

Vineyard Property

Urban Renewal Plan

Colorado Springs, Colorado

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Prepared for:

Colorado Springs, Colorado City Council
Colorado Springs Urban Renewal Authority



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City of Colorado Springs, Colorado

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City of Colorado Springs, Colorado

1.0 Introduction

1.1 Preface

This Vineyard Property Urban Renewal Plan (the “**Plan**” or the “**Urban Renewal Plan**”) has been prepared by the City of Colorado Springs Urban Renewal Authority (the “**Authority**”) for the City of Colorado Springs (“**City**”). It will be carried out by the Authority, pursuant to the provisions of the Urban Renewal Law of the State of Colorado, Part 1 of Article 25 of Title 31, Colorado Revised Statutes, 1973, as amended (the “**Act**”). The administration and implementation of the Plan, including the preparation and execution of any documents implementing it, shall be performed by the Authority.

1.2 Blight Findings

Under the Act, an urban renewal area is a blighted area, which has been designated as appropriate for an urban renewal project. In each urban renewal area, conditions of blight, as defined by the Act, must be present, and in order for the Authority to exercise its powers, the City Council must find that the presence of those conditions of blight, “substantially impairs or arrests the sound growth of the municipality or constitutes an economic or social liability, and is a menace to the public health, safety, morals or welfare.”

The Vineyard Property Conditions Survey, surveyed and submitted by Ricker/Cunningham, dated December, 2010, which is attached hereto and made a part of this Plan as **Attachment 1** (the “**Survey**”), demonstrates that the Vineyard Property Conditions Survey Area (“**Study Area**”), as defined in the Survey, is a blighted area under the Act.

1.3 Other Findings

The Area is appropriate for one or more urban renewal activities and undertakings authorized by the Act to be advanced by the Authority.

It is the intent of the City Council in adopting the Plan that the Authority exercise all powers authorized in the Act which are necessary, convenient or appropriate to accomplish the objectives stated herein. Further, it is the intent of the Plan that the Authority exercise all such powers as may now be possessed or hereafter granted for the elimination of qualifying conditions in the Area.

The powers conferred by the Act are for uses and purposes for which public money may be expended and police powers exercised. The Plan is in the public interest and necessity -- such finding being a matter of legislative determination by the City Council.

1.4 Urban Renewal Area Boundaries

The proposed Vineyard Property Urban Renewal Area (the “**Urban Renewal Area**” or the “**Area**”) includes all properties within the City limits as delineated in **Figure No. 1** below and described in the legal description presented in the **Appendix**. The boundaries of the Area include approximately 109 acres of land generally defined to include 4 legal parcels plus public rights-of-way. Geographically, it is situated immediately east of Interstate 25 (I-25), west of Fountain Creek, north of Spring Run (irrigation canal), and south of El Pomar Youth Sports Complex in southern Colorado Springs. As per the Statute, the

legal description presented in the Appendix controls the boundary description in case of any conflict.

Figure No. 1:



1.5 No Agricultural Land

The El Paso County Assessor has confirmed that no property within the boundaries of the Urban Renewal Area has been classified by the Assessor as “agricultural land” for purposes of the levy and collection of property tax pursuant to Sections 39-1-102(1.6)(a) and 39-1-103(5)(a), C.R.S., at any time during the five-year period prior to the date of this Plan.

2.0 Definitions

Act – means the Urban Renewal Law of the State of Colorado, Part 1 of Article 25 of Title 31, Colorado Revised Statutes, as amended.

Area or Urban Renewal Area – means the Vineyard Property Urban Renewal Area as depicted in **Figure 1** and legally described in **Appendix I**.

Authority – means the Colorado Springs Urban Renewal Authority.

City Council – means the City Council of the City of Colorado Springs.

Comprehensive Plan – the City of Colorado Springs Comprehensive Plan 2001 (the “Comprehensive Plan”).

Cooperation Agreement – means any agreement between the Authority and City, or any public body (the term “public body” being used in the Plan as defined by the Act) respecting action to be taken pursuant to any of the powers set forth in the Act or in any other provision of Colorado law, for the purpose of facilitating public undertakings deemed necessary or appropriate by the Authority under the Plan.

C.R.S. – means the Colorado Revised Statutes, as amended from time to time.

Impact Report – means the Vineyard Property El Paso County Impact Report prepared by Ricker|Cunningham, dated January, 2011, attached hereto as **Attachment 2** and incorporated herein by this reference.

Plan or Urban Renewal Plan – means this Vineyard Property Urban Renewal Plan.

Property Tax Increment Revenue – means the property tax increment revenue allocated to the Authority as defined in Sections 6.7 and 7.3 of the Plan.

Redevelopment / Development Agreement – means one or more agreements between the Authority and developer(s) and / or property owners or such other individuals or

entities as may be determined by the Authority to be necessary or desirable to carry out the purposes of the Plan.

Sales Tax Increment Revenue - means the sales tax increment revenue allocated to the Authority as defined in Sections 6.7 and 7.3 of the Plan.

Study Area – means the geographic territory defined for the Survey, the boundaries of which are coterminous with the Area boundaries.

Survey – means the Vineyard Property Conditions Survey, prepared by RickerCunningham, dated January, 2010, attached hereto as **Attachment 1** and incorporated herein by this reference.

3.0 Purpose of the Plan

The purpose of this Plan is to reduce, eliminate and prevent the spread of blight within the Area and to stimulate growth and investment within the Area boundaries. To accomplish this purpose, the Plan promotes local objectives expressed in adopted community plans with respect to appropriate land uses, private investment and public improvements, provided that the delineation of such objectives shall not be construed to require that any particular project necessarily promote all such objectives.

Specifically, the Vineyard Property Urban Renewal Plan seeks to advance the vision and priorities of the City of Colorado Springs Comprehensive Plan 2001. This Plan has been prepared to bring economic vitality to this southern gateway to the City.

The principal goal of the urban renewal effort, as required by the Act, is to afford maximum opportunity, consistent with the sound needs of the City as a whole and to develop and rehabilitate the Area by private enterprise. The development of properties within the Area will be accomplished through the improvement of existing and construction of new, structures and infrastructure, and attraction of investment in the Area through the involvement of the Authority and City with participation and

cooperation by Colorado Springs Utilities, University of Colorado at Colorado Springs and Colorado Springs Regional Economic Development Corporation.

3.1 Development and Design Objectives

All development in the Area shall conform to the Zoning Code and any site-specific zoning regulations or policies which might impact properties, all as in effect and as may be amended from time to time. While the Act authorizes the Authority to undertake zoning and planning activities to regulate land use, maximum densities, and building requirements in the Area, the City will regulate land use and building requirements through existing municipal codes and ordinances.

General development objectives for the Urban Renewal Area include development of properties in the Area by private enterprise to eliminate the conditions listed in the Survey and to provide public improvements that provide a community benefit.

Specific objectives include the following:

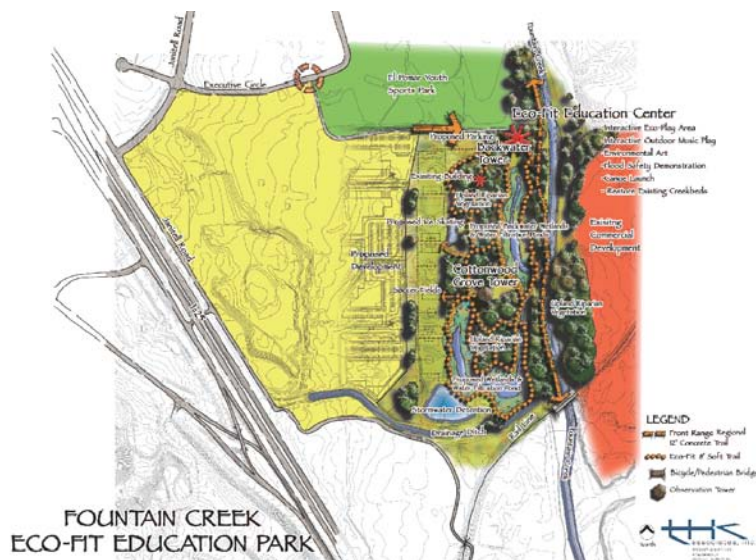
1. Eliminate and prevent blight
2. Implement elements of the City of Colorado Springs Comprehensive Plan
3. Stimulate development in the Urban Renewal Area
4. Improve conditions on properties in a manner that raises the standard of development in this portion of the City
5. Advance a “green” building and sustainability model
6. Enhance the public realm with intersection enhancements, lighting, sidewalks and complete streets
7. Dedicate open space for regional park improvements
8. Provide a range of financing mechanisms for public improvements
9. Facilitate public-private and public-public partnerships

3.2 Project Vision

The vision for the Vineyard property is “to develop one of the nation’s only sustainable data center / industrial campuses which leverages the broad resources of the community to provide an environment that is sustainable, resilient and economically efficient enough to brand Colorado Springs on a national level.”

3.2.1 Urban Renewal Area Illustrations (Figures 2a and 2b)

An illustration of the concept for the Area is presented as **Figures No. 2a and 2b** below.



4.0 Blight Conditions

Before an urban renewal plan can be adopted by the City, the Area must be determined to be a “blighted area” as defined in Section 31-25-103(2) of the Act, which provides that, in its present condition and use, the presence of at least four of the following factors (see below) in the Area, substantially impairs or arrests the sound growth of the municipality, 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:

- (a) Slum, deteriorated, or deteriorating 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) Unusual topography or inadequate public improvements or utilities;
- (g) Defective or unusual conditions of title rendering the title nonmarketable;
- (h) The existence of conditions that endanger life or property by fire or other causes;
- (i) 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;
- (j) Environmental contamination of buildings or property;
- (k.5) 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;
- (l) If there is no objection by the property owner or owners and the tenant or tenants of such owner or owners, if any, to the inclusion of such property in an urban renewal area, “blighted area” also means an area that, in its present conditions and use and, by reason of the presences of any one of the factors specified in paragraphs (a) to (k.5) of Section 31-25-103(2), substantially impairs or arrests the sound growth of the municipality, 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.

The general methodology for conducting the Survey is to: (i) define the Study Area; (ii) gather information about properties, infrastructure and other improvements within the Area; (iii) evaluate evidence of blight through field reconnaissance, review of aerial

photography, discussions with representatives of various City departments, etc., and,
(iv) record observed and documented conditions as per the Statute.

Among the 11 qualifying factors identified in the Act, the Survey identified the presence of the following nine blight factors in the Study Area:

- (a) Slum, deteriorated, or deteriorating 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) Unusual topography or inadequate public improvements or utilities;
- (h) The existence of conditions that endanger life or property by fire or other causes;
- (i) 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;
- (k.5) 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.

Condition, (g) of Section 31-25-103(2), defective or unusual conditions of title rendering the title non-marketable, was not investigated. Despite the presence of nine factors, as explained in item (l) below, only one factor need be present when “there is no objection by the property owner or owners and the tenant or tenants of such owner or owners, if any, to the inclusion of such property in an urban renewal area.” In this instance, all parcels within the Area are owned by Vineyard Properties LLC and that entity does not oppose the creation of, or inclusion in, this urban renewal area.

- (l) If there is no objection by the property owner or owners and the tenant or tenants of such owner or owners, if any, to the inclusion of such property in an urban renewal area, “blighted area” also means an area that, in its present conditions and use and, by reason of the presences of any one of the factors specified in paragraphs (a) to (k.5) of Section 31-25-103(2), substantially impairs or arrests the sound growth of the municipality, 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.

5.0 Plan's Relationship to Local Objectives and Appropriate Land Uses

5.1 General Description

Implementation of this Urban Renewal Plan supports the objectives and requirements of the City of Colorado Springs Comprehensive Plan 2001 with respect to development and redevelopment. As development occurs in the Area, it shall conform to the Comprehensive Plan and any subsequent updates, the City Building and Zoning Code and any rules, regulations, and policies promulgated pursuant thereto, any site-specific planning documents that might impact properties in the Area including, but not limited to, City-approved site, drainage, and public improvement plans, and any applicable City design standards, all as in effect and as may be amended from time to time.

Existing conditions present within the Area will be remedied by the proposed Plan, but will need to first be identified as a priority public investment item by the Authority in consultation with the City and community. Improvements will be phased as the market allows and funded in part by tax increment revenues as authorized by the Act.

5.2 Relationship to Colorado Springs Comprehensive Plan

A general plan for the City, known as the City of Colorado Springs Comprehensive Plan, was adopted in 2001. The Authority, with the cooperation of the City, private enterprise and other public bodies, will undertake projects and activities described in this Plan in order to eliminate the conditions of blight identified herein while implementing the goals and objectives of the 2001 Comprehensive Plan and any subsequent updates. Specific elements of the City of Colorado Springs Comprehensive Plan 2001 which this Plan advances, include the following (taken verbatim).

City of Colorado Springs Comprehensive Plan 2001

Introduction

Our Community Envisions a Colorado Springs ...

- That successfully integrates the uses and activities that meet the daily needs of residents, including housing, shops, work places, schools, parks and civic facilities;
- That is equitable and fiscally responsible in providing, maintaining and upgrading public services and infrastructure; and
- That supports the economic health of the community by maintaining a strong environment for business and education.

Chapter 4 – Community Infrastructure Services

Infrastructure Services

Policy CIS 101: Coordinate New Development with Long Range Infrastructure and Service Plans

Ensure that new development occurs in a manner consistent with the Strategic Network of Long Range Plans identifying infrastructure and service needs for public works, parks, police and fire services.

Policy CIS 102: Use Master Plans and Strategic Planning for Making Infrastructure and Service Decisions

Master plans for developing areas are the basis for making decisions about the delivery and timing of new infrastructure and services in a manner consistent with the 2020 Land Use Map and the Strategic Network of Long Range Plans.

Policy CIS 103: New Development Will Pay its Fair Share of the Cost of Additional Infrastructure and Services

Ensure that new development pays its proportional fair share of the costs of new infrastructure and services required to serve the new development.

Parks and Recreation

Objective CIS 3: Provide Geographically Balanced Parks and Recreational Facilities

Balance the provision of parks and recreational facilities to serve all citizens of the community. Pay special attention to the geographical distribution of the system, balance of older vs. newer developments, and ease of access, consistent with the 2000-2010 Parks, Recreation and Trails Master Plan.

Policy CIS 301: Provide a Balanced System of Parkland and Recreational Facilities

Provide parkland and recreational facilities and services that meet the needs of all citizens of the community, and ensure that future demands are met through development of new facilities / services and upgrading or reconstruction of existing facilities.

Strategy CIS 301a: Develop an Integrated Parks System

Provide a structure of parklands and natural system that are conveniently located to potential users and are interconnected by urban trails.

Strategy CIS 301c: Convenient Location

Locate neighborhood parks within walking distance (approximately ½ mile) of the neighborhoods they are intended to serve and locate community parks within two miles of the residential areas they are intended to serve.

Stormwater Management

Objective CIS 4: Protect Drainageways

An important element of the City's public safety and quality of life is a system of drainageways. A major concern is that the public safety and quality of drainageways need to be maintained or improved as adjacent areas are developed. There is a need to protect the drainageways as amenities and a significant natural resource for people and wildlife, and that public safety aspects are addressed.

Policy CIS 401: Plan and Construct Drainageways as Amenities

Plan and construct drainageways as amenities to the City by incorporating a comprehensive system of detention ponds in conjunction with "soft linings" or natural drainageways as the preferred method of treatment whenever possible.

Strategy CIS 401b: Drainage Ways Will be Planned as Urban Trail Corridors

When possible, plan drainageways as urban trail corridors for multiple uses including conveyance of runoff, utilities, access roads, trails, wetlands, wildlife, trees, vegetation and recreational uses.

Utilities Services

Objective CIS 5: Coordinate Delivery of Utility Services

An important element of the City's quality of life and economic viability is the provision of efficiently managed, cost competitive, safe and reliable electric, gas, water, and wastewater utility services. The Utilities Board has adopted policy direction for Colorado Springs Utilities addressing the planning and provision of services. Colorado Springs Utilities Board policies provide continuing guidance in fulfilling its obligation to serve within the context of the City's Comprehensive Plan.

Policy CIS 501: Coordination of Utility Infrastructure

Coordinate the planning and provision of services provided by the City and Colorado Springs Utilities to ensure efficient delivery.

Strategy CIS 501a: Coordinate the Planning and Provision of Services

Colorado Springs Utilities will identify, coordinate, and plan for utility resource and utility infrastructure service to customers within the City and Colorado Springs Utilities service areas.

Chapter 5 – Natural Environment

Open Space

Policy NE 101: Implement the City's Open Space Plan

Implement the Open Space System based on the opportunity presented by the physical landscape and conservation of important natural resources. Base the desired amount of open space on resource preservation and the conservation of natural systems, rather than in terms of acreage per capita.

Strategy NE 101c: Open Space Conservation

Develop incentives and options for property owners who contribute land to the open space system, consistent with the Open Space Plan.

Strategy NE 101d: Use Master Plans to Refine Open Space

Use individual master plans to identify and conserve significant natural features, natural areas, and greenways in individual master plans that are generally consistent with the Open Space Plan, the Comprehensive Plan policies and the 2020 Land Use Map. Update individual master plans with City and property owner coordination.

Policy NE 102: Preserve Open Space Areas That Provide Multiple Benefits

Provide multiple benefits on open space lands whenever possible, including habitat, recreational opportunities, urban separators, and preservation of view corridors. Utilize utility corridors for secondary open space functions.

Strategy NE 102b: Identify Lands That Could Serve as Urban Separators

Identify strategic lands that provide the City with a well-defined edge, direct growth and preserve community character for public ownership or other land conservation measures.

Natural Features

Strategy NE 201b: Incorporate Natural Features into Design of All Development
Preserve and incorporate significant natural features into the design of new development by using innovative planning, design and best management practices. Assist such efforts by private landowners and organizations to incorporate natural features into all development and to protect, restore, or enhance privately owned natural features.

Strategy NE 201d: Development in Sensitive Areas

Recognize and avoid, whenever possible, adverse impact to significant natural features in the placement of infrastructure. If this is not possible, site facilities to minimize their impact and minimize restoration of disturbed areas. Revise subdivision and development standards to provide greater flexibility in the placement of infrastructure in and around natural features and transfer of density outside such areas. Include a protection, maintenance and mitigation plan in all proposals for development on sites containing significant natural features.

Policy NE 202: Protect and Restore Natural Ecosystems and Habitat

Protect natural ecosystems and habitat from the adverse impacts of urbanization and land use, fostering their continued beneficial functions. Preserve, protect and enhance the hydrologic, ecological, and aesthetic functions of riparian areas, natural water bodies and drainage systems. Preserve, protect and enhance the interface between wildlands and urban development for resource and public safety protection.

Strategy NE 202c: Drainage Way Protection

Protect riparian areas and natural water bodies on public and private lands as natural drainage ways and ecosystems through land use plans, development plans, best management practices and ordinances. Update Drainage Basin Planning Studies and the development review process to require mitigation plans for development or modifications to existing utilities on land with natural drainage ways.

Strategy NE 202d: Natural Ecosystem and Drainage Way Restoration

Promote the restoration of significant natural ecosystems, habitats for native plant and animal species, natural water bodies and drainageways on public lands, and require protection and mitigation plans for private lands during the development review process.

Natural Resource and Environmental Concerns

Policy NE 406: Promote Energy Efficiency and Use of Renewable Resources

Strategy NE 406a: Encourage Renewable Energy

Encourage the use of solar energy and other renewable resources in all types of development and consider such resources in the layout and construction of new development.

Strategy NE 406c: Recycle Waste Materials

Work closely with El Paso County to reduce the amount of landfill needed to dispose of solid waste by recycling and reusing waste materials, and by educating the public about the importance of recycling efforts. Provide recycling opportunities at all staffed or publicly-accessible City-owned or operated facilities.

Chapter 6 – Community Character / Appearance

Streets

Policy CCA 202: Improve Major Transportation Corridors

Major transportation corridors will be designed or redeveloped to enhance the appearance of the community, support multi-modal use, and create continuity in the relationship of land uses to public right-of-ways.

Unique Areas

Objective CCA 3: Improve the Character of Individual Areas and Elements of the City

Colorado Springs is made up of individual and unique areas and elements that contribute to the overall character and identity of the City. The man-made counterpart to the City's natural setting is its historic character and legacy. This legacy is continually evolving and being created anew in the City's diverse areas. It is important that the appearance and character of these individual areas, old and new, are preserved and enhanced in order to maintain their individuality and to ensure the overall character of the City is upheld. Defining and improving the image of individual areas and elements will enhance the City's overall character and appearance and reinforce its unique identity.

Policy CCA 301: Foster the Character of Individual Areas and Elements within the Community

The City will help to define and foster the unique character, image, and identity of individual areas and elements within the community.

Chapter 7 – Land Use Map

Land Use Designations

Policy LUM 207: Employment Center

Utilize the Employment Center designation for major concentrations of employment, including existing corporate campuses and industrial areas. For new centers, promote excellence in the design and planning of buildings, outdoor spaces, and transportation facilities; and support the vitality and quality of life in adjacent residential neighborhoods. Integrate mobility choices by

providing transit, pedestrian and bicycle connectivity within the center, as well as to adjoining areas.

Strategy LUM 207a: Employment Center Characteristics

Designate sites with direct access to existing or planned major transportation facilities and compatibility with adjacent land uses. Generally, employment centers are located along major roads, or in close proximity to limited access freeways and Interstate 25.

Strategy LUM 207b: Employment Center Primary Uses

Identify primary uses as research and development, major service and office center complexes, as well as warehousing and industrial uses and major educational facilities.

5.3 Relationship to Other Applicable Community Plans

Implementation of this Urban Renewal Plan will be consistent with the development objectives expressed in all community adopted and accepted plans.

6.0 Authorized Urban Renewal Undertakings and Activities

The Act allows for a wide range of activities to be used in the implementation of an urban renewal plan. In the case of this Plan, it is the Authority's intent to provide incentives to stimulate private investment in cooperation with property owners and other affected parties in order to accomplish its objectives. Public-private partnerships and other forms of cooperative development will be key to the Authority's strategy for preventing the spread of blight and eliminating existing blight conditions.

6.1 Public Improvements and Facilities

The Authority may undertake certain actions to make the Area more attractive for private investment. The Authority may, or cooperate with others to, install, construct, and reconstruct any public improvements. Additionally, the

Authority may, or cooperate with others to, demolish and clear buildings and existing improvements for the purpose of promoting the objectives of the Plan and the Act.

Public projects are intended to stimulate (directly and indirectly) private sector investment in and around the Area. It is the intent of this Plan that the combination of public and private investment that may be necessary to advance the vision stated herein will assist in the investment and reinvestment of the Area and thereby contribute to the overall economic well-being of the community.

As described in **Section 4.0** of this Plan, nine qualifying conditions of blight, as defined in Section 31-25-103(2) of the Act, are evident in the Area. This Plan proposes addressing each of these conditions through potential completion of the following improvements and facilities:

- (a) Slum, deteriorated, or deteriorating structures – removal of deteriorating structures and ground fuel storage tanks;
- (b) Predominance of defective or inadequate street layout – enhanced access to the site including improvements to the Circle Drive and Janitel intersection necessitated by future traffic generation (likely to occur in a later phase and only when traffic counts reach a specified threshold); internal roadway improvements; and, wayfinding throughout the area;
- (c) Faulty lot layout in relation to size, adequacy, accessibility, or usefulness – see (b) above;
- (d) Unsanitary or unsafe conditions – formal gateway improvements and protections between the subject and adjacent properties; incorporation of lighting and pedestrian improvements; fill to elevate building pads out

of the flood zone; and, enhancements in transition areas between the existing flood hazard zone and dedicated open space;

- (e) Deterioration of site or other improvements – overall site improvements including the removal of equipment and debris that currently present unsafe conditions;
- (f) Unusual topography or inadequate public improvements or utilities – undergrounding of utilities; enlarged water lines; new storm drainage and sanitary sewer systems; and, grading and earthwork to correct topographical problems;
- (h) The existence of conditions that endanger life or property by fire or other causes – while the existing structures on the property will be demolished as part of the proposed development program, sprinklering these buildings would not make sense; however, improvements associated with consistent elevation of the site above the 100 year flood hazard zone;
- (i) 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 – see (a) above;
- (k.5) 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 – eliminate / minimize crime on the site with planned improvements; and, environmentally-conscious design of building and site hard and soft improvements.

6.2 Other Improvements and Facilities

There could be other non-public improvements in the Area that may be required to accommodate development and redevelopment. The Authority may assist in the financing or construction of these improvements to the extent authorized by the Act.

6.3 Development Opportunities

It is anticipated that the development interest for the data center park will be responsible for physical implementation of this Plan including land assembly, demolition and new construction. The aggregate impact of potential investment within the Area is reflected in the Impact Report in **Attachment 2**.

Note: The following sections are subject to conditions set forth in the redevelopment agreement to be negotiated between the developer and the Authority.

6.4 Development Standards

All development in the Area shall conform to applicable rules, regulations, policies and other requirements and standards of the City and any other governmental entity which has jurisdiction over all or any portion of the Area. In addition, all building designs and site improvements will be subject to review by the Authority.

In conformance with the Act and the Plan, the Authority may adopt design standards and other requirements applicable to projects undertaken by the Authority in the Area. Unless otherwise approved by City Council, any such standards and requirements adopted by the Authority shall be consistent with all other City zoning and development policies and regulations.

6.5 Variations in the Plan

The Authority may propose, and the City Council may make, such modifications to this Urban Renewal Plan as may be necessary provided they are consistent with the City of Colorado Springs Comprehensive Plan 2001 and any subsequent updates, as well as the Act, or such amendments made in accordance with this Plan and as otherwise contemplated by this Plan.

The Authority may, in specific cases, allow non-substantive variations from the provisions of this Plan if it determines that a literal enforcement of the provision would constitute an unreasonable limitation beyond the intent and purpose stated herein.

6.6 Urban Renewal Plan Review Process

The review process for the Plan is intended to provide a mechanism to allow those parties responsible for implementing key projects to periodically evaluate its effectiveness and make adjustments to ensure efficiency in implementing the recommended activities.

The following steps are intended to serve as a guide for future Plan review:

- (a) The Authority may propose modifications, and the City Council may make such modifications as may be necessary provided they are consistent with the City of Colorado Springs Comprehensive Plan 2001 and any subsequent updates, as well as the Act.
- (b) Modifications may be developed from suggestions by the Authority, property and business owners, and City staff operating in support of the Authority and advancement of this Plan.
- (c) A series of joint workshops may be held by and between the Authority and property and business owners to direct and review the development of Plan modifications.

6.7 Project Financing and Creation of Tax Increment Areas

While projects within the Area are planned to be primarily privately financed, it is the intent of the City Council in approving this Urban Renewal Plan to authorize the use of tax increment financing by the Authority to assist with the development of these projects. Urban renewal authorities in Colorado are authorized by statute (C.R.S. 31-25-105) to borrow money and accept advances, loans, grants and contributions from public or private sources, and to issue bonds to finance their activities or operations. In practice, an accepted method for financing urban renewal projects is to utilize incremental property (real and personal) tax and / or municipal sales tax revenues (if authorized by City Council in accordance with Section 7.3) attributable to redevelopment in the Area to pay the principal of, the interest on, and any premiums due in connection with the bonds of, loans or advances to, or indebtedness incurred by the Authority. The boundaries of the Urban Renewal Area shall be as set forth in Appendix I. As more fully set forth herein this Section 6.7 and in Section 7.3, it is the intent of city Council in approving this Plan to authorize the use of tax increment financing by the Authority as part of its efforts to undertake and advance the Plan.

6.8 Property Acquisition and Land Assemblage

The Authority may acquire property by negotiation or any other method authorized by the Act, except that any proposal to acquire property under the power of eminent domain must first be approved by the City Council in accordance with the requirements of law, including the Act. The Authority may temporarily operate, manage and maintain property acquired in the Area. Such property shall be under the management and control of the Authority and may be rented or leased pending its disposition for redevelopment.

6.9 Relocation Assistance

It is not anticipated that acquisition of real property by the Authority will result in the relocation of any individuals, families, or business concerns. However, if such relocation becomes necessary, the Authority will adopt a relocation plan in conformance with the Act.

6.10 Demolition, Clearance, Environmental Remediation, and Site Prep

In carrying out this Plan, it is anticipated that the Authority may, on a case-by-case basis, elect to demolish or to cooperate with others to clear buildings, structures and other improvements. Additionally, development activities consistent with this Plan, including but not limited to Development or Cooperation Agreements, may require such demolition and clearance to eliminate unhealthy, unsanitary, and unsafe conditions, eliminate obsolete and other uses detrimental to the public welfare, and otherwise remove and prevent the spread of deterioration.

With respect to property acquired by the Authority, it may demolish and clear, or contract to demolish and clear, those buildings, structures and other improvements pursuant to this Plan, if in the judgment of the Authority, such buildings, structures and other improvements are not to be rehabilitated in accordance with this Plan. The Authority may also undertake such additional site preparation activities as it deems necessary to facilitate the disposition and development of such property.

6.11 Property Disposition

The Authority may sell, lease, or otherwise transfer real property or any interest in real property subject to covenants, conditions and restrictions, including architectural and design controls, time restrictions on development, and building requirements, as it deems necessary to develop such property. Real

property or interests in real property may be sold, leased or otherwise transferred for uses in accordance with the Act and this Plan. All property and interest in real estate acquired by the Authority in the Area that is not dedicated or transferred to public entities, shall be sold or otherwise disposed of for redevelopment in accordance with the provision of this Plan and the Act.

6.12 Redevelopment and Rehabilitation Actions

Development and redevelopment actions within the Area may include such undertakings and activities as are in accordance with this Plan and the Act, including without limitation: demolition and removal of buildings and improvements; installation, construction and reconstruction of public improvements; elimination of unhealthful, unsanitary or unsafe conditions; elimination of obsolete or other uses detrimental to the public welfare; prevention of the spread of deterioration; and, provision of land for needed public facilities. The Authority may enter into Cooperation Agreements and Redevelopment /Development Agreements to provide assistance or undertake all other actions authorized by the Act or other applicable law to develop and redevelop the Area.

6.13 Redevelopment / Development Agreements

The Authority is authorized to enter into Redevelopment/Development Agreements or other contracts with developer(s) or property owners or such other individuals or entities as are determined by the Authority to be necessary or desirable to carry out the purposes of this Plan. Such Redevelopment/ Development Agreements, or other contracts, may contain such terms and provisions as shall be deemed necessary or appropriate by the Authority for the purpose of undertaking the activities contemplated by this Plan and the Act, and may further provide for such undertakings by the Authority, including

financial assistance, as may be necessary for the achievement of the objectives of this Plan or as may otherwise be authorized by the Act.

Existing agreements between the City and private parties that are consistent with this Plan are intended to remain in full force and effect, unless all parties to such agreements agree otherwise.

6.14 Cooperation Agreements

For the purpose of this Plan, the Authority may enter into one or more Cooperation Agreements pursuant to the Act. The City and Authority recognize the need to cooperate in the implementation of this Plan and, as such, Cooperation Agreements may include, without limitation, agreements regarding the planning or implementation of this Plan and its projects, as well as programs, public works operations, or activities which the Authority, the City or such other public body is otherwise empowered to undertake and including without limitation, agreements respecting the financing, installation, construction and reconstruction of public improvements, utility line relocation, storm water detention, environmental remediation, landscaping and/or other eligible improvements. This paragraph shall not be construed to require any particular form of cooperation.

7.0 Project Financing

7.1 Public Investment Objective

It is the intent of the Plan that the public sector plays a significant role in urban renewal efforts as a strategic partner. However, experience has proven that a critical component to the success of any urban renewal strategy is participation by both the public and private sectors. Leveraging of resources will be key as no one entity, either public or private, has sufficient resources alone to sustain a long-term improvement effort. Typical public infrastructure investments may

include, but are not limited to: unifying streetscape elements; improving access and circulation; improving streets and public spaces; providing for infrastructure improvements; completing roads and utilities; and, creating special districts or other financing mechanisms.

7.2 Authorization

The Authority may finance undertakings pursuant to this Plan by any method authorized under the Act or any other applicable law, including without limitation: issuance of notes, bonds and other obligations as defined in the Act in an amount sufficient to finance all or part of this Plan; borrowing of funds and creation of indebtedness; reimbursement agreements; and / or utilization of the following: federal or state loans or grants; interest income; annual appropriation agreements; agreements with public or private entities; and, loans, advances and grants from any other available sources. The principal, interest, costs and fees on any indebtedness are to be paid for with any lawfully available funds of the Authority.

Bonds may include refunding bonds, notes, interim certificates or receipts, temporary bonds, certificates of indebtedness, reimbursement agreements, or any other debt obligation lawfully created.

7.3 Tax Increment Financing

Activities may be financed by the Authority under the tax increment financing provisions of the Act. Such tax incremental revenues may be used for a period not to exceed the statutory requirement, which is presently twenty-five years after the effective date of adoption of this Plan.

7.3.1 Special Fund

The Authority shall establish a tax increment revenue fund for the deposit of all funds generated pursuant to the division of ad valorem property and, if authorized by City Council, municipal sales tax revenue described in this section.

7.3.2 Base Amount

That portion of the taxes which are produced by the levy at the rate fixed each year by or for each public body upon the valuation for assessment of taxable property in the Urban Renewal Area last certified prior to the effective date of approval of the Plan, or as an area added to the Urban Renewal Area, the effective date of modification of the Plan, or that portion of municipal sales taxes collected within the boundaries of the Urban Renewal Area in the twelve-month period ending on the last day of the month prior to the effective date of approval of the Plan, or both such portions, shall be paid into the funds of each such public body as all other taxes collected by or for said public body.

7.3.3 Increment Amount

That portion of said property taxes or, pursuant to written agreement with the City, all or a portion of said sales taxes, or both, in excess of such base amount shall be allocated to and, when collected paid into the tax increment revenue fund to pay the principal of, the interest on, and any other premiums due in connection with the bonds of, loans or advances to or indebtedness incurred by, whether funded, refunded,

assumed, or otherwise, the Authority for financing or refinancing, in whole or in part, the Urban Renewal Project, or to make payments authorized by the Act. Any excess municipal sales tax collections not allocated pursuant to this subparagraph shall be paid into the funds of the municipality. Unless and until the total valuation for assessment of the taxable property in the Urban Renewal Area exceeds the base valuation for assessment of the taxable property in the Urban Renewal Area, all of the taxes levied upon taxable property in the Urban Renewal Area shall be paid into the funds of the respective public bodies. Unless and until the total municipal sales tax collections in the Urban Renewal Area exceed the base year municipal sales tax collections in the Urban Renewal Area, all such sales tax collections shall be paid into the funds of the municipality. When such bonds, loans, advances and indebtedness, including interest thereon and any premiums due in connection therewith, have been paid, all taxes upon the taxable property or the total municipal sales tax collections, or both, in the Urban Renewal Area shall be paid into the funds of the respective public bodies.

The increment portion of the taxes, as described in this subsection 7.3.3, may be irrevocably pledged by the Authority for the payment of the principal of, the interest on, and any premiums due in connection with such bonds, loans, advances and indebtedness incurred by the Authority to finance the Urban Renewal Project (as defined in the Act); provided, however, such pledge shall not extend to any taxes that are placed in a reserve fund to be returned to El Paso County for overpayments by taxpayers or any offsets collected by the County Treasurer for return of overpayments or any reserve funds reserved by the Authority for such purposes in accordance with Section 31-25-107(9)(a)(III) and (b), C.R.S.. The Authority shall set aside and reserve a

reasonable amount as determined by the Authority of all incremental taxes paid to the Authority for payment of expenses associated with administering the Plan.

This Plan anticipates that the primary source of revenue for eligible projects in the Area will be property tax increments (real and personal) largely because the current development program does not include any retail sales generating uses. In the event that the program changes and the need to use municipal sales tax increments arises, the Authority will prepare, in cooperation with the applicant, a financing plan outlining the proposed amounts and purposes for which the municipal sales tax increments are to be used. This financing plan will be submitted to the Colorado Springs City Council for consideration. Upon City Council approval, the municipal sales tax increment will be allocated and distributed in accordance with the municipal tax increment financing provisions of this Plan and Section 31-25-107 (9), C.R.S..

7.4 Other Financing Mechanisms and Structures

The Plan is designed to provide for the use of tax increment financing as one tool to facilitate investment and reinvestment within the Area. However, in addition to tax increment financing, the Authority shall be authorized to finance implementation of the Plan by any method authorized by the Act. The Authority is committed to making a variety of strategies and mechanisms available which are financial, physical, market and organizational in nature. It is the intent of this Plan to use the tools either independently or in various combinations. Given the obstacles associated with redevelopment, the Authority recognizes that it is imperative that solutions and resources be put in place which are comprehensive, flexible and creative.

8.0 Severability

If any portion of the Plan is held to be invalid or unenforceable, such invalidity will not affect the remaining portions of the Plan.

Vineyard Property

Urban Renewal Plan

City of Colorado Springs, Colorado

Appendix I:

Urban Renewal Legal Description