




DOWNTOWN COLORADO, INC. PRESENTS

TAX INCREMENT FINANCE

101

PUEBLO, CO | FEBRUARY 23, 2022



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DOWNTOWN
COLORADO
— inc.

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MENU OF SERVICES

MEMBERSHIP

DDA, BID,URA may join DCI as a Public or Nonprofit Partner Organization that allows all employees of your organization to use DCI membership benefits for a single payment. As a member, receive discounts on our educational events and take advantage of our networking and professional development opportunities.

MONTHLY CALLS

At DCI's monthly Districts & URA calls, leaders and board members from DDA's across the state join in discussion of their latest projects, successes, and challenges and share the methods that have led to successful implementation.

ANNUAL IN THE GAME CONFERENCE

DCI's annual four-day conference is the premier space to gain resources, training, and ideas in all areas related to economic development and community viability in Colorado. Take advantage of our Challenge Studios workshops where participants worked side-by-side with leading industry experts and local peer networks to craft problem-solving plans.

STATEWIDE DIRECTORY

DCI maintains the State's most comprehensive list of Colorado URAs, DDAs, BIDs contacts, and information about each organization.

MEMBER ONLY RESOURCES

DCI hosts a member-only URA and Districts Resource Page and Colorado Urban Renewal & Districts Partners LinkedIn Page to share news, articles, and updates from recent URA events.

SOUTHERN COLORADO SUMMIT

DCI hosts an annual summit in Southern Colorado in the fall to discuss innovative problem solving tactics and best practice approaches to affordable housing and Tax Increment Financing (TIF)

DOWNTOWN COLORADO

inc.

TAX INCREMENT FINANCE 101
Pueblo, Colorado
February 23, 2022
12:00-4:00PM

PURPOSE. *Build understanding and awareness of the purpose and structure of tax increment finance and identify the processes for using this tool by urban renewal authorities + downtown development authorities.*

AGENDA

Introductions

Each community group introduces themselves and what they hope to get out of the day.

What is Tax Increment Finance + Who Can Use It??

Case study of a successful TIF project. A short history of the purpose and legislation that enables urban renewal and downtown development authorities.

Open Discussion

Tax increment Finance (TIF) 101

*What is tax increment finance? How does it create financing without a new tax? What can it be used for? Who can use this type of financing?
Example of a deal with TIF to fill the gap.*

Open Discussion (10 Min)

Board of Directors and Governance

What is the role of the Board of Directors? What are requirements for the board?

Driving Vision with TIF Policies

How does the board direct the work of the organization? What are some examples of policies that help drive the vision and use of TIF as a tool for redevelopment?

Open Discussion

Closing + Ideas for Next Discussion



DOWNTOWN COLORADO, INC.

TAX INCREMENT FINANCE 101

FOR URA + DDA BOARDS + STAFF

ABOUT DOWNTOWN COLORADO, INC.

Colorado's downtown champion since 1982

We are the Doers. We are committed to building downtowns that are prosperous, equitable, creative, and welcoming. United in cause, we are Colorado's downtown champions.

Downtown Colorado, Inc. provides five core services to organizations and individuals engaged in downtown + commercial district development:

- Advisory Services
- Educational Events
- Advocacy and Information
- BID, DDA, URA Formation + Training Assistance
- Colorado Challenge Program

DOWNTOWN COLORADO, INC

Our Program Areas

COLORADO DOWNTOWN CHAMPIONS

- ADVISORY SERVICES + VITALITY CHECK UPS
- BUSINESS IMPROVEMENT DISTRICTS (BIDS)
- URBAN RENEWAL AUTHORITIES (URAS)
- DOWNTOWN DEVELOPMENT AUTHORITIES (DDAS)
- VISTA
- IN THE GAME
- COLORADO CHALLENGE PROGRAM

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PROGRAM SPONSORS

Paul Benedetti

Brownstein Hyatt Farber Schreck

Our Team
CHAMPIONS + CATALYSTS

Andy Arnold

Short Elliott Hendrickson (SEH)
Economic Development Partner

Steve Art

Downtown Colorado, Inc. Board
Executive Director & Economic
Manager City of Wheat Ridge

Paul Benedetti

Downtown Colorado, Inc. Founder
Attorney

DOWNTOWN COLORADO, INC.

Our Team
CHAMPIONS + CATALYSTS

Troy Bernberg

Downtown Colorado, Inc. Board
Northland Securities

Kat Correll

Downtown Colorado, Inc.
Executive Director

DOWNTOWN COLORADO, INC.

WHY WE LOVE DOWNTOWN

**PEOPLE ARE LONGING FOR
A PLACE NOT ONLY TO
LIVE, BUT ALSO TO LOVE.**

PETER KAGEYAMA



AGENDA

Introductions
 What is Tax Increment Finance + Who Can Use It??
 Tax increment Finance (TIF) 101
 Open Discussion (10 Min)
 Board of Commissioners + Governance
 Driving Vision with TIF Policies
 Closing + Ideas for Next Discussion

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DOWNTOWN ORGANIZATIONS			
	BID	DDA	URA
PURPOSE	Economic Development and beautification.	Urban development or redevelopment.	Stimulate Reinvestment to improve economic conditions.
BASIC FUNCTIONS	Acquire, finance, install and operate public improvements, including but not limited to: streets, sidewalks, curbs, pedestrian malk, landscaping, statues, fountains, bike paths, benches, information booths, public meeting facilities.	Implement a plan of development for the downtown development area, which could include events, beautification, business support, and more.	Carry out "urban renewal projects;" plans to assist the municipality . . . To eliminate and prevent the development or spread of slum and blighted areas; to encourage needed urban rehabilitation; provide for the redevelopment of such areas; providing public improvements; encouraging rehabilitation and repair; [...] plans for voluntary repair and rehabilitation.
FUNDING & FINANCING	May impose: ad valorem property taxes, rates and charges for services or improvements, and special assessments. Functions as a taxing authority. Cannot use TIF.	May use TIF funding for sales and property tax for a period of 30 years, and/or impose mill levy up to 5 mills within the downtown development area for operations of the DDA.	May use TIF funding for sales, lodging, and property tax for a period of 25 years. May buy, sell, or manage property. May receive grants and allocations from partner programs.
PROPERTY ACQUISITION & DISPOSAL	Does not own property.	May acquire property through sale or gift. May sell at fair market value.	May acquire property through sale, gift, or eminent domain. Must dispose of through reasonable competitive bidding procedures. Special procedures apply for property acquired through eminent domain to be transferred to a private party.
BOUNDARIES	Dominantly Commercial District (50% of uses) or future commercial district.	Downtown district.	Same boundary as municipality; may designate districts for TIF.



TAX INCREMENT FINANCE (TIF)

IS A FINANCING MECHANISM THAT HELPS THE COMMUNITY ENCOURAGE PRIVATE SECTOR INVESTMENT AROUND COMMUNITY VISION.

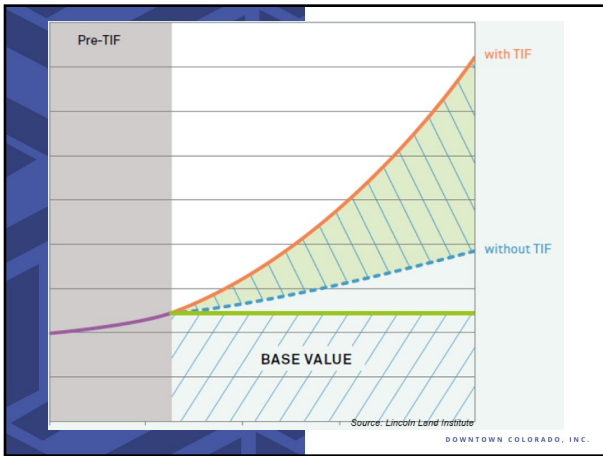
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TIF can be used by URAs and DDAs in Colorado.

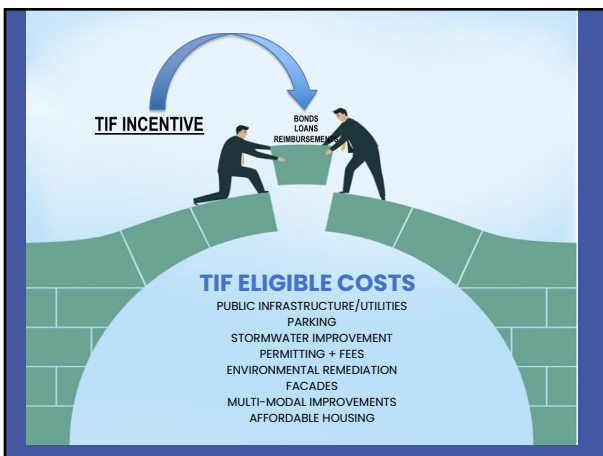
A way to catalyze redevelopment projects by contributing the difference between the base year tax revenue and the increased tax revenue generated by the project, year over year.


DOWNTOWN ORGANIZATIONS

	BID	DDA	URA
PURPOSE		Halt + Deter Blight	Remediate Blighted Condition
FUNDING	Mill Levy + Special Assessment	TIF + Mill Levy	TIF
PLANS	+Operating Plan +Budget +Approved by Council	+ONE Plan of Development +Bylaws +Approved by Council	+Condition Study +Impact Report +Urban Renewal Plan +Council Approved +Multiple Plan Areas
TIMING	As you wish...	30 Years May be extended by 20 years	25 Years
COVERAGE	Plan Boundary	Traditional Commercial Area Plan Boundary	Municipality.











QUESTIONS + THOUGHTS





DOWNTOWN COLORADO, INC.
TAX INCREMENT FINANCE
CASE STUDY



ANDY ADD
HERE

CASE STUDY INFO

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A DEEPER DIVE INTO TAX INCREMENT FINANCE



TAX INCREMENT FINANCE (TIF)


IS A FINANCING MECHANISM THAT
HELPS THE COMMUNITY
ENCOURAGE PRIVATE SECTOR
INVESTMENT AROUND
COMMUNITY VISION.

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URBAN RENEWAL "SHALL NOT" DO ECONOMIC DEVELOPMENT

URA STATUTE



**ELIMINATION
OF
SLUM + BLIGHT**

Redevelopment frequently results in

- + job creation
- + economic development
- + increased tax revenue

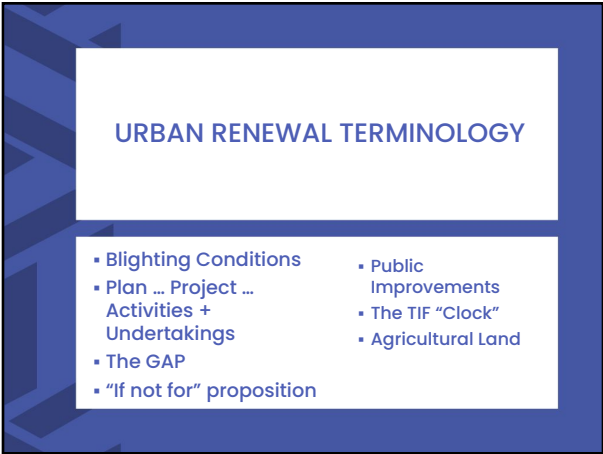
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**URA
POWERS**

- + Undertake urban renewal projects and execute contracts connected therewith
- + Buy and sell property; dedicate property it owns for public projects
- + Sue and be sued
- + Enter property and buildings, with the consent of the owner, to undertake surveys or appraisals
- + Condemn property or leases
- + Borrow money
- + Make appropriations and expenditures of its funds; invest its funds subject to certain restrictions
- + Make reasonable relocation payments
- + Contract with consultants or advisors to accomplish duties related to urban renewal

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URBAN RENEWAL TERMINOLOGY

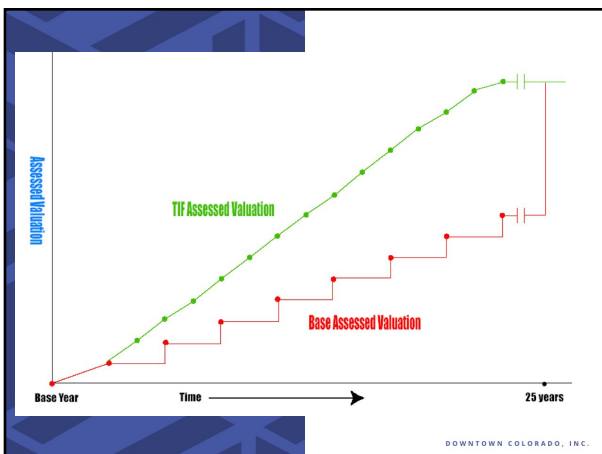
- Blighting Conditions
- Plan ... Project ... Activities + Undertakings
- The GAP
- "If not for" proposition
- Public Improvements
- The TIF "Clock"
- Agricultural Land

AND MORE TERMINOLOGY

- Other taxing entities
- HBI348
- Board Make-ups

DOWNTOWN ORGANIZATIONS

	DDA	URA
PURPOSE	Halt + Deter Blight	Remediate Blight
FUNDING	TIF + Mill Levy	TIF
PLANS	+ Plan of Development + Bylaws + Approved by Council	+ Condition Study + Impact Report + Council Adopted + Multiple UR Areas
TIMING	30 Years May be extended by 20 years	25 Years
COVERAGE	Traditional Commercial Area Plan Boundary	Municipality.





**POLICY
EXAMPLES**

- FAÇADE GRANT PROGRAM
- FIRST SOURCE HIRING
- SMALL BUSINESS ENTERPRISE POLICY
- CONSTRUCTION EMPLOYMENT OPPORTUNITIES
- JOB TRAINING
- GREEN BUILDING
- PLACEMAKING + PROJECT ART (Enhanced Architecture + Design)
- PREVAILING WAGE POLICY
- ENHANCED ARCHITECTURE & DESIGN
- ANTI-DISCRIMINATION POLICIES
- RELOCATION POLICY

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**TAX INCREMENT
+
PARTNERS IN REDEVELOPMENT**



**PARTNERS IN
REDEVELOPMENT**

- COUNTY ASSESSOR
- COUNTY
- CONSULTANTS
- DEVELOPERS
- SCHOOL DISTRICT
- OTHER TAXING DISTRICTS
- MUNICIPALITY + COMMUNITY

DOWNTOWN COLORADO, INC.

INCREMENT v. BASE + THE ASSESSOR

- + Large Plan Area vs Compact Area
- + What is Base ... What is Increment?
- + When does an Assessor begin calculating increment?

Assessor's Reference Library – Chapter 12

A non-reassessment event that impacts the value of property in a TIF area is attributable to the increment, whether or not such change is demonstrated to be directly caused by undertakings of the URA

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STRUCTURING THE AGREEMENT

- Activity Request. Formal Application?
- Activity Proforma
- Third Party Review
- Board Review/Executive Session
- Sales Tax/Cooperation Agreement

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KEY IDEAS

- **SHARE THE DETAILS**
- **FOCUS ON THE END USE**
- **BLIGHT IS NO ONE'S FRIEND**
- **COMMUNITY IS BUILT WITH COLLABORATION**

COMMISSION + GOVERNANCE

ROLE OF THE BOARD

- + ACHIEVE THE PLAN'S VISION
- + DETERMINE THE ELIGIBLE EXPENSES
- + ADOPT RESOLUTIONS PERTAINING TO VARIOUS AGREEMENTS
- + PROVIDE GUIDANCE FOR STAFF
- + ADOPT BUDGET

DOWNTOWN COLORADO, INC.

ROLE OF THE STAFF

- + Create + distribute agendas
- + Guide Board through staff memos
- + Negotiate agreements
- + Pay bills/obligations
- + Act as liaison between the URA + City
- + Assure daily activities of URA

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LEGAL REQUIREMENTS

- Colorado Sunshine Act (C.R.S. 24-6-401 et seq.) applies to URAs
- Colorado Open Records Act (CORA) (C.R.S. 24-72-201 et seq.) applies to URAs
- Adoption of bylaws not expressly required, but advisable
- Adoption of other policies or form documents
 - Grant Guidelines
 - Public Art
 - Grant Agreement Template
 - TIF Agreement Template
 - Relocation Policies

DOWNTOWN COLORADO, INC.

LEGAL REQUIREMENTS

- URA Conflict of Interest Statute (C.R.S. 31-25-104(3)).
- (3) No commissioner, other officer, or employee of an authority nor any immediate member of the family of any such commissioner, officer, or employee shall acquire any interest, direct or indirect, in any project or in any property included or planned to be included in any project, nor shall he have any interest, direct or indirect, in any contract or proposed contract for materials or services to be furnished or used in connection with any project. If . . . he shall immediately disclose the same in writing to the authority, and such disclosure shall be entered upon the minutes of the authority. [S]such commissioner, officer, or other employee shall not participate in any action by the authority affecting the carrying out of the project planning or the undertaking of the project unless the authority determines that, in the light of such personal interest, the participation of such member in any such act would not be contrary to the public interest.



TELLING YOUR STORY

- + TRACK + REPORT
- + CELEBRATE
- + SIGNAGE
- + COMMUNICATIONS
 - WEBSITE
 - SOCIAL MEDIA
 - PRESS RELEASES
 - ARTICLES
 - BROCHURES

AND MORE

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QUESTIONS + THOUGHTS





UPCOMING EVENTS


www.downtowncoloradoinc.org


- April 12-15 IN THE GAME, Colorado Springs
April 12 Annual URA Dinner
- May 5TH, 3PM Western Slope Networking, Grand Junction
- June 9TH Spring Networking Event + ABC's of BID + DDA
- July (date TBD) Tax Increment Finance 201
- Aug 5-6 | San Luis Saving Places
- Sept (date TBD) CML + DCI Downtown North Metro Mobile Tour
- Nov 28 | SoCo Tax Increment Finance Summit
- December 1 Holiday Networking Event

We are fun
AND WE INVITE OUR
MEMBERS TO JOIN US

- 

REGULAR PEER MEETINGS
- 

TRAINING, DIRECTORY + BOARD MANUAL
- 

OPPORTUNITIES TO LEAD
- 

MOST FUN EVENTS EVER

DOWNTOWN COLORADO, INC.

CONTACT DCI

WEBSITE

www.DowntownColoradoInc.org

EMAIL ADDRESS

coordinator@downtowncoloradoinc.org

PHONE NUMBER

303.282.0625



THANK YOU

DOWNTOWN COLORADO, INC.

303.282.0625

www.downtowncoloradoinc.org

URA LEGISLATION

HB 15-1348

- Add new Board Members
- Negotiate/Mediate with Taxing Bodies

SB 16-177

- "Cleanup" / "Consensus" legislation
- Address technical issues in HB 15-1348
- Fix TABOR language
- Specify procedures for mediation
- Did not change any applicability language

SB 17-279

- Clarifies applicability language
- "Bright line" test
- 30 days to challenge substantial modification
- 45 days for anything else

DOWNTOWN COLORADO, INC. (DCI) – Glossary of Terms

Terms defined below have, in most instances, been annotated and are only listed as a basic reference. For full details and determination, please refer to CRS 31-25 (Urban Renewal) and consult your Legal Council

- **Activity or Undertaking** – A specific action or development of a URA which causes some type of blight remediation.
- **ADA** – American Disabilities Act. As per legislation adopted in 2021, all websites and items of the City, URA and both must be ADA compliant. An URA Board may be sued if not compliant.
- **Agricultural Land** – one parcel of land or any two or more contiguous parcels of land that, regardless of the uses for which the land has been zoned, has been classified by the county assessor as agricultural land for purposes of the levying and collection of property tax pursuant to sections 39-1-102 (1.6)(a) and 39-1-103 (5)(a), C.R.S., at any time during the five-year period prior to the date of adoption of an urban renewal plan or any modification of such a plan.
- **Base** – the revenue produced by the total assessed value of taxable property in the plan area (the base value) upon Plan authorization and prior to any new activity or undertaking. The base value is increased every other year when a general reassessment of all taxable property takes place for a period not to exceed 25 years.
- **Blighted Area** – 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 or inadequate public improvements or utilities; **(g)** Defective or unusual conditions of title rendering the title nonmarketable; **(h)** The existence of conditions that endanger life or property by fire or 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)** (Deleted by amendment, L. 2004, p. 1745, § 3, effective June 4, 2004.). **(k.5)** The existence of health, safety, or welfare factors requiring high levels of municipal services or substantial physical underutilization or vacancy of sites, buildings, or other improvements; 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.5)** 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.

- **Budget** – A report of the anticipated revenues and expenditures from the URA Special Fund. A draft annual budget must be submitted for review by the URA Commissioners by October 31st of each year. That budget must be adopted by resolution, after a noticed public hearing, of the Commissioners by December 31st of each year. The budget must then be registered with the Department of Local Affairs (DOLA) through its web portal. The submission must include the staff memo to the Commissioners, the adopted and executed resolution, and the full budget for that fiscal year. Any subsequent amendments to the budget must be held in front of a public hearing, adoption of resolution and submittal to DOLA.
- **Commissioners** – Members of the Board of the URA may consist of the City or Town Council or independent members as appointed by the Mayor (and including HB1348 if required) and one member each by the county, school district, and special districts. The URA is a separate entity from the municipality and it must conduct separate meetings and keep separate minutes documenting its actions.
- **Conditions Report** – Created prior to authorization of a URA Plan, the report details the blighting conditions considered for the new Plan Area.
- **County Land** – An urban renewal plan, urban renewal project, or urban renewal area may include unincorporated territory that is outside the boundaries of a municipality but contiguous to a portion of the urban renewal area located within the municipality. No such territory shall be included in the plan, project, or area without the consent of the board of county commissioners exercising jurisdiction over the unincorporated territory proposed for inclusion and the consent of each owner of, and each holder of a recorded mortgage or deed of trust encumbering, real property within the unincorporated area proposed for inclusion.
- **CRS** – Colorado Revised Statute – CRS 31-25-101 through 116.
- **Displaced person** – Includes any individual, family, or business concern displaced by the acquisition by eminent domain of real property by an authority.
- **Disposal of Property** – **(1)** An authority may sell, lease, or otherwise transfer real property or any interest therein acquired by it as a part of an urban renewal project for residential, recreational, commercial, industrial, or other uses or for public use, as it deems to be in the public interest or necessary to carry out the purposes of this part 1. Such real property or interest shall be sold, leased, or otherwise transferred at not less than its fair value (as determined by the authority). **(2)** An authority may dispose of real property in an urban renewal area to private persons only under such reasonable competitive bidding procedures as it shall prescribe or as provided in subsection (2) of CRL; **(3)** An authority may

temporarily operate and maintain real property acquired in an urban renewal area pending the disposition of the property for redevelopment.

- **Downtown Development Authority (DDA)** as defined by CRL and authorized by a Municipal Body (City Council)
- **HB 1348** – A law passed in 2015 and into law January 1, 2016. A modification to statutory provisions governing urban Renewal projects that use property tax increment financing to share increment revenues with taxing entities that may be impacted by the project. Adds new commissioners to the URA board. One representing the County Commissioners, one from the School Board, and one representing all the other special districts.
- **'If not for' or 'but for' proposition** – While not specifically addressed in CRS, the increase in the overall assessed value of a plan area that results from and would not exist “but for” the use of TIF financing.
- **Impact Report** – A required report submitted to the County prior to adoption of a URA Plan outlining the impact of property tax increment upon all the taxing entities.
- **Increment** – The difference between the Base value, as adjusted from time to time, and the increase in assessed value from new development and appreciation. The revenue produced by the levy of the relevant taxing entities against the increment value, if any, is paid into a special fund to finance urban renewal and downtown development plan activities.
- **Other Taxing Entities** – Include the County, Schools, Water, Sanitation, Cemetery, Fire. All taxing entities can be found on any property tax statement.
- **Project** – The sum of all activities and undertakings necessary to carry out the Plan itself. Undertakings and activities for the elimination and for the prevention of the development or spread of slums and blight and may involve slum clearance and redevelopment, or rehabilitation, or conservation, or any combination or part thereof, in accordance with an urban renewal plan.
- **Plan of Development** – The authorizing document for a Downtown Development Authority
- **Powers of Authority** – The lawful powers necessary to undertake urban renewal projects and execute contracts connected therewith; buy and sell property; dedicate property it owns for public projects; sue and be sued; enter property and buildings, with the consent of the owner, to undertake surveys or appraisals; Condemn property or leases; Borrow money; Make appropriations and expenditures of its funds; invest its funds subject to certain restrictions; Make reasonable relocation payments; and Contract with consultants or advisors to accomplish duties related to urban renewal.

- **Reimbursement Agreement** – An executed agreement between the URA and a private party or public body to reimburse funds from the Special Fund upon satisfaction of terms set in the agreement.
- **Special Fund** – Segregated account where increment and other revenues/expenditures are attributed to the URA
- **Substantial Modification** – A change to a Plan regarding land area, land use, authorization to collect incremental tax revenue, the extent of the use of tax increment financing, the scope or nature of the urban renewal project, the scope or method of financing, design, building requirements, timing, or procedure, as previously approved, or where such modification will substantially clarify a plan that, when approved, was lacking in specificity as to the urban renewal project or financing, then the modification is substantial and subject to all of the requirements of the section in CRS
- **TIF** – Tax Increment Financing. For this discussion generally means property tax increment financing, but may also include municipal sales tax increment revenue.
- **TIF Agreement** – An agreement between the URA and a private entity such as an individual, corporation, LLC, sole proprietor or other legal entity obligating the use of TIF and authorized by the URA Board.
- **TIF Clock** – Upon approval of a URA Plan and activation within the Plan, the URA may receive tax increment for a period no longer than 25-years as per statute.
- **URA** – An Urban Renewal Authority created by law and activated by a Municipal Governing Body (City Council)
- **Urban Renewal Area** – a slum area, or a blighted area, or a combination thereof which the local governing body designates as appropriate for an urban renewal project.
- **Urban Renewal Plan** – a plan, as it exists from time to time, for an urban renewal project, which plan conforms to a general or master plan for the physical development of the municipality as a whole and which is sufficiently complete to indicate such land acquisition, demolition and removal of structures, redevelopment, improvements, and rehabilitation as may be proposed to be carried out in the urban renewal area, zoning and planning changes, if any, land uses, maximum densities, building requirements, and the plan's relationship to definite local objectives respecting appropriate land uses, improved traffic, public transportation, public utilities, recreational and community facilities, and other public improvements.

TAX INCREMENT FINANCE (TIF) FREQUENTLY ASKED QUESTIONS

TAX INCREMENT FINANCE (TIF) BACKGROUND

Tax increment financing (TIF) is a mechanism for funding redevelopment activities or undertakings (undertakings) in Colorado targeted at improving blighted areas or deterring blight in commercial business areas. Colorado enacted its urban renewal law in 1975. TIF was first used in Colorado by the Boulder Urban Renewal Authority for the initial development of the Crossroads Urban Renewal Project in 1979.

WHO CAN USE TIF?

	URA	DDA
FUNDING	Tax Increment Financing	<ul style="list-style-type: none"> Tax Increment Financing + 5 Mill Levy Assess all affected
FORMATION	Ordinance	<ul style="list-style-type: none"> Ordinance Vote of all affected
GOVERNANCE	Appointed	Appointed
PLANNING	Urban Renewal Plan	Plan of Development

State law in Colorado authorizes urban renewal authorities (URAs) and downtown development authorities (DDAs) to use TIF for undertakings that relate to blighted areas. TIF allows an authority to use the "increment" of increased taxes collected within the TIF district once the plan is approved and taxable improvements are made (Section (URA) 31-25-101 et seq., and Section (DDA) 31-25-801 et seq.C.R.S.). Tax increment revenue may be generated from property or municipal sales taxes or both.

WHERE DOES TIF COME FROM?

For TIF purposes, to determine the increment amount of property tax revenue, the base valuation must first be determined. The base valuation is certified by the county and is equal to the total assessed valuation

within the TIF district last certified by the county assessor prior to the approval of the urban renewal plan or plan of development. As assessed value increases the resulting tax revenue is dedicated to pay the costs of carrying out the plan. To protect the revenue allocated to taxing bodies, the base assessed value is increased from time to time and the taxing bodies continue to receive the revenue produced by the levy of such taxing bodies against the adjusted base value.

All the revenue generated by the redevelopment within an area reverts to the normal taxing entities when the urban renewal district sunsets at the close of 25 years for urban renewal and 30 years for downtown development authorities. Thus, the neighborhood benefits from the creation of revitalized, productive properties and amenities, the taxing entities, as well as the entire community, enjoy new, permanent sources of revenue that wouldn't have existed if the authority had not implemented the approved plan and enabled the redevelopment and improvements to happen.

HOW IS TIF USED?

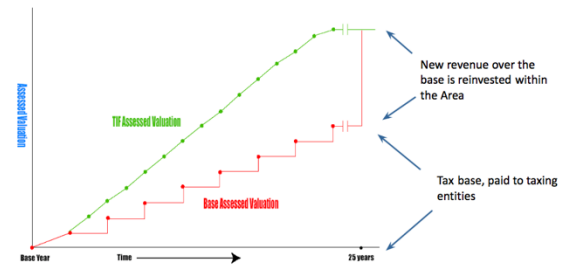
TIF revenues go into a special fund and, as it grows, the funds can be leveraged for support of undertakings in the geographic boundaries of the Tax Increment Finance Plan Area. TIF revenue can be used in a variety of ways for those activities that carry out the basic plan. The authority may issue bonds, pay for eligible costs directly, or reimburse public and private entities for eligible costs.

TIF allows redevelopment authorities to leverage future increased property taxes (and sales tax if the plan includes such) to help finance redevelopment efforts. As redevelopment happens, any of the incremental taxes collected above the adjusted base revenues are invested in the redevelopment itself.

WHY IS TIF NEEDED?

The remediation of blight, redevelopment and construction of public improvements can be very expensive and hard to accomplish, often requiring public investment to remedy. It can be difficult to assemble and redevelop property with dilapidated structures, environmental contamination, lack of proper infrastructure, dangerous conditions, topographical restraints, and undevelopable parcels of land. TIF financing is used to promote and facilitate redevelopment of these areas for the long term benefit of the community.

HOW IS PROPERTY TIF CALCULATED?



ABOUT US



ABOUT US

We are the Doers. We are committed to building downtowns that are prosperous, equitable, creative, and welcoming. United in cause, we are Colorado’s downtown champions.

Downtown Colorado, Inc. (DCI) is a nonprofit, membership association committed to building better communities by providing assistance to Colorado downtowns, commercial districts and town centers. Our organization Downtown Colorado, Inc., established in 1982, provides core services, collaboration, and mentorship to organizations and individuals engaged in downtown and commercial district development. With approximately 500 members, DCI serves a diverse group of communities. Members represent downtown organizations, local governments, development and improvement districts, consultants, individuals and others involved in downtown and community development.



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