



COMPLETE COLORADO **PAGE 2** ORIGINAL REPORTING & COMMENTARY

PAGE ONE LOCAL ▾ LOCAL GUN RIGHTS ISSUES ▾

2023 LEG SESSION COLUMNISTS ▾ SEND TIPS

[2023 LEG SESSION](#), [FEATURED](#), [GOLD DOME](#), [LAND USE](#), [LARIMER COUNTY](#), [LOCAL](#), [LOVELAND](#), [POLITICS](#), [SHERRIE PEIF](#), [TAXES](#), [URBAN RENEWAL](#)

Bill restricting farmland in urban renewal projects clears committee, heads to Senate floor

April 14, 2023

By Sherrie Peif

Facebook Twitter LinkedIn Print Email

DENVER — A bipartisan bill that would further limit inclusion of agricultural land in urban renewal authority (URA) projects passed out of a Senate committee Wednesday on a 6-1 vote.

Senate Bill 23-273 appears to be on a fast track, having been introduced only two days prior and now scheduled for a senate floor vote Thursday. It appears if passed, the bill would stop a proposed large real estate development in Northern Colorado from using a controversial taxpayer-subsidized funding mechanism — known as tax increment financing (TIF) —

associated with URAs.

SHARES

Proponents say the **two-page bill is necessary to clarify one condition** from a 2010 bill that put limits on the use of ag land in URAs, and that if the Northern Colorado development is allowed to continue using the loophole, it would set a precedent that would be devastating to taxpayers.

“The original House Bill 10-1107 was to shut down the mischaracterization or abuse of (adding farmland to URA)”, said Morgan Carroll, a former state senator who sponsored the original bill during testimony to the Agriculture & Natural Resources committee. “Our intention was clearly to grandfather only the existing urban renewal authorities because the entire purpose of this bill was to stop the abuse.”

Carroll along with former legislators Steve Johnson, John Kefalas and Kevin Lundberg all testified that the original bill was passed overwhelmingly to stop the use of TIFs in URAs on farmland, and that SB 273 simply clarifies their original intent.

The Centerra South project in eastern Loveland, a city of about 80,000 people, 50 miles north of Denver on Interstate 25, was the basis for most of the testimony on Wednesday with developers and representatives from the Loveland Chamber of Commerce testifying against the bill, while Loveland residents, school board members, county commissioners, city council members, and urban renewal commissioners — on both sides of the political spectrum — testified in favor of it.

URAs were originally designed to convert “blighted” (or rundown) properties into new development to stimulate the economy and improve the property and financed with TIF, which work by freezing the current level of tax revenue being collected within an area to create a base. Once a plan is in effect, any revenue generated over that base goes to the developer to fund improvements such as water, sewer and roads in predetermined areas.

These freezes affect all taxing entities within the URA, such as counties, cities, schools, and special taxing districts (fire, libraries, water, etc.) so that there is no “growth” in revenue from increased property values. In many cases that leads to other taxes needing to be increased, such as mill levy overrides for school and fire districts or sales taxes for cities and counties.

Supporters say that over the years, the inclusion of agricultural land into URAs became a

SHARES

Opponents argued the bill directly target to stop the Centerra South project, and that the loss of the project would be devastating for Loveland.

“This initiative is in place to kill this development,” said Mindy McCloughan, president of CEO of the Loveland Chamber of Commerce, adding the development would bring new housing, a grocery store, a museum, and other retail and office space to an already heavily developed area. “The (developer’s) vision for Northern Colorado has been nothing shy of amazing and our economy wouldn’t be what it is today without the (developer).”

The bill, sponsored by former Thompson School District Board of Education Vice President Sen. **Janice Marchman, D-Loveland** and former Logan County Commissioner Sen. **Byron Pelton, R-Sterling**, closes the loophole by clarifying that ag land can only be included in a URA if it is part of a URA that was created prior to June 1, 2010, and that the land stays a part of that existing URA.

Centerra South is a proposed 148-acre retail and residential development near their existing Centerra community south of U.S. Hwy. 34. The ag land the new development would use is currently part of a 2004 URA.

That URA expires in 2029, however, and developers cannot develop the new project in time under the old URA, so they want to remove the 148-acre parcel and create a new URA, which would require the taxing authorities to give up some or all future property tax revenues in excess of the base for another 25-years.

That would impact the City of Loveland, Thompson School District, Larimer County, Thompson Valley Health Services District and Northern Colorado Water Conservation District, potentially amounting to hundreds of millions in lost revenue for those districts.

Although the state currently backfills the lost revenue to school districts, there is no guarantee that will continue, and the state does not backfill the losses for the other taxing districts, and Larimer County will not approve the use of ag land in the URA for its portion.

“I am concerned about the appropriate use of URA tools in my county,” said Larimer County Commissioner Jody Shaddock-McNally. “The use of URAs and TIFs have expanded from their original intended purpose to a tool that is used more broadly for a wider range of economic

SHARES

McNally said it will continue to be exploited and not used appropriately if SB 273 is not passed.

The developer, Troy McWhinney testified that the land is not “prime agricultural” but instead hard-to-farm land that meets the definition of blight and outlined what he said were huge unintended consequences if this bill were to pass.

“Tools like this are needed,” McWhinney said. “150 acres in the middle of an urban area is not considered economical. This has been slated for economic growth for a long, long time.”

However, the mayor of Loveland said the McWhinney’s own approximately more than 700 additional acres of farmland also in their current URA from 2004 and adjacent to the current proposed lot. She said they have notified city council that they will propose pulling sections of that land out in hopes of starting a new URA.

She said no one is opposed to the McWhinney’s desire to develop that land, but that they should do so without the use of the taxpayer-subsidized funding mechanism a URA provides, like other developers in the area are doing.

“The current URA that goes back to 2004 has cost our city significant dollars,” Loveland Mayor Jacki Marsh said. “The employees in our city government are understaffed and underpaid. When the current URA and the master finance agreement expires in 2029, Loveland will see an increase of over \$16 million (a year) in revenue. Those dollars are needed to provide critical services.”

An amendment to the bill also passed 5-2 with senators Rod Pelton and Kevin Priola casting the no votes. That amendment changed the applicability from a “proposed” URA to a proposed or approved one.

Complete Colorado will continue to follow the bill through the process.

SUPPORT COMPLETE

Our unofficial motto at Complete Colorado is “Always free, never fake, ” but annoyingly enough, our reporters, columnists and staff all want to be paid in actual US dollars rather than our preferred currency of pats on the back and a muttered kind word. Fact is that

SHARES

news (updated twice daily) from around the state on Complete's [main page aggregator](#), as well as top-notch original reporting and commentary on [Page Two](#).

[CLICK HERE TO LADLE A LITTLE GRAVY ON THE CREW AT COMPLETE COLORADO](#). You'll be giving to the Independence Institute, the not-for-profit publisher of Complete Colorado, which makes your donation tax deductible. But rest assured that your giving will go specifically to the Complete Colorado news operation. Thanks for being a Complete Colorado reader, keep coming back.

Related Articles

[Bipartisan bill aims to further restrict inclusion of agricultural land in urban renewal areas](#)

[Colorado's 'ban the box' law allowed man convicted of double-murder to land nursing home job](#)

[Nearly 100 Loveland businesses refusing to shut down under 'level red' COVID mandate](#)

[Weld commissioner: Erie urban renewal, TIF plan not good for county](#)

[Caldara: Colorado cities playing Monopoly with taxpayers' money](#)

Tags: [Centerra](#), [Centerra South](#), [Loveland](#), [Loveland Urban Renewal Authority](#), [Urban Renewal](#)



Author: Sherrie Peif

Sherrie Peif is an award winning, veteran investigative reporter covering politics and policy throughout Colorado. She enjoys baseball, football, the mountains and cooking. She has one child and three huskies.

SHARES

Comments are closed.

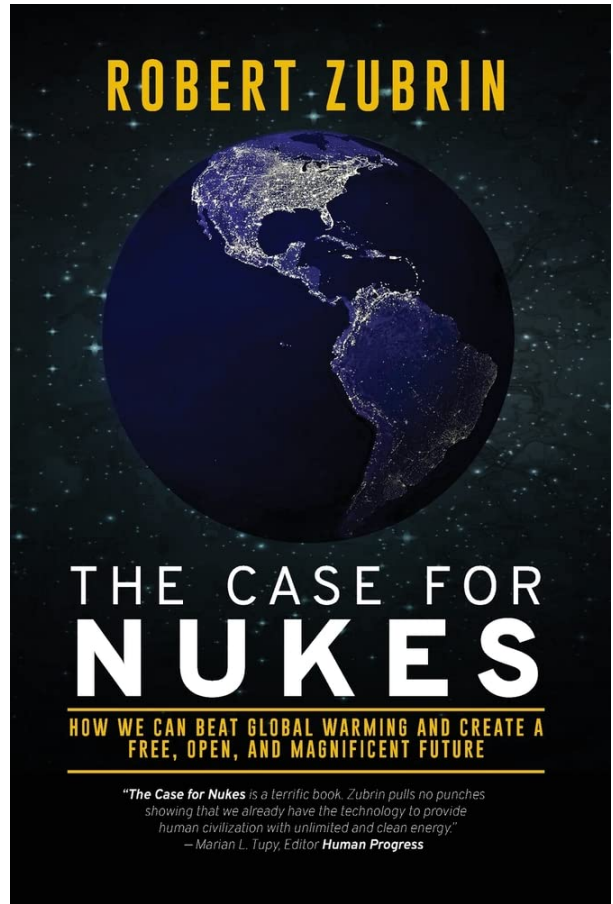
Want to stay in touch? Sign up for Complete Colorado email updates

Sign up here

Subscribe



SHARES



About Complete Colorado – and how to stay connected with us!

Copyright © 2023 Complete Colorado – Page Two.