



Proposed Ironworks Foundry Urban Redevelopment Area

Redevelopment of the Former Ironworks Foundry Buildings

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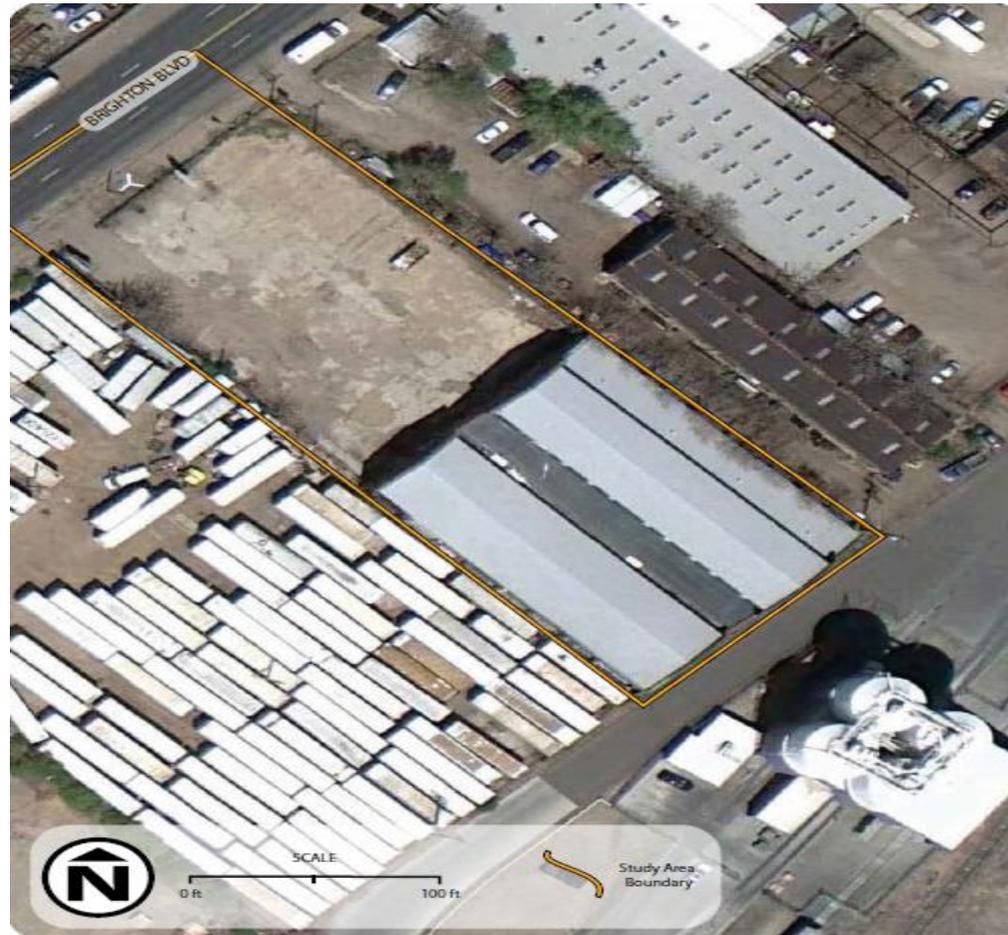
Land Use, Transportation & Infrastructure Council Committee

July 17, 2012



Project Location & Proposed Urban Redevelopment Area

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3350 Brighton Boulevard



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Project Description

- Redevelopment of the former, and currently vacant, Ironworks Foundry Buildings into approximately 25,000 feet of useable square footage, with mixed uses contemplated to include light industrial, commercial, office and retail.
- The redevelopment plan is an “open market” concept consisting of 8-10 tenants whose focus will be on artisanal food and beverage production, retail clothing sales, and potentially one tenant who will have an educational focus.
- The project concept will be a first of its kind in Denver.
- Improvements specific to the Site include:
 - Significant masonry work, including the removal of all exterior graffiti.
 - New life safety systems.
 - New parking facilities and landscaping to be constructed on the existing open space located at the front of the property.
 - New sidewalks, curb & gutter.



Project Analysis: Blight Findings

A conditions study has been completed and the results identify evidence of more than four blight factors. Those factors are:

- Slum, deteriorated, or deteriorating structures.
- Deterioration of site or other improvements.
- Unusual topography or inadequate public improvement 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.





Project Analysis: Conformance with City Plans / Community Vision

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- The project is aligned with a number of City goals outlined in the Denver Comprehensive Plan 2000.
- As it relates to Blueprint Denver, the proposed Urban Redevelopment Area is located in 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.
- The Project is consistent with the conceptual land uses for this Area of Change, which identifies the site as mixed use, located along a mixed use arterial street.
- The site is adjacent to RTD bus route 48.

Project Analysis: Conformance with City Plans / Community Vision Cont.



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River North Plan: The River North Plan, a supplement to Denver Comp. Plan 2000, is a small area plan whose boundaries are generally between Park Avenue West on the south, I-70 to the north, the Burlington Northern tracks on the west, and the Union Pacific tracks and York street on the east.

The proposed Project is consistent with the vision, purpose, and goals outlined in the River North Plan, including the following:

- Restore the historic mixed use character of the area.
- Retention of some of the unique industrial buildings.
- Promoting economic activity.
- Reactivate vacant and underutilized sites on Brighton Boulevard.
- Build upon the unique land uses that exist and indentify redevelopment sites and opportunities that foster the creation of a compatible mix of uses.
- 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.



Project Analysis: Financial Analysis

Estimated Development Budget ~ \$ 4.7 Million

TIF Reimbursement ~ \$1.115 Million

Estimated TIF Eligible Costs:

Building Hard Costs	\$ 1,105,000
Site work	\$ 125,000
Architectural & Engineering	\$ 200,000
Project Art	\$ 11,500
Enhanced Training Opport.	<u>\$ 11,500</u>
Total	<u>\$ 1,453,000</u>



Project Analysis: TIF Capacity

- **TIF Capacity**
 - Annual Property Tax Increment estimated to be \$30,000 per year.
 - Annual Sales Tax Increment estimated to be \$150,000 per year.

- **Estimated Repayment of TIF Obligation**
 - Accruing simple interest of 6.5%, the financing gap of \$1.115 million is projected to be reimbursed in 14 – 16 years.



Project Analysis: Market Feasibility

- The “open market” concept is a unique concept that currently does not exist in Denver.
- The Project is positioned to build upon the momentum of other development taking place in and around the surrounding area.
- Prospective tenants are accomplished professionals in their respective fields.
- Diverse and complimentary business models of each tenant will create a collaborative environment and unique social experience, both of which will help draw people to the Project.
- Developers have a strong history of successfully renovating, and repositioning, existing buildings in emerging areas throughout Denver.



Project Analysis: Benefits of Redevelopment

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- Situated along Brighton Boulevard, the gateway to Downtown Denver from I-70, the Project as a mixed use infill development, is consistent with the City's goal of increasing activity along major road and transit corridors.
- Unique development concept would help to serve, support and catalyze existing and new retail establishments and businesses in the area.
- Redevelopment of this site will reactivate and reuse the existing buildings, which have been vacant for approximately 2 years.
- Eliminate blighted conditions within urban redevelopment area.
- Improvements to public right of way.
- Increases the sales and property tax base collected by the City.
- Estimated to create approximately 150 full and part time permanent jobs.



Urban Redevelopment Plan

- **City and County of Denver Legislative Findings:**
 - Constitutes a Blighted Area
 - Appropriate for one or more Projects
 - In conformance with adopted plans
 - Authorizes urban renewal powers
- **Objectives:** Eliminate blight, more effectively utilize land, build upon present economic strengths in area, encourage and protect existing development, stabilize and upgrade property values, provide access to employment, create local business climate that services the surrounding neighborhoods.
- **Project Activities:**
 - Demolition, Site Prep, Redevelopment, Etc.
 - Redevelopment Agreements
 - Public Improvements and Facilities
- **Project Financing:** Authorizes use of TIF
- **DURA Programs:** Project Art, SBE, First Source, Enhanced Training Opportunities



Cooperation Agreement

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- **Land Use Matters:** Cooperate with DURA / Project
- **Special Program Requirements:** Project Art, SBE, First Source, Enhanced Training Opportunities
- **Project:** Redevelopment of the former Ironworks Foundry Buildings, life safety improvements, site improvements, public infrastructure, and other public improvements.
- **Property and Sales Tax Increment Finance:** Mechanics (base, increment defined, etc)
- **Term of TIF:** Authorizes Property and Sales TIF for 25 years or repayment of Obligation related to project, whichever is earlier.
- **Deferred Right of Way Improvements:** The City is currently working on new design standards for Brighton Blvd. and the adjacent public ROW. DURA will work with the Redeveloper to fund these future ROW improvements.



Approval Process

- LUTI Council Committee – July 17, 2012
- Planning Board – July 18, 2012
- DURA Board – July 19, 2012
- Public Hearing – City Council – August 13, 2012
- Begin Construction in Q3 of 2012



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