



Legislation Text

File #: 15-00729, **Version:** 1

Resolution Approving a Cooperation Agreement Between the Colorado Springs Urban Renewal Authority and the City of Colorado Springs to Promote Redevelopment and Assist With Financing of Public Improvements for the Gold Hill Mesa Commercial Area Urban Renewal Project and to Approve the Amount of Annual Sales Tax Increment Revenue Allocated Pursuant to Colorado Revised Statute § 31-25-107(9)(a)(II)

From:

Bob Cope, Economic Development Manager
Jim Rees, Executive Director, CSURA

Summary:

The Colorado Springs Urban Renewal Authority (CSURA) has evaluated the development proforma provided by the project developer and has determined that the sales tax increments generated from the project in excess of the annual base amount are required in order to fund the qualified public improvements. CSURA will be requesting that City Council approve a resolution authorizing the City to enter into the Cooperation Agreement that will cover the period from June 23, 2015 through June 22, 2040 (25 year TIF period) during the December 8, 2015 Regular City Council meeting. The Cooperation Agreement is currently under review by the City Administration, CSURA and Golden Cycle Investments, LLC (the Developer)

Previous Council Action:

City Council adopted the Gold Hill Mesa Commercial Area Urban Renewal Plan on June 23, 2015 through Resolution #69-15

Background:

The Gold Hill Mesa Commercial Area Urban Renewal Plan was approved by the Colorado Springs City Council on June 23, 2015. The plan included the use of property tax increments in the plan of finance for the project. The inclusion of sales tax increments, while anticipated in the plan, was not authorized at the time of plan approval. City Council stipulated that CSURA negotiate with the project developer as to the appropriate amount required to make the project economically viable and provide Council with a sales tax sharing agreement for consideration. The Cooperation Agreement identifies the percentage of sales tax increment required and the purpose for which the increment is to be used. A Redevelopment Agreement between CSURA and Golden Cycle Investments, LLC is currently being negotiated and will be finalized once City Council has approved the inclusion of the sales tax increment. The Redevelopment Agreement outlines the uses of the funds and the conditions that the developer must fulfill in order to receive the tax increment revenues.

Financial Implications:

The Cooperation Agreement authorizes the use of 2% of the general fund sales and use tax

increments for 25 years. The total amount is anticipated to be \$35,786,772. The City will continue to receive the existing general fund base amount and the increment generated from the PSST, TOPS, Capital Improvement/Road Tax (2C) and the PPRTA taxes. The developer will be contributing revenue from the Metro District #3 mill levy in the estimated amount of \$15,254,527 and other funds to complete the eligible improvements..

Board/Commission Recommendation:

The Colorado Springs Urban Renewal Authority recommends approval of the Cooperation Agreement. The final Cooperation Agreement will be presented for City Council approval on December 8, 2015.

Stakeholder Process:

The urban renewal plan approval process adhered to the State of Colorado Revised Statutes 31-25-107 process for approving urban renewal plans. The process requires several public hearings and notifications to all property owners in the proposed area.

Alternatives:

1. Council may approve a reduced amount of sales tax increment.

Proposed Motion:

Approve a Resolution Approving a Cooperation Agreement Between the Colorado Springs Urban Renewal Authority and the City of Colorado Springs to Promote Redevelopment and Assist With Financing of Public Improvements for the Gold Hill Mesa Commercial Area Urban Renewal Project and to Approve the Amount of Annual Sales Tax Increment Revenue Allocated Pursuant to Colorado Revised Statute § 31-25-107(9)(a)(II)

Not applicable.