Agenda Item 7.8

MEMORANDUM

TO: Honorable Chairman and Members of the Board of County Commissioners

FROM: Joe Kerby, County Manager

RE: Tax Increment Revenue Agreement with Lakewood Reinvestment Authority for the Bend @ Lakewood Urban Renewal Plan

Date: 4/29/2025

Staff Recommendation:

WHEREAS, the City of Lakewood (the City) and the Lakewood Reinvestment Authority (the Authority) desire to designate an urban renewal area (URA) within the corporate limits of the City of Lakewood — the Bend @ Lakewood Urban Renewal Plan (the Plan) area. The Plan area is located at the intersection of Highway 6 and Union Boulevard.

WHEREAS, pursuant to the Plan, the subject property, previously part of the Federal Center, would be redeveloped to include 2,149 apartment units, of which 216 are proposed to be affordable units, and to eliminate existing blighted conditions; and

WHEREAS, the County received and reviewed the proposed Plan for the property prepared by Ricker and Cunningham dated July 2024, as amended on December 30, 2024; and

WHEREAS, the Authority desires to use tax increment financing (TIF) in accordance with the Colorado Urban Renewal Law, Part 1 of Article 25 of Title 31, C.R.S. (the Act) to pay Eligible Costs (defined in the Act) of the Improvements defined in the Plan; and

WHEREAS, Jefferson County received and reviewed the impact report prepared by Ricker Cunningham dated July 2024, as amended December 30, 2024 (Impact Report), which the Authority is required to submit to the County pursuant to § 31-25-107(3.5) of the Act; and

WHEREAS, it is in the interest of the County to support efforts to rehabilitate blighted areas within the County, including through the use of TIF, so long as those rehabilitation efforts are advantageous for the County and do not negatively impact County infrastructure and services; and

WHEREAS, upon review of the Plan, Impact Report, and other associated documentation, the County determined that the identified benefits to the County must be considered alongside the demonstrated increase in the cost of County services to the Plan area during the 25-year development timeline; and

WHEREAS, staff concludes that if the County shares 21.335 mills of the County Property Tax Increment Revenue with the Authority, and receives evidence of a minimum of 120 affordable housing units by December 31, 2032, for purposes of the County's commitment to the Statewide Affordable Housing Fund, the cost of County services would be offset: and

WHEREAS, to offset the cost of County services to the Plan area, staff recommends the Authority retain 65% of the County Property Tax Increment Revenue generated by 21.335 mills of the collective County mill levy (which excludes 1.143 mills reserved to the County and excludes the Jefferson County Public Library Mill levy), with the potential for the 65% to increase to 100% of the County Property Tax Increment Revenue generated by 21.335 mills, based on the number of affordable housing units delivered to the County, for purposes of the County's commitment to the Statewide Affordable Housing Fund, by December 31, 2032, as set forth in the table below:

Minimum Number of Affordable Housing Units	Percentage of County Increment Pledged to the Authority
70 Units	70% of the County Increment
90 Units	80% of the County Increment
110 Units	90% of the County Increment
120 Units	100% of the County Increment

WHEREAS, in accordance with staff's recommendation, the Authority must remit to the County 100% of the County Property Tax Increment Revenue generated by 1.143 mills of the collective County mill levy plus 35% of the County Property Tax Increment Revenue generated by 21.335 mills; with the potential for the 35% to decrease to 0% of the County Property Tax

Increment Revenue generated by 21.335 mills, in accordance with the above table; and

WHEREAS, staff recommends and anticipates that the County Property Tax Increment Revenue remitted to the County will be distributed between county funds as directed by the Board of County Commissioners in the future; and

NOW, THEREFORE, BE IT RESOLVED, that the Board of County Commissioners, upon taking into consideration all information provided to the County, find that the benefits to the County and the Plan area related to the identified Plan rehabilitation efforts are worth supporting through the use of tax increment financing provided the Authority remits 100% of the County Tax Increment Revenue generated by 1.143 mills of the collective County mill levy plus 35% of of the County Tax Increment Revenue generated by 21.335 mills of the collective County mill levy. This percentage could incrementally decrease to 0% of the County Tax Increment Revenue generated by 21.335 mills, in accordance with the table herein, if the Authority provides to the County evidence of approved permits for deed restricted affordable housing units, which units are assigned to the County for purposes of the County's commitment to the Statewide Affordable Housing Fund by December 31, 2032; to cover the increased cost of County services attributable to the Plan.

BE IT FURTHER RESOLVED, that in future years, the Board of County Commissioners will direct staff regarding the distribution of the remitted County Property Tax Increment Revenue between the various County funds.

BE IT FURTHER RESOLVED, that Board of County Commissioners, APPROVES the Tax Increment Revenue Agreement by and between the Lakewood Urban Renewal Authority and the County for the Bend @ Lakewood Urban Renewal Plan (the Agreement), and authorizes the Chair to sign the Agreement once it is approved as to form by the County Attorney's Office.

Resolution No: CC25-119

Background: The City of Lakewood and the Authority are contemplating the creation of an URA subject to the Plan. TIF is proposed to cover costs for demolition, remediation, infrastructure and construction of the project. The proposed URA is comprised of two adjacent properties totaling 59.05 acres located near the intersection of Highway 6 and Union Boulevard in the City. The properties were once considered part of the Federal Center. The proposed development would include 2,149 rental apartment units, of which 216 are proposed to be affordable units. 95,500 square feet of the development would be commercial development limited to retail/restaurant and service businesses. The purpose of the Plan is to address blight existing within the URA boundary, through private development, and to offset costs for redevelopment and economic growth, using TIF. As with all development in the County, there will be costs to the County for the provision of services including those provided by the Assessor, District Attorney, Human Services, Clerk and Recorder, Public Health, Treasurer and the Sheriff.

Since the County provides services to the URA, if the Authority retains 65% of the County's Property Tax Increment Revenue generated by 21.335 mills of the County's collective mill levy, and the County receives 120 affordable housing units for purposes of the County's commitment to the Statewide Affordable Housing Fund, by December 31, 2032, the cost of County services would be offset. To encourage the Authority to deliver 120 affordable housing units to the County, the County would incrementally increase the percentage of the Property Tax Increment Revenue retained by the Authority, based on the number of affordable housing units committed to the County, by December 31, 2032.

Fiscal Impact: SPA supports with no concerns.

BCC Briefing Presented on: 4/22/2025

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