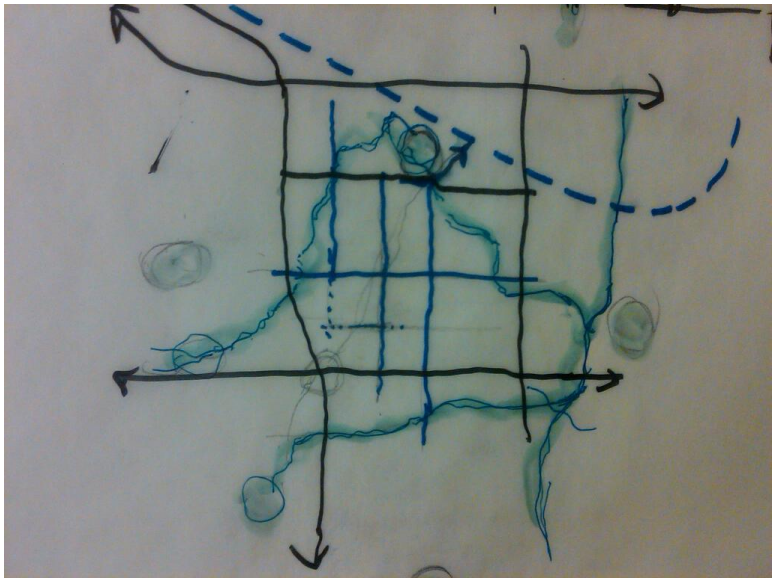
Mike Scheckel, King Soopers

--This would be a good location for King Soopers
--KS does "boutique" stores of 25k square feet to "Marketplace"stores of 125k square feet
--Thinks Boulder is underserved by retail, including grocers
--KS would consider and "analyze" two-story building with structured parking. Example is a City Market with residential over the store in Vail
--KS could help assemble the site

Mary Roosevelt and Ellen McCready, Thistle Commuity Housing
--Nonprofit homebuilder serving the 50 to 80 percent AMI market
--Prefers to build condos; families don't want to rent long-term
--This this is a good site as a gateway with good access and connectivity
--Low- and moderate-income do need more affordable shopping; Albertson's on this site was the more affordable grocer in town
--But thinks there are better sites for Wal-Mart
--Site is not ripe or ready; more good planning needed

John Schwartz, REM Investments
--Owns adjacent commercial buildings at 3280 and 3300 28th Street
--His properties are almost entirely leased (Core Power Yoga, Sola Salon, Edward Jones Investments, plumbing supply business, more)
--Rents range from $8 to $17 per square foot
--Favors mixed use redevelopment of Diagonal Plaza
--Has participated in City planning exercises
--Does not favor condemnation tool—some property owners are still angry from Crossroads redevelopment 30 years ago
--Does not hold out hope for CostCo as anchor tenant
--Thinks many people favor big box but would bristle at Wal-Mart

IV. Recommendations



1) Limited or No action.

   Lacking an economic driver to transform the site through redevelopment, the City could make Diagonal Plaza a low priority and wait for real estate markets to recover before reevaluating the potential and alternatives for redeveloping the site.

   At the same time, the city may attempt to improve the physical appearance of the site through tougher code enforcement such as requiring landowners to clean-up trash, cut weeds, repave parking lots and address any existing code violations. In addition, when the Department of Motor Vehicle lease expires, the City could consider relocating the DMV office. Relocation the DMV office would probably make economic conditions on the site worse; a negative in the short term, but also an incentive to redevelop sooner.

2) Incremental Approach

May include all or some combination of the following actions:

a) Retain a consulting firm to conduct an Economic Void Analysis to identify the types of retail, office, manufacturing, high tech, light industrial, hotel, conference or other commercial uses that are currently missing from the City of Boulder market and to identify the most needed and probable commercial businesses that the city might seek to attract.

   The ULI Panel recommends conducting a Void Analysis rather than the "leakage" study that has been previously considered to determine the amount of sales tax that is being lost by the City of Boulder to the surrounding communities and region.

b) Have City or BURA staff continue informal outreach to select (or all) property owners to understand property owners' priorities for the site and to determine if cooperative activities are possible to encourage improvement or redevelopment

c) Have City Staff contact property owners about the possibility of forming a Business Improvement District for the site. Site improvements might include: improving traffic access to site, parking lot improvements, storm water detention improvements, streetscape and landscaping improvements, façade improvements, and joint marketing efforts.

d) Have City staff reach out to select retailers to assess interest in the site. For example, City Staff could contact Wal-Mart, Avenza, King Soopers, Costco (although the conventional wisdom is that Costco is not interested in locating a store in Boulder), Kohl's, JC Penny's, and others to be identified.

e) Have City staff reach out to select developers to solicit their ideas for redeveloping the site. Since the TAPS was publicly announced, staff has received calls from several potential developers. It is probably worthwhile following up on these calls to see what these developers might propose and if they have made any contacts with existing landowners (why or why not?) regarding purchasing portions of the site and what the response has been.

f) Have Boulder Housing Partners, BURA and City Staff continue to pursue opportunities to expand and improve affordable housing on the site. This work should be done in the context of Boulder Housing Partner's application to HUD for the "Moving to Work Grant" and the potential of adding a street adjacent to the existing affordable housing to create another housing site.

3) Dramatic action.

a) Initiate Blight Study,
b) identify the appropriate Neighborhood Planning Study Area
c) conduct a Neighborhood Planning Process (including citizen outreach, charrette, alternative scenario analysis, comprehensive vision and implementation strategy for the neighborhood including the Diagonal Plaza Site)
d) Prepare Urban Renewal Plan consistent with the comprehensive neighborhood plan
e) Issue RFP to developers for proposals to redevelop the site
f) Decide upon acquisition and assembly strategy for the Diagonal Plaza property
g) Proceed with necessary actions and public/private partnerships to redevelop the property.

Important note: The Panel believes that it would be unwise for public officials to mention the prospect of condemnation until the City and the Urban Renewal Authority have a definitive plan (if not the actual money in the bank) to acquire the necessary property.

The ULI panel recommends # 2, The Incremental Approach with a focus on the following actions:

a) Retain a consulting firm to conduct an Economic Void Analysis to identify the types of retail, office, manufacturing, high tech, light industrial, hotel, conference or other commercial uses that are currently missing from the City of Boulder market and to identify the most needed and probable commercial businesses that the city might seek to attract to the Diagonal Plaza and other priority sites in Boulder. This study may cost $50,000 to $75,000 and will involve City Staff time in working with a consultant to prepare the scope of the study.

b) Have City or BURA staff continue informal outreach to select property owners in order to better understand the terms of existing leases, the property owners' priorities for the site and to determine if cooperative activities might be possible to encourage improvement and/or redevelopment of the site. The ULI panel was disappointed that more of the actual property owners did not participate in the stakeholder's interviews and believes that more information from the property owners is an essential step in evaluating options for redevelopment of the site.

The City should contact three key groups of property owners:

1) Property owners that may be most interested in redeveloping and improving the site, such as: Boulder Housing Partners; Naropa; owners who have made recent improvements to their properties; and other owners that have reached out to the City.

2) The five out-of-state property owners that have been difficult to reach and whose opinion about redevelopment is largely unknown. Have City staff reach out to select developers and solicit their ideas for redeveloping the site. Since the TAPS was publicly announced, staff has received calls from several potential developers and it is probably worthwhile following up on these calls to see what these developers might propose and if they have made any contacts with existing landowners (why or why not) regarding purchasing portions of the site and what the response has been.

3) The owners of the largest spaces such as Rite Aid and 24 Hour Fitness.

c) Have City staff reach out to select developers and solicit their ideas for redeveloping the site. Since the TAPS was publicly announced, staff has received calls from several potential developers. It is probably worthwhile following up on these calls to see what these developers might propose and if they have made any contacts with existing landowners (why or why not) regarding purchasing portions of the site and what the response has been. It is advisable to start with actual developers rather than specific retailers, because

the developers will have more success than the city in involving the correct retail people in the discussion. The potential developers include: King Soopers, the developer of the Wal-Mart store at Lakeside (if the Void study indicates a market for a Wal-Mart store and if the City has the political will to undergo the controversy that is inevitable with any Wal-Mart Store), Cornerstone Group Holdings, and Continuum Partners. The City needs to carefully ascertain the developer's level of interest and to ascertain how much city involvement (in the context of Urban Renewal Activities and city subsidy) that the developers are anticipating.

d) Have Boulder Housing Partners, BURA and City Staff continue to discuss options for expanding and improving the affordable housing on the site. This work should be done in the context of Boulder Housing Partner's application to HUD for the "Moving to Work Grant" and the potential of adding a street adjacent to the existing affordable housing to create another housing site. At a minimum, the owner of the properties where the street and the new housing site would be located should be contacted. BPH should not even mention the word "condemnation" in public discussions of the potential improvements to the existing affordable housing.

At this time we would not recommend devoting city staff time to attempting to form a BID. The BID discussion would be better if it was initiated by one or a group of property owners. In addition, we would not suggest that city staff reach out to potential retailers or tenants for Diagonal Plaza, at this time. As mentioned above, contact with potential retailers and tenants would be best made by potential

developers.

V. Pros and Cons of the Three Scenarios

The pros and cons of each alternative are outlined below:

1) **Limited or No action**

Pros:
a) Little to no cost to City.
b) Little to no staff time commitment from City Staff.
c) If the city opts for increased code enforcement, this is a part of the ongoing responsibilities of existing city staff and might result in some nominal improvements to the appearance of the site.
d) This is the market-based approach. It basically says that the City will let the market dictate the conditions on the site and will let the market tell us what the site's future.
e) Relocating the DMV office may reduce traffic to the site, and may reduce sales revenues. This in turn may increase vacancy and reduce property tax revenues. Such a reduction in the tax base may actually be a positive factor if a TIF District is established to redevelop the site.

Cons:
a) The site will continue to deteriorate. This will result in an even less attractive gateway into the City of Boulder.
b) New (perhaps even less desirable) tenants may decide to locate on the site. Such less desirable tenants might include: additional adult uses, deep discount stores such as Dollar Stores, used clothing stores such as Goodwill. Such tenants may secure long-term leases that would make eventual assembly and redevelopment of the site more difficult.
c) Stopping all staff involvement now might require the need to regroup and respond quickly (with less information than is desirable) should the Boulder Housing Partner's application for a HUD "Moving to Work" grant application be approved.
d) Current positive momentum relating redevelopment may be lost.
e) Current property owners may react negatively to increased code enforcement
f) Moving the DMV office may reduce traffic to the site, and may reduce sales revenues. This in turn may increase vacancy and reduce property tax revenues. Such a reduction in the tax revenues will be a financial loss to the City.

2) Incremental Approach
Pros
a) The Economic Void analysis would be benefit not only Diagonal Plaza but other potential projects in the City of Boulder. The study should cover the entire City limits.
b) Recommended incremental actions will maintain the momentum to move the redevelopment discussion forward.

c) By reaching out to existing property owners and understanding the economics of the existing leases, city staff may form relationships that enhance the probability of owner/city cooperation to redevelop the site. In the long-term at least some level of property owner cooperation is needed for successful redevelopment.
d) Outreach to property owners should provide useful information for future redevelopment efforts. If some property owners do not respond it also provides evidence that the City reached out to the owners and was unable to get a response.
e) Outreach to potential developers may provide useful information; a developer may take the lead to propose redevelopment.
f) Continuing communication between Boulder Housing Partners and City Staff will result in a more viable BHP project if the HUD Grant is approved.
g) Staff time needed is probably minimal; the benefit of keeping communication open may well outweigh the staff costs.

Cons
a) The Economic Void Analysis will cost $50,000 to $75,000 and take resources from other city priorities.
b) The incremental approach requires some City staff time. Even a minimal time commitment takes away from other projects.
c) If the city reaches out to property owners, these current owners may expect or pressure for financial or technical assistance the city does not have.
d) If the city reaches out to developers that could also raise expectations For example, developers will probably want the City to form an Urban Renewal District and to provide TIF resources.

3) Dramatic action.
Pros
a) In the short or long-term a public/private partnership is probably needed to redevelop the site
b) It may be prudent to begin this process in a "down" market when property values are lower.

Cons
a) Requires significant commitment of City and BURA time and money.
b) There are no compelling market conditions to suggest, even with the above activities, that the site is immediately poised for redevelopment. Therefore, if the Blight study was undertaken now (cost approximately $20,000) and the conditions precedent for redevelopment did not occur for several years the blight study might have to be updated or redone. The cost for an update might equal the cost of the original study.
c) Preparation of a Neighborhood Plan for the Diagonal Plaza neighborhood will be time consuming and the Planning Office has indicated that there are several important neighborhood plans ahead of this project. However, the TAPS Panel believes that it is absolutely essential to prepare this type of

neighborhood plan and to develop more consensus on the vision for the Diagonal Plaza Site before preparing and Urban Renewal Plan and creating an Urban Renewal District.

d) Initiating a Blight Study, without reaching out to property owners first, may create an adversarial relationship between the City and some property owners that could lead to lawsuits and extended legal action that may delay the development process in the future.

e) Blight Studies and Urban Renewal Actions that are not initiated by property owners or with their support, are by their nature politically controversial. If the City takes the Dramatic Action approach it must be willing to expend the political capital to see this process through to conclusion.

VI) Panel Bios

Panel chair: Charles J. Perry, Managing Partner, Perry Rose LLC. A recognized national authority in community based planning and mixed-use, mixed-income infill real estate development, Chuck Perry brings extensive background in public process and financing strategies to his role as Managing Partner of Perry Rose. Mr. Perry managed the development of the award winning Highlands' Garden Village (HGV), leading the development team from concept to obtaining entitlements, approvals and financing through design, value engineering and construction management. The Highlands' Garden Village Planned Unit Development (PUD), written by Mr. Perry, served as a model for the City of Denver's mixed-use zoning code. Highlands' Garden Village was recently lauded by the EPA as a local model for economic growth and environmental sustainability. Prior to joining Perry Rose, Mr. Perry served as the Assistant Executive Director of the Denver Urban Renewal Authority (DURA) and was responsible for the preparation of numerous downtown and neighborhood urban renewal plans and financings. He also managed the redevelopment of the Denver Dry Goods Building and initiated several programs to renovate single family housing and make it available to low and moderate income home buyers. Mr. Perry holds a Ph.D. in Urban and Regional Planning from Massachusetts Institute of Technology with a specialization in citizen participation, land use and environmental planning.

Christopher Crosby, Executive Vice President, The Nichols Partnership, Denver. Before joining Nichols in 2001, Chris was a partner and Vice President of the Atlanta-based development company Legacy Property Group, a leading Atlanta urban infill developer. Before participating in the foundation of Legacy, Chris was a Venue Logistics Manager for the Atlanta Committee for The Olympic Games, working on both Olympic Stadium and the Olympic Village. Since 1991, Chris has participated in more than $500 million of real estate development containing a mix of uses including office, multi-family, hotel, retail and entertainment/sport. Most recently, Chris was involved with building and marketing SPIRE, downtown Denver's LEED® certified 41-story tower... Chris received a Bachelor's degree from Ohio University and his Master's from The University of Georgia. Chris serves on the board of the Cherry Creek North Business Improvement District the Cherry Creek North Design Advisory Board, the Cherry Creek Capital Improvements Committee and is a co-chair of the Downtown Denver Partnership's 14th Street Initiative and the Housing Council's Marketing Committee. Chris is a LEED accredited professional.

Deborah S. Froeb, Director of Land Conservation and Finance, The Nature Conservancy. A seasoned real estate executive, Deborah Froeb joined The Nature Conservancy, the world's largest conservation organization, in 2008. Froeb leads a team of land protection and public funding specialists in structuring creative land deals and financing them through public capital, private investment and philanthropic gifts. Before joining TNC, Froeb had

responsibility for Regency's Rocky Mountain region for 10 years. Regency is one of the nation's largest retail Real Estate Investment Trusts (REITS) with a market capitalization exceeding $7 Billion and a portfolio of 400+ community and neighborhood shopping centers. Froeb's background in commercial real estate includes associations with Mutual of New York and First Interstate Bank. She received her Masters in Management from Northwestern University and her B.A. from Colorado College. Current community engagements include service as Vice President of the Middle Park Land Trust Board in Grand County, Colorado; a member of the Board of the Colorado Coalition of Land Trusts; and an Executive Committee member for the CU Real Estate Council.

Greg Moran, Senior Leasing Director, Weingarten Realty. Mr. Moran guides and plans for the long term health and profitability of the 2.66 MM square foot Weingarten shopping center portfolio in Colorado. Previously Mr. Moran served for three years as Director of New Development for Miller Weingarten Realty and before that served for eight years as Director of the Miller Weingarten Realty leasing department. His primary role was to manage the marketing and leasing production for the company's 4.6 million square foot shopping center portfolio. Mr. Moran has a 25-year track record of developing, selling and leasing retail & mixed-use real estate throughout the central and western US. Until recently, Mr. Moran served as the International Council of Shopping Centers (ICSC) Western Division Government Relations Committee Chair. He served on the Board of Directors for the Denver Metro Commercial Association of Realtors (DMCAR), he also serves as a Burns Fellow for the University of Denver's Burns School of Real Estate. Mr. Moran received a Bachelor's degree in Real Estate/Finance, with a minor in Economics from the University of Denver. He pursued his Masters degree in Business Administration at Saint Edwards University in Austin, Texas. Mr. Moran maintains a Colorado Real Estate Brokers license.

Dennis Rubba is principal and founder of studioINSITE, LLC with over 25 years of experience in urban planning, design and landscape architecture. Having received numerous awards for academic and professional excellence, Dennis is nationally recognized for design of urban environments and university campuses. Notable urban planning and design projects led by Dennis include the 14th Street Initiative and Design Services (Market St to Colfax Avenue); 16th Street Urban Design Plan Phase II; Larimer Square Redevelopment; Colorado Center Mixed-use Redevelopment Plan; Village at Castle Pines Mixed-Use Development; California Street Streetscape Improvements (14th St to Broadway); and Clayton Lane Mixed-Use Redevelopment in Cherry Creek North. Dennis also led design concepts for the revitalization efforts of Fillmore Plaza in Cherry Creek North. Dennis is a Registered Landscape Architect of Colorado and member of the following professional associations: American Society of Landscape Architects (ASLA); American Institute of Architects, Affiliate Member (AIA); AIA Denver Board Member, Professional Affiliate Director; ASLA Urban Design and Campus Planning Committees; Congress for

New Urbanism; Downtown Denver Partnership, Inc.; Union Station Task Force, Downtown Denver Partnership; and Union Station Advisory Council, Downtown Denver Inc. Dennis' holds a Master in Landscape Architecture with Distinction from Harvard University and Bachelor of Science in Landscape Architecture with Distinction from Colorado State University.

Tim Steinhaus, Executive Director, Arvada Urban Renewal Authority and past Director for the City of Arvada Economic Development Association. Tim has over 35 years of experience in economic and community development. He headed the economic and redevelopment activities for a number of cities in California. He attended college in Fort Collins and Glenwood Springs, Colorado, and obtained a Master's Degree in Public Administration and a Bachelor of Arts Degree in Environmental Studies from California State University.

Carolynne C. White, Shareholder, Brownstein Hyatt Farber & Schreck, Denver. Ms. White's practice spans the Land Use, Government Relations, Real Estate and Natural Resources groups. Ms. White is an experienced land use and public policy attorney, with strong state and local government relationships, and cutting-edge expertise. Her specialty is managing complex and challenging projects and navigating multiple regulatory environments for optimal outcomes for clients. One of only 12 LEED-accredited attorneys in Colorado, Ms. White also holds a Masters degree in Public Policy, and in Urban and Regional Planning, from the University of Colorado at Denver. Ms. White's practice focuses primarily on the zoning and entitlement process, with an emphasis on complex projects involving redevelopment, infill, brownfields, urban renewal, eminent domain, mixed use, transit-oriented development, PIFs and other public financing tools, and special challenges such as historic preservation. Ms. White also serves as special and general counsel to a variety of governmental and quasi-governmental entities, such as urban renewal authorities, special districts, and redevelopment authorities. From 1999 to 2004, Ms. White was the staff attorney for the Colorado Municipal League, the nonprofit association representing the cities and towns of Colorado.