

Craig URA #2
Urban Renewal Plan for
Craig, Colorado

Prepared for:

City of Craig
300 W 4th Street
Craig, CO 81625

Prepared by:



DGC Consulting
4241 S. Logan St.
Englewood, CO 80113

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Background information and other data have been furnished to DGC Consulting (DGC) by the City of Craig, Colorado, Moffat County, Colorado, and/or third parties, which DGC has used in preparing this report. DGC has relied on this information as provided, and is neither responsible for nor has confirmed the accuracy of this information.

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1.0 Introduction

1.1 Preface

This Craig URA #2 Urban Renewal Plan (the “Plan” or the “Urban Renewal Plan”) has been prepared for the City of Craig, Colorado, a home rule municipal corporation of the State of Colorado (the “City”). The Plan will be carried out by the Craig Urban Renewal Authority (the “Authority”), pursuant to the provisions of the Urban Renewal Law of the State of Colorado, Part 1 of Article 25 of Title 31, Colorado Revised Statutes, 1973, as amended to date (the “Act”). The administration and implementation of this Plan, including the preparation and execution of any documents implementing it, shall be performed by the Authority.

1.2 Blight Findings

Under the Act, an urban renewal area is a blighted area, which has been designated as appropriate for an urban renewal project by the City Council of the City. In each urban renewal area, conditions of blight, as defined by the Act, must be present, and in order for the Authority to exercise its powers, the City Council must find that the presence of those conditions of blight substantially impair or arrest the sound growth of the municipality or constitutes an economic or social liability, and is a menace to the public health, safety, morals or welfare.

The Craig Conditions Study prepared by DGC Consulting, dated January 2021, provided to the Authority under separate cover and incorporated herein by this reference (the “Conditions Study”), demonstrates that the Craig Study Area (“Study Area”), as defined in the Conditions Study, is eligible to be declared a blighted area by the City Council under the Act.

1.3 Other Findings

The Area (defined in Section 1.4) is appropriate for an urban renewal project to be carried out by the Authority. The activities and undertakings that constitute the urban renewal project as defined in the Act include, without limitation, demolition and clearance of existing improvements, site preparation, installation of needed public improvements, relocation of and provision of new utilities, parking improvements, traffic improvements, and life safety measures. Such actions are necessary to eliminate unsafe conditions, obsolete and other uses detrimental to the public welfare, and otherwise remove and prevent the spread of blight.

As required by §31-25-107(4)(g) of the Act, this Urban Renewal Plan will afford maximum opportunity, consistent with the sound needs of the City, for the redevelopment of the Urban Renewal Area by private enterprise.

It is the intent of the City Council in adopting this Plan that the Authority exercises all powers authorized in the Act which may be necessary, convenient or appropriate to accomplish the objectives of this Plan, except that the use of the power of eminent domain is not authorized. It is the intent of this Plan that the Authority may exercise all such powers as may now be possessed or hereafter granted for the elimination of qualifying conditions in the Area.

The powers conferred by the Act are for public uses and purposes for which public money may be expended and police powers exercised. This Plan is in the public interest and necessity -- such finding being a matter of legislative determination by the City Council.

1.4 Urban Renewal Area Boundaries

The Craig URA Area #2 (the “Urban Renewal Area” or the “Area”) is comprised of approximately 275 acres in downtown Craig, Colorado. This includes 74 acres within City boundaries and 201 acres adjacent that remain in the County. The Area includes approximately 14 city blocks (including private parcels, streets and alleys) and several larger, less-defined superblocks to the south near the railroad. The north side of the Area is bounded by 4th Street/6th Street/Stock Drive; the east by Legion Street/First Street; the south side by 1st Street; and the west by Ranney Street/Breeze Street.

The Area is depicted and shown on [Appendix A: Craig Urban Renewal Area #2 Legal Description and Map](#).

2.0 Definitions

Act – has the meaning given to such term in Section 1.1 above.

Area or Urban Renewal Area – has the meaning given to such term in Section 1.4 above.

Authority – has the meaning given to such term in Section 1.1 above.

Available Property Tax Increment Revenues – means all Property Tax Increment Revenues available pursuant to the Tax Increment Financing provisions of the Act not payable to taxing bodies pursuant to agreements, if any, with the Authority or otherwise as provided in §31-25-107(9.5) of the Act. In the event that an agreement is reached with a taxing body pursuant to § 31-25-107(9.5) of the Act after the Effective Date of Plan Approval, the Property Tax Increment Revenues generated by said taxing body's mill levy shall become Available Property Tax Increment Revenues, and the addition of such revenue shall not be a substantial modification to this Plan. Upon approval of this Plan the Available Property Tax Increment Revenues are irrevocably pledged to payment of Bonds for the Duration of the Urban Renewal Project as provided in Section 7.0 below.

Base Valuation Revenues – means the revenues produced by the base valuation for taxable property and municipal sales and use taxes as provided in Section 7.0 of this Plan.

Bonds – shall have the same meaning as in §§31-25-103(3) and 109 of the Act, and, without limitation, specifically includes all revenues pledged to the Authority, including Available Property Tax Increment Revenues, and further pledged to pay Project costs pursuant to Redevelopment/Development Agreements or other reimbursement agreements between the Authority and owners and developers.

City – has the meaning given to such term in Section 1.1 above.

City Council – means the City Council of the City.

Conditions Study (or Study or Survey) – has the meaning given to such term in Section 1.2 above.

Cooperation Agreement – means any agreement between the Authority and City, or between the Authority and any public body (the term “public body” being used in this Plan is as defined by the Act) respecting action to be taken pursuant to any of the powers set forth in the Act or in any other provision of Colorado law, for the purpose of facilitating public undertakings deemed necessary or appropriate by the Authority under this Plan.

County Treasurer – means the Moffat County Treasurer.

C.R.S. – means the Colorado Revised Statutes, as amended from time to time.

District (or Districts) – means a metropolitan district which is a quasi-municipal corporation and political subdivision of the State of Colorado organized under the Colorado Special District Act, 32-1-101, et seq., C.R.S., as from time to time amended, or a business improvement district which is a quasi-municipal corporation and political subdivision of the State of Colorado organized under the Colorado Business Improvement District Act, 31-25-1201, et seq., C.R.S., as from time to time amended, or any successor District or Districts thereto as may be approved by the City.

Duration – means the entire twenty-five (25) year time period authorized by §31-25-107(9) of the Act.

Economic Development Strategy – means the Moffat County Comprehensive Economic Development Strategy (CEDS) September 2016 to September 2021 and the Moffat County Vision 2025 Transition Plan, “A Road Map to the Future of Moffat County”.

Effective Date of Plan Approval – means the date this Plan is approved by resolution of the City Council.

Impact Report – means the Craig URA #2 Tax Forecast and County Impact Report, prepared by DGC Consulting, dated January 2021.

Increment Valuation Revenues – means the revenues produced by the increment valuation of taxable property and municipal sales and use taxes as described in Section 7.0 of this Urban Renewal Plan.

Master Plan or Comprehensive Plan – means the Moffat County/City of Craig Master Plan and related maps (2003.)

Parks Master Plan – means the Craig Parks, Recreation, Open Space and Trails Master Plan, January 22, 2019.

Plan or Urban Renewal Plan – has the meaning given to such term in Section 1.1 above.

Pledged Revenues – means any and all revenues available to the Authority, including, without limitation, Available Property Tax Increment Revenues, Sales Tax Increment Revenues and Use Tax Increment

Revenues, any revenues available to the Authority from Districts, or any other source that are pledged by this Plan or otherwise to the payment of Bonds of the Authority.

Project or Urban Renewal Project – means all activities and undertakings described in §31-25-103(10), C.R.S., and otherwise authorized by the Act as required for the Duration of the Project to complete development and redevelopment of the Urban Renewal Area, including, without limitation financing and construction of all public and private improvements and payment of all financing obligations included in the definition of Bonds.

Property Taxes – means, without limitation, all levies to be made on an ad valorem basis by or for the benefit of any public body upon taxable real and personal property in the Area.

Property Tax Increment Revenues – means the property tax revenues allocated to the Authority pursuant to §31-25-107(9) of the Act and Section 7.0 of this Plan.

Redevelopment / Development Agreement – means one or more agreements between the Authority and developer(s) and / or property owners or such other individuals or entities as may be determined by the Authority to be necessary or desirable to carry out the purposes of this Plan.

Sales Tax Increment Revenues – means City sales tax revenues allocated to the Authority pursuant to §31-25-107(9) of the Act and Section 7.0 of this Plan.

Study Area – has the meaning given to such term in Section 1.2 above.

Tax Increment Financing or TIF – means tax allocation financing described in §31-25- 107(9) of the Act as in effect on the date this Plan is approved by the City Council. Tax Increment Financing shall be required for the full Duration to carry out all activities and undertakings to complete the Urban Renewal Project, including, without limitation, payment of all Bonds.

Use Tax Increment Revenues – means City use tax revenues allocated to the Authority pursuant to §31-25-107(9) of the Act and Section 7.0 of this Plan.

3.0 Purpose of the Plan

The main public purpose of this Plan is to reduce, eliminate and prevent the spread of blight within the Area through redevelopment by private enterprise. The Plan sets goals to achieve this through implementing established objectives for the Area and assisting with the eligible costs of redevelopment, promoting economic growth and private investment through the tools available within the context of urban renewal tools, laws, and guidelines, including, without limitation, Tax Increment Financing.

Establishment of the Urban Renewal Area will take advantage of improving conditions and the upcoming development cycle by focusing urban renewal efforts in a small Area for the Duration in accordance with the mandates of the Act.

The Authority commissioned a Conditions Study by DGC Consulting to determine if the Urban Renewal Area contained the factors that constitute a Blighted Area as defined in §31-25-103 of the Act. The Conditions Study was issued and approved in 2021. It concluded that nine of the statutory factors are present in the Area, which supports a finding and declaration by the City Council that the Area is a Blighted Area as defined in the Act.

4.0 Blight Conditions

Before an urban renewal plan can be approved and adopted by the City Council, the area must be found and declared to be a “blighted area” as defined in Section 31-25-103(2) of the Act. The Act provides that, in order for blight to be present within the area, at least four specific blight factors must be present in the area, and that such area, in its present condition and use substantially impairs or arrests the sound growth of the municipality, retards the provision of housing accommodations, or constitutes an economic or social liability, and is a menace to the public health, safety, morals, or welfare.

- a. Slum, deteriorated, or deteriorating structures;
- b. Predominance of defective or inadequate street layout;
- c. Faulty lot layout in relation to size, adequacy, accessibility, or usefulness;
- d. Unsanitary or unsafe conditions;
- e. Deterioration of site or other improvements;
- f. Unusual topography or inadequate public improvements or utilities;
- g. Defective or unusual conditions of title rendering the title nonmarketable;
- h. The existence of conditions that endanger life or property by fire or other causes;
- i. Buildings that are unsafe or unhealthy for persons to live or work in because of building code violations, dilapidation, deterioration, defective design, physical construction, or faulty or inadequate facilities;
- j. Environmental contamination of buildings or property;
- k.5 The existence of health, safety, or welfare factors requiring high levels of municipal services or substantial physical underutilization or vacancy of sites, buildings, or other improvements.

DGC conducted the Conditions Study which included the following steps:

- 1. Defined the Study Area;

2. Conducted a visual field survey for the property and evaluate current conditions;
3. Reviewed data provided by the City;
4. Evaluated conditions found in the context of statutory blight criteria; and
5. Documented the survey findings, as presented in the Conditions Study.

The Study Area was 326 acres, including public alley and street rights of way. Of this area, a 275 acre subset of the area, which corresponds roughly to the areas delineated as “Subarea C,” “Subarea D” and “Subarea E” in the Study Area, was determined to be suitable for inclusion within the Urban Renewal Area.

Of the eleven qualifying factors identified in the Act, the Conditions Study revealed the following nine qualifying conditions of blight, as defined in Section 31-25-103(2) of the Act, evident within the Study Area.

- a. Slum, deteriorated, or deteriorating structures
- b. Defective or inadequate street layout
- c. Faulty lot layout in relation to size, adequacy, accessibility, or usefulness
- d. Unsanitary or unsafe conditions
- e. Deterioration of site or other improvements
- f. Unusual topography or inadequate public improvements or utilities
- g. The existence of conditions that endanger life or property by fire or other causes
- h. Buildings which are unsafe or unhealthy for persons to live or work in because of building code violations, dilapidation, deterioration, defective design, physical construction, or faulty or inadequate facilities
- k.5 The existence of health, safety, or welfare factors requiring high levels of municipal services or substantial physical underutilization or vacancy of sites, buildings, or other improvements

5.0 Plan's Relationship to Local Objectives and Appropriate Land Uses

5.1 Plan Conformity

Implementation of this Plan supports the objectives and requirements of the 2003 Moffat County/Craig Master Plan with respect to infill development of vacant land, economic activities that support tourism and attract businesses, improving the visual appearance of commercial/industrial corridors and the downtown district, supporting capital improvements that enhance the capacity of the existing road network, and supporting capital improvements for drainage collection and detention facilities. The Master Plan also includes the Three Mile Plan Area Directions, Policies and Actions that guide future annexation to the City. These policies would apply to the annexation of lands within the Urban Renewal Area that are currently within the County.

As development occurs in the Area, it should conform to the Master Plan and any subsequent updates; the Craig/Moffat County/ Regional Building Code and any rules, regulations, and policies promulgated pursuant thereto; any site-specific planning documents that might impact properties in the Area including, but not limited to, City-approved site, drainage, and public improvement plans; and, any applicable City design standards, all as in effect and as may be amended from time to time. Finally, existing conditions present within the Area will be remedied by the proposed Plan and funded in part by tax increment revenues and improvements phased as the market allows.

5.2 Consistency with Comprehensive Plan

As explained above, a comprehensive or master plan for the City and County known as the Moffat County/Craig Master Plan was adopted in 2003. It built upon previous planning efforts, primarily the Moffat County Master Plan completed in 1982 and revised in 1992, and the Moffat County Land Use Plan; Chapter One adopted in 2001. As was discussed above, the Moffat County/Craig Master Plan includes Three Mile Plan Area Directions, Policies and Actions that would govern future annexations to the City.

The Authority, with the cooperation of the City, private businesses, and other public bodies, will undertake projects and activities described herein in order to eliminate the identified conditions of blight while also implementing the goals and objectives of the Master Plan and all other City-adopted plans which impact properties within the Area. These include key goals and policies of that plan which this Urban Renewal Plan will advance. These are found in Appendix B: Excerpts from 2003 Moffat County/Craig Master Plan.

5.3 Relationship to Other Community Plans

Implementation of this Plan will be consistent with the development goals and objectives in other community plans and guides which pertain to development in the Area. The Craig Parks, Recreation, Open Space and Trails Master Plan (2018 Draft) lays out a detailed program of parks, trail, and

recreational facilities that can be constructed over time in the community. The Moffat County Comprehensive Economic Development Strategy (CEDS) September 2016 to September 2021 and the Moffat County Vision 2025 Transition Plan September of 2020, analyzed the community from an economic perspective and suggested economic priorities and activities or projects that might help to diversify the community.

6.0 Authorized Urban Renewal Undertakings and Activities

The Act allows for a wide range of activities to be used in the implementation of an urban renewal plan. The Authority is authorized to provide both financial assistance and improvements in partnership with property owners and other affected parties in order to accomplish the objectives stated herein. Public-private partnerships and other forms of cooperative development, including Cooperation Agreements, will be essential to the Authority's strategy for preventing the spread of blight and eliminating existing blighting conditions. Without limitation, undertakings and activities of the Authority in the furtherance of this Plan are described as follows.

6.1 Undertakings and Activities to Remedy Blight

As described in Section 4.0 of this Plan, nine qualifying conditions of blight were identified in the Study Area of which this Urban Renewal Plan Area is a part. All of the qualifying blight conditions were identified in Subareas C, D and E of the Study Area, which, as noted, correspond roughly to the boundaries of the Urban Renewal Area. Implementation of this Plan by providing urban renewal resources for public and private improvements will remedy many of the following conditions:

a. Slum, deteriorated, or deteriorating structures

There are existing dilapidated buildings located throughout all subareas of the Study Area. Based on an examination of building exteriors, these buildings had deteriorated exterior walls, windows and doors, architectural features, and finishes. Exterior loading docks, walls, fences and ancillary structures were also deteriorated. Much of this was due to the age of buildings, poor exterior condition, and in many cases, vacancy and lack of exterior maintenance. Taken as a whole, slum, deteriorated, and deteriorating structures were observed throughout the Study Area.

Urban renewal resources can be used to repair, remodel, or demolish portions of existing buildings, and that new public and private improvements will be constructed to remedy this condition within the Urban Renewal Area.

b. Predominance of defective or inadequate street layout

Subarea E (Southern Industrial Area) exhibited instances of poor vehicle access and poor street layout and access, mainly due to faulty/irregular lot shapes. A lack of public streets extending into deep/large lots has resulted in several examples of private drives functioning as de facto public streets. Scattered throughout the Study Area there are occasional examples of poor internal circulation and poor parking lot layout. In Subarea D (City Park and Southern Neighborhood) and Subarea E there is a lack of curb and

gutter along the street right of way which contributes to substandard driveway definition. These observations are evidence of defective and inadequate street layout.

The industrial areas in the south part of Subarea D and most of Subarea E lack defined and paved streets. However, water and sewer mains and a partial natural gas line serve most of Subarea E. Therefore, the lack of a developed street system is evidence of the existence of inadequate public infrastructure in Subarea E.

Urban renewal resources can be used to establish a more complete system of public rights of way and infrastructure and other improvements to serve development within the Urban Renewal Area.

c. Faulty lot layout in relation to size, adequacy, accessibility, or usefulness

Subarea E (Southern Industrial Area) exhibits faulty/irregular lot shapes. These observations are evidence of faulty lot layout. The industrial areas in the south part of Subarea D and most of Subarea E lack defined and paved streets. However, water and sewer mains and a partial natural gas line serve most of Subarea E. Therefore, the lack of a developed street system is evidence of the existence of inadequate public infrastructure in Subarea E.

Urban renewal resources may be used to reconfigure existing irregular/faulty lots in the Urban Renewal Area into a system of public rights of way and private parcels that are more suitable for development.

d. Unsanitary or unsafe conditions

Multiple examples indicating unsanitary or unsafe conditions were observed within all subareas of the Study Area. These include evidence of poor lighting; cracked or uneven surfaces for pedestrians; poor drainage; occasional grading issues; presence of trash and debris throughout; occasional evidence of vagrants and graffiti; unprotected electrical; unsafe level changes; and unfenced storage of vehicles, equipment, and materials. Together, these constitute unsanitary and unsafe conditions.

Urban renewal resources to encourage private redevelopment in the Urban Renewal Area will help to eliminate evidence of blight including abandoned vehicles, equipment, graffiti, and vandalism.

e. Deterioration of site or other improvements

There is widespread deterioration of site improvements within all subareas of the Study Area. Site pavements are deteriorated or lacking entirely, there is a lack of curb and gutter, insufficient outdoor lighting, and deteriorated/lacking fencing. Many of the properties within the Study Area exhibit a lack of site maintenance. There are occasional examples of deteriorated/substandard site utilities, deteriorated/lack of surface drainage facilities, deteriorated signage, and lack of curb stops. These observations are evidence of deteriorated site improvements.

Urban renewal resources focused on private development and site improvements (especially sidewalks, parking areas, and surface drainage) will help to eliminate these blight factors in the Urban Renewal Area.

f. Unusual topography or inadequate public improvements or utilities

Parcels within the Study Area are served by public and private utilities located in adjacent street rights of way and alleys. Water and sewer are provided by the City of Craig and are reported to be adequate. Natural gas is provided by ATMOS Energy, a private utility and electric power is provided by Yampa Valley Electric Association (YVEA). These services are reported to be adequate. Telecommunications are provided by private companies and are reported to be adequate.

Visible public improvements such as sidewalks, curb and gutter, and landscaping are absent in portions (or the entirety) of each subarea. In Subarea C (Downtown), sidewalks and an unpaved alley south of 4th Street are in poor condition. There are other scattered examples of missing downtown sidewalks, especially on east-west streets. Subarea D (City Park and Southern Neighborhood) lacks sidewalks nearly entirely and is in need of fall protection along the steep, eroded banks of Fortification Creek. Additionally, there are unpaved alleys and some street frontages lack curb and gutter, with the street pavement transitioning to unimproved gravel areas which are used for on-street parking. Subarea E (Southern Industrial Area) universally lacks curb and gutter, sidewalks, and street lighting. Moreover, 2nd Street and Stock Drive are unpaved, with Stock Drive also served by an undersized bridge over Fortification Creek. Together, these constitute inadequate public improvements or utilities.

Urban renewal resources focused on improvements in the public right-of-way will help to eliminate these blight factors in the Urban Renewal Area.

h. The existence of conditions that endanger life or property by fire or other causes

The field survey identified Study Area parcels with debris and trash next to buildings that could cause fire; other hazardous materials or situations; dead trees and shrubs near buildings and high traffic areas; deteriorated external stairs/fire escapes; and unsafe level changes. Taken together, these observations are evidence of conditions that endanger life or property by fire or other causes.

Flooding also poses a threat to life and property in Subarea C (Downtown) and Subarea D (City Park and Southern Neighborhood). According to the FEMA Flood Insurance Rate Map, all properties within Subareas A and D are within a 100-year or 500-year floodplain. All properties within Subarea C are within the 500-year floodplain. Taken together, these observations are evidence of conditions that endanger life or property by fire or other causes.

These unsafe conditions can be remedied or mitigated in the Urban Renewal Area using urban renewal resources.

- i. Buildings which are unsafe or unhealthy for persons to live or work in because of building code violations, dilapidation, deterioration, defective design, physical construction, or faulty or inadequate facilities

The field survey included many buildings that were in poor repair. The photographs highlight buildings in each subarea with obvious code and safety violations such as exposed electrical, broken windows, and unprotected vertical drops. These buildings were also in poor repair or dilapidated and otherwise inadequate for current occupancy. Moreover, in Subarea D (City Park and Southern Neighborhood) there were numerous examples of recreation vehicles being used for fixed, permanent housing. Taken together, these observations are evidence of buildings which are unsafe or unhealthy for persons to live or work in because of building code violations, dilapidation, deterioration, defective design, physical construction, or faulty or inadequate facilities.

Urban renewal resources focused on private improvements including renovation and demolition of all or portions of buildings and site improvements will help to eliminate these blight factors in the Urban Renewal Area.

- k.5. The existence of health, safety, or welfare factors requiring high levels of municipal services or substantial physical underutilization or vacancy of sites, buildings, or other improvements

During the site survey, many vacant buildings, parcels and parking lots were observed throughout the Study Area. The southern portion of Subarea C (Downtown) has a marked lack of activity relative to the blocks north of 4th Street. Several buildings appear empty or used as storage, and at least half the land area is vacant ground or unused/underutilized parking. Subarea D (City Park and Southern Neighborhood) has some scattered vacant mobile home pad sites. It also has a large parcel between East 3rd Street and the Denver & Rio Grande Western Railroad tracks that is currently used for outdoor storage. Subarea E (Southern Industrial Area) has large amounts of vacant land east of Ranney St/CO-394 and within the Union Pacific Railroad property. There are three additional vacant properties east of Washington Street. Taken together, these conditions are evidence of substantial physical underutilization or vacancy of sites, buildings, or other improvements.

Urban renewal resources that help to stimulate private development and which are used to construct public improvements in the Urban Renewal Area will help to eliminate these blight factors.

6.2 Project Development Plan

The primary goal of this Plan is to eliminate the current conditions of blight in the Area and prevent those conditions from reoccurring. Development is currently envisioned to include a high-end home manufacturing facility, in the southern industrial area, a game meat processing facility in the industrial area as well, and mixed-use commercial/residential buildings in downtown Craig. While the first two projects are currently under development and the mixed-use projects more aspirational, together they represent the kind of development that might occur in the Area.

However, the Authority is authorized to approve any uses for the Area that eliminate blight and are consistent with the Comprehensive Plan and applicable zoning, including, without limitation, mixed use development, including residential, commercial, industrial, and public uses.

6.3 Complete Public Improvements and Facilities

The Authority may undertake certain actions to make the Area more attractive for private investment. The Authority may, or may cause others, including, without limitation, one or more Districts to install, construct, and reconstruct any public improvements, including, without limitation, parking facilities. The Authority may, or may cause others to, demolish and clear buildings and existing improvements for the purpose of promoting the objectives of the Plan and the Act. Additionally, the Authority may, or may cause others to, install, construct and reconstruct any other authorized improvements, including, without limitation, other authorized undertakings or improvements for the purpose of promoting the objectives of this Plan and the Act.

6.4 Plan Modification

The Authority may propose, and City Council may make, modifications to this Plan as may be necessary; provided, however, any modification of the Plan shall (a) comply with the provisions of the Act, including §31-25-107(7); (b) not impair Pledged Revenues or the ability of the Authority to pay any outstanding Bonds, including any reimbursement obligations of the Authority; or (c) not impair the ability of the Authority or any party to any then-existing agreement to fully perform their respective covenants and duties under any such agreement. The Authority may, in specific cases, allow non-substantive variations from the provisions of this Plan if it determines that a literal enforcement or application of the provision would constitute an unreasonable limitation beyond the intent and purpose stated herein.

6.5 Provide Relocation Assistance

While it is not anticipated as of the date of this Plan that acquisition of real property will result in the relocation of any individuals, families, or business concerns; if such relocation becomes necessary, the Authority will adopt a relocation plan as necessary to comply with applicable provisions of the Act.

6.6 Demolish, Clear and Prepare Improvements

The Authority is authorized to demolish or cooperate with others to clear buildings, structures and other improvements within the Area in an effort to advance projects deemed consistent with the vision stated herein. Such demolition or site clearance is necessary to eliminate unhealthy, unsanitary, and unsafe conditions; eliminate obsolete uses deemed detrimental to the public welfare; remove and prevent the spread of blight; and facilitate redevelopment of the Area by private enterprise.

6.7 Acquire and Dispose of Property

It is not expected that the Authority will be required to acquire property to carry out the Project. However, if the Authority determines such acquisition is necessary, it is authorized to acquire any such property by negotiation or any other method, except that the Authority is not authorized to acquire

property by eminent domain. Properties acquired by the Authority by negotiation may be temporarily operated, managed and maintained by the Authority if requested to do so by the acquiring entity and deemed in the best interest of the Urban Renewal Project and the Plan. Such property shall be under the management and control of the Authority and may be rented or leased pending its disposition for redevelopment.

The Authority may sell, lease, or otherwise transfer real property or any interest in real property subject to covenants, conditions and restrictions, including architectural and design controls, time restrictions on development, and building requirements in accordance with the Act and this Plan.

6.8 Enter into Redevelopment / Development Agreements

The Authority may enter into Redevelopment / Development Agreements or other contracts with developer(s) or property owners or such other individuals or entities determined to be necessary to carry out the purposes of this Plan, including the further pledge by the Authority of Pledged Revenues to pay eligible costs pursuant to the Act or any other applicable law. Further, such Redevelopment/Development Agreements, or other contracts, may contain terms, provisions, activities, and undertakings contemplated by this Plan and the Act. Any existing agreements between the City and private parties that are consistent with this Plan are intended to remain in full force and effect, unless all parties to such agreements agree otherwise.

6.9 Enter Into Cooperation Agreements

The Authority is authorized to enter into such Cooperation Agreements as may be required by the Act, including tax sharing agreements. The Authority may also use the mediation and other provisions of the Act when necessary to provide adequate financing to carry out this Plan. This paragraph shall not be construed to require any particular form of cooperation.

6.10 Other Project Undertakings and Activities

Other Project undertakings and activities deemed necessary by the Authority to carry out the Plan may be undertaken and performed by the Authority or pursuant to agreements with other parties or public bodies in accordance with the authorization of the Act and any applicable law or laws.

7.0 Project Financing

The Authority is authorized to finance the Project by any method authorized by the Act or any other applicable law, including without limitation, appropriations, loans or advances from the City; federal loans and grants; state loans and grants; interest income; pay as you go arrangements; annual appropriation agreements; agreements with public and private parties or entities including, without limitation, Districts; issuance of Bonds; sale of securities; Tax Increment Financing (including property, sales and use tax increments); loans, advances and grants from any other available source.

Any financing method legally available to the City, the Authority, any private developer, redeveloper or owner may be used to finance in whole or in part any lawful cost or financial obligation, including

without limitation, the cost of public improvements described, authorized or anticipated in the Act or Plan or in any manner related or incidental to the redevelopment of the Area. Such methods may be combined to finance all or any part of the Project. Any financing method authorized by the Plan or by any applicable law, including without limitation, the Act, may be used to pay the principal of and interest on and to establish reserves for Bonds and all forms of indebtedness (whether funded, refunded, assumed or otherwise) incurred by the Authority or the City to finance the Project in whole or in part.

The Authority is authorized to issue Bonds, including notes or any other financing instruments or documents in amounts sufficient to finance all or part of the Project. The Authority is authorized to borrow funds and to create indebtedness in carrying out this Plan. The principal, interest and any premiums due on or in connection with such indebtedness may be paid from Tax Increment Financing revenue or any other funds available to the Authority, including, without limitation, Pledged Revenues.

The Project may be financed by the Authority under the Tax Increment Financing provisions of the Act. Property taxes levied after the effective date of the approval of this Plan upon taxable property in the Area each year by or for the benefit of each specific public body that levies Property Taxes in the Urban Area on taxable property in the Urban Renewal Area or all or a portion of municipal sales and use taxes collected within the Area, or both such taxes, shall be divided for a period not to exceed twenty-five (25) years after the effective date of this allocation provision, as follows:

7.1 Base Valuation Revenues

That portion of the taxes which are produced by the levy at the rate fixed each year by or for each such specific public body upon the valuation for assessment of taxable property in the Area last certified prior to the effective date of approval of the Plan or, as to an area later added to the Area, the effective date of the modification of the Plan, and, subject to the City Council approval, that portion of municipal sales taxes, not including any sales taxes for remote sales as specified in §39-26-104(2), C.R.S., and use taxes collected within the boundaries of the Area in the twelve-month period ending on the last day of the month prior to the effective date of the approval of the Plan, or, both such portions, must be paid into the funds of each such public body as are all other taxes collected by or for said public body.

7.2 Increment Valuation Revenues

That portion of said property taxes or, subject to City Council approval, all or any portion of said sales taxes and use taxes, or both, in excess of the base amount of property taxes, sales taxes or use taxes paid into the funds of each such public body as provided above must be allocated to and, when collected, paid into a special fund of the authority to pay the principal of, the interest on, and any premiums due in connection with the Bonds of, loans or advances to, or indebtedness incurred by, whether funded, refunded, assumed, or otherwise, the Authority for financing or refinancing, in whole or in part, the Urban Renewal Project, or to make payments under an agreement executed pursuant to §31-25-107(11) of the Act.

Unless and until the total valuation for assessment of the taxable property in the Urban Renewal Area exceeds the base valuation for assessment of the taxable property in the Urban Renewal Area, as

provided above, all of the taxes levied upon the taxable property in the Urban Renewal Area must be paid into the funds of the respective public bodies. Unless and until the respective municipal sales and use tax collections in the Urban Renewal Area exceed the respective base year municipal sales and use tax collections in such urban renewal area, as provided above, all such sales and use tax collections must be paid into the funds of the municipality.

When such bonds, loans, advances, and indebtedness, if any, including interest thereon and any premiums due in connection therewith, have been paid, all taxes upon the taxable property or the total municipal sales and use tax collections, or both, in the Urban Renewal Area must be paid into the funds of the respective public bodies, and all moneys remaining in the special fund that have not previously been rebated and that originated as property tax increment generated based on the mill levy of a taxing body, other than the municipality, within the boundaries of the Urban Renewal Area must be repaid to each taxing body based on the pro rata share of the prior year's property tax increment attributable to each taxing body's current mill levy in which property taxes were divided pursuant to provision. Any moneys remaining in the special fund not generated by property tax increment are excluded from any such repayment requirement. Notwithstanding any other provision of law, revenues excluded by §31-25-107(9)(a)(II) of the Act are not intended to be included in Available Property Tax Increment Revenues.

The Increment Valuation Revenues are irrevocably pledged by the Authority for the payment of the principal of, the interest on, and any premiums due in connection with such Bonds, including any loans, advances and other indebtedness incurred by the Authority to finance the Urban Renewal Project, but excluding any offsets collected by the County Treasurer for return of overpayments or any reserve funds reserved by the Authority for such purposes in accordance with §31-25-107(9)(a)(III) and (b) of the Act, and also excluding a reasonable amount each year as determined by the Authority for payment of maintenance and operating expenses associated with administering the Plan, carrying out the Urban Renewal Project, and maintaining the existence of the Authority.

The Available Property Tax Increment Revenues (as described and defined in this Plan) are immediately subject to the lien provided by the provisions of §11-57-208, C.R.S., effective as of the date this Plan is approved by the City Council of the City. Such pledge is necessary and required for the benefit of the Authority and private enterprise to carry the Urban Renewal Project in accordance with the requirements of §31-25-107(4)(g) of the Act. Such Available Property Tax Increment Revenues are and shall be subject to the lien of such pledge for the Duration of the Project without any physical delivery, filing, or further act. The creation, perfection, enforcement and priority of the pledge of the Available Property Tax Increment Revenues as provided herein shall be governed by §11-57-208, C.R.S. The lien of such pledge on the Available Property Tax Increment Revenues shall have priority over any and all other obligations and liabilities of the Authority with respect to the Available Property Tax Increment Revenues.

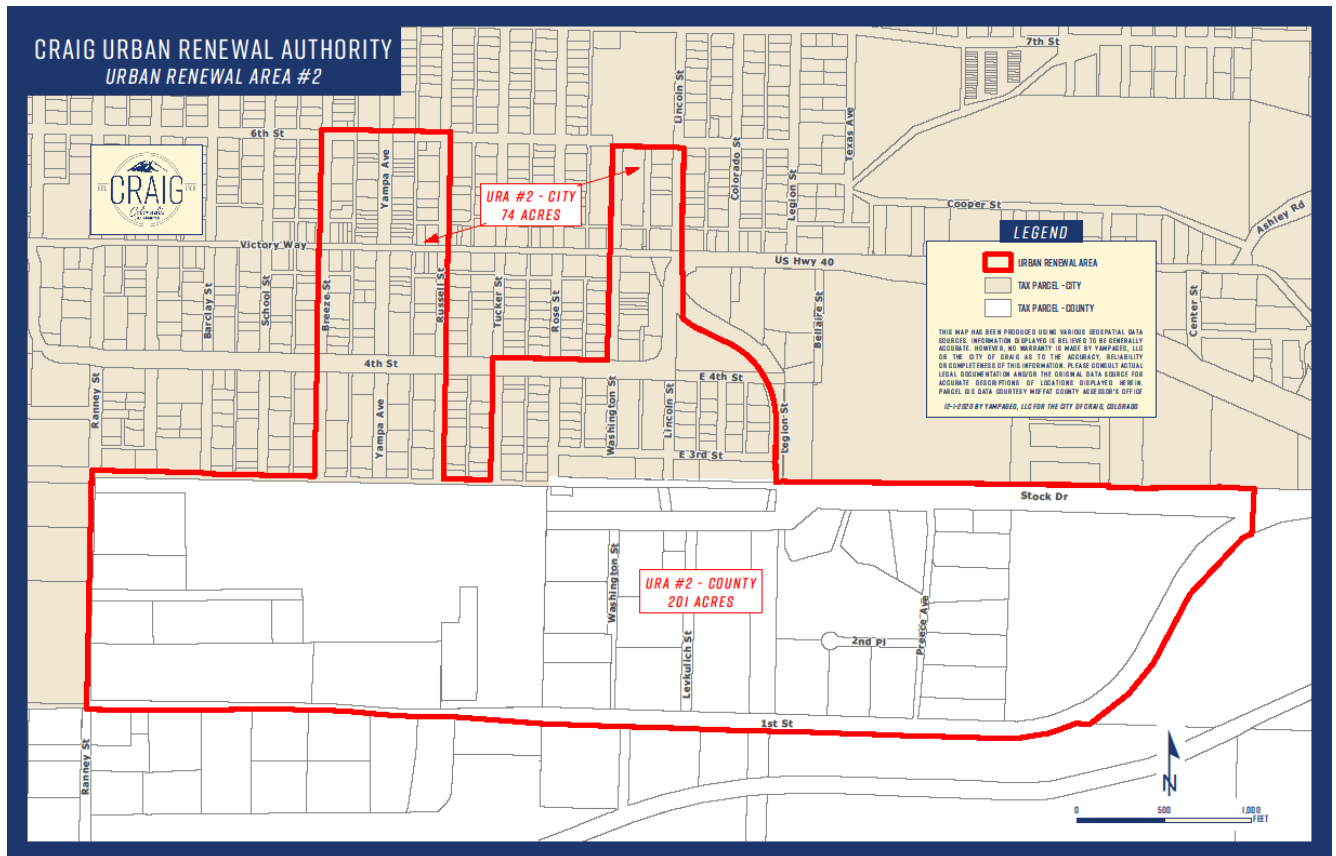
8.0 Severability

If any portion of this Plan is held to be invalid or unenforceable, such invalidity will not affect the remaining portions of the Plan.

Appendix

Appendix A: Craig Urban Renewal Area #2 Legal Description and Map

(See Table 5 in Tax Forecast and County Impact Report for URA #2 Urban Renewal Area for Parcel ID and Parcel Numbers).



Craig Urban Renewal Authority
Urban Renewal Area #2
Legal Description of the Zone

Being approximately 233 acres more or less of land out of the City of Craig and out of Moffat County, Colorado, described generally as follows;

Beginning at a point on the northerly right-of-way line of 6th Street, and the westerly right-of-way line of Breeze Street, said point also being the southeast corner of Lot 24, Block 21, of the Town of Craig Subdivision;

Thence southerly with the westerly right-of-way line of Breeze Street to a point on the northerly right-of-way line of Third Street and the Denver and Rio Grande Railroad, said point being the southeast corner of Lot 24 Block 44 of the Town of Craig subdivision;

Thence westerly with the northerly right-of-way line of 3rd Street and the Denver and Rio Grande Railroad, to a point on the westerly right-of-way line of Colorado Highway 394 (Ranney Street);

Thence southerly with the westerly right-of-way line of Colorado Highway 394 (Ranney Street), to a point on the southerly right-of-way line of 1st Street;

Thence crossing the Colorado Highway 394 (Ranney Street) right-of-way in an easterly direction with the southerly right-of-way line of 1st Street, to a point on the southerly right-of-way line of 1st street and the East-West Centerline of Section 6, Township 6 North, Range 90 West of the 6th P.M., said point being on the North line of Lot 12 of Schmidt Industrial Park;

Thence northeasterly along the southeasterly right-of-way line of 1st Street, to a point on the easterly extension of the southerly right-of-way line of Stock Drive,

Thence crossing the 1st Street right-of-way in a northerly direction to a point on the northerly right-of-way line of Stock Drive and the Denver and Rio Grande Railroad;

Thence westerly with the northerly right-of-way line of Stock Drive and the Denver Rio Grande Railroad to the southeast corner of Lot 2, Block 9 of the Amendment to the Plat of Victory Addition;

Thence northerly along the easterly line of said Lot 2, to a point on the southerly right-of-way line of East Third Street and easterly right-of-way line of Legion Street, said point being the northeast corner of said Lot 2;

Thence northerly along the easterly right-of-way line of Legion Street, to a point on the northerly right-of-way line of East Fourth Street, said point being the southeast corner of Tract 11 of the Amendment to the Plat of Victory Addition;

Thence northwesterly along the northerly line of said Tract 11, to a point on the easterly right-of-way line of Lincoln Street/U.S. Highway 40, said point being the northwesterly corner of said Tract 11;

Thence northerly with the easterly right-of-way line of Lincoln Street, to a point on the southerly right-of-way line of 6th Street, said point being the northwest corner of Lot 46, Block 7 of Rosedale Addition;

Thence westerly with the southerly right-of-way line of 6th Street to a point on the westerly right-of-way line of Washington Street, said point being the northeast corner of Lot 1 Block 5 of Rosedale Addition;

Thence southerly with the westerly right-of-way line of Washington Street, to a point on the northerly right-of-way line of 4th Street/U.S. Highway 40, said point being the southeasterly corner of Lot 24, Block 4 of Victory Addition;

Thence westerly with the northerly right-of-way line of 4th Street/U.S. Highway 40 to a point on the westerly right-of-way line of Tucker Street, said point being the southeast corner of the Alpine Condominiums plat;

Thence crossing the 4th Street/U.S. Highway 40 right-of-way in a southerly direction with the westerly right-of-way line Tucker Street, to a point on the Northerly right-of-way line of Third Street and the Denver and Rio Grande Railroad, said point being the southeast corner of lot 24 Block 47 of the Town of Craig;

Thence westerly with the northerly right-of-way line of Third Street and the Denver and Rio Grande Railroad to a point on the easterly right-of-way line of Russell Street, said point being the southwest corner of Lot 25 Block 27 of the Town of Craig;

Thence northerly with the easterly right-of-way line of Russell Street to the northerly right-of-way line of 6th Street, said point being the southwest corner of Lot 25 Block 19, of the Town of Craig;

Thence westerly with the northerly right-of-way line of 6th Street to the Point of Beginning,

Less and excepting the following parcels listed by Moffat County Tax ID Parcel Number

Parcel ID #85306200022

Parcel ID #85306200021

Parcel ID #85501100011

Parcel ID #85501100010

Parcel ID #85306210002

Parcel ID #85306100057

Parcel ID #85306200018

Parcel ID #85306210012

Parcel ID #85306211009

Parcel ID #85306211004

Parcel ID #85306200024

Appendix B: Excerpts from 2003 Moffat County/City of Craig Master Plan

Following are directions, concepts, policies and actions from the 2003 Moffat County/City of Craig Master Plan. Excerpts are taken verbatim, but formatted for emphasis. Policies summarized here are relevant to the proposed Craig URA #2 Urban Renewal Plan. Note that while some Policies may appear out of numerical sequence or with large gaps, this is intentional because only the relevant policies were selected for inclusion.

Chapter Two Plan Direction

Overview

The Plan Direction provides the planning framework for future growth and development in unincorporated Moffat County, the City of Craig, and the Town of Dinosaur. The Plan Direction - its guiding concepts, directions (goals), policies and actions - are the direct result of the public values and preferences expressed during the process of developing the Plan, further refined by detailed planning analysis and mapping.

Plan Direction Maps

The Moffat County Plan Direction map depicts six Plan Areas: Public Land Area, Rural Character Area, Craig Community Area, Urban Development Area, Three Mile Plan Area, and the Dinosaur Community Area.

Further detail within the Craig area is provided on the Craig Plan Direction map, which focuses on future land use within the Craig Community Area, the Urban Development Area, and a portion of the Three Mile Plan Area.

Directions, Policies and Actions

Directions are the overarching goals and objectives for the Moffat County/City of Craig Master Plan

Each direction is supported by one or more policy statements. Policy statements reflect the guiding concepts for each Plan Area. As appropriate, actions to accomplish certain policy initiatives are identified after a policy statement, and include a timeframe for completion.

Guiding Concepts

- Land use policy in Craig should promote stable neighborhoods and commercial districts, and accommodate new growth or redevelopment activities.
- Land use policy adjacent to Craig should provide guidance as to the limits of urban development, and not restrict private property rights.
- Land use policy should address annexation when desired by both a property owner and the City of Craig.

Plan Area Directions, Policies and Actions

The following are the directions, policies and actions for the six Plan Areas of the Plan Direction, along with general directions, policies and actions. Each set of directions, policies and actions are introduced by a brief description of the Plan Area.

General Directions, Policies and Actions

General directions, policies and actions are those not categorized into a Plan Area.

Direction: To coordinate the harmonious development of Moffat County and Craig through land use planning.

Policy 1: Moffat County and the City of Craig monitor the progress of implementing the Moffat County/City of Craig Master Plan.

Direction: To appropriately zone land for compatible agricultural, residential, commercial, and industrial uses.

Direction: To support zoning, subdivision and building code updates that address land use issues.

Policy 3: The City of Craig shall encourage the orderly development and use of land through appropriate land use administration and enforcement.

The Craig Community Area is defined by the incorporated boundary of the City of Craig, consisting of stable neighborhoods and commercial districts, as well as areas where new growth or redevelopment activities can be accommodated. The Craig Community Area is shown on the Craig Plan Direction Map.

Direction: To encourage infill development of vacant residential, commercial and industrial zoned land.

Policy 56: The City of Craig shall promote the development of existing vacant land zoned for residential, commercial, and industrial use within its incorporated limits before pursuing the annexation of unincorporated vacant land, to the degree practical.

Direction: To encourage the availability of a mix of housing types for all income groups.

Policy 57: The City of Craig shall provide a variety of housing opportunities for families and individuals of all income levels and lifestyles in locations which are compatible with surrounding land uses.

Direction: To support economic development activities that promotes tourism and attracts businesses.

Policy 58: The City of Craig shall enhance and stimulate the economic vitality of business in Craig.

Direction: To improve the visual appearance of City entrances, commercial/industrial corridors, and the downtown district with projects that will enhance civic identity and community pride.

Policy 59: The City of Craig shall define and initiate achievable physical improvement and streetscape projects compatible with existing and planned land uses that guide visitors to local businesses, shopping and public facilities.

Direction: To support capital improvements to enhance the capacity of the existing road network.

Direction: To support capital improvements for improving local and regional transit.

Policy 60: The City of Craig shall plan and design a transportation system that serves existing and future land uses in the community.

Policy 61: The City of Craig shall define and initiate achievable transportation improvements compatible with existing and future land uses.

Direction: To support capital improvements for water treatment and water distribution systems.

Policy 62: The City of Craig shall plan and design a water treatment and water distribution system that serves existing and future land uses in the community.

Policy 63: The City of Craig shall define and initiate achievable improvements for the Craig water treatment and water distribution systems.

Direction: To support capital improvements for sanitary sewer collection and wastewater treatment systems.

Policy 64: The City of Craig shall plan and design a sanitary sewer collection and wastewater treatment system that serves existing and future land uses in the community.

Policy 65: The City of Craig shall define and initiate achievable improvements for the Craig sanitary sewer collection and wastewater treatment systems.

Direction: To support capital improvements for drainage collection and detention facilities

Policy 66: The City of Craig shall plan and design a drainage collection system that serves existing and future land uses in the community

Policy 67: The City of Craig shall define and initiate achievable improvements for drainage collection and detention facilities.

Policy 68: The City of Craig shall promote a variety of recreational programs and activities for its residents.

Urban Development Area Directions, Policies and Actions

The Urban Development Area corresponds to the future growth area of the City of Craig, where urban services are available or may become available. The Urban Development Area boundary is intended to provide guidance as to the limits of urban development, and not restrict private property rights.

The Urban Development Area boundary is shown on the Urban Development Area Services and Infrastructure map and on the Craig Plan Direction map. The boundary, updated from the 1982 Master Plan, excludes areas south of Craig that are within the Yampa River's 100-year floodplain, and expands

into areas southwest and west of Craig that could be served by SH 13/US 40 access and/or the Round Bottom water tank. The updated boundary remains relatively unchanged north and east of Craig, although expands into areas around the proposed Glen Erie tank and east of Yampa Valley Electric. With further analysis, future expansion of the Urban Development Boundary is also possible into areas that 1) are not environmentally constrained and 2) that benefit from future water tank improvements.

Future land use within the Urban Development Area is intended to honor existing zoning and respond to market needs. Areas shown on the Craig Plan Direction as Urban Development: Designated Land Use are either zoned for an urban use (e.g., Light Industrial zoning), or have urban development proposed (e.g., the proposed CNCC campus). Urban Development: Non-Designated Land Use areas are either zoned for a non-urban use (e.g., Agricultural zoning) or do not have an active proposal for urban development. The Urban Development: Non-Designated Land Use areas offer the most flexibility for future land use through either the City or the County's Planned Unit Development procedures, which require detailed site planning.

Three Mile Plan Area Directions, Policies and Actions

The Three Mile Plan Area is a three-mile radius extending around the incorporated boundary of the City of Craig. The Three Mile Plan Area is intended for one purpose only: to meet Colorado state statutes (C.R.S. 31-12-105e) in the event annexation is desired by both a property owner and the City of Craig.

The Three-Mile Plan Area is depicted on the Moffat County Plan Direction Map. The portion of the Three-Mile Plan Area addressing urban development in the event of annexation falls within the Craig Plan Direction Map.

Direction: To encourage annexation of urban development within the Urban Development Area and discourage annexation of rural development outside the Urban Development Area.

Policy 96: Moffat County shall waive requirements for annexation impact reports on proposed annexations within the Urban Development Area.

Policy 97: The City of Craig shall not annex land outside of the Urban Development Area.

Direction: To support annexation or an agreement for future annexation when connecting to the City water and/or Sanitary sewer system

Direction: To support the formation of a separate water and/or sanitation district for areas outside the City of Craig that are not economically feasible to annex.

Policy 98: The City of Craig shall require annexation or an agreement for future annexation as a condition of connecting to the City water and/or sanitary sewer system.