



Commerce City

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Council Communication

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A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMMERCE CITY, COLORADO, AUTHORIZING AND APPROVING AN INTERGOVERNMENTAL AGREEMENT WITH THE URBAN RENEWAL AUTHORITY OF THE CITY OF COMMERCE CITY FOR THE SAND CREEK BUSINESS AREA

Summary and Background Information:

The Commerce City Urban Renewal Authority (CCURA) is a quasi-public authority that works through collaborative public-private partnerships to identify blighted areas for redevelopment. The overarching purpose of any Urban Renewal Authority Board is to reduce or eliminate blight and engage in urban renewal projects to support development, redevelopment, and reinvestment in the community. This public investment effort is supported by tax increment financing (TIF), but the majority of a project is funded by the private sector. In order to leverage an Urban Renewal Area and TIF revenues, an area must be identified as an official "Urban Renewal Area." The four primary steps to forming a new URA are as follows:

Per C.R.S 31-25-107:

1) Blight conditions study

- Property conditions assessment to document if sufficient blight factors exist for the proposed geographic area
- 10 of 11 conditions of blight met for this site

2) Taxing Entity Impact Statement/Reports

- Taxing Entity Impact Statement: Outlines the anticipated revenue impacts of the proposed Urban Renewal Area Plan on each taxing entity
- Prepared and shared in December 2021; included in March 21 CCURA packet

3) Negotiations with taxing entities (Current Step of the Process)

- TIF negotiations with taxing entities to determine the amount of property tax increment revenue sharing that will occur
- Per C.R.S. § 31-25-107(9.5)(a). statutory requirement to complete negotiations within 120-days of notification of the City's intent to form a Urban Renewal Area (April 19, 2022)

4) Urban Renewal Area Plan

- Addresses the elimination and prevention of blight, cooperation plan to achieve the best

use of land to deliver a quality environment, outline for urban renewal activities,
enforcement of state and local laws
- Adopted by City Council

Redeveloping a blighted property can bring many benefits to the community:

- Remove conditions of blight that pose health, safety, and aesthetic concerns
- Enhance community perception of the area
- Provide improved public infrastructure
- Economically beneficial to the community
 - Sustainable building that will create sustainable employment opportunities
 - Increase the value of surrounding businesses
 - Attract new business to immediate and surrounding area
 - Attract new residents

The purpose of tonight's meeting is to review the TIF Agreement between the City of Commerce City and the Commerce City Urban Renewal Authority for the Sand Creek Urban Renewal Area. City and CCURA staff have determined that it will be appropriate for the City to remit 95% of the tax revenue derived from the project back to the Authority to support Sand Creek revitalization efforts. This means that during the 25 year TIF period, the City will continue to collect its existing tax base and will also collect 5% of the additional revenue generated by the urban renewal efforts. This 5% will be used to cover administrative fees associated with the new urban renewal area. After the 25% TIF period has expired, then the City will collect all taxes generated from the site.

Staff Responsible (Department Head): Jason Rogers, Deputy City Manager of External Services

Staff Member Presenting: Jenna Lowery, Executive Management Analyst

Financial Impact: Positive; additional tax revenue from urban renewal efforts

Funding Source: N/A

Staff Recommendation: Approve the Tax Increment Revenue Agreement to support revitalization efforts in the future Sand Creek Urban Renewal Area

Suggested Motion: Motion to approve the Tax Increment Revenue Agreement between the City and Commerce City Urban Renewal Authority for the Sand Creek Urban Renewal Area