

12-625

IRONWORKS FOUNDRY URBAN REDEVELOPMENT PLAN

An Urban Redevelopment Plan for the
Ironworks Foundry Urban Redevelopment Area

DENVER URBAN RENEWAL AUTHORITY

August __, 2012

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A. PREFACE AND DEFINITIONS

1. Preface

This urban renewal plan, referenced herein as the Urban Redevelopment Plan, has been prepared by the Denver Urban Renewal Authority (the “Authority”) pursuant to the provisions of the Urban Renewal Law of the State of Colorado, Part 1 of Article 25 of Title 31, Colorado Revised Statutes, 1973, as amended (the “Act”). This Urban Redevelopment Plan describes the framework for certain public undertakings constituting the urban renewal project and other authorized undertakings under the Act in the Ironworks Foundry Urban Redevelopment Area described in Exhibit A hereto (the “Urban Redevelopment Area”) located in the City and County of Denver.

Except as otherwise provided herein or as may be provided in any Cooperation Agreement (defined below), the administration of the Project and the implementation and enforcement of this Urban Redevelopment Plan, including, without limitation, the preparation and execution of any implementing documents shall be performed by the Authority in accordance with the Act and this Urban Redevelopment Plan.

Property Tax Increment and Sales Tax Increment financing as authorized by the provisions of Section 31-25-107(9) of the Act may be utilized to finance the Project in whole or in part. In accordance with the Act, School District No. 1 in the City and County of Denver (the “School District”) was permitted to participate in an advisory capacity with respect to the inclusion of tax increment financing in this Urban Redevelopment Plan.

2. Background on the Ironworks Foundry Urban Redevelopment Area

The Urban Redevelopment Area is located in northeast Downtown Denver's Central Business District, and is situated on Brighton Boulevard. The Urban Redevelopment Area is comprised of a single large parcel of land located on the southeast side of Brighton Boulevard, between 33rd and 34th streets.

Since its inception, the property has been used primarily for industrial and warehouse purposes. The existing buildings were constructed in the 1880's as part of the Colorado Ironworks development, and were first listed as a blacksmith and boiler shop. Sometime later, the buildings were occupied by Hugh M. Woods Mercantile Company until 1930, at which time Nichols Wire Sheet and Hardware took over the site.

Oliver Farm Equipment Sales Company occupied the site from approximately 1935 to 1958. In the 1960s and 1970s, the George Epcar Company used the buildings as a government-surplus storage warehouse. In the 1980's, the buildings were used by various warehouse storage operators including Bonded Battery, Custom Art Industrial Supply, and Denver Winair Supply. Alpine Pipe and Supply occupied the building from approximately 1990 to 2000. Good Neighbor Garage, a vehicle donation business, followed by Bud's Warehouse, a home improvement thrift store, operated at the site until approximately 2010. The building has been vacant since.

3. Definitions

In addition to terms previously defined in the text, the following terms are used in this Urban Redevelopment Plan:

- a. The term “Conditions Study” means the blight study conducted by Matrix Design Group dated July __, 2012.
- b. The term “City” means the City and County of Denver.
- c. The term “Cooperation Agreement” means any agreement between the Authority and the City respecting action to be taken pursuant to any of the powers set forth in the Act or in any other provision of Colorado law, for the purpose of facilitating undertakings deemed necessary or appropriate by the Authority under this Urban Redevelopment Plan. Any such Cooperation Agreement may include, without limitation, agreements respecting the planning or undertaking of this Urban Redevelopment Plan and the Project, as well as programs, works, operations or activities which the Authority, the City or such other public body is otherwise empowered to undertake and including, without limitation, agreements respecting the financing, installation, construction and reconstruction of public and private improvements in furtherance of the Urban Redevelopment Plan.
- d. The term “Fiscal Year” means the respective fiscal year of the City, or any applicable portion of a fiscal year.
- e. The term “Owner/Developer” means any owner of real or personal property within the Urban Redevelopment Area and any person or entity undertaking, funding, or financing any portion of the Project.
- f. The term "Project" means the redevelopment of the Ironworks Foundry Urban Redevelopment Area with mixed uses presently contemplated to include light industrial, retail, office, and commercial, as well as any

necessary public and private infrastructure, including newly surfaced parking.

- g. The term “Property Tax” means the real and personal property taxes produced by the levy at the rate fixed each year by the governing bodies of the various taxing jurisdictions within the Property Tax Increment Area.
- h. The term “Property Tax Base Amount” means the total valuation for assessment last certified by the Assessor for the City of all taxable property within the Property Tax Increment Area prior to the effective date of approval of the Urban Redevelopment Plan.
- i. “Property Tax Increment” means, for each Fiscal Year subsequent to the creation of the Property Tax Increment Area, all Property Tax Revenues in excess of Property Tax Revenues produced by the levy of Property Tax on the Property Tax Base Amount; provided that (a) such amount shall be reduced by any lawful collection fee charged by the City; and (b) in the event of a general reassessment of taxable property in the Property Tax Increment Area, Incremental Property Taxes shall be proportionately adjusted in the manner required by the Act.
- j. The term “Property Tax Increment Area” means the area more particularly described in Exhibit A, attached hereto and incorporated herein.
- k. The term “Property Tax Revenues” means the amount derived by the City and all taxing jurisdictions from the levy of Property Tax within the Property Tax Increment Area.

- i. The term “Redevelopment Agreement” means any agreement between the Authority and an Owner/Developer or any public body, as applicable, as it may be amended from time to time, regarding a Project in furtherance of this Urban Redevelopment Plan.
- m. The term “Sales Tax” means the sales tax levied by the City from time to time on the retail sales of taxable goods and services, excluding (a) that portion of the Sales Tax levied by Section 53-27 of the City Code, as amended by Ordinance No. 557, Series of 1987, on food and beverages not exempted from taxation under Section 53-26(8) of the City Code, at the rate of one-half percent (0.5%) of the purchase price, (b) that portion of the Sales Tax levied by Section 53-27 of the City Code, as amended by Ordinance No. 557, Series of 1987, and by Ordinance No. 973, Series of 1999, on the short-term rental of automotive vehicles, at the rate of three and three-quarters percent (3.75%) of the rentals paid or purchase price, (c) that portion of the Sales Tax levied by Section 53-27 of the City Code, as amended by Ordinance No. 556, Series of 2006 for the Denver pre-school program at the rate of twelve-one hundredths percent (0.12%) and (d) any increased portion of the Sales Tax, if any, designated by ordinance by the City following the date hereof for specific purposes other than the general operations of the City.
- n. The term “Sales Tax Base Amount” means the actual collection of Sales Tax Revenues during the twelve (12) month period ending on the last day

of the month prior to the effective date of approval of the Urban Redevelopment Plan.

- o. The term “Sales Tax Increment” means, for each Fiscal Year subsequent to the creation of the Sales Tax Increment Area, all Sales Tax Revenues in excess of the Sales Tax Base Amount; provided that such amount shall be reduced by costs and expenses of the City for such Fiscal Year of enforcing the Sales Tax in the Sales Tax Increment Area and collecting the Sales Tax Revenues as allowed by State statute, including the pro-rata share of uncollectible Sales Tax Revenues to be absorbed by the Authority for such Fiscal Year.
- p. The term “Sales Tax Increment Area” means the area more particularly described in Exhibit A, attached hereto and incorporated herein.
- q. The term “Sales Tax Revenues” means the amount to be derived by the City in each Fiscal Year from the levy of the Sales Tax within the Sales Tax Increment Area.

B. LEGISLATIVE FINDINGS

The City Council has found by approving this Plan that:

1. Blight

Based on the Conditions Study (such study having been heretofore filed with the City Council and the City Clerk in City Clerk File No. 12-625-A), of which the Authority provided notice, in accordance with Section 31-25-107(1)(b), C.R.S., to owners of private property within the proposed Urban Redevelopment Area, and evidence presented at a public hearing, City Council determined that

the Urban Redevelopment Area is a “blighted area” (as defined in the Act) by reason of (i) slum, deteriorated, or deteriorating structures, and buildings that are unsafe or unhealthy to live and work in, (ii) deterioration of site or other improvements, (iii) unusual topography or inadequate public improvement or utilities, (iv) existence of conditions that endanger life or property by fire and other causes, (v) buildings that are unsafe or unhealthy for persons to live or work in (vi) high levels of municipal services or underutilization or vacancy of sites, buildings, or other improvements. Such blight substantially impairs or arrests the sound growth of the municipality. Pursuant to the Act, as there is a predominance of blight factors within the blight study boundary, the Urban Redevelopment Area constitutes a “blighted area” because the property in its present condition and use substantially impairs and impacts the sound growth of the municipality, constitutes an economic and social liability, and is a menace to the public health, safety, morals, and welfare.

2. Urban Redevelopment Project

The Urban Redevelopment Area is appropriate for one or more urban renewal projects, including the Project, and other authorized undertakings of the Authority pursuant to the Act, the Urban Redevelopment Plan, and the Cooperation Agreement. The projects are intended to eliminate blight and stimulate private sector investment in and around the Urban Redevelopment Area. The combination of public and private investment will assist the redevelopment and conversion of the Urban Redevelopment Area into a viable mixed use redevelopment.

3. Planning Approval

A general plan for the City, known as the Denver Comprehensive Plan 2000, including Blueprint Denver, River North Plan, and all other relevant plans adopted as supplements to the Comprehensive Plan (“Plan 2000”), has been prepared and adopted by City Council. This Urban Redevelopment Plan was submitted to the Planning Board of the City for review and recommendations as to its conformity with Plan 2000, and the Planning Board submitted its written recommendations with respect to this Urban Redevelopment Plan to the City Council.

4. Conformance with Denver Comprehensive Plan: Objectives Relating to Appropriate Land Uses

a. Plan 2000 contains numerous objectives and policies relevant to the redevelopment of the Urban Redevelopment Area. The City’s Planning Board and the City Council have reviewed the Urban Redevelopment Plan and determined that it is in compliance with Plan 2000 and that it furthers several city-wide objectives, policies, and actions in the Plan 2000, including the following Plan 2000 sections:

1. Conserve land by promoting infill development within Denver at sites where services and infrastructure are already in place. (Environmental Sustainability Strategy 2-F, Page 39)
2. Encourage quality infill development that is consistent with the character of the surrounding neighborhood. (Land Use and Transportation Strategy 3-B, Page 60) Identify and enhance existing focal points in neighborhoods, and encourage the development of such focal points where none exist. (Land Use Transportation 3-D, Page 60)
3. Continue to promote mixed-use development, which enables people to live near work, retail, and services. (Changing Travel Behavior Strategy 4-E, Page 78)

4. Preserve Denver’s architectural and design legacies while allowing new ones to evolve. (Design Excellence Strategy 1-C, Page 98)
5. Identify areas in which increased density and new uses are desirable and can be accommodated. (Compact Urban Development Strategy 3-A, Page 99)
6. Enhance existing business centers and establish new business centers in a manner that offers a variety of high-quality uses that support Denver’s business environment, complements neighborhood residential areas, generates public revenue, and creates jobs. (Business Centers Strategy 4-B, Page 135)
7. Use public-private partnerships to facilitate development and redevelopment projects that advance the City’s goals and objectives. When appropriate, take advantage of the Denver Urban Renewal Authority’s powers and experience. (Economic Activity Strategy 4-C, Page 136)
8. Support development of neighborhood business centers that serve adjacent residential areas in existing neighborhoods and new neighborhoods within development areas (Neighborhood Economic Development Strategy 5-A, Page 136)
9. Focus job-creation efforts for entry-level workers in neighborhoods through the metropolitan area where potential employees already live. (Access to Jobs Strategy 2-C, Page 216)
10. Incorporate relevant recommendations from neighborhood, corridor and area plans that are supplements to Plan 2000 (Land Use Strategy 1-C, page 57):
 - b. Blueprint Denver identifies Brighton Boulevard in general, and the Urban Renewal Area site specifically, as an “Area of Change” where growth is to be channeled to where it will be beneficial and can best improve access to jobs, housing, and services with fewer and shorter auto trips. Areas of Change are parts of the City where the City believes that development or redevelopment is beneficial.

Situated along Brighton Boulevard, the Project, as a mixed use infill development, is consistent with the City’s goal of increasing activity along major

road and transit corridors. Redevelopment of this site will rehabilitate and reuse the existing building, which has been vacant for approximately 2 years. The Project will create new light industrial, retail, office, and commercial, as well as any necessary public and private infrastructure, including newly surfaced parking. The Project will serve, support, and catalyze existing and new retail establishments and businesses in the area.

The Project is also consistent with the conceptual land uses for this Area of Change in Blueprint Denver which identifies the site as mixed use, located along a mixed use arterial street. Mixed use areas are generally located in existing urban areas, and proximate to downtown Denver. Further, mixed use development usually consists of some combination of light industrial, office, retail, and entertainment uses, mixed with residential uses. The planned East Corridor light rail stop is 3 blocks away, and the site is adjacent to RTD bus route 48.

c. The River North Plan states that the “Brighton Boulevard corridor can become an attractive gateway to Downtown Denver from I-70”, and “calls for the creation of a dynamic and compatible mixture of uses that serves and takes advantage of proximity to downtown, and access to I-70”. With a contemplated mix of light industrial, retail, office, and commercial uses currently planned for the site, along with the adaptive reuse of the existing 100 year old buildings located on Brighton Boulevard, the Project is ideally suited to forward the vision, purpose, and goals laid out in the River North Plan, including the following:

1. Restore the historic mixed use character of the area. (page 3)
2. Retention of some of the unique industrial buildings. (page 3)

3. Promoting economic activity. (page 4)
 4. Reactive a vacant and underutilized sites on Brighton Boulevard. (page 9)
 5. Build upon the unique land uses that exist and identify redevelopment sites and opportunities that foster the creation of a compatible mix of uses. (page 59)
 6. Add new development to the current uses and structures, create a unique environment both in terms of an eclectic mix of uses and exciting, innovative architecture. (page 60)
5. Boundaries of the Urban Redevelopment Plan

The boundaries of the Urban Redevelopment Area are set forth in Exhibit A hereto and are drawn as narrowly as feasible to accomplish the planning and development objectives of the Urban Redevelopment Area. The Urban Redevelopment Area does not contain any agricultural land as defined in Section 31-25-103(1), C.R.S.

6. Public Hearing

The City Council has held a public hearing on this Urban Redevelopment Plan after public notice thereof in compliance with law by publication in a newspaper having a general circulation in the City describing the time, date, place and purpose of the hearing, generally identifying the Urban Redevelopment Area covered by this Urban Redevelopment Plan, and outlining the general scope of the Project to be considered for implementation by the Authority pursuant to this Urban Redevelopment Plan. Additionally, reasonable efforts have been undertaken by the Authority to provide written notice of the public hearing to all property owners, residents and owners of business concerns in the Urban Redevelopment Area at their last known address of record at least thirty days

prior to such hearing. The written notice contained the same information as the published notice.

7. Other Findings

- a. The Urban Redevelopment Area may be conserved or rehabilitated through appropriate public action, as authorized or contemplated by the Act, and through the cooperation and voluntary action of the owners and tenants, if any, of the property located in the Urban Redevelopment Area.
- b. In order to eliminate or reduce the blighted conditions currently existing within the Urban Redevelopment Area, as well as those blighted conditions which may be reasonably anticipated to develop within the Urban Redevelopment Area in the absence of public action, it is the intent of the City Council in adopting this Urban Redevelopment Plan that the Authority exercise all powers authorized under the Act (except condemnation) and which are necessary, convenient or appropriate to accomplish the objectives of this Urban Redevelopment Plan, consistent with the City Cooperation Agreement.
- c. The powers conferred by the Act are for public uses and purposes for which public money may be expended and the police power exercised, and this Urban Redevelopment Plan is in the public interest and necessity, such finding being a matter of legislative determination by the City Council.
- d. No individual, families or businesses will be displaced by the Project undertaken pursuant to this Urban Redevelopment Plan.

C. DESCRIPTION OF URBAN REDEVELOPMENT PLAN OBJECTIVES

1. Urban Redevelopment Plan Objectives

The general objectives of this Urban Redevelopment Plan are to reduce or eliminate blighted conditions within the Urban Redevelopment Area and to stimulate the continued growth and redevelopment of the Urban Redevelopment Area and its surroundings. In particular, this Urban Redevelopment Plan is intended to promote the following (or any combination of the following) local objectives respecting appropriate land uses, public utilities, and other public improvements; provided that the delineation of such objectives shall not be construed to require that the Project or any other particular project shall necessarily promote all such objectives:

- a. To renew and improve the character and environment of the Urban Redevelopment Area by preventing or ameliorating the cycle of economic, physical and environmental deterioration.
- b. To eliminate the present and growing factors which contribute to the blight in the area; such blighting factors are detrimental to the community, and represent an economic liability to the City.
- c. To more effectively utilize the land in the Urban Redevelopment Area.
- d. To build upon present economic strengths near the Urban Redevelopment Area.
- e. To encourage and protect existing development immediately adjoining the Urban Redevelopment Area by creating conditions from which these adjoining areas can draw new economic strength.

- f. To improve the economy of the Urban Redevelopment Area by stabilizing and upgrading property values. To enhance the current sales tax base and property tax base within the City by stimulating the growth of assessed valuation and sales tax collections within the Urban Redevelopment Area.
- g. To provide access to employment opportunities for low-income and unemployed Denver residents.
- h. To create a local business climate that serves the neighborhood so that area residents can shop in the neighborhood which could enhance City air quality improvement efforts.
- i. To carry out the objectives of the Plan 2000, as amended.

D. PROJECT ACTIVITIES

In undertaking the Project and any other projects pursuant to this Urban Redevelopment Plan and the City Cooperation Agreement, the Authority shall comply, and shall require any Owner/Developer under any Redevelopment Agreement to comply with all applicable building and zoning regulations and other applicable ordinances of the City. Any Redevelopment Agreement entered into in connection with this Urban Redevelopment Plan shall be subject to all applicable building and zoning regulations and other applicable ordinances of the City.

1. Demolition, Clearance and Site Preparation

The Authority may demolish and clear, or contract to demolish and clear, those buildings, structures and other improvements from property pursuant to this Urban Redevelopment Plan if, in the judgment of the Authority, such buildings,

structures and other improvements are not to be rehabilitated in accordance with this Urban Redevelopment Plan.

2. Redevelopment and Rehabilitation Actions

Redevelopment and rehabilitation actions in furtherance of the Urban Redevelopment Area may include such undertakings and activities as are in accordance with this Urban Redevelopment Plan and the Act, including without limitation: (i) the demolition and removal of buildings and improvements as set forth herein; (ii) the installation, construction and reconstruction of public improvements as set forth herein; and (iii) to eliminate unhealthful, unsanitary or unsafe conditions, eliminate obsolete or other uses detrimental to the public welfare, or otherwise remove or prevent the spread of blight or deterioration or to provide land for needed public facilities.

It is anticipated that the redevelopment and rehabilitation of property within the Urban Redevelopment Area will be for the purpose of promoting development of the Project, currently contemplated to be a mixed use development consisting of light industrial, retail, office, and commercial, as well as any necessary public and private infrastructure, including newly surfaced parking within the Urban Redevelopment Area, and other undertakings authorized or allowed by this Urban Redevelopment Plan, the City Cooperation Agreement or the Act, and shall, if required in the judgment of the Authority, be undertaken pursuant to the terms of a Redevelopment Agreement, provided that in the absence of any such Redevelopment Agreement, development, redevelopment, and rehabilitation within the Urban Redevelopment Area may be undertaken in

accordance with the applicable building and zoning regulations and other applicable ordinances of the City.

3. Public Participation

The Authority has been in contact with various registered neighborhood organizations [(need to list RNOs)] and interested property owners in the vicinity of the Urban Redevelopment Area to invite public comments relating to the Project. Pursuant to policies adopted by the Authority and to the extent provided in Colorado Public Records Act, Colo. Rev. Stat. Title 24, Article 72, Part 2, as the same may be amended from time to time, the Project's plans and proposals will be made available to the public.

4. Redevelopment Agreements

The Authority is authorized to enter into one or more Redevelopment Agreements with an Owner/Developer and such other entities as are determined by the Authority to be necessary or desirable to carry out the purposes of this Urban Redevelopment Plan. Such Redevelopment Agreements may contain such terms and provisions as shall be deemed necessary or appropriate by the Authority for the purpose of undertaking the activities contemplated by this Urban Redevelopment Plan or the Act, and may further provide for such undertakings by the Authority, including financial assistance (subject to the limitations contained herein), as may be necessary for the achievement of the objectives of this Urban Redevelopment Plan and as may otherwise be authorized by the Act and the City Cooperation Agreement.

5. Public and Other Improvements and Facilities

The Authority may undertake certain actions which would make the Urban Redevelopment Area more attractive for private investment. The Authority may or may cause to be installed, constructed, and reconstructed any public improvements in the Urban Redevelopment Area, which may include, without limitation, road improvements, sidewalks, utility and service facilities, streetscapes, drainage improvements, pedestrian corridors, and parking facilities. The Authority may also, or cause others to, install, construct and reconstruct any other authorized improvements in the Urban Redevelopment Area, which may include, without limitation, other authorized undertakings or improvements for the purpose of promoting the objectives of this Urban Redevelopment Plan and the Act. Any such construction of improvements shall be performed in accordance with Plan 2000 and the City specifications and upon obtaining required City permits.

Public projects are intended to stimulate private sector investment in and around the Urban Redevelopment Area. The combination of public and private investment will assist in the redevelopment and conversion of the Urban Redevelopment Area into a compatible mix of uses to include light industrial, retail, office, and commercial, contributing to increased property taxes and sales taxes to the City.

E. PROJECT FINANCING

As more fully set forth herein, it is the intent of the Council in approving this Urban Redevelopment Plan to authorize the use of Property Tax Increment and Sales Tax

Increment by the Authority as part of its efforts to undertake this Urban Redevelopment Plan. The adoption of this Urban Redevelopment Plan shall be deemed an adoption of a provision that Property Taxes and Sales Taxes, if any, collected after the effective date of the approval of this Plan by or for the benefit of any public body shall be divided among the Authority and the applicable taxing entities for a period of twenty-five years thereafter or such lesser period as provided in Section 31-25-107 (9) of the Act or in the Cooperation Agreement. The Project may be financed in whole or in part by the Authority under the tax increment financing provisions of Section 31-25-107(9) (a) of the Act, or by any other available source of financing authorized to be undertaken by the Authority under the Act. The School District has been permitted to participate in an advisory capacity with respect to the tax increment financing provisions included in this Urban Redevelopment Plan, in the manner contemplated by the Act.

1. Financing Methods

The Authority is authorized to finance the Project within the Urban Redevelopment Area by several methods, including but not limited to the following: appropriations from the City; property tax increment; sales tax increment; interest income; federal loans or grants; or any other available source of revenue allowable under the provisions of the Act or other applicable laws. Subject to the Cooperation Agreement, the Authority is authorized to issue bonds or other obligations contemplated by the Act in an amount sufficient to finance all or any part of the Project within the Urban Redevelopment Area and to borrow funds and create indebtedness in any authorized form in carrying out this Urban Redevelopment Plan in the manner contemplated by the Act. The principal of, premium, if any, and interest on such indebtedness may be paid from Property

Tax Increment and Sales Tax Increment, or any other funds, revenues, assets or properties legally available to the Authority.

2. Tax Increment Financing

This Urban Redevelopment Plan contemplates that the primary method of financing the Project and other activities shall be the use of Sales Tax Increment or Property Tax Increment financing, or any combination thereof, under the tax increment financing provisions of Colo. Rev. Stat. § 31-25-107(9), as amended from time to time, which is by this reference incorporated herein as if set forth in its entirety, subject to City Council approval as set forth herein. In accordance with the Act, School District No. 1 in the City and County of Denver shall be permitted to participate in an advisory capacity with respect to the inclusion of tax increment financing in this Urban Renewal Plan and with respect to any use of Property Tax Increment. If there is any conflict between the Act, any Cooperation Agreements between the City and DURA and this Urban Redevelopment Plan, the provisions of the Act shall control.

For each Property Tax Increment Area and/or Sales Tax Increment Area, all Property Taxes levied after the effective date of the approval of the Property Tax Increment Area upon the taxable property in each Property Tax Increment Area each year and all Sales Tax Revenues, or a portion thereof, collected within each Sales Tax Increment Area by or for the benefit of the City, shall be divided as follows:

- a. In the case of a Property Tax Increment Area, that portion of the Property Tax Revenues that are produced by the levy at the rate fixed each year by

or for each public body upon the valuation for assessment of taxable property in the Property Tax Increment Area last certified prior to the effective date of approval of such Property Tax Increment Area in respect of this Urban Redevelopment Plan or, as to an area later added to the Property Tax Increment Area, the effective date of the modification of this Urban Redevelopment Plan specifying such Property Tax Increment Area shall be paid into the funds of each such public body as are all other taxes collected by or for such public body.

- b. In the case of a Sales Tax Increment Area, that portion of Sales Tax Revenues equal to the amount collected within the boundaries of the Sales Tax Increment Area in the twelve-month period ending on the last day of the month prior to effective date of approval of such Sales Tax Increment Area in respect to this Urban Redevelopment Plan or as to an area later added to the Urban Redevelopment Area, the effective date of modification of this Urban Redevelopment Plan shall be paid into the funds of each such public body as are all other taxes collected by or for such public body.
- c. Except as the Authority may legally provide otherwise under the Act, that portion of the Property Tax Revenues in excess of the amounts described in paragraph (a) above, and/or all or any portion of Sales Tax Revenues in excess of those described in paragraph (b) above, shall be allocated to, and when collected, paid into a special fund of the Authority, and may be irrevocably pledged by the Authority for the payment of the principal of,

premium, if any, and interest on any bonds of, loans or advances to, or indebtedness (whether funded, refunded, assumed, or otherwise) incurred by the Authority to finance or refinance, in whole or in part, the Project. Unless and until the Property Tax Revenue in any Property Tax Increment Area exceeds the amount as provided in paragraph (a), above, all of the Property Tax Revenues for the Property Tax Increment Area shall be paid into the funds of the respective public bodies. Unless and until the total Sales Tax Revenues in any Sales Tax Increment Area exceed the Sales Tax Base Amount in such Sales Tax Increment Area, as provided in paragraph (b), above, all such Sales Tax Revenue shall be paid into the funds of the City.

- d. When such bonds, loans, advances, and indebtedness, if any, including interest thereon and any premiums due in connection therewith, have been paid, with respect to a Tax Increment Area but in no event later than twenty-five (25) years following the effective date such Tax Increment Area is included in and amends this Urban Redevelopment Plan by an amendment approved by City Council, the total Sales Tax Revenues and Property Tax Revenues in such Tax Increment Area shall be paid into the funds of the City and the applicable public bodies, respectively.
- e. In the event there is a general reassessment of taxable property valuations in the City including all or part of any Tax increment Area, or a change in the sales tax percentage levied in the City including all or part of any Tax Increment Area, the portions of valuations for assessment or sales tax

revenues attributable thereto under this Part V shall be proportionately adjusted in accordance with such reassessment or change.

- f. The Authority and the City may, by Cooperation Agreement or other agreement, provide for the method by which Property Tax Increment and Sales Tax Increment shall be allocated and paid to the Authority pursuant to the provisions of this Urban Redevelopment Plan and the Act. Such agreements, and similar agreements between the Authority and other public bodies, may provide for additional assistance by the City and cooperation between the Authority and the City in support of the Project as may be more fully set forth in the provisions of such Cooperation Agreement or other agreement.

F. LAND USE PLAN

1. Land Use Designation

Land use within the Urban Redevelopment Area shall conform to those uses (by right or otherwise) permitted by the Plan 2000, and applicable ordinances and regulations, including zoning regulations, of the City.

2. Land Use Objectives

Land use objectives of this Urban Redevelopment Plan are to encourage the development of uses, building densities, pedestrian, and vehicular accommodations, and other related facilities, in order to create a high-quality, economic environment consisting of a mix of uses contemplated to include light industrial, retail, office, and commercial, commensurate with high-quality urban design.

G. CHANGES IN THE APPROVED URBAN REDEVELOPMENT PLAN

This Urban Redevelopment Plan may be modified pursuant to the provisions of the Act governing such modification, including Section 31-25-107 thereof, as the same may be amended from time to time.

H. MINOR VARIATIONS

In specific cases, where a literal enforcement of the provisions contained in the Urban Redevelopment Plan constitutes an unreasonable limitation beyond the intent and purpose of these provisions, the Authority may allow minor variances from these provisions.

I. INTER-GOVERNMENTAL COOPERATION

For the purposes of this Plan, the Authority may enter into one or more Cooperation Agreements with the City or other public bodies pursuant to the Act. The City and the Authority recognize the need to cooperate in the implementation of this Urban Redevelopment Plan for, but not limited to, such items as project financing and the administering of the construction of public improvements. This paragraph shall not be construed to require any particular form of cooperation.

J. DESIGN REVIEW

In connection with its undertaking of the Project, the Authority may require participation in a design review process in collaboration with applicable City staff, in addition to any design review required by the City.

K. SEVERABILITY

If any provision of this Urban Redevelopment Plan is held by a court to be illegal, invalid, or unenforceable, the other provisions herein that are severable shall be unaffected. Furthermore, such illegal, invalid or unenforceable provision shall be automatically replaced with a provision as similar in terms to such illegal, invalid, or unenforceable provision as may be possible and still be legal, valid and enforceable, and this Urban Redevelopment Plan shall be deemed reformed accordingly.

L. PROJECT ART

The Authority requires that project art be installed in accordance with the Authority's Project Art Policy. This program provides that at least one percent (1%) of the gross bond proceeds issued by the Authority in connection with the Project or one percent (1%) of the Project's maximum reimbursable expenses as of the effective date of the Redevelopment Agreement be utilized for project art in a location accessible to the general public.

M. FIRST SOURCE HIRING PROGRAM

With respect to the Redevelopment Agreement, the Authority and the Owner/Developer shall work together with designated agencies to carry out the DURA First Source Hiring and Outreach Program designed to provide employment opportunities to Denver residents, and which includes, among other things, recruitment, training, and similar activities, for permanent employees of the owners and tenants at the Project.

N. SMALL BUSINESS ENTERPRISES UTILIZATION PROGRAM

The Authority has adopted and will require Owner/Developers to adopt, a small business enterprise utilization plan regarding small business enterprise participation for each Redevelopment Agreement and for any other agreement the Authority implements in connection with the Project. The Authority agrees to implement and enforce, or cause Owner/Developer to implement and enforce, such small business enterprise utilization plans and to review and, if necessary, update such plans from time to time.

O. ENHANCED TRAINING OPPORTUNITIES POLICY

The Authority has adopted and will require each Owner/Developer to adopt an Enhanced Training Opportunities plan for each Redevelopment Agreement and for any other agreement the Authority implements in connection with the Project. The Authority agrees to implement and enforce, or cause each Owner/Developer to implement and enforce, such plans and to review and, if necessary, update such plans from time to time.

P. PREVAILING WAGE POLICY

The Authority has adopted a Prevailing Wage Policy which is applicable in certain circumstances. In the event any improvements funded in whole or in part with tax increment financing provided by the Authority are deemed to be "City Projects" pursuant to the Authority's Prevailing Wage Policy, the Authority will require each Owner/Developer constructing such improvements to comply with the City's prevailing wage requirements for the construction of such improvements.



1601 Blake Street, Suite 200
Denver, Colorado 80202
303-572-0200
matrixdesigngroup.com

Job No. 12.311.006
IRONWORKS STUDY
BLIGHT AREA BOUNDARY

EXHIBIT A

A PARCEL OF LAND BEING A PORTION OF BLOCK 89, CASE AND EBERT'S ADDITION TO THE CITY OF DENVER BEING LOCATED IN THE NORTHEAST QUARTER OF SECTION 27, TOWNSHIP 3 SOUTH, RANGE 68 WEST OF THE 6TH P.M., CITY AND COUNTY OF DENVER, STATE OF COLORADO BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SOUTHEAST RIGHT-OF-WAY LINE OF BRIGHTON BOULEVARD LYING 275.00 FEET NORTHEAST OF THE INTERSECTION OF THE SOUTHEAST RIGHT-OF-WAY LINE OF BRIGHTON BOULEVARD AND THE NORTHERLY EXTENSION OF THE NORTHERLY RIGHT-OF-WAY LINE OF 33RD STREET;

THENCE SOUTH 45°25'18" EAST, A DISTANCE OF 182.50 FEET;

THENCE SOUTH 44°34'42" WEST, A DISTANCE OF 2.60 FEET;

THENCE SOUTH 45°25'18" EAST, A DISTANCE OF 164.50 FEET;

THENCE NORTH 44°34'42" EAST, A DISTANCE OF 127.60 FEET;

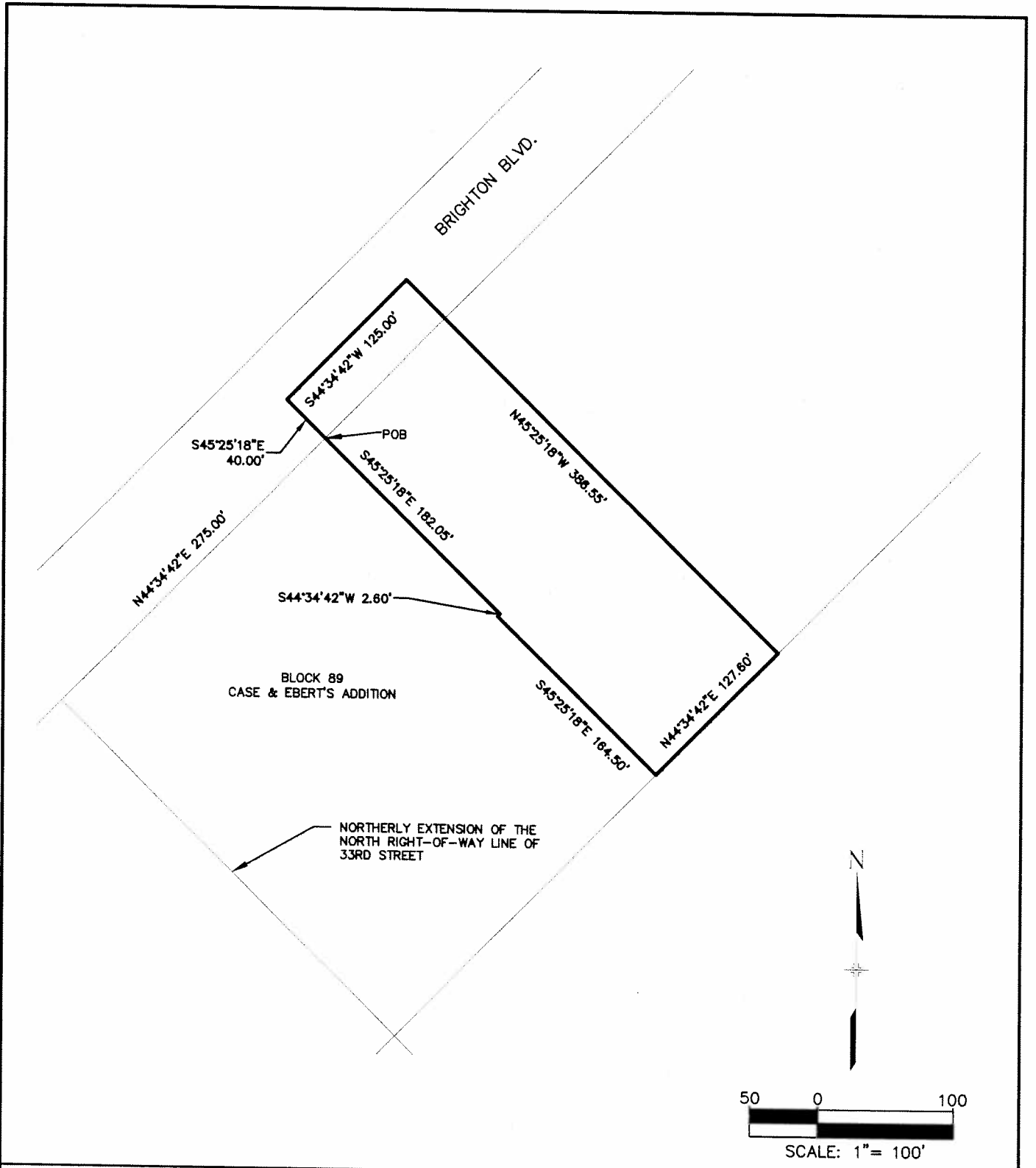
THENCE NORTH 45°25'18" WEST, A DISTANCE OF 386.55 FEET TO THE CENTERLINE OF BRIGHTON BOULEVARD;


THENCE SOUTH 44°34'42" WEST, ALONG SAID CENTERLINE, A DISTANCE OF 125.00 FEET;

THENCE SOUTH 45°25'18" EAST, A DISTANCE OF 40.00 FEET TO THE POINT OF BEGINNING.

THE ABOVE DESCRIBED PARCEL CONTAINS A CALCULATED AREA OF 48,746 SQUARE FEET OR 1.1119 ACRES, MORE OR LESS.

BASIS OF BEARINGS: THE BEARINGS USED IN THIS DESCRIPTION ARE BASED ON THE WEST LINE OF THE SOUTHEAST QUARTER OF SECTION 27, TOWNSHIP 3 SOUTH, RANGE 68 WEST OF THE 6TH P.M. BEING MONUMENTED AT THE NORTH END BY A RAILROAD SPIKE IN THE CENTER OF THE RAILROAD TRACTS AND BEING MONUMENTED ON THE SOUTH END BY A 1" AXEL IN ASPHALT, AS SHOWN ON THE LAND SURVEY PLAT BY FRASIER AND HALBE ENGINEERING COMPANY, AS RECORDED AT RECEPTION NUMBER L001407 OF THE COUNTY SURVEYORS LAND SURVEY PLATS/RIGHT-OF-WAY SURVEYS AND IS ASSUMED TO BEAR NORTH 00°14'26" WEST, 2643.07 FEET.



Matrix 
DESIGN GROUP

1601 Blake Street, Suite 200
 Denver, CO 80202
 Phone 303-572-0200
 Fax 303-572-0202

R:\12.311.006 (Ironworks Blight Study)\dwg\Ironworks Blight Area.dwg

BLIGHT STUDY BOUNDARY		
EXHIBIT B		
DRAWN BY: CAB	DATE: 07/29/12	SHEET
CHECKED BY: CAB	JN: 12.311.006	2 of 2

12-625-A

Ironworks Foundry Conditions Study

City & County of Denver, Colorado



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Section 1: Study Overview

Purpose

The *Ironworks Foundry Conditions Study* (“Study”) is an examination and analysis of various conditions found within a defined geographic area to determine if the area qualifies as a “blighted” area within the meaning of the Colorado Urban Renewal Law.

The Study is a necessary step if urban renewal, as defined and authorized by Colorado statutes, (**see Section 2 and Section 3**), is to be used as a tool by the Denver Urban Renewal Authority to remedy and prevent conditions of blight. The findings and conclusions presented in this report are intended to assist the Denver Urban Renewal Authority Board of Commissioners and the Denver City Council in making a final determination as to whether the Study Area qualifies as blighted and, consequently, the feasibility and appropriateness of using urban renewal as a reinvestment tool.

To conduct the Study and prepare the Study report, the Denver Urban Renewal Authority retained the services of Denver-based consulting firm Matrix Design Group. Matrix has experience in conducting conditions studies for municipalities and agencies across Colorado, and has the ability to efficiently handle multiple aspects of the process, including the study itself, environmental assessments, and legal descriptions.

Methodology

The defined geographic area (“Study Area”) examined in this Conditions Study was determined by the Denver Urban Renewal Authority and lies entirely within the Denver municipal boundaries. A map depicting the boundaries of the Study Area is presented in **Section 4** of this report as **Exhibit 2: Study Area Map**.

Data collection for conditions of blight (see **Sections 2 and 3** for what constitutes conditions of blight) was accomplished through several means. For those blight conditions that could be identified by visual observation and

by the use of maps and aerial photography, the consultant team conducted a field survey of the Study Area in April 2012. For those blight conditions that are not observable in the field (such as traffic data, crime statistics, etc.), blight condition data was obtained from appropriate City and County of Denver departments during the same time period.

The project team did not conduct an active search for one blight factor identified in the Colorado Urban Renewal statute, (“ Defective or unusual conditions of title rendering the title non-marketable”). That does not mean, however, that defective or unusual title conditions do not exist in the Study Area.

Section 2: Colorado Urban Renewal Statutes and Blighted Areas

In the Colorado Urban Renewal Law, Colo. Rev. Stat. § 31-25-101 et seq. (the “Urban Renewal Law”), the legislature has declared that an area of blight “constitutes a serious and growing menace, injurious to the public health, safety, morals, and welfare of the residents of the state in general and municipalities thereof; that the existence of such areas contributes substantially to the spread of disease and crime, constitutes an economic and social liability, substantially impairs or arrests the sound growth of municipalities, retards the provision of housing accommodations, aggravates traffic problems and impairs or arrests the elimination of traffic hazards and the improvement of traffic facilities; and that the prevention and elimination of slums and blight is a matter of public policy and statewide concern....”

Under the Urban Renewal Law, the term “blighted area” describes an area with an array of urban problems, including health and social deficiencies, and physical deterioration. See Colo. Rev. Stat. § 31-25-103(2). Before remedial action can be taken, however, the Urban Renewal Law requires a finding by the appropriate governing body that an area such as the Study Area constitutes a blighted area. Colo. Rev. Stat. §31-25-107(1).

The finding of blight is a legislative determination by the municipality’s governing body that, as a result of the presence of factors enumerated in the definition of “blighted area,” the area is a detriment to the health and vitality of the community requiring the use of the municipality’s urban renewal powers to correct those conditions or prevent their spread. In some cases, the factors enumerated in the definition are symptoms of decay, and in some instances, these factors are the cause of the problems. The definition requires the governing body to examine the factors and determine whether these factors indicate a deterioration that threatens the community as a whole.

For purposes of the Study, the definition of a blighted area is articulated in the Colorado Urban Renewal statute as follows:

*“Blighted area” means an area that, in its present condition and use and, by reason of the presence of at least **four** of the following factors, substantially impairs or arrests the sound growth of the municipality, retards the provision of housing accommodations, or constitutes an economic or social liability, and is a menace to the public health, safety, morals, or welfare:*

- a. *Slum, deteriorated, or deteriorating structures;*
- b. *Predominance of defective or inadequate street layout;*
- c. *Faulty lot layout in relation to size, adequacy, accessibility, or usefulness;*
- d. *Unsanitary or unsafe conditions;*
- e. *Deterioration of site or other improvements;*
- f. *Unusual topography or inadequate public improvements or utilities;*
- g. *Defective or unusual conditions of title rendering the title non-marketable;*
- h. *The existence of conditions that endanger life or property by fire or other causes;*
- i. *Buildings that are unsafe or unhealthy for persons to live or work in because of building code violations, dilapidation, deterioration, defective design, physical construction, or faulty or inadequate facilities;*
- j. *Environmental contamination of buildings or property; or*
- k.5. *The existence of health, safety, or welfare factors requiring high levels of municipal services or substantial physical underutilization or vacancy of sites, buildings, or other improvements”*

In addition, paragraph (l.) states, *“if there is no objection by the property owner or owners and the tenant or tenants of such owner or owners, if any, to the inclusion of such property in an urban renewal area, ‘blighted area’ also means an area that, in its present condition and use and, by reason of the presence of any **one** of the factors specified in paragraphs (a) to (k.5) of this subsection. . . .”*

The statute also states a separate requirement for the number of blight factors that must be present if private property is to be acquired by eminent domain. At § 31-25-105.5(5), paragraph (a.) states, *“‘Blighted area’ shall have the same meaning as set forth in section 31-25-103 (2); except that, for purposes of this section only, ‘blighted area’ means an area that, in its present condition and use and, by reason of the presence of at least **five** of the factors specified in section 31-25-103 (2)(a) to (2)(l). . . .”*

Thus, the state statutes require, depending on the circumstances, that a minimum of either **one, four, or five** blight factors be present for an area to be considered a “blighted area.”

Principles have been developed by Colorado courts to guide the determination of whether an area constitutes a blighted area under the Urban Renewal Law. First, the absence of widespread violation of building and health codes does not, by itself, preclude a finding of blight. According to the courts, “the definition of ‘blighted area’ contained in [the Urban Renewal Law] is broad and encompasses not only those areas containing properties so dilapidated as to justify condemnation as nuisances, but also envisions the prevention of deterioration.”

Second, the presence of one well-maintained building does not defeat a determination that an area constitutes a blighted area. Normally, a determination of blight is based upon an area “taken as a whole,” and not on a building-by-building, parcel-by-parcel, or block-by-block basis.

Based upon the conditions identified in the Study Area, this report makes a recommendation as to whether the Study Area qualifies as a blighted area. The actual determination itself remains the responsibility of the Denver City Council.

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Section 3: Conditions Indicative of the Presence of Blight

As discussed in **Section 2**, the Colorado Urban Renewal statute provides a list of 11 factors that, through their presence, may allow an area to be declared as blighted. This section elaborates on those 11 factors by describing some of the conditions that might be found within a Study Area that would indicate the presence of those factors.

Slum, Deteriorated, or Deteriorating Structures:

During the field reconnaissance of the Study Area, the general condition and level of deterioration of a building is evaluated. This examination is limited to a visual inspection of the building's exterior condition and is not a detailed engineering or architectural analysis, nor does it include the building's interior. The intent is to document obvious indications of disrepair and deterioration to the exterior of a structure found within the Study Area. Some of the exterior elements observed for signs of deterioration include:

- Primary elements (exterior walls, visible foundation, roof)
- Secondary elements (fascia/soffits, gutters/downspouts, windows/doors, façade finishes, loading docks, etc.)
- Ancillary structures (detached garages, storage buildings, etc.)

Predominance of Defective or Inadequate Street Layout:

The presence of this factor is determined through a combination of both field observation as well as an analysis of the existing transportation network and vehicular and pedestrian circulation patterns in the Study Area by persons with expertise in transportation planning and/or traffic engineering. These conditions include:

- Inadequate street or alley widths, cross-sections, or geometries
- Poor provisions or unsafe conditions for the flow of vehicular traffic
- Poor provisions or unsafe conditions for the flow of pedestrians

- Insufficient roadway capacity leading to unusual congestion of traffic
- Inadequate emergency vehicle access
- Poor vehicular/pedestrian access to buildings or sites
- Poor internal vehicular/pedestrian circulation
- Excessive curb cuts/driveways in commercial areas

These conditions can affect the adequacy or performance of the transportation system within the Study Area, creating a street layout that is defective or inadequate.

Faulty Lot Layout in Relation to Size, Adequacy, Accessibility, or Usefulness:

This factor requires an analysis of the parcels within the Study Area as to their potential and usefulness as developable sites. Conditions indicative of the presence of this factor include:

- Lots that are long, narrow, or irregularly shaped
- Lots that are inadequate in size
- Lots with configurations that result in stagnant, misused, or unused land
- Lots with billboards that have active leases, making redevelopment more difficult

This analysis considers the shape, orientation, and size of undeveloped parcels within the Study Area and if these attributes would negatively impact the potential for development of the parcel. This evaluation is performed both through observation in the field and through an analysis of parcel boundary maps of the Study Area.

Unsanitary or Unsafe Conditions:

Conditions observed within the Study Area that qualify under this blight factor include:

- Floodplains or flood prone areas
- Inadequate storm drainage systems/evidence of standing water
- Poor fire protection facilities
- Above average incidences of public safety responses
- Inadequate sanitation or water systems
- Existence of contaminants or hazardous conditions or materials
- High or unusual crime statistics
- Open trash dumpsters
- Severely cracked, sloped, or uneven surfaces for pedestrians
- Illegal dumping
- Vagrants/vandalism/graffiti/gang activity
- Open ditches, holes, or trenches in pedestrian areas

These represent situations in which the safety of individuals, especially pedestrians and children, may be compromised due to environmental and physical conditions considered to be unsanitary or unsafe.

Deterioration of Site or Other Improvements:

The conditions that apply to this blight factor reflect the deterioration of various improvements made on a site other than building structures. These conditions may represent a lack of general maintenance at a site, the physical degradation of specific improvements, or an improvement that was poorly planned or constructed. Overall, the presence of these conditions can reduce a site's usefulness and desirability and negatively affect nearby properties.

- Neglected properties or evidence of general site maintenance problems
- Deteriorated signage or lighting
- Deteriorated fences, walls, or gates
- Deterioration of on-site parking surfaces, curb & gutter, or sidewalks
- Poorly maintained landscaping or overgrown vegetation
- Poor parking lot/driveway layout
- Unpaved parking lot on commercial properties

Unusual Topography or Inadequate Public Improvements or Utilities:

The focus of this factor is on the presence of unusual topographical conditions that could make development prohibitive, such as steep slopes or poor load-bearing soils, as well as deficiencies in the public infrastructure system within the Study Area that could include:

- Steep slopes / rock outcroppings / poor load-bearing soils
- Deteriorated public infrastructure (street/alley pavement, curb, gutter, sidewalks, street lighting, storm drainage systems)
- Lack of public infrastructure (same as above)
- Presence of overhead utilities or billboards
- Inadequate fire protection facilities/hydrants
- Inadequate sanitation or water systems

Defective or Unusual Conditions of Title Rendering the Title Non-Marketable:

Certain properties can be difficult to market or redevelop if they have overly restrictive or prohibitive clauses in their deeds or titles, or if they involve an unusually complex or highly divided ownership arrangement. Examples include:

- Properties with covenants or other limiting clauses that significantly impair their ability to redevelop
- Properties with disputed or defective title
- Multiplicity of ownership making assemblages of land difficult or impossible

Existence of Conditions that Endanger Life or Property by Fire and Other Causes:

A finding of blight within this factor can result from the presence of the following conditions, which include both the deterioration of physical improvements that can lead to dangerous situations as well as the inability for emergency personnel or equipment to provide services to a site:

- Buildings or sites inaccessible to fire and emergency vehicles
- Blocked/poorly maintained fire and emergency access routes/frontages
- Insufficient fire and emergency vehicle turning radii
- Buildings or properties not in compliance with fire codes, building codes, or environmental regulations

Buildings that are Unsafe or Unhealthy for Persons to Live or Work In:

Some of the conditions that can contribute to this blight factor include:

- Buildings or properties not in compliance with fire codes, building codes, or environmental regulations
- Buildings with deteriorated elements that create unsafe conditions
- Buildings with inadequate or improperly installed utility components

Environmental Contamination of Buildings or Property:

This factor represents the presence of contamination in the soils, structures, water sources, or other locations within the Study Area.

- Presence of hazardous substances, liquids, or gasses

Existence of Factors Requiring High Levels of Municipal Services or Substantial Physical Underutilization or Vacancy of Sites, Buildings, or Other Improvements:

The physical conditions that would contribute to this blight factor include:

- Sites with a high incidence of fire, police, or emergency responses
- Sites adjacent to streets/alleys with a high incidence of traffic accidents
- Sites with a high incidence of code enforcement responses
- An undeveloped parcel in a generally urbanized area
- A parcel with a disproportionately small percentage of its total land area developed
- Vacant structures or vacant units in multi-unit structures

Section 4: Study Area Location, Definition, and Description

The Ironworks Foundry Conditions Study Area is located northeast of Downtown Denver's Central Business District, situated on Brighton Boulevard, which is a primary gateway into downtown from Interstate 70. The Study Area is comprised of a single large industrial parcel located on the southeast side of Brighton between 33rd and 34th Streets.

The large industrial parcel that forms the boundaries of the Study Area is 41,686 sq ft, according to the assessor's records, making it just under one acre. The two structures constructed on the site, both large industrial warehouses, have a footprint of 19,520 sq ft. The two structures share a common wall which is not wholly intact in the interior, essentially creating one large space between the two of them. The remainder of the site is largely unutilized, occasionally used for outdoor storage and parking.

Exhibit 1: Study Area Context, shows the location of the Study Area within the context of Downtown Denver and the surrounding central area. **Exhibit 2: Study Area Map** visually depicts the layout and configuration of the Study Area and roads in the surrounding area.

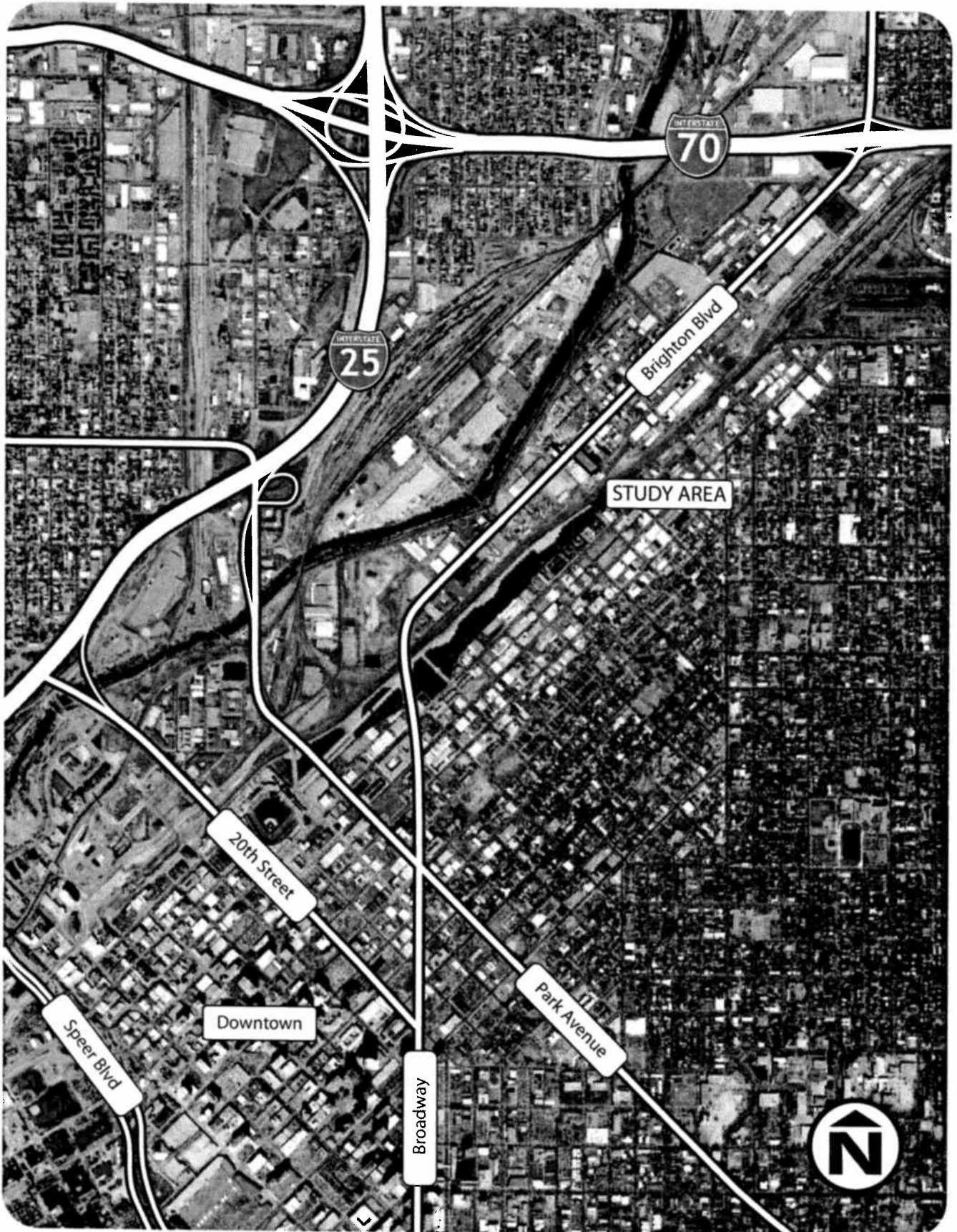


Exhibit 1: Study Area Context

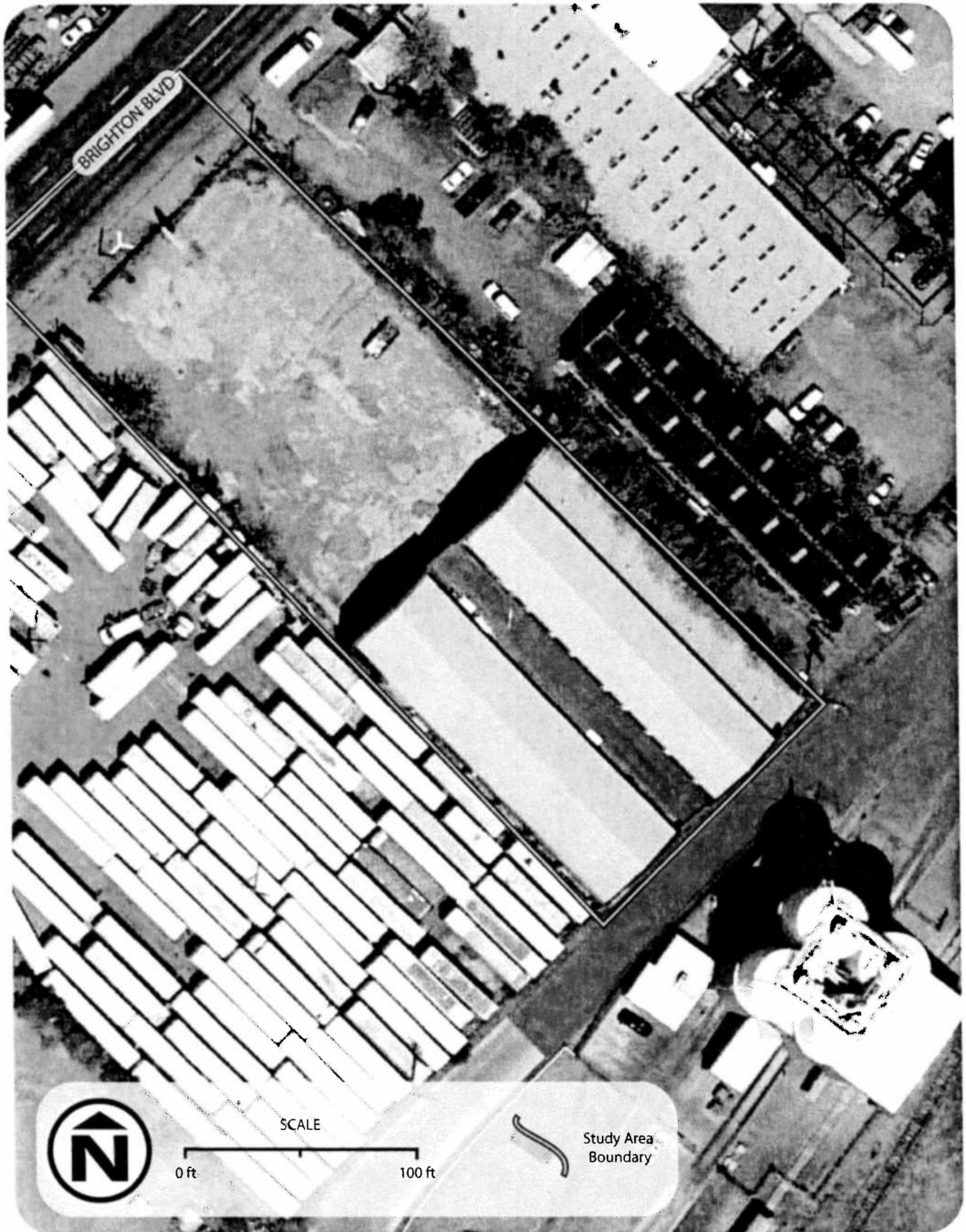


Exhibit 2: Study Area Map

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Section 5: Study Findings

The overall findings of the Ironworks Foundry Conditions Study are presented below in a format that mirrors the list of factors and conditions of blight discussed in **Section 3**.

Slum, Deteriorated, or Deteriorating Structures

The two warehouse structures sharing a common wall, (referred to as “the structure” for the remainder of this report), exhibited evidence of severe deterioration during the field inspection conducted in April 2012.

Major issues included a proliferation of boarded windows, doors, and loading bays. Graffiti was common throughout the exterior of the structure. In many locations, the brick mortar had crumbled away, leaving loose, unstable bricks. The sheet metal roof was found to be deteriorated in places, and some building systems including electrical and water systems needed major overhaul and/or replacement.



The overall structure had numerous boarded windows & doors, and graffiti proliferated throughout the exterior and interior



The exterior surfaces of the building were very deteriorated. Here, mortar is crumbling away from the brickwork, making the bricks loose and unstable



More crumbling brickwork could be found throughout the interior



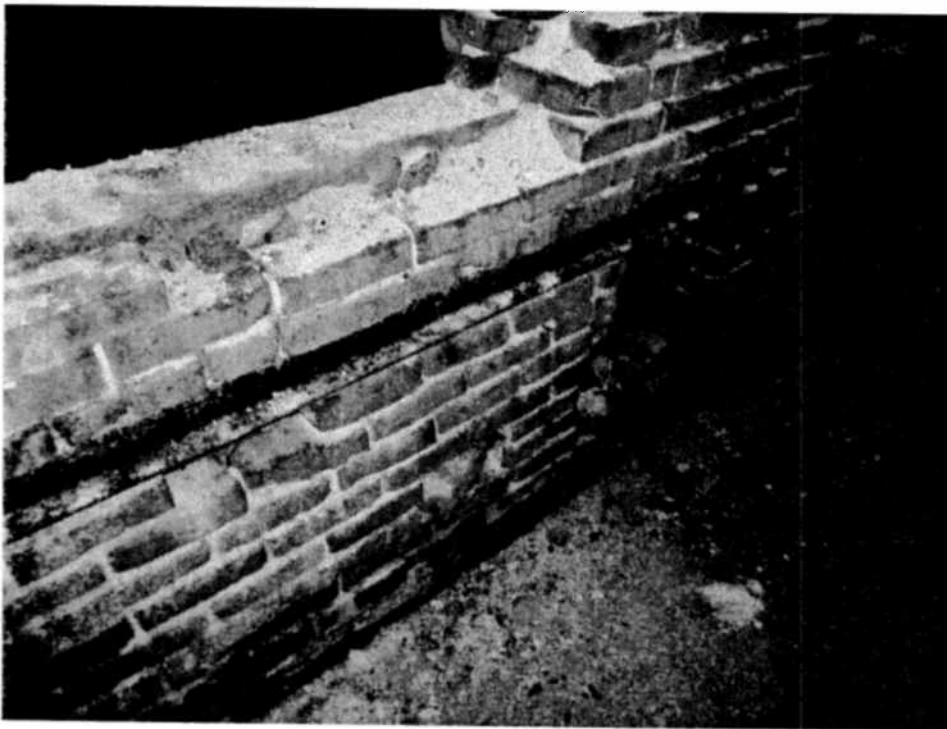
Many doors and windows were boarded up to prevent trespassing



Graffiti was very common



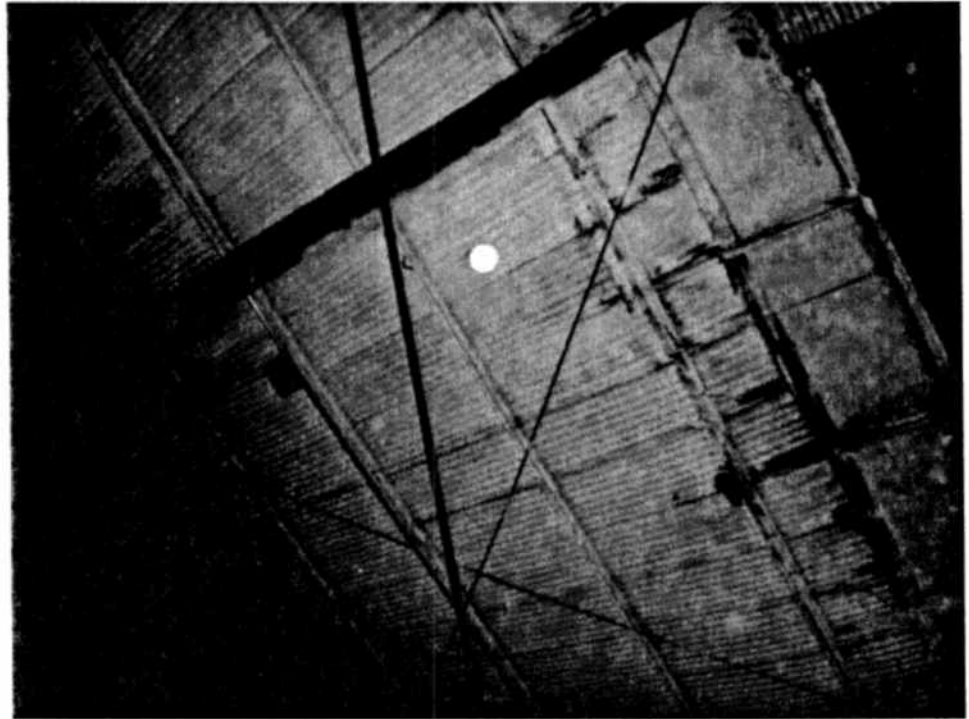
Another boarded window



The common wall between the two individual buildings was deteriorated



The building's electrical systems were no longer intact and would need to be brought up to code



The sheet metal roof was rusted and boarded up in places



More boarded windows as seen from the interior

The Study Area is considered to have *Slum, Deteriorated, or Deteriorating Structures*.

Predominance of Defective or Inadequate Street Layout

The only streets adjacent to the Study Area are Brighton Boulevard to the northwest, which serves as the primary access to the site, and a private road to the southeast, which is essentially Wynkoop Street extended.

Although Brighton Boulevard lacks sidewalks, curb & gutter near the Study Area, the street layout was generally adequate in the vicinity of the Study Area.

Data obtained from the City of Denver shows that four traffic accidents and two hit-and-runs had occurred within 1,000 ft of the Study Area over the past year, and unreported incidents could bring this number higher. However, this is not an unusual concentration of accidents for an area with a 1,000 ft radius in central Denver, and is not likely a matter of road geometry or layout.

This factor is not considered present in the Study Area.

Faulty Lot Layout in Relation to Size, Adequacy, Accessibility, or Usefulness

To assess the presence of this factor, a combination of parcel data and field survey notes was used.

Since the single parcel in the Study Area is large and rectangular and has good access to Brighton Boulevard, its configuration does inhibit redevelopment. While the existing structure on the property does not conform to the site's current zoning, the one acre lot is easily large enough to accommodate a hypothetical structure conforming to zoning bulk limitations while providing adequate space for off-street parking. The rectangular shape of the parcel creates no issues from a site planning standpoint.

There was, however, a billboard on the property with an active lease, which could pose an issue for redevelopment until the lease is up. However, this isolated issue was not serious enough in itself to rise to the level needed to consider the presence of this blight factor.

The Study Area is not considered to have *Faulty Lot Layout*.

Unsanitary or Unsafe Conditions

Data received from the Denver Police Department show that over the past year, three counts of larceny have been recorded within 500 feet of the Study Area (larceny was the only type of crime reported). When this radius is increased to 1,000 feet, however, the number of recorded crimes grows to 25. This is largely because most recorded crime activity in the River North area is concentrated in residential/commercial parts of the neighborhood that are more heavily populated than the industrial vicinity of the Study Area. These populated parts of River North simply may have more residents observing and reporting crime rather than higher levels of crime overall; however, as this Study must rely on concrete data that is available, the vicinity of the Study Area is fairly safe relative to the wider area. Therefore, the Study Area cannot be considered to be unsafe due to crime.

Data from Denver Public Works and the City's Storm Drainage Master Plan reveal that the stormwater basin is in need of stormwater infrastructure upgrades, and has a less than one year capacity, meaning that flooding events can be expected to occur very frequently. However, while certain areas near the Study Area have the potential to experience flooding and ponding during major storm events, the Study Area itself is outside of these ponding areas due to the topography of the neighborhood. Therefore, the Study Area cannot be considered unsanitary or unsafe due to flooding.

Additionally, although the building itself is not safe for habitation, the *Unsanitary or Unsafe Conditions* blight factor as described in Colorado Statute seems designed to be focused on the analysis of the site itself, with the safety of the building addressed by the *Buildings that are Unsafe or Unhealthy to Live or Work in* factor (discussed later in this section). Therefore, the unsafe condition of the building is considered separately from this factor.

A final safety issue centered around the lack of sidewalk infrastructure along the public right-of-way adjacent to the Study Area does exist. Due to the urban nature of the vicinity of the Study Area and its proximity to downtown Denver, pedestrian activity can reasonably be expected. Furthermore, as multifamily residential projects continue to be constructed in the area, pedestrian activity will only increase, and the lack of sidewalks along Brighton Blvd will

increasingly become a safety issue. However, although the current situation is not ideal, it is not serious enough to warrant a finding of *Unsanitary or Unsafe Conditions*.

This factor is therefore not considered to be present in the Study Area.

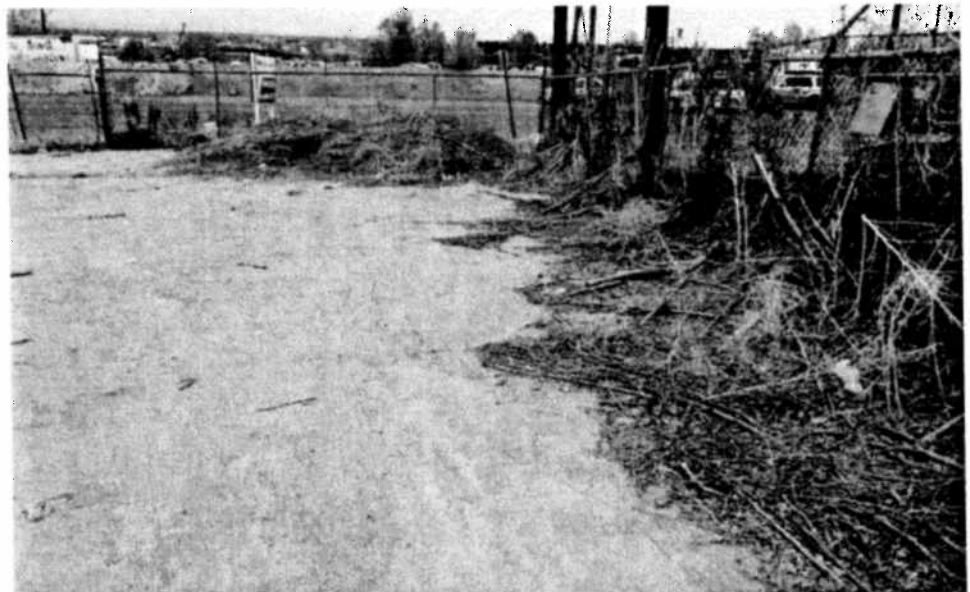
Deterioration of Site or Other Improvements

The Study Area property was generally deteriorated, with the primary issues being deteriorated pavement, overgrown vegetation, and occasional litter and debris throughout the site.

This factor is considered present in the Study Area.



The concrete pavement throughout the Study Area was cracked, uneven, and deteriorated



Vegetation in the Study Area, although not wildly overgrown, was unkempt.



A pile of bricks and debris on the southwest side of the parking lot

Unusual Topography or Inadequate Public Improvements or Utilities

The greatest issue with inadequate public improvements in the Study Area was the lack of curb, gutter, and sidewalk along Brighton Boulevard adjacent to the Study Area. Brighton Blvd has these amenities south of 31st Street where it has been completely rebuilt, but north of 31st, including the vicinity of the Study Area, these features were nonexistent. Any redevelopment in this urban area would need to provide sidewalks to accommodate pedestrian traffic, which could be an inhibiting factor to redevelopment and reinvestment in the area.

Additionally, as mentioned earlier in this section, stormwater infrastructure in the area needs to be upgraded as it currently has less than a 1-year capacity, even though the Ironworks site in particular is not prone to ponding or flooding due to the topography.

There was no unusual topography found in the Study Area that would substantially impair investment and redevelopment.

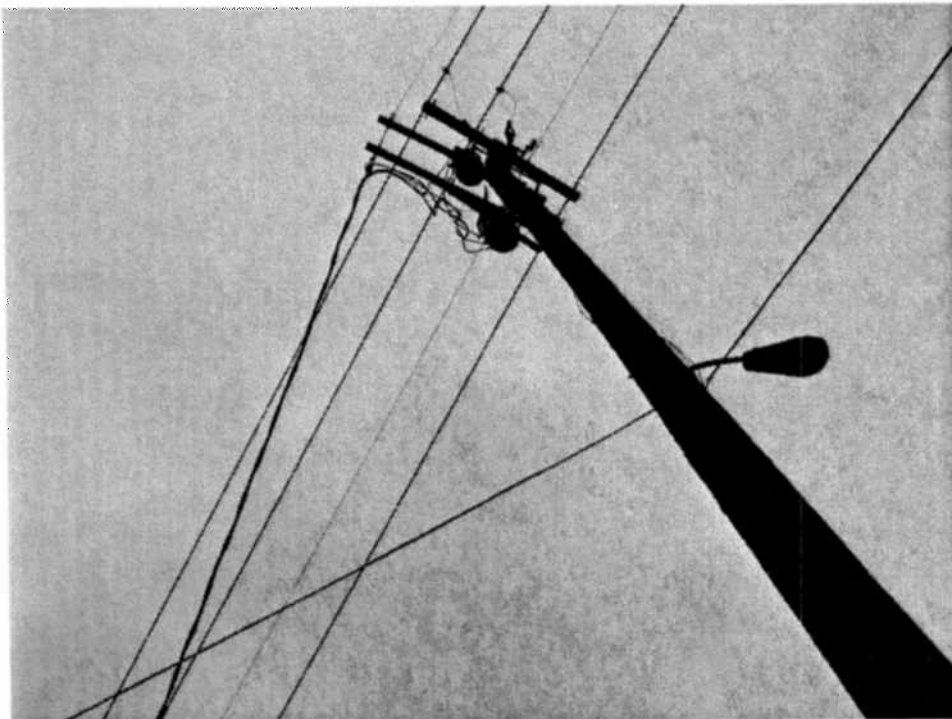
This factor is considered present in the Study Area.



There was no curb, gutter, or sidewalks along Brighton Blvd adjacent to the Study Area



Another view of the perimeter of the Study Area along Brighton



Overhead utilities were found in a portion of the Study Area

Defective or Unusual Conditions of Title Rendering the Title Non-marketable

This factor was not researched and no evidence was presented to Matrix Design Group that this condition exists within the Study Area.

This factor is not considered present in the Study Area.

Existence of Conditions that Endanger Life or Property by Fire or Other Causes

The warehouse structure in the Study Area did not have proper fire suppression systems such as sprinklers at the time of the field survey, and would likely need them to be up to code after any redevelopment or adaptive reuse of the property. Furthermore, access to the sides of the building by emergency vehicles is extremely limited because the structure extends to the edges of the property on the southwest and northeast sides where there is no road access.

The structure itself is also was found to have structural issues that make it unsafe for habitation in its current condition, which is discussed in further detail on the next page.

This factor is considered to be present in the Study Area.

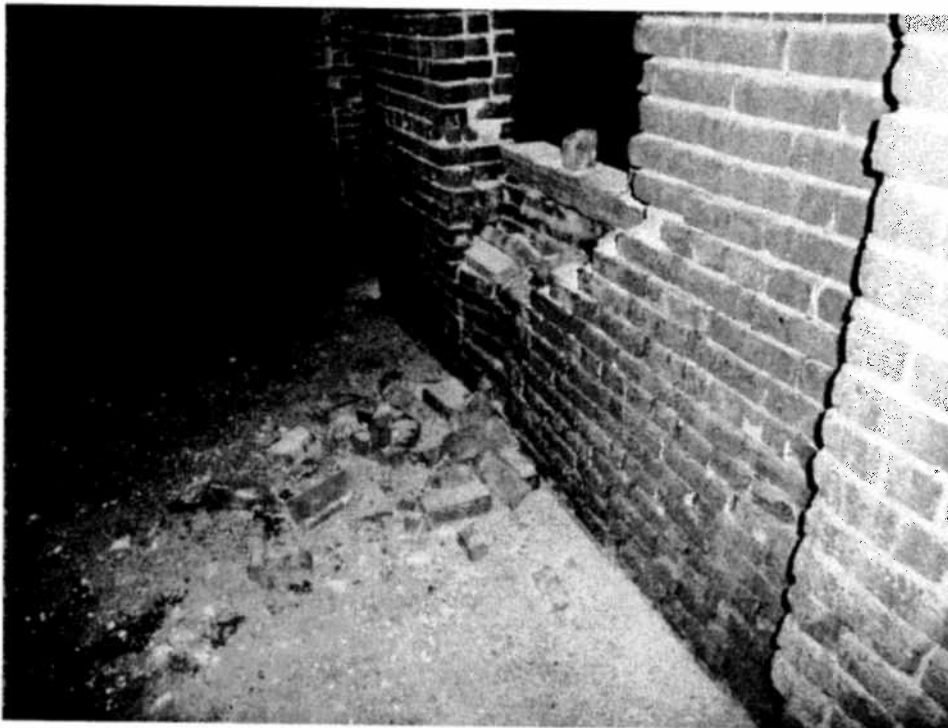
Buildings that are unsafe or unhealthy for persons to live or work in because of building code violations, dilapidation, deterioration, defective design, physical construction, or faulty or inadequate facilities

Various structural issues were found with the warehouse in the Study Area that are serious enough that they would need to be mitigated before regular occupation of the structure.

Due to a long period of neglect, the mortar in the mostly brick structure had deteriorated to the point where small sections of wall were found to be crumbling and unstable.

Additionally, the building appeared to lack functional systems that are essential to year-round habitation, such as HVAC and electrical. While these systems existed in the past, they have since been removed or disconnected. The integrity of the structure also didn't appear to be good enough to efficiently maintain heat (holes in the roof, boarded windows, broken windows, etc).

This factor is considered present in the Study Area.



Crumbling brick



More crumbling brick



Exterior deterioration of the outer layer of brick

Environmental Contamination of Buildings or Property

As part of this Study, an Environmental Conditions Analysis (ECA) of the property was conducted by an ASTM-defined environmental professional, working for Matrix Design Group.

The ECA found numerous instances of historical and potential contamination. Historical contamination includes a 300-gallon underground storage tank that was removed in August 2005.

Potential contamination exists at the site because of historic uses that are commonly associated with environmental pollution. These past uses include a blacksmith, boiler shop, mercantile, hardware store, farm equipment sales, warehouse storage operations (including a company called “bonded battery”), and a vehicle donation facility.

The ECA identified the following three potential concerns:

- Heavy metal contamination. Heavy metals may have entered the soil and or groundwater from past operations as a blacksmith or during operations as an iron works facility. Metals may also be present as a result of battery storage operations.
- Asbestos-containing materials (ACM). Based on the age of the building and asbestos conditions identified in surrounding areas, ACM may be present at the facility.
- Petroleum hydrocarbons. Although TPH was not detected at concentrations exceeding RBSLs during the removal of the UST, previous operations may indicate the presence of TPH and other related contaminants in soil and or groundwater.

Although there is historic and potential contamination at the site, active contamination cannot be confirmed without further testing.

This factor is not considered present in the Study Area.

The existence of health, safety, or welfare factors requiring high levels of municipal services or substantial physical underutilization or vacancy of sites, buildings, or other improvements

While there was no evidence of an unusually high incidence of municipal services called to the Study Area in the recent past, the entire area is underutilized, especially given the urban context of the surrounding area.

The large warehouse structure on the site is vacant and unused, and has been neglected for some time. The remainder of the property, although paved and occasionally used for storage or parking, is empty and unused, and the site is substantially underutilized. Although redevelopment of the site may not include developing the vacant lot in front of the building, an active parking lot and other outdoor uses could remedy the underutilization issue.

This factor is considered to be present in the Study Area.



The warehouse structure sits vacant and unused



The remainder of the property is also unused and in disrepair

Section 6: Study Summary and Recommendation

Within the entire Study Area, six of the 11 blight factors were identified as being present. The blight factors identified within the Study Area are:

- Slum / Deteriorated Structures
- Deterioration of Site or Other Improvements
- Unusual Topography or Inadequate Public Improvements or Utilities
- Existence of conditions that endanger life or property by fire and other causes
- Buildings that are unsafe or unhealthy for persons to live or work in
- High Levels of Municipal Services or Underutilization or Vacancy of Sites, Buildings, or Other Improvements

Each blight factor represents various issues that need to be mitigated for the successful redevelopment of the property. While various instances of blight could be found throughout the Study Area, the most frequent concentration of issues was found with the structure itself, due to its history of neglect and the amount of investment that would be needed to bring it back into active use. Other issues with the property and associated utility systems also need attention, however.

Conditions Study Recommendation

As discussed in **Section 2**, in order for an area to be declared blighted, a certain number of the 11 blight factors must be found within the Study Area. **Four** of the 11 factors is the required minimum, unless none of the property owners or tenants object to being included within an urban renewal area; then, the required minimum is only **one** of the 11 factors. In the event, however, that eminent domain is to be used to acquire property within the urban renewal area, the required minimum is **five** of the 11 factors. Since **six** blight factors were identified within the Study Area, a sufficient number of blight factors exist under any of the above scenarios.

It is the recommendation of this Conditions Study report to the Denver Urban Renewal Authority and the Denver City Council that the Study Area, in its present condition, contains a sufficient number of blight factors as required by the Colorado urban renewal laws for the Study Area to be declared a "blighted area."