

// SPECIAL SECTION: FIVE STAR WEALTH MANAGEMENT //

colorado biz

cobizmag.com

PEOPLE ISSUES BUSINESS STATEWIDE

NOVEMBER 2013
Volume 40, No. 11
A WiesnerMedia Publication
\$3.95

REAL ESTATE ROUNDUP

Snapshots of five cities in building mode

Page 20



ENERGY REPORT: OIL AND GAS FUEL MANUFACTURING OUTLOOK P. 36

TOP COMPANY WINNERS: 13 TOP DOGS FOR 2013 P. 70



BOULDER



WEST
PEARL

With growth management restrictions, Boulder bets on infill projects

With Boulder's economy pumped up by high-tech companies and startups coming out of the University of Colorado, developers are snatching up infill property in an effort to capitalize on the flurry of activity.

A low vacancy rate and Boulder's stringent growth-management policies make it difficult for companies to find office space within city limits, so they often look to other areas within the county. While Rally Software recently announced plans to add 89,000 square feet to its headquarters, Ball Aerospace is leasing 48,000 square feet at Lafayette Corporate Campus and Medtronic surgical navigation systems is leasing 41,000 square feet at Colorado Technology Center in Louisville.

"There's a lot of publicly owned land on the outskirts of Boulder, so there's no way to go outward," said Steve Kawulok, managing director of Sperry Van Ness/The Commercial Group. "The activity in Boulder is mostly around redevelopment."

One of the most high-profile projects is the redevelopment of the old Boulder Daily Camera building at 11th and Pearl streets. Denver-based Nichols Partnership paid \$13.5 million for the site, to be called West Pearl, in November that will add 46,000 square feet of offices, 15,000 square feet of public landscaped rooftop, three levels of structured parking and a movie theater below grade. Retail and restaurant space will be added at street level and offices will occupy the top three floors.

"Office space will appeal to creative, tech-based companies including startups," said Dan Schuetz, project manager.

Among the biggest projects proposed in Boulder is a 400-seat amphitheater and a pair of four-story office buildings totaling 202,500 square feet, and 6,000 square feet of retail space in addition to the offices at 30th and Pearl streets. The project also includes a 120-room hotel. Pearl Place Associates LLC, formed by principals of Denver-based Brickstone Partners and Forum Real Estate Group, paid \$11.2 million for three parcels in July and has a fourth under contract.

Nearby, another major project is taking shape. Depot Square, in the heart of Boulder Junction, includes an underground Regional Transportation District bus station and a 400-vehicle parking structure wrapped by 71 affordable housing units slated for delivery by the first quarter of 2015. Pedersen Development Co. is

also working on a 150-room Hyatt Place Hotel on the site and renovating the historic train depot the city relocated to the property several years ago.

Boulder's residential market has rebounded as well, with the number of homes sold up 7.3 percent for the first half of the year. The median sales price is up 9.2 percent to \$415,000 compared to 2012.

"The hottest part of the Boulder market is anything in town that's beneath \$600,000 or \$700,000," said Duane Duggan, a broker with RE/MAX of Boulder. "If you back up to open space, it's extremely hot."

Duggan doesn't expect the market will be significantly harmed by the devastating flooding in September.

"People still want to live in Boulder and there are still jobs in Boulder," he said. "It [puts] a damper on business, but there will be a lot of jobs created to clean this mess up and rebuild."

— Margaret Jackson