



2023 Legislative Issue Form

To propose a CCI legislative issue, please complete this form.

Feel free to use more than one page and include any supplemental materials.

1.) **Contact Information** (of person bringing forth issue):

- a. **Name:** Julie George
- b. **Title:** Legislative Affairs Senior Advisor
- c. **County:** Adams
- d. **Phone Number:** 720-233-4662
- e. **E-Mail Address:** jgeorge@adcogov.org

2.) **Issue/Problem to be addressed** (What is the problem this legislation is seeking to solve?)

Colorado's existing urban renewal statute limits the use of tax increment financing (TIF) to foster redevelopment of blighted property within unincorporated counties to parcels that adjoin a municipality, and only the municipality can initiate the process for designation of an urban renewal area. As a result, challenged properties within counties that do not adjoin a municipality frequently remain blighted without access to this source of financing as a mechanism to ameliorate blight. It is common for these properties to be brownfield sites, reclamation and mining sites, and/or located wholly or in part in floodplains, necessitating substantial investment to remedy the property for development. Additionally, extension of offsite and regional infrastructure represents significant upfront investments that are necessary to make redevelopment of properties a viable option.

3.) **Background on this Issue/Problem** (How did this come to be? Why are you seeking a legislative remedy?)

In 2008 the legislature recognized that unincorporated territory can be blighted and that the use of TIF to facilitate redevelopment is appropriate. Section 31-25-112.5 1, C.R.S. was amended to allow unincorporated territory to be included in an urban renewal plan if it is contiguous to a portion of an urban renewal area within the boundaries of a municipality and if both the board of county commissioners and landowners consent to its inclusion.

Since that time, many previously blighted properties have been successfully redeveloped utilizing TIF, but only in cases where the property abuts a municipality willing and able to work with the county to form an urban renewal area (URA). If a blighted property in unincorporated territory is not adjacent to a municipality, the county has no ability to utilize the urban renewal statute or TIF, and these properties remain blighted.

Counties are usually viewed as responsible for non-urbanized, unincorporated areas. However, certain activities, particularly industrial land uses that cities have not wanted within their boundaries, are commonly found in unincorporated areas with urban levels of activity and service demands. Urban renewal is a necessary tool for redevelopment of these areas.

4.) **Proposed Solution/Legislative Remedy to this issue.**

The proposed solution is to amend Article 20 of Title 30 (Government – County) of the Colorado Revised Statutes to add a new Part 15 (“Urban Renewal by Counties”) enabling Colorado counties to form urban renewal authorities vested with the powers set forth in Section 31-25-1, C.R.S. (“Urban Renewal Law”).

The proposed solution makes no changes to the existing urban renewal statute, and any future amendments to urban renewal law would apply to counties the same as they do to municipalities unless otherwise specified. It is understood, for example, that there could be differentiation on the topics of agricultural land, future growth boundary areas for municipalities, how urban renewal authority boards are constituted, and how certain blight conditions are satisfied.

A draft bill setting for the proposed revisions to Article 20 of Title 30 are attached.

Please submit this completed form to Katie First at kfirst@ccionline.org

By Friday, July 8.



5.) **Have you explored a non-legislative solution to this problem?**

While there are other funding sources to help address some of the blighted conditions typically addressed by urban renewal and TIF (brownfield revolving loan funds, etc.), these tools are limited in size and applicability. The fact is that municipalities have successfully utilized TIF to redevelop dozens of blighted properties, while similar sites in unincorporated counties remain vacant and underutilized. The proposed legislation addresses this inequity.

6.) **Statutory Citation to be modified AND proposed/revised language (The Colorado Revised Statute is available for free at [this link](#), by selecting “Colorado Revised Statutes”).**

See #4 above

7.) **Relationship of this issue to County Commissioner’s roles and/or authorities.**

County commissions are ultimately charged with the public health, welfare, and safety of counties, as well as approving land use and economic development proposals in the same way city councils oversee these matters in municipalities. The proposed legislation will give county commissions access to the same tools to eliminate blight and support redevelopment of underutilized property that are already available to city councils. The proposed C.R.S. revisions vest the authority to create an urban renewal authority and approve the creation of subsequent urban renewal plans and associated documents (TIF cooperation agreements, etc.) with county commissioners.

8.) **Has this proposal been approved by the Board of County Commissioners? Yes**

9.) **List any potential Proponents/Opponents & their perspective; indicate any groups/individuals with whom you have already discussed this issue.**

We anticipate groups who historically oppose changes to the urban renewal/TIF statute will be concerned about any legislation expanding its use. Chief among those groups are:

- Other taxing entities, specifically special districts and potentially school districts; and
- Property rights advocates, including those concerned about conversion of agricultural land.

We believe both groups can be persuaded to support the bill (or at least remain neutral) through outreach and education:

Taxing entities such as community colleges, special districts, etc. will be concerned about an expansion of the use of TIF because, in some cases, they will see a rise in the need for services from new development made possible using urban renewal but may have to forego the new revenue generated (because it would be captured by the TIF). However, over the last decade, the statute has been amended in various ways to address these concerns:

- The Urban Renewal Statute was amended in 2010 (Section 31-25-107(3.5)(c), C.R.S.) to require the preparation of an urban renewal impact report to identify the expected fiscal impact on all taxing entities affected by the proposed project.
- The Urban Renewal Statute was amended in 2015 (Section 31-25-104(2)(a), C.R.S.) to require that urban renewal authority boards include one school district board member with taxing authority and one special district board member with taxing authority (all affected special districts have a say in appointing this member).
- The Urban Renewal Statute was further amended in 2015 (Section 31-25-107, C.R.S.) to:

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- require that a special district or school district is entitled to the reimbursement of any moneys that the special district or school district pays to, contributes to, or invests in the authority for the project; and
- require the urban renewal authority to meet with the affected taxing entities to negotiate how to split the incremental property tax revenue and address the impacts of the plan noted in the urban renewal impact report. No TIF can be collected until a revenue sharing agreement is reached.

As a result of these changes, there are numerous examples of successful projects with revenue sharing agreements, and in some cases, new capital improvements funded by TIF that benefit the school and special districts themselves.

Private property advocates will be concerned about an expansion of the use of TIF because of historic examples of abuse related to the use of TIF and/or eminent domain to advance projects that were perceived as not addressing true blight. Here again, the statute has been amended in recent years to reign in the potential use of urban renewal as a “back door” economic development tool:

- The Urban Renewal statute was updated in 2004 (Section 31-25-105.5, C.R.S.) to further restrict the use of eminent domain, limit the subsequent transfer to private parties for development, and add safeguards for persons or entities required to be relocated as a result.
- The Urban Renewal statute was updated in 2010 to better define urban-level development (Section 31-25-103(7.5), C.R.S.) and to further restrict the inclusion of agricultural land to circumstances where it is surrounded by urban-level development and/or contaminated (Section 31-25-107(1)(c)(ii), C.R.S.).

10.) Have you visited with your legislator(s) about this proposal? What was their reaction? Are members of your delegation likely to sponsor, support, or oppose this proposal?

Adams County’s legislative delegation was briefed in Dec. 2021 and indicated general support at that time. We have not yet revisited with legislators with a specific ask to sponsor the bill.

11.) Anticipated Fiscal Impact (to counties, state, other stakeholders, etc.).

The urban renewal statute operates under the presumption that “but for” the availability of TIF to pay for the extraordinary costs associated with developing blighted, often contaminated property, there would be no development at all. Viewed through this lens, there is no fiscal impact to taxing entities. As discussed above however, residential developments and certain commercial developments will increase the cost of providing services for some taxing entities. That said, the impact will be specific to each project, identified in the urban renewal impact report, and addressed through a cost sharing agreement as required by existing statute.

12.) Please list the local subject matter experts CCI staff can follow-up with for more information on this proposal.

- Jenni Hall, Adams County, Community and Economic Development Director, jrhall@adcogov.org
- Cameron Bertron – EnviroFinance Group, cameron@efgdenver.com, 720-201-7248

13.) If your county is submitting multiple issue forms, please rank each issue.

This is our top issue.

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