

26th & Larimer Conditions Study

December 2021



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Section 1: Study Overview

Purpose

This Conditions Study ("Study") is an examination of existing conditions on one full city block and a portion of another at the eastern and southern corners of the intersection of 26th Street and Larimer Street in the City and County of Denver, Colorado ("City").

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 serves 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 April 2021 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.), relevant 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, but does not include any new sampling or information not already contained in existing environmental records.

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:

*“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

- 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

- 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

- 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 26th & Larimer Study Area is located immediately northeast of Denver's Central Business District, in the neighborhood of Five Points. It consists of 15 real property parcels totaling just over three acres, plus the adjacent rights of way up to their centerlines, increasing the total size of the Study Area to 4.99 acres.

The Study Area is located in one of Denver's earliest subdivisions, the Curtis and Clarke's addition, which dates to 1868. It originally contained mostly residential uses, but was later redeveloped to include commercial and light industrial uses as well. Today, from south to north, it contains a vacant commercial building, an empty house, vacant lots, a light industrial building, a Volunteers of America kitchen and food distribution facility, a liquor store, and the Volunteers of America Colorado Branch building as well as an associated parking lot.

The vicinity surrounding the Study Area is characterized by similar uses. To the east are many single family homes dating from the 19th century, and to the west closer to the South Platte River and railroad tracks are many light industrial buildings that are now increasingly used for commercial purposes or have been redeveloped into multi-unit residential buildings.

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





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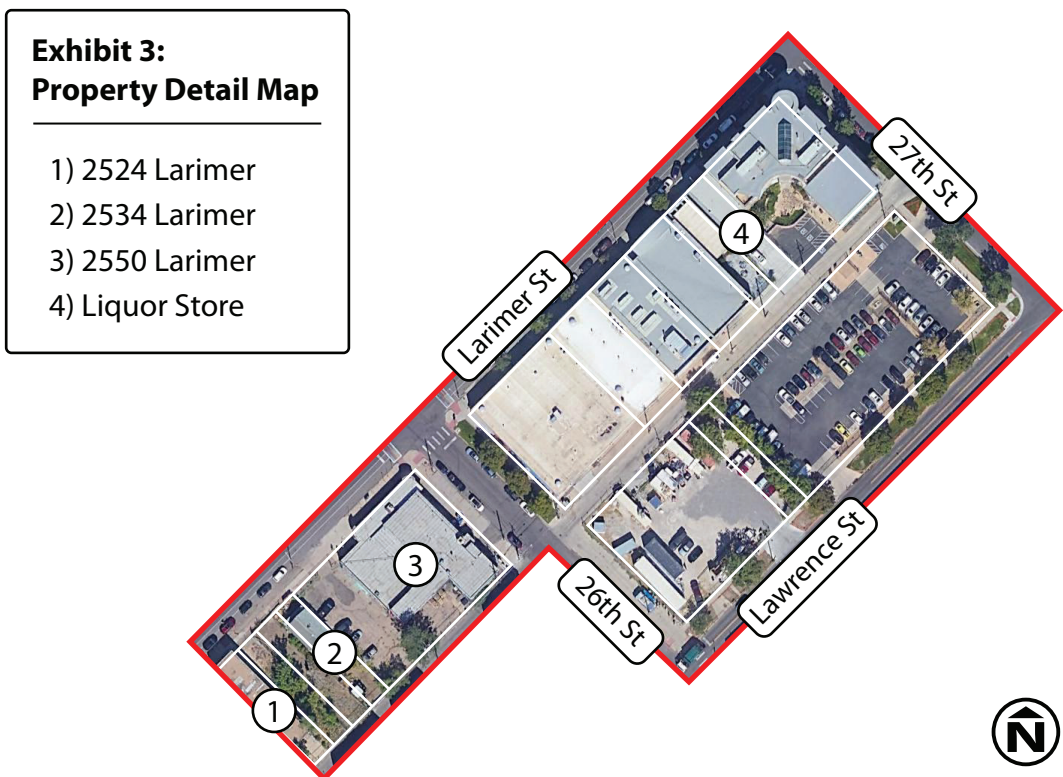
Section 5: Study Findings

The overall findings of the 26th & Larimer 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

Both street art (art created by the property owner or commissioned by the property owner) and graffiti (tags created by vandals) are prominent in the Study Area. For the purposes of this Study, the former does not contribute to a finding of blight in this subsection because it is deliberate and contributes to the character of the area, while the latter does because it can indicate a lack of general maintenance.

The following exhibit, **Exhibit 3: Property Detail Map**, shows the location of various properties within the Study Area discussed in this subsection.



At the southern end of the Study Area, 2524 Larimer St, (#1 in **Exhibit 3: Property Detail Map**), is a long-vacant warehouse property with deteriorating soffits and a mix of street art and some graffiti across its boarded front as well as its northeast side facing the adjacent vacant lot.



2524 Larimer St

The rear of the warehouse building has more graffiti, boarded windows, a boarded door, and a boarded loading dock. There is also a deteriorated metal staircase missing a railing and missing a floor on the landing at the top.



Rear of the warehouse building

Farther northeast, on the other side of the vacant lot, is a residential property at 2534 Larimer Street (#2 in **Exhibit 3: Property Detail Map**). It dates to 1885, recently sold in 2021, and has long been used as a residential property. It was still occupied at the time of sale, but was boarded during the field survey. An examination of its physical condition revealed deteriorated exterior surfaces, uneven retaining walls, missing and damaged fascia boards with peeling paint, and a deteriorated roof. It was painted around 2016 with bright colors that suggest an eclectic, creative vibe.



2534 Larimer St

Next at 2550 Larimer Street, (#3 in **Exhibit 3: Property Detail Map**), is a building commonly referred to as the “IMAC Building” due to the signage advertising its tenant, the IMAC Research and Development Center. This building has a street mural painted on its frontage along Larimer and 26th Streets. The mural portion of the building has no glaring maintenance issues, but there is a deteriorated loading dock in the back near the alley along 26th with some graffiti.

Across 26th along Larimer are several buildings owned and operated by the Volunteers of America. These structures, along with a liquor store, (#4 in **Exhibit 3: Property Detail Map**), form the entire half-block along the 2600 block of Larimer, and are in generally good condition and show ongoing maintenance. The liquor store building needs some tuck pointing and new signage, but is not significantly deteriorated.



Deteriorated loading dock at the IMAC building

On the half block fronting Lawrence Street, there are no permanent structures, only a parking lot and two empty lots that were being used for construction staging and storage for an adjacent development on the other side of Lawrence Street at the time of the field survey.

Overall, structures were found in good physical condition north of 26th Street, while each of the three structures to the south of 26th were in need of maintenance. These three buildings ultimately make up a significant portion of all structures in the Study Area.

Because of the buildings south of 26th Street, there **is a finding** of *Slum, Deteriorated, or Deteriorating Structures*.

Predominance of Defective or Inadequate Street Layout

The local streets serving the Study Area and the surrounding vicinity are old enough to be on the original downtown grid, which follows the alignment of Cherry Creek and the South Platte River through the area rather than the cardinal directions as does most of the rest of the City.

As noted in the 2011 *Northeast Downtown Neighborhoods Plan* adopted for the area, Broadway was extended north through the area in the 1920s, and its alignment on a north-south axis creates a lot of intersections with complicated geometries that can result in longer, more difficult pedestrian crossings.

Another challenge to street connectivity in the area is the presence of the South Platte River and rail lines a few blocks to the northwest, but there is a crossing along Broadway near the Study Area.

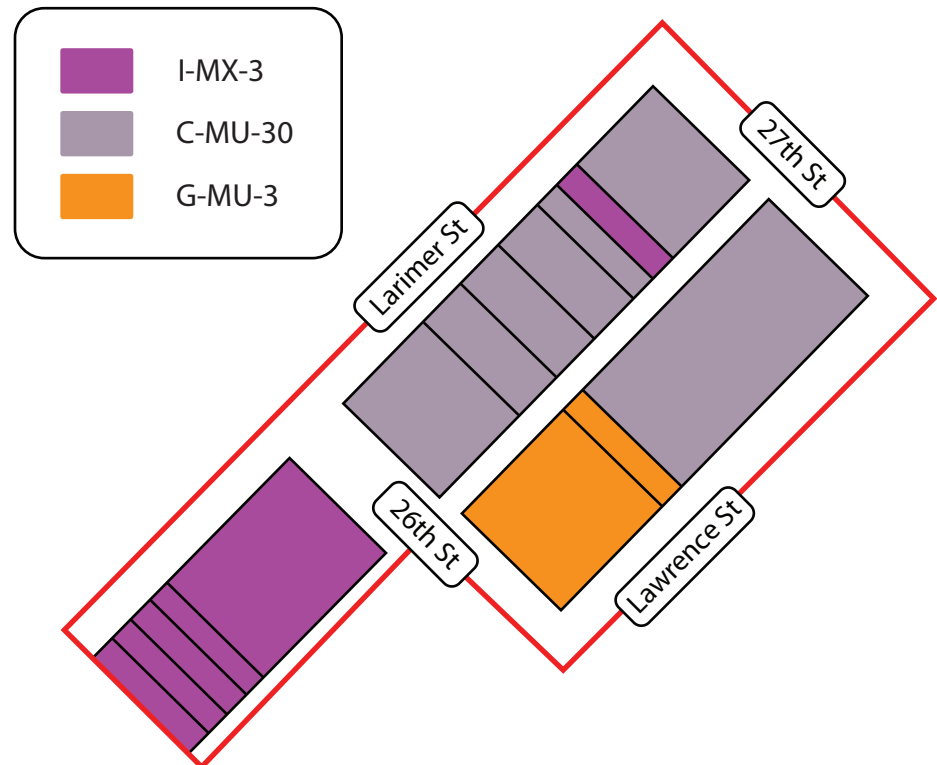
Overall, however, the street network serving the Study Area has good connectivity and plenty of redundancy. Larimer Street, which forms the northwest boundary of the Study Area, was converted back into a two-way street east of Broadway in 2012 as recommended by the *Northeast Downtown Neighborhoods Plan*. Its new cross section also contains a bike lane.

Regional connections by highway and rail are also easily accessible from the Study Area.

There is **no finding** of *Predominance of Defective or Inadequate Street Layout*.

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

Each real property parcel in the Study Area has access to a public street as well as an alley, and each is of sufficient size to be developed under its current zoning designation. The layout of parcels in the Study Area and their zoning are shown below.



In the I-MX-3 district, there are no setbacks in many cases, and instead build-to requirements exist along public streets. These parcels, with one exception, are southwest of 26th Street and are now under the same ownership, giving flexibility with parcel assembly or subdivision.

The parcels zoned C-MU-30 are all owned by the Volunteers of America. This is a district that is established in the former "Chapter 59" zoning code that existed prior to the new code adopted in 2010. These lots are large enough to be developed under their code designations, are assembled under single ownership. They would likely be rezoned to conform to the new zoning code if redeveloped or renovated in a major way.

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The two G-MU-3 parcels near 26th & Lawrence Streets are each individually large enough to develop under the setback regulations set forth in Denver's Zoning Code. Furthermore, they are under the same ownership as most of the other parcels on the block.

There is **no** finding of *Faulty Lot Layout* in the Study Area.

Unsanitary or Unsafe Conditions

Unsanitary Conditions

A small pile of trash was found in the rear of the warehouse property, but otherwise no indications of unsanitary conditions were observed during the field survey.

Unsafe Conditions

Data provided by the Denver Police Department covering crime incidents reported over the past five calendar years plus the year-to-date (65 months) show that the Study Area has 99 documented incidents over that time frame, not including traffic violations that are not classified as crime by the department.

As shown in the table below, this figure translates to 18.9 crimes per acre in the Study Area over the past 65 months. This is approximately equal to the rate of the surrounding Five Points neighborhood as a whole. Neighboring residential neighborhoods to the west and north show crime densities that are significantly lower, while the Central Business District and Union Station neighborhoods to the south have crime densities that are significantly higher (and are among the highest in the City).

	Total Incidents (65 months)	Size of Area in Acres	Crimes per Acre
Study Area	99	5.3	18.9
Five Points	22,489	1,126	20.0
Central Business District	14,232	275	51.8
Globeville	4,548	1,318	3.5
Highland	6,252	736	8.5
Union Station	10,603	281	37.7
Citywide (Except DIA)	365,083	72,048	5.1

Of the 99 incidents, most are related to drugs, alcohol, trespassing, and car break-ins, but 17 stand out as violent or dangerous crimes, such as assault or menacing with a weapon. Averaged out, this is a little over three violent crimes in the Study Area per year, or one every four months.

Of all the reported incidents, only about 11% were reported at a specific address, rather than at the nearest intersection or block, suggesting that most occurred in the public rights-of-way. Since the Study Area is in a highly urban area that is part of downtown Denver and is adjacent to the Central Business District as well as Coors Field, pedestrian traffic is relatively high. The moderately elevated crime levels in the Study Area are consistent with the surrounding neighborhood, and are low relative to the downtown area as a whole.

There is a safety concern with the sidewalks having missing sections in one location in the Study Area along Larimer Street, and the deteriorated staircase behind the warehouse building at 2524 Larimer is also an issue. However, the former issue is not by itself enough to consider the Study Area as a whole unsafe; and the latter issue is mitigated somewhat by the fact that the stairway leads to a door that is boarded and unused, and is fenced off from public access.

No 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, as well as the general maintenance of the entire site.

Much of the public space in the Study Area is in good condition, but numerous examples of deteriorating sidewalks were noted, including in areas where the sidewalk looked to be relatively new. One spot in particular, where the flagstone sidewalk in front of the residential property remains, was in particularly bad condition, with severely cracked or missing pieces of flagstone. Vacant lots in the Study Area were sometimes overgrown or had badly deteriorated paved areas, and the residential property was noted to have a deteriorated retaining wall near the sidewalk.

Overall, the noted issues were frequent and widespread enough to **warrant a finding** of *Deterioration of Site or Other Improvements*.



Missing and damaged flagstone sidewalk sections in front of deteriorated retaining wall



Lots of cracking in concrete sidewalk



Vacant lot with overgrown vegetation

Unusual Topography or Inadequate Public Improvements or Utilities

Public Improvements

As noted in the previous subsection, public sidewalks in the Study Area are in poor condition in some places.

Other public improvements in the area are in adequate condition; streets were noted to be in good condition during the field survey, and included curb, gutter, crosswalks, and a bike lane in the case of Larimer Street. Alleys were also noted to be in good condition.

Topography

No portion of the Study Area has severe grading or other natural features that significantly impact its redevelopment potential.

No portion of the Study Area is located in a FEMA-designated floodplain.

Public Utilities

The *Northeast Downtown Neighborhoods Plan* details stormwater deficiencies in the area, including potential ponding at 26th & Blake Street near the Study Area, as well as the need for improvements to drainage along 27th Street, which forms the northeastern boundary of the Study Area. However, the 2019 update of Denver's *Storm Drainage Master Plan* shows that a newly designed and constructed storm main along 27th mitigates these identified problems.

Denver's 2009 *Sanitary Sewer Master Plan* does not identify any capacity issues in the sanitary sewer system serving the Study Area. The 72-inch metro line serving the local basin is nearby, fed by a main underneath 26th Street that directly serves the Study Area.

Although some public sidewalks were categorized during the field survey as being in poor condition, this alone is not sufficient for a finding of inadequate public improvements.

There is **no** finding of *Unusual Topography or Inadequate Public Improvements*.

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

No detailed property title review was conducted on 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 buildings in the Study Area are found to be accessible from the primary public streets they front (Larimer or Lawrence Streets), with additional access from alleys and secondary streets. Additionally, fire hydrants were found in these public rights-of-way.

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.

As mentioned, the warehouse at 2524 Larimer Street has a deteriorated and defective staircase at its rear exit. This is too dangerous to use without a solid floor at the top landing. While this qualifies as an example of blight under this factor, it is simply too minor of an issue that can be fixed too easily to tip the balance in favor of a positive finding for the Study Area as a whole. The building is also completely boarded to prevent trespassing and use of this stairway.

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.

RECs fall in to one of three categories:

- **Active RECs** are confirmed releases or contamination that are ongoing or have not been mitigated
- **Potential RECs** consist of unconfirmed or potential releases or contamination
- **Historical RECs** are confirmed releases that have since been cleaned up or mitigated to meet applicable environmental standards

Only *active* RECs are considered grounds for a finding of *Environmental Contamination of Buildings or Property*.

A database search for RECs in the Study Area as well as review of four Phase I Environmental Site Assessments (ESAs) conducted on properties in the Study Area identified numerous potential RECs and one historical REC, but no active RECs. However, three Limited Scope Investigation reports (LSIs) commissioned on properties in the Study Area confirmed the presence of active contamination, yielding one active REC.

A summary of findings of the database search, Phase I ESAs, and LSIs are as follows:

Database Search

The historical REC was a leaking underground storage tank (LUST) that was installed in 1981 at 2636 Larimer Street and confirmed leaking in 1991 during closure activities. This release received a No Further Action letter in 1997, indicating that contamination levels had fallen below risk-based screening levels (RSLs), a threshold established by the EPA that indicates a “closed” REC when met.

Potential RECs found include:

- The listing of the 2636 Larimer as a small quantity generator of hazardous waste, but no compliance monitoring or enforcement actions (violations) are recorded.
- Potential emissions from the F&B Auto Service shop formerly located at 2660 Larimer Street that was closed in the late 1980s.
- The potential for leaking from four underground storage tanks maintained by F&B auto due to the tanks’ lack of spill or cathodic protection.
- The age of some structures in the Study Area indicates the potential for asbestos or asbestos-containing materials, which can complicate demolition and/or redevelopment if found present.

Phase I ESAs

The four Phase I Environmental Site Assessments (ESAs) were commissioned for properties within the Study Area by EDENS, the owner of the parcels in the Study Area. EDENS retained Terracon Consultants, Inc. (Terracon) to perform the ESAs. The ESAs were all performed between September 2019 and January 2021.

Similar to the review conducted by Matrix, the Terracon Phase I ESAs found potential RECs, but did not confirm their presence.

Potential RECs found include:

- Historical use of coal-based fill (CBF) and a former coal furnace at 2534 Larimer Street.
- Historical use of CBF at 2524, 2528, & 2532 Larimer Street.
- Historical use of property at 2644 Larimer Street as a automotive repair facility and use of CBF in the 2600 block of Larimer Street

The same historical REC that turned up in the database research was also presented in the ESAs.

Limited Scope Investigation Reports

Finally, three Limited Scope Investigation reports (LSIs) were conducted on properties in the Study Area by Terracon for EDENS in October 2019 and January 2021. These LSIs consisted of taking soil samples from various boring locations in the Study Area and analyzing them for volatile organic compounds (VOCs), polynuclear aromatic hydrocarbons (PAHs), and Resource and Recovery Act (RCRA) Metals.

The LSI reports indicated that elevated levels of benzo(a)pyrene and arsenic were found above risk-based screening levels (RSLs), but note that the arsenic is likely naturally-occurring. The reports recommended the development of a Materials Management Plan, which would include procedures for identifying, handling and disposal of environmentally impacted fill material. Two of the LSI reports additionally recommended that EDENS evaluate the CDPHE Voluntary Cleanup Program (VCP) for some or all of the properties in the Study Area. The VCP allows for CDPHE approval (by way of a No Action Determination) of remediation activities related to redevelopment of certain environmentally-impacted sites and offers tax incentives for remediation activities, such as the excavation and disposal of impacted fill material.

While the database review and Phase I ESAs only detected potential RECs, the LSIs confirmed the presence of contaminated fill material at certain locations in the Study Area. Due to the conclusions of the LSI reports, there **is a finding of Environmental Contamination of Buildings or Property** 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

Municipal Services

Municipal service calls to the Study Area over the past 5 years are not at levels considered to be elevated, given the context of the Study Area and its size and use over that time period.

Vacancy or Underutilization

As in the *deteriorated structures* subsection, the Study Area shows somewhat of a contrast between parcels in the Study Area located north of 26th Street and those located to the south.

To the north of 26th Street, buildings and improvements such as parking lots were under active use at the time of the field survey by the Volunteers of America Colorado. The exception to this is the liquor store, which is unassociated with the Volunteers of America but was still open and active.

To the south of 26th Street, some properties were found under active use, and others vacant. The IMAC Research and Development Center at 2550 Larimer Street was still active and operating at the time of the field survey, although it has recently sold and is in the process of moving. The remaining residential and warehouse properties sat boarded and empty.

On both sides of 26th, vacant lots mar the urban character of the neighborhood. On the south side, these vacant lots were used for surface parking or were completely unused, and in any case showed signs of needed maintenance. On the north side, the two vacant lots were being used as construction staging for a building going up outside the Study Area across Larimer Street, but this use is considered temporary.

In the urban context of the surrounding neighborhood, which consists of high-density, mixed use properties in the immediate vicinity of the Central Business District, vacant lots and surface parking lots are a clear underutilization of land. This idea is supported by the planning documents adopted for the area as

well as other frameworks such as the zoning code applied to property in the Study Area as well as the surrounding vicinity. The zoning code calls for 3-story mixed use buildings in the southern portion of the Study Area where there are vacancies, and for 3-story multiunit residential buildings where the empty lots are north of 26th. Similarly, the *Northeast Downtown Neighborhoods Plan* envisions mixed use industrial and urban residential development in the Study Area. Even the surface parking lot for the Volunteers of America properties is an underutilization of land in the context of downtown Denver.

While it is important to note that some portions of the Study Area such as the Volunteers of America buildings perform important social services for the neighborhood and region, and are developed to an adequate intensity to be in character with City-established goals and visions, other parts of the Study Area are clearly underutilized or vacant. Overall, the portion of the Study Area that falls in the latter category is significant enough for a positive finding of this factor for the Study Area as a whole.

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.*



A private surface lot along Larimer Street



Vacant lot in the Study Area



Underutilized tenant spaces along Larimer Street



The entire 2600 block along Lawrence Street is used for surface parking

Section 6: Study Summary and Recommendation

Within the entire Study Area, 4 of the 11 blight factors were identified as being present. The blight factors identified within the Study Area are:

- Slum, Deteriorated, or Deteriorating Structures
- Deterioration of Site or Other Improvements
- 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 **four** 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, 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.