



**Rock Drill Urban Redevelopment Plan
Finance and Business Committee
August 26, 2025**



Rock Drill Urban Redevelopment Plan



Two Ordinances for Committee Consideration:

CB25-1222 – Rock Drill Urban Redevelopment Plan

CB25-1221 – Rock Drill Cooperation Agreement between the City and County of Denver and DURA

Urban Redevelopment Area (URA):

- **Location:** Cole neighborhood, Council District 9
 - 0.3 miles from 38th & Blake RTD Station
 - 2 miles NE of Downtown
- **URA Size:** ~8.4 acres
- **Zoning:** Currently I-B / C-MU-10, rezoning to C-MU-12 / C-MU-16



Rock Drill Urban Redevelopment Plan



Background:

- 1890s used for lumber and coal bin storage
- 1910 Denver Rock Drill Manufacturing Company facility for mining drills and other industrial equipment
- 1970s Butler Fixture & Manufacturing Co.
- 1992 Acquired by Weiss family
- 2010s – Vacated, currently unused (except for short-term storage)
- October 2017, a developer application was submitted for tax increment financing assistance. That project did not progress.
- In early 2023, a new development team, OliverBuchananGroup approached DURA to discuss the project. In September 2024, OBG submitted an application for tax increment financing assistance to aid the redevelopment of the site.



Rock Drill Urban Redevelopment Plan – Plan Area and Conditions Study



- Study Completed May 2024
- Single 6.7-acre parcel
- Total study area ~ 8.4-acres with adjacent public ROW



Proposed Urban Redevelopment Area, Sales and Property Tax Increment Areas

Rock Drill Urban Redevelopment Plan - Conditions Study Findings

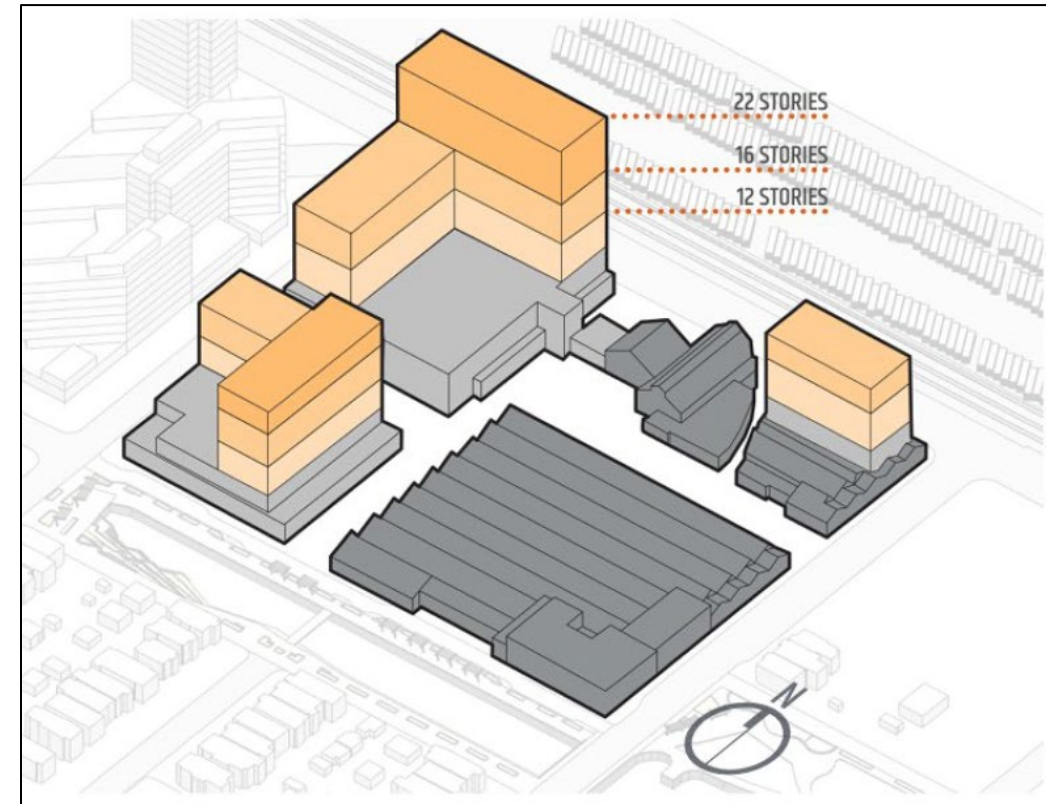


Blighted Area definition: *an area that, in its present condition and use and, by reason of the presence of **at least four** of the following factors, substantially impairs or arrests the sound growth of the municipality, retards the provision of housing accommodations, or constitutes an economic or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

11 Factors of Blight: Study completed May 2024 identified 5 factors

1. **Deteriorated or deteriorating structures**
2. Defective or inadequate street layout
3. Faulty lot layout in relation to size, adequacy, accessibility, or usefulness
4. Unsanitary or unsafe conditions
5. **Deterioration of site or other improvements**
6. Unusual topography or inadequate public improvements or utilities
7. Defective or unusual conditions of title rendering the title non-marketable
8. Conditions that endanger life or property by fire or other causes
9. **Buildings that are unsafe or unhealthy for people to live or work in**
10. **Environmental contamination of buildings or property**
11. **Existence of health, safety, or welfare factors requiring high levels of municipal services or substantial underutilization or vacancy of buildings, sites, or improvements**

Rock Drill Urban Redevelopment Project



Proposed Uses:

- 700-800 Residential Units
- 40,000-60,000 GSF Office
- 100,000-150,000 GSF Retail
- 150-220 Hotel Rooms
- 900-1,100 Parking Stalls
- 71,000 GSF Publicly Accessible Open Space

Rock Drill Urban Redevelopment Plan: Plan Objectives



The main objectives of the Urban Redevelopment Plan are to:

- To eliminate the present factors which contribute to the blight in the Area. Such blighting factors are detrimental to the community and limit the development potential of the surrounding area.
- To renew and improve the character and environment of the Area and its surroundings by preventing or ameliorating economic, physical and environmental deterioration.
- To more effectively use underdeveloped land within the Area.
- To encourage residential, commercial and retail development that is socially and economically inclusive and from which the Urban Redevelopment Area and its environs can draw economic strength.
- **To encourage the reuse of existing buildings where appropriate, including historic preservation and adaptive reuse.**
- **To promote a diverse, sustainable neighborhood economy including mixed use and commercial development opportunities within the Area.**
- To encourage land use patterns within the Area and its environs where pedestrians are safe and welcome.
- Encourage high and moderate density development where appropriate.
- **To encourage the participation of existing property owners within and adjacent to the Urban Redevelopment Area in the redevelopment of their property.**
- To improve and provide for employment centers at areas proximate to multimodal transit centers and access.
- **To assist the City in cultivating complete and inclusive neighborhoods.**
- To improve the economy of the City by stabilizing and upgrading property values.
- **To achieve goals as outlined in adopted City Plans.**

Rock Drill Urban Redevelopment Plan: City Plan Compliance



Goals related to creating mixed-use, mixed income communities

“Ensure all Denver residents have safe, convenient, and affordable access to basic services and a variety of amenities.”

“Create a city of complete neighborhoods.”

“Preserve the authenticity of Denver’s neighborhoods and celebrate our history, architecture and culture.”

“Incentivize the preservation of structures and features that contribute to the established character of an area...”

“Work with public and private partners to improve access to shops, restaurants, entertainment, civic uses, services, and a variety of daily needs for all Denver residents”

“Accommodate a compatible mix of industrial, commercial and residential uses within the area”

“Establish a strong compilation of land uses that balances the needs of residents, commerce and industry”

Goals related to Denver neighborhoods

“Create and preserve parks and public spaces that reflect the identity of Denver’s neighborhoods.”

“Ensure every neighborhood is economically strong and dynamic.”

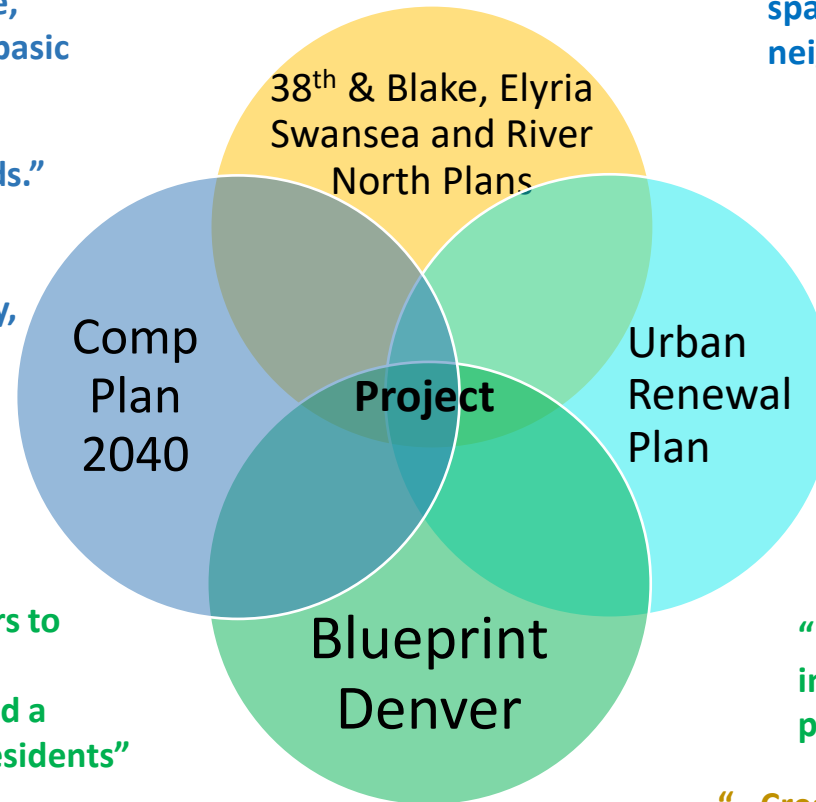
“Promote coordinated development on large infill sites to ensure new development integrates with its surroundings...”

“Ensure Denver and its neighborhoods have a vibrant and authentic retail and hospitality marketplace meeting full range of experiences and goods demanded by residents and visitors.”

“Ensure attractive streets and outdoor spaces in all centers and corridors, giving priority to pedestrian spaces and amenities.”

“...Create a unique environment both in terms of an eclectic mix of uses and exciting, innovative architecture.”

“Increase housing choices.”



Rock Drill Urban Redevelopment Plan: Blueprint Denver Equity Indicators



An Equitable City

Planning for social equity and guiding change to benefit everyone

The Project area and surroundings have:

- **High** access to Opportunity
- **High** Vulnerability to Displacement
- **High** Housing Diversity and **Low** Job Diversity



Staff considerations – Project will:

- Transform an underutilized industrial site into an accessible, mixed-use development with neighborhood serving retail and community space.
- Increase supply of housing opportunities – Per City Development Agreement:
 - 10% of all units are income restricted units (IRU) at a maximum of 50% of the Area Median Income (AMI)
 - 15% of IRUs be two bedrooms or larger
 - A requirement that 5% of IRUs be three bedrooms or larger
- Create new open space with green infrastructure elements programmed throughout

Rock Drill Urban Redevelopment Project: Use of Tax Increment



- Project requires assistance due to costs associated with environmental remediation, demolitions and historic building rehabilitation and adaptive reuse
- Tax Increment Area coterminous with Urban Redevelopment Area – capture incremental sales and property tax

TIF Amount	Anticipated Eligible Costs
\$ 2,551,884	Demolition and abatement
3,091,798	Sitework
372,556	Utilities
1,671,439	Public open space
3,675,184	Rehabilitation of NE Sawtooth Building
5,677,482	Rehabilitation of Foundary & Boiler Room
23,060,122	Rehabilitation of SE Sawtooth Building
391,000	Public Art
391,000	CEO Fee
\$ 40,882,465	Total

Use of Tax Increment: Reimbursement of Eligible Project Costs up to \$39.1MM [≈6.9% of Project Budget]

Anticipated TIF Eligible Project Costs:

- Environmental Remediation
 - Removal/Rehabilitation of deteriorated structures
 - Utility Restoration
- }
- Remedy Blight**
- Creation of publicly accessible plaza and outdoor space
 - Legacy Building Preservation/Adaptive Reuse
- }
- Support Development Vision**

Rock Drill Urban Redevelopment Plan: Related Agreements



- **DURA/City Cooperation Agreement**
 - Addresses collection and remittance of property and sales tax increment to support redevelopment.
 - Term of Agreement – earlier of repayment of DURA obligations or 25 years.
 - Confirms project will participate in DURA Policies:
 - First Source, SBE, CEO, Project Art, and Prevailing Wage (as appropriate).
- **DURA/DPS Intergovernmental Agreement**
 - Ability to collect and utilize full amount of incremental property taxes from DPS mill levy.
 - DPS has requested an impact fee of \$1.3MM.
 - Payable from tax increment generated in Area.
 - Will be paid over 25-year period, beginning in 2027.
- **DURA Urban Drainage and Flood Control District Letter Agreement**
 - Ability to collect and utilize full amount of incremental property taxes from UDFCD mill levy.
 - Project does not impact UDFCD's ability to provide services.
- **DURA/RiNo Business Improvement District ("BID") Agreement**
 - DURA to pay to BID all amounts collected from BID mill levies.
- **Denver Rock Drill Metropolitan District**
 - No agreement between DURA and District needed until ~2027.



DURA Approval Timeline

- 8/21/25: DURA Board of Commissioners

City Approval Timeline

- 8/18/25: Rezoning and Development Agreement First Reading
- 8/26/25: Presentation to Finance and Business Council Committee
- 9/2/25: Plan and Cooperation Agreement at Mayor/Council (on consent)
- 9/8/25: Plan and Cooperation Agreement First Reading
- 9/15/25: Rezoning, Development Agreement, Plan, Cooperation Agreement at City Council Public Hearings

Rock Drill Urban Redevelopment Plan:

Questions?

