

Sun Valley Conditions Study

October 2020



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Section 1: Study Overview

Purpose

This Conditions Study (“Study”) is an examination of existing conditions at numerous parcels in the Sun Valley neighborhood of Denver, Colorado. The parcels are owned by the City and County of Denver (“City”), the Denver Housing Authority (“DHA”), and by the Public Service Company of Colorado, now part of Xcel Energy (“Xcel”).

The DHA-owned parcels are all part of Sun Valley Homes, a public housing complex consisting of 324 units arranged in numerous townhomes. DHA has announced plans to demolish these units and replace them with 750 mixed-income housing units.

To the north, the Xcel-owned parcels contain three large tanks that were developed in the 1970s as part of the conversion of the nearby Zuni Generating Station (“Zuni Station”) to natural gas use. The station used to generate power and provide steam for central Denver, two functions which were shut down in 2015 and 2019, respectively.

Finally, along the banks of the South Platte River, which forms the eastern boundary of the Study Area, lie several City-owned parcels that are part of the right-of-way for the South Platte River Trail.

The purpose of this Study is to determine if the necessary conditions exist within the geographic area chosen for this Study to utilize the tools provided by the urban renewal process under Colorado State Statute. These tools can be used to close funding gaps and encourage investment in the property and ensure that it continues to serve the needs of the surrounding neighborhoods, business owners and other stakeholders in the area, as well as the region as a whole.

Methodology

The defined geographic area (“Study Area”) examined in this Conditions Study was determined by the Denver Urban Renewal Authority. 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. A field survey was conducted in July 2020 for the purpose of assessing blight conditions that could be physically observed within the Study Area. Additional analysis was conducted using aerial photography and parcel maps of the area. For those blight conditions that are not observable in the field (such as traffic data, crime statistics, etc.), blight condition data was obtained from the City and various other 3rd party sources during the same time period.

Finally, the *Environmental Contamination of Buildings or Property* factor is assessed by a certified Environmental Scientist with extensive experience conducting environmental site assessments. The process involves searching for and providing an opinion on the existence of Recognized Environmental Conditions (RECs) as defined by the American Society of Testing and Materials. This includes searching available environmental records maintained by various federal, state, and local entities for records of contamination.

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 blight finding 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:

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*“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.”

A couple of 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. 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 a 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

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- 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 a 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 that can be observed within a 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

8 Conditions Indicative of the Presence of Blight

- 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 a Study Area.

- Presence of hazardous substances, liquids, or gasses

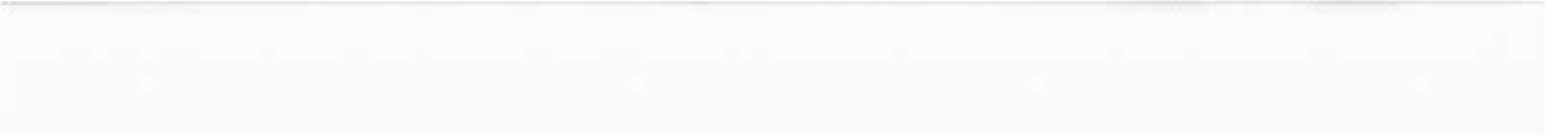
Existence of Factors Requiring High Levels of Municipal Services or Substantial Physical Underutilization or Vacancy of Sites, Buildings, or Other Improvements:

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

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- 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 Sun Valley Study Area is officially located Denver's Sun Valley neighborhood, and is comprised of three types of uses: the northernmost portion is industrial, containing a tank farm and three vacant industrial properties, while the southern two-thirds is mostly residential, consisting of a collection of DHA-operated townhomes known as Sun Valley Homes, as well as a civic building, the Sun Valley Community Center.

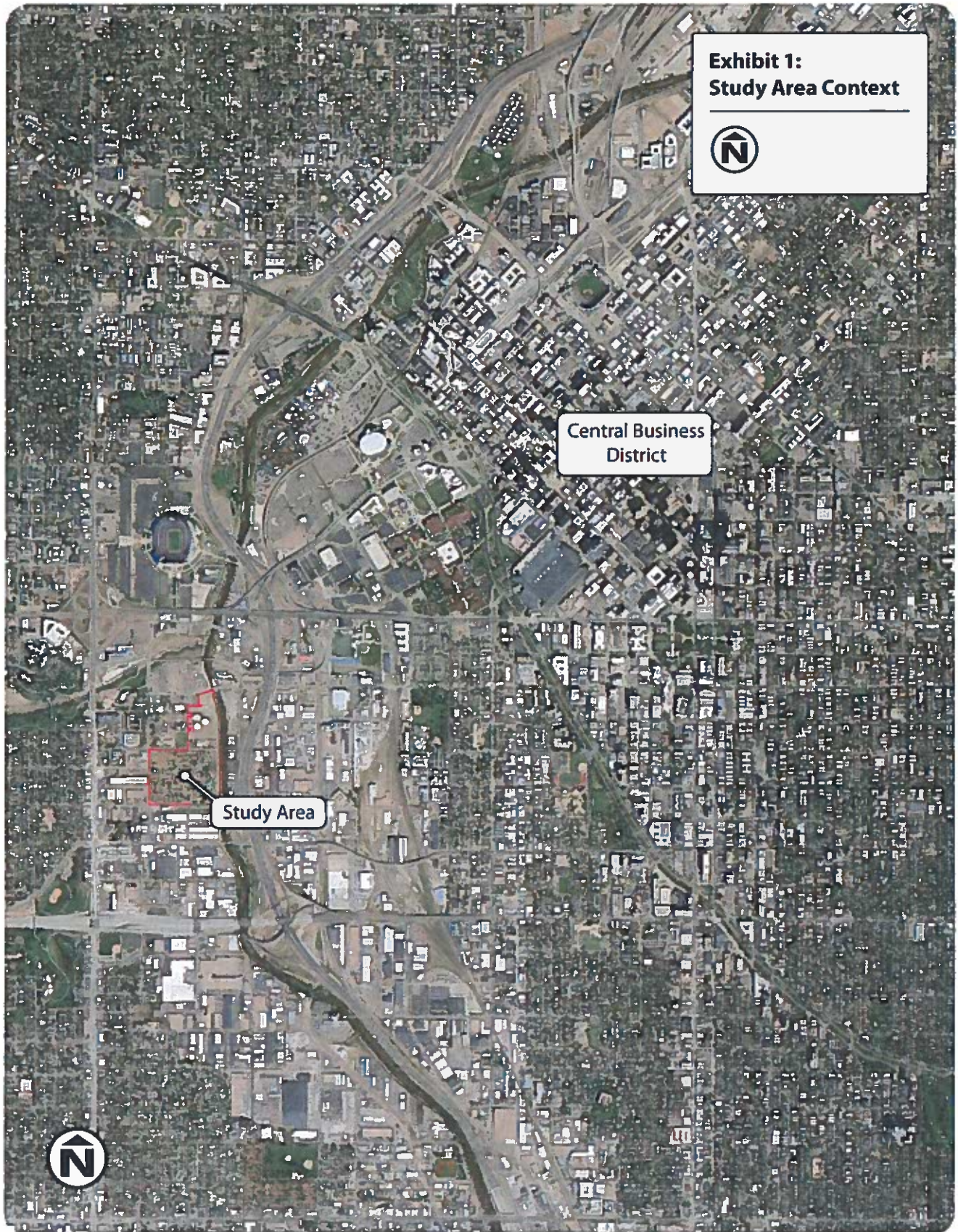
In the vicinity of the Study Area are Fairview Elementary, Empower Field at Mile High and its associated parking, the recently-closed Zuni Station, and numerous other light industrial and commercial businesses that comprise the bulk of the western and southern portion of the neighborhood.

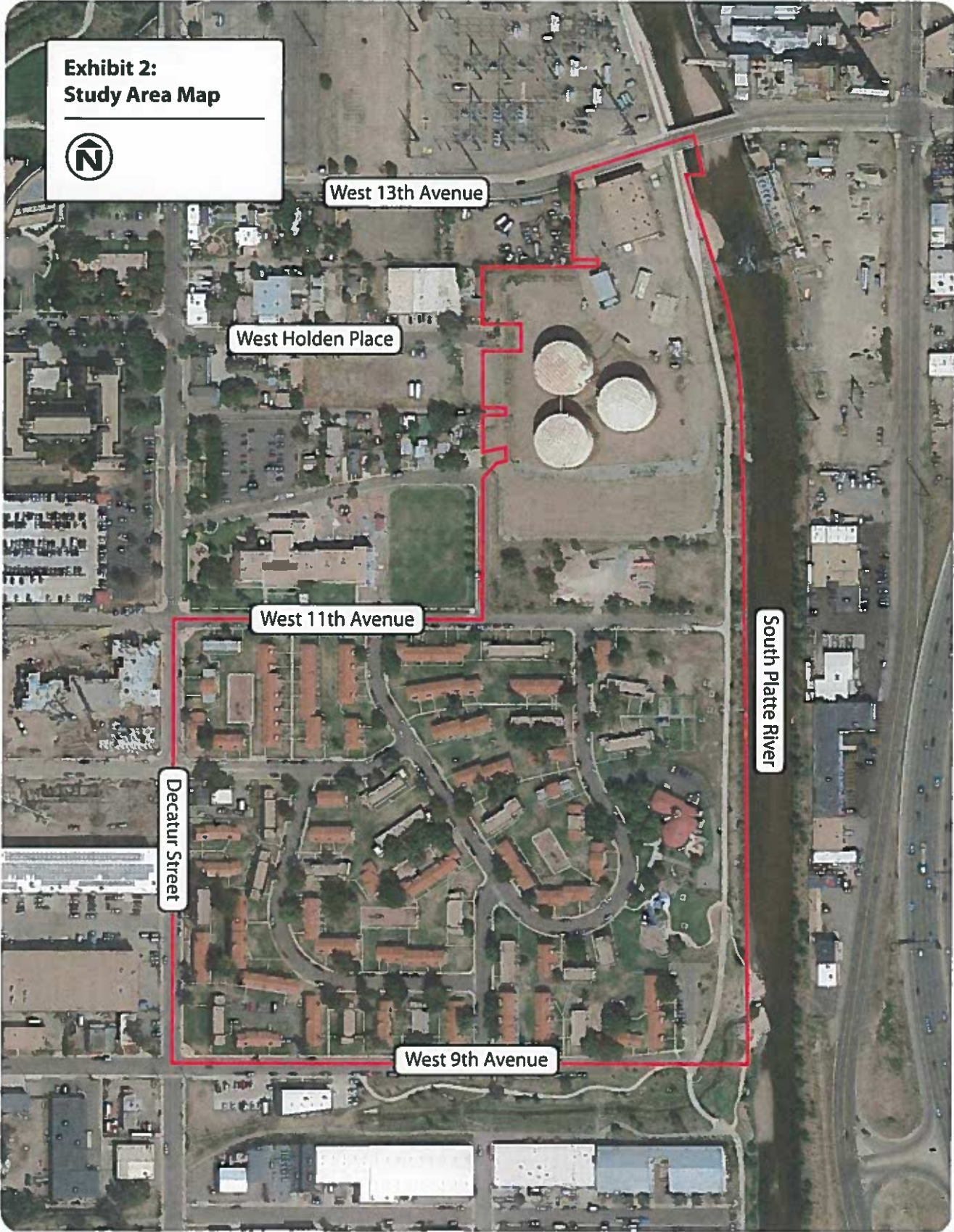
While there are some single-family homes dating from the late 19th century still intact in Sun Valley, most of the population in the neighborhood lives in public or subsidized housing developments such as Sun Valley Homes or the nearby 106-unit Decatur Place.

The Platte River Greenway forms the eastern boundary of the Study Area, and is part of a regional network of trails and open space along the South Platte River.

Finally, numerous government and civic buildings are located in the neighborhood near the Decatur-Federal light rail station, including Rude Recreation Center, the offices of the Colorado Department of Transportation, Denver Human Services, and the Denver Health Westside Family Health Center.

Exhibit 1: Study Area Context on the following page shows the location of the Study Area within the context of metropolitan Denver. A aerial view of the Study Area and its boundaries are shown in **Exhibit 2: Study Area Map**.





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Section 5: Study Findings

The overall findings of the Sun Valley 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 residential buildings and community center in the Sun Valley Homes development were examined as part of the field survey. The buildings were found in good condition overall. Some vacant units were found with boarded windows, but the windows were intact and not broken. Occasionally, wooden posts on entryway awnings were found somewhat deteriorated, but the buildings overall gave an impression of being adequately maintained.

Outside of Sun Valley Homes, there were issues noted with the Xcel-owned facility in the northernmost parcel in the Study Area fronting West 13th Avenue. There, some windows were found broken or boarded, and the concrete window aprons were crumbling apart. Additionally, the adjacent storage tanks had numerous large letters tagged on them, although there was evidence of periodic graffiti removal, too.

The Xcel building and the tanks represent only a small fraction of the structures in the Study Area, however. The state of these industrial buildings alone is not enough to bring the whole Study Area to a positive finding of this factor. The buildings in good condition vastly outnumbered the few with significant issues.

There is a **negative** finding of *Slum, Deteriorated, or Deteriorating Structures*.



Graffiti on the storage tanks



A typical residential unit at Sun Valley Homes shows regular maintenance

Predominance of Defective or Inadequate Street Layout

Sun Valley as a whole suffers from the same problem as other neighborhoods in Denver that are historically industrial: a street grid that is relatively incomplete compared to residential neighborhoods, including larger blocks with inconsistent internal streets and no alleys.

Historical satellite imagery shows that prior to the development of Sun Valley Homes, the street grid used to be more complete than it is today. Bryant Street connected 8th Avenue to 11th Avenue, and 11th Avenue crossed the South Platte River where it currently dead ends.

The Sun Valley Homes development replaced the old street grid with a “superblock” with internal roads that seem to be designed in isolation from the surrounding area. Roads alignments of Bryant Street and West 10th Avenue are not preserved, but instead are ended at T-intersections with Alcott Way, a winding horseshoe shaped road that starts and ends at 11th Avenue.

Road connectivity is similarly poor in the northern half of the Study Area. Bryant Street does not have right-of-way preserved along its north-south alignment between 12th Avenue and 13th Avenue, funneling traffic onto Decatur Street instead. The industrial parcels also have no public internal circulation, and would need an expanded street grid to accommodate redevelopment with anything smaller in scale.

The 2013 *Decatur Federal Station Area Plan* recommends extending 10th and Bryant along their alignments through the Study Area to improve circulation, as well as a new public road along the Alcott street alignment to provide circulation along the eastern side of the Study Area, including through the industrial parcels. The *Decatur Federal General Development Plan* additionally extends Clay Street through the Sun Valley Homes parcels. These options require complete redesign and reconstruction of the existing street grid.

There is a finding of *Defective or Inadequate Street Layout*.

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

The Study Area consists of 18 parcels, as shown in **Exhibit 3: Parcel Map**. Several parcels along the eastern boundary are narrow and serve as rights of way for the Platte River Greenway or for utilities.

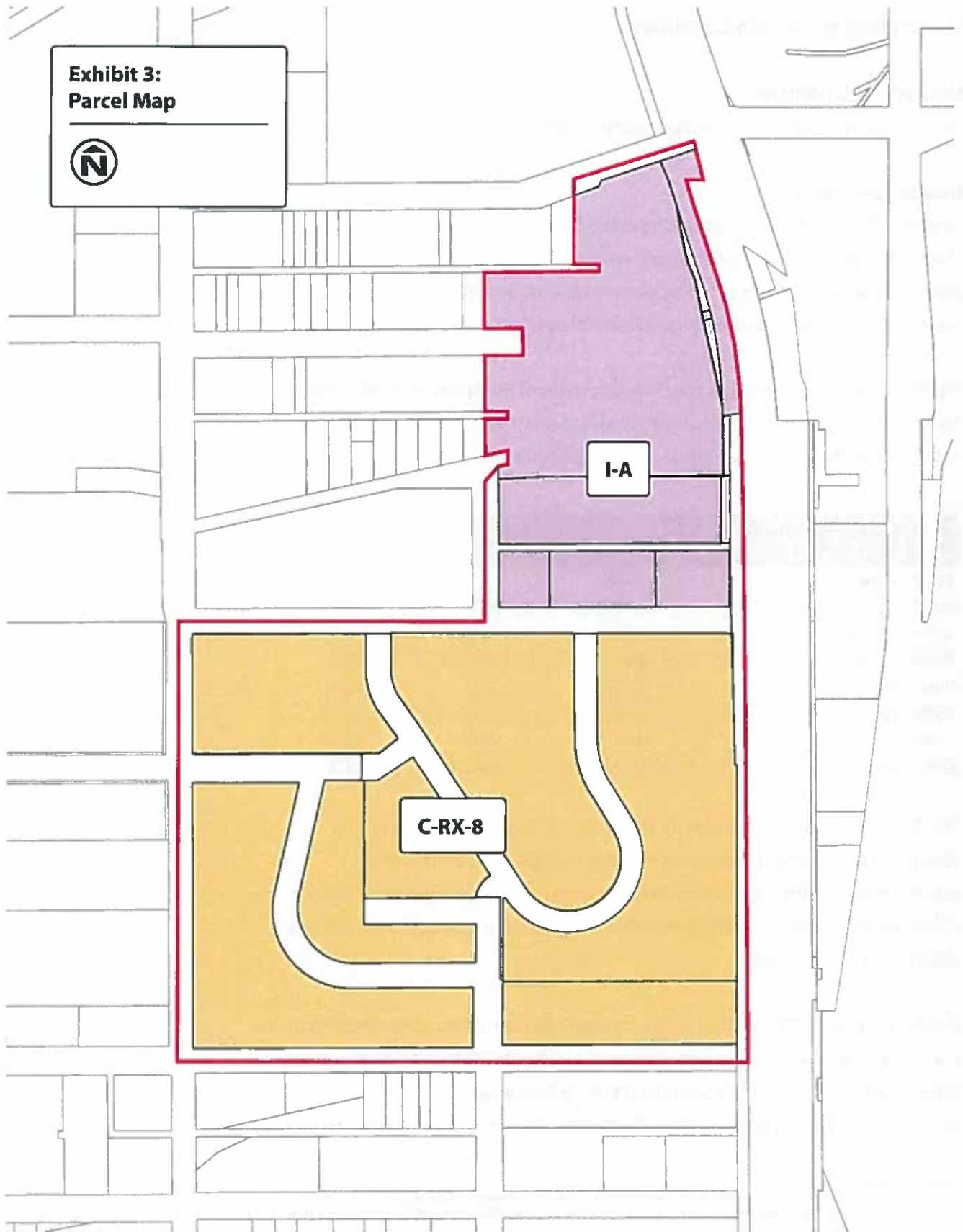
The parcels in the southern half of the Study Area that comprise Sun Valley Homes are configured in a specific way as part of the original master planning process for that development. These parcels are large, containing many units apiece, and are generally separated by rights of way for roads to serve those units. They are easily large enough to develop under the C-RX-8 zoning applied to them.

Under a multiplicity of ownership, as is common in urban areas, the parcel configuration in the Sun Valley Homes portion of the Study Area would present a problem because the parcels would have to be assembled and subdivided again to allow for improvements to the road network or to allow for individual development parcels that are more appropriately sized for the development allowed by the C-RX-8 zoning district. However, since these parcels are all under a single-owner, master-planned configuration, this issue is not anticipated to be an impediment to their redevelopment.

Similarly, the I-A zoned industrial parcels in the northern half of the Study Area may need to be reconfigured to allow for road network improvements or smaller-scale development, but there are only two property owners in that area, the City and Xcel Energy. Without a multiplicity of ownership, the current configuration can be changed and is not likely an obstacle to reinvestment or redevelopment. Currently, the parcels are more than large enough to accommodate development under the generous setbacks required by I-A zoning.

Since there are only a few owners of parcels in the Study Area and assembly and subdivision is not difficult or impossible, there is **no** finding of *Faulty Lot Layout* in the Study Area.

**Exhibit 3:
Parcel Map**



Unsanitary or Unsafe Conditions

Unsanitary Conditions

No issues with unsanitary conditions were found.

Unsafe Conditions

As part of this Study, crime records from the Denver Police Department over the last five years plus the year to date were examined. During that time period, there were 585 reported incidents in the Study Area, not including minor traffic incidents that were not classified as crime by the department.

The following table compares the crime densities of the Study Area with the Sun Valley neighborhood as a whole, as well as other adjacent and nearby neighborhoods. All figures exclude minor traffic incidents.

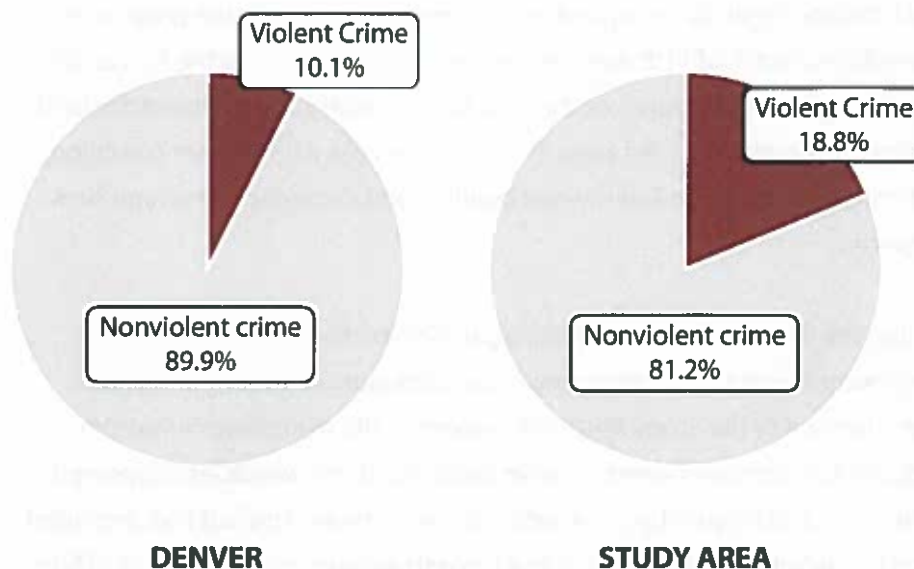
	Total Incidents (68 months)	Size of Area in Acres	Crimes per Acre
Study Area	585	39	15.0
Sun Valley	3,452	410	8.4
Jefferson Park	2,669	315	8.5
West Colfax	8,953	640	14.0
Villa Park	5,552	630	8.8
Valverde	2,881	610	4.7
Lincoln Park	9,811	818	12.0
Citywide (Except DIA)	375,118	72,048	5.2

The Study Area has a crime density about twice the neighborhood of Sun Valley as a whole, and is somewhat elevated compared to surrounding neighborhoods, although usually not by a large margin. Compared to the City of Denver as a whole¹, the Study Area has a significantly elevated crime density, about three times greater.

For the purpose of this Study, crime is categorized one of two ways, whether it is a crime against a person, and is therefore unsafe; or whether it is some other type of crime, such as a crime against property or a drug offense. The latter type of offenses, of course, do not generally present a hazard to physical safety.

¹ The citywide figures exclude the DIA neighborhood, which is physically large, almost a third of the whole City, but mostly contains the airport and no residents, skewing the crime density figure downward.

Crime records for the City of Denver as a whole over the aforementioned 68-month time period show that about 10.5% of crimes reported are some form of violent crime, while that figure is nearly twice as high in the Study Area over that same time frame. Nearly one in five crimes reported in the Study Area over the time period examined are considered violent in nature, whereas that is true for only one in ten crimes in the City as a whole.



The moderately elevated crime density of the Study Area combined with the elevated incidence of violent crimes together make a case for the Study Area to be considered *Unsafe*. While the general cleanliness of Sun Valley Homes outweighed any unsanitary conditions in the tent camp and vicinity, the latter findings are also some cause for concern.

A finding of *Unsanitary or Unsafe Conditions* has been made.

Deterioration of Site or Other Improvements

This subsection focuses on the existing conditions of the non-building improvements in the Study Area.

Numerous issues were found, mostly concentrated in the industrial properties north of West 11th Avenue, which are fenced off, but lack maintenance and upkeep. Illegal dumping and a tent camp were found in the properties immediately north of 11th Avenue, made possible by a gap in the fence. Tall weeds proliferated throughout the tank farm property at the time of the field survey. Furthermore, paved areas in these properties were in poor condition, including in front of the Xcel-owned building and throughout the tank farm property.

During the field survey, the general impression of the Sun Valley Homes development was that maintenance was adequate; the most glaring issue in this portion of the Study Area with respect to site maintenance was the frequent occurrence of weeds in lawn areas, but these weeds also appeared to be short and frequently cut. Paved areas were found cracked and degraded in certain isolated locations, such as a basketball court on the east side of Sun Valley Homes, but otherwise roads and pathways were in good condition.

Although the areas lacking adequate site maintenance are mostly restricted to the industrial portion of the Study Area, this area is fairly significant in size relative to the overall size of the Study Area. There is a **finding of Deterioration of Site or Other Improvements**.



Illegal dumping on the north side of 11th Avenue



Tall weeds on the storage tank site

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Degraded concrete curb cut at the Xcel-owned facility

Unusual Topography or Inadequate Public Improvements or Utilities

Topography

No portion of the Study Area has severe grading that impacts its redevelopment potential, but portions near its eastern boundary along the South Platte River lie in a FEMA-designated floodplain. However, the total amount of land restricted by this floodplain is relatively small, and can easily be kept as open areas or detention areas.

Public Utilities

The Study Area is part of the lower Weir Gulch drainage basin; the outfall for this basin is located in the southeast corner of the Study Area near 9th Avenue and the South Platte River. Denver's Stormwater Master Plan does not identify any stormwater issues in the vicinity of the Study Area, except for the regulatory floodplain that overlaps the Study Area's eastern portion.

The Study Area is in the lowest reach of a drainage basin that has relatively consistent grading and no major flat areas, and has easy access to the South Platte River as well as Weir Gulch for stormwater drainage purposes. There are no issues with stormwater infrastructure in the Study Area.

Sanitary sewer modeling in Denver's *Sanitary Sewer Master Plan* indicates that the sanitary sewer that serves the Sun Valley Homes development as well as the area immediately west has the potential to reach or exceed capacity during peak wastewater flows.

It is important to note that this modeling is based on potential future uses in the area outlined in *Blueprint Denver* as well as zoning of parcels in the area, both of which set the framework for increased density and a greater mix of uses in the area. Based on this, the plan recommends the upsizing of the sanitary sewer system in the Study Area, based on modelling.

Public Improvements

Concrete sidewalks were found throughout the Sun Valley Homes development in good condition. Likewise, the path along the South Platte River Greenway was also observed to be in good condition.

Once again, however, the industrial parcels in the northern half of the Study Area are in worse condition. There, sidewalk infrastructure is missing (most notably along the north side of 11th Avenue and along part of Bryant Street), or in poor condition (as is the case along the south side of 13th Avenue).



The north side of West 11th Avenue

The public street was also found to be in poor condition in front of the Xcel-owned building on 13th Avenue. Additionally, the incomplete road network discussed in an earlier subsection of this report is an issue that also overlaps this subsection.

Due to the identified deficiencies in the sanitary sewer system, the lack of sidewalks in some parts of the northern half of the study area, and the incomplete street grid, **a finding of Unusual Topography or Inadequate Public Improvements has been made.**

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

No detailed property title review was conducted any property title in the Study Area for issues such as disputed ownership or restrictive covenants, as there is no prior history or known evidence of such issues.

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

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

All habitable buildings in the Study Area were found to be accessible from public or internal roads; no issues with emergency vehicle access were found to be present. Additionally, fire hydrants were found at throughout the Sun Valley Homes property as well as in front of the Xcel building.

This blight factor is **not** 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

No detailed structural analysis was performed on any of the structures in the Study Area, and none were visually dilapidated to the degree necessary to suggest safety problems.

This factor is **not** present in the Study Area.

Environmental Contamination of Buildings or Property

As part of this Conditions Assessment, Matrix Environmental, LLC conducted a search for Recognized Environmental Conditions (RECs) in the Study Area, including potential impacts from surrounding properties. An REC, as defined by the American Society of Testing and Materials (ASTM) Practice E1527-13, means:

[T]he presence or likely presence of any hazardous substances or petroleum products in, on, or at a property: (1) due to any release to the environment; (2) under conditions indicative of a release to the environment; or (3) under conditions that pose a material threat of a future release to the environment.

Most notably, there is a historical dump site located where the tank farm now sits, in the northern half of the Study Area. While portions of the tank farm were remediated in 2009, 2010 and 2012, the historical dump site remains in place below pavement and/or an 8-inch cap of clean soil. The extent of the historical dump site is estimated to extend from the South Platte River to the western boundary of the Study Area, while the southern extent of the dump site is estimated to terminate north of West 11th Avenue. Based on the identification of historical landfill debris during previous projects in the nearby area including the Lakewood Gulch widening project, the northern extent of the historical dump site potentially extends north of West 13th Avenue to Lakewood Gulch. Furthermore, metals contamination, including lead and arsenic, were identified in groundwater, surface soil and subsurface soils during previous investigations of the tank farm site and were attributed to the historical dump site.

The closure plans for Zuni Station and the associated tank farm state:

The closure will consist of removing solid waste and residual contamination to meet unrestricted use concentrations relative to pond operations. The Closure Plan does not address prior use of the site as a Denver City dump. All waste associated with the former dump will remain in-place and on-site.

In addition to the historical landfill debris and metals contamination in the industrial part of the Study Area, there are also various properties in Sun Valley Homes which have undergone asbestos abatement. Based on the age of buildings in the area, asbestos may be present in additional properties. If determined to be present through an asbestos survey, removal of asbestos containing materials (ACM) is recommended prior to any demolition or redevelopment of existing properties.

There are also various historical, now-demolished uses of property in the Study Area that are commonly associated with impacting groundwater quality, including four automotive/salvage facilities, and one drycleaner site:



The presence of a historical dump site and contaminated soil will complicate redevelopment of all property north of West 11th Avenue. For this reason, the Study Area **has the presence of Environmental Contamination of Buildings or Property.**

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

Municipal Services

Municipal service calls to the Study Area over the past 5 years are somewhat elevated but not significantly so.

Vacancy or Underutilization

Three parcels with a history of industrial uses now stand vacant along the north side of West 11th Avenue. Additionally, the tank farm is now defunct since Zuni Station is no longer used to generate electricity or steam as of 2019. This makes the portion of the Study Area north of 11th Avenue completely unutilized.



Vacant lots along West 11th Avenue in front of the defunct tank farm and Zuni Station

Although the Sun Valley Homes development is currently a significant portion of the residents in the Sun Valley neighborhood, the population of the neighborhood is relatively low, with only about 1,500 residents. Both the zoning as well as the Decatur Federal Station Area Plan adopted for the area

call for buildings as high as five stories and significantly smaller setbacks in the Sun Valley Homes portion of the Study Area, and even higher density in the vacant northern section, closer to the light rail station. Furthermore, the heavily urbanized context of the vicinity of the Study Area and surrounding neighborhoods adds to the impression that existing conditions represent underutilization of property.

Due to the relatively low density of housing, the vacancy of three industrial parcels along West 11th Avenue, the closed tank farm, and the geographical context of the Study Area, there **is a finding** of *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*.

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Section 6: Study Summary and Recommendation

Within the entire Study Area, 6 of the 11 blight factors were identified as being present. The blight factors identified within the Study Area are:

- Predominance of Defective or Inadequate Street Layout
- Unsanitary or Unsafe Conditions
- Deterioration of Site or Other Improvements
- Unusual Topography or Inadequate Public Improvements or Utilities
- Environmental Contamination of Buildings or Property
- 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

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. Since **six** blight factors were identified within the Study Area, the threshold has been met to move forward with the urban renewal process.

It is the recommendation of this Conditions Study report to the City of Denver and the Denver Urban Renewal Authority that the Study Area, in its present condition, exhibits a sufficient level of blight to be considered a “blighted area” under the standards set forth in State Statute. Whether the blighted area *“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”* is a determination that must be made by the Denver City Council.

