

# CASE STUDY: FORT COLLINS

## FORNEY INDUSTRIES REDEVELOPMENT



### PROJECT SUMMARY

After 66 years of operations, Forney Industries, a manufacturer and distributor of metalworking and welding equipment, tools, and other industrial products, outgrew its corporate headquarters and base of manufacturing operations at their campus in Fort Collins, Colorado. In the summer of 2014, the company entered into negotiations with Salud Family Health Centers, a non-profit, Colorado-based provider of health care services to underserved populations, to acquire their site. As part of the transaction due diligence process, Salud requested a Phase I – a review of existing records, a site visit, and interviews – and Phase II – a detailed analysis through collection of samples – Environmental Site Assessment to be carried out.

Upon completion of this assessment, it was determined that adverse environmental conditions existed at the site, including petroleum-impacted soil and ground water as well as asbestos in some of the buildings. As a result, Forney Industries commissioned JA Environmental Consulting to prepare a Voluntary Cleanup and Redevelopment Program (VCUP) application that included a scope of work and cost estimate for the remediation for submittal to the Colorado Department of Public Health and Environment (CDPHE). Upon approval by CDPHE, the VCUP became part of the property transfer package to the new owner.

New investment included \$300,000 in environmental cleanup, \$327,500 for construction of a temporary facility, and \$4 million in construction of the permanent facility. An estimated 10,000 patients have been served at the new health center (at the time of this assessment).

### QUICK FACTS

**Location:** Fort Collins, Colorado

**Project type:** Industrial redevelopment to commercial

**Site:** 22 acre former industrial property rezoned for commercial and mixed-use

**Former Use:** Headquarters and operations of metalworking and welding products manufacturer and distributor

**Renovated Use:** Salud Family Health Centers, a 501(c)(3) nonprofit, Federally Qualified Health Center (FQHC) facility; a bamboo-bike manufacturer; and Colorado State University's proposed community hub

**Environmental Issues:** Asbestos and petroleum contamination

**Reuse Partners:**

- » Forney Industries, Inc. (property seller)
- » Salud Family Health Centers (property buyer)
- » JA Environmental Consulting, LLC
- » City of Fort Collins
- » Colorado State University (CSU)
- » Colorado Department of Public Health and Environment (CDPHE)

## ENVIRONMENTAL CHALLENGES

Forney Industries originally operated with a septic system and leach field prior to being connected to the city's sewer system. While there were no known spills or releases, the activities over the years resulted in oil-impacted soils and groundwater affected by small traces of chlorinated solvents such as perchloroethylene (PCE) and trichloroethylene (TCE) that exceeded levels established by Colorado Groundwater Standards. The cleanup consisted of the following four components; source removal of oil-impacted soils to be disposed of at landfill; bioremediation of the chlorinated solvents in soil and groundwater; backfilling the pit with clean soil; and treating the site's groundwater with injections of emulsified vegetable oil. In total, approximately 350 cubic yards of petroleum impacted surface soils were removed from the site while remediation efforts were monitored with on-site wells.

## FINANCING AND DEAL STRUCTURE

As part of the transaction, Forney Industries owned responsibility for preparing and implementing the voluntary cleanup plan. In addition, Forney Industries deposited an amount into a remediation escrow account to use towards assessments and remediation as well as a contingency reserve for unexpected potential future liabilities.

To offset this cost, Forney Industries applied for the Colorado State Brownfield Tax Credits, an amount estimated by CDPHE to be worth approximately \$300,000 in total, of which 40% or \$140,000 worth in tax credits were applied at the closing of the deal. The City of Fort Collins assisted Salud Family in effectively navigating the building permit process in its redevelopment plan.



## FINANCIAL IMPACT:

Total New  
Investment:

**\$4,627,500**

Property  
Value-Added:

**+ \$747,900**

Jobs Created:  
(temp + permanent)

**+152**

## SOCIAL IMPACT

- » Created quality infill redevelopment project on a former brownfield site.
- » Remediated environmental hazards while boosting the local economy, upgrading the appearance of the neighborhood and improving services.
- » Provided a new location for a clinic with a focus on equity and creating a healthier and more prosperous community.

## ECONOMIC IMPACT

- » Salud Family acquired the property, renovated, and relocated to a 30,369 sf building at an estimated cost of \$3.9 million.
- » Cleaned 13.6 surplus acres that could catalyze an additional 95,000 sf of commercial development and \$15 million in future construction activity.
- » **Added tax revenue - \$18,800 annually**
- » **Added property value - \$747,900**

## 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](mailto:info@cobrownfieldspartnership.org) for more information.

 [INFO@COBROWNFIELDSPARTNERSHIP.ORG](mailto:INFO@COBROWNFIELDSPARTNERSHIP.ORG)

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**COLORADO**

**Hazardous Materials  
& Waste Management Division**

Department of Public Health & Environment

