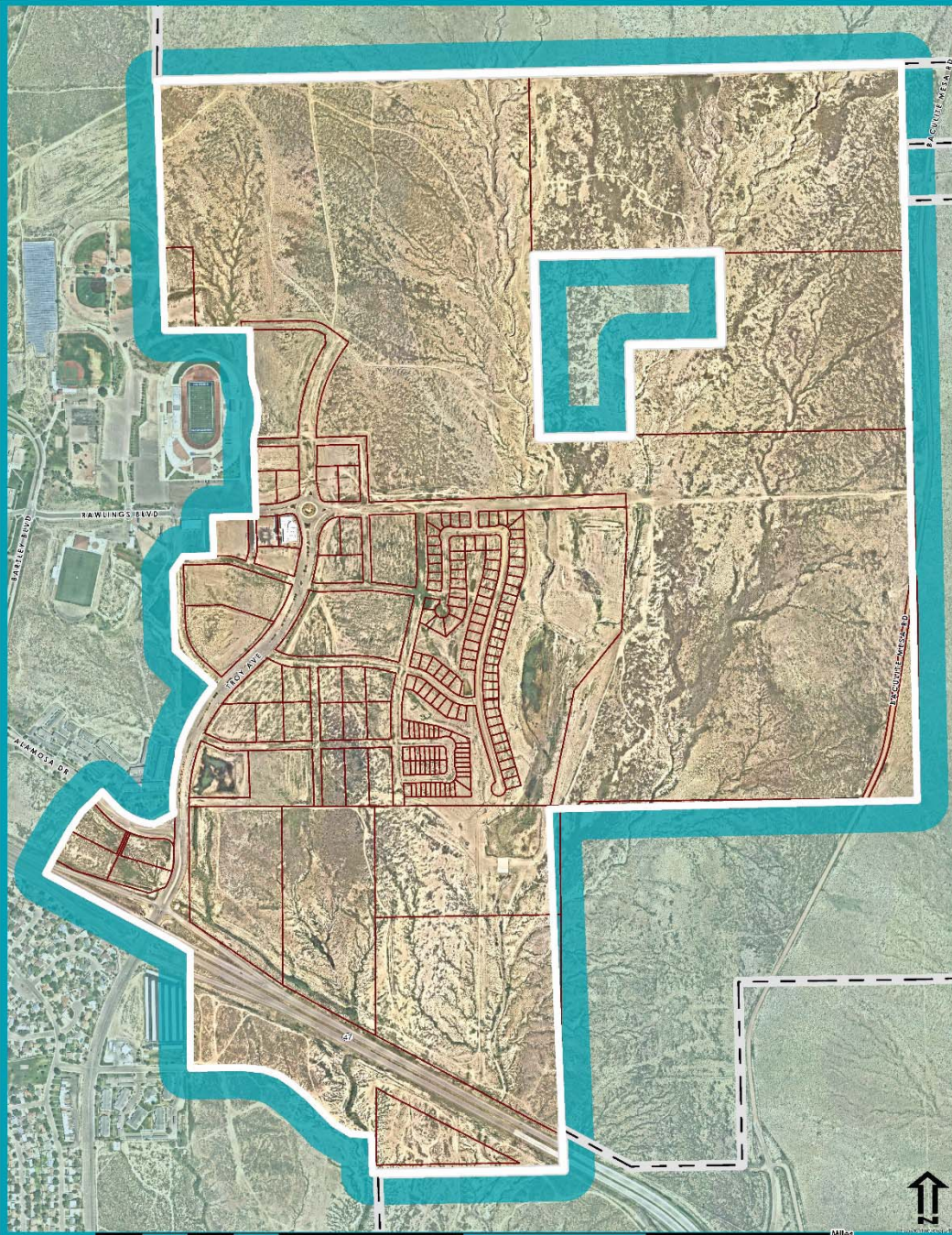


THUNDER VILLAGE PROJECT 2 URBAN RENEWAL AREA



- CITY LIMITS
- THUNDER VILLAGE PROJECT 2 PARCELS
- THUNDER VILLAGE PROJECT 2 ~ 751 ACRES

January 13, 2020



1. INTRODUCTION

In the legislative declaration in Section 31-25-202 of the Act (as defined below), the Colorado General Assembly finds and declares that there exist in Colorado municipalities areas that constitute a serious and growing menace to public health and welfare and that the conditions that exist in such areas is a matter of public policy and statewide concern. The Area included in this Urban Renewal Plan is a proverbial “white elephant” that the Act was designed to address. The property contains a multitude vacant sites, deteriorating infrastructure and other underutilized facilities. The Survey Area is a topographically challenging section of the City that presents a great challenge for development.

The purpose of this Plan is to eliminate the extensive conditions of blight that exist in the Survey Area, provide for a new and important commercial and residential neighborhood, and implement those provisions of the Comprehensive Plan that apply to the Urban Renewal Area. The provisions of this Plan are intended to help provide vital services to the Area, attract and leverage private investment, utilize underdeveloped land, create new commercial opportunities servicing Colorado State University - Pueblo (CSU-PUEBLO), and leverage public investment and funding mechanisms to provide necessary public infrastructure to serve the Area.

This Urban Renewal Plan has been prepared for consideration by the City Council of the City pursuant to the provisions of the Act. The administration of the Project and the implementation of the Plan shall be the responsibility of the Authority.

2. DEFINITIONS

The terms used in this Urban Renewal Plan shall have the following meanings.

“Act” means the Colorado Urban Renewal Law, Part 1 of Article 25 of Title 31, of the Colorado Revised Statutes.

“Area” or “Urban Renewal Area” means the area of the City included within the boundaries of this Urban Renewal Plan as depicted in Exhibit A and described in Exhibit B.

“Authority” means the Pueblo Urban Renewal Authority, a body corporate and politic of the state of Colorado.

“City” means the City of Pueblo, Colorado, a home rule city of the state of Colorado.

“Comprehensive Plan” means the Pueblo Comprehensive Plan adopted in 2002 including all amendments.

“Duration” means the full twenty-year period that the Tax Increment Financing provisions of the Act are in effect.

“Mixed Use” means a mix of residential and commercial land uses; provided, however, that residential uses are excluded from the provisions of the urban renewal plan.

“Plan” or “Urban Renewal Plan” means this urban renewal plan as it may be amended in the future.

“Project” or “Urban Renewal Project” means all of the activities and undertakings described in Section 103(10) of the Act as required for the complete development of the Urban Renewal Area, including, without limitation financing and construction of all public and private improvements and payment of all financing obligations included in the definition of Bonds.

“Residential Property” or “Residential Properties” means all properties assessed as residential by the Pueblo County Assessor’s Office.

“Tax Increment Financing” or “TIF” means tax allocation financing described in Section 31-25-107(9) of the Act, as in effect on the date this Plan is approved by the City Council of the City. Tax Increment Financing shall be required for the full twenty-five-year period (the Duration) necessary to carry out all necessary activities and undertakings to complete the Urban Renewal Project.

3. URBAN RENEWAL AREA BOUNDARIES

The location and boundaries of the Urban Renewal Area within the City are shown in Exhibit A. The Urban Renewal Area contains approximately 773 acres and is described in Exhibit B.

4. SUMMARY OF STATUTORY CRITERIA

The Authority utilized Ricker|Cunningham and an attorney experienced in urban renewal requirements, to survey and document whether conditions that constitute a “blighted area”, as defined in the Act, exist in the Area. The result of the survey is included in a document entitled “Thunder Village II Area Conditions Survey” (the Conditions Survey) dated November 2019, consisting of 19 pages. The Conditions Survey is incorporated herein in its entirety by this reference.

The Conditions Survey shows that the following factors listed in the Act are present in the Area and that these conditions qualify the Area as a “blighted area” as defined in the Act:

- Predominance of defective or inadequate street layout;
- Faulty lot layout in relation to size, adequacy, accessibility, or usefulness;
- Unsanitary or unsafe conditions;
- Deterioration of site or other improvements;
- Unusual topography and inadequate public improvements or utilities;

- 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; and
- 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.

5. DESCRIPTION OF URBAN RENEWAL PROJECT

This Plan will be implemented as part of a comprehensive program to eliminate and prevent blight in the Urban Renewal Area. The Authority and the City, with the cooperation of private enterprise and other local governing bodies, will undertake a program to eliminate the conditions of blight identified in the Conditions Survey while implementing the Comprehensive Plan and any supplemental plans. The principal goals of the plan are to help provide important municipal services to the Area, attract private sector investment, utilize undeveloped land, and leverage municipal investment and funding mechanisms to provide necessary public infrastructure to serve the Area. The Plan is also intended to promote uses intended for the primary benefit of students, employees and visitors of Colorado State University-Pueblo (CSU-PUEBLO) and provide new convenient access to and from the Area and the CSU-PUEBLO campus. Although this Plan does not preclude the acquisition of property by the Authority, there is no plan for the Authority to acquire any property in the Area to implement any of the land uses authorized or permitted by the Plan. The goals of the Plan will be accomplished by affording maximum opportunity for the redevelopment of the Area by private enterprise as required by the Act.

A. Urban Renewal Plan Goals and the Plan's Relationship to Local and Regional Objectives.

1. Goals of the Plan

This Plan has been adopted to achieve the following goals in the Area:

The Plan's goal is to implement the City's Comprehensive Plan by assisting with the elimination of development barriers in the Area. These barriers are characterized principally by inadequate street patterns, lack of adequate and convenient access, and lack of adequate public infrastructure. The Authority will cooperate with public and private enterprise to remedy these conditions and to otherwise benefit and facilitate redevelopment of the Area by private enterprise and to stimulate primary urban growth for the City.

A principal goal of the Plan is to extend infrastructure and services to facilitate redevelopment of the Area by private enterprise.

The Plan will implement the following provisions of the Comprehensive Plan:

- To facilitate and enhance Mixed Use and neighborhood commercial development with private and institutional users in and around CSU-PUEBLO;
 - To help private enterprise provide the necessary infrastructure to service the needs CSU-PUEBLO students, employees and visitors;
 - To encourage efficient and prudent extensions of infrastructure in a manner that considers both service providers and taxpayers; and
 - To promote new subdivision developments that are reflective of Pueblo’s older, traditional neighborhoods. This is reflected in providing: a mix of housing types and sizes; interconnected and pedestrian “friendly” streets; neighborhood commercial and office services; access to parks; and tree lined streets providing an urban canopy.
2. Implementation of the Plan will eliminate and prevent conditions of blight in the Urban Renewal Area.
 3. Through the maximum possible participation of private enterprise and the cooperative efforts of the public sector, implementation of the Plan will eliminate and prevent economic deterioration in the Urban Renewal Area and the community at large. The Plan will promote creation of value in the Area.
 4. The Plan will extend public facilities and infrastructure; improve access, traffic, public utilities, sewer and water, and storm water detention in the Urban Renewal Area.
 5. The Plan will help attract capital investment by private enterprise, thereby providing Mixed Use development, employment and strengthening the City’s economic base.
 6. The Plan will improve conditions and correct problems in the Area related to vehicular access and circulation, public utilities, drainage, environmental contamination, public safety, sewer connectivity, underutilization of land, and public amenities.

B. Land Use Regulations and Building Requirements

The Plan will provide a comprehensive and unified plan to promote and encourage high quality development and redevelopment of the Urban Renewal Area by cooperative efforts of private enterprise and public bodies. Notwithstanding anything in the Plan to the contrary, the development and use of the property within the Urban Renewal Area described in the Plan including, without limitation, land area, land use, design building requirements, timing or procedures applicable to the property, shall be subject to the Pueblo Municipal Code and secondary codes and other applicable standards and regulations of the City (“City Regulations”) which shall be controlling with respect thereto.

6. PROJECT ACTIVITIES

The following provisions shall apply to the Area. In accordance with the Act, the Authority may undertake these activities directly or, to the extent authorized by applicable law, contract with third parties to do so.

A. Land Acquisition

The Authority does not intend to undertake land acquisition in the Urban Renewal Area. However, in order to carry out this Plan, the Authority may exercise any and all of its rights and powers under the Act and any other applicable law, ordinance or regulation. The Authority may acquire any interest in property by any manner available; provided, however, acquisition of property by eminent domain is not authorized.

B. Relocation

The Authority does not intend to cause displacement of any parties within the Area. However, if acquisition of property displaces any individual, family, or business concern, the Authority may assist such party in finding another location, and may, but is not obligated to, make relocation payments to eligible residents and businesses in such amounts and under such terms and conditions as it may determine and as may be required by law.

C. Demolition, Clearance and Site Preparation

The Authority does not intend to acquire any real property in the Area. The Authority intends to demolish and clear buildings, structures, and other improvements from the Area. The Authority intends to participate in the remediation of environmental contamination in the Area and prepare the site for redevelopment. The Authority may also reimburse others to undertake any or all of such activities. The Authority intends to provide or finance rough and finished site grading and other site preparation services as part of a comprehensive redevelopment program.

D. Property Management

The Authority does not intend to acquire or manage any property in the Area. If the occasion for such services is required, the Authority shall comply with all applicable requirements of the Act.

E. Land Disposition, Redevelopment and Rehabilitation

If the Authority acquires any property, it shall dispose of such property for private use by means of a reasonable competitive bidding procedure it establishes in accordance with the Act and pursuant to redevelopment agreements between the Authority and such purchasers. Any property owned by the Authority may be dedicated, sold or otherwise conveyed for public use in accordance with the Act.

The Authority may also enter into owner participation agreements with property owners in the Area for the development, redevelopment or rehabilitation of their property. Such agreements will provide for such participation and assistance as the Authority may elect to provide to such owners.

The Authority may develop, construct, maintain, and operate buildings and facilities devoted to uses and purposes as the Authority deems to be in the public interest and authorized by the Act.

All such redevelopment, owner participation and other agreements shall contain, at a minimum, provisions requiring:

1. Compliance with the Plan and City Regulations;
2. Covenants to begin and complete development, construction or rehabilitation of both public and private improvements within a period of time deemed to be reasonable by the Authority;
3. The financial commitments of each party (but nothing herein shall obligate the Authority to make any such financial commitment to any party or transaction).

F. Public Improvements

The Authority will cooperate with private enterprise, the City and other public bodies to provide the infrastructure necessary to service the Area. The Authority is authorized to cooperate with all such parties to finance, assist in the design, installation, construction, and reconstruction of public improvements and other infrastructure in the Area and to enter into agreements to provide public improvements and equipment necessary and incidental to the provision of infrastructure improvements and public services to serve the needs of the Area.

G. Cooperation Agreements

For the purposes of planning and carrying out this Plan in the Area, the Authority may enter into one or more cooperation agreements with the City or other public bodies. Without limitation, such agreements may include project financing and implementation; design, location, installation, and construction of public improvements, provision for municipal services, and any other matters required to carry out this Project. It is recognized that cooperation with the City and other public and private bodies may be required to coordinate such issues as the design, construction, maintenance, operation, timing of public and private improvements, and the provision of municipal services within and outside of the Area to properly and efficiently carry out the goals and objectives of this Plan.

H. Other Project Undertakings and Activities

Other Project undertakings and activities deemed necessary by the Authority to carry out the Plan in the Area may be undertaken and performed by the Authority or pursuant to agreements with other parties, including private enterprise and public bodies in accordance with the authorization of the Act and any and all applicable laws.

7. PROJECT FINANCING

The Authority is authorized to finance activities and undertakings under this Plan by any method authorized by the Act or any other applicable law, including without limitation, Tax Increment Financing, appropriations, loans or advances from the City; federal loans and grants; state loans and grants; interest income; pay as you go arrangements; annual appropriation agreements; agreements with public and private parties or entities; sale of securities; loans, advances and grants from any other available source.

Any and all financing methods legally available to the City, the Authority, any private developer, redeveloper or owner may be used to finance in whole or in part any and all costs, including without limitation, the cost of public improvements described or anticipated in the Plan or in any manner related or incidental to the development of the Urban Renewal Area. Such methods may be combined to finance all or any part of activities and undertakings throughout the Urban Renewal Area. Any financing method authorized by the Plan or by any applicable law, including without limitation, the Act, may be used to pay the principal of and interest on and to establish reserves for indebtedness (whether funded, refunded, assumed or otherwise) incurred by the Authority, the City, or other public or private entity to finance activities and undertakings authorized by the Act and this Plan in whole or in part.

The Authority is authorized to issue notes, bonds or any other financing instruments or documents in amounts sufficient to finance all or part of the Urban Renewal Plan. The Authority is authorized to borrow funds and to create indebtedness in carrying out this Plan. The principal, interest, and any premiums due on or in connection with such indebtedness may be paid from any funds available to the Authority.

The Project may, pursuant to a cooperation agreement between the Authority and the City, be financed by the Authority under the property tax allocation financing provisions of the Act, commonly referred to as Tax Increment Financing, which shall be in effect for the Duration allowed by the Act, as follows:

A. Base Amount

That portion of the taxes which are produced by the levy at the rate fixed each year by or for each public body upon the valuation for assessment of taxable property in the Urban Renewal Area last certified prior to the effective date of approval of the Plan or, as to an area later added to the Urban Renewal Area, the effective date of the modification of the Plan (the “Base Amount”) shall be paid into the funds of each such public body as are all other taxes collected by or for said public body.

B. Increment Amount

That portion of said property taxes in excess of such Base Amount shall be allocated to and, when collected, paid into a special fund of the Authority for the Duration to pay the principal of, the interest on, and any premiums due in connection with the Bonds of, loans or advances to, or indebtedness incurred by (whether funded, refunded, assumed or otherwise) the Authority for financing or refinancing, in whole or in part, the Urban Renewal Project.

Unless and until the total valuation for assessment of the taxable property in the Urban Renewal Area exceeds the base valuation for assessment of the taxable property in the Urban Renewal Area, all of the taxes levied upon taxable property in the Urban Renewal Area shall be paid into the funds of the respective public bodies.

When such Bonds, loans, advances and indebtedness, including interest thereon and any premiums due in connection therewith, have been paid, all taxes upon the taxable property in the Urban Renewal Area shall be paid into the funds of the respective public bodies.

The increment portion of the taxes, as described in this subsection B, above, is hereby irrevocably pledged by the Authority for the Duration to payment of the principal of, the interest on, and any premiums due in connection with such Bonds, loans, advances and indebtedness incurred by the Authority to finance the Urban Renewal Project. The Authority shall set aside and reserve a reasonable amount as determined by the Authority of all incremental property taxes paid to the Authority for payment of expenses associated with administering the Plan and to otherwise comply with the requirements and authorizations of the Act.

8. CHANGES IN APPROVED PLAN

This Plan may be modified pursuant to the provisions of the Act governing such modifications, and the protections and notices to owners and others required by the Act, including Section 31-25-107, C.R.S.

9. MINOR VARIATIONS

The Authority may in specific cases allow minor variations from the provisions of the Plan if it determines that a literal enforcement of the provisions of the Plan would constitute an unreasonable limitation, restriction, or hardship beyond the intent and purpose of the Plan.

EXHIBIT B
Legal Description of the Thunder Village Project 2 Urban Renewal Area

Beginning at the northwest corner of Section 16, Township 20 South, Range 64 West, where it adjoins the easterly boundary of Colorado State University – Pueblo, thence east along the north line of Section 16 to the northeast corner of Section 16, thence south along the east line of Section 16 to the southeast corner of Section 16, thence west along the south line of Section 16 to the southwest corner of the southeast quarter of Section 16, thence south along the east line of the northwest quarter of Section 21, Township 20 South, Range 64 West, to the southeast corner of said northwest corner, thence west along the south line of said northwest quarter to the southwest corner of the east one-half of the northwest quarter of Section 21, thence north to the point of intersection with the northern right-of-way line of Nottingham Drive, thence westerly along the northern right-of-way line of Nottingham Drive to the southeast corner of Lot 1, Troy Avenue Crossing, thence north along the east line of Lot 1, Troy Avenue Crossing and said east line extended to the northern right-of-way line of State Highway 47, thence westerly along the northern right-of-way line of State Highway 47 to the southeast corner of Lot 5, University Village Subdivision Filing No. 2, thence northerly along the east line of Lot 5, University Village Subdivision Filing No. 2 and said east line extended to the northern right-of-way Alamosa Drive, thence easterly along the northern right-of-way Alamosa Drive to the point of intersection with the western right-of-way line of Troy Avenue, thence northerly along the western right-of-way line of Troy Avenue to the point of intersection with the westerly right-of-way line of Thunderwolf Drive, thence northerly along the westerly right-of-way line of Thunderwolf Drive to the point of intersection with the north right-of-way line of Roma Way, thence east along the north right-of-way line of Roma Way to the point of intersection of the west right-of-way of Thunderalley Drive, thence north along the westerly right-of-way of Thunderalley Drive to the point of intersection of the north right-of-way of Rawlings Boulevard, thence east along the north right-of-way line of Rawlings Boulevard to the point of intersection of the westerly right-of-way line of Thunderbowl Drive, thence northerly along the westerly right-of-way line of Thunderbowl Drive to the northeast corner of Parcel D, Villa Bella Subdivision Filing No. 1, thence west along the north line of Parcel D, Villa Bella Subdivision Filing No. 1 to the west line of Section 16, thence north along the west line of Section 16 to the point of beginning, and excluding that portion of Section 16 which is not within the corporate limits of the City of Pueblo and excluding all residential property within the above described boundaries.



**ThunderVillage Project 2 Urban Renewal Plan
PUEBLO COUNTY IMPACT REPORT AND REVENUE
PROJECTIONS**

AS OF NOVEMBER 27, 2019

This report outlines the anticipated impact of the proposed *ThunderVillage Project 2 Urban Renewal Plan* on Pueblo County. It responds to the requirements outlined in C.R.S. 31-25-107 (3.5):

C.R.S. 31-25-107: APPROVAL OF URBAN RENEWAL PLANS BY THE LOCAL GOVERNING BODY

- (3.5) “Prior to the approval of an urban renewal plan, the governing body shall submit such plan to the board of county commissioners, which shall include, at a minimum, the following information concerning the impact of such plan:
- (a) The estimated duration of time to complete the urban renewal project;
 - (b) The estimated annual property tax increment to be generated by the urban renewal project and the portion of such property tax increment to be allocated during this time period to fund the urban renewal project;
 - (c) An estimate of the impact of the urban renewal project on county revenues and on the cost and extent of additional county infrastructure and services required to serve development within the proposed urban renewal area, and the benefit of improvements within the urban renewal area to existing county infrastructure;
 - (d) A statement setting forth the method under which the authority or the municipality will finance, or that agreements are in place to finance, any additional county infrastructure and services required to serve development in the urban renewal area for the period in which all or any portion of the property taxes described in subparagraph (ii) of paragraph (a) of subsection (9) of this section and levied by a county are paid to the authority; and
 - (e) Any other estimated impacts of the urban renewal project on county services or revenues.

Summary of Urban Renewal Plan

Development Program

The proposed development program for the *ThunderVillage Project 2 Urban Renewal Plan* (the Urban Renewal Area) is based on the current plans of property owners and prospective developers and is subject to change. The anticipated development program is summarized in Table 1.

Table 1
ThunderVillage Project 2 Urban Renewal Plan - Development Program

<u>Land Use</u>	<u>Developed SF/Units</u>
Commercial/Office	240,000 (four phases)
Residential	300 (four phases)

While it is anticipated that that additional private development will take place during the 25-year period that it will take to complete redevelopment of the Urban Renewal Area, it is impossible to speculate on the timing, nature, or value of such new construction because market conditions and redevelopment efforts by private enterprise are unknown at this time.

Development Timing

The development timetable for the proposed Urban Renewal Area will be determined by prevailing market conditions. The current development plan includes a four-phase project, mixed use development to be constructed over a period of sixteen years. A critical component of the development program is the potential redevelopment of existing parcels into a mix of retail/commercial, employment, and residential uses. For the purposes of this analysis, the assumption is development will take place according to the four phases.

Summary Impacts to Pueblo County

Exhibit A provides a summary of property tax revenues that could be generated from new taxable redevelopment within the Urban Renewal Area; provided however, residentially assessed properties are excluded from the increment. These estimates are based on the development program outlined above and reflect the entire 25-year tax increment period. It is anticipated that the entire property tax increment over the 25-year period would be dedicated to the Urban Renewal Project; provided, however, residential properties are excluded from the increment.

Property Tax Revenue

As shown in Exhibit A, based on the proposed development program, the Urban Renewal Area would generate approximately \$11,087,879 in incremental property tax revenues over the 25-year analysis period.

During the 25-year tax increment period, the County’s share of property tax revenue is limited to its share of the property tax base and residential properties. This averages approximately \$60,920 annually or approximately \$1,522,992 over the 25-year period. During this same tax increment period, the total amount allocated by Statute to the Authority in property tax increment revenues each year is estimated to range from approximately \$104,000 to approximately \$675,000. After the 25-year tax increment period is completed, the County’s share of property tax revenues would rise to approximately \$240,000 on an annual basis.

County Services/Infrastructure

Because the entire Urban Renewal Area is located within the City of Pueblo's municipal boundaries, the City, the Authority, and other public entities, such as special districts, will be responsible for all public improvements including street, water, sewer, and all public utilities. No additional County infrastructure will be required to serve development within the proposed urban renewal area. All police, fire, and other services will be provided by entities other than the County. There may be some indirect impact on County services, but these should be offset and the County will benefit from a combination of increased State revenues to offset the costs of such services, increases in property tax base allocation, and an increase in County sales tax collections based on activities stimulated by the Urban Renewal Authority.

Infrastructure impacts associated with the proposed development program are assumed to be primarily financed by the Authority with property tax increment revenue, which has been allocated to the authority by the provisions of section 31-25-107(9), C.R.S.

If, in the future, the County identifies any additional County infrastructure and services required to serve development in the urban renewal area while the property tax allocation provisions are in effect and the cost of such additional infrastructure and services are not offset by increased County revenues, the Authority will consider entering into agreements to finance such services and infrastructure in the urban renewal area.

The attached Exhibit A is a detailed illustration of property tax projections for the proposed project area.