

Abandoned sugar plants face redevelopment obstacles

Buildings legacy of era when sugar beets drove local economy

Source: Northern Colorado Business Report

06/09/2006

Author: Sue Lenthe

With acres of mostly open land, often in a central location already appropriately zoned, dedicated rail spurs and big, old factory-type buildings, the former beet sugar plant sites that dot Northern Colorado look like prime sites for commercial or industrial redevelopment.

In several cases, however, redevelopment faces steep barriers. Among them the question marks formed by potential pollution of the sites, costs of demolishing buildings that have fallen into disrepair, checkerboard ownership situations left from bankruptcy proceedings and the infrastructure that would be required.

Sugar beets were grown in Colorado as early as 1869 with the first processing factory in the state built in Grand Junction in 1899. Sugar factories quickly cropped up elsewhere around the state. By 1906 there were plants in Loveland, Greeley, Eaton, Fort Collins, Longmont and Windsor as well as Sterling, Fort Morgan, Brush and Rocky Ford.

Great Western Sugar Co. was incorporated in 1905. By the mid 1930s, Colorado was home to 16 beet-sugar factories and GW owned and operated 13 of them.

Over the years, communities around Colorado touted the plants and their service as economic engines. In 1905, a Fort Collins publication titled "A City of Achievements and Opportunities" noted that sugar factory employees there "receive not only the highest standard wages but are treated with the utmost consideration as regards personal comforts."

By the 1970s and '80s, competition from cane sugar and corn syrup - sweeteners less expensive to produce - forced GW to respond with layoffs, plant closures and ultimately bankruptcy. This marked the beginning of what, for many of the sugar factories, has been a long period of decline as the buildings and grounds that once buzzed with activity were left to fade and crumble.

Redevelopment sweet success

The history of sugar plants in Northern Colorado had a happy ending in Fort Collins, however, when the city government opted to purchase and redevelop the former Great Western holdings 11 years ago. Streets Superintendent Larry Schneider recalls the city paid approximately \$1 million for the 30-some acre site and a scattering of run-down, dilapidated structures in the northern part of town.

With an additional \$5.5 million to \$6 million the city restored and enlarged an existing building, creating an award-winning structure that houses the streets department offices. "Everyone who comes here just loves our facility," Schneider said. "Vaught-Frye (Architects) did a very nice job of blending the new with the old."

The former sugar-beet plant grounds represented an ideal location for the streets operations compared with the department's previous location among residential neighborhoods. "We can get out to College Avenue and the major arterial streets pretty quick and we don't have to go through neighborhoods."

Speaking of neighbors, the sugar plant location put the streets department across the street from a Larimer County facility maintenance operation and next door to a Colorado Department of Transportation maintenance yard. "All the maintenance people are together so we can share things and talk to each other," Schneider said.

Meanwhile, fixing up the sugar plant has sparked other development. "Some really good things have happened in the neighborhood," he said.

Costs vs. value

Real estate developers in Loveland hoped to spark the beginning of similar happy ending when they proposed a redevelopment package for the former Great Western sugar plant there. Loveland city government ultimately turned down a request from real estate firm Loveland Commercial for financial backing from the city.

"It came down to a \$3 million gap and they needed a way to close it, and city council did not believe it worked out to be a good deal for the city, so they denied it," said Don Williams, Loveland city manager.

The buildings on the Loveland sugar factory property are in various stages of repair, said Eric Holsapple of Loveland Commercial. "The old administration building is still standing and could be saved and renovated, possibly. That was one we were trying to save when we were involved."

The property contains a variety of environmental concerns that could likely be remedied, but at a cost, Holsapple said. The additional costs of demolishing and cleaning up unusable structures and other elements of the property weigh heavily against the ultimate value.

"When you're done, the land there isn't worth that much," said Holsapple.

Sandwiched between big-box retail uses to the north, off Eisenhower Boulevard, and residential uses to the south, the former GW plant has rail access and historic features. "We thought it could make a nice little business park, but it's not big enough or well-located enough to be a big commercial development."

Nathan Klein, broker associate with Loveland Commercial and Larry Melton, broker associate with Realtec Commercial Real Estate Services, have co-listed a 9.81-acre segment of the Loveland GW plant site with an asking price of \$1.25 million. The site, with frontage on Madison Avenue, includes a steel-frame, steel-sided building and rail access.

"The front five to six acres of property is conducive to commercial/retail and light industrial uses. The rear three to four acres you would have a user who could utilize the big building and the rail spur that goes right to the building," Melton said.

Major cleanup required

In Eaton, meanwhile, town officials worry about the safety of the abandoned sugar factory. "It's an eyesore and a danger," said Don Cadwallader, assistant town administrator.

The approximately 37-acre property contains a warehouse, office building and two residences. The factory has been abandoned for more than two decades. Cadwallader said the factory structure is collapsing and shows asbestos material peeling off the pipes.

"It's going to be a tough thing to rehabilitate," he noted.

The former Great Western plant in Greeley is on the market for a price of \$14.2 million. The more than 200-acre property includes 936 units of Colorado Big Thompson water, gravel-mining potential and several improvements, according to Realtec listing information.

Located on the east side of town at 13th Street and First Avenue, the plant is in an area of town zoned for high-intensity industrial, said city of Greeley Planning Manager Greg Thompson. It has rail spurs to it and access to the U.S. Highway 85 bypass.

This spring, Longmont city officials sought federal assistance to clean up Longmont's former Great Western sugar factory. Situated on the city's eastern edge the site has been earmarked for a potential "transit village," but has been found to be contaminated with asbestos and chemicals. Officials wrote to Colorado's congressional delegation to request that the federal government supply the estimated \$3.5 million in clean-up costs.