

10-10-18 Midtown Plan Area Public Open House Christ United Methodist Church

Key City staff

- Sylvia Tatman-Burruss, Public Engagement Specialist, Neighborhood Services, 224.6076
- Josh Birks, Economic Health and Redevelopment Director, 416.4349
- Martina Wilkinson, Asst. City Traffic Engineer, 221.6887
- Clay Frickey, City Planner, 224.6045
- Jennifer Baker, Redevelopment Support Specialist, 416.4381

About the meeting

- To inform the public about the proposed URA Midtown Plan Area and collaborate about potential public infrastructure improvements that could be made in the Plan Area.
- Not about specific developments proposed.
 - The property is generally identified by two pieces: the Spradley Barr site to the south and the proposed King Soopers redevelopment on the site of the old Kmart to the north.
- No decisions are being made right now.

Current timeline:

- Planning and Zoning Board review: November 15, 2018
- Urban Renewal Authority Board consideration of financial allocations: December 20, 2018
- City Council adoption: January 15, 2019

Background on the Proposed URA Midtown Plan Area (presented by Josh Birks)

About URAs:

- Urban Renewal Authorities are a tool created by state statute to address conditions that are holding an area back from being more economically viable.
- We seek revitalization of urban areas to remove economic impediments: deteriorated structures, obsolete conditions, etc.
- This requires leveraging private investment to stimulate redevelopment.
- If approved, the URA Midtown Plan Area would be the City's third such Plan Area – one exists at Foothills Mall, one near the southwestern intersection of Prospect and College and one on either side of North College near the City limit that includes the existing King Soopers Marketplace.
- City can use the URA to achieve other objectives (Examples: affordable housing, a promenade along MAX to encourage safe pedestrian/bicycle connectivity, improved College and Drake intersection, etc.)

About Tax Increment Financing

Urban Renewal Authorities are authorized to use Tax Increment Financing or TIF to stimulate development in deteriorating areas.

How TIF works: Before construction starts, the value of the current property is frozen and the property taxes that the property owner is currently paying - to such taxing districts as the school district or the health district - continues to be funneled to those districts. When the new development increases those

taxes, that increase – and only that increase – is funneled to the Urban Renewal Authority to pay for public infrastructure improvements such as sidewalks, underpasses or new public facilities such as a parking garage or recreation center. State statute allows the URA to collect those funds for up to 25 years.

Why at College and Drake and why now?

There are three factors:

1. This property is in a Targeted Infill and Redevelopment area as defined by City Plan, our guiding document for land use over the next 20 years.
2. Private developers have expressed interest in investing in the property.
3. Deteriorating conditions (blight) exists. Our consultant found at least six of 11 factors required by state statute exist on the site:
 - a. Slum or deteriorating structures
 - b. Predominance of defective or inadequate street layout
 - c. Unsanitary/unsafe conditions
 - d. Deterioration of the site
 - e. Unusual topography (causes things such as nuisance flooding)
 - f. Vacant buildings.

Transportation Questions

Q: Is there involvement of the railway and/or can the railroad be moved?

A: One of the considerations for the City is to request a quiet zone at this crossing where a train wouldn't have to blow its horn. A quiet zone requires special types of infrastructure and approval from federal railroad authorities. Anything beyond that involving the railroad is probably more than this plan area can address.

Q: Will there be changes on McClelland?

A: We're in discussions with the developer on the Spradley Barr site about what is required for the project and what we would consider some good safety and pedestrian improvements. The condition of that intersection of McClelland and Drake is part of the reason we went further west with the proposed Plan Area boundary.

Q: Given the amount of traffic, can the College and Drake intersection support apartments?

A: King Soopers and the owners of the Spradley Barr site are required to do traffic impact studies and give us what impact they'd have on the whole system and how we might address it. Without the URA Plan Area, we might find a couple of little things we require them to do. One of the benefits of the URA Plan Area is that we can look at the sites more holistically. At College and Drake, for example, could we look at the addition of another lane if you're eastbound on Drake - if we could get double left lanes built – that's one of the things we're looking at.

Q: Are you thinking about getting rid of the frontage roads?

A: Under the proposal, some of them go away, some of them become narrower and get bicycle facilities. It depends on where they are. We want to make sure we're maintaining access – and improving the functionality.

Q: Is there a grade-separated crossing over College and Drake that you're considering?

A: Yes. We're thinking about an underpass of the Mason Trail along the Redwing Road area that would create that safe passage under Drake. An underpass along the Mason trail would really help with congestion for Drake too. But that doesn't help people on the east side of College. We'd like nothing more than to do a grade separation there, but there is not any room. At College and Drake we are proposing porkchop islands by the right turn lanes, which shortens the distance for people to cross - that's the way we're addressing some of these pedestrian needs.

Q: King Soopers would be building a community grocery store in the one part of the intersection that doesn't have a community (homes). Getting there safely is a concern for people.

A: We're trying to address sidewalk widths along Drake. Certainly the intersection is important too. Those are the kind of improvements that could be entertained.

Proposed URA Plan Area Questions

Q: How long before increment flows into the district?

A: That first year you're not going to get any increment. There is no construction activity in that base year and there are several years of delay before you see increment. Increment is typically not available at the front side of a project.

Q: What can the developer or City do to advance the project and leverage the investment earlier?

A: Developers will have to build some improvements for their project to get approved. They will make those investments. They will show us how much it cost, prove to us there's no liens on the property and then we start to reimburse them over time. Then the URA isn't at risk for figuring out where that money comes from. The URA can also try to go out and issue debt based on the estimates on how much increment would be coming in in the future.

Q: So the increment means less money for the taxing districts?

A: The theory is that these impediments are preventing the investment from occurring. Without that redevelopment, there's no added tax that would come. So the City evaluates whether these impediments can only be removed through this tool or in other ways.

Q: Does the private investment come to the URA or the other way around?

A: The City has done both. With North College, we created the district and investment came. That area needed investment and we were trying to make it more attractive to investment. With Foothills mall, we knew it needed to be redeveloped and a developer came along and then the district was created.

Q: What's the advantage of this process vs. the developer doing this on their own? Would they happen without the URA?

A: The theory is they wouldn't be making this kind of investment if they don't have the assistance of the tax increment financing tool. Developers who want to use this tool are representing that the cost is too high against the return they're going to make off the taxes. They're saying they have a shortfall and that's why they need this. The City hires a consultant to analyze whether that's true financially and to determine whether those conditions are present.

Q: Is it likely that this area will meet the requirements for a tax increment financing district?

A: We haven't completed the technical analysis yet. It's very likely.

Q: Does that property tax increase mean I won't be able to sell my home?

A: The increased property tax revenue only applies to the area where the new tax revenue is generated. That increment goes to the Urban Renewal Authority.

Q: When those projects are completed, is there a possibility that the tax increment financing continues?

A: If there are still conditions present after the development is done, you could still use the increment. At the City, we do that on the front end so you can have more transparency about what improvements are needed.

Q: Is there a chance the study area will be larger? Or has it been finalized? Is that a missed opportunity?

A: With the recent change in state law regarding Urban Renewal Authorities, we are now required to go through an impact analysis that analyzes the impacts to the taxing entities that are affected by tax increment financing such as the school district. We have development proposals for this proposed plan area. On the site to the north of the old Kmart, we don't know what's going to happen there so we can't estimate what the impact is going to be and how the taxing districts can be made whole. At some point, that could be an area where we're talking about this tool being used.

Q: We got a letter about this project. Does that mean we would be included in the proposed new tax increment district?

A: No. The City mailed notices about the meeting to a large area within 1,000 feet of the project. The tax increment financing only applies to the properties in the proposed plan area.

Q: So the Urban Renewal Authority is talking about this Plan Area but hasn't created it yet?

A: Correct. A vote by City Council, which is scheduled now for January 15, creates the Plan Area. The URA Board - which includes the 7-member City Council, representatives of the other taxing districts and an at-large representative - implements the plan.

Proposed Development Questions

Q: I'm concerned that King Soopers will move to this new location and the old King Soopers becomes what Kmart is now.

A: We have had some very early conversations with the property owner where King Soopers is currently located. They have expressed some interest in potentially redeveloping that site; however, it is too early to state whether such redevelopment would occur.

Q: Will there be apartments above the King Soopers store?

A: King Soopers does not have plans to do anything above their store. They'll do some retail on the edge of the property.

Q: How many planned residential units on the Spradley Barr site south of Drake?

A: 192 units.

Q: Will you have enough parking?

A: For the parcel on the south, people will park largely on the parcel internal to the site. One possible use for the tax increment is a parking structure that would be adjacent to the MAX bus stop. The City currently has an easement with King Soopers for parking adjacent to MAX.

Q: Can the City do something similar to the Foothills Activity Center/a recreation center on this site?

A: We have not had those conversations. That might be a little too close to the Foothills Activity Center. The increment is more likely going to be used for infrastructure such as a parking structure or building an underpass for the Mason Trail under Drake to create added safety. Those are more the kind of City amenities we're trying to create with this plan.

Q: Is King Soopers taking over that entire old Kmart building?

A: No. They'll demolish it. That building has achieved its useful life.

Q: With the construction comes noise. How long will the project take and how do you address the noise?

A: Typical construction on these kinds of projects can be 12 to 15 months, on the south parcel in particular. With King Soopers, it may happen a little quicker because it's a simpler type of construction.

As for noise, our building department inspectors and neighborhood code enforcement officers can check noise levels to ensure they're meeting code. They can't be more than 60 decibels at the property line 7 AM – 8 PM and 55 decibels 8 PM – 7 AM.