

Paseo Colorado

Pasadena, California

Project Type:
Mixed-Use/Multi-Use

Case No:
C032009

Year:
2002



SUMMARY

Paseo Colorado mixes retail space, restaurants, entertainment uses, and housing next to Old Pasadena in Pasadena, California. The three-square-block urban village replaces an earlier enclosed mall built as part of a 1970s redevelopment effort. The project includes 56 retail shops, a full-line Macy's department store, seven destination restaurants, six quick-service cafés, a health club, a day spa, a supermarket, a 14-screen cinema, and 387 rental units.

FEATURES

- Redevelopment of an infill site
 - Mix of office, retail, and residential uses
 - Use of existing parking structures
 - Mediterranean design and materials
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SPECIAL FEATURES

- Redevelopment of an infill site
- Mix of office, retail, and residential uses
- Use of existing parking structures
- Mediterranean design and materials

PROJECT ADDRESS

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Pasadena, California 91901

DEVELOPER

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GENERAL DESCRIPTION

Paseo Colorado, a new mixed-use retail and residential project located adjacent to Old Pasadena, represents an evolution in thinking about downtown development, both by the city of Pasadena and by the development community. Developed by TrizecHahn Development Corporation, with Post Properties, Inc., as the residential developer, the three-square-block “urban village,” as it is referred to, replaces an earlier enclosed mall built as part of a 1970s redevelopment effort. Both the old mall—Plaza Pasadena—and the new center—Paseo Colorado—were developed as public/private partnerships, with the city of Pasadena providing partial financing and other support.

The new center, Paseo Colorado, built on top of the previous mall’s two-level underground parking structure, mixes retail space, restaurants, entertainment uses, and housing. The project includes 56 retail shops, a full-line Macy’s department store, seven destination restaurants, six quick-service cafés, a health club, a day spa, a supermarket, a 14-screen cinema, and 387 units of rental housing. The retail portion of Paseo Colorado opened in September 2001; the residential portion opened in spring 2002.

SITE

Paseo Colorado is located in Pasadena’s Civic Center district, between Old Pasadena to the west, and the Playhouse District and the post–World War II Lake Street retail area to the east. The project faces Colorado Boulevard, which is the major retail thoroughfare linking all of these districts. As retail shifted eastward during the 1950s and 1960s from Old Pasadena to Lake Street, much of the Colorado Boulevard retail uses in between these districts began to decline.

DEVELOPMENT PROCESS AND FINANCING

In an attempt to revitalize Colorado Boulevard in the 1970s, the city pursued what was then a progressive idea: building a regional mall downtown. Through its redevelopment agency, the city acquired 14.9 acres (six hectares) of land along Colorado Boulevard and adjacent streets, for the project that came to be known as Plaza Pasadena. As part of this effort, the city demolished 35 structures (some considered to be historic), relocated 122 businesses and individuals, constructed public improvements including parking, and sold the air rights at a highly subsidized rate. To finance the redevelopment agency’s expenditures, \$58 million in tax increment bonds was sold.

The 600,000-square-foot (55,740-square-meter) Plaza Pasadena, which opened in 1980, was in all respects, except its location, a suburban mall. With three department store anchors (Broadway, May Company, and JCPenney), the mall was almost completely inward-looking, leaving a two-block-long retail “dead zone” along Colorado Boulevard. Though built with the best intentions, the mall was perhaps the worst possible intervention from an urbanistic point of view. In addition to severing the pedestrian and retail continuity of Colorado Boulevard, the mall closed off Garfield Avenue, a key north/south street that was part of the historic 1925 Bennett Plan for Pasadena. Previously, the vista down Garfield Avenue was terminated by the historic Central Library at one end of the street and by the Pasadena Civic Auditorium at the other. In the Plaza Pasadena plan, the grand axis was replaced with a glass entry wall, signifying the axial view that was lost. And in place of the beaux-arts and Mediterranean-style structures that preceded it, the new mall presented a mostly blank brick facade to the street.

The introduction of Plaza Pasadena into the downtown streetscape coincided with—and in some manner was responsible for—the growing historic preservation movement in Pasadena. Through the 1980s and 1990s, Old Pasadena came back to life through the efforts of building owners, developers, and substantial public investment in parking and other improvements. While Old Pasadena prospered, however, Plaza Pasadena began to decline. And as Old Pasadena’s tax revenues steadily increased, Plaza Pasadena’s tax contributions withered as the center struggled to remain competitive. Overall, according to calculations prepared by the city’s former development administrator, Marsha Rood, while the city’s \$28.8 million investment in Old Pasadena has netted approximately \$400 million to \$500 million in private investment (a 14:1 ratio), the city’s \$58 million investment in Plaza Pasadena netted only \$40 million in private investment, or \$2 of private investment for every \$3 in public investment. In addition, the deadened streetscape along Colorado Boulevard was clearly an impediment to the regeneration of the Civic Center area and the Playhouse District just to the east.

To address these and other issues, the city formed the Civic Center Task Force in 1997. The task force formulated the following objectives for the Plaza Pasadena site: 1) restore the city street grid, in particular the Garfield Avenue view corridor; 2) reintroduce retail activity to Colorado Boulevard; 3) provide for pedestrian circulation and gathering spaces; and 4) offer a mix of uses, including housing as well as retail. The TrizecHahn Development Corporation, which, through its forebear, the Hahn Company, had an ownership interest in Plaza Pasadena, participated in the Civic Center Task Force deliberations.

TrizecHahn was both philosophically attuned to the task force’s objectives and economically inclined toward the city’s recommendations. “We were sitting on gold,” notes Jennifer Mares, general manager of Paseo Colorado, in reference to the site’s 3,000-plus parking spaces and the key location of Plaza Pasadena, “but renovation for retail alone just didn’t pencil out.” TrizecHahn therefore sought an experienced urban housing developer, ultimately selecting Post

Properties of Atlanta, Georgia.

As the project was structured, the city of Pasadena contributed \$26 million in financing to the project, in the form of certificates of participation backed by the lease on the center's parking structures. TrizecHahn maintains an ownership interest in the air rights above the parking, and Post Properties owns the air rights above the two-level retail podium.

The two levels of retail space were constructed on top of the concrete parking garage, maintaining to the greatest extent possible the same structural grid as the garage. Above the retail construction, the residential portion sits on its own concrete base, which is raised four feet (1.2 meters) above the retail roof. This separation allowed for the routing of utilities horizontally in the four-foot (1.2-meter) plenum space.

PLANNING

The Paseo Colorado concept, which entailed the demolition of everything above the subterranean parking structure except the Macy's department store, is described in the project's literature as an urban village. Based on a design by Ehrenkrantz Eckstut & Kuhn Architects, the project is divided into several "neighborhoods," responding to its urban context and mixed-use program requirements. Inspired by Old Pasadena, Paseo Colorado has both street-fronting retail space on Colorado Boulevard, and interior block walkways lined with more intimately scaled shops.

While the old Plaza Pasadena was set back from the street in a more suburban style of planning, Paseo Colorado is built right up to the street-facing property line. In a bit of good fortune, the blank brick facade of the Macy's store was set back sufficiently to allow for retail shops (Starbucks and Juice It Up) to be built in front, thus continuing the facade line of Paseo Colorado and providing an additional increment of street activity.

Perpendicular to Colorado Boulevard, Garfield Avenue has been opened up once again, this time as Garfield Promenade, a 77-foot-wide (23.4-meter-wide) pedestrian walkway. Flanked by formal plantings and period light fixtures, the promenade restores the intent of the 1925 Bennett Plan and reveals the previously hidden vista of the Civic Auditorium. Freestanding kiosks and retail storefronts activate the linear space, which is anchored by a mosaic-tiled fountain by artist Margaret Nielsen.

From Garfield Promenade, a grand stairway leads up to the "Fountain Court," a second-level plaza with destination restaurants and outdoor dining terraces. Most of Paseo Colorado's housing is located in a mid-rise block overlooking Fountain Court. Euclid Court is a forecourt to Macy's with access to both the loft the housing and underground parking.

The interior midblock walkway is called the "Paseo." Running parallel to Colorado Boulevard, the Paseo is a slightly curving walkway connecting Garfield Promenade and Fountain Court on the west to Euclid Court and to Macy's on the east. The Paseo varies in width from 43 feet (13.1 meters) at Garfield Promenade down to just 18 feet (5.4 meters). The narrow Paseo design results in a more intimate space, and the curving plan invites exploration, as one end cannot be seen fully from the other.

The Pacific Theatres Paseo 14 anchors the second level of Paseo Colorado, along with the dining establishments. The theater has its own forecourt and plaza fronting on Colorado Boulevard, and two grand stairways leading up to the box office and theaters. The theaters are connected via second-level walkways to Paseo Colorado's food court and restaurants.

Three parking structures totaling more than 3,000 parking spaces serve Paseo Colorado. The largest is the two-level below-grade structure. The remaining two structures, which were also part of the Plaza Pasadena project, are located across the side streets from Paseo Colorado and provide direct access to the second level of Paseo Colorado via pedestrian bridges over the street. The three garages were substantially upgraded with the funds derived from the city of Pasadena. The garage underneath Paseo Colorado required localized strengthening to support the weight of the new project, and required seismic strengthening as well. New lighting, signage, and elevator/escalator access were also provided.

The 387 Post Paseo Apartment Homes are grouped into two structures. The larger building, which includes 276 luxury apartments, overlooks Fountain Court. The second structure, which overlooks Euclid Court, contains 111 loft-style units. Apartment types include studio, one-bedroom, and two-bedroom units, but given the articulated massing of the residential towers, more than 90 individual floor plans were developed by RTKL, Inc., the architects responsible for the residential interior construction.

Each luxury and loft-style unit has its own set of interior finishes and details. The luxury units typically have nine-foot (2.7-meter) ceilings, white-on-white appliances and counters, and Berber carpeting. The loft units typically have ten-foot (three-meter) ceilings and fewer interior walls, black-on-black appliances and counters, polished concrete floors, industrial-type lighting, and brick accent walls. Other features common to all units are washer and dryer hookups (in addition to each building's laundry room), high-speed cabling for Internet access, large windows, and, in some cases, balconies.

The residential amenities are substantial. Many units, especially those on the higher floors, offer views of the San

Gabriel Mountains, Pasadena's beaux-arts city hall, the Civic Center, and the plazas of Paseo Colorado. The project includes eight rooftop courtyards with amenities ranging from a swimming pool to barbecues to an outdoor fireplace. One of the courtyards overlooks the Rose Parade route, and others overlook the Civic Auditorium. The commercial facilities of Paseo Colorado constitute another amenity. Residents can enjoy the restaurants, fast-food and coffee shops, and the cinema, all within short walking distance. In addition, the upscale Gelson's Supermarket, located at the street level beneath the housing, includes a coffee bar, a sushi bar, and outdoor dining tables.

DESIGN

The developers of Paseo Colorado and their designers sought to re-create not only the more intimate scale of the old city, but also the textures and materials of Old Pasadena. This concern for appropriate materials has been conveyed to prospective tenants via two very detailed tenant criteria publications. The first, titled *Athens of the West—Pasadena Style*, is a coffee-table-style book with full-color images on glossy paper, detailing the Pasadena heritage, the design objectives for each of Paseo Colorado's "neighborhoods," and development standards for storefronts, signage, and similar elements. The second publication, a paperback titled *Craftsman's Journal*, provides additional technical criteria and artisan/artist contacts. The introduction to *Craftsman's Journal* describes TrizecHahn's philosophy and objectives: "The creative contributions of individual tenants are critical to Paseo Colorado's success in creating an environment where the visitor feels a tangible sense of place. Each merchant will be required to creatively alter or adopt [his or her] predetermined design concepts to meet the specific existing conditions."

Stylistically, Paseo Colorado reflects Mediterranean design motifs and materials, though in a more modern idiom. Facades are finished in smooth plaster, and colored in various earth tones and pastels. Decorative lighting includes period-style light standards as well as Craftsman-style lanterns strung across the Paseo, providing a canopy of light. Custom designed and fabricated art elements are evident throughout the project, ranging from delicate floral patterns in the stair and guard railings to a tiled fountain with mosaic "postcards" of Pasadena.

OPERATIONS

The relationship between the residential and commercial areas of Paseo Colorado has been carefully considered and controlled. Three residential lobbies have been created at the street level (two for the luxury apartments and one for the loft-style building), separated from the access to the commercial areas. Parking is similarly segregated: residents park in a physically separated section of the lower level of the two-story subterranean garage, and have card keys to access the express lanes of the garage entries. There are 494 assigned parking spaces for the 387 dwelling units, allowing 1.3 spaces per unit. For security reasons, garage elevators serving the residential portion of the project do not stop on the retail levels, and retail access elevators do not allow access to the apartments. However, to facilitate access from the apartments to the restaurants and other areas of Paseo Colorado, stairs with electronically controlled gates are provided from the lower level of the housing to Fountain Court and Euclid Court.

Loading is controlled, too. Six loading docks, located on a side street, serve Paseo Colorado. Four of the docks are dedicated to the retail/restaurant portions of the project, and the remaining two are shared between the housing and the supermarket. These two bays are further controlled by hours of use; the supermarket accepts deliveries in the early hours of the morning, and the apartments have access to the docks between 10:00 a.m. and 5:00 p.m.

Noise levels are controlled in several ways. The operating hours of restaurants with outdoor dining terraces are limited to midnight on weekdays and to 2 a.m. on weekends, and loud music is prohibited. Noise limitations are similarly written into the residential leases, and the pool deck, which sometimes can be noisy, has been located away from Fountain Court to preclude disturbances.

MARKETING AND MANAGEMENT

Retail leasing for Paseo Colorado was complicated by the fact that the city of Pasadena had political and financial interests in the adjacent retail areas of Old Pasadena, the Playhouse District, and Lake Street. The city's mandate to TrizecHahn, in effect, was: provide an active and successful mix of retailers, but do not steal from other Pasadena venues. In addition, the competition facing Paseo Colorado included two successful regional malls in nearby communities. Also, while Old Pasadena was a proven success for retailers, the Paseo Colorado location had not been successful, and the urban village concept was somewhat new to the retail community.

However, the developers of Paseo Colorado could look to four complementary market strengths to offset the aforementioned constraints: a large primary trade area (941,000 persons within a radius of 7.5 miles [12 kilometers]); a daytime office market within walking distance; a visitor/tourist market (including the adjacent Pasadena Conference Center); and the planned on-site residential market and a growing nearby residential base. Playing to these multiple markets, Paseo Colorado has pieced together a roster of tenants that fulfills the objectives of creating an active, mixed-use destination, while not duplicating (or stealing) tenants from nearby retail areas. Macy's, the one tenant to remain from the original mall, invested approximately \$1 million to remodel its store, converting the space from a discount outlet to a full-line store.

One of the strengths of Paseo Colorado is food. Given the market area demand (workers, visitors, and local and on-site residents), food service has been elevated to anchor status at Paseo Colorado. The project has seven upscale

destination-type restaurants, ranging in size from 10,000 to 12,000 square feet (929 to 1,115 square meters), including Bice, Border Grill, P.F. Chang's China Bistro, and Tokyo Wako, a Japanese steakhouse. The restaurants have been strategically located on the second level, offering views of the Civic Center, the mountains, and, closer to home, Garfield Promenade and Fountain Court. Similarly, the food court is located on the second level, proximate to the movie theaters. The food court eateries have both indoor seating within each shop, and a common outdoor seating area overlooking the Paseo.

Complementing the food service is the cinema. The cinema is the largest in the Pasadena area and has state-of-the-art features including stadium seating, high-back "loveseat" chairs with retractable armrests, curved screens, and digitally enhanced sound. The theater also goes a step beyond the norm in food service, offering pizza made on site and "Pink's famous hot dogs, a Hollywood legend."

Retail shops at Paseo Colorado include many national and regional tenants, such as Ann Taylor Loft, Sam Goody, and Brookstone. In addition, TrizecHahn has brought in a variety of lesser-known and unique retailers such as Japanese Weekend Maternity, A Snail's Pace Running Shop, and Elements Furniture and Gifts. There is no bookstore at Paseo Colorado, as the major booksellers are already located in nearby Old Pasadena. In the end, only three of Paseo Colorado's tenants came from adjacent Pasadena retail areas: two relocated because they were in undersized spaces in which they could not expand, and one opened a second location at Paseo Colorado.

Residents were attracted to the urban lifestyle that Paseo Colorado affords, especially the convenient shopping and entertainment opportunities. Moving in from Pasadena and surrounding communities, the residents are mainly singles and couples ranging in age from young professionals to empty nesters. However, the tenants of the loft-style apartments are younger than the tenants of the conventional units.

One of the attractions of Paseo Colorado, both for retailers and for patrons, notes Jennifer Mares of TrizecHahn, is the "village experience." The developer is working to create a "marriage between retailers and residents," she continues, not unlike the friendly, first-name-basis lifestyle of a traditional village. To that end, "community teas" were held during the planning stages of the project, to acquaint people with the developer's concept. The results of the teas were shared with prospective tenants to make sure they understood and would advance the broader objectives of the project. Similarly, the security guards who patrol Paseo Colorado are called "public safety ambassadors" and are trained to approach and assist visitors, making eye contact while doing so.

Although the project has been open only since the end of January 2002, sales appear to be exceeding expectations, notes Jennifer Mares. Based on tenant reports, several of the Paseo Colorado tenants are posting sales that place them near the top of their outlets nationally. The branded lines are doing especially well, Mares notes, while some of the newer tenants are just being discovered by the public. The mixture of market segments and uses at Paseo Colorado appears to explain some of the success: the "professional crowd" supports the center Monday through Friday, says Mares, and the "stroller crowd" and cinemagoers round out the weekend. Sales are unexpectedly strong on Sundays, due in part to Gelson's Supermarket.

EXPERIENCE GAINED

- Marking a sea change in public and private thinking about urban retail centers, Paseo Colorado has replaced the inward-looking mall previously built on the site with a project that reintroduces retail uses to street frontages, restores the urban block pattern and the axial view intended for the site, and provides for mixed uses and interior midblock retail space. The success of the project is spurring proposals for development of long-neglected vacant parcels adjacent to the site.
- Although substantial competition exists from nearby retail areas, Paseo Colorado appears to be forging a successful niche for itself based on its mixed uses and the complementarity of the uses. The project taps demand from several markets, which activates the project seven days a week over a wide range of operating hours.
- Destination restaurants appear to be a successful anchor concept at Paseo Colorado. "People go to the food," notes TrizecHahn's Jennifer Mares, and the clustering of major restaurants adds to the anchor destination appeal.
- Second-floor commercial uses can be successful, but access is critical. At Paseo Colorado, access is achieved by several grand stairways and visible second-level plazas, as well as by multiple elevators and escalators throughout the project.

PROJECT DATA**LAND USE INFORMATION**

Site area (acres/hectares): 10.9/4.4

GROSS BUILDING AREA

Use	Existing (Square Feet/Square Meters)
Retail/restaurants	644,942/59,915
Residential	397,202/36,900
Parking (3,046 spaces)	1,284,453/119,326
Total GBA	2,326,597/216,141

Floor/area ratio: 0.86

RESIDENTIAL UNIT INFORMATION

Unit Type	Unit Size (Square Feet/Square Meters)	Number Leased	Range of Initial Monthly Rental Rates
Studio	510-833/47.3-77.3	126	\$1,505-2,325
One-bedroom	686-1,027/63.7-95.4	166	\$1,780-2,700
Two-bedroom	986-1,434/91.5-133.2	95	\$2,730-4,290
Total	—	387	—

RETAIL INFORMATION

Tenant Classification	Number of Stores	Total GLA (Square Feet/Square Meters)
Retail	56	208,387/19,359
Restaurants	13	68,470/6,360
Health club	1	24,393/2,266
Market	1	37,009/3,438
Cinema	1	66,517/6,179
Department store	1	152,547/14,171
Total	73	557,323/51,775

LEASABLE AREA

Retail gross leasable area (square feet/square meters): 557,323/51,775

Percentage of GLA occupied: 93

DEVELOPMENT COST INFORMATION

Site acquisition cost: \$25,200,000
 Demolition: \$3,600,000
 Site work: \$1,150,000
 Landscaping: \$1,200,000
 Parking garages: \$7,100,000
 Off-site improvements: \$2,000,000

Retail construction: \$49,770,000

A&E: \$7,300,000
 Project management: \$4,500,000
 Marketing and leasing: \$26,550,000
 Legal: \$1,800,000
 Taxes and insurance: \$980,000
 Construction interest: \$8,200,000
 FF&E: \$5,250,000
 Other costs: \$2,100,000

Residential construction: \$75,000,000

Total: \$221,700,000

DEVELOPMENT SCHEDULE

Planning started: June 1998
 Sales/leasing started: March 1999
 Site purchased: November 1999
 Construction started: June 2000
 Retail project completed: September 2001
 Residential project completed: Spring 2002

DIRECTIONS

From Burbank-Glendale-Pasadena Airport: Take Hollywood Way north to I-5 southbound. From I-5, take Highway 134 east to Pasadena. Take the Fair Oaks/Marengo Avenue exit. Continue straight through the light to Marengo Avenue and turn right. Continue down Marengo and turn left onto Colorado Boulevard; Paseo Colorado is on the right.

From Los Angeles International Airport: Take Sepulveda Boulevard south to Highway 105 east. Take Highway 110 northbound on-ramp to Pasadena. Take the freeway to the end, which becomes Arroyo Parkway. Continue down this street until you come to Green Street (approximately one mile). Turn right onto Green Street and continue one block. Paseo Colorado is on the left.

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This Development Case Study is intended as a resource for subscribers in improving the quality of future projects. Data contained herein were made available by the project's development team and constitute a report on, not an endorsement of, the project by ULI-the Urban Land Institute.

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Courtesy of Next Image

Garfield promenade is a 77-foot-wide pedestrian walkway that reopens the visual link between the Pasadena Civic Auditorium and the municipal library, which had been closed off by the former mall on the site.



Courtesy of Next Image

The paseo is a curving midblock walkway, ranging in width from 18 to 43 feet. The more intimately scaled paseo, lined with smaller shops, links Garfield promenade on the west with Macy's on the east.



Courtesy of Next Image

The 14-screen Pacific Theatres Cineplex at Paseo Colorado is located on the second level, connected by exterior walkways to the food court and restaurants. Access to the cineplex is through a grand stairway and a plaza from Colorado Boulevard.



paseo's 387 housing units sit atop the two-level retail podium. Access between the residential and retail areas is strictly controlled for security purposes.



Site plan.