



AGENDA  
Lakewood Reinvestment Authority  
**VIRTUAL MEETING**  
March 4, 2024  
6:00 PM

To watch the LRA Meeting live, please use one of the following links:

- City of Lakewood Website: [Lakewood.org/CouncilVideos](https://Lakewood.org/CouncilVideos)
- Lakewood Speaks: [Lakewoodspeaks.org](https://Lakewoodspeaks.org)

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In accordance with City Council Policy 5.1(A), all virtual meeting participants are advised that technological issues, whether caused by the City's equipment or the user's equipment, shall not be grounds for canceling a public meeting.

Online participants may post written comments of any length to LakewoodSpeaks.org, an online forum for public comments.

**ITEM 1 – CALL TO ORDER**

**ITEM 2 – ROLL CALL**

**ITEM 3 – URBAN RENEWAL BASICS AND FORMING NEW URBAN RENEWAL PROJECTS**

An overview of the Lakewood Reinvestment Authority and processes for forming New Urban Renewal Project Areas in Lakewood.

**ITEM 4 – EXECUTIVE REPORT**

Executive Director of the LRA, Robert Smith will provide a brief report updating several projects in Lakewood's Urban Renewal Project Areas.

**ITEM 5 – ADJOURNMENT**

# STAFF MEMO

**DATE OF MEETING: MARCH 4, 2024 / AGENDA ITEM NO. 3**

To: Mayor and City Council  
From: Robert Smith, Economic Development Director  
Subject: **URBAN RENEWAL BASICS AND FORMING NEW URAs**

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**SUMMARY STATEMENT:** Staff will present a brief overview of how Urban Renewal processes work to mitigate blighting conditions within defined Project Areas and, specifically, the process for forming additional Project Areas within Lakewood, Colorado. The relative roles and relationships between the Lakewood City Council and the Lakewood Reinvestment Authority (LRA) Board of Commissioners will also be presented.

## **BACKGROUND INFORMATION:**

- Urban Renewal Authorities (URA) are a tool, successfully used in Colorado since the late 1950s to focus local resources on areas in need of public and private reinvestment to revitalize communities.
- Lakewood's Reinvestment Authority (LRA) currently manages four URA areas along Colfax and Alameda Avenues.
- This 3/4/2024 Staff presentation will provide an overview of the Lakewood Reinvestment Authority, urban renewal processes, and urban renewal areas within Lakewood.
- Municipalities may create urban renewal authorities and approve urban renewal plans. An urban renewal plan may include collection of an incremental amount of property taxes resulting from the urban renewal project to be retained for a period of up to 25 years.
- Property tax revenue collected for a specific area in the year before an urban renewal plan is approved established a "base" value of revenue that taxing entities continue to receive.
- New tax revenue above the "base" amount is deemed "incremental" tax revenue. This new revenue is dedicated to the urban renewal area and must be reinvested within the area to revitalize the area and eliminate "blight".
- Taxing entities (the municipality, county, school district, etc.) receive the base tax amount, adjusted over time according to a schedule determined by the assessor. Historically, all incremental tax revenue went to the urban renewal authority.
- In 2015 Colorado's Urban Redevelopment Fairness Act made changes to both the composition of urban renewal authority boards and to the process for approving urban renewal plans. These changes give taxing entities representatives on an urban renewal authority board.
- A new reinvestment area may only be established after a condition survey/blight study has been conducted showing that the proposed area has sufficient factors of blight, according to Colorado Revised Statute 31-25-103 (2).
- A new reinvestment Project area may only be established after the Lakewood City Council has accepted and approved the condition survey for the proposed area and approved an Urban Renewal Plan for the new area. These actions are subject to notice and public hearing requirements.
- Prior to the Council's consideration of Finding of Blight Designation and approval of an Urban Renewal Plan, these documents are presented to Lakewood's Planning Commission and will carry (or not) the Commission's recommendation for approval by the Council.
- Once new Urban Renewal Project Areas are designated and an approved Urban Renewal Plan is in place, Intergovernmental Agreements (IGA) between the City of Lakewood, the LRA and the other

taxing entities must be approved by the Boards of each respective group. The IGA's dictate each entity's respective participation in the Project Area's Urban Renewal Plan.

- Urban Renewal Boards of Commissioners are responsible for the implementation of the Urban Renewal Plan for each project area.
- An independent consultant was commissioned in December 2023 to conduct a Conditions Survey (Blight Study) for properties in Lakewood collectively known as the Sheridan Boulevard Reinvestment Study Area. These are generally the properties adjacent to Sheridan Boulevard between W. 16th Avenue and W. 3rd Avenue. Some properties within the Area are bounded as far west as Marshall Street. A report of the consultant's findings is expected to be presented to the Lakewood Planning Commission and the Lakewood City Council in Spring, 2024.

**BUDGETARY IMPACTS:** There are no budgetary impacts associated with receiving this presentation.

**STAFF RECOMMENDATIONS:** None.

**ALTERNATIVES:** None.

**PUBLIC OUTREACH:** This item has been promoted through the regular communication channels to be considered by the Lakewood Reinvestment Authority.

**NEXT STEPS:** None.

**ATTACHMENTS:** Presentation-Overview New Project Area 2024

**REVIEWED BY:** Kathleen E. Hodgson, City Manager  
Benjamin B. Goldstein, Deputy City Manager  
Alison McKenney Brown, City Attorney



# Urban Renewal Basics and Forming New Urban Renewal Project Areas

March 4, 2024

# Foundation



## Urban Renewal Law C.R.S. § 31-25-101 *et seq*

Lakewood City Council  
RESOLUTION 1998-4

Lakewood City Council  
RESOLUTION 2022-25



# Foundation



## Urban Renewal Law C.R.S. § 31-25-101 et seq

### Colorado's Urban Redevelopment Fairness Act

AKA HB 15-1348  
Passed in 2015 Session  
Enacted 1/1/2016



# What is the Purpose of Urban Renewal?

**Urban Renewal Activities  
are primarily focused on three things:**

- 1** Mitigating blighting conditions within project areas
- 2** Facilitating private investment within project areas
- 3** Enhancing Lakewood's ability to preserve and restore the vitality and quality of life within project areas

# Lakewood Council | Lakewood Reinvestment Authority

## City Council:

11 Seats

- Designates blighted Urban Renewal Areas – called Projects
- Approves Urban Renewal Project Plans
  - Colfax/Wadsworth – Creekside
  - Alameda Corridor 1 – Sheridan to Ammons/Allison
  - Alameda Corridor 2 – Belmar
  - West Colfax Corridor – Simms to Sheridan

## LRA Board of Commissioners:

15 Seats

- Oversee implementation of Urban Renewal Project Plans for each Project Area
- Oversee tasks – called activities or undertakings
- Approve Resolutions
- Approve an Annual Budget (Process August – October each year)
- Submit approved Budget to DOLA





# Forming an Urban Renewal Project Area



**Informally Talk  
with Property  
Owners**



**Informally  
Observe  
Areas  
of the City**

**Identify an Area to Formally Study**



# The Conditions Survey



Sometimes Called the “Blight Study”



# Study Area Scope | Properties Included | Fictional Example

Boundaries of Urban Renewal Area must be drawn “as narrowly as possible” to achieve the goals of the Colorado Urban Renewal Law

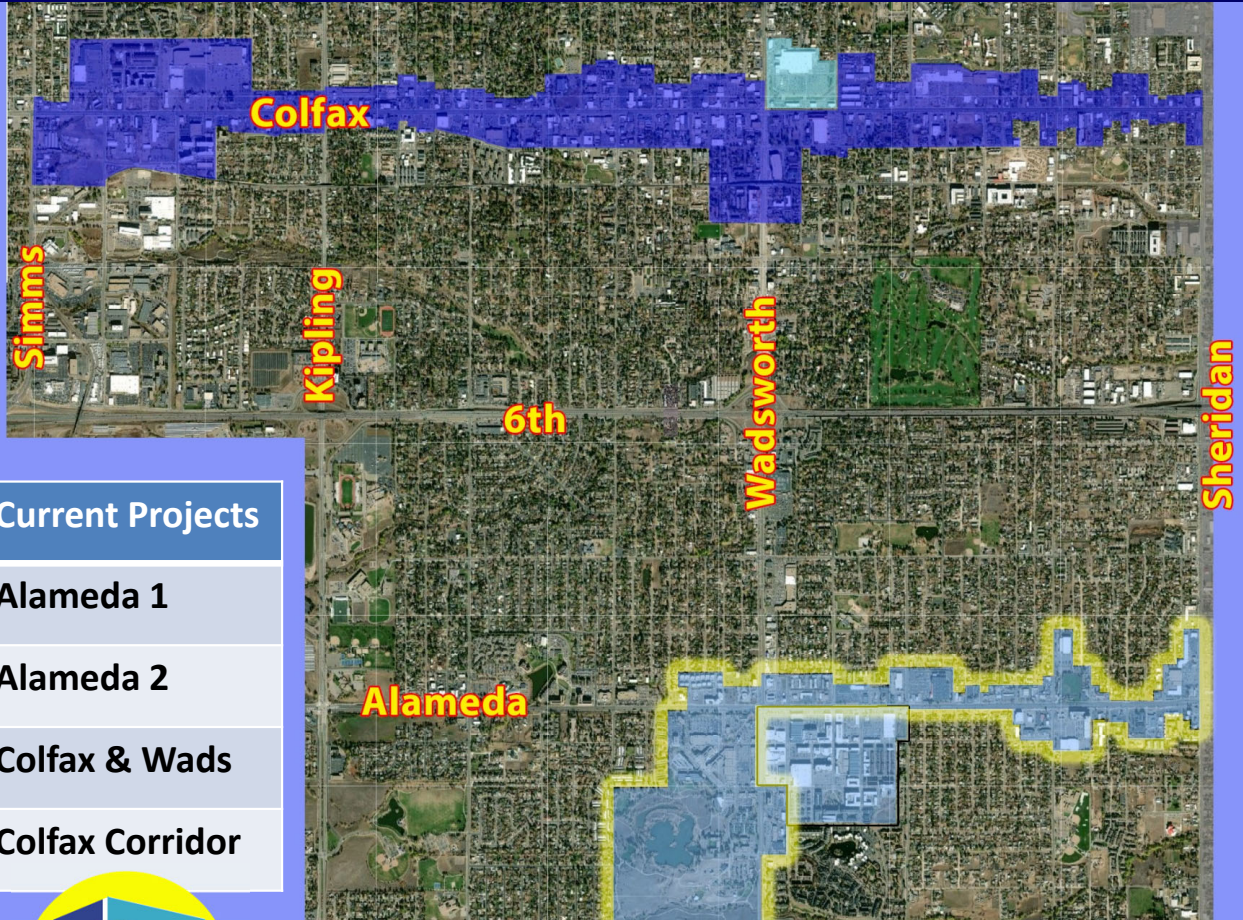


THE NEXT COMMUNITY OVER



LAKWOOD  
Reinvestment Authority

# Forming an Urban Renewal Project Area



## Alameda 1 Increment Capture Ends 2023

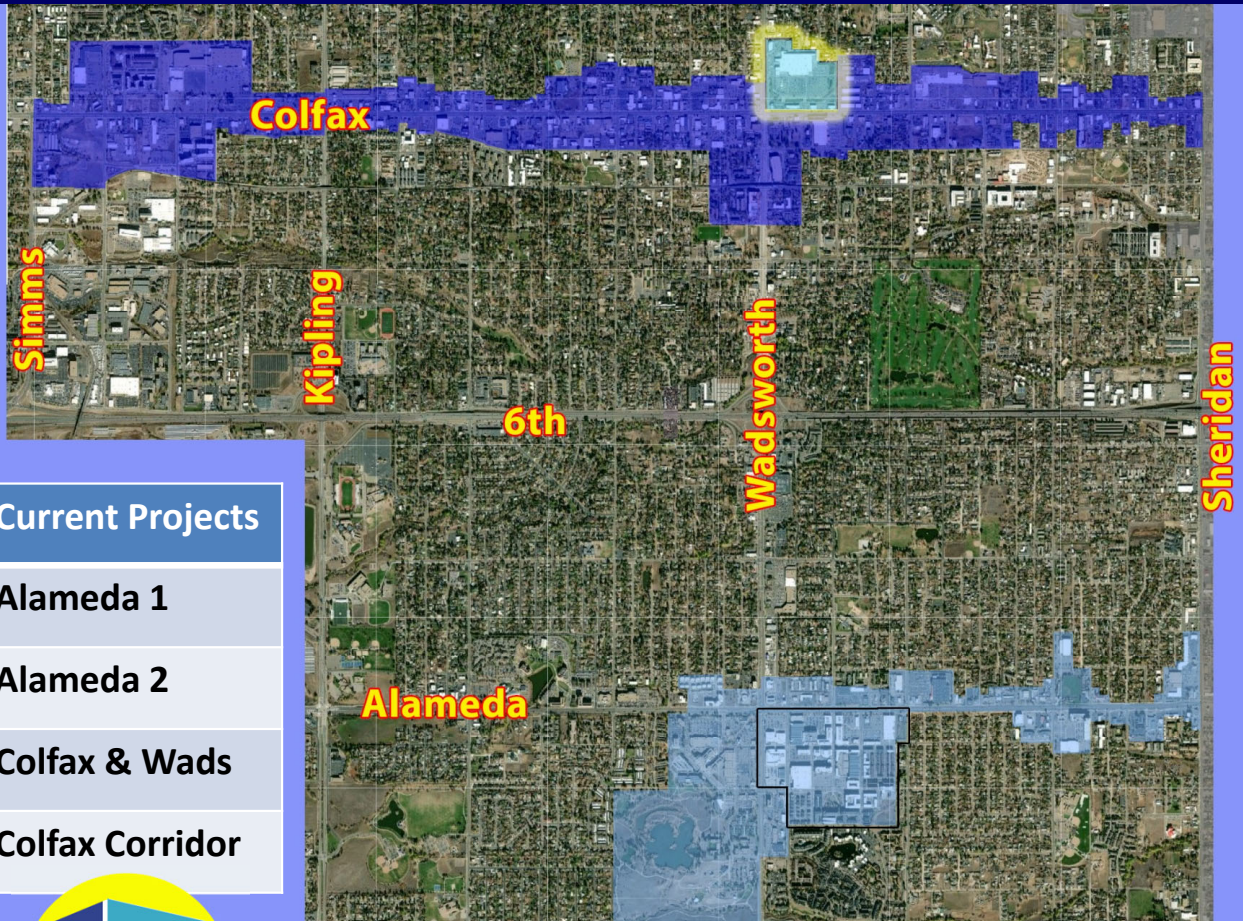
Property Taxes Collected a  
Year in Arrears

- Former Chalet Motel
- Alameda BID Grants
- Revolving Loan Fund



Maps for discussion purposes only - boundaries are not precise.

# Forming an Urban Renewal Project Area



## Current Projects

- Alameda 1
- Alameda 2
- Colfax & Wads
- Colfax Corridor

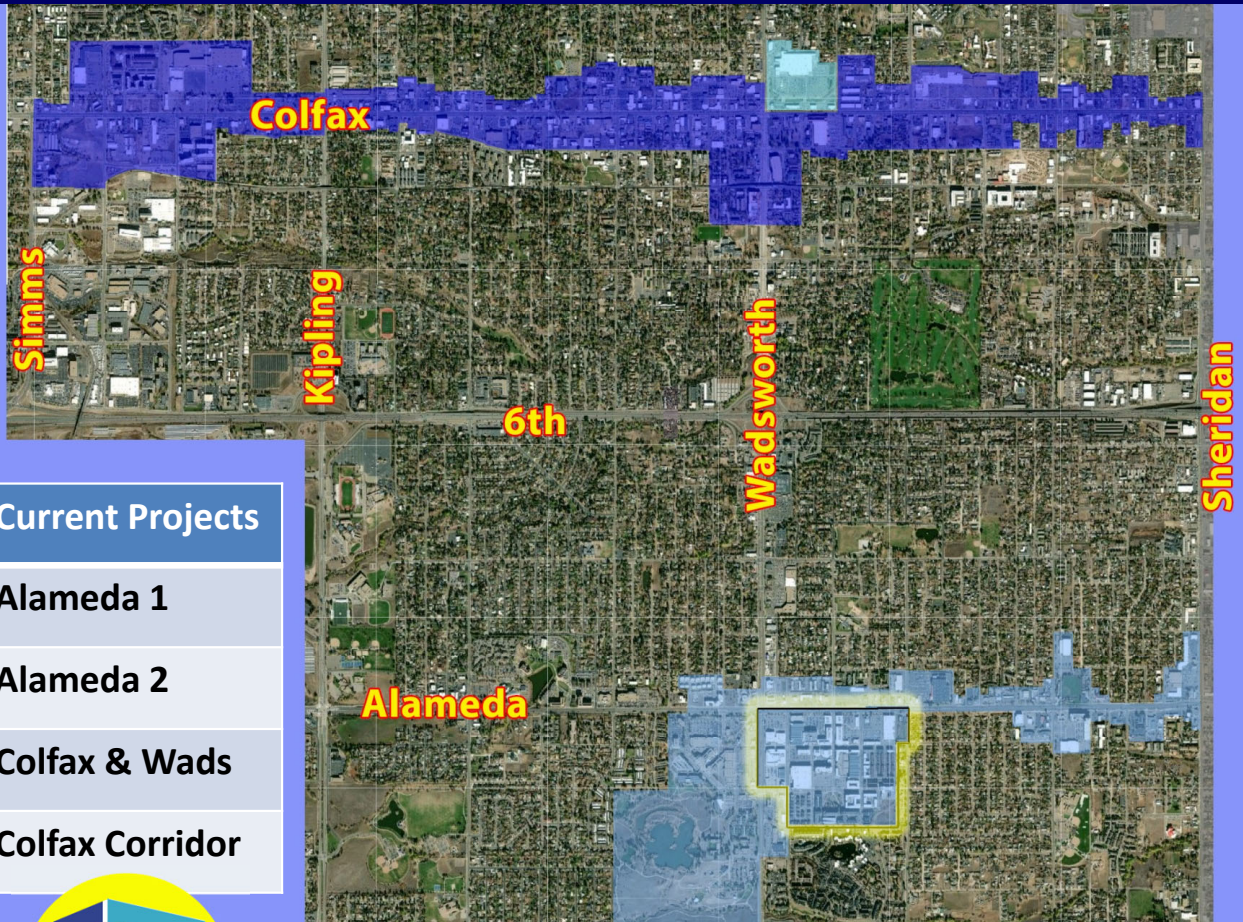
## Colfax & Wads Increment Capture Ends 2024

Property Taxes Collected a  
Year in Arrears

- Complete
- Creekside undertaking



# Forming an Urban Renewal Project Area



## Current Projects

Alameda 1

Alameda 2

Colfax & Wads

Colfax Corridor

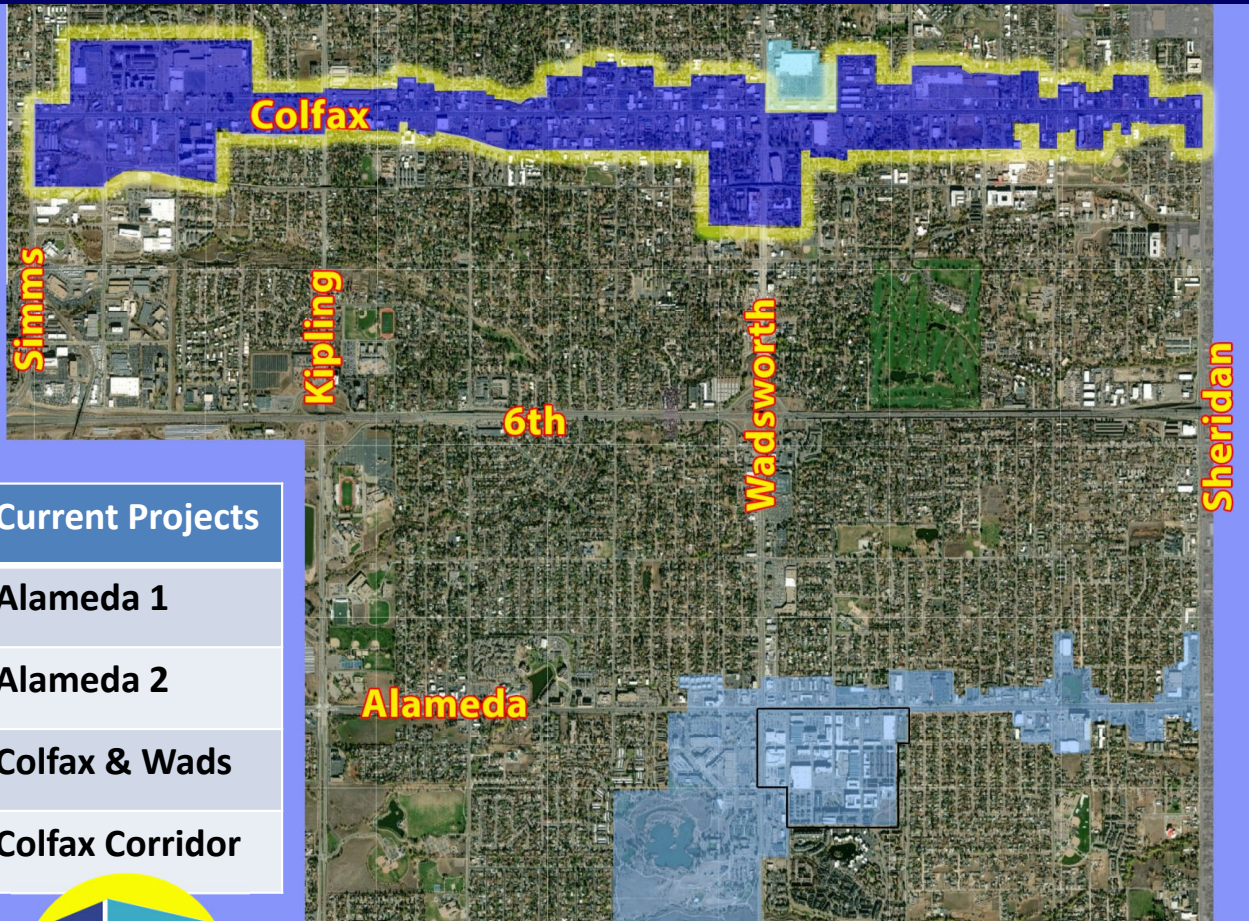


## Alameda 2 Belmar Increment Capture Ends 2025

Property Taxes Collected a  
Year in Arrears

- Complete the  
increment capture

# Forming an Urban Renewal Project Area



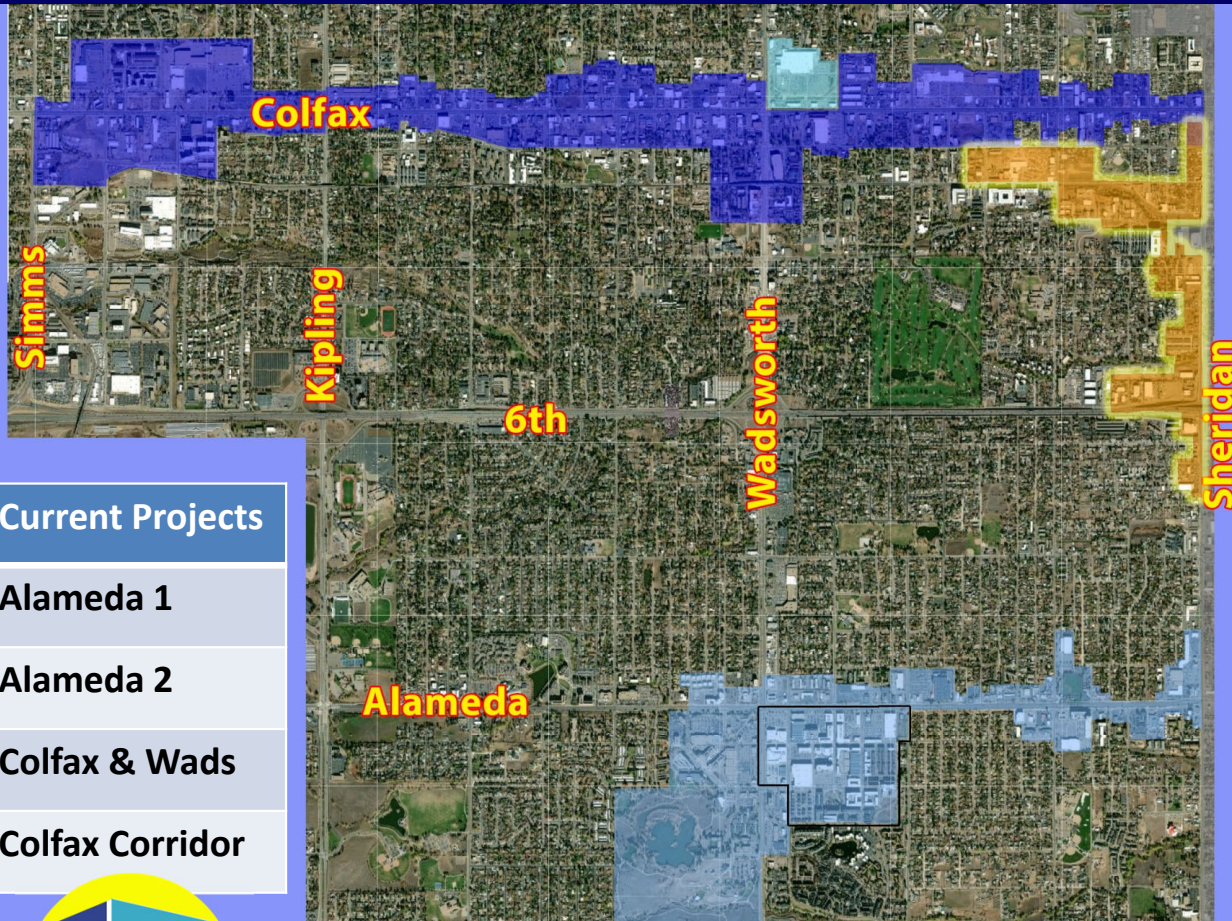
## Colfax Corridor Increment Capture Ends 2030

Property Taxes Collected a  
Year in Arrears

- Station Betterment
- Former Blue Sky Motel
- Potential  
Westland Redevelopment
- Potential  
Property Acquisition



# Forming an Urban Renewal Project Area



## Potential Sheridan Corridor Increment Capture Ends 25 Years After Findings of Blight

- Began  
Conditions Survey  
(Blight Study)
- Continue Talks with  
Property &  
Business Owners
- Potential Bonding TIF



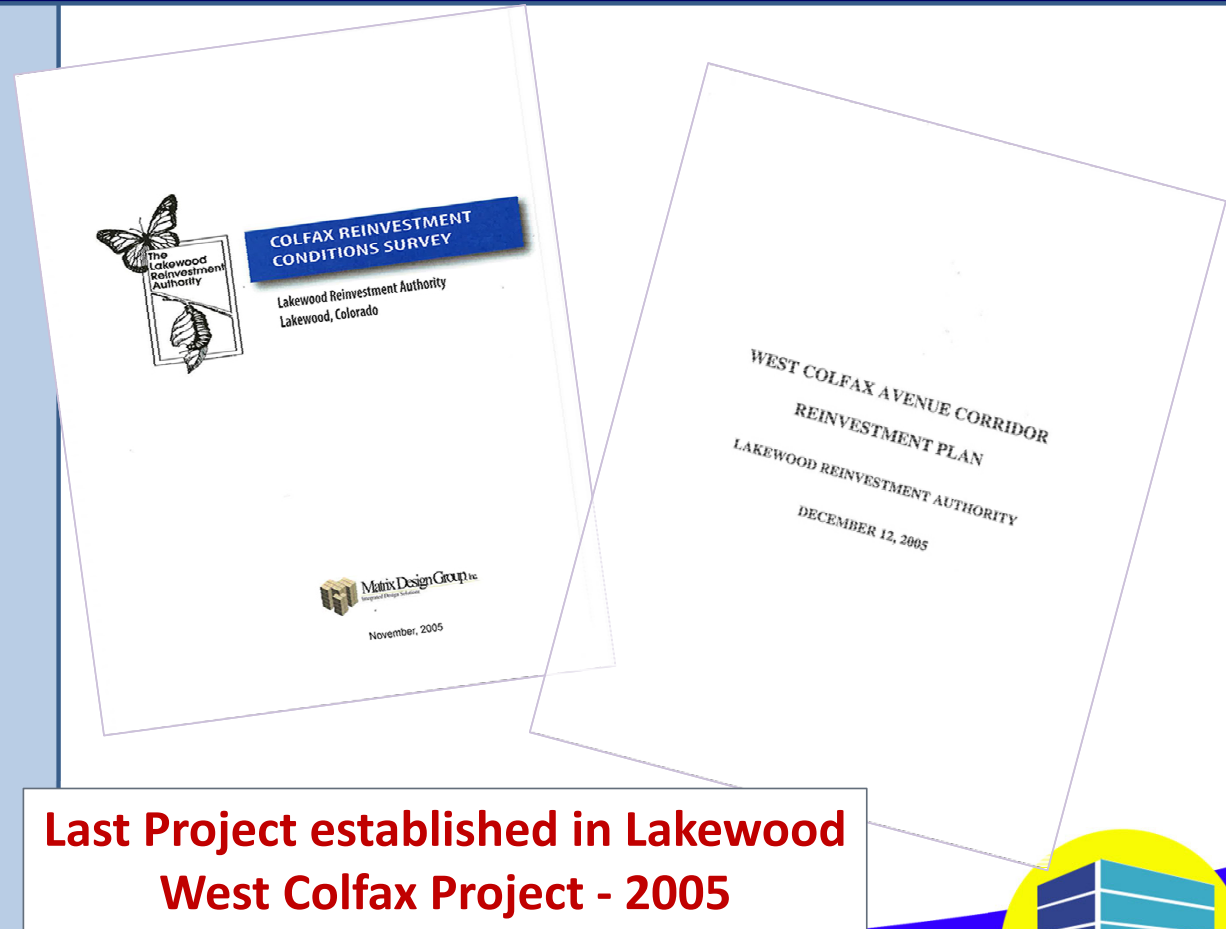
Maps for discussion purposes only - boundaries are not precise.



# Lakewood Council | Lakewood Reinvestment Authority

## City Council:

- Receives the report from the Conditions Survey (Blight Study)
- Approves Urban Renewal Project Plan
- Sheridan Project** likely to come before Planning Commission in Spring 2024
- Sheridan Project** likely to come before Council in Spring 2024
- Sheridan Project** IGAs w/Council, LRA, Taxing Entities



**Last Project established in Lakewood  
West Colfax Project - 2005**



# Powers of an Urban Renewal Authority

- Sue & be sued
- Negotiate, enter into contracts & take other actions required for urban renewal
- Help develop appropriate regulations for buildings & land use
- Survey & study blighted areas
- Borrow & invest funds
- Condemn property, if authorized by City Council
- Acquire, manage, & dispose of property
- Implement plans for repair, rehabilitation and/or demolition of buildings & improvements
- Compensate individuals & businesses for relocation impacts



# Statutory Authorization

## Purpose:

eliminate slum  
and blight

## **Not:**

- ✓ job creation
- ✓ economic development
- ✓ increase tax revenue



C.R.S. § 31-25-101 et seq.



# Statutory Authorization

**But**

The elimination  
of slum  
and blight

**almost always  
results in**

- ✓ job creation
- ✓ economic development
- ✓ increase tax revenue



C.R.S. § 31-25-101 et seq



# Statutory Blighting Conditions

- Deteriorated or deteriorating structures
- Defective or inadequate street layout
- Faulty lot layout in relation to size, adequacy, accessibility, or usefulness
- Unsanitary or unsafe conditions
- Deterioration of site or other improvements
- Unusual topography or inadequate public improvements or utilities
- Defective or unusual conditions of title rendering the title non-marketable
- Conditions that endanger life or property by fire or other causes
- Buildings that are unsafe or unhealthy for people to live or work
- Environmental contamination of buildings or property
- Existence of health, safety, or welfare factors requiring high levels of municipal services or substantial underutilization or vacancy of buildings, sites, or improvements

**Not All Conditions Need Be Present**

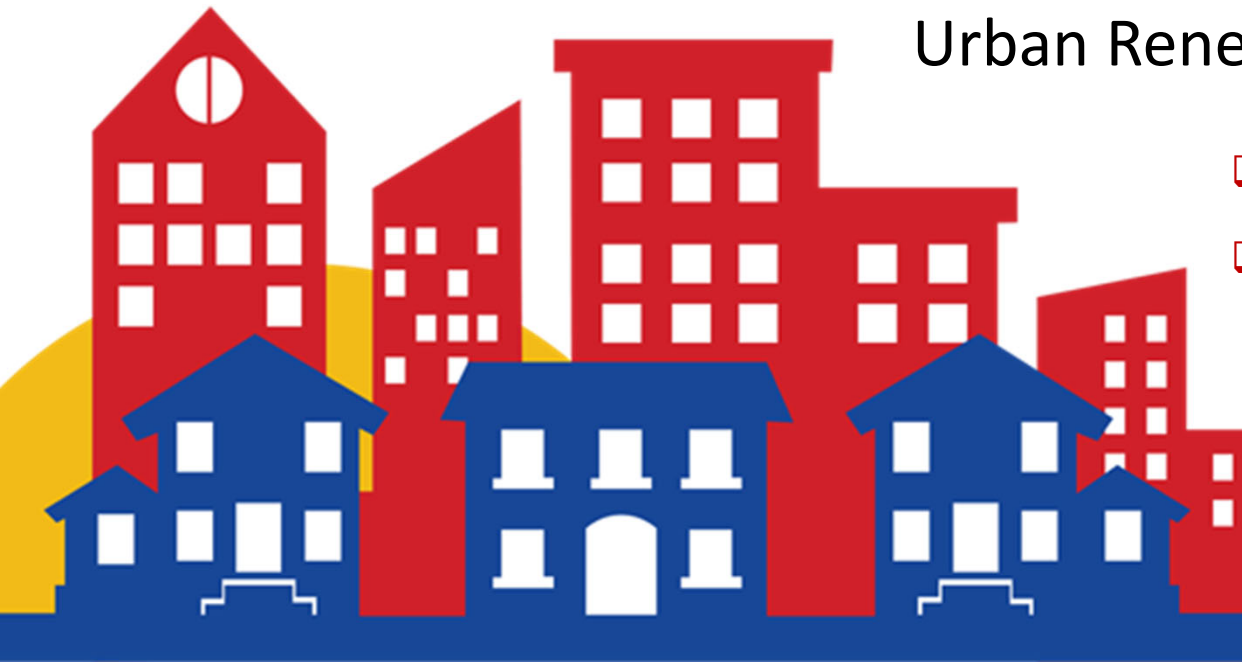


# Property Values

What happens to the value of a property if it is designated within an Urban Renewal Area?

- ❑ No studies have shown reduction
- ❑ Some studies have shown increase

Designation of blight indicates intention of the governing body to target blight mitigation efforts to that area; increases market perception of value



# IGAs with Taxing Entities

**Now, if new URA's are formed,  
we'll be putting together  
Intergovernmental Agreements (IGAs)  
with the taxing entities regarding the  
blight mitigation efforts  
of the new area.**



# Blight Designation & Urban Renewal Plans

Historically, Lakewood has approved Blight Designation and an Urban Renewal Plan at the same time.

**Colfax &  
Wadsworth  
Creekside**

**Council RESO  
1999-70**

**8/9/1999**

**Alameda 1**

**Council RESO  
1998-49**

**5/26/1998**

**Alameda 2  
Belmar**

**Council RESO  
2000-82**

**9/11/2000**

**Lakewood  
West Colfax  
Corridor**

**Council RESO  
2005-79**

**12/1/2005**





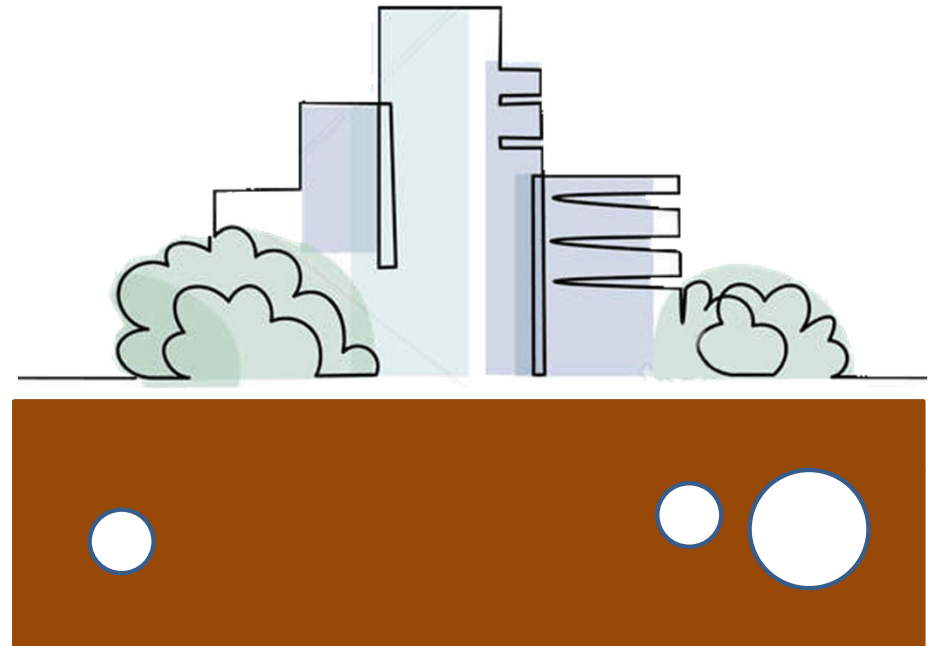
# Property Valuations

Property values are made up of basically 2 things:  
**LAND and IMPROVEMENTS**

The value of all properties  
(**LAND & IMPROVEMENTS**) at the time of URA  
designation is known as the **BASE**.

The improvement value - not market rise - of all  
properties after the URA designation  
is known as the **INCREMENT**.

Both the value of the **BASE** and the  
**INCREMENT** increases/decreases  
with the market value over time.



# Base & Increment Taxes in URA Projects

## Key Take Away:

**It's a myth** that the taxes in the base are “frozen” – in truth, they grow with the market values of the base.

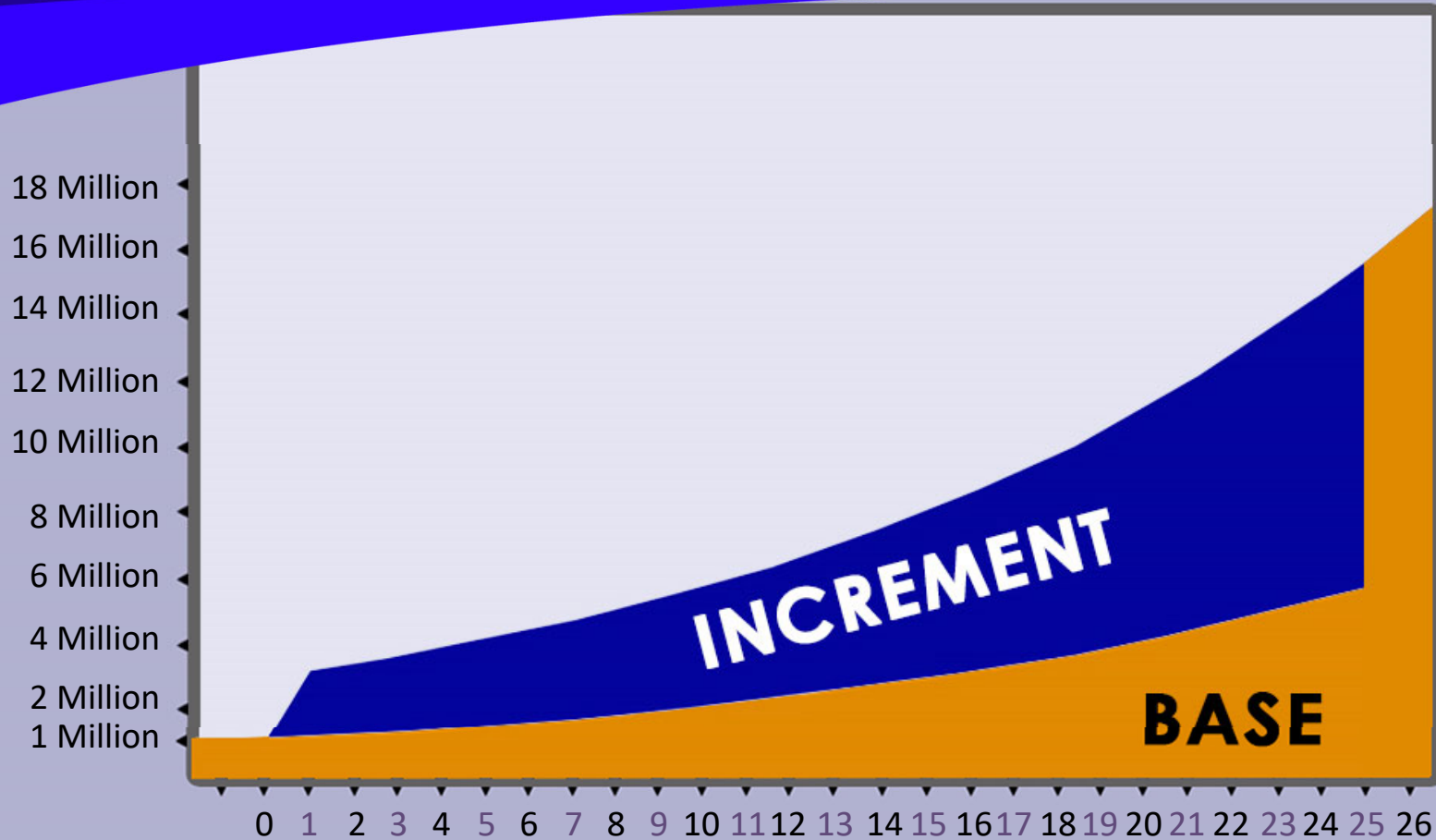
## Key Take Away:

**It's a myth** property owners pay zero taxes or taxing entities receive zero dollars or property values go to zero.

Urban renewal simply doesn't work like that.



# Hypothetical Base & Increment



Value of both Base & Increment Grow Over Time



# Quick Reminder

**Market Value ▶▶ Assessed Value**

**Assessed Value \* Mills / 1000 = annual property tax**



# Why Use Increment & TIF?

- ❑ Increment is **NOT** a new tax

- ❑ Extraordinary public improvement requirements may be needed

  - ❑ Increment does **NOT** increase tax rates on existing property owners

- ❑ Increment does **NOT** require that property owners outside of an urban renewal area contribute to project

- ❑ Increment captures the additional value created by private investment to put back into the project

  - ❑ Growth pays its own way



# How Increment Works



**Increment Project Area is created  
BASE is established**



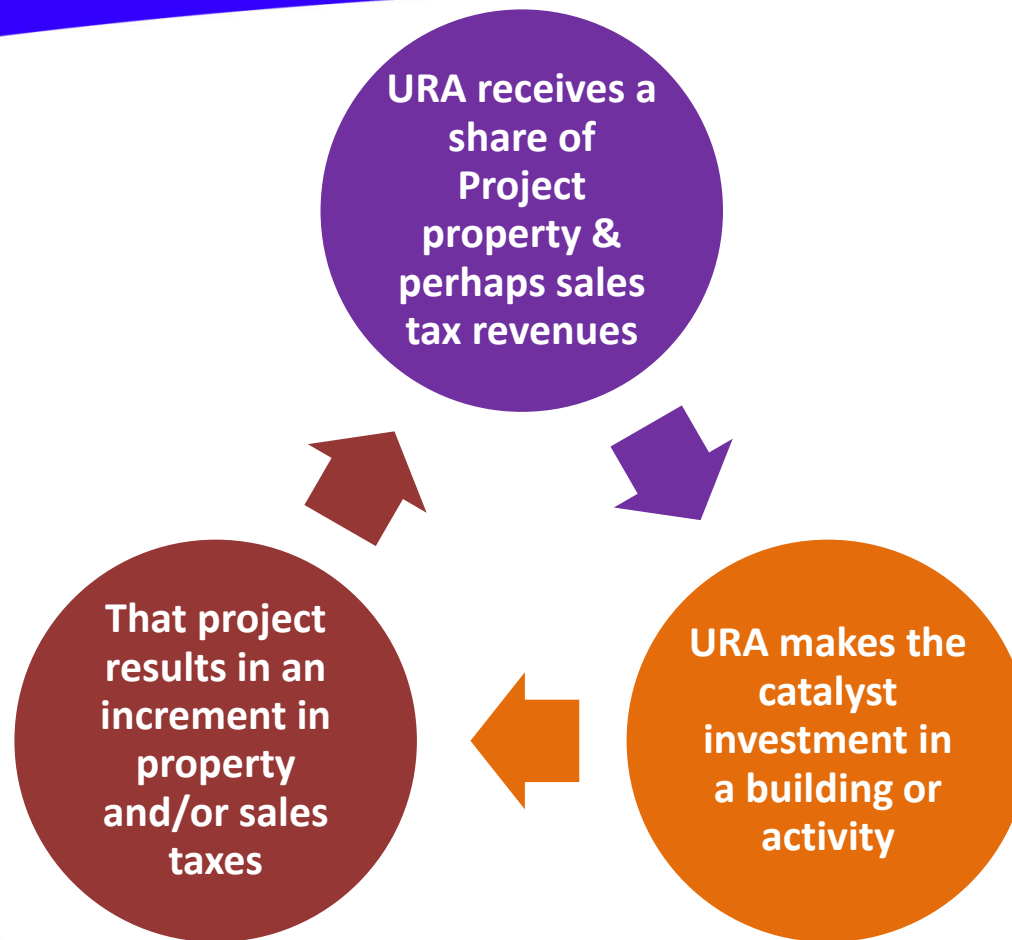
**Regular tax levies**

**Increased taxable value  
Tax from incremental value captured**

**Increased Property Value x Regular Tax Rate = Increment**



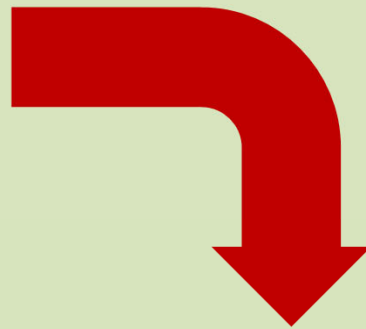
# Tax Increment Financing



## “But for” the URA

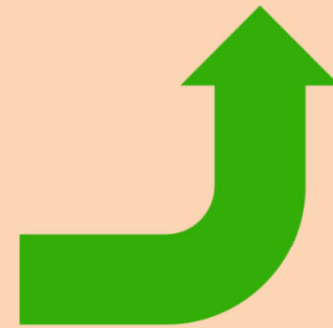
Absent the investment by the Urban Renewal Authority, development may not happen.

***Without*** development, blighting conditions perpetuate or decay further.



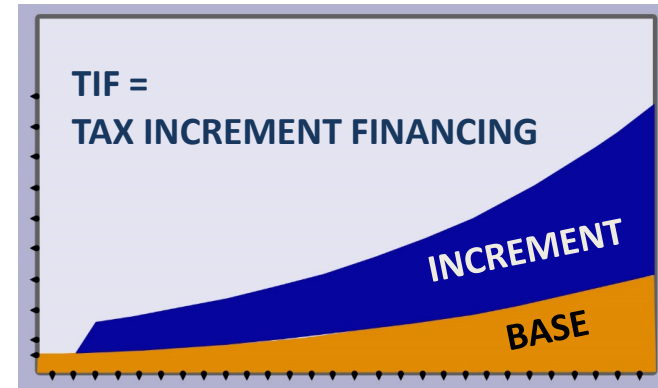
***With*** URA investment, development occurs, and blighting conditions are mitigated.

Incremental increase available for URA to reinvest in the project to remedy blight.





# Using Tax Increment Financing



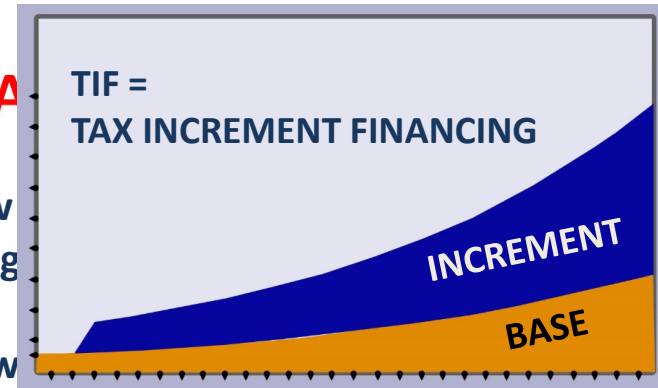
- Bonding
- Reimbursement Agreement
- Other Methods

# Tools for applying TIF

## The But For A

How do you know  
for support through

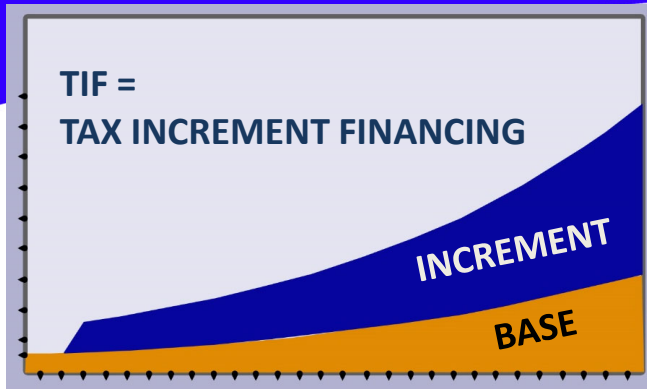
- Urban Renewal
- Proposed activity is consistent with plan goals
- Activity would not occur absent tax increment support (“but for”)



**Note:** *Urban Renewal statute does **not** require that improvements be public in order to receive tax increment, only that they remedy blight*



# Tools for applying TIF



## The Gap Analysis

What if the activity mitigates blight, is desired, and provides public benefit, but there is a significant gap between total project costs and anticipated returns?

- Demolition of existing structures  
(eg: CU Health Center – 9<sup>th</sup> & Colo Blvd.)
- Landfill/contamination  
(eg: Castle Rock, Gates)
- Oversized or regional infrastructure



# LRA Investments



**STATUTORY  
AUTHORITY**

**POLITICAL  
WILL**



# Questions and Discussion





# STAFF MEMO

**DATE OF MEETING: MARCH 4, 2024 / AGENDA ITEM NO. 4**

To: Mayor and City Council  
From: Robert Smith, Economic Development Director  
Subject: **EXECUTIVE REPORT**

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**SUMMARY STATEMENT:** Executive Director of the LRA, Robert Smith, will provide a brief report updating several projects in Lakewood's Urban Renewal Project Areas.

**BACKGROUND INFORMATION:** None.

**BUDGETARY IMPACTS:** None.

**STAFF RECOMMENDATIONS:** None.

**ALTERNATIVES:** None.

**PUBLIC OUTREACH:** None.

**NEXT STEPS:** None.

**ATTACHMENTS:** None.

**REVIEWED BY:** Kathleen E. Hodgson, City Manager  
Benjamin B. Goldstein, Deputy City Manager  
Alison McKenney Brown, City Attorney