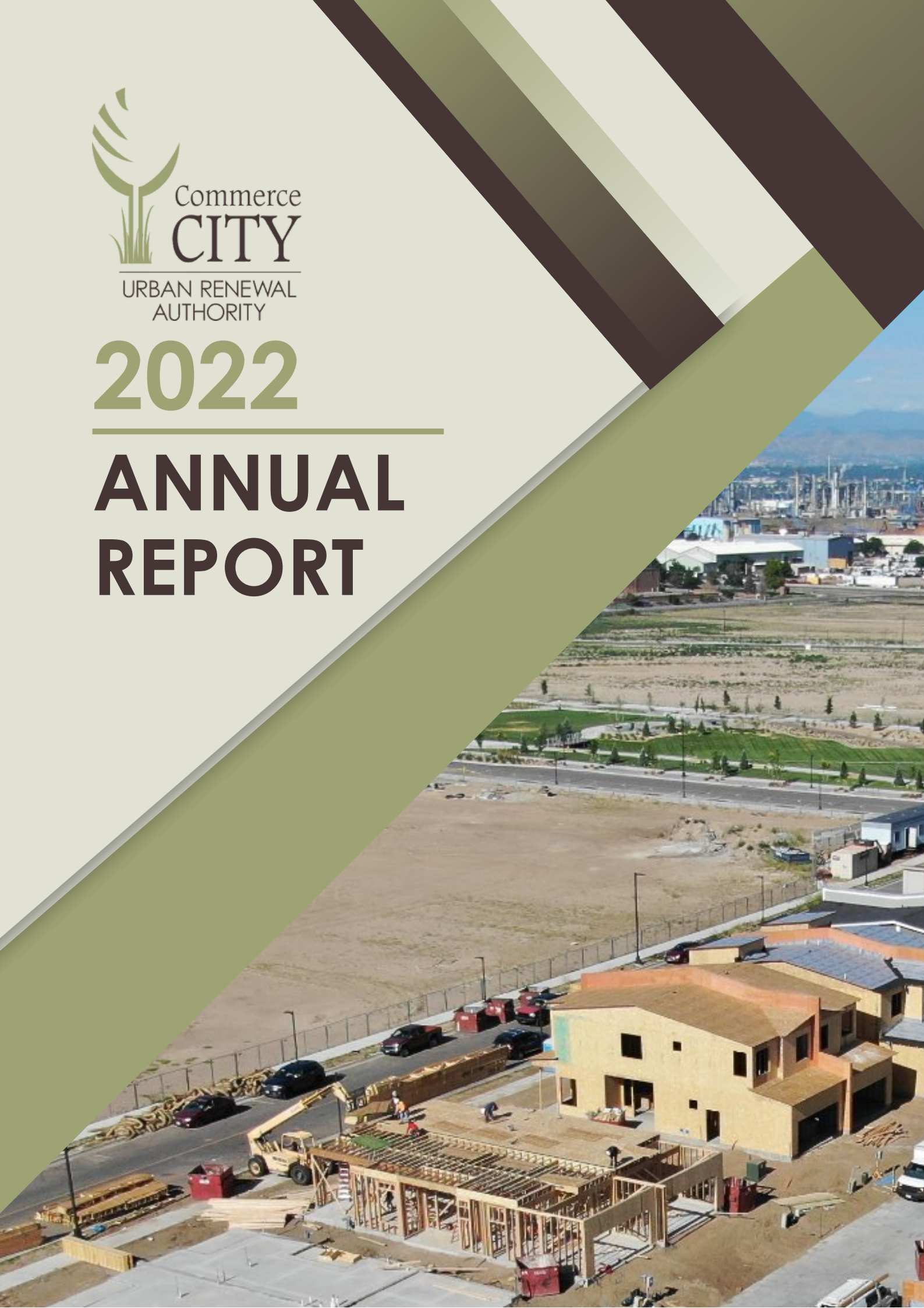




2022

ANNUAL REPORT



Urban Renewal Authority of the City of Commerce City, Colorado (CCURA)

The 13-member Commerce City Urban Renewal Authority (CCURA) Board of Commissioners consists of the Commerce City Mayor and City Council; a member of the Adams County Board of County Commissioners; a special district board member; a member of the Adams 14 Board of Education; and a member appointed by the Mayor. The City of Commerce City provides professional staff support to the CCURA via the Executive Director and Director of Urban Renewal.

2022 Board of Commissioners and CCURA Support Staff



Chairperson

BENJAMIN HUSEMAN



Vice Chairperson

JENNIFER
ALLEN-THOMAS



Commissioner

OSCAR MADERA



Commissioner

RENÉE M. CHACON



Commissioner

SUSAN NOBLE



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CRAIG HURST



Commissioner

SEAN FORD



Commissioner

KRISTI DOUGLAS



Commissioner

CRAIG KIM



Commissioner

CHAZ TEDESCO



Commissioner

CRAIG MACHUGA



Commissioner

RENÉE LOVATO



Commissioner

PETER BUCHE



Executive Director

JASON ROGERS



**Director of
Urban Renewal**

BILL AIKEN



Message from the Director of Urban Renewal

Welcome to the 2022 Annual Report for the Urban Renewal Authority of Commerce City, Colorado. The City of Commerce City is a home rule municipality located in Adams County and is a part of both the Denver–Aurora–Lakewood Metropolitan Statistical Area and the Front Range Urban Corridor. With an estimated population of 69,058, Commerce City is the 18th largest city in Colorado and quickly growing.

The Urban Renewal Authority was established in 1978 and is responsible for the acquisition, clearance, rehabilitation, conservation, development, and redevelopment of blighted areas within the city. Through the CCURA, the city's planning process and development process work together to deliver upon a community vision. The CCURA is capable of removing complicated and expensive factors that are known to prevent desirable redevelopment activities that revitalize struggling areas to restore economic vitality and improve safety.

2022 was another challenging year due to many issues remaining from the COVID-19 pandemic. Persistent inflation and supply chain disruptions led to further escalation in land development and construction costs, intensifying the private market's risk. Despite some recent easing, construction input costs are up 16% year-over-year and a total of 41% since 2020. Supply chain issues have increased lead times up to 10-fold from pre-pandemic delivery of many essential materials. This widening gap in market conditions continues to emphasize the importance of urban renewal authorities and their unique ability to create strategic public-private partnerships to target reinvestment, public improvements, and new development.

The CCURA only operates in places officially designated by City Council as Urban Renewal Areas (URAs). City Council can make such a designation only after a thorough analysis of the area pursuant to State Urban Renewal Law. There are currently five URAs within the city. This annual report will identify each area, look at the progress made in each area, and look ahead to what is expected in the coming years.

Sincerely,

Bill Aiken, AICP
Director of Urban Renewal
City of Commerce City, Colorado

Urban Renewal Plan Areas

CITY CENTER

The City Center Urban Renewal Plan was created in November 1998. Home of the Commerce City Plaza, the base amount for this Urban Renewal Area is set at \$170,625 of sales tax each year. The city collects and retains the first \$170,625 of the 3.5% sales tax and remits all excess of the base to the project developer. The CCURA does not collect or retain any incremental revenues generated as a result of this Urban Renewal Plan area, which will terminate on December 31, 2023. Upon termination, Commerce City will begin to collect and retain all of the 3.5% sales tax.

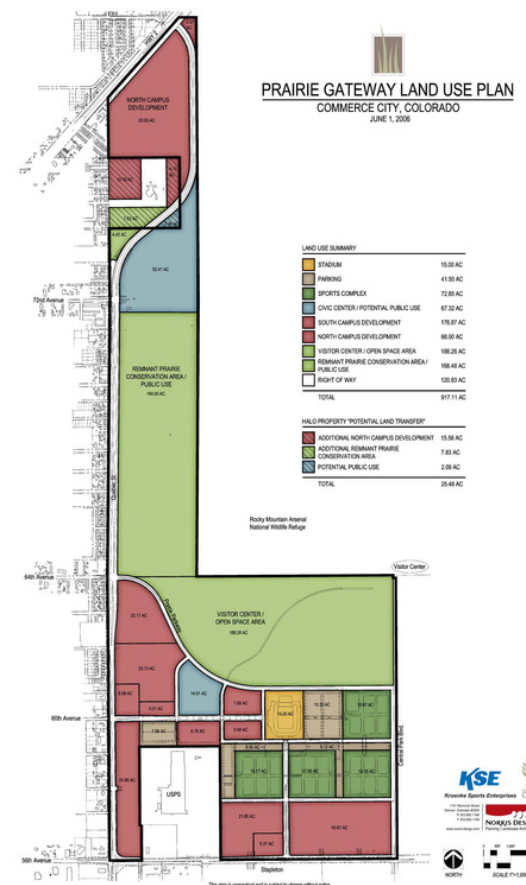
Anchored by King Soopers, the shopping center maintains high occupancy rates and is nearly built out with only three undeveloped parcels remaining. One of the remaining parcels is expected to be purchased and developed by Jiffy Lube in 2023.



PRAIRIE GATEWAY

In 2004, Commerce City purchased 917 acres from the federal government for \$4,490,100, paving the way for the Prairie Gateway Urban Renewal Plan. With the adoption of the Urban Renewal Area plan in 2005, the city and CCURA executed a Master Development Agreement, Funding and Reimbursement Agreement, Purchase and Sale Agreement, Stadium Management Agreement, and Environmental Responsibility Agreement with Kroenke Soccer Stadium, LLC (KSS) as redeveloper of the project. Incremental property taxes and municipal sales taxes are allocated and paid into the special fund of the URA to reimburse the developer for over \$100 million of improvements.

In 2005, the city donated 55 acres to the Adams County School District 14 for the new 290,000-square-foot Adams City High School. Shortly after in 2007, Commerce City completed the construction of the 98,000-square-foot Civic Center and Kroenke Soccer Stadium, LLC completed the construction of the 18,000-seat Dick's Sporting Goods Park stadium. The most recent addition to this plan area was the construction of the 14,000-square-foot South Adams County Fire District Office, which opened in 2018.



Urban Renewal Plan Areas

MILE HIGH GREYHOUND PARK

For over 60 years, the former Mile High Greyhound Park was a vibrant entertainment destination, drawing thousands of people across Colorado each year. However, when greyhound racing ended in 2008, visitors and activity in the heart of Commerce City slowed drastically. The CCURA jumped into action by purchasing the property in 2011, intent on redeveloping the site as an economic engine for a new generation. The demolition of existing structures was completed in 2013 to prepare the property for redevelopment.

Mile High Greyhound Park Urban Renewal Plan was created in June 2018 to help provide important services, attract private investment, utilize underdeveloped land, and leverage public investment and funding options to provide necessary public infrastructure. Just 10 minutes from downtown Denver, the site is actively being redeveloped into a vibrant, mixed-use area that will include residential, retail/commercial, open space, and public/institutional/educational uses. The property is poised to help revitalize the area and regain its place as an important community hub in the historic part of Commerce City.

As a community hub, the development goals include:

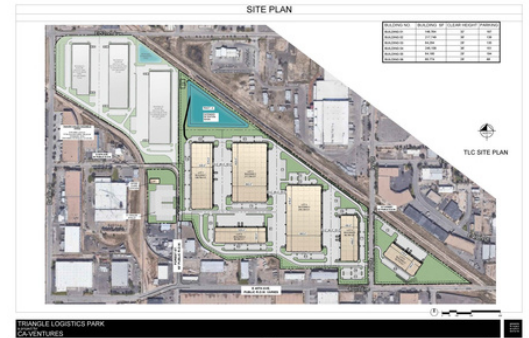
- Create a flexible, master framework plan
- Create a mixed-use neighborhood
- Provide a variety of retail and commercial options
- Create a community destination and sense of place
- Partner with the Boys & Girls Club and other service organizations
- Partner with an institutional anchor



Urban Renewal Plan Areas

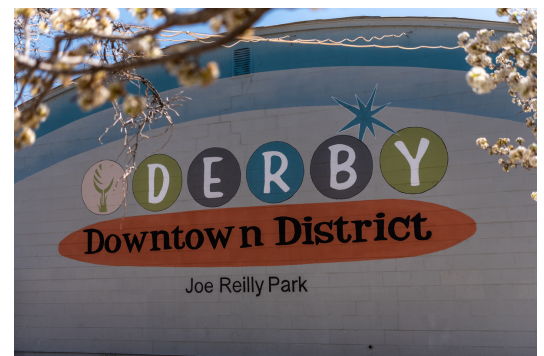
SAND CREEK BUSINESS AREA

The Sand Creek Business Area Urban Renewal Plan was created in April 2022. The site is home to the Sand Creek Landfill, which was in operation from the 1940s to the 1990s when the site was named a Superfund Site by the United States Environmental Protection Agency. The site is under consideration to be redeveloped as a light industrial, flex space hub with approximately 850,000 square feet of new building construction on the 70-acre site.

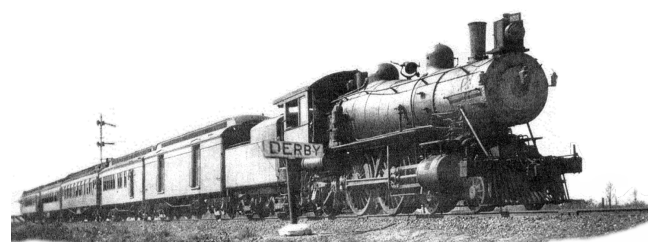


BUSINESS DISTRICT DERBY

The Derby Business District Urban Renewal Plan was created in February 2009 to assist in the implementation of the 2006 Derby Small Area Plan. The sales tax base amount was established at \$150,577 when the plan was adopted. On an annual basis, the city collects and retains the first \$150,577 of the 3.5% sales tax and remits all excess of the base to the CCURA for improvements in furtherance of the Derby Business District Urban Renewal Plan.



The community desires for Derby to once again become a "third place" as it was decades ago. Coined in the 1980s by sociologist Ray Oldenburg, the term third place essentially refers to a physical location other than work or home where there is little to no financial barrier to entry and where the conversation is the primary activity. With the successful implementation of the Derby Small Area Plan, Derby can be revitalized and admired as a charming downtown for frequent events, festivals, shopping, acts, and other activities for residents.



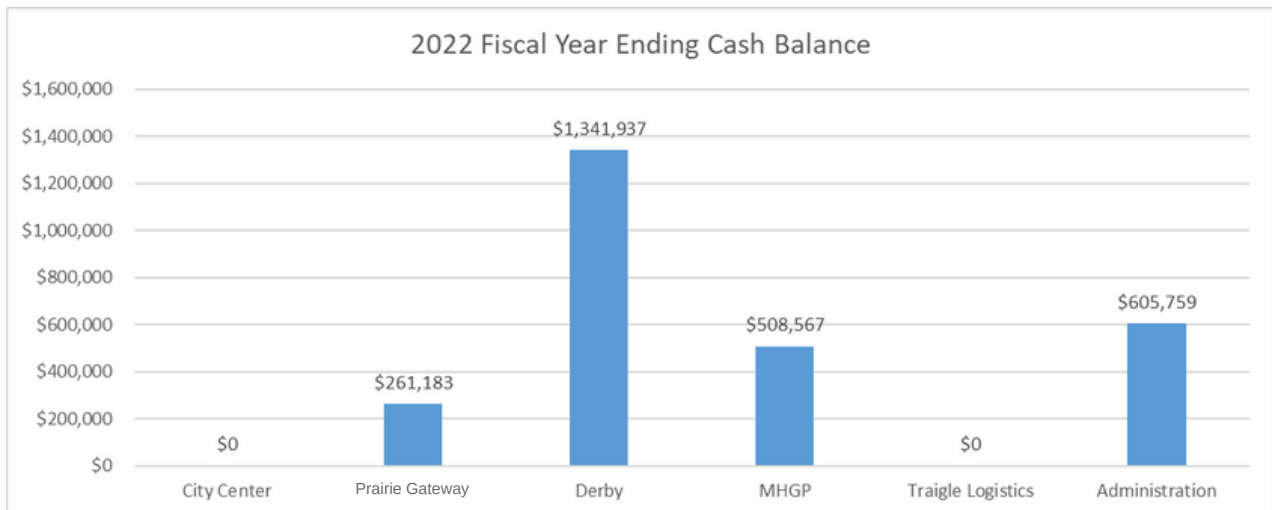


As Commerce City continues to establish itself as a *Quality Community for a Lifetime* through the relentless pursuit of excellence, the community's expectations continue to raise. The CCURA is a sophisticated board focused on long-term success. To be successful long-term, the CCURA understands and commits to maintaining a healthy budget and developing a policy to become financially sustainable.

Project	City Center	Prairie Gateway	Derby	MHGP	Triangle Logistics	Administration	Total
Revenue	\$ 281,154	\$ 854,402	\$ 88,152	\$ 35,160	\$ -	\$ 2,499	\$ 1,261,768
Expense	\$ (281,254)	\$ (827,805)	\$ (117,289)	\$ (19,964)	\$ (55,735)	\$ (12,076)	\$ (1,314,023)
Finances	\$ -	\$ 26,597	\$ (29,138)	\$ 15,195	\$ (55,735)	\$ (9,577)	\$ (52,255)

**Since this data is unaudited it is subject to change*

In fiscal year 2022, the CCURA generated \$1,261,768 in revenue and had a total of \$1,314,023 in expenses. As a result, \$52,255 of reserves were allocated to balance the budget. This was largely due to costs related to the creation of the Sand Creek Business Area Urban Renewal Plan.



Each Urban Renewal Area must be treated independently and maintain a separate budget without cross-mingling funds. Each of the five current plan areas has unique goals, objectives, and financial structures. For instance, the CCURA agreed in 1998 to pledge all incremental sales tax revenues generated by the Commerce City Plaza to reimburse the developer for eligible URA costs. As a result, the entire increment generated each year is remitted to the developer ensuring that the CCURA's balance for this URA will remain \$0. On the other hand, incremental sales tax revenues generated in Derby are retained by the CCURA in furtherance of the Urban Renewal Plan. Over the past 14 years, the CCURA has accumulated a Derby fund balance of \$1,341,937 that will be spent in furtherance of the Derby Business District Urban Renewal Plan.

CCURA's newest project, the Triangle Logistics Center within the Sand Creek Business Area Urban Renewal Plan was approved in 2022. While no incremental revenues have been generated to date, the Redevelopment Agreement for this project was well negotiated and is expected to generate over \$2 million in use tax for the city during the initial buildout, nearly \$1 million is 2K sales tax for the city, approximately \$220,000 annually for various taxing authorities, and approximately \$11 million for the CCURA in furtherance of the Urban Renewal Plan over the next 24 years. This project highlights how successful negotiations between the CCURA and a private developer can have significant positive impacts in Commerce City and for our various partners.

2022 Highlights



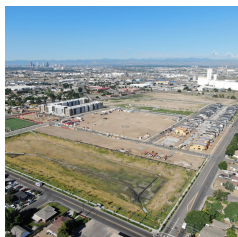
Highlights initiated by the CCURA in 2022 include:

Groundbreaking for the Empowerment Apartments, a 50 unit LIHTC affordable housing project



Hiring a Director of Urban Renewal

Sale of a 2-acre building pad to TGC Group for the development of a 122-room hotel at Mile High Greyhound Park



Grand opening for the Landing at Greyhound Park, a 223 unit residential project

Partnering with Adams County to kick off urban renewal efforts for the revitalization around the 72nd Avenue RTD rail station

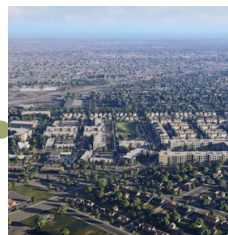


Marketing 9.5 acres of land for sale at Mile High Greyhound Park

Starting a strategic planning initiative to guide the long-term success of the CCURA



Improving the level of service for maintenance in Derby



Renegotiating the Mile High Greyhound loan by and between the CCURA and the city

What's next?

With rapidly rising interest rates, an expected recession, and uncertain economic headwinds, the real estate development industry will inevitably continue to experience some contraction in the near-term. Construction input prices are up 16% year-over-year, but we are beginning to see some stabilization in the rate of increase in pricing on many materials. The underlying reasons for the recent increase in cost inflation on building projects have predominantly been a result of the slowed construction activity during the pandemic, which led to a spike in construction activity following the release of lockdowns. This increased demand coupled with the existing labor constraints in the construction industry and supply issues resulting from a breakdown in the global supply chain in manufacturing facilities being shuttered and logistics and transportation links affected by the pandemic has led to a spike in commodities and materials in the near term.

Despite the near-term headwinds, the CCURA has a very bright future ahead of itself. As Commerce City continues to attract investment and growth in parts of the city, there will continue to be increased demand to revitalize struggling areas of the city to restore economic vitality and improve safety. Understanding that redeveloping areas is much more difficult and more expensive than new development, Commerce City expects to capitalize on the recent momentum and continue to utilize the CCURA to guide urban renewal activities. To maximize its future success, the CCURA must continue applying the four C's: communication, cooperation, coordination, and collaboration to build and maintain a strong support network with our many partners.

As the CCURA continues to establish itself as a powerful tool to support revitalization in Commerce City, it is critical to create a vision for what success means. The CCURA is currently developing a Strategic Plan this is expected to be adopted in 2023. Having an adopted Strategic Plan will add consistency, predictability, and credibility to the CCURA and will allow staff to progress desired redevelopment activities within plan areas more effectively.

In 2023, the CCURA aspires to:

- Create a long-term Strategic Plan to guide the CCURA
- Create a CCURA branding initiative to further distinguish itself from the city
- Update CCURA bylaws and enter into an Intergovernmental Agreement with the city
- Support the swift implementation of the approved redevelopment plan for Sand Creek Landfill
- Create a new Urban Renewal Plan for the Commerce City-72nd Avenue RTD Station
- Terminate the City Center Urban Renewal Plan upon its 25th anniversary on Dec. 31
- Consider various opportunities to strategically reinvest revenues in URA plan areas
- Enter into agreements to sell and redevelop Tracts A & B at Mile High Greyhound Park
- Initiate the Phase II Tax Increment at Mile High Greyhound Park for the hotel site
- Develop a unified vision for the public building component of the Mile High Greyhound Park
- Develop a marketing and events strategy to program Derby as a "third place"



