



GOLD HILL MESA URBAN RENEWAL PLAN

EL PASO COUNTY IMPACT REPORT

JANUARY 2004

This report outlines the anticipated impact of the proposed *Gold Hill Mesa Urban Renewal Plan* on El Paso County. It responds to the requirements outlined in C.R.S. 31-25-107 (3.5):

C.R.S. 31-25-107: APPROVAL OF URBAN RENEWAL PLANS BY THE LOCAL GOVERNING BODY

- (3.5) "Prior to the approval of an urban renewal plan, the governing body shall submit such plan to the board of county commissioners, which shall include, at a minimum, the following information concerning the impact of such plan:
- (a) The estimated duration of time to complete the urban renewal project.
 - (b) The estimated annual property tax increment to be generated by the urban renewal project and the portion of such property tax increment to be allocated during this time period to fund the urban renewal project.
 - (c) Any other estimated impacts of the urban renewal project on county services or revenues."

SUMMARY OF URBAN RENEWAL PLAN

Development Program

The proposed development program for the *Gold Hill Mesa Urban Renewal Area* (the Urban Renewal Area) is based on the current plans of property owners and prospective developers and is subject to change. The anticipated development program is summarized in Table 1.

TABLE 1
GOLD HILL MESA URBAN RENEWAL AREA
DEVELOPMENT PROGRAM

<i>Land Use</i>	<i>Developed SF/Units</i>
Retail	340,000
Office/Hotel	360,000
Residential (Single Family Detached/Attached)	1,000
Residential (Multifamily - Condos/Apts)	400

Development Timing

The development timetable for the proposed Urban Renewal Area will be determined by prevailing market conditions. Table 2 summarizes annual development estimates for retail, office/hotel and residential uses. For the purposes of this analysis, it was assumed that retail and residential development could be

absorbed within the 15-year analysis period, while office/hotel development could be largely absorbed (approximately 83%) during the same time period.

SUMMARY IMPACTS TO EL PASO COUNTY

Table 2 provides a summary of property and sales tax revenues that could be generated from **new** development within the Urban Renewal Area. These estimates are based on the development program outlined above and reflect a 15-year tax increment period. It is anticipated that the entire property and sales tax increment over the 15-year period would be dedicated to the Urban Renewal Project.

Property Tax Revenue

As shown in Table 2, based on the proposed development program, the Urban Renewal Area would generate approximately \$24.2 million in **new** property tax revenues and approximately \$23.0 million in **incremental** property tax revenues over the 15-year analysis period. Currently, the property tax base in the Urban Renewal Area is approximately \$30,350. As the base inflates over the 15-year analysis period, it generates approximately \$1.2 million in property tax revenue.

During the 15-year analysis period, the County's share of property tax revenue is limited to its share of the property tax base. This totals approximately \$130,000 in property tax revenue. After the tax increment period is completed (up to 25 years), the County's share of property tax revenues would be over \$280,000 on an annual basis. These figures are presented in constant dollars and do not reflect the impacts of inflation.

Sales Tax Revenue

As proposed, the Urban Renewal Area sales taxes that are proposed to be allocated to the Urban Renewal Authority are based on 3.5%, the current **combined** sales tax rate for El Paso County and the City of Colorado Springs. Currently, the sales tax base in the Urban Renewal Area is estimated at approximately \$49,000. Based on the proposed development program, the Urban Renewal Area would generate approximately \$16.4 million in **incremental** sales tax revenue over a 15-year period. The County will retain its 1.0% share on taxable sales in the Urban Renewal Area. Based on the proposed development program, the Urban Renewal Area would generate approximately \$4.7 million in **incremental** sales tax revenue for the County over the 15-year period. As with property tax revenues, these figures are presented in constant dollars and do not reflect the impacts of inflation.

County Services/Infrastructure

Because the entire Urban Renewal Area is located within the City of Colorado Springs' municipal boundaries, there is anticipated to be a minimal impact on County services. Infrastructure impacts associated with the proposed development program are assumed to be financed by Colorado Springs with sales and property tax increment revenues. Impacts to the County's general government services may increase due to the level of new nonresidential development, but such impacts should also be minimal.

