AGENDA
CITY OF GLENWOOD SPRINGS
URBAN RENEWAL AUTHORITY
JULY 29, 2025
101 W. 8th ST
4:00 PM

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.

ACTIONS AND/OR PRESENTATIONS

1.	Roll Call	
2.	Approval January 30th, 2025 Meeting Minutes	Discussion and/or Action
3.	Ricker Cunningham Presentation	Discussion and/or Action
	A. West Glenwood Mall Area URA Expansion	
	B. Old Safeway New URA Area	
4.	Tax Increment Financing Background Information	Information Only
5.	Adjournment	

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MINUTES
CITY OF GLENWOOD SPRINGS
URBAN RENEWAL AUTHORITY
JANUARY 30, 2024
101 W. 8th ST
3:00 PM

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.

URBAN RENEWAL AUTHORITY MEETING

1. Roll Call
   Present: Mayor Ingrid Wussow, Mayor Pro-Tem Marco Dehm, Member Tate Fairbanks, Member Jasmin Ramirez, Director of Economic and Community Development Hannah Klausman, Finance Director Yvette Gustad, Councilor Erin Zalinski, Economic Development Specialist Jacob Zook.

   Quorum was not met.

2. Urban Renewal Plan Update — Discussion and/or Action
   A. Notices have been sent to property owners within the boundary area on January 15th.
   B. The proposed expanded area to include 4 parcels along Highway 6 and 5 parcels along Mel Rey Road, as well as the single Safeway parcel.
   C. Discussed making additional information available on the Urban Renewal Page of the City website.

3. Adjournment

Ricker | Cunningham Credentials

- Completed more than 175 urban renewal assignments since 1995
- Supported the efforts of nearly three-quarters of the state's authorities and special districts
- Provide ongoing financial and development advisory services to multiple authorities
- Prepared and published numerous technical articles
- Conducted a statewide survey of urban renewal's impact in Colorado
- Testified before the Colorado State Legislature
- Served as a board member of Downtown Colorado Inc.
- Facilitate strategic meetings of urban renewal authorities and boards
- Frequently present at state and national conferences on urban renewal matters

How is the community impacted?

CITY OF GLENWOOD SPRINGS COLORADO

Through the urban renewal planning process, the municipality is demonstrating their …

- Understanding of investment challenges in established locations
- Commitment to redevelopment, not just new development
- Awareness of market opportunities and trends
- Interest in using a range of tools and tactics to advance fiscal objectives

Intent to …

- Engage and educate property owners and business interests
- Improve and maintain the physical environment
- Attract desired private investment
- Establish a dedicated source of revenue for public improvements without raising taxes
- Balance growth across community
- Ensure certain public benefits

How are property owners and investors impacted?

What <u>does</u> an urban renewal designation do for property owners and business interests?

- Allow more flexibility in what can be done with properties
- Provide a platform for private sector input on public expenditures
- Ensure incremental tax revenues are spent on items that benefit their interests
- Expedite investment in infrastructure, utility, and transportation improvements
- Offer a tool capable of leveraging additional public and private resources

What does an urban renewal designation <u>not</u> do to property owners and business interests?

- 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

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How can urban renewal resources be used?

Tax Increment Financing (TIF) is a unique mechanism that enables an urban renewal authority or board to use the net new tax revenues (property and | or sales) resulting from private development in ways that benefit the public. It is a new source of tax revenue .. not an additional tax, assessment, or fine .. that is only available but for new investment.

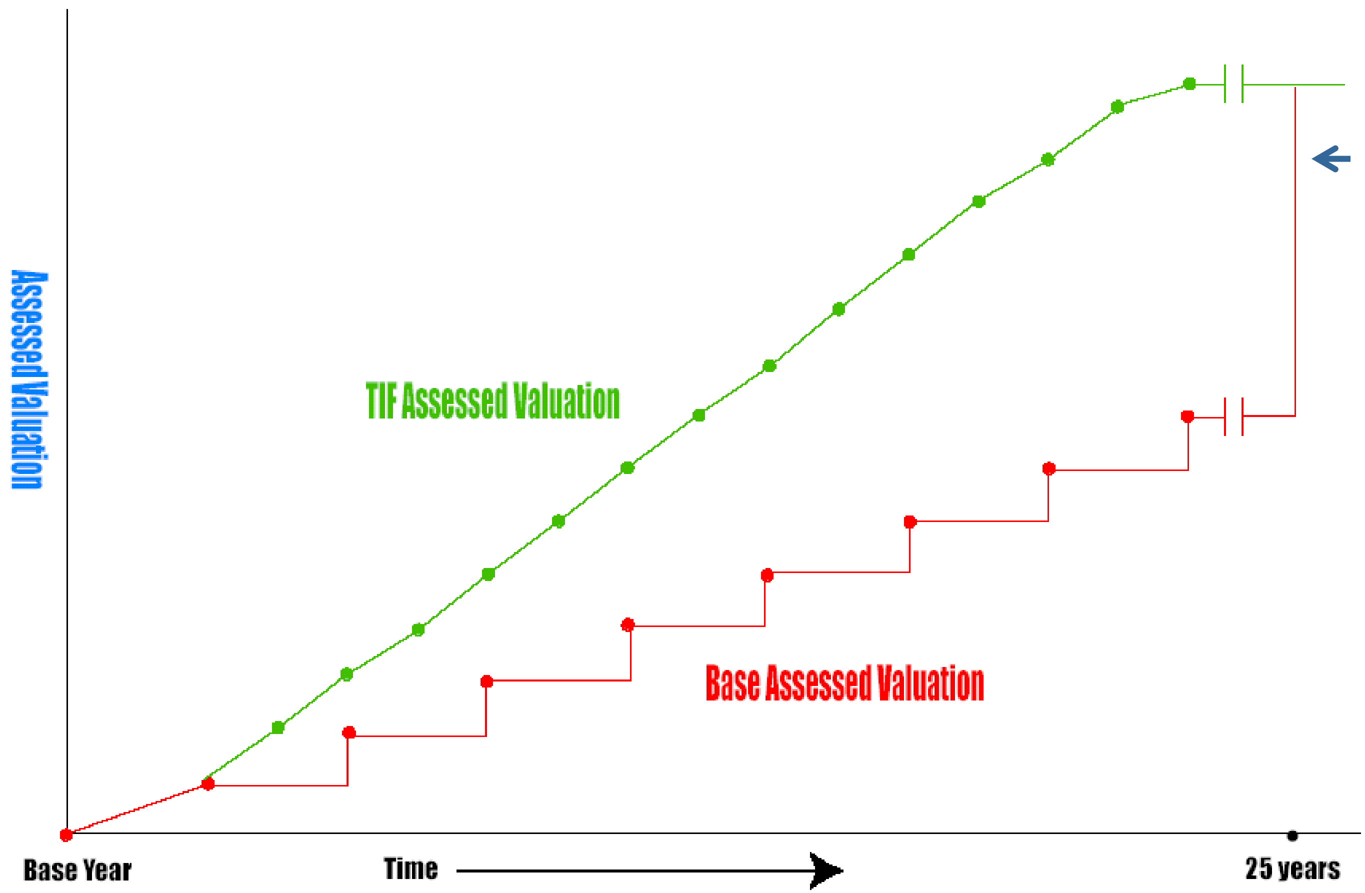
These and other urban renewal resources may be used in a variety of ways including:

- Finance the issuance of urban renewal bonds
- Reimburse a portion of project costs
- Acquire property
- Complete improvements
- Advance community objectives

... eliminate or mitigate conditions that pose a threat to private investment interests and the public ...

How is property tax TIF calculated?

TIF CHART



New revenue over the base (aggregate of all parcels when plan adopted) resulting from investment in the area

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

All or a portion of net new sales tax revenue may be reinvested in the plan area if the plan allows.

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How is an urban renewal area created?

- Determine survey area boundaries
- Notify property owners
- Verify presence and location of "blighting" conditions (field survey)
- Document findings and observations
- Present survey results to urban renewal entity and city council for consideration *
- Refine boundaries for urban renewal area (optional)
- Complete market analysis to inform development and financial assumptions
- Define vision and intentions for area (based on existing policy documents)
- Prepare urban renewal plan describing desired uses, improvements, and approach to implementation
- Estimate the cost of improvements and taxable revenue from investments
- Prepare impact reports for taxing entities
- Present urban renewal plan to urban renewal entity and city council for consideration and <u>adoption</u>
- Work with owners and stakeholders to identify potential projects and other priorities
- Establish partnerships

* Governing body renders official finding of blight.

What are the factors of "blight"?
Source: Colorado Urban Renewal Statutes

a. 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 (or sites) 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?

Presence of …

- **One factor** .. if there is no objection by property owners or business interests (if any), to inclusion in an urban renewal area
- **Five factors** .. if private property is to be acquired by eminent domain
- **Four factors** ..

- Determination of blight is based on conditions in the area “taken as a whole”
- One or more parcels <u>un</u>affected by adverse conditions will not preclude a designation
- Statute recognizes the impact of blight on vacant and unimproved parcels
- Factors may be present on private property or in public spaces
- Regulations may inform findings (not just physical conditions)
- Conclusions should be objective, not subjective

What are the powers and duties of boards and commissions in urban renewal areas?

City Council

- Authorize creation of urban renewal plans and plan amendments
- Render a finding of blight and adopt plans
- Acquire real property by eminent domain (if the plan allows)
- Enter into agreements with the urban renewal entity

Planning & Zoning Commission

- Opine on urban renewal plan's consistency with comprehensive plan and other local policies
- Consider proposed projects within the area boundaries
- Prepare and implement design standards and other regulations in the area (optional)

Urban Renewal Authority

- Retain professionals to assist with preparation of statutory documents and review funding requests
- Implement plan objectives
- Acquire and sell real property for preservation, restoration, or redevelopment
- Acquire construct, reconstruct, and install public improvements
- Enter into agreements with the city and other public, non-profit, and private entities
- Issue bonds
- "Any power necessary and convenient to carry out implementation of the plan."

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Discussion

West Glenwood Plan Area

The West Glenwood Plan Area II comprises 12 parcels, including the Glenwood Mall property, out parcels at the Mall and several parcels located along the west side of Mel Rey Road.

Survey Area Statistics

Total Parcels – 12

Acres – 23.2 and adjacent rights-of-way

Zoning – Planned Unit Development (PUD) and Mixed-Use Corridor District (M1)

Future Land Use – Potential Secondary Center

No. of Conditions Present - 10

Total Actual Value – $16.2 million

Total Assessed Value - $4.4 million

Value Per Square Foot - $16.01 (based on land area)

Property Tax Base - ~$326,000 annually

Sales Tax Base - $1,932,400 annually

Tax Increment Revenue Forecast - ~$36 million (Sources: 25-Year Property and Sales Tax Increment.)

Factors of “Blight” Present

A determination of blight is a cumulative conclusion based on the presence of several physical, environmental, and social factors defined by state law. Blight is often attributable to a multiplicity of conditions, which in combination, tend to contribute to the phenomenon of deterioration of an area. For purposes of this Survey, the definition of a blighted area is based upon the definition articulated in the Colorado Urban Renewal Law, as follows:

“Blighted area” means an area that, in its present condition and use and, by reason of the presence of at least four of the following 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:

(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 non-marketable

(h) Existence of conditions that endanger life or property by fire or other causes

(i) Buildings (or sites) that are unsafe or unhealthy for persons to live or work in because of building code violations, dilapidations, deterioration, defective design, physical construction, or faulty or inadequate facilities

(j) Environmental contamination of buildings or property

(k.5) 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

Conditions in **blue are present in Survey Area**

Community Vision

2023 Glenwood Springs Comprehensive Plan Update

The 2023 Glenwood Springs Comprehensive Plan Update Map identifies the Plan Area as a **Potential Secondary Center**. Secondary Centers have the potential to accommodate a significant amount of future growth consistent with the Comprehensive Plan goals. **Mixed-use development** should be targeted for Secondary Centers to help **address the housing demand** over the next 15 years.

In several cases **anchored by grocery stores**, these Secondary Centers offer surrounding neighborhoods offer convenient access to a variety of services, shops, and restaurants. Many were developed years ago in a “strip mall” style of development with large parking lots between the building and the street. As property values and retail trends have changed, these Secondary Centers are now seen as **opportunity locations for new, mixed-use neighborhoods** that include a range of supporting uses.

Incremental Revenue (TIF) Forecast

Development Program

Redevelopment:	**Sq Ft**
Mall Rehabilitation Space	215,000
New Retail / Restaurant / Service Pads	20,000
New Employment Space	20,000

Urban renewal area boundaries can overlap with other district (e.g., metro district) and economic development program boundaries

	Cumulative Total By:				
	2029	**2034**	**2039**	**2044**	**2049**
West Glenwood Plan Area II					
Property Tax Revenues from Existing Base	$1,656,718	$3,394,075	$5,223,226	$7,141,408	$9,160,939
Potential Property Tax Increment Generated	$184,745	$1,720,894	$4,003,994	$6,524,722	$9,307,809
Potential Sales Tax Increment Generated	$893,783	$5,910,924	$12,172,152	$19,085,053	$26,717,455
Potential Use Tax Increment Generated	$89,121	$371,437	$371,437	$371,437	$371,437

Source: Ricker | Cunningham.

Potential Tax Increment Revenues Over 25-Year Period

- Property Tax Increment: $1.7 million by Year 10; $4.0 million by Year 15; $9.3 million by Year 25
- Sales Tax Increment: $5.9 million by Year 10; $12.2 million by Year 15; $26.7 million by Year 25
- Use Tax Increment: $370,000 by Year 10

Old Safeway Plan Area

The Old Safeway Plan Area consists of one (1) parcel – former Safeway grocery store located at 2001 Grand Avenue.

Survey Area Statistics

Total Parcels – 1

Acres – 5.07

Zoning – Mixed-Use Corridor District (M1)

Future Land Use – Potential Secondary Center

No. of Conditions Present - 5

Total Actual Value – $4.2 million

Total Assessed Value - $1.2 million

Value Per Square Foot - $19.09 (based on land area)

Property Tax Base - ~$87,600 annually

Sales Tax Base - $0

Tax Increment Revenue Forecast - ~$12 million (Sources: 25-Year Property and Sales Tax Increment.)

Factors of "Blight" Present

A determination of blight is a cumulative conclusion based on the presence of several physical, environmental, and social factors defined by state law. Blight is often attributable to a multiplicity of conditions, which in combination, tend to contribute to the phenomenon of deterioration of an area. For purposes of this Survey, the definition of a blighted area is based upon the definition articulated in the Colorado Urban Renewal Law, as follows:

"Blighted area" means an area that, in its present condition and use and, by reason of the presence of at least four of the following 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:

(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 non-marketable
(h) Existence of conditions that endanger life or property by fire or other causes
(i) Buildings (or sites) that are unsafe or unhealthy for persons to live or work in because of building code violations, dilapidations, deterioration, defective design, physical construction, or faulty or inadequate facilities
(j) Environmental contamination of buildings or property
(k.5) 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

Conditions in **blue are present in Survey Area**

Ricker | Cunningham

Community Vision

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In several cases **anchored by grocery stores**, these Secondary Centers offer surrounding neighborhoods offer convenient access to a variety of services, shops, and restaurants. Many were developed years ago in a “strip mall” style of development with large parking lots between the building and the street. As property values and retail trends have changed, these Secondary Centers are now seen as **opportunity locations for new, mixed-use neighborhoods** that include a range of supporting uses.

Incremental Revenue (TIF) Forecast

Development Program

Redevelopment:	**Sq Ft**
General Retail Rehabilitation Space	49,400
New Retail / Restaurant / Service Pads	10,000

Urban renewal area boundaries can overlap with other district (e.g., metro district) and economic development program boundaries

	Cumulative Total By:				
	2029	**2034**	**2039**	**2044**	**2049**
Old Safeway Plan Area					
Property Tax Revenues from Existing Base	$445,043	$911,748	$1,403,111	$1,918,391	$2,460,896
Potential Property Tax Increment Generated	$201,058	$735,154	$1,324,841	$1,975,902	$2,694,726
Potential Sales Tax Increment Generated	$1,097,901	$2,889,691	$4,867,973	$7,052,156	$9,463,670
Potential Use Tax Increment Generated	$90,717	$90,717	$90,717	$90,717	$90,717

Source: Ricker | Cunningham.

Potential Tax Increment Revenues Over 25-Year Period

- Property Tax Increment: $735,000 by Year 10; $1.3 million by Year 15; $2.7 million by Year 25
- Sales Tax Increment: $2.9 million by Year 10; $4.9 million by Year 15; $9.5 million by Year 25
- Use Tax Increment: $91,000 by Year 10

Decisions

Should the Authority …

1. **Take one or both plans to City Council for adoption and designation of the area?**
2. **Propose they be part of a single plan area or two separate areas?** (considerations)
3. **If a single combined area, have one or more tax increment financing (TIF) districts?**
4. **If two separate areas, the boundaries of the tax increment financing (TIF) district be coterminous with the plan boundaries?**
5. **Alter or amend the current boundaries of either plan area?**
6. **Include the capture of municipal sales tax increment within either of the plan areas? Any other sources of tax revenue?**
7. **Include the use of eminent domain as a power of the Authority authorized in either plan?**
8. **If moving forward with one or both plans, does the Authority want to involve a City Staff or Council person in negotiating sharing agreements with the taxing entities?**

Discussion

Glossary

Area or Urban Renewal Area – means the physical geography, confirmed by the community's board or council, legally defined, and found to be eligible for an urban renewal designation due to the presence of a sufficient number of blighting conditions as identified in the law.

Authority – means the urban renewal entity for the municipality identified and approved by its mayor and board or council.

Blight Study – means a report of findings identified and observed within a defined survey or study area, and an opinion regarding their consistency with those factors described in the law which constitute conditions of blight.

Conditions Survey – another term used to describe a blight study.

Impact Report – means a report, required by the law, which estimates potential levels of incremental revenues that may be generated within an urban renewal area, and quantifies potential impacts (if any) to the county and other taxing entities where the area is located.

Plan or Urban Renewal Plan – means a report that illustrates and defines the boundaries of an urban renewal area, identifies its purpose and objectives, provides a list of those factors of blight which future urban renewal projects will attempt to mitigate or eliminate, and describes the strategy by which improvements within the area will be financed.

Study (or Survey) Area – means the geographic territory which will be investigated for the potential presence of conditions consistent with factors of blight defined in the law, the boundaries of which may or may not be coterminous with the final urban renewal area boundaries, excluding any area not located within the municipal boundaries.

Tax Increment Area – means all or a portion of the area where incremental revenues will be collected and reinvested in furtherance of the Plan's goals and objectives for the purpose of reducing, eliminating or preventing the spread of blight.

Urban Renewal Project – as defined by the law, but generally an improvement, public or private that addresses the findings of blight and advances the goals of the Plan.

Administrative Questions?

1. **When is the County Assessor engaged in the planning process?**
   When to engage the County Assessor is a strategic decision, not a legal or statutory one. Factors that should inform your timing include their experience and understanding of the urban renewal planning process, past practices associated with quantifying incremental tax revenue, attitudes or perceptions of the Assessor and Commissioners, complexity of the proposed development project (horizontal and | or vertical improvements, redevelopment versus new development), intentions (if any) regarding the issuance of bonds, and others. Generally, it makes sense to meet with them early in the process, at their office, clarify whether they intend to have their attorney present so neither side appears heavy-handed, share a general description of any potential urban renewal projects, and ask them to explain how they would assign value and allocate increases (base vs. increment). We know of no instance where they actively participated in either the planning or adoption processes beyond what we describe here.

2. **What confidence interval would you assign the tax increment forecasts?**
   Regarding the forecasts associated with future investment in the West Glenwood Area, we consider them to be conservative, particularly since they primarily reflect value increases associated with enhanced efforts to improve the profile of the mall tenants, and limits imposed by the Ross lease. Limited reinvestment in properties located along Mel Rey Road were assumed to be longer-term. The forecasts for the former Safeway store site, are probably closer to what will actually be realized since the owners have lengthy leases (15 years) in place with expressed terms. Our assumption that there may be some additional space added to the property only makes sense, if the city allows for it, especially if the authority can offset some of the cost.

Administrative Questions?

3. **What is the process for negotiating revenue sharing agreements with the taxing entities and who is involved?** While the statute does identify who must be engaged in negotiations regarding the sharing of future revenue going to the authority, as well as the timeframe within which those negotiations must occur, it is somewhat silent regarding the approach or specific terms. In our experience, when the process needs to happen expeditiously, a representative of the authority usually reaches out to each of the taxing entities as soon as they know whether the proposed area meets the statutory definition of "blight." They usually do this by phone, and then follow up with a written letter stating, "The 120-day negotiating period is officially commencing" and when they believe that 120-day period will expire. After receipt of the letter, the authority is usually contacted by each of the entities and a first of several meetings scheduled. The authority should be prepared to take the individual impact reports for each entity with them to that meeting, along with a draft of the urban renewal plan. It is not necessary, nor advisable, to share the conditions survey unless expressly requested to do so.

4. **Are there standard terms or guidelines for sharing agreements between districts and cities (e.g., DDA, URA)?**

   Unlike property tax increment which the urban renewal statute requires be all or nothing, all, some, or none of the sales tax increment generated within an urban renewal area may be captured for use by the authority, as long as it is authorized by the plan. Further, this applies to municipal sales tax, only. If the county has a sales tax, it may not be used by the authority unless the commissioners provide their expressed authorization to do so.

City Council
STAFF REPORT
City of Glenwood Springs
July 29, 2025

Agenda Item:	Tax Increment Financing Background Information
Action Requested:	None
Department:	Economic and Community Development
Presented By:	Hannah Klausman, Jacob Zook
Strategic Goals:	Generate Sustainable Economic Development
Background Info:	The Colorado Department of Local Affairs produced a "Basic Tax Increment Financing" outline, providing a deeper look at how tax increment financing functions.
Issues:	None
Fiscal Impact:	None
Legal Review:	
Staff Recommendation:	

Basic Tax Increment Financing

I. TAX INCREMENT FINANCING (TIF)

Tax increment financing (TIF) is a special financing tool used by city and county governments to promote property redevelopment. Colorado law permits only Urban Renewal Authorities (URAs), Downtown Development Authorities (DDAs), and County Revitalization Authorities (CRAs) to use TIF. TIF can apply to property taxes, sales taxes, or both. We will only be discussing property taxes in this course. Colorado Urban Renewal law is found in 31-25-101 through 116, C.R.S., Downtown Development law is found in 31-25-801 through 822, C.R.S., and County Revitalization law is found in 30-31-101 through 111, C.R.S. The specific TIF provisions of the law are found in 31-25-107, C.R.S. for URAs, 31-25-807, C.R.S. for DDAs, and 30-31-109, C.R.S., for CRAs.

II. TERMS USED

The following abbreviations are used throughout this material:

A. UR – Urban Renewal
B. DD – Downtown Development
C. CR – County Revitalization
D. URA – Urban Renewal Authority
E. DDA – Downtown Development Authority
F. CRA – County Revitalization Authority
G. TIF – Tax Increment Financing
H. TIF Area – A TIF-financed project area located within a UR, DD, or CR area
I. TIF Plan – A UR, DD, or CR redevelopment plan that includes a TIF component

III. URAs, DDAs, & CRAs

Only a URA, a DDA, or a CRA is permitted to use TIF. Therefore, a city must first form a URA and/or a DDA and a county must first form a CRA. These authorities are quasi-governmental entities created by municipal or county governments.

1. Creation of a URA requires a petition signed by at least 25 qualified electors (voters) and a resolution passed by the city.
2. Creation of a DDA requires voter approval at an election, which may be either a regular or special election. The DDA election question must include the proposed

boundaries of the DD plan and say whether property tax, sales tax, or both, will finance the DDA.

3. Creation of a CRA requires either a petition signed by at least 25 qualified electors (voters) or the governing body may adopt a resolution for the need. In either case, a public hearing must take place for the need of a CRA prior to a resolution being passed.

URAs and CRAs may not levy taxes and have no specific source of revenue other than from the special fund. DDAs, on the other hand, may receive property tax revenue from the city levying up to a maximum of 5 mills on property in the DD plan area to fund the DDA's operations. A URA or a DDA may also receive additional funding from the city.

URA boundaries are the same as the city's boundaries. UR areas may be created in any area within the city that the URA deems blighted and in need of renewal. A project includes undertakings, as contemplated by the plan, to reduce or eliminate the existence or spread of blight. A plan may also include property outside the city limits, but only if the county commissioners and the owners and mortgagees of each property approve the inclusion.

DDA boundaries are limited to the city's central business district. As mentioned above, the boundaries of this area are defined as part of the DDA election. A DDA plan can cover any specified area within the central business district.

CRA boundaries are the county boundaries, excluding municipalities.

Once a municipality or county has created an authority, it can create plans and undertake projects. TIF is a financing provision that may exist within one of those plans. If a plan does not include a TIF component, the authority may modify the plan later to add TIF by completing a formal plan modification.

IV. UR AND DD PLANS

The UR and DD laws give broad powers to URAs and DDAs to undertake projects for the elimination of blight and decay. The law defines an urban renewal plan as "a plan, as it may exist from time to time, for an urban renewal project…" § 31-25-103(9), C.R.S. The downtown development law provides for a "plan of development," defined as a "plan as it exists from time to time, for the development or redevelopment of a downtown development area, including all properly approved amendments thereto," § 31-25-802(6.6), C.R.S.

Although there are some differences between downtown development plans and urban renewal plans, those details are outside the scope of this introductory course. Assessor staff procedures are not frequently impacted by the structure and details of these plans.

V. CR Plans

Similar to UR law, CR law gives broad powers to CRAs to undertake projects for revitalization. The one major difference is that remediation of blight conditions is not the statutorily required goal of revitalization. Instead, the statutory goal is to target areas that would benefit from revitalization and economic investment that would not occur without additional funding.

Specifically, 30-31-103(14) lists nine opportunity factors of which one or more should be actualized by the revitalization.

The nine factors are:

1. Investment in critical infrastructure to achieve desired levels of residential density and employment growth.
2. Improvement of mobility and increased access to transportation corridors.
3. Development of affordable housing proximate to transportation hubs and corridors.
4. Development of economic opportunities for job creation.
5. Expansion of access to healthy food systems, medical services, parks, and education opportunities.
6. Improvement of circulation patterns and enhancement of reliable transportation.
7. Remediation of contaminated soils or water.
8. Clearance, abatement, or rehabilitation of unsound, deteriorating, or unsafe structures.
9. Redevelopment of former landfills, floodplains or other areas challenged by topography that pose a threat to public safety.

VI. HOW TIF WORKS AND WHAT A TYPICAL TIF PLAN DOES

The TIF Mechanism

The TIF provision permits a separate stream of property tax revenue to be created from an increase in property value that is directly related to a URA, DDA, or CRA project. The TIF mechanism works as follows:

- Base Value: Taxes levied on property value that existed before the project are paid to the taxing entities in the normal manner. Base value is sometimes mischaracterized as being frozen. Colorado law requires adjustments to the base value as described under the heading General Reassessment Value**.**

- Increment Value: Taxes levied on property value created as a result of the plan (non-reassessment changes) are paid to the authority that implemented the plan. By “non-reassessment changes” we mean value changes to specific properties that are caused by one or more of the following three events:

    1. Changes to the physical characteristics of the property, such as new construction, remodels, or the addition of new personal property to a new building.
    2. Changes to the legal characteristics of the property, such as a change in land use entitlements due to the re-platting of land.
    3. Changes in a property’s use, such as a change from vacant land to improved land.

These three events are evidence that follow the undertakings of a plan. The TIF law requires taxes on this value to be directed by the treasurer to a “special fund” of the authority. The law authorizes the authority to use the special fund to repay debt or other obligations of a UR, DD, or CR project. Perhaps the most important role the assessor plays in TIF is the tracking of this value, which helps ensure that changes attributable to the increment are identified and taxes on this value are paid to the authority as required.

See Handout A

- General Reassessment Value: Taxes levied on property value that results from reassessment changes such as general market appreciation, are apportioned to both the base and increment. This apportionment is the result of the “general reassessment provision” in Colorado’s TIF law, which can be found at § 31-25-107(9)(e), § 31-25-807(3)(e), and at § 30-31-109(13)(e) in the Colorado Revised Statutes.

For example, if a TIF area is made up of 70% base valuation and 30% increment valuation, 70% of the taxes derived from general reassessment are attributed to the base and 30% of those taxes are attributed to the increment.

Typical TIF-Financed Project Steps

The initial task for an authority undertaking any project is typically to raise money to pay for the project undertakings, which is usually done through debt. URAs and CRAs are empowered by law to issue revenue bonds, tap credit lines, accept developer advances, take loans, or utilize other debt mechanisms to raise money for a project. DDAs may not issue revenue bonds, but the city may do so on the DDA's behalf. For URAs, CRAs, and DDAs, the law defines such debt as a debt of the authority, not a debt of the city or county itself.

Once money is raised, the authority can use the TIF revenue stream, which results from the new and added property value that was created by the project, to repay the project debt. The TIF revenue stream continues until the plan objectives are met and the debt is repaid, up to a maximum of 25 years for URAs and up to a maximum of 30 years for CRAs. A DD plan of development may exist for up to 30 years with the option of extending them further. These details are covered in the full-day Advanced TIF class, ADM 912.

One unique feature that exists in CR law that is not in UR or DD law is that taxing entities in the CRA plan area must file a petition with the authority to join the authority. School districts may not petition to join. Only the mills for taxing entities that have joined the authority will contribute to the TIF revenue stream.

After a TIF plan terminates, the base/increment split ends and all taxes are paid to the taxing entities in the normal manner.

Public-Private Partnerships

Participation by a UR, DD, or CR authority with the power to use TIF can make a project more attractive to developers. The ability to "TIF" a project is seen as advantageous because TIF gives a project the potential to produce its own revenue. Such projects are also seen as attractive because the authority, by taking responsibility for planning and financing, takes on part of the project risk.

There are several ways a city or county can use TIF to incentivize development. For example, an urban renewal authority can acquire property within the plan area and sell it to a developer, eliminating the need for the developer to locate and negotiate a purchase on the open market. Or the authority might borrow money to undertake environmental remediation work that would otherwise make their project unattractive, and pledge the future TIF tax revenue stream to repay the debt.

Developers may be involved at any stage. In some cases, a developer is engaged from the beginning and the authority reimburses its costs. In other cases, the authority itself executes plans and completes development steps to a certain point, and then engages private sector partners to build and finish the project components. These are only two examples; these plans may operate in many different ways.

The Assessor's Role

As we have already seen, the assessor must separately track new value added by a TIF-financed project. This allows taxes on that value to be segregated and paid to the URA, DDA, or CRA.

From an assessor's point of view, the TIF process may be summarized as follows:

- When a plan is approved, the assessor sets up a separate tax area for the TIF area, and lists all taxable property in the area according to the last certification prior to the date the authority approved the plan. Taxes on this original or "base" property value are paid to the area's taxing entities just as it would be if there was no plan.

- Over time, the assessor tracks value changes for each parcel in the area. If the plan is successful, total property value typically increases and eventually, total TIF area value exceeds the original base value. Any new or added value over the base value that is directly related to, or incidental to the undertakings of the URA, DDA, or CRA project is the "increment" value.

- The assessor tracks increment value separately from base value. When taxes are collected, taxes on the base value continue to be paid to the various taxing entities in the normal manner. Taxes on the increment are paid into a special fund of the URA, DDA, or CRA.

Under the TIF law, money deposited in the special fund may be used as follows:

> "…to pay the principal of, the interest on, and any premiums due in connection with the bonds of, loans or advances to, or indebtedness incurred by, whether funded, refunded, assumed, or otherwise, the authority for financing or refinancing, in whole or in part, an urban renewal project, or to make payments under an agreement executed pursuant to subsection (11) of this section." § 31-25-107(9)(a)(II), C.R.S. Similar statements are found in both CR law and DD law.

To recap:

> <u>Base:</u> Initially, the base is the valuation for assessment in an urban renewal plan area, as determined by the assessor, according to the most recent certification of value prior to the date of approval of an urban renewal plan. 31-25-107(9)(a)(I), C.R.S. Subsequent to an urban renewal plan being approved, the base is adjusted in the event of a general reassessment such that the base's portion of the total valuation is proportionately adjusted in accordance with such reassessment. 31-25-107(9)(e), C.R.S.

Increment: Total valuation for assessment in excess of the Base valuation for assessment. Taxes levied against this excess value are allocated to the special fund of the authority.

General Reassessment: Changes in the level of value due to general market appreciation are provided for by the general reassessment provision in Colorado's TIF law. This provision dictates that value changes due to general reassessment are attributed to the base and increment in the same proportion as existed in the prior year.

Note: It is important to keep in mind that a typical TIF area is made up of multiple separate parcels. Total TIF area value is the aggregate value of all parcels in the area. Base and increment values are total values, created by summing up the values of each separate parcel. Similarly, the sum of all increases and all decreases is the total net change in value for the TIF area as a whole.

Individual parcel values may increase or decrease substantially. However, individual parcel changes are not individually relevant. Completed, total TIF base/increment calculations are the focus.

Redevelopment practitioners may point to a few select parcels that increased substantially in value and wonder "where the increment went." The answer is that decreases in other parcels can, and often do, offset increases in other parcels.

VII. TIF OVER THE YEARS

TIF has evolved significantly in the 50+ years since it was introduced.

- TIF was developed in the 1940s and 1950s, and California was the first state to adopt a TIF law to fund urban renewal projects. Colorado's TIF law was passed in 1975.
- TIF was originally conceived as a method for financing redevelopment to eliminate blight.
- As with any tax scheme, significant controversy has arisen over TIF in many areas. There have been many court cases involving TIF.

The urban renewal and downtown development laws are located in Title 31, Article 25, of the Colorado Revised Statutes. County revitalization law is located in Title 30, Article 31, of the Colorado Revised Statutes.

A. Colorado's first urban renewal law was enacted in 1958. The law was amended in 1975 to include authority for TIF. The Property Tax Administrator (PTA) is charged with publishing the manner and methods by which county assessors implement the TIF provision.

B. Downtown Development Authorities were first authorized by law in 1976. The law was amended in 1977 to include authority for DDAs to use TIF.

C. County Revitalization Authorities were first authorized by law in 2024. The law was largely based upon current Urban Renewal law.

D. TIF exists as a separate provision within urban renewal, downtown development, and county revitalization plans. These plans may be created with a TIF provision included, or an existing plan may be modified to add a TIF provision. The TIF provision deals only with the financing aspect of the plan.

The DPT published the first formal TIF guidance for assessors around 1982 and conducted the first TIF workshop in 1983.

A few of many examples of where TIF has been used in Colorado are as follows:

- ✓ Colorado Springs South Central Downtown
- ✓ Grand Junction Downtown Main Street
- ✓ Boulder Crossroads Mall
- ✓ Stapleton and Lowry redevelopments in Denver
- ✓ Steamboat Springs Resort base area redevelopment
- ✓ Denver Pavilions shopping center
- ✓ Fort Collins North College Avenue redevelopment

See Handout B

VIII. UNIQUE CHARACTERISTICS OF TIF IN COLORADO

A. The General Reassessment Provision

Colorado law provides that when there is a general reassessment of taxable property, the base and increment portions of value in a TIF area are proportionally adjusted in accordance with the reassessment. The intended purpose of the provision is described in the most frequently cited court case involving TIF, DURA vs. Byrne 618 P.2d 1374 (Colo. 1980), as follows:

"To ensure that tax revenues are allocated to DURA based solely upon the increased valuation of property because of the project…".

This decision further states why this is so:

"The tax allocation structure has been carefully drafted so that there is a direct relationship between the increased valuation of property within the project area, and thus, increased ad valorem tax revenues, and the project…"

In 2024, the Colorado Supreme Court confirmed the distinction between the base and increment and agreed that both are adjusted annually after accounting for non-reassessment changes, PK Kaiser & JoAnn Groff v. Aurora Urban Renewal Authority, 22SC92.

While the discovery and valuation of new property is an ongoing activity, the statutorily required general reassessment of taxable real property is performed by Colorado assessors every odd-numbered year. Likewise, the general reassessment of four other categories of property is performed annually: natural resources, possessory interests, public utilities, and personal property. The general reassessment provision requires that taxes levied on new property value that results from such appreciation must be apportioned to both the base and the increment.

In other words, the general reassessment provision ensures that taxes directed to an authority (and not to taxing entities) are limited to those taxes resulting from increased property value created or added by the project. If no new or increased property value results from a project, there is no increment. If there is no increment, no portion of general reassessment valuation is attributed to the authority. As the project progresses and increment value is created, the percentage of general reassessment value that is attributed to the authority changes also.

The allocation of value because of general reassessment is based on the base/increment proportion that existed in the prior year. For example, if a TIF plan has been in place for a few years, and total property valuation in the area is made up of 70% base valuation and 30% increment valuation, 70% of the taxes derived from general reassessment are attributed to the base and 30% of those taxes are attributed to the increment.

B. Agricultural Inclusion

House Bill 10-1107, passed in 2010, determined that urban renewal areas "shall not include agricultural land except in connection with very limited circumstances". Prior to passage of this bill, the practice of designating undeveloped farm land for "urban" renewal had been on the rise. This was an attractive practice to URAs because Ag land typically had a very low base value with a potential for very high increment value. This statute provides the assessor with an enforcement role over the inclusion of agricultural land, but that role must be exercised within 30 days after receiving notice that a TIF plan will include agricultural land.

The agricultural inclusion language for CRAs is identical to that of URAs. The same qualifying tests will apply for parcels within a CRA plan area as they do for parcels in a URA plan area.

The details on how agricultural land may be included in an urban renewal area are covered in the Assessor's Reference Library, Volume 2, Chapter 12, under "Agricultural Land In Urban Renewal Area."

C. Board Makeup

House Bill 15-1348 required that URA boards include one representative of the county, one representative of the school district, and one to represent all the special districts. This applies only to urban renewal plans created or substantially modified after January 1, 2016.

The board makeup for CRA's consists of three to eight members. If at least one taxing entity has joined the authority, one member of the board must be a representative of the special districts that have joined the CRA.

D. Property Tax Administrator's Authority

In Colorado, the PTA has statutory authority, § 31-25-107(9)(h), § 31-25-807(3)(f), § 30-31-109(13)(h) C.R.S., over the manner and methods by which county assessors implement the requirements of the TIF statute. The law specifies that such guidance be contained in "such manuals, appraisal procedures, and instructions, as applicable, that the property tax administrator is authorized to prepare and publish…" The procedures are in Chapter 12 of the Assessor's Reference Library, Volume 2.

E. Voter Approved New Taxes

HB 15-1348 also included a provision that tax revenues from voter approved tax increases, mill levy overrides, and voter approved "retain and spend" initiatives would not be subject to TIF. Prior to this provision, a portion of any new revenue from a mill levy increase would be subject to TIF and thus divided between the taxing entity and the URA.

IX. LEGISLATION

The Colorado legislature has modified the TIF and urban renewal laws many times over the years. Below is a list of several of the bills that have been passed over the last 15 years or so.

A. SB 05-224

Senate bill 05-224 permitted a county to respond to a proposed TIF plan and report the impact on county services of such plan. The bill also allowed for intergovernmental agreements for TIF revenue sharing between a county and the urban renewal authority.

B. SB 08-170

(Only applies to DDAs) Within the final 10 years of the initial 30-year plan of development, a DDA can extend the TIF diversion for an additional 20 years. When a 20-year extension is approved, the base value is advanced by 10 years during years 30 - 40, and during the last 10 years, the base value is advanced every year. See the procedures to implement this legislation in ARL V2, pages 12.45 -12.51. Furthermore, the TIF revenue that each taxing entity diverts to the DDA cannot exceed 50%, unless a taxing entity agrees to a greater amount, which shall then be certified by the municipality to the county assessor by August 1, annually.

C. HB 10-1107

House bill 10-1107 restricted inclusion of agricultural land in an urban renewal area. The bill also expanded the criteria allowing intergovernmental agreements for TIF revenue sharing between an affected taxing entity and the urban renewal authority.

D. HB 15-1348

House bill 15-1348 added a statutory requirement that urban renewal authority boards be increased to 13 members, and to now include a county, school district, and special district representative. The bill also prohibited voter approved additional property tax revenue from being diverted to the TIF fund, and required an urban renewal authority to meet with affected taxing entities and negotiate a revenue sharing agreement.

E. SB 17-279

Senate bill 17-279 clarified that the provisions of HB15-1348 apply only to urban renewal plans created or substantially modified after January 1, 2016. This bill also added language that defined what constitutes a “substantial modification” of a plan.

F. SB 18-248

Senate bill 18-248 modified the requirement that taxes on increment valuation that result from either voter-approved new tax levies or voter-approved TABOR retain-and-spend authorizations may not be pledged by the authority to its special fund without consent of the relevant taxing entity.

G. SB 23-175

Senate bill 23-175 modified the extension provisions for downtown development authorities. The bill creates an option for additional twenty-year extensions beyond the fifty years if the governing board approves an ordinance.

H. HB 24-1172

House bill 24-1172 creates County Revitalization law. This law largely adopted the language found in UR law, with a few exceptions.

I. SB 24-233

Senate bill 24-233 creates two separate assessment rates for residential property. The result of this change is that assessors and staff must now track residential increment on two separate 9-step spreadsheets.

J. HB 24B-1001

House bill 24B-1001 gives the Property Tax Administrator (PTA) the authority to determine which assessment rate is to be used in cases where there is ambiguity in statute §2-4-115 C.R.S.

When calculating the assessed values in the 9-step process for TIF plans, the PTA has determined that the local government assessment rate should be used when determining the base and increment percentages.

This bill also requires that when a TIF plan expires, the assessor must report the increased property tax revenue that each local government receives on their certification form, §§29-1-1701(2.5)(a)(III), 29-1-1701(3)(c), C.R.S. Since the assessor does not track revenue, the assessor should work with the county treasurer to collect this information.

X. WHAT IS THE ASSESSORS ROLE?

The city or county must notify the assessor when a plan including TIF is approved. In some cases the assessor will already be aware of pending UR, DD, or CR activity because the authority may have already consulted with the assessor during the process of setting up the plan.

In any case, the authority is required by law to notify the assessor when it has approved a plan that authorizes the use of TIF, § 31-25-107(10), C.R.S. The plan must include a legal description of the plan area. Once notified, the assessor's initial tasks are as follows:

1. Determine if agricultural land was properly included.
2. Determine the date the plan was approved by the municipality. This date affects establishment of the initial base value.
3. Map the legal description of the TIF area. Confirm that the boundaries of the legal description stated in the plan match the boundaries on the map provided by the authority.
4. Identify all property, real and personal, located in the TIF area.
5. Establish a new tax area code for each portion of the TIF area that is serviced by the same set of taxing entities.
6. Assign the new tax area code to each parcel/schedule in the TIF area.
7. Closely analyze land uses, zoning regulations, classification codes, and property values to determine if any parcels are erroneously classified or valued. All errors should be corrected promptly to avoid future errors in the base/increment calculations.
8. Correct any valuation and/or classification errors and determine the initial base valuation.
9. Annually calculate the base/increment valuations for the TIF area.

Annual error correction and value tracking of property subject to TIF requires heightened scrutiny as compared to other property. It is important that base valuation of parcels in a TIF area be set properly. It is equally important that property value changes in the area be tracked consistently and documented carefully.

Tax roll corrections must be promptly identified and completed. These corrections are part of the 9-step process you will use to update property values and establish base/increment proportions in the TIF area each year.

XI. HOW ABOUT AN EXAMPLE?

Here is a simplified TIF scenario:

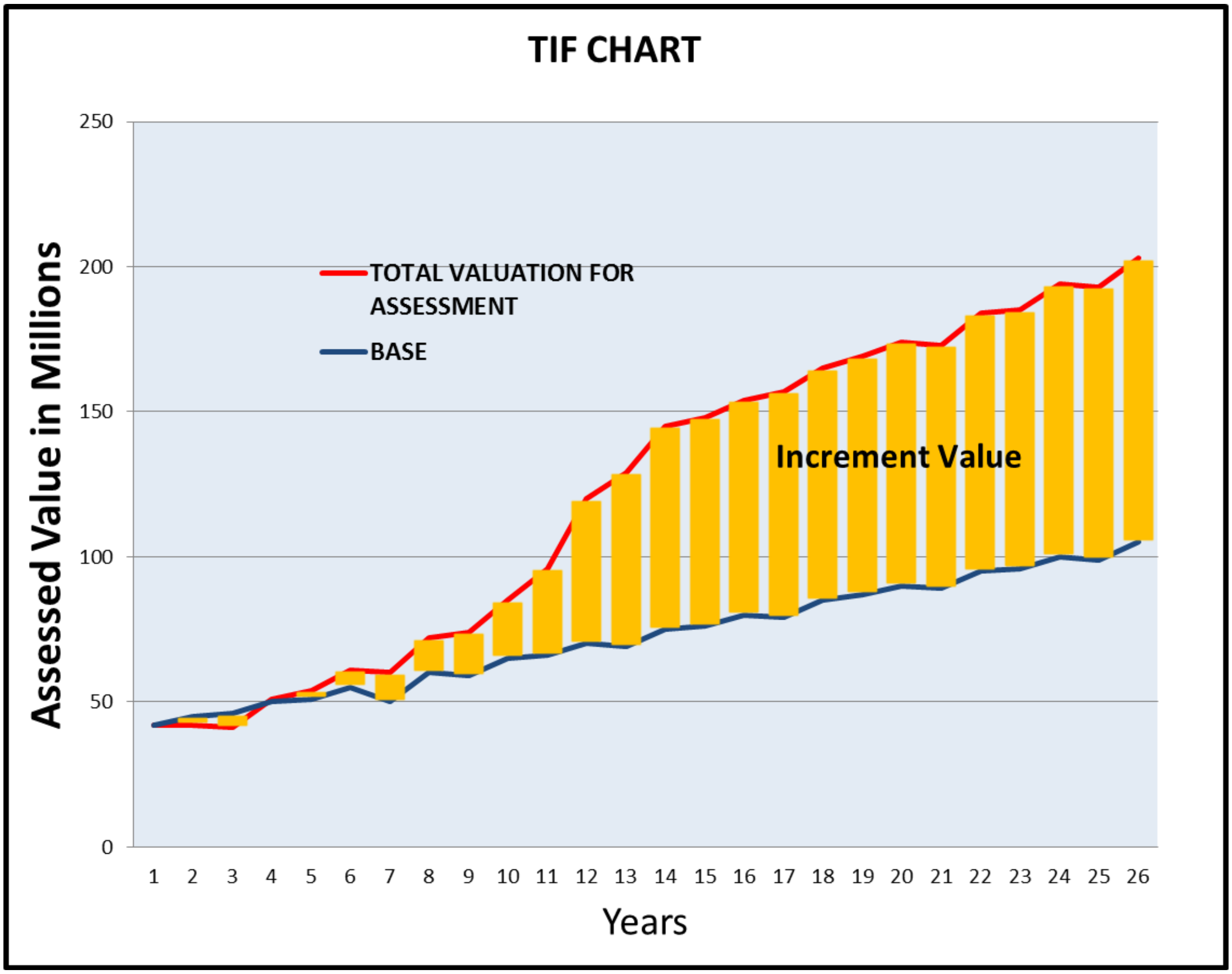
- The authority raises money for project undertakings by issuing bonds.
- Money raised by the bonds is used for project undertakings.
- Property values increase and tax increment money begins to flow to the special fund.
- Special fund money is used to repay the bonds for up to 25 years.
- Once the project debt is repaid, tax revenue stops flowing to the special fund.

In this way, TIF projects are seen as paying for themselves without the need to levy new taxes and without tying up city funds. (Note: although TIF projects are seen as paying for themselves, TIF rarely constitutes 100 percent of the funding for a project.)

Let's assume an authority designates an area for TIF-funded redevelopment. Let's also assume that the most recent value certified for the parcels in this area is $3 million.

- Year Zero: Assessor sets the base at $3 million, which is the value last certified prior to adoption of the plan.
- Year One: In preparation for future, new development, the URA purchases a property with an assessed value of $1,000,000. This causes the property to be exempt and is a non-reassessment event (change in use). The total valuation for assessment declines to $2 million. The base value is not impacted and remains at $3 million.
- Year Two: Reassessment results in an increase in the total property value from $2 million to $2.6 million. The change in value of $600,000 is attributable to both non-reassessment and general reassessment. New construction and new personal property value due to redevelopment (non-reassessment events) contributes $500,000. A $100,000 increase is due to general reassessment; but, this increase needs to be proportionally adjusted between the base and the increment. Applying the proportional adjustment results in a $150,000 base increase and a -$50,000 increment increase. The new base value is $3,150,000 and the new increment value is -$550,000 (-1,000,000+500,000-50,000). Since the base value remains greater than the total property value, there is yet no increment. (Remember – statute describes increment as the total valuation for assessment in excess of the base valuation.)
- Year Three: new construction (non-reassessment event) adds $1 million. Total TIF area value is now $3.6 million. The base is $3.15 million ($3 million original base plus $150,000 from the Year Two general reassessment adjustment), indicating that there is now an "increment" value of $450,000 ($3.6 million total value less $3.15 million base value).

No increment exists for year zero, one, or two because total value remains below base value. In year three, total value exceeds base value by $450,000. Taxes on this $450,000 of value are the tax increment. These taxes are paid to the special fund of the authority.



- In the simplified chart shown above, base value changes every year due to general reassessment. Total value changes over time due to both general reassessment changes and new or increased value added by redevelopment.

- The gap between the Base line and the Total line represents the increment.

- When the total valuation for assessment is less than the base valuation, as seen in the first three years shown above, the increment is a negative value.

XII. GETTING STARTED: CORRECT ERRORS AND SET THE BASE VALUE

Once the assessor has reviewed the plan and confirmed that there are no objections, the first task is to identify each parcel included in the plan. Once that is done, the next step is to determine the value of each parcel. According to the TIF laws, [see § 31-25-107(9)(a)(I) and § 31-25-107(3)(a)(I)], this is the value last certified prior to the date the plan was approved. The assessor's office should carefully review the classification and value of each property in the TIF area as it existed when values were last certified. If errors are discovered, they should be corrected prior to setting the initial base value.

XIII. THE 9 STEP PROCESS

The 9 step process was established by the Administrator to provide assessors with a uniform method for calculating base and increment amounts as required by the TIF statute.

Step 1. Apply tax roll corrections to the prior year's total valuation for assessment and reestablish a corrected base/increment split as if these corrections were in place and reflected on the annual certification of value that the assessor issued the prior year.

Step 2. Determine the current year total valuation for assessment.

Step 3. Subtract the corrected prior year total valuation for assessment (Step 1) from the current year total valuation for assessment (Step 2) to determine the year-over-year change in total valuation for assessment. This includes changes due to both reassessment and non-reassessment.

Step 4. Identify and total the value changes resulting from non-reassessment events. This will be the increment gain or loss in the current year.

Step 5. Subtract the result in Step 4 from the result in Step 3. This reflects all value changes resulting from reassessment in any year. It includes increases or decreases in the prior year base and increment caused by a real property reassessment, personal property reassessment, reassessment of natural resources, reassessment of state assessed public utilities, and reassessment of possessory interests.

Step 6. The value derived in Step 5 is proportioned by multiplying by the prior year (corrected if necessary) base/increment percentages as follows:

a. Multiply the result in Step 5 by last year's base percentage to find the current year adjusted base portion.

b. Multiply the result in Step 5 by last year's increment percentage to find the current years adjusted increment portion

Step 7. Add the increment calculated in Step 6.b. to the increment gain or loss calculated in Step 4. This is the total increment portion in the current year.

Step 8. Calculate the new total current year base and increment values:

a. New Base = Result in Step 6.a. + the prior year corrected base value (Step 1)

b. New Increment = Result in Step 7 + prior year corrected increment value (Step 1)

c. Step 8.a. + Step 8.b. = the current year total valuation for assessment

Step 9. Reconcile and calculate new base/increment percentages. Step 8.a. + Step 8.b. should equal the current year total valuation for assessment (Step 2).

a. Step 8.a. divided by Step 2 = new base percentage

b. Step 8.b. divided by Step 2 = new increment percentage

Handout C – 3 year example with the 9-step calculation

XIV. NOW WHAT?

Now that the hard work of calculating the base and the increment are complete, the assessor's office needs to report the results.

Reporting TIF Values

Abstract of Assessment

Counties with a TIF must complete an additional area in the Abstract of Assessment that is due no later than August 25th. Assessed values of both the base and increment must be listed in the abstract on the Cities and Towns and School Districts pages by city and by school district.

Certification of Values

The base and increment assessed values are also listed on the Certification of Values (DLG 57 form) issued to every taxing entity, preliminarily by August 25th, and finally by no later than December 10th.

See Handout D – Certification of Valuation (DLG 57)

Certification of Levies and Revenue

The Certification of Levies and Revenue document that the Board of County Commissioners certify by no later than December 22nd contains a separate page(s) that displays the base and increment values for every TIF plan in each county, broke down by every taxing entity and its revenue contribution to each TIF plan.

See Handout E – Certification of Levies & Revenue

Tax Warrant

The assessor certifies the tax warrant to the treasurer no later than January 10th. The proration of TIF revenue to the special fund can be calculated as a percentage of the total valuation for assessment or as a percentage of the total property tax revenue within the tax area corresponding to each TIF plan.

URA, DDA, and CRA

The Division recommends that the assessor provide a copy of the final TIF calculations to the authority each year, corresponding to the August and December deadlines for reporting Certification of Values. It is important that all tax increment financing calculations, including tax roll corrections, non-reassessment activity, and proportional base/increment adjustments, be well documented in order to properly respond to inquiries from various officials, governing boards, debt holders and taxpayers regarding base and increment values.

XV. ARE THERE PROBLEMS?

TIF has become increasingly controversial in the United States and Colorado is no exception.

Blight: Controversy can be traced to the broad wording of TIF and related statutes, which have been construed to permit findings of blight on virtually any property.

See Handout F – §31-25-103, C.R.S., Blighted Area

Reassessment: The general reassessment provision prevents assessors from attributing general market appreciation entirely to the increment in areas where little or no development activity occurs. Some authorities have asserted that the legislature intended for base values to be literally "frozen" for 25 years and all value increases in a TIF area should be attributed to the project, regardless. This is contrary to the general reassessment provision and settled case law.

Preemptive Blighting: Another source of TIF controversy is the practice of blighting parcels that are already planned for redevelopment. This practice is not illegal but has generated increased taxpayer scrutiny of TIF.

Eminent Domain: Eminent domain is a tool that is available to municipalities, and the urban renewal law allows it to be used when the municipality deems it necessary. Under the law, authorities may take private property and transfer it to others chosen by the city. The courts have consistently ruled against abuses of eminent domain, but it remains a source of controversy.

The result of these controversies has been occasional taxpayer opposition to redevelopment projects. Controversy sometimes also emerges at public hearings and has affected municipal elections in some areas. The legislature has been called upon many times to change laws and restrict the use of TIF.

XVI. COURT CASES RELATED TO URA AND TIF ISSUES

Following are some important court cases that assessors may refer to in order to gain a better understanding of how courts have interpreted TIF statutes.

- Denver Urban Renewal Authority v. Byrne, 618 P.2d 1374 (Colo. 1980)
- Northglenn Urban Renewal Authority v. Reyes, 300 P.3d 984 (Colo. App. 2013)
- City of Aurora, AURA v. Marc Scott, 410 P.3d 720 (Colo. App. 2017)
- Aurora Urban Renewal Authority v. PK Kaiser & JoAnn Groff, 20CA1162
- PK Kaiser & JoAnn Groff v. Aurora Urban Renewal Authority, 22SC92

XVII. Review: Statutory Scheme

The following handout has been very useful in preparing for hearings. It is included for your future reference.

Handout G – overview of the statutory scheme