



GOLD HILL MESA

A Colorado Brownfields Case Study

PROJECT SUMMARY

The Gold Hill Mesa site is a 210-acre mixed-use, infill development located at the southeast corner of US Highway 24 and 21st Street in the City of Colorado Springs. Because of the site's prime location just three miles west of downtown Colorado Springs, the project serves as a significant western gateway to the city. Gold Hill Mesa occupies the site of the former Golden Cycle Mill, a gold ore processing facility which operated between 1906 and 1949 which sat vacant for almost 50 years before developers purchased the site. Over the years, the abandoned site was frequently used for illegal dumping and attracted vandalism and a significant amount of negative perception. In spite of these conditions, the developer saw great potential for what the former Golden Cycle Mill site could be.

After purchasing the site in 1998, the developers worked with the Colorado Department of Public Health and Environment (CDPHE) on a voluntary cleanup plan which was approved in 2003. Cleanup for the site included consolidation and capping of more than 15 million tons of soil and tailings contaminated with heavy metals. The plan also included stream restoration designed to improve the water quality and aquatic habitat of Fountain Creek.

After years of planning and remediation, site grading began in 2005 with residential construction starting in 2006. To date, approximately 500 residences have been built (and 800 units of housing are anticipated at full buildout). The development offers a mix of housing types ranging from condos, to town homes, and single-family homes in a walkable setting. Sidewalks and paths throughout the community connect homes to neighborhood serving commercial areas, pocket parks, and a community center. The benefits of living in a Traditional Neighborhood Development (TND) is that residents live within a community rather than just a home. In exchange for relatively smaller lot sizes (typically below 0.15 acres), residents benefit from accessibility to commercial amenities, large public spaces, public art, community events, and sustainable use of natural resources.



Golden Cycle Mill established in 1905



The iconic smokestack is preserved and still stands today integrated into the Gold Hill Mesa development.

QUICK FACTS

Location: 142 South Raven Mine Drive, Colorado Springs, Colorado

Project type: From gold mill to traditional neighborhood design (TND)* mixed-use, infill community

Site: 67 acres of commercial development and 143 acres of residential development totaling 210 acres

Former Use: Golden Cycle Mill (a gold ore processing plant)

Renovated Use: Housing types ranging from apartments over retail and office uses, multifamily apartments and lofts, rowhouses, townhomes, duplexes, triplexes, and single-family detached homes.

Potential Environmental Issues: 14 million tons of gold tailing-infused soil, which contain lead and arsenic. Other issues include the presence of approximately 300k cubic yards of concrete rubble from abandoned structures and a badly eroding hillside along Fountain Creek and Highway 24.

Reuse Partners:

- Colorado Department of Public Health and Environment (CDPHE)
- Colorado Department of Transportation (CDOT)
- Colorado Housing and Finance Authority (CHFA)
- City of Colorado Springs
- Colorado Springs Urban Renewal Authority
- Gold Hill Mesa Partners
- Brownfield Capital

**A TND project includes a range of housing types, a network of well-connected streets and blocks, large public spaces, and have amenities such as stores, schools, and places of worship within walking distance of residences.*



FINANCING AND DEAL STRUCTURE

The partnership between the City of Colorado Springs, CDPHE, and the developer was crucial to making the project happen. A mix of private capital, state revolving loan funds, and public investment made the development possible. Instrumental to making the project viable included working with state and federal authorities to qualify for up to \$12.7 million in Urban Renewal tax incremental financing and Colorado Brownfields tax credits. The Colorado Brownfields Revolving Loan Fund (CBRLF) provided \$1.2 million in low-interest loans.

In addition in March 2006, Brownfields Capital provided Gold Hill Mesa Partners a \$19 million Brownfields Value Contract (BVC) with an estimated term of 3.25 years. The BVC provided revolving debt financing for the complete remediation and development of the site.

Finally, a second tax increment financing (TIF) district was created to fund infrastructure improvements to the site. The Gold Hill Mesa Commercial Area Urban Renewal Area (2015 to 2040) funded nearly \$23 million in road, utility and other infrastructure improvements to the commercial portion of the site.

ECONOMIC AND SOCIAL IMPACTS

While still being built out, the Gold Hill Mesa development provides a wide range of housing needs for the city's growing population. At full buildout, Gold Hill Mesa will provide up to 800 homes and serve as a major gateway to the city from the west. The economic impacts of the project include increased revenues to the county. When fully developed, the site will create an estimated 500 full time jobs, with up to 3,000 construction jobs resulting from site wide construction activities.

With collaboration, persistence and vision from the public and private sectors, Gold Hill Mesa has turned a contaminated and abandoned site into a thriving neighborhood, allowing beneficial reuse of a long neglected property that now contributes to the overall fabric of Colorado Springs. As a permanent tribute to the historic legacy of the site's past, the designers integrated the iconic smokestack of the Golden Mill Cycle processing mill into the development as a unique symbol of the area's past. Health and wellness are also promoted throughout the TND development with 32 acres of parks, open space and recreational opportunities connected by a system of trails. The architecture and urban design also plays an important role in the creation of a vibrant community. Front porches, human scale design, detailed streetscapes, connectivity and other elements all come together to create a vibrant community.

Economic Impact Summary - Gold Hill Mesa			
Direct Impacts Only*			
	Gold Hill Mesa	Former Use	Increase in New Use
Value-Added (as of June 2019*)			
City Real Property Tax Revenue - commercial	\$ 77,000	\$ -	\$ 77,000
City Real Property Tax Revenue - residential single family	\$ 475,000	\$ -	\$ 475,000
City Real Property Tax Revenue - residential multifamily	\$ 20,000	\$ -	\$ 20,000
Subtotal	\$ 572,000	\$ -	\$ 572,000
10 Year City Tax Revenues	\$ 5,720,000	\$ -	\$ 5,720,000
Land and Building/Improvement Value	\$ 176,500,000	\$ -	\$ 176,500,000
Estimated Sales Tax from New Development	\$ 350,000	\$ -	\$ 350,000
Annual Household Income			
Total Number of Households	500	0	500
Median Household Income	\$ 73,000	\$ -	\$ 73,000
Total Household Income	\$ 36,500,000	\$ -	\$ 36,500,000
Investment in Construction (One-Time Impacts)			
Construction - residential single family	\$ 125,125,000	\$ -	\$ 125,125,000
Construction - residential multifamily	\$ 7,600,000	\$ -	\$ 7,600,000
Construction - commercial	\$ 9,500,000	\$ -	\$ 9,500,000
Total New Investment	\$ 142,225,000	\$ -	\$ 142,225,000
Jobs Created			
Construction Jobs	2,500	0	2,500
Total Permanent Jobs	350	0	350
Average Annual Wage for Permanent Jobs	\$ 31,500	\$ -	\$ 31,500
*Above estimates are based on 500 residential units built out and occupied (of which 10% are multifamily units), 50,000 square feet of retail and 50,000 square feet of office built out.			

Sources: U.S. Census; Colorado Department of Public Health and Environment; Office of El Paso Assessor; Colorado Springs Urban Renewal Authority; Interview with Paul Casey at Casey Resources, Inc. and staff at Gold Hill Mesa Partners

ENVIRONMENTAL CHALLENGES

During the years of operation from 1906 to 1949, the Golden Cycle Mill processed approximately 15 million tons of ore from nearby Cripple Creek and Victor gold mines located approximately 35 miles to the west. Operations at the Golden Cycle Mill ended in 1949, leaving the site burdened with 14 million tons of gold tailing-infused soil and extensive tailings piles which contained lead and arsenic. Other development challenges included the presence of approximately 300k cubic yards of concrete rubble from abandoned structures and a badly eroding hillside along Fountain Creek and Highway 24.

By 1990, an old dirt cap that had been put on the property in the 1950's was eroding away, exposing the tailings. The EPA began investigating the grounds to determine if the tailings posed a serious enough risk to human health to deem the area a Superfund site with enough toxic waste to be considered a high priority for cleanup by the federal government.

In 2000, the developer began working with the Colorado Department of Public Health and Environment (CDPHE) in the submission and approval of a Voluntary Clean Up Application (VCUP)* which identified remedial actions, including the placement of an environmental cap on the entire 220-acre site.

**VCUP is a process that the State of Colorado and the Environmental Protection Agency manage that involves working with developers to create a plan that mitigates the environmental concerns for a property with known contaminants. The program provides liability protection for the owner/developer through a CDPHE/EPA MOU, under which EPA will not pursue actions at site with CVUP plans approved by CDPHE.*

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 info@cobrownfieldspartnership.org or call 970-340-2959 for more information.