

ORDINANCE/RESOLUTION REQUEST

Please email requests to the Mayor's Legislative Team
at MileHighOrdinance@DenverGov.org by **3:00pm on Monday**.

All fields must be completed.

Incomplete request forms will be returned to sender which may cause a delay in processing.

Date of Request: January 13, 2017

Please mark one: Bill Request or Resolution Request

1. Has your agency submitted this request in the last 12 months?

Yes No

If yes, please explain:

2. **Title:** A bill for an ordinance approving the St. Anthony Urban Redevelopment Area Amended and Restated Cooperation Agreement between the City and County of Denver and the Denver Urban Renewal Authority to establish, among other matters, the parameters for tax increment financing with property tax increment.

3. **Requesting Agency:** Denver Urban Renewal Authority/Department of Finance

4. **Contact Person:**

- **Name:** Tracy Huggins, Executive Director, Denver Urban Renewal Authority
- **Phone:** (303) 534-3872
- **Email:** thuggins@renewdenver.org
- **Name:** Andrew Johnston, Manager of Financial Development – Department of Finance
- **Phone:** (720) 913-9372
- **Email:** Andrew.Johnston@denvergov.org

5. **Contact Person:**

- **Name:** Tracy Huggins, Executive Director, Denver Urban Renewal Authority
- **Phone:** (303) 534-3872
- **Email:** thuggins@renewdenver.org

6. **General description of proposed ordinance including contract scope of work if applicable:**

- a. **Contract Control Number:** To Be Obtained
- b. **Duration:** Payment of Incremental Property Taxes to DURA shall cease on the earlier of (i) repayment of all Obligations, (ii) the later of the date that is twenty-five (25) years from the date of the approval by the Denver City Council of the Urban Redevelopment Plan authorizing the initial use of tax increment financing, or (iii) the date that is ten (10) years after the Effective Date if no Redevelopment Agreement has been executed by all necessary parties (the "Term").
- c. **Location:** The St. Anthony Urban Redevelopment Area ("Area") is comprised of approximately 21 acres and is located 2.5 miles west of Downtown Denver's Central Business District primarily on the former campus of the St. Anthony Central Hospital in the West Colfax neighborhood. The Area is generally bounded by Stuart Street on the west, West Colfax Avenue on the south, Perry Street on the east, and West 17th Avenue on the north.
- d. **Affected Council District:** Council District #1 – Rafael Espinoza
- e. **Benefits:** The general objectives of the St. Anthony Redevelopment Plan ("Plan") are to reduce or eliminate blighted conditions as well as to stimulate the growth and development of the Area by redeveloping the area into a mix of uses that may include residential, commercial, office, and/or retail, and completing the related infrastructure improvements.
- f. **Costs:** Upon approval by City Council of one or more tax increment areas, the incremental tax revenues will be available to the Denver Urban Renewal Authority for the purpose of financing project costs for the benefit of the Urban Redevelopment Area. Specifically, property tax increment revenues may be used to reimburse certain eligible development costs including, but not limited to, environmental remediation, building demolition, sitework, life safety systems, infrastructure improvements and associated soft costs.

To be completed by Mayor's Legislative Team:

SIRE Tracking Number: _____

Date Entered: _____

7. **Is there any controversy surrounding this ordinance? Please explain.** No Controversy.

EXECUTIVE SUMMARY

This ordinance approves the Amended and Restated Cooperation Agreement between the City and County of Denver and the Denver Urban Renewal Authority (DURA) for the property tax increment area within the St. Anthony Urban Redevelopment Area.

The St. Anthony Urban Redevelopment Area, is comprised of approximately 21 acres and is located 2.5 miles west of Downtown Denver's Central Business District primarily on the former campus of the St. Anthony Central Hospital in the West Colfax neighborhood. The Urban Redevelopment Area is generally bounded by Stuart Street on the west, West Colfax Avenue on the south, Perry Street on the east, and West 17th Avenue on the north. In 2013 City Council approved the creation of a property tax increment area within the Urban Redevelopment Area and the St. Anthony Urban Redevelopment Area Cooperation Agreement. The Cooperation Agreement authorizes the use of property tax increment. The incremental tax revenues will be used for the purpose of financing projects for the benefit of the Urban Redevelopment Area.

In 2015 the Urban Redevelopment Plan was amended to include two projects on Block 7, the rehabilitation of the former Raleigh office building and construction of a new retail site on Block 7 East, and the construction of an 8 screen Alamo Drafthouse Theater on Block 7 West.

The Denver Urban Renewal Authority, in coordination with the City's Department of Finance and Department of Community Planning & Development, is seeking to amend the Urban Redevelopment Plan to include two additional projects – Block 3 and Block 9. These amendments will activate certain new statutory requirements as directed by HB15-1348. Accordingly, certain conforming changes to the original Cooperation Agreement must be made.

Below is a summary of the changes being recommended to the Cooperation Agreement to both reflect HB15-1348 requirements and DURA policy changes.

- **Construction Employment Opportunities Policy** - When the Cooperation Agreement was approved in 2013, DURA was required to cause all projects to comply with DURA's Enhanced Training Opportunities Policy ("ETO"). In December, 2016 the DURA Board approved the Construction Employment Opportunities Policy as a replacement to the ETO Policy. The Cooperation Agreement is being amended to reflect this change.
- **Property Tax Revenues Definition** – Prior to the effective date of HB15-1348, all incremental property taxes were available to DURA. HB15-1348 limited the amount of incremental taxes to exclude any amounts derived by any taxing entities either a) because the voters authorized the retention and ability to spend moneys pursuant to Section 20(7)(d) of Article X of the Colorado Constitution (frequently referred to as "De-Brucing") subsequent to the approval of the use of tax increment in a Plan, or b) as a result of an increase in the property tax mill levy approved by the voters subsequent to the approval of the use of tax increment in a Plan (to the extent the total mill levy of the municipality, county, special district, or school district exceeds the respective mill levy in effect at the time of approval or substantial modification of the Plan). This limiting language has now been added to the definition of Property Tax Revenues.
- **Return of Any Excess Property Tax Increment** – The original Cooperation Agreement required DURA to return any excess property tax increment remaining after all obligations had been satisfied to the City who would then allocate the excess to the other taxing entities. Section 31-25-107(9) now specifies the allocation is to be made based on the pro rata share of the prior year's property tax increment attributable to each taxing entities current mill levy. The amendment reflects this language and requires DURA to remit such funds to the City, along with a calculation of the proration, and the City will distribute the funds to each appropriate taxing entity.

With the exception of changing the Effective Date to the date when the Mayor signs the ordinance approving the Amended and Restated Cooperation Agreement, all other language remains as originally approved.

A formal presentation, seeking Council Committee approval is requested for January 24, 2017.

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Date Entered: _____