

CASE STUDY: FIRE CLAY LOFTS

MULTIFAMILY REDEVELOPMENT



PROJECT SUMMARY

The Fire Clay site was the home of the former Fire Clay Brick Company manufacturing center that was constructed in 1985 and shut down in the late 1900s. The site remained abandoned, with falling down buildings and potential environmental contamination until Urban Ventures took interest and purchased the site in 2000. With a specialty in historic property renovation and residential projects, Urban Ventures saw the site as a unique opportunity at a time when there was a strong need for affordable housing and live/work spaces in Denver.

The original brick plant operation left a variety of environmental concerns including lead contaminated soil, a gasoline dispenser, debris piles, asbestos pipe insulation, drums of waste oils, abandoned vehicles, abandoned equipment and machinery, and cadmium contaminated groundwater. Lead contaminated soils and asbestos insulation were removed and investigation found potential soil contaminants to not be significant enough to require further cleanup. Cadmium in groundwater was found to be from an off-site source not requiring any cleanup by the site owners. The Colorado Voluntary Cleanup Program issued a No Action Determination declaring the site environmentally safe for residential use, enabling the envisioned loft development to proceed.

The brick company site was originally built with two buildings, a manufacturing plant and a storage-distribution warehouse. The Fire Clay Lofts combined renovation of the existing warehouse building with new construction in Phase I and demolition and new construction in Phase II. The project created a total of 107 housing units including “live/work” units, designed for people who run a business from their home. For example, one of the Phase I units was purchased by a resident who runs a coffee shop on the main floor and lives upstairs. The renovated industrial warehouse building plus three new buildings created 53 attached ownership units. An additional six buildings created 54 ownership units. Individual units range in size from 870 square feet to 1,520 square feet, with 20% of the total units set aside as attainable units for households earning 80 percent of the area median income.

QUICK FACTS

Location: River North Art District (RiNo), Denver, Colorado

Project type: Industrial site to multifamily housing

Site: 3.0 acres of the total 4.1 acre former brick company site

Former Use: Fire Clay brick company manufacturing site

Renovated Use: A variety of multifamily housing and live/work units

Environmental Issues: Lead contaminated soil; gasoline dispenser; debris piles; asbestos pipe insulation; drums of waste oils; abandoned vehicles, equipment, and machinery; cadmium contaminated groundwater

Reuse Partners:

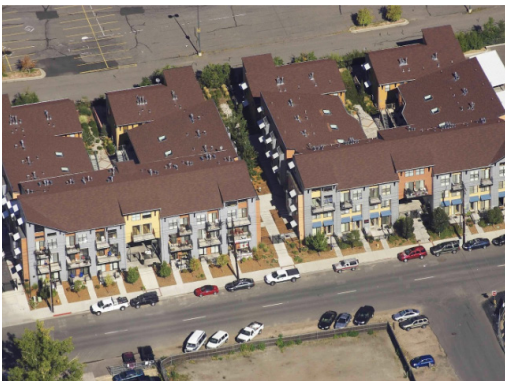
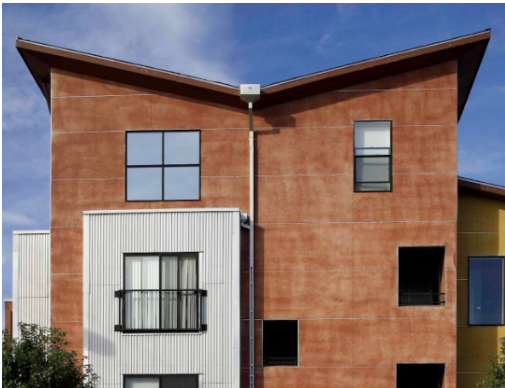
- » Colorado Department of Public Health and Environment (CDPHE)
- » City of Denver
- » Urban Ventures
- » Van Meter Williams Pollack
- » Studio Competiva



FINANCING AND DEAL STRUCTURE

Brownfields assistance for the site included the acquisition of a CDPHE Assessment Grant and eventually, a No Action Determination letter to indicate that the site had been property remediated for residential use. The developer's enrollment in the Voluntary Cleanup (VCUP) made both of these steps possible.

Urban Ventures obtained a construction loan for the first, second, and third phases of the project, totaling \$15 million and then an additional construction loan of \$9 million for the fourth phase. They also negotiated a \$300,000 loan from the City to help pay for costs related to the extensive site work and required infrastructure. The loan was converted to a grant when all 32 of the affordable, deed-restricted units were completed in August 2008.



FINANCIAL IMPACT:

Total New Investment:

\$30,910,000

Property Value-Added:

+ \$9,988,000

New Housing Units:

+166

SOCIAL IMPACT

- » Creation of new housing in an "up and coming" area of north Denver and opened up revitalization of this older industrial district.
- » New units included workforce priced housing, attainable housing, and 107 "live/work" units, designed for people who run a business from their home.
- » The adaptive reuse of the industrial building and unique architecture establishing a new character for the RiNo art district.

ECONOMIC IMPACT

- » The project turned a blight into a major source of tax revenue for the city, county, and school district.
- » **Added tax revenue - \$39,200 annually**
- » **Added property value - \$9,988,000**

HELP FOR YOUR PROJECT

Regardless of where you are in the process, the Colorado Brownfields Partnership (CBP) will help you learn about brownfields assistance for your community. We provide many types of support to communities interested in redevelopment of potentially contaminated sites. Contact info@cobrownfieldspartnership.org for more information.

INFO@COBROWNFIELDSPARTNERSHIP.ORG

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COLORADO

Hazardous Materials & Waste Management Division

Department of Public Health & Environment

