



Crossroads Commerce Park

Denver, Colorado
2017 Region 8 Winner

Key Project Lesson: Brownfield Redevelopment success can be achieved through public and private collaboration, common goals, and consistent effort over many years.

Overview

Originally developed in 1886 as a smelter during Colorado's "Gold Rush," the Holden Smelter produced first gold and then silver. Evolving alongside Colorado's mining history, the plant produced a variety of metals over the course of the following 100 years, notably arsenic, bismuth, cadmium, copper and lead. In 1901, the American Smelting and Refining Company (later renamed Asarco Inc., "Asarco") bought the site, which was by then known as the Globe Smelter. The "Globe Plant," as it came to be known, and the workers who ran it, eventually gave birth to the name "Globeville," which the neighborhood still carries to this day.

The plant was a major employer for a young and growing Denver; the history of the site is interwoven with the history of the American industrial revolution and the Rocky Mountain West's role in it. As with much of that period though, the mining and industrial engine that helped give rise to one of Denver's oldest working-class neighborhoods, was also the source of contamination that would ultimately cause the plant to close and contribute to the decline of a once-great neighborhood. Fast forward to 2009, the plant had been shuttered, Asarco bankrupted, and the site transferred to the Asarco Multi-State Custodial Trust (the "Trust") as part of the resolution of Asarco's bankruptcy proceedings. Utilizing a strong collaboration with multiple entities, including the City and County of Denver, Adams County, the Colorado Department of Public Health & Environment, the EPA, Denver Urban Renewal Authority, Adams County Economic Development, which had not seen new construction in over a decade. The Park kicked off a renaissance in the central submarket of Denver. Crossroads has delivered on-time, on-budget, Class A industrial buildings, being occupied by best-in-class, local, national and global tenants. These companies are new and/or expanding in the region, offering primary employment opportunities to the Globeville area and surrounding communities.

In addition, the development of Crossroads sparked the expansion of Washington Street to provide better access to the I-25 and I-70 interchanges via 58th Avenue and Washington Street, respectively. This complements the relocation of industrial tenants being displaced due to the new infrastructure surrounding the National Western Complex, the light rail expansion throughout the Denver region, as well as the gentrification of RiNo from its historic roots to an emerging mixed-use area. The Globeville neighborhood has experienced major infrastructure improvements for the area including expansion of public streets, new private roads, regional drainage improvements, sidewalks and landscaping not previously built-out in the area, and a new traffic signal at Washington Street and 55th Avenue.

Featured Partners

- EnviroFinance Group, LLC
- RE | Solutions, formerly Brownfield Partners/EFG
- Alexco Resource Corp.
- NorthStar Demolition and Remediation, Inc.
- Backhoe Services
- Fiore & Sons, Inc.
- Murray & Stafford, Inc.

- Meuran Design Group
- Ware Malcomb
- Jansen Strawn Consulting Engineers
- Adams County Economic Development
- Colorado Dept. of Public Health & Environment
- Adams County Community & Economic Development Department
- Denver Urban Renewal Authority
- City & County of Denver Office of Economic Development
- U.S. Dept of Housing & Urban Development
- Colorado Business Bank
- Principal Real Estate Investors
- Greenberg Traurig, LLP
- McGeady Sisneros, P.C.
- Brownstein, Hyatt, Farber, Schreck, LLP
- Newman Grubb Knight Frank
- D.A. Davidson Companies
- Trammell Crow Company

Primary Reason for Redevelopment

While site remediation was the result of years of effort by CDPHE and EPA to bring resources to bear on one of Denver's most contaminated sites, its redevelopment and reuse was driven by its attractive location and the community's desire to bring about economic revitalization.

Located in Denver's central commercial submarket, with easy access to both Interstate 70 and Interstate 25, the former ASARCO Globeville site is truly at the crossroads of interstate commerce for the Rocky Mountain west. The location's market attraction combined with its historical role as an employment center made it an obvious target for urban revitalization.

Approach

As early as 2005 EFG's predecessor, Brownfield Partners, began negotiations with Colorado's Department of Public Health and Environment (CDPHE) on an agreement spelling out the proposed remedy and allowing for the initial pilot testing of that remedy. These efforts were thrown into flux following ASARCO's bankruptcy filing, and it would ultimately take until 2011 for active remediation to begin on the site.

During the period from 2005-2011, Brownfield Partners worked to put in place the partnerships and agreements that would eventually allow for the successful remediation and redevelopment of the site.

In 2011, with these and other critical documents in place, EFG, together with its contracting partner (and the developer of the proprietary groundwater remediation methods approved for the cleanup), Alexco Resources, began active remediation and site redevelopment:

2011 : 2012 – abatement and demolition of 26 structures totaling almost 1 million SF

2012 : 2015 – full-scale implementation of the groundwater remedy

2013 : 2015 – site soil remediation and creation of the neutralized soil area (NSA)

2015 : 2016 – installation of onsite and off-site utilities and roadways

2015 : 2017 – construction of 859,280 SF of industrial/warehouse/distribution/manufacturing space

Innovative Techniques

Virtually every aspect of the project required an innovative approach to brownfield redevelopment to be successful. In many ways, it is the integration of the array of techniques within a single project that makes the remediation and redevelopment of the ASRACO site into Crossroads Commerce Park so unique. What follows is two examples of the ways in which innovative approaches to remediation, finance, and redevelopment came together to make the project a success.

Revised Remedy Integrated with Planned Redevelopment: The initial remedy for the former Asarco site was based on a "cap and fence" plan pursuant to the 1993 Consent Decree. One key element of this remedy was the construction of a slurry wall and a perpetual pump and treat program required to maintain hydraulic control behind the slurry wall. Another key element of this remedy would have been the perpetual collection and treatment of groundwater through two existing trenches (the terrace drain and the interceptor trench) and indefinite operation an on-site water treatment plant. This prescribed approach would have resulted in a

vacant, fenced site with no redevelopment potential. The alternative remedial approach developed by Alexco and Brownfield Partners, and implemented by EFG allowed for full site redevelopment. Because the historical plant consisted of 39 buildings constructed across a hillside sloping more than 40 feet from north to south, the site itself was undevelopable as historically graded.

Metropolitan Districts Serving Double Duty: As previously discussed, the creation of four separate Title 32 Metropolitan Districts spanning two counties was both a testament to the level of regional cooperation and commitment to the project and critical to the overall capital stack. However, because the Metropolitan Districts are quasi-governmental entities that will exist to serve the site and property owners long after EFG has exited the project, the districts are also able to partner with the State and help ensure long term environmental stewardship.

Challenges

While the level, nature and extent of environmental contamination on this site was undoubtedly the largest single challenge, in many ways, the site's history and location combined to layer on additional complexity – making an already challenging situation one that literally could not be accomplished without an extraordinary degree of local, regional, state and federal cooperation.

Legacy of Negative Impacts and Mistrust

While suspicion of negative environmental impacts (on the part of both workers and neighboring properties) from smelting activities on the site go back generations, state and federal documentation of those impacts dates back to the early 1980's. Ongoing assessments, legal battles, and both onsite and offsite cleanup activities further deepened the surrounding community's mistrust of ASARCO and made subsequent efforts to clean it up that much more difficult. In order to overcome neighborhood concerns about the cleanup effort, CDPHE and EFG engaged in a broad outreach effort, holding community meetings to explain the remedy as well as the redevelopment opportunities it would bring about.

One Site, Two Counties

Crossroads Commerce Park is located on approximately 80 acres that spans both the City and County of Denver and Adams County. To address this obstacle, a Subdivision Improvement Agreement ("SIA") was entered into by EFG, the Metro Districts, the City and County of Denver and Adams County. The SIA established which improvements would be owned and maintained by each entity.

Water, Water Everywhere (and ...)

Getting municipal water and sewer service to the site proved to be yet another challenge. Historically, water and sewer service was provided by Denver Water via taps located within the City and County of Denver portion of the site, while wastewater was treated via the onsite wastewater treatment plant and released under a State wastewater discharge permit. In partnership with Denver Water, the City and County of Denver, and North Washington Street Water and Sanitation District ("NWSWSD"), the entire site was annexed into NWSWSD (once again crossing county lines) and more than a mile and a half of offsite water and sanitary sewer upgrades were installed to accommodate the first new developments in decades.

Location, Location, Location

While Crossroads is enviably located at the intersection of I-25 and I-70 in Denver's Central Submarket, it also slopes more than forty feet from 55th Avenue on the north to 51st Avenue on the south. In addition, the property is bifurcated by regional power lines, the Farmer's and Gardener's Ditch irrigation feature, and the aforementioned county line, and it is further subject to myriad site development limitations created by site remediation. Successful redevelopment required close coordination between EFG and TCC, as well as the design team of Ware Malcomb and Jansen Strawn Engineers, Adams County, the City and County of Denver, CDPHE, and Adams County Economic Development, to name but a few.

Benefits

Site Remediation

The ASARCO site (the property EFG acquired from the Trust and that is subject to the Consent Decree / Enforceable Agreement) is 77.6 acres, all of which underwent soil and groundwater remediation and remains subject to an environmental covenant (perpetually restricting certain uses in the future) and a site soils management plan. In addition to acquisition of the ASARCO site, EFG acquired and remediated an adjoining

2.1 acres from Burlington Northern Santa Fe Railroad, bringing the total site and remediated area to approximately 80 acres.

Job Creation

At the height of its employment in this low-income community, the Asarco Globe Plant employed up to 3,000 people. With its operation running over 100 years, the total employment at the plant had a significant impact on the area for decades. Detailed records of the employees are not available, but the Globe Plant employed workers in smelting, refining, laboratory analysis and metals assay, mechanical, maintenance, wastewater treatment, management and clerical positions. Current employment at the site is estimated at nearly 350 jobs as of mid-end 2017. These jobs are generally concentrated within the following industry categories: Manufacturing; Wholesale & Retail Trade; Transportation, Warehousing & Utilities; and Professional & Business Services.

Before Photograph



After Photograph



Project Address:	SWC Washington Street & E. 55 th Avenue, Denver, CO 80216
Contact Person:	Mike Sullivan, Trammell Crow Company
Phone:	303-628-1719
Email Address:	mikesullivan@trammellcrow.com
Names of Participants:	Mike Sullivan, Mary Hashem, Fonda Apostolopoulos, P.E.
Number of Acres:	77+/-
Former Uses:	Metal Smelter Facilities
Current Uses:	Class A Industrial and Distribution Facility (10 buildings, 1M SF)
Former number/Types of jobs:	Approximately 3,000 at peak
New number/Types of jobs:	Approximately 350 currently; estimated up to 800 total
Type of Site:	Industrial; Urban Infill
Regulatory Program:	State CERCLA Section 107(c)(1) Program
List of Major Contaminants:	Arsenic, Cadmium, Zinc, Lead in Soils/Groundwater, PCBs in Building
Magnitude of Contamination:	High (Heavy Metals in Groundwater at 3-4 orders of magnitude over drinking water standard); pH 0 – 2 in Metal-contaminated soils in area encompassing nearly 155,000 cubic yards.
Greatest Challenge(s):	Financing; Proposed Listing as SuperFund Site; Multi-Jurisdictional Coordination
Length of Time to Remediate Site:	3 Years of Pilot Testing; 3 Years of Remedy Implementation; 2 Years of Monitoring
Primary Reason for Redevelopment:	Economic opportunity in blighted, historic area of Denver
Years Abandoned or Challenged:	20+/- Years Since Ceasing Smelter Operations
Cleaned up under Consent Decree:	Yes
List of Financial Assistance:	ASARCO Assets through Bankruptcy; CDPHE Grants
Other Financial Techniques Utilized:	HUD; CDBG; Developer Equity; Land Sales; TIF
New Tax Revenues:	Successful vertical development of nearly 900,000 SF to-date, with majority of tenants occupying space and operating.
Community Outreach Activities:	10+ Years of on-going community outreach, public meetings, citizen engagement
Innovative Environmental Regulatory Techniques:	Memorandum of Agreement between CDPHE and EPA that documented work between the agencies
Innovative Remediation Techniques:	Patented remediation technology that had previously been proven in surface water treatment by Alexco was demonstrated for the first time to treat groundwater contamination at this site.
Innovative Economic Development:	Collaborative relationships across City, County, Utility and other designated areas of coverage.
Land Conservation:	Through Open Space and Detention Water Requirements
Sustainable Development:	TBD
Federal Partners:	EPA, HUD