

Brownfields & Financing Redevelopment Town of Idaho Springs //

CHALLENGE STATEMENT //

Idaho Springs, located just 30 miles from Denver, is the largest community in Clear Creek County. The home of Argo Mine, Idaho Springs has historically been known for its ties to the mining industry. More recently, Idaho Springs has leveraged its central proximity along Interstate 70 to position itself as a tourist hub for visitors traveling between Front Range communities and western mountain towns. Idaho Springs has a strong and resilient past and this is evident in its residents and its largely intact downtown historical area, the home to many unique shops, restaurants, and other cultural amenities. In addition to catering to visiting residents, Idaho Springs has established itself as an attractive place for residents.

Idaho Springs is in the midst of a renaissance of sorts and recent strides have been made in making this city a better place for all. Recently in 2017, its comprehensive plan was updated and adopted. In addition to other city planning initiatives, Idaho Springs has also partnered with Downtown Colorado, Inc. for a Housing Strategy workshop focused on workforce and affordable housing. In the last few weeks, Idaho Springs was awarded a Great Outdoors Colorado grant for the creation of more than ten miles of recreational bike/pedestrian trails which have the potential to attract new types of tourists to the area. This is just the beginning.

It's an exciting time for Idaho Springs, with substantial redevelopment projects on the horizon, and it's also a fitting time to discuss the need for a sustainable financial structure that can support future catalytic city projects in addition to addressing other financial concerns. This structure would take the form of an Urban Renewal Authority/Urban Renewal District.



SUCCESSFUL OUTCOMES //

If successful, Idaho Springs will realize its vision for implementing an Urban Renewal Authority. The Urban Renewal Authority would have the ability to create an urban renewal district that can support future community goals and projects through innovative public financing. An Urban Renewal Authority and District would complement Idaho Springs' existing planning efforts, by positioning the city to be more financially sustainable among other benefits. The goal of the Challenge Studio Workshop is to provide insight and an action plan to move forward with:

- Support Around the Work of the URA
- Outline the Process to Determine URA Viability, Appropriate Plan and TIF Area, and Steps to Acquire Catalyst Properties
- Step-by-step URA Formation and Adoption
- Messaging Strategy to Communicate Benefits of URA
- Engage the Community to Establish Buy In and

TIPS FOR MOVING FORWARD //

The Challenge Studio Team outlined the following tips for Idaho Spring to focus on to ensure a well-thought out approach with strong community and partner buy in as the City moves forward with forming an urban renewal plan.

- **URA Creation through Public Visioning.** While the community has completed plans, the URA should be able to shape a deeper vision that dives into community needs and how the private sector can assist in addressing those needs. It is important to understand what people want and then shape the URA plan and agreements to achieve the vision.
- **URA Messaging.** The process of education and building awareness of what urban renewal is and how it will help the community shape future development and be good stewards of the land are of the utmost importance.
- **Start internally.** It is important that the City Council be well-informed and united in the approach and need for URA creation so that when citizens, property owners, or other taxing entities have questions, there is an educated and prompt response.
- **Educate Broadly.** It is important to provide education for all of the taxing districts and property owners to ensure that they understand how the mechanism works, their role in the process, and how it will benefit them over time.
- **Engage Experienced Support.** While a URA Attorney costs are high, the experience of working with developers and other URAs is important to ensuring a meaningful Plan and agreement structure. When a developer has a deal on the table, URA's should engage third party, objective reviewers to assess the deal to make sure the financing gap is appropriately calculated.

MESSAGES TO SHARE //

It is important to share the following ideas when communicating with partners, property owners, and other taxing entities regarding the opportunities for using urban renewal in Idaho Springs and Clear Creek County.

- Urban renewal is one of the most powerful tools for focusing private dollars toward remediation of brownfields. If contaminated land and superfund sites are not remediated, the property values over time will not support a financially viable land use model in the county.
- Urban Renewal and Tax Increment Financing (TIF) is not a tax increase and doesn't require a ballot measure and is not subject to TABOR.
- TIF allows the public sector to reinvest to guide and shape development to meet the community vision.
- TIF is new money generated based on investment and development – not an additional cost to property owners or taxing entities.
- Educate Broadly. It is important to provide education for all of the taxing districts and property owners to ensure that they understand how the mechanism works, their role in the process, and how it will benefit them over time.
- Urban renewal and TIF are a tool to work with investors and shape the future of development of catalyst sites.

QUESTIONS TO RESEARCH FOR SETTING UP THE URA //

The Challenge Studio Team fleshed out the following ideas to be addressed through a series of work sessions and discussions facilitated by Downtown Colorado, Inc. for Idaho Springs and Clear Creek County partner groups.

- **Plan Areas and TIF Clocks.** There are several ways to structure plans, projects and TIF and it is wise to use your vision to structure these choices carefully with the assistance of good counsel. The Plan Area is a document formed to encompass a certain area of the community. Multiple areas may exist within a city, there is no limit on how many. Within the plan area, TIF boundary may be all properties within the area, or a subpart within the area, or multiple TIF areas. The TIF Area is the area within a Plan Area that is collecting TIF over twenty five years.

- **Eminent Domain.** While URA's may have the power of eminent domain, some cities have chosen to exclude this power because it can be contentious and cause concern from property owners. As this URA could be working with property acquisition and assemblage, eminent domain would be a valuable tool.
- **Appointed Board vs. Council Board.** When setting up the urban renewal authority, before even thinking about the plan area, the City determines if the Board of URA Commissioners will be made up of the City Council or appointed by City Council. In either situation, the Board would have additional seats appointed by the School District, County, and one Representative from the Special Districts. If this creates an even number, the City would then appoint one more Board Member to ensure an odd number.
- **Complimentary Financing Tools.** There are many financing mechanisms in Colorado that each provide a service and have different guiding principles. An urban renewal authority can be coupled with a Metro District, so that the Metro District can manage and maintain infrastructure, including parking, over time. Downtown Colorado, Inc. can facilitate a dialogue considering the pros and cons of setting up this type of arrangement.
- **Structuring Financing Agreements.** The process for structuring an agreement is individual to each URA. Once the URA is formed, Plan Area and TIF Areas created, the Board would create policy to guide agreements. Towns often do not giveaway 100% of the TIF, but use a portion to support the administration and communication of the URA. Each developer agreement may look different, but the policies can shape the overall practice. Staff would be responsible developing agreements, but the board should be aware of the process and policy.
- **Types of Financing.** Traditional TIF uses the return on investment to repay/pay for improvements and is the least risky type of financing. Bonding requires financial and bond team and Bank Loans require a financial team. There are also hybrids that combine all of the above.



IDEAS FOR LEVERAGING OTHER RESOURCES //

- **State and Federal Partners:** United States Department of Agriculture (USDA) Rural Development, Division of Local Government Department of Local Affairs (DOLA) and Division of Housing, and Office of Economic Development and International Trade (OEDIT) are all key partners and funders in support of economic and community development.
- **Infrastructure Grants and Bonds:** Large infrastructure grants can be a good way to jumpstart infrastructure investment. Consider Tiger Grants and HUD Grants as an additional source of funds. The existing infrastructure bonds may be an option to leverage to attract developers.
- **Leverage Chamber support:** The URA communication and messaging campaign will require both internal and external communication to a wide cross-section of the community. The Chamber of Commerce and the Mountain Metro Realtors' Association may be good partners to assist in disseminating information and engaging the community to become aware of the opportunities ahead.
- **Mountain Metro Realtors:** The Realtor's association has shown to be a strong partner with an interest in land use and redevelopment.
- **Other Funding and Incentive Support:** Identifying alternative funding sources that include: CPACE, New Market Tax Credits, OPP/ENT Zone (Dev Tax Benefits), Local Banks, and Rural Financing

NEXT STEPS //

The next steps are detailed in the Action Plan of the Challenge Studio Report. The following ideas should be front of mind while moving through the timeline.

- 1. IDENTIFYING CHAMPIONS:** Developing a strong group of educated advocates with clear talking points and a decisive approach is key to bringing partners on board.
- 2. TIMELINE:** The timeline should be clear in terms of the benchmarks needed to move forward with objectives but considered flexible and able to adapt based on events happening in real time.
- 3. INFORMAL DCI/COUNCIL MEETING:** The Challenge Studio Team outlined a series of necessary topics and next steps that can be furthered through DCI Facilitated Meetings and Educational Events. The process and timing of these efforts, as well as the agenda and resources accessed would be subject to discussion and a scope of work between DCI and the City of Idaho Springs.
- 4. EVENTUAL PUBLIC OUTREACH CAMPAIGN:** The communications and messaging around these efforts should be considered a fluid but strategic effort with both formal and informal means of sharing ideas with partners and stakeholders. This may be the most important part of developing an effective program and should be approached cautiously and with guidance.

Downtown Colorado, Inc. 2018 IN THE GAME Challenge Studio Idaho Springs Action Plan //

Objective A. Visioning Around a URA and URA Board for remediation and catalyst site redevelopment.			
Timeline	Tasks	Engagement Strategy	Resources
MO 1	Hold Part 1 of 3 part work session for Council diving into urban renewal 101, partnerships, and steps for formation.	Invite all of IS Council to learn more about this tools. Plan during a scheduled work session.	DCI URA 101 with 2 facilitators.
MO 1	Consider the map of Idaho Springs to identify key public and private properties that should be on the tax roll in the URA area.		Existing plans and mapping exercises.
MO 2	Part 2. Showcase 3-4 Catalytic Sites/reuse potential and the revenue generated without any outside investment. Include Brownfields case study.	Invite Council and other Taxing Entities. Use 1-2 in depth case studies to present the problem of non-development, juxtaposed to redevelopment with TIF.	DCI can assist with impact studies from other places and the consultants who performed them.
MO 3	Part 3. Consider the pros and cons of a City Council v. Appointed Board of URA Commissioners and the Power of Eminent Domain.	Hold a small meeting to engage w/ an attorney and staff and boards from 2-4 other URAs.	DCI can assist in setting up a panel discussion.

Objective B. Define URA Plan Area			
Timeline	Tasks	Engagement Strategy	Resources
MO 1	Outline possible boundaries for the URA Plan Area.	Engage with property owner and developers to consider catalyst projects, proximity, and proposed timing for build out.	Existing plans and third party reviewer.
MO 2-4	Consider Project TIF Areas	Engage with property owner and developers to consider catalyst projects, proximity, and proposed timing for build out.	
MO 4-6	Complete a Blight Study to determine blight in the possible Plan Area.	Create a RFP to engage a consultant to do a blight study.	DCI has a list of preferred consultants for blight studies.

Objective C. Create development incentive structure			
Timeline	Tasks	Engagement Strategy	Resources
MO 6-10	Determine policy around agreement structure.	Work with large property owners and developers to understand their financing gap and proforma.	DCI can assist with third party review and discussion.
MO 6-10	Work with CCCEDC to create a combined approach to incentives.		

Objective D. Marketing URA/TIF			
Timeline	Tasks	Engagement Strategy	Resources
MO 4	Begin creating collateral and electronic messaging to share the benefits of urban redevelopment.	Work with the Chamber and Realtors' Association.	DCI has examples of collateral.
MO 5-7	Hold a series of public events and round tables with small business and developer from other community to share experience with URA.	Invite community partners, property owners, and developers.	DCI can help set up these panels.

Objective E. DCI Citizens Academy			
Timeline	Tasks	Engagement Strategy	Resources
MO 1	Work with DCI to develop up to six topics for education and discussion with the community.	Work with local community to identify major concerns and areas lacking understanding.	DCI has developed ideas to choose from.
MO 2	Review and adapt a calendar of six work sessions for public education – include state/national trends and local/regional history.	Establish an online and posted calendar of community leadership events.	Chamber and Realtors can help distribute.
MO 3	Begin holding educational events and local leadership opportunities.	Invite a diverse group each time. Move to different meeting spaces and times of day.	

Challenge Studio Team Resources //

Area of Work	Resource/Partner
Urban Renewal Education and Formation Assistance. Phasing of URA deployment and the process of developing URA. URA community messaging and board structure	Downtown Colorado, Inc. <ul style="list-style-type: none"> • Steve Art, City of Wheat Ridge • Jariah Walker, City of Colorado Springs Urban Renewal • Melissa Rogers, City of Aurora • Chad Howell, City of Thornton
Urban Renewal Attorney, URA-Developer Relationships and Legal Environment	Caitlin Quander, BHFS
Financing Agreements with City	Monica Rosenbluth, Butler Snow
Financing Options	Blake, Council for Development Financing Agencies
Assessments and Brownfields	Ted
Trail/Recreation Funding	Madison Brannigan, Great Outdoors Colorado
Human Resources: Internships or student capstone projects.	Karra
Messaging and How to Tell the Story	Jennifer
Environmental/Hazard Risk Mitigation	Jessica
Community Engagement	Dian
Making shit happen!	Melody

Strengths, Weaknesses, Opportunities, and Threats (SWOT) //

Strengths	Weaknesses	Opportunities	Threats
<ul style="list-style-type: none"> • Funding Pace (Energy) • Minimal Community Dev. Opposition • East End Action Plan completed • Completing infrastructure Improvements on Colorado Blvd. • Trails/Recreation • Vibrant Main Street • IGAs with other taxing entities • 2nd Floor Residential mixed-use Downtown 	<ul style="list-style-type: none"> • Parking/Housing issues • Affordable Housing Challenges • Funding Parking Structure • Low quality housing and deteriorating mobile homes • Lack of direction and decisiveness - 	<ul style="list-style-type: none"> • ULI Tap -> parking + other opportunities • greater enforcement • citizen participation in URA Board • URA creation <-> education for public officials + citizens (implementation) • Multiple URA plan phasing? • Blighting conditions 	<ul style="list-style-type: none"> • Eminent Domain non-issue? <p>East Side Development Barriers</p> <ul style="list-style-type: none"> - cost of construction - owners don't want to sell - non-conforming uses - short-term rentals