

Size: 8.5 acres
 Location: 17th and Fillmore, Denver, CO
 Equity Source: CPS Investments, LLC
 Capitalization: \$7 million equity, \$7 million debt, \$8 million public financing
 Returns:



Background

The Mercy Hospital located at 17th and Fillmore Street in Denver, CO was one of the original hospitals serving the Rocky Mountain Region. The hospital closed its doors in 2000 and was purchased by CPS Investments, LLC. REGen sourced the transaction and managed all aspects of the redevelopment and remediation of the property on behalf of investors in CPS. The overall returns of the project suffered from the timing of the 2001 recession, however by REGen securing public financing for the project, investors received a reasonable return in the context of the macroeconomic environment. The master plan created an award-winning mixed income and mixed product residential development that integrated itself into adjacent neighborhoods, took advantage of the adjacent park amenities, and captured the incredible views afforded by the park and the downtown Denver skyline transposed against the backdrop of the Rocky Mountains.

Accomplishments

REGen worked with public and private stakeholders to accomplish the following:

- Created an urban renewal area and procured \$8 million of property tax based tax increment financing to fund infrastructure improvements in partnership with the Denver Urban Renewal Authority.
- Completed site remediation, demolition of structures on the site, construction of utilities and road projects and rehabilitation of a garage and medical office building.
- Gained support from local businesses, politicians, neighbors, and neighborhood organizations in the area to use the existing hospital zoning to build low, mid, and high-rise residential housing.
- Secured a credit facility from U.S. Bank to fund remediation, demolition and construction.
- Established easements, covenants and restrictions to allow for phased development
- Established an affordable housing plan for the development that resulted in 39 affordable units being constructed
- Sold development pads to four builders on the site to build 720 residential rental and for-sale units on an 8.3-acre site fronting on Denver’s 320-acre City Park.

