



**INFORMATION PACKET
MEMORANDUM**

To: Members of City Council

From: Jane S. Brautigam, City Manager
Paul J. Fetherston, Deputy City Manager
Tom Carr, City Attorney
Maureen Rait, Executive Director of Public Works
David Driskell, Executive Director of Community Planning and Sustainability
Tracy Winfree, Director of Public Works for Transportation
Molly Winter, Director of Downtown and University Hill Management
Division/Parking Services
David Gehr, Deputy City Attorney
Kathy Haddock, Senior Assistant City Attorney
Jeff Yegian, Acting Manager, Housing Division
Alex May, Transportation Project Manager
Noreen Walsh, Senior Transportation Planner
Elaine McLaughlin, Senior Planner
Trish Jimenez, Senior Financial Manager

Date: December 3, 2013

Subject: Information Item: Depot Square and Boulder Junction update

EXECUTIVE SUMMARY

Boulder Junction, specifically the Depot Square development and revitalization project, has been and will continue to be a unique partnership between developers and the city as a property owner and regulator. This information item is to provide City Council with updates on the Depot Square development, status of key public improvements, and other private development activity that is occurring in the Boulder Junction area.

FISCAL IMPACT

Work on these efforts is included in the city's work plan and budget.

COMMUNITY SUSTAINABILITY ASSESSMENTS AND IMPACTS

- Economic: The Depot Square project will promote a diverse and sustainable economy by housing a 150-room hotel; RTD bus transit station; shared parking structure; 71 affordable residential units; the renovated and reused Boulder Jaycees Depot; and transportation infrastructure to support the new development with an emphasis on pedestrian, bike and transit facilities.
- Environmental: Along with new transportation infrastructure, an aggressive travel demand management plan has been required. All new construction must also meet the City of Boulder's energy code requirements.
- Social: The 71 new residential units within the Depot Square project will provide affordable housing. The transit-oriented development promotes ease of mobility for a broad range of people.

BACKGROUND

The Depot Square development includes a mix of transit, permanently affordable housing, hotel and commercial activities, and a civic plaza south of the Boulder Jaycees Depot. The integrated, mixed-use development has a number of common facilities that will serve all users of the site, such as a plaza and public parking garage. This development is located north of Pearl Parkway, between 30th Street and the BNSF Railroad, and east of the new Junction Place right of way. **Attachment A** provides a vicinity map of the project.

In 2001, Boulder Junction began as a City Council initiative to partner with RTD to acquire a transit anchor in the Boulder Valley Regional Center, years prior to the passage of RTD's FasTracks program. A site selection study in 2001 identified the 11.24-acre Pollard Friendly Motor Company property at 30th Street and Pearl Parkway as the preferred location for the transit facility and council directed staff to negotiate the purchase. In 2004, council approved the purchase of the site using housing and transportation funds. This purchase came with the expressed purpose of designing and constructing a "transit-oriented development" that would be located near high-frequency transit service and provide a mix of housing types, including a "significant level" of affordable housing. Of the approximately eight acres of land originally purchased by the city, 5.5 acres were leased to Pollard Friendly Motor Company until October 2014. RTD purchased the remaining 3.2 acres of the site.

On Nov. 8, 2011, council approved a motion granting the city manager authority to enter into a development agreement and lease for the city-owned Boulder Jaycees Depot, and the conveyance of property into the proposed condominium association at Depot Square. On Feb. 21, 2012, council received an update on the Boulder Junction Phase I Implementation Plan and the city's proposed financing mechanisms for the Boulder Junction Access General Improvement District's portion of the parking garage and the affordable housing at Depot Square. On April 17, 2012, council approved a motion granting the city manager authority to approve and execute a cooperation agreement with the Boulder Junction Access General Improvement District-Parking (BJAD-P). Also on April 17, 2012, council approved a motion to authorize the city manager as ex officio general manager of the BJAD-P to approve and execute all documents necessary to purchase 100 parking spaces in the parking structure.

STATUS UPDATES

Depot Square Closings

Depot Square will be a mixed-use project that includes a full-service underground RTD bus facility, a 71-unit affordable housing project, a hotel, structured public parking for the Boulder Junction Access General Improvement District, and accessory parking for the housing, RTD, hotel, and Boulder Jaycees Depot uses. Since the Planning Board approved this project in October 2011, the various development entities have continued to work together to get the project under construction. There were a great number of agreements necessary to create the public-private partnership for the Depot Square development.

A series of closings for the project was completed on July 26, 2013. The public parties included the City of Boulder, RTD and the Boulder Junction Access General Improvement District. The private parties include Pedersen Development; 3001 Pearl, LLC; Hyatt Hotels; Adolfson and Peterson Construction; and Great Western Bank. There were 40 documents executed for these closings, including deeds, covenants, declarations and loan documents. The closing documents included some of the highlights listed below.

- The city finalized the subdivision plat and agreement approval for the Depot Square development. This reconfigured the three lots on the property, included the dedication and construction of Junction Place, and defined developer contributions towards key public improvements and other projects. Additionally, a number of easements were either released or granted that were necessary to prepare the site for development.
- In addition to the city subdivision process, the portion of the property east of Junction Place was further subdivided through the use of a Colorado common interest community, often referred to as a condominium. RTD and the city sold land to the developer, who placed it into the common interest community. The condominium includes units for the bus facility, hotel, affordable housing, parking, and the Boulder Jaycees Depot. Each of the units includes parking units that will be built in the parking garage and wrapped by the affordable housing. The common interest community declaration and map were executed to provide legal descriptions for the units and how the various units will be operated together. The declaration, together with the Depot Square Owners Association Bylaws deal, established the relationship among the unit owners in terms of operation and maintenance of the various units and the common areas.
- Immediately upon creation of the condominium units, the RTD Unit bus facility and associated parking was conveyed to RTD, the Depot Unit and associated parking was conveyed to the city, and the BJAD-P Parking Unit was conveyed to the city for BJAD-P. As a result of those conveyances, RTD, the city and BJAD-P are part of the Depot Square Owners Association.
- The unit owners Association also needed to be created. The Depot Square Owners Association is a nonprofit corporation that is responsible for taking care of the common elements. It also includes the governance requirements for how decisions are made with regard to the common interest community including the plaza area. Members of the board include representatives of the unit owners. The association documents define rules related to

conduct of board meetings, voting standards, rules related to officers and employees, and other organizational details.

- There is a parking purchase agreement and associated loan documents, the Boulder Junction Access General Improvement District agreed to purchase a parking unit within the parking garage over time. Also, to guarantee this arrangement, there is a cooperation agreement between the city and the general improvement district where the city agrees to make up the difference between revenues and purchase obligations, to be repaid by the general improvement district in later years as revenues increase and stabilize.
- A parking management agreement for Depot Square describes how the parking garage will be jointly used by the various unit owners. It follows a set of principles establishing that, to the maximum extent possible, all parking should be shared, unbundled and managed (fee-based). The owners association will determine the entity that will be primarily responsible for operating and maintaining the garage. The intent of the agreement is to create a seamless parking management system that will serve the needs of the public and all of the unit owners. Public paid parking will be offered by BJAD-P for the spaces it owns, as well as any other spaces that other unit owners determine to pool for public parking.
- A document memorializing the amendment to the Pollard Friendly Motor Company lease was finalized in early February 2013 and later recorded. Due to Pollard Friendly Motor Company's cooperation, a significant amount of land was released from the Pollard Friendly Motor Company leasehold area (originally 5.5 acres, amended to 4.3 acres) that will allow some of the redevelopment efforts associated with the Depot Square development and several key public improvements (the Pearl Parkway multiway boulevard, Junction Place bridge at Goose Creek, and pocket park grading/path) to occur early and concurrent with the development of the east side of the property.
- Part of the redevelopment effort is to put the Boulder Jaycees Depot to a beneficial use. There is an agreement with Pedersen Development to rehabilitate the Boulder Jaycees Depot building in exchange for the ability to sublet the building to an operator such as a restaurant. The City of Boulder has already approved the alteration certificate for the renovations and the work is expected to be completed in compliance with all city historic preservation guidelines.
- There are also numerous documents related to the creation of permanently affordable rental housing on the property. The city has pledged \$5.4 million of affordable housing funds to be used to construct 71 permanently affordable units on the property. In order to implement that objective, the city entered into an affordable housing agreement with 3001 Pearl, LLC, the developer, and provided the permanent affordability housing covenant recorded at closing. There are also a number of financial agreements such as a promissory note and deed of trust. At the closing, the city paid the developer the first payment of the \$5.4 million for predevelopment activities associated with the affordable housing portion of the project. Progress payments will be made during the course of construction of the affordable housing portion of the development.
- Finally, there are a number of deeds and instruments associated with ensuring that all of the associated land transactions have been completed.

The closing documents are available for council and public review in the City of Boulder Records Archive at bouldercolorado.gov/central-records/document-archive.

Depot Square Construction Status

Adolfson and Peterson Construction is under contract to construct the RTD bus facility, the parking garage, multifamily housing, and site improvements, including Junction Place. A right-of-way and grading permit was issued for this project in late July 2013. Construction of the dewatering system at the RTD bus facility began on Aug. 5, 2013, and excavation for the bus facility and site grading started on Aug. 26, 2013. Exporting excavated materials will continue into early November 2013, and foundation construction is anticipated to immediately follow once the bus facility building permit is issued. Utility, site work, and above-ground structure work will proceed starting in approximately May 2014, following completion of the below-grade portions of the bus facility. Other building permits for the Depot Square project are in the final stages of the review process.

As part of the Depot Square project, a Hyatt Place hotel is being constructed by Milender White Construction Company. Foundation work for the hotel is anticipated to begin in early November 2013.

During the September 2013 flooding, the excavation that had been initiated for the construction of the bus box filled with floodwaters. Combined with elevated groundwater levels and related dewatering system issues, this caused a three week delay in construction activity. The entire Depot Square project has an anticipated completion date of early 2015.

Pollard Lease

When the city purchased the Pollard Friendly Motor Company property on the northeast corner of 30th Street and Pearl Parkway in October 2004, the city leased a portion of the property back to Pollard Friendly Motor Company through Oct. 30, 2014. The term may be extended for two years in the event that Pollard Friendly Motor Company decides to exercise an option to purchase a 6.6-acre parcel of land attached to the Municipal Service Center (often called the Yards) that has frontage on Pearl Parkway. The city has contractual obligations to have the Pollard Friendly Motor Company property prepared for development by the end of the 10-year leasehold period.

The lease agreement between the city and Pollard Friendly Motor Company was amended in February 2013. It reduced the size of the Pollard Friendly Motor Company leasehold area from 5.5 acres to 4.3 acres to allow for the construction of Junction Place and several key public improvements, including the Pearl Parkway multiway boulevard, the Junction Place bridge at Goose Creek, and rough grading and path improvements in the future pocket park. It also formalized boundaries for some previous work that had been completed to construct a path ramp from the sidewalk on 30th Street down to the Goose Creek bike path.

Pollard Friendly Motor Company has not yet exercised the option to purchase the Yards subdivision parcel east of the Pearl Parkway auto dealerships. Representatives of Pollard Friendly Motor Company have been in discussions with city planning staff to explore options

associated with relocating to that property, as was anticipated in the lease agreement for the 30th Street and Pearl Parkway property and option agreement to purchase the 6.6-acre parcel of land at the city Yards. During the next year, staff expects to work collaboratively with Pollard Friendly Motor Company as it prepares the Yards parcel for sale, as contemplated in the agreements that were entered into as part of the purchase of the Pollard Friendly Motor Company property at 30th Street and Pearl Parkway. Staff will provide future updates to council as these discussions continue to explore options for the future use and development (or sale) of the city-owned site.

Access General Improvement Districts – Parking and Travel Demand Management (TDM)

To realize the goals of the Transit Village Area Plan and create a transit-oriented development, two general improvement taxing districts were created in 2010: a parking district and a travel demand management (TDM) district. They were named the Boulder Junction Access General Improvement District-Parking (BJAD-P) and Boulder Junction Access General Improvement District-TDM (BJAD-TDM). Currently, there are two major projects under construction in the districts, a multi-building apartment complex at 3100 Pearl and the Depot Square project. 3100 Pearl is a 319-unit rental project developed by MKS Residential, LLC and built by its construction company, Reylenn Construction Inc.

At the beginning of 2014, the BJAD-TDM will be issuing Eco Passes and subsidized bike- and car-share memberships to residents of 3100 Pearl. A payment in lieu of taxes (PILOT) agreement defines how the owners of the properties will pay for the initial TDM programs prior to the tax collection, and the first payment is due as a condition of the city's issuance of a certificate of occupancy. The Depot Square project is scheduled for completion in early 2015, including a parking garage that is a public-private partnership between the developer, RTD, the city and BJAD-P.

Key Public Improvements

There are a number of key public improvements under construction, or soon to be under construction, in the Boulder Junction area. The status of the projects is listed below.

- ***South Side of the Pearl Parkway Multiway Boulevard (30th Street to BNSF Railroad)*** – This 2011 Capital Improvement Bond-funded project is constructing the multimodal streetscape improvements on the south side of Pearl Parkway from 30th Street to the Burlington Northern Santa Fe (BNSF) railroad. Improvements between 30th Street and Junction Place were completed and opened to the public on Oct. 28, 2013.

Construction on the south side of the Pearl Parkway multiway boulevard was minimally affected by the September 2013 flooding. The precipitation forced a temporary work shutdown between Sept. 9 and 15.

The new traffic signal at Pearl Parkway and Junction Place is complete and anticipated to be operational in mid-to-late November 2013, in conjunction with tenant occupation of the western building of the 3100 Pearl apartments. Improvements between Junction Place and the railroad tracks will be completed by the spring of 2014 to coordinate with the completion of the remaining portions of the private development at 3100 Pearl.

- ***Junction Place Bridge at Goose Creek*** – This bond-funded project will construct a new bridge linking Junction Place on the north and south sides of Goose Creek, as well as complete area path connections to the Goose Creek path. Construction is expected to begin in early November 2013 and be completed in the fall of 2014.
- ***North Side of the Pearl Parkway Multiway Boulevard and Multi-use Path Project (30th Street to Foothills Parkway)*** - This federal grant-funded project will complete the north half of the multiway boulevard from 30th Street to the BNSF railroad and a multi-use path from the railroad to Foothills Parkway. Extensive waterline, sanitary sewer and major drainageway improvements are included in the project, including some to facilitate the development of Depot Square and future Boulder Junction redevelopments. Construction is expected to begin in mid-to-late November 2013 and be completed in the fall of 2014. Work over late fall and winter 2013 will focus on utility and major drainageway box culvert construction.
- ***US 36 Managed Lane/Bikeway Project*** – A design-build project under the oversight of the Colorado Department of Transportation (CDOT) is underway and scheduled to be completed in two phases. This Eisenhower-era highway overhaul is reconstructing aging bridges and pavement, improving safety, and adding one managed lane in each direction, as well as a bikeway. Phase 1 (Pecos to 88th streets) is under construction and scheduled for completion by the end of 2014. Phase 2 (88th Street to Table Mesa Drive) will go to financial close with a private concessionaire and construction is scheduled for completion by the end of 2015. The highest-priority use of the managed lane is Bus Rapid Transit (BRT), which will have two end-of-line stations in Boulder, one at Depot Square and the other at the Boulder Transit Center at 14th and Walnut streets. BRT service is scheduled to begin in January 2016.

Other Private Development Activity

There are several other properties within Boulder Junction that are in various stages of the planning review and development process. The properties are primarily located within the mixed use (MU-4) and high-density residential (RH-6) zoning districts.

The construction at 3100 Pearl is well underway and completion of the 319-unit apartment complex in four separate buildings is scheduled for a phased completion, starting in fall 2013 and continuing through early summer 2014. Located directly across Pearl Parkway from Depot Square, the property will primarily be residential, with ground floor retail and a fitness facility. The 5.12-acre site also has below-grade parking and on-site recreational amenities. The project is completing the first section of the new street, Junction Place, south of Pearl Parkway and also fronts onto the Pearl Parkway multiway boulevard. The buildings are designed to address the street with front door access to the units, intended to activate the streetscape and help establish a pedestrian orientation for the area.

North and west of the proposed Junction Place bridge at Goose Creek, along the northern planned extension of Junction Place, is a small urban-style apartment building (known as The Lofts at Boulder Junction) developed by Coburn Development that has received final site review approval. Proposed as a three-story, 22,850 square-foot building with 16 attached apartment units and tuck-under parking at the rear of the site, the building is designed to have front doors that face the street in a zero lot line configuration to help activate this portion of Junction Place.

Technical document and building permit reviews are anticipated in late 2013/early 2014. The city has received no formal submittals for the remaining two undeveloped Steel Yards lots across from this site, abutting the east side of Junction Place.

A property located at 3085 Bluff St., west of the former Sutherlands Lumber property and north of the Steel Yards, completed concept plan review in January 2013 for a 100 percent permanently affordable residential project. An application for site review has not yet been received and the developer, Element Properties, is working to assemble financing.

Representatives for the former Sutherlands Lumber property, located at 3390 Valmont Rd. and within the mixed use (MU-4) zoning district, have submitted a pre-application and discussed possible redevelopment of that property with a concept plan application submittal forthcoming.

City-owned Site at 30th Street and Pearl Parkway

The city continues to own 5.45 acres total at 30th Street and Pearl Parkway and leases 4.3 acres of the property to Pollard Friendly Motor Company as described above. The 1.15-acre difference is a result of the:

- Existing multi-use path access ramp from 30th Street to the Goose Creek path;
- Proposed pocket park, and related improvements; and
- Junction Place easements.

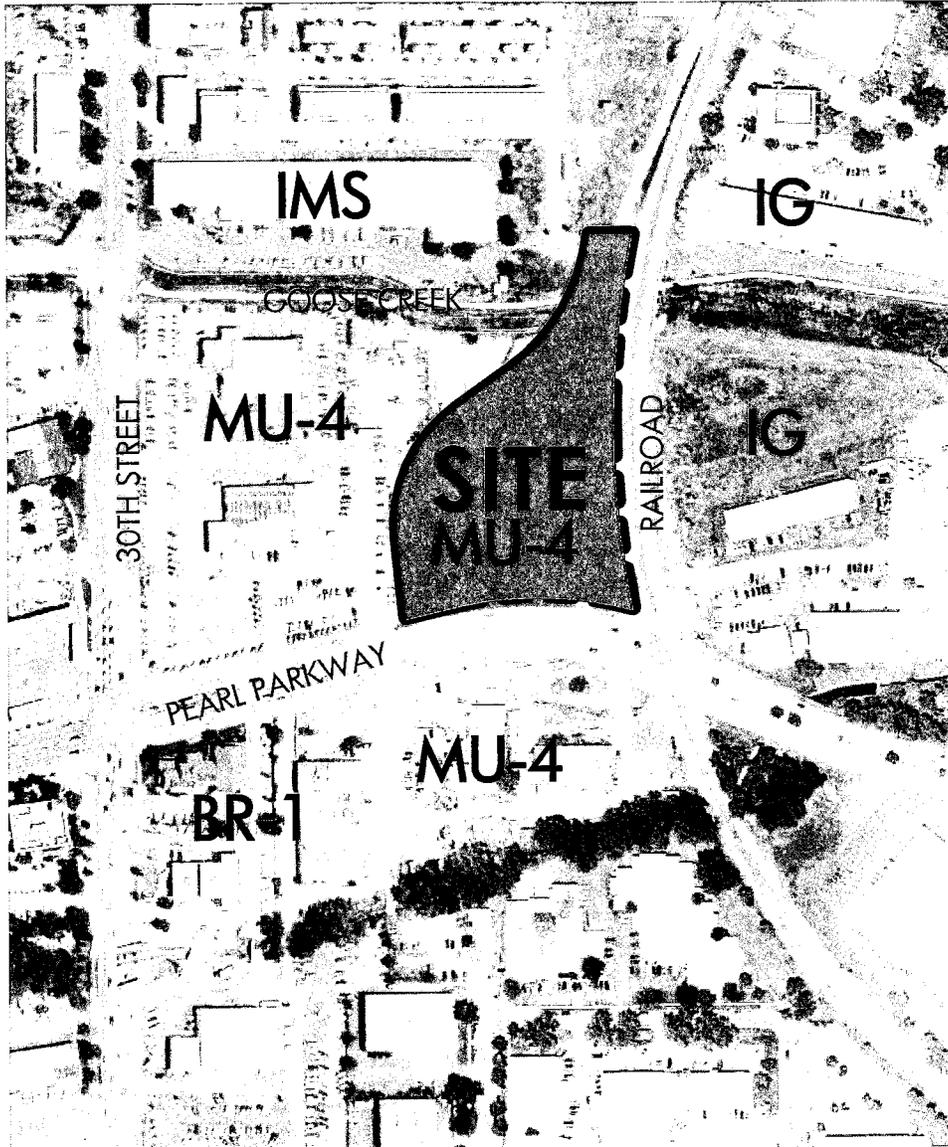
During the July 31, 2012 study session discussions of the [Update on Boulder Junction and the city-owned site at 30th and Pearl streets](#), City Council indicated an interest in reevaluating the potential uses of the site in light of the city's goals for Boulder Junction and the realization of nearby development projects. Staff will propose a planning process for the site once the timing of its availability for development is more concrete.

NEXT STEPS

Staff will continue to provide necessary updates to City Council in 2014 and beyond.

ATTACHMENTS

A – Vicinity Map



VICINITY MAP

1" = 300'-0"