Agenda Item 1.4.1

BOARD OF COUNTY COMMISSIONERS BRIEFING PAPER

Topic: Property Tax Increment Revenue Agreement (Lutheran Legacy Campus Urban Renewal Plan)

Presented By: Abel Montoya and Chris O'Keefe

Date: 7/22/2025

☐ For Information ☐ For Discussion/Board Direction ☒ Consent to Place on Business/ Hearing Agenda

Issue: Executing a Property Tax Increment Revenue Agreement (Agreement) with the Wheat Ridge Urban Renewal Authority d/b/a Renewal Wheat Ridge (the Authority) whereby the Authority retains 85% of the County Increment (which is the County's property tax increment revenue generated from the Lutheran Legacy Campus Urban Renewal Area (URA) (currently set at 22.478 mills). If evidence showing that 10% of the housing built in the Lutheran Legacy Campus URA is affordable to persons making up to 120% of the area median income (AMI) or senior housing (with no income restrictions) the Authority would retain 100% of the County Increment.

Background: The City of Wheat Ridge (City) and the Authority are pursuing the creation of the URA and Tax Increment Financing (TIF) is proposed to support the redevelopment of the site, infrastructure and utility improvements, and parks and trail connections.

The proposed URA is comprised of 21 adjacent properties totaling approximately 145 acres. The boundaries of the URA are West 38th Avenue, West 32nd Avenue, Dudley Street, Allison Street, and the Rocky Mountain Ditch. The property is approximately ¼ mile west of Wadsworth on 38th.

The Lutheran Legacy Campus redevelopment is anticipated to include a total of 1,310 residential units, the majority of which (68 percent) are multifamily, supported by a smaller mix of townhomes (21 percent) and single-family detached homes (11 percent), as shown in the table below. At buildout, it is expected that 2,962 people will reside in these units. Affordable housing and senior housing are not identified in the impact analysis received from the Authority.

Residential	Units	% of Total
Single Family Detached	144	11%
Townhomes	271	21%
Multi Family	895	68%
Total	**1,310**	**100%**

In addition to residential development, the Lutheran Legacy Campus redevelopment is anticipated to include 10,000 square feet of commercial space, dedicated to retail uses. It is predicted that, at full buildout, 20 people will be employed on a full-time basis, in the URA.

As with all development in Jefferson 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.

Pursuant to state statute, if the parties don't reach an agreement for tax increment revenue sharing, the parties will proceed to mediation.

Discussion: Pursuant to state law, the Authority provided the Lutheran Legacy Campus URA Jefferson County Fiscal Impact Analysis prepared by Economic & Planning Systems, Inc., dated May 12, 2025, and revised June 23, 2025 (Impact Report). *See* Impact Report attached. The Impact Report summarizes the expected fiscal impacts of the URA on the County and concludes that to ensure a fiscally neutral outcome for the County, the Authority must remit 9% of the County Increment to the County and can retain 91% of the County Increment for the URA development.

Staff also analyzed the costs associated with County Services (Assessor, District Attorney, Human Services, Public Health, Treasurer, Sheriff, and Clerk & Recorder) for the URA. Staff determined that the service costs incurred by the County exceed the amount of property tax increment that the proposed URA development would yield. In consideration for this estimated deficit and to further both Jefferson County's and the City's affordable and senior housing goals, the County sought an affordable/senior housing provision in the TIF Agreement.

Jefferson County, The Authority, Economic & Planning Systems, Inc. and the City of Wheat Ridge met on several occasions to discuss the impact of the redevelopment project on the County and to develop the following options for sharing the projected County Property Tax Increment Revenue.

1. A straight 85/15 pledge with no affordable/senior housing requirement for the Authority to retain 85% of the County Increment.

2. A straight 85/15 pledge with no affordable/senior housing requirement for the Authority to retain 85% of the County Increment. Then, the County will increase that pledge to 100% of the County Increment if the Authority delivers evidence (e.g., deed restriction, etc.) that 10% of the total residential units are affordable to persons making up to 120% of AMI or senior housing (with no income restrictions). Either type of housing can be counted for purposes of the 10% requirement.

Under Option 2, the Authority would be able to provide senior housing at market rate with no income restrictions. The County's 15 Year Housing Plan identifies that the County's senior population is expected to experience the greatest numerical and proportional growth through 2050 and recognizes that seniors on a fixed income are particularly vulnerable to housing challenges. For this reason, staff recommends that any senior housing units built are affordable to seniors earning 100% AMI or less. Staff also recommends that if any of residential units meet the definition of affordable in Proposition 123, the County should receive an equal share of those units for purposes of its Proposition 123 commitments.

Fiscal Impact: ☐ **yes** ☒**no**

SPA Review: Potentially beneficial impact, Zoe Jenkins, 07/15/25

County Attorney Review: Kristin Cisowski, 07/15/25

Facilities Review: No fiscal impact, Mark Danner, 07/14/25

BIT Review: No impact, Rebecca Hascall, 07/15/25

Fleet Review: No fiscal impact, Janice Mayer, 07/15/25

County Human Resources Review (new FTE only): No FTE

Recommendations: Staff recommends that the Board of County Commissioners support the following terms for an agreement and directs staff to bring this agreement to a future hearing and authorize the chair to sign the execution of the Agreement once approved as to form by the County Attorney's Office. Staff recommends that under the Agreement the Authority would retain 85% of the County Increment generated from 22.478 mills, derived from the URA development.

Staff further recommends that if the Authority provides to the County evidence (e.g., in the form of a deed restriction) that 10% of the total residential units in the URA are housing units affordable to persons making up to 120% of AMI or housing affordable to seniors making up to 100% of AMI, the Authority shall be entitled to receive 100% of the County Increment.

Staff further recommends that any of the residential units that meet the definition of affordable housing under Proposition 123 shall be shared equally with the County for purposes of the County's Proposition 123 commitments.

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