



STEVE BACH  
MAYOR

May 15, 2015

Governor John W. Hickenlooper  
State Capital Building  
136 State Capitol  
Denver, CO 80203

**RE: HB 15-1348**

Dear Governor Hickenlooper:

This is to strongly urge you to veto HB 15-1348 pertaining to Urban Renewal in Colorado. Urban Renewal and tax increment financing are proven; performance based economic development tools that have successfully attracted significant private sector investments to declining urban neighborhoods and areas with major barriers to development.

HB 15-1348 presents many significant challenges to the Urban Renewal process, of which a few of those are:

- Added complexity, time and expense that will now be associated with every new or amended Urban Renewal project.
- A mediation process that is ill-conceived, ill-defined, time consuming and costly.
- Language that applies to Urban Renewal plan amendments and modifications which will place every existing project at risk.
- Ambiguities contained in the bill which will result in endless conflict and countless unintended consequences.

HB 15-1348 seriously damages Urban Renewal as an economic development tool in Colorado. The bill creates more problems than it solves and it sacrifices future economic growth and the revitalization of deteriorating areas in our cities. In 2014, a similar bill contained an unworkable tax increment financing formula which you ultimately vetoed. HB 15-1348 substitutes an unworkable formula with a complicated, lengthy, expensive and unworkable negotiation and mediation process.

Urban renewal in Colorado has revitalized failing urban areas, grown the economy, created jobs, and has **expanded the tax base and tax revenues of all government entities. Colorado counties that have a sales tax have received a windfall in sales tax revenue as a result of Urban Renewal projects. As a result of the University Village Urban Renewal Area in Colorado Springs, El Paso County has contributed approximately \$476,000 in property tax increment and it has received a whopping \$5,086,000 in sales tax.**

HB 15-1348 has been characterized by proponents as a compromise –this is simply not the case. A true compromise was proposed in SB 15-135 which provided a “seat at the table” and a collaborative process with counties, school districts and special districts. Colorado Springs is in full agreement with having county, school district and special district representation on our Urban Renewal Board and we are committed to collaboration on Urban Renewal projects. HB 15- 1348 is not the appropriate vehicle to foster this collaboration.

While the final language of HB 15-1348 has only existed for a short time, we are beginning to hear from developers with existing Urban Renewal projects that are now expressing serious concerns about negative impacts of this legislation. Since the bill applies to plan amendments and modifications, the list of potential scenarios that could trigger a total reset under this legislation is almost endless. Also as a result of the bill, a developer of a planned Urban Renewal Project in our city is expressing serious concerns about moving forward. Lenders have indicated that the bill creates uncertainty through its ambiguous language and that they will not be inclined to finance another Urban Renewal project until the language has been revised or litigated. HB 15-1348 creates real world consequences which negatively impact real life projects.

Once again, please preserve Urban Renewal in Colorado by vetoing HB 15-1348. Thank you for your careful consideration of this important issue impacting the economic vitality of our State.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Steve Bach', with a stylized flourish at the end.

Steve Bach

Mayor, City of Colorado Springs