## Alternative Structures in Urban Renewal Plans

Presented by: Carolynne White, BHFS



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## Types of Plan Structures Traditional Single Project "Chocolate Chip Cookie" Phased or Rolling

### 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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### 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





- 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 cusomize TIF to project

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# Examples Downtown Denver (DURA) Downtown Denver (DURA)

### 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

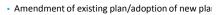


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### "Restarting the clock"

• Not technically correct definition



- 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
- Each new TIF area amendment, or boundary amendment triggers new requirement to negotiate/mediate

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