AGENDA
CITY OF GLENWOOD SPRINGS
URBAN RENEWAL AUTHORITY
JULY 5, 2022
101 W. 8th STREET
11:30 AM

The agenda is subject to *change, including the addition of items 24 hours in advance or the deletion of items at any time.*

The order and times of agenda items listed are approximate and intended as a guideline for the Urban Renewal Authority.

ZOOM INSTRUCTIONS

You are invited to a Zoom webinar.
When: Jul 5, 2022 11:30 AM Mountain Time (US and Canada)
Topic: 2022/07/05 Urban Renewal Authority Board Meeting
Please click the link below to join the webinar:
https://us02web.zoom.us/j/87896921585?pwd=G9_PnKVHBIksLAWZ6cX2q9zjoQcjS0.1
Passcode: 478542
Or One tap mobile : US: +13462487799,,87896921585# or +16699006833,,87896921585#
Or Telephone: Dial(for higher quality, dial a number based on your current location):
US: +1 346 248 7799 or +1 669 900 6833 or +1 253 215 8782 or +1 312 626 6799 or +1 929 205 6099 or +1 301 715 8592
Webinar ID: 878 9692 1585
International numbers available: https://us02web.zoom.us/u/kMgTa6DuS

GLENWOOD SPRINGS URBAN RENEWAL AUTHORITY MEETING

1. Roll Call
2. Pledge of Allegiance
3. Election of Chair and Vice Chair
4. Approval of Minutes
5. Designate a Noticing Place
6. Urban Renewal Authority 101
7. Update on West Glenwood Mall
8. Update on Other Locations
9. Adjournment

MINUTES

CITY OF GLENWOOD SPRINGS

URBAN RENEWAL AUTHORITY

MAY 24, 2022

ZOOM

11:30 AM

REGULAR SESSION

:03 1. Roll Call

Present: Chair Councilor Wussow; Vice Chair Mayor Godes; Mayor Pro-Tem Willman; Councilor Stepp; Councilor Kaup; Councilor Dehm; Commissioner Martin; Tate Fairbanks; School Board Representative Torres; Executive Director City Manager Figueroa; Treasurer City of Glenwood Chief Operating Officer Steve Boyd. Absent Councilor Hershey. There is a vacant position with Other Special Districts. Also present were Assistant City Manager Jenn Ooton; City Attorney Karl Hanlon; and City Clerk Ryan Muse.

:06 2. Pledge of Allegiance

City Clerk Ryan Muse led the Pledge of Allegiance.

:06 3. Citizens Appearing Before the Urban Renewal Authority for Items Not on the Agenda

Chair Councilor Wussow asked if there were any Citizens with comments that were not on the agend.

There were none.

:07 4. Approval of Minutes

:07 Mayor Pro-Tem Willman moved, seconded by Vice Chair Mayor Godes, to approve the minutes from June 3, 2021.

Motion passed unanimously

:07 5. Urban Renewal Authority Budget

Chair Councilor Wussow asked Treasurer City of Glenwood Chief Operating Officer Steve Boyd for a review of the budget. Treasurer Boyd replied that the URA has not passed a Budget and he has not seen a draft budget yet. City Attorney Karl Hanlon commented that the budget must be in place by the end of June and recommended another meeting in June.

:07 6. Urban Renewal Activity Level

Assistant City Manager Jenn Ooton presented. Assistant City Manager Ooten reminded the URA that at the last meeting there was a plan to pursue additional blight studies for parts of town where the URA does not currently have a plan in place. Assistant City Manager Ooten updated the URA that in September the City received a proposal from SEH, a company out of Durango who does urban renewal work, and the City had Ann Ricker, from Ricker Cunningham, submit a proposal, however, they are quite old at this point so the feeling is that the URA should meet before the City revisits the thought of whether there are other areas of the City that could use blight studies. Assistant City Manager Ooten also said there is a contract for the old Safeway building from a private developer and they are currently in the due diligence period. There have also been continued conversations with the owners of that property about long-term parking. Assistant City Manager Ooten said that the Roaring Fork Marketplace now includes REI, which will have their grand opening in July, and the old American Furniture Warehouse portion of the building has been purchased by Furniture Row.

School Board Representative Torres asked about whether there should be contact with Jeff Gatlin from the School District about a possible revisit of a blight study for the West Glenwood Mall due to the close proximity to the Glenwood Springs Middle School. Assistant City Manager Jenn Ooten replied that for am Urban Renewal Authority to exist, a property has to be considered urban renewal, which is determined by a blight study, which was completed, however, after this occurred, a lawsuit challenged the formation of the Urban Renewal Authority, and the outcome was the limitation of some of the powers in its governing document. In order to revisit this document, a new blight study would have to take place.

Vice Chair Mayor Godes asked whether it is possible to expand the blight survey to include properties adjacent to the West Glenwood Mall. Assistant City Manager Jenn Ooten replied that any expansion of the Urban Renewal Authority would require a blight study, furthermore, the Urban Renewal Authority is limited to City Boundaries making some adjacent properties that are in the County ineligible. City Attorney Karl Hanlon commented that for those properties to join the Urban Renewal Authority, they would be required to annex and request to join.

Mayor Pro-Tem Willman asked how the Urban Renewal Authority is funded. City Attorney Karl Hanlon replied that currently it is being sponsored by the City to get it started. The primary way it will be funded is through tax inducement financing for the URA projects. It is very similar to the Downtown Development Authority. Chair Councilor Wussow asked whether it would be beneficial to create a subcommittee to develop a budget. City Attorney Hanlon replied that it is so close to budget season that he recommends that they just look in the 2022 budget and look forward to the 2023 budget.

Chair Councilor Wussow asked what items the Urban Renewal Authority would like to see on the future agenda.

City Attorney Karl Hanlon said that the Urban Renewal Authority can work under the current conditions of the blight study. City Attorney Hanlon stated that the URA needs to have the discussion about what powers they want to have before they decide on whether to have an additional blight study, because if the URA wanted to change the governing document to readopt the condemnation authority it would be required to have one. Assistant City Manager Jenn Ooten stated that although the governing document authorizes the use of municipal sales tax, City Council has not, therefore, if a developer is interested in the West Glenwood Mall at this time, the Urban Renewal Authority could work under its current conditions until the developer needed funding for public improvements.

City Attorney Karl Hanlon stated that the Urban Renewal Authority needs to meet in June to adopt the 2022 budget as well as a proposed 2023 budget. He would also like the URA to take a position on what strategy they would like to have for the West Glenwood Mall.

Chair Councilor Wussow thanked Commissioner Martin for a packet of informational documents on the Urban Renewal Authority and requested that everyone be sent one. Chair Councilor Wussow asked for a doodlepoll to be sent to members for dates in late June when the URA could meet.

Councilor Stepp asked for the potential of the West Glenwood Mall Development. City Attorney Karl Hanlon stated that retail continues to struggle post COVID with large format such as Target and Lowes doing really well, and Ross is a fantastic partner in the community. The West Glenwood Mall has had many different proposals, all of which change its current design, but none of this change the fact that retail is struggling. City Attorney Hanlon also commented that there is an additional challenge of retailers not being able to staff their stores due to the cost and shortage of housing. Councilor Stepp asked whether a developer could use this property solely for housing. City Attorney Hanlon replied that it is possible, that it would require a PUD, but no matter what would be developed from that property, it would necessitate a blank slate.

:31 7. Adjournment

:31 Mayor Pro-Tem Willman moved, seconded Councilor Kaup, to adjourn.

Motion passed unanimously

Urban Renewal Frequently Asked Questions
(as of 12.1.2021)

What legislation authorizes the powers and practices of urban renewal authorities?

Urban renewal laws exist at both the federal and state levels. The urban renewal law in Colorado is defined in Colorado Revised Statutes Title 31 Government -Municipal § 31-25-103 *et seq*. (herein referred to as the "Act" or "Statute".)

Who makes up the board of an urban renewal authority?

An urban renewal authority board consists of up to thirteen members including either the governing body of the municipality or individuals appointed by the municipality's mayor in consultation with the councilors or trustees. If the statutorily required make-up of the board results in an uneven number, the mayor appoints an additional commissioner to restore it to an odd number. Other members include at least one appointee by the county commissioners, one a board member of a special district levying taxes within the urban renewal area, and one an elected member of the school district. The Glenwood Springs Urban Renewal Authority (GURA) is comprised of Glenwood Springs City Council members, along with representatives from Garfield County, Roaring Fork School District, and Garfield County Libraries, as well as one at-large member.

How is an urban renewal area created?

Creation (or designation) of an urban renewal area is made by the governing body of the municipality. Once the area is initially defined, the urban renewal authority commissions an independent study of conditions (referred to as a "blight study" or "conditions survey") to determine if the requisite threshold of factors (as defined by the Act) are present to make it eligible for an urban renewal designation. Following completion of this investigation, an urban renewal plan is prepared, as are reports of potential impacts to the county (or counties) and individual taxing entities where the area is located. Following review of this information and discussions regarding the allocation of incremental revenues, property and business owners are notified and a public hearing scheduled for the governing body to consider the findings of "blight" (as defined by the Act) and adoption of the urban renewal plan.

How are the boundaries of an urban renewal area determined?

Several factors are considered when defining the boundaries of a potential urban renewal area, beginning with guidance provided by the Act that states "the boundaries of an area that the governing body determines to be a blighted area shall be drawn as narrowly as the governing body determines feasible to accomplish the planning and development objectives of the proposed urban renewal area." Other considerations include objectives for investment and reinvestment described in the community's general plan, presence of visible or documented deterioration, patterns of negligence and unsafe conditions, favorable property ownership, and expressed desire for inclusion by property and business interests.

What is "blight"?

"Blight" is a legal term that includes a range of urban conditions from physical deterioration of buildings and the environment to health and economic factors. As defined in the Colorado State Statute (CRS 31-25-103) (2), a blighted area is "*… an area that, in its present condition and use and, by reason of the presence of at least four of the eleven (11) 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."*

The eleven factors of blight include:

(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 nonmarketable;
(h) The existence of conditions that endanger life or property by fire or other causes;
(i) Buildings (and sites) 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;
(k) (Deleted by amendment, L. 2004, p. 1745, § 3, effective June 4, 2004.)
(k.5) 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; or
(l) 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 (2), 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.

Are individual properties, or areas, assigned a designation of "blight"?

Individual properties are not deemed "blighted." Rather areas including parcels, rights-of-way, infrastructure, utilities, and other improvements are determined (by a finding of the municipal body) to be "blighted" because of the presence of four or more factors defined in the Statute. As such, even if one or more properties in an urban renewal area are not adversely impacted by conditions of blight yet taken as a whole the threshold number of factors are present, case law has established the area may be determined to be" blighted."

Does location within an urban renewal area adversely impact property values?

No. There is no evidence that an urban renewal designation directly impacts property values. Experience has shown, however, that location within an urban renewal area can cause asking prices and speculative values to increase, particularly given the potential for future investment and reinvestment, and availability of resources for improvements.

Do owners have to disclose they are in a "blighted area" when they sell their property?

No. As explained above, since a finding of "blight" applies to an area instead of individual parcels, and whereas the Act does not require such a disclosure, it is not necessary for property owners to provide this type of information. Having said this, however, many owners of commercial properties promote their location within an urban renewal area because of the associated monetary benefits.

Does being in an urban renewal area mean my property will be condemned?

No. Local and state governments possess the authority to condemn properties in select instances, regardless of an urban renewal designation. Moreover, the power of eminent domain afforded urban renewal authorities (in Colorado) is highly restrictive, complex, and costly, making it effectively infeasible in most instances.

What is Tax Increment Financing?

Tax Increment Financing (TIF) is a mechanism used by municipalities to fund eligible improvements providing a public benefit including resolution of adverse conditions and the addition of necessary or desired improvements. TIF resources are a <u>new source of revenue</u> resulting from private investment in new development and reinvestment in an urban renewal area. <u>TIF is not an additional or new tax</u>. TIF is available for use on properties and public areas within and impacting investment in the area for a period not to exceed 25 years after an urban renewal plan is adopted authorizing the collection of property and | or sales tax increment.

What can TIF revenues be used for?

TIF revenues are set aside in a special fund for use within a designated urban renewal area. These resources may be used in whole or in part, exclusively or in combination with other resources, to cure blight through various means including, for instance, construction of new or improvements to existing streets, streetlights, sidewalks, and other public infrastructure and utilities, building façades, and parking facilities. TIF may also be used to advance stated objectives of the community such as increased density, affordable housing, public art, neighborhood connections, and non-vehicular mobility.

How long does it take to implement an urban renewal plan?

Implementation of an urban renewal plan involves mitigating or eliminating adverse conditions and advancing the community's goals as described in their general plan. As such, the timeframe for implementation is subject to the public and private investment objectives of owners and business interests in the area. While the Statute "allows for the use of TIF dollars for as long as is necessary to implement the intentions of the plan," it limits their use to 25 years.

What if a governing body decides not to adopt an urban renewal plan?

Assuming a community followed the statutorily defined steps to create an urban renewal area, and the governing body commenced consideration during a publicly noticed hearing, they have 120 days to adopt the urban renewal plan. In the event they decide not to adopt the plan during this timeframe, they may not reconsider an urban renewal designation in the subject area for two years.

What kind of power does an urban renewal authority possess?

An urban renewal authority's powers are described in the Act and authorized in the urban renewal plan. These powers include activities necessary to undertake urban renewal projects, plan for investment and reinvestment, and negotiation with property owners and developers of property within area boundaries. Authorities may acquire real property through arms-length transactions, construct or install public improvements, finance eligible improvements completed by either private or public entities, and incur debt (i.e., issue bonds).

Who can request assistance from the urban renewal authority and how is it awarded?

Property owners in a designated urban renewal area hoping to develop, redevelop, or otherwise make improvements consistent with expressed community objectives may apply to the urban renewal authority for assistance. Awards are made on a case-by-case basis depending on established criteria and urban renewal objectives. Undertakings eligible for urban renewal resources must cure blight, making many projects infeasible without monetary assistance to close the "gap" between early revenues and costs.

Are owners in an urban renewal area required to improve their property?

No. Urban renewal plans are not regulating documents, and their adoption does not impose requirements on either property owners or business interests within its boundaries. Rather, projects in plan areas must comply with the same guidelines and regulations as projects outside these areas. Designation of an urban renewal area and adoption of a plan makes resources available to assist with improvements both necessary and desired for the betterment of the community. While urban renewal authorities may make financial awards subject to the use of certain materials or development standards, the decision to do so is voluntarily.

Why would a property or business owner want to be in an urban renewal area?

In addition to funding assistance for property improvements, property and business interests in a proposed urban renewal area realize significant benefits from the planning process, as well. Whereas the Statute necessitates an investigation of conditions in the area, elected officials and staff are made aware of circumstances that are directly impacting these interests and indirectly the community at-large. If the area is deemed eligible for an urban renewal designation, they are further committing future resources to finance necessary improvements without impacting their general fund or raising taxes to complete necessary capital improvements.

Are there other public resources or programs other than urban renewal that can accomplish similar objectives?

Colorado authorizes the use of numerous entities to finance improvements such as infrastructure and utilities in newly developing areas, many of which are funded by an additional or new tax, while their offerings are more limited for established areas. Resources available for investment in downtowns, commercial corridors, infill sites, and other improved geographies, primarily consist of Downtown Development Authorities (DDA), Business Improvement Districts (BID), and Urban Renewal Authorities (URA). DDAs may only be used in a community's central core, and funding is derived from both incremental tax revenue and new taxes. BIDS may be used to finance and maintain capital improvements, as well as market and promote businesses in the same, and their funding is also derived from new taxes. URA resources may be used to finance public and private improvements that provide a public benefit, are derived from (future) incremental tax revenue only, and may be awarded as a grant, low interest loan, monetary match, bond proceed, or patient investment.

Source: Ricker-Cunningham, 303.458.5800, www.rickercunningham.com

City Council

STAFF REPORT

City of Glenwood Springs

July 5, 2022

Agenda Item: Adjournment

Action Requested:

Department: City Clerk

Presented By:

Strategic Goals:

Background Info:

Issues:

Fiscal Impact:

Legal Review:

Staff Recommendation: