



AGENDA
CITY OF GLENWOOD SPRINGS
URBAN RENEWAL AUTHORITY
AUGUST 23, 2023
101 W. 8th ST
8:30 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: Aug 23, 2023 08:30 AM Mountain Time (US and Canada) Topic: 2023/8/23 Urban Renewal Authority Regular Meeting. Please click the link below to join the webinar:

<https://us02web.zoom.us/j/84489515028?pwd=Yi9tNk9hV1NOUlpaNitsSmdmaWdxQT09> Passcode: 336531. Or One tap mobile: +17193594580,,84489515028# US +13462487799,,84489515028# US (Houston) Or Telephone: Dial(for higher quality, dial a number based on your current location): +1 719 359 4580 US +1 346 248 7799 US (Houston) +1 669 444 9171 US +1 669 900 6833 US (San Jose) +1 253 205 0468 US +1 253 215 8782 US (Tacoma) +1 386 347 5053 US +1 507 473 4847 US +1 564 217 2000 US +1 646 931 3860 US +1 689 278 1000 US +1 929 205 6099 US (New York) +1 301 715 8592 US (Washington DC) +1 305 224 1968 US +1 309 205 3325 US +1 312 626 6799 US (Chicago) +1 360 209 5623 US Webinar ID: 844 8951 5028 International numbers available: <https://us02web.zoom.us/j/84489515028>

URBAN RENEWAL AUTHORITY MEETING

1. Roll Call
2. URA Workshop and Training
 - A. Introductions
 - B. Case Study of Development
 - C. Tax increment Finance (TIF) 101
 - D. Board of Directors and Good Governance
 - E. Why would we Create a New TIF Area or Expand?
 - F. What is the Process to Create a New TIF Area?
 - G. If Glenwood Springs URA decided to Create a New TIF Area.
 - H. *Closing + Ideas for Next Discussion*
3. Adjournment

DOWNTOWN COLORADO — inc.

TAX INCREMENT FINANCE 101
August 23, 2023 | 8:30AM – 10:30AM
Glenwood Springs, Colorado

AGENDA

Introductions

Each participant introduces themselves and what they hope to get out of the day. Review some terms from the glossary. Intro to DCI.

Case Study of Development

Case study of a successful TIF project. Community vision, private sector vision, and what is the gap? Example of a deal with TIF to fill the gap.

Tax increment Finance (TIF) 101

What is tax increment finance? How does it create financing without a new tax? How can it be used?

Board of Directors and Good Governance

What is the role of the Board of Directors? What are the requirements for the board?

Why would we Create a New TIF Area or Expand?

Understanding blighting factors and how to incentivize the private sector to invest meaningfully in the community vision. Use feedback from board surveys.

What is the Process to Create a New TIF Area?

How do we use the conditions study? What and why is there an impact report and who are we sharing it with? What happens if we choose to create a new TIF Area?

If Glenwood Springs URA decided to Create a New TIF Area...

What are the priorities that the URA would like to move forward? Are there geographic areas that present opportunities that the URA would like to take advantage of?

Closing + Ideas for Next Discussion

DOWNTOWN COLORADO, INC. (DCI) | 303.282.0625 | www.downtowncoloradoinc.org
Colorado's Resource for Tax Increment Finance

GLOSSARY OF TERMS

Terms defined below have, in most instances, been annotated and are only listed as a basic reference. For full details and determination, please refer to CRS 31-25 (Urban Renewal) and consult your Legal Council.

- + **Activity or Undertaking** – A specific action or development of a URA which causes some type of blight remediation.
- + **ADA** – American Disabilities Act. As per legislation adopted in 2021, all websites and items of the City, URA and both must be ADA compliant. An URA Board may be sued if not compliant.
- + **Agricultural Land** – one parcel of land or any two or more contiguous parcels of land that, regardless of the uses for which the land has been zoned, has been classified by the county assessor as agricultural land for purposes of the levying and collection of property tax pursuant to sections 39-1-102 (1.6)(a) and 39-1-103 (5)(a), C.R.S., at any time during the five-year period prior to the date of adoption of an urban renewal plan or any modification of such a plan.
- + **Assignability** – To transfer to another person any asset such as real property or a valuable right such as a contract or promissory note.
- + **Base** – the revenue produced by the total assessed value of taxable property in the plan area (the base value) as certified by the county assessor at the time of plan approval and prior to any new activity or undertaking. The base value is increased every other year when a general reassessment of all taxable property takes place for a period not to exceed 25 years.
- + **Blighted Area** – 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 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. For purposes of this paragraph (l), the fact that an owner of an interest in such property does not object to the inclusion of such property in the urban renewal area does not mean that the owner has waived any rights of such owner in connection with laws governing condemnation.

- + **Budget** – A report of the anticipated revenues and expenditures from the URA Special Fund. A draft annual budget must be submitted for review by the URA Commissioners by October 31st of each year. That budget must be adopted by resolution, after a noticed public hearing, of the Commissioners by December 31st of each year. The budget must then be registered with the Department of Local Affairs (DOLA) through its web portal. The submission must include the staff memo to the Commissioners, the adopted and executed resolution, and the full budget for that fiscal year. Any subsequent amendments to the budget must be held in front of a public hearing, adoption of resolution and submittal to DOLA.
- + **Catalyst Development** – When forming a plan, there is always a chance that the expectations will not be met, so having a catalyst development in mind – both the place, the use, and the community’s vision for co-investment – will help to ensure that the development moves forward and generates the TIF as planned.
- + **Commissioners** – Members of the Board of the URA may consist of the City or Town Council or independent members as appointed by the Mayor (and including HBI348 if required) and one member each by the county, school district, and special districts. The URA is a separate entity from the municipality and it must conduct separate meetings and keep separate minutes documenting its actions.
- + **Conditions Report** – Created prior to authorization of a URA Plan, the report details the blighting conditions considered for the new Plan Area.
- + **County Land** – An urban renewal plan, urban renewal project, or urban renewal area may include unincorporated territory that is outside the boundaries of a municipality but contiguous to a portion of the urban renewal area located within the municipality. No such territory shall be included in the plan, project, or area without the consent of the board of county commissioners exercising jurisdiction over the unincorporated territory proposed for inclusion and the consent of each owner of, and each holder of a recorded mortgage or deed of trust encumbering, real property within the unincorporated area proposed for inclusion.
- + **CRS** – Colorado Revised Statute – CRS 31-25-101 through 116.
- + **Displaced person** – Includes any individual, family, or business concern displaced by the acquisition by eminent domain of real property by an authority.

- + **Disposal of Property – (1)** An authority may sell, lease, or otherwise transfer real property or any interest therein acquired by it as a part of an urban renewal project for residential, recreational, commercial, industrial, or other uses or for public use, as it deems to be in the public interest or necessary to carry out the purposes of this part 1. Such real property or interest shall be sold, leased, or otherwise transferred at not less than its fair value (as determined by the authority). **(2)** An authority may dispose of real property in an urban renewal area to private persons only under such reasonable competitive bidding procedures as it shall prescribe or as provided in subsection (2) of CRL; **(3)** An authority may temporarily operate and maintain real property acquired in an urban renewal area pending the disposition of the property for redevelopment.
- + **Downtown Development Authority (DDA)** as defined by CRL and authorized by a Municipal Body (City Council)
- + **“Due on Sale” Clause** – A clause that allows for a certain amount of money to be repaid to the DDA/URA that can help compensate for incentive or agreement funds that might not be made whole if the developer sells the property.
- + **Eligible Expenses** TIF Eligible Expenses means those portions of the costs related to the Project which are (i) reasonable Redevelopment Project Costs and are eligible for reimbursement to the Owner under the Redevelopment Plan and (ii) incurred in accordance with the Act. Another example of eligible expenses would be a third-party pro forma analysis of a proposed activity.
- + **Guardrails** – A tool to ensure alignment with the organization's goals and objectives and to keep people on the right path. Well-formed guardrails conform to five attributes that help teams and individuals make decisions. The power of guardrails lies in the fact that they shape decisions by defining boundaries.
- + **HB 1348** – A law passed in 2015 and into law January 1, 2016. A modification to statutory provisions governing urban Renewal projects that use property tax increment financing to share increment revenues with taxing entities that may be impacted by the project. Adds new commissioners to the URA board. One representing the County Commissioners, one from the School Board, and one representing all the other special districts.
- + **‘If not for’ or ‘but for’ proposition** – While not specifically addressed in CRS, the increase in the overall assessed value of a plan area that results from and would not exist “but for” the use of TIF financing.
- + **Impact Report** – The report that tells the taxing entities the burdens and benefits of a project. It helps explain all the benefits of economic development, and the value of keeping sales and property tax high. Can speak to job creation, solutions to elements that arrest sound development, amelioration of blighting conditions.
- + **Increment** – The difference between the Base value, as adjusted from time to time, and the increase in assessed value from new development and appreciation. The revenue produced by the levy of the relevant taxing entities against the increment value, if any, is

paid into a special fund to finance urban renewal and downtown development plan activities.

- + **Lookback/Clawback** – A clause within an agreement that allows for the DDA/URA agency to bring an amount of money back to the DDA/URA should a use of property change or sale take place that changes the value of the property when compared to the original agreed-upon pro forma or use.
- + **Other Taxing Entities** – Taxing entities that levy taxes in an urban renewal area and may include the County, Schools, Water, Sanitation, Cemetery, Fire. All taxing entities can be found on any property tax statement.
- + **PACE Financing** – The property assessed clean energy (PACE) model is an innovative mechanism for financing energy efficiency and renewable energy improvements on private property. PACE programs exist for:
 - **Commercial properties** (commonly referred to as Commercial PACE or C-PACE).
 - **Residential properties** (commonly referred to as Residential PACE or R-PACE).
- + **Performance and Completion Measures** – What does the developer need to do to receive the funds from a TIF agreement. This is a risk management tool in TIF agreements. This could include a stipulation for no funds to be transferred until there is a Certificate of Occupancy (CO), permits are applied for, or other agreement elements.
- + **Plan of Development** – The authorizing document for a Downtown Development Authority
- + **Powers of Authority** – The lawful powers necessary to undertake urban renewal projects and execute contracts connected therewith; buy and sell property; dedicate property it owns for public projects; sue and be sued; enter property and buildings, with the consent of the owner, to undertake surveys or appraisals; Condemn property or leases; Borrow money; Make appropriations and expenditures of its funds; invest its funds subject to certain restrictions; Make reasonable relocation payments; and Contract with consultants or advisors to accomplish duties related to urban renewal.
- + **Pro forma** – a Latin term meaning "as a matter of form," is applied to the process of presenting financial projections for a specific time period in a standardized format. Businesses use pro forma statements for decision-making in planning and control, and for external reporting to owners, investors, and creditors.
- + **Project** – The sum of all activities and undertakings necessary to carry out the Plan itself. Undertakings and activities for the elimination and for the prevention of the development or spread of slums and blight and may involve slum clearance and redevelopment, or rehabilitation, or conservation, or any combination or part thereof, in accordance with an urban renewal plan.
- + **Public Improvement Fee (PIF)** – An added fee collected by businesses on sales transactions. It operates kind of like a sales tax, but it is actually a fee rather than a tax.

The fee is used to fund infrastructure improvements in order to improve the site community of the fee collector.

- + **Public Private Partnership (“P3”)** – DDA and URA statutes are the only ones in the CRS that refer to the private sector specifically. Activities require private sector engagement.
- + **Reimbursement Agreement** – An executed agreement between the URA and a private party or public body to reimburse funds from the Special Fund upon satisfaction of terms set in the agreement.
- + **Revenue Bonds** – Bond issues that are repaid with the TIF revenue brought in, and do not have payment due if TIF is not coming in. There may be a taxable and a non-taxable series of bonds. If the city issues the bonds, the rate is the same as a municipal rate. If the bond is guaranteed with general funds, the rate will be lower.
- + **Schedule of Performance** – An agreement with a developer that commits that certain benchmarks would be completed at a certain time and allows for the opportunity to terminate an agreement if one party is in default.
- + **Special Fund** – Segregated account where increment and other revenues/expenditures are attributed to the URA
- + **Substantial Modification** – A change to a Plan regarding land area, land use, authorization to collect incremental tax revenue, the extent of the use of tax increment financing, the scope or nature of the urban renewal project, the scope or method of financing, design, building requirements, timing, or procedure, as previously approved, or where such modification will substantially clarify a plan that, when approved, was lacking in specificity as to the urban renewal project or financing, then the modification is substantial and subject to all of the requirements of the section in CRS
- + **TIF** – Tax Increment Financing. For this discussion generally means property tax increment financing, but may also include municipal sales tax increment revenue.
- + **TIF Agreement** – An agreement between the URA and a private entity such as an individual, corporation, LLC, sole proprietor or other legal entity obligating the use of TIF and authorized by the URA Board. These agreements also refer to agreements with taxing entities regarding TIF revenue.
- + **TIF Clock** – Upon approval of a URA Plan and activation within the Plan, the URA may receive tax increment for a period no longer than 25-years as per statute.
- + **URA** – An Urban Renewal Authority created by law and activated by a Municipal Governing Body (City Council)
- + **Urban Renewal Area** – a slum area, or a blighted area, or a combination thereof which the local governing body designates as appropriate for an urban renewal project.
- + **Urban Renewal Plan** – a plan, as it exists from time to time, for an urban renewal project, which plan conforms to a general or master plan for the physical development of the municipality as a whole and which is sufficiently complete to indicate such land acquisition, demolition and removal of structures, redevelopment, improvements, and

rehabilitation as may be proposed to be carried out in the urban renewal area, zoning and planning changes, if any, land uses, maximum densities, building requirements, and the plan's relationship to definite local objectives respecting appropriate land uses, improved traffic, public transportation, public utilities, recreational and community facilities, and other public improvements.



City Council
STAFF REPORT
City of Glenwood Springs
August 23, 2023

Agenda Item: Adjournment

Action Requested:

Department: City Clerk

Presented By:

Strategic Goals:

Background Info:

Issues:

Fiscal Impact:

Legal Review:

Staff Recommendation: