

A road less traveled

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Thoroughfare on city's eastern edge poised for shift from ranch to retail

By RICH LADEN THE GAZETTE

With Fort Carson and the mountains as barriers to the south and west, Colorado Springs grows to the north and east, and its retail frontiers can be found every mile or so along major north-south roadways.

Stores, restaurants and other retailers set up shop years ago on Union Boulevard. Then, development moved east to Circle Drive and later farther east to Academy Boulevard. Recently, Powers Boulevard on the city's east side became the Springs' hottest retail corridor.

Now, the easterly march of housing — in the city and in portions of unincorporated El Paso County — has reached Marksheffel Road, which runs east of Powers from Woodmen Road on the north to the city of Fountain to the south.

Marksheffel is a single lane in each direction, with a smattering of industrial businesses north of U.S. Highway 24. The road has yet to see its first grocery store, convenience store or gas station.

But as the business adage goes, retail follows rooftops. So is Marksheffel poised to become the region's next retail hot spot?

Well, not quite.

Marksheffel has several things going for it, but not enough to make it another Powers Boulevard. Think Powers Lite.

"You won't have a First & Main, for example, or that intensity," Dave Syverson, a commercial broker with Olive Real Estate Group of Colorado Springs, said of the 138-acre First & Main Town Center that stretches along Powers from Constitution Avenue to North Carefree Circle.

Still, there likely will be enough retail development along Marksheffel over the next several years that businesses should start thinking about whether to scout locations along the highway.

"You'll certainly have what we think of not only as convenience (retail), but neighborhood pockets of retail development there," said Syverson, who is marketing a 10.3-acre retail site on the southwest corner of Marksheffel and Stetson Hills Boulevard. "We're talking about grocery stores and Walgreens and gas stations and 7-Elevens and that kind of thing at the prime crossings."

RIPE FOR RETAIL

Marksheffel's pluses? Growing numbers of homes in the area, rising traffic counts and millions of dollars in planned road improvements.

For much of its length, Marksheffel — likely named for an automobile company that operated in the Springs in the early 1900s — parallels Powers.

North of U.S. 24, where much of the residential growth is taking place in the Springs and El Paso County, a fastgrowing housing corridor has developed between Marksheffel and Powers. The area teems with single-family residences in subdivisions such as Stetson Hills, Springs Ranch and Indigo Ranch.

On Marksheffel's east side lies the Banning-Lewis Ranch — annexed into the city 17 years ago. Thousands of homes are envisioned there over the next 30 to 50 years.

It's the section of Marksheffel between U.S. 24 and Woodmen Road that members of the real estate industry say is ripe for retail development.

"There's tremendous housing starts that are planned for that area between Banning-Lewis Ranch and Woodmen Hills (a subdivision farther east in unincorporated El Paso County)," said John Gatto, a Springs developer. He owns 31 acres on the southwest corner of Marksheffel and Woodmen that he's seeking to annex into the city and where he foresees retail development a few years down the road. "Grocery store anchored centers and retailers follow rooftops."

More homes mean more cars. Based on the latest figures available, the number of vehicles driving along Marksheffel at Woodmen totaled more than 6,500 a day in 2003 — more than double the number six years earlier, according to the El Paso County Department of Transportation.

Over the next seven years, the Rural Transportation Authority, the new government agency approved by voters in November, plans to widen Marksheffel from two to four lanes between Woodmen and Constitution. Eventually, it could become six lanes.

The overall cost isn't known. The RTA has budgeted about \$13 million for its share, which will begin with planning and design work, said George Sugars, engineering manager for the El Paso County Department of Transportation. Private developers along that stretch are being counted on to pay some of the widening costs.

A group of private developers has formed a special taxing district to jump-start the widening between U.S. 24 and Constitution; that initial work is scheduled to start in July and be completed in about a year.

Private developers and the RTA are expected to finance a future extension of Marksheffel, north of Woodmen Road, that would connect to Research Parkway. That work likely won't take place for several more years.

"If you're a real estate investor looking for something that is going to come around in three to five years, that's where you should be looking," said Springs developer Greg Timm, who has a 26-acre site southeast of Marksheffel and Constitution where he envisions a shopping center.

Jody Sitkoski, brokerowner of Innovative Real Estate Group in the Springs, is marketing 11 acres at Marksheffel and Barnes Road and 116 acres at Marksheffel and Constitution. He expects the face of Marksheffel to change dramatically in the next few years.

The type of retail along Marksheffel will more likely be of the neighborhood variety — shopping centers with perhaps a grocery store as an anchor and an assortment of smaller stores and free-standing pad sites.

Marksheffel will have an advantage for some retailers who can't afford Powers Boulevard, Sitkoski said. He expects lease rates along Marksheffel to be \$16 to \$18 per square foot; along Powers and North Academy Boulevard, rates are in the high \$20s.

POWERS STILL TOPS

Pluses aside, Marksheffel's retail development will never rival that of Powers Boulevard.

Years ago, Marksheffel was envisioned as a future expressway — designed so that traffic could flow freely from one end to the other.

It won't carry as much traffic — and, therefore, not as many potential shoppers — as Powers and the planned Banning-Lewis Parkway.

Powers is six lanes from U.S. 24 to Dublin Boulevard; it then narrows to four lanes as it heads north to its newly opened link to Briargate Parkway. The Colorado Department of Transportation plans gradeseparated interchanges at key intersections between U.S. 24 and Woodmen — a series of overpasses and underpasses that will let traffic flow freely along the road.

As part of Colorado Springs' 1988 annexation of the Banning-Lewis Ranch, the

property's developers are supposed to build a north-south road that's envisioned as an expressway that will parallel Marksheffel.

With Powers and Banning-Lewis Parkway as expressways, Marksheffel has been designated as a principal arterial — more of a Union Boulevard type of highway in which signalized intersections control traffic every mile or so.

"It's going to carry some traffic, but it's not going to be another Powers," said Paul Tice, Colorado Springs' land use review manager. "It won't have that level of traffic flow."

Planning and design efforts to upgrade Marksheffel are about to begin, but most of the major widening work from Constitution to Woodmen is at least five years away.

Other obstacles stand in the way of Marksheffel becoming a retail giant akin to Powers or Academy boulevards.

Several large chunks of land along Marksheffel are zoned for housing. Because the housing market is as hot as it is, those areas aren't likely to be rezoned.

Some areas along Marksheffel, mainly north of U.S. 24, already have been developed as industrial properties. It likely would be too expensive to buy those sites and knock down the industrial buildings in favor of retail use.

Meanwhile, even as several retail projects have been built along Powers over the past five to seven years, it has many years' worth of development. Many retailers still will look to Powers before Marksheffel.

"Powers is the economic engine of the east side, and it will continue to be that way for 15 to 20 years," said developer Lindsay Case, who, despite owning land along Marksheffel, is realistic about its future.

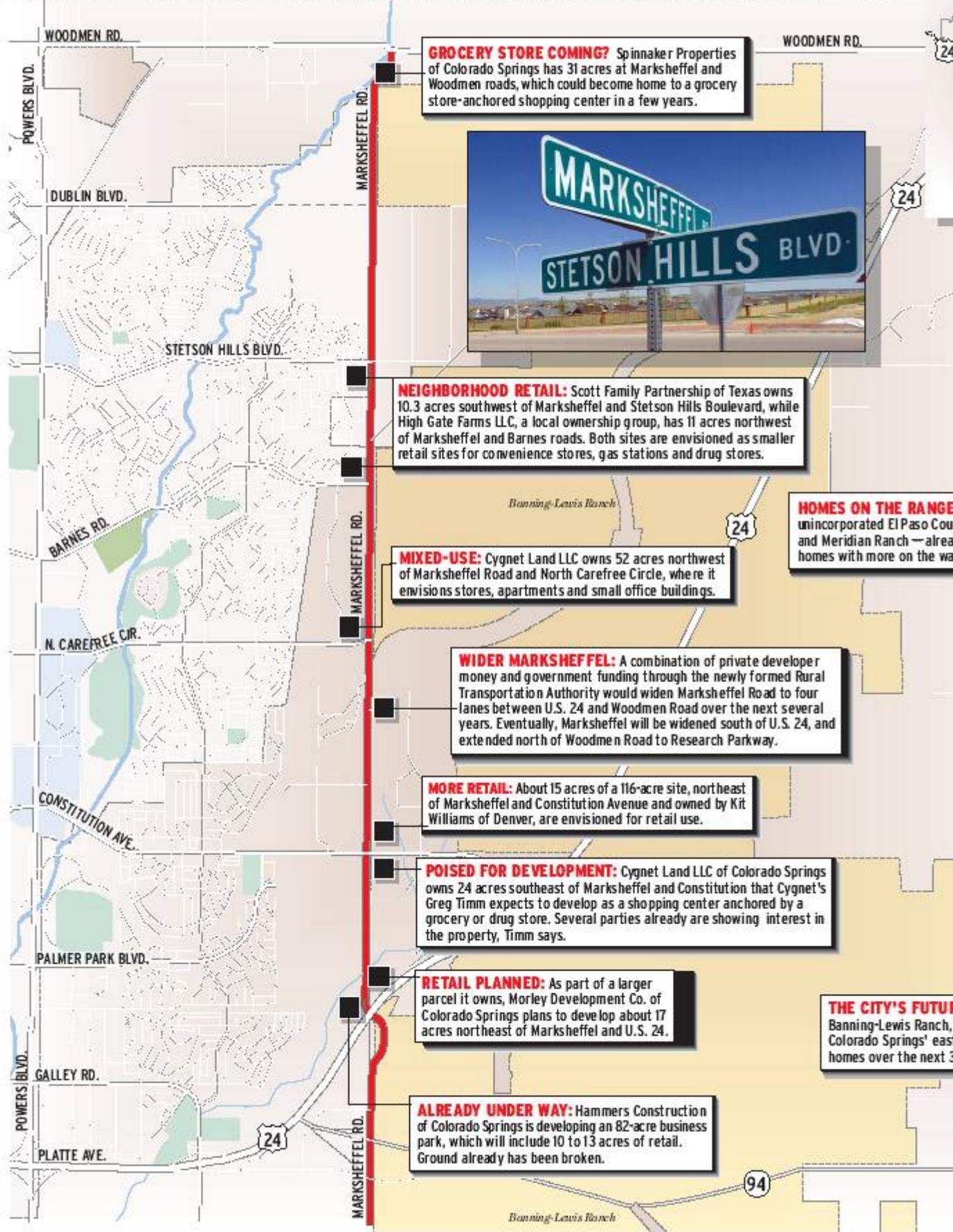
"Marksheffel is going to end up as a thoroughfare corridor, primarily providing access to the bedrooms on that side of the city."

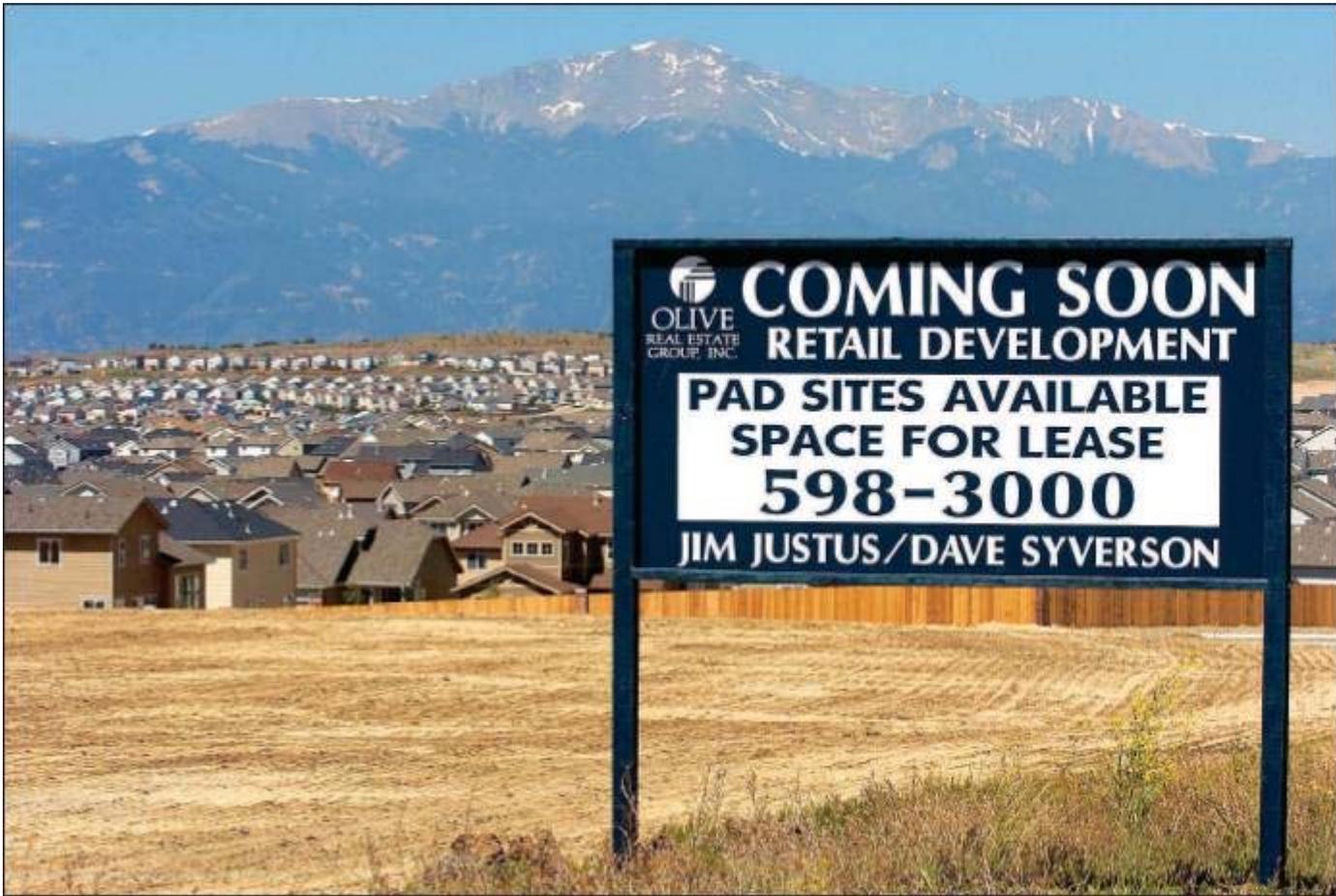
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The Marksheffel March

Marksheffel Road, the north-south highway that runs from Colorado Springs' far northeast side to the city of Fountain on the south, promises to be the area's next retail frontier. Here's a sampling of projects envisioned along Marksheffel:





PHOTOS BY KEVIN KRECK, THE GAZETTE - The potential for commercial development along Marksheffel Road, on the city's east side, could be much the same as it was for Union Boulevard, then Circle Drive, then Academy Boulevard. It likely will take on a retail identity, but will not be as concentrated as Powers Boulevard.



Construction is flourishing on homes at the intersection of Marksheffel Road and Stetson Hills Boulevard.