

CASE STUDY: WESTMINSTER

THE NEIGHBORHOOD BUILDING



PROJECT SUMMARY

The Neighborhood Building is part of the Harris Park Historic area in Westminster, Colorado. The area is part of the City of Westminster's plan to revitalize a historic but declining section of this south Westminster neighborhood. The revitalization encompasses a mixed-use, neighborhood redevelopment effort that will blend residential, retail, and other commercial spaces while maintaining the historic integrity of the Harris Park area. The Neighborhood Building is a catalyst project towards this broader city goal.

In 1952, the Pik Kwik Service Station was built at 73rd and Lowell, accompanied by a small fast food restaurant. The businesses slowly left over the next 20-30 years, leaving the structures abandoned for 15-20 years before the Harris Park Revitalization and Urban Renewal Authority was created in 1997. Leakage from the service station's underground petroleum tanks created lingering environmental hazards on the parcel. In fall 2000, the City completed a phase one environmental site assessment on several sites in south Westminster. The former Pik Kwik station was one of nine sites identified as contaminated areas and selected for potential redevelopment projects.

This site is now known as the Neighborhood Building. It was redeveloped into a 12,000-square-foot commercial building composed of retail and office space. The redevelopment, which opened in 2008, includes the new building that fits into the neighborhood's existing character, a small plaza area adjacent to the building, and a parking lot. The project resulted from successful public-private investment involving the City of Westminster and Community Builders, Inc. The building is owned by the Colorado Rural Housing Development Corporation via a pre-sale agreement and a \$334,000 bridge loan provided by the Westminster Economic Development Authority. The project depended on the initial and on-going cleanup of environmental contamination, performed by the Colorado Division of Oil and Public Safety (OPS) from its former use as an auto service/gas station.

QUICK FACTS

Location: Harris Park Historic area, Westminster, Colorado

Project type: Abandoned buildings to commercial redevelopment

Site: 0.59 acres

Former Use: Dilapidated service station, bowling alley, and Dairy King built in 1952-1953

Renovated Use: Active commercial ground floor with office space above

Environmental Issues: Leaking petroleum storage tank and petroleum plume under site

Reuse Partners:

- » Colorado Department of Public Health and Environment (CDPHE)
- » Colorado Division of Oil and Public Safety
- » City of Westminster
- » Colorado Rural Housing Development Corporation
- » Westminster Economic Development Authority
- » Adams County Micro Business Center

ENVIRONMENTAL CHALLENGES

The Colorado Division of Oil and Public Safety (OPS) completed the cleanup under the State Lead program. This means the Petroleum Storage Tank Committee determined that the immediately previous owner bears no responsibility for the release. Based on this status, the current owner chose to have the State conduct the remediation. Remediation included a vapor mitigation system and disposal of contaminated soils. Cleanup costs totaled about \$526,000, including \$71,000 for assessment, \$310,000 to install the cleanup system, \$40,000 per year for on-going treatment, and \$25,000 to shutdown the system. The real estate development was integrated with the site cleanup. OPS worked closely with the developer, the City, and the purchaser of the completed building.

FINANCING AND DEAL STRUCTURE

To address financial gaps in developing the Neighborhood Building, the City of Westminster made various investments alongside the developer. While tax increment financing (TIF) is an available tool for redevelopment projects in an Urban Renewal Area, prior bonding commitments did not allow Westminster to issue new bonds to finance the project. In lieu of bonds, Westminster directly invested \$550,000 to purchase the land, pay for water tap fees, support utility improvements, and build a cultural plaza next to the building. The City projects it will recoup its investment in 10 years through increased public revenues. The City, Colorado Rural Housing Development Corporation (CRHDC), and the Adams County Micro Business Center collaborated to attract several possible tenants to the new commercial center. In addition to development incentives, the City made plans to subsidize \$5.00 per square foot in rent to the building's occupants for three years to attract an appropriate mix of tenants. CRHDC is providing business development loan assistance to future small businesses of the building.



FINANCIAL IMPACT:

Total New
Investment:

\$1,926,000

Property Tax
Revenue Added:

+ \$68,300/year

Jobs Created:
(full time)

 **+32**

SOCIAL IMPACT

- » Brings value to a property that had deteriorated to the point of abandonment.
- » Makes significant contributions towards the community's goals of historic preservation and economic development.
- » Improved walkways, landscaping, and historic restoration contribute largely to the emerging appeal of the area.

ECONOMIC IMPACT

- » Increase in property value that contributed to the URA's tax increments.
- » Will help the City meet their bond commitments and other economic development plans.
- » Attracted additional private investment to the area.
- » **Added Westminster tax revenue** - \$14,400 annually
- » **Added Adams County tax revenue** - \$18,500 annually
- » **Added School District tax revenue** - \$35,400 annually

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

