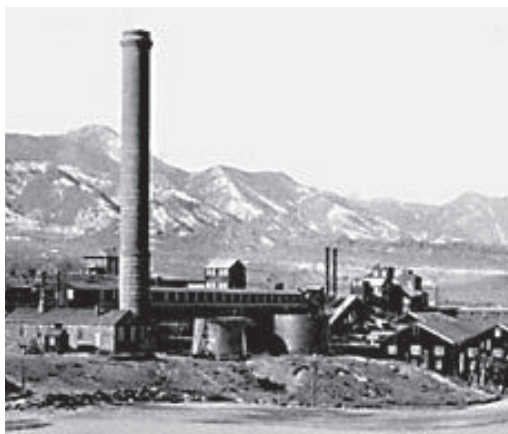


# CASE STUDY: COLORADO SPRINGS

## GOLD HILL MESA REDEVELOPMENT



### 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 and then 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 (VCUP) 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 townhomes, and single-family homes in a walkable setting. Sidewalks and paths throughout the community connect people to neighborhood serving commercial areas, pocket parks, and a community center. The benefit 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, vibrant character, and sustainable use of natural resources.

### QUICK FACTS

**Location:** Colorado Springs, Colorado

**Project type:** Gold mill to mixed-use community

**Site:** 210 acres

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

**Renovated Use:** A diverse neighborhood with many housing types and amenities

**Environmental Issues:** 4 million tons of gold tailing-infused soil, which contain lead and arsenic and approximately 300k cubic yards of concrete rubble from abandoned structures

**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

## ENVIRONMENTAL CHALLENGES

During the years of operation from 1906 to 1949, the Golden Cycle Mill processed 15 million tons of ore from nearby gold mines. Operations at the Mill ended in 1949, leaving the site burdened with 14 million tons of gold tailing-infused soil and extensive tailings piles containing lead and arsenic. Other challenges included 300,000 cubic yards of concrete rubble from abandoned structures and a badly eroding hillside. By 1990, an old dirt cap that had been put on in the 1950's was eroding away, exposing the tailings. The EPA began investigating the site to determine if it posed a serious enough risk to deem the area a high-priority Superfund site. In 2000, the developer began working with CDPHE in the submission and approval of a Voluntary Cleanup Application, which identified remedial actions, including placement of an environmental cap on the entire 220-acre site.

## 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 was the process of working with state and federal authorities to qualify for up to \$12.7 million in urban renewal tax increment financing and Colorado Brownfields tax credits. The Colorado Brownfields Revolving Loan Fund (CBRLF) also provided \$1.2 million in low-interest loans. 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.



## FINANCIAL IMPACT:

Total New  
Investment:

**\$135,385,000**

Property  
Value-Added:

**+ \$195,384,000**

Jobs Created:  
(full time)

**+350**

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**COLORADO**

**Hazardous Materials  
& Waste Management Division**

Department of Public Health & Environment



## SOCIAL IMPACT

- » Will provide up to 800 diverse housing units at full build-out for the city's growing population.
- » Turned a contaminated site into a thriving neighborhood.
- » Integrated the historic and iconic smokestack of the Golden Cycle Mill.
- » Promotes health and wellness with 32 acres of parks, open space, and recreational opportunities connected by trails.
- » Used architecture and urban design to create a vibrant community, including front porches, human scale design, connectivity, and other community-oriented elements.

## ECONOMIC IMPACT

- » Created an estimated 500 full time jobs, and up to 3,000 construction jobs.
- » **Added tax revenue - \$572,000 annually**
- » **Added property value - \$176,500,000**

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