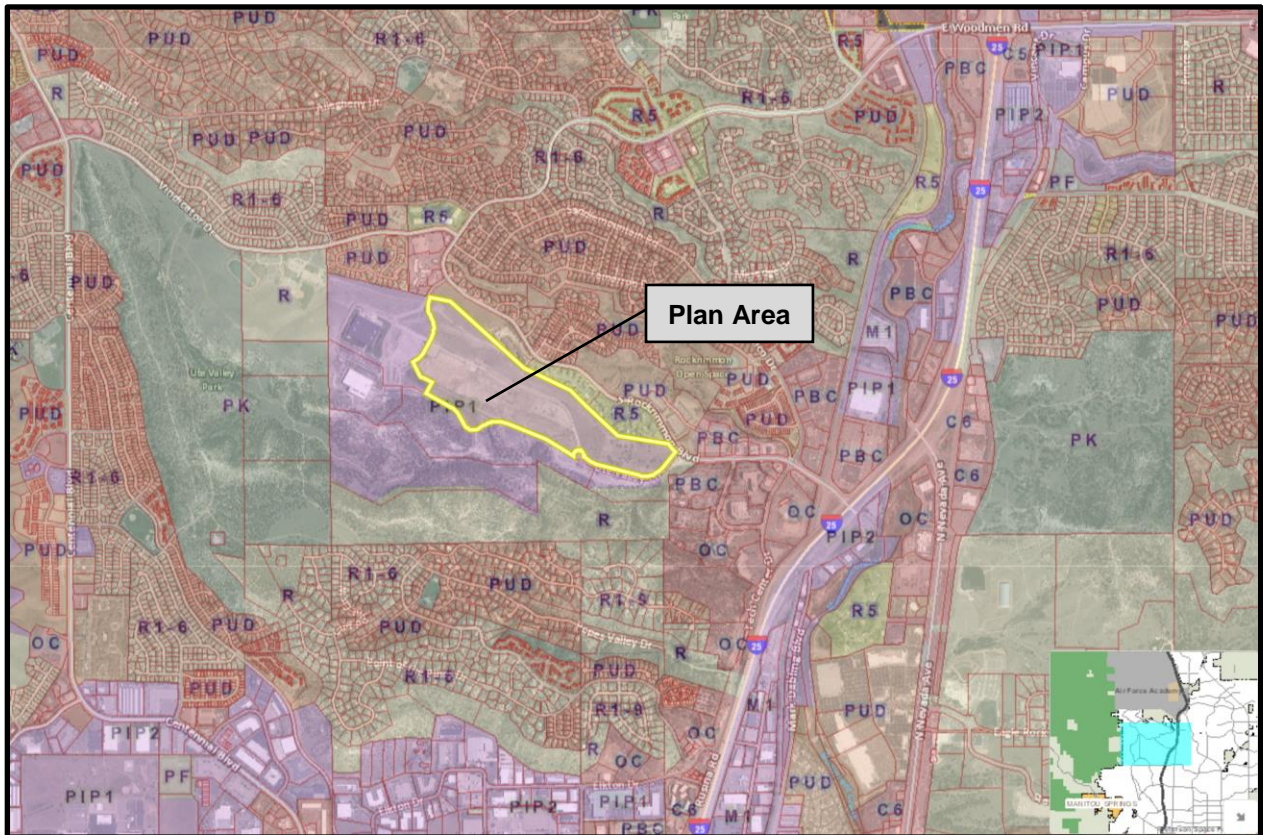


**CITY PLANNING COMMISSION AGENDA
JANUARY 11, 2022**

STAFF: DANIEL SEXTON

**FILE NO:
URA-23-008**

PROJECT: PROJECT GARNET URBAN RENEWAL PLAN
OWNERS: DDJ NO. 5 LLC AND CLASSIC INVESTMENT, LLC
APPLICANT: COLORADO SPRINGS URBAN RENEWAL AUTHORITY



PROJECT SUMMARY:

1. **Project Description:** The project, known as the Project Garnet Urban Renewal Plan, was initiated to establish the Project Garnet Urban Renewal Area (also referred to as “URA” or “Plan Area”). The Plan Area covers approximately 88.366-acres of land located to the south of South Rockrimmon Boulevard (addressed as “301 South Rockrimmon Boulevard”) all of which is zoned PIP-1/cr/HS (Planned Industrial Park with Conditions of Record and a Hillside Overlay) zone district. The establishment of the proposed URA will support the redevelopment of the former manufacturing site, which was previously owned and operated by Hewlett Packard Enterprise Company, through use of Tax Increment Financing (TIF).
2. **Applicant’s Urban Renewal Plan:** (see “**Project Garnet Urban Renewal Plan - DRAFT**” attachment)
3. **Planning and Development Team’s Recommendation:** City Planning staff recommends that the Planning Commission find that the proposed URA conforms to the City’s Comprehensive Plan as required by State Statutes CRS 31-25-107(2) prior to City Council approval of the URA.

BACKGROUND:

1. **Site Address:** The Plan Area covers a property addressed as 301 South Rockrimmon Boulevard.
2. **Existing Zoning/Land Use:** The subject properties are zoned PIP-1/cr/HS (Planned Industrial Park with Conditions of Record and a Hillside Overlay) zone district. The site is currently vacant and was a former manufacturing site owned and operated by Hewlett Packard.
3. **Surrounding Zoning/Land Use:** North: PUD/R-5/HS (Planned Unit Development and Multi-Family Residential with Hillside Overlay) and are residentially developed.
South: R/HS/SS (Estate Residential with Hillside and Streamside Overlays) and is City parkland (Ute Valley Park)
East: R/PIP-1/cr/HS/SS (Estate Residential and Planned Industrial Park with Conditions of Record and Hillside and Streamside Overlays) and is City right-of-way (Ute Valley Trail) and parkland (Ute Valley Park)
West: PIP-1/cr/HS (Planned Industrial Park with Conditions of Record and a Hillside Overlay)
4. **PlanCOS Vision:** According to the PlanCOS Vision Map (see “**Vision Map**” attachment), the area is identified as part of an “Established Suburban Neighborhood”.
5. **Annexation:** The property was annexed into the City of Colorado Springs on April 1, 1966, under the Golden Cycle Addition #3 annexation plan (Ordinance Unknown)
6. **Master Plan/Designated Master Plan Land Use:** The property is located within the Rockrimmon Master Plan area, which has been deemed implemented.
7. **Subdivision:** The Plan Area was platted as Lot 3 of D.E.C Subdivision Filing No. 2.
8. **Zoning Enforcement Action:** N/A
9. **Physical Characteristics:** The site is undeveloped and vacant, and features remnants of a former manufacturing operation.

STAKEHOLDER PROCESS AND INVOLVEMENT:

For the requested URA, the Colorado Springs Urban Renewal Authority has followed the requirements of Colorado Revised Statutes (“CRS”) 31-25-107. The Colorado Springs Urban Renewal Authority (“CSURA”) has been in close contact with the property owner regarding the blight conditions and existing conditions surveys, which will be provided upon acceptance.

According to City Code and CRS, the proposed Project Garnet Urban Renewal Plan and Area are not required to be reviewed by other City departments or external agency reviewers. Development-related reviews will occur once land use applications are submitted for a specific project within the Plan Area.

ANALYSIS OF REVIEW CRITERIA/MAJOR ISSUES/COMPREHENSIVE PLAN & MASTER PLAN CONFORMANCE:

1. Review Criteria / Design & Development Issues:

a. Background:

The subject property has remained undeveloped since 2012, when the former manufacturing operation, owned and operated by Hewlett Packard, was demolished. The Plan Area has been zoned PIP-1/cr (Planned Industrial Park with Conditions of Record) since 1976 and was also impacted by City Council's establishment of the Hillside Overlay in 1996. The approval of the base zone district set the stage for the site's initial development and use for precision manufacturing. The overlay zone, which covers many properties west of Interstate 25, was intended to support the development and maintenance of hillside properties in an environmentally sensitive fashion, as these parcels are characterized by significant natural features which contribute to the attractiveness of the community. All future land uses and site development parameters will be separately reviewed accordingly to the applicable requirements of City Code.

b. Approval of an Urban Renewal Designation:

Urban renewal authorities, urban renewal plans and the use of tax increment financing (TIF) are regulated by CRS Title 31, Article 25. The intent of urban renewal plans is to encourage and facilitate redevelopment and to eliminate blight within a designated area and must be deemed consistent with a city's comprehensive plan. For the purposes of urban renewal, "blighted area" is defined in CRS. For an area to be classified as blighted, it must exhibit 4 of 12 characteristics also stipulated in CRS. A blight conditions survey is completed and concludes that as a stand-alone area, it qualifies as a "blighted area". The Project Garnet Existing Conditions Survey draft report, prepared by Economic & Planning Systems, Inc., for the subject property is attached (**see "Project Garnet Existing Conditions Survey - DRAFT" attachment**).

In accordance with CRS 31-25-107(2), prior to City Council approval of an urban renewal plan or a substantial amendment to an existing plan, the plan or amendment must first be reviewed, and a recommendation offered by the City Planning Commission regarding its conformity to the City's current comprehensive plan (herein referred to as "PlanCOS"), adopted in January 2019. If no recommendation is offered by the City Planning Commission within 30 days of submittal, the City Council may proceed to act upon the submitted plan or amendment.

Pursuant to CRS, urban renewal plans sunset 25 years after their adoption. The most common method of funding improvements is through the issuance of bonds by an urban renewal authority in order to initiate the money for specified improvements within a designated area. The bonds are then repaid by the urban renewal authority using the revenue generated from the incremental increase in sales and property taxes collected within the urban renewal area. This is commonly referred to as tax increment financing or "TIF". It should be noted that creation of an urban renewal area does not change the tax rate base - the tax increment yields are generated by the increases in property values and sales of taxable goods above the taxes collected prior to the adoption of the plan. (Typically, the year prior to or the year a plan was adopted serves as the "base year" from which the increment is determined. The "base year" rates are later adjusted every two years to establish a new base.) It should be noted that the Colorado Springs Urban Renewal Authority (CSURA) normally receives 100% of the property tax increment; however, the portion of the City's 2% of the general sales tax increment is negotiated through a separate agreement with the City.

The adoption of the Project Garnet Urban Renewal Plan (**see "Project Garnet Urban Renewal Plan" attachment**) allows the CSURA, among other powers, to enact property tax and sales tax increment financing to assist with the financing of infrastructure and site remediation requirements necessary to eliminate and prevent the spread of blighted conditions in the area for a full 25-year period.

c. Comprehensive Plan Conformance:

As stated above, the City's Planning Commission must evaluate the proposed Plan Area for compliance with the City's current comprehensive plan (herein referred to as "PlanCOS"), adopted in January 2019. To assist in this effort, the City Planning staff has reviewed the proposed urban renewal plan and area to provide insights and analysis for the Planning Commission to consider when determining conformance with PlanCOS.

Per PlanCOS, the Plan Area is identified as part of an "Established Suburban Neighborhood". (see **"Vision Map" attachment**). As a refinement of the Established Suburban Neighborhood typology, the Unique Places Framework Map (see **"Unique Places Framework Map" attachment**) illustrates that the Plan Area is proximate to the Community Activity, and Entertainment and Commercial centers that encompass the University of Colorado, Colorado Springs campus and University Village. Thriving Economy Framework Map (see **"Thriving Economy Framework Map" attachment**) identifies the Plan Area and surrounding neighborhood as a "Spinoffs and Startups" economic typology. The goal of this typology is to create conditions or the environment to increase business competitiveness and worker attraction, particularly in technology-based industries. These typologies support why the URA is consistent with several core values of PlanCOS.

Within the Unique Places Chapter 3 of PlanCOS, the "Big Idea" entitled "Embrace Creative Infill, Adaptation, and Land Use Change" Has Goal UP-2, which states:

"Embrace thoughtful, targeted, and forward-thinking changes in land use, infill, reinvestment, and redevelopment to respond to shifts in demographics, technology, and the market."

Policy UP-2.A clarifies this goal by *"Support[ing] infill and land use investment throughout the mature and developed areas of the city."*

Goal UP-4, under the "Big Idea" entitled "Focus on Corridors and Centers", states:

"Strengthen our overall community identity and better serve the needs of residents and businesses within our large metropolitan area by developing active, unique, and connected centers and corridor."

Policy UP-4.D furthers this goal through the acknowledged need to *"Leverage funding tools, partnerships, and policies to fund and maintain redevelopment centers, corridors, and gateways."*

According to the Thriving Economy Chapter 4 of PlanCOS, there are few "Big Ideas" that support fostering an environment of inclusivity and economic diversity and support attracting an innovative workforce and targeting industry clusters. More specifically, the "Big Idea" entitled "Brand As the Best", has goal TE-1 that states:

"Build on our quality of place and existing competitive advantages."

The "Big Idea" entitled "Embrace Sustainability", also has Goal TE-4 that states:

"Focus on productively developing and redeveloping areas already in, nearby, or surrounded by the city in order to preserve open spaces, maximize investments in existing infrastructure, limit future maintenance costs, and reduce the impacts of disinvestment in blighted areas."

A policy for this goal further reinforces that development should *"Prioritize development within the existing City boundaries and built environment (not in the periphery)."*

Based on the above list of goals, the proposed URA compliments and supports the vision and strategies for implementing PlanCOS. City Planning staff thus find the proposal to be in conformance with PlanCOS.

d. Conformance with the Area's Master Plan:

The project site is part of the Rockrimmon master plan, which is an "implemented" master plan. Regardless of the above referenced plan status, the adoption of PlanCOS acknowledged and recognized all established master plans as giving context to the predictable and less certain futures of our community and the ability to achieve the PlanCOS Vision. The neighborhood surrounding the Plan Area is developed with a mix of commercial, industrial, residential, and open space; thus,

City Planning staff finds that the designation of an urban renewal area supports a brownfield redevelopment of an otherwise blighted and underutilized property. Through redevelopment, the Plan Area will promote private investment and create economic benefit to the community with significant job growth.

STAFF RECOMMENDATION:

URA-23-008 – PROJECT GARNET URBAN RENEWAL PLAN

Recommend to City Council that the Project Garnet Urban Renewal Plan is consistent with the city comprehensive plan, based upon the findings contained in the above section of the staff report.