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From: Paul L. Cooke [plcooke@colofirechiefs.org]
Sent: Wednesday, February 03, 2010 10:41 AM
To: 'CSFCA Legislative Committee'
Cc: 'CSFCA Board of Directors'
Subject: HB 1107, Urban Renewal Area Ag Lands (Fischer)
Attachments: _Certification_.txt

CSFCA Legislative Committee,

House Bill 10-1107, Concerning Limitations on the Inclusion of Agricultural Lands within Urban Renewal Areas, was heard by House Agriculture, Livestock, & Natural Resources Committee yesterday (February 2, 2010). Note: The bill was rescheduled to yesterday to allow for a Joint House and Senate Agriculture Committee meeting today. The bill was amended and passed to the House Committee of the Whole for 2nd reading.

HB 10-1107 would prohibit the inclusion of agricultural lands within URAs with the following exceptions: (1) is a brownfield site; (2) is at least two-thirds contiguous to urban level development and one half of the area is urban level development; (3) is an enclave surrounded by urban level development; (4) there is agreement to inclusion by all affected taxing entities; or (5) it was included in URA as of effective date of bill. The bill also would replace the current agricultural assessed value of land for tax increment purposes to its market value, which would increase the TIF base.

The bill sponsor, Rep. Randy Fischer (D-Larimer) presented the bill, discussing the impacts created when agricultural lands are included in an Urban Renewal Area. He indicated that the bill was just as much about maintaining pristine agricultural areas as it is about addressing the impacts when URA and TIF are used to develop these areas. According to Rep. Fischer, the bill will also “level the playing field” between downtown areas that need redevelopment that can be more costly than building new developments on vacant land.

The Colorado State Fire Chiefs Association supports this bill as it begins to address one of the impacts of Tax Increment Financing on fire protection districts, but made clear that it did not represent an “end-all” solution. The CSFCA information sheet on this bill, that served as the basis of the Association’s testimony can be found at: http://www.colofirechiefs.org/10Legislature/Support_HB1107.pdf. The CSFCA also expressed support for the bill on behalf of the Special District’s Association (with their permission).

CML (Mark Radtke) testified in support of the bill, but indicated that CML would be seeking amendments to strike the provision that the valuation of ag land increases to the fair market value for determining the TIF base; that ag land can be included if jobs would be created; and that clarifies the provisions of the bill cannot be applied retroactively.

Michael Tedesco, Executive Director for the Pueblo Urban Renewal Authority and Larry Atencio, Pueblo City Council President testified in support of the bill, indicating that it was a reasonable approach. Both testified on the need to allow ag lands be included in URAs as they would not have been able to attract new industries, such as Vestas without this ability. They testified that they would like the bill amended to allow ag land to be included in a URA if but expressed the desire that the bill be amended to allow ag land to be included in URAs if it would result in the creation of primary jobs.

Rep. Fischer and other members of the committee questioned how you would define “primary jobs” and how you would determine if the URA was creating them (versus transferring jobs from a neighboring community).

Larimer County Commissioner Steve Johnson and Larimer County Manager Frank Lancaster both testified in support of the bill. Commissioner Johnson discussed the problems of including ag land in a URA and expressed that it stretches the URA statutes beyond their intent. He said that development of ag land is generally neither “urban” or “renewal”; it is

new development on vacant land. One issue raised by Commissioner Johnson is how long the land would have to be zoned as agricultural.

Others that testified in support of the bill were Mayor Doug Hutchinson of Fort Collins, Stephanie Thomas of the Colorado Environmental Coalition, and a representative of the Colorado Farm Bureau.

Carolynne White, an attorney with Brownstein Hyatt Farber Schreck, who represents a number of URAs, testified in opposition to the bill due to the chilling effect it would have on the creation of URA's. She expressed that the bill could be improved with some of the amendments that had been discussed.

Dick McLean, Mayor of the City of Brighton; Manuel Esquibel, City Manager; and a representative of the Brighton Chamber of Commerce all testified against the bill. Mayor McLean expressed that they would not have been able to bring Vestas to their community, with all the jobs they bring, if this law had been in place. He expressed that Brighton brought all affected taxing entities together to determine how to go forward with this URA and share revenue. Rep. Fischer indicated that reaching agreement with all taxing entities was one of the ways his bill would allow ag land be included in a URA.

The committee also heard from the bill drafter that the requirements of the bill would not apply retroactively to URAs that existed prior to enactment, unless the Urban Renewal plan is substantially modified.

An amendment to require agricultural land be assessed as such for five years before it has the ag designation for the purposes of inclusion in a URA was passed. Another amendment that deletes the requirement for cities to submit the URA plan to counties, in cases where the entity is a city and county, was also passed. An amendment that would have allowed ag land to be included in the URA when the only TIF revenue to be used is sales tax, failed.

The bill, as amended, was passed unanimously to the House Committee of the Whole, for 2nd reading. It is anticipated that an amendment to allow ag land to be included in URAs if it would result in the creation of primary jobs will be offered on 2nd reading. The preamended version of the bill will be posted when it is available.

For more information on the impacts of Tax Increment Financing on fire protection districts, see the CSFCA issue brief: http://www.colofirechiefs.org/10Legislature/Issue_Brief_URA_&_TIF_v4.pdf.

In other action at the Capitol yesterday, HB10-1018, Concerning Increased Authority to Regulate Waste Tires (Rep. Looper and Primavera, Sen. Gibbs) was heard by House Transportation and Energy Committee. The bill had significant amendments, including those proposed by the CSFCA, and the hearing lasted until 6 p.m. The bill, as amended, was ultimately passed unanimously to House Appropriations Committee. There will be more on this bill later.

Please watch the CSFCA legislative page at <http://www.colofirechiefs.org/legislative.htm> for updates and status sheets and let me or Steve Pischke, Legislative Committee Chair, know if you have any questions.

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