

Highway 85 Urban Renewal Area

Fundamentals

Presented to:

Evans Community

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Presented by:



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Procedure for Creating Urban Renewal Area

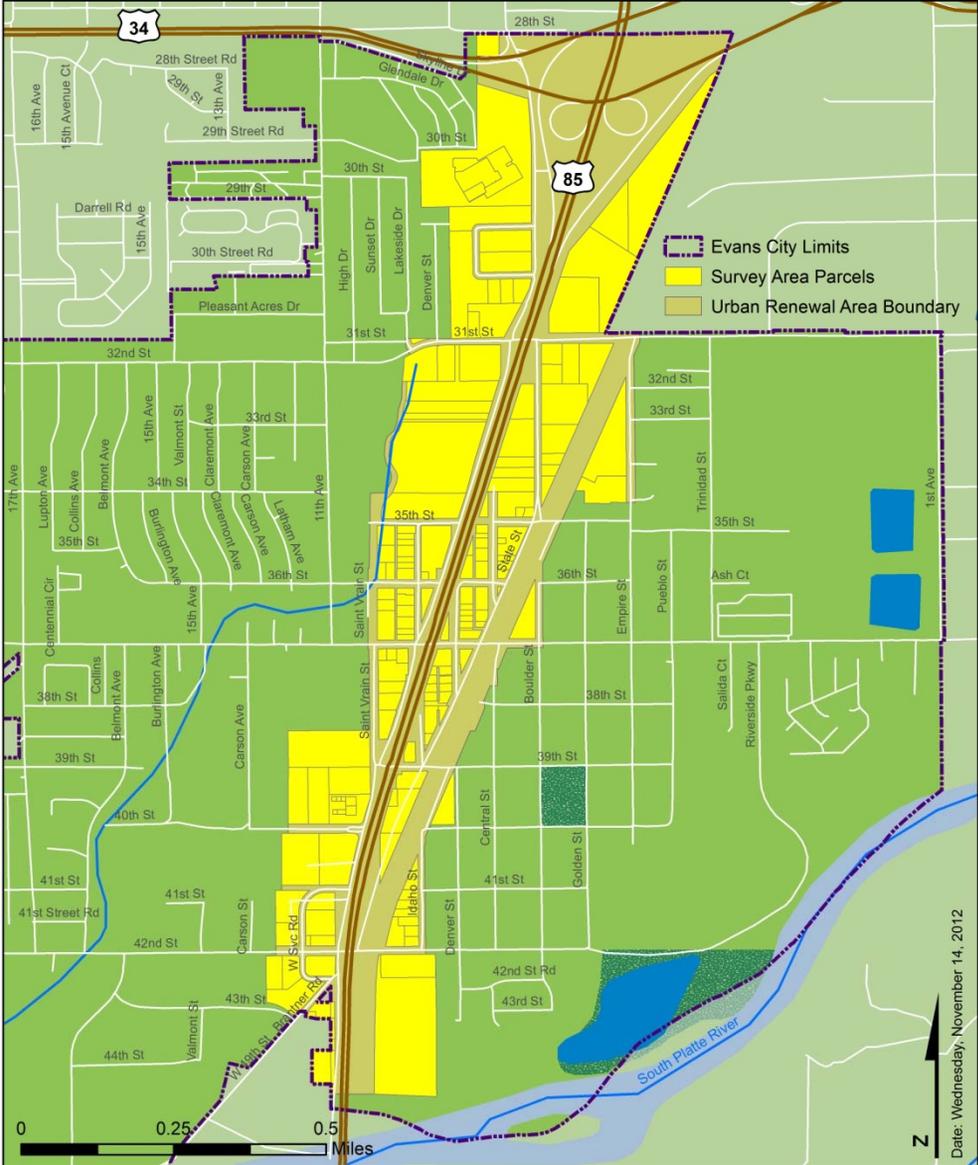
- Determine official survey area boundaries
- Notify property owners within those boundaries that a survey is being conducted
- Verify the presence and location of “blighting” conditions (field survey)
- Prepare conditions survey
- Present survey findings to urban renewal entity (and council for acceptance or wait and present together with the urban renewal plan)

- Define boundaries for urban renewal area (may be the same as survey area boundary or less)
- Together with stakeholders – define future role of planning area in the community (optional)
- Review relevant plans and sub-area plans

Procedure for Creating Urban Renewal Area (cont'd)

- Complete market analysis or forecast of market growth
 - Prepare urban renewal plan
 - Complete financial analysis (tax increment finance – TIF)
 - Complete impact analysis for impacted taxing bodies
 - Notify property owners and tenants within the plan boundaries of the date of a public hearing to consider adoption of the plan
 - Present urban renewal plan to urban renewal entity and council for adoption
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- Work with owners and developers to determine possibilities for redevelopment
 - Implement plan

Study Area



Conditions Survey Methodology

Survey Methodology

- Investigate presence of “blight factors” specified by Colorado Urban Renewal Law
- Conduct field visit
- Reviewed existing city, county, state, federal data sources (zoning maps, GIS parcel mapping, aerial photography, EPA databases, FEMA flood hazard maps, etc.)
- Interview public officials, other consultants, and City Staff

Colorado Urban Renewal Statute

11 Qualifying Factors

- a. **Sum, deteriorated or deteriorating structures**
- b. 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. Conditions that endanger life or property by fire or other causes
- i. **Buildings that are unsafe or unhealthy for people to live or work in**
- j. **Environmental contamination of buildings or property**
- k5. **Existence of health, safety, or welfare factors requiring high levels of municipal services or substantial underutilization or vacancy of buildings, sites, or improvements**

How much “blight” is enough?

- 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...
- If private property is to be acquired by eminent domain, then “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...
- Otherwise, by reason of the presence of any **four** of the factors...
- 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.
- The urban renewal statutes do not require a certain “quantity” of conditions within any one of the blight factors to be found in order for that blight factor to be considered present in the area.

Urban Renewal Plan

- Plan is very general – supported by findings of blight (conditions survey) and impact report
- Elements include description of –
 - area
 - purpose
 - concept map
 - conditions of blight
 - relationship to comprehensive plan
 - objectives
 - implementation approach
 - financing approach
- Supplemented by - overlay plans, zoning, design standards, etc.

How TIF is Spent

Tax Increment Financing (TIF) is a unique mechanism that enables an urban renewal authority or board to use the net new tax revenues generated by projects within a designated urban renewal area to help finance future improvements. TIF is a new source of tax revenue, not an additional tax, that would not be available but for new investment.

- Finance the issuance of bonds
- Reimburse developers for a portion of their project costs
- Acquire property
- Make improvements -- public benefit, support redevelopment effort

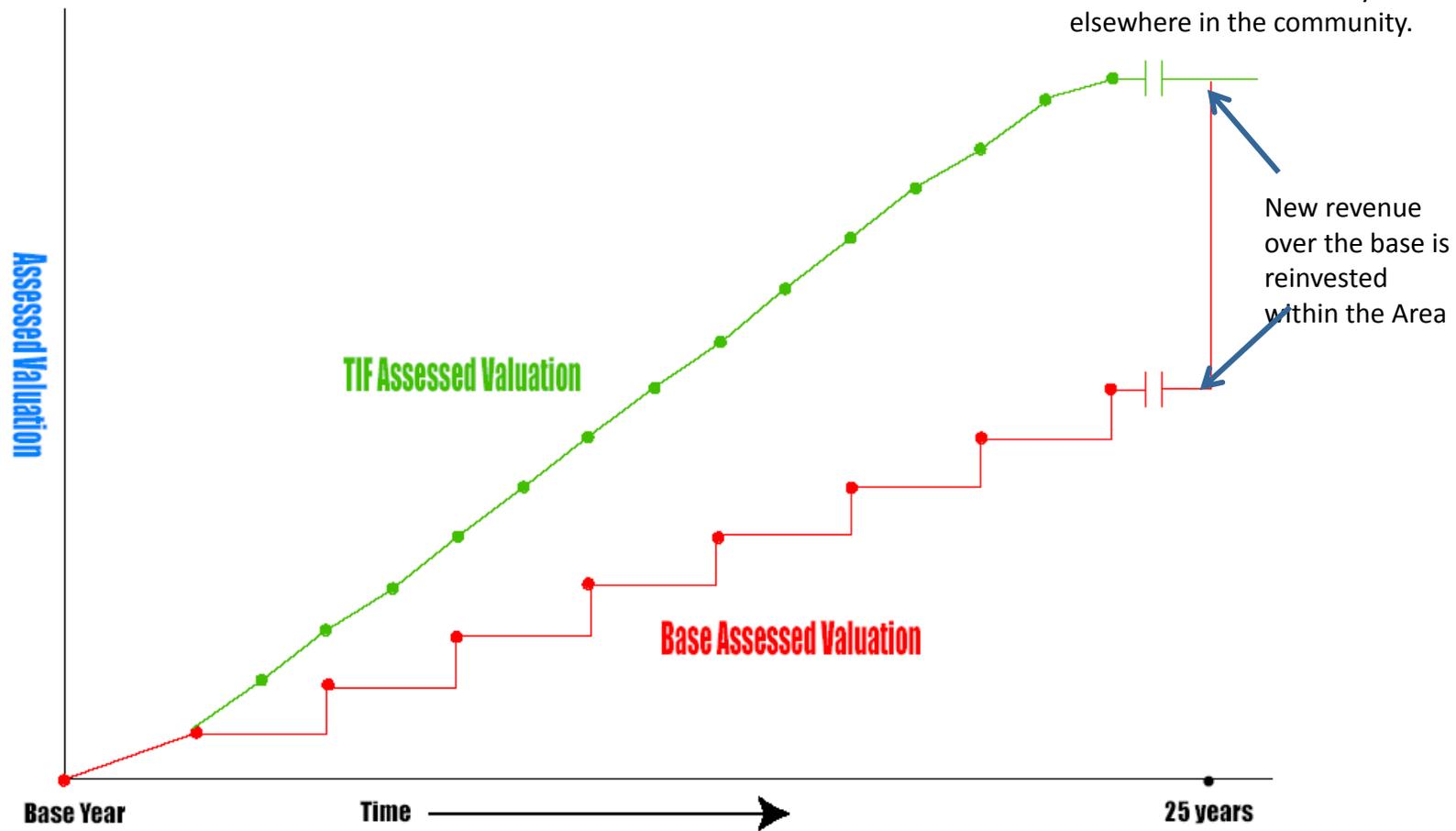
... correct problems and finance improvements ...

How TIF is Calculated

Note: If the base value declines, the Authority may not collect any increment until it returns to its original base.

TIF CHART

City Council will decide if some or all of the sales tax collected in the Area is reinvested in the Area or retained by the City for use elsewhere in the community.



How are property owners impacted?

What will the urban renewal plan do for the property owner?

- Allow more flexibility in what you can do with your property in the form of mixed-use opportunities (e.g., residential)
- Allow your taxes to be spent on improvements in your immediate “neighborhood”
- Address land use and transportation planning issues
- Identify capital improvements needed to accommodate future investment
- Potentially provide property redevelopment / expansion financial assistance

What won't the urban renewal plan do to the property owner?

- Prevent you from continuing your current business or land use
- Raise property tax mill levy sales tax rate
- Force you to improve your property (especially at a higher standard than outside the area)
- Diminish the value of your property
- Prevent you from selling your property

Urban Renewal Overview

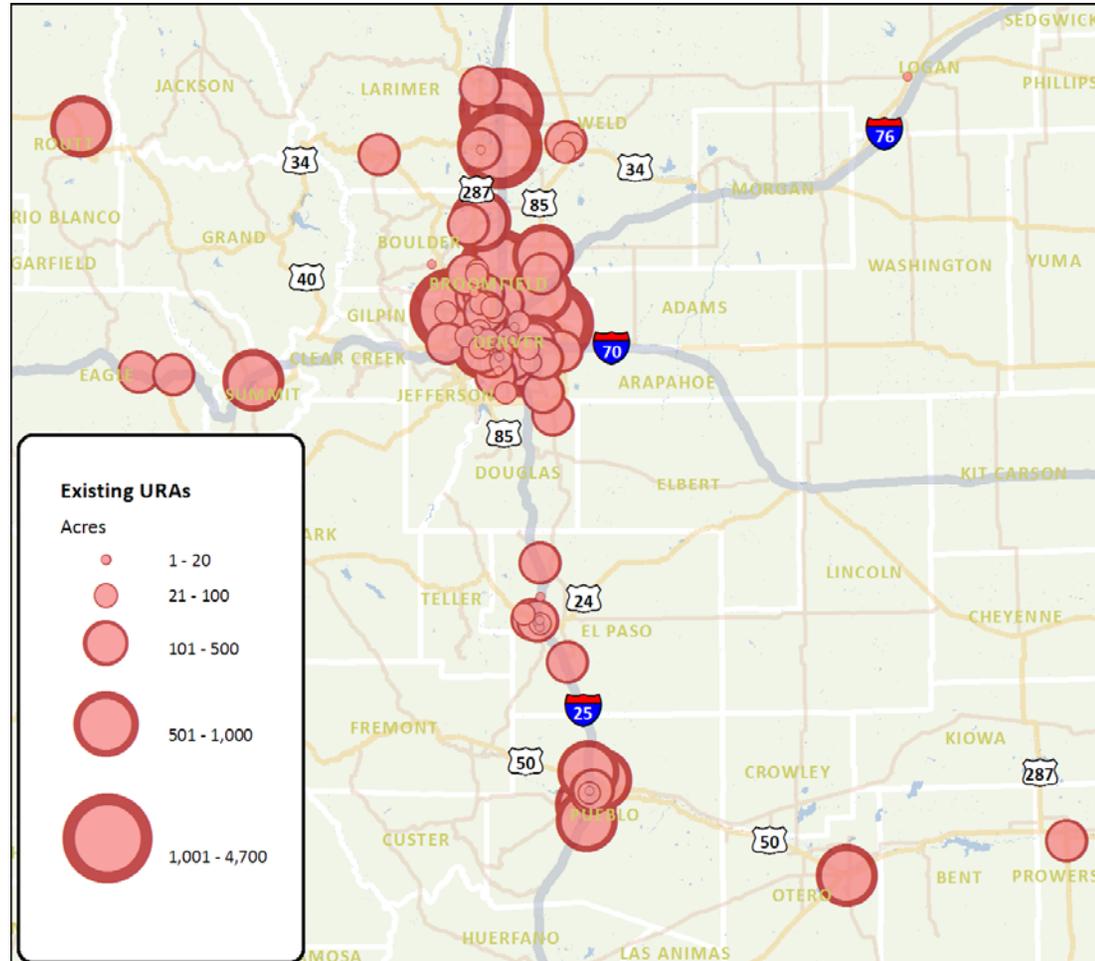
Municipalities with Urban Renewal Authorities	40 (52)
Total No. of Active Urban Renewal Areas	121
Total Acres in Urban Renewal Areas	40,448
Total 2009 Incremental Assessed Value (all URAs)	\$1.4 billion
Total TIF Revenue (all URAs)	\$113.5 million
Total 2009 Sales Tax TIF Revenue (all URAs)	\$63.1 million
Existing URAs Established in 1990s	32
Existing URAs Established in 1990s (acres)	4,448
Existing URAs Established in 2000s	85
Existing URAs Established in 2000s (acres)	35,536

Urban Renewal Planning Areas

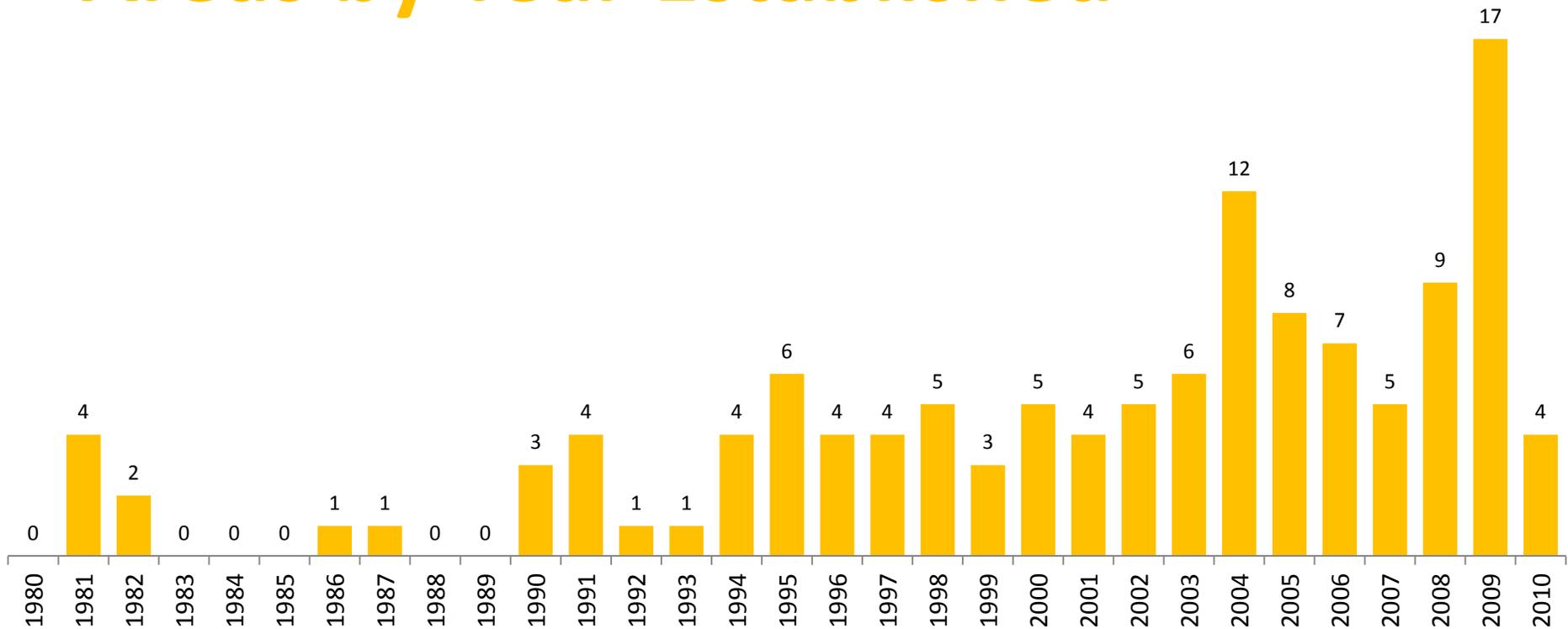
As of early 2010, there were 121 active urban renewal areas in the state

Urban renewal authorities in 40 municipalities

Ranging in size from 1 acre to 4,700 acres (both in Denver)



Areas by Year Established



- Initial period of urban renewal activity in early 1980's
- Ramping up again throughout 90's and 2000's
- Spikes in 2004 and 2009 primarily due to legislative threats to urban renewal statute

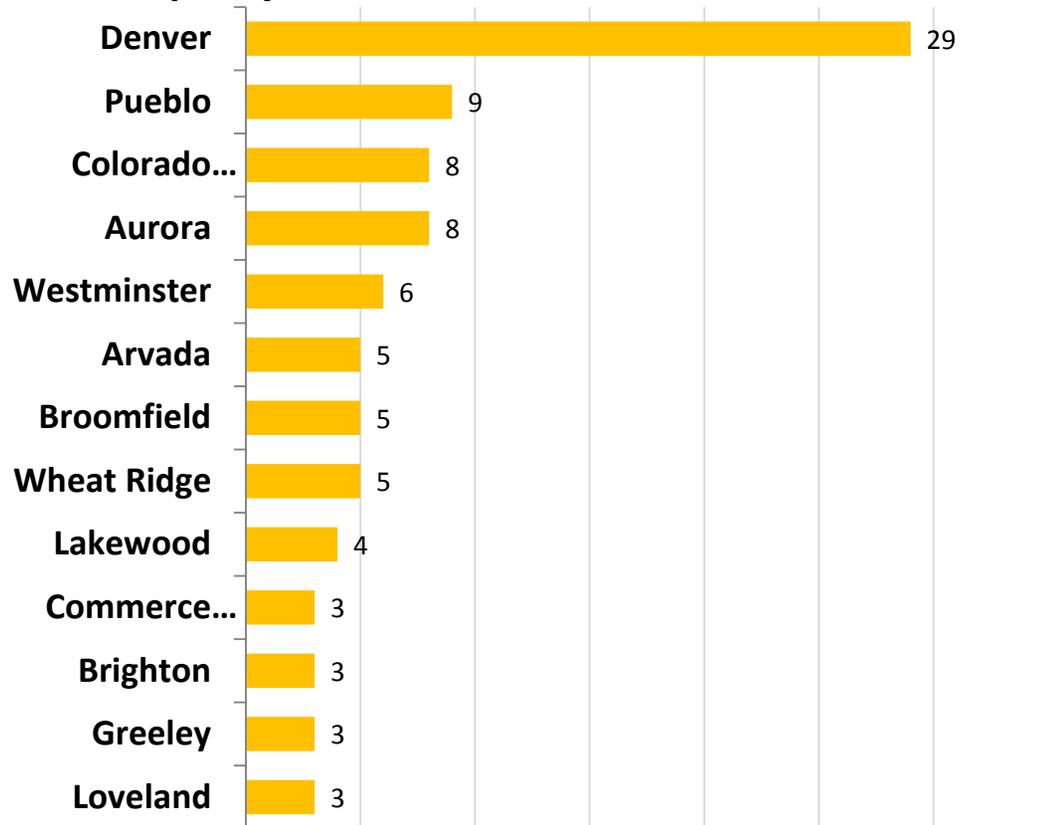
Areas by Municipality (2010)

With higher population and older urban infrastructure, it's not surprising that Denver, Pueblo and Colorado Springs lead the state in active urban renewal areas

Remainder of list generally coincides with population

Grand Junction is an exception, with older building stock, substantial population, but no urban renewal area (rather DDA)

Active Urban Renewal Areas by Municipality



Statewide Impacts

Based on data from reporting urban renewal areas in 2010 for 2009, the following economic impacts were estimated . . .

New Development Market Value	\$5.0 to \$5.5 Billion
New Development Construction Value	\$2.5 to \$3.0 Billion
Estimated Construction Employment	65,000 to 70,000
Estimated Permanent Employment	90,000 to 95,000

County Dollars

County	2009 Total County Property Tax Revenue	2009 Total Property Tax TIF Revenue	2009 Total Property Tax TIF AV	2009 County Property Tax Rate (mill levy)	2009 Estimated Property Tax TIF Deferred By County	Deferred TIF % Of Total County Property Tax Revenues
Prowers	\$3,402,468	0	\$0	0.027170	\$0	0%
Summit	\$24,418,895	0	\$0	0.012602	\$0	0%
Otero	\$2,689,657	\$61,610	\$947,846	0.021948	\$20,803	1%
Weld	\$96,972,420	\$75,771	\$996,987	0.016804	\$16,753	0%
Douglas	\$96,488,003	\$125,340	\$1,474,588	0.019774	\$29,159	0%
El Paso	\$51,402,781	\$799,620	\$12,301,846	0.007531	\$92,645	0%
Boulder	\$138,148,783	\$844,011	\$10,550,138	0.023667	\$249,690	0%
Logan	\$8,188,265	\$1,205,099	\$13,098,902	0.030098	\$394,251	5%
Routt	\$16,527,716	\$1,320,761	\$26,415,220	0.011330	\$299,284	2%
Pueblo	\$41,538,356	\$1,404,230	\$15,602,556	0.031118	\$485,520	1%
Arapahoe	\$124,062,713	\$2,909,872	\$33,446,805	0.015672	\$524,178	0%
Eagle	\$30,719,133	\$3,651,651	\$73,033,020	0.008499	\$620,708	2%
Broomfield	\$18,976,845	\$6,347,886	\$76,480,554	0.017511	\$1,339,251	7%
Larimer	\$95,663,385	\$14,139,245	\$157,102,722	0.022435	\$3,524,600	4%
Adams	\$124,857,308	\$14,618,520	\$146,185,200	0.026824	\$3,921,272	3%
Jefferson	\$180,296,958	\$18,095,767	\$220,680,085	0.024346	\$5,372,677	3%
Denver	\$304,008,370	\$47,911,343	\$715,094,672	0.025308	\$18,097,616	6%
Total (all counties with URAs)	\$1,358,362,056	\$113,510,726	\$1,503,411,141	--	\$34,988,408	3%
Total (all counties with 2009 TIF revenues)	\$1,330,540,693	\$113,510,726	\$1,503,411,141	--	\$34,988,408	3%

School Dollars

County	School District	2009 Total District Revenues	2009 Total Property Tax TIF Revenue	2009 Total Property Tax TIF AV	2009 District Property Tax Rate (mill levy)	2009 Estimated Property Tax TIF Deferred By District	Deferred TIF % Of Total District Revenues
Prowers	Lamar	\$15,556,772	0	\$0	0.024967	\$0	0%
Summit	Summit	\$45,888,275	0	\$0	0.020936	\$0	0%
Otero	East Otero	\$19,000,589	\$61,610	\$947,846	0.035236	\$33,398	0%
Weld	Greeley	\$165,850,247	\$75,771	\$996,987	0.036633	\$36,523	0%
Douglas	Douglas	\$569,061,008	\$125,340	\$1,474,588	0.046681	\$68,835	0%
El Paso	Colorado Springs	\$296,218,450	\$799,620	\$12,301,846	0.042183	\$518,929	0%
Boulder	Boulder, St. Vrain	\$422,238,003	\$844,011	\$10,550,138	0.043000	\$453,656	0%
Logan	Valley	\$23,604,171	\$1,205,099	\$13,098,902	0.040571	\$531,436	2%
Routt	Steamboat	\$32,219,170	\$1,320,761	\$26,415,220	0.011555	\$305,228	1%
Pueblo	Pueblo	\$164,867,496	\$1,404,230	\$15,602,556	0.036629	\$571,506	0%
Arapahoe	Aurora	\$485,500,854	\$2,909,872	\$33,446,805	0.053455	\$1,787,899	0%
Eagle	Eagle	\$77,955,858	\$3,651,651	\$73,033,020	0.019402	\$1,416,987	2%
Broomfield	Adams 12, Jeffco	\$631,872,759	\$6,347,886	\$76,480,554	0.045000	\$3,441,625	1%
Larimer	Poudre, St. Vrain	\$197,250,685	\$14,139,245	\$157,102,722	0.047000	\$7,383,828	4%
Adams	Adams, Brighton, Westminster	\$178,776,775	\$14,618,520	\$146,185,200	0.050000	\$7,309,260	4%
Jefferson	Jefferson	\$858,424,170	\$18,095,767	\$220,680,085	0.048145	\$10,624,643	1%
Denver	Denver	\$1,021,545,444	\$47,911,343	\$715,094,672	0.039262	\$28,076,047	3%
Total (all districts)	–	\$5,205,830,727	\$113,510,726	\$1,503,411,141	–	\$62,559,798	1%

Next Steps

- Complete:
 - conditions survey
 - urban renewal plan
 - financial analysis (tax increment finance – TIF)
 - impact analysis for impacted taxing bodies
- Present survey findings to urban renewal entity and council for acceptance and the urban renewal plan for adoption