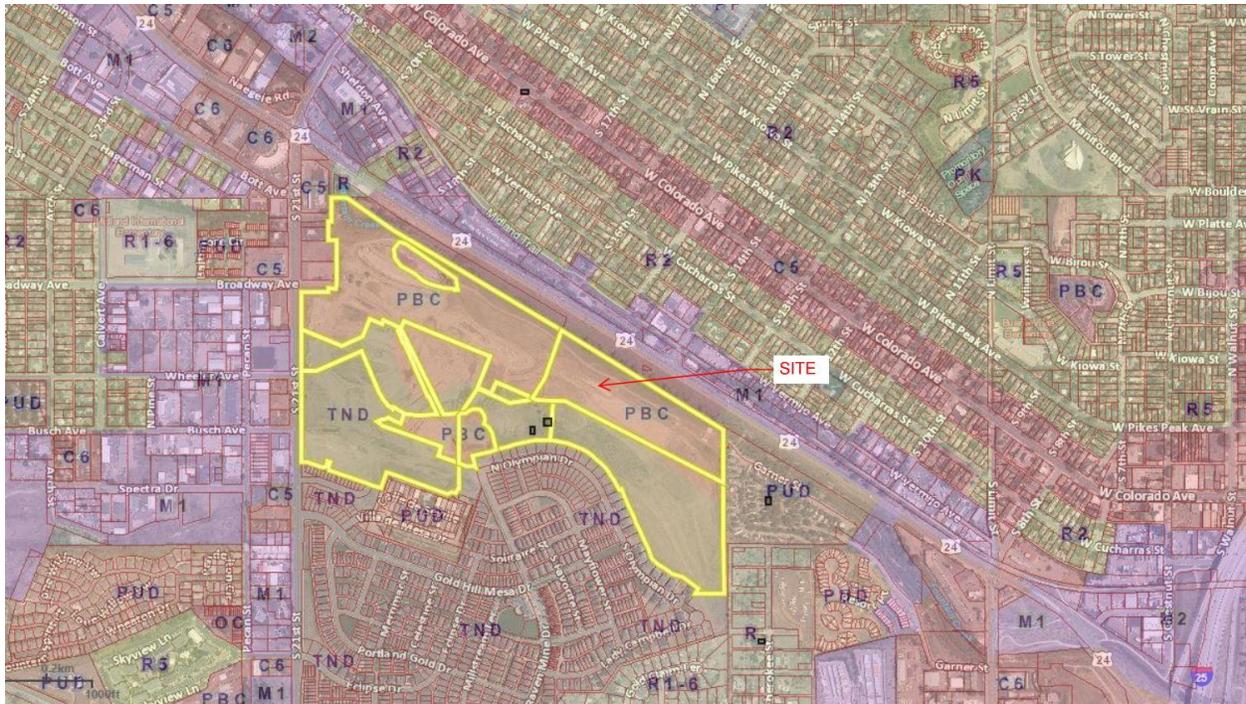


CITY PLANNING COMMISSION AGENDA
FEBRUARY 08, 2023

STAFF: GABE SEVIGNY

FILE NO:
URA 23-034

PROJECT: GOLD HILL MESA COMMERCIAL URBAN RENEWAL PLAN
OWNERS: GOLD HILL NEIGHBORHOOD LLC & AIPA COLORADO INVESTMENTS LLC
APPLICANT: COLORADO SPRINGS URBAN RENEWAL AUTHORITY



PROJECT SUMMARY:

1. **Project Description:** The project, known as the Gold Hill Mesa Commercial Urban Renewal Plan, was initiated to establish the Gold Hill Mesa Commercial Urban Renewal District. The plan area covers approximately 106.7 acres of land south of Highway 24 and east of 21st Street which is a combined zoning of PBC/SS (Planned Business Center with Streamside overlay), PBC (Planned Business Center, and TND (Traditional Neighborhood Development). Establishment of the proposed Urban Renewal District will support the redevelopment of the area through use of Tax Increment Financing (TIF).
2. **Applicant's Urban Renewal Plan:** (see "Gold Hill Mesa Commercial Urban Renewal Plan" attachment)
3. **Planning and Development Team's Recommendation:** City Planning staff recommends that the Planning Commission find that the proposed plan conforms to the City's Comprehensive Plan as required by State Statues CRS 31-25-107(2) prior to City Council approval of the District.

BACKGROUND:

1. **Site Addresses:** Multiple parcels not addressed, located southeast of the Highway 24 and 21st Street intersection.
2. **Existing Zoning/Land Use:** The subject properties are zoned PBC/SS (Planned Business Center with Streamside Overlay, PBC (Planned Business Center), and TND (Traditional Neighborhood Development). The site is currently vacant.
3. **Surrounding Zoning/Land Use:** North: Highway 24, northside of Highway 24 is M-1 (Light Industrial).
South: PUD (Planned Unit Development) / TND (Traditional Neighborhood Development) / single-family development
East: PUD (Planned Unit Development) / Single-family development
West: C-5 (Intermediate Business) / M-1 (Light Industrial) / commercial development
4. **PlanCOS Vision:** According to the PlanCOS Vision Map (**see “Vision Map” attachment**), the area is depicted as a Newer Developing Neighborhood
5. **Annexation:** Chimney Mesa Addition (1966)
6. **Master Plan/Designated Master Plan Land Use:** Not located within a master plan, however, this area is located within the Westside Master Plan Neighborhood Plan, this plan provides general direction for staff, but this is not a regulatory document.
7. **Subdivision:** These sites are not platted.
8. **Zoning Enforcement Action:** N/A
9. **Physical Characteristics:** The site is undeveloped and features typical dryland vegetation on most of the site. The site does contain slopes and steep grades in areas. The site also includes section of Fountain Creek running along the northern portion of the site.

STAKEHOLDER PROCESS AND INVOLVEMENT:

For the requested Urban Renewal Area Plan, 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 a public meeting on April 28, 2021 after which the CSURA board voted unanimously to move forward with the Condition Study.

Review by other city departments and external agencies related to the Urban Renewal Area and Plan is not necessary at this point. Development-related reviews will occur once development applications are submitted for specific projects within the District.

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. There was a zone change to the property approved by City Council on October 12, 2021 with Ordinance No. 21-83. The approval of the zone change was to PBC/SS (Planned Business Center with Streamside Overlay), PBC (Planned Business Center), and TND (Traditional Neighborhood Development). Along with the zone change approval, was an approval of the Gold Hill Mesa Concept Plan (**see ‘Gold Hill Mesa Commercial Concept Plan’ attachment**). The concept plan establishes parameters for development within the area that includes commercial uses.
2. **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 and concludes that as a stand-alone area, it qualifies as a "blighted area". The conditions survey for the subject properties is attached (**see "Conditions Survey" 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 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 initiate 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 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 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 Gold Hill Mesa Commercial Urban Renewal Plan (**see "Gold Hill Mesa Commercial Urban Renewal Plan" attachment**) allows 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.

a. Comprehensive Plan Conformance:

As stated above, the City's Planning Commission must evaluate the proposed District for compliance with the City's Comprehensive Plan (PlanCOS). To assist in this effort Planning Staff has reviewed the proposed District and the associated urban renewal plan to provide insights and analysis for the Commission. Planning staff finds the proposal is in conformance with PlanCOS and its guidance for the reasons further explained below.

According to PlanCOS, the project site is identified on the plan's Vision map and the Vibrant Neighborhoods Framework map, as Newer Developing Neighborhood. According to the Areas of Change map, the project site is identified in a high area of change. Goals for the Vibrant Neighborhood are listed below as VN. the Thriving Economy Framework, the project site is located within proximity to the Experience Economy typology.

Below are a number of PlanCOS Goals and Policies which the Planning and Community Development Department staff suggests are supported by this plan.

- Goal VN-1: Increase neighborhood identity, inclusion, and participation throughout the city for residents, employees, and visitors.

- Goal UP-2: 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: Support infill and land use investment throughout the mature and developed areas of the city.
- Goal UP-4: 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 corridors.
- Policy UP-4.B: Within unique centers, incorporate density and mixed uses along with higher standards of design, attention to the public realm, and design for multimodal access including transit.
- Policy UP-5.A: Actively evaluate plans for existing, new, and redeveloping urban places and corridors from the perspective of fiscal and environmental sustainability.
- Goal TE-1: Build on our quality of place and existing competitive advantages.
- Policy TE-1.C: Leverage the city's livability as a workforce and economic driver.
- Goal TE-4: 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.
- Policy TE-4.A: Prioritize development within the existing City boundaries and built environment (not in the periphery).

It is clear from the list above that the proposed District and the associated Plan which shows future commercial development, is highly compliant with the City's Comprehensive Plan.

STAFF RECOMMENDATION:

GOLD HILL MESA COMMERCIAL URBAN RENEWAL PLAN

Recommend to City Council that the Gold Hill Mesa Commercial Urban Renewal Area is consistent with the city comprehensive plan, based upon the findings contained in the above section of the staff report.