Alpine-Balsam: Spending Review

September 2026

On September 9, 2026, the City of Boulder released a detailed cost reconciliation for the Alpine-Balsam project (https://bouldercolorado.gov/news/alpine-balsam-11-years-making). This summary presents the key figures from that release and flags a set of observations and open questions the city has not yet answered.

Financial Overview: Costs by Category

Category	Amount	% of Total
Land Purchase	$40,212,000	11.0%
General Site Planning	$702,000	0.2%
Brenton Building Renovation	$8,010,000	2.2%
Hospital Deconstruction	$19,429,000	5.3%
Infrastructure — Floodway	$17,335,000	4.7%
Infrastructure — Roads and Utilities	$277,000	0.1%
City Hub (former medical pavilion building)	$142,967,000	39.0%
Parking Structure	$14,321,000	3.9%
Affordable Housing	$14,503,000	4.0%
Interest	$108,600,000	29.6%
Total	**$366,356,000**	**100%**

Where the Money is Coming From: Funding Source Breakdown

Source	Amount	% of Total
General Fund — 2015 COPs debt service (land purchase + interest, $2.8M/yr)	$58,412,000	15.9%
General Fund — 2025 COPs debt service (WCC construction + interest, $6.2M/yr)	$190,400,000	52.0%
General Fund — other cash-funded costs	$88,641,000	24.2%
Affordable Housing Fund	$28,903,000	7.9%
Total	**$366,356,000**	**100%**

Bottom Line: No Matter How You Slice the $366M, the City Overpaid

The city spent a total of $366M on the Alpine-Balsam site with the intent of achieving two specific objectives: 1) developing 144 units of affordable housing and 2) consolidating city services into a Western City Campus (WCC) encompassing 138,500 sf of office space across the Pavilion and Brenton buildings located on the site. To understand the all-in economics of these two separate projects, the $366M needs to be split between them. The city has yet to provide this breakdown.

The city has stated the two projects occupy roughly the same acreage on the site, with slightly more going toward housing. Splitting the shared costs (land, infrastructure, parking, and hospital deconstruction) evenly on that basis puts roughly $61M toward housing (net of $9M in market-rate parcel sales) and $297M toward the WCC.

No matter how you slice it, though, the result is the same: the problem isn't how the costs are divided. It's the total.

$422,000

per affordable housing unit

vs. a $120,000 benchmark for city-funded affordable housing[1]

$2,142

per square foot, all-in (Western City Campus)

vs. $782/sf Google paid for comparable finished space in 2021

Two goals, one budget, zero cost-effective outcomes.

Broader Observations: Beyond the Line Items

These questions sit inside a larger pattern visible across this project's disclosure history, not just this single release.

1. **No consolidated accounting existed until public pressure forced one.** This reconciliation was not produced voluntarily. It followed a CORA request and months of community requests for disclosure. Eleven years into the project, this was the first complete accounting the city had ever assembled. In other words, roughly $366 million in decisions were made, spread across a decade of separate budget cycles, before a single document ever tied the whole project together — meaning neither Council nor the public had any way to evaluate the project's true cost or trajectory in real time, only after the fact, and only because the city was compelled to produce it.
2. **The city is conflating the approval of a project with the authorization of how to pay for it.** For any major capital project, Council first needs to approve the project's total scope ("what is this going to cost?"), and then separately authorize the appropriations to fund it ("how are we paying for it, and when?"). The Alpine-Balsam project skipped the first step altogether. Project spending appears to have been approved year by year through ordinary annual appropriations, not as a single project with a total budget that Council approved once and tracked against. No document shows a running project total ever being presented for approval, and no visible mechanism reconciles each year's appropriation back to cumulative project spending or a total-cost ceiling — meaning Council may have approved individual line items over a decade without ever approving, or being shown, what the project would add up to in total.
3. **The city spent more than three times its original estimate to build the Western City Campus — and inconsistent reporting masked the scope creep along the way.** In February 2019, staff estimated the renovation of the former medical pavilion on the site at $48–58M. By May 2019, the same renovation was cited at $90–120M. By the December 2024 groundbreaking, officials were projecting $140M for the project now referred to as the 'Western City Campus', or WCC, including the former medical pavilion building, parking and site infrastructure costs. And per the city's recent release, the final WCC cost came in at nearly $175M. Each time, the amount was presented on a slightly different basis — including or excluding flood work, including or excluding parking — so there was never enough consistency to spot the scope changes. But here's the bottom line: the city bought the Alpine-Balsam site in 2015 for $40M, expecting to spend roughly $58M more to create the WCC — under $100M total for the land and construction. Instead, it spent $175M just on the construction costs for the WCC – before even adding the $90M in financing costs - more than three times the original estimate. Despite the city's claims, that gap can't be explained away by construction inflation alone.
4. **Interest is the single largest cost escalation in this project — bigger than any scope increase — and it was never presented as such.** Combined interest on the 2015 land-purchase COPs ($18.2M) and 2025 building COPs ($90.4M) totals $108.6M — nearly 30% of the $366.4M all-in cost. None of the project estimates cited publicly over the past decade included this cost; each covered construction and site work only. The interest was technically disclosed — in the bond-vote debt schedules and the annual budgets that approved debt service payments — but it was never added to a construction estimate and presented as part of what the project actually costs until this reconciliation. For eleven years, nearly a third of the project's real cost simply wasn't part of the public conversation.
5. **The benefit side of the ledger is asserted, not substantiated.** The city's rationale for consolidation rests primarily on a ~$240M lease-avoidance estimate, a $12M–$29M deferred-maintenance savings estimate, and a vague $10.5M in proceeds from selling the ten buildings being vacated, but none of these amounts are substantiated and there is no indication that the savings will be realized as projected. The lease-avoidance estimate itself is worth revisiting: commercial lease rates fell sharply after the pandemic amid rising office vacancy — yet the city's ~$240M figure is an unrevised 2019 estimate, from before that market shift. The city's own 2019 analysis undercuts this rationale further: a net-present-value comparison prepared for that year's Council meeting, buried in an attachment to that meeting's materials, found leasing would actually be cheaper than renovating and owning the Pavilion for the first 39 years, with breakeven not projected until 2058. Nothing in the release indicates the city ever considered whether leasing space during this depressed-rate period, rather than building new, would have been the more cost-effective path — nor does the city's analysis account for the loss of foot traffic to downtown small businesses that depend on the roughly 600 employees now being relocated away from the city's traditional core.

6. **No build-vs-buy analysis was ever performed — despite a post-COVID commercial real estate market that made the need for one obvious.** Boulder's office vacancy climbed and property values fell after 2020 — exactly when the city should have priced out buying finished space instead of building new. Two real local transactions show what was actually available: Boulder County's 2024 purchase of a 40,000 sf building at 2525 28th St. closed at $355/sf, and Google's 2021 purchase of finished space at the neighboring Rêve development closed at $782/sf. Even more strikingly, a brand-new ~163,000 sf Class A office conversion at the 29th Street Mall (Boulder 29) has sat vacant for years since its 2023 completion — a ready-made alternative just blocks away that went unexamined. This isn't new: a councilmember requested a lease-or-buy comparison in 2019, and staff priced only building new elsewhere ($75–77M) — never purchasing existing space. Whether buying was the better choice is almost beside the point — the city never checked, and at an estimated $2,142/sf all-in cost, that's an expensive question to leave unasked.
7. **By the city's own logic, building new was the more expensive option.** The city's case for consolidation rests partly on avoiding the cost of maintaining the buildings it vacated — but the only figure it has ever cited for that cost is $12M today, growing to $29M in net present value over 20 years. If that's the cost being avoided, the cheaper path was spending $12–$29M to fix the existing buildings, not $297M to build new ones, and the city has never published an analysis showing otherwise. Even that $12–$29M figure has never been verified and the city has never disclosed whether the savings it projected were ever actually realized.
8. **The all-in cost per desk is difficult to justify given how little the space will actually be used.** The city states the two Western Campus buildings will ultimately house roughly 600 staff — about 40% of its total workforce — but also describes a hybrid work schedule of two to five in-office days per week and states the new City Hub was explicitly designed around a 2:1 staff-to-desk ratio, implying the buildings were built for roughly 300 desks. Spread across the WCC's estimated all-in cost of $297M, that works out to **roughly $1 million per desk** — a figure that would raise eyebrows even at a high-end corporate campus, let alone a municipal office building.
9. **The city had to pass a new fee to fund basic services at the very moment Alpine-Balsam debt service payments kicked in.** Per the city's own FY2026 debt service schedule, the General Fund carries $9.0M a year in combined debt service on the 2015 land-purchase and Western City Campus COPs — on top of $88.6M in direct cash costs already spent. In October 2025, with that $9.0M a year already flowing out, the city passed a new estimated annual $6.4M Transportation Maintenance Fee because General Fund revenue could no longer keep pace with basic transportation infrastructure needs. The city has never publicly drawn this connection, but the arithmetic does it for them: taxpayers are now paying new fees for basic services, while $9.0M a year in General Fund revenues get diverted to Alpine-Balsam debt service.
10. **Affordable housing cost-effectiveness is far outside any reasonable benchmark — and Boulder is already paying a real price for it.** The housing-allocated cost per unit (~$422,000) is more than three times the city's own $120,000-per-unit benchmark. The $14.4M reimbursement taken from the Affordable Housing Fund for site infrastructure and parking, at that same benchmark, could instead have funded roughly 120 units of affordable housing elsewhere. This is not a hypothetical trade-off — communications from the Housing and Human Services department confirm that new affordable housing development is on hold in the near term because of Alpine-Balsam-related commitments. The premium built into the housing side of this allocation alone could have gone toward a meaningful expansion of the city's affordable housing stock elsewhere. Instead, it bought better views for 600 city employees.

Conclusion

What this review reveals is bigger than Alpine-Balsam: without a single running total to look at, neither Council nor the public could see the off-ramps that existed along the way — and by the time anyone could, it was too late to reverse course. As the city weighs its next major capital commitments, including the CCRS-related capital projects and the proposed $400 million bond measure, the same structural gap remains: decisions are still being made one budget cycle at a time, with no consolidated project tracking to catch a bad trajectory before it's locked in.

[1] $120,000/unit reflects a reasonable benchmark based on the city's own recent Affordable Housing Fund awards: $21,380,000 for 184 units in a 2025 grant round (~$116,000/unit), and $15,000,000 awarded to Boulder Housing Partners for the 113-unit Penrose Place development (~$133,000/unit).

Definitions

Alpine-Balsam: The 8.8-acre former Boulder Community Health hospital site on Broadway, purchased by the City of Boulder in December 2015 and redeveloped for affordable housing and consolidated city services. The purchase agreement included the vacant hospital building, Medical Pavilion and the Brenton building.

City Hub: The renovated and expanded former Medical Pavilion building, now serving as the city's primary consolidated staff and customer-service building on the Alpine-Balsam site.

CORA: The Colorado Open Records Act, the state law under which members of the public can request government records — including the June 2026 request that prompted the city's Sept. 9, 2026 cost reconciliation.

COPs: Certificates of Participation, a form of municipal debt used to finance capital projects. COPs are secured by lease payments rather than a direct pledge of the city's full faith and credit, which is why they do not require voter approval the way general obligation bonds do.

Western City Campus (WCC): The city's consolidated services campus at the Alpine-Balsam site, comprised of the City Hub, the Brenton Building, and the parking structure.