

I. CALL MEETING TO ORDER

- II. INTRODUCTION OF RESOLUTION 2019-18, FORMATION OF URA AUTHORITY AND PRESENTATION OF CONDITIONS SURVEY
 - 1. Procedures: Bob Cole, Collins Cockrel & Cole
 - 2. Introduction of Resolution 2019-18, Formation of URA Authority and Presentation of Conditions Survey

Agenda Brief - Introduction of Resolution 2019-18, Formation of URA Authority and Presentation of Conditions Survey - Pdf

III. PUBLIC HEARING Please sign in to make public comment

- IV. COUNCIL DISCUSSION AND POSSIBLE ACTION ON RESOLUTION 2019-18, FORMATION OF URA AUTHORITY
- V. ADJOURNMENT

Don Volger Mayor



AGENDA BRIEF

MEETING: Town Council - 05 Nov 2019 **FROM:** Andrea Phillips, Town Manager

PROJECT:	Introduction of Resolution 2019-18, Formation of URA Authority and Presentation of Conditions
	Survey
ACTION:	Council action or information

PURPOSE/BACKGROUND:

This item is being presented for Council consideration. Staff and the Town Attorney will present information on the procedures outlined in the Colorado State Statutes 31-25-101, et seq (Urban Renewal Law), the resolution and the Conditions Survey. Following public comments at the Public Hearing, Council may consider approval of the resolution.

Background

Resolution 2019-18 proposes forming an **Urban Renewal Authority.** A petition signed by at least 25 town electors was received by the Town Clerk in early October (see attached). At this meeting, Council is being asked to consider only whether it would like to form the Authority (which requires a finding of at least one blighted area in the town limits). Council is not being asked to consider adopting any specific area plan or project at this time.

An Authority can be used as a redevelopment tool in the community to address blighted conditions. The definition of "blight" has been given broad interpretation by the state to include underdeveloped properties with difficult terrain, inadequate public infrastructure, and other factors that have prevented areas from being developed or redeveloped. As shared previously with Council in prior work sessions and meetings, the Urban Renewal Law provides that a separate governing board be constituted to oversee the functions of the Authority. The geographic limits of the Authority are contiguous with the town boundaries. The ability to enter into public-private partnerships and utilize Tax Increment Financing (TIF) to help pay for public infrastructure is common in the 50-plus cities within Colorado that have formed such authorities. If formed, the Authority may adopt urban renewal area plans that are specific to project areas. To date, one project-the "Pagosa Springs Plaza Urban Renewal Area"-has been proposed on the 27-acre vacant parcel in downtown Pagosa Springs between the San Juan River and Hot Springs Boulevard. A conditions survey has been developed by staff that demonstrates congruence with several of the slum and blight factors outlined within state statutes for this area. As a finding of formulating the Authority, the Council must determine that there is at least one area within the Pagosa Springs corporate boundaries that may be determined as slum or blighted based on these factors. There may be other such areas that could be assessed for possible plan areas or specific projects in the future. If an Authority is formed, it will most likely be asked to consider this project area first. At that time, the Town's Planning Commission, the various special districts that levy a tax in that project area, the County, and other taxing or regulatory agencies will need to be involved in determining whether the project is appropriate and, for the taxing entities, whether tax increment financing should be pledged as proposed to help pay for the public infrastructure. These are projectspecific discussions and determinations that will occur at a later date.

Information has been provided on the Town's web site regarding the possible formation of the Authority and the public hearing has been published in three consecutive editions of the Pagosa Springs Sun (Oct. 17, 24, and 31). A letter has been sent to each of the special districts that levy a tax within the corporate boundaries to inform them of the hearing and to let them know what is being considered. If the Authority is formed, seven of the 11 members or "Commissioners" will be Councilmembers, including the Mayor. The Mayor will serve as the Chair. Per state statute, one additional member will be a school district board member; one will be a member appointed by the Board of County Commissioners (who does not have to be a County Commissioner) and another must be collectively recommended for appointment

from the various special districts. The final member is appointed by the Mayor. This individual could be a community member, representative of a board, etc.

An Urban Renewal Authority has been referenced as a possible tool within multiple Council accepted plans and documents, For example:

- **Pagosa Springs Forward-Comprehensive Plan for Pagosa Springs** (adopted May 2018)-tax increment financing and URA is stated as possible tool. Utilization of public-private partnerships to promote infill or redevelopment in opportunity areas is called out.
- Smart Growth America report (accepted November 2017)-recommends tax increment financing to assist with infill growth and catalyst projects
- **Pagosa Springs Downtown Master Plan** (adopted August 2007): Implementation Item FP-2: Create a downtown agency to monitor and oversee downtown improvements-Explore the feasibility of creating a DDA or URA

In determining whether to form an Authority, Council may wish to consider the following questions:

- Is URA a tool that can and should be used in Pagosa Springs?
- Is there at least one area(s) in the corporate boundaries that could be considered "blighted" according to the 11 factors outlined in the Urban Renewal Law?
- Is there support in the community for public private partnerships?
- Is there support in the community for use of Tax Increment Financing to catalyze projects?
- What could URA assist with that isn't being done?
- What powers granted under state statutes for URAs are needed to accomplish the goals of the community?

ATTACHMENTS:

Resolution 2019-18 URA Formation

RECOMMENDATIONS:

Consider public testimony during the public hearing. Options for Council to consider in taking action are:

- 1. Move to approve Resolution 2019-18, Formation of an Urban Renewal Authority and Accept the Findings of the Hot Springs Boulevard Conditions Survey.
- 2. Move to approve Resolution 2019-18, Formation of an Urban Renewal Authority with the following amendment (so stated) and Accept the Findings of the Hot Springs Boulevard Conditions Survey.
- 3. Move to DENY approval of Resolution 2019-18, Formation of an Urban Renewal Authority.
- 4. Table the item and continue the public hearing to another date/time.
- 5. Direct staff and the Town Attorney otherwise.

Page 2 of 27

Town of Pagosa Springs Resolution No. 2019-18 Page 1

TOWN OF PAGOSA SPRINGS, COLORADO

RESOLUTION NO. 2019-18

A RESOLUTION MAKING LEGISLATIVE FINDINGS DETERMINING THE EXISTENCE WITHIN THE TOWN OF PAGOSA SPRINGS OF BLIGHTED AREAS APPROPRIATE FOR INCLUSION IN AN URBAN RENEWAL AUTHORITY, CREATING THE PAGOSA SPRINGS URBAN RENEWAL AUTHORITY, AND DESIGNATING THE TOWN COUNCIL AND SUCH OTHER MEMBERS AS REQUIRED BY LAW AS THE AUTHORITY

WHEREAS, the Town of Pagosa Springs ("Town") is a home rule municipality duly organized and existing under Article XX of the Colorado Constitution and the Pagosa Springs Home Rule Charter of 2003, as amended (the "Charter"); and

WHEREAS, pursuant to Section 1.4 (A) of the Charter, the Town has all power of local self-government and home rule and all power possible for a municipality to have under the Constitution and laws of the State of Colorado; and

WHEREAS, Part 1 of Article 25 of Title 31, Colorado Revised Statutes ("C.R.S.") (the "Urban Renewal Law") provides for the creation and operation of an urban renewal authority to function in the Town; and

WHEREAS, a petition, attached hereto as Exhibit A and incorporated herein with the signatures of more than 25 registered electors within the Town of Pagosa Springs ("Town") was filed with the Town Clerk declaring that there is a need for an urban renewal authority to function in the Town; and

WHEREAS, a Conditions Survey was conducted by the Town, which survey is described in a document entitled the Hot Springs Boulevard Urban Renewal Authority Conditions Survey, consisting of a total of seven (7) pages including two (2) map exhibits, a description of existing conditions and numerous photographs, attached hereto as Exhibit B and incorporated herein; and

WHEREAS, the Conditions Survey is a matter of public record in the custody of the Town Clerk, and was made available for public inspection on the Town's website and in the office of the Town Clerk during business hours of the Town; and

{00715567.DOCX/3}

Page 3 of 27

Town of Pagosa Springs Resolution No. 2019-18 Page 2

WHEREAS, pursuant to Section 31-25-104(1)(a), C.R.S., on October 17th and 24th, 2019 notice of a hearing to consider the Conditions Survey and creation of an urban renewal authority in the Town was duly published in *The Pagosa Springs Sun*, a newspaper having a general circulation in the Town, which publication occurred at least ten days preceding the date of the hearing, and a copy of the proof of publication of the notice is attached hereto as Exhibit C and incorporated herein; and

WHEREAS, on November 5, 2019 a full opportunity to be heard was granted to all residents and taxpayers of the Town and to all other interested persons at a public hearing held before the Town Council on the issue of whether the Town Council should find that slum or blighted areas exist in the Town, and that the acquisition, clearance, rehabilitation, conservation, development, or redevelopment, or a combination thereof of such areas is necessary in the interest of the public health, safety, morals, or welfare of the residents of the Town, and whether the Town Council should declare it to be in the public interest that the urban renewal authority for the Town be created; and

WHEREAS, the Town Council has considered the evidence presented in support of and in opposition to the Petition, including the Conditions Survey and staff recommendations, and has considered the legislative record and given appropriate weight to the evidence; and

WHEREAS, the Town Council, following the hearing, hereby finds and declares herein that slum or blighted areas exist in the Town, and that the acquisition, clearance, rehabilitation, conservation, development, or redevelopment, or a combination thereof of such areas is necessary in the interest of the public health, safety, morals, or welfare of the residents of the Town; and

WHEREAS, in accordance with the Urban Renewal Law, the Town Council is desirous of creating an urban renewal authority and designating the Town Council and such additional members as specified by Section 31-25-104(2.5), C.R.S., to serve as the Board of Commissioners of such authority;

NOW, THEREFORE, BE IT RESOLVED by the Town Council of the Town of Pagosa Springs, Colorado, that:

<u>Section 1.</u> The foregoing recitals are incorporated herein by reference.

<u>Section 2.</u> The Town Council finds, determines and declares that the following conditions exist in areas of the Town:

a. Predominance of defective or inadequate street layout;

{00715567.DOCX / 3 } Page 4 of 27 Town of Pagosa Springs Resolution No. 2019-18 Page 3

- b. Faulty lot layout in relation to size, adequacy, accessibility, or usefulness;
- c. Unsanitary or unsafe conditions;
- d. Deterioration of site or other improvements;
- e. Unusual topography or inadequate public improvements or utilities;
- f. The existence of conditions that endanger life or property by fire or other causes;
- g. 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.

<u>Section 3.</u> Pursuant to Section 31-25-104(1)(b), C.R.S., and based upon evidence presented at the public hearing on November 5, 2019, the Town Council hereby declares it to be in the public interest that an urban renewal authority for the Town be created, and is hereby creates an urban renewal authority to exercise the powers provided in the Urban Renewal Law.

<u>Section 4.</u> The urban renewal authority for the Town shall be known as the Pagosa Springs Urban Renewal Authority.

<u>Section 5.</u> Pursuant to Section 31-25-115(1) and (1.5), C.R.S., the Town Council designates the members of the Town Council, including the Mayor and such additional members as specified in Section 31-25-104(2) and (2.5) and Section 31-25-115(1) and (1.5), C.R.S., to constitute and be the Board of Commissioners of the Pagosa Springs Urban Renewal Authority. The Mayor is designated as the Chair of the Pagosa Springs Urban Renewal Authority.

Section 6. Because the Mayor is a member of Town Council and has participated in the enactment of this Resolution, he has the requisite notice of the creation of the Pagosa Springs Urban Renewal Authority in compliance with Section 31-25-104(1)(b), C.R.S.

<u>Section 7.</u> A certified copy of this Resolution shall be filed in the records of the Town. The Commissioners shall cause to be filed with the Colorado Division of Local Government in the Department of Local Affairs a copy of this Resolution, together with a certificate that the Town Council made the findings and declaration required by Section 31-25-104(1)(b), C.R.S., after the public hearing and that the Mayor has appointed the members of the Town Council and such additional members as specified in Section 31-

{00715567.DOCX / 3 } Page 5 of 27

Town of Pagosa Springs Resolution No. 2019-18 Page 4

25-104(2) and (2.5) and Section 31-25-115(1) and (1.5), C.R.S., as Commissioners of the Pagosa Springs Urban Renewal Authority. Upon the filing of such certificate, the Commissioners and their successors are constituted as the Pagosa Springs Urban Renewal Authority, which shall be a body corporate and politic.

<u>Section 8.</u> Pursuant to section 31-25-104(1)(b), C.R.S., the boundaries of the Pagosa Springs Urban Renewal Authority are coterminous with those of the Town.

<u>Section 9.</u> The officers, employees and agents of the Town are hereby directed to perform, or cause to be performed, such other actions as required by the Urban Renewal Law for the Pagosa Springs Urban Renewal Authority to undertake urban renewal projects, as set forth in the Urban Renewal Law, including Section 31-25-107, C.R.S.

<u>Section 10.</u> If any part, section, subsection, sentence, clause or phrase of this Resolution is for any reason held to be invalid, such invalidity shall not affect the validity of the remaining provisions.

<u>Section 11.</u> All actions taken by the Town's officers, employees and agents in furtherance of the creation of the Pagosa Springs Urban Renewal Authority are hereby ratified and confirmed.

Section 12. This Resolution shall take effect and be enforced immediately upon its approval by the Town Council.

ADOPTED by a vote of ____ in favor and ____ against, this 5th day of November, 2019.

TOWN OF PAGOSA SPRINGS

By:

Donald Volger, Mayor

ATTEST:

By:

April Hessman, Town Clerk

{00715567.DOCX / 3 } Page 6 of 27

Town of Pagosa Springs Resolution No. 2019-18 Page 5

EXHIBIT A

Petition

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Page 7 of 27

Total for 2 29 46	We, the undersigned, hereby certify that v Springs, Colorado (the "Town"), and that, pursu Renewal Law, Part 1 of Article 25 of Title 31 of t an urban renewal authority to function within the	we are registered electors of the Town of Pagosa ant to the requirements of the Colorado Urban ne Colorado Revised Statutes, there is a need for boundaries of the Town.	
OK	(Print Name) Rary Bracht (Signature) Mary Bracht (Date) 9/3/19	Address: (Street) <u>415 mesa Dr.</u> Pagosa Springs, CO 81147	
σ¥	(Print Name) Rugen Searle (Signature) J.	Address: (Street) <u>399 mesa dr.</u> Pagosa Springs, CO 81147	
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6/6 Address: (Street) 275 HERNOJA (Print Name) BEN BRIER de (Signature) Pagosa Springs, CO 81147 8.5.2019 (Date) Address: (Print Name) (Street) de Pagosa Springs, CO 811'47 (Signature) (Date) 1.5 01 Address: retans 332 Mesa Drive OK (Street) (Print Name) (Signature) Pagosa Springs, CO 81147 (Date) 1: 50 Address: DENR MASO Sumet (Print Name) anna (Street) gk (Signature) Pagosa Springs, CO 81147 2 (Date) . Address: MARK J. WFILER PARELCI WA oK (Print Name) (Street) Box 4159 Pagosa Springs, CO 81147 21 (Signature) 9/16 9 1 (Date) Address: 688102 MIST Sealle (Print Name) (Street) 390 A Ju Pagosa Springs, CO 81147 (Signature) (Date)_ Page 10 of 27

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address	(Print Name) Josen Lewis (Signature) 47/19	Address: (Street) <u>305 Mes 2 Drive</u> Pagosa Springs, CO 81147	
X address	(Print Name) Kelly Luwis (Signature) Helly Fuis (Date) 9171 19	Address: <u>305</u> <u>MUSA</u> <u>drive</u> (Street) <u>305</u> <u>Pagosa</u> Springs, CO 81147	
or	(Print Name) Savah Jackson (Signature) Jackhon (Date) 10 Sept 6019	Address: (Street) 316 N. 3rd St. Pagosa Springs, CO 81147	
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address	(Print Name) CHRIS PITCHER (Signature) CL (Date) 9/17/19 10/9/19 No	Address: (Street) <u>602 5. 7th St.</u> Pagosa Springs, CO 81147
x address	(Print Name) Hayley Goodman (Signature) (Mayley Hoolman (Date) 9/17/19	Address: (Street) <u>402 PagoSG Street</u> Pagosa Springs, CO 81147
x address	(Print Name) <u>Bewellen Laverty</u> (Signature) <u>Fywllin Jowerty</u> (Date) 9/17/19	Address: (Street) <u>417 5. 2nd Street</u> Pagosa Springs, CO 81147
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x address	(Print Name) CHRISTOPHER YOUNG (Signature) ////////////////////////////////////	Address: (Street) <u>322 \$ 8th</u> <u>37</u> . UNIT <u>B</u> Pagosa Springs, CO 81147	-

Page 13 of 27

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	(Print Name) Penne Hamilton (Signature) Penne Hamilton (Date) 10-8-19	Address: (Street) <u>418 50, 8th 5t.</u> Pagosa Springs, CO 81147	
or	(Print Name) Monica Alley (Signature) Sequence Alley (Date) 10/8/19	Address: (Street) <u>419 South 6th Stroet</u> Pagosa Springs, CO 81147	
((Print Name) (Signature) (Date)	Address: (Street) Pagosa Springs, CO 81147	

Page 14 of 27

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	(Signature) <u>Henevieve</u> Rivas	Pagosa Springs, CO 81147
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	7. (Print Name) SUCAUDD BOSS	Address: (Street)
se	(Signature) HUP KOS	Pagosa Springs, CO 81147
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	(Print Name)	(Street)
	(Signature)	Pagosa Springs, CO 81147
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	(Print Name)	(Street)
	(Signature)	Pagosa Springs, CO 81147
	(Date)	
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Page 16 of 27

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øK	(Print Name) Linda Holt (Signature) Linda J. Allt (Date) 10/8/19	Address: (Street) <u>12 Cobblictone</u> Lane Pagosa Springs, CO 81147
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Country	(Print Name) Joh Jury (Signature) Joh L- A-D (Date) 10-10-2019	Address: (Street) 273 Holiday Ave Pagosa Springs, CO 81147
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	(Print Name) (Signature)	(Street) Pagosa Springs, CO 81147
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	Page 17 of 27	

Town of Pagosa Springs Resolution No. 2019-18 Page 6

EXHIBIT B

HOT SPRINGS BOULEVARD URBAN RENEWAL AUTHORITY CONDITIONS STUDY

{00715567.DOCX / 3 } Page 18 of 27

HOT SPRINGS BLVD URBAN RENEWAL AUTHORITY CONDITIONS SURVEY

1.0 INTRODUCTION AND LEGAL BACKGROUND

Urban renewal is frequently identified as a slum clearance program operating in large cities and not in places like Colorado. However, the Colorado Urban Renewal Law, §§ 31-25-101 through 116, C.R.S. (the "Act"), has been in effect since 1958 and the program has evolved from mostly large federally funded projects to local projects of varying size financed with tax increment ("TIF") revenues. According to the Department of Local Affairs, there are urban renewal authorities ("URAs") in 61 Colorado municipalities (one URA may be formed per municipality).

Because there are few slum areas in Colorado, most, if not all, findings related to organizing URAs and approving urban renewal plans rely on meeting the requirements, findings, and declarations contained in the definition of "blighted area" in § 31-25-103 (2), C.R.S.

Not every property in a blighted area must be blighted for the area to qualify as an urban renewal area under the Act. It is the condition of the areas as a whole and not each individual property that is determinative. It is also worth noting that undeveloped or open lands can qualify as a blighted area under the Act. These are areas that are undeveloped and lack buildings, streets, utilities or other site improvements whether platted or not.

A blighted area means an area that, in its present condition and use, contains at least four of the following factors (or five in the unlikely event that eminent domain is approved by the municipal governing body as part of an urban renewal plan). Eminent domain will not be authorized as part of the URA contemplated herein.

There are two provisions that help smaller areas to qualify for urban renewal treatment. First, a condition that qualifies under one of the factors may be found to be blighted if there is no objection by the owners or tenants of the area surveyed. Second, the Act permits any particular condition found to be present may satisfy as many of the factors in § 31-25-103 (2), C.R.S., as are applicable to each condition. For example, the presence of vacant buildings included in a list of deteriorated structures may also pose a danger by fire. They would also qualify separately as an unsafe condition.

The following list of statutory factors is from the definition of "blighted area" in § 31-25-103(2), C.R.S. The subparagraphs are lettered as they are in the statute and contain examples of conditions evidencing blight. The examples are not a complete list, but merely illustrate conditions that qualify under each statutory category or factor. As noted, some conditions fit multiple categories.

(a) <u>Slum, deteriorated, or deteriorating structures</u>. It is the process of deterioration or the existence of substandard structures that constitutes blight. Included are conditions evidenced

Page 19 of 27

by an exterior inspection such items as roof damage, broken windows, vacant buildings, damaged or deteriorated siding or exterior walls. Lack of code required life safety facilities such as sprinkler systems, ADA requirements, defective electrical wiring, and presence of hazardous substances such as asbestos are also conditions that qualify. Under this factor, the emphasis is upon the condition of structures in the area as a whole and not each individual building or structure.

(b) <u>Predominance of defective or inadequate street layout</u>. This factor includes such conditions as lack of streets; inadequate street widths; dead ends; deterioration of existing streets; poor provisions or unsafe conditions for the flow of traffic, including pedestrians and bicycles; traffic congestion; inadequate emergency vehicle access; missing, obsolete and impractical street layout; or inadequate facilities for traffic flow or movement through the area.

(c) <u>Faulty lot layout in relation to size, adequacy, accessibility, or usefulness</u>. Included in this condition are long, narrow or irregularly sized properties, fractional lots, obsolete and impractical lot layout; and configurations resulting in unproductive and underutilization of the land.

(d) <u>Unsanitary or unsafe conditions</u>. Elements of this factor may include the existence of a floodplain or flood prone area; dangerous traffic or pedestrian conditions; inadequate storm drainage systems; poor fire protection facilities; high or unusual crime statistics; above average incidences of public safety responses; inadequate utility systems; lack of water or sanitary sewer systems; or existence of contaminants or hazardous materials or conditions on the ground or in buildings.

(e) <u>Deterioration of site or other improvements</u>. Elements of this factor may include deteriorated or obsolete streets, sidewalks, alleyways or other public infrastructure; damaged or missing public utilities; and some of the conditions listed in factors (b) and (d).

(f) <u>Unusual topography or inadequate public improvements or utilities</u>. Severe and significant slopes making use of property difficult, very expensive, or impractical may be included in this factor; and some conditions listed under (b), (d) and (e) involving public improvements or utilities may also apply to this factor.

(g) <u>Defective or unusual conditions of title rendering the title unmarketable</u>. This factor includes diversity and multiplicity of ownership making assemblage of land or redevelopment of a site difficult or impossible; title covenants or restrictions that inhibit or prevent redevelopment; and title problems such as the interruption of the chain of ownership or tracing of the ownership of the property.

(h) <u>The existence of conditions that endanger life or property by fire or other causes</u>. Factors such as buildings or property not in compliance with fire codes, building codes or environmental regulations (asbestos or soil contamination), flood hazards, and conditions found in other factors (such as unsanitary or unsafe conditions) may also apply here.

Page 20 of 27

(i) <u>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</u>. Some of the factors listed in (a), (d), (e) and (h) may also apply here.

(j) <u>Environmental contamination of buildings or property</u>. Aspects of the site qualifying as blight under (d) or (h) may also qualify here.

(k.5) <u>The existence of health, safety, or welfare factors requiring high levels of</u> <u>municipal services or substantial physical underutilization or vacancy of sites, buildings, or other</u> <u>improvements</u>. Many of the conditions listed above can also apply here. In addition, evidence of higher than normal fire and other public service calls can be listed as well as the presence of numerous vacant buildings (regardless of physical condition). Open land and predominantly open lands also qualify under this category.

(1) If there is no objection by the property owner(s) and tenants of such owner(s), if any, to the inclusion of such property in an urban renewal area, "blighted area" also means an area that, in its present condition and use, and by reason of the presence of any one of the blight factors, substantially impairs or arrests the sound growth of the city, retards the provision of housing accommodations, or constitutes an economic or social liability, and is a menace to the public health, safety, morals or welfare.

When it added factor (k.5) in 2005, the Colorado General Assembly deleted a previous factor that read "inadequate public improvements or facilities" and combined it with "unusual topography." Thus, the absence of public improvements or facilities alone may not constitute a factor that can contribute to a finding of blight. No court has ruled on whether use of the disjunctive "or" makes unusual topography and inadequate public improvements separate factors. However, as stated above, if there is no objection by a property owner and any tenants, only one of the factors (a) through (k.5) is necessary to qualify as a blighted area.

2.0 SURVEY RESULTS

This Conditions Survey was conducted in the area (the "Survey Area") as depicted in Exhibit A, attached to and made a part of this Conditions Survey. The Survey Area includes approximately nine (9) separate parcels of land covering approximately forty-five (45) acres including the adjoining Hot Springs Boulevard public right-of-way.

Although the Survey Area contains seven buildings, they are not considered deteriorated or deteriorating to qualify under that factor of the statutory definition of blighted area. Of the 45 acres, approximately 27 acres is open land, some of which is in the 100-year flood plain and flood way as defined by the Federal Emergency Management Agency ("FEMA"). The threat of flooding is identified in the Comprehensive Plan Update 2017 as the most significant natural hazard in the Town. The river is also a valuable amenity that benefits the community and the surrounding region and development in the area should enhance its use and protect its banks while providing a free

Page 21 of 27

and clear flood way. There are some topographical challenges to development of the open land area.

The open land portion of the Survey Area lacks streets, utilities, and has areas where dumping has occurred in the past. There are unusual conditions that are dangerous including discharge of scalding mineral water from hot springs and underground voids/caverns that are known to exist below the surface of the undeveloped land.

The following conditions that are evidence of a blighted area as defined in the Act were found to be present in the Survey Area.

2.1 <u>Predominance of Defective or Inadequate Street Layout</u>

The large open land portion of the Survey Area lacks streets and related improvements such as curbs, gutter, and sidewalks. Inadequate vehicle and pedestrian ingress and egress and lack of circulation through the large open land portion of the Survey Area exists. Hot Springs Boulevard needs vehicular and pedestrian improvements to meet current and future demand in the Survey Area, including improvements to the vehicular bridge over the San Juan River that will become functionally deficient due to the proposed development and additional development activities on Hot Springs Blvd. Additional roadways and related infrastructure will be required to develop the Study Area as required by Town code.

2.2 Faulty Lot Layout in Relation to Size, Adequacy, Accessibility, or Usefulness

Faulty lot layout is often the result of access problems and inadequate streets. The Survey Area includes a large undeveloped parcel containing 27 acres. Redevelopment of that parcel will require platting into parcels conducive to proposed uses as well as mitigation of site problems caused by flood danger, vehicular and pedestrian access.

2.3 Unsanitary or Unsafe Conditions.

As shown on Exhibit B, the northerly and westerly borders of the Survey Area are in the 100-year flood plain and floodway area. Such areas are designated by FEMA as Areas of Special Flood Hazard. These problems in the Survey Area qualify as an unsafe condition under the Act. Areas of natural hot springs that emit scalding water exist on the open land area. Also present in the Survey Area is evidence of voids / caverns beneath the ground surface of the open land area. There is evidence of materials dumping in parts of the Survey Area These conditions constitute unsafe conditions in the Survey Area.

2.4 Deterioration of Site or Other Improvements.

The Hot Springs Boulevard vehicular bridge will become functionally deficient due to the proposed development and the additional development expected along Hot Springs Blvd. Some areas along Hot Springs Boulevard have deficient road surface conditions and deficient or non-existent sidewalks, curb, gutter and storm drainage facilities. Vehicular and pedestrian access and interior infrastructure is deficient or lacking in capacity to serve the expected development. Roadways lack sufficient width to safely support joint use by automobiles and bicycles.

2.5 Unusual Topography or Inadequate Public Improvements or Utilities.

Page 22 of 27

Topographical problems exist in the Survey Area because of the existence of voids /caverns beneath the ground surface. The 27-acre undeveloped portion of the Survey Area lacks the internal street, sidewalk, and access improvements necessary to serve any proposed development. There are not adequate water, gas and sewer utilities to serve development of the Survey Area as contemplated by the Comprehensive Plan. The same is true of electric service needed to serve potential commercial uses with infrastructure necessary to meet electrical demands of current technology and appliances. The Survey Area qualifies under both factors listed in this subsection of the Act.

2.6 The Existence of Conditions that Endanger Life or Property by Fire or Other Causes.

Section 107(1)(c)(I) of the Act states that any particular condition found to be present may satisfy as many of the factors listed in the definition of blighted area as are applicable to such condition. Applying this provision, the dangers posed by the potential for flooding, and scalding hot springs, and underground voids/caverns in the area constitute conditions that could endanger life and/or property.

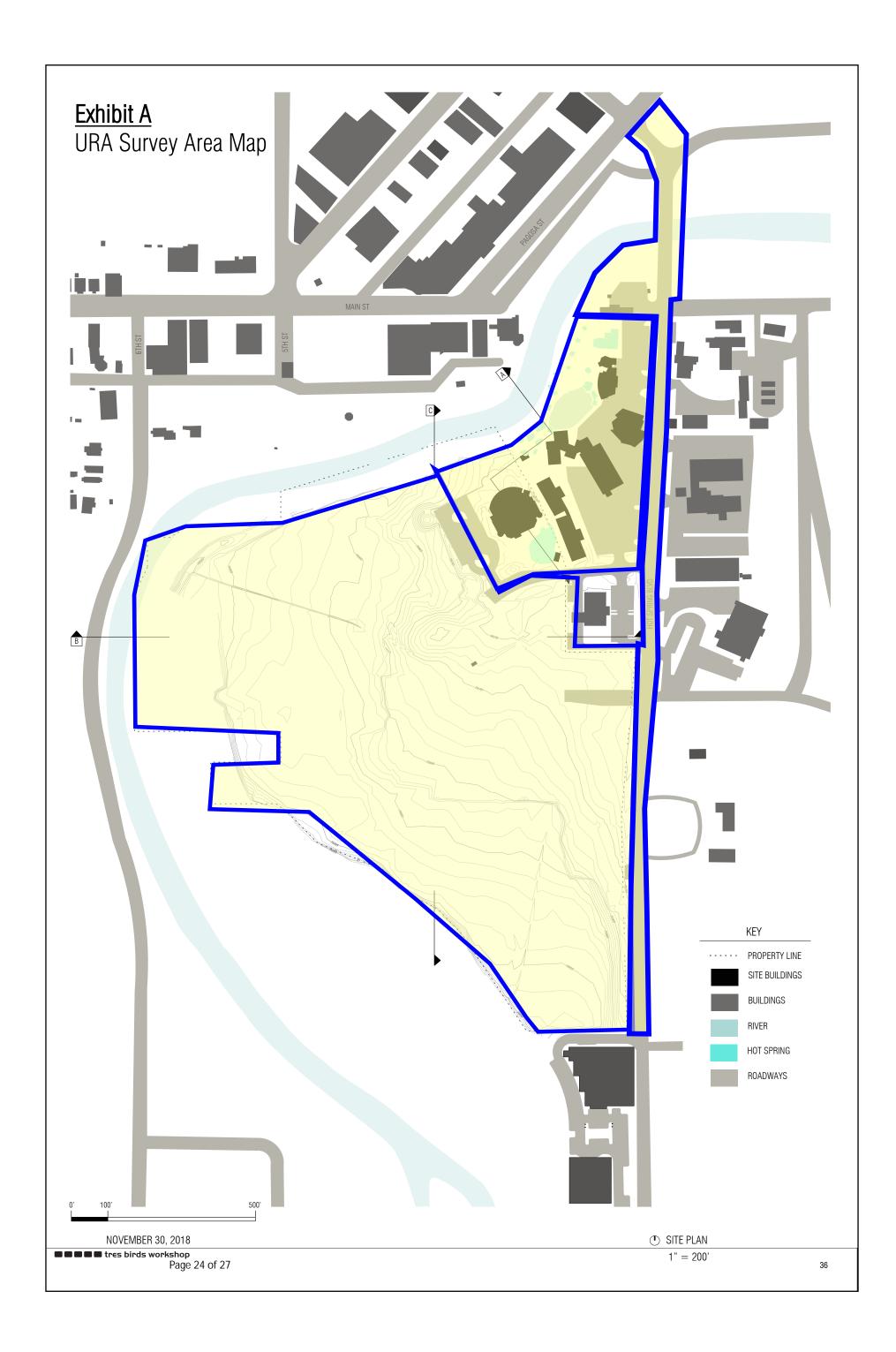
2.7 <u>The Existence of Health, Safety, or Welfare Factors Requiring High Levels of</u> <u>Municipal Services or Substantial Physical Underutilization or Vacancy of Sites, Buildings, or</u> <u>Other Improvements.</u>

While the Survey Area lacks deteriorated buildings, the barriers to development evidenced by dangerous conditions, inadequate streets, utilities, and other infrastructure, site deterioration, traffic and access problems all contribute to substantial underutilization of the Survey Area. The conditions listed above in Sections 2.1 through 2.6 also qualify under this factor as authorized by $\frac{107(1)(c)(I)}{10}$ of the Act.

Because the Survey Area contains an area of predominantly open land there is substantial physical underutilization of the area, that may require a significant planning and financial commitment from public and private sources to correct.

3.0 SUMMARY

The Conditions Survey shows that seven of a possible eleven factors listed in the Act are present in the Survey Area. This documentation will support the designation of the Area as a "blighted area" if the Town Council elects to designate it as an urban renewal area under the Act.



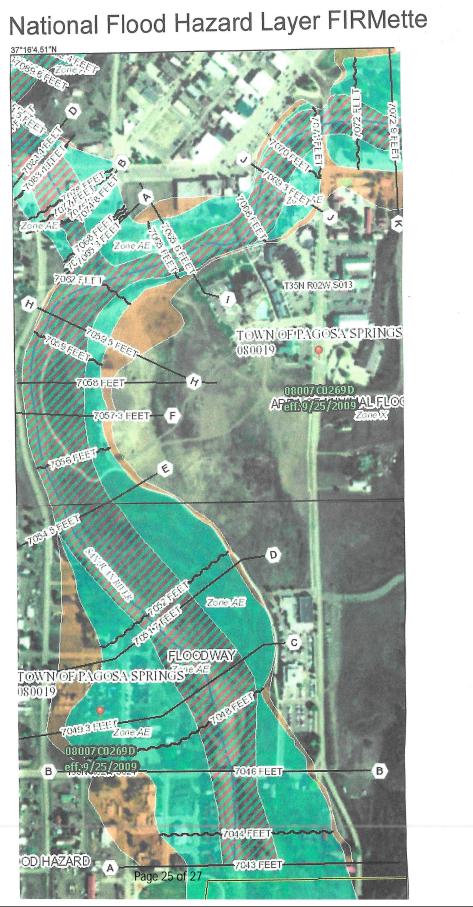


EXHIBIT B

Town of Pagosa Springs Resolution No. 2019-18 Page 7

EXHIBIT C

Proof of Publication

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Page 26 of 27

TOWN

The Pagosa Springs SUN PAGOSA SPRINGS, COLORADO "The official Newspaper of Archuleta County"

STATE OF COLORADO

) SS.))

COUNTY OF ARCHULETA

I, Terri L. House, do solemnly swear that I am Publisher of The Pagosa Springs SUN; that the same is a weekly newspaper printed, in whole or in part, and published in the County of Archuleta, State of Colorado, and has a general circulation therein; that said newspaper has been published continuously and uninterruptedly in said County of Archuleta for a period of more than fifty-two consecutive weeks next prior to the first publication of the annexed legal notice or advertisement, that said newspaper has been admitted to the United States mails as periodical matter under the provisions of the Act of March 3, 1879, or any amendments thereof, and that said newspaper is a weekly newspaper duly qualified for publishing legal notices and advertisements within the meaning of the laws of the State of Colorado.

That the annexed legal notice or advertisement was published in the regular and entire issue of every number of said weekly newspaper for the period of ______ __ consecutive insertions; and that the first publication of said notice was in the issue of said newspaper dated ______ A.D. 2019 and that the last publication of said notice was in the issue of said newspaper dated ()cA.D. 2019.

Publisher

Subscribed and sworn to before me, a notary public in and for the State of Colorado, this 3 of rt _A.D., 2019.

Melma LA

Notary Public

My Commission expires_

MELISSA L. PHELAN Notary Public State of Colorado Notary ID # 20194028959 My Commission Expires 07-31-2023

7-31-22

Page 27 of 27

TOWN OF PAGOSA SPRINGS, COLORADO NOTICE OF PUBLIC HEARING TO CONSIDER CREATING AN URBAN RENEWAL AUTHORITY In accordance with the Urban Renewal Law, Article 25, Title 31, Colorado Revised Statutes, notice is given pursuant to Section 31-25-104(1)(a), C.R.S., that a petition has been filed by the required number In that a petition has been field by the required number of registered electors stating that there is a need for an urban renewal authority to function within the Town of Pagosa Springs. The Town Council will conduct a public hearing pursuant to Section 31-25-104(1)(b), C.R.S., on November 5, 2019, at 5:00 p.m. in the Ross Aragon Community Center, 451 Hot Springs Boulevard, Colorado. All residents, taxpayers, and other interested persons will be provided a full opportunity to be heard on the issues contemplated by the Urban Renewal Law, including whether slum or blighted areas, or both, exist within the Town and whether an urban nerewal authority should be formed. Following the public hearing the Mayor and Town Council will consider a proposed resolution creating an urban renewal authority to be known as the Town of Pagosa Springs Urban Renewal Authority. TOWN OF PAGOSA SPRINGS April Hessman, Town Clerk Published in The Pagosa Sun Published October 17, 24 and 31, 2019 in *The Pagosa* Springs SUN.