



# Boulder again at a Crossroads

LONG-SUFFERING MALL REBORN AS  
'29TH STREET,' BUT CITY'S  
RESIDENTIAL PLANS STILL IN QUESTION



**WRITTEN BY STEPHEN TITUS**

**PHOTOGRAPHY BY  
MURRAY ELLIOTT**

Visitors strolling the downtown streets of Boulder's Pearl Street Mall or driving the tree-lined avenues of the Mapleton neighborhood may think they've discovered the idyllic community. It's clean, it's diverse and the scenery is beautiful. But all that has come at a price. For years, Boulder has struggled with high housing costs, traffic congestion and difficult redevelopment puzzles. The city may be on the path to fixing some of those issues, but major hurdles remain. While some important new projects are underway or in the long-range planning process, to understand Boulder's future redevelopment it's important to understand the current land use and how it got that way.

Boulder is the most expensive city along the Front Range. With home prices at about \$250 per square foot and up, a 1,200-square-foot, 1960s-era cracker box in Martin Acres easily sells for more than \$300,000. Compounding the problem is a decades-long move by the city to surround itself with open space and parks, creating a development island that is now completely built out and leaving only redevelopment opportunities.

Making matters worse is a requirement that developers set aside at least 20 percent of their residential projects for affordable housing. This city-mandated "inclusionary" policy has pushed the Boulder real-estate market toward more commercial than residential development, and while that creates plenty of jobs, (currently about 110,000 jobs for 101,000 people) many of the workers who fill those jobs can't afford a home in Boulder. And that forces the workers to commute, creating traffic problems along U.S. Highway 36 and other feeder streets leading into the city.

During the late 1990s, therefore, Boulder put a moratorium on commercial development and retooled its long-term plans to include more residential construction to increase the town housing stock and perhaps quell the rapid rise in house prices. In the meantime, Boulder's single biggest source of sales-tax revenue, Crossroads Mall, which once accounted for 10 percent of sales taxes, was suffering. Sales in the stores were down, and so was sales-tax revenue for the city. The impending completion of Flatirons Crossing, just 10 miles away in neighboring Broomfield, was guaranteed to make the city's sales-tax collections worse.

But Crossroads Mall's owner, Macerich, a Santa Monica, Calif.-based real-estate investment trust that also owned Flatirons Crossing, came to the city with a redevelopment plan that promised to pump up tax revenue and create new housing. In return the company needed tax-increment financing to make the deal work. "We had a very detailed plan that was submitted to the city with a complete urban village, open space, theaters, roads," said Macerich President and CEO Art Coppla in a 2002 interview with *ColoradoBiz*. "But we couldn't work out tax increment financing that would allow us to afford that plan. I don't think the city will ever approve any plan that comes from us."

Negotiations between Macerich and the City of Boulder were that contentious. At one point, a desperate Boulder threatened condemnation of the site, effectively shutting down negotiations. At that time, Macerich had owned the property free and clear for 23 years, and the company, with billions of dollars in nationwide real estate holdings, could afford to wait for the right team of people to enter the picture. As it turns out, Macerich bought the right team of people.



# Who owns Colorado?

In 2002, Macerich purchased Westcorp, a Phoenix-based retail developer that had built Flatirons Crossing, the Greeley Mall, The Citadel Mall in Colorado Springs, Mesa Mall in Grand Junction and other retail properties outside the state. Along with these properties came a team of people familiar with Boulder and its development needs. "It was an opportunity to put a fresh team on it that wasn't plagued by problems of the past," said David Scholl, senior VP of Westcorp. "We took a market-driven look at it. We agreed not to take incentives, and the city agreed to not burden the property with non-marketable requirements."

The Westcorp team patched the gulf between the two sides, and in October 2004 work began on redevelopment of the faltering 62-acre site that is now called 29th Street. The new develop-

ment will offer 650,000 square feet of retail space — down from the 900,000 originally proposed, with 3,500 parking spaces — of which half will be in parking structures and the rest on surface lots.

Already much of the property is leased, with Home Depot leading the way for new tenants in a 120,000 square-foot store that is nearing completion. Wild Oats will also have a major presence at 29th Street with an 82,000 square-foot office headquarters and a 32,000 square-foot flagship grocery store. Throughout construction, the 148,880 square-foot Foley's department store — the only holdover from Crossroads — has remained open, along with its parking structure. While this store will remain, the chain has been sold to the May Co., and it will change to Macy's as early as next month. Boulder will also get its first full-size movie theater with Century Theaters opening a 16-screen facility on the northern edge of the property. Only one anchor tenant remains to be signed and about half of the smaller sites remain available. Scholl said he expects to complete the project by October this year. The only remaining parcel left undeveloped is a four-acre residential site that Westcorp representatives said has not yet been fully planned but will probably be high density.

While the 29th Street project tops Boulder's current list of developments, others are making their mark. A focus of the city's long range plan is improving the overall look and landscaping of main streets leading into town and of the downtown shopping district. After several years of work, the Pearl Street Mall remodel is complete, and major improvements along 28th Street as it merges with Highway 36 and at Arapahoe Avenue are also nearly finished.

Private developers like Chanin Development are stepping in on 28th Street near Highway 36 and are proposing high-density residential projects to replace aging hotels and other relics of a 1960s- and '70s-era growth spurt. Chanin purchased the Lazy J Motel and is planning 103 condominium units on the 1.3-acre site along with a small retail segment with about 2,500 square feet. "The impetus behind targeting that site is the rezoning by city council and the planning board," said Jim Chanin, owner of Chanin Development. "They had the vision and foresight to redevelop that little area at the entrance to the city. It provides some badly needed high-density residential development and improves the look of the entrance to the city."

While these projects are making an immediate impact, a future project may have a far greater effect on the town as a whole. In a partnership with the Regional Transportation Dis-

IMAGES OF 29TH STREET, FORMERLY CROSSROADS MALL, UNDER CONSTRUCTION



## 29TH STREET (FORMERLY CROSSROADS MALL)

LOCATION: PEARL AND 28TH STREETS,  
TO ARAPAHOE AVE. AND 30TH STREET

DEVELOPER/OWNER:  
MACERICH DEVELOPMENT

PHONE: (602) 953-6285

PROJECT TYPE: RETAIL  
WITH SMALL RESIDENTIAL PARCEL

ACRES: 68

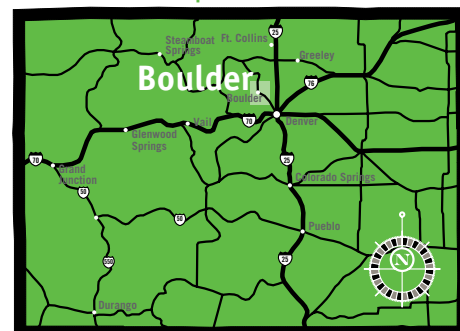
COMMERCIAL SQUARE FEET: 650,000  
MOSTLY RETAIL WITH 85,000 SQUARE  
FEET OF OFFICE

GROUND BREAKING: 2002  
(REDEVELOPMENT) 1963 (ORIGINAL MALL)

BUILD OUT: OCTOBER 2006

Macerich, a real estate investment trust, has owned the property for about 26 years. At one time Crossroads Mall generated 10 percent of the city's \$2 billion sales tax revenue.

### Area detail map






trict, Boulder has purchased an 11.5-acre parcel at 30th and Pearl streets for a major transit village. While the first phase of development is still two years away and the final plan for the area may be further out than that, the city is holding community meetings to spread information and collect data on what the citizens think the site should look like. According to city representatives, the Transit Village will be home to a multi-modal transit stop centered on a regional bus stop and FasTracks. Surprisingly, not everyone in liberal Boulder is excited about the transit development. At a recent city council meeting, a team of architects from four firms in and around Boulder floated plans calling for as few as 3,000 new residential units and as many as 5,000 units that could add up to 10,000 new residents to the area around the transit stop.

"The feedback (the city) got was that they were undertaking too much, and adding that many people would change the character of Boulder by increasing the population by 10 percent," said Bill Holicky, an architect with Coburn Development in Boulder. "I think that Boulder is wrestling with the ramifications of having this transit hub and what the city wants to be when it grows up. It's such a large area and residents are nervous about the huge number of people that could be added. It's difficult to stomach 10,000 more people; it's hard to get your head around that large number of people."

Coburn built the Steelyards, a successful development adjacent to the proposed Transit Village and the only residential offering in the area. Much of the surrounding area, besides the Pollard auto dealership, is office or light industrial. Holicky said one of the city's biggest challenges is to get a firm plan in place before development of the surrounding area takes off in a direction that doesn't work with transit.

"Any time you significantly change the property values in one part of the city, it puts pressure on the surrounding area to change," Holicky said. "You can get ahead of the change and control it, or come in from behind and struggle with the change." 

### TRANSIT VILLAGE

<b>LOCATION:</b> PEARL AND 30TH STREETS
<b>DEVELOPER/OWNER:</b> CITY OF BOULDER
<b>WEBSITE:</b> WWW.CI.BOULDER.CO.US/BURA
<b>PROJECT TYPE:</b> MIXED-USE SITE FOR MULTI-MODAL TRANSIT STOP
<b>ACRES:</b> 11.5
<b>HOUSING UNITS:</b> 3,000 TO 5,000
<b>PRICE RANGE:</b> N/A
<b>COMMERCIAL SQUARE FEET:</b> N/A
<b>GROUND BREAKING:</b> 2008
<b>BUILD OUT:</b> N/A
The city purchased the site in partnership with RTD to accommodate the arrival of FasTracks and a regional bus stop. The site is currently home to Pollard Motors. The Pollard family has worked out a lease deal with the city to remain on five acres of the property for the next 10 years. RTD may build on the other half of the property at any time. Final plans for a rail and bus stop are still in the early stages and new housing is part of a preliminary proposal commissioned by the city.

### LANDMARK LOFTS

<b>LOCATION:</b> 28TH STREET AND ONE BLOCK SOUTH OF COLORADO BLVD.
<b>DEVELOPER/OWNER:</b> CHANIN DEVELOPMENT
<b>PHONE:</b> (303) 939-8400
<b>PROJECT TYPE:</b> MIXED USE/HIGH-DENSITY RESIDENTIAL
<b>ACRES:</b> 1.8
<b>HOUSING UNITS:</b> 103
<b>PRICE RANGE:</b> \$200,000 TO \$450,000
<b>COMMERCIAL SQUARE FEET:</b> 2,500
<b>GROUND BREAKING:</b> SPRING 2006
<b>BUILD OUT:</b> EARLY 2007
The project will replace the aging Lazy J Motel. A second phase of the project could add another 127 units. The five-story, 180,000 square-foot building includes one floor of underground parking and four floors of residential units ranging from 614 square feet, to penthouse units with more than 2,000 square feet.