SUBJECT FOR DISCUSSION

The Role of the Urban Renewal Authority to Carry out the Mission and Implement the Policies Within *City Plan.*

EXECUTIVE SUMMARY

The three different roles the Urban Renewal Authority (URA) can play to support the redevelopment of targeted areas include, React, Promote and Initiate. The various roles the URA takes are directly related to its strategy to carry out the goals and policies in *City Plan* with respect to redevelopment. The extent to which the Board engages in these roles is a policy decision and should be discussed by the Board. Additionally, there is a relationship between the role the URA takes with a certain project and the purpose of the financial assistance that also influences how the URA achieves its mission.

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

1. Based on the goals and policies within *City Plan* related to redevelopment, does the URA Board agree these are the appropriate roles for the URA?

2. Does the URA Board support the URA initiating projects in an effort to be more strategic in terms of achieving the community's redevelopment goals?

BACKGROUND / DISCUSSION

The Fort Collins Urban Renewal Authority (URA) mission is to "remedy blight, using Tax Increment Financing, to leverage private capital investment, and stimulate sustainable development and public improvement projects." The URA mission is supported by, and takes direction from the policies contained within the City's adopted comprehensive plan related to redevelopment and infill development. The role the URA takes to carry out the mission and implement the policies within *City Plan* is the topic of discussion for this work session.

The URA, through the use of Tax Increment Financing (TIF), can engage in different roles to accomplish the stated policies. In general, there are three different of roles the URA can play to support the redevelopment of targeted areas:

1. **React**. In certain circumstances it may make sense for the URA to react to the real estate market and allow the market to dictate the outcome. Appropriate times for a reactionary role for the URA might be if there is enough momentum in the real estate market such that

redevelopment is occurring without any other effort by the URA; or in the very early years of a TIF district to gauge the market's desire for redevelopment.

In a reactionary role, the URA would establish the parameters for financial assistance, and endorse plans for desired land use patterns and redevelopment efforts. In general, the URA would respond to redevelopment proposals and provide financial assistance only when requested by the private sector.

Examples of successful URA projects in which the URA played a reactionary role include the North College Marketplace development, Jax Outdoor Gear expansion, Valley Steel, and the Aspen Heights student housing project. In all of these cases, the URA responded to the requested financial assistance and provided only the minimum assistance.

2.   **Promote**. The URA, at times, has been active in promoting redevelopment projects and actually endorsing proposals. A role in which the URA promotes redevelopment efforts is a more active role in which the URA fosters a preferred market outcome, as opposed to just reacting to market forces. Appropriate times for the URA to promote projects might be when a project is a catalyst for an area and the preferred outcome is a priority for the community and/or a project will impact an area to such a degree that it would influence the outcome of future redevelopment projects.

In a promotion role, the URA forms partnerships with the private sector as a way to develop mutually beneficial outcomes; promotes redevelopment opportunities as way to "market" certain areas; and actually participates in a project's planning and approval process to influence future outcomes.

Examples of successful URA projects in which the URA was engaged in promoting projects include the redevelopment of the Foothills Mall, the Summit student housing project, and the Rocky Mountain Innosphere. In all of these cases, the URA played an active role with respect to certain preferred outcomes related to site planning, design, and land uses. There was a significant amount of collaboration with the private sector and a strong sense of partnership.

3.   **Initiate**. To initiate projects, the URA would actually generate proposals and engage in shaping the market outcome. A role in which the URA initiates redevelopment efforts is the most active role with regards to achieving the *City Plan* goals and policies for targeted redevelopment efforts. Appropriate times for the URA to initiate projects might be when a project involves public infrastructure upgrades or replacements that are necessary for an area to redevelop; acquisition of a key property to ensure preferred market outcome; or to deliver land uses to the market the private sector may not be able to deliver, such as affordable housing.

The URA has initiated projects that involved infrastructure improvements on public property, such as the North College Road improvements and the NECCO stormwater improvements. There could be circumstances, however, when the URA might want to acquire private property in order to control the market outcome, or to partner with private sector to develop certain preferred uses.

The various roles the URA takes on projects is presented to provide the Board with an understanding of how the URA can be strategic in its actions to carry out the goals and policies in *City Plan* with respect to redevelopment. While each role has its place depending on the circumstances, it is evident the URA has greater ability and influence on preferred outcomes (as stated in *City Plan*) if it engages in a Promote or Initiate role. The extent to which the Board engages in these roles is a policy decision and should be discussed by the Board.

URA Roles and Purpose of Assistance

During the May 14, 2013 work session, the Board discussed the three types of situations where it is appropriate for the URA and the City to assist in closing a financial gap and provide tax increment financing assistance. These three circumstances include:

* When conditions on the site make private market rate redevelopment impossible, so providing TIF assistance helps to <u>create</u> a project that would not otherwise happen.
* When conditions on the site make the timing of market rate redevelopment uncertain, so providing TIF assistance <u>accelerates</u> the timing of a project.
* When conditions on the site are such that the likely market rate redevelopment outcome is not desirable, so providing TIF assistance <u>enhances</u> identified objectives in *City Plan*.

There is a relationship between the role the URA takes with a certain project and the purpose of the assistance that is important to present. For instance, projects such as the Jax expansion or the Valley Steel infrastructure upgrades were provided assistance to help create a project that would not otherwise happen; however, the URA played a reactionary role in the sense of responding to the requests and providing a minimum amount of assistance. Compare these projects to the Foothills Mall redevelopment in which the URA provided assistance as means of accomplishing all three purposes (create, accelerate, and enhance), and the URA acted much more as a partner with the private sector as a strategy to achieve certain community goals. In this example the URA was engaged in a "promote" role.

Table 1: Purpose of Assistance/URA Role Relationship

		React	Promote	Initiate
Purpose of Assistance	**Enhance**	• North College Marketplace	• RMI • The Summit • Foothills Mall	
	Accelerate	• North College Marketplace • Valley Steel • Aspen Heights	• Foothills Mall	• North College Road Improvements
	Create	• Jax	• RMI • The Summit • Foothills Mall	• NECCO
		React	**Promote**	**Initiate**
		URA Role		

This relationship between the purpose of the assistance and the URA role is presented to further provide the Board with examples of how the URA can be strategic in its actions to carry out the goals and policies in *City Plan*. A project that falls within the Create/React realm requires less in

terms of expected public benefit and URA resources than a project within the Enhance/Initiate. However, a project that is initiated by the URA allows the URA to be more strategic in terms of achieving the community's redevelopment goals. A discussion around these differences could assist staff in identifying how best to operationalize the review and processing of different types of URA projects.

Additional Considerations with Respect to URA Role

The role the URA takes to achieve the policies and goals of *City Plan* influences larger policy decisions, such as the creation of new urban renewal areas in targeted redevelopment areas (as described in *City Plan*), the creation of new tax increment financing districts within established urban renewal areas, as well as how the URA provides financial assistance (i.e., bonding vs. reimbursement based on collected increment).

While the specifics of the these policy decisions do not need to be discussed during this work session, the comfort level with the various roles helps to inform the preferred direction of the Fort Collins URA and the strategies available to achieve the redevelopment goals of the City.

ATTACHMENTS

1. Powerpoint presentation

# Fort Collins URA Work Session –

URA Role in Redevelopment Strategy

July 30, 2013

City of Fort Collins

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URA Mission

"Remedy blight, using Tax Increment Financing, to leverage private capital investment, and stimulate sustainable development and public improvement projects."

- Mission takes direction from the *City Plan* policies related to redevelopment and infill development

Targeted Redevelopment and Infill

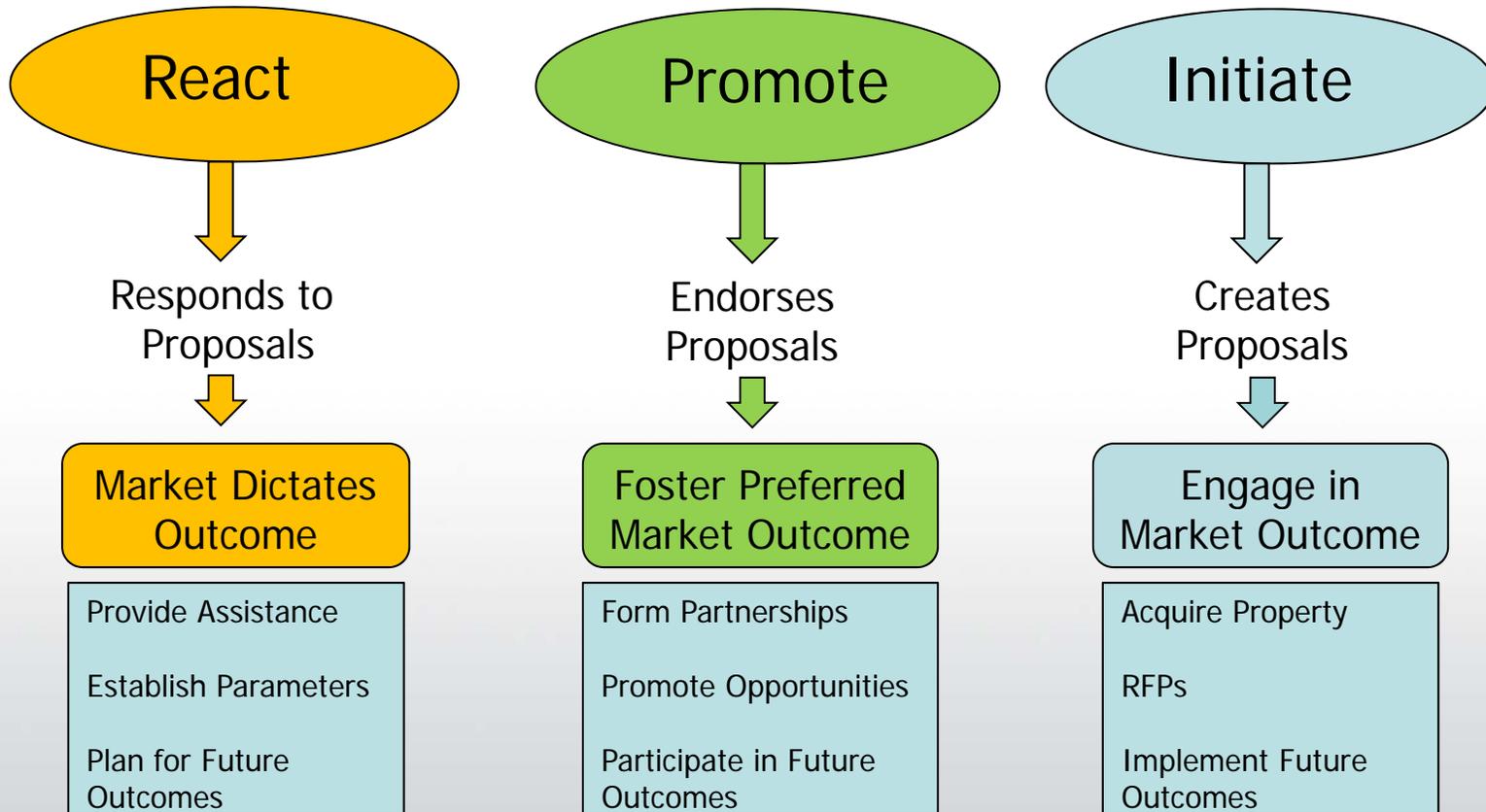Figure GM-8: Redevelopment and Infill. Source: Fort Collins & EDAW
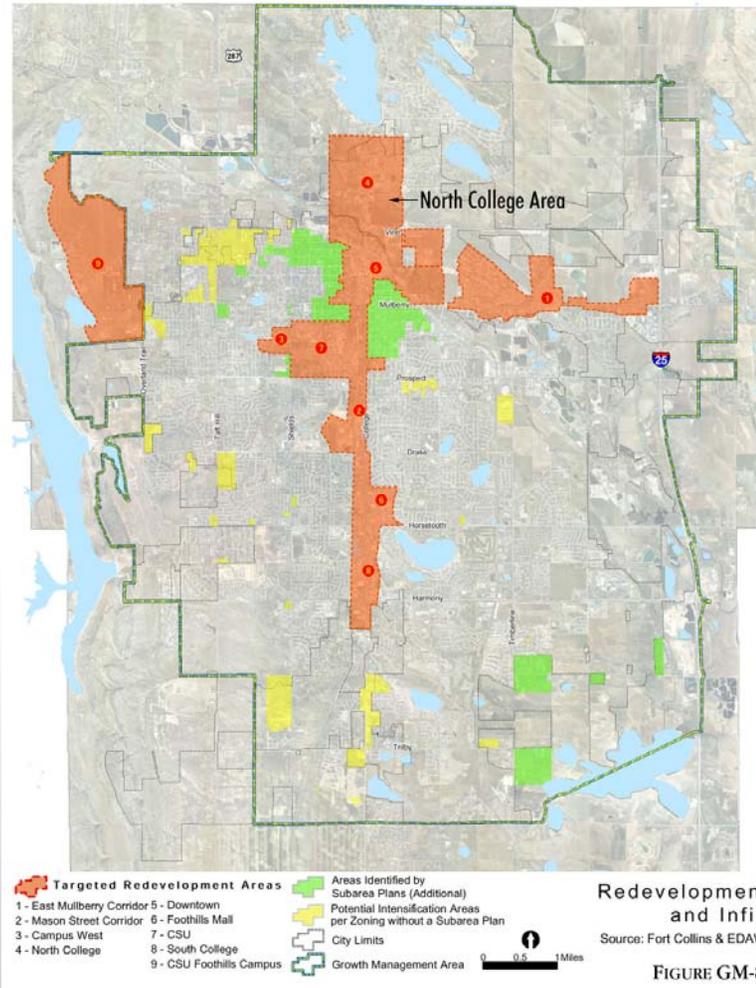
URA Roles

URA can engage in different roles to accomplish the stated policies.
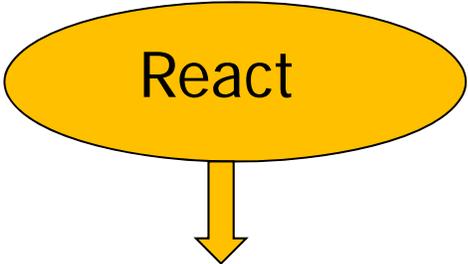
Each role requires different strategies and resources.

Each role has different policy implications.

Role of URA

React

Responds to Proposals

Market Dictates Outcome

Provide Assistance

Establish Parameters

Plan for Future Outcomes

Promote

Endorses Proposals

Foster Preferred Market Outcome

Form Partnerships

Promote Opportunities

Participate in Future Outcomes

Initiate

Creates Proposals

Engage in Market Outcome

Acquire Property

RFPs

Implement Future Outcomes

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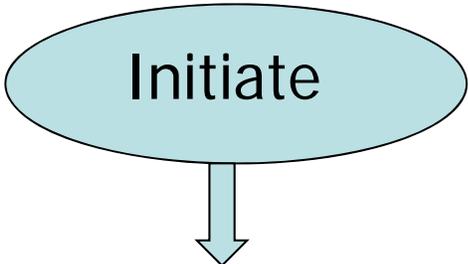FORT COLLINS URA

Role of URA – Project Examples

React

Promote

Initiate

North College Marketplace

JAX Expansion

Valley Steel

Aspen Heights

Foothills Mall

The Summit

RMI

N. College Road Improv.

NECCO Stormwater

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Role/Purpose Relationship

Example Projects

Purpose of Assistance (vertical axis)

- Enhance
- Accelerate
- Create

URA Role (horizontal axis)

- React
- Promote
- Initiate

	React	Promote	Initiate
Enhance	NC Marketplace	RMI / The Summit / Foothills	
Accelerate	NC Marketplace / Valley Steel / Aspen Heights	Foothills	NC Road Improvements
Create	Jax	RMI / The Summit / Foothills	NECCO

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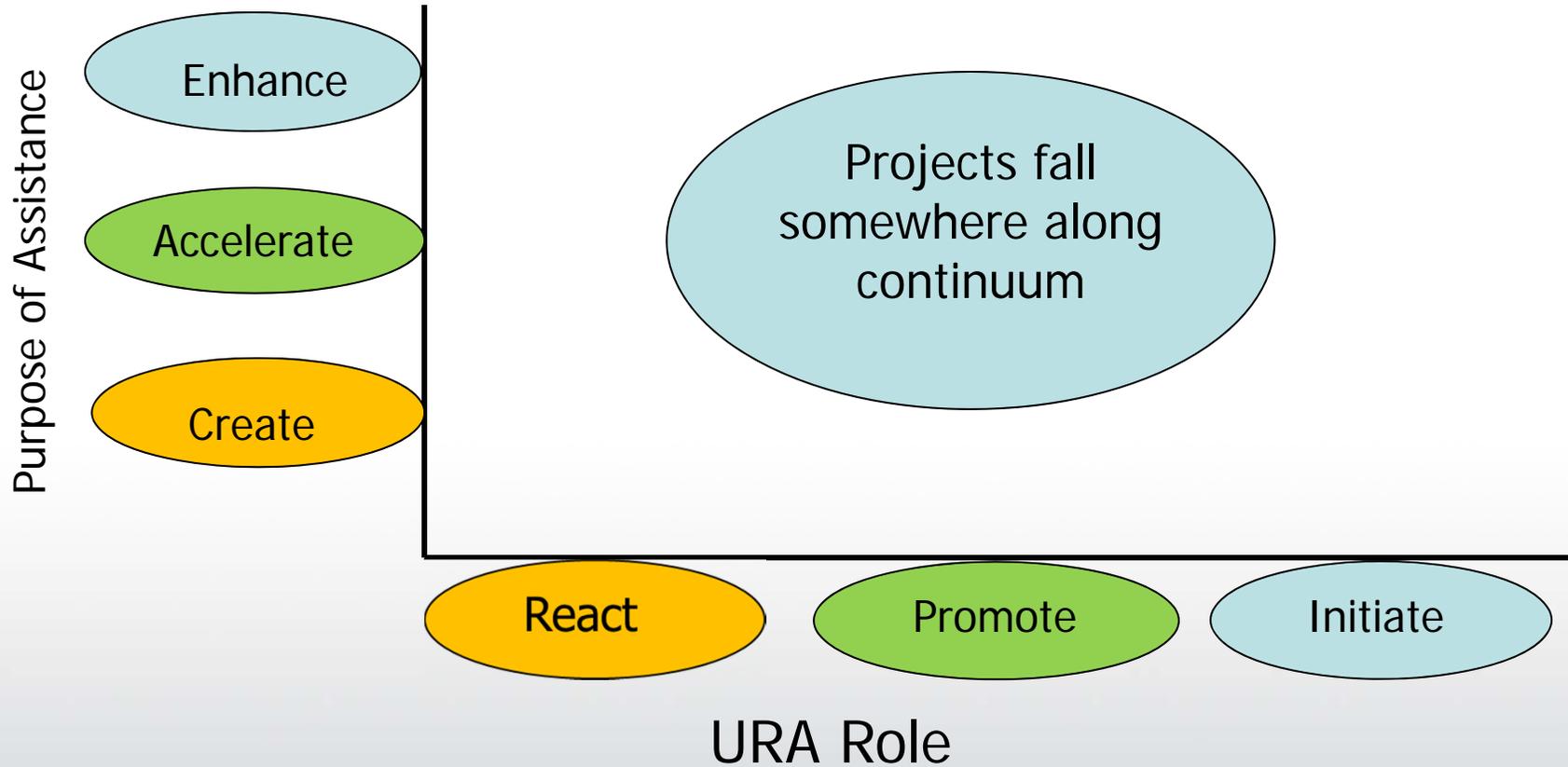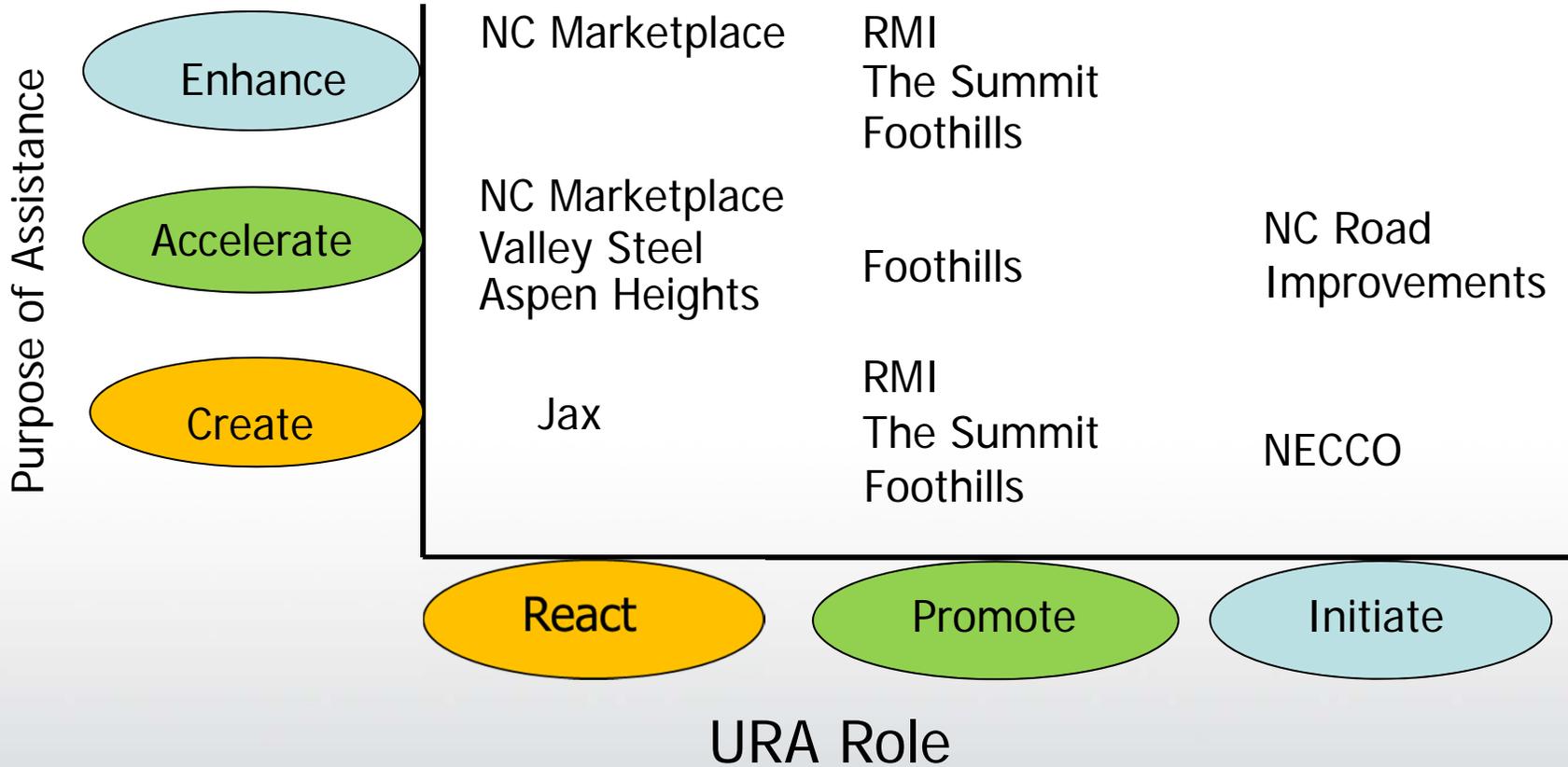
Additional Considerations

Roles influence larger policy decisions:

- Creation of new urban renewal areas
- New TIF districts
- Financial Assistance package

Direction Sought

- *Based on the goals and policies within City Plan related to redevelopment, does the URA Board agree these are the appropriate roles for the URA?*

- *Does the URA Board support the URA initiating projects in an effort to be more strategic in terms of achieving the community's redevelopment goals?*