

## Summary of Findings

The major findings from the development study for the McCaslin Study Area are summarized below.

**1. *The national retail environment is changing dramatically, which is impacting retail opportunities for the McCaslin Subarea.***

The national retail environment has been shifting over the past decade due to the growth of e-commerce, consolidation of retail chain stores, and changing spending patterns from consumers. Many brick and mortar retailers are creating both physical store and online sales platforms that have resulted in consolidation of store outlets to the most central and attractive locations. As well, store formats are shifting to match with new conditions. The retail sector has bifurcated into national mass merchandisers focused on low-cost and convenience, and on national and local specialty retailers providing authentic and value-added higher-quality goods in retail environments that are more experience-oriented. This shift has spurred the growth of restaurants, bars, and entertainment venues as components of retail centers.

**2. *The McCaslin Subarea retail trade area has contracted over time from a regional to more localized community orientation due to new competitive stores and centers along US-36, I-25 North, and within the City of Boulder.***

The regionally oriented retail centers and nodes have experienced significant turnover in the past 10 years as anchor store tenants (Sam’s Club, Best Buy, Great Indoors, and Sports Authority) have left the corridor for other locations or due to retail chain closures and mergers and acquisitions. Older shopping centers with vacant anchor stores have looked to alternative uses to bolster demand and reinvent areas as finding available retail tenants to replace large, vacant spaces has been difficult. Despite a significant amount of infill housing development in communities along US-36, the majority of new housing growth has occurred in eastern portions of Broomfield Counties along the I-25 corridor and in the City of Boulder, which has shifted retail growth to these areas over the past 10 years. Kohl’s recent decision to close its store in Parcel O and open a new store at US-287 and Arapahoe Road in Lafayette, as well as Lowe’s considering to open a new store in the same area, are examples of this trend impacting the Study Area.

**3. *Future retail demand for the McCaslin Subarea is limited as there are few large format retailers not already serving the trade area available to be recruited.***

The McCaslin Community Trade Area is expected to grow by 12,500 households over the next 10 years, which will produce demand for 150,000 square feet of new retail over the time period. It is realistic the Subarea can capture 20 percent of this demand but there will be greater competition from other developments in the area including the Downtown Superior project and

retail projects along US-287 in Lafayette. While it is possible that some of the 215,000 of vacant or soon to be vacant big box retail space in the McCaslin Study Area can be leased to other junior anchor stores, there is insufficient retail demand to absorb all of this space with sales tax generating uses consistent with the City's objectives for the site. If a more desirable place is created within Parcel O, the area will have a better chance to attract more retail than its proportional share.

**4. *There is demand for hotel and multifamily housing within the subarea that can help support revitalization efforts for Parcel O.***

The existing inventory of competitive hotels in the market area is performing at above average occupancy and room rates. Additionally, there is a new Element Hotel under construction in Superior further substantiating the viability of the hotel market. Based on current growth trends, a new hotel is estimated to be supportable in the market area within the next five years. Multifamily rental housing has also been growing in the corridor but is underrepresented in the immediate Louisville market. New condo developments are limited in the Community Trade Area and difficult to attract to the site given market constraints to condo construction. There is an estimated demand for 1,000 to 1,200 new multifamily housing units within the Community Trade Area over the next 10 years.

**5. *The potential for office space in the McCaslin Study Area is expected to be limited to community services and medical related uses.***

The Centennial Valley Plan is an established location for office and flex uses. There is however, vacant land along Centennial Valley Parkway in a location better suited for professional office and flex buildings. The vacant lots are located in a business park setting that is more attractive for traditional office uses use as the land costs are likely lower and they are sized and priced for these uses, reducing the barriers to delivery. The type of office space determined to be suitable for location within the McCaslin Parcel O Area is expected to include community oriented uses such as realty, insurance, banks and medical related uses including medical and dental offices, and outpatient and acute care clinics.

**6. *The financial feasibility analysis indicates mixed-use redevelopment within Parcel O is feasible and would be more valuable to the property owners if the allowable densities are increased and alternative uses such as multifamily and/or fitness and entertainment uses are allowed.***

The feasibility analysis illustrated that redevelopment of two or more of the larger lots is most feasible, provided the GDP and CCRs can be modified accordingly. A more ambitious redevelopment as tested for Alternative 3 would require significant public incentives to facilitate land assembly and the involvement of a master developer including density bonuses, increases in allowable secondary uses (multifamily), and/or public financing support. This is especially true for uses that have lower financial return such as office space.

**7. All three of the alternatives identified for Parcel O were found to have a positive fiscal impact over 20 years.**

The fiscal impact of all three alternatives produced a benefit of over \$10 million over 20 years to the City. As well, all three produced a more positive impact than the site will produce when Kohl's vacates the area. The increase of utilization of the parcel and the retention and/or incorporation of sales tax producing uses (larger retailers, hotel uses) can offset any negative impacts created from non-sales tax producing uses. The potential mixed-use development alternatives (Alternatives 2 and 3) both create fiscal benefits illustrating that allowing for uses such as multifamily residential will help support reinvestment and redevelopment, while not creating a major fiscal burden.

**8. The Community Engagement analysis indicates a strong desire for a mix of uses, including new and unique uses that foster place-making and a family friendly destination.**

Extensive community engagement was conducted and identified a strong desire for new and unique uses ranging from retail, restaurants, entertainment, fitness, and mixed-use residential. Specific area site characteristics and features identified included making the area more walkable and pedestrian friendly, while also adding community spaces such as plazas and other gathering spaces. The community also shared many modern examples of family friendly, mixed use developments and adaptive reuse projects that incorporate food halls, breweries, and other boutique and local type retail environments that would provide a destination for both local community members and visitors. Desired characteristics and uses identified by the community will help support and attract redevelopment and will retain long-term tenants.