


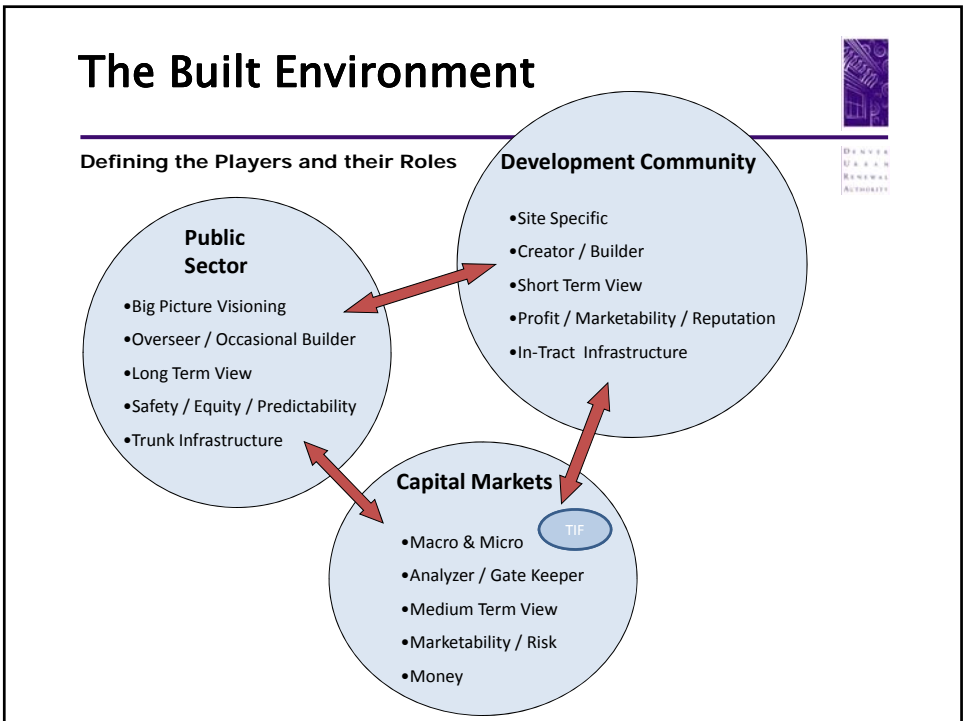
**Basics of Urban Renewal**

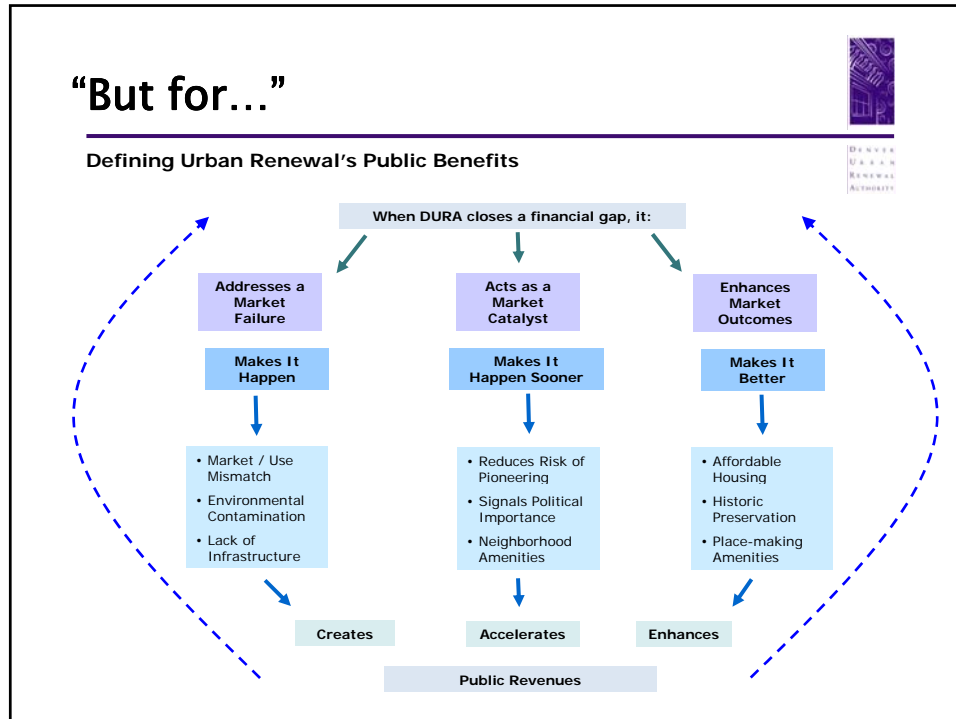
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**Rationale / Process / Current Examples**



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## What is TIF?

Creation of Value

- \* A financing mechanism that enables the net new tax revenues generated by a redevelopment project to provide up-front financing
- \* Can be used either to finance the issuance of bonds or to reimburse developers
- \* Must be used for infrastructure and related capital improvements that benefit the public and support the redevelopment
- \* Creates long-term value to the city by returning formerly blighted properties to the tax rolls

## How TIF Works



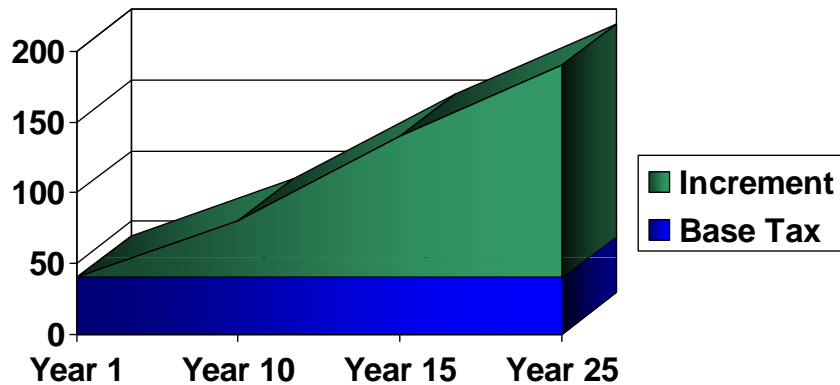
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- \* “Base” established for property and/or sales taxes prior to redevelopment
- \* If subsequent development increases the assessed value of property and/or sales tax receipts, the “tax increment” is used to pay off bonds or reimburse developer
- \* Normal taxing entities protected by continued receipt of revenues attributable to the “base”
- \* After DURA fulfills monetary obligations related to a project, all additional taxes created go to normal taxing entities


## TIF- “Creation of Value”



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## Tax Increment Financing

  
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### How it works – Highlands' Garden Village

	Assessed Value 1998	Assessed Value 2005	Property Tax Revenue in 2005
Vacated Elitch's Site	\$917,160	\$1,293,740	\$83,009
<u>Redeveloped Highlands' Garden Village</u>	<u>\$917,160</u>	<u>\$5,114,730</u>	<u>\$328,171</u>
Increment	\$0	\$3,820,990	\$245,162

Available to DURA to close financial gap


↑

- Developer Reimbursement
- Debt Service on Bonds

Generally Two Types of Increment:

- Sales Tax Increment
- Property Tax Increment

## Tax Increment Financing

  
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### The Mechanics – Bonds vs. Reimbursement

- Two Types of TIF Financing
  - TIF Bonds
    - Larger Dollar Investment
    - Risk born by Bond Holders
    - Equity vs Debt
  - Developer Reimbursements
    - Smaller Dollar Investment
    - Risk born by Developer
    - Credit Enhancement

## Urban Renewal Projects

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### The Results

#### •Downtown

- Denver Dry
- Denver Pavilions
- Pepsi Center
- Sheraton Hotel

#### •Six Flags/Elitch Gardens

#### •Stapleton

#### •Lowry

#### •Highlands Garden Village

#### •Globeville/Asarco

#### Future Projects:

#### •Gates (I-25 & Broadway)

#### •9th & Colorado

#### •Brighton Blvd

## Basics of Urban Renewal

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### Rationale / Process / Current Examples