



Town of Avon

Q & A on Urban Renewal and Tax Increment Financing

Understanding The Facts About Urban Renewal

Community Benefits

The URA will allow for decision-making at the local level. It utilizes the public financing tools available **without increasing taxes**. The Town has done an extensive amount of research and we believe the creation of an URA is the most favorable of all the options to allow for the improvement of the town center.

Property owners and businesses benefit from both the public and private commitments and investment through association and proximity. Specifically by:

- Stakeholder engagement in planning for area
- Increase property values
- "Readying of the environment" for investment
- Dedicated revenue source for public improvements (fiscal prudence)
- Available tools to assist in property improvements
- Balanced growth across community

Q. What is an Urban Renewal Authority (URA)?

The Urban Renewal Law allows for the formation of an URA in order to assist with the rehabilitation of an area to improve the public's welfare. (See Urban Renewal Law Colo. Rev. Stat. §31-25-101 et seq.)

Q. What is the purpose of an URA for the Town of Avon?

The purpose of creating an URA in Avon is to give the town the ability to revitalize its town center core, improve vehicular and pedestrian access, and strengthen Avon's identity as both a year-round residential community and as a commercial, tourism, and economic center.

Q. What are the implications of using the term blight?

A blight finding is required by the Urban Renewal Law in order to create an URA. It is a means to an end—a way to fund the public improvements associated with Avon's urban renewal **without a tax increase**. The law defines 11 blight conditions of which a minimum of five must be present. In Avon, a conditions survey documented that 9 of the 11 factors of blight were present. These included unusual topography or inadequate public improvements or utilities, defective or inadequate street layout, deterioration of site, deteriorating structures, underutilization or vacancy of sites or buildings, faulty lot layout in relation to size adequacy and accessibility or usefulness, among others. Documentation of these findings was one of the necessary steps to establish Avon's URA and its ability to implement TIF for the revitalization of its town center.

(See Town of Avon Conditions Survey, Matrix Design Group, Inc., May, 2007)

Q. Will the URA utilize its condemnation powers?

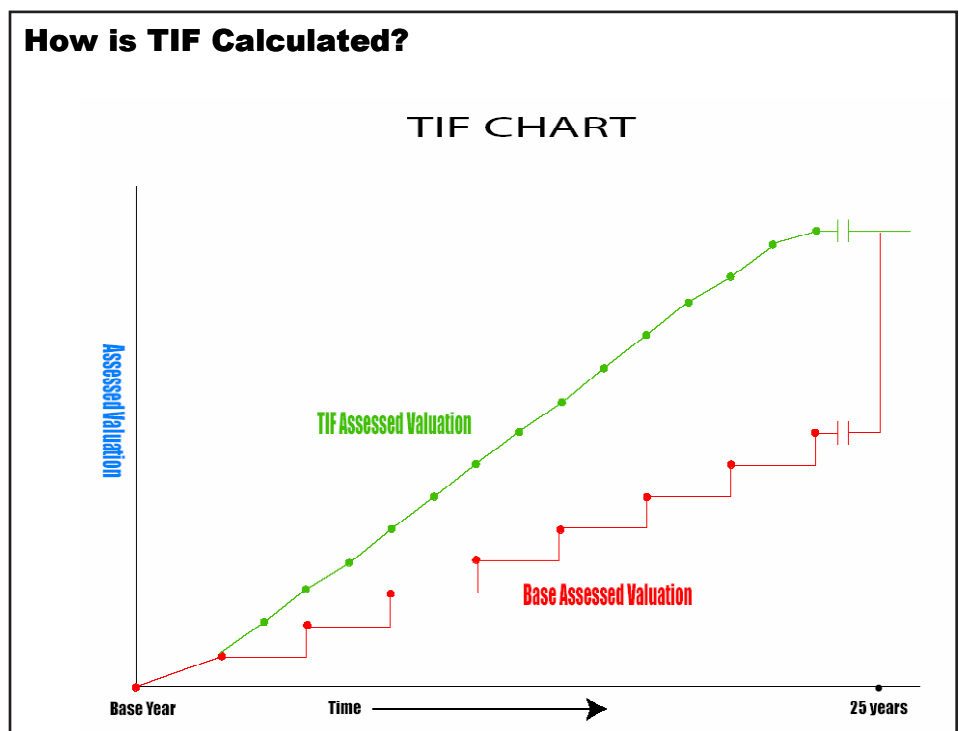
The URA will retain its power of condemnation, but is not anticipating using condemnation. At this time, urban renewal development plans do not indicate anywhere condemnation would be necessary. Our intention is to work, throughout the urban renewal project, to find mutually agreeable solutions with all those involved.

Understanding The Facts About Tax Increment Financing

Q. How does Tax Increment Financing (TIF) work?

TIF is a method of financing public improvements that has been used successfully across the country, including in Colorado. TIF allows the Town of Avon to leverage future anticipated property tax revenue growth associated with its urban renewal development by issuing bonds in advance to pay for public improvements within the boundaries of the URA.

The greatest appeal of this approach is that it is not a tax increase or a new tax. Instead, TIF anticipates a corresponding growth in property values as a byproduct of redevelopment, and applies existing taxes collected from local government against the increase in property values. The incremental growth in taxes is then used directly within the URA boundaries over a 25 year period.



Q. How can Tax Increment Financing Dollars Be Used?

TIF is a new source of tax revenue, **not an additional tax**, which would not be available but for new investment. TIF dollars may be used to:

- Finance the issuance of bonds
- Reimburse developers for a portion of their project costs
- Acquire property
- Make improvements – public benefit, support redevelopment effort
- Correct problems and finance improvements

Q. Will other taxing jurisdictions in Eagle County voice opposition to TIF?

The revitalization of Avon will help strengthen the regional economy and will have a positive impact on all taxing jurisdictions. This process has already been implemented in Eagle County by the Town of Vail, helping to create an understanding by other taxing jurisdictions of our legal right to use TIF and how they too will benefit in the long term.

The Town of Avon wants to be sure we have addressed all of your issues and concerns. As our Urban Renewal Plan progresses, we will continue to keep the community informed. If you would like to join our Urban Renewal E-list please go to www.avon.org. If you have additional concerns or questions, please contact Becky Lawlor by e-mail at blawlor@avon.org; by phone at 970-748-4087; or by mail at Becky Lawlor, Town of Avon, PO Box 975, Avon, CO 81620.