

CASTLE PINES URBAN RENEWAL FREQUENTLY ASKED QUESTIONS



HOW IS AN URBAN RENEWAL AREA CREATED?

Creation (or designation) of an urban renewal area is made by the governing body of the municipality. Once the area is initially defined, the urban renewal authority commissions an independent study of conditions (referred to as a “blight study” or “conditions survey”) to determine if the requisite threshold of factors (as defined by the Act) are present to make it eligible for an urban renewal designation. Following completion of this investigation, an urban renewal plan is prepared, as are reports of potential impacts to the county (or counties) and individual taxing entities where the area is located. Following review of this information and discussions regarding the allocation of incremental revenues, property and business owners are notified and a public hearing scheduled for the governing body to consider the findings of “blight” (as defined by the Act) and adoption of the urban renewal plan.



HOW ARE THE BOUNDARIES OF AN URBAN RENEWAL AREA DETERMINED?

Several factors are considered when defining the boundaries of a potential urban renewal area, beginning with guidance provided by the Act that states “the boundaries of an area that the governing body determines to be a blighted area shall be drawn as narrowly as the governing body determines feasible to accomplish the planning and development objectives of the proposed urban renewal area.” Other considerations include objectives for investment and reinvestment described in the community’s general plan, presence of visible or documented deterioration, patterns of negligence and unsafe conditions, favorable property ownership, and expressed desire for inclusion by property and business interests.



WHY WOULD A PROPERTY OR BUSINESS OWNER WANT TO BE IN AN URBAN RENEWAL AREA?

In addition to funding assistance for property improvements, property and business interests in a proposed urban renewal area realize significant benefits from the planning process, as well. Whereas the Statute necessitates an investigation of conditions in the area, elected officials and staff are made aware of circumstances that are directly impacting these interests and indirectly the community at-large. If the area is deemed eligible for an urban renewal designation, they are further committing future resources to finance necessary improvements without impacting their general fund or raising taxes to complete necessary capital improvements.



DOES LOCATION WITHIN AN URBAN RENEWAL AREA ADVERSELY IMPACT PROPERTY VALUES?

No. There is no evidence that an urban renewal designation directly impacts property values. Experience has shown, however, that location within an urban renewal area can cause asking prices and speculative values to increase, particularly given the potential for future investment and reinvestment, and availability of resources for improvements.



HOW LONG DOES IT TAKE TO IMPLEMENT AN URBAN RENEWAL PLAN?

Implementation of an urban renewal plan involves mitigating or eliminating adverse conditions and advancing the community’s goals as described in their general plan. As such, the time frame for implementation is subject to the public and private investment objectives of owners and business interests in the area. While the Statute “allows for the use of TIF dollars for as long as is necessary to implement the intentions of the plan,” it limits their use to 25 years.



WHO MAKES UP THE BOARD OF AN URBAN RENEWAL AUTHORITY?

An urban renewal authority board consists of up to thirteen members including either the governing body of the municipality or individuals appointed by the municipality's mayor in consultation with the councilors or trustees. If the statutorily required make-up of the board results in an uneven number, the mayor appoints an additional commissioner to restore it to an odd number. Other members include at least one appointee by the county commissioners, one board member of a special district levying taxes within the urban renewal area, and one elected member of the school district.



WHAT IF A GOVERNING BODY DECIDES NOT TO ADOPT AN URBAN RENEWAL PLAN?

Assuming a community followed the statutorily defined steps to create an urban renewal area, and the governing body commenced consideration during a publicly noticed hearing, they have 120 days to adopt the urban renewal plan. In the event they decide not to adopt the plan during this time frame, they may not reconsider an urban renewal designation in the subject area for two years.



WHAT KIND OF POWER DOES AN URBAN RENEWAL AUTHORITY POSSES?

An urban renewal authority's powers are described in the Act and authorized in the urban renewal plan. These powers include activities necessary to undertake urban renewal projects, plan for investment and reinvestment, and negotiation with property owners and developers of property within area boundaries. Authorities may acquire real property through arms-length transactions, construct or install public improvements, finance eligible improvements completed by either private or public entities, and incur debt (i.e., issue bonds).



WHAT IS "BLIGHT"?

"Blight" is a legal term that includes a range of urban conditions from physical deterioration of buildings and the environment to health and economic factors. As defined in the Colorado State Statute (CRS 31-25-103) (2), a blighted area is "... an area that, in its present condition and use and, by reason of the presence of at least four of the eleven (11) 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."

The eleven factors of blight include: slum, deteriorated, or deteriorating structures; predominance of defective or inadequate street layout; faulty lot layout in relation to size, adequacy, accessibility, or usefulness; unsanitary or unsafe conditions; deterioration of site or other improvements; unusual topography or inadequate public improvements or utilities; defective or unusual conditions of title rendering the title nonmarketable; the existence of conditions that endanger life or property by fire or other causes; buildings (and sites) that are unsafe or unhealthy for persons to live or work in because of building code violations, dilapidation, deterioration, defective design, physical construction, or faulty or inadequate facilities; environmental contamination of buildings or property; the existence of health, safety, or welfare factors requiring high levels of municipal services; or if there is no objection by the property owner or owners and the tenant or tenants of such owner or owners, if any, to the inclusion of such property in an urban renewal area, "blighted area" also means an area that, in its present condition and use and, by reason of the presence of any one of the factors specified in 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.



WHO CAN REQUEST ASSISTANCE FROM THE URBAN RENEWAL AUTHORITY?

Property owners in a designated urban renewal area hoping to develop, redevelop, or otherwise make improvements consistent with expressed community objectives may apply to the urban renewal authority for assistance. Awards are made on a case-by-case basis depending on established criteria and urban renewal objectives. Undertakings eligible for urban renewal resources must cure blight, making many projects infeasible without monetary assistance to close the "gap" between early revenues and costs.



ARE INDIVIDUAL PROPERTIES, OR AREAS, ASSIGNED A DESIGNATION OF “BLIGHT”?

Individual properties are not deemed “blighted.” Rather areas including parcels, rights-of-way, infrastructure, utilities, and other improvements are determined (by a finding of the municipal body) to be “blighted” because of the presence of four or more factors defined in the Statute. As such, even if one or more properties in an urban renewal area are not adversely impacted by conditions of blight yet taken as a whole the threshold number of factors are present, case law has established the area may be determined to be “blighted.”



ARE OWNERS IN AN URBAN RENEWAL AREA REQUIRED TO IMPROVE THEIR PROPERTY?

No. Urban renewal plans are not regulating documents, and their adoption does not impose requirements on either property owners or business interests within its boundaries. Rather, projects in plan areas must comply with the same guidelines and regulations as projects outside these areas. Designation of an urban renewal area and adoption of a plan makes resources available to assist with improvements both necessary and desired for the betterment of the community. While urban renewal authorities may make financial awards subject to the use of certain materials or development standards, the decision to do so is voluntarily.



WHAT OTHER PUBLIC RESOURCES OR PROGRAMS CAN ACCOMPLISH SIMILAR OBJECTIVES?

Colorado authorizes the use of numerous entities to finance improvements such as infrastructure and utilities in newly developing areas, many of which are funded by an additional or new tax, while their offerings are more limited for established areas. Resources available for investment in downtowns, commercial corridors, infill sites, and other improved geographies, primarily consist of Downtown Development Authorities (DDA), Business Improvement Districts (BID), and Urban Renewal Authorities (URA). DDAs may only be used in a community’s central core, and funding is derived from both incremental tax revenue and new taxes. BIDS may be used to finance and maintain capital improvements, as well as market and promote businesses in the same, and their funding is also derived from new taxes. URA resources may be used to finance public and private improvements that provide a public benefit, are derived from (future) incremental tax revenue only, and may be awarded as a grant, low interest loan, monetary match, bond proceed, or patient investment.