

31-25-107. Approval of urban renewal plans by the local governing body.

(1) (a) An authority shall not actually undertake an urban renewal project for an urban renewal area unless based on evidence presented at a public hearing the governing body, by resolution, has determined such area to be a slum, blighted area, or a combination thereof and designated such area as appropriate for an urban renewal project.

(b) Notwithstanding any other provision of this part 1, and in addition to any other notice required by law, within thirty days of the commissioning of a study to determine whether an area is a slum, blighted area, or a combination thereof in accordance with the requirements of paragraph (a) of this subsection (1), the authority shall provide notice to any owner of private property located in the area that is the subject of the study by mailing notice to the owner by regular mail at the last-known address of record. The notice shall state that the authority is commencing a study necessary for making a determination as to whether the area in which the owner owns property is located is a slum or a blighted area. Where the authority makes a determination that the area is not a slum, blighted area, or a combination thereof, within thirty days of making such determination, the authority shall also send notice of such determination to any owner of private property located in the area that is the subject of the study by mailing notice to the owner by regular mail at the last-known address of record. For purposes of this paragraph (b), "private property" means, as applied to real property, only a fee ownership interest.

(c) Except for urban renewal plans subject to section 31-25-103 (2) (l), the boundaries of an area that the governing body determines to be a blighted area shall be drawn as narrowly as the governing body determines feasible to accomplish the planning and development objectives of the proposed urban renewal area. The governing body shall not approve an urban renewal plan until a general plan for the municipality has been prepared. An authority shall not acquire real property for an urban renewal project unless the local governing body has approved the urban renewal plan in

accordance with subsection (4) of this section. In making the determination as to whether a particular area is blighted pursuant to the provisions of this part 1, any particular condition found to be present may satisfy as many of the factors referenced in section 31-25-103 (2) as are applicable to such condition.

(2) Prior to its approval of an urban renewal plan, the governing body shall submit such plan to the planning commission of the municipality, if any, for review and recommendations as to its conformity with the general plan for the development of the municipality as a whole. The planning commission shall submit its written recommendations with respect to the proposed urban renewal plan to the governing body within thirty days after receipt of the plan for review. Upon receipt of the recommendations of the planning commission or, if no recommendations are received within said thirty days, without such recommendations, the governing body may proceed with the hearing on the proposed urban renewal plan prescribed by subsection (3) of this section.

(3) (a) The governing body shall hold a public hearing on an urban renewal plan or substantial modification of an approved urban renewal plan no less than thirty days after public notice thereof by publication in a newspaper having a general circulation in the municipality. The notice shall describe the time, date, place, and purpose of the hearing, shall generally identify the urban renewal area covered by the plan, and shall outline the general scope of the urban renewal project under consideration.

(b) Where an authority intends to acquire private property by eminent domain within the urban renewal area to be subsequently transferred to a private party in accordance with the requirements of section 31-25-105.5 (2), the governing body, prior to the commencement of the acquisition of such property, shall first hold a public hearing on the use of eminent domain as a means to acquire such property after written notice of the time, date, place, and purpose of the hearing has been provided to each owner of property within the meaning of section 31-25-105.5 that is within the urban renewal area at least thirty days prior to the date of the hearing. In order to authorize the use of eminent domain

as a means to acquire property, a governing body shall base its decision on such authorization on a finding of blighted or slum conditions without regard to the economic performance of the property to be acquired.

(3.5) (a) At least thirty days prior to the hearing on an urban renewal plan or a substantial modification to such plan, the governing body or the authority shall submit such plan or modification to the board of county commissioners, and, if property taxes collected as a result of the county levy will be utilized, the governing body or the authority shall also submit an urban renewal impact report, which shall include, at a minimum, the following information concerning the impact of such plan:

(I) The estimated duration of time to complete the urban renewal project;

(II) 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 period to fund the urban renewal project;

(III) 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;

(IV) 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

(V) Any other estimated impacts of the urban renewal project on county services or revenues.

(b) The inadvertent failure of a governing body or an authority to submit an urban renewal plan, substantial modification to the plan, or an urban

renewal impact report, as applicable, to a board of county commissioners in accordance with the requirements of paragraph (a) of this subsection (3.5) shall neither create a cause of action in favor of any party nor invalidate any urban renewal plan or modification to the plan.

(3.7) Upon request of the governing body or the authority, each county that is entitled to receive a copy of the plan shall provide available county data and projections to assist the governing body or the authority in preparing the urban renewal impact report required pursuant to subsection (3.5) of this section.

(4) Following such hearing, the governing body may approve an urban renewal plan if it finds that:

(a) A feasible method exists for the relocation of individuals and families who will be displaced by the urban renewal project in decent, safe, and sanitary dwelling accommodations within their means and without undue hardship to such individuals and families;

(b) A feasible method exists for the relocation of business concerns that will be displaced by the urban renewal project in the urban renewal area or in other areas that are not generally less desirable with respect to public utilities and public and commercial facilities;

(c) The governing body has taken reasonable efforts to provide written notice of the public hearing prescribed by subsection (3) of this section to all property owners, residents, and owners of business concerns in the proposed urban renewal area at their last known address of record at least thirty days prior to such hearing. Such notice shall contain the same information as is required for the notice described in subsection (3) of this section.

(d) No more than one hundred twenty days have passed since the commencement of the first public hearing of the urban renewal plan pursuant to subsection (3) of this section;

(e) Except for urban renewal plans subject to section 31-25-103 (2) (I), if the urban renewal plan contains property that was included in a previously submitted urban renewal plan that the

governing body failed to approve pursuant to this section, at least twenty-four months shall have passed since the commencement of the prior public hearing concerning such property pursuant to subsection (3) of this section unless substantial changes have occurred since the commencement of such hearing that result in such property constituting a blighted area pursuant to section 31-25-103;

(f) The urban renewal plan conforms to the general plan of the municipality as a whole;

(g) The urban renewal plan will afford maximum opportunity, consistent with the sound needs of the municipality as a whole, for the rehabilitation or redevelopment of the urban renewal area by private enterprise; and

(h) The authority or the municipality will adequately finance, or that agreements are in place to finance, any additional county infrastructure and services required to serve development within 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.

(4.5) In addition to the findings otherwise required to be made by the governing body pursuant to subsection (4) of this section, where an urban renewal plan seeks to acquire private property by eminent domain for subsequent transfer to a private party pursuant to section 31-25-105.5 (2), the governing body may approve the urban renewal plan where it finds, in connection with a hearing satisfying the requirements of subsection (3) of this section, that the urban renewal plan has met the requirements of section 31-25-105.5 (2) and that the principal public purpose for adoption of the urban renewal plan is to facilitate redevelopment in order to eliminate or prevent the spread of physically blighted or slum areas.

(5) In case the urban renewal area consists of an area of open land which, under the urban renewal plan, is to be developed for residential uses, the governing body shall comply with the applicable provisions of this section and shall also determine that a shortage of housing of sound standards and design which is decent,

safe, and sanitary exists in the municipality; that the need for housing accommodations has been or will be increased as a result of the clearance of slums in other areas (including other portions of the urban renewal area); that the conditions of blight in the urban renewal area and the shortage of decent, safe, and sanitary housing cause or contribute to an increase in and spread of disease and crime and constitute a menace to the public health, safety, morals, or welfare; and that the acquisition of the area for residential uses is an integral part of and essential to the program of the municipality.

(6) In case the urban renewal area consists of an area of open land which, under the urban renewal plan, is to be developed for nonresidential uses, the local governing body shall comply with the applicable provisions of this section and shall also determine that such nonresidential uses are necessary and appropriate to facilitate the proper growth and development of the community in accordance with sound planning standards and local community objectives and that the contemplated acquisition of the area may require the exercise of governmental action, as provided in this part 1, because of being in a blighted area.

(7) An urban renewal plan may be modified at any time; but, if modified after the lease or sale by the authority of real property in the urban renewal project area, such modification shall be subject to such rights at law or in equity as a lessee or purchaser or his successor in interest may be entitled to assert. Any proposed modification shall be submitted to the governing body for a resolution as to whether or not such modification will substantially change the urban renewal plan in land area, land use, design, building requirements, timing, or procedure, as previously approved, and, if it finds that there will be a substantial change, its approval of such modification shall be subject to the requirements of this section.

(8) Upon the approval by the governing body of an urban renewal plan or a substantial modification thereof, the provisions of said plan with respect to the land area, land use, design, building requirements, timing, or procedure applicable to the property covered by said plan shall be controlling with respect thereto.

(9) (a) Notwithstanding any law to the contrary, any urban renewal plan, as originally approved or as later modified pursuant to this part 1, may contain a provision that taxes, if any, levied after the effective date of the approval of such urban renewal plan upon taxable property in an urban renewal area each year or that municipal sales taxes collected within said area, or both such taxes, by or for the benefit of any public body shall be divided for a period not to exceed twenty-five years after the effective date of adoption of such a provision, as follows:

(I) That portion of the taxes which are produced by the levy at the rate fixed each year by or for each such 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 urban renewal plan or, as to an area later added to the urban renewal area, the effective date of the modification of the plan, or that portion of municipal sales taxes collected within the boundaries of said urban renewal area in the twelve-month period ending on the last day of the month prior to the effective date of approval of said plan, or both such portions, shall be paid into the funds of each such public body as are all other taxes collected by or for said public body.

(II) That portion of said property taxes or all or any portion of said sales taxes, or both, in excess of such amount shall be allocated to and, when collected, paid into a special fund of the authority 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, such authority for financing or refinancing, in whole or in part, an urban renewal project, or to make payments under an agreement executed pursuant to subsection (11) of this section. Any excess municipal sales tax collections not allocated pursuant to this subparagraph (II) shall be paid into the funds of the municipality. Unless and until the total valuation for assessment of the taxable property in an urban renewal area exceeds the base valuation for assessment of the taxable property in such urban renewal area, as provided in subparagraph (I) of this paragraph (a), all of the taxes levied upon the taxable property in such urban renewal area

shall be paid into the funds of the respective public bodies. Unless and until the total municipal sales tax collections in an urban renewal area exceed the base year municipal sales tax collections in such urban renewal area, as provided in subparagraph (I) of this paragraph (a), all such sales tax collections shall be paid into the funds of the municipality. When such bonds, loans, advances, and indebtedness, if any, including interest thereon and any premiums due in connection therewith, have been paid, all taxes upon the taxable property or the total municipal sales tax collections, or both, in such urban renewal area shall be paid into the funds of the respective public bodies.

(b) The portion of taxes described in subparagraph (II) of paragraph (a) of this subsection (9) may be irrevocably pledged by the authority for the payment of the principal of, the interest on, and any premiums due in connection with such bonds, loans, advances, and indebtedness.

(c) As used in this subsection (9), the word "taxes" shall include, without limitation, all levies authorized to be made on an ad valorem basis upon real and personal property or municipal sales taxes; but nothing in this subsection (9) shall be construed to require any public body to levy taxes.

(d) In the case of urban renewal areas, including single- and multiple-family residences, school districts which include all or any part of such urban renewal area shall be permitted to participate in an advisory capacity with respect to the inclusion in an urban renewal plan of the provision provided for by this subsection (9).

(e) In the event there is a general reassessment of taxable property valuations in any county including all or part of the urban renewal area subject to division of valuation for assessment under paragraph (a) of this subsection (9) or a change in the sales tax percentage levied in any municipality including all or part of the urban renewal area subject to division of sales taxes under paragraph (a) of this subsection (9), the portions of valuations for assessment or sales taxes under both subparagraphs (I) and (II) of said paragraph (a) shall be proportionately

adjusted in accordance with such reassessment or change.

(f) Notwithstanding the twenty-five-year period of limitation set forth in paragraph (a) of this subsection (9), any urban renewal plan, as originally approved or as later modified pursuant to this part 1, may contain a provision that the municipal sales taxes collected in an urban renewal area each year or the municipal portion of taxes levied upon taxable property within such area, or both such taxes, may be allocated as described in this subsection (9) for a period in excess of twenty-five years after the effective date of the adoption of such provision if the existing bonds are in default or about to go into default; except that such taxes shall not be allocated after all bonds of the authority issued pursuant to such plan including loans, advances, and indebtedness, if any, and interest thereon, and any premiums due in connection therewith have been paid.

(10) The municipality in which an urban renewal authority has been established pursuant to the provisions of this part 1 shall timely notify the assessor of the county in which such authority has been established when:

(a) An urban renewal plan has been approved that contains the provision referenced in paragraph (a) of subsection (9) of this section;

(b) Any outstanding obligation incurred by such authority pursuant to the provisions of subsection (9) of this section has been paid off; and

(c) The purposes of such authority have otherwise been achieved.

(11) The governing body or the authority may enter into an agreement with any county within the boundaries of which property taxes collected as a result of the county levy, or any portion of the levy, will be subject to allocation pursuant to subsection (9) of this section. The agreement may provide for the allocation of responsibility among the parties to the agreement for payment of the costs of any additional county infrastructure or services necessary to offset the impacts of an urban renewal project and for the sharing of revenues. Except with the consent of

the governing body or the authority, any such shared revenues shall be limited to all or any portion of the taxes levied upon taxable property within the urban renewal area by the county.

(12) (a) Except as provided in paragraph (e) of this subsection (12), the county may enforce the requirements of subparagraphs (III) and (IV) of paragraph (a) of subsection (3.5) and paragraph (h) of subsection (4) of this section by means of the arbitration process established by this subsection (12) where:

(I) Property located within such county is included within an urban renewal plan;

(II) The county has provided information requested pursuant to subsection (3.7) of this section; and

(III) The county has appeared at a public hearing held pursuant to paragraph (a) of subsection (3) of this section and presented evidence at such hearing that development within the urban renewal area will create a need for additional county infrastructure and services; except that the requirements of this subparagraph (III) shall not apply in the case of a county that did not receive an urban renewal plan, a substantial modification to the plan, or an urban renewal impact report, as applicable, pursuant to paragraph (a) of subsection (3.5) of this section.

(b) (I) A county objecting under the provisions of this section to an urban renewal plan approved under subsection (4) of this section that received on a timely basis an urban renewal plan, a substantial modification to the plan, or an urban renewal impact report, as applicable, pursuant to paragraph (a) of subsection (3.5) of this section shall file written notice of the objection with the authority as well as the governing body that has approved the plan within fifteen days of the date of the approval of the plan. A county objecting under the provisions of this section to an urban renewal plan approved under subsection (4) of this section that did not receive on a timely basis an urban renewal plan, a substantial modification to the plan, or an urban renewal impact report, as applicable, pursuant to paragraph (a) of subsection (3.5) of this section shall file written notice of the objection with the authority as well as the governing body that has

approved the plan within thirty days of the date of the approval of the plan or within five days of the date of the county's receipt of the plan, whichever date is later. The notice of objection shall include a statement of the grounds upon which the county asserts that the authority or the governing body has failed to comply with the requirements of subparagraphs (III) and (IV) of paragraph (a) of subsection (3.5) and paragraph (h) of subsection (4) of this section. The notice of objection shall also include the name of one attorney who has been licensed for a minimum of ten years in the state of Colorado, who is experienced in administrative and land use law, and who the board of county commissioners of the county believes to be qualified to serve as a member of the panel of arbitrators charged with resolving the county's objections in accordance with the requirements of this subsection (12).

(II) Within twenty days of receipt of the notice of objection, the governing body shall submit to the county the name of one additional person to serve as a member of the panel of arbitrators, which person shall also satisfy the requirements specified in subparagraph (I) of this paragraph (b). Within twenty days of such submission, the two members of the arbitration panel selected by the county and the governing body shall jointly select an additional person to serve as the third and final member of the panel of arbitrators, which person shall also satisfy the requirements specified in subparagraph (I) of this paragraph (b). The panel of three arbitrators selected pursuant to this paragraph (b) shall be charged with resolving the county's objections in accordance with the requirements of this subsection (12). Notwithstanding the provisions of this paragraph (b), the county, governing body, and authority may agree upon a single arbitrator to resolve the county's objections.

(III) If the county, governing body, and authority have not reached a written agreement resolving the county's objections within thirty days after the receipt by the governing body of the notice specified in subparagraph (I) of this paragraph (b), the objections specified in the notice shall be submitted to arbitration in accordance with the requirements of this subsection (12).

(c) The arbitration hearing, if any, shall commence within sixty days after the receipt by

the governing body of the notice of objection. The parties to the arbitration shall be the county, governing body, and authority. At the arbitration hearing, the governing body or the authority, as applicable, shall have the burden of proving by a preponderance of the evidence that it submitted the urban renewal plan, a substantial modification to the plan, and an urban renewal impact report, as applicable, to the county pursuant to paragraph (a) of subsection (3.5) of this section and that it did not abuse its discretion in preparing the estimate or statement provided to the county pursuant to subparagraphs (III) and (IV) of paragraph (a) of subsection (3.5) of this section and that the governing body did not abuse its discretion in connection with the findings it has made under paragraph (h) of subsection (4) of this section. The decision of the arbitrators shall be based upon the objections contained in the notice filed pursuant to subparagraph (I) of paragraph (b) of this subsection (12) and upon the record of the hearing held pursuant to subsection (3) of this section. In rendering a decision, the arbitrators shall take into consideration the goals and objectives of the urban renewal plan, information that has been submitted by the county as contained in the record of the hearing on the urban renewal plan and the impact report provided to the county pursuant to subsection (3.5) of this section, the reasonableness of the county's objections contained in the notice, the extent to which the urban renewal project will improve existing county infrastructure, the extent to which tax increment revenues, if any, to be generated by development within the urban renewal area and collected by the authority pursuant to paragraph (a) of subsection (9) of this section may reasonably be expected to defray the cost of the additional infrastructure and services requested by the county, and the debt service requirements of the authority. The arbitration hearing shall be concluded not later than seven days after its commencement, and the decision of the arbitrators shall be rendered not later than thirty days after the conclusion of the hearing. The order of the arbitrators shall be limited to either approving the urban renewal plan or, upon a finding of abuse of discretion, remanding the plan to the governing body for reconsideration of the county's objections. The order shall be final and binding on the parties and shall not be subject to judicial review except

to enforce the order or to determine whether the order was procured by corruption, fraud, or other similar wrongdoing.

(d) Fifty percent of the necessary fees and necessary expenses of any arbitration conducted pursuant to this subsection (12), excluding all fees and expenses incurred by either party in the preparation or presentation of its case, shall be borne by the county, and fifty percent of such fees and expenses shall be borne by the governing body or the authority.

(e) Notwithstanding any other provision of this section, the provisions of this subsection (12) shall not apply to any urban renewal plan in which less than ten percent of the area identified in such plan:

(I) Has been classified as agricultural land for purposes of the levying and collection of property tax pursuant to section 39-1-103, C.R.S., at any time during the three-year period prior to the date of adoption of the plan; and

(II) Is currently identified for agricultural uses in a master plan adopted by the municipality pursuant to section 31-23-206 and has been so identified for more than one year prior to the date of adoption of the plan.

(f) Notwithstanding any other provision of law, the arbitration process established in this subsection (12) shall be the exclusive remedy available to a county for contesting the sufficiency of compliance by a governing body or an authority with the requirements of this section.