

**FURA Resolution 14-02
EXHIBIT B**

**SOUTH ACADEMY HIGHLANDS
URBAN RENEWAL PLAN**

June 2014

SOUTH ACADEMY HIGHLANDS URBAN RENEWAL PLAN

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.

“Area” or “Urban Renewal Area” means the area of the City included within the boundaries of South Academy Highlands Filing No. 1, according to the recorded plat thereof, City of Fountain, County of El Paso, State of Colorado.

“Authority” means the Fountain Urban Renewal Authority.

“City” means the City of Fountain, Colorado.

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

“Plan” means this urban renewal plan as it may be amended in the future.

“Project” or “Urban Renewal Project” means all of the activities and undertakings described in this Plan.

2.0 PREFACE AND PROJECT AREA DESCRIPTION

The Urban Renewal Area contains approximately 99.284 acres. The Area is undeveloped and is characterized by severe topographical problems and lack of infrastructure making redevelopment difficult. Extensive investment in utilities and infrastructure is necessary before the Area can be placed in productive use.

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 Urban Renewal Area contains approximately 99.248 acres and is depicted in Exhibit A, attached to and made a part hereof.

4.0 SUMMARY OF CONDITIONS IN URBAN RENEWAL AREA

The Authority retained the consulting firm of Ricker/Cunningham to survey the Urban Renewal Area and 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 “South Academy Highlands Conditions Survey” (the “Conditions Survey”) dated May 2014. The Conditions Survey is incorporated in and made a part of this Plan.

Based on a review of the Conditions Survey and other evidence presented to City Council, the City Council has found and determined that the Area is a “blighted area” as defined in Section 31-25-103(2) of the Act, and by reason of the presence of the following factors, the Area substantially impairs or arrests the sound growth of the City, constitutes an economic and social liability, and is a menace to the public health, safety, morals or welfare in its present condition and use. The following conditions documented in the Conditions Survey qualify the Area as a “blighted area” as defined in the Act.

4.1 Street Layout. Predominance of defective or inadequate street layout is present in the Area. (Section 31-25-103(2)(b), C.R.S.)

4.2 Unsafe Conditions. Unsanitary or unsafe conditions exist in the Area because of lack of infrastructure and safe methods for travel by vehicles and pedestrians. (Section 31-25-103(2)(d), C.R.S.)

4.3 Topography and Infrastructure. The Area is characterized by unusual topography and inadequate public improvements and utilities. (Section 31-25-103(2)(f), C.R.S.)

4.4 Defective or Unusual Conditions of Title. The Area is affected by third-party access easements that interfere with redevelopment. (Section 31-25-103(2)(g), C.R.S.)

4.5 Underutilization. In its present condition the Area lacks basic infrastructure and safety systems and requires high levels of municipal services and the Area is characterized by substantial physical underutilization or vacancy of sites. (Section 31-25-103(2)(k.5), C.R.S.)

4.6 Consent. In addition to the above factors, the Act also provides that if there is no objection by the property owner or owners and the tenant or tenants of such owner or owners 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 listed in Sections 4.1 through 4.5, above, 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. All of the owners of all of the

property in the Urban Renewal Area have consented to its inclusion in the Urban Renewal Area. There are no tenants of the owners so that any one of the factors listed in Sections 4.1 through 4.4 is sufficient to qualify as an Urban Renewal Area pursuant to the Act.

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, if required, 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

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.

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

5.1.2 The Plan provides more retail opportunities in the community to increase convenience and minimize leakage of consumer dollars to surrounding communities.

5.1.3 The Plan facilitates and focuses attention to siting, orientation, scale, mix and compatibility of uses, and relationship to community amenities.

5.1.4 The Plan facilitates the development of shopping centers and life-style malls, which are desirable uses listed in the Comprehensive Plan.

5.1.5 The Plan provides for logical extension of the City's boundaries so that Fountain may expand in a directed and fiscally-sound manner.

5.1.6 The Plan implements the policy that new sales tax-generating developments should provide a traffic circulation system that does not bisect and adversely impact residential neighborhoods.

5.1.7 The Plan ensures that revenue generated from new development will offset the cost of providing community services to that development.

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.

5.1.10 The Plan provides for development within the City's designated urban growth area in conformance with the Comprehensive Plan and capital improvements program.

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 land uses in the Area will provide goods and services for the region and the travelling public.

5.2.3 The Plan will provide for large specialty retail establishments that people will drive distances to shop.

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

5.2.5 The Plan encourages collaboration with area service providers to provide the highest level of public services.

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

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

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

5.2.9 The Plan will help recruit new businesses and new dollars into the community and promote growth consistent with the changing global economy.

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. Land use and building requirements contained in City Codes and ordinances will apply to the property and both public and private improvements in the Area.

The Plan 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.

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. 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. The Authority may acquire property by negotiation with parties willing to sell or transfer any such interest. The Authority may provide funds for the reimbursement of property acquisition costs. The Authority may acquire property interests by voluntary negotiation 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 and flood 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 and Redevelopment

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.

If the Authority acquires property interests for any reason as authorized herein, 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.

All such redevelopment, owner participation and other agreements shall contain, at a minimum, the following provisions.

6.6.1 The Agreement will require compliance with the Plan and all applicable City codes, ordinances, engineering standards, specifications and policies.

6.6.2 The Agreement will contain 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 Agreement shall state 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 Project impacts on improvements or services; and any other matters required to carry out this 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 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 Project may be financed by the Authority under the municipal sales tax allocation financing provisions of the Act. Under this method of financing the Project, that portion of the municipal sales tax increments approved by the City Council in writing and collected within the Urban Renewal Area 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 Municipal Sales Tax Base Amount

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 the City as are all other municipal sales taxes collected by or for the City (the "Base Amount").

7.2 Increment Amount

That portion of said municipal sales taxes approved by the City Council in writing in excess of such Base Amount (the "Increment 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 municipal sales tax collections in the Urban Renewal Area exceed the Base Amount all such municipal sales taxes shall be paid into the funds of the City. All municipal sales taxes not included in the Increment Amount 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 such municipal sales tax collections in the Urban Renewal Area shall be paid into the funds of the City.

The Increment Amount of the municipal sales 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, notes, loans, advances and indebtedness incurred by the Authority to finance the Project.

8.0 CHANGES IN APPROVED PLAN

This Plan may be modified pursuant to the provisions of the Act governing such modifications, including Section 31-25-107, C.R.S.

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.