

MEMORANDUM

TO: Members of City Council

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DATE: July 31, 2012

SUBJECT: Update on Boulder Junction and the city-owned site at 30th and Pearl streets.

I. PURPOSE

The purpose of this study session is as follows:

1. Update City Council on implementation of the Transit Village Area Plan (TVAP) to date;
2. Solicit council feedback on TVAP implementation to date and interest in possible amendments to the plan; and
3. Check in on the goals and recommended next steps for the city-owned site at 30th and Pearl streets.

In 2000, the city began to formulate a plan to establish a new transit hub at the geographic center of the city in conjunction with a new transit-oriented neighborhood that would break from the car-oriented development patterns in the area. The site at 30th and Pearl streets, formerly owned by the Pollard Friendly Motor Company (Pollard Motor), was selected for this purpose and subsequently purchased jointly by the city and the Regional Transportation District (RTD) in 2004. In 2005, a larger planning effort (the Transit Village Area Plan) was initiated for the 160-acre area surrounding the Pollard Motor site.

Since adoption of the TVAP in 2007, the city, RTD and private developers have begun implementation of the vision outlined for the Pollard Motor site and the Transit Village Area, now referred to as Boulder Junction. Significant investment has been made in public improvements and several development projects have been approved or are under construction, with several more in the planning stages. As a result of these investments, there have been positive advancements toward the vision articulated in the plan and some challenges with implementation. This study session will address those advancements and challenges and discuss the planned next steps for the remainder of the city-owned site at 30th and Pearl.

II. QUESTIONS FOR COUNCIL

1. Does council continue to support the vision and goals of the TVAP?
2. Does council have questions or feedback regarding analysis and key issues related to current status of the TVAP's implementation?
3. Does council have feedback on the staff recommendation for the city owned site to:
 - a. retain ownership in order to maintain the ability to implement the community's vision and goals for the area;
 - b. remain flexible on the development program for the site, including the mix of residential and non-residential uses and development timing and phasing to best achieve the goals for the site at the time of development; and,
 - c. work with Pollard Motor on an extension of the lease.

III. BACKGROUND

In 2000, the city initiated a planning effort for a transit oriented development (TOD) in east Boulder as an extension of the 28th Street corridor planning project. The 11.2 acre site at the northeast corner of 30th and Pearl streets (then owned by Pollard Motor) was identified, through a site selection process, as the preferred location for a TOD. The site was acquired by the city from Pollard Motor in October 2004 and named "Boulder Transit Village." For more information on the definition and components of the TOD, see *Attachment A*.

In 2004, eight acres on the west portion of the Pollard Motor site were purchased by the city for mixed use development and 3.2 acres on the east portion by RTD for a transit facility. As part of the purchase agreement, Pollard Motor retained a lease to occupy the western 5.5 acre portion of the site through 2016. The site was acquired for \$9.5 million and funded through the following sources:

1. \$2.5 million in funding from RTD;
2. \$2.1 million in Community Housing Assistance Program (CHAP) funds;
3. \$2.4 million borrowed through a Fannie Mae line of credit established with council approval and repaid with the city's local affordable housing funds; and
4. \$2.5 million financed by Pollard (terms: 6.5% interest with monthly payments) and, affordable housing and transportation funds.

The goals for purchasing the city owned portion of the site, as articulated in previous council memos, are:

- advance Boulder's long range vision for a TOD which maximizes public investment in multimodal transportation, infrastructure improvements and affordable housing;

- create a mixed use development with predominantly residential uses and some supporting commercial use as determined by a future market study;
- create a range of housing types;
- create a substantial amount (up to 50 percent) of permanently affordable housing with the remaining 50 percent of the housing sold or rented at market rates; and
- create a mix of ownership and rental housing at a range of 220-300 units.

The city's affordable housing investment in the site, following repayment of the Fannie Mae line of credit and seller financing from Pollard Motor, totals \$5,681,484 to date. Investment in the property was seen as a way to facilitate a mixed use, mixed income TOD while making significant progress towards the city goal of ten percent permanently affordable housing within the community. The ten percent goal was initially adopted as a BVCP policy in 1997, became a central component of the Affordable Housing Strategy in 2000 and affirmed in the 2011 Affordable Housing Task Force Report. The goal, which translates to approximately 4,500 permanently affordable housing units, has served as the basis for most of the city's affordable housing efforts since 2000.

Transit Village Area Plan

The TVAP was adopted in September 2007 after a planning effort that began shortly after the acquisition of the Pollard Motor property in 2004. The plan outlines a set of goals and objectives for achieving a broad vision established for the 160-acre Transit Village Area. The vision for the Transit Village Area as articulated in the plan includes the following:

1. A lively and engaging place with a diversity of uses, including employment, retail, arts and entertainment, with housing that serves a diversity of ages, incomes, and ethnicities;
2. A place that is not overly planned, with a "charming chaos" that exhibits a variety of building sizes, styles, and densities where not everything looks the same;
3. A place with both city-wide and neighborhood-scale public spaces;
4. A place that attracts and engages a broad spectrum of the community, not just people who live and work here or come to access the transit in the area; and
5. A place that emphasizes and provides for alternative energy, sustainability, walking, biking and possible car-free areas, e.g., an "eco-village."

The TVAP Implementation Plan describes the process and timeline for various regulatory changes, funding mechanisms and programs to implement the TVAP. A phased approach to implementation is outlined in the plan as follows:

- Phase I will occur in the first 10 to 15 years in the area between 30th Street and the railroad tracks; and



Figure 1 Phase I Implementation

- Phase II (below) will generally occur thereafter and focus on the areas east of the tracks and west of 30th Street.



Figure 1 Phase II Implementation

The TVAP has been amended twice since adoption in 2007. Amendments in 2010 included the addition of storm water guidelines, design guidelines for the Junction Place Bridge over Goose Creek, and the Public Arts Master Plan. Amendments in 2012 included a connections plan and modifications to the street sections for Junction Place and Pearl Parkway. Approximately 1,400 to 2,400 new homes are projected for the planning area, which will add 2,800 to 5,000 new residents to the area.

Chapter three of the plan, titled “Urban Design,” envisions that the city-owned site will be used to create a new transit-oriented, mixed-use neighborhood that is predominantly residential, with some retail and office space. Located in the Pearl Street Center District of the planning area, it is envisioned as a high-intensity mix of housing and associated commercial uses, capitalizing on its central location and the future regional bus facility. Up to half of the residential units on the city-owned site is envisioned as permanently affordable housing for low to moderate income, primarily workforce, households and/or targeted to hard-to-serve populations that would greatly benefit from proximity to transit, such as people with disabilities.

The Boulder Junction Area since TVAP Adoption

Since the TVAP was adopted in 2007, a number of factors have changed (in particular in economic and market conditions), implementation activities have begun, some modifications to the plan have been approved, and significant public and private investments have been made or are in progress. In addition, several changes to the city-owned site at 30th and Pearl streets have occurred, impacting the lease area for Pollard Motors and reducing the developable size of the site.

Regulatory Changes

Regulatory changes that have been implemented in the Boulder Junction area since TVAP adoption include:

1. BVCP Land Use Map changes for all of Phase I;
2. adoption of new zoning districts and subsequent rezoning including specific “concurrency” criteria to allow rezoning;
3. adoption of new trip generation requirements to mitigate the impacts of traffic;
4. adoption of revised street sections for Junction Place and Pearl Parkway; and,
5. creation of two general improvement districts.

See *Attachment B* for details of Boulder Junction regulatory changes.

Public Improvements

Significant public improvements have been completed or are proposed for construction in the next six years. The Capital Improvement Bond approved by the voters in November 2011 is supporting a number of the key transportation connections in the area. Completed improvements include the relocation of the historic Boulder Jaycees Depot in 2008 and transportation upgrades along 30th Street adding bike lanes, a multi-use accessible path connection between 30th Street and the Goose Creek Greenway, and mid-block pedestrian crossings. In 2011, council approved an undergrounding agreement and long term lease for Xcel to place its power lines along the southern boundary of the city-owned site adjacent to Pearl Parkway. In addition, a number of proposed public improvements will be completed over the next few years including:

1. development of a pocket park along the south side of Goose Creek;

2. transforming Pearl Parkway into pedestrian friendly, multi-way Boulevard;
3. construction of the new Junction Place Street;
4. a new bridge connecting Junction Place from Pearl to Valmont streets;
5. two new traffic signals; and,
6. addition of multi-use paths.

See *Attachment C* for details and a map of completed and proposed public improvements.

Private Development

Applications for private development in the area began in late 2009. Approved development projects include the following:

1. Junction Village (3100 Pearl Street): this 319 unit apartment building with one and two bedroom units is currently under construction. Undergrounding of the overhead utility lines on the south side of the Pearl Parkway was also completed in accordance with a condition of the approval for the 3100 Pearl Street development.
2. Depot Square (3151 Pearl Street): through a successful Request for Proposal (RFP) and public private development process, a mix of uses - including a hotel, affordable housing, integration and restoration of the Historic Jaycees Depot, and an underground bus terminal - have been approved. This project is a significant step in the implementation of the plan vision and creation of the “new neighborhood.”

See *Attachment D* for a list of properties in Phase I that have submitted development applications or discussed development plans with city staff.

City-Owned Site at 30th and Pearl Streets

A portion of the city-owned site is currently occupied by Pollard Motor under a lease agreement which expires in 2016. The latest design and location of Junction Place, the north-south connector street between 33rd Street and Pearl Parkway, however, will encroach approximately 50 to 65 feet along the east side of the leasehold area. Staff is currently negotiating an amendment to the Pollard Motor lease that will allow for the encroachment in exchange for: a) assurances that construction will be done in a responsible manner that does not unduly disrupt Pollard’s operations; and b) providing access on Junction Place to replace the closure of Pearl Parkway access.

Since 2005, the build-out estimates for the city-owned site have been reduced from 5.5 developable acres to 4.3 developable acres due to a number of factors including the location of a ¾ acre pocket park, realignment of Junction Place, 30th Street and Pearl Parkway redesign, siting of the historic depot building and other public improvements around the site. Accordingly, housing estimates for potential residential apartments or condos, assuming ground floor retail/commercial along Pearl and 30th streets, have been reduced and the an estimate of subsidy per affordable unit has increased:

Year	Affordable Unit Estimate	City Subsidy per Affordable Unit Estimate
2000	110-150	\$51,600 - \$37,900
2012	60-85	\$94,700 - \$66,800

IV. ANALYSIS

1. TVAP Vision and Goals

At the outset of the Transit Village Area planning process, the City Council and Planning Board adopted six goals for the area. The following is a discussion and analysis of accomplishments to date in achieving plan goals.

Goal 1: *Create a well-used and well-loved, pedestrian-oriented place that includes a special character, a mix of retail and commercial uses, a significant amount of housing, and engaging, convenient and safe pedestrian and bike connections.*

What's happening? The initial developments and new shared street designs are setting the tone for a pedestrian-oriented place with a distinctive character. A mix of uses is starting to occur with the addition of a hotel and housing on the RTD site and the new plaza surrounding the Depot, creating a stronger public space and “heart” south of Goose Creek than was originally anticipated.

Goal 2: *Support diversity through land use and travel options which expand opportunities for employees and residents of differing incomes, ethnicities, ages and abilities by including a variety of housing types at a range of prices from market rate to affordable; services that support residents, adjacent neighbors and businesses; support for locally owned and minority owned businesses in the area; public spaces to celebrate diverse ethnicity; space for nonprofit organizations; and affordable spaces for retail, office, and service industrial uses.*

What's happening? Due to market conditions, the majority of housing currently being built or proposed is rental housing in apartment buildings. Other potential developments currently under discussion but not formally proposed are also primarily residential rental housing. The predominance of one- and two-bedroom rental apartments in the approved developments and those under discussion is of particular concern. The plan envisioned a richer mix of rental and ownership as well as a greater diversity of housing types and unit sizes. The public plaza surrounding the Historic Jaycees Depot and pocket park are more predominant as the central public spaces than envisioned in the original plan.

Goal 3: *Enhance economic vitality: Increase economic activity for businesses, increase revenues for the city of Boulder, reduce transportation costs by including neighborhood-serving retail uses, and regional retail uses that complement the large investment of the Twenty Ninth Street project, and provide convenient and safe connections to downtown and to Twenty Ninth Street. Provide additional office uses in locations close to the future transit facilities and new residential areas. To enhance economic vitality, the city should develop a realistic economic development plan including implementation techniques for public/ private partnerships.*

What's happening? Residential projects are adding additional housing to support new and existing non-residential uses in the area. The partnership on the Depot Square site between a private developer, RTD, and the city has led to a successful mixed use development plan that includes a hotel, restaurant/bar, and small retail spaces. Sites that

were originally anticipated to create larger new commercial spaces (both retail and office/creative space) have been under discussion as residential developments with limited retail or manufacturing uses. Concept plans on one or more of these sites are anticipated in the coming months.

Goal 4: *Connect to the natural and built environment:* Create a place that reflects Boulder’s commitment to environmental sustainability and “green” development, is integrated with the natural features in the area, and connects to the larger city fabric. Include innovative “green” energy efficient site planning, architecture and urban design. Develop an overall storm water management plan for the area in lieu of property by property storm water detention. Provide connections to existing natural amenities such as the Goose Creek greenway, the Boulder Slough (ditch) and Boulder Creek and take advantage of views and view sheds from key locations.

What’s happening? Depot Square, Junction Place and Pearl Parkway will pilot the use of LED street lighting. The Depot Square development will utilize sustainable development features such as permeable hardscape, a living wall, and solar photovoltaic panels and is anticipated to be LEED certified. Guidelines for storm water low impact development techniques were approved in August 2010. The developments north and south of Pearl Parkway include key connections to the Boulder Slough and the Goose Creek greenway.

Goal 5: *Maximize the community benefit of the transit investment:* Locate homes and employment to maximize access to local and regional bus service, future commuter rail and bus rapid transit, and to allow for a pedestrian-oriented lifestyle. Develop lively and engaging commuter rail and regional bus locations. Improve the balance of jobs and housing in the community through new mixed-use neighborhoods in areas close to multiple transit facilities. Develop and adopt managed parking strategies; reduced parking requirements in the hub; transportation demand management strategies. Encourage multimodal access and mobility within the area and to the rest of Boulder.

What’s happening? The addition of more housing than jobs in the area improves the overall jobs-housing balance in the community. A managed parking strategy with improvement districts has been implemented, and new zoning districts have TDM requirements and parking maximums. The regional bus facility is approved on the Depot Square site, integrated with a hotel and residential development, and large public plaza integrating the historic Boulder Jaycees Depot. Public infrastructure is being designed in a pedestrian oriented scale, with key connections to the citywide multi-modal system. Phase 1 of the US 36 BRT/Managed Lanes and Bikeway project from Pecos to 88th Street breaks ground this month and completion scheduled by January 1, 2015. A regional coalition continues to work toward funding of the Phase 2 US 36 project all the way to Boulder with completion by mid-2015, if current schedules are met. Given the FasTracks fiscal realities, it is likely that the US 36 BRT/transit service and Depot Square station will be the primary regional transit connections to TVAP.

Goal 6: *Create a plan that will adapt to and be resilient for Boulder’s long-term future:* the plan builds in flexibility and allowing for serendipity and changes in use over time and provides for increased density in targeted locations.

What's happening? The TVAP has been amended twice since adoption in 2007. In 2010, storm water guidelines, design guidelines for the Junction Place Bridge over Goose Creek, and the Public Arts Master Plan were adopted. In 2012, the connections plan and street sections were modified for Junction Place and Pearl Parkway.

Question for Council:

Does council continue to support the vision and goals of the adopted Transit Village Area Plan?

2. Key Issues

The following key issues have been identified based on the analysis of the implementation to date. Council feedback is requested on the following key issues, which inform the discussion and eventual development plan for the city-owned site.

- a. residential product type (mix of rental and ownership housing);
- b. level of affordable housing;
- c. amount of non-residential and non-profit space;
- d. commercial kitchens/manufacturing uses; and,
- e. changes to the rail plaza district.

a. Residential product type:

The housing vision for the area is a new neighborhood with a diversity of housing offered in a range of sizes and prices to appeal to a range of needs, ages, ethnicities and abilities. The area plan anticipates 1,400 to 2,400 new residential units. To date, approximately 726 units are under construction or in a formal review process in or near the area; the majority are one and two bedroom rental stacked flat apartments (such as 3100 Pearl, and the nearby, recently completed development at 30th and Walnut, TwoNine North). Other developments under discussion, but not yet in any formal process, are also predominantly one and two bedroom stacked flat apartments with limited if any retail space.

The development of rental apartments in the area reflects the housing market in general which has, over the last two to three years, moved from almost exclusive production of for-sale housing to substantial production of rental housing. Rental housing development is being driven by pent up market demand, residential construction financing which favors rental projects, a reduction in homeownership mortgage lending, and an increase in consumer acceptance of rental housing over ownership uncertainties in the wake of the recent housing crisis.

With the current market supporting primarily rental housing development, there is concern about the mixture and diversity of housing options currently being developed in the Boulder Junction area. While the city is in need of new rental housing city-wide, the “new neighborhood” may be more sustainable over time if the housing is a mix of rental and ownership of varying sizes and types. The exception is the city owned site where the city has influence over the type of housing produced. The city site represents an opportunity to balance the area by responding to the housing, retail and commercial needs in the area at the time it is developed; for example by providing ownership housing options if they are not provided in the area by the market.

b. Level of affordable housing:

The Boulder Junction affordable housing goal is that the area include a higher percentage of affordable housing than the 20 percent required by the Inclusionary Housing program. Current developments approved or in process will result in 11 to 16 percent of the housing as permanently affordable. Developments under discussion but not formally proposed range from an all-affordable development of approximately 41 units to a development of several hundred apartment units that does not include any on-site affordable housing. A preliminary projection for the area within Phase 1 of the plan indicates that between 16 percent and 21 percent of housing in the Boulder Junction area will be affordable.

The affordable housing outcomes in the TVAP planning area are largely but not entirely dependent on market conditions. The Inclusionary Housing ordinance requires residential development to provide 20 percent of new units as permanently affordable. Ownership developments are required to provide at least half of the affordable units on-site or pay a premium, the other half may be provided through a cash payment to the affordable housing fund, or as affordable units off site elsewhere in the community. Due to a state statute prohibiting rent control, rental developments have the same options but do not have an on-site requirement.

Since Inclusionary Housing was adopted in 2000, for-sale development city-wide has resulted in approximately half of the required affordable housing provided on site and half provided as cash-in-lieu of providing units. Rental outcomes are notably different with those projects either contributing cash-in-lieu of units or providing the affordable housing off site. While the Depot Square development partnership will result in a significant contribution to affordable housing in the area, most other developments currently under review or in discussion in the TVAP area are not expected to provide a significant amount of affordable housing on-site.

The Division of Housing is currently conducting an Inclusionary Housing Rental Policy Update to determine if strategies for acquiring affordable rental units on-site are feasible and anticipates bringing program options to Planning Board and City Council in the 4th quarter 2012.

c. Amount of non-residential:

The area is adjacent to and within walking distance of key regional commercial centers, including the Crossroads Commons Shopping Center (Whole Foods) which is directly west of the city owned site, Target and the Twenty Ninth Street Shopping Center. However, significant non-residential space was envisioned in TVAP to create a mixed-use, walkable neighborhood. While the plan envisions additional commercial and retail uses in Phase II, it is unlikely—based on current discussions with property owners—that properties in the Phase I area will include any significant commercial spaces beyond what has been approved in the Depot Square development (i.e., the hotel). Attention will need to be given to the proposed redevelopments of the other parcels in Phase I to ensure that a sustainable amount of services and space are provided. While the MU-4 zoning district does not currently require a certain amount of non-residential space, if future developments do not provide enough non-residential space, a change to the zoning district may be necessary.

d. Commercial Kitchens/Manufacturing Uses:

There has been a request to allow commercial kitchens or other manufacturing uses in the MU-4 zoning district, which are currently not permitted. The model for the MU-4 zoning is the Business Main Street (BMS) zoning where commercial kitchens and catering are not an allowed use. By comparison, these uses are permitted in the Downtown (DT) zones through Use Review. Other types of light industrial uses are not permitted in either BMS or DT zones. Additional analysis of changing the MU-4 district to allow commercial kitchens can be a fairly limited analysis, while a larger study of allowing manufacturing uses similar to those allowed in the Industrial Mixed Services (IMS) district where the Steelyards is located would require more in-depth analysis. **Staff is proposing to move forward with the more limited approach of potentially amending the land use code to allow small-scale commercial kitchen in the MU-4 zone.**

e. Rail Plaza

The plan envisions a vibrant plaza at the commuter rail stop and platform, as articulated in the Rail Plaza district guidelines in the plan. The uncertainty of the commuter rail service timing, coupled with the expansion of the public space on the Depot Square and city-owned sites south of Goose Creek, indicates that the rail plaza district will most likely need to serve a slightly different purpose than the plan outlines. However, retail and commercial services will still be needed to meet the needs of new residents and support a walkable neighborhood. The role of the rail plaza may need to be re-examined in response to recent changes in that area of Boulder Junction. This project is not currently on the 2012 work program for this year but should be considered as a potential 2013 work program item.

Question for Council: Does council have questions or feedback regarding analysis and key issues related to current status of the Transit Village Area Plan's implementation?

3. Recommendation regarding the city-owned site

The city-owned site represents a unique opportunity to complement private development in the area and better achieve the goals of TVAP, including the goal of incorporating a variety of housing types, a renter/ownership mix, and price points to create a complete neighborhood. It also remains an opportunity to significantly advance the city's affordable housing goal, consistent with the intent in purchasing the site with affordable housing funds. The ultimate mix of housing and retail, office and nonprofit space may remain flexible until the site is developed. At a time just prior to the start of pre-development, an assessment can be made to determine "gaps" and how the site can best serve city goals. The time of development is dependent on the Pollard lease which is expected to remain in place until at least 2016.

Similar to the successful process for developing Depot Square, a RFP is envisioned to be used for development of the site which could include identified criteria for success to guide proposals for development but allow a high level of creativity and a range of design solutions. The city may, at that time, provide the land at little or no cost in return for the delivery of specified community benefits as part of a comprehensive development proposal. Those benefits would include specific unit types and mix as well as income levels, but could also include other priorities (understanding that reduction in affordable housing benefits may require the application of other funds in order to repay the initial investment of affordable housing funds).

Developer(s) chosen through the RFP process would develop and sell or lease the commercial spaces and residential units. The criteria for success in the RFP will be developed by an interdepartmental city team with council and board input and will be informed by community forums.

Pollard has an option to purchase a portion of the city's municipal service center (the Yards) that has frontage on Pearl Parkway, east of its current location. If Pollard decides to exercise that option to purchase, it will need to build a new dealership on land that is presently vacant. However, Pollard is interested in exploring the opportunities for extending its lease on the current site with the city which is set to expire in October 2014. At Pollard's option, it may extend the term of the lease for an additional two years, to October of 2016. A portion of the lease payment that Pollard makes to the city is buying down the purchase price for the City Yards parcel. Over time, as a portion of the rent is credited to the Yards option, the ultimate purchase price of the property decreases.

Based upon representations that have been made to date, Pollard intends to exercise the lease option and remain on the property until 2016. Therefore, the city and Pollard have discussed the following potential changes to the current lease:

1. Extend the lease term to 2018 for the continued operation of Pollard Friendly Motors.
2. Lease premises could be reduced over time as the city starts redevelopment of the property (phased development). Pollard Motors would consolidate its operations on the northeast corner of the property adjacent to Goose Creek, north of the new Spruce Street extension that includes the existing the Jeep showroom, parts, and service building. Pollard has expressed a willingness to be flexible and work with the city in an effort to assist in redevelopment efforts during its term as a tenant on the property.
3. In exchange for an extended lease, Pollard would extinguish the option agreement on the Yards parcel. The City would make a payment to Pollard if the city sells the property within a timeframe to be determined.
4. The lease extension will include a short time period notice clause that will allow the city to terminate a portion of the lease if the development climate were favorable and the city deemed it appropriate to redevelop the site before the expiration of the lease.

The benefit that would flow from any extension would be the revenue from the lease, extinguishment of the option agreement on the Yards parcel, and the benefit from having a property occupied, rather than vacant, as the tenant has continued eyes and ears on the property and will maintain the property in an orderly manner. In addition the notice clause would allow the city flexibility to develop the site when appropriate after 2016, including the potential for a phased development approach that could initiate development on the 30th and Pearl corner up to the new Spruce Street extension and east to the new Junction Place roadway prior to full development of the site north to Goose Creek.

The staff recommendation to retain ownership and to remain flexible in regard to the ultimate development program is consistent with the site's mixed use zoning. It is based in part on the belief that being able to respond to a shift in the market at the actual time of development is in the city's and community's best interest.

Staff recommends the city:

- a. retain ownership of the site in order to maintain the ability to implement the community’s vision and goals for the area;**
- b. remain flexible on the development program for the site, including the mix of residential and non-residential uses, mix of affordable and market rate, mix of housing types and tenures, and development timing and phasing to best achieve the goals for the site and the neighborhood and to maximize market opportunities at the time of development; and,**
- c. Work with Pollard Motors on an extension of the lease and termination of the Yards option agreement.**

If council desires to change the goals for the city site from the current focus on achieving a significant affordable housing benefit in a mixed use development, the following potential scenarios could occur:

Scenario 1: Change the goals for the city-owned site

The city-owned site provides the opportunity to “fill the gap” between what the market is delivering in the Boulder Junction area and what is needed to create a complete neighborhood. For example, the rail plaza district was originally envisioned as the retail heart of the area, but may no longer develop in that manner. The primary focus for the city owned site could be to accomplish some of the TVAP goals for the rail plaza and focus on retail instead of affordable housing, as originally envisioned. Another approach would be to address high-priority community needs such as class A office space for primary employers, “creative space”, medium-sized “box retail”, or a new fire station. An advantage to changing the site goals would be that it might trigger new or different interest from area property owners and developers that might be interested in advancing or building off of the revised vision on their own site.

An alternative to changing the goals for the city site to address the use gaps emerging for area could be to modify the zoning the area as part of the MU-4 review recommended in Section IV.2.d above (page 11). This might result in the broader distribution of the pedestrian level retail/commercial uses envisioned for the area.

As the site is encumbered by a lease for the coming few years, it is unlikely that a revised vision for its ultimate development will have much impact in the near term. While market conditions currently favor rental housing development over other uses in the area, those conditions may to shift in the coming two to three years.

Scenario 2: Sell the city-owned site

Selling the city owned site in the near future would allow immediate access to and use of affordable housing funds that are currently invested in the land. Currently, staff is not aware of a comparable centrally located site of this size on the market that could replace the affordable housing envisioned on the site. A market development with rental housing would be unlikely to provide any affordable housing on the site.

If the Pollard lease is not extended, the current lease terms would remain in place. An extension of the lease may require the city to make a payment to Pollard to extinguish the lease. However, the value of this property is expected to go up in the future for two reasons: 1.) the commercial real estate market continues to strengthen after a long period of decline, which will increase the property's value from current levels; and 2.) the Boulder Junction area is blossoming. Construction of nearby planned or permitted projects will change the setting and desirability of the area, positively influencing the value of this property. Therefore, selling at this time may not maximize the selling price or the city's return on investment.

Selling the property would allow a market developer to develop in accordance with the plan and zoning. Some outcomes could be included as restrictions to the sale; however, removing the property from city control would reduce the opportunity for the city to ensure that area housing, affordable housing, retail and commercial needs are met. Without any restrictions on the sale, any buyer in the near term would likely produce a rental apartment building similar to the one being developed at 3100 Pearl St. with little or no mix of uses and no on-site permanently affordable housing.

Question for Council: Does council have any feedback on the staff recommendation for the city owned site?

V. NEXT STEPS

Staff will use direction provided by council at this study session to inform potential area plan amendments related to the work program, and to inform the next steps related to planning for the city-owned site, and negotiations with Pollard Motor.

ATTACHMENTS

- Attachment A:* Details on the Components and Definition of a TOD
- Attachment B:* Boulder Junction Regulatory Changes
- Attachment C:* Completed and Proposed Public Improvements (map included)
- Attachment D:* Summary of Boulder Junction Development Applications or Discussions

Components and Definition of the Boulder Transit Village Transit Oriented Development (TOD)

In 2000 the city started to formulate a plan for a Transit Oriented Development (TOD) as an extension of the 28th street corridor planning project. The 11.2 acre site at the northeast corner of 30th and Pearl Streets was named the “Boulder Transit Village” (BTV) and identified as the preferred location for a TOD through a site selection process completed in July 2001. Eight acres on the west portion of the site were purchased by the city for mixed use development and 3.2 acres on the east by RTD for a transit facility. The site is the home to Pollard Friendly Motor Company (Pollards), which retains a lease option to occupy the western 5.5 acre portion of the site through 2016.

Intensive mixed-use development projects around transit stations are commonly known as transit-oriented developments, or TODs. TOD projects have been very successful in many communities and are considered to have many positive benefits in terms of economic development, transit ridership, and congestion management. The following TOD elements would be provided on the eleven acre BTV site:

- a transit station to accommodate safe, efficient, and convenient transfers for passengers of the current community transit network, including local and regional service, and future bus rapid transit and commuter rail;
- enhanced pedestrian and bicycle facilities;
- housing, with a significant level of affordable housing; and,
- supportive commercial and retail services.

Boulder Junction Regulatory Changes

Consistent with the actions outlined in the TVAP implementation plan (approved in September 2007) the following has occurred:

- Boulder Valley Comprehensive Plan Land Use Map changes for all of Phase I have been completed.
- New zoning districts were adopted in May 2009, creating a new Mixed Use 4 (MU-4) district, Residential-High 7 (RH-7) district, and Residential-High 6 (RH-6) zoning district.
- 19 parcels were rezoned in August 2010 to MU-4, RH-7, or RH-6, consistent with the plan.
- Changes were adopted to the rezoning criteria specifically for the three new zoning districts, including “concurrency” requirements for transportation, water, wastewater and storm water management and flood control, and TDM services.
- New trip generation requirements were adopted in the zoning code to provide approaches to mitigate the impacts of traffic generated by development, ensure that the amount of land used for parking is the minimum necessary, and provide opportunities for parking that are efficiently used during all times of the day.
- Two General Improvement Districts were created in July 2010 – the Boulder Junction Access General Improvement District – Parking (BJAGID – Parking), and the Boulder Junction Access General Improvement District – Travel Demand Management (BJAGID – TDM).

Boulder Junction Completed and Proposed Public Improvements

Significant public improvements have been completed or are proposed for construction in the next few years including:

Public Improvements

The following public improvements have been completed in the Boulder Junction area:

- **30th Street Improvements (Completed 2011)**
 New bike lanes on 30th Street from Arapahoe Avenue to Pearl Street; a new bridge and pedestrian/bicycle underpass on 30th Street at the Boulder Slough; new multi-use accessible path connection between the east side of 30th Street and Goose Creek Greenway; Mid-block pedestrian crossings on 30th Street between Canyon Boulevard and Walnut Street and between Pearl Street and Goose Creek Greenway; An additional left turn lane for northbound 30th Street at Pearl Street; a 10-foot wide sidewalk on the east side of 30th Street from Arapahoe Avenue to Walnut Street; Transit stop amenities and urban streetscape improvements in portions of the corridor; and Undergrounded portions of the power line on the east side of 30th Street.
 Total Project Cost: \$9.1 million (\$6.3 million federal, \$2.8 million local)
- **Relocation of the historic Boulder Jaycees Depot (Completed 2008)**
 The 1890 Union Pacific train depot was relocated to the Boulder Junction area in 2008, through a partnership with Regency Retail partners, the owners of the Crossroads Commons shopping center, and the Boulder Jaycees, who was the owner of the building. As part of the redevelopment of the shopping center, the city agreed to purchase and relocate the building to the city-owned property at Boulder Junction. The building has been included in the development of the Depot Square project, and will be restored and occupied by a restaurant tenant.

The following public improvements are proposed for construction in the next few years:

- **Pearl Parkway Multi-way Boulevard**
 Recent redevelopment initiatives in the Boulder Junction area (30th Street and Pearl Streets) have presented an opportunity to develop improvements along Pearl Parkway from 30th Street to the railroad tracks that are pedestrian friendly, multimodal, and integrate parking to create an enhanced "sense of place" that is more supportive of the future adjacent mixed-use development pattern. A new street design has been developed and construction of the multi-way boulevard street design will occur in sections beginning with construction of the south side of Pearl Parkway from 30th Street east to 3100 Pearl in the fall of 2012. The total estimated project cost is \$2-2.5 million. The south side improvements are funded by the 2011 voter-approved Capital Improvement Bond.
- **Junction Place South of Goose Creek enhancements**
 As the new Junction Place Street is being designed and constructed, enhancements will be funded by the city such as bike lanes, street and sidewalk surface materials, landscaping, streetscape elements, and other possible items. These enhancements will be

coordinated with the required construction of this section of Junction Place by the adjacent developer. This project is anticipated to begin in 2013. The total estimated cost is \$1.1 million.

- **Junction Place bridge at Goose Creek**

A new bridge will connect Junction Place to 33rd Street, on the east side of the Steelyards development, and is a key public improvement in phase 1 of the Transit Village Area Plan. The project will also include multi-use path connections to the Goose Creek path. Design for the bridge is currently underway. Estimated total cost is \$2.56 million. This project is funded by the 2011 voter-approved Capital Improvement Bond.

- **New traffic signals**

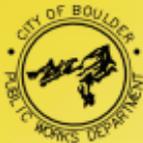
Traffic signals will be installed at the intersection of Bluff Street and 30th Street and the intersection of Junction Place and Valmont Road after the northern connection is determined, with cost of \$228,000 and projected cost of \$304,000 respectively. These projects are anticipated to begin in 2017.

- **Multi-use paths**

A new multi-use path will be constructed on the north side of Pearl Parkway, consisting of the portion of the proposed Pearl Multiway Boulevard (30th-railroad) and a minimum 10 ft wide, multi-use path extending from the railroad to Foothills Parkway. A bicycle/pedestrian bridge over the Boulder Slough (large drainage channel) or modifications to the existing structure will be required. The multiuse path along the segment from east of the railroad to Foothills Pkwy parallels the Boulder Slough, requiring underground drainage structures and/or structural walls along the channel. This project helps to fund the path that is adjacent to the housing and the RTD parcels on Boulder Junction adjacent to Pearl Street. The city received federal funding in the last DRCOG TIP cycle for the 2011 to 2013 funding years. Project construction is expected to begin in early 2013. The total project cost is \$5 million, with \$4 million in federal funding.

- **Boulder Junction Pocket Park**

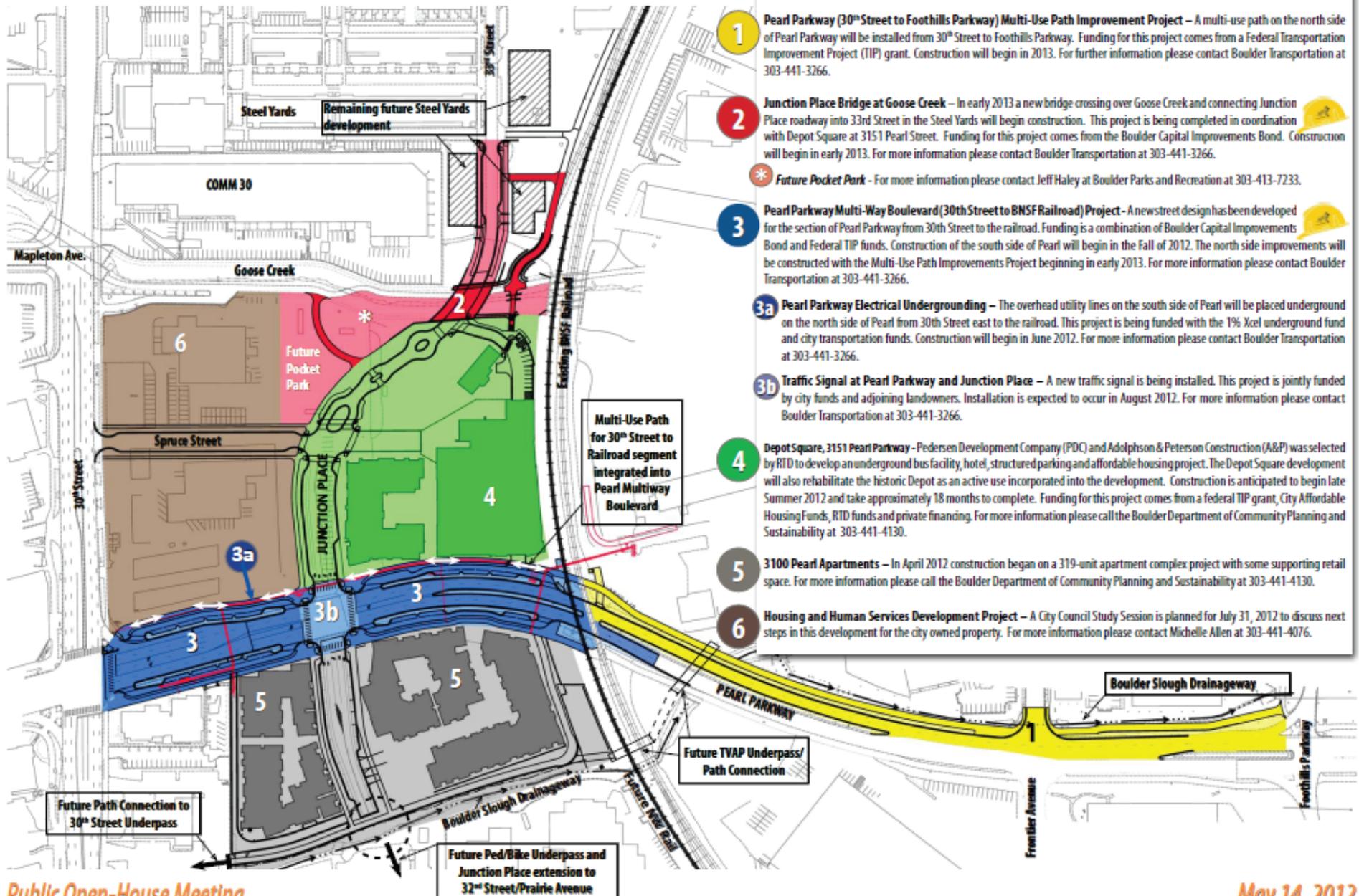
This project is a long range infill redevelopment that will include civic public space and a pocket park. Proposed improvements include land acquisition for the ¾-acre civic park, the construction of a Goose Creek multi-use path connection, grading and drainage improvements, hardscape pavers, retaining walls, landscape, irrigation and civic park amenities. This project is anticipated to complete construction in 2018. The projected total project cost is \$1,644,688.



What's Happening at Boulder Junction?

There are many upcoming public and private development and improvement projects in the area – see below for details and contact information:

- 1 Pearl Parkway (30th Street to Foothills Parkway) Multi-Use Path Improvement Project** – A multi-use path on the north side of Pearl Parkway will be installed from 30th Street to Foothills Parkway. Funding for this project comes from a Federal Transportation Improvement Project (TIP) grant. Construction will begin in 2013. For further information please contact Boulder Transportation at 303-441-3266.
- 2 Junction Place Bridge at Goose Creek** – In early 2013 a new bridge crossing over Goose Creek and connecting Junction Place roadway into 33rd Street in the Steel Yards will begin construction. This project is being completed in coordination with Depot Square at 3151 Pearl Street. Funding for this project comes from the Boulder Capital Improvements Bond. Construction will begin in early 2013. For more information please contact Boulder Transportation at 303-441-3266.
- * Future Pocket Park** - For more information please contact Jeff Haley at Boulder Parks and Recreation at 303-413-7233.
- 3 Pearl Parkway Multi-Way Boulevard (30th Street to BNSF Railroad) Project** - A new street design has been developed for the section of Pearl Parkway from 30th Street to the railroad. Funding is a combination of Boulder Capital Improvements Bond and Federal TIP funds. Construction of the south side of Pearl will begin in the Fall of 2012. The north side improvements will be constructed with the Multi-Use Path Improvements Project beginning in early 2013. For more information please contact Boulder Transportation at 303-441-3266.
- 3a Pearl Parkway Electrical Undergrounding** – The overhead utility lines on the south side of Pearl will be placed underground on the north side of Pearl from 30th Street east to the railroad. This project is being funded with the 1% Xcel underground fund and city transportation funds. Construction will begin in June 2012. For more information please contact Boulder Transportation at 303-441-3266.
- 3b Traffic Signal at Pearl Parkway and Junction Place** – A new traffic signal is being installed. This project is jointly funded by city funds and adjoining landowners. Installation is expected to occur in August 2012. For more information please contact Boulder Transportation at 303-441-3266.
- 4 Depot Square, 3151 Pearl Parkway** - Pedersen Development Company (PDC) and Adolphson & Peterson Construction (A&P) was selected by RTD to develop an underground bus facility, hotel, structured parking and affordable housing project. The Depot Square development will also rehabilitate the historic Depot as an active use incorporated into the development. Construction is anticipated to begin late Summer 2012 and take approximately 18 months to complete. Funding for this project comes from a federal TIP grant, City Affordable Housing Funds, RTD funds and private financing. For more information please call the Boulder Department of Community Planning and Sustainability at 303-441-4130.
- 5 3100 Pearl Apartments** – In April 2012 construction began on a 319-unit apartment complex project with some supporting retail space. For more information please call the Boulder Department of Community Planning and Sustainability at 303-441-4130.
- 6 Housing and Human Services Development Project** – A City Council Study Session is planned for July 31, 2012 to discuss next steps in this development for the city owned property. For more information please contact Michelle Allen at 303-441-4076.



Private Development at Junction Place

3100 Pearl – Junction Village:

Status: Under Construction

319 market rate apartments, one and two bedroom averaging 837 sq. ft/unit, with 8,112 sq. ft. of non-residential space. Apartment rents projected to range from \$1,800 to \$2,200 a month for units ranging from approximately 575 sq. ft. one bedroom to 1,200 sq. ft. two bedroom. No affordable units will be provided on-site. The Inclusionary Housing requirement was met with a cash in lieu of units contribution to the Affordable Housing Fund.

3151 Pearl – Depot Square:

Status: Approved October 2011

Type: Mixed-Use, transit-oriented development with 71 permanently affordable apartments or condos, 140 room hotel, a 390 space parking structure, and restoration of the historic train depot with a restaurant and brewery, and open plaza. The affordable housing on this site is the result of a voluntary agreement that includes funding. To date, \$5.4 Million dollars has been approved for 71 affordable rental units.

3390 Valmont – Sutherlands:

Status: Preliminary Inquiries

Sutherlands Lumber ceased operations at this site in 2010. Since then the main building on the site has been occupied by several tenants, and several inquiries regarding redevelopment of this site have been made to the city. A pre-application review is anticipated to be submitted by the property owners shortly. Initial discussions with the developer indicate no affordable housing will be provided on-site, the developer intends to meet the Inclusionary Housing requirement with cash in lieu of affordable units.

Bluff properties:

Status: Preliminary Inquiries

Several inquiries regarding redevelopment of the parcels on the north side of Bluff Street east of 30th Street have been made. These parcels have been rezoned to Residential High – 6 (RH-6). 3085 Bluff has been proposed as for-sale permanently affordable apartments meeting the Inclusionary Housing requirement for three developments located outside of the Boulder Junction Area: 1001 Alpine, 950 28th and 955 Broadway. The details of this off-site affordable housing development are not yet determined.

Steelyards:

Status: Pre-application

In May 2012, a pre-application was submitted for the remaining vacant parcels at the southeast corner of the Steelyards development, with an initial concept of three buildings, one residential, one commercial, and one mixed use. The owners are currently considering all options for meeting Inclusionary Housing.

Additional recent residential development surrounding the TVAP area includes:

1925 30th Street – Two Nine North: (completed in 2011)

238 rental apartments, one and two bedrooms ranging from 792 sq. ft. to 1,180 sq. ft. Apartment rents range from \$1,800 to \$2,200. No affordable housing was provided on-site; the Inclusionary Housing requirement was met by building the affordable homes off-site in North Boulder.