



# Urban Renewal 101

# "Blight"

A blighted area is an area that substantially impairs or arrests the sound growth of the municipality, retards the provision of housing accommodations, or constitutes an economic or social liability, and is a menace to the public health, safety, morals, or welfare, by reason of at least four of the following factors:

- ▶ 1. Slum, deteriorated, or deteriorating structures;
- ▶ 2. Predominance of defective or inadequate street layout;
- ▶ 3. Faulty lot layout in relation to size, adequacy, accessibility, or usefulness;
- ▶ 4. Unsanitary or unsafe conditions;
- ▶ 5. Deterioration of site or other improvements;

# "Blight" (cont.)

- ▶ 6. Unusual topography or inadequate public improvements or utilities;
- ▶ 7. Defective or unusual conditions of title rendering the title nonmarketable;
- ▶ 8. The existence of conditions that endanger life or property by fire or other causes;
- ▶ 9. Buildings that are unsafe or unhealthy for persons to live or work in because of building code violations, dilapidation, deterioration, defective design, physical construction, or faulty or inadequate facilities;
- ▶ 10. Environmental contamination of buildings or property; or
- ▶ 11. The existence of health, safety, or welfare factors requiring high levels of municipal services or substantial physical underutilization or vacancy of sites, buildings, or other improvements.

# Role of an Urban Renewal Authority

The Town Council is responsible for:

- forming the urban renewal authority;
- establishing the urban renewal boundaries;
- approving the urban renewal plan; and
- authorizing the use of eminent domain powers (if applicable).

The Board of Commissioners of the Town of Erie Urban Renewal Authority (the "Authority") is then responsible for exercising the powers provided to an urban renewal authority to carry out urban renewal projects within the Authority's boundaries and in compliance with the urban renewal plan.

# Representative Powers of an Urban Renewal Authority

Urban renewal authorities possess a number of powers, including the following:

- to sue and be sued;
- to undertake urban renewal projects, and to make and execute contracts;
- to arrange for the furnishing and repair of streets, public utilities, or educational or other facilities, and to dedicate property for public works, improvements facilities and utilities;
- to arrange with the municipality for planning, replanning, zoning, and rezoning areas of the municipality;...

Any exercise of these powers must relate to the primary objective of an urban renewal authority, which is the elimination of slum and blighted areas.

# House Bill 15-1348

Membership on the Board -- Already accomplished

# House Bill 15-1348

## Adoption of New Plans/Substantial Modification to Existing Plans

Town is required to notify the Board of County Commissioners and each public body whose property tax revenues would be allocated under the proposed plan in an attempt to negotiate an agreement.

The parties then have 120 days (or such shorter or longer time as the parties may agree upon) from the time of the notification to reach agreement on the percentage of property tax revenues to be allocated. C.R.S. § 31-25-107(9.5).

# House Bill 15-1348

## Adoption of New Plans/Substantial Modification to Existing Plans

If negotiations are unsuccessful, mediation is required, and the issues to be determined in the mediation include:

(1) "the nature of the project;" (2) "the nature and relative size of the revenue and other benefits that are expected to accrue to the municipality and other taxing entities as a result of the project;" (3) "any legal limitations on the use of revenues belonging to the municipality or any taxing entity;" and (4) "any capital or operating costs that are expected to result from the project."



# House Bill 15-1348

## Money Remaining in the Special Fund

The funds remaining in the special fund, if any at the conclusion of a project shall be repaid to each taxing entity on a pro rata basis "based on the prorata share of the prior year's *property tax increment* attributable to each taxing body's current mill levy in which property taxes were divided"

Limited to funds generated by incremental property taxes

# Terminology

Definition of an "Urban Renewal Plan"

And

Definition of an "Urban Renewal Project"

# Questions?