Proposed Preliminary Urban Renewal Area Boundary

Submitted by
The Elk Mountains Planning Group, Inc.
December 2, 2009
The City of Alamosa funded this study to determine if its commercial core area could qualify as an Urban Renewal Area as defined under CRS 31-25-103(2). It is intended only to determine preliminary boundaries for a URA and should not be considered an Urban Renewal Plan for the City of Alamosa. The proposed boundary is schematic and may or may not conform to actual lot lines.

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**Introduction and Background**

In the Spring of 2009, the City of Alamosa put out a request for proposals for a planning consultant that could assist the municipality in evaluating whether the commercial core and adjacent lands could qualify to be designated an Urban Renewal Area (URA). The City had previously established an Urban Renewal Area years ago, but no work was done to pursue a downtown revitalization.

The *Elk Mountains Planning Group* (EMPG) was hired in June 2009 to evaluate the area and determine what might be an appropriate boundary. EMPG specializes in resort and mountain town planning and has offices in Crested Butte and Snowmass Village. The President of EMPG is Julie Ann Woods, AICP/ASLA who has over 30 years of planning and landscape architecture experience. EMPG partnered with *Reid Architects*, located in Aspen, to assist in building evaluations and boundary assessment. Suzannah Reid, Architect and Principal of Reid Architects, specializes in the evaluation of historic buildings and districts throughout Colorado.

It should be clear that the Consulting Team was not hired to develop an Urban Renewal Plan. This would be the next step should the City decide to pursue the establishment of an Urban Renewal Authority. The Team was hired only to help the City identify a preliminary boundary around a “blighted area” (defined in the next section) that could qualify that part of the City for a future Urban Renewal Area.

The Consulting Team made three trips to Alamosa: the first trip in early July, the second in mid-August, and the third trip in mid-October. Each time the Team photographed, videotaped, and analyzed the area and the condition of buildings in proximity to the commercial core area. The study area was not pre-determined by the City, but was generally identified as the area between 10th St. to the south, 4th Street to the north, Highway 285 to the west, and the Rio Grande River to the east. Approximately 300 properties are located within the study area, and although not every property had a site data inventory sheet completed, all properties within the study area were reviewed and evaluated.

In conjunction with this analysis, the City of Alamosa Public Works Department provided mapping of the existing utilities and the condition of streets, alleys and sidewalks which were used in determining the proposed boundary.
Evaluation Criteria

The State Statutes provide for specific criteria that must be used in the evaluation of property to determine if an area is “blighted” in order to establish a URA. CRS 31-25-103(2) defines “blighted area” as an area that in its present condition and use, does the following:

- substantially impairs or arrests the sound growth of the municipality;
- retards the provision of housing accommodations; or
- constitutes a social or economic liability; and
- is a menace to the public health, safety, morals, or welfare

The pertinent and specific language and criteria from CRS 31-25-103 are set forth below.

(2) "Blighted area" means an area that, in its present condition and use and, by reason of the presence of at least four of the following factors, 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; or

k) 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; (note: actually lettered k.5 as k was previously deleted)

The Statutes also provide for a “voluntary” inclusion:

(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 condition and use and, by reason of the presence of any one of the factors specified in paragraphs (a) to (k.5) of this subsection (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. For purposes of this paragraph (l), the fact that an owner of an interest in such property does not object to the inclusion of such property in the urban
renewal area does not mean that the owner has waived any rights of such owner in connection with laws governing condemnation. (Emphasis added)

Two other definitions from this section of the State Statutes that are pertinent to this analysis include the following:

(7) "Slum area" means an area in which there is a predominance of buildings or improvements, whether residential or nonresidential, and which, by reason of dilapidation, deterioration, age or obsolescence, inadequate provision for ventilation, light, air, sanitation, or open spaces, high density of population and overcrowding, or the existence of conditions which endanger life or property by fire or other causes, or any combination of such factors, is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency, or crime and is detrimental to the public health, safety, morals, or welfare.

And

(8) "Urban renewal area" means a slum area, or a blighted area, or a combination thereof which the local governing body designates as appropriate for an urban renewal project.

Method of Analysis

The Consulting Team used the above criteria as the framework for assessing the blighted area and analyzing buildings, but the limited budget only allowed for a “windshield survey” of the area. As a result, no building system evaluations were undertaken, no research was completed on the title to any property, nor was “environmental contamination” of any property verified.

Further, for consistency in the evaluation of the area, the Consulting Team established its own set of “rules” that were employed throughout the evaluation of specific buildings. These “rules” were developed in the course of the evaluation to help the team apply the criteria consistently, since no two buildings are exactly alike. The “rules” employed in this study were as follows:

1. Addresses were consistently missing or illegible, and as long as the address located the building on the correct block and the right side of the street, it was not particularly relevant to the analysis. Many designated addresses were assigned using the standard formula and may not be actual;
2. Structures with any visible deferred maintenance fell under criteria a) above;
3. Criteria e) refers to “private improvements”;
4. Properties with a “gaping tooth”, where the setback is not consistent with or appropriate to the overall block pattern, were determined to “arrest development”;

blocks of buildings and the streets between them.
5. If a lot/use was too intense in terms of noise or activity, it was determined to “retard” housing accommodation;

6. Environmental contamination was assumed only if there was a “perception” that the use or previous use was a likely source of contamination (e.g. a building that appeared to be a former garage or gas station);

7. Under-built lots and vacant buildings were considered an economic liability;

8. Where chain link fence was present on the perimeter of the lot, it was determined to be a “negative pedestrian experience” and a social liability;

9. Negative pedestrian experience (social liability) was also considered present where there were no or few storefront windows in the commercial areas, inappropriate use in both commercial settings or residential settings, or parking lots and large areas of paving along the street front; and

10. Corner buildings that presented two different qualities were treated as two separate buildings and considered relative to each block face.

The Consulting Team began its analysis by photographing the condition of individual buildings, and used a Site Data Form (Exhibit A) to determine whether they would “qualify” as being blighted. The Team then took a step back from the individual properties and looked at the building conditions within each “block” to assess and rank whether there was a “preponderance” of buildings and improvements that were detrimental to the public health, safety, morals or welfare, or in danger of contributing to blight. These considerations were tempered by the appropriate and/or predominant use of each block. Lastly, the Team took an even broader look at sub-areas or “neighborhoods” to determine whether they were lacking in adequate utility service or transportation infrastructure, and whether they impaired or arrested the sound growth of the municipality and whether the sub-areas were good candidates for redevelopment.

In addition to the inventory and analysis, the Consulting Team held several conference calls with the City Manager and the Public Works staff to review findings of the evaluation and to seek further input on the neighborhoods and proposed redevelopment area. This information further refined the preliminary boundaries of the Urban Renewal Area.

**Approach**

The Consulting Team started with the evaluation of Main Street buildings first to determine if the commercial core would be eligible for a URA. After reviewing the
properties between Denver Ave. and West Ave., it became evident that, though there was a significant amount of “deferred maintenance” and a number of vacant buildings, for the most part Alamosa’s commercial core remains quite vital. In fact, there are a number of buildings from the turn of the century through the 1950s that are in good condition and are excellent examples of 19th and early 20th century Commercial, Art Deco and Streamline architectural styles. The occasional Victorian-era residential building also contributes to the character of the commercial zone.

Fourth Street was next to be evaluated and is a transitional neighborhood including both residential and commercial buildings and uses. A majority of buildings on this block are publicly-owned or house non-profit organizations. The Consulting Team found examples of deferred maintenance, but the buildings are relatively well-maintained. Unlike Main St., 4th Street has a significant amount of lot area that is used for parking. The Consulting Team believes that the commercial core area between 4th and 6th Street in general has too much land dedicated to parking. Though some parking is needed for the various churches and civic buildings located on 4th Street in particular, it is the Consulting Team’s opinion that the removal of buildings to make room for parked vehicles erodes the overall density needed to support a thriving downtown. Exhibit B indicates the location of parking lots located within the commercial core.

Sixth Street (6th St) followed 4th Street and it was quickly evident that such factors as speed of traffic, right-of-way width, narrowness of sidewalks, and lack of development along the south side of the corridor all contributed to blight in this section of the city. The magnitude of the rail yard with its open expanse and lack of “urban edge” also appears to contribute to the under use and deterioration of buildings on the north side of the corridor. Without a means to arrest further deterioration of this north 6th St. area, adjacent Main St. businesses are in jeopardy of also being impacted by blight.

Crossing the railroad tracks to the south, the Consulting Team next evaluated the residential areas along 7th, 8th and 9th Streets. With the exception of businesses along State Street, the areas where commercial/industrial uses were allowed to encroach into the residential areas have had the most negative impact on the area. In fact, it is the Consulting Team’s opinion that the current zoning (Exhibit D) in the area is too intense and could further erode the neighborhoods. Though the area along 8th St.
from State Ave. to Ross Ave. is recommended for inclusion in the boundary, the area south of here is relatively robust and would not benefit from inclusion in the boundary.

The last segments of the study area that were evaluated were those located to the east of Denver Ave., and to the west in proximity to the US 285 corridor. Much of these lands, though not all, are under-developed, have deferred maintenance, or contribute little to the economic and social health of the area and would be good candidates for future redevelopment.

Proposed Preliminary URA Boundary

Exhibit C indicates the preliminary boundary of the “blighted area” determined by the Consulting Team. To be clear, not all of the properties located in the preliminary boundary meet 4 out of the 11 criteria as described above. However, it is the Consulting Team’s opinion that the designated boundary area contains “. . .a predominance of buildings or improvements, whether residential or nonresidential, and which, by reason of dilapidation, deterioration, age or obsolescence, inadequate provision for ventilation, light, air, sanitation, or open spaces, high density of population and overcrowding, or the existence of conditions which endanger life or property by fire or other causes, or any combination of such factors, is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency, or crime and is detrimental to the public health, safety, morals, or welfare.”

Financing Tools

Once the City completes an Urban Renewal Plan, it will need to determine what tools will work to implement the plan. The following is just a brief overview of tools commonly used in Colorado that may be appropriate for Alamosa.

Eminent Domain is a tool of urban renewal that gives local governing bodies, including urban renewal authorities, the right to assemble private property for the purpose of accomplishing a necessary public benefit project. The law of eminent domain (condemnation) may only be used to benefit the public and requires just compensation (fair market value) for the property owner whose land is being acquired.

Tax Increment Financing (TIF) is another tool of urban renewal that allows a local authority to leverage sales and property taxes to help finance projects such as infrastructure development or environmental clean up. When an urban renewal project is planned, the local authority undertakes an economic analysis to determine how much additional property tax and/or sales tax could be generated upon completion of the redevelopment. The projected tax revenue increase from the redevelopment, called the “tax increment” can
be used to finance bonds or reimburse developers for some of their project financing, creating more attractive sites for developers.

**Bond Issuance.** An urban renewal authority has the power to issue bonds of the authority to finance its activities or operations. Bonds may be general obligation bonds under which the authority’s full faith, credit and assets are pledged or special obligation bonds which are payable solely from and secured only by a pledge of any income, proceeds, revenues, or funds of the authority derived or to be derived by it in connection with its undertaking of any project of the authority.

**Property Improvement Fee (PIF)** is a fee agreed to by developers of a redevelopment that exempts them from proposed tax increases as a result of redevelopment. For instance, the City of Lakewood has an agreement with the developers of Belmar that states that sales tax + PIF will not exceed the average metro sales tax rate of 3.5%. The Belmar Redevelopment Area has a PIF of 2.5% to help pay for the “Extraordinary Public Expenditures” of $83 million which the developer incurred. A 1% city sales tax is charged as long as the PIF is collected to repay the debt. In this example, the projected sales tax revenue is $3-$5 million per year. Taxes charged to Belmar customers also include state, county, open space, Stadium district and RTD sales taxes. The City Council can take action to rescind these exemptions. (CRS 31.25.101-115)

**Preliminary Findings**

The Consulting Team has evaluated the lands around Alamosa’s commercial core and based on our best professional judgment offer the following findings:

- There are lands in proximity to the commercial core area that meet the criteria as a blighted area.
- There is not enough information or budget to fully examine 300+ buildings. The Consulting Team has focused on the most likely qualified areas only, with the goal being to develop a defensible preliminary URA boundary.
- Public Infrastructure mapping was used to evaluate where future redevelopment areas might be appropriate (Exhibits E, F, G and H).
- Few properties on the north side of Main St. and north of Main St. met the “blighted” criteria, and therefore are not included in the proposed preliminary boundary.
- Similarly, only a few properties south of 8th St. were found to be eligible, and those are included in the proposed preliminary boundary.
- The proposed preliminary URA boundary is in a “barbell” configuration with 6th Street and the rail yard generally serving as the...
“bar” that connects two larger blighted areas to the east and west.

- Not all property located in the proposed preliminary URA boundary is considered blighted, but may be located in an area with a preponderance of blighted buildings.

- The existing CB Commercial/Business zoning, which is the primary zoning within the proposed preliminary URA boundary, may not be appropriate for the enhancement of the commercial core or the stabilization of residential neighborhoods north of 4th St. and south of the railroad yard.

**Preliminary Recommendations**

The proposed preliminary URA boundary is as depicted in Exhibit C. The City decision-makers should determine if they are comfortable with the proposed boundaries, or if there are other portions of the City that should be considered for inclusion or exclusion.

In addition to the recommended boundaries, the Consulting Team offers the following recommendations to strengthen the commercial core while the City moves forward with an Urban Renewal Plan:

- A zoning and the land use code evaluation should be undertaken to implement new zoning that would strengthen the commercial core and stabilize adjacent residential neighborhoods.

- The City should seek out grants that would allow for the study of designating the commercial core as a Local, State or Nationally-recognized Historic District.

- The City should undertake a multi-pronged approach to stabilizing the commercial core including considering the benefits of establishing a Main Street program.

- The City should consider the many good ideas that have been put forth in the various downtown studies completed to date and should build upon this work when developing the Urban Renewal Plan.

- The City should consider undertaking a preliminary baseline economic/tax analysis in order to get an idea of the amount of leverage that could be garnered if the URA is formed and a TIF district implemented. The City may determine from such a preliminary study that a URA may not achieve the redevelopment goals desired by the community, and it could save time and money by pursuing other redevelopment strategies.

The Consulting Team is available to assist the City with the development of the Urban Renewal Plan, the pursuit of historic preservation grants and land use/zoning evaluation as next steps toward stabilizing the commercial core and establishing an Urban Renewal Authority.
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