



**CITY OF BOULDER
CITY COUNCIL AGENDA ITEM**

MEETING DATE: January 21, 2019

AGENDA TITLE

Alpine-Balsam Implementation and Update on City / County Working Group

PRESENTER/S

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EXECUTIVE SUMMARY

The 2015 purchase of the Alpine-Balsam property, formerly the Boulder Community Health (BCH) Broadway campus, was a strategic investment for the community, in part motivated by the desire to shape the redevelopment of an area that has been focused around a major healthcare facility for decades, and in part to address the city's decentralized service challenges in a way that reflects Boulder's vision and values by creating a Customer Service Hub.

City Council's recent adoption of the [Alpine-Balsam Area Plan](#) confirms the vision for the property, for which now the city is transitioning to the implementation phase. The city is in the beginning stages of a multi-year process to redevelop Alpine-Balsam, and this memo includes a summary of major projects that are either underway or beginning in 2020 to move toward realizing the vision.

In addition, this memo includes an update on the City / County Working Group, which has been meeting since November 2019 to (a) assess the feasibility of relocating county facilities from Iris-Broadway to Alpine-Balsam and (b) guide the planning and public process for future changes at the Iris-Broadway county campus. The working group has concluded that it is not feasible to locate county facilities at Alpine-Balsam.

COMMUNITY SUSTAINABILITY ASSESSMENTS AND IMPACTS

- Economic – The implementation will follow the Area Plan that promotes equity, affordability and sustainability through thoughtful redevelopment; the proposed uses are aligned with market and community needs.
- Environmental - The Area Plan includes considerations for achieving environmental goals, and the hospital deconstruction project includes a sustainable recycling and reuse approach.
- Social – The implementation of the Area Plan will include affordable housing with an emphasis on a diverse and multi-generational community. The western campus of city services will offer a safe, welcoming place for the community to engage and interact with services.

OTHER IMPACTS

- Fiscal – The implementation of Alpine-Balsam includes city investment in infrastructure, site redevelopment activities, city office space, and affordable housing; additional funding requests will come forward to council as they are estimated and formulated. The city will be looking for opportunities to partner with the community, apply for grants, and reduce costs during the implementation.
- Staff time – The implementation is a multi-departmental, multi-year project that is a priority to the city and included in department's work plans.

QUESTIONS FOR CITY COUNCIL

1. Does the City Council have feedback on the Alpine-Balsam Implementation project scope, schedule and process?
2. Does City Council agree with the recommendation of the City / County Working Group that the criteria for county facilities cannot be met?

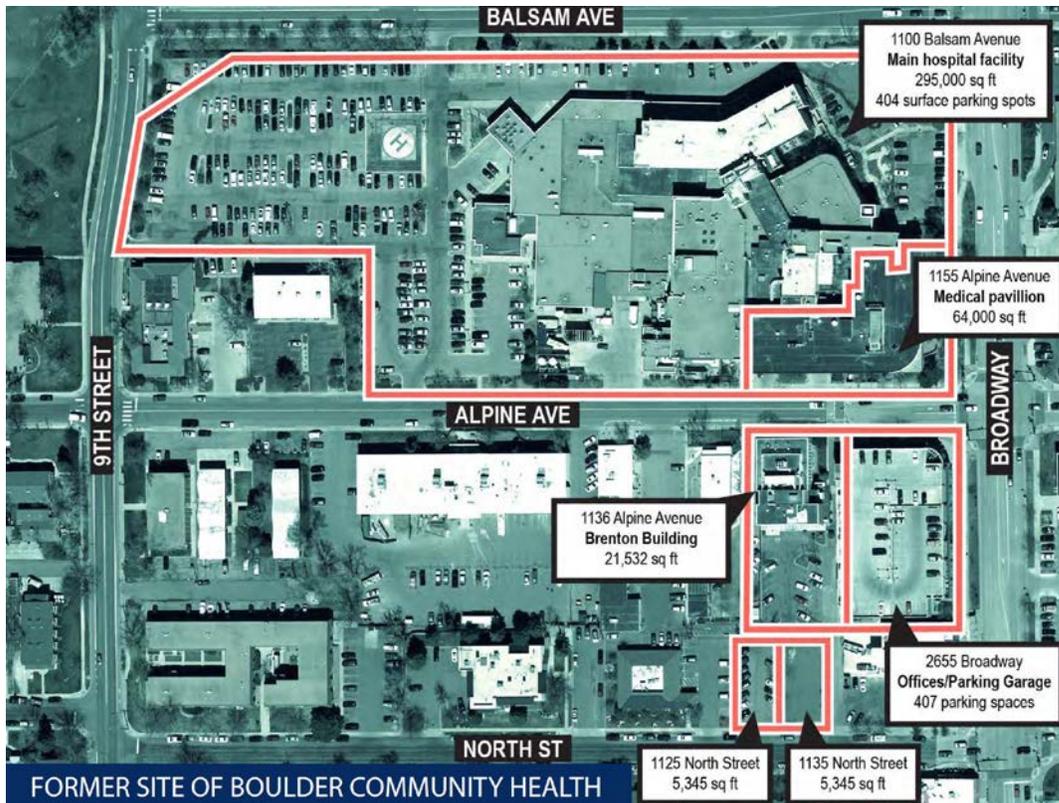
BOARD AND COMMISSION FEEDBACK

Staff has involved and provided updates to several boards during the Vision Plan and Area Plan development. There will be opportunities for boards to continue being involved in the implementation of Alpine-Balsam as the project begins.

BACKGROUND

The City of Boulder purchased 8.8 acres from Boulder Community Health in 2015. The purchase included four structures and two vacant lots (map below):

- Main hospital building (~ 285,000 SF) – 1100 Balsam
- Medical Office Pavilion (Pavilion)building (~ 65,000 SF) – 1155 Alpine
- Brenton office building (~ 21,000 SF) – 1136 Alpine
- Parking structure (~ 400 stalls) – 2655 Broadway
- Two vacant lots (~ 10k SF) – 1125 and 1135 North



The [Alpine-Balsam Area Plan](#), adopted on October 1, 2019, furthers the work of the [Vision Plan](#) and identifies affordable housing, city office space, and potentially county office space as the primary uses on the Alpine-Balsam properties. The vision statement is:

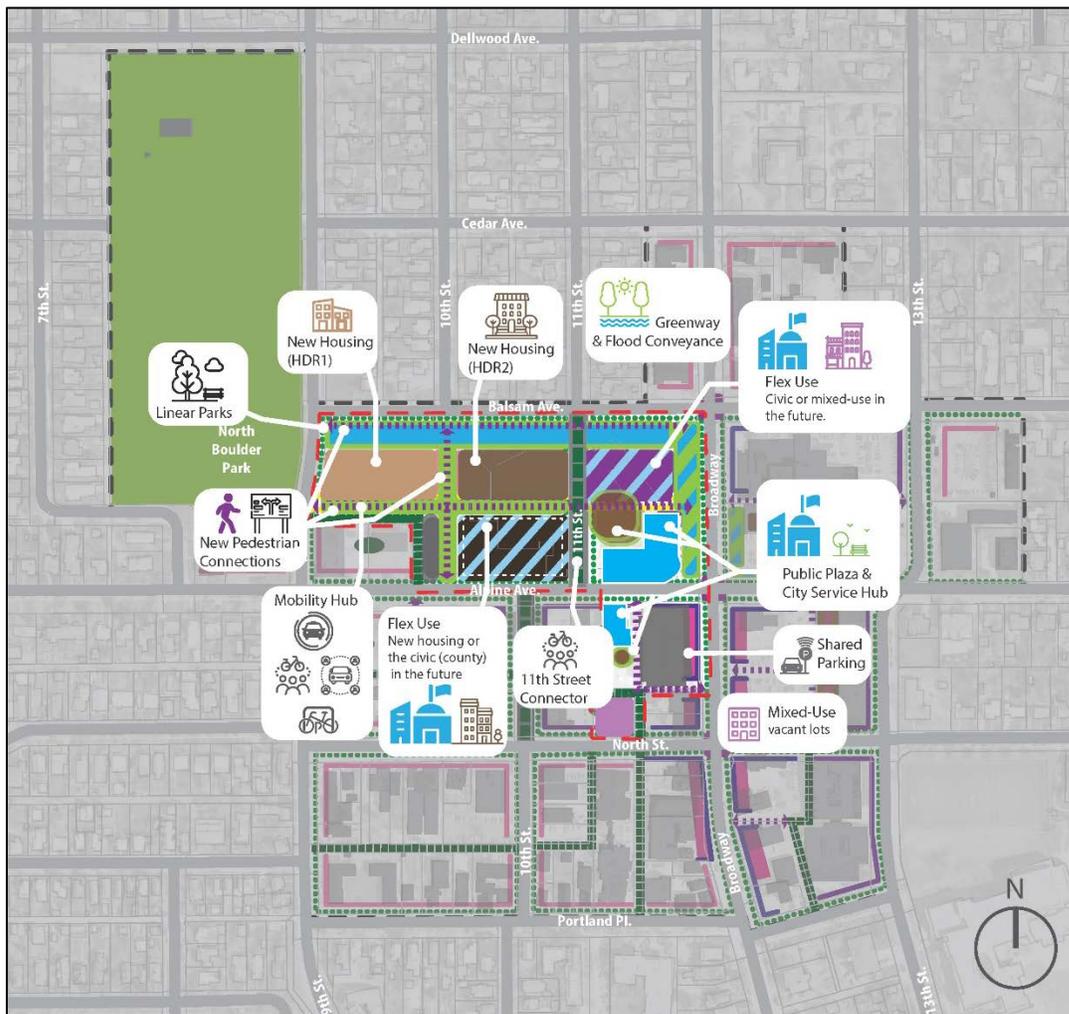
“Alpine-Balsam will be a vibrant multi-generational hub for community life and local government services – a welcoming and inclusive new model for equitable, affordable and sustainable living.”

The Area Plan emphasizes the unique opportunity for affordable housing at Alpine-Balsam given its location in Boulder and proximity to downtown and transit. The Area Plan states,

“Housing will likely consist of stand-alone residential buildings such as two- to four-story apartments, condominiums and townhomes and may include mixed-use buildings with ground floor services or retail with housing above. Because the city already owns the land there is a good opportunity to direct the outcomes of affordable housing that could also include prioritized affordable housing types such as permanent supportive housing (housing for vulnerable individuals that include supportive services) and middle income for-sale housing to help meet city goals for a wide diversity of affordable housing types and price ranges.”

In addition to affordable housing, the purchase of Alpine-Balsam created an opportunity to consolidate city services to a centralized campus on the western side of the city in close proximity to the historic civic core. City services and administrative offices are currently spread out across 22 buildings, which is inefficient for the community accessing services and for staff performing work in the buildings.

Renovation of the Brenton building completed in 2018 demonstrated early successes on the campus by consolidating a fragmented department into one building and converted one of the city’s worst energy performing buildings into a now near net-zero energy consuming building. Renovation of the Pavilion building and improvements to the site will create a cohesive campus that has the potential to consolidate staff from at least four additional buildings. The City Council approved 2020 budget includes the first phase of the city campus and Pavilion design work. More information on the consolidation of city services can be found at the following council memo links: [November 13, 2018](#); [February 12, 2019](#); and [May 16, 2019](#).



Conceptual Diagram of City Site Future Uses and Improvements, Area Plan page 12

To support these uses, the Area Plan identifies:

- Vision and guiding principles for the property (Area Plan pages 7-15)
- Land use and urban design (Area Plan pages 16-44)
- Connections Plan and Access and Mobility Strategy for the property and surrounding area (Area Plan pages 47-55)
- Process for evaluating feasibility of the relocation of county offices to the property (Area Plan pages 14, 63)

Now that policies and expectations have been established through the Area Plan, the next step is to begin implementing regulatory changes, policies, and the physical infrastructure.

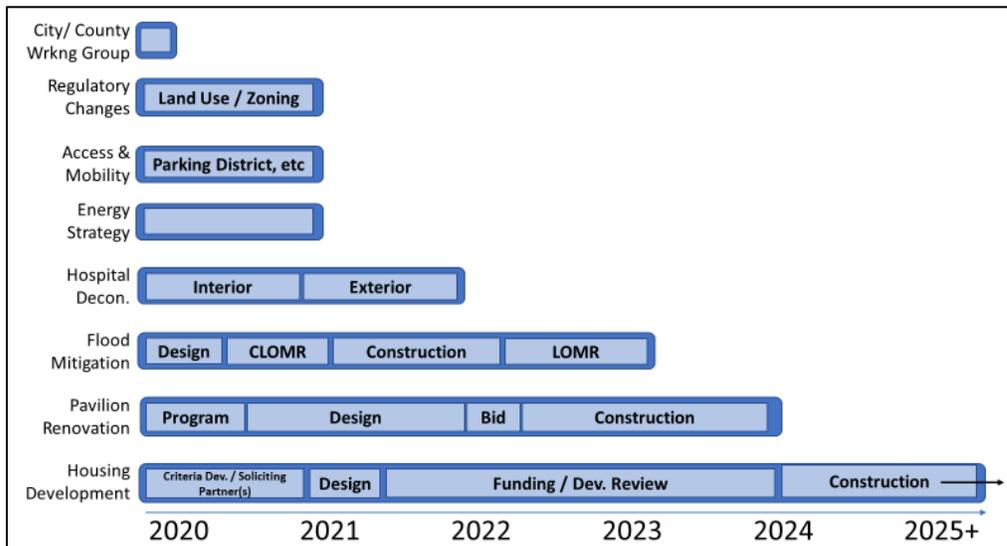
ANALYSIS

The implementation phase of Alpine-Balsam is an exciting opportunity for the city and community to see the policy and physical changes on the property that will realize the vision that’s been forming since 2015. This section provides both a summary of implementation, as well as detailed information about each project.

Summary of Implementation Projects

The Area Plan sets a solid foundation for the expectations of the site, and there remains planning and preparation efforts to make the connection between the Area Plan and physical construction projects. This includes programming the western city campus (including Pavilion renovation design) and planning for non-physical elements such as the access and mobility strategy; regulatory changes; and energy planning.

In addition, there are site preparation activities that allow for construction to occur in the future, such as flood mitigation engineering, right-of-way development, hospital deconstruction, and environmental testing.



All of these implementation projects are either currently underway or beginning in 2020. The graphic above includes high-level phasing of significant implementation projects. While they may appear linear in timeline form, they are interrelated and dependent on one another. The details below provide a summary of major projects and their key interrelations.

County Facilities Discussion: 2019 – 2020

The Area Plan provided flexibility to continue exploring the relocation of Boulder County facilities and services to Alpine-Balsam from Iris-Broadway (and other locations) and the implications for potential redevelopment at the Iris-Broadway campus. The Area Plan designated the area west of the Pavilion in the central southern block of Alpine-Balsam for Boulder County relocation, if certain criteria could be met.

City Council requested in September 2019 that the city and county create a working group that includes representatives from the City Council and County Commissioners to:

- Clarify processes and decision-making steps to further assess the feasibility of relocating county facilities to Alpine-Balsam,
- Conduct analysis to understand if the criteria identified in Chapter 2 of the Area Plan and Boulder County's criteria for relocation can be met,
- Guide planning and public processes for future changes at the Iris-Broadway Campus in the context of relocating county facilities to Alpine-Balsam.

Since November 2019 the working group has analyzed and discussed parking conditions and financial implications related to the relocation of county offices.

The Area Plan's parking and access strategy (pages 52-55) identifies significant parking reductions for all uses onsite which supports the goal to not invest land or money to build more parking. The working group evaluated the parking need for city and county office and residential uses and discovered significant challenges to meet the parking demand with limited supply. The group explored a range of ideas for creative ways to meet the parking needs, including:

- Analysis of potential county square footage based on available parking
- Viability of off-site parking with shuttles and other transportation demand management strategies, and
- On-street parking capacity
- Adding a level to the existing parking structure
- Adding a ground-floor parking level to the county office building

The working group found, in a best-case scenario, that the city and county would need to add a level of parking to the existing structure and add a ground level parking deck to the county facility. Even with those conditions, the county would only meet 55 percent of their square-footage needs.

The working group decided to recommend at their January 7, 2020, meeting that the criteria for relocating county facilities to Alpine-Balsam could not be met due to the parking challenges. Boulder County will be continuing their analysis to consolidate

services and offices either at Iris-Broadway or an alternate location. More details on the working group process and recommendation is included in Attachment A.

If City Council agrees with the recommendation of the working group, then the next step will be to follow the Area Plan's land use designation for High Density Residential 3 for the parcel to the west of the Pavilion (where county facilities were potentially going to be located). The Area Plan included a variable land use designation for this parcel, either as Public (for county offices) or High Density Residential 3 (for affordable housing). High Density Residential 3 is characterized by 4-story, mid-rise apartment buildings with a substantial amount of meaningful and usable open space at grade (see page 25 of the Area Plan for a more detailed description of HDR3). Analysis of the housing that could be accommodated on this block will be included in the affordable housing analysis that is beginning currently.

Regulatory Changes: 2020

Changes to the Boulder Valley Comprehensive Plan (BVCP) land use designation descriptions and the BVCP Land Use Map will be necessary to implement the land use map in the Area Plan. These changes will be included in the 2020 Mid-Term Update to the BVCP (more info on the Mid-Term Update is in the [Dec. 3, 2019 memo to council.](#))

Changes to the land use code and the zoning map will also be needed to meet the vision of the Area Plan. During 2020, staff will analyze the appropriate zoning to achieve the direction provided in Chapter 3: the land use plan, land use prototypes, and urban design plan (Area Plan pages 16-44). After analyzing the existing zoning tools to meet Chapter 3, staff will better understand if new zoning districts may need to be developed and will identify the process to implement accordingly.

To achieve the urban design goals in the Area Plan, other regulatory changes may be considered such as form-based code or designating certain blocks for mandatory design review or requiring site review. These tools will be considered as staff are analyzing zoning update needs.

Interrelation to other projects: Land use and zoning changes need to be in place prior to the housing development. The site is currently zoned P (Public) which allows for city offices to be developed prior to any zoning changes.

Access and Mobility Strategy Analysis: 2020

The Access and Mobility District approach, as discussed in Chapter 6 of the Area Plan (pages 52-55), is focused on creating programs and structure to provide a range of mobility choices for future workers, residents and visitors to the area. It includes Transportation Demand Management (TDM) services, managed parking, and potentially the implementation of a General Improvement District (GID) at Alpine-Balsam.

The city-owned site's GID, if implemented, will collect property taxes for management, maintenance and parking infrastructure and fund on-going TDM strategies and programs. As implementation progresses, the viability and interest of a separate district for TDM

programs and services or including this together with parking management and maintenance will be determined.

The process to analyze a GID will occur in 2020 and include these steps:

- Identify improvements to be funded through the GID,
- Analyze a financial model for district boundary,
- Establish necessary mill rate and payment in lieu of taxes (PILOT) fees,
- Petition property owners to establish a district,
- Establish an advisory board (City Council serves as ultimate governing body), and
- Identify a process to incorporate surrounding area property owners.

Interrelation to other projects: The Access and Mobility District approach will need to be developed and analyzed in advance of redevelopment of housing, county and/or city offices, so that these developments can include access and parking needs as part of their respective development review requirements and program design.

Energy Strategy: 2020+

The Area Plan includes goals, objectives and strategy related to energy and sustainability (Urban Design Strategies for Sustainability, Area Plan pages 42-44) in alignment with the city's Climate Commitment.

The city has already accomplished energy goals on the Alpine-Balsam site. Renovation of the Brenton building was completed in 2018 and demonstrated early successes on the site by consolidating a fragmented department into one building and converting one of the city's worst energy performing buildings into a now near net-zero energy consuming building. The intent is to use the practices and lessons from the Brenton building toward the Pavilion building reuse project. Overall on the Alpine-Balsam site, all of the concrete structures are being repurposed and reused which represents more than 40% of the total existing building square footage on the site.

Additionally, the city is working to sustainably deconstruct the remaining steel structures on the site. These represent less embodied carbon, and it is anticipated that landfill diversion rates above 95% can be achieved. Staff is working to reuse building materials in creative ways on other municipal projects.

The city has a great opportunity as the sole, current property owner to incorporate energy efficient and sustainable practices into the physical and non-physical elements of the site. For example, practices such as green infrastructure, flood mitigation, healthy building practices, and other common development efforts can be planned for and implemented through the city's development and passed on to housing partners for implementation. All development on the site will be designed to meet the City's future 2030 net zero energy code objectives.

The city is beginning a project in 2020 to evaluate creative and advantageous solutions for the site that could further the city's Climate Commitment.

Interrelation to other projects: The energy strategy will impact most projects in implementation and will be incorporated as a key priority.

Hospital Deconstruction: 2020 – 2021

City Council approved the deconstruction of the main hospital building on May 16, 2019. The scope of the project includes deconstructing the entirety of the hospital building and deconstructing the interior of the Medical Office Pavilion making it ready for renovation as city office space. There are two major phases of the project:

- Interior deconstruction (2020): prioritizes reuse of all building components and materials ahead of recycling and landfilling. This phase will include hazardous materials abatement, and removal of all interior contents of the building leaving just the structure and exterior walls and roof once completed.
- Exterior deconstruction (2021): deconstruction of the exterior of the building and structure; temporary patching of exterior holes left to the Pavilion office building (if needed); soils remediation (if necessary); and site grading.

The deconstruction of the hospital building is funded through the 2019 and 2020 budget (excluding potential extensive soils abatement and groundwater treatment) and is expected to take approximately two years to complete.

Interrelation to other projects: Deconstruction of the hospital is necessary to develop the Alpine-Balsam site for housing, county and/or city offices and will need to be coordinated with site infrastructure work including flood mitigation. In addition, federal compliance with HUD environmental regulations is required to deconstruct the hospital as HUD funds will likely be used to fulfill the housing outcomes onsite.

Flood Mitigation: 2020+

The Alpine-Balsam site and nearby areas are impacted by the 100-year floodplain, high-hazard and conveyance flood zones. As described in Chapter 7 of the Area Plan, the current approach to flood mitigation for the site is to reconfigure the 100-year floodplain to convey the water in a channel along Balsam Avenue. This will allow and be necessary for the affordable housing outcomes onsite, and to remove city services located in the Pavilion from the floodplain.

Staff are currently soliciting for a consulting firm to engineer the flood mitigation solution and facilitate the federal FEMA process (known as a Conditional Letter of Map Revision (CLOMR) and Letter of Map Revision (LOMR) process) to redraw the floodplain map. The schedule for the engineering and federal process will be influenced by the consultant's guidance, though it is anticipated that a CLOMR may be submitted toward the end of 2020. This will be the first opportunity to confirm if the mitigation solution is sufficient for FEMA's needs, which then will allow the city to transition to mitigation construction.

There is a unique and efficient opportunity to combine exterior deconstruction of the hospital, which includes filling of the basement with the flood mitigation construction. In simple terms, the city is interested in knowing, can the dirt removed to make way for a

flood mitigation channel be used to fill the hole left behind by the hospital? These types of logistical questions, along with cost analyses, will be evaluated during 2020.

Interrelation to other projects: Flood mitigation completion is necessary for the housing development, and renovation of the Pavilion building. This body of work is also related to the city's Goose Creek Master Plan development.

Western City Campus at Alpine-Balsam and Pavilion Design Phase: 2020+

The consolidation and relocation of city facilities was a primary motivation during the purchase of Alpine-Balsam. The Brenton building was renovated in 2018 and now houses the Finance department which provides sales tax and licensing services to the community from this location among other services. The adjacent parking structure currently serves city staff and customers to the Brenton building but will increase to serve the Pavilion as well following renovation of that building and full development of the city-retained site. The collection of buildings and structures will form the Western City Campus at Alpine-Balsam.

Through the Medical Office Pavilion Reuse Analysis, it was determined that the Pavilion, located at the corner of Alpine and Broadway, is well-suited for reuse for city facilities. The design process will begin in 2020, followed by site review and permitting, and it is anticipated that construction will begin in 2022, but is dependent on other infrastructure work, including flood mitigation as discussed elsewhere.

Staff have analyzed through a "test fit" of the Pavilion that city staff and services currently located in three or four city buildings could be consolidated into the Pavilion. The extent of potential consolidation depends on several factors including the programming and use of the building and if a fourth floor is added. Funding for the programming and design phase was included in the 2020 approved budget, which will start to determine the details of renovation. A set of assumptions have been used:

- There will be a mix of community meeting and gathering space and city uses.
- There is an engineering solution to remove the building from the 100-year floodplain.
- \$58 million dollars was a preliminary estimate used for the February 2019 council meeting based on the conceptualization of the renovation based on a construction start date of 2022. Many factors may alter the estimate including schedule delays, scope changes, and construction/escalation costs.

Interrelation to other projects: The flood mitigation and horizontal infrastructure onsite will be coordinated with the Pavilion project.

Housing Development Process: 2020+

As the owner of the hospital site, the city can have significant influence over the affordable housing outcomes. Staff expects to approach affordable housing implementation in a similar manner as the redevelopment of 30Pearl.

During this process variables such as the housing market, financing options and likely partnerships will start to inform the mix of rental and ownership units; zoning will influence the mix of housing types such as townhomes, small or larger stacked buildings. These outcomes will also be guided by the vision for housing in the Area Plan (pages 20-21). This approach allows the market and affordable housing to be designed to complement each other and the surrounding neighborhood. Construction for the affordable and market-rate housing can be roughly concurrent, because a large portion of the local funding needed will be made available at the time of entitlement and construction through the market homes on the site.

Staff's first steps in 2020 will be to further the physical and financial testing that began in the Area Plan to understand feasibility and potential options that are available. Another key work item in the beginning stages of analysis will be to evaluate delivery options, though a master-development approach similar to other successful Boulder projects like the Holiday Neighborhood and Boulder Junction will likely be followed.

To be eligible for federal (Housing and Urban Development, "HUD") funding for the future housing development, another critical step in 2020 is to complete an environmental assessment (EA), which is a requirement at the beginning of a redevelopment project that intends to use federal funding in the future. This assessment intersects with other environmental testing already performed or anticipated, such as soils and groundwater testing and hazardous materials abatement. Performing the EA now qualifies the city or its housing partner to apply and receive federal funds in the future.

Interrelation to other projects: The regulatory changes must be in place for the housing development to occur. In addition, the county facilities component of the city-owned site impacts the level of housing development that can be implemented on the site.

Public Engagement and Communications

The implementation of Alpine-Balsam is a key project for the city and community. Furthering the work of the Area Plan, the community will continue to be updated on the progress of the site. Community members can sign up for an Alpine-Balsam newsletter ([follow this link to sign up](#)) and can also find information on the [city's website](#). In addition, there will be opportunities for the community to be involved in the site's implementation. Staff are evaluating projects for valuable engagement opportunities, and City Council will receive an update on the engagement strategy in mid-2020.

City Council Meetings and Discussions

City Council will continue to be updated and included in the implementation phase of Alpine-Balsam. Staff intends to include funding requests in the 2021 budget development that may relate to city projects such as the western city campus development, site preparation, and housing development. In addition, City Council will be involved in key policy decisions related to the housing development and site redevelopment, and staff is actively incorporating those decision points into project scoping.

Staff intends to provide council with a mid-year update on progress in 2020, either via a Heads Up! or other council communication.

ATTACHMENTS

Attachment A – Alpine-Balsam Joint City / County Working Group Communique