

Report from LIFT (Littleton Invests for Tomorrow), Littleton's Urban Renewal Authority, to City Council

City of Littleton, Colorado

October 22, 2019

INTRODUCTION

As stated on LIFT's website, Littleton's Urban Renewal Authority is charged with revitalizing our community. City Council created LIFT "to involve residents, property owners, potential developers, local businesses, community leaders and city staff to foster community development and redevelopment."

Urban renewal is currently authorized in a northwest portion of the city known as the Columbine Square Urban Renewal Plan. As stated in the Plan, this portion of the city has been designated as "a blighted area under the Act [the Urban Renewal Law of the State of Colorado]." As stated in the Act, "the powers conferred by the Act are for public uses and purposes for which public money may be expended." Per Sec. 3.0 of the Plan, the purpose of the Plan is to "reduce, eliminate and prevent the spread of blight and to stimulate growth and investment within the Area boundaries." The Plan goes on to state that "this Amended Plan is in the public interest and necessity, such finding being a matter of legislative determination by the (Littleton) City Council."

In short, LIFT's job is to help enhance the area identified in the plan. In order to clearly reflect the desires of the citizenry, LIFT has sought to learn opinions of residents and businesses of the area repeatedly as visions for the area have clarified. LIFT has sought ideas that respect the area's history, culture, and strengths while encouraging improved cultural, environmental, social and financial performance.

EXECUTIVE SUMMARY

Lift has been working to determine the best action options to create city and citizen benefit. These options have evolved over time with assistance from council, staff, and community interviews from the Envision Littleton process, as well as urban renewal-specific interviews recently conducted by Economic & Planning Systems (EPS) under joint contract to the City and LIFT.

The Board has determined that there are two primary at this time (the following are not presented in any order of preference.)

- **Assist developer or developers.** LIFT would utilize LIFT's Urban Renewal powers to enhance the development of Columbine Square Urban Renewal Area (Columbine Square URA) in a way that maximizes city benefits and seeds other area development.

- **Direct Infrastructure Investment.** LIFT would create infrastructure or other development seeds that will draw a development template for the area, consistent with Envision Littleton and the Comprehensive Plan. An example of this would be to create a Littleton gateway at the entrance(s) to the urban renewal areas south of Belleview. The goal would be to eliminate fuzzy transitions between cities for drivers and make it impactfully clear to travelers that they are entering one of the top Small Cities in the United States. Building such a gateway would mitigate blight (as required by the Act) and replace it with a statement of Littleton's economic, cultural and local character.

There is additional work to be done for project definition and financing to emerge. Our intent is to create a community-driven model that includes walkability, sustainable development, and live-work-play considerations.

NEXT STEPS

Columbine Square

The property known as the Columbine Square Shopping Center has been found by Council to be a blighted area and continues to cause particular concern (as reflected in the EPS survey described above) to the businesses of the area. The Board desires to entice the owner/developer to use urban renewal. The Board has communicated with the owner/developer of Columbine Square and begun discussing the possibility of using urban renewal to enhance the development for the benefit of the city, the community, and the developer. LIFT will continue to aggressively pursue contact and effective interaction with the land owner.

We must acknowledge that public concerns about urban renewal, and the work of some individuals against urban renewal, may have softened the developer's desire to move forward until the city and the board's commitment is affirmed. Council and LIFT need time to continue working to build that credibility and to have our process evolve.

Seed Development

While some seed development concepts were identified in Envision Littleton and its Legacy documents, the Board will work with architects, planners, the neighborhood and business owners in developing those concepts and the approaches that represent the best interests of all. Consultants with the City have spoken to LIFT about the Belleview Corridor and urban renewal area and ways to eliminate blight. LIFT has also heard presentations on Envision Littleton and other initiatives. We have discussed methods to seed infrastructure that can serve as templates within the guidelines and spirit of Envision Littleton.

Future Project Preparation

LIFT has discussed the longer-term task of developing preliminary work for other potential urban renewal areas. While the trigger for assessing additional areas may include the success of Columbine Square URA, we are confident that there may be other opportunities to benefit the city through the proven financing tool of urban renewal.

Financing

The Board has identified several financing options should a project move forward and have communicated with financial institutions who have expressed an interest in working with LIFT to develop an effective financing package. As we move forward, we may consider a Request for Information (RFI) from financial service providers to determine their level of interest and/or capabilities as part of the process development.

LIFT currently holds about \$150,000 in unrestricted cash with prospects of receiving \$80-\$100,000 per year for the next 19 years. In current terms, that could translate into assistance of roughly \$1.7-\$2 million, enough to act as a catalyst for a project that would not have to be paid from city budgets. (Any such prospects are subject to the extension or repayment of LIFT's loan from the city, mentioned below.)

LIFT can also issue revenue bonds, which are backed by TIF from the specific project. The amounts of the bonds would be dependent on anticipated income.

Property owners could establish a metro district with Council's approval. The combination of LIFT's TIF, along with a metro district, and the property owners agreeing to a Public Infrastructure Fee (PIF) would be a powerful tool and incentive for developers to deliver a result that benefits the city, developers and community at large.

LIFT may also consider guaranteeing a portion of a developer's debt. The debt would need to be related to urban renewal authorized expenditures but could be a significant incentive.

LIFT has a loan currently outstanding to the city which is due by December 16, 2019, which the parties should agree to modify and extend.

Non-Project Intervals

The Board has contemplated that, should there be long intervals without urban renewal projects, LIFT would continue to refine practices and procedures for future projects. Such procedures and practices, which define the steps that must be taken by all parties, help the City prevent costly delays and missteps when projects arise.

Specific Challenges of LIFT

Most of the city's boards and commissions utilize rotating member terms and the assistance of city staff in a manner that assures the preservation of institutional knowledge and process. However, the entire LIFT board has turned over its membership since 2017 with limited guidance or such institutional knowledge. While the board knew the expressed goal (to remedy blight), the board spent much time reviewing the requirements and establishing administrative practices in anticipation of an incoming project. In the past few months, the board has transitioned from administrative-heavy meetings to opportunity exploration and analyzing the best course and benefit for urban renewal in Littleton. The results of that transition are discussed above.

The Board requests that City Council take a lead in coordinating between Council, the Planning Commission and LIFT. Due to the amount of capital involved in urban renewal projects, council and the board should develop a process that fine tunes the project sooner rather than later and assures that the steps of all the cooperative bodies are timed as closely as possible, resulting in a dovetailed approach. It is in everyone's best interest to avoid late-term project rejection. Due to the need for coordination, we request that City Council lead that interdepartmental process establishment.

The development of a unified approach is also necessary for LIFT to put a proper urban renewal application in place that will delineate the pathway from concept to construction.

Our path and opportunities will be further clarified if Envision Littleton is successfully adopted. While we have worked under the assumption that it will be passed, we should not proceed far into the planning stage until Envision Littleton is final.

CONCLUSION

Urban renewal is a complex process. The first key to success is to work continuously with the people who live and work in the area and to be sure the area's strengths and culture are preserved and enhanced, while responding to the area's challenges and quirks. This process takes time and an open, thoughtful blending of past and future considerations. It also requires the coordination and integration of City Council, Planning Commission, staff, LIFT, financing, the community, and land owners. The authority must care for local interests in a symbiotic way with that of land owners, some of whom may be from out of the local area. This requires an involved, thoughtful planning process.

In recent months, the board has worked to define its structure and work, identify development options, decide on responsibilities within the board, and identify financing capabilities.

The Board is moving toward the delivery of meaningful, effective urban renewal efforts that will considerably enhance the city as a whole. We are committed to that task and ask for your continued support.