

Loveland Regional Improvements Blight Study



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Section 1: Study Overview

The Loveland Regional Improvements Blight Study (“Study”) is an examination and analysis of various conditions found within a defined geographic area to determine if the area qualifies as “blighted” within the meaning of Colorado Urban Renewal law.

The Study is a necessary step if urban renewal, as defined and authorized by Colorado statutes, is to be used as a tool by the City of Loveland (“City”) to remedy and prevent conditions of blight. The findings and conclusions presented in this report are intended to assist the City in making a final determination as to whether the Study Area qualifies as blighted and, consequently, the feasibility and appropriateness of using urban renewal as a reinvestment tool.

To conduct the Study and prepare the Study report, the City of Loveland retained the services of Denver-based consulting firms Matrix Design Group (planning, environmental, engineering, and design services) and Leland Consulting Group (market, economic, and financial analysis), collectively the “consultant team.”

The general methodology for the Study was as follows: First, the specific geographic territory (“Study Area”) to be evaluated was determined by the City and others. Next, general information about the Study Area was gathered, such as right-of-way and parcel boundaries, aerial photography, etc. The Study Area was then evaluated for evidence of blight through two means: a thorough field reconnaissance of the Study Area to document observed physical conditions of blight, and a data collection effort to gather information about blight factors that are not visually observable. The Study results were then categorized and analyzed as to their applicability to the blight factors outlined in the Colorado Urban Renewal statutes. Finally, the findings and conclusions regarding blight found within the Study Area were prepared and presented in this report.

Section 2: Colorado Urban Renewal Statutes and Blighted Areas

In the Colorado Urban Renewal Law, Colo. Rev. Stat. § 31-25-101 et seq. (the “Urban Renewal Law”), the legislature has declared that an area of blight “constitutes a serious and growing menace, injurious to the public health, safety, morals, and welfare of the residents of the state in general and municipalities thereof; that the existence of such areas contributes substantially to the spread of disease and crime, constitutes an economic and social liability, substantially impairs or arrests the sound growth of municipalities, retards the provision of housing accommodations, aggravates traffic problems and impairs or arrests the elimination of traffic hazards and the improvement of traffic facilities; and that the prevention and elimination of slums and blight is a matter of public policy and statewide concern....”

Under the Urban Renewal Law, the term “blighted area” describes an area with an array of urban problems, including health and social deficiencies, and physical deterioration. See Colo. Rev. Stat. § 31-25-103(2). Before remedial action can be taken, however, the Urban Renewal Law requires a finding by the appropriate governing body that an area such as the Study Area constitutes a blighted area. Id. § 107(1).

The blight finding is a legislative determination by the municipality’s governing body that, as a result of the presence of factors enumerated in the definition of “blighted area,” the area is a detriment to the health and vitality of the community requiring the use of the municipality’s urban renewal powers to correct those conditions or prevent their spread. In some cases, the factors enumerated in the definition are symptoms of decay, and in some instances, these factors are the cause of the problems. The definition requires the governing body to examine the factors and determine whether these factors indicate a deterioration that threatens the community as a whole.

For purposes of the Study, the definition of a blighted area is premised upon the definition articulated in the Urban Renewal Law, as follows:

*“Blighted area” means an area that, in its present condition and use and, by reason of the presence of at least **four** of the following factors, substantially impairs or arrests the sound growth of the municipality, retards the provision of housing accommodations, or constitutes an economic or social liability, and is a menace to the public health, safety, morals, or welfare:*

- a) *Slum, deteriorated, or deteriorating structures;*
- b) *Predominance of defective or inadequate street layout;*
- c) *Faulty lot layout in relation to size, adequacy, accessibility, or usefulness;*
- d) *Unsanitary or unsafe conditions;*
- e) *Deterioration of site or other improvements;*
- f) *Unusual topography or inadequate public improvements or utilities;*
- g) *Defective or unusual conditions of title rendering the title non-marketable;*
- h) *The existence of conditions that endanger life or property by fire or other causes;*
- i) *Buildings that are unsafe or unhealthy for persons to live or work in because of building code violations, dilapidation, deterioration, defective design, physical construction, or faulty or inadequate facilities;*
- j) *Environmental contamination of buildings or property; or*
- k) *The existence of health, safety, or welfare factors requiring high levels of municipal services or substantial physical underutilization or vacancy of sites, buildings, or other improvements”*

In addition, paragraph (l.) states, *“if there is no objection by the property owner or owners and the tenant or tenants of such owner or owners, if any, to the inclusion of such property in an urban renewal area, ‘blighted area’ also means an area that, in its present condition and use and, by reason of the presence of any **one** of the factors specified in paragraphs (a) to (k.5) of this subsection....”*

The statute also states a separate requirement for the number of blight factors that must be present if private property is to be acquired by eminent domain. At § 31-25-105.5(5), paragraph (a.) states, *“‘Blighted area’ shall have the same meaning as set forth in section 31-25-103 (2); except that, for purposes of this section only, ‘blighted area’ means an area that, in its present condition and use and, by reason of the presence of at least **five** of the factors specified in section 31-25-103 (2)(a) to (2)(l)....”*

Thus, the state statutes require, depending on the circumstances, that a minimum of either **one, four, or five** blight factors be present for an area to be considered a “blighted area.”

Several principles have been developed by Colorado courts to guide the determination of whether an area constitutes a blighted area under the Urban Renewal Law. First, the absence of widespread violation of building and health codes does not, by itself, preclude a finding of blight. According to the courts, “the definition of ‘blighted area’

contained in [the Urban Renewal Law] is broad and encompasses not only those areas containing properties so dilapidated as to justify condemnation as nuisances, but also envisions the prevention of deterioration.”

Second, the presence of one well-maintained building does not defeat a determination that an area constitutes a blighted area. Normally, a determination of blight is based upon an area “taken as a whole,” and not on a building-by-building, parcel-by-parcel, or block-by-block basis.

Third, a City’s “determination as to whether an area is blighted... is a legislative question and the scope of review by the judiciary is restricted.” A court’s role in reviewing such a blight determination is simply to verify independently if the conclusion is based upon factual evidence and consistent with the statutory definition.

Based upon the conditions identified in the Study Area, this report makes a recommendation as to whether the Study Area qualifies as a blighted area. The actual determination itself remains the responsibility of the Loveland City Council.

Section 3: Conditions Indicative of the Presence of Blight

As discussed in Section 2, the Colorado Urban Renewal statutes provide a list of 11 factors that, through their presence, may allow an area to be declared as blighted. This section elaborates on those 11 factors by describing some of the conditions that might be found within the Study Area that would indicate the presence of those factors.

Slum, Deteriorated, or Deteriorating Structures:

During the field reconnaissance of the Study Area, the general condition and level of deterioration of a building is evaluated. This examination is limited to a visual inspection of the building's exterior condition and is not a detailed engineering or architectural analysis, nor does it include the building's interior. The intent is to document obvious indications of disrepair and deterioration to the exterior of a structure found within the Study Area. Some of the exterior elements observed for signs of deterioration include:

- Primary Elements (exterior walls, visible foundation, roof)
- Secondary Elements (fascia/soffits, gutters/downspouts, windows/doors, façade finishes, loading docks, etc.)
- Ancillary Structures (detached garages, storage buildings, etc.)

Predominance of Defective or Inadequate Street Layout:

The presence of this factor is determined through a combination of both field observation as well as an analysis of the existing transportation network and vehicular and pedestrian circulation patterns in the Study Area by persons with expertise in transportation planning and/or traffic engineering. These conditions include:

- Inadequate Street or Alley Widths, Cross-Sections, or Geometries
- Poor Provisions or Unsafe Conditions for the Flow of Vehicular Traffic
- Poor Provisions or Unsafe Conditions for the Flow of Pedestrians
- Insufficient Roadway Capacity Leading to Unusual Congestion of Traffic
- Inadequate Emergency Vehicle Access
- Poor Vehicular/Pedestrian Access to Buildings or Sites
- Poor Internal Vehicular/Pedestrian Circulation
- Excessive Curb Cuts/Driveways in Commercial Areas

These conditions can affect the adequacy or performance of the transportation system within the Study Area, creating a street layout that is defective or inadequate.

Faulty Lot Layout in Relation to Size, Adequacy, Accessibility, or Usefulness:

This factor requires an analysis of the parcels within the Study Area as to their potential and usefulness as developable sites. Conditions indicative of the presence of this factor include:

- Lots that are Long, Narrow, or Irregularly Shaped
- Lots that are Inadequate in Size
- Lots with Configurations that Result in Stagnant, Misused, or Unused Land

This analysis considers the shape, orientation, and size of undeveloped parcels within the Study Area and if these attributes would negatively impact the potential for development of the parcel. This evaluation is performed both through observation in the field and through an analysis of parcel boundary maps of the Study Area.

Unsanitary or Unsafe Conditions:

Conditions observed within the Study Area that qualify under this blight factor include:

- Floodplains or Flood Prone Areas
- Inadequate Storm Drainage Systems/Evidence of Standing Water
- Poor Fire Protection Facilities
- Above Average Incidences of Public Safety Responses
- Inadequate Sanitation or Water Systems
- Existence of Contaminants or Hazardous Conditions or Materials
- High or Unusual Crime Statistics
- Open Trash Dumpsters
- Severely Cracked, Sloped, or Uneven Surfaces for Pedestrians
- Illegal Dumping
- Vagrants/Vandalism/Graffiti/Gang Activity
- Open Ditches, Holes, or Trenches in Pedestrian Areas

These represent situations in which the safety of individuals, especially pedestrians and children, may be compromised due to environmental and physical conditions considered to be unsanitary or unsafe.

Deterioration of Site or Other Improvements:

The conditions that apply to this blight factor reflect the deterioration of various improvements made on a site other than building structures. These conditions may represent a lack of general maintenance at a site, the physical degradation of specific improvements, or an improvement that was poorly planned or constructed. Overall, the presence of these conditions can reduce a site's usefulness and desirability and negatively affect nearby properties.

- Neglected Properties or Evidence of General Site Maintenance Problems
- Deteriorated Signage or Lighting
- Deteriorated Fences, Walls, or Gates
- Deterioration of On-Site Parking Surfaces, Curb & Gutter, or Sidewalks
- Poorly Maintained Landscaping or Overgrown Vegetation
- Poor Parking Lot/Driveway Layout
- Unpaved Parking Lot on Commercial Properties

Unusual Topography or Inadequate Public Improvements or Utilities:

The focus of this factor is on the presence of unusual topographical conditions that could make development prohibitive, such as steep slopes or poor load-bearing soils, as well as deficiencies in the public infrastructure system within the Study Area that could include:

- Steep Slopes/Rock Outcroppings/Poor Load-Bearing Soils
- Deteriorated Public Infrastructure (street/alley pavement, curb, gutter, sidewalks, street lighting, storm drainage systems)
- Lack of Public Infrastructure (same as above)
- Presence of Overhead Utilities or Billboards
- Inadequate Fire Protection Facilities/Hydrants
- Inadequate Sanitation or Water Systems

Defective or Unusual Conditions of Title Rendering the Title Non-Marketable:

Certain properties can be difficult to market or redevelop if they have overly restrictive or prohibitive clauses in their deeds or titles, or if they involve an unusually complex or highly divided ownership arrangement. Examples include:

- Properties with Disputed or Defective Title
- Multiplicity of Ownership Making Assemblages of Land Difficult or Impossible

Existence of Conditions that Endanger Life or Property by Fire and Other Causes:

A finding of blight within this factor can result from the presence of the following conditions, which include both the deterioration of physical improvements that can lead to dangerous situations as well as the inability for emergency personnel or equipment to provide services to a site:

- Buildings or Sites Inaccessible to Fire and Emergency Vehicles
- Blocked/Poorly Maintained Fire and Emergency Access Routes/Frontages
- Insufficient Fire and Emergency Vehicle Turning Radii
- Buildings or Properties not in Compliance with Fire Codes, Building Codes, or Environmental Regulations

Buildings that are Unsafe or Unhealthy for Persons to Live or Work In:

Some of the conditions that can contribute to this blight factor include:

- Buildings or Properties not in Compliance with Fire Codes, Building Codes, or Environmental Regulations
- Buildings with Deteriorated Elements that Create Unsafe Conditions
- Buildings with Inadequate or Improperly Installed Utility Components

Environmental Contamination of Buildings or Property:

This factor represents the presence of contamination in the soils, structures, water sources, or other locations within the Study Area.

- Presence of Hazardous Substances, Liquids, or Gasses Found at a Site

Existence of Factors Requiring High Levels of Municipal Services or Substantial Physical Underutilization or Vacancy of Sites, Buildings, or Other Improvements:

The physical conditions that would contribute to this blight factor include:

- Sites with a High Incidence of Fire, Police, or Emergency Responses
- Sites Adjacent to Streets/Alleys with a High Incidence of Traffic Accidents
- Sites with a High Incidence of Code Enforcement Responses
- An Undeveloped Parcel in a Generally Urbanized Area
- A Parcel with a Disproportionately Small Percentage of its Total Land Area Developed
- Vacant Structures or Vacant Units in Multi-Unit Structures

Section 4: Study Area Location, Definition, and Description

The majority of the Loveland Regional Improvements Study Area is located in the City of Loveland in Larimer County, Colorado with the remaining portion situated in unincorporated Larimer County. The Study Area is generally located around the interchange of Eisenhower Boulevard (US 34) and Interstate 25, and consists of five separate blocks of land that are each comprised of one or more real property parcels.

The block of land to the northwest, labeled within this report for identification purposes as Block 1, is generally bounded on the south by County Road 24E, on the east by the Union Pacific railroad tracks, on the west by Boyd Lake Avenue, and on the north along an east-west parcel line. This block lies within the city limits of Loveland and is agricultural in use, with the exception of a dog kennel facility in its southwest corner, which is located in unincorporated Larimer County. The total size of Block 1 is approximately 136 acres.

The second block of land, the southernmost and labeled as Block 2, is generally bounded on the south by County Road 20E and railroad tracks that parallel the road, on the east by a north-south parcel line, on the west by another north-south parcel line, and on the north by Eisenhower Boulevard. Block 2 is located in unincorporated Larimer County and measures approximately 148 acres in area.

The third block of land, the smallest of the five and labeled as Block 3, is generally bounded on the south by Eisenhower Boulevard and a canal, on the east by a north-south parcel line (Larimer Parkway extended), on the west by another north-south parcel line, and on the north by railroad tracks. This block measures approximately 18 acres in size and is also located in unincorporated Larimer County.

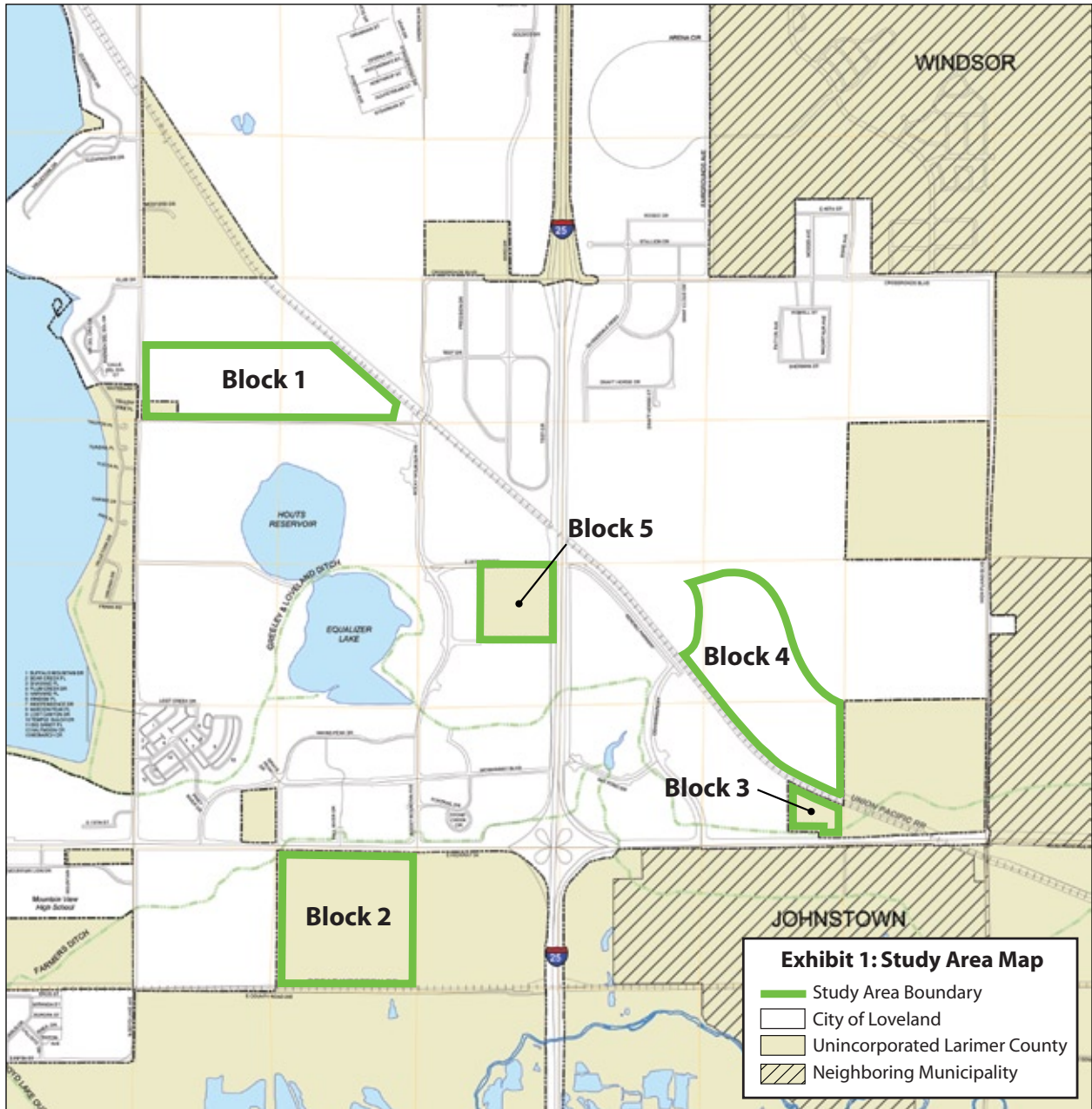
The fourth block of land, the largest in area and labeled as Block 4, covers an irregularly shaped area located north of Eisenhower Boulevard and northeast of the Union Pacific railroad tracks. Block 4 is bounded on the east by a north-south parcel line (Larimer Parkway extended), on the west by Centerra Parkway, and on the north by a curved parcel line. Block 4 is located in the City of Loveland and measured approximately 156 acres.

The final block of land, Block 5, is a centrally located square parcel encompassing the Cloverleaf Kennel Club just north of the I-25/Eisenhower Boulevard interchange. It is bounded on the north by East 29th Street, on the east by the NW I-25 frontage road,

on the south by Spirit Lake Court, and on the west by a north-south parcel line. The entire block measures approximately 40 acres and is located in unincorporated Larimer County.

In total, the Study Area measures approximately 498 acres. The location of the five blocks of land are identified on the following page in **Exhibit 1: Study Area Map**.

Exhibit 1: Study Area Map



Base Map Source: City of Loveland

Section 5: Study Findings

The overall findings of the Loveland Regional Improvements Blight Study are presented in this section. These findings are based on the analysis of data collected and field studies conducted in the summer and fall of 2007.

Slum, Deteriorated or Deteriorating Structures:

Due to the rural character of the Study Area, only a few buildings in the Study Area exist. In fact, the only permanent structures observed within the Study Area are the dog kennel facilities on Block 1, a single-family residence and several agricultural structures on Block 2, and the dog track facilities on Block 5.

The dog kennel and dog track facilities show significant signs of deterioration. On Block 1, the kennel facility includes a vacant single-family residence plus numerous smaller buildings that sheltered the dogs. Both the dog shelters and the residence exhibit significant deterioration problems with their roofs, exterior finishes, windows, doors, and general disrepair of minor ancillary structures.

The dog track facility in Block 5 has deterioration issues in its exterior finishes, windows, and doors. A small ancillary structure next to the main track facility showed significant deterioration, including a collapsed roof.

Some of the ancillary farm structures on Block 2 exhibit minor deterioration that is not atypical for minor agricultural buildings.

Overall, the very poor condition of the dog kennel and elements of the dog track facility represent the presence of Slum, Deteriorated or Deteriorating Structures within the Study Area.



Both the dog kennel and the dog track showed signs of exterior deterioration.



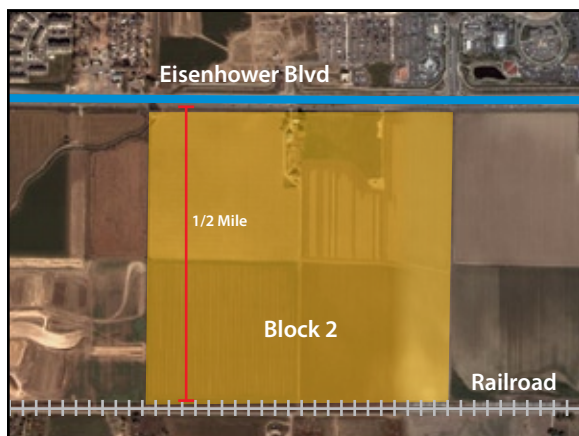
An ancillary structure at the dog track had partially collapsed.

Predominance of Defective or Inadequate Street Layout:

The historic and current use of most of the land in the Study Area for agricultural purposes has resulted in a transportation infrastructure that is generally minimal and of low-capacity. However, even from an agricultural use perspective, there are portions of the Study Area with inadequate access and poor internal circulation.

For example, presence of railroad tracks and a canal along the south side of Block 4 contributes to the lack of access from the south, and no roads exist to provide access from the north or east. Block 2 is similarly bordered by only one road, Eisenhower Boulevard, as no north-south roads exist on either side of the quarter-section parcel, and railroad tracks inhibit access along its southern border from County Road 20E. Block 1 is also hindered from having roadway access along its eastern edge due to railroad tracks. Block 3, which does have some direct frontage along Eisenhower Boulevard to the south, lacks access to the north due to railroad tracks.

Consequently, the conditions discussed above represent the presence of Defective or Inadequate Street Layout within the Study Area.



The only access to Block 2 is along the northern border via Eisenhower Boulevard.



The northern and eastern sides of Block 4 have no vehicular access.

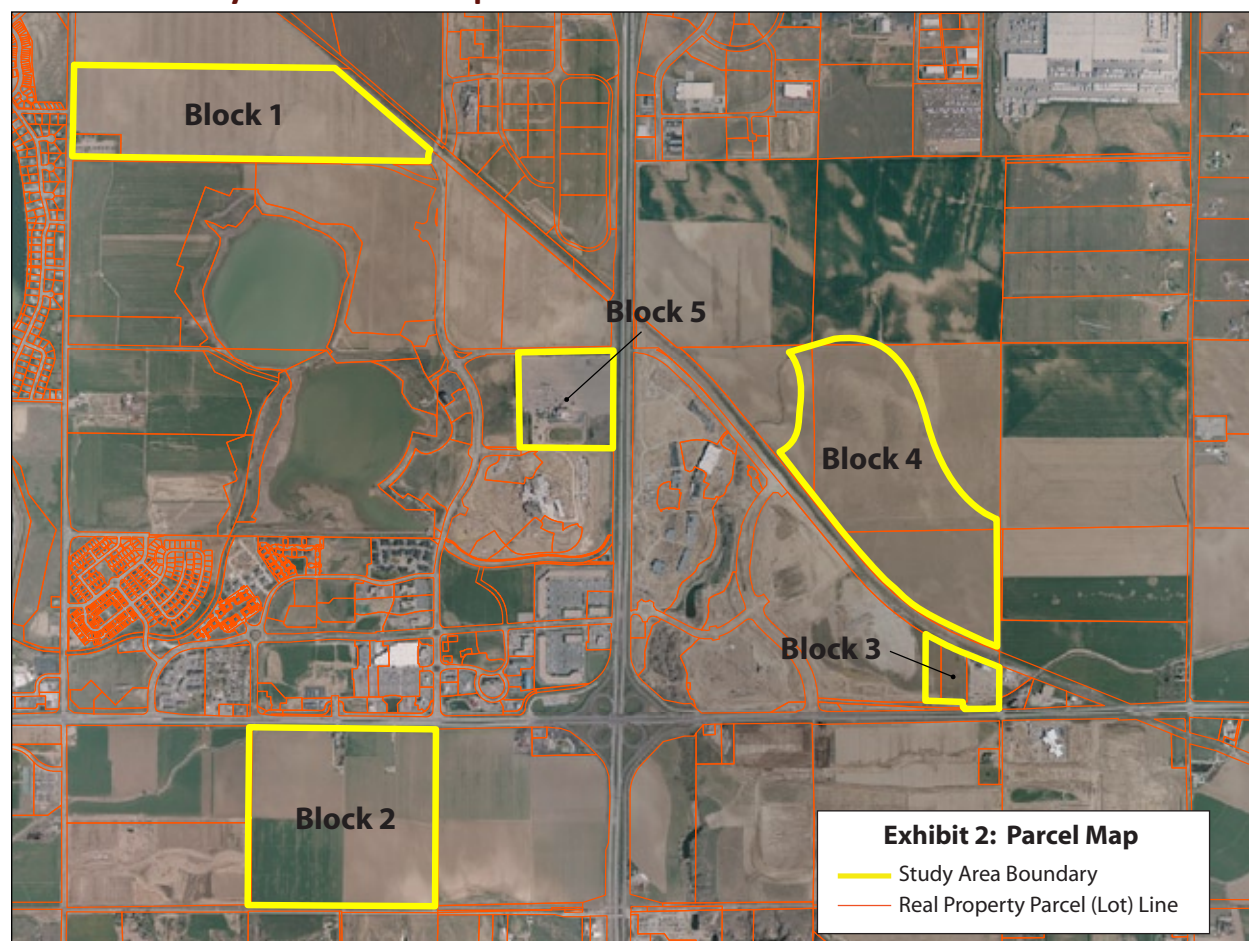
Faulty Lot Layout in Relation to Size, Adequacy, Accessibility, or Usefulness:

Blocks 1 and 2 consist of a single real property parcel (lot) each. Both of these parcels are of sufficient size and shape to be utilized, as their present use for agricultural purposes demonstrates. Block 3 consists of three small parcels that, individually or in aggregate, are also large enough to be utilized for farming-related and other uses. Blocks 4 and 5 consists of multiple parcels which have a size and shape sufficient for agricultural or other functions.

While several of the parcels within Blocks 3 and 4 do not have direct access to an existing road, this lack of access is not the fault of the shape or size of the parcels themselves, but is a function of two other factors: 1.) The insufficient transportation system described in the section above, and; 2.) The historical practice of dividing agricultural land into quarter sections and even smaller divisions that lack direct road frontage yet remain fully usable for agricultural purposes. While various utility easements, canal right-of-access, airport restriction zones, and other factors may limit the *future* developability of portions of the Study Area, these factors do not appear to affect the current use of the land for agricultural and other low-density purposes.

The location of the real property parcels within the Study Area’s five main blocks of land are shown below in **Exhibit 2: Study Area Parcel Map**.

Exhibit 2: Study Area Parcel Map



Source: City of Loveland GIS

Unsanitary or Unsafe Conditions:

A variety of conditions can contribute to this blight factor such as environmental contamination and other life safety issues associated with buildings or sites, hazards to pedestrians and/or motorists, crime-related issues, etc. Present within the Study Area are examples of some of these conditions. However, as is discussed below, these conditions are not considered by the consultant team to be sufficient in extent or degree for this blight factor to be cited.

Throughout the Study Area is a lack of sidewalks and other pedestrian infrastructure. Persons navigating along the roads within the Study Area would experience less than optimal safety conditions since he or she would be relegated to the road shoulder close to nearby vehicular traffic. In areas where pedestrians are frequently encountered or expected, this situation would be sufficient to allow for this blight factor to be cited. However, all properties within the Study Area with road frontage are undeveloped, with

the exception of the residence on Block 2 and the dog track and kennels, which were designed to be approached by car rather than by foot due to their remote locations. Consequently, pedestrian activity under the Study Area's current, mostly-agricultural land use is likely very minimal. No pedestrians were observed anywhere in the Study Area during the field survey, and evidence of pedestrian activity, such as worn paths in the grass, were not observed. Given the extremely low likelihood of pedestrian activity in the Study Area under its current land uses, the lack of pedestrian facilities and the potential danger that can result is not considered to be sufficient to meet the intent of this blight factor.

The lack of fire hydrants and the lack of access for emergency vehicles due to the limited road system could be considered an unsafe situation if the Study Area were even modestly developed. However, given that the Study Area is largely agricultural fields and that the few structures that do exist are all easily accessible to emergency vehicles, the level of risk associated with these potential safety issues is not sufficient to qualify as blight under this factor. The fact that very few people currently live in the Study Area supports the concept that safety issues are minimal.

There are no proven cases of environmental contamination in the Study Area (discussed below), and other conditions that could potentially exist within or adjacent to the Study Area that could impact the health or safety of the Study Area are generally dismissable due to the fact that the Study Area is currently unpopulated except for one residence and mostly devoted to agricultural uses, with the exception of the dog track and kennel. The relative risk to the municipality and its citizens is minimal under the status quo.

Deterioration of Site or Other Improvements:

While the agricultural portions of the Study Area generally have few site improvements, there are two notable places in the Study Area used for non-agricultural purposes that have significant site improvements: the dog kennel in the southwest corner of Block 1 and the dog track that encompasses most of Block 5. These developed parcels' aging site improvements are in varying states of disrepair. Both properties show general site maintenance deficiencies, and the dog track has further problems with its large, deteriorating paved parking lot, as well as aging lighting fixtures and signage. Furthermore, the track's parking lot is poorly laid out, in addition to its noticeable disrepair. The kennel facility on Block 1 has significant overgrown vegetation and other signs of deteriorated improvements such as fences, gates, and the driveway/parking areas.

The conditions found on Block 1 and Block 5 represent the presence of Deterioration of Site or Other Improvements within the Study Area.



Overgrown vegetation proliferate the dog kennel site.



Site improvements in and around the dog track parking lot showed signs of deterioration.

Unusual Topography or Inadequate Public Improvements or Utilities:

Several instances of inadequate public improvements were observed in the Study Area. These instances relate directly to the lack of vehicular access and circulation caused by the lack of public roads and streets within the Study Area. As noted earlier, even under the current agricultural use of most of the land, four of the five main blocks of land in the Study Area have poor access due to a lack of public roads. Other public improvements and utilities, such as water, sewer, etc., are also mostly absent from the Study Area. The few non-agricultural parts of the Survey Area with sufficient street infrastructure, namely the kennel and dog track, exhibit a lack of public sidewalks along their borders, although both facilities are not located in areas conducive to pedestrian activity.

The general lack of public roads and streets and, to a lesser degree, the lack of sidewalks and utilities in the Study Area, represent the presence of Inadequate Public Improvements or Utilities.

Defective or Unusual Conditions of Title Rendering the Title Non-marketable:

No evidence of properties with defective or unusual conditions of title was found within the Study Area.

Existence of Conditions that Endanger Life or Property by Fire and Other Causes:

No conditions that endanger life or property by fire or other causes were observed in the Study Area, nor was any information received from City of Loveland public safety officials that such conditions exist within the Study Area. Although there is limited ability for emergency vehicles to access many portions of the Study Area due to the limited road network, the unpopulated, undeveloped nature of most of the Study Area negates this as a critical concern. The only location with a residential structure, Block 2, has direct access for emergency vehicles from Eisenhower Boulevard, and the dog kennel and dog track were found to have adequate access as well.

Buildings that are Unsafe or Unhealthy for Persons to Live or Work In:

No evidence of buildings that are unsafe or unhealthy for persons to live or work in was found within the Study Area, nor was information provided by City of Loveland public safety officials that such buildings exist within the Study Area.

Environmental Contamination of Buildings or Property:

Matrix conducted a document review, in accordance with practices and procedures generally accepted by the environmental consulting industry, of materials provided by the City and/or property owners that address environmental issues within the Study Area. The analysis presented herein includes statements of professional opinion and are based on documents and information provided by and produced by others. Matrix has not performed a site walk or sampling of environmental media of any kind. The potential exists for unreported and unknown environmental issues associated with the Study Area or surrounding areas that are not identified herein. No warranties, expressed or implied, are presented herein. However, Matrix has provided its best professional opinion with respect to the Study Area.

The historical land uses for Blocks 1, 2, and 3 appear to be agricultural and, therefore, may have environmental concerns associated with that historical land use (pesticides, herbicides, etc.). It is unlikely these areas have industrial impacts to the environment. Two Phase 1 Environmental Site Assessments have been performed on Block 4. The first was in 2002, and the most recent was performed January 5, 2007. Both Phase 1

reports provide historical conditions and use, but should be updated to satisfy the EPA All Appropriate Inquiry (AAI) rule. The EPA rule described in 40 CFR 312.20 states that certain components of the AAI must be conducted or updated within 180 days of and prior to the acquisition date.

The 2002 Phase I Assessment performed by Higgins and Associates identified several items on Block 4 that had the potential for environmental release. These items included: five aboveground storage tanks, an onsite landfill/debris disposal area, a pad-mounted transformer, a potential 1,000-gallon underground storage tank, and a stained concrete floor within a boiler building.

The 2007 Phase I performed by National Inspection Services dispelled a number of the assertions provided in the 2002 assessment. Specifically, the five aboveground storage tanks were identified as grain storage bins, not aboveground storage tanks. Additionally, the report noted that the stained concrete did not necessarily indicate a release to the environment, rather this represents a *de minimus* condition that would have been contained by the concrete floor. An additional site visit by National Inspection Services on May 2, 2007 and follow up interview with David Rau of Paragon Consulting Group and Bud Branson of Water Valley confirmed that the debris disposal area was excavated and removed from the site in 2004. Material encountered during excavation included scrap wood, pallets, and miscellaneous non-hazardous debris which was taken offsite and disposed of in the Weld County Landfill. As a result of an interview with the site owner and no records of an underground storage tank being found, the suspected 1,000-gallon underground storage tank was re-reported to be a septic system, though the "heavy snow cover" prevented a visual inspection of the area. In addition to satisfying the EPA AAI rule, an updated environmental site assessment without snow cover may aid in determining with certainty whether the previously suspected underground storage tank is a septic system.

Various types of environmental contamination can occur over time from railroad operations. While railroad right-of-ways do exist adjacent to several Study Area parcels, if contamination from railroad operations does exist, it is likely to exist within the railroad right-of-ways themselves, which are not part of the Study Area. In the event that potential contamination from railroad operations has been dispersed beyond the railroad right-of-ways onto land located within the Study Area, direct evidence of that contamination would need to be presented before this blight factor could be cited as existing within the Study Area due to those conditions.

An Asbestos Survey (January 21-27, 2008) and a Phase I Environmental Site Assessment (January 23, 2008) have been performed on the dog track property on Block 5. The Asbestos Survey Report noted a number of asbestos containing materials (ACM) requiring abatement prior to demolition, which is expected in buildings constructed of that era. In addition to the ACM, the Phase I Report described transformers of "older vintage." No leaks or stains around the transformers were observed in the Phase I Report, but since there was no mention of <50 parts per billion PCB stickers on the transformers, which is standard practice on newer non-PCB transformers, the oil likely contains PCBs and will require appropriate handling and disposal during redevelopment activities. The Phase I Report recommended further investigation, including soil sampling, in the areas of present and former aboveground storage tanks (ASTs), waste oil storage area, surface staining near the shower/cool out building, the soil pile of unknown origin, and the southern border to determine if landfill material from adjacent southern property extends onto this Block. A Phase II Environmental Site Assessment was performed on January 27, 2008 for Block 5 to further investigate the recognized environmental concerns (RECs) of the Phase I Assessment. Analytical soil samples of the RECs returned concentrations less than Colorado Department of Health and the Environment (CDPHE) soil cleanup standards, with the exception of arsenic, which slightly exceeded the CDPHE commercial soil cleanup standards. The Phase II Report noted that the elevated concentration of arsenic is likely naturally occurring, which is common in soils in the Front Range of Colorado. The Phase II Report did not specifically indicate environmental conditions prohibiting redevelopment on Block 5.

A Phase I Environmental Site Assessment (January 23, 2008) and an Asbestos Survey (January 25, 2008) have been performed on the dog kennel property on Block 1. According to the Phase I report, it is unlikely that this property has industrial impacts to the environment. However, the Asbestos Survey Report did note portions of the buildings requiring appropriate ACM abatement prior to demolition, which is expected with structures constructed in the era this property was developed.

All in all, although there were a few instances of environmental concern found, their overall impact was not deemed by the constant team to be severe enough to warrant finding a condition of environmental blight.

Existence of Factors Requiring High Levels of Municipal Services or Substantial Physical Underutilization or Vacancy of Sites, Buildings, or Other Improvements:

The City police, fire, and other departments reported no unusual requirements for high levels of municipal services in the Study Area.

While the majority of the land within the Study Area is currently undeveloped, in determining whether the land is “underutilized” or not requires an analysis of the degree to which the Study Area properties are surrounded by land that is more highly utilized. Block 2 is directly across the street from a highly developed site, but agricultural and open space uses are still found on the block’s other three sides. Block 1 is mostly surrounded by undeveloped farmland, and a majority of the land bordering Blocks 3 and 4 is also agricultural or very low density residential in nature. Consequently, Blocks 2, 3, and 4 and most of Block 1 are currently being utilized in a manner consistent with the vast majority of the properties to which they are adjacent. The exceptions, however, are found at the kennel facility on Block 1 and the dog track facility on Block 5.

All of the buildings at the kennel facility on Block 1 are currently vacant and the entire kennel property is not being used for any active purpose. While elements of the dog track facility appear to have some occasional use, the vast majority of the land area of Block 5 is covered by surface parking that sits unused. Consequently, it is the opinion of the consultant team that Block 5 is underutilized given its developed state and its location near other developed parcels.



The kennel property on Block 1 contains many vacant kennels and a vacant residence.



Block 5 is mostly devoted to parking or is otherwise undeveloped, with the dog track facilities occupying a relatively small portion of the land.

Section 6: Study Summary and Recommendation

Within the entire Study Area, five of the eleven blight factors were identified. The blight factors identified in the Study Area are:

- Slum, Deteriorated, or Deteriorating Structures
- Predominance of Defective or Inadequate Street Layout
- Deteriorating Site Improvements
- Unusual Topography or Inadequate Public Improvements or Utilities
- Underutilization or Vacancy of Sites, Buildings, or Other Improvements

These factors were determined to exist under the requirement outlined in the state urban renewal statutes that the Study Area be evaluated “*in its present condition and use*” and that the blight “*substantially impairs or arrests the sound growth of the municipality, retards the provision of housing accommodations, or constitutes an economic or social liability, and is a menace to the public health, safety, morals, or welfare.*”

As discussed in Section 2, in order for an area to be declared blighted, a certain number of the eleven blight factors must be found within the Study Area. **Four** of the eleven factors is the required minimum, unless none of the property owners or tenants object to being included within an urban renewal area; then, the required minimum is only **one** of the eleven factors. In the event, however, that eminent domain is to be used to acquire property within the urban renewal area, the required minimum is **five** of the eleven factors. Since five blight factors were identified within the Study Area, a finding of blight may be made with confidence under any of the above scenarios.

Conclusion

It is the recommendation of this blight study report to the City of Loveland that the Study Area in its present condition may be declared a “blighted area” as defined in Colorado urban renewal law.