

**URBAN RENEWAL PLAN
FOR THE BANDLEY URBAN RENEWAL AREA**

October 2015

URBAN RENEWAL PLAN FOR THE BANDLEY URBAN RENEWAL AREA

1.0 DEFINITIONS

The terms used in this Urban Renewal Plan shall have the following meanings. Other terms are defined in the body of the text.

“Act” means the Colorado Urban Renewal Law, Part 1 of Article 25 of Title 31, of the Colorado Revised Statutes as it applies at the date this Plan is approved by the City Council of the City.

“Area” or “Urban Renewal Area” means the area of the City included within the boundaries of this Urban Renewal Plan as depicted in Exhibit A and described in Exhibit B.

“Authority” means the Fountain Urban Renewal Authority.

“City” means the City of Fountain, Colorado.

“Comprehensive Plan” means the 2005 City of Fountain Comprehensive Development Plan, as amended to the date of this Plan.

“Plan” means this urban renewal plan as adopted and approved by the City Council of the City.

“Project” or “Urban Renewal Project” means all of the activities and undertakings described in Section 103(10) of the Act as they may apply to this Plan.

2.0 PREFACE AND PROJECT AREA DESCRIPTION

The Urban Renewal Area consists of two adjoining parcels owned by the same party. Parcel 1 is approximately 48.50 acres in size. It contains a vacant two-story 360,000 square foot light manufacturing building. The building was constructed in 1986 and has been vacant since late 2007. The building is in need of extensive interior and exterior repair and code-related upgrades. Exterior site improvements are in a severely deteriorated state. The El Paso County Assessor classifies the land included in Parcel 1 as manufacturing/processing and the improvements as industrial/manufacturing.

Parcel 2 is a 48.62-acre site. It is unplatted and undeveloped. It is classified by the El Paso Assessor as vacant industrial lots. The site is bordered on the northeast by Fountain Creek. A portion of the property is located in the 100-year flood plain and is traversed by various easements, some of which are unrecorded. There is an easement granted to the United States of America that provides access to a facility operated by the Federal Aviation Administration along and adjacent to the southern area of Parcel 2.

According to the El Paso County Assessor, no real property in the Urban Renewal Area has been

classified as agricultural for the purposes of levying and collecting property taxes at any time during the five-year period prior to the date of this Plan.

The boundaries create a compact and logical Urban Renewal Area that facilitates project financing and expedites redevelopment by private enterprise in accordance with the Act.

This Plan has been prepared for the City Council pursuant to the provisions of the Act. The administration of the Project and the implementation of the Plan shall be the responsibility of the Authority.

3.0 URBAN RENEWAL AREA BOUNDARIES

The location and boundaries of the Urban Renewal Area are shown in Exhibit A. The Urban Renewal Area contains approximately 97.12 acres and is described in Exhibit B.

4.0 SUMMARY OF STATUTORY CRITERIA

The Urban Renewal Area was studied by City staff and independent legal counsel to document whether conditions that constitute a “blighted area” (as defined in the Act) exist in the Area. The results were reported in a document entitled “SCI Conditions Survey” (the “Conditions Survey”) dated March 2014 as updated to October 2015. The Conditions Survey shows that the following factors listed in the Act are present in the Area.

The condition of the land and improvements as documented in the Conditions Survey qualify the Area as a “blighted area” as defined in the Act:

- (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 or inadequate public improvements or utilities;
- (g) Defective or unusual conditions of title rendering the title non-marketable;
- (h) 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; and

- (j) 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.

5.0 DESCRIPTION OF URBAN RENEWAL PROJECT

This Plan will be implemented as part of a comprehensive program to eliminate and prevent blight in the Urban Renewal Area. The Authority and the City, with the cooperation of private enterprise and other public bodies, will undertake a program to eliminate the conditions of blight identified in the Conditions Survey while implementing the Comprehensive Plan.

5.1 Urban Renewal Plan Goals

This Plan has been adopted to achieve the following goals in the Area:

5.1.1 The Plan implements and follows the strategies of the Comprehensive Plan in the Urban Renewal Area and promotes the orderly growth and development of the Urban Renewal Area.

5.1.2 The Plan will enhance the quality of life for present and future citizens of the City, provide a positive impact on the tax base, and will not adversely affect community services or the natural environment.

5.1.3 Implementation of the Plan will eliminate and prevent conditions of blight in the Urban Renewal Area.

5.1.4 The Plan will encourage development that provides for a diverse and stable economic base and provide employment opportunities for existing and future residents of the City.

5.1.5 The Plan promotes new development and redevelopment on already annexed and underdeveloped land within the existing City limits.

5.1.6 The Plan limits urban sprawl by facilitating growth and development within the City's defined Urban Services Area.

5.1.7 The Plan will rehabilitate and restore an existing empty building to productive use.

5.1.8 Through the maximum possible participation of private enterprise and the cooperative efforts of the public sector, implementation of the Plan will eliminate and prevent economic deterioration in the Urban Renewal Area and the community at large. The Plan will promote creation of value in the Area.

5.1.9 The Plan will help attract capital investment and new businesses, which provides employment and strengthens the City's economic base.

5.2 Relationship to Local and Regional Objectives

The Plan conforms to and is designed to implement the Comprehensive Plan and regional objectives in the Area.

5.2.1 The Plan meets the objective of maintaining a regional perspective on the growth and development of the City by addressing area-wide issues of growth and development.

5.2.2 The Plan will implement the provisions of the City's master drainage and flood improvement program, which is part of regional efforts to control flooding and promote a comprehensive drainage program to serve the entire region.

5.2.3 The Plan facilitates infill development and redevelopment of underutilized land and efficiently uses the City's existing infrastructure and resources.

5.2.4 The Plan encourages commercial and office park development that incorporates unified site design, pedestrian, and traffic circulation planning.

5.2.5 The Plan concentrates land uses to reduce demand and space requirements by providing well-defined off-street parking.

5.2.6 The Plan promotes grouping and clustering of development along arterials and discourages piecemeal development.

5.2.7 The Plan supports efforts by private developers to rehabilitate existing properties.

5.2.8 The Plan provides for development within the Cities designated urban growth area in conformance with the Comprehensive Plan and capital improvements program.

5.2.9 The Plan encourages participation in the development of a well-balanced regional transportation system to move people and goods safely.

5.2.10 The Plan increases both local job opportunities and tax revenues while retaining jobs and industries to serve a growing population.

5.2.11 The Plan is consistent with the goal of assuring adequate acreage is dedicated to industrial and commercial land uses.

5.2.12 The Plan will help recruit new businesses and new dollars into the

community and promote growth consistent with the changing global economy.

5.2.13 The Plan fosters cooperation with regional economic development interests so that efforts are unified and conflicts are avoided.

5.3 Land Use Regulations and Building Requirements

The Plan will provide a comprehensive and unified plan to promote and encourage high quality development of the Urban Renewal Area by private enterprise. In addition to the land use and building requirements contained in City Codes and ordinances and the provisions of this Plan, the Authority may, but is not required to, adopt design guidelines and standards (“Design Guidelines and Standards”) that will apply to the property and both public and private improvements in the Area.

The Plan and any adopted Design Guidelines and Standards will implement the provisions of Section 31-25-107(8) of the Act, which provides that, upon approval of the Plan by the City Council, the provisions of the Plan shall be controlling with respect to land area, land use, design, building requirements, timing, or procedure applicable to the Area.

In the event of a conflict involving the provisions of City codes, the Plan and the Design Guidelines and Standards, the most restrictive provision shall govern.

5.4 Uses

The purposes of the Plan are to eliminate and prevent blight and to achieve development of the highest quality in the Urban Renewal Area. The uses permitted will be those allowable under all applicable City codes, ordinances, and land use requirements.

6.0 **PROJECT ACTIVITIES**

In order to carry out this Plan, the Authority may exercise any and all of its rights and powers under the Act and any other applicable law, ordinance or regulation; except that, as provided in Section 6.1, the Authority shall not exercise the power of eminent domain unless the owner consents in writing to such exercise. The following provisions shall apply to the Area.

6.1 Land Acquisition

The Authority may acquire any interest in property by any manner available, except that the Authority is not authorized to exercise the power of eminent domain unless the owner consents in writing. The Authority may acquire property in the Area for the following reasons: To eliminate or prevent conditions of blight; to carry out one or more objectives of the Plan; to assemble property for redevelopment by private enterprise; for needed public improvements and for any other lawful purpose authorized by the Plan, the Act or any other applicable law.

6.2 Relocation

No relocation of any individual, family or business concern is required to carry out this Plan. However, if acquisition of property by the Authority displaces any individual, family or business concern, the Authority may assist such party in finding another location, and may, but is not obligated to, make relocation payments to eligible residents and businesses in such amounts and under such terms and conditions as it may determine.

6.3 Demolition, Clearance and Site Preparation

The Authority may itself or by agreement with others, demolish and clear those buildings, structures and other improvements from property it acquires or others may own or acquire if such buildings, structures and other improvements are not to be rehabilitated in accordance with this Plan. The Authority may provide or pay for rough and finished site grading and other site preparation services as part of a comprehensive redevelopment program.

6.4 Property Management

During such time as any property is owned by the Authority, such property shall be under the management and control of the Authority and may be rented or leased by it pending disposition for redevelopment or rehabilitation.

6.5 Public Improvements

The Authority is authorized to undertake and finance, directly or by agreement with others, the design and construction of any and all public improvements and infrastructure required to redevelop the Area, including, without limitation, improvements to address street, streetscape, utility, drainage, flood, and infrastructure deficiencies and problems in the Area as well as other elements deemed necessary by the Authority to eliminate and prevent conditions of blight and to carry out the provisions of the Act and the Plan.

6.6 Land Disposition, Redevelopment and Rehabilitation

Purchasers or owners of property within the Area will be obligated to develop, redevelop or rehabilitate such property in accordance with the provisions of this Plan and all applicable City requirements.

The Authority may dispose of property it acquires by means of a reasonable competitive bidding procedure it establishes in accordance with the Act and pursuant to redevelopment agreements between the Authority and such purchasers.

The Authority may also enter into redevelopment and reimbursement agreements with property owners in the Area for the development, redevelopment or rehabilitation of their property. Such agreements will provide for such participation and assistance as the Authority may elect to provide

to such owners, including, without limitation, financial assistance consistent with the Act and the issuance of bonds, notes, and other financial obligations to carry out the Urban Renewal Project in whole or in part.

All such redevelopment, owner participation and other agreements shall contain, at a minimum, provisions requiring:

- 6.6.1 Compliance with the Plan and all applicable City codes, ordinances, engineering standards, specifications and policies;
- 6.6.2 Covenants to begin and complete development, construction or rehabilitation of both public and private improvements within a period of time deemed to be reasonable by the Authority;
- 6.6.3 The financial commitments of each party (but nothing herein shall obligate the Authority to make any such financial commitment to any party or transaction).

6.7 Cooperation Agreements

For the purposes of planning and carrying out this Plan, the Authority may enter into one or more cooperation agreements with the City or other public bodies. Without limitation, such agreements may include project financing and implementation; design, location and construction of public improvements; revenue sharing or other measures approved by the Authority to offset Urban Renewal Project impacts on improvements or services; and any other matters required to carry out this Urban Renewal Project. It is recognized that cooperation with the City, other municipalities and other public and private bodies may be required to coordinate such issues as the design, construction and timing of public and private improvements within and outside of the Area to properly and efficiently carry out the goals and objectives of this Plan. Cooperation agreements addressing such issues are deemed necessary and incidental to the planning and execution of the Project.

6.8 Other Project Undertakings and Activities

Other Project undertakings and activities deemed necessary by the Authority to carry out the Plan in the Area may be undertaken and performed by the Authority or pursuant to agreements with other parties or public bodies in accordance with the authorization of the Act and any and all applicable laws.

7.0 PROJECT FINANCING

The Authority is authorized to finance all the activities and undertakings under this Plan by any method authorized by the Act or any other applicable law, including without limitation, appropriations, loans or advances from the City; federal loans and grants; state loans and grants;

interest income; pay as you go arrangements; annual appropriation agreements; agreements with public and private parties or entities; sale of securities; loans, advances and grants from any other available source.

Any and all financing methods legally available to the City, the Authority, any private developer, redeveloper or owner may be used to finance in whole or in part any and all costs, including without limitation, the cost of public improvements, described or anticipated in the Plan or in any manner related or incidental to the development of the Urban Renewal Area. Such methods may be combined to finance all or any part of activities and undertakings throughout the Urban Renewal Area. Any financing method authorized by the Plan or by any applicable law, including without limitation, the Act, may be used to pay the principal of and interest on and to establish reserves for indebtedness (whether funded, refunded, assumed or otherwise) incurred by the Authority or the City to finance activities and undertakings authorized by the Act and this Plan in whole or in part.

The Authority is authorized to issue notes, bonds or any other financing instruments or documents in amounts sufficient to finance all or part of the Urban Renewal Plan. The Authority is authorized to borrow funds and to create indebtedness in carrying out this Plan. The principal, interest and any premiums due on or in connection with such indebtedness may be paid from any funds available to the Authority.

The Urban Renewal Project may be financed by the Authority under the tax allocation financing provisions of the Act and will require use of tax allocation for the full twenty-five year period authorized by the Act. Under the tax allocation method of financing the Project, property taxes levied after the effective date of the approval of this Plan upon taxable property in the Urban Renewal Area each year by or for the benefit of any public body and all the municipal sales taxes collected within the Urban Renewal Area, or both such taxes, shall be divided for a period not to exceed twenty-five (25) years after the effective date of the adoption of this tax allocation provision, as follows:

7.1 Base Amount

That portion of the taxes which are produced by the levy at the rate fixed each year by or for such public body upon the valuation for assessment of taxable property in the Urban Renewal Area last certified prior to the effective date of approval of the Plan or, as to an area later added to the Urban Renewal Area, the effective date of the modification of the Plan and, to the extent agreed to in writing by the City, that portion of municipal sales taxes collected within the boundaries of the Urban Renewal Area in the twelve-month period ending on the last day of the month prior to the effective date of the approval of the Plan shall be paid into the funds of each such public body as are all other taxes collected by or for said public body.

7.2 Increment Amount

That portion of said property taxes and, to the extent agreed to in writing by the City, that portion of said sales taxes in excess of such base amount shall be allocated to and, when collected, paid

into a special fund of the Authority to pay the principal of, the interest on, and any premiums due in connection with the bonds of, loans or advances to, or indebtedness incurred by (whether funded, refunded, assumed or otherwise) the Authority for financing or refinancing, in whole or in part, the Project.

Unless and until the total valuation for assessment of the taxable property in the Urban Renewal Area exceeds the base valuation for assessment of the taxable property in the Urban Renewal Area, all of the taxes levied upon taxable property in the Urban Renewal Area shall be paid into the funds of the respective public bodies. Unless and until the total municipal sales tax collections in the Urban Renewal Area exceed the base year municipal sales tax collections, all such sales tax collections shall be paid into the funds of the City.

When such bonds, loans, advances and indebtedness, including interest thereon and any premiums due in connection therewith, have been paid, all taxes upon the taxable property in the Urban Renewal Area shall be paid into the funds of the respective public bodies and all such municipal sales tax collections in the Urban Renewal Area shall be paid into the funds of the City.

The increment portion of the taxes, as described in this Section 7.2, may be irrevocably pledged by the Authority for the payment of the principal of, the interest on, and any premiums due in connection with such bonds, loans, advances and indebtedness incurred by the Authority to finance the Urban Renewal Project.

8.0 CHANGES IN APPROVED PLAN

This Plan may be modified pursuant to the provisions of the Act governing such modifications as such provisions apply on the date this Plan is originally approved.

9.0 MINOR EXCEPTIONS

In specific cases, the City Manager may allow minor exceptions or variations from the provisions of the Plan if the City Manager determines that literal compliance or enforcement of the provisions of the Plan would constitute an unreasonable restriction, limitation, or hardship beyond the intent and purpose of the Plan.