

BID, DDA OR URA: How to Decide?

Presented by:
Carolynne C. White
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	BID	DDA	URA
Statutory Authority	31-25-1201 et seq.	31-25-801 et seq.	31-25-101 et seq.
Purpose of entity	economic development 31-25-1202	urban development or redevelopment 31-25-801	eliminate slum and blight 31-25-102
Type of Entity	quasi-municipal corporation; political subdivision of the state 31-25-1207 (5)	a body corporate 31-25-803	"corporate body" (C.R.S. 31-25-103(1)); "body corporate and politic" (C.R.S. 31-25-104 (1)(b))
How formed	Initiated by petition; signed by owners of real or personal property within the service area of the proposed district with at least 50% of assessed value of the proposed district 31-25-1205	Governing body submits question at next regular or special election, by ordinance. Election may include TABOR issues, in which case election must be held pursuant to TABOR requirements (C.R.S. 1-41-103) 31-25-804	25 registered electors within municipality submit petition to governing body; governing body conducts condition survey (aka blight study); must find by resolution that 4 of 11 statutory factors (5 if eminent domain is to be authorized; only one with consent of property owners); if blight found, adopts urban renewal plan (also by resolution), and creates authority.; file certificate of creation with Department of Local Affairs 31-25-104
What types of property may be included	commercial only (defined as not residential or agricultural); only within a municipality; need not be contiguous 31-25-1208	central business district; the area in a municipality which is and traditionally has been the location of the principal business, commercial, financial, service, and government center, zoned and used accordingly 31-25-802	generally, within municipal boundaries; may now include unincorporated areas, with consent of county

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Boundaries		Boundaries may only include eligible property; however may have service area that is broader. May be contiguous or non- contiguous. 31-25-1208	Authority boundaries coterminous with municipal boundary; may have multiple urban renewal areas within a municipality; boundaries defined by blight pursuant to conditions survey. Must be drawn "as narrowly as feasible to accomplish the planning and development objectives of the area."
Power to operate outside its boundaries?		Within service area; service area must be 50% commercial; OR area designated by municipality for future business or commercial development. 31-25-1203 (10)	Generally No. 31-25-804 Can act (e.g. undertake "urban renewal projects") outside boundaries of individual URA, so long as remedying blight.
How are boundaries amended/property added or excluded?		Property owners may petition governing body for inclusion or exclusion; governing body decides, if does not adversely affect the district. 31-25-1220	Property owners may petition board for inclusion. If Board approves, submit to governing body to approve; must approve by amending ordinance forming the district. 31-25-822 Property may be added if a) found to be blighted; and b) urban renewal plan is amended using same process as for initial approval. 31-25-107
Can there be more than one? Name of Entity?		Yes [Descriptive name] Business Improvement District. 31-25-1220	No. 31-25-803 Only one Authority, but can have multiple urban renewal areas. Statute doesn't require but recommend including the words "Urban Renewal," or "Redevelopment," but not "Economic Development
Governing Body		Board of Directors	Board of Directors Board of Commissioners

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Method of selection		Four choices: ex officio board; appointed board; ex officio of other entity (if overlapping borders); elected. 31-25-1209	5 – 11 members, selected by governing body; at least 1 is member of governing body; initial appointments staggered to ensure rolling expiration; four year terms afterwards. May be appointed by Mayor if municipal charter so provides. Members must reside, own property, or be a business lessee within the boundaries. 31-25-805	Any odd number of commissioners, at least 5, no more than 11; governing body may appoint board, or appoint itself as the board; but once formed, may not substitute itself for an appointed board. Initial appointment for staggered terms; five-year terms thereafter.
Powers		Acquire, finance, install and operate public improvements, including but not limited to: streets, sidewalks, curbs, pedestrian malls, landscaping, statuaries, fountains, bike paths, benches, information booths, public meeting facilities. 31-25-1212	A plan of development for downtown development area. 31-25-807	Carry out "urban renewal projects;" plans to assist the municipality . . .to eliminate and prevent the development or spread of slum and blighted areas; to encourage needed urban rehabilitation; provide for the redevelopment of such areas; providing public improvements; encouraging rehabilitation and repair; relocation of individuals and families; plans for voluntary repair and rehabilitation. 31-25-105

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Other Powers/authorized activities		Business and economic development: consulting; promotion or marketing; organization and promotion of public events; activities in support of business recruitment, management and development; security; design assistance. Specific Authorization for "railroad quiet zones." (2006) 31-25-1212 and 1212.5	Analyze economic changes; study impacts of growth on the CBD; plan and propose development plans; implement development plans; develop long range plans in cooperation with planning commission and staff of municipality; promote economic growth; persuade business and property owners to implement. 31-25-807 and 808	May own or operate property for public uses which are in accordance with the urban renewal plan; transfer property to municipality or other public entity for same. 31-25-105
Disposition of property		N/A?	Must be at fair market value. 31-25-808(2)	Must dispose of through reasonable competitive bidding procedures. Special procedures apply for property acquired through eminent domain to be transferred to a private party. 31-25-106 and 105.5
When can entity undertake projects		May not issue bonds, levy taxes or impose fees unless governing body has approved operating plan and budget. 31-25-1211	May not undertake a "development project" until governing body has approved development plan. 31-25-807(4)	May not undertake urban renewal project unless found blighted, and urban renewal plan adopted. May not acquire property until urban renewal plan approved. 31-25-107

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How are plans approved?		Governing body must approve operating plan annually. 31-25-1211	Governing body must approve development plan in public hearing, after notice, and review and recommendation of planning commission. 31-25-807	Notice must be provided to property owners within area for commencement of conditions survey; governing body must approve conditions survey and urban renewal plan, after notice and public hearing; review and recommendation of planning commission for urban renewal plan but not conditions survey. Must also submit urban renewal plan, and impact report to county 30 days before public hearing on urban renewal plan. 31-25-107
Standard for approval		By ordinance: types of services or improvements proposed best satisfy purpose of Act. 31-25-1207	Findings: Need to take corrective measures to halt or prevent deterioration of property values or structures; halt or prevent the growth of blighted areas; or combination; plan will afford maximum opportunity, consistent with the sound needs and plans of the municipality, for development or redevelopment of the plan of development area by the authority and by private enterprise. 31-25-807(4)(d)	Findings: feasible method exists for relocation of individuals and families; feasible method exists for relocation of business concerns; governing body has taken reasonable efforts to provide notice; no more than 120 days have passed since the first public hearing; substantial changes have been made if any property was included in a previously considered urban renewal plan; plan conforms to general plan of municipality as a whole; plan will afford maximum opportunity,

				consistent with the sound needs of the municipality as a whole, for the rehabilitation or redevelopment of the urban renewal area by private enterprise; plan will adequately or agreements in place to finance additional infrastructure or services. 31-25-107
Eminent domain?		No	No	Yes, if certain criteria met. 31-25-105.5
Revenue Raising Powers?		May impose ad valorem property taxes, impose rates and charges for services or improvements, and may impose special assessments (may designate special improvement districts within the BID). 31-25-1213, 1219	Tax Increment Financing – sales and property taxes. 31-25-807 Also, governing body may impose mill levy up to 5 mills within the downtown development area for operations of the DDA 31-25-816 and 817	Tax Increment Financing – sales and property taxes. 31-25-107(9)
Tax Increment Financing?		No.	Yes. Development plan, adopted by Board, approved by municipality, may provide for sales or property tax increment, or both. 31-25-807(3)	Yes. Urban renewal Plan, adopted by governing body, may provide for sales or property tax increment, or both 31-25-107(9)
Taxing authority		Yes. 31-25-1213	No.	No. 31-25-113
Time Period for Tax Increment		N/A	30 years from date of adoption of the tax increment provision in the development plan; plus "rolling" 10 additional years; base is re-set to 10 years after formation. SB 08-170	25 years from the date of adoption of the plan provision authorizing the collection of tax increment. 31-25-107

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Special Fund		N/A	Increment paid into special fund of municipality ; special fund may be pledged by municipality to pay bonds. 31-25-807	Increment paid into special fund of authority ; special fund may be pledged by authority to pay bonds. 31-25-107(9)(a)
TABOR		Subject to TABOR; election required for issuance of bonds, and levy of taxes	Subject to TABOR because municipality issues bonds. 31-25-807(3)(d)	Not subject to TABOR. <i>Olson v. City of Golden</i> , 53 P.23d 747 (Colo. App. 2002); <i>Bd. of Comm'rs v. Broomfield</i> , 7 P.3d 1033 (Colo. App. 1999).
Role of other government authorities		N/A	School districts participate in advisory capacity. 31-25-807(3)(d)	school districts participate in advisory capacity; county review of urban renewal plan and impact report, can force binding arbitration 31-25-107 (3.5), (3.7) and (12)
Checks and balances		Municipality must review and approve operating plan or budget annually; may not issue bonds or levy taxes or fees unless approved. 31-25-1211	Municipality must approve annual budget. 31-25-816	Municipality approves formation, and modifications to urban renewal plan. 31-25-107

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Bonding Authority		Board may issue bonds, but, if board is appointed, or is another entity's governing body, approval of the governing body is required; election required, unless payment is from source other than mill levy. 31-25-1221	Municipality issues bonds; subject to TABOR. Proceeds may be spent by either governing body or Authority. 31-25-809 and 810	Authority issues bonds; not subject to TABOR. Proceeds spent by Authority. 31-25-109
			Bonds not constitute an indebtedness of the municipality	Bonds do not constitute an indebtedness of the municipality. 31-25-109
Tax Exempt Status of Bonds		Tax exempt depending on purpose pursuant to IRS regulations.	Tax exempt pursuant to statute. 31-25-812	Tax exempt depending on purpose pursuant to IRS regulations
Lifetime		Perpetual existence. 31-25-1212	DDA can have perpetual existence but can only collect increment for the 30 year period (plus rolling 10-year addition).	Urban renewal authority can have perpetual existence; but tax increment can only be collected for the 25 year period.
Dissolution procedure		By resolution of governing body; may be initiated by 50% owners of assessed value, or, if has not filed operating plan and budget for two years, by governing body. May not be dissolved if outstanding debt. 31-25-1225	By ordinance of municipality if no outstanding debt. 31-25-803	By ordinance of municipality provided debts are paid. 31-25-115

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How challenged		Petition for certiorari within 60 days of the effective date of ordinance establishing district. 31-25-1207(6)		County may force arbitration if urban renewal plan not adequate for county infrastructure and services needed to serve new development. 31-25-107(12). Also, landowners may challenge blight finding in district court pursuant to C.R.C.P. 106(a)(4) within 30 days. 31-25-105.5 (2)(b)