



STUDY SESSION MEMORANDUM

TO: Mayor and Members of City Council

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SUBJECT: Study Session for January 26, 2021
Alpine-Balsam Redevelopment Update

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. The adoption of the [Alpine-Balsam Area Plan](#) in 2019 confirmed the vision for the property to be redeveloped, in alignment with community goals, as a mixed-use community hub for affordable housing and the city's western campus.

The city is in the process of a multi-year implementation of the area plan and has been making progress on key pre-development activities. While the COVID-19 pandemic has impacted the project's timeline, the Alpine-Balsam project is on track and making progress. The purpose of this memo is to summarize progress in 2020 and priorities for 2021 to meet the area plan's goals for Alpine-Balsam.

KEY ISSUES IDENTIFIED

The primary purpose of this memo and the Study Session is to serve as an update to the City Council and the community about the projects ongoing at Alpine-Balsam.

Questions for Council

1. Does the City Council have feedback on the 2021 key priorities for redevelopment?

BACKGROUND

The City of Boulder purchased 8.8 acres from BCH in 2015. The purchase included four structures and two vacant lots, of which the city intends to maintain ownership of three structures and is in the process of deconstructing the remaining structure, the main hospital building, to allow for affordable housing to be constructed. More information on the history and background of the property can be found in previous City Council memos:

- [January 21, 2020](#) – update on implementation
- [October 1, 2019](#) – adoption of the Area Plan by City Council

ANALYSIS

The redevelopment 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 has been forming since 2015. This section provides both a summary of progress during 2020, as well as the priorities for 2021.

The Alpine-Balsam Area Plan commits the vision for the site, and there are many steps involved in bringing the vision to fruition. In order to fulfill the vision, the city must deconstruct the hospital building and prepare the property for redevelopment, including constructing flood mitigation and implementing key policy choices identified in the area plan.

Hospital Deconstruction and Reuse/Recycle Progress

The city completed the interior deconstruction of the Pavilion building in 2020 and made significant progress toward the interior deconstruction of the main hospital building. City Council set the direction for staff to sustainably deconstruct the hospital and be a model for future projects. Project goals were established to prioritize reuse of building materials over recycling, subsequently, recycling of materials has been prioritized over sending them to landfills. Through the interior deconstruction process materials, fixtures and equipment have been removed, stored, and made ready for auction to be reused by others. Other materials have been disassembled and meticulously separated into individual bins for recycling. Staff has measured by weight all materials leaving the site either for reuse, recycling, or landfilling. So far, the city has diverted 740 tons of material from landfills representing 43% of materials removed from the site. Of this, 30 tons (or 2%) has gone directly toward reuse. Interior deconstruction of the hospital will be completed in the first half of 2021 at which time the building will be clear of all interior contents with only the structure and exterior walls and roof remaining. Most all mechanical, plumbing and electrical systems will be removed leaving the building as a “cold shell”.



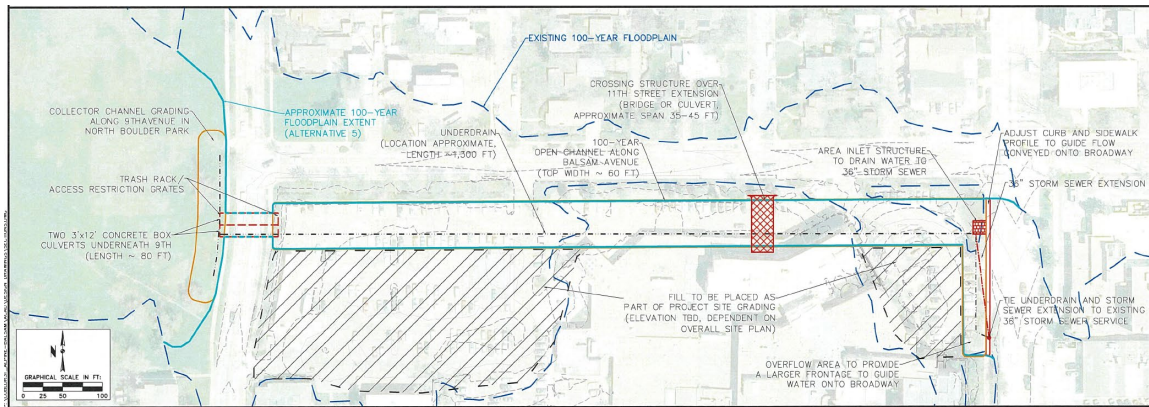
Interior of the Pavilion building, post deconstruction with insulation piled and ready for reuse

The priority for 2021 will be to design and begin the exterior deconstruction of the main hospital building. The design of the deconstruction is a significant effort due to the safety, complexity, and scope of the project, and the city intends to design the exterior deconstruction to be performed along with the flood mitigation construction, summarized below. Exterior deconstruction will have the same project goals for maximizing reuse and recycling over landfilling. To this end, the city is assessing the potential of carefully disassembling portions of the steel structure and storing on site for direct reuse in future city building projects. City code prescribes a minimum 75% landfill diversion. This project aims to not only exceed, but also demonstrate what can be directly reused before being sent for recycling.

Flood Mitigation Design

The Alpine-Balsam site is partially located in the 100-year floodplain. As a result, it is necessary to build infrastructure that removes the site from the floodplain to allow for the residential construction and Pavilion renovation to be designed without floodproofing constraints. The city hired engineering firm Anderson Consulting Engineers in 2020 to perform an alternatives analysis to identify the most feasible design options to meet the criteria of the area plan and technical requirements.

The analysis concluded that an open-channel greenway that is approximately 60-feet in width and traverses the southern edge of Balsam Avenue would be the preferred design that fully removes the site from the floodplain. The design's inlet (how it directs water into the channel on the western edge of 9th Street) may require some construction under 9th Street and on the edge of North Boulder Park, though the consultant is still evaluating the engineering feasibility of this option. The inlet, if constructed as depicted, will not interfere with the operation or use of North Boulder Park and will be coordinated with Parks & Recreation staff to ensure alignment and community engagement. The design is aligned with the Goose Creek Master Plan (in progress) and the Alpine-Balsam Area Plan.



The next step in 2021 is to finalize the design details and complete the conditional letter of map revision (CLOMR) process through FEMA, which is the federal permitting process that allows for construction to occur.

The intention is to align the exterior hospital deconstruction with the construction of the flood mitigation channel, so as to take advantage of construction efficiencies and potentially utilize soils removed from the channel to assist in filling the hole and grading the site where the hospital used to be. Should these efficiencies occur, flood mitigation construction could begin toward the end of 2021 or beginning of 2022. These construction activities are essential toward the redevelopment of Alpine-Balsam and will be top priority in 2021.

Energy Feasibility Analysis

The city has an opportunity to pursue creative energy solutions for the future uses at Alpine-Balsam either by investing in infrastructure or setting requirements or expectations for future development. In 2020, the city hired engineering firm WSP to conduct a feasibility analysis of energy solutions that can maximize the use of on-site energy towards a goal of becoming “net-zero”.

WSP and staff are exploring concepts such as a thermal and/or electric microgrid, a geothermal field, battery storage solutions, and the best methods to maximize the deployment of on-site photovoltaic solar. The study will serve as a preliminary estimate of infrastructure costs and savings, if any, as compared to code-based construction. The study is also analyzing potential regulatory, financial and construction barriers for each of the energy solutions. Staff will use the results of the study to determine if one or more possible solutions warrant a more detailed design and cost/benefit analysis.

The feasibility analysis results will be available in the first quarter of 2021, and the city will be sharing results with the community through a public event in March 2021. The date and event details are being finalized and will be communicated on the city’s [webpage for the project](#), via NextDoor, as well as through the Alpine-Balsam email newsletter ([sign-up here](#)).

Land Use and Zoning

City Council adopted land use changes for Alpine-Balsam through the 2020 mid-term Comprehensive Plan update, which is one of the first regulatory steps toward building affordable housing on the site.

In 2021, staff will begin the follow-on rezoning process. This is a necessary step to rezone the property in alignment with the Comprehensive Plan and area plan and allows for the intended residential uses. The city will be performing two steps related to zoning: (1) updating the zoning and (2) writing form-based code to support the updated zoning and further establishing the expectations of the area plan. The intent is to perform both steps in 2021, with the community's involvement.

Form-based code is a zoning tool that is prescriptive and detailed in terms of the design expectations and allowable characteristics of a development. This tool was first used in Boulder for the Boulder Junction area. While staff will be able to use the existing form-based code for Boulder Junction as a “starting point”, that does not mean that the outcomes will be similar. The form-based code developed for Alpine-Balsam will mirror the design expectations established in the area plan. The benefit of this tool is that it provides the city with the ability to be very specific about design outcomes to ensure the area plan can be met, while also providing predictability to the development review process.

The community will be involved in the rezoning and form-based code process, and staff is currently creating an engagement strategy. When opportunities become available, they will be communicated on the city's [webpage for the project](#) as well as through the Alpine-Balsam email newsletter ([sign-up here](#)).

Housing Development Strategy

The Alpine-Balsam Area Plan expresses the vision for affordable housing on the site to meet the needs of a variety of future residents. In 2020, the city developed initial physical and financial development scenarios to better understand the level of city subsidy needed to provide a range of affordable and market rate housing options. The analysis will be further refined in 2021 as the city better understands the housing market due to the COVID-19 pandemic.

There are paths forward to meet the housing outcomes outlined in the Area Plan. The intent in 2021 is to evaluate “delivery options”, which means to consider ways that the city will sell housing parcels on the site and create development agreements that guarantee intended outcomes, similar to 30Pearl. This work will become a higher priority after the city rezones the property and prepares it for development by fully deconstructing the hospital.

The city made essential progress in 2020 toward the affordable goals at Alpine-Balsam by completing a federal environmental assessment, which is a lengthy process to anticipate direct or indirect environmental issues ahead of using federal funds on a

project. This process was completed in summer 2020 and allows the city to remain eligible for use of federal funds for affordable housing or other projects on the site.

Pavilion Renovation and Western City Hub

Extensive analysis has been completed on the benefits of reuse of the Medical Office Pavilion (the Pavilion) for city services.

- [January 9, 2018 Council Study Session](#) – Reuse Analysis of Medical Office Pavilion. This work analyzed the Medical Office Pavilion Building for reuse potential versus deconstructing along with the hospital.
- [February 12, 2019 Council Study Session](#) – Pavilion Renovation Study. This work assessed the merits of renovating the Pavilion Building for use to provide city services.
- [August 27, 2019 Special Council Meeting](#) – Facilities Master Plan, Pavilion Cost Benefit Analysis. This analysis provided a benefits assessment of renovating the Pavilion building within the greater context of the Facilities Master Plan work which assess 22 current city buildings being considered for consolidation.

The Pavilion, along with the recently renovated Brenton Building will create a new centralized city hub providing better customer service to the community, healthier work environments for staff and will replace aging building infrastructure to make significant progress towards the city's Climate Commitment Goals.

Through the 2020 budget, funding was allocated to begin design work on the renovation of the Pavilion and redevelopment of the Western City Campus. The Pandemic delayed this work, originally planned to begin in the first half of 2020. The city anticipates soliciting for a project team in early 2021. The design process including the city's regulatory review (concept review, site review, tec docs) is anticipated to take two years. The initial work in the design phase will include engagement with the community relative to creating a welcoming, accessible customer service hub. Construction is anticipated to take roughly another 18 months to two years. The city hopes to fully occupy the site by 2025. Occupying the site will lead to disposal or redevelopment of city buildings vacated as part of consolidation.

Funding

The projects outlined above are significant investments for Alpine-Balsam and the Boulder community. Studies and projects thus far have been funded through existing allocated funding sources in the city budget. In 2021, the project will be at the right stage to better quantify unknown costs, such as full land development, that will inform if additional capital funds are needed and will be proposed in future budget cycles.

The Federal Emergency Management Agency (FEMA) created a [new grant program](#), Building Resilient Infrastructure and Communities (BRIC), in 2020. The goal of the program is to support communities that undertake hazard mitigation projects to reduce risk they face from disasters and natural hazards. Staff pursued this grant opportunity as a means to fund the flood mitigation construction and energy infrastructure, as the goals of the BRIC program align with reducing flood risk and increasing energy resiliency at

Alpine-Balsam. However, FEMA bases their evaluation of grant proposals on the severity of “historic hazards” that are measured by quantitative financial hardship, such as insurance payments or property damage. This evaluation is measured against the proposed project’s cost to create a “benefit-cost-analysis”. The city certainly sees more benefit in the flood and energy projects than its cost, however FEMA’s calculation criteria do not allow for the city to “count” benefits to future residents or future buildings toward the application, and the city is not able to establish enough “historic hazards” to meet the requirements. All energy microgrid projects in the state that were considering the BRIC grant have withdrawn their application development, and the city will do the same. While the city will not be submitting a grant application for the BRIC program this year, staff will continue working with the state on the next grant opportunity for the BRIC program in 2021 in hopes that the evaluation criteria may be amended, or new information will become available on the project.

Community Engagement

There are four primary projects at Alpine-Balsam that will be the focus for 2021 community engagement:

- Flood mitigation design
- Energy analysis
- Rezoning and form-based code
- Western City Campus (Pavilion Renovation) Development

The engagement approach will vary for these projects and will be a mix of “inform” and “consult” level of engagement. Staff is developing an engagement plan for these projects that will be communicated on the city’s [webpage for the project](#) as well as through the Alpine-Balsam email newsletter ([sign-up here](#)).