



Colorado Department
of Public Health
and Environment

“To protect and improve
the health and environment
of the people of Colorado”

BROWNFIELDS

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CASE STUDY

A Declining Mall Reborn

State revolving loan helps Lakewood redevelopment clear environmental hurdles



By the Numbers - Belmar

Cost	
Construction	\$ 421,000,000
Environmental clean-up	\$ 5,000,000
Environmental Financing	
Colorado Brownfields Revolving Loan Fund	\$ 1,950,000
Federal brownfields grant given to Lakewood	\$ 110,000
Annual Tax Revenue After redevelopment completion	
Lakewood tax revenue	\$ 4,293,500
County tax revenue	\$ 2,638,506
Repayment	
Lakewood property tax increment financing to repay bonds	\$ 500,000 in 2002, growing 3 % annually
Site sales tax as public improvement fee to repay bonds and developer	Reimbursement using 2 of the 3 % sales tax on the site

Colorado Dept of Public Health & Environment
www.cdphe.state.co.us

Colorado Brownfields Foundation
www.coloradobrownfieldsfoundation.org

CHALLENGE Once the largest indoor shopping center in the Mountain West, Lakewood's Villa Italia Mall began to decline in the 1990s. By 1999, about 50 percent of the property was vacant. As a large tract of land in a historical community center, Villa Italia was ripe for redevelopment.

But environmental obstacles blocked the rebuilding. Dry cleaners and auto shops on the 104-acre site had contaminated the groundwater and soil. Buildings contained asbestos and hazardous materials. Environmental remediation work had a \$5 million estimated cost. Villa Italia epitomized the term *greyfield*: a derelict shopping center surrounded by an expanse of empty parking lots.

INITIATIVE The environmental cleanup – which would clear the way for redevelopment – required a multi-pronged funding effort. A \$1.95 million [Colorado Brownfields Revolving Loan Fund](#) loan to the developer helped pay for assessment and cleanup. Negotiations with responsible parties collected \$2.5 million. The city of Lakewood secured a \$110,000 [federal grant](#). And a creative remedy cut the cleanup cost. Carbohydrates injected into the groundwater increased bacteria respiration, breaking down solvents and petroleum in the contamination plume.

The 22-block redevelopment has an estimated \$500 million price tag, financed by the developer and bonds from area Metropolitan Districts. Tax incremented financing and a public improvement fee are helping pay back the bonds. Further, green building practices enabled the developer to recycle 90 percent of material from the former mall and save money on energy-efficient operations.

RESULTS The surrounding community helped shape the new mixed-use development, called Belmar, into an urban town center. Fully complete, the site will create over 2000 jobs and 1300 residences. The buildings have designs for flexible use, fostering a business climate that mirrors the new groundwater conditions: sustainable and full of life.

Belmar has received numerous honors, such as the EPA Phoenix Award. What speaks most to its success, however, is its central role in Lakewood's revamped sense of community.