



FREIGHT RESIDENCES

A Colorado Brownfields Case Study

PROJECT SUMMARY

Freight Residences is located at the northeast end of Zeppelin Development's 20-acre TAXI campus in Denver's revitalized River North Art (RiNo) neighborhood. The 49,200 square feet multifamily apartment project makes efficient use of what was once an urban brownfield site that is situated between the train tracks and the South Platte River in RiNo. Freight Residences mixes innovative design and amenities while simultaneously providing affordable housing options to urban families while reactivating and catalyzing the former industrial brownfield site of Dugan Truck Line company. The \$11.4 million apartment community project is comprised of 48 one-, three- and four-bedroom unit types. Each unit features an operable glass garage door that opens the living spaces to the gardens on the first floor, through-unit ventilation and ample light infiltration. Construction began in October 2014 and was completed by the summer of 2015 with the first tenants moving in shortly thereafter.

At the project's inception, the developers sought to offer a creative, first-of-its-kind apartment community that caters to growing families with young children who desire to be close to downtown. The developer's vision to attract growing families, traditionally an underserved area of the market that is often overlooked by large institutional apartment projects, resulted in the incorporation of a variety of different amenity types such as a building lobby that serves as a children's art area, a lawn area adjacent to the building where children can play in view of parent's residences, an early childhood education center and outdoor family film nights. Other additional site amenities include TAXI's signature shipping container pool, a dog park, community garden and a café.

In 2016, Denver Mayor Michael B. Hancock and Brad Buchanan, Executive Director of Denver Community Planning and Development awarded the 2016 Mayor's Design Award to Zeppelin Development in the category of "Density by Design" to the Freight Residences. The designers, Dynia Architects, also earned the AIA Western Mountain Region (WMR) Design Excellence Merit Award for their work on the project.



Axonometric diagram showing single corridor (in orange) located on third floor



Steel siding on the exterior offers maintenance free durability

QUICK FACTS

Location: 3515 Ringsby Ct, Denver, Colorado

Project type: From industrial site that included truck and trailer parking to 48-unit multifamily housing

Site: 47,176 square feet (or approx. 1.08 acres)

Former Use: Truck and trailer parking of Dugan Truck Line company

Renovated Use: 4-story apartment community built in 2016 with 48 units

Potential Environmental Issues:

- Leaked toxins that include oil, grease, coolants and other fluids.
- Organic materials that were found in the soil caused the release of methane gas.
- Bricks, timber and other decomposed matter.

Reuse Partners:

- Colorado Department of Public Health and Environment (CDPHE)
- Colorado Housing and Finance Authority (CHFA)
- Zeppelin Development

Rental Rates:

- \$1,400 – \$2,800 per month for 600 to 1,500 square feet on a variety of one-, three-, and four-bedroom units

Occupancy:

- Fully occupied in less than six months from its doors opening. 98% in 2019.

FINANCING AND DEAL STRUCTURE

The Colorado Brownfields Program was an integral part of the revitalization of this property. The program offered assistance to the developer by providing tax credits, revolving loans and environmental site assessments. The Colorado Voluntary Cleanup Program (VCUP) allows for a one-step approval of the federal and state required brownfields remedial plans. Under the Voluntary Cleanup Program, CDPHE provides an approval letter stating that a proposed cleanup follows state guidelines and will be protective of the intended reuse of the property. Once cleanup is completed, or for properties where there is no risk from environmental contaminants, CDPHE can also provide a "No Action Determination" letter stating the further cleanup is not necessary.

Through performing VCUP environmental remediation of the contaminated property, the developer was eligible for state income tax credits referred to as Colorado brownfields tax credit. These credits amount to 40% of the first \$750,000 of cleanup cost, and 30% of cleanup costs over \$750,000. In the case of the Freight Residences, the environmental remediation and cleanup cost of \$973,000 resulted in brownfields tax credit of \$367,000.

In addition, the developer was able to tap into the Colorado Brownfields Revolving Loan Fund. The fund, a partnership between, CDPHE, the Colorado Housing Authority (CHFA) and seven local governments provides low interest flexible term loans to support environmental cleanup. Sites must sign up for the VCUP to be eligible for CBRLF funding and tax credits. The fund provided a \$567,000 loan to cleanup the Freight property to a level allowing residential reuse.

ECONOMIC AND SOCIAL IMPACTS

Opening in 2015, Freight Residences offers housing opportunity for growing families who want to live near downtown. As part of the TAXI campus and the greater RiNo neighborhood district, the transformation from a brownfields impacted area to new housing opportunity for growing families who want to live near downtown has been notable. This award-winning project opened up revitalization of an older industrial district while increasing property values and tax revenue for the city.

Economic Impact Summary - Freight Residences			
Direct Impacts Only*			
	Freight Residences	Former Use	Increase in New Use
Value-Added			
City Real Property Tax Revenue	\$ 90,545	\$ 64,100	\$ 26,445
10 Year City Tax Revenues	\$ 905,450	\$ 641,000	\$ 264,450
Building/Improvement Value	\$ 12,299,000	\$ -	\$ 12,299,000
Land Value	\$ 4,245,800	\$ 2,200,000	\$ 2,045,800
Annual Household Income			
Total Number of Households	48	0	48
Average Household Income	\$ 80,600	\$ -	\$ 80,600
Total Household Income	\$ 3,868,800	\$ -	\$ 3,868,800
Investment in Construction (One-Time Impacts)			
Construction	\$ 7,275,000	\$ -	\$ 7,275,000
Environmental Services and Clean Up	\$ 973,244	\$ -	\$ 973,244
Soft Costs	\$ 932,756	\$ -	\$ 932,756
Total New Investment	\$ 9,181,000	\$ -	\$ 9,181,000
Jobs Created			
Construction Jobs	30		30
Total Permanent Jobs	2.5		2.5
Average Annual Wage for Permanent Jobs	\$ 52,832		\$ 52,832

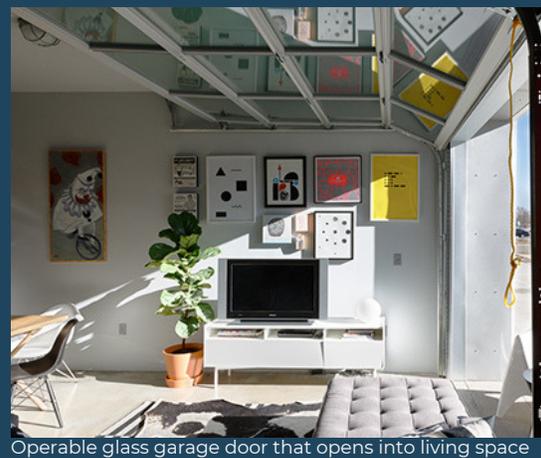
Sources: Colorado Department of Labor and Employment; Colorado Department of Public Health and Environment; Denver Property Taxation and Assessment System; Chris Woldum of Zeppelin Development

ENVIRONMENTAL CHALLENGES

TAXI is a 20-acre project that has transformed what was once an industrial brownfield site into a bustling mixed-use campus. The Freight Residences which was constructed on the former site of the Dugan Truck Line company, is one of nine buildings that has been developed on the TAXI site. The site contained several environmental concerns which included oil, grease, coolants and other petrochemicals. Also, a variety of organic materials, including decomposed matter, timber and bricks was found in the soil that caused the release of methane gas.



Construction in 2014



Operable glass garage door that opens into living space

Get Help For Your Project

Whether you are unsure of what a brownfield is, or you are well-versed in state and EPA brownfields programs, the Colorado Brownfields Partnership (CBP) will help you learn about leveraging brownfields assistance for your community. The CBP provides outreach and technical assistance to communities interested in redevelopment, renovation, and adaptive reuse of property. Please contact us at info@coloradobrownfieldspartnership.org or 970-340-2959 for more information.