

PLANNING & DEVELOPMENT MEMORANDUM
#09-28

August 13, 2009

TO: Honorable Mayor Kathleen M. Novak and City Council Members

FROM: William Simmons, City Manager *WAS*
James Hayes, Director of Planning and Development *JH*
Patrick Breitenstein, Executive Director, Northglenn Urban Renewal Authority *PB*

SUBJECT: CR-81, Modifying the Northglenn Urban Renewal Plan to Suspend Tax Increment Financing for Property without Active Urban Renewal Projects

RECOMMENDATION:

Attached to this memorandum is CR-81, which would suspend tax increment financing in those urban renewal areas where redevelopment has not occurred. The purpose of TIF suspension is to preserve the twenty-five year period during which the Northglenn Urban Renewal Authority (NURA) may collect a tax increment. Staff recommends that CR-81 be approved.

BACKGROUND:

NURA receives a property tax increment as its main source of revenue. The property tax increment is the difference between current assessed value for property in the urban renewal area and the base value at the time property was made part of the urban renewal area. If the assessed valuation has increased, a tax increment is generated. If the property has not gone up in value no increment is generated. Urban renewal authorities are allowed to collect the tax increment for a total of twenty-five years in any area.

In areas that have not undergone redevelopment the tax increment is very little, or in some cases negative. That is the case in most of the urban renewal area. More than 90 per cent of the NURA TIF revenue comes from the single-block that is the Northglenn Marketplace.

Where the twenty-five year TIF clock is running and redevelopment has not occurred NURA is losing the opportunity to capture the increment that will be generated when redevelopment does occur. Fortunately, although NURA is limited to collection of TIF to twenty-five years, it can be any twenty-five year period of the City's choosing. The TIF clock does not have to begin running at the time an area is designated for urban renewal, as was the case for the Huron Center at 104th Ave. and Huron St. And, the clock can be turned off if Council chooses to do so.

The attached Resolution CR-81 stops the twenty-five year clock in those portions of the urban renewal area that have not yet undergone redevelopment. By general description that includes the Civic Center area at 120th and Grant, the Washington Point Shopping Center area, the Malley retail area and the Garland Shopping Center. A list of the specific parcels, identified by the County Assessor's Parcel Numbers, is attached to CR-81 as Exhibit A and a map depicting those areas is attached as Exhibit B.

NURA also considered suspending the TIF clock in the blocks west and south of the Marketplace Block. Unfortunately, that is not possible. The base year valuation for the entire Marketplace area is the aggregate of the individual parcels located in the Marketplace and in the blocks. To suspend the tax increment clock in these blocks we would need to know the base valuation for the individual parcels. That information, by parcel, is no longer available. Only the aggregate number for the entire Marketplace area is known.

At their meeting of July 22, 2009, the Urban Renewal Authority Board adopted the attached Resolution N/09-14, requesting that Council suspend the TIF as provided by CR-81. A memorandum from the City Attorney addressing legal issues with relation to suspending TIF is also attached.

BUDGET/TIME IMPLICATIONS:

Stopping the TIF clock as requested would temporarily reduce NURA revenue by approximately \$140,000 annually, at the assessed valuations of 2008. That is the amount of the tax increment currently generated in the areas where CR-81 would stop the TIF clock. Once TIF is suspended any increment currently generated will be lost. In concept, NURA gives up a small tax increment today for a larger increment in future years after redevelopment has occurred. The areas included for TIF clock suspension were added to the NURA area in 2004. Five years has already been lost to minimal increment. NURA can retain the remaining 20 years for tax increments after redevelopment.

STAFF CONTACT:

If Council members have any comments or questions they may contact James Hayes at 303-450-8937, jhayes@northglenn.org or Patrick Breitenstein at 303-450-8742, pbreitenstein@northglenn.org.

NORTHGLENN URBAN RENEWAL AUTHORITY

RESOLUTION NO.

N/09-14
Series of 2009

A RESOLUTION REQUESTING THE CITY COUNCIL TO SUSPEND TAX INCREMENT FINANCING IN CERTAIN PORTIONS OF THE URBAN RENEWAL AREA

WHEREAS, Colorado's Urban Renewal Law, C.R.S. § 31-25-101, *et seq.*, authorizes municipalities to adopt provisions in urban renewal plans implementing tax increment financing;

WHEREAS, tax increment financing may be implemented for a period not to exceed twenty-five years after the effective date of adoption of a tax increment provision;

WHEREAS, the Northglenn Urban Renewal Plan implements tax increment financing in portions of the Northglenn Urban Renewal Area generally described as follows:

1. Marketplace – TIF implement on April 23, 1992
2. Civic Center - TIF implement on January 8, 2004
3. Washington Point - TIF implement on January 8, 2004
4. Malley Center - TIF implement on January 8, 2004
5. Garland Center - TIF implement on January 8, 2004
6. Huron Center – TIF not implemented

WHEREAS, due to market conditions and other factors, urban renewal projects have not commenced in the above-listed sub-areas of the Northglenn Urban Renewal Area, except for the Northglenn Marketplace;

WHEREAS, to preserve the Authority's ability to use tax increment financing to remedy blight and slum conditions in areas where urban renewal projects have not commenced or are not imminent, suspension of the tax increment provisions in such areas is recommended;

WHEREAS, the purpose of such a suspension is to enable the Authority to best fulfill its purpose of remedying slum and blight conditions within the Northglenn Urban Renewal Area by linking the use of tax increment financing to active urban renewal projects;

WHEREAS, such a suspension fulfills the purpose of the Urban Renewal Law and its tax increment financing provisions, which is to provide an effective financial tool for remedying slum and blight that would not be available but for urban renewal projects undertaken by urban renewal authorities; and

WHEREAS, suspending the use of tax increment financing until specific urban

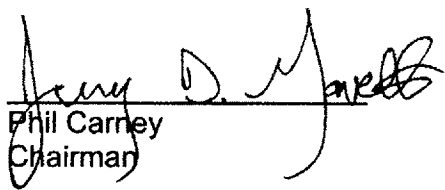
renewal projects are undertaken will increase the tax base for all entities with taxing authority in the Urban Renewal Area over time, because it will preserve the tax increment financing tool for use to redevelop and rehabilitate slum and blighted areas when market conditions make urban renewal projects feasible.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE NORTHGLENN URBAN RENEWAL AUTHORITY, THAT:

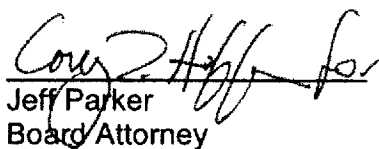
Section 1. The Board of Commissioners requests the Northglenn City Council to suspend the previously implemented tax increment financing for the following sub-areas of the Northglenn Urban Renewal Area until after urban renewal projects have been commenced in such sub-areas listed below and depicted on Exhibit A attached to this Resolution.

1. Civic Center
2. Washington Point
3. Malley Center
4. Garland Center

DATED this 22nd day of July, 2009.

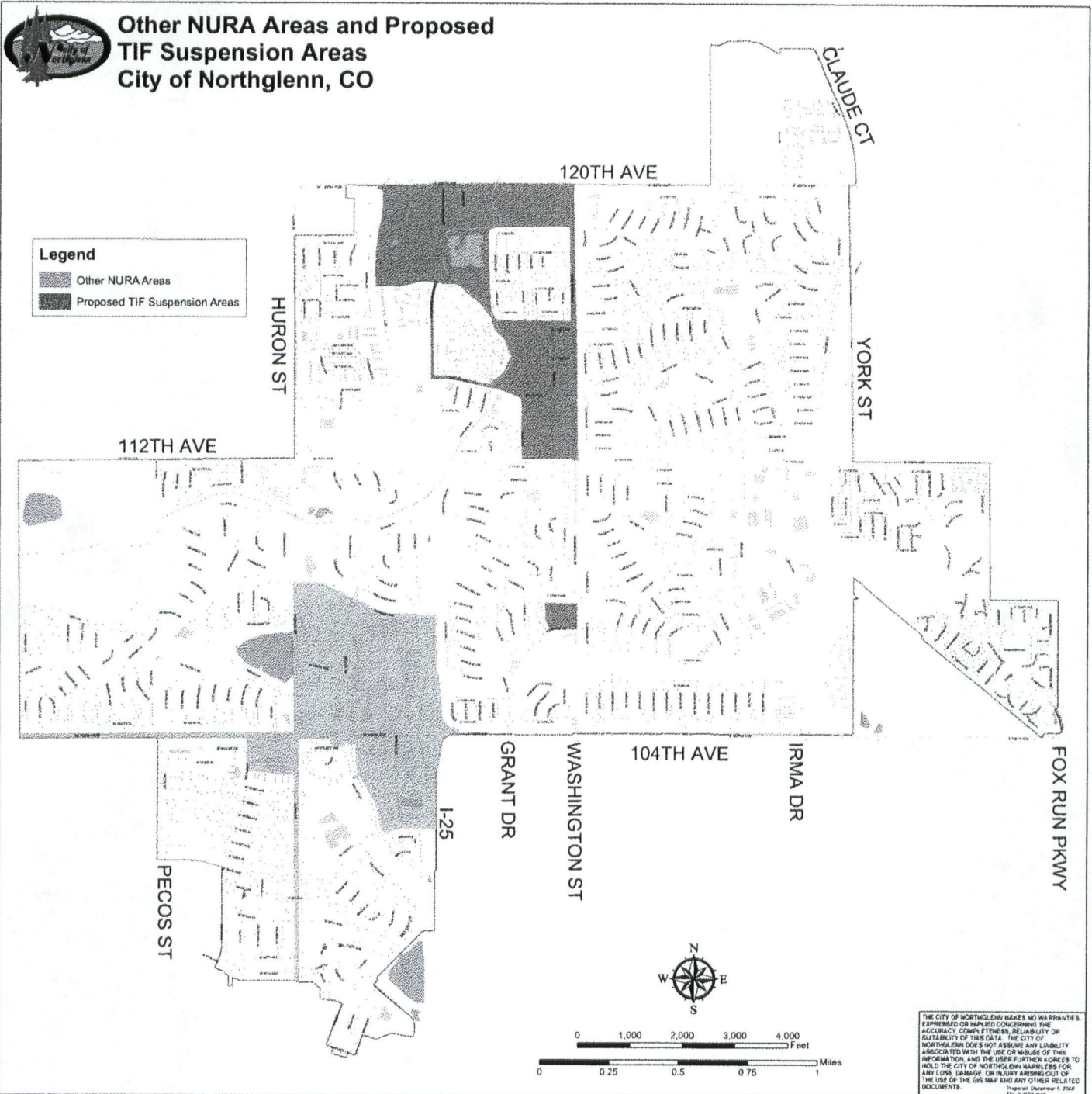
For 
Phil Carney
Chairman

APPROVED AS TO FORM


Jeff Parker
Board Attorney

ATTEST:


Patrick T. Breitenstein
Recording Secretary



SPONSORED BY: MAYOR NOVAK

COUNCILMAN'S RESOLUTION

RESOLUTION NO.

No. CR-81
Series of 2009

Series of 2009

A RESOLUTION MODIFYING THE NORTHGLENN URBAN RENEWAL PLAN TO SUSPEND TAX INCREMENT FINANCING FOR PROPERTY WITHOUT ACTIVE URBAN RENEWAL PROJECTS

WHEREAS, the Northglenn Urban Renewal Area currently consists of subareas referred to as the Northglenn Marketplace, the Civic Center, Washington Point Shopping Center, Malley Heights Shopping Center, Garland Shopping Center, and the Huron Center;

WHEREAS, the Northglenn Urban Renewal Plan implements sales and property tax increment financing ("TIF) for all property in the Urban Renewal Area, except for the Huron Center;

WHEREAS, although the Northglenn Urban Renewal Authority is actively planning rehabilitation and redevelopment projects for all property within the Urban Renewal Area, urban renewal projects have not yet been undertaken in a number of the Northglenn Urban Renewal Area subareas;

WHEREAS, the City Council desires to suspend the implementation of TIF for properties that have not yet been redeveloped until new redevelopment projects are undertaken; and

WHEREAS, in compliance with the Urban Renewal Law of Colorado, C.R.S. § 31-25-101 et seq., the Northglenn City Council desires to suspend the use of tax increment financing for the properties described in **Exhibit A**.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF NORTHGLENN, COLORADO, THAT:

Section 1. The Northglenn Urban Renewal Plan is hereby modified to suspend the use of tax increment financing for the properties listed in **Exhibit A** and depicted in **Exhibit B**.

Section 2. This modification does not substantially change the urban renewal plan in land area, land use, design, building requirements, timing, or procedure, and therefore does not constitute a substantial modification to the Northglenn Urban Renewal Plan pursuant to C.R.S. § 31-25-107(7).

DATED at Northglenn, Colorado, this ____ day of _____, 2009.

SHERI L. PAIZ
Mayor Pro Tem

ATTEST:

JOHANNA SMALL, CMC
City Clerk

APPROVED AS TO FORM:

COREY Y. HOFFMANN
City Attorney

EXHIBIT A, RESOLUTION CR-81
ASSESSOR'S PARCEL NUMBER
NURA TIF SUSPENSION

0171903100010	0171903409015
0171903100024	0171903409016
0171903100025	0171903409017
0171903100026	0171903409018
0171903100027	0171903409019
0171903108001	0171903409020
0171903108002	0171903410013
0171903109001	0171903410014
0171903109003	0171903410015
0171903109004	0171903410017
0171903110001	0171903410021
0171903111008	0171903410022
0171903111019	0171903410023
0171903111020	0171903410024
0171903111021	0171903410025
0171903111023	0171903411001
0171903111024	0171903412004
0171903111027	0171903412005
0171903111030	0171903412009
0171903111031	0171903412010
0171903111032	0171903412011
0171903111033	0171903412012
0171903111034	0171903412013
0171903112002	0171903413002
0171903113001	0171903413003
0171903113014	0171910401010
0171903113015	0171910401012
0171903113026	0171910401021
0171903123001	0171910401022
0171903200020	0171903100028
0171903200028	0171903413004
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0171903400005	0171903413008
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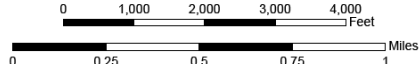
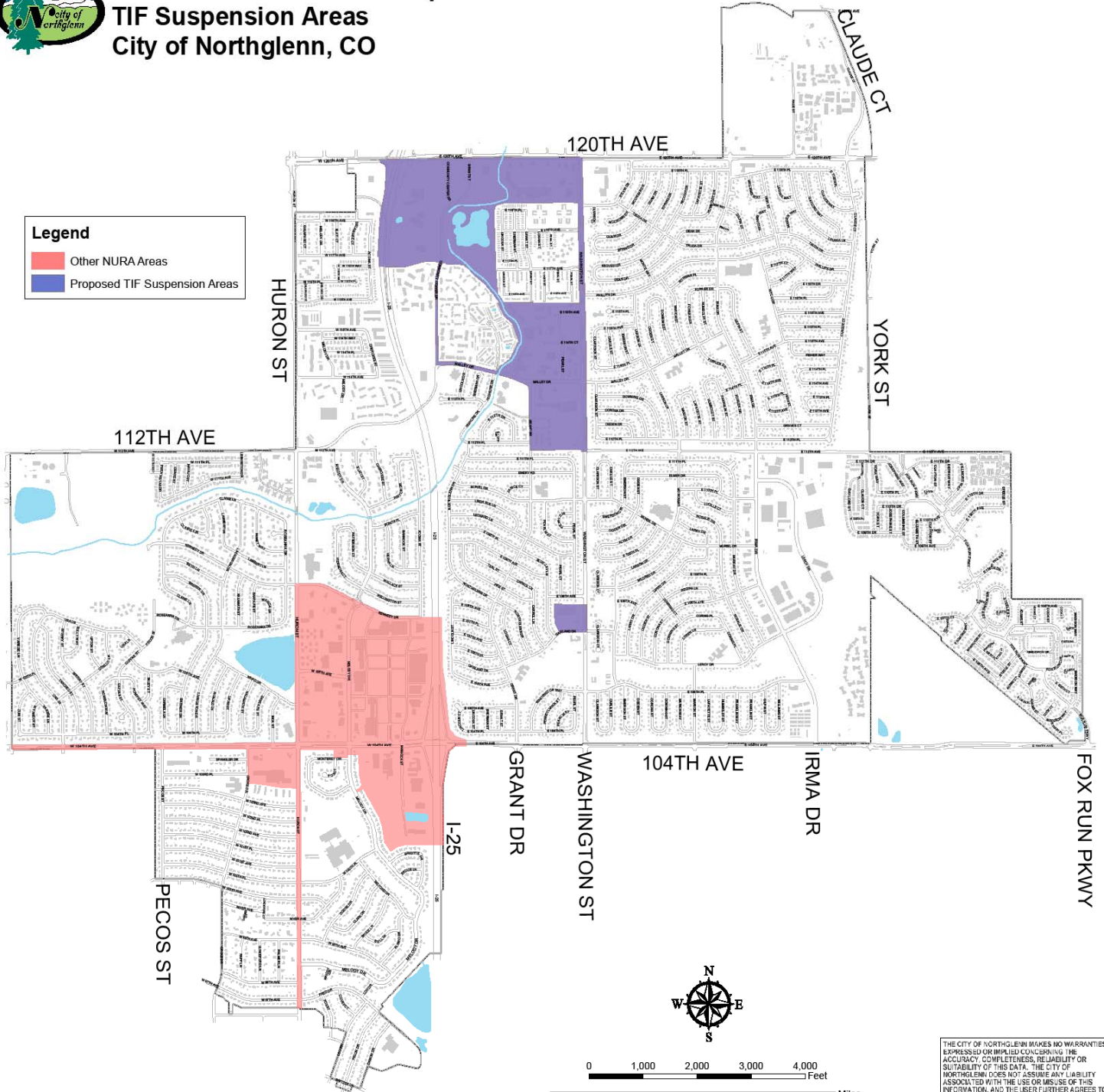
EXHIBIT B RESOLUTION CR-81



Other NURA Areas and Proposed TIF Suspension Areas City of Northglenn, CO

Legend

- Other NURA Areas
- Proposed TIF Suspension Areas



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Prepared: December 5, 2009
File: nura2.mxd