

What will 'Grand' plan mean for 2534?

By Matt Lubich
The Johnstown Breeze

JOHNSTOWN – If you're looking for a David versus Goliath story of growth, you likely can't find a local one better than the saga playing out to the north between Centerra and 2534 – and by extension – Loveland and Johnstown.

The perspective from Johnstown might best be described as "the more the merrier" ... with just the slightest hint of "bring it on."

According to a Feb. 20 story in *The Christian Science Moni-*

tor, while residential construction fell two percent last year, private commercial construction rose 16 percent, based on U.S. Census Bureau figures. The last time the business of building businesses was this strong was seven years ago, according to Kenneth Simonson, chief economist for the Associated General Contractors.

The pickup is so strong it has absorbed many workers involved in residential projects. In January, according to the Monitor article, 80,000 jobs were lost in residential construction nationwide, but commercial con-

tractors hired 180,000 workers.

Moreover, developers are building new, commercially-based "communities" that offer space to work, live, and play, thus requiring less commute time.

Enter Grand Station.

Earlier this month, Chad McWhinney, CEO and co-founder of McWhinney Enterprises, unveiled plans for what will eventually be an additional one million square feet of mixed-use development to the east of the Promenade Shops at Centerra. The project, which expects to complete its first phase by late fall of 2009, will include 480,000 square feet of retail, restaurant and entertainment, 245,000 square feet of office and medical space, nearly 160 residential units, three hotels, and a host of other amenities that will bring "new urbanism" to the northern Front Range in a big way.

The question locally is will the high-rise aims of this "Grand" plan blot out the warming rays of the sun, and wither burgeoning activity across the road on U.S. Highway 34, in Johnstown's 2534 project? Or, like the conventional thinking of tides, will the increase in activity and interest only raise everyone's economic boat?

Energy begets more energy
Johnstown Town Adminis-

trator Roy Lauricello and Town Planner John Franklin think Grand Station can only benefit overall development in the Interstate 25/U.S. 34 corridor.

"I really think (Grand Station) just creates an additional energy out there," Lauricello said. "But only the future will tell."

Franklin said, "Everything within a mile of that interchange is becoming an activity center. Piece by piece, it's becoming the 800-pound gorilla on the northern Front Range."

Johnstown Mayor Troy Mellon, who was part of the town board that in October 2000 rolled the dice and annexed vast areas of land along I-25 from Colorado Highway 60 to U.S. 34 – and eastward along that roadway – on the prospect Johnstown would boost its sales tax revenue, said, "I see Grand Station as just more energy. Certain businesses may be more inclined to go in there, but others may be more inclined to come across the street with us. Viva la difference. People are looking for different things."

Nick Christensen, managing principal of Chrisland, Inc., which is developing and marketing 2534, agrees. If anything, he added, "As small players, it keeps us motivated to try a little harder."

While Christensen and town officials agree Grand Station

might bring more economic development energy to the entire area, they take no small measure of pride pointing out things in 2534 are growing along nicely without any additional help, thank you very much.

Northern Colorado Rehabilitation Hospital along U.S. 34, which opened a little more than a year ago, is already underway with construction of an addition that will add a 20-bed, long-term acute-care unit. Land surrounding the hospital was recently sold for development of medical offices.

Just off I-25, Eheart Interior Solutions has opened its doors. To the east, the framework is going up for a new Ethan Allen furniture store. Next to that, a new Starbucks is brewing lattes, and construction is commencing rapidly on a Culver's "ButterBurger" restaurant.

Just a bit further east, Christensen said work should be completed soon on a four-story building that will house Bank of Colorado, Burns Marketing and Communications, Inc., and LBN Insurance Agency, which will consolidate their Greeley and Fort Collins offices there.

Homestate Bank also has land in 2534, as does Verizon Cellular.

And sitting as the centerpiece of it all, Christensen said,



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work continues on the 60-acre "Plaza at 2534" — a planned 600,000-plus square-foot commercial mixed-use plaza that will be a combination of office and retail space. Nearby, an additional five-acre office site is being developed.

McWhinney Enterprises is even getting in on the deal across the road. Plans were approved this past fall for its 174-acre "Iron Horse" project to the east of 2534 that will boast as its first tenant a 63,000-square-foot Federal Express distribution center.

Christensen, who used to work for McWhinney, said he was attracted to Johnstown by the location of available land along I-25 and U.S. 34, as well as the "political climate and approach to development of the Johnstown staff and board.

"I think Johnstown has been sort of visionary about economic development," he said. "They

seem to understand that it's not so much about offering incentives as it is getting rid of disincentives to develop."

A 45-day town administrative review process has helped jumpstart development in 2534, Christensen said, adding "It's been a big competitive edge. It has allowed us to more quickly respond to the market."

Little town, big plans

In 2000, everyone was eyeing land along I-25 and U.S. 34. Loveland wanted it. Greeley was interested in it. Neither was really interested, however, in talking to Johnstown about intergovernmental agreements.

So Johnstown got it.

Critics said the town was embarking on a "prairie fire" of wanton development; plans that a little community could never bring to reality.

Mayor Mellon said, of the decision, "I never really worried it was going to work. I knew it would be tough sometimes, and that it would be a great, defining project for John-

stown; one we better not screw up, but I don't think we have."

Mellon said part of the success so far is "the level of cooperation between the developers and the town."

Creation of the Thompson Crossing Metro District by landowners funded the infrastructure construction that included a 20-inch waterline and building the Low Point wastewater treatment plant to serve the area. The metro district will be reimbursed for its investment through mill-levy revenue established by the district, as well as water and sewer tap fees.

"I think the key is that we (the town) have tried not to look at it as an adversarial process," Mellon said. "We've tried to look at it that both sides – the town and the developers – are investors in a finished product."

"There's no reason why those groups can't work together to achieve each other's goals," the mayor said. "We said from the outset that we wanted high-quality construction, a look and feel, and I think we've come up with a design guideline that should be enviable of anyone, and in some cases are probably better than the design guidelines for the I-25 corridor that were being talked about at the time."

In response to continued criticism by some that Johnstown can't serve what it's planned, Lauricello smiled and said, "Things are going vertical. I think that addresses that claim."

Lauricello said the town's council "should be commended for their vision" in 2000.

"They took the challenge and weren't intimidated," he said. "This should be a financial lifeline for the community. I think it's pretty exciting for a town of 8,000 to have this much activity occurring."

"I think 2534 will be the marker that ushered Johnstown into its second century," Mellon said. "It's the point where we started to shed our agrarian roots and became more of a

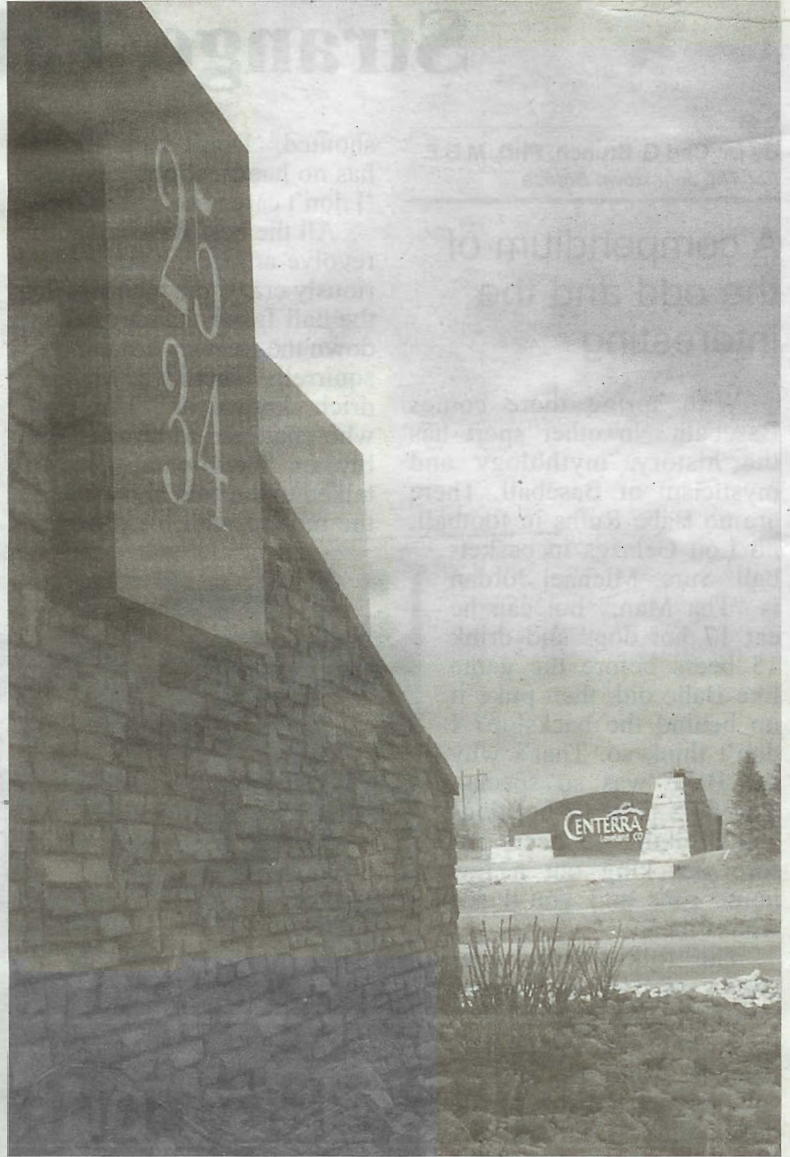


Photo by Matt Lubich

A sign of the times, the 2534 project in Johnstown sits across U.S. Highway 34 from the Centerra development, located in Loveland. Officials believe, rather than creating competition, development is fostering an "energy" for all.

player in the overall regional economy."

While growth opponents might have smiled at the possibly Freudian slip of Loveland City Manager Don Williams at the Grand Station press conference; when he momentarily misspoke and referred to the continued development of "northern California" before correcting himself to say "Colorado," Chad McWhinney said the Grand Station project is simply a matter of "getting in

front of the inevitable."

Johnstown's mayor would likely agree with that assessment. That's why the town annexed the land it did in 2000, he said.

"Am I proud of (the decision)?" Mellon responded when asked that question. "I guess I am. Everyone bemoans that change is bad, but bad change is worse."

"My philosophy is to get your hands around it and mold it the best way you can."