

Mrs. Sherri Baca
Executive Director
Pueblo City-County Library District
100 East Abriendo Avenue
Pueblo, Colorado 81004

September 8, 2023

Re: North Elizabeth Hotel Urban Renewal Area

Mrs. Baca,

Your agency has been identified as a taxing body in an area referred to as North Elizabeth Hotel Project Area (the "Project") located on the City of Pueblo's north side. Enclosed are the Impact Report, Conditions Survey, Proposed Plan, and a draft of the Property Tax Increment Revenue Agreement for your consideration with respect to the "Project". A public hearing before the City Council of the City of Pueblo is tentatively scheduled for December 11, 2023.

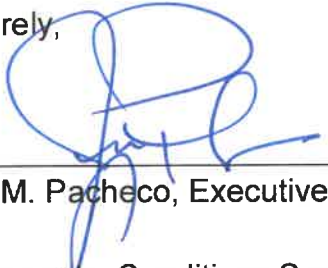
Pursuant to Colorado Revised Statutes, Section 31-25-107(3.5), we offer the following:

1. Redevelopment improvements necessary to remove the conditions identified in the Conditions Survey dated August 19, 2023. We are requesting the use of Tax Increment Financing for the entire 25 years permissible per CRS 31-25-104.
2. The goal of the "Project" is to eradicate blight through implementing the Plan. Activities of the Plan include encouraging investment, alleviating blight, attract new commercial and residential investments, improve streetscapes to promote pedestrian travel and safety, and invest in cultural/ community spaces.
3. It is anticipated that the generally applicable real and commercial personal property taxes from this project could generate between \$0 to \$7,022,058 over the 25-year period assuming the objective of site remediation and building of a hotel. This project would reverse years of stagnant property tax revenue receipts within this area, and as shown in the impact Report these new property tax revenues would not be realized in the future without this investment in the project area.

On behalf of the City of Pueblo, and the Pueblo Urban Renewal Authority, we respectfully request your positive consideration and support of the West Pueblo Urban Renewal Area.

If you have any questions, comments or wish to have clarification of the information above, please contact me directly.

Sincerely,



Jerry M. Pacheco, Executive Director

Attachments: Conditions Survey, Proposed Plan, Impact Study and Draft Property Tax Increment Revenue Agreement



PIONEER
DEVELOPMENT
COMPANY

we find the way

Hotel Conditions Survey

Pueblo Urban Renewal Authority

August 18, 2023



August 18, 2023

City of Pueblo, Colorado

Dear Jerry,

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 tentatively named the "The Hotel Urban Renewal Plan" (The Project).

The Project will encompass one (1) parcel and approximately 2.1 acres. The area is characterized by deteriorating structures, vacancy, underutilization, and possible environmental contamination. The site's historic uses included mobile homes, a gas station and a laundry mat. Currently, the site is vacant. This property is within Pueblo's B4-Regional Commercial zone and is proximal to major arterials such as Elizabeth Street, US 50 and I-25. The site's zoning and location makes it well suited for new commercial development.

PURA is evaluating this property for blighting factors to potentially create a public private partnership with a prospective development. A Hotel development is in the process of being proposed on this site. However, the site exhibits characteristics that could jeopardize the development's feasibility. PURA has commissioned this study to determine if the property qualifies for Urban Renewal treatment.

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 are generally 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 throughout the impacted parcel.

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 Hotel 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: Cherish Deeg

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Executive Summary

Pueblo Urban Renewal Authority Conditions Survey:

The Pueblo Urban Renewal Authority (PURA) is evaluating a specific area for an Urban Renewal project and specific activity. The study area includes a single property, and the potential urban renewal project will be designed to remove conditions arresting a potential hotel development from locating on this site. This proposed hotel is facing feasibility issues with this parcel, and the Pueblo Urban Renewal Authority is evaluating site's eligibility for urban renewal treatment. A development-specific urban renewal plan area could help alleviate conditions arresting this development and make the Hotel feasible.

The subject area is located within Pueblo City limits in the central northern section of the city, south of the I-25, Hwy 47, and Hwy 50 junction. The survey area is adjacent to North Elizabeth Street on the west and I-25 is adjacent on the east. Ingress and egress is taken off of Elizabeth Street.

The survey area includes one (1) parcel within Pueblo's municipal limits. The parcel encompasses 2.1 acres and includes is zoned B4-Regional Commercial. The subject area is characterized by vacant land, potential environmental contamination, a deteriorated structure, deteriorating or missing infrastructure, and evidence of homelessness. The survey area's historic uses include a former dry cleaner as well as a gas station. These uses have a high propensity to leave underground storage tanks and cause environmental contamination. This conditions survey evaluated both Phase 1 and Phase 2 Environmental Site Assessments (ESA's) performed on the property. These ESA's did not identify soil contamination that exceeded CDPHE standards. However, asbestos abatement is required on the former laundromat. The ESA's also made clear that there is a possibility for environmental contamination elsewhere on the site, and that underground storage tanks could be present. The survey area's characteristics make future development challenging and is the reason why PURA is evaluating this site for Urban Renewal treatment.

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 Hotel 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.

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, including examination of the environmental site assessments.

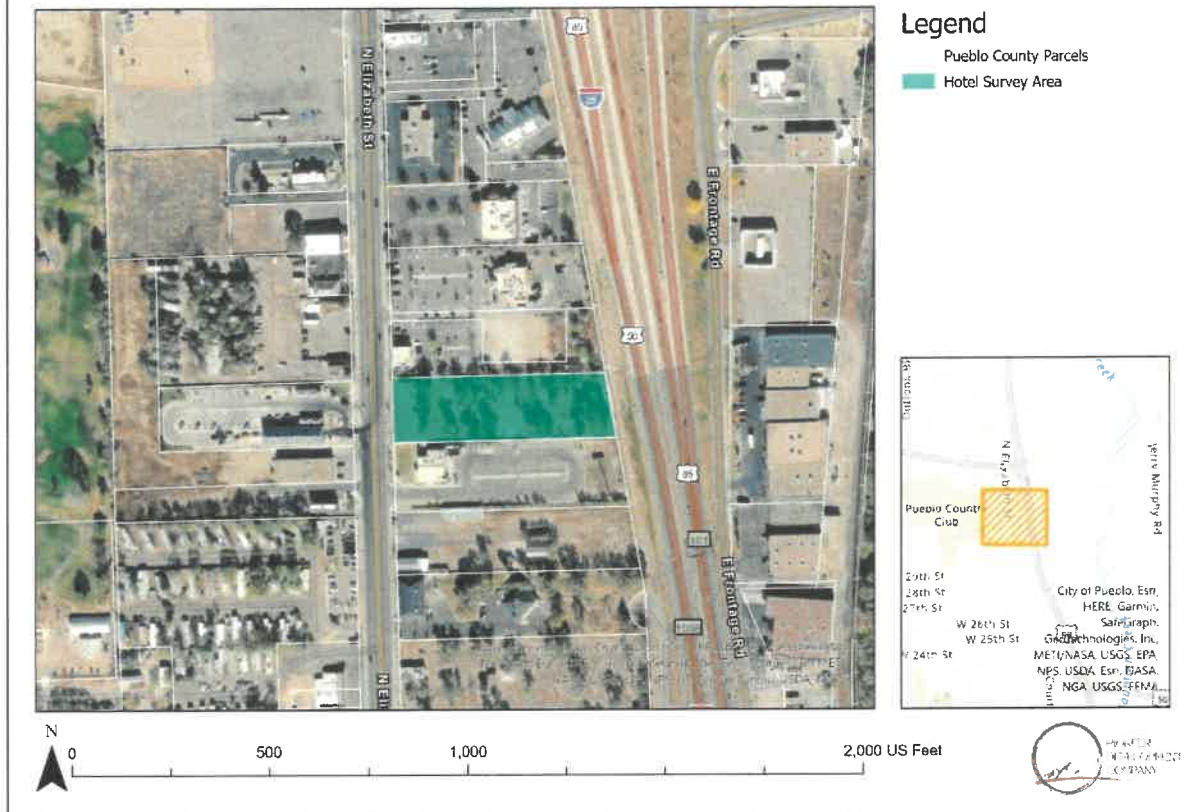
The Conditions Survey's conclusion is that the proposed Urban Renewal Plan area exhibits the necessary number of blighting factors to make it eligible as an Urban Renewal Plan according to state statute. This Conditions Survey identified ten (10) blighting factors within the area, listed in the table below:

Conditions Survey – Blighting Factors Catalogued

Blighted Area Factor # (C.R.S. 31-25-103.2 List Label)	Definition
Factor 1 (a)	Slum, Deteriorated, or Deteriorating Structures.
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 8 (h)	The Existence of Conditions that Endanger Life or Property by Fire or Other Causes.
Factor 9 (i)	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.
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

Conditions Survey Summary

Conditions Survey Area



Survey Area

The survey area evaluates 2.1 acres and one parcel within Pueblo's municipal boundaries. This survey used Pueblo County Open Data to create GIS maps for the analysis.

The survey area is located east of North Elizabeth Street and is west of I-25/Highway 50. The parcel accesses Elizabeth Street, there is no direct access from the parcel to I-25.

Area Description

The survey area encompasses the parcel and its total ~2.1 acres. This property is located within the City of Pueblo's municipal limits. This singular parcel is zoned B-4 Regional Business for commercial uses.

Currently, the area is a vacant lot on the eastern side of the parcel, while on the west is a vacant masonry building that includes a parking lot. The parcel has direct access to North Elizabeth Street to its west and is bounded on its eastern side by I-25. There is no ingress or egress to I-25 from the parcel. The parcel is effectively bisected by a fence and gate, with the vacant building and parking lot in its western half, and vacant land in its eastern half.

Historic uses on the site included a gas station, a mobile home park, and a dry cleaner. The 2,093 square foot masonry building served as a dry cleaner and was built in 1975. The vacant lot on the eastern side of the parcel has remnants of the mobile home park with old concrete pads, concrete debris piles, old utility hookups, and an overgrown center access driveway.

The parcel's B-4 Regional Business zoning "provides areas for the location of business and other central services required by the region at large"¹ The uses by right allowed in the B-4 zone district include **hotels**, auditorium, banquet hall, community center, library, museum, office, pharmacy, and other similar commercial uses.

The regional comprehensive plan's future land use map designates this site as a mixed-use activity center². Mixed-use activity centers contribute at the regional scale in addition to encompassing a diversity of use types and connectivity features³.

The proposed hotel development aligns with both the comprehensive plan and City's zoning for this property. The properties existing characteristics are not achieving the developments or vision outlined within the City's zoning or comprehensive plan.

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

Conditions Survey Land Use Summary			
Area Statistics			
Total Parcel Area (Acres)		2.1	
Number of Parcels in Area		1	
Assessment Type	Parcel Count	Acreage	Percent Total Acreage
COMMERCIAL	1	2.1	100%
Zoning Type	Parcel Count	Acreage	Percent Total Acreage
B-4: Regional Business	1	2.1	100%
Assessed Value	Value		
Total Actual Value	\$296,740		
Total Assessed Value	\$90,062		
Tax Exempt Value	\$0		

¹ Pueblo Planning & Community Development, Zone District: B-4, p. 2-4-2022, <https://www.pueblo.us/DocumentCenter/View/30870/B-4--12-20-21?bidd=>

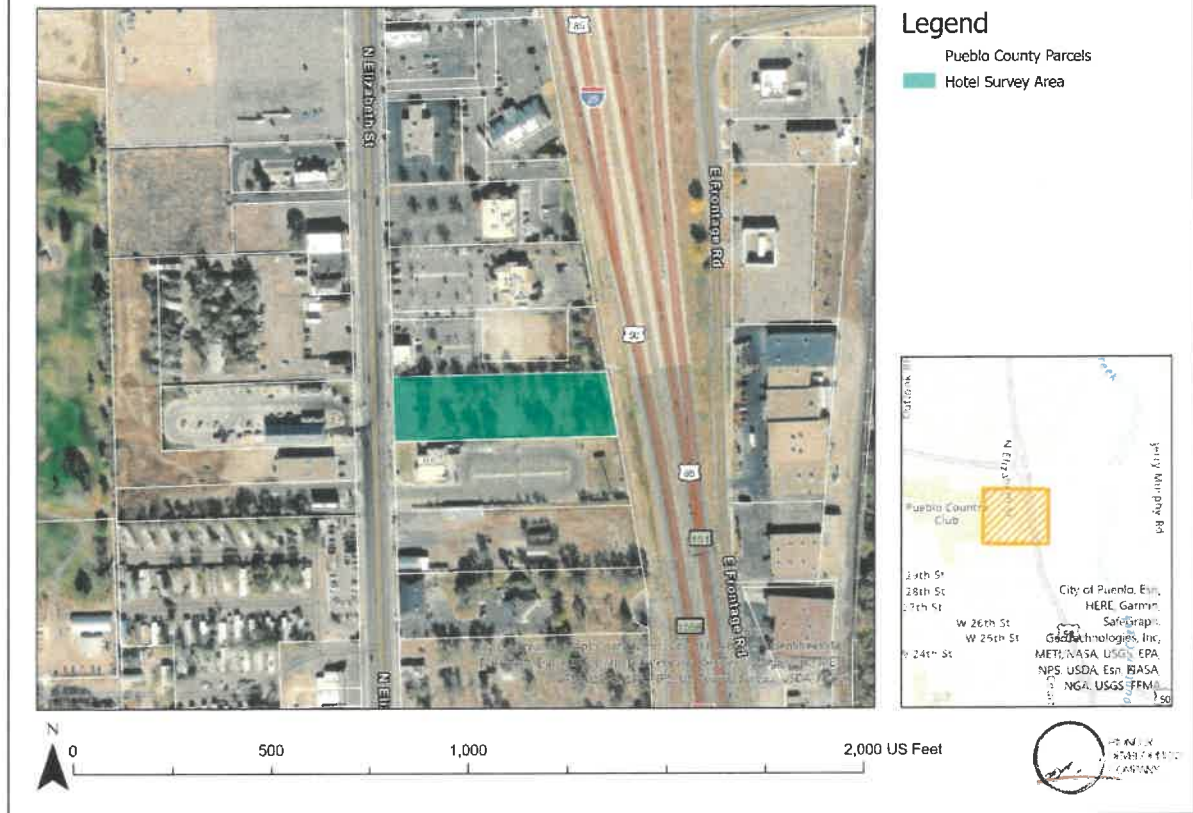
² Pueblo Regional Comprehensive Plan, 2022, p. 130 https://county.pueblo.org/sites/default/files/2022-10/PuebloRegionalComprehensivePlan_Sept22_R.pdf

³ Pueblo Regional Comprehensive Plan, 2022, p. 114 https://county.pueblo.org/sites/default/files/2022-10/PuebloRegionalComprehensivePlan_Sept22_R.pdf

Current Assessment of Plan Area

The Plan area includes one (1) parcel. The total equalized assessed value (taxable value) of this parcel, according to the County Assessor's database 2023 valuations, is \$90,062. The total actual value of this parcel, according to the County's Assessor's database 2023 valuations is \$296,740.

Conditions Survey Area



This Conditions Survey utilized a holistic methodology in determining whether blighting factors exist within the proposed Urban Renewal 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. 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 treatment⁴.

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
- i) 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 define the “conditions” that are arresting the municipality’s sound development. Per statute, these factors give “reason” to declare an area “blighted”, provided that a specific number of factors are identified. The presence of at least four of these conditions satisfies the state 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. An Urban Renewal Plan or Project requires at least four factors identified within its boundaries. It is the culmination of four or more blighting factors which indicate that renewal activities should be applied within the proposed project area.

Blighting Factors 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.

⁴ 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 (a) – Slum, Deteriorated, or Deteriorating Structures

Description:

This factor refers to the current condition of structures in the survey area as a whole. When the physical condition of structures in an area foment negative perceptions and a corresponding decline in values, it typically signals the existence of this factor. Conditions that would justify the inclusion of this factor in an area may include:

- A deterioration of the building elements, such as cladding, fenestration, roofing, overhangs, fascia and soffit, or the foundation of a structure
- A deterioration of outside elements such as fencing, gates, fire escapes, outdoor lighting, loading areas, gutters and downspouts
- Vacant lots or high vacancy rates in the offices/businesses/apartments are evidence this factor exists in an area
- Decline in property value over time

Findings

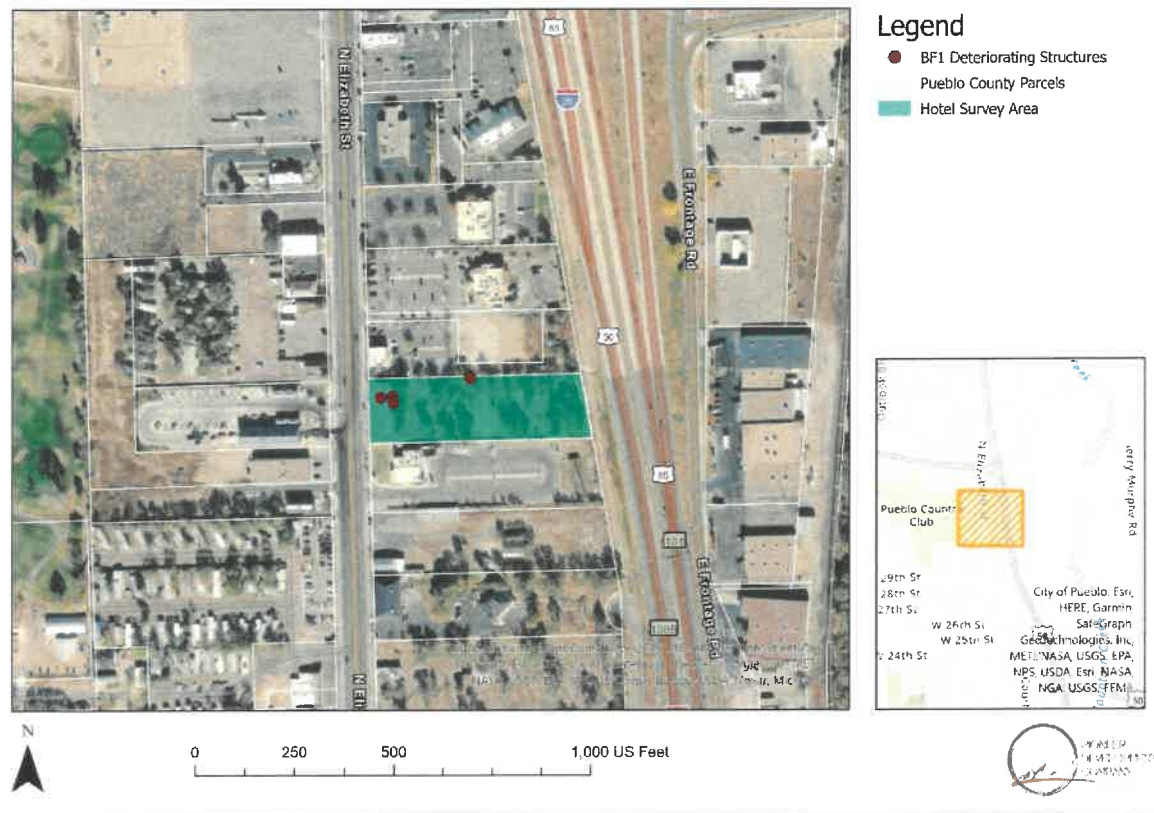
The field visit identified a deteriorating structure and other deteriorating conditions throughout the Survey Area. The deteriorating structure is the former dry-cleaning building, located in the northwest corner of the site. The site also exhibits vacancy, as well as overgrown weeds and neglected features such as fencing throughout the survey area.

The former dry-cleaning building exhibited vacancy and external deterioration. The building is empty with “for sale” signs in various locations. The external deterioration includes cracking, paint disrepair, signs of further structural damage, and foundation concerns.

The other conditions present include landscaping and fencing deterioration. The landscaping has been neglected which has led to vast plant and weed overgrowth throughout the survey area. The existing fencing is in disrepair with parts that are bent and fence posts that have been tampered with. There are also remnants of former fencing scattered throughout the site which includes aged fence posts and missing wiring.

Overall, the site exhibits conditions that foment negative perceptions of the property. These conditions underscore the site’s deterioration and justify the inclusion of this blighting factor.

Blighting Factor (a) - Deteriorating Structures



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

This blighting factor was identified within the survey area. The survey area exhibited inadequate street networks, proximity to heavy traffic, streets in need of repair, poor emergency access and poor active transportation.

Most of the survey area is a former mobile home area which no longer has functioning streets or connection to existing street networks. The former road through the center of the mobile home park is overgrown, nonfunctional and is no longer actively connected to existing street networks. The connection is obstructed by a gate near the southwest corner of the survey area between the lower level of the former mobile home area and the upper level of the former dry cleaner.

The survey area is affected by two heavy traffic corridors. Elizabeth Street, on the west side of the survey area, is a four-lane heavy traffic area with a turning lane in the center to account for the diversity of businesses on either side. I-25 on the east side of the survey area is a major six-lane divided highway.

The existing streets in the survey area need repair as there is evidence of weathering, neglect, and nonuse. The southwest corner access point into the survey area has weathering conditions and has an inadequate street network setup. The survey area is divided by a former driveway that dead ends and a dilapidated former parking lot.

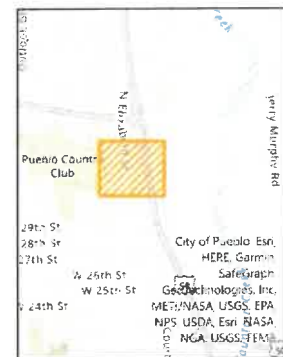
There is overall poor emergency access and active transportation present within the survey area. The neglected network through the survey area, gate division, and deteriorating streets hinder emergency access and active transportation. The street conditions and lack of improvements signal this factor's presence.

Blighting Factor (b) - Defective Streets



Legend

- BF2 Defective Streets
- Pueblo County Parcels
- Hotel Survey Area



0 250 500 1,000 US Feet



Heavy Traffic



Deteriorating Street



Inadequate Street Network



Gate Division

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 survey area showcases nonuse and misuse related to lot configuration. Although this parcel is traditionally shaped, its former uses and current underutilization has led to lot configurations that are unproductive. The site is effectively divided into two parts, with the former mobile home park from the 1960's occupying its eastern half, and the former gas station/laundromat occupying the western half. A gate divides these historic uses and the property. This configuration, including the internal road layout and parking lot, yield unproductive lot layouts.

The property's internal lot layout has led to misuse of the space. Homelessness and vandalism are evident by the trash and debris located throughout the site. The former dry cleaner and parking lot are vacant and deteriorating while the former mobile home park is overgrown and appears to have been unused for decades.

The unproductive conditions on the site, evidenced by the property's nonuse and misuse, showcases this 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 conditions include poor storm water drainage areas, cracked sidewalks, dangerous pedestrian conditions, hazardous soil conditions, steep topography, evidence of vandalism and homelessness, and the presence of trash.

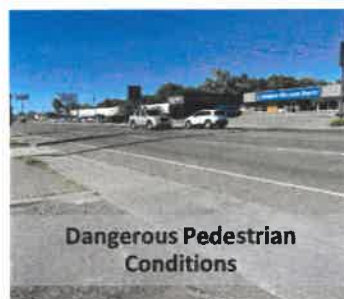
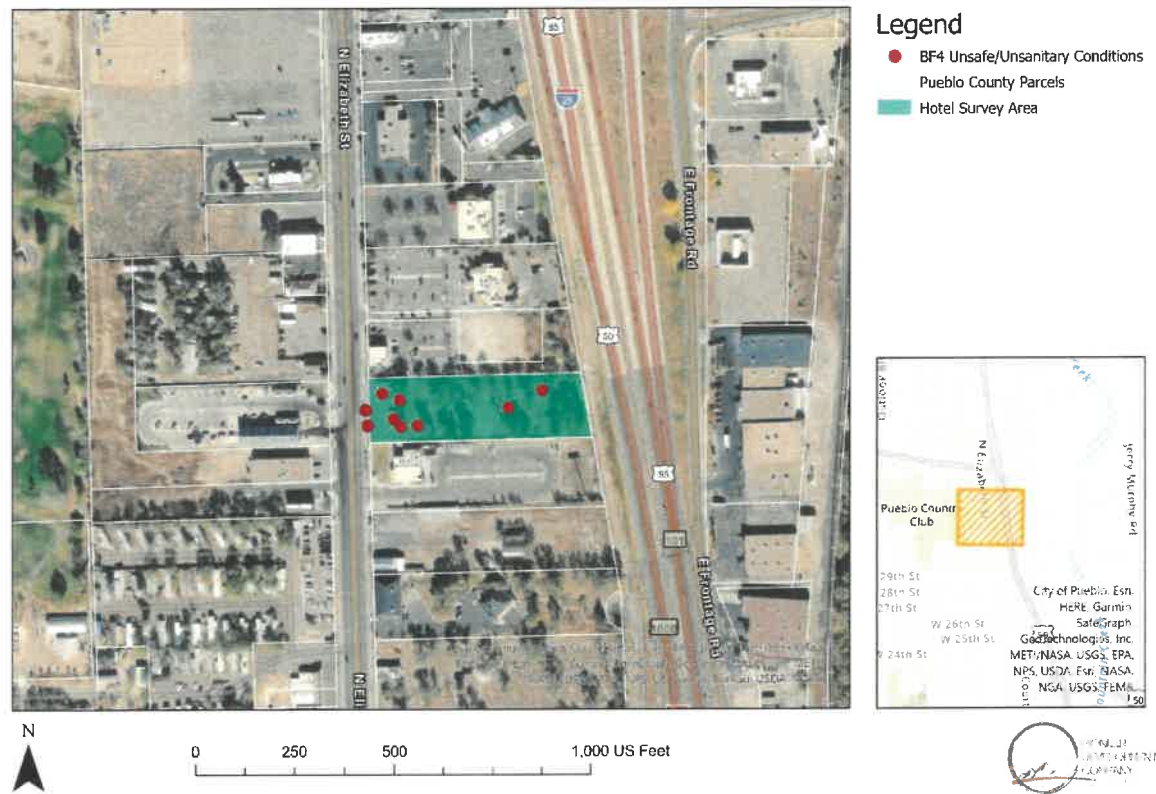
The eastern portion of the survey area is missing storm water drainage infrastructure with the overgrowth and land vacancy. The western section of the survey area lacks storm water drainage infrastructure and has dilapidated parking surfaces.

Sidewalks present in the survey area are in disrepair with cracks and weed overgrowth that impact the site's walkability and aesthetics. In addition to sidewalk conditions, the overall pedestrian experience is dangerous as the survey area is adjacent to the heavily trafficked corridor of Elizabeth Street. This arterial exhibits 4 lanes and a center turning lane. Various vehicles, from cars to large trucks, travel at high speeds along Elizabeth Street, causing unpredictable traffic patterns. The pedestrian conditions along Elizabeth Street have limited protection and no formal separation from moving traffic.

Hazardous soil elements were another condition highlighting the presence of this factor. The contamination soil elements are outlined in depth in the ESA Phase I and ESA Phase II. Although the Phase 2 ESA found evidence of contaminants, these levels did not exceed CDPHE thresholds. However, the ESA's did preclude the possibility of contamination elsewhere throughout the site. The site was previously a gas station, mobile home park, and dry cleaner, all of which have a high propensity for contamination. Also, the former laundromat requires asbestos abatement.

Evidence of vandalism and homelessness, along with the presence of trash throughout the site, further showcases the presence of this factor. Vandalism was evident also, as the former laundromat had a broken window and other structures had been graffitied.

Blighting Factor (d) - Unsanitary/Unsafe Conditions



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 factor includes conditions that contribute to a negative perception throughout the survey area. These conditions may include deteriorating outside elements such as signage, trash and debris, neglected landscaping, and missing public infrastructure. Many of these conditions were also identified in Factor 1 and Factor 4.

Sign disrepair was evident in both the west and east side of the survey area. A dilapidated dry cleaners sign hung near Elizabeth Street and an unreadable sign hung on the property's eastern boundary near I-25.

In addition to sign disrepair, the streets within the survey area are in poor condition. The road on the east side of the area proximal to I-25 is an unpaved road, and the ingress/egress with Elizabeth Street is deteriorating, blocked by a gate that transitions down into a nonfunctional, overgrown former road.

Neglected landscaping and missing public utilities were evident in the study area and further highlight the presence of this factor. Deferred landscaping and maintenance are evident throughout the site, with overgrown weeds and abandoned mobile home pads, fencing, and other elements characterizing the property. Evidence of former utilities were identified on the property's eastern boundary that includes the former mobile home park, but these are now nonfunctioning.

Additionally, there was an abundance of trash, debris, and weeds throughout the area. Evidence of squatting and homelessness were also observed within the survey area. Concrete debris piles were also found scattered across the property.

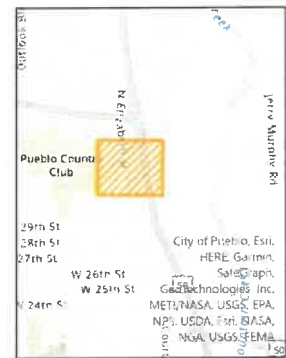
The combination of signage, street disrepair, neglected landscaping, and trash, debris, and weeds in the survey area justified this blighting factor's inclusion.

Blighting Factor (e) - Site Deterioration



Legend

- BF5 Site Deterioration
- Pueblo County Parcels
- Hotel Survey Area



0 250 500 1,000 US Feet



Concrete Debris



Sign Deterioration



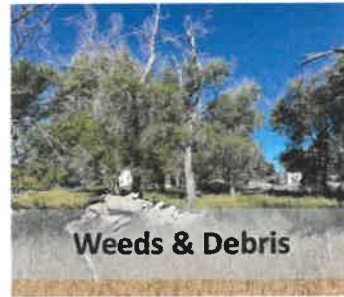
Former Sign Remnants



Missing Utilities



Poor Road Condition



Weeds & Debris

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 in factor two (2), and missing stormwater facilities identified in factor four (4) also serve as examples of blighting factor six (6).

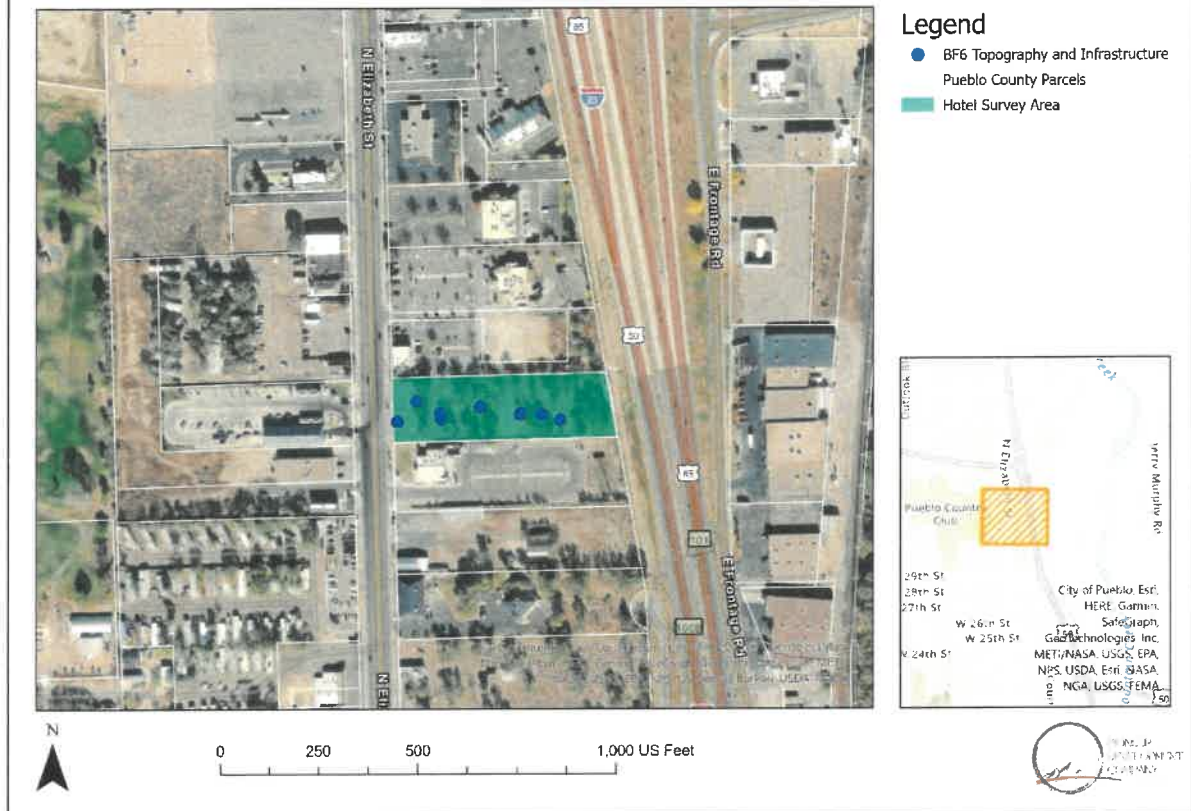
The survey area's varying topography was the most obvious reason for this factor's inclusion. There is a distinct grade separation as the site transitions west to east. This grade separation is highlighted by a retaining wall/fence structure bisecting the site. The vacant, former laundromat sits at a higher elevation than the vacant land of the former mobile home park. The land towards the east continues to slope down towards I-25. The steep topography presents a formidable development challenge that will require significant grading to activate the entire site. This grading also presents significant development costs.

The fieldwork found overhead utilities in need of repair with old street lighting and other overhead utility posts and wiring in poor condition. These dilapidated infrastructure improvements were found within the former mobile home park section of the property.

The parking lots and street surfaces within the property were also deteriorating. Cracks, uneven surfaces, potholes, missing gravel sections, and weed overgrowth were observed during the site visit. The streets were in such disrepair and deterioration that there is no longer a functioning internal street network.

The presence of each of these conditions justifies this blighting factor's inclusion.

Blighting Factor (f) - Topography and Infrastructure



Factor (h) – The Existence of Conditions that Endanger Life or Property by Fire or other Causes

Description:

This factor refers to conditions that can endanger lives or property, including buildings that are structurally unsafe, but it also focuses on natural hazards. This factor shares similarities with factors two (2), four (4) five (5) and eleven (11). Conditions that would justify the inclusion of this factor in an area may include:

- Buildings or property not in compliance with current fire codes
- Buildings or property not in compliance with building codes
- Areas that are in a floodplain or flood prone area
- Areas near burn scars, in debris fans or prone to dangerous mud flow
- Areas that exhibit a high crime rate
- Areas with buildings or land that violates environmental regulations (this can range from findings of asbestos or brownfield sites.)

Findings

As mentioned in Blighting Factor Four (4), the survey area has contamination present as found in the asbestos abatement and the ESA Phase I and ESA Phase II. The site was formerly a gas station, mobile home park and dry cleaners, uses that have a high propensity for environmental contamination.

The ESA phase II included both soil samples and groundwater samples. Contaminants were found during Phase II, but they did not exceed the CDPHE limit. However, the Phase 2 ESA explained that there may be additional contaminants, including underground storage tanks elsewhere on the site. Even though the contaminants found were not in excess of state standards, the information provided by the Phase 2 ESA provided enough evidence to meet this blighting factor's threshold.

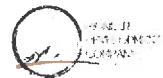
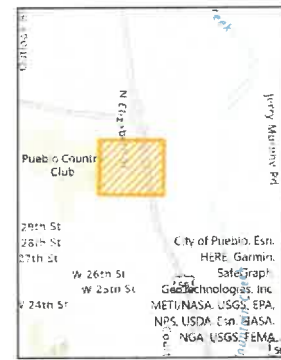
In addition to soil and groundwater considerations, the former laundromat requires asbestos abatement. Tiles uses in the building must be removed prior to any redevelopment of the property.

The environmental contamination in the survey area justified the inclusion of this factor in the conditions survey.

N



- BF8 Endangered Property
- Pueblo County Parcels
- Hotel Survey Area



Factor (i) – 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

Description:

This factor refers to conditions that make buildings unsafe and unfit for employees to work in or residents to live in. It shares similarities with the conditions presented in factors one (1), four (4), five (5) and eight (8). Conditions that would justify the inclusion of this factor in an area may include:

- Buildings that are dilapidated or deteriorating
- Poor physical design
- Inadequate facilities
- Building code violations (age of the building may justify this condition)

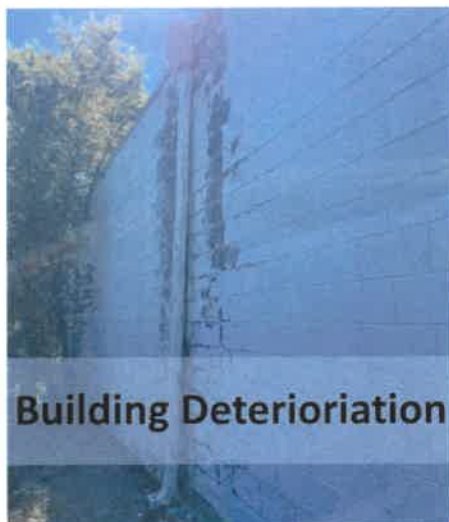
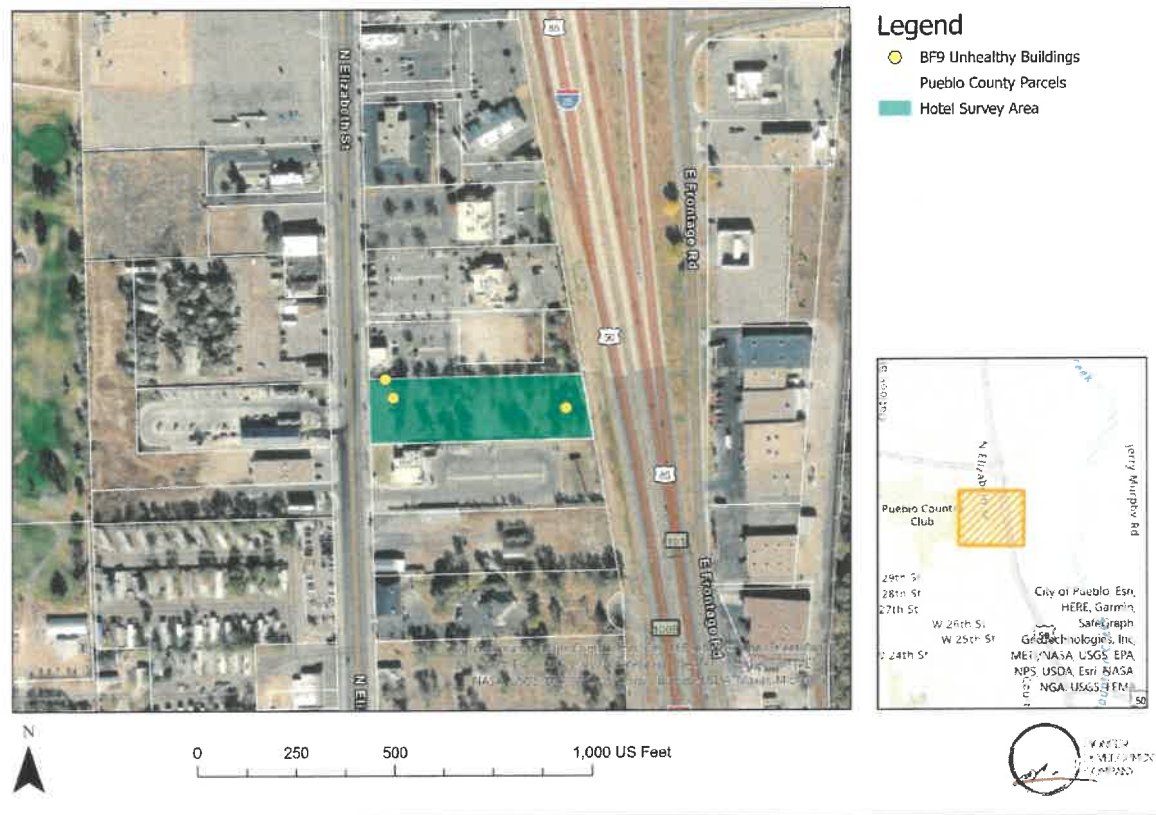
Findings

This analysis focused on structures that were physically dilapidated as evidence of this blighting factor. Fieldwork identified the masonry former dry-cleaning building as one that is deteriorating has poor physical design with uninviting elements.

The masonry building as mentioned in factor 1, has deteriorating elements throughout ranging from foundation concerns to elements on the side of the building. The design of the building is outdated, has limited relation pedestrians, and no interaction with the eastern section of the area. The main design feature of the building is the parking lot which provides some relation to the road.

The presence of these conditions justifies the inclusion of this survey.

Blighting Factor (i) - Unhealthy Buildings



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

As previously described in Factor Four (4) and Factor Eight (8), the survey Area has contaminated soil. In addition to the former gas station and dry-cleaning history, the fieldwork found needles which are a biohazard in the survey area.

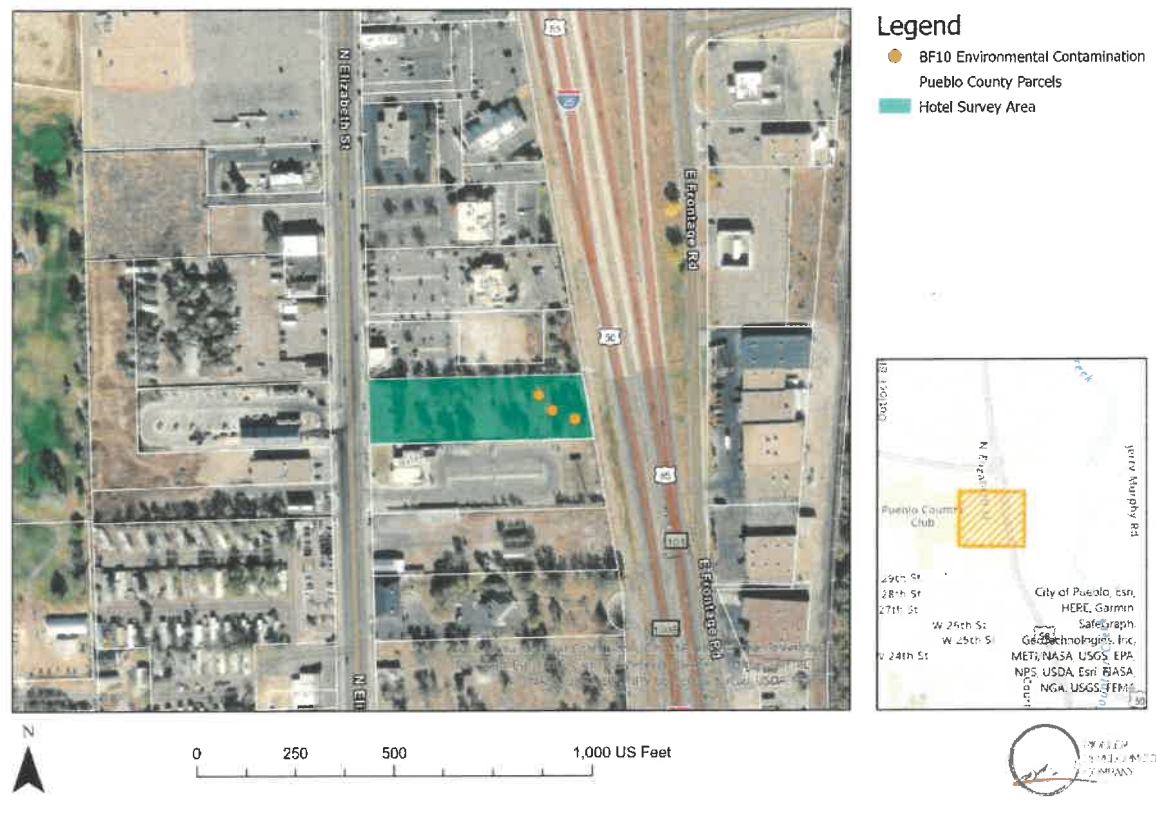
Potential contaminants and storage tank presence were noted by the ESA Phase I conducted and was followed by an ESA Phase II. The ESA Phase I recognized the former dry cleaning and gas filling uses, potential asbestos, radon possibility, and biohazard waste. The ESA Phase I noted storage tank history of the site with tank removal in 1997, along with additional unexpected storage tank findings in 2005.

The ESA Phase II found contaminants, but they did not exceed the CDPHE limit. Even though the contaminants were not found in excess, there was enough to meet the threshold for this blighting factor. New development on the site will require asbestos abatement as well. The abatement will include tile removal in the masonry former dry-cleaning building.

Biohazard materials were found during fieldwork with the presence of needles in the vacant lot eastern section of the site.

The presence of the various hazardous materials throughout the survey area justified the inclusion of this factor in this conditions survey.

Blighting Factor (j) - Environmental Contamination



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. The land itself is largely vacant, especially the former mobile home park on the property's east side. This former mobile home park is overgrown, and the mobile home pads are visibly deteriorating. As mentioned in Factor 6, overhead utilities and light poles also appeared dilapidated and unused throughout this area.

The property also exhibits vacant buildings. The former dry-cleaning building on the west side of the area is vacant, with broken and boarded up windows and for sale advertisements plastered to its walls. The masonry former dry-cleaning building is empty inside other than components of former clothing racks attached to the ceiling.

The level of vacancy and underutilization is direct evidence for the inclusion of this blighting factor.

Conclusion

This Conditions Survey catalogs the presence of statutorily defined blighting factors within the proposed Hotel Urban Renewal Plan area. This report was designed to assist Pueblo URA 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 ten (10) blighted area factors as defined by Colorado's Urban Renewal Law, within the City's municipal limits. The presence of ten blighting factors meets the requirements outlined in (C.R.S. 31-25-104), 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 proposed boundary includes a single parcel.

This Conditions Survey finds that the proposed Hotel 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.



Appendix

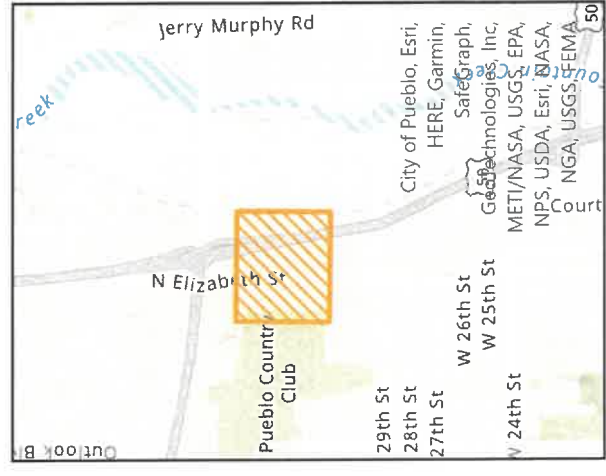
Conditions Survey Maps

Conditions Survey Area

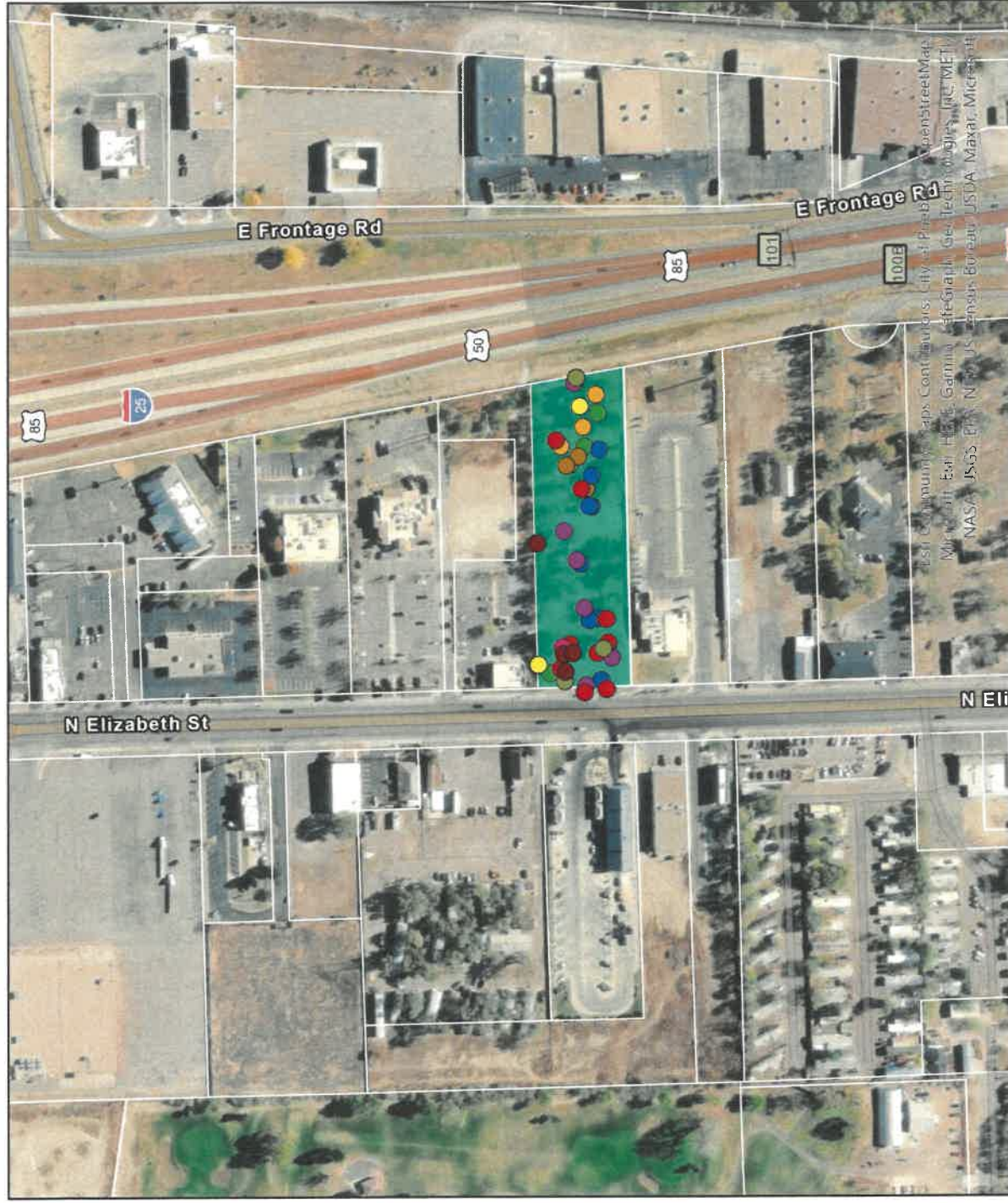


Legend

- Pueblo County Parcels
- Hotel Survey Area



Conditions Survey Area - Blighting Factors Map

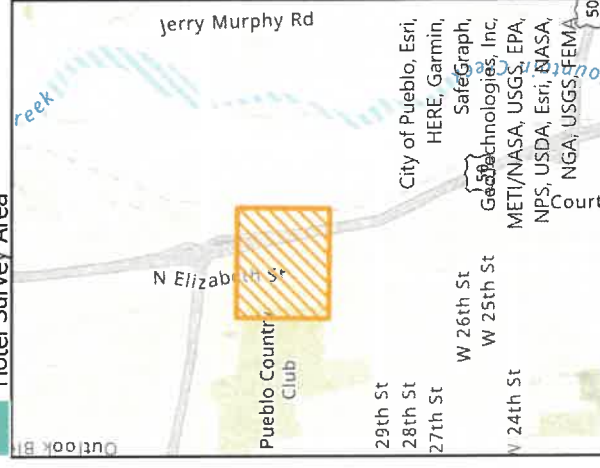


Legend

- BF1 Deteriorating Structures
- BF2 Defective Streets
- BF3 Faulty Lots
- BF4 Unsafe/Unsanitary Conditions
- BF5 Site Deterioration
- BF6 Topography and Infrastructure
- BF7 Defective Title
- BF8 Endangered Property
- BF9 Unhealthy Buildings
- BF10 Environmental Contamination
- BF11 Underutilization and Vacancy

Pueblo County Parcels

Hotel Survey Area



The North Elizabeth Hotel Urban Renewal Plan

August 18th, 2023



Prepared by:

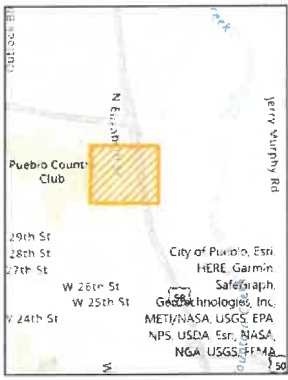
Pueblo Urban Renewal Authority (PURA)

Hotel Urban Renewal Project



Legend

- Pueblo County Parcels
- Hotel Survey Area



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DEFINITIONS

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

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

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

Authority means the Urban Renewal Authority of Pueblo, Colorado.

City means the City of Pueblo, Colorado.

City Planning means the Department of Planning & Community Development of the City of Pueblo, Colorado.

City Consolidated Plan 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.

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

Project or **Urban Renewal Project** means all 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 "North Elizabeth Hotel Urban Renewal Plan" includes one (1) parcel along North Elizabeth Street. The property's address parcel number is 513014004, per the Pueblo County Assessor's database. This parcel encompasses ~2.1 acres and is zoned B-4 Regional Commercial. The subject area is characterized by vacant land and buildings, deteriorating structures, environmental contamination, steep topography, deteriorating or missing infrastructure, and unproductive lot configurations. 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 August 18th, 2023, a conditions survey report was delivered to the Pueblo Urban Renewal Authority that summarized a blight study of the area described as the North Elizabeth Hotel 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 Hotel Urban Renewal Plan Conditions Survey" (the Conditions Survey) dated August 18th, 2023, consisting of 34 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:

Conditions Survey – Blighting Factors Catalogued	
Blighted Area Factor # (C.R.S. 31-25-103.2 List Label)	Definition
Factor 1 (a)	Slum, Deteriorated, or Deteriorating Structures.
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 8 (h)	The Existence of Conditions that Endanger Life or Property by Fire or Other Causes.
Factor 9 (i)	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.
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. Description of Urban Renewal Project

This Plan will be implemented as part of a comprehensive program to eliminate and prevent blight in the Urban Renewal Area. The Authority and the City, with the cooperation of private enterprise and other 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. Goals of the Plan** – 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 development that will remediate blighting conditions 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 investments and development that aligns with the City's CB-4 Regional Commercial Zone within the Area
 - g) To improve the streetscapes to promote on-street bike and pedestrian travel while also enhancing lighting, sidewalks, pedestrian safety, parking, signage, and landscaping
 - h) To improve pedestrian and trail connections to/from the Area along North Elizabeth Street
 - i) To invest in cultural and community spaces within 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.

In addition to this conformance, the Plan will remediate blighting conditions and attract development that aligns with the following “Key Themes”:

- History and Culture
- Economy
- Growth and Development
- Transportation and Connectivity

a) The Plan will support Goal 4.4 to “Establish Pueblo County as a Tourist Destination”. The Plan will remediate blighting factors on a commercially zoned property. It is also intended to attract tourist-oriented, commercial development, such as a Hotel. This in turn will advance the Comp Plan’s “measure of success” for Guiding Principle 4, which is to increase the number of visitors and tourist spending time and money in Pueblo. Specific policies that align with this Urban Renewal Plan include:

- (1) Policy 4.4.1 Marketing and Branding
 - (2) Policy 4.4.3 Economic Impacts
 - (3) Policy 4.4.4 Major Events and Attractions
- (a) *See Page 52 of Regional Comprehensive Plan*

b) The Plan will support Goal 4.6 to “Enhance the Appearance of Public Spaces, Rights-of-Way, and Community Gateways”. The Plan will remediate conditions that have prevented new development in a highly visible, commercial parcel located near Interstate 25 and Highway 50. The Plan will bring higher and better uses to the site and remove unsightly blight from this area of the city. Specific Policies that Align with this Urban Renewal Plan include:

- (1) Policy 4.6.1 Community Gateways
 - (2) Policy 4.6.4 Context-Sensitive Development
- (a) *See Page 53 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 commercial development concentrated along commercial corridors in established neighborhoods. The Plan also leverages funding tools such as tax increment financing. The Plan will 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

3. Relationship to City Consolidated Plan

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

Goal 8 – Economic Development: Includes activities such as workforce and economic development initiatives.

The Plan will alleviate conditions arresting sound development within this specific area and help attract private investment to generate higher and better economic uses. The parcel is zoned commercial and exhibits vacant buildings and land. Attracting new commercial development to this site would advance the City's Consolidated Plan's Goal.

Goal 9 – Eliminate Slum or Blighting Influences: Includes the demolition of vacant and dilapidated structures that pose a threat to health and safety, code enforcement, and graffiti removal and façade improvement programs.

The Plan's primary charge is to eliminate blighting factors arresting sound development within the Plan Area. The Conditions Survey identified blighting factors in the area that included vacant buildings, deteriorating structures that are not in code compliance, as well as trash, debris and graffiti. The Plan's Primary purpose is in alignment with the City Consolidated Plan's goal to eliminate slum or blighting influences.

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 Zoning Code and Land Use Code for annexed parcels.

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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.

A. 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
LEGAL DESCRIPTION

LOT 2, PIEDMONT PARK, EXCEPT THAT PORTION CONVEYED TO COLORADO STATE HIGHWAY
DEPARTMENT BY DEED RECORDED JANUARY 22, 1947 IN BOOK 1031 AT PAGE 2020, COUNTY
OF PUEBLO, STATE OF COLORADO

EXHIBIT B

DRAFT

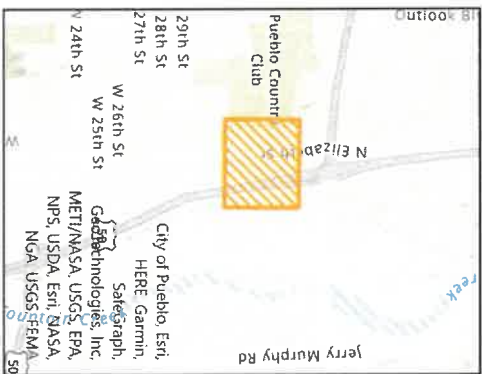
URA PLAN MAP

Hotel Urban Renewal Project



Legend

- Pueblo County Parcels
- Hotel Survey Area





PIONEER
DEVELOPMENT
COMPANY

we find the way

Hotel Urban Renewal Plan Impact Report

Pueblo Urban Renewal Authority

August 24, 2023



August 28, 2023

City of Pueblo, Colorado

Dear Pueblo 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. It is required if property and/or sales tax are intended to be utilized in the project area for renewal activities. The City of Pueblo's Urban Renewal Authority (PURA) is actively exploring a potential Urban Renewal Plan area titled the "Hotel Urban Renewal Plan". The plan area represents a new Urban Renewal Project that encompasses a single parcel within City limits. A hotel development has been proposed on this parcel, however, blighted area factors have created challenges to its feasibility. PURA has evaluated the project area for Urban Renewal eligibility, and has initiated this Impact Report to forecast tax increment, incentive potential, and impacts on partnering taxing entities. Because the proposed Hotel Urban Renewal Plan intends to utilize tax increment financing (TIF) within the project area, an Impact Report is required prior to adopting the Plan.

This Impact Report meets the minimum requirements defined by C.R.S. 31-25-107(3.5)I-V and C.R.S. 31-25-107(9.5), and has been designed to provide PURA with a realistic forecast of tax TIF that will be generated via blight remediation, investment attraction and redevelopment. The forecast in this report is informed by the proposed development's financial plan and pro forma. This information is supplemented by interviews with PURA Staff and regional market analysis. The forecasts are intentionally designed to be conservative estimates and reflect community development needs that have been highlighted by this Board and the public. All forecasts are designed to show a "maximum impact scenario", meaning that all potential TIF is quantified, and all possible millage rates and sales tax rates have been leveraged towards increment generation. This design is intended to forecast the Plan's maximum possible TIF generation and provide each taxing entity with an impact assessment.

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

Sincerely,

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

CC: Jerry Pacheco and Cherish Deeg

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Executive Summary

Hotel Urban Renewal Plan Impact Report:

The Pueblo Urban Renewal Authority (PURA) is in the process of creating a new Urban Renewal Plan. This Plan is tentatively titled the “Hotel Urban Renewal Plan”. PURA’s purpose for the Plan is to remediate conditions arresting sound development in the area and attract new private investment. As its name suggests, the Hotel Urban Renewal Plan is intended to facilitate a new hotel development. This development is in the process of submitting to the City for the appropriate entitlements. However, the site exhibits environmental contamination and challenging topography, creating significant financial hurdles, and casting doubt on the project’s feasibility. PURA is now seeking to create a development-specific Urban Renewal Plan area to ensure that these challenging conditions are overcome, and the project remains feasible.

The Hotel Urban Renewal Plan encompasses a single parcel that is bounded by Elizabeth Street and I-25. This parcel was evaluated in August 2023 by PURA for Blighted Area Factors that would make it eligible for Urban Renewal Treatment. That Conditions Survey identified ten (10) blighted area factors within the area. Historic uses ranged from a former mobile home park, to a gas station, to a laundry mat, and now the parcel is currently vacant, underutilized and contaminated. The ten identified blighted area factors exceed the statutory threshold of blighting factors necessary to declare the parcel eligible for Urban Renewal treatment. PURA’s strategy to mitigate these blighted area factors and help make the proposed development feasibility involves leveraging tax increment financing. Statute require that an Impact Report be submitted with a proposed Urban Renewal Plan whenever Tax Increment Financing (TIF) is intended to be utilized within the Plan area. This is reason for this Report.

The Impact Report forecasts commercial development within the Hotel Urban Renewal Plan area over the next 25 years. The timing of development and its tax generation is phased according to development plans provided by PURA for this report. Valuations are derived from comparable commercial sales per SF throughout the regional market, and current Pueblo County assessments of existing Hotel properties. This Impact Report assumes that all new development in the Plan area will follow the City’s zoning and land use code regulations. Specifically, this report does not project any residential development or sales tax generation, but instead forecasts future development assuming the entirety of the Plan area will feature a midscale, hotel development.

After modeling the most probable development forecast, this report quantified the Plan’s assessed value, property tax, and fiscal impacts. The commercial nature of this development did not generate any demographic projections. This information provides estimates regarding the amount of tax increment the Plan will generate over 25 years. Increment estimates are projected for each taxing entity that levies an ad valorem property tax within the Plan area. These tax and demographic impacts were used to evaluate potential fiscal impacts on participating taxing entities.

The following outline and tables summarize the Impact Report’s conclusion and findings. Impacts to taxing entities are categorized as either low, moderate, or high. A detailed methodology, impact analysis and recommendations are provided within the Report that elaborate on the Executive Summary’s findings:

Conclusion:

Impacted taxing entities should support the Hotel Urban Renewal Plan, as its projected benefits to the Pueblo Community and its taxing partners outweigh its costs. These benefits include the remediation of blight, the development of new commercial property, alignment with the City of Pueblo's Comprehensive Plan and Zoning, and new assessed value, property tax revenue once the 25-year renewal project concludes. Tax increment leveraged for these purposes is not expected to create adverse impacts on participating taxing entities. The forecast development will not generate new residents or students and will not require new County infrastructure to be extended or financed.

Specific recommendations to help offset potential impacts are listed below:

- All participating taxing entities should pledge 100% of their millage rate to PURA and this Plan area for the full duration of the Plan.
- All Bond Redemption Levies should be exempt from TIF agreements with PURA.

The Hotel Urban Renewal Plan represents PURA's, the City of Pueblo's, the Pueblo School District's and Pueblo County's commitment to achieving public private partnerships that will facilitate community-minded development. Projected Property Tax Increment generated within this Urban Renewal Plan is described in the table and charts on the following page:

Summary Tables and Charts:

Projected Build-Out Statistics			
Development Type	Units/S.F.	Actual Value	Assessed Value
Commercial	48,660	\$12,165,000	\$2,715,228
Hospitality	48,660	\$12,165,000	\$2,715,228
TOTAL		\$12,165,000	\$2,715,228
Demographics			
Total New Residents	-		
Total New Students	-		

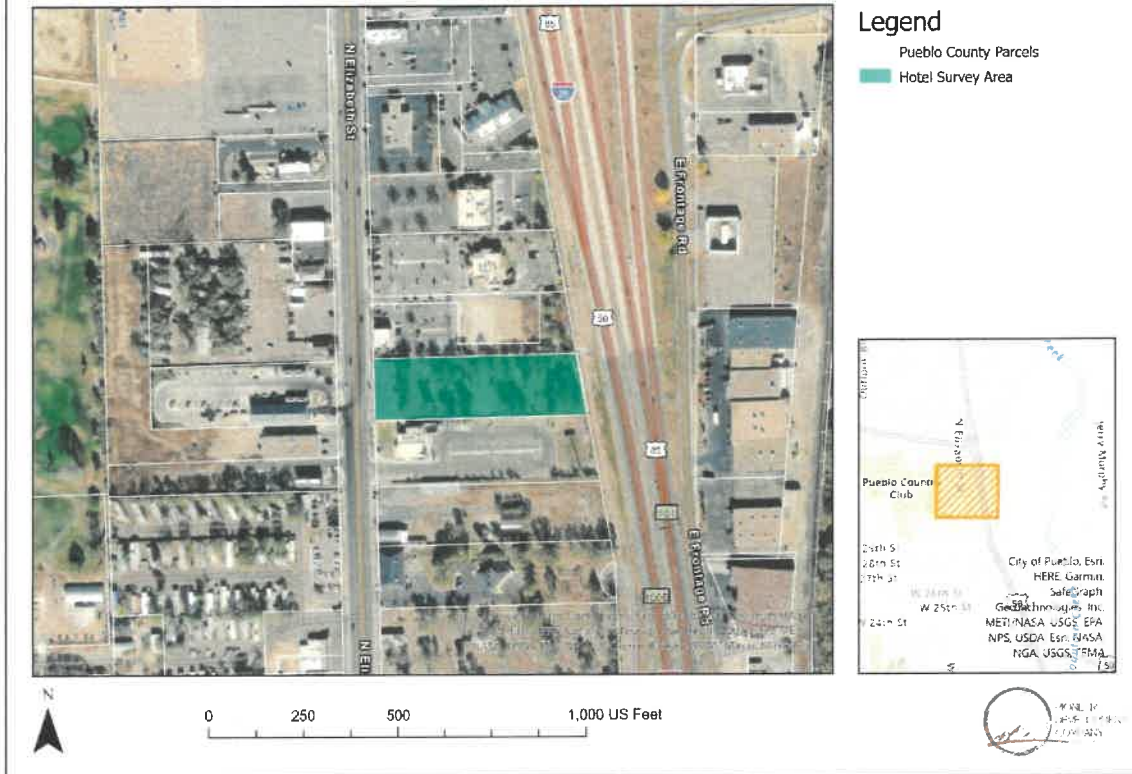
Property Tax Information	
Estimated Base Taxable Value	\$79,010
Total New Taxable Real Property Value	\$2,715,228
Total Net Taxable Value	\$2,636,218

Hotel Urban Renewal Plan Area Value and Tax Generation Comparison			
Taxing Entity Fiscal Impacts	% District's Total AV	% District's Annual Property Tax	Impact Assessment
Pueblo County	0.1%	0.2%	Low
City of Pueblo	0.2%	0.2%	Low
Pueblo School District 60	0.1%	0.2%	Low
Lower Arkansas Valley Water Conservancy	0.2%	0.2%	Low
Pueblo City-County Library District	0.1%	0.1%	Low
South East Water Conservancy	0.1%	0.1%	Low

Hotel Urban Renewal Plan Summary

Project Area Existing Conditions

Hotel Urban Renewal Project



The Hotel Urban Renewal Plan area encompasses ~2.1 acres within the City of Pueblo. This area includes 1 parcel. The proposed plan area is characterized by vacant land and deteriorating structures. The main building improvement is a former laundromat that is currently abandoned. The property's surrounding area is largely vacant.

Tax Area and Millage Rates

The Plan boundary encompasses property within Pueblo County 60B Tax Area. This area includes six distinct millage rates from taxing entities. These entities include Pueblo County, the City of Pueblo, the Pueblo School District (City), the Lower Arkansas Valley Water Conservancy District, the Southeastern Water Conservancy District, and the Pueblo City-County Library District. This tax area's 2022 certification of mill levies carries a **millage rate of 97.355**. This impact report will analyze impacts on these six taxing districts and assess tax increment generated at their 97.355 overlapping millage rate.

Tax District Name	2023 Mill Levy	TIF Agreement %	TIF Eligible Mill Levy
PUEBLO COUNTY	30.436	100%	30.436
CITY OF PUEBLO	15.633	100%	15.633
S.E. WATER CONSV. DISTRICT	0.887	100%	0.887
LOWER ARKANSAS VALLEY WATER CONSV.	1.503	100%	1.503
PUEBLO CITY-COUNTY LIBRARY DISTRICT	5.945	100%	5.945
SCHOOL DISTRICT 60	42.951	100%	42.951
TOTAL	97.355	100%	97.355

Zoning Districts

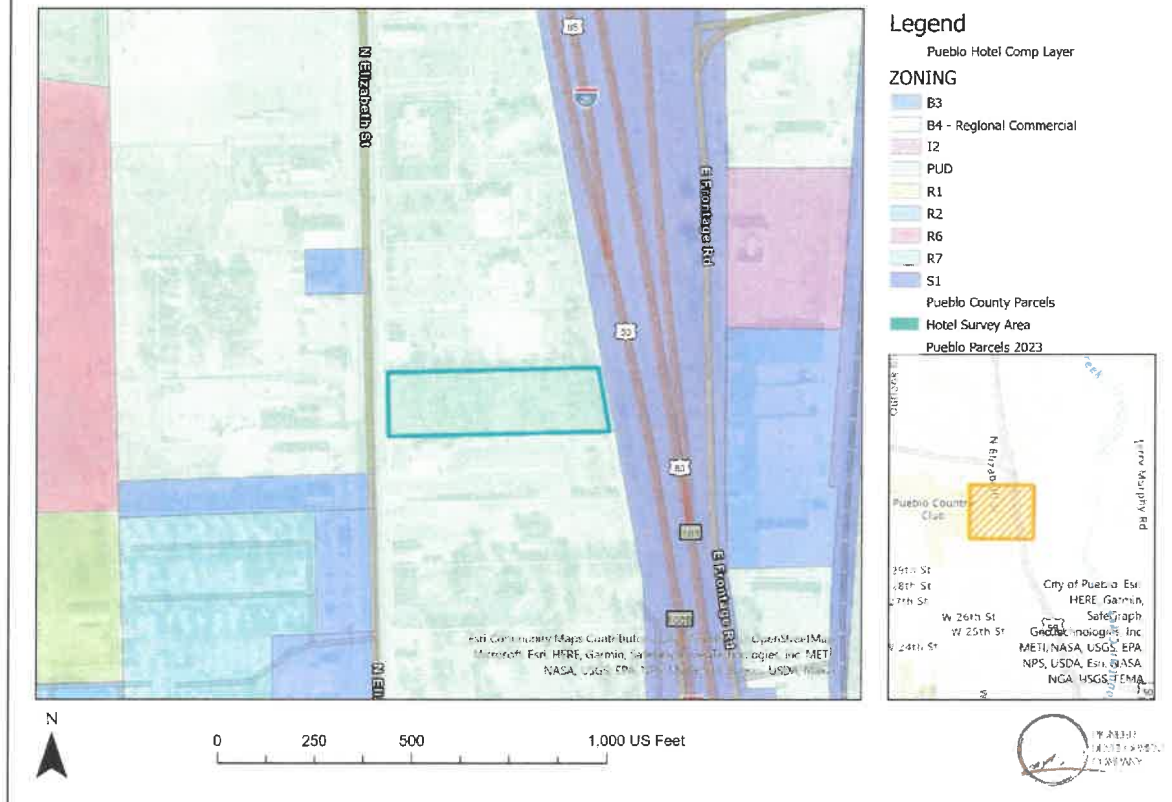
The Hotel Urban Renewal Plan includes one (1) zoning district, the B4 – Regional Commercial District.

According to the City of Pueblo's Zoning District and Uses, the B-4 Regional Business zoning "provides areas for the location of business and other central services required by the region at large"¹ The uses by right allowed in the B-4 zone district include **hotels**, auditorium, banquet hall, community center, library, museum, office, pharmacy, and other similar commercial uses.

The development forecast within the Hotel Urban Renewal Plan area meets the intent of the City's zoning districts.

¹ Pueblo Planning & Community Development, Zone District: B-4, p. 2-4-2022, <https://www.pueblo.us/DocumentCenter/View/30870/B-4--12-20-21?bidid=>

Hotel Urban Renewal Project - Zoning Map



Comprehensive Plan

The regional comprehensive plan's future land use map designates this site as a mixed-use activity center. Mixed-use activity centers contribute at the regional scale in addition to encompassing a diversity of use types and connectivity features.

The proposed hotel development aligns with both the comprehensive plan and City's zoning for this property. The properties existing characteristics are not achieving the developments or vision outlined within the City's zoning or comprehensive plan.

Current Assessment of Plan Area

The Plan area includes one (1) parcel. The total equalized assessed value (taxable value) of this parcel, according to the County Assessor's database 2023 valuations², is \$79,010. The total actual value of this parcel, according to the County's Assessor's database 2023 valuations is \$283,176. This Impact Report uses **\$79,010** as the Base Value for all Tax Increment Financing projections.

² As of August 2023

Impact Report Methodology

Forecasting Future Growth

The goal of the Hotel Urban Renewal Plan is to incentivize redevelopment by remediating blighting conditions and spur new investments in public infrastructure, commercial development, and employment opportunities. This Urban Renewal Plan is specifically being positioned to facilitate Hotel Development on this parcel.

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 projects that intend to use TIF for renewal activities submit a supplementary Impact Report to forecast growth within a renewal area and estimate the impacts this growth will have on taxing entities within that area. The impact report's purpose is to ensure that taxing entities that rely on property tax and/or sales 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 Plan's lifetime. **The Hotel Urban Renewal Plan allows TIF to be collected for up to 25 years, the maximum amount of time authorized by Colorado's Urban Renewal Law.**

This report estimated where and when redevelopment will take place in the Hotel Urban Renewal Plan area by reviewing current development proposals, working closely with the Pueblo Urban Renewal Authority staff, and evaluating market comparables. The projections made by this impact report have been informed by these development proposals, current assessments of comparable Hotels throughout the City of Pueblo, and market studies throughout Pueblo County.

Hotel Development Concept

This report assumes that the Hotel Urban Renewal Plan will attract a mid to upper-midscale Hotel within its boundaries. This use aligns with City Zoning of the parcel. The Impact Report assumes that this Hotel will feature 122 keys (rooms) and improve the surrounding landscaping, providing infrastructure, parking areas and landscaping. The development is assumed to follow comparable price per square foot estimates for hotel construction and yield a taxable value that is similar to other, competing hotels within the area.

Development Assumptions and Feasibility

The development forecast used certain assumptions to predict the type, size, time, and value for this development concept. The assumptions are informed by local market studies, the development plan, urban renewal best practices and community desires. These assumptions are listed below:

- **Type of Development** – The Hotel Urban Renewal Plan is singularly focused on Hospitality Development. Site Plans have been submitted that detail the type of development being proposed. The proposed hotel is a midscale, affiliated Hotel that offers an extended stay product. This flag (brand) is owned by Choice Hotels. The proposed hotel will feature 122 keys (rooms), 124 parking stalls, and be four stories totaling 48,660 square feet. No residential or sales tax producing commercial development is forecast by this Report.
- **Size of Development** – The scale of the proposed hotel development is larger than existing hotels found throughout the market area. This Report analyzed the hospitality market within Pueblo, identifying seven midscale class hotels within the area. These hotels had ranged from 50

keys to 84 keys, making them significantly smaller than the proposed development. However, the building efficiencies of these existing properties were lower, meaning the total square footage is similar to the proposed hotel development. This report assumes that the local market can support a new midscale hotel featuring 122 keys at this location.

- **Time of Development** – This report assumes that development within the Hotel Urban Renewal Plan area will follow the proposed development plan provided by the developer and PURA. This phasing plan assumes that construction will be completed by the end of 2024 and be assessed by 2025. The Plan will not begin generating increment until 2025, after building improvements have been assessed.
- **Value of Development** – This report estimated the future value of development by comparing existing assessment of hotels within Pueblo, regional market benchmarks, proposed investment totals, and existing comparable properties. Although market benchmarks exhibited a higher price per square foot than this report’s forecast, TIF projections utilized by this model closely followed existing Assessment to comparable or slightly higher-class hotels within the City. The highest assessed value of any hotel within City limits is \$2.5 million in 2023. This report assumes that a new hotel will exceed this maximum, but conservatively estimates a taxable value of \$2,921,979.

Tax Increment Financing Assumptions

As part of Statutory Requirements, this report projects the estimated property tax generation for future development within the Hotel Urban Renewal Plan area. These projections are based on Pueblo County’s 2022 certified assessments of property and the 2023 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:

Hotel Urban Renewal Plan Mill Levies			
Note:	TIF Percentages are assumed to be 100% for the Impact Report		
Tax Area(s): 60B			
<u>Tax Entity</u>	<u>2022 Mill Levy</u>	<u>TIF Agreement %</u>	<u>TIF Eligible Mill Levy</u>
PUEBLO COUNTY	30.436	100%	30.436
CITY OF PUEBLO	15.633	100%	15.633
S.E. WATER CONSV. DISTRICT	0.887	100%	0.887
LOWER ARKANSAS VALLEY WATER CONSV.	1.503	100%	1.503
PUEBLO CITY-COUNTY LIBRARY DISTRICT	5.945	100%	5.945
SCHOOL DISTRICT 60	42.951	100%	42.951
Total	97.355	100%	97.355

This report assumes that all impacted taxing entities will pledge 100% of their millage rate to the Urban Renewal Project. This assumption is required to project the maximum impact this renewal plan area will have on the City and partnering entities³. 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 based on the above mill levies and assumes that the project area's starting base value is \$79,010. 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 2% over the project's lifetime. This report adjusts the Plan area's base biennially for TIF projections.

The But-For Assumption

The final assumption made in this report is that the type, size, and value of new development would not occur but for the Hotel 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 URA's efforts. All tax increment estimates must be considered revenue that is generated because of the URA's efforts to attract and facilitate redevelopment in the Plan area. The Hotel Urban Renewal Plan Conditions Survey identified ten statutorily defined blighting factors within the Plan area that impair and arrest sound development. The renewal project will remediate these conditions and bring about development that is desired by the Pueblo community. A hotel development is a higher and better use than a vacant, contaminated parcel, and one that also aligns with the City's zoning district overlaying the property. Because of this, future incremental revenues should not be considered property tax that is diverted by the area's taxing entities. Instead, these incremental revenues should be perceived as a future tax base that would not exist but for the creation of the Hotel Urban Renewal Plan.

³ This report does consider previously signed TIF agreements with partner taxing entities.

Tax Increment Financing Summary

This Report forecasts the Plan's development over the next 25 years and projects its assessed value and taxable revenue. These projections were used to estimate the amount of property tax increment generated within the Plan area if the urban renewal project is successful. Projections are based on the methodology outlined in Section Two "Impact Report Methodology".

Projected Assessment and Phasing

The assessed valuation for the projected development is estimated by this report. The following table describes the estimated number of years it will take to absorb the development, its first assessment year, total square footage of the development, \$ per SF and its total taxable value (Equalized Assessed Valuation).

Commercial Development					
<u>Type of Development</u>	<u>SF</u>	<u>\$ Per SF⁴</u>	<u>Estimated Taxable Value</u>	<u>Absorption Years</u>	<u>First Year of Assessment</u>
Hospitality	48,660	250	\$2,715,228	2	2025

Property Tax TIF Projections

This Impact Report estimated the Hotel 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. These estimates are used to determine the property tax revenue likely to be generated by new developments within the Plan area. The report assumes this tax revenue is 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 millage 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. This new revenue is known as "increment".

The property within the Urban Renewal Plan has a current assessed value of \$79,010. The Report estimates that new improvements within the Plan area will add an additional \$2,715,228 in assessed property value.

Development in the Plan is modelled according to its first assessment year, taxable value, and absorption schedule. The Report then applies tax district millage rates to both existing and new improvements within the plan area. Tax revenue generated by new improvements is incremental revenue. These revenues can be utilized by PURA for urban renewal activities within the Plan area.

Incremental revenue is also determined by TIF-sharing agreements signed between the Pueblo Urban Renewal Authority and the impacted entities that levy taxes within the Hotel Urban Renewal Plan area. This report assumes that all taxing entities have pledged 100% of their millage rates to support the Hotel Renewal Plan.

The following charts and tables illustrate the Plan's 25-Year TIF Projections:

⁴ Adjusted for Regional Assessments of Actual Value.

Hotel Urban Renewal Plan TIF Projections

Property TIF Estimates		
Base Value of Plan Area		\$79,010
Total New Taxable Real Property Value		\$2,715,228
Total Net Taxable Value		\$2,636,218
Total TIF Revenue (Gross 25 Years)		\$7,022,058
Annual TIF Revenue (25-Year Average)		\$270,079
	Estimated Property Taxes	Estimated Tax Increment
<u>Taxing District</u>	25 Years	25 Years
PUEBLO COUNTY	\$2,265,913	\$2,195,308
CITY OF PUEBLO	\$1,163,853	\$1,127,588
S.E. WATER CONSV. DISTRICT	\$66,036	\$63,978
LOWER ARKANSAS VALLEY WATER CONSV.	\$111,896	\$108,409
PUEBLO CITY-COUNTY LIBRARY DISTRICT	\$442,566	\$428,776
SCHOOL DISTRICT 60	\$3,197,636	\$3,097,999
TOTAL	\$7,247,900	\$7,022,058

Taxing Entity Impacts

Assessing an Urban Renewal Plan's impacts on partnering taxing entities requires careful consideration of the revenue, services and infrastructure required to 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 public amenities or infrastructure, a specific type of development, additional housing, or employment.

The Hotel Urban Renewal Plan area is intended to facilitate the development of a hotel on a single parcel. This parcel was found to exhibit ten of eleven statutorily defined blighting factors. Its historic uses have left the site vacant, underutilized, deteriorated and even contaminated. The proposed development represents a higher and better use for the property, one that aligns with the City's zoning district and land use development code. The use would also generate new commercial property tax and lodging tax, while also providing travelling businesspeople, families, and tourists an opportunity to stay and enjoy Pueblo. The Hotel Urban Renewal Plan is intended to help alleviate these blighting conditions and provide incentives to make the hotel a feasible and successful development.

The Hotel Urban Renewal Plan and its proposed development aligns with the City of Pueblo's Comprehensive Plan, its zoning districts, and the community's stated goals and visions for the property. The proposed development will not generate new housing, and therefore will not create impacts associated with new residents or students. Instead, this development represents a highly valued commercial development. The Hotel Urban Renewal Plan represents a public private partnership that will eliminate blighting factors and attract significant investment to the City.

This public private partnership needs to be weighed against the possible fiscal impacts caused by the Urban Renewal Plan on partnering taxing entities. Colorado's Urban Renewal Law is direct in C.R.S. 31-25-107(3.5)I-V), when it 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 Hotel Urban Renewal Plan's impacts to Pueblo County. This section will also address the Plan's impacts to the City of Pueblo, the Pueblo School District, the City of Pueblo, and the remaining three taxing entities within the Plan area. Because the proposed area is a single parcel that proposes only commercial development, only assessed value and revenue impacts are analyzed for these taxing entities. The Plan does not propose new residential units, and therefore will not generate new residents or students.

Impact Summary

The Hotel Urban Renewal Plan includes six (6) taxing districts. All six levy a property tax within the Plan area. These districts include: Pueblo County, the City of Pueblo, the Pueblo School District (City), the Lower Arkansas Valley Water Conservancy District, the Southeastern Water Conservancy District, and the Pueblo City-County Library District.

The table below provides a comparison between the Project and all six taxing entities based on value and annual revenue collection. It provides a snapshot that demonstrates the Project's value and tax generation potential relative to each district. Specifically, it compares the Hotel Urban Renewal Plan's assessed value (AV) and average annual property tax to these six taxing entities. The comparison represents a snapshot in time, contrasting the taxing entities' 2023 AV, budgeted property tax with the Plan's completed AV, and its average property tax. The reason for this comparison is to determine if the Plan area's Assessed Value and Increment generated is significant at each taxing entity's AV or millage rate. This report qualifies "significance" as any Plan metric that is 10% or more than its associated taxing entity metric.

The table below summarizes this comparison. All comparisons over 10% are highlighted in red, as this represents a High Impact relative to assessed value and revenue. All comparisons greater than 5% but less than 10% are highlighted in brown. This percentage range represents a moderate impact to assessed value and revenue collections. Both high and moderate impacts indicate a need for PURA and the associated taxing entity to carefully assess the project's benefits and costs when drafting a tax increment financing agreement.

The Impact Assessment categories, which range from Low, Moderate, High, represent this report's Impact conclusion based on the quantitative comparison and additional measures explained in the following sections.

Hotel Urban Renewal Plan Area Value and Tax Generation Comparison			
Taxing Entity Fiscal Impacts	% District's Total AV	% District's Annual Property Tax	Impact Assessment
Pueblo County	0.1%	0.1%	Low
City of Pueblo	0.2%	0.2%	Low
Pueblo School District 60	0.1%	0.2%	Low
Lower Arkansas Valley Water Conservancy	0.2%	0.2%	Low
Pueblo City-County Library District	0.1%	0.1%	Low
Southeast Water Conservancy	0.1%	0.1%	Low

The Report did not find any moderate or high impacts to value or revenue generated by the Hotel Urban Renewal Plan and its forecasted tax increment. The fact that the proposed development is a Hotel, and will not generate any residential units, new residents, or students, implies that impacts beyond fiscal impacts are also low to each taxing entity. PURA and its associated taxing entities are encouraged to draft TIF agreements that ensure the Hotel Urban Renewal Plan achieves its goal in remediating blight and making the hotel project feasible.

Pueblo County

Revenue Impacts

Pueblo County imposes a mill levy of 30.436 within the Hotel Urban Renewal Plan area. This levy is a significant revenue source for the County's operations and funds. According to County's 2023 budget, net property taxes account for 24.3% of its General Fund revenue. 2023 Property tax revenue for Pueblo County is budgeted for \$61,920,128.

To quantify potential revenue impacts to the County, this report compared the projected annual property revenue within the renewal project to the County's budgeted property revenue. Projected property tax revenue is derived from new improvements and taxable equipment in the Plan area, meaning that the Plan area's base assessed value was not included in this comparison.

This Report projected the Plan area's annual property tax TIF revenue per the County's millage rate and compared it as a percentage to total property tax revenue collections. This report estimates that the Urban Renewal Plan's property tax increment generated at the County's 30.436 millage rate will account for 0.1% of its annual property tax revenue collections.

Pueblo County	2023 Property Tax Revenue (Budgeted)	Plan Area Estimated Tax Increment (Annual Average)	Percent of Total
Property Tax	\$ 62 Million	\$84,435	0.1%

The Hotel Urban Renewal Plan will last 25 years. Over that time, the new improvements incentivized by this Plan will begin to accumulate incremental property tax revenue. These incremental property tax revenues represent a revenue stream that can be remitted to the PURA in accordance with law and pursuant to a TIF agreement in support of its remediation and redevelopment efforts in the Plan area.

The Plan area's projected development accounts for only 0.1% of the County's annual property tax revenue collections, when averaged. This report does not find this level to be fiscally significant to Pueblo County. The County's annual revenue budget, excluding debt proceeds, is \$308,920,964. When compared to the Plan area's annual incremental property tax revenue, this amount is less than 0.03% of the County's budgeted revenue. This means that over the next 25 years, the Urban Renewal Plan will alleviate blight and attract new commercial investment in the form of a hotel, without significantly detracting from the County's revenues.

This report does not identify negative revenue impacts on Pueblo County caused by the Hotel Urban Renewal Plan.

Infrastructure and Service Impacts

The Hotel Urban Renewal Plan is within the City of Pueblo's municipal limits. The Plan is situated within the existing neighborhood, and access North Elizabeth Street. It is unlikely to require new County infrastructure or services given this location.

Development within the Plan will primarily access North Elizabeth Street, which is owned and maintained by the City. Ingress and egress points accessing the property will be designed and developed as part of the Urban Renewal Plan area. The financing of these improvements will be accomplished

through a combination of developer contributions and tax increment financing. In addition to surface infrastructure, all water, sewer, police and fire services will also be served by the City of Pueblo.

This report did not find evidence that the Hotel Urban Renewal Plan will require improvements to County-owned infrastructure. The Report also did not find evidence that the Hotel Urban Renewal Plan will require Pueblo County to finance infrastructure improvements.

Although Pueblo County does provide services to Pueblo City residents, this plan is not projected to generate any new housing or new residents. The projected development is strictly commercial and will be a Hotel. This type of development will require water, sewer, and other utility services, in addition to fire protection. However, these services will be provided by the City and other taxing entities. For these reasons, this Report did not identify any significant impacts on Pueblo County services caused by this Plan.

County Impact Conclusion

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

Impact Summary on Remaining Taxing Entities

The Hotel Urban Renewal Plan is designed to remediate blight and incentivize a hotel development. The Plan area includes a single parcel and will facilitate commercial development. The Plan will generate new residents or students. TIF projections indicate that annual property tax collections are less than 1% for all associated taxing entities' annual property tax collections. The fact that this project is strictly a commercial development, a single parcel, and generates an insignificant amount of annual property tax relative the taxing entities annual budgets, the Report concludes that there are no negative impacts forecast for the partnering taxing entities. These taxing entities include the City of Pueblo, the Pueblo School District, the Southeast Water Conservancy District, the Lower Arkansas Valley Conservancy District, and Pueblo County-City Library District.

The Hotel Urban Renewal Plan is designed to remove blighting factors, attract investment, and promote development that is in alignment with the City's Comprehensive Plan and Zoning Districts. The Hotel Urban Renewal Plan will provide these benefits without negatively impacting partnering taxing entities. This Report suggests that the partnering taxing entities that are not impacted support this renewal project as it will advance Pueblo Comprehensive planning goals for the area and generate a positive impact on the Pueblo Community.

Conclusion and Recommendations

The Pueblo Urban Renewal Plan represents a creative and proven approach Urban Renewal in Colorado and in the City of Pueblo. This Plan targets a singular parcel where a private developer has proposed a hotel development. This development is being jeopardized, however, by challenging “blighting factors” afflicting the property. The Conditions Survey identified ten blighted area factors on this site, many of which contribute to significant development costs. The Hotel Urban Renewal Plan will help eliminate the blighting factors identified in the Conditions Survey, which will remove barriers to development in the area. The development and the blight remediation will likely require tax increment financing to make the project viable and ensure its success.

This report finds that the Plan will not generate significant impacts to any of the six partnering taxing entities that levy a mill within the 60B Tax Area.

This report recommends the following:

- All participating taxing entities should pledge 100% of their millage rate to PURA and this Plan area for the full duration of the Plan.
- All Bond Redemption Levies should be exempt from TIF agreements with PURA.

This report only recommends TIF sharing agreements that will provide PURA with the funds it needs to financially support the Hotel Urban Renewal Plan. Proper TIF sharing agreements will ensure this development remediates blight and attracts investment that match community desires, without adversely impacting PURA’s partners.



Appendix

Tax Increment Pro Forma

[illegible]