
NEW BUSINESS CALENDAR

CITY PLANNING COMMISSION AGENDA

ITEM NO: 6.A - 6.B

STAFF: PETER WYSOCKI

FILE NO: CPC MP 04-00012-A1MJ15

PROJECT: GOLD HILL MESA AMENDED URBAN RENEWAL PLAN and
GOLD HILL MESA COMMERCIAL AREA URBAN RENEWAL PLAN

APPLICANT: COLORADO SPRINGS URBAN RENEWAL AUTHORITY

OWNER: GOLDEN CYCLE INVESTMENTS, LLC



PROJECT SUMMARY:

1. Project Description: This is a request by the Colorado Springs Urban Renewal Authority on behalf of Golden Cycle Investments, LLC for Planning Commission's determination that:
 - a. The amended Gold Hill Mesa Urban Renewal Plan is consistent with the City's Comprehensive Plan; and,
 - b. The Gold Hill Mesa Commercial Area Urban Renewal Plan is consistent with the City's Comprehensive Plan.

The current Gold Hill Mesa Urban Renewal Plan ("GHMURP") was initially adopted by the City Council in May 2004 (Resolution 99-04). The original GHMIRP covers approximately 200 acres, consisting of commercially and residentially designated areas. The purpose of this amendment is to remove the commercial area from the original plan and to establish a new urban renewal plan for the commercial area. The new Amended Gold Hill Mesa Urban Renewal Plan (for the residential area) is attached as **FIGURE 1**; the Gold Hill Mesa Commercial Area Urban Renewal Plan is attached as **FIGURE 2**.

The Gold Hill Mesa Development is generally located in the southwestern portion of the City at the southeast quadrant of Highway 24 and South 21st Street.

As previously adopted urban renewal plans, this request is being processed as a master plan. City Code is silent on how urban renewal plans are to be adopted by the City. The master plan adoption procedures simply provide an avenue for a formal process. The amended and the commercial Gold Hill Mesa Urban Renewal Plans are not intended to be land use policy documents as typical master plans considered by the Planning Commission and City Council.

2. Applicant's Project Statement. Included in **FIGURE 1** and **FIGURE 2**.
3. Planning and Development Department's Recommendation: Staff recommends that the City Planning Commission find that the proposed amended urban renewal plan and the new urban renewal plan for the commercial area are in conformance with the City of Colorado Springs Comprehensive Plan.

BACKGROUND:

1. Existing Zoning/Land Use: TND and PBC.
2. Surrounding Zoning/Land Use: Residential, Commercial and Industrial.
3. Comprehensive Plan/Designated 2020 Land Use: Mature Development Corridor.
4. Zoning Enforcement Action: None identified.
5. Physical Characteristics: The residential area is being developed into a traditional neighborhood development with single family and multi-family units on what was the site of a gold refining operation. The site contains tailings and a mitigation plan has been implemented to allow residential uses to be developed.

The commercial area has not been developed and remains unimproved with shrubs and grasses. The majority of the area has been used as a land fill. The area slopes gently to the north and west into Fountain Creek.

STAKEHOLDER PROCESS AND INVOLVEMENT:

The Colorado Springs Urban Renewal Authority has followed the requirements of Colorado Revised Statutes ("CRS") 31-25-107. Notification of a blight conditions survey was sent to the property owners and the Colorado Springs Urban Renewal Authority ("CSURA") held 2 public meetings on January 27, 2015 and February 25, 2015 to review the proposed plans. CSURA approved both plans at the February 25th meeting.

To satisfy the requirements of City Code pertaining to master plan adoption/amendments, standard postcards were sent to the property owners within the entire Gold Hill Mesa urban renewal area. As of the writing of this report, staff did not receive any communication from the property owners.

Review by other City departments and external agencies is not necessary at this point. Development related reviews will occur once development applications are submitted for specific projects.

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

1. 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 the designated area, ideally consistent with a city's comprehensive plan. For the purpose of urban renewal, "blighted area" is defined in CRS. In order for an area to be classified as blighted, it must exhibit 4 of 12 characteristics also stipulated in CRS. A blight conditions survey was completed for the commercial area. The survey concludes that as a stand-alone area, separated from the original GHMURA, it qualifies as a "blighted area". The conditions survey is attached as **FIGURE 3**.

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 Comprehensive Plan. 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 "front" the money for specified improvements. 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 - 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 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 Amended Gold Hill Mesa Urban Renewal Plan will separate the proposed commercial area from the original Gold Hill Mesa Urban Renewal Plan. This will allow 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 commercial area for a full 25-year period. The amended plan area will not change the tax increment collection period for the residential area that was approved as part of the original plan adoption in 2004 (2004-2029).

Approval of the urban renewal plan for the commercial area will essentially start a new 25-year term for improvements associated with the commercial site. This will allot CSURA additional time to repay the bonds and likely increase the amount of capital that can be secured via bonding.

Comprehensive Plan/Master Plan Conformance: The role of the Planning Commission is clearly defined in CRS. The Planning Commission is responsible for determining if the amended and commercial Gold Hill Mesa Urban Renewal Plans are consistent with the City's Comprehensive Plan.

Staff believes that the Amended Gold Hill Mesa Urban Renewal Plan and the Gold Hill Mesa Commercial Area Urban Renewal Plan are consistent with and implement the Policies and Strategies of the 2001 Comprehensive Plan. Specifically:

- a. Neighborhood Chapter Policies and Strategies, which generally state that the City should promote neighborhood revitalization, redevelopment, utilize incentives and improve infrastructure. The proposed urban renewal plans provide a mechanism to fund improvements that otherwise may not be feasible due to the blighted conditions of the area. The area is located in a mature and highly visible corridor that has recently seen some notable infill and redevelopment. Eliminating blight is critical to continued successful revitalization of the Southwest portion of the City.
- b. Land Use Chapter Policies and Strategies, which encourage varying neighborhood patterns and mix of land uses. In its entirety, the Gold Hill Mesa redevelopment area provides a mix of traditional neighborhood design single-family and multi-family housing, open space and adjoining commercial center. In a larger context, the Gold Hill Mesa redevelopment area is compatible with the surrounding neighborhoods and development patterns.

STAFF RECOMMENDATION:

Item No. 6.A- 6.B CPC MP 04-00012-A1MJ15 (two separate motions are required)

- A. Recommend approval of the Amended Gold Hill Mesa Urban Renewal Plan to the City Council based on the finding that it is consistent with the City's 2001 Comprehensive plan; and,
- B. Recommend approval of the Gold Hill Mesa Commercial Area Urban Renewal Plan to the City Council based on the finding that it is consistent with the City's 2001 Comprehensive Plan.

Attachments

FIGURE 1 - Amended Gold Hill Mesa Urban Renewal Plan

FIGURE 2 - Gold Hill Mesa Commercial Area Urban Renewal Plan

FIGURE 3 – Conditions Survey for the Commercial Area