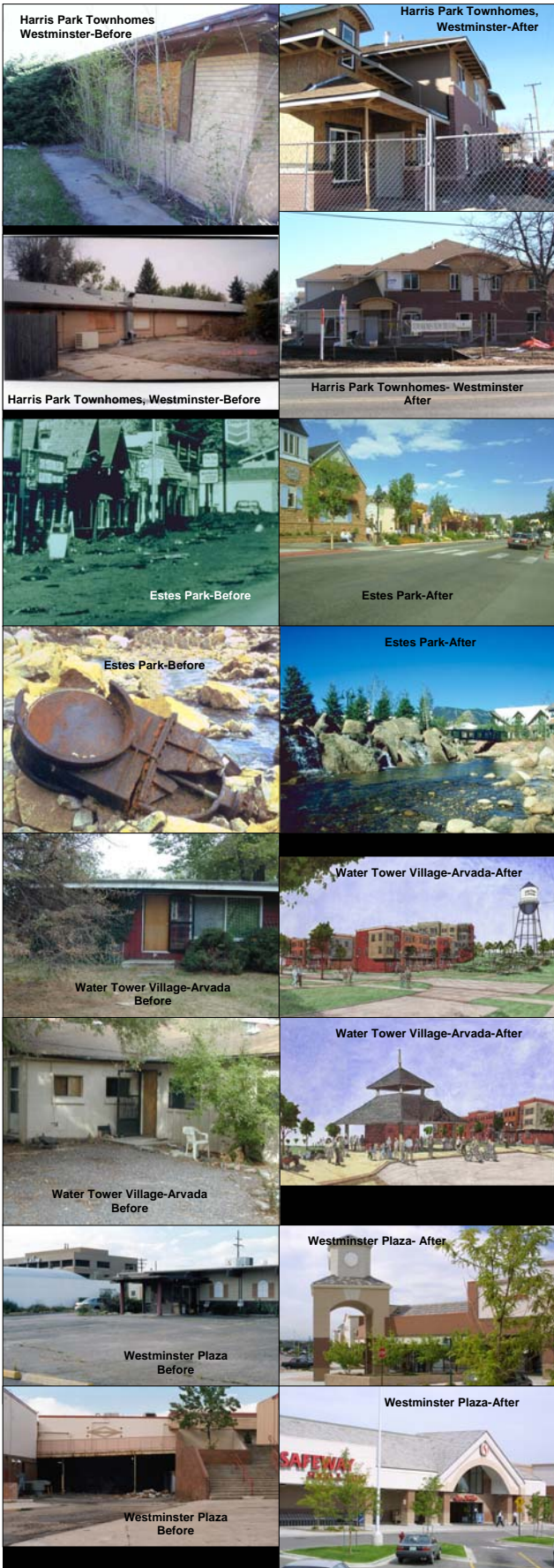


ECONOMIC BENEFITS FROM COMMUNITY REDEVELOPMENT ACTIVITY IN COLORADO

February 2004



Prepared by:


Development Research Partners

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This report summarizes the results of an economic study regarding the benefits provided by Colorado Urban Renewal Authority activities in Colorado. The study and report were commissioned by the Colorado Community Revitalization Association. The analysis, opinions, and conclusions contained herein are solely those of Development Research Partners, Inc. and do not imply or represent the opinions of the Colorado Community Revitalization Association or its members.

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Executive Summary

Introduction

In 1958, the Colorado State Legislature acknowledged the public benefits from community revitalization and authorized the formation of Urban Renewal Authorities (URAs). Urban Renewal Authorities are authorized to utilize strategic tools for site acquisition, infrastructure improvements, tax increment financing, and direct financial investment. The application of the URA tools has evolved towards greater reliance on public/private partnerships and investment to yield public benefits.

Across Colorado URAs provide measurable benefits to communities, residents, businesses and local governments. Urban Renewal Authorities play a vital role in assembling sites, preserving historic buildings and green space, upgrading infrastructure, removing impaired properties, eliminating blight, remediating environmental hazards, increasing tax revenues and providing financial tools to accomplish project goals. Private developers likewise, play a critical role in the redevelopment of targeted urban renewal areas. Working closely with the URAs, developers help complete the redevelopment goals of Urban Renewal Authorities which focus on restoring and strengthening communities, providing new housing or business spaces, reducing urban sprawl, and improving the quality of life.

The Economic Role of Urban Renewal Authorities

Deteriorating neighborhoods represent an untapped resource that can provide community-wide and local government benefits. However, many redevelopment projects are too costly and extensive for either local governments or private sector developers to achieve individually. URAs are equipped with development tools that allow the establishment of public/private relationships that result in restoring and strengthening the health of targeted communities and improving the quality of life.

Urban Renewal Authorities:

- Ensure economic competitiveness for blighted areas;
- Remove hurdles to private investment; and
- Ensure public benefits.

Urban Renewal Authority Activities Yield Economic Benefits

Economic Benefits for Individuals

- Creates new local jobs and earnings.
- Establishes new business locations for entrepreneurs.
- Provides new housing opportunities, including workforce attainable housing.
- Provides relocation assistance for residents and businesses.

Executive Summary

Economic Benefits for the Community

- Improves an area's attractiveness and desirability by upgrading the functional utility of infrastructure, and delivering modern work and living space to the market.
- Retains economic strength by creating local businesses and jobs, and reducing economic leakage of dollars.
- Improves economic prosperity resulting in greater business-to-business purchases and greater household spending to support the local economy.
- Reduces crime, cleans up environmental hazards, and improves living and working conditions.
- Provides easily accessible goods and services to the community.
- Supports historic preservation efforts.

Economic Benefits for the Local Government

- Increases tax revenues from new business and consumer purchases and property taxes.
- Prevents leakage of sales tax dollars to outside communities; retaining revenue for government services for its residents.
- Contains or reduces costs for providing government services by reusing in-fill locations; in-fill development carries a significantly lower public cost compared to edge, or sprawl, development.

Economic Benefits for the State

- Implements growth management strategies promulgated by State entities including the Colorado Department of Local Affairs (DOLA), the Governor's Office of Economic Development (OED), and the Colorado Housing and Finance Authority (CHFA).
- Provides greater state-wide diversity for business and housing locations.
- Reduces budgetary pressure as communities raise their own funding for upgrading aging infrastructure or placing new infrastructure, i.e. - upgrading local sections of state highways.
- Supports local economic development efforts, supplementing State economic development resources.
- Creates in-fill locations that reduce pressure on urban edges, helps preserve open spaces and agricultural lands, and helps retain Colorado's character and quality of life.
- Increases sales tax revenue by modernizing infrastructure, business facilities, and housing options, enabling quality growth.

ECONOMIC BENEFITS FROM COMMUNITY REDEVELOPMENT ACTIVITY IN COLORADO

Introduction

In 1958, the Colorado State Legislature acknowledged the public benefits from community revitalization and authorized the formation of Urban Renewal Authorities (URAs). Urban Renewal Authorities are authorized to utilize strategic tools including site acquisition, infrastructure improvements, tax increment financing, and direct financial investment. Over time, the application of these tools has evolved towards greater reliance on public/private partnerships and investment to yield public benefits.

This document summarizes an evaluation of the economic benefits from Urban Renewal Authority activities in Colorado. The data utilized herein is derived from a number of sources including literature search, Urban Renewal Authorities (URAs), personal interviews, and Colorado Department of Revenue reports. Case studies are provided that profile the diversity of Urban Renewal Authority projects across Colorado.

The Economic Role of Urban Renewal Authorities

Urban Renewal Authorities ensure economic competitiveness for blighted areas. Colorado statutes specifically recognize that the private sector is the most efficient mechanism for redevelopment.¹ However, the private sector is not interested in redeveloping blighted neighborhoods where special needs and costs reduce profitability. URA targeted projects must compete for private investment with other, easier, more lucrative development projects. By utilizing URA policy tools, public/private relationships may be formed that support private investment and the redevelopment of impaired neighborhoods.

Urban Renewal Authorities address hurdles to private investment. To attract private-sector investment in blighted areas, burdensome costs- over and above those faced by competing locations-must be addressed. These costs often include improving street patterns, updating or installing new infrastructure, consolidating properties, and removing deteriorated structures. Additional costs are associated with preserving historic structures or removing environmental contamination. Impaired or blighted properties are often associated with higher crime rates, drug use and vagrancy, which can indirectly impact costs and feasibility of redevelopment. Costs to beautify and restore an area's desirability as a work or home location are too high for the private investment community to undertake independently. URA financing and public improvement programs play a critical role in helping clear these hurdles.

Urban Renewal Authorities address market failures that leave areas blighted. High costs discourage private investment in areas most in need of new investment; social and economic adversity impacting these neighborhoods tends to be self-perpetuating. Relieving neighborhoods from crime, vagrancy, vandalism, vacancy, and other public nuisances is a public benefit. Attracting businesses to create jobs and retain consumer dollars locally maintains a community's economic strength, and is also a public benefit. It is the role Urban Renewal Authorities to provide this public good.

Urban Renewal Authorities Address Market Failures

Although private-sector redevelopment activity often provides public benefits, it is not the developer's primary purpose to provide this public good. Private sector development projects become non-viable as the costs to service public issues rise. Market failures resulting from cost burdens take several forms.

Market Failure 1: Redevelopment faces excessive costs due to former uses

Often, retrofitting, renovation or redevelopment at in-fill locations is more costly than new construction on pristine sites. Potential cost burdens faced by private developers can cause blighted areas to be less competitive in attracting investment.

- **Clouded property titles create legal hurdles.** The ownership and legal history of infill properties can accumulate, leading to title and use issues that must be resolved before redevelopment can occur.

The Colorado Business Bank (Denver) wanted to redevelop its site but there were six 100-year old ground leases under the building; the bank acquired three, but there were problems with the other three. Condemnation was used to acquire the problematic ground leases and resolve the issues. In Vail, the Urban Renewal Authority is being asked by the property owner to use condemnation in part to extinguish old covenants limiting property uses and preventing redevelopment. In both cases, without the URAs intervention, redevelopment would not be possible and property deterioration would continue.

- **Retrofitting existing buildings can be infeasible.** The cost to rehabilitate outdated buildings is costly, and often financially infeasible. Low market rents, high vacancy, and business risk inherent in run-down neighborhoods will diminish returns on investment and discourage developers, investors, and lenders.

For example, historic preservation goals can increase renovation costs compared to new construction. Typically, State Historical Fund grants, along with federal and state tax credits, are required to make historical preservation projects feasible. Almost \$14 million in historical grants were used in Colorado during 2000, which equates to about 30% of total project costs.ⁱⁱ The costs of obtaining and administering these funds needed to make projects feasible may limit market appeal in historical urban renewal districts.



- **Physical and economic obsolescence affecting properties can be incurable.** In many instances, buildings left over from a prior use may be structurally unsound, too badly deteriorated, or simply inadequate due to outdated design, electrical, plumbing, or telecommunications. Demolition or renovation cost requirements can render a project infeasible.

ECONOMIC BENEFITS FROM COMMUNITY REDEVELOPMENT ACTIVITY IN COLORADO

Redevelopment of the 80 acre former Gates Rubber Factory in Denver by Cherokee Denver LLC is envisioned to include up to 4,000 residential units (both for sale and rental), 2 million square feet of office space, 250,000 square feet of retail and entertainment facilities, and a hotel to complement the planned expansion of the light rail station at Broadway and I-25. This vision has been hindered by heating and ventilation system glitches and other design issues that surfaced as the former use has undergone deconstruction. These unknowns are sources of risk and expense that, unlike Cherokee Denver, most developers will not endure.

- **Older utilities often require retrofitting.** Aging utilities such as sewer and water systems may be inadequate, and have easements or other utilities placed over them. These “surprises” add costs and risk to in-fill redevelopment.

Redevelopment of the boarded-up Aspen Care nursing care facility in Westminster into the new Harris Park Townhome project in Westminster, offering 23 attainable work force housing units, experienced an array of issues including: removing concrete debris and foundations from former uses; difficulty in configuring tie-ins to existing water systems;



participating in street beautification programs; and unexpectedly having to install retaining walls to stabilize older, adjacent uses. Additionally, the developer paid for needed maintenance on surrounding properties to beautify his project. All these “surprises” added more than \$100,000 to development costs.

- **Environmental pollution from former uses increases investment costs, liabilities, and risks.** These brownfields sites often require specialized development companies with strict investment tolerances. A survey of Colorado real estate investors shows that 27% of the market drops out immediately from bidding on contaminated property and that property values are reduced by about 20%, simply from stigma.ⁱⁱⁱ These investment costs are translated directly into reduced market interest and limited financial viability.

Nationally, redeveloping "brownfields" could generate more than 575,000 new jobs and as much as \$1.9 billion annually in new tax revenue for America's cities.^{iv} Environmental



cleanup is necessary to enable redevelopment of the 4,700 acre former Stapleton Airport site. Upon completion, the \$3.4 billion Stapleton project will be home to an estimated 12,000 new homes across all income categories, 3 million square feet of retail, and 10 million square feet of office development. Denver Urban Renewal Authority is investing up to \$294 million in TIF reimbursement in the Stapleton Project for infrastructure, schools and community facilities.

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Similarly, the Belmar project in Lakewood, Colorado will turn the Villa Italia Mall, a greyfields site, into a mixed-use town center. At completion, Belmar is anticipated to encompass 1,300 homes, 800,000 square feet of office space, and 1 million square feet of retail space, and 9 acres of park and green space. Considered by the community to be Lakewood's future downtown, development entails environmental cleanup of former auto service and dry cleaning uses. The project is being accomplished through a public/private partnership including the Lakewood URA.



- **Assembling redevelopment parcels is costly and time-intensive.**

Small parcels, intended for smaller format buildings in past decades, often need to be assembled into larger sites to accommodate modern commercial or residential development. Sites may be scattered across multiple ownership creating risky, costly, and time-consuming negotiations.

For example, the City of Lakewood lost a potential large-format drug store several years ago because negotiations could not be resolved between three smaller sites being assembled. The neighborhood lost an opportunity for a desirable retail merchandiser, the City lost a tax revenue generator, and the community remained burdened with obsolescing properties.

Market Failure 2: Redevelopment faces excessive costs imposed by surrounding uses

Hurdles to redevelopment are not solely within the sites themselves, but often come from surrounding properties. Managing these costs is not feasible for a private-sector developer.

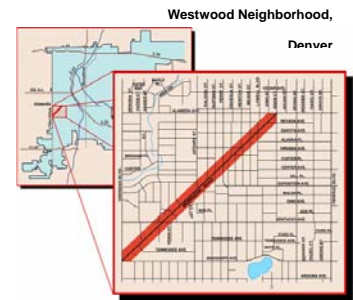
- **Unattractive neighborhoods make it difficult to attract businesses and residents.**

Neighborhood blight conditions can greatly diminish the desirability and interest from new businesses and households. The Brookings Institute has identified factors including crime reduction and creating a clean and attractive environment as important to realizing \$500 million in new investment in a Cleveland neighborhood.^v Curing this problem benefits an entire neighborhood, but no individual developer will incur the expense on their own.

In response to this very issue, Denver Urban Renewal has established a grant program for commercial property owners and tenants in the Westwood neighborhood; grants may be used for the rehabilitation of facades, installation of signage and security improvements, and design consultation; DURA has awarded grants totaling \$998,366 since 1995.

ECONOMIC BENEFITS FROM COMMUNITY REDEVELOPMENT ACTIVITY IN COLORADO

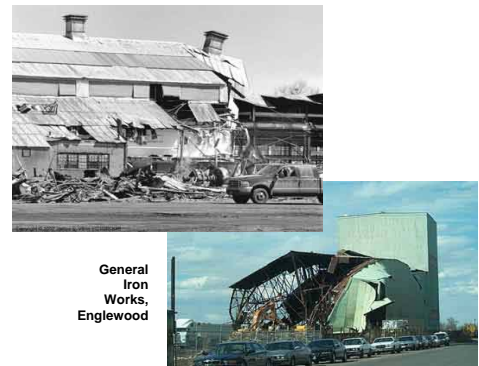
- **Pollution can impair market values of nearby properties.** The perception of environmental pollution in a neighborhood is enough to devalue all properties. A recent study of brownfields in the Westwood neighborhood of Denver shows that even the presence of a single brownfields property can drop neighborhood housing values by as much as \$2,000 each, and this figure multiplies with additional suspected brownfields sites.^{vi} Curing this dispersed, neighborhood-wide problem is often costly and no one investor will incur the expense on their own.



Market Failure 3: Individual actions cause market distortions that impede private investment

Individual stakeholders not directly involved with a development project can make decisions to their own benefit, which hinder the activities of private-sector developers.

- **Commercial spaces are sometimes left vacant purposely to prevent business competitors from entering the market.** In Federal Heights, a grocery store moved to a new location, but maintained its lease on its now vacant space to prevent competition from reusing its space. This forced a vacancy onto the market and onto the neighborhood. Similarly, in two other urban renewal projects, the University Hills Mall (Denver) and Villa Italia Mall (Lakewood), the May Co. retained ground leases after its store closings in order to prevent competition. Condemnation was used to move these important projects past these hurdles.
- **Greater-than-market values demanded by hold-out property owners increase development costs and shift financial returns away from productive investment.** Urban Renewal Authorities can use their powers to ensure that properties are being assembled at market value, rather than an inflated price caused by the project itself.
- **Property owners may intentionally restrict future uses to avoid environmental liabilities.** Brownfields sites are sometimes use-restricted or even intentionally left vacant as a risk management tactic. No use means no exposure risk; no sale means no “discovery” by a potential buyer. The City of Englewood narrowly avoided a heavy-industrial-use-only private deed restriction on the General Iron Works site, which is destined for high-density transit-oriented residential development.



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Economic Benefits for the Community

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- Retains economic strength by creating local businesses and jobs, and reducing economic leakage of dollars.
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- Provides easily accessible goods and services to the community.
- Supports historic preservation efforts.

Economic Benefits for the Local Government

- Increases tax revenues from new business and consumer purchases and property taxes.
- Prevents leakage of sales tax dollars to outside communities; retaining revenue for government services for its residents.
- Contains or reduces costs for providing government services by reusing in-fill locations. In-fill development carries a significantly lower public cost compared to edge, or sprawl, development.^{vii} Fiscal studies in Florida and New Jersey indicate that the cost to provide infrastructure and public services to new sprawling development is \$20,000 to \$25,000 per home greater than that provided to compact in-fill development.^{viii}

ECONOMIC BENEFITS FROM COMMUNITY REDEVELOPMENT ACTIVITY IN COLORADO

Economic Benefits for the State

- Implements growth management strategies promulgated by State entities including the Colorado Department of Local Affairs (DOLA), the Governor's Office of Economic Development (OED), and the Colorado Housing and Finance Authority (CHFA).
- Provides greater state-wide diversity for business and housing locations.
- Reduces budgetary pressure as communities raise their own funding for upgrading aging infrastructure or placing new infrastructure, i.e. - upgrading local sections of state highways.
- Supports local economic development efforts, supplementing State economic development resources.
- Creates in-fill locations that reduce pressure on urban edges, helps preserve open spaces and agricultural lands, and helps retain Colorado's character and quality of life.
- Increases sales tax revenue by modernizing infrastructure, business facilities, and housing options, enabling quality growth.

Summary

Economically underutilized neighborhoods represent an untapped resource in local communities. However, cost burdens and market failures lead to problems too extensive for URAs or any single developer to tackle. By utilizing available tools URAs establish public/private relationships that facilitate investment, provide public benefits and serve local communities.

Across Colorado URAs provide measurable benefits to communities, residents, businesses and local governments. Urban renewal authorities play a vital role in assembling sites, preserving historic buildings and green space, upgrading infrastructure, removing impaired properties, eliminating blight, remediating environmental hazards, increasing tax revenues and providing financial tools to accomplish project goals. Private developers likewise play a critical role in the redevelopment of targeted urban renewal areas. Working closely with the URAs, developers help complete the redevelopment goals of urban renewal authorities which focus on restoring and strengthening communities, providing new housing or business spaces, reducing urban sprawl, and improving the quality of life.

Colorado Urban Renewal Authority Project Profiles

Profiles presented in the following section illustrate the variety of Urban Renewal Authority projects that have been completed or are underway in Colorado.

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Endnotes

ⁱ "Blighted area" means an area that, in its present condition and use and, by reason of the presence of at least four of the following 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: (a) Slum, deteriorated, or deteriorating structures; (b) Predominance of defective or inadequate street layout; (c) Faulty lot layout in relation to size, adequacy, accessibility, or usefulness; (d) Unsanitary or unsafe conditions; (e) Deterioration of site or other improvements; (f) Unusual topography; (g) Defective or unusual conditions of title rendering the title nonmarketable; (h) The existence of conditions that endanger life or property by fire and other causes; (i) Buildings 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; (j) Environmental contamination of buildings or property; (k) Inadequate public improvements or utilities; or (l) 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 paragraphs (a) to (k) of this subsection (2), 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. For purposes of this paragraph (l), the fact that an owner of an interest in such property does not object to the inclusion of such property in the urban renewal area does not mean that the owner has waived any rights of such owner in connection with laws governing condemnation.

ⁱⁱ The Economic Benefits of Historic Preservation in Colorado, Clarion Associates of Colorado LLC, et al, prepared for the Colorado Historical Foundation, January 2002.

ⁱⁱⁱ Westwood Neighborhood Brownfield Redevelopment Opportunities: A Template For Evaluating Brownfield Site Potential, Colorado State University with the collaboration of Development Research Partners, prepared for the U.S. Department of Commerce, Economic Development Administration, 2003.

^{iv} U.S. Conference of Mayors, 2003 survey.

^v A Private Sector Model For Rebuilding Inner-City Competitiveness: Lessons from MidTown Cleveland, Margaret Murphy. A Discussion Paper Prepared for The Brookings Institution, Center on Urban and Metropolitan Policy, December 1998.

^{vi} Westwood Neighborhood Brownfield Redevelopment Opportunities: A Template for Evaluating Brownfield Site Potential, Colorado State University with the collaboration of Development Research Partners, prepared for the U.S. Department of Commerce, Economic Development Administration, 2003.

^{vii} Development at the Urban Fringe and Beyond: Impacts on Agriculture and Rural Land, Ralph E Heimlich and William D. Anderson, ERS Agricultural Economic Report No. 803, pp. 88, 2001.

^{viii} Paying the Costs of Sprawl: Using Fair-Share Costing to Control Sprawl, Ken Snyder and Lori Bird, prepared for the US Department of Energy, Smart Communities Network, 1998.

SUMMARY OF CASE STUDIES

Project Community	Community Issues Addressed	Status	No. Jobs	No. Housing Units	No. Affordable/ Attainable Housing Units	Annual Property Tax Revenues Increment (2002)	Annual Sales Tax Capture (2002)
Meeker Commons Greeley	Historic Preservation In-fill Development Housing Creation	Completed	NA	106	30 low income 76 senior housing	\$200,000 for downtown district	NA
General Iron Works Englewood	Environmental/Brownfields In-fill Development Housing Creation	Proposed	385	400	TBD	\$62,000	\$300,000
Highlands' Garden Village Denver	Historic Preservation In-fill Development Housing Creation	In Progress	160	306	44	\$180,080	NA
Riverside Plaza Estes Park	Historic Preservation In-fill Development	Complete	NA	NA	NA	\$600,000 total for city	\$2.5 million total for city
Westminster Plaza Westminster	Environmental/Brownfields In-fill Development	Complete	250	NA	NA	\$300,000 Phase I	\$500,000 Phase I
Pueblo Convention Center Pueblo	Historic Preservation In-fill Development Housing Creation	Complete	250	NA	NA	\$287,000 Phase I	\$200,000 Phase I
Urban Renewal Plan Delta	Historic Preservation In-fill Development	Complete	NA	NA	NA	NA	3.1 million (2003) for city
Water Tower Village Arvada	Environmental/Brownfields In-fill Development Housing Creation	In Progress	NA	700	NA	TBD	TBD
Sykes Enterprises Sterling	In-fill Development	Complete	300	NA	NA	\$160,000	NA

NA: Not applicable; TBD: To be determined

MEEKER COMMONS

Greeley, Colorado

Population 82,091

Project by:

Greeley Urban Renewal Authority



The Greeley Urban Renewal Authority (GURA) has been involved in the revitalization of a fifteen-block area in downtown Greeley. GURA has made great strides in redeveloping some of the city's most blighted, but historic areas. In 2004, the total assessed value of the redevelopment district is estimated to be \$8 million with an annual tax increment of approximately \$200,000.

The Meeker Commons project is one of GURA's success stories in its revitalization efforts. Located on the north end of the fifteen-block renewal area, the Meeker Commons project has yielded 106 new affordable housing units for low-income families and seniors, new retail, and new office space. The project area had previously included 13 blighted residential properties and many vacant lots. The GURA was instrumental in purchasing the properties for redevelopment. The Meeker Commons project has assisted in preserving the historical character of the downtown area while providing new housing options, office space, and retail services.

Meeker Commons Project	
Project goal	Provide housing options and revitalization
Redeveloped use	Residential, office and retail
Former use	Residential and vacant lots
Eminent domain used	Yes
Size	2 acres
New uses	
Housing units	106
Single-family, low income	30
Senior housing	76
Retail	6,000 square feet
Office	4,000 square feet
Financing	
Total Project Cost	\$5.5 million
Direct public investment	\$1.5 million
Tax Increment Financing	\$1.9 million

Economic Impacts	
Meeker Commons Project	
Average household income	\$19,000
Total household income	\$2 million
Number jobs	31 total
Office	16
Retail	15
Average annual wage	
Office	\$33,000
Retail	\$18,000
Total wages	\$798,000
Construction Cost	\$5.5 million
Assessed Property Value	
1995 – Before redevelopment	\$83,000
2003 – After redevelopment	\$925,000
New spending by businesses (annual)	\$46,000
Taxable household spending (annual)	\$7,000
Greeley Urban Renewal Authority	
Assessed Property Value – 2004	\$8 million
Tax increment (annual) Downtown District	\$200,000

The GURA was also involved in acquiring a site for a new Children's Clinic. Redevelopment of the severely blighted area included the acquisition of seven properties through purchase and negotiation. Since the opening of the Children's Clinic, a new dental clinic has also been built. Needed health care services are now available to local residents and the neighborhood has been enhanced by the redevelopment of the site.

Sources: Colorado Department of Labor and Employment, 2000 ES202 wages; 2000 Economic Census; Bureau Economic Analysis; Colorado Department of Local Affairs, Colorado Demography Section; Colorado Department of Local Affairs, Division of Property Taxation, 2002 Annual Report; Development Research Partners; Colorado Community Revitalization Association, Survey 2002; Greeley Economic Development Authority.

GENERAL IRON WORKS

Englewood, Colorado

Population 32,658

Project by:

Englewood Urban Renewal Authority



The General Iron Works foundry occupied 18-acres and was a major employer in the City of Englewood’s early history. Since closing in 1985, the industrial site had been physically deteriorating and became home to many questionable short-term tenants, vagrants, vandalism, and illegal activities. The site is impacted by environmental contamination from its long history including molten iron sand-molding, railroad car operations, and diesel storage tanks.

Proposed General Iron Works Redevelopment	
Project goal	New housing options, improved business mix
Redeveloped use	Mixed-use TOD with housing, commercial space and light rail station
Former use	Foundry in poor condition with transitional occupancy
Eminent domain used	Possibly
Size	11 acres (not including 7 acre RTD site)
New uses	
Retail	10,000 square feet
Office	90,000 square feet
Residential	400 units (\$290,000 avg)
Financing:	
Total Project Cost	\$101 million
Direct public investment	\$4 million
Tax Increment Financing	TBD

The City of Englewood is landlocked with virtually no undeveloped land and the General Iron Works property is an important redevelopment site. With this in mind, the Englewood Urban Renewal Authority (EURA) has worked cooperatively with the metropolitan Denver Regional Transportation District (RTD) to produce a land use plan for the site that includes a light rail transit station and a transit oriented mixed

Anticipated Economic Impacts	
General Iron Works Redevelopment	
Average household income	\$87,000
Total annual household income	\$34,800,000
Number jobs	
Total	385
Office	360
Retail	25
Average Wage	
Office	\$51,500
Retail	\$21,000
Total wages	\$19 million
Construction cost (including payroll)	\$14 million
New spending by businesses (annual)	\$603,000
Taxable household spending (annual)	\$31,500
New retail sales tax revenue (annual)	\$300,000
New property tax revenue (annual)	\$62,000

use development of up to 400 residential units. The metropolitan Denver Regional Transportation District (RTD) has constructed a light rail car maintenance facility on the northern 7 acres of the site and the EURA is working with a local developer to develop the southern 11 acres of the property. Upon completion of the project, it is expected the new community will provide 385 jobs, invigorate overall economic activity, and introduce sustainable development in the north Englewood neighborhood.

Sources: Colorado Department of Labor and Employment, 2000 ES202 wages; 2000 Economic Census; Bureau Economic Analysis; Colorado Department of Local Affairs, Colorado Demography Section; Englewood Urban Authority; Development Research Partners.

HIGHLANDS' GARDEN VILLAGE

Denver, Colorado

Population 560,882

Project by:

Denver Urban Renewal Authority



The Denver Urban Renewal Authority (DURA), created in 1958, engages in a broad range of community revitalization activities. DURA has provided \$498 million in financing for 25 redevelopment projects since 1992 and has rehabilitated 3,397 single-family homes during the same period.

DURA assisted Elitch Gardens Amusement Park in its relocation to its current 68-acre Platte Valley location, which opened in May 1995. DURA provided approximately \$8.6 million in tax increment financing towards the \$95 million it cost to relocate the amusement park. This relocation retained a seasonal youth employment center, retained a high profile attraction, and cleaned up contaminated soil at its new location (former rail yards).

Elitch's relocation left a 27.4-acre site in Denver's Highlands neighborhood which, with DURA's assistance, is being transformed into the Highlands' Garden Village mixed-use urban village offering both market rate and below-market rate residential units, senior housing, retail, commercial, and civic uses. Historic buildings and gardens are a focal point for the new community.

Construction of 137 residential rental units, 44 of which are affordable, is complete. The 169 for-sale units vary in price from affordable (affordable to households with an income at 50% the median income) to market-rate (\$450,000). All homes and buildings have been built with green systems and materials. All of the buildings' materials exceed Colorado's Built Green and Energy Star program criteria. To accommodate new families, a new public school is also being built.

Highlands' Garden Village	
Project goal	Historic preservation, brownfields cleanup, housing creation, affordable housing creation, greenspace creation, in-fill redevelopment.
Redeveloped use	To develop a mixed-use urban village, including housing, retail, commercial and civic uses.
Former use	Amusement park
Eminent domain used	No
Size	27.4 acres
New uses	
Office/Retail :	65,000 SF planned
Residential:	306 completed
Affordable:	44
Financing	
Total Project Cost:	\$102 million
Tax Increment Financing:	\$4.75 million

Anticipated Economic Impacts	
Total annual household income	\$16.5 million
Average annual household income	\$56,000
Number jobs anticipated	160
Total annual wages anticipated	\$4.8 million
Average annual wages anticipated	\$46,000 office \$21,500 retail
Spending by business anticipated (annual)	\$86,000
Property tax increment created (2002)	\$180,080

Construction is planned for 10,000 square feet of office space and 55,000 square feet of retail space, including a 40,000 square foot grocery store. Office users are anticipated to include medical and financial service providers for the community. Additionally, restoration of historic elements includes renovation of a 5,000 square foot carousel and a 35,000 square foot community theatre.

DURA provided approximately \$4.75 million in tax increment financing to assist with the project. Exterior modifications, environmental remediation, infrastructure improvements related to the theater and carousel, and open space development have been completed with DURA funding.

Sources: Colorado Department of Labor and Employment, 2000 ES202 wages; 2000 Economic Census; Bureau Economic Analysis; Colorado Department of Local Affairs, Colorado Demography Section; Development Research Partners; Colorado Community Revitalization Association, Survey 2002; Denver Urban Renewal Authority.

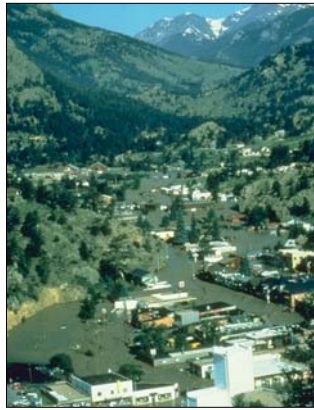
RIVERSIDE PLAZA

Estes Park, Colorado

Population 5,571

Project by:

Estes Park Urban Renewal Authority



The Estes Park Urban Renewal Authority (EPURA) was formed after a devastating flood in 1982 all but destroyed downtown Estes Park. Businesses required rebuilding from the ground up. A redevelopment plan was developed to address land use, public spaces, traffic pedestrian circulation, historic preservation and parking issues. Over the past 20 years, the Town of Estes Park and the EPURA have made capital investments of nearly \$15 million, and realized total cumulative incremental sales and property taxes of \$26.4 million and \$6.2 million respectively since 1983.

Riverside Plaza Project	
Project goal	Business revitalization
Redeveloped use	Pedestrian walkway and urban space
Eminent domain used	Yes
Former use	Parking lots and obsolete structures
Size	0.76 acres
New use	
Retail	3,000 square feet upgraded
Financing	
Total project cost	\$1.6 million
Tax increment financing	\$1.6 million

Economic Impacts	
Riverside Plaza Project	
Number jobs retained	12
Total wages retained	\$206,000
Average annual wage	\$17,000
Property value created	\$ 2 million
New spending by businesses (annual)	\$17,000
Estes Park Urban Renewal Authority	
Property tax revenues – 2002	\$600,000
Retail sales tax revenue – 2002	\$2.5 million

The Riverside Plaza project is one of dozens of redevelopment projects completed by the EPURA. An urban river walk was developed between the river and bordering businesses. The river walk serves as a pedestrian connection between businesses. As part of the project, rear business entryways were added to provide inviting access. The expansion of one business was also included as part of the Riverside Plaza project.



The award-winning Estes Park Performance Park Pavilion opened in June 2003. The Pavilion was designed to anchor the west corridor of the EPURA Riverside Plaza project. The pavilion packs crowds all summer and is providing the impetus to revitalizing the west end of town.

Sources: Colorado Department of Labor and Employment, 2000 ES202 wages; 2000 Economic Census; Bureau Economic Analysis; Colorado Department of Local Affairs, Colorado Demography Section; Development Research Partners; Colorado Community Revitalization Association, Survey 2002; Estes Park Urban Renewal Authority.

WESTMINSTER PLAZA

Westminster, Colorado

Population 104,011

Project by:

Westminster Economic Development Authority



The Westminster Economic Development Authority (WEDA) was formed in 1987 to implement the City of Westminster’s urban renewal plan. The south Westminster area has been a focus of revitalization efforts.

As part of City’s overall urban renewal efforts, Phase I of the South Westminster Urban Renewal Area plan was developed. To move forward with the plan, the

WEDA successfully managed the redevelopment of Westminster Plaza. Relocation packages were negotiated for approximately 45 businesses which were relocated to provide a site for the new 91,300 square-foot shopping center. Westminster Plaza is anchored by a 56,000-square-foot grocery store and other major retail outlets. The redevelopment of Westminster Plaza revitalized the retail sector in the area, and added new businesses to the area. Currently there are 250 employees in the new 15-acre Plaza, which provides a substantial economic stimulus to, and is strongly supported by, the community.

Westminister Plaza Project	
Project goal	Eliminate blight
Redeveloped use	Retail
Eminent domain used	Yes
Former use	Deteriorated outdoor mall
Size	15 acres
Financing	
Total Project Cost	\$20 million
Direct public investment	\$3 million
Tax Increment Financing	\$7 million
Private Investment	\$11 million

Phase I of the project generated incremental sales tax in the renewal area from \$264,000 in 1997 to \$478,000 in 2003. Property tax increments grew from \$7,000 in 1997 to \$267,000 by 2003.

Economic Impacts	
Westminister Plaza	
Number of retail jobs	250
Average annual retail wage	\$25,000
Total annual wages	\$5 million
Property value	\$40 million
Spending by businesses (annual)	\$455,000
Retail sales tax revenue (annual) – 2003 Phase I	\$500,000
Property tax revenue (annual) – 2003 Phase I	\$300,000



Sources: Colorado Department of Labor and Employment, 2000 ES202 wages; 2000 Economic Census; Bureau Economic Analysis; Colorado Department of Local Affairs, Colorado Demography Section. Development Research Partners; Colorado Community Revitalization Association, Survey 2002; Westminster Economic Development Authority.

PUEBLO CONVENTION CENTER

Pueblo, Colorado

Population 103,846

Project by:

Pueblo Urban Renewal Authority



The Pueblo Urban Renewal Authority (PURA) began working on an idea for a convention center in 1986. The City of Pueblo issued \$9 million in tax increment bonds in 1986 to begin the process. The PURA purchased 32 lots and worked to put the project team together. In 1993 Pueblo voters endorsed the convention center complex plan. The PURA negotiated construction of the \$9.5 million project, which was completed in 1997.

The Pueblo Convention Center, the second largest convention center in the State of Colorado, opened to much fanfare in June 1997. After years of work to relocate 23 businesses and acquire properties, the PURA built the 30,000 square foot convention center, with 21,400 square feet of meeting rooms and an adjoining Marriott Hotel with 164 rooms. Vectra Bank also relocated near the convention center. Businesses that were retained upgraded their respective facilities and continue to operate next to the Convention Center.

The new Pueblo Convention Center and Marriott Hotel complex is a welcome relief from the blight stricken downtown area formerly known for its row of bars, boarded up buildings and inner city decay.

Pueblo Convention Center Project	
Project goal	Business development
Redeveloped use	Convention center, hotel and amenities
Former use	Abandoned buildings, bars
Eminent domain used	No
Size	0.7 acres
New uses	
Hotel	164 rooms
Retail	4,300 approx. square feet
Office	4,300 approx. square feet
Convention Center	30,000 square feet, 164 rooms
Financing	
Total Project Cost	\$9.5 million
Direct public investment	\$2.0 million
Tax Increment Financing	\$7.5 million

Economic Impacts	
Pueblo Convention Center	
Number jobs	250
Average wages	
Office	\$32,500
Retail	\$16,500
Hospitality	\$16,500
Total wages (annual)	\$4.4 million
Spending by businesses (annual)	\$372,000
Retail sales tax revenue (annual) Phase 1	\$200,000
Property tax revenue (annual) Phase 1	\$287,000

Phase two of the project will include expansion of the convention center to accommodate larger events and a riverwalk connection to downtown and surrounding neighborhoods.

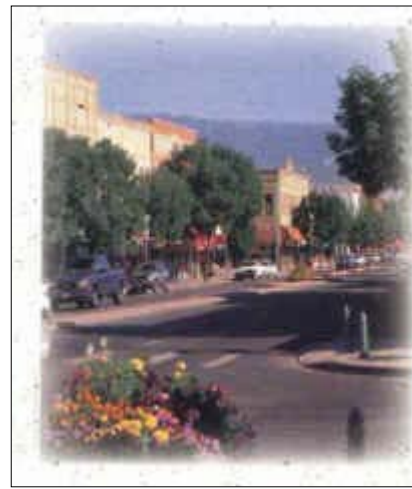
Sources: Colorado Department of Labor and Employment, 2000 ES202 wages; 2000 Economic Census; Bureau Economic Analysis; Colorado Department of Local Affairs, Colorado Demography Section. Development Research Partners; Colorado Community Revitalization Association, Survey 2002; Pueblo Economic Development Authority.

DELTA URBAN RENEWAL PLAN

Delta, Colorado
Population 4,000

Project by:

Delta Urban Renewal Authority



Like many small towns in Colorado during the mid-1980s, Delta businesses were struggling to survive. The six-block downtown area had over 28 vacant storefronts. In an effort to attract new business and retain the existing business Delta's Urban Renewal Authority

(DURA) was formed by the Delta City Council. The City Council, working closely with the Delta Chamber of Commerce, the business community and community planners identified improvements to revitalize the downtown area and promote Delta's natural assets. Identified improvements included redesigning the streetscape and storefronts, restoring and adding cultural murals, preserving historic buildings, converting an historic building to a visitor center, relocating the history museum, building a community center, and providing additional downtown parking. DURA was instrumental in providing bond financing to accomplish the City's vision. The downtown revitalization project successfully accomplished the renewal plan goals to re-energized commercial business and increase activity in the downtown area. The downtown revitalization project also established the foundation for additional projects such as downtown housing.

Delta Urban Renewal Plan	
Project goal	Downtown revitalization
Former and existing use	Commercial main street
Eminent domain used	No
Financing	
Bonds	\$ 0.8 million



Following the successes of downtown improvement projects, redevelopment of a 305-acre wastewater lagoon and abandoned industrial site was targeted. The new abandoned industrial site was redeveloped into a recreation complex known as Confluence Park. The park features a 70-acre fishing lake with boat ramps and piers, a picnic area, a horse arena, a 48,000 square-foot recreation center, five miles of hiking trails, and a 500-seat amphitheater. The recreation area also includes a 75-acre wetland that provides nesting and habitat for migrating waterfowl and wildlife.

Economic Impacts	
Delta City Sales Tax Growth	
Retail sales tax revenue	
1994	\$1.9 million
2003	\$3.1 million

The overall benefit of the project is reflected in the growth of city sales tax over the past decade. Delta sales tax revenues have grown from \$1.9 million in 1994 to \$3.1 million in 2003.

Sources: Colorado Department of Labor and Employment, 2000 ES202 wages; 2000 Economic Census; Bureau Economic Analysis; Colorado Department of Local Affairs, Colorado Demography Section; Development Research Partners; Colorado Community Revitalization Association, Survey 2002; Delta Urban Renewal Authority.

WATER TOWER VILLAGE

Arvada, Colorado

Population 102,322

Project by: Arvada Urban Renewal Authority



The Arvada Urban Renewal Authority (AURA) was established in 1981 by the Arvada City Council to implement the Arvada Urban Renewal Plan. The Arvada Urban Renewal Plan encompasses a project area of about 400 acres within the city. Last year, businesses located in the AURA project area generated revenue for various governmental entities including \$9 million for the State of Colorado, \$2.5 million for the Regional Transportation District, \$1.6 million for Jefferson County, and \$10 million for the City of Arvada.

As a top priority, the AURA has encouraged revitalization efforts in the Olde Town Arvada area. One Olde Town Arvada project currently underway is Water Tower Village. A master plan for the Water Tower Village, a 700 residential unit village located on 26 acres, was approved by Arvada City Council in January 2003. Infrastructure construction was completed in the fall of 2003 and residents are

expected to begin moving into the area in late 2004 or early 2005. Of the 700 new housing units being built, 360 will be multi-family homes, priced between \$180,000 and \$300,000. There also will be 340 apartments available with varying rental rates.

The Water Tower Village will provide new homes for 1,500 to 2,000 residents. Prior to its redevelopment, the Water Tower area possessed Arvada's highest crime rate. Complaints of drug activity, domestic violence and car theft were common. In addition, older homes and land were plagued by various contaminants such as asbestos, lead-based paint, toxic mold, and petroleum.



Proposed Water Tower Village	
Project goal	Increase housing options
Redeveloped use	Residential
Former use	Commercial/Residential
Eminent domain used	Yes
Size	26 acres
Total housing units	700 units
Financing	
Total Project Cost	\$100 million
Tax Increment Financing	\$20 million
Private Investment	\$80 million

Anticipated Economic Impacts	
Water Tower Village	
New households	700
Average household income	\$53,000
Total annual household income	\$37.5 million
Annual household taxable spending	\$19,000
Total annual household taxable spending	\$13.5 million

AURA purchased 50 parcels of land and relocated approximately 75 families from 16 apartment buildings and 15 single-family houses. With their relocation payments of \$5,250 to each family over and above the cost to acquire, 16 percent of the residents were able to become first-time

homeowners. Of the \$100 million needed to construct Water Tower Village, \$20 million is being provided through the AURA in the form of tax increment financing. The balance of the project funding, \$80 million, is being provided by private investment.

SYKES ENTERPRISES

Sterling, Colorado

Population 14,000

Project by:

Sterling Urban Renewal Authority



The Sterling Urban Renewal Authority (SURA) assisted in the redevelopment of a former school property. The City of Sterling owned an old junior high school building. The building was razed. The resulting lot was sold to the Sykes Enterprises who built a 35,000 square foot facility for a software service support center. The new facility added about 300 jobs to the community. The majority of the new jobs are part-time and most of the employees are students at Northern Junior College. The facility is open seven days a week and supports software users in all of Sykes markets.

Sykes Enterprises Project	
Project goal	Job development
Redeveloped use	Services support center
Former use	Vacant school
Eminent domain used	No
Size	2.5 acres
New use	
Office	35,000 square feet

Economic Impacts	
Sykes Corporation Project	
Number jobs	300
Average annual wage	\$7,000
Total annual wages	\$2.2 million
Spending by businesses (annual)	\$236,000
Property tax revenue (annual)	\$160,000

Colorado Urban Renewal Authorities

Alamosa Urban Renewal Authority
Arvada Urban Renewal Authority
Aurora Urban Renewal Authority
Boulder Urban Renewal Authority
Brighton Urban Renewal Authority
Broomfield Urban Renewal Authority
Central City Redevelopment Agency
Colorado Springs Urban Renewal
Commerce City Urban Renewal Authority
Delta Urban Renewal Authority
Denver Urban Renewal Authority
Edgewater Redevelopment Authority
Englewood Urban Renewal Authority
Estes Park Urban Renewal Authority
Federal Heights Redevelopment Authority
Fort Collins Urban Renewal Authority
Golden Urban Renewal Authority
Greeley Urban Renewal Authority
La Junta Urban Renewal Authority
Lafayette Urban Renewal Authority
Lakewood Reinvestment Authority
Las Animas Urban Renewal Authority
Littleton Riverfront Authority
Loveland Urban Renewal Authority
Monte Vista Urban Renewal Authority
Northglenn Urban Renewal Authority
Pueblo Urban Renewal Authority
Rangely Development Agency
Rocky Ford Urban Renewal Authority
Sheridan Urban Renewal Authority
Silverthorne Urban Renewal Authority
Sterling Urban Renewal Authority
Superior Urban Renewal Authority
Thornton Development Authority
Vail Urban Renewal Authority
Westminster Economic Development
Wheat Ridge Urban Renewal Authority