



## **CURA TAX INCREMENT FINANCING (TIF) AWARD POLICY**

### **BACKGROUND**

To encourage and support revitalization of blighted areas, the City of Craig has created two Urban Renewal Areas: Urban Renewal Area #1 and Area Urban Renewal #2, within Moffat County. (Please see the maps of both areas on page 5). The goal is to fund projects that either renovate existing buildings or support new construction or otherwise remediate and prevent blighted conditions through Tax Increment Financing (TIF) funds. TIF is used to help leverage public and private financing to complete projects within the designated areas, which otherwise could not be accomplished without the assistance of these funds. For more information, contact Shannon Scott in the Economic Development Department at 970-826-2020.

TIF funding is part of an overall strategy to stimulate private sector investment in the Urban Renewal Areas within the City of Craig and Moffat County.

### **ELIGIBILITY**

1. Must fall within the Urban Renewal Area #1 or the Urban Renewal Area #2. (Please see the maps of both areas on page 5).
2. The *Project Criteria* listed below will be considered when making grants but precise compliance with all factors is not a prerequisite.
3. The request for funding must be composed of one or more of the eligible *TIF Award Types* listed on page 2.

### **PROJECT CRITERIA**

Does the Project:

- Eliminate blighted conditions in the area?
- Increase employment opportunities?
- Encourage the development of affordable housing?
- Strengthen the focus area's identity?
- Support the goals of making the area a cultural, leisure and tourist destination?
- Encourage the renovation of existing, historical structures?
- Remediate environmental deficiencies or enhance public safety?

- Construct new local or regional infrastructure?
- Encourage and promote development along current and proposed rail corridors?
- Promote mixed-use development?
- Implement environmentally friendly features, such as green building materials, rainwater harvest, or low-energy heating and cooling?
- Enhance the current sales tax base and property tax base within Moffat County by stimulating the increases of assessed valuation and sales tax collections?
- Have the potential to encourage future development within the designated Areas?
- Remediate flood zones?

## TIF AWARD TYPES

- ***Façade Improvement***- As part of the funding package, CURA funds could cover a portion, or all of the costs involved in façade improvements on existing buildings which are part of approved projects.
- ***Infrastructure Improvements*** – Construction of new infrastructure, such as roads and utilities within the plan areas will be the responsibility of the developing party, although partial funding may be contributed by the City.
- ***Historic Preservation***- As part of the funding package, TIF funds could cover a portion, or all of the costs involved in the preservation, sustainability and conservation of historic buildings.
- ***Sales Tax***- As part of the funding package, a rebate of sales or use taxes paid to the City of Craig on locally- purchased construction materials used on an approved project.
- ***Development Fee Reductions***- As part of the funding package, TIF funds could cover City of Craig development fees including:
  - Preliminary Plat, Final Plat, Amended Plat and Replat application fees
  - Abandonment of public right-of-way application fees
  - Application fees for release of easements
  - Dedication of a public right-of-way or easement
  - Special Use, Conditional Use or Zone Change application fees and/or Building Permit fees
  - Off-site sign demolition permit fees
  - Permit fees for demolition of any non-historic building or structure
  - Architectural fees
  - Engineering fees
  - Water tap fees
  - Annexation fees

***Other Award Types*** – Other types of awards may be considered by the CURA Board so long as they fulfill the purposes of the Colorado Urban Renewal Law, the applicable Urban Renewal Plan, and a sufficient number of the Project Criteria listed above to demonstrate, to the CURA Board’s satisfaction, that the proposed award will accelerate the implementation of the applicable Urban Renewal Plan.

## **REQUIRED APPLICATION DOCUMENTS**

- A completed application
- A brief narrative illustrating how the project meets the *Project Criteria* outlined on page 1
- Current assessed value of the subject property
- The estimated duration of time to complete the URA project
- A substantiation of the need for funding requested via a proposed project budget (Worksheet A)
  - Budget must demonstrate that, but for the infusion of TIF funds, the project would not be feasible
- The annual estimated property tax increment (and, if applicable, sales tax increment) to be generated by the URA project
- Current photos
- Renderings/Elevation drawings of the proposed work (What the project will look like when complete)
- A completed W-9
- Information demonstrating the financial and managerial capacity and experience of the developer to execute the project
- Information indicating financial commitments of debt or equity to support the project

## **AWARD PROCESS**

A minimum of two actions by the CURA Board are required:

- Board review of Project
  - The applicant will present its project to the Board, along with staff's review and recommendation. The Board will make a determination of the project's suitability for TIF funding and direct staff to prepare and negotiate a draft TIF agreement.
- Board approval of TIF Agreement
  - Once the project has been authorized by the CURA Board, a TIF Agreement will be prepared outlining the Project requirements. At a minimum, TIF agreements will include:
    - Required Project Characteristics
    - Maximum TIF Funding Amount
    - Schedule of Performance
    - Penalties for Non-Performance

## **OTHER IMPORTANT INFORMATION**

- Applicants should anticipate one or more meetings with staff prior to the application's presentation to the CURA Board. Staff will notify applicants of missing information, or additional information which is required for staff's analysis prior to presentation to the CURA Board.

- The applicant must provide the total cost of the project and estimated return analysis via an overall scope and project budget (Worksheet A). The request for award funding should be composed of one or more of the eligible *TIF Award Types* and substantiated with a cost estimate, estimated budget, or other means of documentation. Additionally, the budget must demonstrate why, without the requested TIF funding, the project cannot be executed.
- The maximum request for TIF funding will be considered; however, the request may be denied for TIF funding, approved for partial funding, or approved for the full amount of TIF funding requested, based upon how well the proposed project meets the *Project Criteria* outlined on page 1, and the CURA Board’s analysis of the amount required to implement the project.
- All TIF Agreements must be signed and executed within 60 days of CURA Board approval or they must be re-approved by the CURA Board.
- In 2021, The City of Craig conducted the Tax Forecast and County Impact Reports which identified 3 areas of focus that the URA Area’s should support:

**URA AREA #1**

- Category A- COMMERCIAL
- Category B- RETAIL
- Category C – COMMERCIAL OFFICE

**URA AREA #2**

- Category A – MANUFACTURING
- Category B – INDUSTRIAL
- Category C - MIXED COMMERCIAL/RESIDENTIAL

**ZONING REQUIREMENTS**

Unless specifically exempted, all projects seeking CURA funding must meet current building standards, codes and permitting requirements as well as be current on all taxing obligations. All CURA awards are subject to TIF funding availability and final approval by the CURA Board.

