

FORT COLLINS **URA** **POLICIES & PROCEDURES** **FOR APPLICANTS**

MAY 18, 2010

SECTION 1 – INTRODUCTION

This policy is to provide guidance for the Fort Collins Urban Renewal Authority (URA) staff, Citizen Advisory Group (North College), and URA Board (Board) in considering, reviewing and processing applications that seek to use Tax Increment Financing (TIF) assistance for development activities within the designated plan areas. The URA Board will have the option of amending or waiving sections of this document when determined necessary or appropriate.

- 1** The fundamental purpose for application to the URA for TIF assistance is to facilitate desirable development/redevelopment projects within the URA plan that would not otherwise occur “but for” the assistance provided through TIF.
- 2** Examples of costs eligible for TIF assistance are listed in Section 4 – Eligible Costs.
- 3** It is the intent of the Board to provide the minimum amount of TIF assistance to make the project viable. The provision of financial assistance is at the sole discretion of the Board. The Board reserves the right to reject or approve projects on a case-by-case basis, taking into account established policies, specific project criteria and the demand on City services in relation to the potential public benefit received from the proposed project. Meeting policy guidelines and other criteria does not guarantee the award of TIF assistance. Furthermore, the approval or denial of one project is not intended to set a precedent for approval or denial of another project.

SECTION 2 – OBJECTIVES

The URA exists to accomplish the following objectives:

- 1** Retaining, expanding or attracting businesses for the purpose of improving the City’s economic base as demonstrated by increased jobs, creation of primary jobs, higher paying employment, installing manufacturing base, etc.
- 2** Eliminating blight.
- 3** Improving the public infrastructure (streets, storm drainage, sewer, utilities, etc.) in areas where deficiencies exist.
- 4** Encouraging development projects that enhance the streetscapes and pedestrian experience and improve the vitality of commercial corridors by adding interest and activity.
- 5** Providing a variety of quality affordable housing choices.
- 6** Creating a significant number of new primary jobs.
- 7** Providing “green” building or energy efficiencies within buildings and developments.
- 8** North College Plan area priorities (specific to the North College Urban Renewal Plan area):
 - a. Enhancing transportation infrastructure;
 - b. Providing stormwater drainage or floodplain improvements;
 - c. Expanding or upgrading utility infrastructure; and
 - d. Providing amenities that benefit the public including but not limited to streetscapes, enhanced architecture and building materials, facade renovations, special site improvements, etc. that contribute to a positive identity and image for the North College area.

SECTION 3 – ELIGIBLE DEVELOPMENT

The Board may consider TIF funding for Projects that include the following:

- 1 Business Development: the retention, expansion, and attraction of business in the plan area.
 - 2 Residential Development: new construction or rehabilitation of single family and/or multi-family housing.
 - 3 Affordable Housing (must meet the minimum City Code requirement of 20% of the total units with 80% Area Median Income (AMI) or less).
 - 4 Creation of a significant number of new primary jobs.
 - 5 Creation of a destination location that will capture additional revenue to the area.
 - 6 Historic preservation and adaptive reuse of historic structures.
 - 7 Protection of natural habitats and features both on the development's site and in the vicinity of that site.
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SECTION 4 – ELIGIBLE COSTS

- 1 Removal of hazardous materials or conditions (sites where remediation or mitigation are required).
 - 2 Site clearance or site acquisition.
 - 3 Land assemblage.
 - 4 Parking/structured parking for the public.
 - 5 Infrastructure that is extraordinarily costly to remedy (streets, stormwater, water/wastewater, light & power, gas, etc.)
 - 6 Infrastructure that serves other development and redevelopment facilitating further improvements in the area.
 - 7 Green development or Energy Efficiency features within a project.
 - 8 Public amenities such as parks, plazas, community gathering areas and streetscapes to enhance the aesthetics of the area.
 - 9 Capital Improvement Projects (CIP) as identified by the City of Fort Collins.
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SECTION 5 – EVALUATION CRITERIA

The following basic evaluation criteria will be used to review applications seeking TIF funding. Since every project is unique, additional evaluation criteria may become necessary and will be determined on a case-by-case basis.

- 1 Financial feasibility:
 - a. TIF assistance will not be considered for projects that have the financial feasibility to proceed without TIF assistance. Assistance will not be provided solely to broaden the developer's profit margin on the project. Prior to consideration of a TIF assistance request, the URA will undertake a financial analysis of the project costs to ensure that the request for assistance is appropriate.
 - b. For projects that will generate more than \$1 million in TIF or create a project that is more than 10,000 sq. ft. in size there may be an independent financial analysis. The independent analysis will be contracted for by the URA and the cost will be paid for by the applicant. Additionally, if the project is seeking more than 50% of the tax increment generated from the project, or if the applicant is asking for more than \$150,000, an independent financial analysis of the project may be required by the URA.
 - c. Individuals requesting TIF assistance must demonstrate, to the satisfaction of the URA, sufficient equity investment in the project prior to seeking TIF. Equity is defined as cash or un-leveraged value in land or prepaid costs attributable to the project.

Examples of equity may include personal cash, letter of credit, personal investment, awarded grant monies, etc.

2 Policy assessment:

- a. A qualitative and/or quantitative analysis should be completed in order to identify the costs associated with the project which benefit the public and achieve the broader community benefits and goals. Analysis of the benefits of the project will be measured against the expectations set in the relevant plans that may include, but not be limited by, City Plan, Urban Renewal Plan, and any community sub area plan.
- b. Projects do not provide sufficient public benefits may, after review, be asked for revisions such as:
 - i. Greater Developer contribution;
 - ii. Reduced TIF participation; and/or
 - iii. Redefining the scope of the project.

Revision may lead to approval or final denial of URA participant in the project.

3 TIF assistance for land/property purchase costs will not be provided in an amount exceeding the fair market value of the property. The fair market value will be determined by an independent appraiser hired by the Board or City of Fort Collins. The cost of the appraisal will be paid for by the applicant.

4 TIF will not be used to retroactively reimburse projects or make payments to cover costs associated with any actions already incurred by a development or redevelopment prior to a request for financial assistance being considered by the URA.

5 The URA will give preference to funding projects that have local ownership, which is defined to mean any home location, business, developer located within a 40 mile radius from the City of Fort Collins Growth Management boundary.

6 The applicant must be able to demonstrate to the URA and Board's satisfaction, an ability to construct, operate, and maintain the proposed project based upon past experience, general reputation, and credit history.

7 The level of TIF assistance will be determined on the merits of the project.

8 TIF assistance will be on a reimbursement basis and only after the project valuation is verified and the Certificate of Occupancy (CO) is issued at completion of construction. The funds will be paid upon actual costs with verifiable receipts. Consideration for payments prior to obtaining the CO and valuation may be made on a case-by-case basis and will require approval by the Board prior to commencement of construction.

9 The applicant must complete the TIF application in its entirety, including the following documentation:

- a. A location map
- b. Site plans or project drawings/perspectives/elevations
- c. Project Pro-forma
- d. Owner/Business resume
- e. Executive Summary with the following questions answered:
 - i. What is the nature of the project?
 - ii. Why is TIF assistance needed and how will the funds be used?
 - iii. What sources of financing will the project secure other than TIF?
 - iv. How will the project help improve/upgrade public infrastructure (streets, utilities, drainage, etc.)?
 - v. How will the project enhance the property tax base (and sales tax base, if applicable) of the area?
 - vi. How will the project help achieve the goals of the North College Urban Renewal Plan and City Plan?
 - vii. How will the project help eliminate slum and blight conditions?
 - viii. How will this project help achieve the URA goals of sustainability through green building techniques? Please be specific how this project uses energy efficiency, renewable resources, natural resource conservation techniques, stormwater low impact design methods, or any other methods not listed.
 - ix. Please provide documentation and quantifiable results stating the proven methods and effectiveness of the proposed sustainable features within the project.
 - x. What is the proposed project timetable (what is the estimated time frame for major steps including the City's planning decision, completion of financial commitments, start of construction, and issuance of Certificate of Occupancy (CO)?

SECTION 6 – PROCESS (see illustration for condensed version)

- 1** Applications may be submitted to URA staff at any time during regular business hours.
- 2** After URA staff has done a preliminary analysis and made suggested edits or modifications to the application, there will be a final submittal.
- 3** Additional community-based input will be required.
 - a.** If the application is for a project located within the North College Urban Renewal Plan, the North College Citizen Advisory Group (CAG) must make a recommendation by a majority vote. The CAG meets on a monthly basis and the proposed project/TIF application will be scheduled on the agenda once the financial analyses are completed and the URA staff has adequate information and achieved a staff recommendation to present.
 - b.** Feedback from community-based input may require modifications that delay approval and even require additional financial analysis.

If the goals of the URA are not clearly met and staff doesn't make a favorable recommendation to the Board, the application will be denied and will not move forward to the Board for approval. The applicant may apply again if the project changes financially, present a different project than previously submitted or with a change in the TIF calculation based on project differences.

- 4** Once the URA staff and any community-based organization have recommended the application, URA staff will work with the applicant to create a project specific Redevelopment Agreement (RA) that will define the terms of the TIF assistance for the project.
- 5** Once a final RA is agreed to URA staff will schedule the application for consideration at a hearing before the Board. The Board typically meets bimonthly on Tuesday evenings after City Council meetings.
- 6** Approval of the project at any point in the process, short of the Board meeting, is no guarantee that the project will ultimately receive any TIF assistance.
- 7** The Board will consider the application at the scheduled meeting. The Board will decide whether or not to support the application. The support may include:
 - a.** adoption of the RA,
 - b.** denial of the application, or
 - c.** conditional approval of the RA and the Board will provide clear direction on suggested terms. The Board will also clearly indicate if the conditions are mandatory for approval or optional enhancements.
- 8** All Redevelopment Agreements are valid for a 12 month period beginning on the date the agreement was executed, unless otherwise stated in the agreement.

FORT COLLINS **URA** APPLICATION PROCESS

STEP 1

Submit URA application

Staff review

Pls. allow 2 weeks for iterations

Final submittal

STEP 2

Financial analysis “But For” test

Pls. allow 4 weeks for completion

STEP 3

Staff recommendation

Based on determination of eligible costs

STEP 4

CAG meeting = project introduction

“CAG” Citizen Advisory Group meets once a month 1st Thursday

2nd CAG meeting = recommendation

STEP 5

**URA Board meeting scheduled* once
Redevelopment AGMT is negotiated**

*Based on availability of 6 month calendar