

BOARD OF COUNTY COMMISSIONERS FOR  
ADAMS COUNTY, STATE OF COLORADO

**RESOLUTION ADOPTING A POLICY FOR THE REVIEW OF REQUESTS FOR USE  
OF COUNTY TAX INCREMENT FINANCING IN NEW, AMENDED OR MODIFIED  
URBAN RENEWAL PLANS**

WHEREAS, House Bill 15-1348, the Urban Redevelopment Fairness Act amended Colorado Revised Statutes (C.R.S.) § 31-25-101, *et seq.* to provide additional participation and review authority for counties, special districts, and school districts as it pertains to all urban renewal plans created on or after January 1, 2016, or any existing urban renewal plan that is amended or modified on or after January 1, 2016; and,

WHEREAS, C.R.S. § 31-25-104 (2) (a) (I), as amended, states that “an [urban renewal] authority consists of thirteen commissioners...[and] [i]n order to represent the collective interests of the county and all taxing bodies levying a mill levy in one or more urban renewal areas managed by the authority...other than the municipality, one such commissioner on the authority must be appointed by the board of county commissioners of the county in which the territorial boundaries of the urban renewal authority area are located...”; and,

WHEREAS, C.R.S. § 31-25-107 (9.5) (a) states, “[b]efore any urban renewal plan containing any tax allocation provisions that allocates any taxes of any taxing entity other than the municipality may be approved by the municipal governing body...the authority shall notify the board of county commissioners of each county...whose incremental property tax revenues would be allocated under such proposed plan. Representatives of the authority and the governing body of each taxing entity shall then meet and attempt to negotiate an agreement governing the sharing of incremental property tax revenue allocated to the special fund of the authority...”; and,

WHEREAS, Adams County has established an Urban Renewal Authority Board appointment process, a Standing Urban Renewal Review Committee (SURRC), and an evaluation process and set of criteria that the SURRC will use to evaluate the impacts of such plans and tax increment financing associated with such plans on Adams County, and which the SURRC will present to the Board of County Commissioners and the County’s Urban Renewal Authority Board appointee, for consideration; and,

WHEREAS, the appointment process, the evaluation process, and evaluation criteria are included in the attached “Policy for the Review of Requests for Use of County Tax Increment Financing in New, Amended or Modified Urban Renewal Plans.”

NOW, THEREFORE, BE IT RESOLVED, by the Board of County Commissioners of the County of Adams, State of Colorado, that the policy attached hereto regarding the appointment process, the evaluation process, and evaluation criteria to be used for the review of requests for use of County tax increment financing in all new, amended or modified urban renewal plans in Adams County is hereby adopted.

# **POLICY FOR THE REVIEW OF REQUESTS FOR USE OF COUNTY TAX INCREMENT FINANCING IN NEW, AMENDED OR MODIFIED URBAN RENEWAL PLANS**

## **Introduction**

The State of Colorado has allowed for the creation of urban renewal authorities (URAs) since the original URA statute was adopted in 1958. Since then, municipalities across the state have utilized this tool to address blighted areas within their jurisdictions. One way in which those municipalities have dealt with the financial aspect of eliminating blight through urban renewal authorities is through the use of tax increment financing or TIF.

TIF allows for the use of public money to finance infrastructure improvements that are in the public interest. TIF works by enabling local government entities who have a URA to capture increased taxes collected (i.e. the increment) from property or sales taxes in an area that are generated by their improvement to repay the capital investment used to improve that same area. TIFs are not, in themselves, tax increases.

Current Colorado law authorizes only municipalities to make the determination if a URA is needed to address blighted areas, and lays out the procedures, including holding public hearings, that municipalities must follow in order to create such an authority. However, in 2015 the Colorado General Assembly passed, and the Governor signed into law, HB15-1348, which required that any URA created on or after January 1, 2016, or any existing urban renewal plan that is amended or modified on or after January 1, 2016, appoint to its authority one URA commissioner from the County in which the territorial boundaries of the URA area is located.

In addition, HB15-1348 directs that before an urban renewal plan that allocates any taxes other than municipal taxes can be approved, the municipality in which the URA is located must notify the board of County commissioners of any County whose incremental property tax revenues are to be allocated under that urban renewal plan. Furthermore, HB15-1348 requires that the governing body of each taxing entity should meet in order to negotiate an agreement governing the sharing of incremental property tax revenue allocated to the special fund of the authority, and lays out the mediation process by which any disagreements are to be handled with respect to that property tax revenue allocation.

This policy document will govern consideration by Adams County of all requests for use of County TIF in new, amended or modified urban renewal plans within its jurisdiction.

## **Purpose of Policy**

The purpose of this policy, which has been approved by the Adams County Board of Commissioners, is to:

1. Provide guidance as to the process for selecting an Adams County appointee to a URA Board governing any new, amended or modified urban renewal plan within the County's jurisdiction;

2. Provide guidance on what factors and information should be taken into consideration as the County reviews requests for use of County TIF in all new, amended or modified urban renewal plans within its jurisdiction, as well as what criteria should be satisfied in order to approve the use of County TIF in urban renewal plans; and
3. Provide guidance to the public, including municipalities within and adjacent to Adams County, as to how the County appoints representatives to URAs, as well as how the County reviews and considers all requests for use of County TIF in new, amended or modified urban renewal plans within its jurisdiction.

### **Policy Statement**

It is in the interest of Adams County to support efforts to rehabilitate slum or blighted areas within the County, including through the use of urban renewal plans and TIF, so long as those rehabilitation efforts have an advantageous effect on the County.

### **Advantageous Effect**

Advantageous effect to the County shall be taken into consideration when determining the approval of a TIF District. Advantageous effect to Adams County shall be evaluated using the following criteria:

1. Proposed use of incremental tax revenue would not significantly impact effective delivery of public services.
2. Proposed project is not economically feasible without use of County TIF.
3. Benefits to the County government are greater than the costs to the County government.
4. The County received sufficient data to adequately review the proposed use of TIF.

### **URA Board Appointment Process**

The process for selecting an Adams County appointee to a URA governing any new, amended or modified urban renewal plan within the County's jurisdiction is as follows:

Whichever Adams County Commissioner's District contains the whole of an urban renewal area's geographic area, that County Commissioner will be appointed to serve on the URA Board governing that urban renewal area. In the event that the geographic area of an urban renewal area encompasses more than one County Commissioner's District, the County Commissioner whose District contains the majority of the geographic area of that urban renewal area will be appointed to serve on the URA Board governing that urban renewal area.

In the event that the geographic area of an urban renewal area is divided evenly amongst two or more County Commissioners' Districts, the appointment for that URA Board position will be decided by vote of the Board of County Commissioners, and the candidates for that URA Board position will consist only of those County Commissioners whose Districts contain a geographic portion of that urban renewal area.

Upon appointment of an Adams County Commissioner to serve on a URA Board, the County's *Standing Urban Renewal Review Committee* (SURRC) will designate County staff to serve as support staff for said County Commissioner, as well as act as a proxy in the event said County Commissioner is unable to attend a meeting or meetings of that URA Board.

### **Evaluation Process and Criteria**

The proposed use of County TIF in all new, amended or modified urban renewal plans within Adams County will be evaluated by the SURRC to determine the risks and benefits to the County. The SURRC will be comprised of representatives from the following Adams County departments and offices: County Manager's Office, Finance Department, Community & Economic Development Department, and the Budget Office. The Community & Economic Development Department will serve as the SURRC Coordinator. In their analysis of any proposed request for the use of County TIF, the following questions, or other questions which may arise, will serve as a guide for the SURRC to use to evaluate the urban renewal plan and its risks and benefits to the County:

1. What is the public purpose of the project, and how will this development benefit Adams County?
  - a. Number of jobs created (including those jobs at or above the median income level, and temporary vs. permanent jobs), Tax base benefits, Housing benefits, Transportation benefits, Environmental benefits, etc.
2. Why is public financing (TIF) needed for the project?
3. What is the proposed revenue sharing structure for the project?
4. What, if any, private funding will be allocated to the project?
5. What is the total cost of the project?
6. What is the anticipated timeframe for project completion?
7. What is the term (length) of the TIF and related financing?
8. What risks does the project pose to the County?
  - a. What are the plans for mitigating those risks?
9. How do the plans for this project compare to similar projects completed in the County?
10. How will this project impact any other publicly financed projects in the County?
11. How will this project impact current residents/businesses in the project area?
12. How will this project impact current public services in the County?
13. How will this project impact the tax base of the area surrounding the project?

The information gathered from this evaluation process will be compiled and presented by the SURRC to the Board of County Commissioners and the Adams County URA Board appointee along with the SURRC's recommendation for approval or denial of a County TIF for that specific project. The SURRC's report, which will be made public, will also identify any elements of the proposed project that do not conform with this TIF policy, as well as any information not provided by the URA that would answer any of the questions posed above.