

## Alternative Structures in Urban Renewal Plans

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**Downtown Colorado Inc.**  
August 6, 2015

**Brownstein Hyatt  
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### Types of Plan Structures

- Traditional
- Single Project
- "Chocolate Chip Cookie"
- Phased or Rolling

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### Traditional

- Usually a downtown or central business district (CBD)
- TIF authorized for entire area upon plan adoption
- Single "TIF Clock" for entire area
  - May authorize sales tax increment, or property tax increment in any combination
- URA distributes TIF funds to applicants/projects according to its aggregate budget and goals



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### Traditional - continued

- Common strategies
  - Façade improvement grant fund
  - Matching funds
  - Revolving loan funds
  - Pledge to specific project possible, but increment created by individual parcels not separately tracked
    - Developer/URA must allocate risk that total incremental revenue declines below the base, even if specific project creates increased increment
  - URA can support projects which are desirable for reasons other than increment generation, even if they don't generate net increment
    - e.g. more residential downtown

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### Examples

Downtown Sterling (SURA)

Downtown Golden (GURA)

Old Town Arvada (AURA)

Downtown Grand Junction

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### Single Project

- Plan adopted to facilitate known project
  - Usually following specific development proposal by property owner or developer
- Can be more specific about development program, details
  - Project is known at time of plan adoption
- Customized for project
- Single TIF area, corresponds to project
- Timing tailored to project




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### Single Project - continued



- Common strategies
  - Developer cash flow/pay as you go pledge
    - Developer takes risk that project less successful than projected
    - Annual cash flow basis
  - District as issuer
    - Title 32 metro district created to issue bonds
    - TIF pledged by URA to district
    - District owns, operates, maintains public improvements
  - URA as issuer
    - URA takes risk that project less successful than projected

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### Examples

Cornerstar - Aurora



University Hills - Denver

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### “Chocolate Chip Cookie”



- Single urban renewal plan and area
- Multiple TIF areas within urban renewal plan
- Each TIF area constitutes an amendment to the Plan to “start the TIF clock”
- Each TIF area on separate “clock”
- Provides ability to attract development based on City’s demonstrated commitment to redevelopment, but customize TIF to project

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### Examples

- Downtown Denver (DURA)



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### Phased or Rolling

- Single urban renewal plan
- Plan contains multiple TIF areas with designated future dates for commencement of each TIF clock
- Start of TIF clocks is not a “substantial modification”
- BUT county impact report must estimate impact from TIF clock start date, not plan adoption date

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### Examples

- Aurora - Fitzsimons



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### "Restarting the clock"

- Not technically correct definition
- Amendment of existing plan/adoption of new plan
- Public notice and hearing required
- New plan base year set in year of adoption
- When would you use this?
  - Urban renewal area in existence for significant amount of time with no activity or increment
  - Maximize potential for TIF
  - Attract new development
  - Capture market cycle



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### HB 15-1348 Considerations

- Timeline
- HB 15-1348 incentive skews towards project-specific plan type
  - eliminates potential of individual "activities and undertakings" to "infect" others
- Each new TIF area amendment, or boundary amendment triggers new requirement to negotiate/mediate

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