

The Bluffs Phase I Urban Renewal Plan Conditions Survey

Pueblo Urban Renewal Authority



April 9, 2023

Pueblo Urban Renewal Authority City of Pueblo, Colorado

Dear Pueblo URA Board of Commissioners,

This Conditions Survey is intended to assist the Pueblo Urban Renewal Authority (PURA) with identifying and cataloguing conditions that are arresting sound development throughout a defined survey area. This area is named the "The Bluffs Phase I Urban Renewal Plan" (The Project).

The Project will encompass five (5) parcels and approximately 3.3 acres, including Right-of-Way (ROW). The area is characterized by vacant land clustered atop a steep bluff within City limits, overlooking the Arkansas River. Public surface infrastructure, from streets and alleyways to the trails leading down to the River, are in disrepair. The survey area is also within "Superfund Proximity" according to the EPA's Environmental Justice Indexes website¹. The survey area scores in the highest percentile for proximity, indicating that environmental contamination is likely. In addition to these physical characteristics, the surveyed parcels are irregularly shaped and will require assemblage and right-of-way vacations to achieve new development.

The Conditions Survey evaluates this area for the presence of statutorily defined "blighted area factors" (blighting factors). These factors are defined by Colorado's Urban Renewal Law under C.R.S. 31-25-103(2) and in general, mean conditions that impair or arrest the sound growth of a municipality. The Conditions Survey locates, identifies, and describes each statutorily defined blighting factor found to exist within the proposed plan area. Blighting factors have also been mapped to illustrate the location of these observed conditions and the parcels they impact.

Based upon field observations and analysis, this report finds that the surveyed area meets Colorado Urban Renewal Law's statutory minimum of blighting factors required to designate the proposed The Bluffs Phase I Urban Renewal Plan as an urban renewal project eligible for urban renewal activities.

Sincerely,

Andrew Arnold, AICP
Founder | Principal
Pioneer Development Company
Durango, Colorado

CC: Jerry Pacheco and Cherish Deeg

¹ https://ejscreen.epa.gov/mapper/

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Executive Summary

The Bluffs Phase I Urban Renewal Plan Conditions Survey:

The City of Pueblo's Urban Renewal Authority (PURA) is evaluating a specific area for Urban Renewal projects and activities. The subject area is centrally located within Pueblo's city limits, on the West side of the Arkansas River near West 4th Street (State Highway 96). The survey area includes 5 parcels along Pearl Street, atop a bluff overlooking the Arkansas River. These parcels encompass ~3.3 acres including public right-of-way and are zoned R-5 residential. The subject area is characterized by vacant land, steep topography, deteriorating or missing infrastructure, and irregularly shaped parcels. The survey area is proximal to the "Colorado Smelter" EPA Superfund site and may require environmental remediation. The survey area's characteristics make future development challenging and is the reason why PURA is evaluating this site for Urban Renewal treatment.

Before an area can be eligible for Urban Renewal treatment, Colorado's Urban Renewal Law requires a Conditions Survey be completed that catalogue statutorily defined "blighted area factors" (blighting factors). The Conditions Survey is one of three statutorily required reports needed to establish an Urban Renewal Plan around a specific area of a municipality.

An Urban Renewal Plan area, also known as an urban renewal project, is defined by state statute to mean "a slum area, or blighted area, or combination thereof, which the local governing body designates as appropriate for an urban renewal project" (C.R.S. 31-25-103). The process to designate an urban renewal plan is organized under Colorado Urban Renewal Law (C.R.S. 31-25-101 to 116).

For an Urban Renewal Plan to be established, a specific geographic area within the community must be found to exhibit certain conditions. These are conditions that, in general, are arresting the sound growth of a municipality. This could include conditions that impair a municipality's growth, retards housing development and accommodations, or constitutes a liability for economic or community development. Statute describes these conditions as a "menace to public health, safety, morals, and welfare" and defines these conditions as eleven separate factors in C.R.S. 31-25-103.2). These factors must be cataloged before urban renewal projects and activities can commence.

A conditions survey does not create a new Urban Renewal Plan or Urban Renewal Project. The Conditions Survey is merely a starting point for that process, one that is required before PURA can establish The Bluffs Phase I Urban Renewal Plan. The Conditions Survey's purpose is to evaluate the proposed Plan area and determine if it meets the statutorily required threshold of blighted area factors. Four (4) of these factors must be identified before an Urban Renewal Plan can be established and adopted. If all property owners and tenants consent to being included in the Urban Renewal Plan, then only 1 blighted area factor needs to be identified.

The proposed Urban Renewal Plan area was carefully surveyed using a holistic analysis. Observations were taken during a field visit that identified the presence of statutorily defined blighting factors throughout the area. These observations were supplemented with background research on the site and market characteristics. This report thoroughly reviewed both City and County planning documents, as

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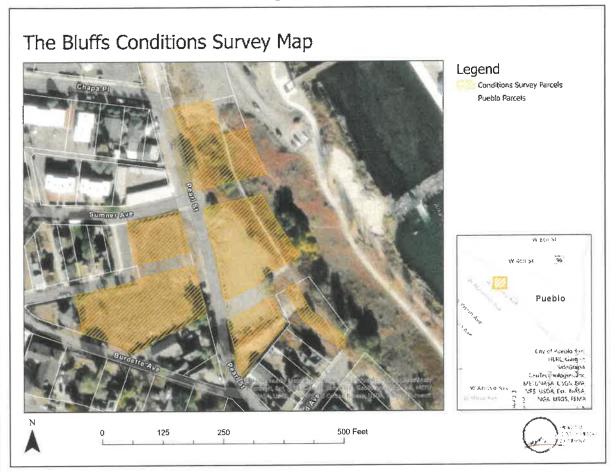
well as assessment information that could help identify blighting factors that were not easily observable during the site visit.

The Conditions Survey's conclusion is that the proposed The Bluffs Phase I Urban Renewal Plan area exhibits the necessary number of blighting factors to make it eligible as an Urban Renewal Plan according to state statute. This Conditions Survey identified seven (7) blighting factors within the area, listed in the table below:

Conditions Survey – Blighting Factors Cataloged			
Blighted Area Factor # (C.R.S. 31-25-103.2 List Label)	Definition		
Factor 2 (b)	Predominance of Defective or Inadequate Street Layout		
Factor 3 (c)	Faulty Lot Layout in Relation to Size, Adequacy, Accessibility, or Usefulness		
Factor 4 (d)	Unsanitary or Unsafe Conditions		
Factor 5 (e)	Deterioration of Site or Other Improvements		
Factor 6 (f)	Unusual Topography or Inadequate Public Improvements or Utilities		
Factor 10 (j)	Environmental Contamination of Buildings or Property		
Factor 11 (k.5)	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		

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Conditions Survey Summary



Survey Area

The proposed Bluffs Phase I Urban Renewal Plan area includes 5 parcels encompassing 3.3 acres.² The area is located within the Blocks Neighborhood and currently zoned R-5 Residential. This zoning allows for higher density residential development and office space, among other uses. This survey area includes residential assessed property that is characterized by vacancy, lack of infrastructure, irregular parcel shapes, and potential environmental contamination. This survey area has been strategically drawn to include parcels may attract new investment or redevelopment. Public right-of-way that would need upgrading or would benefit from urban renewal treatment will also be considered in the Plan's final boundary.

Area Description

The proposed Urban Renewal Plan targets an area within Pueblo's city limits, situated on a bluff overlooking the Arkansas River. The survey area includes five parcels that are irregularly shaped and arranged along Pearl Street. There is a former pedestrian path connecting the bluff with the Arkansas River Path, but this has fallen into disrepair. Accessing the area by vehicle requires travelling from West

² Acreage estimate includes Public Right of Way e.g. Roads and Alleys

4th Street to either Chapa Place, or West Corona Avenue to Sumner. The area is part of the Blocks Neighborhood and is within Tax Area 60B.

Despite the area being zoned as "R-5 Residential", there is no development on the site. Each parcel is vacant, and there are no building improvement assessments according to the Pueblo County Assessor's database. The properties within the survey area are largely dirt or gravel, with occasional trails crisscrossing the area. Public infrastructure, especially Pearl Street, needs repair. Trash and debris was also scattered throughout the site, despite the fact that the owner pays to have it removed monthly. Debris piles are visible throughout the area.

The site is also identified within the EPA's Environmental Justice Screening database. According to this database and mapping program, the entire survey area is "In Proximity to a Superfund" Site. The Colorado Smelter Superfund site is southeast of the Plan area. Although the superfund's boundaries do not extend to this site, it is flagged by the EPA for potential contamination.

The Plan Area's statistics are described in the table below:

		The second second second
Area Statistics		
Total Parcel Area (Acres)		2.393
Number of Parcels in Area		5
Assessment Category	Acreage	Percent
Residential	2.393	100%
Zoning	Acreage	Percent
R-5 Residential	2.393	100%
Assessed Value		Value
Total Actual Value		\$31,024
		\$3,850

Current Assessment of Plan Area

The Plan area includes 5 parcels. The total equalized assessed value (taxable value) of these parcels, according to the Pueblo County Assessor's database, is \$3,850. These values reflect land values only, there are no building improvement values associated with the property. If this proposed Plan area is adopted, its effective Base Value (for property tax increment financing) is \$3,850.

Zoning Districts and Future Land Use

The Urban Renewal Plan survey boundary includes one (1) zoning district. All parcels are labeled as Urban Neighborhoods (UN) by the Pueblo Regional Comprehensive Plan's Future Land Use Plan. These zoning districts include:

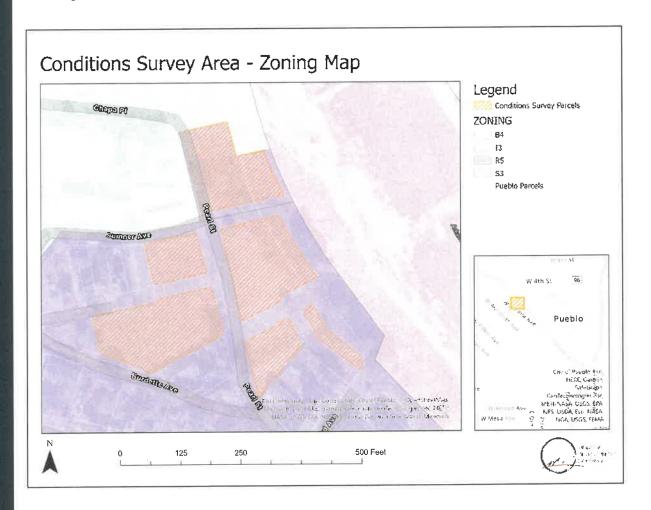
R-5 Residential (R-5)

Each zoning district regulates the land uses on their respective parcels according to the Comprehensive Plan and municipal code. These zoning districts will regulate the redevelopment that will be permitted throughout the Urban Renewal Plan.

In addition to these zoning districts, the City of Pueblo has adopted the Pueblo Regional Comprehensive Plan as its Comprehensive and has future land use designations for the parcels within the survey area. The future land use designations found in the survey area are adopted as part of the City of Pueblo's Comprehensive Plan and listed below:

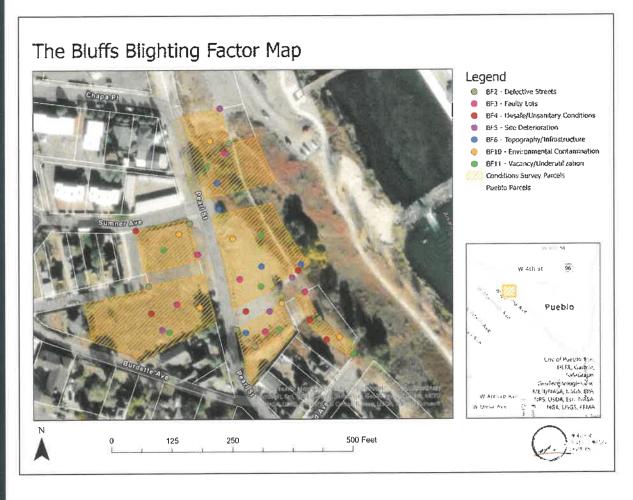
Urban Neighborhood (UN)

These future land uses designations indicate the types of uses that the Comprehensive Plan envisioned throughout this Plan area. Although zoning will supersede the Future Land Use designations, these designations help inform this Survey of the Community's expectations and desires for development within the subject area. The Conditions Survey is required to evaluate the conditions arresting sound development of the municipality, and the "sound development" is relative to the zoning and future land use designations adopted for these parcels and this area.



Methodology

This Conditions Survey utilized a holistic methodology in determining whether blighting factors exist within the proposed The Bluffs Phase I Urban Renewal Plan survey boundary. This methodology included a detailed literature review of adopted plans and reports, an analysis of County Assessor records and GIS databases, and a field visit. Field work was supplemented by GIS technology that geolocated and recorded potential blighting factors throughout the survey area. Maps were created for each blighting factor identified within the survey area, illustrating which parcels contain, or are in proximity to, statutorily defined blighting factors. These maps represent the layered information gathering approach used in this report to ensure that each blighting factor was thoroughly analyzed.



Evaluation of Blighting Factors

Defining Blighting Conditions

Colorado Revised Statutes 31-25-103 states that for an Urban Renewal Plan area to be established, there must exist certain conditions known as "blighted area factors" (Blighting Factors). State statute defines eleven separate factors for blight. The law indicates that if four or more of these factors are found in an area of the municipality, that area may be declared blighted and qualify for urban renewal treatment³.

Blighted Area Factors Defined:

- a) Slum, deteriorated, or deteriorating structures
- b) Predominance of defective or inadequate street layout
- c) Faulty lot layout in relation to size, adequacy, accessibility, or usefulness
- d) Unsanitary or unsafe conditions
- e) Deterioration of site or other improvements
- f) Unusual topography or inadequate public improvements or utilities
- g) Defective or unusual conditions of title rendering the title nonmarketable;
- h) The existence of conditions that endanger life or property by fire or other causes
- 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
- j) Environmental contamination of buildings or property
- k) 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

These eleven factors help define the "conditions" that are arresting sound development of the municipality. Per statute, these factors give "reason" to declaring an area "blighted", provided that a specific number of factors are identified. The presence of at least four of these conditions satisfies the statute defining an area blighted.

This Conditions Survey will unpack each blighting factor to describe various real world "conditions" that indicate the presence of said factor. The presence of a condition within the survey boundary alone is not enough to make that area eligible for urban renewal activities. Rather, it is the culmination of four or more blighting factors which indicates that renewal activities should be applied within the proposed project area.

Blighting Factor were identified based on an objective analysis and urban renewal best practices. The following sections outline the blighting factors found within the survey area. Blighting factors that were not identified are excluded from this report.

³ In addition to this list, C.R.S. 31-25-103(2) lists a twelfth condition. This final condition only applies when there is unanimous agreement among affected property owners that their properties can be included in an Urban Renewal Area. In this occurrence, only one blighting factor from the list of eleven needs to be identified to declare the area blighted.

Factor (b) - Predominance of Defective or Inadequate Street Layout

Description:

This factor refers to surface transportation conditions throughout the survey area. Surface transportation conditions may include road surface quality, the location or existence of streets and sidewalks, multi-modal improvements, traffic safety infrastructure, ingress/egress locations, and emergency access considerations. If surface transportation conditions exist that negatively impact sound development, redevelopment, or threaten safety, the survey includes this factor in its catalogue. Examples of this factor include:

- Inadequate street widths
- Lack of streets, dead ends
- Overall faulty layouts that impede vehicular access and internal circulation
- Inadequate Traffic Safety facilities
- Streets that exhibit high degrees of traffic or accidents
- Streets that are in need of repair or reconstruction
- Poor emergency access or active transportation

Findings

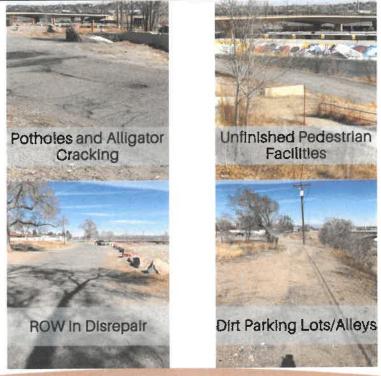
The Survey identified multiple conditions that are examples of this blighting factor. The surveyed area exhibited inadequate street networks, road surfaces in need of upgrade or repairs, poor emergency access or complete lack of access, and gaps in active transportation infrastructure.

The survey area parcels are located within a residential area near West 4th Street (State Highway 96). The site is accessed by a series of residential roads, with Pearl Street as its main through-street. These roads require reconstruction, especially Pearl Street. The road surface is characterized by heaving, potholes, and alligator cracking. The edge of pavement is indistinguishable from lot lines, with gravel and dirt blending in with the deteriorating asphalt.

The street network is also inadequate for future development. Pearl Street narrows to a small alley south of the survey area. It is likely that future development would need to vacate this ROW to allow for better programming of the site. If this rear access is vacated, it will likely require additional ROW improvements along Pearl Street to the North, as well as Chapa Place and Sumner Avenue.

Although trails currently exist throughout the site, these are informal and in need of repair. The major pedestrian facility, a sidewalk which extends down from the site to the Arkansas River Trail, is missing concrete and appears deteriorated. Sidewalks also fail to extend throughout the site along public right of way, despite being in an urbanized, residential neighborhood. These active transportation improvements are likely required for any future development, especially the pedestrian trail going down to the river.

Blighting Factor (b) - Defective Streets Legend Fig. - Defective Streets Conditions Survey Parcels Pueblo Parcels Pueblo Parcels Individual Conditions Survey Parcels Pueblo Parcels Pueblo Parcels Analy Marcy Parcels No. 125 250 500 Feet



Factor (c) - Faulty Lot Layout in Relation to Size, Adequacy, Accessibility, or Usefulness

Description:

This factor refers to shapes, layout and sizes of lots that complicate sound development and the usefulness of the property. Common conditions that indicate this factors presence in a survey area includes:

- Impractical Lot Layouts
- Narrow, Irregular, or Oddly Shaped Parcels
- Parcels Too Large or Too Small to Facilitate Development
- Lot Configurations that Yield Unproductive Conditions on the Land as Exhibited by Misuse or Nonuse
- Easements or Setbacks that Yield Unproductive Conditions on the Land as Exhibited by Misuse or Nonuse.

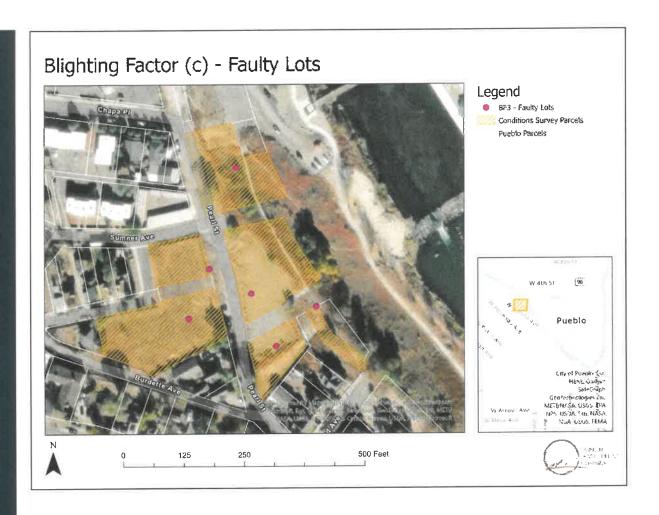
Findings

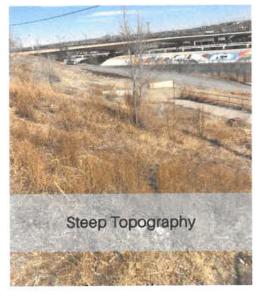
The parcels within the survey area exhibit this blighting factor's conditions and examples. The parcels included within this survey are all irregularly shaped and have unproductive conditions, as exhibited by their vacancy and underutilization.

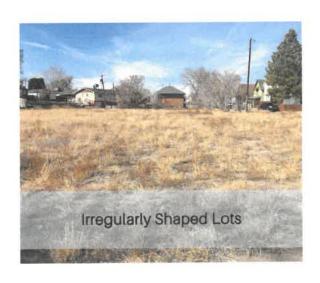
The GIS parcel boundaries throughout the survey area illustrates the existence of this blighting factor. Each parcel within the survey area is irregularly shaped, especially parcel number 536320001. Interviews with the property owner reveal that the site was assembled over time, and their still exists former ROW's and alleyways that divide the lots. A Lot Consolidation, as well as the vacation of ROW, is likely required to make the area suitable for redevelopment.

Many of the easternmost lots are also impractical due to topography. These properties extend over the bluff and down towards the Arkansas river. This area exhibits extremely steep grades unsuitable for development. It reduces the usefulness of these properties.

These impractical lot layouts and unproductive conditions as exhibited by nonuse on the land support the inclusion of this blighting factor.







Factor (d) - Unsanitary or Unsafe Conditions

Description:

This factor refers to a multitude of unsanitary, unsafe or hazardous conditions. The commonality is that these conditions contribute to hazards that could have an adverse effect on the health, safety or wellbeing of the public. This factor shares similarities to conditions one (1), five (5), eight (8), nine (9) and ten (10). Conditions that would justify the inclusion of this factor in an area may include:

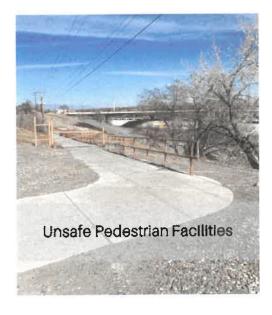
- · Floodplain or flood prone areas
- Poor storm water drainage areas
- Cracked or uneven sidewalks
- Hazardous materials
- Hazardous geology or soil conditions
- · Dangerous traffic or pedestrian conditions
- High crime statistics
- Facilities are prone to fire dangers
- Environmental contamination
- · Inadequate utility systems
- · Water scarcity and lack of water and sewer infrastructure
- · Evidence of vandalism or homelessness
- Steep topography
- · Trash, debris and noxious weeds

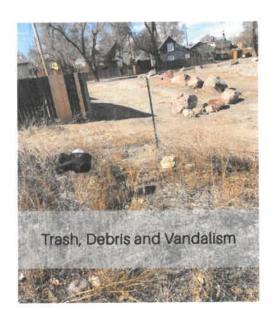
Findings

This factor includes multiple conditions identified within the survey area. The most significant condition is the potential environmental contamination of the soil, with the site being in such proximity to the Colorado Smelter, EPA Superfund Site. The EPA's Environmental Justice database indicates that the survey area is within the 95-100 percentile on many environmental contamination indexes. These indexes are enough to trigger both this blighting factor and factor 10 as outlined by statute. However, it is recommended that any future development perform a Phase 1 and Phase 2 ESA on the site to accurately determine which contaminates may need to be remediated.

In addition to the environmental contamination condition, the site exhibited other examples of this factor. Trash and debris were frequently identified around the property. Interviews with the owner indicated that vandalism and homelessness contribute to this condition. The owner explained that they pay over \$1,000 per month for trash cleanup, and yet the site continues to exhibit this condition.

There were other conditions identified within the survey area that are indicative of this factor. The gaps in pedestrian infrastructure, such as the sidewalks and the path to the river, also contribute to unsafe active transportation conditions. The topography of the site could also be considered an unsafe condition given its current, unmarked features.





Factor (e) - Deterioration of Site or Other Improvements

Description:

This factor considers conditions of the site or its infrastructure. It is similar to factor two (2) and four (4), in that it focuses is on the deterioration of exterior elements, and/or the current condition of public infrastructure. A visual deterioration of exterior elements, or a decline of public infrastructure, are examples of this factor. Private land and/or structures that have fallen into disrepair or are damaged also exhibit this factor. Conditions that would justify the inclusion of this factor in an area may include:

- Poor condition of streets or sidewalks
- Signage, such as billboards, that has fallen into disrepair
- Neglected Landscaping
- Damaged or missing public utilities
- Abundance of trash, debris or noxious weeds.

Findings

This blighting factor focuses on conditions which contribute to a negative perception throughout the survey area. These conditions include trash and debris, neglected landscaping, and missing public infrastructure.

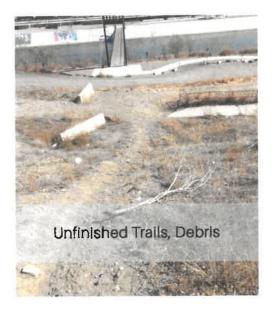
The site visit found examples of these conditions throughout the survey area. Trash and debris piles, which were identified as evidence for Blighting Factor 4, were identified on each lot within the survey area. Trash and debris are evidence for conditions underscoring this factor.

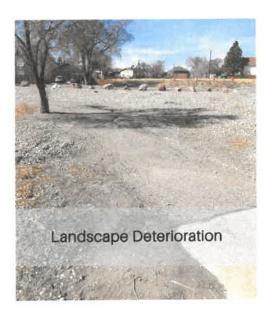
The poor condition of streets and sidewalks throughout the survey area is also evidence of this factor. The site's public right of way is in disrepair, as mentioned in Factor 2, with street and sidewalk infrastructure visibly crumbling. Active transportation facilities, such as the sidewalk path down to the River trail, were also in disrepair. The metal handrails and gate were rusted and the paint peeling. The sidewalk was also missing sections, abruptly turning into washed out gravel paths as it came down the steep bluff. Sidewalks were also missing along some of the roads throughout the survey area.

The site's vacancy was punctuated by an overall lack of landscaping. Although rocks had been placed to mark lot lines, many had been moved or thrown and created a negative perception throughout the site.

The neglected landscaping, debris and trash piles, and missing or inadequate infrastructure throughout the survey area justified its inclusion of this blighting factor.

Blighting Factor (e) - Deterioration of Site Legend BF5 - Ste Delerioration Conditions Survey Parcels Pueblo Parcels Pueblo Parcels Pueblo Pueblo





Factor (f) - Unusual Topography or Inadequate Public Improvements or Utilities

Description:

This factor refers to unusual topography or lack of public infrastructure that have the effect of arresting sound development in a study area. Areas that exhibit steep grades which cause development to be incompatible or unprofitable would fall under this factor. Properties that are lacking public infrastructure, or are served by deteriorating public infrastructure, would also fall under this factor. This factor shares aspects of factors two (2), four (4) and five (5). Conditions that justify the inclusion of this factor in an area may include:

- Steep slopes or unusual terrain
- · Overhead utilities in need of repair
- Deteriorating parking lots, street surfaces, sidewalks
- Poor storm water drainage facilities
- · Lack of central sewer or water
- Lack of internal street network
- Broken or inadequate street lighting

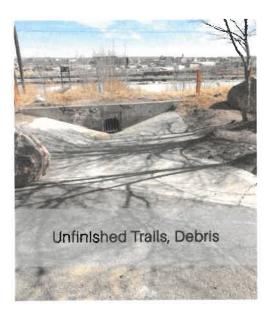
Findings

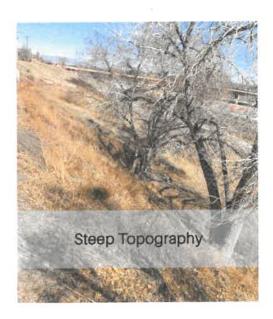
Blighting factors two (2), four (4) and five (5) identified conditions that also underscore the presence of blighting factor six (6) within the survey area. Inadequate public improvements or infrastructure, such as the missing road networks and sidewalks identified in factor two (2), and the unsafe pedestrian trail to the river identified in factor four (4) and five (5), also serve as examples of blighting factor six (6).

However, the main reason for including Factor 6 in this survey is the site's topography. The name of the proposed Plan area, "The Bluffs" highlights the properties main feature. The site sits atop a bluff overlooking the Arkansas River. Although the view is spectacular, the topography creates redevelopment challenges. Future development would need to contend with these steep grades and may be required to improve soil conditions and engineer retaining walls. This topography represents another condition exemplifying this factor.

Although the site exhibited some stormwater facilities, these appeared to be inadequate for any future development needs. New stormwater infrastructure will be necessary to active the site for future development.

Blighting Factor (f) - Topography/Infrastructure Legend BF6 - Topography/Infrastructura Conditions Survey Parcels Pueblo Parcels Pueblo Parcels Pueblo Legend W Ath 51 136 Pueblo Parcels Pueblo Security Security





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Factor (j) - Environmental Contamination of Buildings or Property

Description:

This factor refers specifically to the environmental contamination of buildings or property. In this regard, it shares many similarities with factors four (4) and eight (8). Conditions that would justify the inclusion of this factor in an area may include:

The presence of hazardous materials in buildings or property.

Findings

In 2014, the EPA designated the "Colorado Smelter Superfund Site". This site includes the former steel smelter and slag pile, as well as a significant portion of the surrounding neighborhoods. The former smelter's operations left high levels of arsenic and lead in the soils at the site and in the surrounding properties. The soil contamination at the site of the former smelter and slag pile are designated as Operable Unit 2 (OU 2) by the EPA and the contaminated soils surrounding this site are designated as Operable Unit 1 (OU 1).

The EPA's Environmental Screening database has flagged this survey area due to its proximity to these operable units and their soil contamination levels. The fact that the EPA has flagged this survey area indicates that there is a high propensity for environmental contamination, namely soil contamination. A screenshot from the EPA's website has been provided on the following page to illustrate its location.

Pueblo's industrial past has created environmental challenges for redevelopment. This report finds enough evidence on site to include environmental contamination as a blighting factor. However, this report recommends that any future development conduct a Phase 1 and Phase 2 ESA to accurately determine which contaminants are present and what remediation efforts to undertake.



Factor (k.5) - 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

Description:

This factor references a broad category of health, safety and welfare factors. The common conditions for this factor to be present are instances where high levels of municipal service are required, substantial physical underutilization of property is exhibited, or high levels of vacancy are common. Vacancy can include land, buildings, or tenancy. This factor shares similarities with many of the factors on this list. Conditions that would justify the inclusion of this factor in an area include:

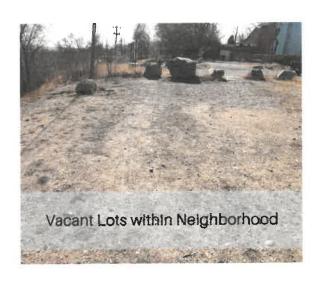
- · Numerous vacant buildings or property throughout the area
- Evidence of underutilized buildings
- Underutilized or vacant sites
- Broken or inadequate street lighting

Findings

The survey area is characterized by vacant and underutilized parcels. All properties in the survey area lack building improvements. Despite being situated within a residential neighborhood, public infrastructure is lacking or altogether absent. The site's views and proximity to the river and downtown indicate a high redevelopment potential. However, the site remains vacant. Worse, trash, vandalism, and deterioration are evident and abundant. The clash between market forces and the reality that this area is completely vacant highlights conditions exhibited by this factor. The survey area is a prime example of underutilization.

Blighting Factor (k.5) - Underutilization/Vacancy Legend BF11 - Vecancy/Underutilization Conditions Survey Parcels Public Parcels Public Parcels Public Parcels No. 125 250 500 Feet





Conclusion

This Conditions Survey catalogs the presence of statutorily defined blighting factors within the proposed The Bluffs Phase I Urban Renewal Plan area. This report was designed to assist the Pueblo Urban Renewal Authority (PURA) in determining whether this area is 1) eligible for urban renewal projects and activities, and 2) that the proposed boundary is drawn as narrowly as possible.

This Conditions Survey identified seven (7) blighted area factors as defined by Colorado's Urban Renewal Law, within the survey boundaries of the proposed plan area. The presence of seven blighting factors meets the requirements outlined in C.R.S. 31-25-103(2), in which at least four blighting factors must be present for that area to be declared "blighted" and therefore eligible to be designated as an Urban Renewal Plan area.

The proposed boundary also meets the statutory recommendation of "being drawn as narrowly as possible". The seven blighting factors were not clustered in one vicinity, but rather, spread across the entirety of the survey boundary.

This Conditions Survey finds that the proposed Urban Renewal Plan area can be declared a "blighted area" as defined by Colorado's Urban Renewal Law and therefore qualifies for urban renewal treatment.



The Bluffs Urban Renewal Plan

Impact Report

Pueblo Urban Renewal Authority

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October 24, 2022

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The Bluffs Urban Renewal Plan Pueblo Urban Renewal Authority

Dear PURA Board of Commissioners,

This Impact Report is intended to satisfy the requirements outlined in Colorado's Urban Renewal Law, C.R.S. 31-25-107(3.5)I-V and C.R.S.31-25-107(9.5). According to Statute, the Urban Renewal Impact Report is a supplementary document to the Urban Renewal Plan that is required if property or sales taxes will be utilized in the project area for renewal activities. The Bluffs Urban Renewal Plan area intends to utilize tax increment financing within its project area and therefore requires an impact report to be completed.

This Impact Report meets the minimum requirements defined by <u>C.R.S. 31-25-107(3.5)I-V</u> and <u>C.R.S. 31-25-107(9.5)</u> but also has been designed to provide the Pueblo Urban Renewal Authority with a realistic forecast of how development will proceed throughout the Plan area. The forecast utilized in this report has been informed by an analysis of all properties within the project area, a review of the proposed development's pro forma, as well as interviews with PURA staff. The forecasts are intentionally designed to be conservative estimates that reflect the proposed development and market benchmarks.

The goal of this report is to provide the Pueblo Urban Renewal Authority with a realistic forecast of impacts to better inform negotiations with impacted taxing entities and ensure that The Bluffs Urban Renewal Plan succeeds in bringing about the renewal hoped for by the Pueblo community.

Officery,
Andrew Arnold
CC: Jerry Pacheco and Cherish Deeg

Executive Summary

The Bluffs Urban Renewal Plan Impact Report:

The Pueblo Urban Renewal Authority has begun the process of establishing a new urban renewal project called "The Bluffs Urban Renewal Pian". This plan area encompasses vacant parcels where a mixed-use development is being proposed. The developer provided PURA with development and operational pro-forms that detailed the projects costs, financing, phasing, and projected revenues. This impact report evaluated the pro-forms to determine potential impacts on taxing entities and tax increment generated by this project.

The development is seeking a public private partnership with PURA to help remediate blighting factors within the subject site and help close funding gaps to make the development more feasible. The financial mechanism PURA can leverage for these purposes is known as Tax Increment Financing (TIF), and Colorado's Urban Renewal Law requires that an Impact Report be submitted with any Urban Renewal Plan that intends to utilize property and/or sales taxes for renewal activities in its project area (C.R.S. 31-25-107(3.5)I-V and C.R.S. 31-25-107(9.5). The Bluffs Urban Renewal Plan proposes the use of TIF, which triggered the need for this Impact Report.

The minimum requirements for an Impact Report are outlined in Colorado's Urban Renewal Law. Those requirements include,

- A) the estimated 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 increment to be allocated during this period to fund the urban renewal project,
- C) an estimate on the county revenue impact, 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,
- E) Any other estimated impacts of the urban renewal project on county services and revenues.

This Impact Report addresses each of the statutory requirements outlined above. The Bluffs Urban Renewal Plan is expected to take 25 years to complete. This report estimates that at the time of assessment (2025), this proposed development will be valued \$35,060,000 and have a taxable value of \$2,593,790. The Bluffs Urban Renewal Plan area's current base value is \$7,760. The renewal project is projected to generate \$2,586,030 in new assessed property value within the Plan area, equating to \$6,749,000 in gross incremental revenues over the next 25 years. This TIF projection assumes all taxing entities within the Plan area will pledge 100% of their millage rate towards the Bluffs Urban Renewal Project.

This redevelopment's total tax revenue and increment has been estimated by the impact report to determine the revenue impacts on effected taxing entities. The report also addresses population and student generation within the Plan area, and its potential impact to taxing entities such as the City, the County, the School District and the Library District.

This report found that the Bluffs Urban Renewal Plan would not adversely affect the taxing entities that collect properly and sales tax within its boundary. As part of the statutes mandate, this report analyzed potential impacts the urban renewal plan could have on Pueblo County. This report found that the Bluffs Urban Renewal Plan will not require new County Infrastructure to be successful, nor would it require substantial increases in County funded services. This report evaluated County budgets and property tax revenue and found that the Plan's fiscal impacts were minimal.

This report also analyzed the Plan's impacts to the City of Pueblo, the Pueblo School District 60 and the Pueblo Regional Library District. The projected renewal project represents a small fraction of each taxing entities revenues, which would not trigger a significant fiscal impact. The proposed development has a residential component, which could generate

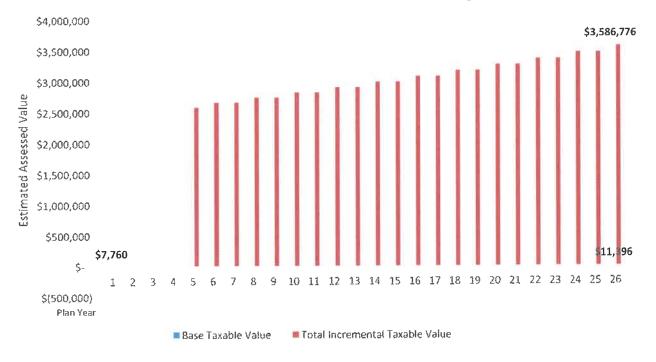
Executive Summary (continued)

new students to the Pueblo School District. However, this report's projections found less than a 1% increase in pupil count once the project concludes. This is not a significant impact to the School District, rather, the small increase could help to offset a five-year decline in pupil membership.

The Bluffs Urban Renewal Plan represents PURA's, the City of Pueblo's and Pueblo County's commitment to achieving public private partnerships that will facilitate community-minded development where it is needed most. Projected Property and Sales Tax Increment that would be generated within this Urban Renewal Plan are described in the table below:

The Bluffs Urban Renewal Plan Fiscal Projections ¹ Base Assessed Value of Plan Area	\$	7,760
Total New Improvement Assessed Value	\$	2,572,340
Total Estimated Property Tax TIF Revenue (25-Years)	\$	6,584,000
Total Estimated Sales Tax TIF Revenue (25-Years)		165,000
Annual Property Tax TIF Revenue (25-Year Average)	\$	253,000
Annual Sales Tax TIF Revenue (25-Year Average)	\$	6,000

The Bluffs Urban Renewal Plan: Assessed Value Projection



¹ Estimates have been rounded.

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The Bluffs Urban Renewal Plan

Impact Report

Prepared for the Pueblo Urban Renewal Authority

1 | Impact Report Summary



Project Area Existing Conditions

The Bluffs Urban Renewal Plan area encompasses 3.14-acres² within the City of Pueblo. This area includes 6 parcels. This survey area has been strategically drawn to include parcels that need or will attract new investment or reinvestment. The area also includes public right-of-way that may benefit from urban renewal treatment.

² Acreage estimate includes Public Right of Way e.g. Roads and Alleys

The Bluffs URA Plan Area	Totals
Number of Total Acres	3.14
Parcel Acreage	1.21
Number of Parcels	6

Zoning Districts

The Bluffs Urban Renewal Plan includes 6 parcels that are classified as R-5 by the City of Pueblo zoning districts. The Pueblo Planning and Community Development describes the purpose of the R-5 zoning district as to "retain and provide areas of high-density multifamily dwelling unit structures with limited commingling of professional offices and studios".

The renewal project is expected to help facilitate a mixed-use, multi-family development within this zone. This proposed use is in alignment with the City of Pueblo zoning district.



Blue Star denotes location of proposed renewal project.

Current Assessment of Plan Area

The Plan area includes 6 parcels. The total equalized assessed value of these parcels, according to the Pueblo County Assessor's database, is \$7,760. Using the 2021 Certified Assessment the City of Pueblo, the existing taxable value of The Bluffs Urban Renewal Plan area is 0.0006% of the City's total taxable value and 0.00036% of the County's taxable value. The survey boundary encompasses properties that are taxed according to one Pueblo County taxing district, 60B. The number of parcels estimated acreage and assessed value according to each Taxing District within the survey boundary is recorded in the following table.

Taxing Districts Present

Tax District Statistics					
Tax Districts	Mili Levy	Number of Parcels	Estimated Acreage		Estimated sed Value
60B	97.705	6	3.14	\$	7,760

2 Impact Report Methodology Forecasting Future Growth

The Bluffs Urban Renewal Plan's goal is to incentivize redevelopment by remediating blighting conditions and spurring new investments in public infrastructure, amenities, and community development needs.

One of the tools urban renewal authorities can use to bring about these changes is known as Tax Increment Financing (TIF). TIF is a redevelopment strategy that leverages future tax revenues to incentivize redevelopment for urban renewal activities. Colorado's Urban Renewal Law mandates that urban renewal project areas which intend to use TIF for renewal activities submit a supplementary Impact Report to help forecast growth within a renewal area and estimate the impacts this growth will have on taxing entities that operate within that area. The impact report's purpose is to ensure that taxing entities that rely on property tax revenues will not be adversely impacted by the urban renewal project.

Quantifying these impacts requires a forecast of probable growth throughout the project area over the project's lifetime. The Bluffs Urban Renewal Plan is expected to last 25 years, the maximum amount of time allotted by Colorado's Urban Renewal Law. A proposed mixed-use development, with a focus on affordable housing, has been proposed within this Plan area. This report estimates the assessed value, projected tax increment, and impacts likely to be generated by this development.

Development Assumptions

The Bluffs Urban Renewal Plan is expected to attract a new mixed-use development to the project area. This development is expected to yield for rent housing with a small commercial component. The development would align with the City's R-5 zoning district in terms of density and use.

The development is requesting assistance from the Pueblo Urban Renewal Authority to help make the project feasible. Locating the project within an Urban Renewal Plan area can provide incentives, such as tax increment financing. The public private partnership between the developer and PURA could also yield a higher and better use for the property, one that advances community needs.

This impact report analyzed the development's proposed pro-forma to evaluate future assessed value, tax increment generation, and impacts on partnering tax entities. The development's proforma forms the basis of this report's assumptions regarding the type, size, phasing, and value of development.

Pro-Forma Analysis

- Type of Development The proposed development is a mixed-use project located on 3.14 acres within the City of Pueblo. The project will feature high-density, residential apartments, a small, retail commercial space, and parking. This mixed-use development aligns with the City's R-5 zoning district.
- Size of Development The proposed development will be located on 3.14 acres within the City's R-5 zoning district. The developer is proposing 97 apartment units and 1,000.

square feet of commercial retail space. Apartment units will include studios, 1 bedroom and 2-bedroom layouts. These layouts will range from 537 square feet to 1,038 square feet, averaging 783 square feet. The development will include 144 parking stalls to serve the residences and the commercial retail space.

- Time of Development: The proposed development is projected to acquire all
 necessary property and permits in 2022. The development should begin construction in
 2023, with construction and a partial lease-up of the property occurring in 2024. The
 development is projected to stabilize in 2025. This report assumes that the finished
 development will be fully assessed in 2025 and begin generating increment in 2026.
- Value of Development This report estimated the future value of development by evaluating the stabilized net operating income (NOI) and the capitalization (cap) rate at the time of stabilization. This value includes both the residential and commercial components of the development. This valuation is not an appraisal, but rather, it anticipates the probable assessed value of the property to more accurately project its property taxes. The proposed development is projected to stabilize in 2025. At that time, this report assumes a cap rate 25 basis points less than the developer's terminal, or "going out", cap rate of 5.5%. Using 5.25% as the cap rate and the development's expected NOI in 2025, this report estimates a market value of \$35,060,0003.

Tax Increment Financing Assumptions

As part of Statutory requirements, this report projected the estimated property and sales tax generation for future development within the Bluffs Urban Renewal Plan area. These projections are based on Pueblo County's 2022 certified assessments of property, DOLA's 2021 Annual Certification of Levies and Revenues, and the mill levies associated with the taxing entities present in the project area. The full list of taxing entities and their associated millage rates are tabulated below:

	The Bluffs Urban Renewal Plan Mill Levies				
	Note:	TIF Percentages ar	re assumed to be 100	% for the Impact Report	
	Tax Entity	2022 Mill Levy	TIF Agreement %	TIF Eligible Mill Levy	
	PUEBLO COUNTY	30.199	100%	30.199	
60B District	CITY OF PUEBLO	15.633	100%	15.633	
	S.E.WATER CONSV DISTRICT	0.839	100%	0.839	
	LOWER ARKANSAS VALLEY WATER CONSV. DISTRICT	1.503	100%	1.503	
	PUEBLO CITY-COUNTY LIBRARY DISTRICT	5.889	100%	5.889	
	SCHOOL DISTRICT 60	43.642	100%	43.642	
	Total	97.705	100%	97.705	

³ Estimate is rounded

This report assumes that all impacted taxing entities will pledge 100% of their millage rate to the Bluffs Pueblo Urban Renewal Project area. Property tax projections made by this report assume that the number of taxing entities, as well as their millage rates, will remain unchanged over the project's lifetime.

Tax Increment assumptions are also based on the above mill levies and assumes that the project area's starting base value is \$7,760⁴. This report projects that both the project base and all future development will appreciate at a rate pegged to inflation. This report assumes that the inflation rate will average 3% biennially over the project's lifetime⁵.

Sales Tax Assumptions

Colorado's Urban Renewal Law permits sales tax to be collected within urban renewal project areas to be leveraged for tax increment financing⁶. This report assumes that the City's sales tax rate is the only eligible sale tax for tax increment financing. The amount of sales tax that can be allocated to an urban renewal project is determined by calculating the amount of sales tax collected within the project area's boundary over the past 12 months. This is known as the sales tax base. Any increase over this base associated with new improvements within the project area is subject to negotiations between the municipality and the urban renewal authority over what portion of this increase can be paid out to fund urban renewal activities within the project area.

This report assumes that 100% of the City of Pueblo's sales tax generated by new improvements within the Bluffs Urban Renewal Plan area will be allocated to the Pueblo Urban Renewal Authority. All sales tax calculations are estimates that have been isolated to only include new retail space forecasted to develop within the Plan area. The City of Pueblo imposes a 3.7% sales tax rate on the purchase price paid or charged on retail services. However, only 0.7% of the City's sales tax rate is already allocated to special funds. These include the police tax and economic development tax. This report assumes that only 3% of the City's 3.7% sales tax rate will be eligible for tax increment financing.

The But-For Assumption

The final assumption made in this report is that all new development would not occur but for the Bluffs Urban Renewal Plan and the Pueblo Urban Renewal Authority. The goal of this urban renewal plan is to incentivize development through a variety of tools, TIF being just one example, where new investments manifest throughout the Plan area because of the Pueblo Urban Renewal Authority's efforts. All tax increment estimates must therefore be considered revenue that is generated because of the Pueblo Urban Renewal Authority's efforts to attract and facilitate redevelopment to the Plan area.

⁴ This base value has been adjusted to account for agriculturally assessed properties.

⁵ Colorado's Urban Renewal Law requires that the base assessment be reevaluated every two years within an urban renewal project area.

⁶ C.R.S. 31-25-107(9)(e)

3 Tax Increment Financing Summary

This Impact Report forecasted potential development throughout the Bluffs Urban Renewal Plan area over the next 25 years and projected its assessed value and taxable revenue. These projections were used to estimate the amount of property tax increment and sales tax increment that will be generated within the Plan area if the urban renewal project is successful. Development projections are based on the methodology outlined in Section 2 of this report.

Projected Assessment and Phasing

The assessed valuation for the proposed development was estimated by this report. All assessment projections assume that future appraisals utilize an income approach to determine the development's future value. This implies that both the residential and commercial uses will be valued according to the income they produce.

The Bluffs Urban Renewal Plan is expected to facilitate a new mixed-use development. This development is projected to be fully constructed, stabilized, and assessed by 2025, with tax increment first being generated in 2026. The Development will exhibit both commercial and residential uses. To accurately project the taxable value of this mixed-use development, the impact report projected an income-based assessment for both the multi-family and commercial spaces. The residential space is estimated to have a taxable value of \$2,485,340, whereas the commercial space is estimated to have a taxable value of \$87,000.

Property Tax TIF Projections

This Impact Report estimated the Bluffs Urban Renewal Plan's future TIF revenue over the next 25 years in accordance with C.R.S. 31-25-107(3.5)I-V and C.R.S. 31-25-107(9.5). These estimates determine the property tax revenue that is likely to be generated by the proposed developments within the Plan area. This tax revenue is assumed to be the result of the Pueblo Urban Renewal Authority's efforts to remediate blight and attract new investments within the Plan area.

Property tax TIF is estimated by comparing the Plan area's base value against its projected new improvement value. These assessed values each generate tax revenue based on the current miliage rate of taxing entities within the Plan area. The base value's property tax revenue is not impacted by urban renewal projects. The new improvement's tax revenue, however, is the result of the urban renewal plan. That revenue is labeled as "increment". The property within the Bluffs Urban Renewal Plan area has a current assessed value of \$7,7607. This current assessed value is known as the **Base Value** in tax increment financing.

This report estimates that new improvements within the Bluffs Urban Renewal Plan area will amount to an additional \$2,572,340 in assessed value. This value is not generated at once but is instead phased in during construction, lease stabilization, and assessment.

This report models new development according the project's submitted pro-forma, market benchmarks, and Colorado assessment practices. It then applies the tax districts' millage rates to both existing and new improvements within the plan area. Tax revenue generated by new

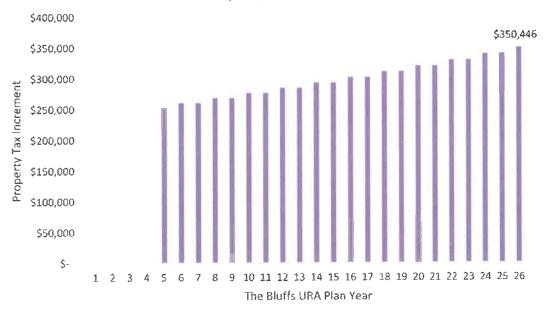
Per Pueblo County Assessor Database

improvements is incremental revenue. These revenues can be utilized by the Pueblo Urban Renewal Authority for urban renewal activities within the Plan area.

The Bluffs Urban Renewal Plan TIF Projections

Prope	rty TIF Estim	ates8		
Base Value of Plan Area				\$7,760
Total New Improvement AV			\$	2,572,340
Total TIF Revenue			\$	6,584,000
Annual TIF Revenue (25-Year Average)	TIF Revenue \$ 6,584,000 Italian Total Estimates \$ 259,000 Italian Total Estimates Total Estimated Property Tax TIF			
Annual TIF Revenue (25-Year Average) \$ 259,000 Tax District Estimates				
		Total Estimates		
Tax Entity Fund®	Total Estimated Property Tax TIF Tax District 60B \$ 6,584,000 Estimated Tax Increment (25 Years) Millage Rate Tax District 60B JEBLO COUNTY 30.199 \$ 2,035,000 TY OF PUEBLO 15.633 \$ 1,053,000 DNSV DISTRICT 0.839 \$ 56,000 DNSV. DISTRICT 1.503 \$ 101,000			
PUEBLO COUNTY	30.199		\$ 2,035,000	
CITY OF PUEBLO	15.633		\$ 1,053,000	
Total TIF Revenue Annual TIF Revenue (25-Year Average) Tax District Estimates Tax District 6 Tax Entity Fund PUEBLO COUNT CITY OF PUEBL S.E.WATER CONSV DISTRICT LOWER ARKANSAS VALLEY WATER CONSV. DISTRICT	0.839		\$ 56,000	
LOWER ARKANSAS VALLEY WATER CONSV. DISTRICT	1.503		\$ 101,000	
PUEBLO CITY-COUNTY LIBRARY DISTRICT	5.889		\$ 396,000	
SCHOOL DISTRICT 60	43.642		\$ 2,940,000	
TURKEY CREEK CD	0		\$	\$

Annual Property Tax TIF Estimate



⁸ Estimates have been rounded

⁹ The Pikes Peak Metro District has been excluded for the purposes of this report.

Sales Tax TIF Projections

Colorado's Urban Renewal Law permits Urban Renewal Authorities to collect sales tax as a source of incremental taxable revenue. This report assumes that the Bluffs Urban Renewal Plan will utilize sales tax revenue as a potential source of TIF revenue.

This analysis estimated potential sales tax generation by first estimating the amount new commercial square footage generated throughout redevelopment. This analysis then compared the City of Pueblo's existing commercial square footage to its annual sales tax collections. This helped determine an average sales per square foot multiplier.

This analysis estimates that all new commercial space will generate approximately \$250 per SF per year. The summary of these inputs and their estimated sales tax generation are listed in the table below.

New Retail Space (25-Years)	1,000 SF
TiF Eligible Sales Tax Rate	3%
Estimated Sales Per SF	\$ 250.00
Estimated Sales Tax Increment (Gross)	\$ 165,000
Estimated Sales Tax Increment (Annual Average)	\$6,000 ¹⁰
Percent of Annual Sales Tax Collections (City)	0.009%

This report estimates that the Bluffs Urban Renewal Plan will generate an additional 1,000 square feet of retail space over the next 25-years. Using an estimated sales per square of \$250 PSF and phasing retail commercial development over the next 25 years, this amount space of equates to \$165,000 in gross sales tax increment. Annually, this equals an average of \$6,000 in sales tax TIF collected. For comparison, the City of Pueblo is budgeting for \$70,604,105 in general sales tax (3% rate) in 2023. This means that projected retail development in the Bluffs Urban Renewal Plan area should increase the City's sales tax collections by 0.009% annually. This estimate does not include State Sales Tax collections or County Sales Tax collections.

iO	Rounded

4 Taxing Entity Impacts

Assessing an Urban Renewal Plan's impacts on partnering taxing entities requires careful consideration of the revenue, services and infrastructure needed achieve that plan's goals. These impacts also need to consider the purpose of the Urban Renewal Plan. In addition to remediating blighting conditions, an Urban Renewal Plan typically is designed to bring about a public good, either in the form of a public amenity or infrastructure, or a specific type of development. The Bluffs Urban Renewal Plan area is designed to facilitate a mixed-use development; one that would align with the City's zoning district, create a higher and better use of currently vacant and underutilized land, and add much needed housing stock within City limits.

The proposed development's benefits need to be weighed against the possible fiscal impacts caused by the Urban Renewal Plan on partnering taxing entities. Conversely, partnering taxing entities need to demonstrate an undue impact caused by the Urban Renewal Plan to justify withholding tax revenue that the Pueblo Urban Renewal Authority generated through its renewal efforts.

Statutory Impacts

C.R.S. 31-25-107(3.5)I-V) lists requirements for Urban Renewal Impact Reports to evaluate potential impacts on effected taxing entities. The statute requires that the report examine County impacts in particular, stating the following:

- An estimate on the county revenue impact, 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,
- 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,
- Any other estimated impacts of the urban renewal project on county services and revenues.

This section will answer these requirements directly about the Bluffs Urban Renewal Plan's impacts to Pueblo County. This report will also address the impacts to the Pueblo School District 60 and the City of Pueblo.

Assessed Value Comparison

The Bluffs Urban Renewal Plan is located within one taxing district: 60B. Tax district 60B's levy is 97.705 mills¹¹. The 60B tax district includes the following taxing entities: Pueblo County, the City of Pueblo, the Southeast Water Conservation District, the Lower Arkansas Valley Water Conservation District, the Pueblo City-County Library District, and the Pueblo School District 60¹².

According to the Department of Local Affairs' 2021 Certification of Mill Levies and Revenues.

¹² The Pueblo School District 60 Band Mill Levy is subsumed under the School District.

The table below illustrates the total assessed value (AV) of property currently within each taxing entity the collects a property tax. The Plan area's estimated incremental assessed value is also included as a percentage of each tax districts AV.

			Value	l Assessed	Tota		
Lower An Valley Wate Con	SE Colo Water Conserv	Pueblo City- County Library Dietrict	School Dist 60 Bond Redemption	School Dist 80 General	Pueblo County	City of Pueblo	The Bluffs UR Plan Incremental Assessed Value
\$1,461,531,78	\$1,947,244,469	\$2,162,100,442	\$1,267,729,208	\$1,267,729,208	\$2,162,100,442	\$1,267,729,208	\$2,564,580
0.25	0.1%	0.1%	0.2%	0.2%	0.1%	0.2%	Percent of Taxing District
		ilue	nt Assessed Va	strial/Vacar	mercial/indu	Comr	
Lower Ar Valley Wate Con	SE Colo Water Conserv	Pueblo City- County Library Dietrict	School Dist 60 Bond Redemption	School Dist 60 General	Pueble County	City of Pueblo	The Bluffs UR Plan Incremental Assessed Value
\$454,439,74	\$571,791,804	\$647,553,946	\$384,788,440	\$384,788,440	\$647,553,946	\$360,585,500	\$87,000
0.0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	Percent of Taxing District
			ed Value	ntial Assess	Resider		
Lower Ar Valley Wate Con	SE-Colo Water Conserv	Pueblo City- County Library District	School Dist 60 Bond Redemption	School Dist 60 General	Pueblo County	City of Pueblo	The Sluffs UR Plan Incremental Assessed Value
\$920,438,15	\$848.622.481	\$920,438,152	\$518.520.843	\$518,520,843	\$920,438,152	\$425,132,064	\$2,485,340
0.3	0.3%	0.3%	0.5%	0.5%	0.3%	0.6%	Percent of Taxing District

Pueblo County

Revenue Impacts

The Bluffs Urban Renewal Plan is expected to use Tax Increment Financing to help remediate blight and attract new investment to the project area. The use of future property tax could have an impact on the County's revenues, which is explored in this section.

Pueblo County issues a milt levy of 30.199 on property. This mill levy is a major revenue source for the County's operations and funds. According to the Pueblo County 2022 Budget, taxes (which includes property, sales, use, excise, and specific ownership tax) account for 30% of its total revenue collected. Last year these taxes amounted to \$116 million in revenue and helped to fund most of the County services to residents.

According to Pueble County's OpenGov website, the total revenue collected in 2021 equaled \$240,723,797. Property tax accounted for 23.5% of the total revenue that year, or \$56,512,423 in property tax collected. To quantify potential revenue impacts to the County, this report compared the projected annual property tax revenue within the Bluffs Urban Renewal Plan area to the County's property tax revenue. Projected property tax revenue is derived from new improvements in the Plan area, meaning that the Plan area's base assessed value was not included in this comparison.

This Report projected the Bluffs Urban Renewal Plan area's annual property tax TIF per the County's millage rate and compared it as a percentage to total revenue collections. The Bluffs

Urban Renewal Plan area's property tax increment generated at the County's 30.199 millage rate will account for 0.14% of Pueblo County's annual revenue collections.

Pueblo County	2021 Property Tax Revenue (Actual)	Plan Area Estimated Property Tax TIF (25-Year Annual Average)	Percent of Total
General Fund	\$ 56,915,720	\$ 78,279	0.14%

The Bluffs Urban Renewal Plan is expected to last 25-years. Over that time, the new improvements incentivized by this Plan and the Pueblo Urban Renewal Authority will begin to accumulate incremental property tax revenue. The incremental property tax represents a revenue stream that can be remitted to the Pueblo Urban Renewal Authority via TIF agreement in support of its remediation and redevelopment efforts in the Bluffs Urban Renewal Plan area. This report estimates that new improvements within the Plan area account for \$2,035,254 in property tax TIF at the County's mill levy over 25-years.

The Bluffs Urban Renewal Plan is not expected to generate significant revenue impacts on Pueblo County's General Fund. The Plan area's new development accounts for only 0.14% of the County's annual property tax revenue collections. The Bluffs Urban Renewal Plan will alleviate blight and facilitate new mixed-use development without significantly detracting from the County's expected revenues. This report does not find a negative revenue impact caused by the Bluffs Urban Renewal Plan.

Infrastructure and Service Impacts

The Bluffs Urban Renewal Plan area is located within the City of Pueblo. Future development will be served by City-owned roads and central water and sewer services. Residents generated by this development will also be served by City services, such as City of Pueblo Police. This development will not require new County infrastructure, nor it would it require additional County services.

County Impact Conclusion

This report concludes that the Bluffs Urban Renewal Plan will not generate adverse fiscal impacts on Pueblo County revenue, infrastructure or services.

Pueblo School District 60

Revenue Impacts

The Pueblo School District 60 is the taxing entity that levies the largest millage rate within the Bluffs Urban Renewal Plan area. The Pueblo School District 60 millage rate is 43.642. The School District is therefore an important partner to the Pueblo Urban Renewal Authority and vulnerable to the Plan's tax increment financing impacts.

According to the FY 2023 adopted budget, the Pueblo School District 60 collected \$126,258,830 in total program funding. Property tax revenue accounted for 26.81%, or \$33,851,404 of that total. The following table compares these annual tax revenues with the estimated annual incremental property tax revenue generated by the Bluffs Urban Renewal Plan area.

	The Bluffs Urban R	enewal Plan Impacts	
Pueblo School District 60 Fund	2022 Property Tax Revenue	Estimated Property Tax TIF (Annual Average)	Percent of Total
Total	\$ 33,851,404	\$ 71,184	0.21%

The Bluffs Urban Renewal Plan is not expected to generate a significant impact to the school district's annual revenue. This report estimates that future incremental tax revenue amounts to only 0.21% of the School District's total property tax revenue. Property tax revenue is only 26.81% of the School District's total revenue, meaning that the Bluffs Urban Renewal Plan's incremental property tax TIF represents 0.06% of all revenue.

Student Population Generation

The Bluffs Urban Renewal Plan is projected to generate residential and commercial development over the next 25-years. The commercial development will create a negligible impact on the school district. However, residential development leads to additional households and students. This report forecasted potential student generation to quantify that impact.

The Pueblo School District 60 is within the City of Pueblo. The table below summarizes City's demographic data ¹³. These estimates, including household size and students per household, were used to estimate the number of students the Bluff Urban Renewal Plan could generate over the next 25 years.

lousehold Population 108,691 lumber of Households 45,704 Persons Per Household 2.38 lumber of Students (District 60) 15,134 litudents Per Household 0.33 The Bluffs Urban Renewal Plan Development Projections	
Pueblo (City) Total Population	111,893
Household: Population	108,691
Number of Households	45,704
Persons Per Household	2.38
Number of Students (District 60)	15,134
Students Per Household	0.33
The Bluffs Urban Renewall Plan Development Projections	
Projected Residential Units	97
Projected Population	231
Projected Students	76

The addition of 76 students over the next 25 years represents 0.5% of the current student population. According to Colorado's Department of Education, the school district has lost 12.52% of its pupil membership over the last 5-years, or 2,165 students. An additional 76 students generated by redevelopment within the Bluffs Urban Renewal Plan is not a significant impact to the school district. In fact, it could help to reverse an ongoing decline of pupil membership within the Pueblo City 60 school district.

¹³ Colorado State Demographer's Office 2020 County Population and Pupil Counts.

School District Impact Conclusion

The Bluffs Urban Renewal Plan is not likely to generate significant adverse impacts on Pueblo City School District 60. The estimated student generated by the plan will not significantly raise its pupil membership and may even help to offset a 5-year decline. Its fiscal impacts are also minimal, as projected property tax TIF represents only 0.21% of the district's annual property tax revenue.

City of Pueblo

Revenue Impacts

The Bluffs Urban Renewal Plan is located within the City of Pueblo. All future development will require City infrastructure and services, and therefore will have a direct impact on the City. This report analyzed the City's adopted 2023 Budget to determine the Bluffs Urban Renewal Plan's impact on the City's revenues and infrastructure.

The City of Pueblo issues a mill levy of 15.63 on property. Property tax represents a significant revenue source for the City's budget. According to the adopted 2023 budget, the City of Pueblo projects \$117,373,313 in total revenue. Property taxes are expected to account for 17.26% of this revenue, or \$2,035,254.

This Report projected the Bluffs Urban Renewal Plan area's annual property tax TIF per the City's millage rate and compared it as a percentage to the City's total revenue collections. The Bluffs Urban Renewal Plan area's **property tax increment** generated at the City's 15.63 millage rate **will account for 0.2% of Pueblo's annual revenue collections.**

City of Pueblo	2023 Property Tax Revenue (Budgeted)	Plan Area Estimated Property Tax TIF (25-Year Annual Average)	Percent of Total
General Fund	\$ 20,261,090	\$ 40,522	0.2%

The Bluffs Urban Renewal Plan is not expected to generate significant revenue impacts on Pueblo County's General Fund. The Plan area's new development accounts for only 0.2% of the City's annual property tax revenue collections. The Bluffs Urban Renewal Plan will alleviate blight and facilitate new mixed-use development without significantly detracting from the City's expected revenues. This report does not find a negative revenue impact caused by the Bluffs Urban Renewal Plan.

Infrastructure and Service Impacts

The Bluffs Urban Renewal Plan area is located within the City of Pueblo. Future development will be served by City-owned roads and central water and sewer services. Residents generated by this development will also be served by City services, such as City of Pueblo Police. Although this is a direct impact to City services and infrastructure, this report does not find the impact to be significant. The proposed development is located in the City's R-5 zone, which allows for higher density multi-family and mixed-use development. The plan is forecasted to generate 231 new residents once completed. This is only 0.2% of the City's current population and is not likely to trigger any adverse impacts.

City Impact Conclusion

This report concludes that the Bluffs Urban Renewal Plan will not generate adverse fiscal impacts on Pueblo County revenue, infrastructure or services.

Impact Summary on Taxing Entities

This report did not find any substantial fiscal impacts to the taxing entities effected by the Bluffs Urban Renewal Plan. The projected assessed value and property tax increment of the Plan amounts to a small percentage of each taxing entities budget.

The Pian will not create fiscal, infrastructure or service burdens on the County. The proposed development will not require new County owned infrastructure or services and is located within the City of Pueblo's municipal limits. The proposed development's incremental revenues represent less than 1% of the County annual property tax collections.

The Pian will not create negative fiscal impacts to the Pueblo City School District 60, as it only represents 0.21% of its annual property tax revenue. The proposed development is mixed-use, and its residential component will generate new students. However, even after full build-out the development is projected to only increase the current pupil membership of the School district by 0.5%. This increase in pupil membership is not significant enough to trigger impacts such as capital improvements or new staff hirings. It may also help to offset the district's 5-year decline in pupil membership.

The Plan will not create negative fiscal impacts to the City of Pueblo. The Plan is expected to generate approximately \$40,522 annually in property tax TIF at the City's mill levy. This is amount is unlikely to trigger negative financial burdens for the City.

Although not directly analyzed, the taxing entities such as the Regional Library District and the Water Conservancies are not likely to incur any negative impacts from this Urban Renewal Project. The proposed development represents less than 0.3% of each district's total assessed value, making the development insignificant in comparison to their current tax rolls.

The following table outlines the estimated property tax revenue that will be generated within the plan area for each taxing entity. Generating significant tax increment may prove more troublesome than ensuring that taxing entities receive adequate base revenues, which is why this report recommends that each taxing entity agree to allocate 100% of their potential tax increment revenue to the Pueblo Urban Renewal Authority in support of the Bluffs Urban Renewal Plan.

The Bluffs Urban Renewal Plan TIF Summary Table, 25-Year Total

Tax Incren	nent Financing Ana	lysis	
		Estimated Tax Increment (25 Year	5)
Tax Entity Fund	Millage Rate	Tax i	District 60B
PUEBLO COUNTY	30.199	\$	2,035,000
CITY OF PUEBLO	15.633	\$	1,053,000
S.E.WATER CONSV DISTRICT	0.839	\$	56,000
LOWER ARKANSAS VALLEY WATER CONSV. DISTRICT	1.503	\$	101,000
PUEBLO CITY-COUNTY LIBRARY DISTRICT	Y 30.199 \$ 2,835,000 D 15.633 \$ 1,953,000 T 0.839 \$ 56,000 T 1.503 \$ 101,000 T 5.889 \$ 396,000		
SCHOOL DISTRICT 68	43.642	\$	2,940,000
	25 Year Total	\$	6,584,000



Appendix A Tax Increment Financing Pro Forma

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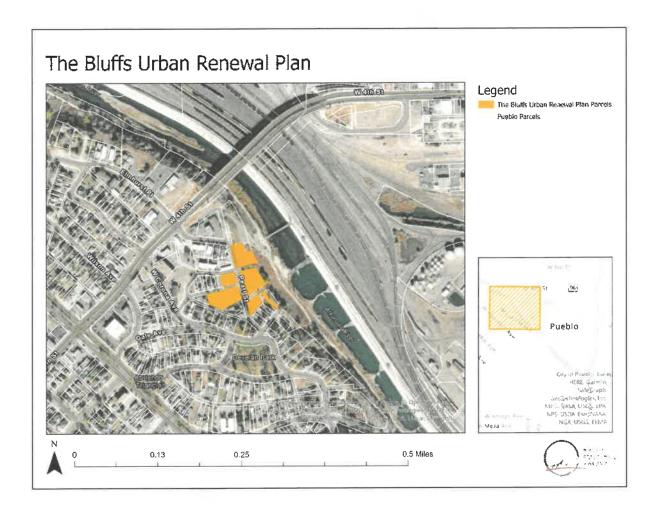


The Bluffs Phase 1 Urban Renewal Plan April 26th, 2023



Prepared by:

Pueblo Urban Renewal Authority (PURA)
Pioneer Development Company



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DEFINITIONS

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

<u>Act</u> means the Colorado Urban Renewal Law, Part 1 of Article 25 of Title 31, of the Colorado Revised Statutes.

<u>Area</u> or <u>Urban Renewal Area</u> 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.

<u>Authority</u> means the Urban Renewal Authority of Pueblo, Colorado.

City means the City of Pueblo, Colorado.

<u>City Planning</u> means the Department of Planning & Community Development of the City of Pueblo, Colorado.

<u>City Consolidated Plan</u> means the City of Pueblo 2020-2024 Consolidated Plan, approved June 14, 2021, by Ordinance No. 9951.

Comprehensive Plan means the Pueblo Regional Comprehensive Plan adopted in 2022.

County means Pueblo County, Colorado.

Neighborhood Plan means the Westside Neighborhood Plan adopted in 2004.

<u>Plan</u> or <u>Urban Renewal Plan</u> means this urban renewal plan as it may be amended in the future.

Project or Urban Renewal Project means all activities and undertakings described in this Plan.

I. Introduction

The purpose of this Plan is to implement those provisions of the Comprehensive Plan and the City Strategic Plan that apply to the Urban Renewal Area. The provisions of this Plan are intended to help provide important services to the Area, eliminate and prevent conditions of blight, attract private investment, utilize underdeveloped land, and leverage public investment and funding mechanisms to promote redevelopment and rehabilitation of the area by private enterprise, and, where necessary, provide necessary public infrastructure to serve the Area.

This Urban Renewal Plan has been proposed 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.

II. Urban Renewal Area Boundary

An urban renewal plan area has been created that includes properties that are within the City of Pueblo's municipal limits. The Area, titled "Bluffs Phase 1" includes 5 parcels along Pearl Street, atop a bluff overlooking the Arkansas River. These parcels encompass ~3.3 acres including public right-of-way and are zoned R-5 residential. The subject area is characterized by vacant land, steep topography, deteriorating or missing infrastructure, and irregularly shaped parcels. The survey area is proximal to the "Colorado Smelter" EPA Superfund site and may require environmental remediation. The Area's characteristics make future development challenging and is the reason why PURA is evaluating this site for Urban Renewal treatment.

III. Summary of Statutory Criteria

On April 9th, 2023, a conditions survey report was delivered to the Pueblo Urban Renewal Authority and its Board of Commissioners that summarized a blight study of the area described as The Bluffs Phase 1 Urban Renewal Plan. Relevant conditions were researched, documented, photographed, and compared with the blight factors pursuant to the Act. The result of the survey is included in a document entitled "The Bluffs Phase 1 Urban Renewal Plan Conditions Survey" (the Conditions Survey) dated April 9th, 2023, consisting of 25 pages, related exhibits, a description of existing conditions, and numerous photographs. 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:

Blighted Area Factor #	
(C.R.S. 31-25-103.2 List Label)	Definition
Factor 2 (b)	Predominance of Defective or Inadequate Street Layout
Factor 3 (c)	Faulty Lot Layout in Relation to Size, Adequacy, Accessibility, or Usefulness
Factor 4 (d)	Unsanitary or Unsafe Conditions
Factor 5 (e)	Deterioration of Site or Other Improvements
Factor 6 (f)	Unusual Topography or Inadequate Public Improvements or Utilities
Factor 10 (j)	Environmental Contamination of Buildings or Property
Factor 11 (k.5)	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

IV. <u>Description of Urban Renewal Project</u>

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 public bodies, will undertake a program to eliminate the conditions of blight identified in the Conditions Survey while supporting Pueblo's Regional Comprehensive Plan, the City's Consolidated Plan, and the Pueblo community's remediation and redevelopment goals. Although there are other adopted Plan's both locally and regionally not listed, the Goals and Policies of these plans are assumed to be subsumed under the Comprehensive Plan.

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

Goals of the Plan

- 1. <u>Goals of the Plan</u> This Plan has been adopted to achieve the following goals in the Area:
 - a) To encourage renewal throughout the Area by attracting additional investment and redevelopment within the Project.
 - b) To alleviate blighting conditions within the Area's Boundary
 - c) To leverage Tax Increment Financing to assist with the funding of Infrastructure and Facilities that will help advance the remediation and revitalization goals of the Area.
 - d) To incentivize and invest in catalytic developments to remediate blighting conditions and spur additional community minded development throughout the Area.
 - e) To encourage redevelopment within the Area that aligns with the City of Pueblo's future land use designations and zoning districts.
 - f) To leverage Tax Increment Financing to help attract new commercial and residential investments within the Area.
 - g) To leverage Tax Increment Financing to support the development of attainable and/or affordable housing within the Area.
 - h) To improve the streetscapes to promote on-street bike and pedestrian travel while also enhancing lighting, sidewalks, pedestrian safety, parking, signage, landscaping, bike racks and bus shelters.
 - i) To improve pedestrian and trail connections to from the Area to the Arkansas River.
 - j) To invest in cultural and community spaces throughout the Area.

2. Relationship to Comprehensive Plan

The Plan conforms with and is designed to help implement the Visions, Goals, Policies and Guiding Principles detailed in the Comprehensive Plan, revised and adopted September 2022:

- a) The Plan will support Goal 1.1 to "Expand Housing options to meet the needs of existing and future residents of all ages, abilities, and income levels". The Plan will help to target new residential development within its boundaries. The Plan will help to support higher-density, residential development in an underutilized and challenging development area. Specific policies that align with this Urban Renewal Plan include:
- (1) Policy 1.1.2 Mix of Housing Types
- (2) Policy 1.1.5 Non-Traditional Housing
- (3) Policy 1.1.7 Higher-Density Housing
 (a) See Page 19 of Regional Comprehensive Plan
- b) The Plan will support Goal 1.2 to "Promote reinvestment in existing neighborhoods housing stock, infrastructure, and amenities" and Goal 1.3 to "Preserve and Expand the Supply of Workforce and Affordable Housing within the Region". The Plan will remediate conditions that have prevented new development in this area, located within the historic Blocks Neighborhood. The Plan will draw new investment to the area, increase its housing stock, and restore infrastructure and public amenities such as the access trail down to the Arkansas River. It is also an example of a Public Private Partnership strategy highlighted by this Guiding Principle. Specific Policies that Align with this Urban Renewal Plan include:
- (1) Policy 1.2.3 Vacant and Dilapidated Properties
- (2) Policy 1.2.4 Infill and Redevelopment
- (3) Policy 1.2.5 Infrastructure and Amenities
- (4) Policy 1.3.4 Integrated Housing
- (5) Policy 1.3.5 Strategies
 - (a) See Pages 21 and 23 of Regional Comprehensive Plan
- c) The Plan will support Goal 6.1 to "Promote a fiscally and environmentally responsible pattern of growth" and Goal 6.2 to "Encourage Infill and Reinvestment in Established Communities and Neighborhoods". The Plan will support compact, mixed-use development that will be concentrated in established neighborhoods such as the Blocks, and leverages funding tools such as tax increment financing. The Plan will also facilitate reinvestment in Underutilized Center/Corridors identified within the Comprehensive Plan. Specific Policies that Align with this Urban Renewal Plan include:
- (1) Policy 6.1.1 Coordinated Planning
- (2) Policy 6.1.2 Concentrated Development
- (3) Policy 6.1.5 Compact Development

- (4) Policy 6.1.5 Prioritize Investment
- (5) Policy 6.2.2 Reinvestment in Core Neighborhoods
- (6) Policy 6.2.4 Redevelopment Areas
 - (a) See Pages 65, 66 and 67 of Regional Comprehensive Plan
- d) The Plan will support Goal 7.2 to "Expand transportation connections to, from and within the region". The Plan will help improve public right of way, sidewalks, and even trail connections to the Arkansas River. Specific Policies that Align with this Urban Renewal Plan include:
- (1) Policy 7.3.3 Bicycle and Pedestrian Connectivity
- (2) Policy 7.3.4 Complete Streets
- (3) Policy 7.3.5 Context Sensitive Design
 - (a) See Page 81 of Regional Comprehensive Plan

3. Relationship to City Consolidated Plan

The Plan conforms with and is designed to implement the following strategies detailed in the City's 2020-2024 Consolidated Plan:

- a) To provide decent housing by preserving the affordable housing stock, increasing the availability of affordable housing, reducing discriminatory barriers, increasing the supply of supportive housing for those with special needs, and transitioning homeless person and families into housing.
- b) To provide a suitable living environment through safer, more livable neighborhoods, greater integration of low- and moderate- income residents throughout the City, increased housing opportunities, and reinvestment in deteriorating communities.
- c) To expand economic opportunities through more jobs paying selfsufficient wages, homeownership opportunities, development activities that promote long-term community viability, and the empowerment of low- and moderate- income persons to achieve self-sufficiency and build equity.

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, Pueblo County Land Use Code and secondary codes therein adopted by reference, and other applicable standards and regulations of the City of Pueblo ("City Regulations") and Pueblo County ("County Regulations"). Permitted uses for properties in the Urban Renewal Area shall be those uses allowed in the City of Pueblo Land Use Code for annexed parcels.

V. 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.

Land Acquisition

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. The Authority may acquire property in the Area for the following reasons: To eliminate or prevent conditions of blight; to carry out one or more objectives of the Plan; to assemble property for redevelopment by private enterprise; for needed public improvements; and for any other lawful purpose authorized by the Plan, the Act or any other applicable law.

Acquisition of property by eminent domain is not authorized unless the City Council approves, by majority vote, the use of eminent domain by the Authority in accordance with the Act and other applicable laws.

B. Relocation

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 may demolish and clear those buildings, structures, and other improvements from property it acquires if such buildings, structures, and other improvements are not to be rehabilitated in accordance with this Plan. The Authority may provide rough and finished site grading and other site preparation services as part of a comprehensive redevelopment program.

D. Property Management

During such time as any property is acquired by the Authority, for disposition for redevelopment, such property shall be under the management and control of the Authority and may be rented or leased by it pending disposition for redevelopment or rehabilitation. Notwithstanding the foregoing, the Authority may acquire property, develop, construct, maintain, and operate thereon buildings, and facilities devoted to uses and purposes as the Authority deems to be in the public interest.

E. Public Improvements

The Authority will cooperate with the City and other public bodies to install, repair or replace necessary public infrastructure including, but not limited to, public streets, ADA accessible routes, stormwater improvements outside the scope of the City Storm Water Enterprise, park and recreation amenities and multi-use recreational trails in the Area.

F. Land Disposition, Redevelopment and Rehabilitation

The Authority may dispose of property it acquires 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.

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.

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

Compliance with the Plan and, if adopted by the Authority, the Design Guidelines and Standards and City codes and ordinances. 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.

The financial commitments of each party (but nothing herein shall obligate the Authority to make any such financial commitment to any party or transaction).

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, County or other public bodies. Without limitation, such agreements may include project financing and implementation; design, location and construction of public improvements; and any other matters required to carry out this Project. It is recognized that cooperation with the City, County, other municipalities and other public and private bodies may be required to coordinate such issues as the design, construction, maintenance, operation, and timing of public and private improvements 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 or public bodies in accordance with the authorization of the Act and any and all applicable laws.

VI. 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, appropriations, loans or advances from the City or County; 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 County, 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 or the City or the County 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 be financed by the Authority under the tax allocation financing provisions of the Act. Under the tax allocation method of financing the Project, property taxes levied after the effective date of the approval of this Plan upon taxable property in the Urban Renewal Area each year by or for the benefit of each public body that levies property taxes in the Area, shall be divided for a period not to exceed twenty-five (25) years after the effective date of the adoption of this tax allocation provision, as follows:

Base Amount

That portion of the taxes which are produced by the levy at the rate fixed each year by or for 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 Plan or, as to an area later added to the Urban Renewal Area, and the effective date of the modification of the Plan shall be paid into the funds of each such public body as are all other taxes collected by or for said public body.

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 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 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 subparagraph 2, 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 incurred by the Authority to finance the Project.

VII. CHANGES IN APPROVED PLAN

This Plan may be modified pursuant to the provisions of the Act governing such modifications, including Section 31-25-107, C.R.S.

VIII. 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 beyond the intent and purpose of the Plan.

EXHIBIT A

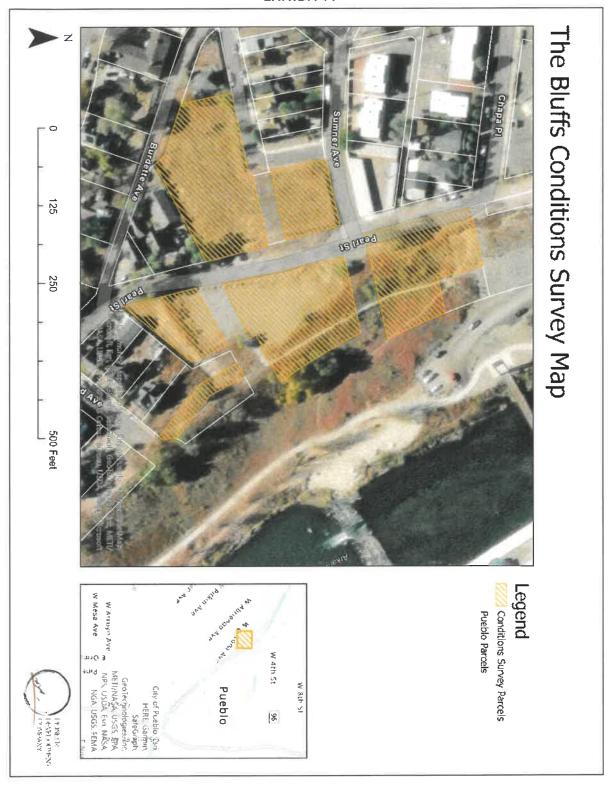


EXHIBIT B

LEGAL DESCRIPTION

(FROM ALTA COMMITMENT STEWART TITLE COMPANY DBA UNIFIED TITLE-FILE NO. 1741255, DATED JUNE 6, 2022) LOTS 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23 AND 24, BLOCK 4, DELAVAN PLACE SUBDIVISON, EXCEPT THE SOUTH 13 FEET OF LOT 14 AND THE NORTH 17 FEET OF LOT 15, BLOCK 4, DELAVAN PLACE SUBDIVISION, AS DESCRIBED IN WARRANTY DEED RECORDED MARCH 7, 2003 UNDER RECEPTION NO. 1489007, TOGETHER WITH THE VACATED ALLEY IN BLOCK 4 ADJACENT TO SUBJECT LAND AND THE NORTHERN HALF OF BURDETTE AVENUE AS SHOWN IN ORDINANCE NO. 1512 RECOREDED MARCH 5, 1949 IN BOOK 1090 AT PAGE 101, RECEPTION NO. 835282 COUNTY OF PUEBLO, STATE OF COLORADO

(FROM ALTA COMMITMENT STEWART TITLE COMPANY DBA UNIFIED TITILE- FILE NO. 1717205, DATED APRIL 22, 2022) THE SOUTH 13 FEET OF LOT 14 AND THE NORTH 17 FEET OF LOT 15, BLOCK 4, DELAVAN PLACE COUNTY OF PUEBLO, STATE OF COLORADO

(FROM ALTA COMMITMENT STEWART TITLE COMPANY DBA UNIFIED TITLE -FILE NO. 1717143, DATED MAY 24, 2022) PARCEL A: (FILE NO. 1717143) LOTS 1 TO 7, INCLUSIVE, BLOCK 5 DELAVAN PLACE, COUNTY OF PUEBLO, STATE OF COLORADO

PARCEL B: (FILE NO. 1717143) LOT 6, BLOCK 6, DELAVAN PLACE, COUNTY OF PUEBLO, STATE OF COLORADO

PARCEL C: (FILE NO. 1717143) LOTS 15, 16 AND 17, EXCEPTING THAT PORTION CONVEYED TO THE DENVER & RIO GRANDE WESTERN RAILROAD COMPANY, A DELAWARE CORPORATION BY DEED RECORDED NOVEMBER 21, 1921 IN BOOK 529 AT PAGE 92, AND LOTS 18 TO 21, INCLUSIVE, BLOCK 2, DELAVAN PLACE, COUNTY OF PUEBLO, STATE OF COLORADO.

PARCEL D: (FILE NO. 1717143) LOTS 1 TO 4, INCLUSIVE, BLOCK 6 DELAVAN PLACE, COUNTY OF PUEBLO, STATE OF COLORADO