

**South Santa Fe Drive
Corridor Redevelopment Plan
(An Urban Renewal Plan)**

**City of Sheridan
Colorado**

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A. PREFACE

The Urban Renewal Plan, known as the South Santa Fe Drive Corridor Redevelopment Plan (Plan) for the Sheridan Urban Renewal Project (Project or Urban Renewal Project) has been prepared for the City of Sheridan (City) pursuant to the provisions of the Urban Renewal Law of the State of Colorado, Part 1 of Article 25 of Title 31, C.R.S., as amended (the Act). The location of the urban renewal area (Redevelopment Area or Area) within the City is illustrated in Figure 1 and described in Appendix A. The administration of the Project and the implementation of the Plan shall be responsibility of the Sheridan Redevelopment Agency (Agency), which is an urban renewal authority.

B. URBAN RENEWAL AREA BOUNDARIES

The urban renewal area, referred to as the Redevelopment Area, contains approximately 300 acres. The Area is described in Appendix A and is generally defined by the following boundaries:

Sheridan city boundary on the east, West Hampden Avenue on the north, West Oxford Avenue on the south and the various property boundaries located just west of the South Platte River.

Figure 1 shows the configuration of the subject area.

C. SUMMARY OF ELIGIBLE CRITERIA

1. Conditions Survey

Based on the Sheridan Existing Conditions Survey, dated June 30, 2003, prepared by UrbanPlan.inc, attached to and made a part hereof as Appendix B the following conditions of blight exist in the Area.

2. Summary of Conditions Survey

The following are conditions of blight that exist in the Area, as more particularly set forth in the Existing Conditions Survey:

- a. Slum, deteriorating or deteriorated 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. Conditions that endanger life or property;
- g. Environmental contamination;
- h. Inadequate public improvements or utilities.

D. GENERAL DESCRIPTION OF URBAN RENEWAL PROJECT

The Existing Conditions Survey identifies conditions that qualify the Area as a blighted area as defined in the Act. This Plan shall be implemented as part of a comprehensive program to eliminate and prevent blight and the spread of blight in the Area. This Agency and the City, with the cooperation of private enterprise and other public bodies, will undertake a program to eliminate the conditions of blight while implementing this Plan in conformance with the Sheridan Comprehensive Plan. As described herein, the initial project emphasis should be on the development of retail uses followed by the office uses and then perhaps some residential uses. Public uses are also to be considered.

E. REDEVELOPMENT PLAN GOALS

Reference to the Redevelopment Plan herein shall be and mean the same as the urban renewal plan as provided in Section 31-25-103(9) C.R.S. of the Act. The Plan for the Area located in the vicinity generally described above has been developed to achieve, by illustration, the following purposes:

1. To eliminate the existing blighted conditions and prevent the proliferation of spread of blight (delineated in City of Sheridan Blight Survey, dated June 30, 2003, Appendix B) in their various forms within the Area, which constitute a serious and growing problem; are injurious to the health, safety and well-being of the community; constitute economic liabilities for the City; and adversely affect the sound growth of the City.
2. To be consistent with the City of Sheridan Comprehensive Plan to ensure orderly growth of the City of Sheridan.
3. To stimulate the development and redevelopment of blighted properties in the Area.
4. To improve conditions and correct problems related to public infrastructure in the Area related to vehicular and pedestrian access, traffic, pedestrian and bicycle circulation, public utilities, drainage, environmental contamination, public safety and public amenities.
5. To develop an implementation strategy that encourages private property owners and private developers and gives them full opportunity to voluntarily follow an approved plan and regulatory process to work with the City to redevelop the Area.
6. To assist in developing the economic potential of this Area, through the attraction of capital investment, and maintaining a competitive regional economic, financial, retail and employment opportunities thereby providing employment, consumer facilities and strengthening the City's economic base.
7. To afford the private sector full opportunities to participate in the redevelopment of the Area.
8. To assure that development will be sensitive to commercial business and employment purposes, serve surrounding areas and eliminate and prevent the spread of blight.
9. To provide for the mechanism for a relocation plan for eligible tenants, businesses and residents who will be affected by the redevelopment of the Area.

E. REDEVELOPMENT PLAN GOALS (continued)

- 10. To engage in all undertakings and activities in compliance with the Act.
- 11. To encourage cooperation with and among government and public entities and agencies in development of the Area.
- 12. To acquire, dispose of and convey land and improvements for redevelopment by the private sector, or for public improvements and public amenities.
- 13. To demolish and redevelop blighted areas and facilities.
- 14. To remedy the underutilization, or under-development, of land and improvements to realize productive and economically viable uses of same.
- 15. To develop projects that reflect an image of quality development, including landscaping and design.
- 16. To utilize all forms of financing within the Act and all other applicable laws to provide private and public funds to pay for the costs of redevelopment and all related public purposes.
- 17. To remedy the inconsistent and conflicting land uses of the Area.
- 18. To support, increase and enhance the City's tax base by methods of economic (re)development.

F. PLANS RELATIONSHIP TO LOCAL OBJECTIVES

The Plan is in conformance with the City's 1986 Comprehensive Plan. By way of illustration and not limitation, the Sheridan Comprehensive Plan, has identified some of the following goals for the community:

Commercial Development

[Encourage the development] in the Santa Fe corridor between Hampden and Oxford to up-grade the land use through new development and redevelopment.

Economic Development

Creation of a larger tax base for the city of Sheridan through substantial development in areas, which are under-developed at the present time.

Transportation and Circulation Plans

Provide vehicular and pedestrian corridors that are well maintained, ensuring safe and efficient transportation of people and goods.

G. DEVELOPMENT PLAN

1. Overall Redevelopment Plan

This Plan reflects the Agency's intention to create a retail concentration along South Santa Fe Drive and West Hampden Avenue. Sheridan has access off I-25 via South Santa Fe Drive, a major north - south arterial, and Hampden Avenue, a major east-west route. This Project is envisioned as a significant regional retail destination for Sheridan and the surrounding urban areas.

For purposes of this Plan, the Redevelopment Area has been divided into three sub areas: A, B and C. These areas are depicted in Figure 2. The shape and size of these areas may be varied as a result of market conditions and redevelopment opportunities.

Area A should be given the primary emphasis for redevelopment. This area, with frontage to both South Santa Fe Drive and the West Hampden Avenue provides easy access and potentially large development sites. This area should be developed as large retail stores, with complementary smaller retail sites as possible options. After approximately 200,000 square feet of retail space has been committed to the site and construction started, secondary uses such as office, or public uses may be considered. Perhaps high-density residential housing may also be considered.

Area B is the area at the intersection of South Santa Fe Drive and Oxford Street. This area is viewed as a key gateway to Sheridan. As such, redevelopment that encourages the identification of this gateway should be encouraged. Mixed uses, including retail as the primary use and secondary uses of office, and public or transportation facilities may be contemplated. Perhaps high-density residential housing may be considered. Area B should not be redeveloped until approximately 200,000 square feet of retail space in Area A has been firmly committed to that site.

Area C is the existing Englewood Golf Course. If developed with uses other than a golf course, development in this area may include mixed-use retail, office, residential, open space and public uses.

2. Redevelopment Phasing

Phasing of the redevelopment of the Area should occur as described above, with Area A to be developed first, followed by Area B and Area C. However, the phasing may change should market conditions and redevelopment opportunities arise that allows a shift in the phasing while still meeting the intent of this Plan.

3. Land and Improvements Acquisition

The Agency will encourage the private redevelopment of property within the Redevelopment Area and attempt to work with the private sector to achieve such goal. It is possible that many or all of the existing parcels of land and improvements in the Area may have to be acquired and demolished to redevelop the Area. Few structures may be rehabilitated. The Agency shall have the legal power of eminent domain to acquire real and personal property. If necessary, the Agency has the power to use eminent domain if negotiated agreements for acquisition of land and improvements, and land assemblage are unsuccessful.

G. DEVELOPMENT PLAN (continued)

4. Land Use

The proposed land uses are consistent with the Sheridan Comprehensive Plan. The Redevelopment Area is to consist of retail as a primary use, with secondary uses of office, open space, community and public uses permitted only if retail uses consistent with Section G 1 of this Plan (Overall Redevelopment Plan, above) have been provided. High-density housing may also be contemplated.

5. Private Improvements

The Agency should encourage the improvement of private property throughout the Redevelopment Area by the private sector and property owners. Each new development in the Area will be required to comply with the City of Sheridan Comprehensive Plan, applicable City codes and regulations, and this Plan. All new development and redevelopment shall be reviewed to insure that development is in conformance with this Plan. The Agency is authorized to effect changes to land uses, including zoning and rezoning of land, if such uses are in conformance with the intent of this Plan and may place such covenants, restrictions and controls on land uses in the Area as it deems appropriate and compatible with this Plan.

6. Public Improvements

Public improvements, such as streets and infrastructure, may be necessary. Such public improvements may be installed by the City of Sheridan, and/or other public or private entities.

H. LAND USE REGULATIONS AND BUILDING REQUIREMENTS

The Redevelopment Area is an important gateway to the City. The Plan will provide a comprehensive and unified plan to promote and encourage high quality development of the Area by private enterprise.

I. PROJECT ACTIVITIES

The Agency may exercise all legal powers, without limitation, to implement this Plan. These include all powers defined in the Act, such as but not limited to:

1. Property Acquisition

The Agency may exercise any and all of its rights and powers under the Act and any other applicable law, ordinance or regulation. The Agency may acquire any or all interests in real and personal property by any manner available, including, without limitation, by exercise of the power of eminent domain.

I. PROJECT ACTIVITIES (continued)

2. Relocation

If acquisition of property by the Agency results in the displacement of families, individuals or business concerns, feasible methods for relocation of such parties as provided in the Act will be developed by the Agency and shall be in effect before such relocation occurs. Such relocation methods shall be in compliance with the Act and shall include, by illustration, the following:

- a. Relocation of eligible individuals and families in decent, safe and sanitary accommodations within their means, without undue hardship and reasonably accessible to their employment. Temporary relocation may be considered.
- b. Relocation of eligible businesses in areas that are not generally less desirable with respect to public utilities and public and commercial facilities.
- c. Consideration for moving expenses and direct losses of property.
- d. For eligible businesses, goodwill and lost profits reasonably related to and associated with the relocation, which relocation compensation results from displacement for which compensation is not otherwise available.
- e. Any and all other provisions in compliance with applicable laws.

3. Demolition, Clearance and Site Preparation

The Agency 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 or Project.

4. Property Management

During such time as any property is owned by the Agency, such property shall be under the management and control of the Agency and may be leased or otherwise disposed of pending conveyance or disposition for development or rehabilitation.

5. Land Disposition, Development and Rehabilitation

Purchasers or owners of properties within the Area will be obligated to develop or rehabilitate such properties in accordance with the provisions of this Plan or Project.

The Agency may dispose of properties it acquires by means of procedures referred to in the Act and pursuant to agreements between the Agency and such purchasers.

I. PROJECT ACTIVITIES (continued)

6. Cooperation Agreements; Intergovernmental Agreements

For the purposes of planning and carrying out this Plan, the Agency may enter into cooperation or intergovernmental agreements with the City 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 a Project.

7. Other Project Undertakings and Activities

Other Project undertakings and activities deemed necessary by the Agency to carry out the Plan may be undertaken and performed by the Agency or pursuant to agreements with other parties or public bodies in accordance with the authorization of the Act and any and all applicable laws.

J. REDEVELOPMENT AGREEMENTS

Some of the legal mechanisms which may be utilized by the Agency to afford private enterprise maximum opportunities for rehabilitation or redevelopment of the Area, include by example only:

1. Public/Private Partnerships

The development and implementation of public/private partnerships in many and varied forms can be a key to the success of this Redevelopment Plan. There are many public investments that may be necessary in order to implement elements of this Plan such as: acquisition, demolition, and assemblage of land; remediation of contamination; relocation of persons and businesses; public improvements such as drainage, streets, sidewalks, transportation facilities, and gateway statements. There must, however, be reciprocal efforts of private improvements in order for an Urban Renewal Project to be both physically and economically successful.

2. Disposition and Development Agreements (DDA)

A form of private/public partnership that could be used in the implementation of the Plan is that of Disposition and Development Agreements (DDA) or Redevelopment Agreements. Assuming the Agency, under a DDA, acquires property, the Agency conveys property, which has been assembled, and relocation and demolition provided, to a "Redeveloper". The agreement of conveyance has certain performance criteria, covenants, and requirements, which both parties must meet in order for title to transfer to the Redeveloper. DDAs between redevelopers as well as other governmental bodies (e.g. City of Sheridan and the Agency), may establish the responsibility of each party regarding various commitments, financing of public and private improvements, and the timetable for construction of public and private improvements and uses of the properties.

J. REDEVELOPMENT AGREEMENTS (continued)

3. Owner Participation Agreements

Another technique that can be used to implement this Plan will be owner participation agreements. Under terms of these agreements, certain public investments may be made on and/or around private properties and in return certain private reinvestment or new investments occur to rehabilitate such properties.

4. Intergovernmental Agreements

The Act allows governmental entities to enter into agreements with the Agency to provide all necessary services, planning, public improvements, financing, land uses and all other government/public related amenities, facilities, agreements and services to effect redevelopment of the Area.

5. Enforcement of Codes, Law and Regulations

The Act addresses authorization for the elimination and prevention of blight by voluntary plans of the private sector and governmental enforcement and utilization of programs and plans for the clean-up, rehabilitation and redevelopment of the Area in compliance with and by adherence to applicable codes, laws, regulations and plans addressing the purposes of the Act. This Plan authorizes and encourages such activities/processes.

6. Other Legal Arrangements

The Agency is authorized to participate in any legal arrangement/agreement and to exercise all legal powers, including those within the Act, to effect the implementation of this Plan.

K. FINANCING

1. Public Financing Mechanisms

Tax Increment Financing (TIF) is one of the financial vehicles/mechanisms for funding debt and a form of financial obligation that supports redevelopment projects by utilizing the increased revenues in property taxes and/or sales taxes realized by redevelopment. Only the city's portion of the sales tax is committed for the utilization of sales tax increment. All property tax increment revenues and or all of a portion of sales tax increment revenue may be used by the Agency for debt payments, financial activities and fiscal obligations, which relate to the elimination of blight and redevelopment of the Area. Such financial obligations may include costs for site acquisition, site clearance, relocation, construction and/or reconstruction of streets, utilities, or other public infrastructure or the removal of hazardous materials or conditions, and/or all other costs, fees and expenses related to redevelopment activities.

Urban renewal authorities can use TIF. Because authorities do not possess the power to levy taxes, they enter into cooperation agreements with the cities and counties. These cooperation agreements arrange for the taxing bodies to collect the incremental tax revenues and transfer them to special accounts of the urban renewal authorities, which in turn use them to pay for the debts and financial obligations of the authorities in carrying out urban renewal plans. The geographic boundaries of an urban renewal area also serve as the boundaries of the tax increment area. Tax increment areas may comprise smaller areas within an urban renewal area and may be based upon or used for specific project sites.

The Act allows that upon adoption or amendment of an urban renewal plan, property and sales taxes are "frozen" at their current level. Thereafter, all ad valorem property taxing bodies, or the city in the case of sales tax, continue to receive tax revenue calculated from that existing "frozen base", which is established based generally on the level from the previous twelve months prior to the adoption or amendment of the Plan. The urban renewal authority thereafter receives all property and/or all or a portion of sales taxes, which are generated above that "frozen base" (the "increment"). The Agency or an authority may use these incremental revenues to finance the issuance of bonds, reimburse developers for public improvement costs, and pay off financial obligations and other debts incurred in the administration of an urban renewal plan.

TIF is not an additional sales tax or property tax levy on property owners or consumers, but rather a portion of the established taxes collected by the county and/or city on behalf of the Agency. The increment is generated by the increased assessed valuation of the property caused by its redevelopment and the increased retail sales caused by (in the case of retail redevelopment) the newly created retail development.

Sales tax may also be subject to tax increment financing and may be utilized alone or in conjunction with property tax increments. The collection and use of sales tax increment follows the same process as property tax increments. The Agency receives only the city's share of the sales tax, which is collected from the urban renewal area in excess of the "frozen" base level. The city may elect to commit all or a portion of the sales tax increment for urban renewal financial obligations.

K. FINANCING (continued)

2. Tax Increment Bonds

The Agency may issue bonds, notes or other forms of debt to finance the costs and expenses of the Plan. The Agency may use tax increment revenue to pay the principal, interest, and issuance costs of the financing. Bonds supported by TIF are not legally required to be guaranteed by the city or any other governmental entity.

3. Tax Increment Reimbursement

In accordance with a DDA, tax increment revenues may also be used to reimburse a developer for costs incurred for certain improvements in support of a project (i.e., life safety systems, environmental remediation, public infrastructures, other public improvements). In such a reimbursement scenario, the risk is primarily upon the developer, due to the fact that any incremental increase in tax revenues is wholly dependent on the success of the project.

For both the bond/debt and reimbursement scenarios, tax increment revenues can be paid to an urban renewal authority until the TIF bonds/debts are retired or until the terms of developer reimbursement have been satisfied as set forth in a DDA. Property tax incremental revenues can only be utilized by an urban renewal authority for a maximum of twenty-five years from the date of establishment. However, there are some legal opinions that sales tax incremental revenues may be utilized for a period of time as agreed by a city and an urban renewal authority. Further legal advice about this matter should be sought by the Agency in relation to this Plan.

4. Capital Improvement Program

One of the ways the City can show its commitment to the South Santa Fe Drive corridor revitalization is through its capital improvement program. Capital improvements may be concentrated in areas of general community wide benefits. These may include development of city entry statements at the South Santa Fe Drive and Oxford Avenue intersection, pedestrian access to the Oxford Street light rail station, flood management and drainage improvements, and environmental remediation.

5. Public Improvement Fees

Public Improvements Fees are fees assessed on commercial retail sales with the Areas. The fees are used to defray the costs of public-related improvements. The Agency may enter into agreements with developers, retailers and/or the City to provide for the collection and disbursement of such fees.

K. FINANCING (continued)

6. Authorization

The Agency is authorized to finance the costs of implementing, administering and carrying out this Plan by any method authorized by the Act or any other applicable law, including without limitation, loans or advances from the City; 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; issuing bonds, securities and other forms of debts; loans, advances and grants from any other available source; any and all financing methods legally available to the City and/or the Agency, 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 Area. Such methods may be combined to finance all or any part of the Plan. 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 Agency or the City to finance the Project in whole or in part. The Agency is authorized to issue notes, bonds, mortgages or any other financing instruments or documents in amounts sufficient to finance all or part of the Project. The Agency 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 tax increments or any other funds available to the Agency. The Project may be financed by the Agency under the tax allocation financing provisions of the Act.

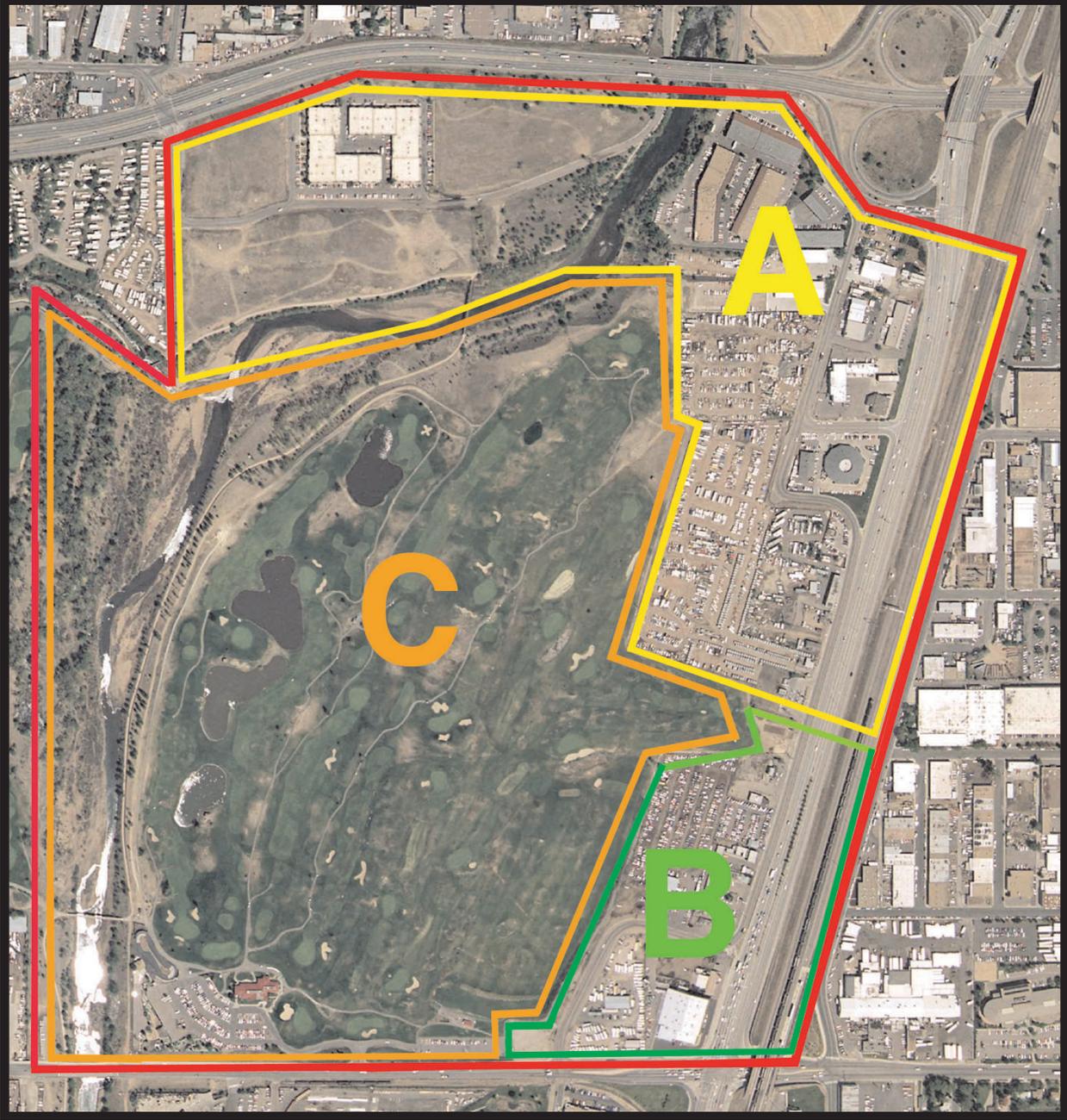
L. REASONABLE VARIATIONS

The Agency shall have the ability to approve reasonable variations (as determined by the Agency) from the strict application of these Plan provisions, so long as such variations reasonably accommodate the intent and purpose of this Plan and the Act. Plan provisions may be altered by market conditions and redevelopment opportunities.

Figure 1: Redevelopment Area



Figure 2: Redevelopment Sub Areas



APPENDIX A

The boundaries for the urban renewal area are illustrated in Figure 1. The complete legal description of the area is on file at the City Clerk's Office.

APPENDIX B

The *Sheridan Existing Conditions Survey*, dated June 30, 2003, prepared by UrbanPlan.inc, is incorporated in this Plan as Appendix B.