



Legislation Text

File #: 17-0058, Version: 1

Finance Item/Grant Request Template

Date Submitted: 1-17-17

Requesting Agency: Finance
Division:

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Item Title & Description:

(Do not delete the following instructions)

*These appear on the Council meeting agenda. Initially, the requesting agency will enter a 2-3 sentence description. Upon bill filling, the City Attorney's Office should enter the title above the description (the title should be in **bold** font).*

*Both the title and description must be entered between the red "title" and "body" below. Do **not** at any time delete the red "title" or "body" markers from this template.*

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.

Amends a Cooperation Agreement with the Denver Urban Renewal Authority (DURA) to authorize the use of property tax increment revenues for the Block 3 and Block 9 projects at the St. Anthony Urban Redevelopment Area in Council District 1. The last regularly scheduled Council meeting within the 30-day review period is on 2-27-17. The Committee approved filing this bill at its meeting on 1-24-17.

Affected Council District(s) or citywide? CD 1

Executive Summary with Rationale and Impact:

Detailed description of the item and why we are doing it. This can be a separate attachment.

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.

Type (choose one: Grant; Supplemental; Fund Creation; Fund Rescission; Fund Transfer; Appropriation; Other):

Amount:

Budget Year:

Fund and Funding Source (Fund/Org/Grant Number, if applicable):

Grantor (if applicable):

Fund Matching Requirements (if applicable):

Fiscal Impact: