



TIF has become a dirty word. When Tax Increment Financing was enacted, the idea was to encourage infill and redevelopment of crumbling inner cities. But developers all over the country have taken the idea and run with it. They are gobbling up rural land at reasonable prices and then forming a public/private partnership with cities and towns, condemning the land as “blighted”, creating Urban Renewal Authorities, and selling bonds to finance their developments. Avon is just one fine example of TIF at work.

In the five county area surrounding Denver, there are more explicit examples. Property tax funds are being withheld from school districts, as well as other taxing districts, to the benefit of the developer. Because of the loophole that allows the developer to **not** pay increased taxes on the development’s increased assessed valuation, everybody else pays. In the past, the State of Colorado had to make up the difference for schools: Estimated at \$1 billion (That is a “B”) in these five counties alone, by the The Colorado Property Rights Coalition. Pueblo has an annual loss of \$4.3 million because of TIF.

This means that currently, the State of Colorado had to increase taxes on all other Colorado property to cover the losses. Colorado has enacted legislation to stop the practice of calling farm land blighted to create new shopping centers, malls and housing on the edge of towns, (HB 10-1107), to focus on the original intent of TIF.

Now comes Eagle River Station, already under the wire with protection of annexation, the “blighted” area designation, and Urban Renewal in place. The Town of Eagle Trustees could have required the developer to pay school taxes based on the new valuation of ERS, which RED development says is going to be in excess of \$200,000,000. The Trustees could have required RED to protect the other taxing entities that are being excluded. The Trustees say Eagle will have no liability for the bonded indebtedness, they forgot to mention that the schools and three other taxing authorities will suffer, and someone has to pay. The schools alone will lose \$800,000 a year in property tax benefits over 20-25 years (the length of the municipal bonds). That amounts to somewhere in the \$16,000,000 range of total loss, thanks to the Trustees decision. It will be Eagle residents, as well as all residents of Colorado, who make up the differences because of TIF.

The Colorado Property Rights Coalition recommend a ban on TIF financing or require local officials everywhere to demand a Community Benefits Agreement that will protect the schools from developers shortchanging them, as well as other local taxing districts. Developers should be responsible for supporting the schools the same way established businesses and individuals do.

Suzie Shepard  
Eagle