

Background

What is the University Hill Commercial District Moratorium Project?

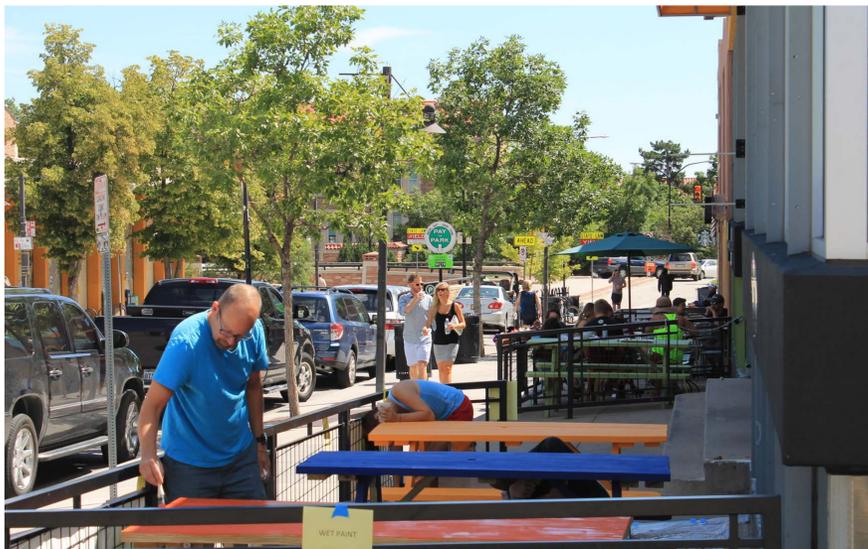
In August, 2014, the Boulder City Council passed a temporary moratorium on residential uses in the Business Main Street (BMS) zoning district on the Hill.

The Purpose of the temporary moratorium is to provide the time necessary to address a current economic environment that strongly favors student rental housing in the University Hill commercial district, making it difficult for more diverse uses that could help to preserve and enhance the neighborhood's character to compete in the market place.

Over-concentration of any single use in this small commercial district would conflict with the community's vision for the Hill, defined in the Boulder Valley Comprehensive Plan (BVCP) as a pedestrian-oriented, safe, vibrant center with a rich mix of uses to serve the university, adjacent neighborhood, the city and region.

The goals of the project are to:

- Review and analyze University Hill business district history, current use composition, and existing zoning district boundaries, uses, and standards;
- Gain a clear understanding of current market dynamics and property owner needs and desires;
- Identify gaps and conflicts between the adopted Boulder Valley Comprehensive Plan vision for the Hill and the current situation;
- Identify options, including potential refinements to existing zoning, possible creation of new zoning, and other tools to implement the Hill vision in a way that supports larger community goals;
- Support and coordinate with concurrent efforts to implement the Hill vision.



Where Are We in the Process?

The project is organized around the 5 phases below. The materials at this open house compile the results of Phase 1 and present our initial work in Phase 2.

1. Project Start Up, Information Gathering, Issue Identification - Sept. and Oct. 2014

- Define scope of work & hire economic consultant
- Develop a communications and outreach plan, including on-line information and feedback options
- Preliminary outreach to affected property owners
- Gather Information about the area, its history, existing uses and ownership, city policies and regulations, potential programs, etc.
- Summarize the Key Issues and Results of the Economic Analysis

2. Preliminary Options and Outreach to Stakeholders - Nov. 2014 - **We Are Here**

- **Develop and analyze preliminary options**
- **Vet options with stakeholders**

3. Refine Options and Develop Staff Recommendation - Dec. 2014

- Refine options
- Continue to get public input
- Develop staff recommendation

4. Board and Commission Public Hearings and Recommendations - Jan. 2015

- Finalize materials for Planning Board and UHCAMC meetings
- UHCAMC public hearing and recommendation (Jan. 21)
- Planning Board public hearing and recommendation (Jan. 22)

5. City Council Public Hearings and Decision - Feb. and March 2015

- City Council 1st reading (Feb. 17)
- City Council 2nd reading and public hearing (March 3)
- City Council 3rd reading, if needed (March 17); Ordinance expires March 18

What is the University Hill Commercial District Moratorium Project Not?

This is a focused effort to address a short-term economic situation and will build on past studies and recommendations to address issues in this area. It is not intended to create a new vision for the Hill. There are, however, several related projects and parallel efforts all working in tandem to realize the Boulder City Council's vision for the Hill.

Quality of Life

Public safety and code enforcement are the foundation for Hill revitalization and includes the ongoing "back to school" efforts and code enforcement including the recent bear-proof trash receptacle ordinance. The pilot "parklet" on Pennsylvania has received positive response as has the recent mural on the Fox Theatre. The city is taking a leadership role in providing start-up funding for a two and one half year pilot residential service district (RSD) in the high density residential neighborhood immediately west of the commercial district to pick up trash and remove graffiti through the Bridge House Ready to Work crews as well as engaging volunteer resources.

As part of the city's ballot initiative passed this November, Community, Culture and Safety ("2A"), three projects are proposed for the Hill. Pedestrian scale lighting along key pedestrian routes, street tree irrigation and replacement and the creation of a community event street along Pennsylvania – an opportunity to create a flexible public area that can be both a street for all modes and a community gathering and event area.



Catalyst Sites

This component of the Hill Reinvestment Strategy covers opportunity sites that could alter the character of the area and encourage a greater diversity of uses on the Hill. There are several catalyst sites that are currently surface parking lots owned by the city parking district and CU.

Organizational Structures and Funding

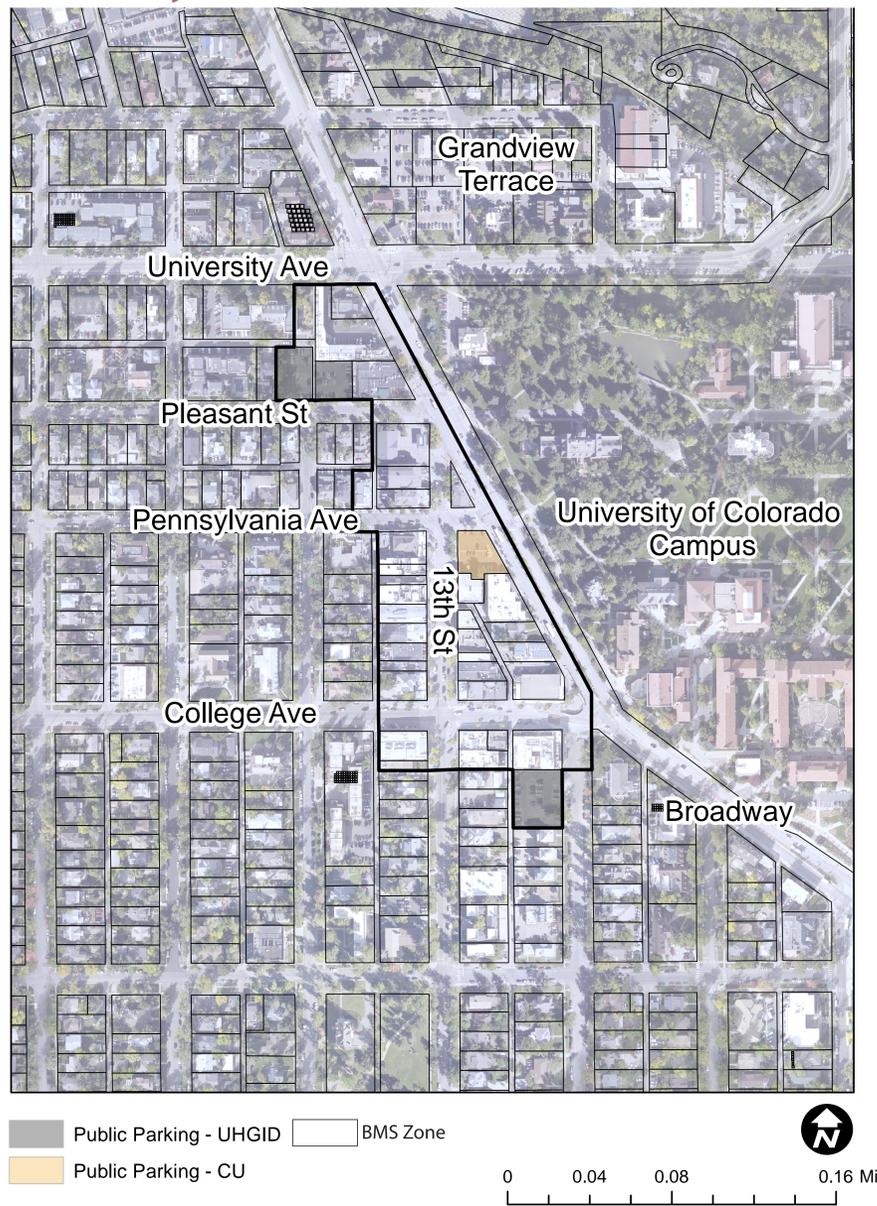
Key to the long term success of the Hill will be the creation of sustainable organizational structures that can represent the diverse interests of the diverse Hill stakeholders – the city, University, businesses, the University Hill General Improvement District, property owners, students, short and long term residents and other entities such as the churches – and identify ongoing funding sources to sustain the long term vitality of the Hill.



Character

From its inception at 1301 Pennsylvania (modern day Buchanan's - see history station), the Hill commercial district grew through the gradual conversion and reconstruction of existing residential properties in the area. Before long, nearly all properties along 13th and Broadway between University and College had transformed into commercial structures. These buildings are mixed together with earlier commercial structures, the various music venues, mid-century low-rise retail structures, and a new wave of small-scale, mixed use buildings.

University Hill BMS Zone



The Hill has two primary commercial street frontages, each with its own distinct character. 13th Street is the historic heart of the district, with its historic commercial buildings and music venues. Broadway forms the interface with the CU campus and is a bustling street with an eclectic mix of structures of varying qualities. The cross streets of College, Pennsylvania and Pleasant run perpendicular to, and connect the main streets.



1226 Pennsylvania Avenue, home of The Sink, with historic commercial addition to an original residential structure.

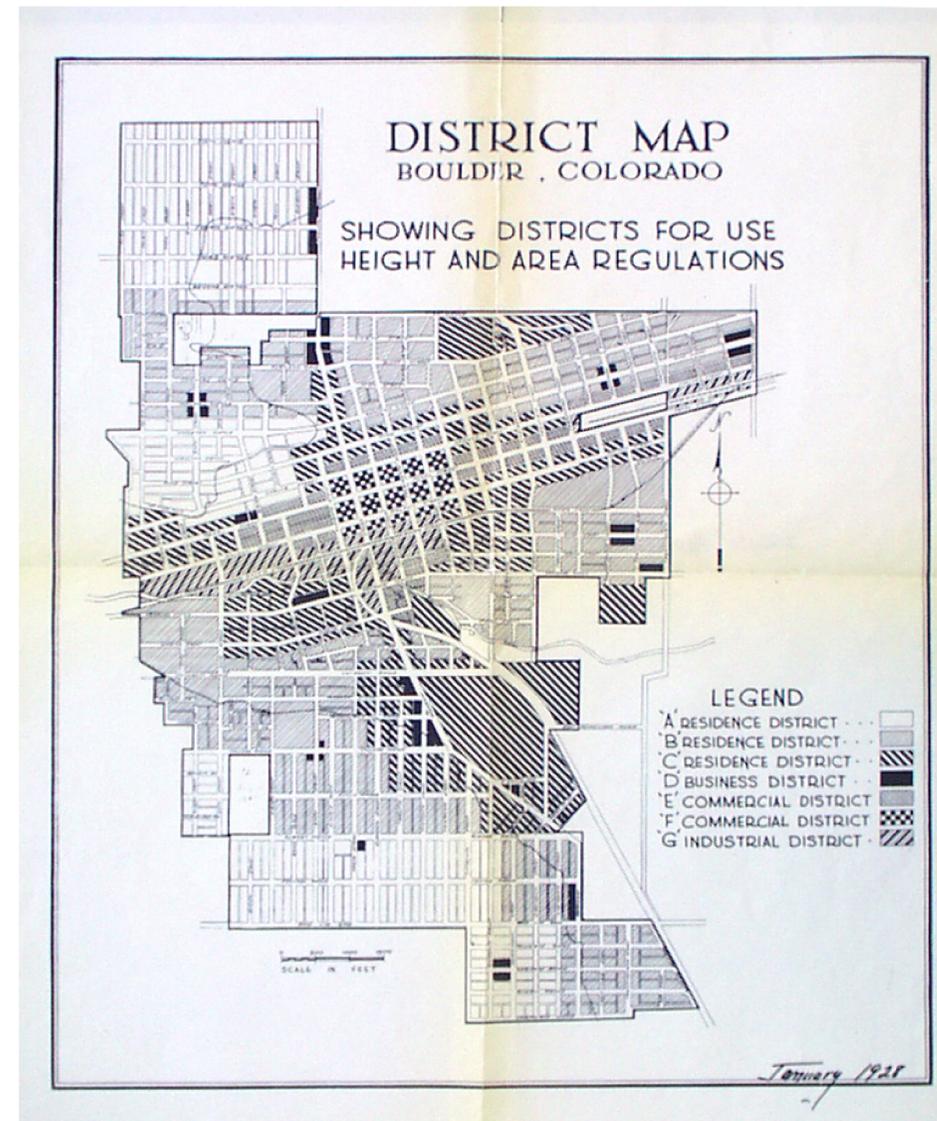


The Fox Theater, a key piece of the Hill's cultural identity.



New mixed-use structure containing residential with ground-floor retail.

By 1928, there was concern that without new regulations, market forces would favor the conversion of the entire historic neighborhood into a large business district. As a response, the city instituted its very first zoning code with the intent of freezing the business district inside its current boundaries. These boundaries, as seen in the two maps on this page, have remained largely unchanged to this day.



Boulder's very first, 1928 Zoning Map



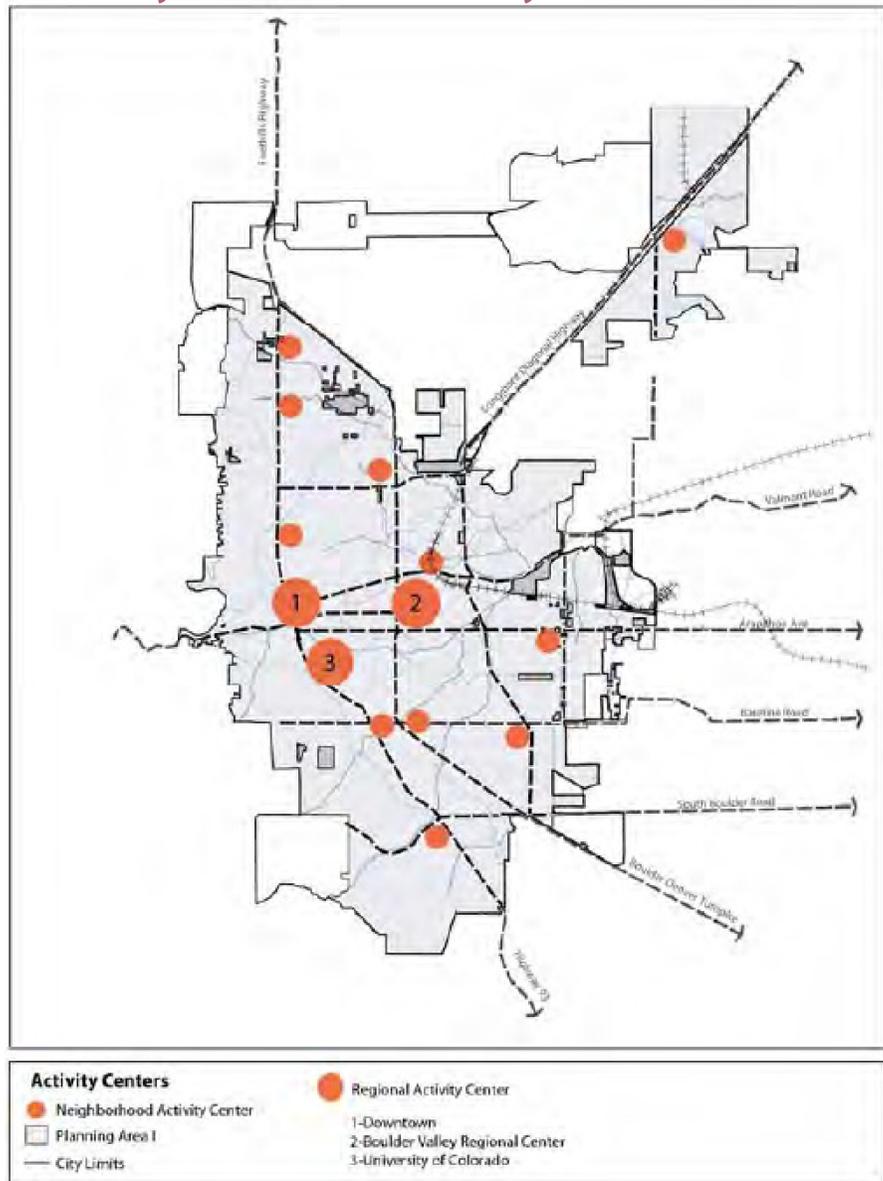
University Hill Commercial District Moratorium Project

Land Use and Zoning

Desired Mix of Uses - Boulder Valley Comprehensive Plan

The Boulder Valley Comprehensive Plan, the guiding document for land use decisions in Boulder, defines the existence of a series of activity centers. These are commercial nodes where residents can serve their daily needs. Three of these activity centers are designated "regional centers" that serve as destinations for the broader community.

Hierarchy of Boulder's Activity Centers



As you can see in the map above, the Hill is one of these three regional centers, and the only one serving a dual role as a neighborhood center.

In the more detailed Area Plan adopted for University Hill, the vision is further described as:

"a safe, comfortable, and attractive place to shop, work, visit and live," and "an activity center that serves a variety of commercial, entertainment, educational and civic functions," and "also serves as a neighborhood center for the surrounding area, providing a wide range of activities drawing people from the entire city as well as the region."

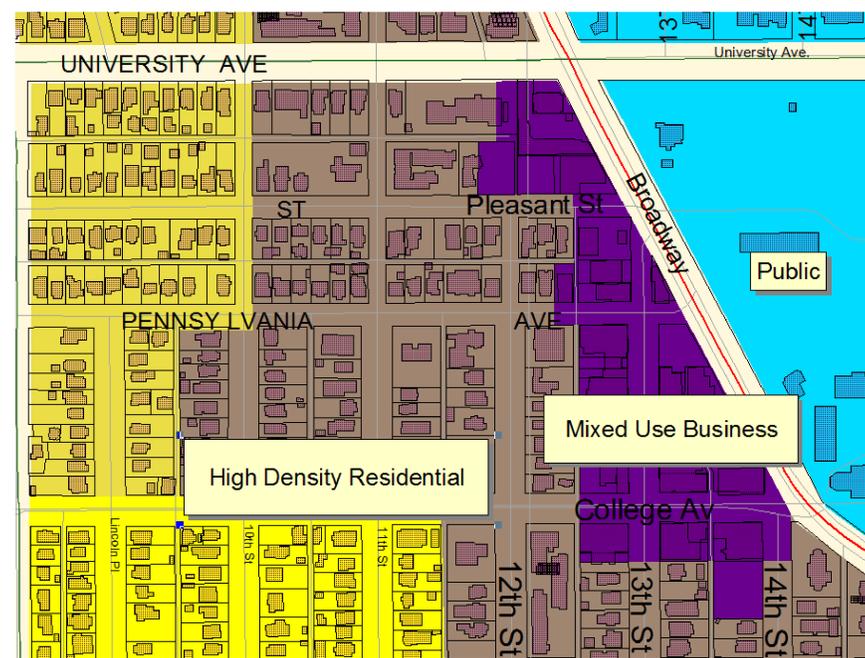
What the Vision means in terms of the desired mix of uses

The BVCP defines the desired land uses in an area on the Land Use Map. The Land Use Map designations that apply to the University Hill business district and surrounding areas are defined in the BVCP as follows:

Mixed Use Business: Areas where business or residential character will predominate. Housing and public uses supporting housing will be encouraged and may be required. Specific zoning and other regulations will be adopted which define the desired intensity, mix, location and design characteristic of these uses.

High Density Residential: High density residential areas are permitted for more than 14 dwelling units per acre.

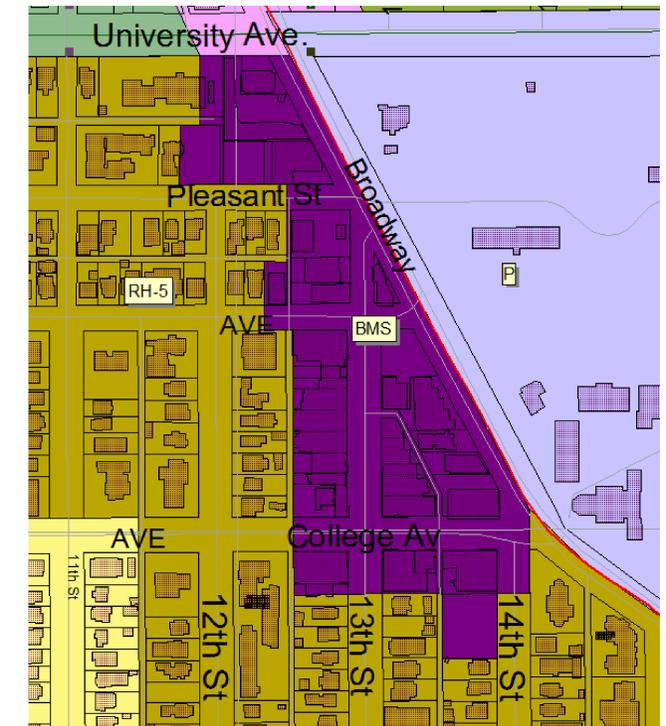
Public: Areas owned and operated by the University of Colorado.



Land Use Designation Map

Zoning

The city's zoning regulations are one tool to implement the broader goals and policies of the community as established in the Boulder Valley Comprehensive Plan (BVCP), and the desired mix of uses. The two zoning districts that apply to the core of University Hill are the Business Main Street (BMS) zoning district in the commercial area and Residential High - 5 (RH-5) zoning district as shown below.



Zoning Map

Commercial/Mixed-Use District (BMS): The BMS zone is a commercial mixed-use zoning district patterned after the character of historic Main Street business districts. BMS is designed to encourage development in a pedestrian-oriented pattern, with buildings built up to the street; retail uses on the first floor, residential and office uses above the first floor; and where complementary uses may be allowed.

Adjacent Residential Area (RH-5): RH zones are high density residential areas primarily used for a variety of types of attached residential units, including without limitation, apartment buildings, and where complementary uses may be allowed. RH-5 zones permit densities of 14 or more dwelling units per acre. Residential uses are allowed by-right and non-residential uses like offices or retail can be permitted with approval of Use Review application from the Planning Board. Other uses that would present more impacts on the neighborhood are prohibited.

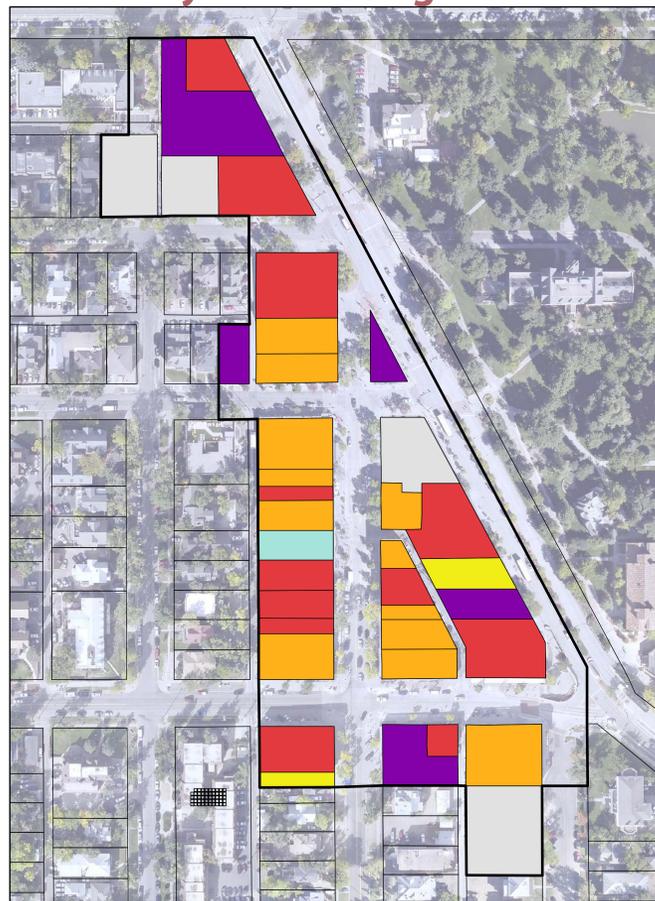


How the Hill is Used

Summary of Land Uses

There are 35 parcels in the University Hill BMS Zone. They include a mix of retail, office, residential, or a combination of these uses. The map below illustrates the breakdown of these uses by parcel.

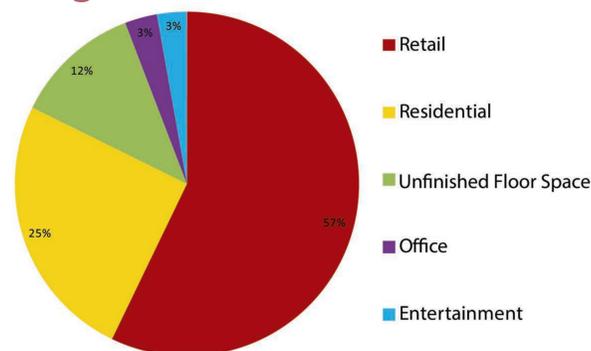
University Hill Existing Land Uses



- Retail
- Residential Only
- Entertainment
- Retail and Office
- Surface Parking Lot
- Retail and Res.

The breakdown of these uses by square footage is as follows: Retail -173,633 sq ft; Residential - 76,428 sq ft; Unfinished Floor Space - 36,131 sq ft; Office - 9,149 sq ft; Entertainment - 8,500 sq ft. This is shown in the pie chart to the top right.

Land Use Share by Building Square Footage



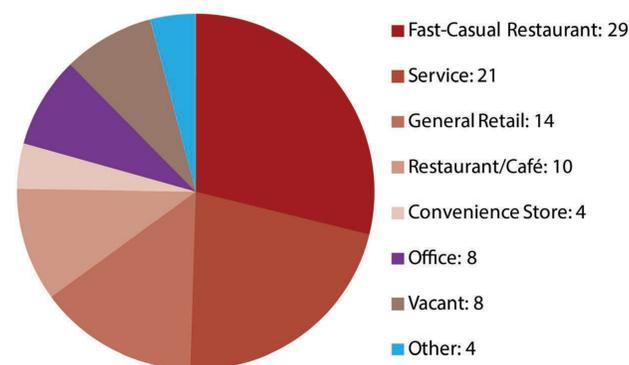
Source: Boulder County Assessor's Data

The percentage share of residential, around 25%, is quite high for a district defined as a regional business center. Residential adds 24-hour vibrancy and is a desired element of any mixed-use zone. Without care however, there is a risk that residential uses will push aside other uses that are regional in nature, such as office or entertainment.

Summary of Commercial Uses

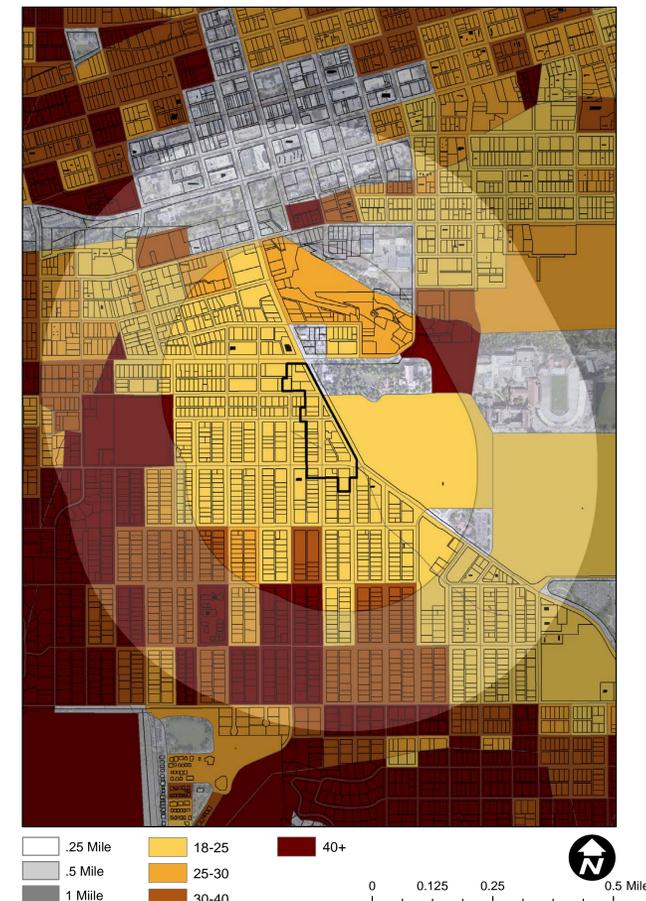
There are 97 businesses located on The Hill at the time of this report. Office uses represent a small amount in terms of both number of businesses and square footage.

Total Number of Commercial Uses by Type



Source: Current Survey of Local Businesses

Median Resident Age per City Block Within Walking Distance of BMS Zone



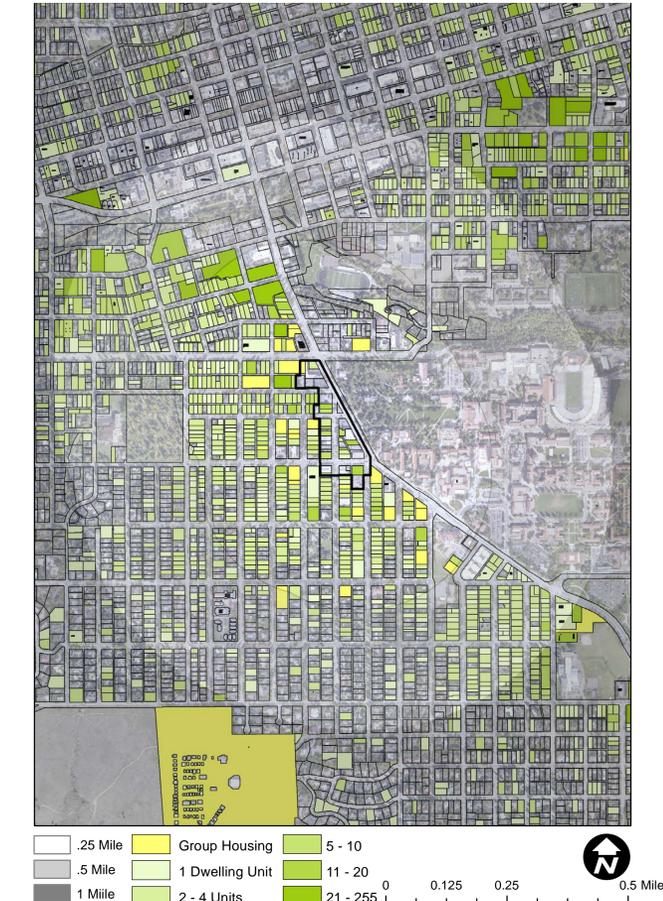
Source: 2010 Census

The 2010 Census median age statistics for each city block, shown above, depicts the high concentration of young people near CU, but also shows the relative closeness of the long-term residents near Chautauqua Park (who tend to have a higher median age).

Housing and Demographics

There are 103 dwelling units in the BMS zone. This compares with approximately 130 units in CAGID (Downtown Boulder's improvement district). Student housing uses in the area date back to the early 20th century. A recent housing study in Boulder estimates that approximately 15,000 of the University's students find their housing in the private market (as opposed to on-campus housing), occupying an estimated 7,500 dwelling units in Boulder. This leaves a gap of nearly 10,000 students, or around 5,000 dwelling units. The Hill remains one of the most desirable locales for students due to its proximity to the historic heart of campus and strong student environment of college life, and as such, demand for student housing remains very high.

Rental Properties Within Walking Distance of BMS Zone



Source: City of Boulder Rental Housing Data

This map, showing the location and relative density of rental properties near The Hill, also depicts a clustering of these properties near the University. Uncolored/transparent parcels on this map contain no rental housing.



Parking and Development Opportunities

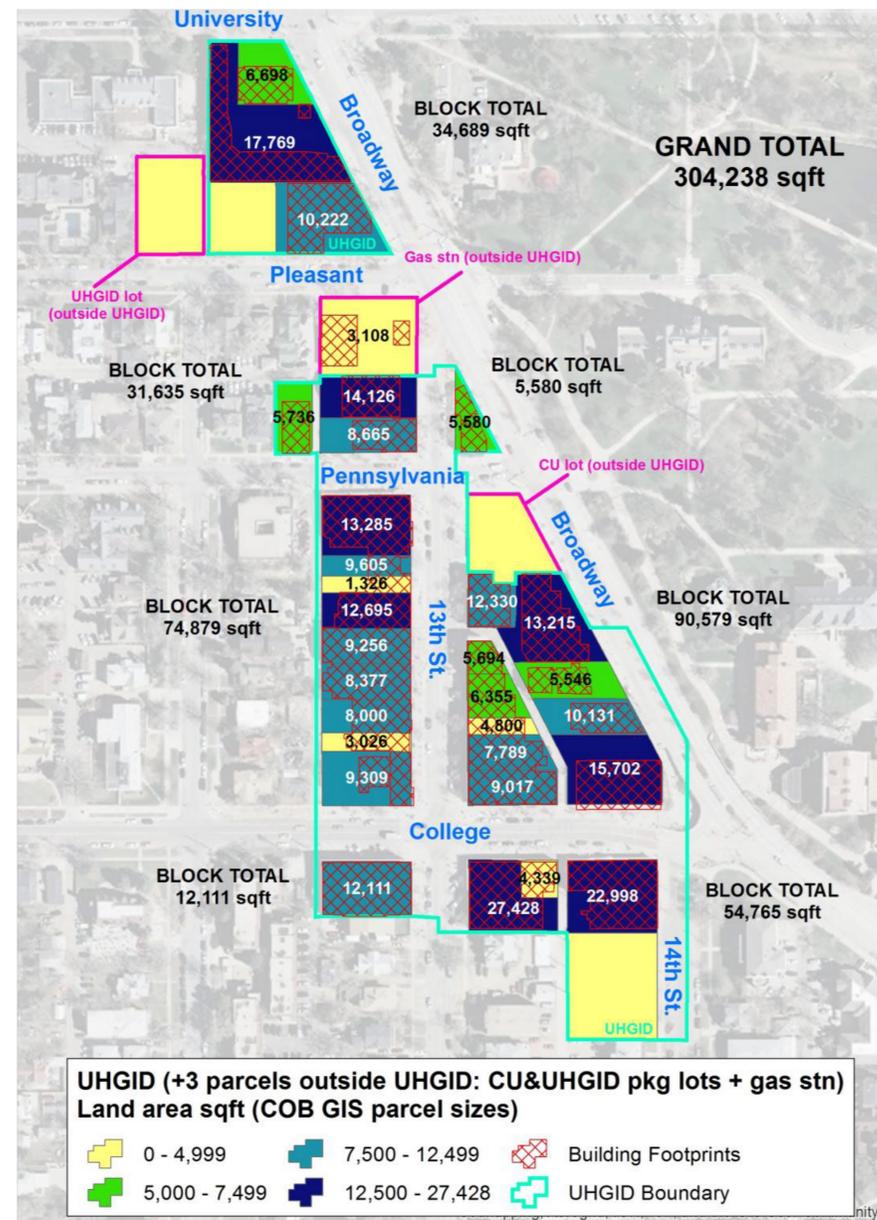
Parking Supply and Demand

The University Hill commercial area has an overlay parking tax district that was created in the 1970's to supply shared parking for the historic commercial district. The district, University Hill General Improvement District – UHGID – is similar to parking districts in the downtown and in Boulder Junction. The district owns and manages two of the three public parking lots in the hill commercial area – one on Pleasant Street, the other on 14th Street. The third parking lot on Pennsylvania is owned and managed by the University of Colorado.

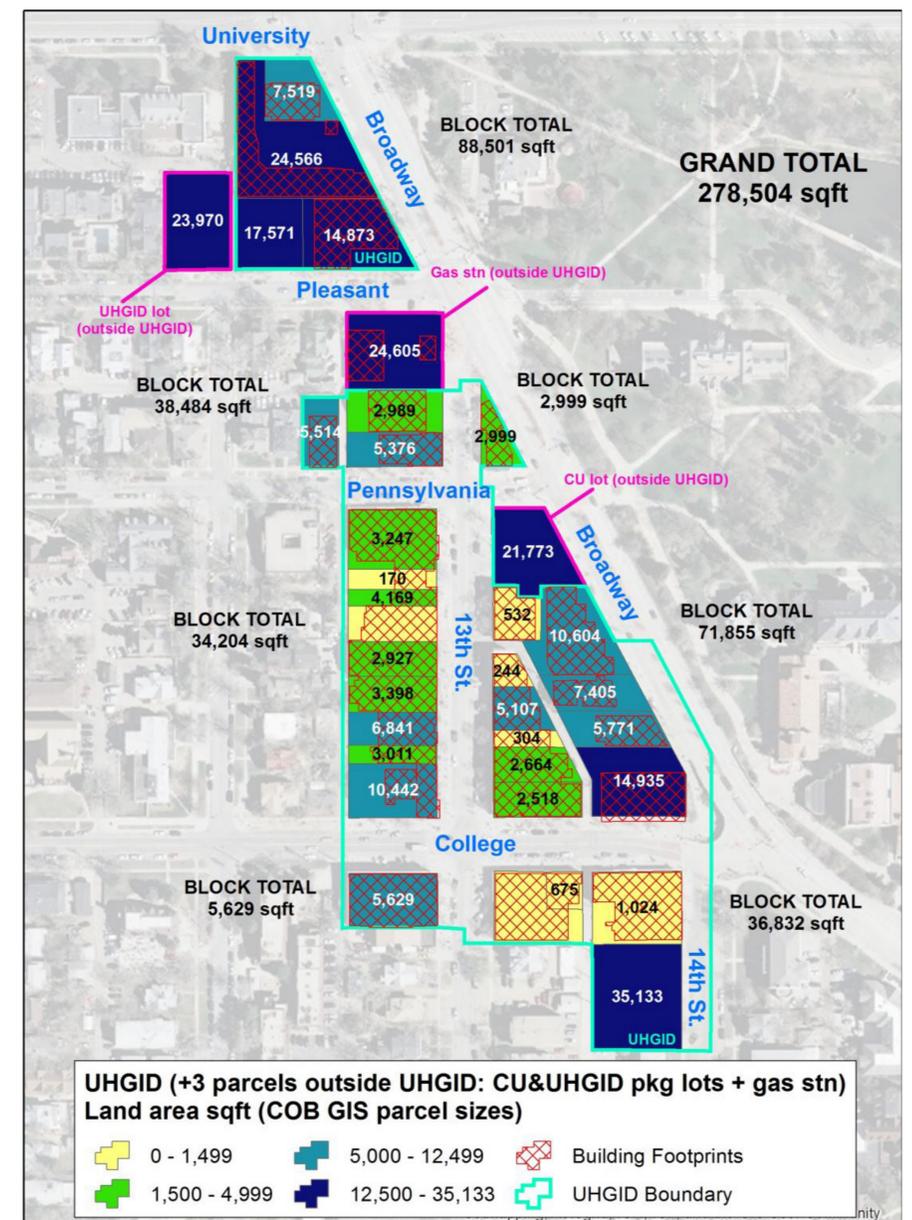
- A 2013 development and parking study anticipated a commercial parking demand at buildout of between 690 and 612 additional parking spaces.
- In order to meet that demand, both UHGID parking lots would need to be redeveloped adding a total of 490 spaces to the existing parking supply.
- Currently, negotiations are underway with a private developer for the redevelopment of the 14th Street lot into a mixed use project with affordable housing and additional parking for the district.
- These sites have potential both as catalyst developments to bring new, desired uses to the Hill, and to share the cost of introducing structured parking that will alleviate concern with parking access for office users.



Existing Built Square Footage per Parcel



Additional Buildable Square Footage Assuming Max. Buildout to 1.85 FAR



Source: RRC Associates; Boulder County Assessor; City of Boulder GIS, building permit and zoning review records.

Additional Development Potential

There are approximately 304,238 built square feet of floor space in University Hill Business District. This amounts to a total gross FAR of 1.04. Since the area is zoned for a maximum FAR of 1.85, this means that 278,504 square feet of built floor space could theoretically still be constructed under current regulations. The maps above demonstrate what may be possible in the BMS zone district. The map to the left shows a breakdown of existing built square footage per parcel, with yellow representing the least amount of existing square footage and dark blue representing the most. The map on the right illustrates additional buildable square footage, in other words developable sq ft "left on the table." For the most part, the parcels with the least square footage already built are the ones with the most additional potential; however there are a few notable exceptions to this trend that can be easily seen on the maps.

The historic core of the district is closer to its maximum density than many of the parcels along Broadway; leaving less square feet on the table. This, along with the historic character of these structures, may suggest that adaptive reuse strategies such as was done with "Lofts on the Hill" are more appropriate than wholesale reconstruction in this area.



Strategies to Consider Further?

Preliminary Findings

The following preliminary findings from this phase will help shape the range of options that will be developed and analyzed in the next phase of the project.

Overall finding: The biggest gap between the adopted vision for the Hill and the current situation is in providing a rich mix of uses to serve a diversity of users. The proximity of the University provides significant economic, intellectual and cultural benefits and has influenced the Hill's existing unique, student-centric and bohemian character, and adding diverse uses should be done so within this context.

Specific findings include:

1. There is already an over-concentration of housing in this small commercial district. There are 103 dwelling units within the Hill Business District. This compares with approximately 130 units in the Downtown district (i.e., within the CAGID boundary), yet the Hill is only 13 acres in size whereas the Downtown encompasses just over 100 acres. While housing in close proximity to any commercial district adds vitality and built-in shoppers, the Hill has an abundance of high density residences on three sides of it already and residences account for a higher share of square footage than is traditionally expected in a commercial district.
2. There are very few offices on the Hill, yet they are an important component of the rich mix of uses and year-round vitality envisioned for the Hill. There are only 8 office uses housed in only 8% of the total building square footage on the Hill, and none in the immediate neighborhood, yet this use has the potential to play a crucial role in adding a year-round diversity of ages and professions on the Hill. Although there appears to be a strong market for office uses in the core area of the city, no new office spaces have been created on the Hill in decades, despite its proximity to CU and Downtown and its location in one of the most transit-rich locations in the region.
3. The City's economic consultants, Economic Planning Systems, Inc. (EPS), prepared a recent analysis of the market potentials for future development in the Uni Hill area and identified market opportunities and barriers for providing the rich mix of uses envisioned on the Hill (see November 18, 2014 memorandum in Appendix 1). Among the barriers for expanding the diversity of uses and users on the Hill are the need for another attraction/anchor that can help change the market perception, visitor mix and demand, and insufficient public parking (particularly for offices users).
4. Redevelopment on the two University Hill General Improvement District (UHGID) surface parking lots has the potential both as catalyst developments to bring new uses to the Hill and to share the cost of adding structured parking to alleviate concerns with parking access for office users and perspective customers.



What Are Some Strategies to Address the Findings?

Below are some preliminary strategies that could address the above Phase 1 Findings. These strategies are not exclusive of one another; they can be combined with other options. Some address only one of the findings, others could address multiple findings.

- A. Promote public/ private redevelopment on the two University Hill General Improvement District (UHGID) surface parking lots to add more parking on the Hill and provide catalyst developments to bring new uses to the Hill
- B. Consider pilot tax rebate program for properties that add desired uses that are difficult to attract or that provide a "public benefit" that helps implement the BVCP vision (would need to define what constitutes "public benefit", could be in combination with Option I). Exploring this option would also require analysis of what criteria would be used to qualify, what level of incentive would have the needed impact that would justify the city's investment, and what an appropriate application and approval process would look like.
- C. Create a density bonus for office uses (would need to determine the "base" allowable density; direction to date from city council is not to increase currently allowable FAR. Would also need to determine type of office spaces that would be eligible and what the level of bonus would be)
- D. Create an overlay zone in the adjacent RH-5 residential zone to encourage office uses in existing residential structures
- E. Prohibit new residential uses (but allow existing uses to stay by defining them as "conforming" uses)
- F. Prohibit new residential, except Permanently Affordable or Senior Housing
- G. Prohibit new residential, except Permanently Affordable or Senior Housing & only above the 1st floor
- H. Allow market rate housing only on partial 3rd floors if in conjunction with rehabilitation of an existing building, or in new buildings when in conjunction with a use or "public benefit" that helps implement the Hill vision (would need to define what constitutes public benefit)
- I. Consider National Register Historic District designation, allowing eligible properties to take advantage of up to 50% income tax credits (20% for federal income tax credits plus 30% state income tax credits (this is an increase from previous years that starts in 2015). Can be used for maintenance and repair as well as rehabilitation.
- J. Consider the creation of Innovation/Creative/Arts District. To build on the essential, innate qualities of the Hill including creativity, youthfulness, and energy, and expanding it to foster creativity in the broadest sense for a diversity of users. Potential strategies could include:
 - Collaborate with the university's entrepreneurial, cultural, scientific and arts programs to bring these creative endeavors across Broadway, including the Conference on World Affairs and Maymester programs;
 - Create community partnerships and incentives to develop facilities that would include innovative/creative/artistic components;
 - Create incentives for business and redevelopment which fit this special district criteria, including media, design, technology and web based sectors;
 - Promote, fund and encourage public art and arts programming;
 - Consider innovative regulations and new approaches to encourage experimentation; becoming a "test site" for new ideas;
 - Create innovative public spaces that promote the arts and creativity such as the Event Street on Pennsylvania Avenue recently approved as part of the Community, Culture and Safety ballot initiative.

