

WEST COLFAX AVENUE CORRIDOR

REINVESTMENT PLAN

LAKWOOD REINVESTMENT AUTHORITY

DECEMBER 12, 2005

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I. INTRODUCTION

1.1 Preface

This West Colfax Avenue Corridor Reinvestment Plan ("Plan") has been prepared by the Lakewood Reinvestment Authority ("LRA") for adoption by the City Council of the City of Lakewood pursuant to provisions of the Urban Renewal Law of the State of Colorado, Article 25 of Title 31, Colorado Revised Statutes. This Reinvestment Plan is prepared and adopted to satisfy the requirements of § 31-25-107, C.R.S., that an urban renewal plan be adopted by the governing body of the municipality before an urban renewal authority undertakes an urban renewal project. The administration of this project and the enforcement and execution of this Plan shall be performed by the LRA.

1.2 Background

West Colfax Avenue is one of the most significant commercial corridors in Lakewood. Handling over 32,000 vehicles a day, West Colfax Avenue serves as a city entryway, a transportation route into downtown Denver, an eclectic retail and commercial strip, and a reminder of the history of the Lakewood area.

At 26 miles long and spanning the cities of Lakewood, Denver and Aurora, Colfax Avenue is considered one of the longest continuous streets in the country. The route was first used in the 1800s by the Ute Indians bringing trade goods to markets in Denver. Colfax Avenue eventually grew into a major automobile route carrying residents of Denver and the surrounding area to the mountains west of Denver.

West Colfax Avenue reached its prime in the 1940s and 1950s. However, as modern highways were constructed for quicker access to the mountains, its importance in serving tourists, vacationers and travelers diminished. As the use of West Colfax Avenue declined, so did the adjacent commercial properties. Since the 1950s West Colfax Avenue has seen a steady economic and physical deterioration.

The corridor's decline also can be attributed to its age and surrounding development patterns. West Colfax Avenue and adjacent properties have significant infrastructure challenges including numerous parcels in the flood plain and floodway, inadequate rights-of-way for sidewalks and streetscape improvements, aging public infrastructure, and inadequate and unsafe parking, and inadequate parcel shape and size.

In early 2004, the West Colfax Advisory Committee was appointed by the Mayor and charged with developing a vision and guiding principles for the future of West Colfax Avenue. After 18 months of work, the Advisory Committee recommended a series of goals to help reverse the ongoing decline in the corridor. The result was the development of the West Colfax Avenue Action Plan ("Action Plan") and the following vision for the corridor:

“As a celebration of the historic and eclectic character of north Lakewood, Colfax Avenue will be a place that unites neighborhoods and provides a variety of vibrant businesses and housing opportunities for generations to come.”

To address several of the goals in the Action Plan, a task force was convened in August 2005 to study the possibility of utilizing urban renewal as a tool for implementing the Action Plan. The task force, consisting of West Colfax Avenue business owners, representatives from adjacent neighborhoods, the West Metro Fire Protection District, and members of the West Colfax Advisory Committee, recognized the importance of creating a reinvestment area to utilize tax increment financing as a means to stimulate and encourage private reinvestment in the area and to improve the viability of the reinvestment area and adjacent neighborhoods, while limiting the use of eminent domain.

It is the intent and objective of this Reinvestment Plan to guide development and redevelopment in a manner that promotes the interest and concerns of property owners in the area, and to provide a mechanism to facilitate implementation of the West Colfax Avenue Action Plan.

1.3 Definitions

Cooperation Agreement: Any agreement between the LRA and the City of Lakewood or any other public body respecting action taken pursuant to any of the powers set forth in the Urban Renewal Law, or in any other provision of Colorado law, for the purpose of facilitating public undertakings deemed necessary or appropriate by the LRA under this Plan.

Plan: This West Colfax Avenue Corridor Reinvestment Plan as it may be amended from time to time.

Redevelopment Agreement: An agreement between the LRA and a developer or developers respecting the redevelopment or rehabilitation of property within the West Colfax Avenue Corridor Reinvestment Area.

West Colfax Avenue Corridor Reinvestment Area: The property described in Section 2.5 of this Plan which has been found to be blighted and for which the undertaking of urban renewal projects is declared to be necessary.

2. LEGISLATIVE FINDINGS

2.1 Qualifying Conditions

Based on the Colfax Reinvestment Conditions Survey prepared by Matrix Design Group, dated November 2005, a copy of which is attached as Attachment 1, and evidence presented at the public hearing, the City Council finds that there exists blight, as defined by § 31-25-103(2), C.R.S., in the West Colfax Avenue Corridor Reinvestment Area.

The Colfax Reinvestment Conditions Survey found 48 unique conditions of blight, which contribute to the finding that 10 factors of blight are present in the West Colfax Avenue

Corridor Reinvestment Area, as required by § 31-25-103(2), C.R.S. The factors found to exist include:

- a) Slum, deteriorated or deteriorating structures: a significant number of structures exhibited primary and secondary deterioration or evidence of disrepair or abandonment.
- b) Defective and inadequate street layout: evidence of poor vehicle access to certain parcels, poor vehicular circulation within a parcel, unimproved streets or alleys, and an inadequate capacity at certain intersections.
- c) Faulty lot layout: the presence of faulty lot layout in relation to size, adequacy, accessibility and usefulness, including insufficient size for development, inefficient and insufficient parking, and inadequate parcel shape.
- d) Unsanitary or unsafe conditions: the presence of graffiti and evidence of gang activity, situations dangerous to pedestrians including open trenches or ditches, unenclosed trash dumpsters, illegal dumping and poor drainage.
- e) Deterioration of site improvements or other improvements: deteriorated on-site curb, gutter or sidewalks; deteriorated lighting and signage; poorly maintained landscaping or overgrown vegetation.
- f) Unusual topography or inadequate public improvements or utilities: the presence of widespread lack of street curb, gutter and sidewalk; the presence of overhead utility lines; substandard storm drainage.
- g) The existence of conditions that endanger life or property by fire and other causes: the presence of buildings that do not comply with fire codes, building codes, or environmental regulations.
- h) Buildings that are unsafe or unhealthy for persons to live or work in: the presence of buildings that do not meet fire codes or have potentially hazardous conditions present.
- i) Environmental contamination of buildings or property: the existence of environmental contamination such as buried underground storage tanks.
- j) Existence of factors requiring high levels of municipal services or substantial physical underutilization or vacancy of sites, buildings, or other improvements: evidence of sites with a high incidence of public safety responses, sites with a high incidence of traffic accidents and code enforcement responses, and the presence of vacant storefronts.

The City Council finds that the presence of these factors substantially impairs or arrests the sound growth of the City of Lakewood, retards the provision of housing

accommodations, constitutes an economic and social liability and is a menace to the public health, safety, morals and welfare of the City of Lakewood.

2.2 Reinvestment Projects

The West Colfax Avenue Corridor Reinvestment Area is appropriate for one or more reinvestment projects and other undertakings of LRA as authorized by the Urban Renewal Law.

2.3 Planning Approval

A general plan for the City of Lakewood, known as the Lakewood Comprehensive Plan, has been adopted by the City Council. In addition, the City Council has adopted the West Colfax Avenue Action Plan as a part of the Lakewood Comprehensive Plan. This West Colfax Avenue Corridor Reinvestment Plan has been submitted to the Planning Commission for review and recommendations as to its conformity with the Comprehensive Plan. The Planning Commission met on December 7, 2005, and has submitted its written recommendations to the City Council. This Plan has also been submitted to the Board of County Commissioners of Jefferson County as required by the Urban Renewal Law.

2.4 Public Hearing

The City Council of the City of Lakewood has held a public hearing to consider this Plan after public notice thereof in compliance with the Urban Renewal Law in the Rocky Mountain News, describing the time, date, and purpose of the public hearing, identifying the West Colfax Avenue Corridor Reinvestment Area and outlining the general scope of the actions considered for implementation pursuant to this Plan.

2.5 Boundaries of the West Colfax Avenue Corridor Reinvestment Area

The boundaries of the West Colfax Avenue Corridor Reinvestment Area are set forth in Figure 1 attached hereto. The City Council finds that the boundaries of the West Colfax Avenue Corridor Reinvestment Area have been drawn as narrowly as feasible to accomplish the planning and development objectives of this Plan.

2.6 Other Findings

2.6.1 One or more of the projects may require the demolition and clearance, subject to other restrictions, of certain property in the West Colfax Avenue Corridor Reinvestment Area as provided in this Plan. Such actions may be necessary to eliminate unhealthy, unsanitary, and unsafe conditions, eliminate obsolete and other uses detrimental to the public welfare, and otherwise remove and prevent the spread of deterioration.

2.6.2 Other portions of the West Colfax Avenue Corridor Reinvestment Area may be conserved or rehabilitated through appropriate public action, as authorized or contemplated by the Urban Renewal Law, and through the

cooperation and voluntary action of the owners and tenants of such property.

- 2.6.3 In order to eliminate or reduce the qualifying conditions currently existing within the West Colfax Avenue Corridor Reinvestment Area, as well as those qualifying conditions which may be reasonably anticipated to develop within the West Colfax Avenue Corridor Reinvestment Area in the absence of public action, it is the intent of the City Council in adopting this Plan that the LRA exercise all powers authorized to be exercised by the LRA under the Urban Renewal Law and which are necessary, convenient, or appropriate to accomplish the objectives of this Plan. It is the intent of this Plan that except as otherwise provided herein, the LRA shall exercise all such powers as may now be possessed or hereafter granted to the LRA for the elimination of qualifying conditions within the West Colfax Avenue Corridor Reinvestment Area. Acquisition of property or any interest in property by the LRA within the West Colfax Avenue Corridor Reinvestment Area may be undertaken by any means authorized by LRA, including condemnation.
- 2.6.4 A feasible method exists for the relocation of individuals, families, and business concerns that may be displaced by an urban renewal project through the adoption of a relocation policy by the LRA insuring that decent, safe and sanitary dwelling accommodations and business locations can be made available.
- 2.6.5 The powers conferred by the Urban Renewal Law are for public uses and purposes for which public money may be expended and the police powers exercised, and this Plan is in the public interest and necessity, such finding being a matter of legislative determination by the City Council.
- 2.6.6 The LRA may, in its discretion, issue bonds, including revenue bonds or other obligations, to the extent permitted by law.

3. DESCRIPTION OF PLAN OBJECTIVES

This Plan is an important tool to address the problems confronting the West Colfax Avenue Corridor Reinvestment Area. The Plan helps to further the goals for the area previously outlined in the Lakewood Comprehensive Plan and the West Colfax Avenue Action Plan and the recommendations of the Colfax Conditions Task Force. The objectives for the Plan include the following:

- Encourage and support the voluntary rehabilitation of buildings and sites within the West Colfax Avenue Corridor Reinvestment Area.
- Retain, stabilize and encourage the expansion and improvement of existing businesses within the West Colfax Avenue Corridor Reinvestment Area.

- Support and encourage the development and/or redevelopment of small business and locally owned business.
- Prevent decline of property values and quality of life in neighborhoods that surround the West Colfax Avenue Corridor Reinvestment Area and to develop quality projects that are compatible with and complement the surrounding neighborhoods.
- Address and correct infrastructure and floodplain issues within the West Colfax Avenue Corridor Reinvestment Area.
- Improve the quality, look, and function of the West Colfax Avenue Corridor Reinvestment Area by incorporating superior design standards that include public areas, public amenities, safe and attractive pedestrian connections and landscaped medians.
- Create identifiable destinations such as enhanced retail, entertainment, cultural and intellectual facilities that will attract shoppers, tourists, students, local residents and people from throughout the metro area.
- Encourage and support the development of a mix of businesses and housing opportunities appropriate and attractive for people of various income levels.
- Build upon and emphasize the history and unique character of the West Colfax Avenue Corridor Reinvestment Area.
- Provide identity and beauty to the West Colfax Avenue Corridor Reinvestment Area by providing artwork, sculptures, green space, landscaping, and pedestrian enhancements.
- Address the parking needs of businesses, residents and customers by optimizing land uses and providing safe and attractive parking areas.
- Meet the objectives of the Lakewood Comprehensive Plan and the West Colfax Avenue Action Plan and all other adopted plans and guidelines that have influence with the West Colfax Avenue Corridor Reinvestment Area.

4. PLAN IMPLEMENTATION

In order to accomplish the objectives of this Plan and to fully implement this Plan, the LRA shall be authorized to undertake the following activities:

4.1 Redevelopment and Rehabilitation Actions

Redevelopment and rehabilitation actions within the West Colfax Avenue Corridor Reinvestment Area may include such undertakings and activities as are in accordance with this Plan and the Urban Renewal Law, including without limitation: demolition and removal of buildings and improvements as set forth herein; installation, construction and

reconstruction of public improvements as set forth herein; elimination of unhealthful, unsanitary or unsafe conditions; elimination of obsolete or other uses detrimental to the public welfare; and other actions to remove or to prevent the spread of deterioration or to provide land for needed public facilities. The LRA is authorized to solicit interest from developers in redevelopment projects, to issue requests for proposals for redevelopment projects, and to negotiate with landowners, developers, and investors regarding appropriate projects within the West Colfax Avenue Corridor Reinvestment Area.

4.2 Property Acquisition and Land Assemblage

It is the principal intent of this Plan that property for projects in the West Colfax Avenue Corridor Reinvestment Area be acquired by private individuals and entities. While the LRA is authorized to acquire real property or any interest in real property by purchase, gift, donation, lease or other conveyance, this principal intent is the foundation upon which this Plan has been developed. If necessary, the LRA will be authorized to acquire property or interests in property by condemnation as provided in Article 1 and Article 7 of Title 38 of the Colorado Revised Statutes only after authorization from the City Council in accordance with Section 31-25-107(3)(b), C.R.S. The Urban Renewal Law requires that the City Council must consider whether to authorize eminent domain on a case-by-case basis for each property within a redevelopment project. In order to consider the use of eminent domain for a project, the Council must make a finding that the redevelopment project is essential to meeting the goals of the West Colfax Avenue Corridor Reinvestment Plan, and that the project cannot be accomplished without the use of eminent domain.

In its consideration of the use of the LRA's powers of eminent domain, the City Council shall be guided by the following policies:

- The use of eminent domain should not be restricted if the owner is a willing seller who wants the LRA to use eminent domain for any reason. Where there are multiple ownership interests on a single property, "owner" means those controlling a majority of the interests.
- Eminent domain should not be used where private market forces are attracting reinvestment that supports the goals of the West Colfax Avenue Action Plan.
- Eminent domain should not be used on:
 - A property for which historic designation is being pursued.
 - A residential property that is owner-occupied.
 - A property where the business is owned and operated locally within the Denver metropolitan area, and is in good repair.
 - A property that recently has been redeveloped or significantly remodeled, and is in good repair.

- A property whose overall design meets the design standards in the West Colfax Avenue Overlay District or any other applicable plan, and is in good repair.
- A property is considered to be in “good repair” based on the following factors:
 - a. The structure, roof and foundation are sound with no substantial cracks or evidence of shifting, buckling or movement.
 - b. Exterior surfaces and facades have the intended color or appearance with no fading, cracking, peeling or other damage.
 - c. Glass surfaces and windows are intact and have no cracks.
 - d. All building mechanical systems are in good working order.
 - e. All site improvements, such as parking lot and pedestrian surfaces, signage and lighting are in good working order and show evidence of regular maintenance and cleaning.
 - f. There are no other conditions that present a danger to life or property from fire or other causes or to public health, safety or welfare.
- Even where a property falls under the categories listed above, eminent domain may be appropriate if the property is necessary to correct, eliminate or prevent the spread of conditions such as floodplain, public infrastructure deficiencies or environmental contamination. If only a portion of a property is needed to accomplish the project, then eminent domain should be used to acquire only that portion unless the owner would be left with a remainder parcel that is unusable.
- Where authorized, eminent domain is to be used as a tool of last resort, only after reasonable efforts to reach a negotiated settlement have failed.

4.3 Relocation Assistance and Payments

In the event it is necessary to relocate or displace any business or other commercial establishments or residential property owner or leaseholder as a result of any property acquisition, the LRA will adopt relocation policies for payment of relocation expenses for each project in conformance with the Urban Renewal Law. Such expenses may include moving expenses, actual direct losses of property for business concerns, and goodwill and lost profits that are reasonably related to relocation of the business, resulting from its displacement for which reimbursement or compensation is not otherwise made.

4.4 Demolition, Clearance and Site Preparation

With respect to property acquired by the LRA, it may demolish and clear, or contract to demolish and clear, those buildings, structures and other improvements from property pursuant to this Plan if in the judgment of the LRA such buildings, structures and other improvements are not to be rehabilitated in accordance with this Plan.

4.5 Public Improvements and Facilities

The LRA may undertake certain actions which would make the West Colfax Avenue Corridor Reinvestment Area more attractive for private investment. These actions may include street and traffic improvements, streetscape improvements, landscaping, park and recreation facilities, utility improvements and public art projects.

4.6 Property Disposition

The LRA may sell, lease, or otherwise transfer real property or any interest in real property subject to such covenants, conditions and restrictions, including architectural and design controls, time restrictions on development, and building requirements, in addition to zoning and building code regulations. Real property or interests in real property may be sold, leased or otherwise transferred for uses in accordance with this Plan.

4.7 Redevelopment Agreements

The LRA is authorized to enter into one or more Redevelopment Agreements with developer(s) and such other entities as are determined by the LRA to be necessary or desirable by the LRA to carry out the purposes of this Plan. Such Redevelopment Agreements may contain such terms and provisions as shall be deemed necessary or appropriate by LRA for the purpose of undertaking the activities contemplated by this Plan or the Urban Renewal Law, and may further provide for such undertakings by the LRA, including financial assistance, as may be necessary for the achievement of the objectives of this Plan or as may otherwise be authorized by the Urban Renewal Law.

4.8 Interagency Cooperation

The LRA may enter into one or more Cooperation Agreements with the City of Lakewood or other public bodies pursuant to the Urban Renewal Law. Cooperation Agreements may provide, without limitation, for financing, for construction of public improvements, for administration, for technical assistance and for other purposes.

Within 30 days of the adoption of this Plan, the LRA shall enter into a Cooperation Agreement with the West Metro Fire Protection District to ensure that the West Metro Fire Protection District will receive portions of any property tax increment necessary to insure adequate fire protection services within the West Colfax Avenue Corridor Reinvestment Area.

5. PROJECT FINANCING

5.1 Tax Increment Financing

The primary method of financing the projects undertaken in furtherance of this Plan shall be the use of sales tax and property tax increment financing pursuant to Section 31-25-107(9), C.R.S., which is by this reference incorporated herein as if set forth in its entirety. If there is any conflict between the Urban Renewal Law and this

Plan, the provisions of the Urban Renewal Law shall control. All property and sales taxes collected within the West Colfax Avenue Corridor Reinvestment Area shall be divided as follows:

- a) That portion of property and sales taxes equal to the amount collected within the boundaries of the West Colfax Avenue Corridor Reinvestment Area in the twelve-month period ending on the last day of the month prior to the effective date of the approval of this Plan shall be paid into the funds of each such public body as are all other taxes collected by or for such public body.
- b) Except as LRA may legally provide otherwise under the Urban Renewal Law, the portion of such property and sales taxes in excess of the amounts described in paragraph a), above, shall be allocated to and, when collected, paid into a special fund to fund the LRA's obligations, including payment of the principal of, the interest on, and any premiums due in connection with the bonds, loans or advances to, or indebtedness incurred by (whether funded, refunded, assumed, or otherwise) LRA for financing or refinancing, in whole or in part, the reinvestment projects.
- c) When such bonds, loans, advances, and indebtedness, if any, including interest thereon and any premiums due in connection therewith, have been paid, but in no event later than 25 years following the adoption of this Plan for the construction of the projects' improvements, any excess property and sales tax collections not allocated pursuant to this paragraph or any Cooperation Agreement between the LRA and City or other taxing jurisdiction, shall be paid into the funds of said jurisdiction or public body. Unless and until the total property and sales tax collections in the West Colfax Avenue Corridor Reinvestment Area exceed the base year property and sales tax collections in the West Colfax Avenue Corridor Reinvestment Area, as provided in paragraph a), above, all such property and sales tax collections shall be paid into the funds of the appropriate public body. The LRA reserves the right to enter into Cooperation Agreements with select taxing jurisdictions relative to allocation of incremental tax revenues.
- d) The adoption of this Plan shall be deemed an adoption of a provision that taxes, if any, levied after the effective date of the approval of this Plan upon taxable property in the West Colfax Avenue Corridor Reinvestment Area shall be divided among the LRA and various taxing entities for a period of 25 years thereafter or such lesser period as provided in Section 31-25-107(9), C.R.S., or in any Cooperation Agreement between LRA and a county, the City or a special district.
- e) The LRA and the City may, by Cooperation Agreement or other agreement, provide for the method by which sales tax increments shall be allocated and paid to the LRA pursuant to the provisions of this Plan and

the Urban Renewal Law. Such agreements, and similar agreements between the LRA and other public bodies, may provide for additional assistance by the City and cooperation between the LRA and the City in support of the projects as may be more fully set forth in the provisions of such Cooperation Agreement or other agreement.

5.2 Additional Taxing Entities

LRA recognizes that tax increment financing is the primary tool for funding redevelopment activities. However, Colorado law allows the creation of additional political subdivisions within a municipality to provide services within a defined area. These entities include metropolitan and other special districts as well as business improvement districts. These districts have available certain taxing powers that can generate revenues in addition to those generated by tax increment financing.

The LRA is committed to exploring a variety of strategies and mechanisms to complement tax increment financing. The LRA recognizes that it is imperative that financing mechanisms be flexible and creative to provide necessary assistance to a broad range of redevelopment activities.

5.3 Participating Interest in Projects

The LRA may require a participating interest in private development projects for which it provides financial assistance. Public assistance is frequently needed for redevelopment projects in order to fill the gap between traditional equity and debt financing and the additional costs of a redevelopment project. In the event the project generates revenues at or greater than market return, the public should share in the success of the project. The terms of the participating interest will be specified in the Redevelopment Agreement at a level and on terms appropriate for each project.

6. PLAN ADVISORY GROUP

To assist with implementation of this Plan, a citizen's advisory group shall be formed by the LRA. The purpose of this group is to provide input and recommendations to the LRA and to ensure strong communication between the LRA and the West Colfax Avenue businesses. The recommendations of the advisory group will be sought on a project-by-project basis as the project and/or projects are identified. It is recommended that the advisory group include business and property owners within the West Colfax Avenue Corridor Reinvestment Area, a representative of West Metro Fire Protection District, members of the Lakewood City Council, and members of the Lakewood Planning Commission.

7. AMENDMENTS TO THIS PLAN

This Plan may be amended or modified pursuant to provision of the Urban Renewal Law as provided in § 31-25-107, C.R.S.

FIGURE 1

WEST COLFAX AVENUE CORRIDOR REINVESTMENT AREA

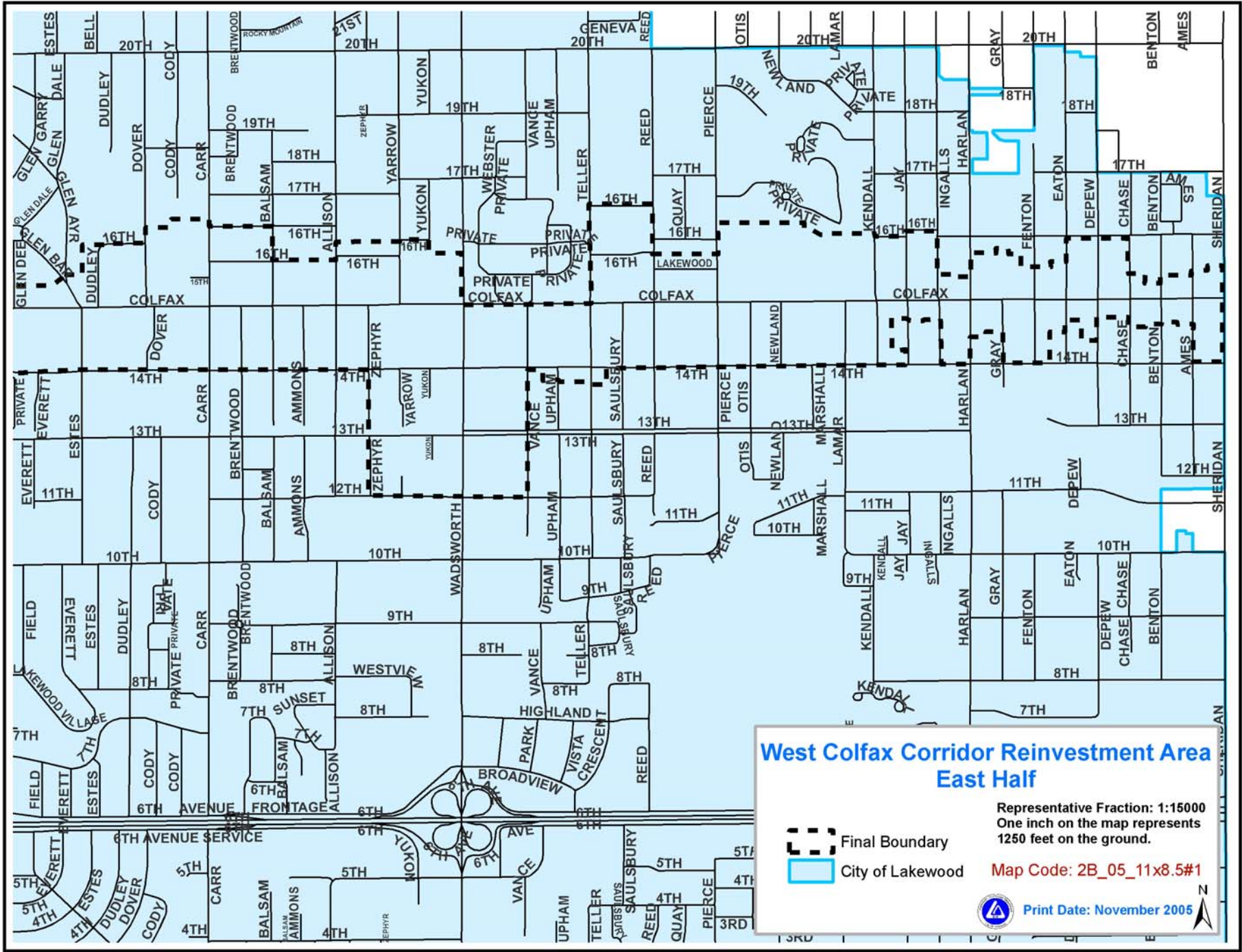


Figure 1: Page 1 of 2

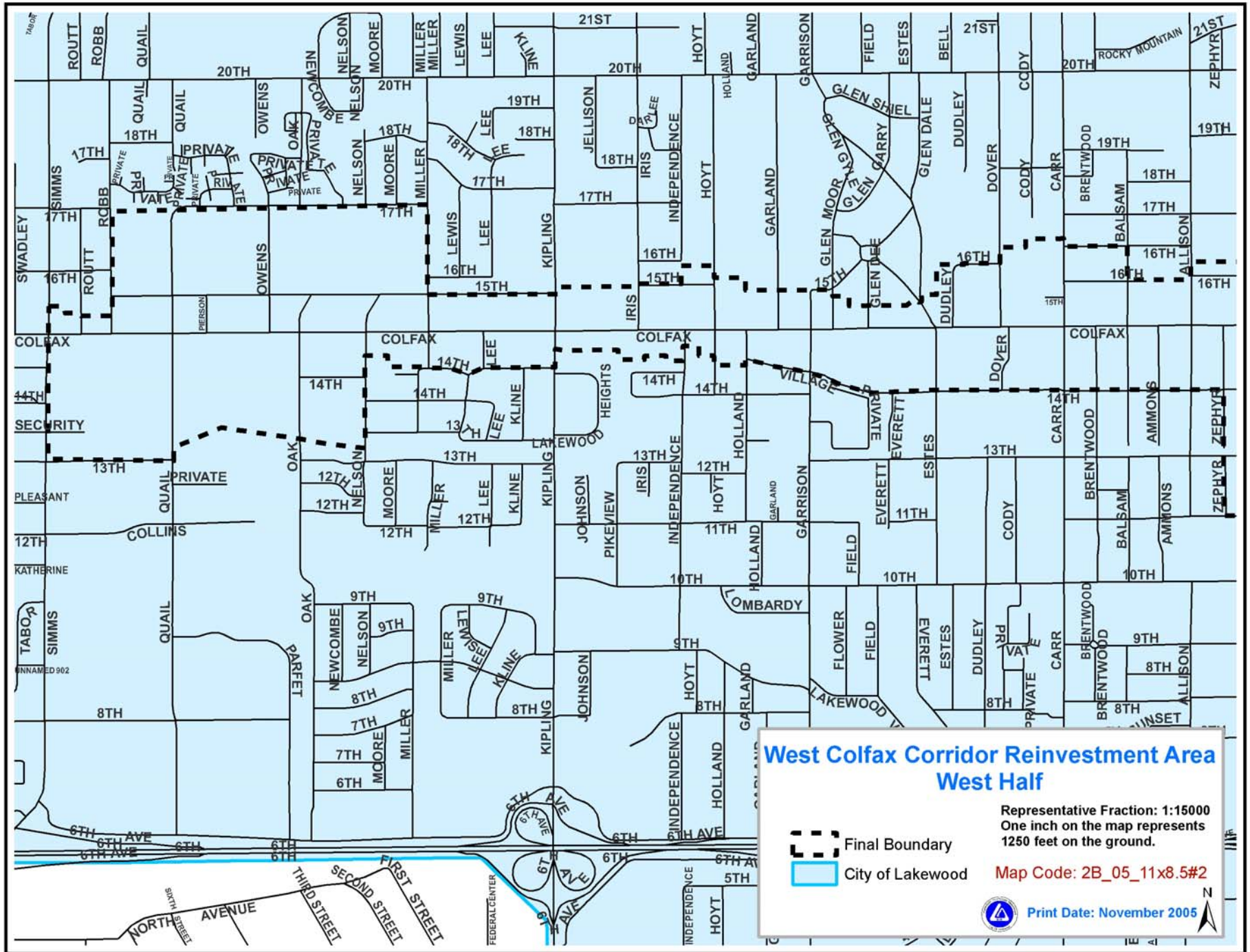


Figure 1: Page 2 of 2

ATTACHMENT 1

COLFAX REINVESTMENT CONDITIONS SURVEY