


Summit Economics, LLC

Peer into the future before it becomes the present!



Applied Economics

Assessment of Development, Economic, and Demographic Impacts of Urban Renewal Areas in the City of Colorado Springs

February 2016

1

Purpose

To objectively assess the development, economic, and demographic impacts and contributions of the six active urban renewal areas, in order to create a baseline of past, current, and projected development and business activity in each of those areas.

This report includes for each of the six active URAs:

1. an overview of past and current development activity
2. a summary of land uses
3. detailed profile of buildings built before and after URA designation
4. inventory of business establishments by industry
5. estimates of current employment by industry
6. an economic impact analysis of current business employment

This report includes for each of the six active URAs (cont.):

7. an economic impact analysis of cumulative construction activity in the area since URA designation
8. profile of demographic characteristics
9. Estimates of local tax revenues not subject to tax increment financing (TIF)
10. Projections of development activity and economic/impacts contributions at full build out

For the three URAs that have experienced little activity in recent years:

- Summary information obtained from principal developers regarding current and future development plans

3

Research Methods and Materials

1. Empirical data collected for each land parcel, each building, and each business located within each URA. Sources of data include:
 - the El Paso County Assessor database
 - every building permit issued by the Pikes Peak Regional Building Dept in each area since its respective urban renewal designation
 - commercially available listings of business data;
 - governmental and commercial sources of demographic data.
2. Field survey of property and business establishments in each area
3. Interviews with the principal developers active in each area
4. IMPLAN input-output modeling system software used in estimating economic impacts/contributions of each URA

4

Economic Impact vs. Economic Contributions

While this report uses the terms “impact” and “contribution” interchangeably, there are distinctions between economic contributions and economic impacts.

Economic “impacts” are reserved for those cases where an industry, event or policy has the result of either: 1) bringing new revenues into the region that would otherwise not occur, or 2) keeping revenues in the region that would otherwise be lost to another region (leakages). Economic impacts are net additions (subtractions) to the overall size of the regional economy.

Economic “contributions” refer to a broader case of how a particular economic activity cycles through the region’s existing economy. It is defined as the gross change in the existing economy. Analysis of economic contributions measure the portion of overall economic activity in a region that is attributable to a particular economic event, industry, or activity.

5

Components of Economic Impact/Contributions

Direct effect is the first round impact generated by spending that occurs as a direct result of events and activities that occur within a defined area or facility.

The indirect effect consists of re-spending of the initial or direct expenditures, or, the supply of goods and services resulting from the initial direct spending.

The induced effect represents changes in local consumption due to the personal spending by employees (and business owners) whose incomes are affected by direct and indirect spending.

The Total Impact is the sum of the three:

Direct effects + Indirect effects + Induced effects = Total Impact

6

Measures of Economic Impact/Contributions

- ➔ **Output** – total sales or revenues generated by firms, governments and households
- ➔ **Value-added** – newly created goods and services resulting from the direct spending (analogous to gross domestic product)
- ➔ **Labor Income** – employee salaries and benefits and self employment income required to produce the additional goods and services
- ➔ **Employment** – total full-time and part-time jobs generated

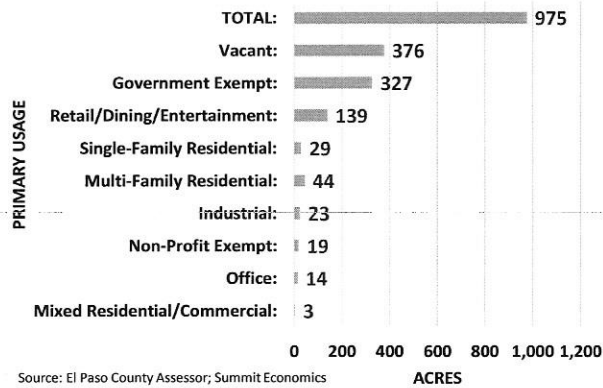
7

Key Findings – Combined URA Totals

8

Land Use Summary

Current Land Uses Combined Total for 6 Active Urban Renewal Areas

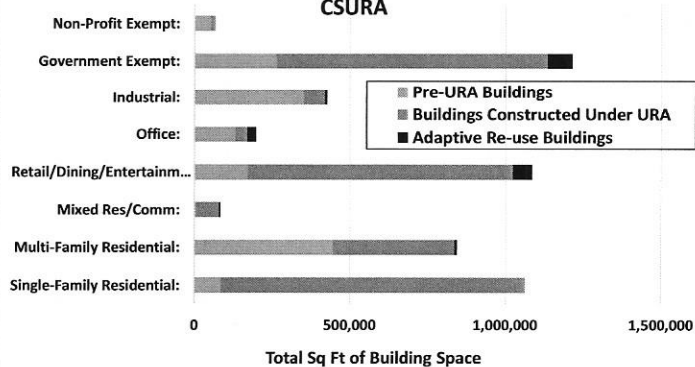


- ✓ The six active URAs in total encompass about 975 acres of land in the City.
- ✓ 39% is vacant, 34% is government owned, 14% is dedicated to retail/dining/entertainment uses, and 7.5% is for residential uses.

9

Building Summary

Building Summary Combined Totals for 6 Active Urban Renewal Areas CSURA

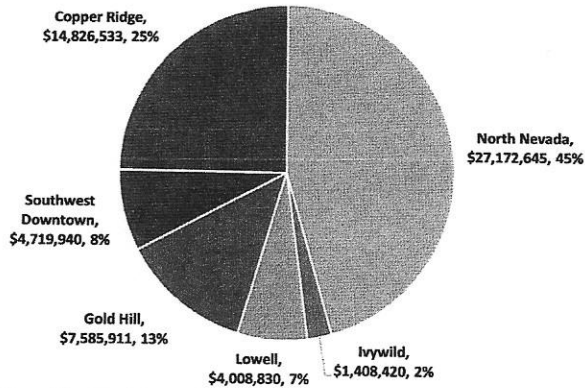


- ✓ The six active URAs have a total of 4,980,667 sq ft of enclosed space.
- ✓ 3,284,664 sq ft was built subsequent to URA designation.
- ✓ Adaptive re-use of existing buildings totals 187,161 sq ft.

10

Assessed Value

**Assessed Value (\$ 2015)
Combined Total for 6 Active Urban Renewal
Areas**



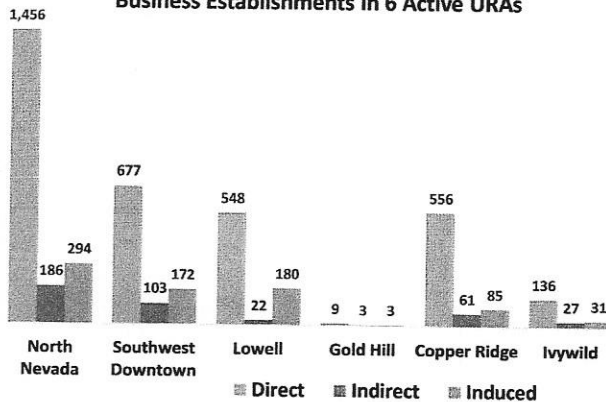
Source: El Paso County Assessor; Summit

- ✓ Total assessed value of taxable property in the six active URAs totaled \$59.7 million in 2015.
- ✓ Total market value was almost \$449.3 million (including both taxable and tax-exempt property).

11

Business Employment Impacts

**Estimated Annual Economic Impact/Contribution -
2015
Business Establishments in 6 Active URAs**



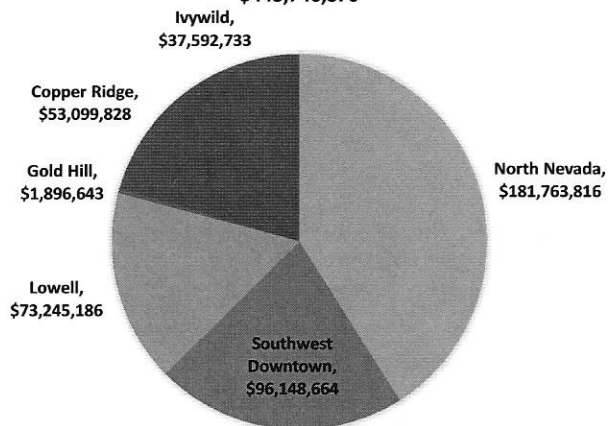
Source: IMPLAN; Summit Economics

- ✓ Total estimated direct (on-site) employment at business establishments in the six active URAs totaled 3,382 in 2015.
- ✓ Total direct, indirect, and induced employment estimated at nearly 4,600 jobs.

12

Business Employment Impacts

**BUSINESS ESTABLISHMENTS IN 6 ACTIVE URAS
TOTAL 2015 ECONOMIC IMPACT/CONTRIBUTION =
\$443,746,870**



Source: IMPLAN; Summit Economics

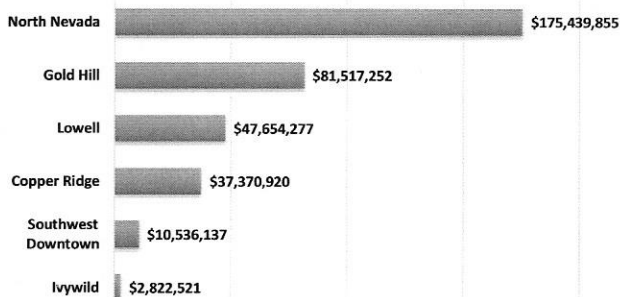
✓ Total annual economic impact and/or contributions (output) of business employment in the six active URAs estimated at nearly \$444 million.

13

Construction Impacts

**Cumulative Construction Spending (\$ 2015)
From Initial URA Designation through 2015
CSURA**

Total Spending = \$355,340,963

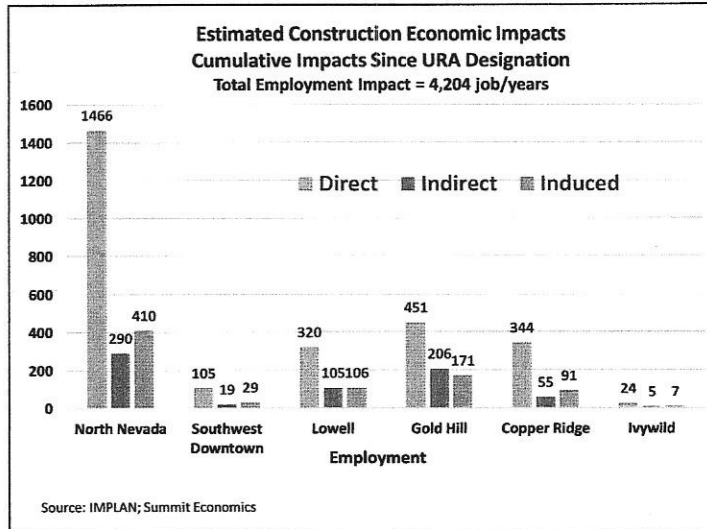


Source: Pikes Peak Regional Building Dept; Summit

✓ A combined total of \$355,340,963 in construction spending has occurred in the six active URAs since their respective urban renewal designations.

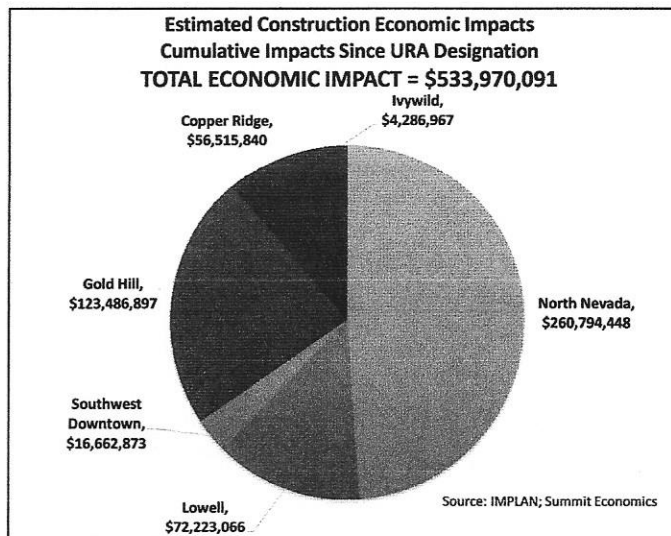
14

Construction Impacts



15

Construction Impacts



- ✓ Cumulatively, total economic impact of construction spending in the six active URAs is estimated at nearly \$534 million.
- ✓ This represents the cumulative total of direct, indirect, and induced output.

16

Demographics

Total Population Urban Renewal Area

Source	Urban Renewal Area			TOTAL	City of Colo Sprgs	
	North Nevada	Lowell	Gold Hill		Sprgs	% of City
2010 Census:	892	287	406	1,585	416,427	0.4%
2015 Esri Estimate:	951	301	584	1,836	433,547	0.4%

Source: U.S. Census Bureau; Esri; Summit Economics

✓ Combined total population of the three URAs having residential uses is estimated at 1,836 in 2015.

Population by Race/Ethnicity

Population by Race/Ethnicity	2015			2014
	North Nevada	Lowell	Gold Hill	City of Colo Sprgs
White	77.6%	77.0%	85.6%	79.6%
Black	7.2%	7.7%	1.9%	6.2%
American Indian	1.4%	2.0%	0.9%	0.6%
Asian	2.2%	2.0%	2.7%	3.0%
Pacific Islander	0.1%	0.3%	0.2%	0.2%
Other Race	5.3%	5.3%	4.6%	5.3%
Two or More Races	6.3%	5.7%	4.1%	5.1%
Total Identifying as Hispanic/Latino	17.6%	19.9%	20.7%	17.0%

Source: United States Census Bureau, 2010 Census, 2010-2014 American Community Survey; Esri 2015 Estimate

17

Demographics

Household Income

Household Income	2015			2014
	North Nevada	Lowell	Gold Hill	City of Colo Sprgs
< \$15,000	21.0%	20.9%	15.2%	10.8%
\$15,000 to \$24,999	17.4%	23.4%	12.0%	10.8%
\$25,000 to \$34,999	21.2%	25.3%	12.4%	10.1%
\$35,000 to \$49,999	20.5%	10.1%	10.8%	14.1%
\$50,000 to \$74,999	11.7%	11.4%	13.2%	18.8%
\$75,000 to \$99,999	6.0%	3.8%	16.8%	12.5%
\$100,000 to \$149,999	1.6%	3.2%	16.0%	13.8%
\$150,000 to \$199,999	0.0%	0.6%	2.4%	5.2%
\$200,000 +	0.5%	0.6%	0.8%	3.9%
Median:	\$29,479	\$26,445	\$48,922	\$54,228
Average:	\$36,420	\$37,278	\$60,393	\$72,709

Source: United States Census Bureau, 2010 Census, 2010-2014 American Community Survey; Esri 2015 Estimate

✓ Each of the three active URAs with residential uses have lower median and average household incomes compared to the City as a whole.
 ✓ This is primarily due to the areas offering affordable housing.

18

Tax Revenue Not Subject to TIF

Annual Business Employment Related Revenue

2015 Tax Revenue	Business Employment Related
City of Colorado Springs Sales Tax Revenue	\$1,048,264
El Paso County Sales Tax Revenue	\$620,383
PPRTA Sales Tax Revenue	\$557,916
State of Colorado Sales Tax Revenue	\$1,617,957
Total State Personal Income Taxes	\$6,098,680
Total State Corporate Income Taxes	\$859,919
TOTAL:	\$10,803,119

- ✓ Sales and income taxes on business employment spending generated over \$10.8 million of tax revenue to state and local governments in 2015.
- ✓ City share of total was over \$1.0 million.

- ✓ Sales and income taxes on cumulative construction related employment spending generated over \$11.8 million of tax revenue.
- ✓ Sales & Use taxes on building materials total \$14.7 million.

Cumulative Construction Related Revenue from Initial URA Designation through 2015

Tax Revenue	Employment Related	Building Materials
City of Colorado Springs Sales Tax Revenue	\$1,260,011	\$5,543,319
El Paso County Sales Tax Revenue	\$745,500	\$2,185,347
PPRTA Sales Tax Revenue	\$604,242	\$1,776,705
State of Colorado Sales Tax Revenue	\$1,752,300	\$5,152,444
Total State Personal Income Taxes	\$6,605,069	\$0
Total State Corporate Income Taxes	\$838,766	\$0
TOTAL:	\$11,805,888	\$14,657,815

19

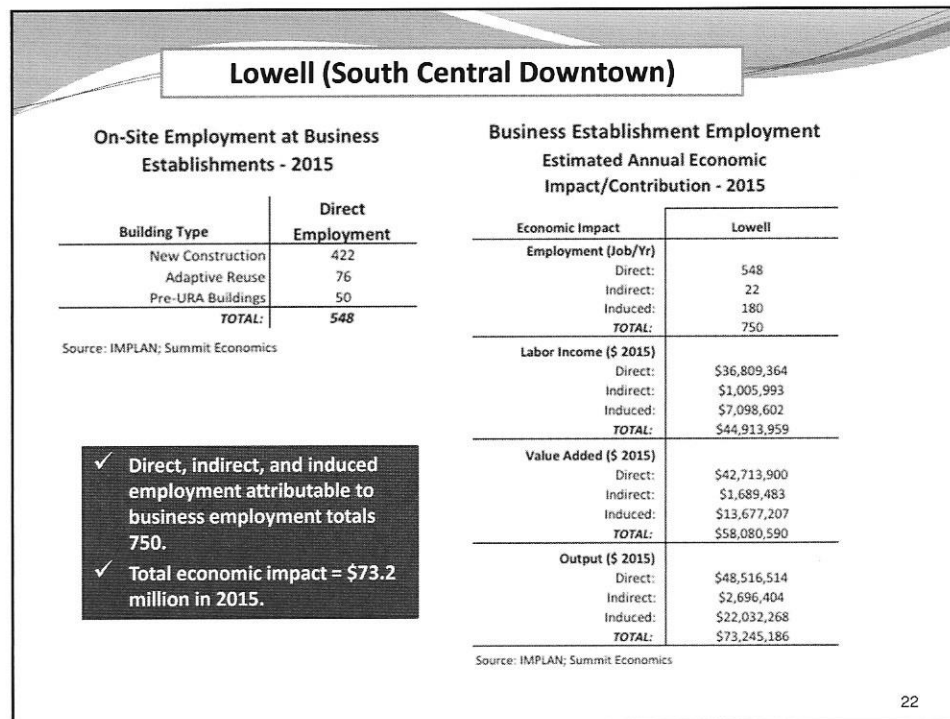
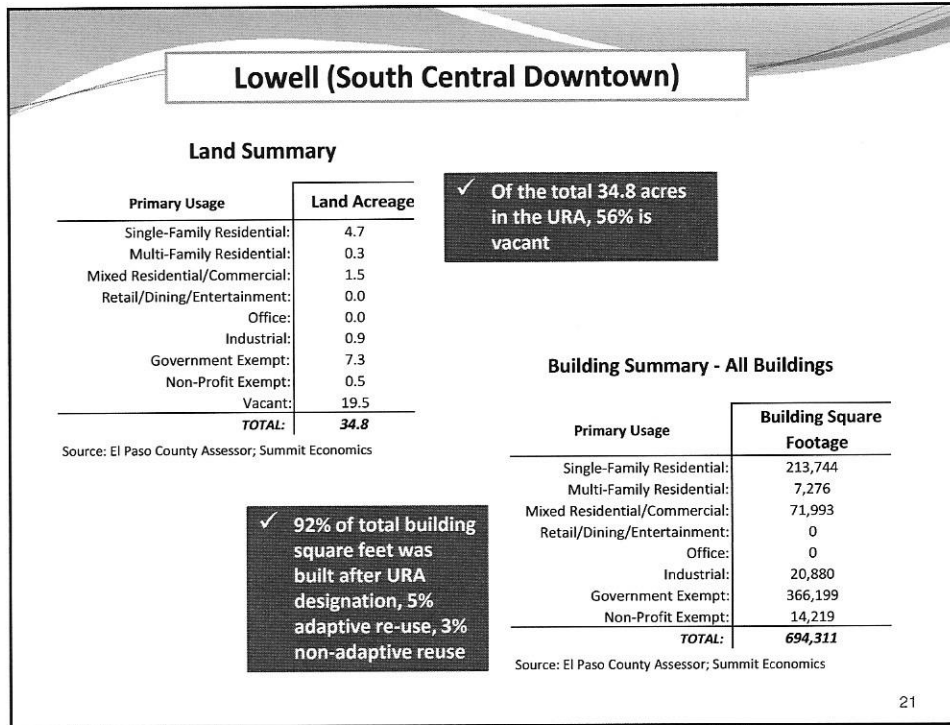
Profile and Key Findings

LOWELL



URA designation: 1988 to 2013

20



Lowell (South Central Downtown)

Construction Economic Impact Cumulative Impacts from 1998 through 2015 - (adjusted to \$ 2015)

Economic Impact	Urban Renewal	
	Lowell	
Employment (Job/Yr)		
Direct:		320
Indirect:		105
Induced:		106
TOTAL:		531
Labor Income (\$ 2015)		
Direct:	\$17,154,676	
Indirect:	\$5,177,718	
Induced:	\$4,172,484	
TOTAL:	\$26,504,878	
Value Added (\$ 2015)		
Direct:	\$17,439,803	
Indirect:	\$7,743,779	
Induced:	\$8,033,966	
TOTAL:	\$33,217,548	
Output (\$ 2015)		
Direct:	\$46,308,953	
Indirect:	\$12,967,705	
Induced:	\$12,946,408	
TOTAL:	\$72,223,066	

Source: IMPLAN; Summit Economics

New Construction Spending From Initial URA Designation through 2015

Area	Cumulative Spending (\$ 2015)
Lowell	\$47,654,277

Source: Pikes Peak Regional Building Dept; Summit Economics

- ✓ Cumulative total economic impact of construction spending = \$72.2 million.
- ✓ Total employment impact, since 1998, 531 job/years.

23

Lowell (South Central Downtown)

Observations

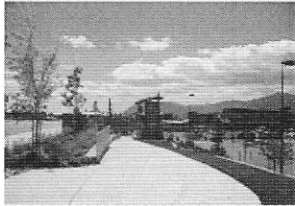
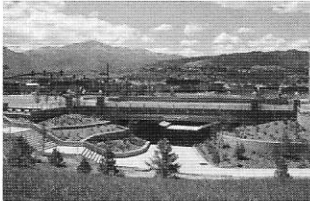
Traditional neighborhood development was perhaps ahead of its time for the Colorado Springs market.

But what has resulted is a harmonious mixture of unlikely uses: police station, federally qualified health center, affordable apartment and senior housing, new townhomes and mixed-use condominiums on a 4-story scale, and restoration of one of Colorado Springs' first iconic architectural anchors.

24

Profile and Key Findings

NORTH NEVADA



URA designation: 2004

North Nevada

Land Summary

Primary Usage	Land Acreage
Single-Family Residential:	0.4
Multi-Family Residential:	42.2
Mixed Residential/Commercial:	0.9
Retail/Dining/Entertainment:	86.7
Office:	8.9
Industrial:	4.1
Government Exempt:	229.6
Non-Profit Exempt:	17.9
Vacant:	15.8
TOTAL:	406.4

Source: El Paso County Assessor; Summit Economics

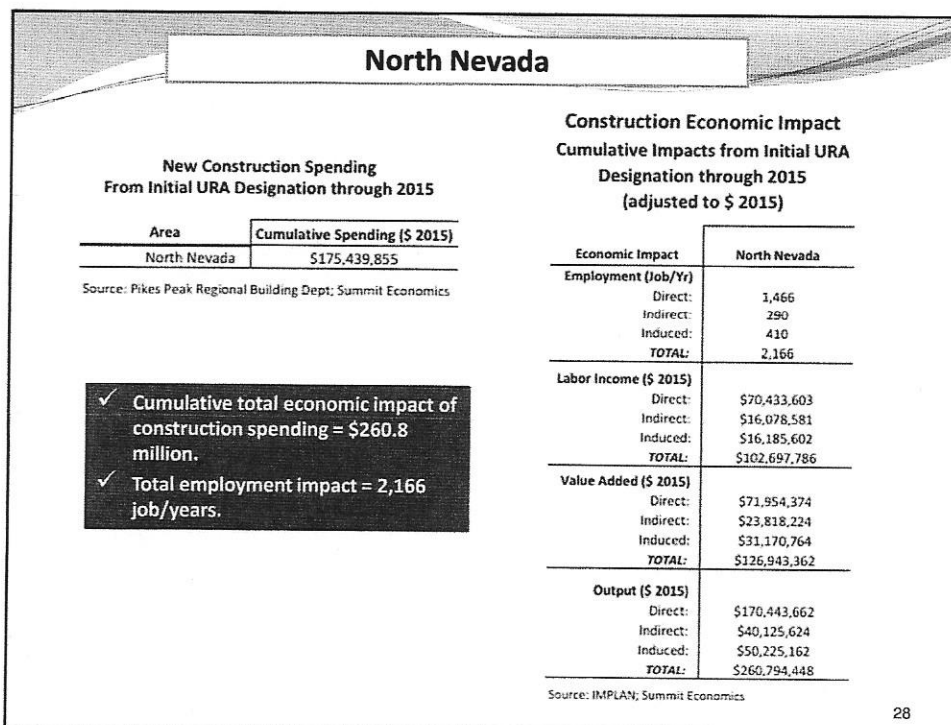
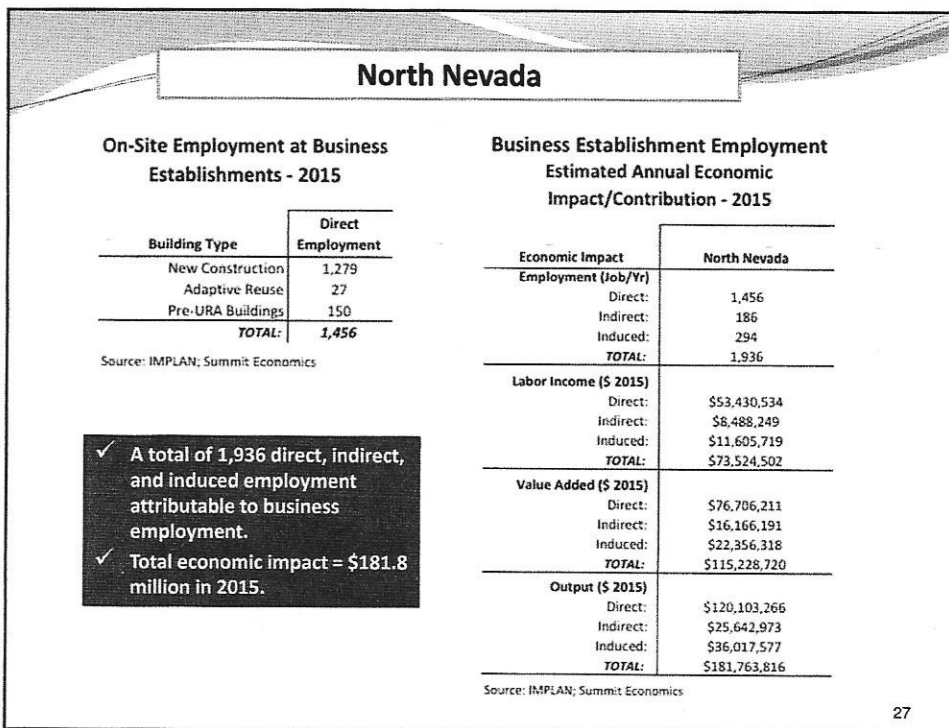
✓ Of the total 406.4 acres, 21% is for retail/dining/entertainment purposes, 56% is government-exempt

✓ 73% of total building square feet was built after URA designation

Building Summary - All Buildings

Primary Usage	Building Square Footage
Single-Family Residential:	2,325
Multi-Family Residential:	792,080
Mixed Residential/Commercial:	6,605
Retail/Dining/Entertainment:	752,374
Office:	80,202
Industrial:	41,788
Government Exempt:	536,738
Non-Profit Exempt:	39,169
TOTAL:	2,251,281

Source: El Paso County Assessor; Summit Economics



North Nevada - Buildout

Projected Construction - 2016 through Buildout

North Nevada	Building Square Footage
Single-Family Residential:	0
Multi-Family Residential:	0
Mixed Residential/Commercial:	0
Retail/Dining/Entertainment:	0
Office:	0
Industrial:	0
Government Exempt:	2,075,400
Non-Profit Exempt:	0

Source: UCCS; Summit Economics

**Employment at Business Establishments
Estimated Annual Economic Impact/Contribution at Buildout**

Economic Impact	North Nevada
Employment (Job/Yr)	
Direct:	3,527
Indirect:	559
Induced:	670
TOTAL:	4,756
Labor Income (\$ 2015)	
Direct:	\$115,803,293
Indirect:	\$25,333,420
Induced:	\$26,457,546
TOTAL:	\$167,594,259
Value Added (\$ 2015)	
Direct:	\$168,942,134
Indirect:	\$49,934,943
Induced:	\$50,966,795
TOTAL:	\$269,843,872
Output (\$ 2015)	
Direct:	\$293,581,000
Indirect:	\$79,397,455
Induced:	\$82,110,056
TOTAL:	\$455,088,511

Source: IMPLAN; Summit Economics

- ✓ Almost 2.1 million sq ft of additional UCCS campus buildout is planned.
- ✓ At buildout total employment impact of business employment in North Nevada URA is almost 4,800 jobs with total annual economic contribution of over \$455 million.

29

North Nevada

Observations

The North Nevada URA, as of 2015, has had by far the largest amount of new development and economic impact/contribution of any URA.

Most of the additional potential development and economic activity in the North Nevada URA is up to UCCS.

30

Profile and Key Findings

GOLD HILL MESA



URA designation: 2004

31

Gold Hill Mesa

Land Summary

Primary Usage	Land Acreage
	Gold Hill
Single-Family Residential:	23.5
Multi-Family Residential:	1.1
Mixed Residential/Commercial:	0.7
Retail/Dining/Entertainment:	5.7
Office:	0.0
Industrial:	0.0
Government Exempt:	0.0
Non-Profit Exempt:	0.0
Vacant:	158.1
TOTAL:	189.1

Source: El Paso County Assessor; Summit Economics

✓ 84% of the 189.1 acres is vacant, 18% residential.

Building Summary - All Buildings

Primary Usage	Building Square Footage
	Footage
Single-Family Residential:	841,937
Multi-Family Residential:	43,592
Mixed Residential/Commercial:	0
Retail/Dining/Entertainment:	0
Office:	19,410
Industrial:	0
Government Exempt:	0
Non-Profit Exempt:	0
TOTAL:	904,939

Source: El Paso County Assessor; Summit Economics

✓ 100% of the 904,309 sq ft was built after URA designation with 98% of the total being for residential uses.

32

Gold Hill

On-Site Employment at Business Establishments - 2015

Building Type	Direct Employment
New Construction	9
Adaptive Reuse	0
Pre-URA Buildings	0
TOTAL:	9

Source: IMPLAN; Summit Economics

Employment at Business Establishments Estimated Annual Economic Impact/Contribution - 2015

Economic Impact	Urban Renewal Area
	Gold Hill
Employment (Job/Yr)	
Direct:	9
Indirect:	3
Induced:	3
TOTAL:	15
Labor Income (\$ 2015)	
Direct:	\$533,690
Indirect:	\$123,262
Induced:	\$122,547
TOTAL:	\$779,499
Value Added (\$ 2015)	
Direct:	\$545,229
Indirect:	\$194,829
Induced:	\$235,908
TOTAL:	\$975,966
Output (\$ 2015)	
Direct:	\$1,198,563
Indirect:	\$317,879
Induced:	\$380,201
TOTAL:	\$1,896,643

Source: IMPLAN; Summit Economics

Gold Hill

New Construction Spending From Initial URA Designation through 2015

Area	Cumulative Spending (\$ 2015)
Gold Hill	\$81,517,252

Source: Pikes Peak Regional Building Dept; Summit Economics

Construction Economic Impact Cumulative Impacts from Initial URA Designation through 2015 - (adjusted to \$ 2015)

Economic Impact	Urban Renewal
	Gold Hill
Employment (Job/Yr)	
Direct:	451
Indirect:	206
Induced:	171
TOTAL:	828
Labor Income (\$ 2015)	
Direct:	\$26,653,533
Indirect:	\$9,470,954
Induced:	\$6,743,208
TOTAL:	\$42,867,695
Value Added (\$ 2015)	
Direct:	\$27,025,931
Indirect:	\$14,378,033
Induced:	\$12,982,142
TOTAL:	\$54,386,106
Output (\$ 2015)	
Direct:	\$78,591,996
Indirect:	\$23,973,256
Induced:	\$20,921,645
TOTAL:	\$123,486,897

Source: IMPLAN; Summit Economics

- ✓ Cumulative total economic impact of construction spending = \$123.5 million.
- ✓ Total employment impact = 828 job/years.

Gold Hill - Buildout

Projected Construction - 2016 through Buildout

Gold Hill	Building Square Footage
Single-Family Residential:	1,492,796
Multi-Family Residential:	80,000
Mixed Residential/Commercial:	-
Retail/Dining/Entertainment:	217,000
Office:	33,000
Industrial:	-
Government Exempt:	-
Non-Profit Exempt:	-

Source: Gold Hill Mesa; Summit Economics

**Employment at Business Establishments
Estimated Annual Economic Impact/Contribution at Buildout**

Urban Renewal Area	
Economic Impact	Gold Hill
Employment (Job/Yr)	
Direct:	471
Indirect:	49
Induced:	90
TOTAL:	610
Labor Income (\$ 2015)	
Direct:	\$16,693,324
Indirect:	\$2,185,777
Induced:	\$3,543,705
TOTAL:	\$22,422,806
Value Added (\$ 2015)	
Direct:	\$22,408,041
Indirect:	\$4,099,286
Induced:	\$6,827,741
TOTAL:	\$33,335,068
Output (\$ 2015)	
Direct:	\$32,590,228
Indirect:	\$6,455,295
Induced:	\$10,998,705
TOTAL:	\$50,044,228

Source: IMPLAN; Summit Economics

- ✓ About 1.6 million square feet of additional residential space projected for buildout. About 250,000 sq ft of retail/dining/entertainment space is also anticipated by buildout.
- ✓ At buildout, total employment impact of business employment in Gold Hill estimated to reach 610 jobs with total annual economic contribution of over \$50 million.

35

Gold Hill

Observations

The density of traditional-neighborhood development in Gold Hill Mesa to date appears to have been the key to the development's success and financial feasibility.

36

Profile and Key Findings

COPPER RIDGE



URA designation: 2010

37

Copper Ridge

Land Summary

Primary Usage	Land Acreage
	Copper Ridge
Single-Family Residential:	0.0
Multi-Family Residential:	0.0
Mixed Residential/Commercial:	0.0
Retail/Dining/Entertainment:	42.3
Office:	0.7
Industrial:	4.6
Government Exempt:	51.7
Non-Profit Exempt:	0.0
Vacant:	174.6
TOTAL:	274.0

Source: El Paso County Assessor; Summit Economics

✓ 64% of the 274 acres is vacant, 15% retail/dining, 19% government-exempt.

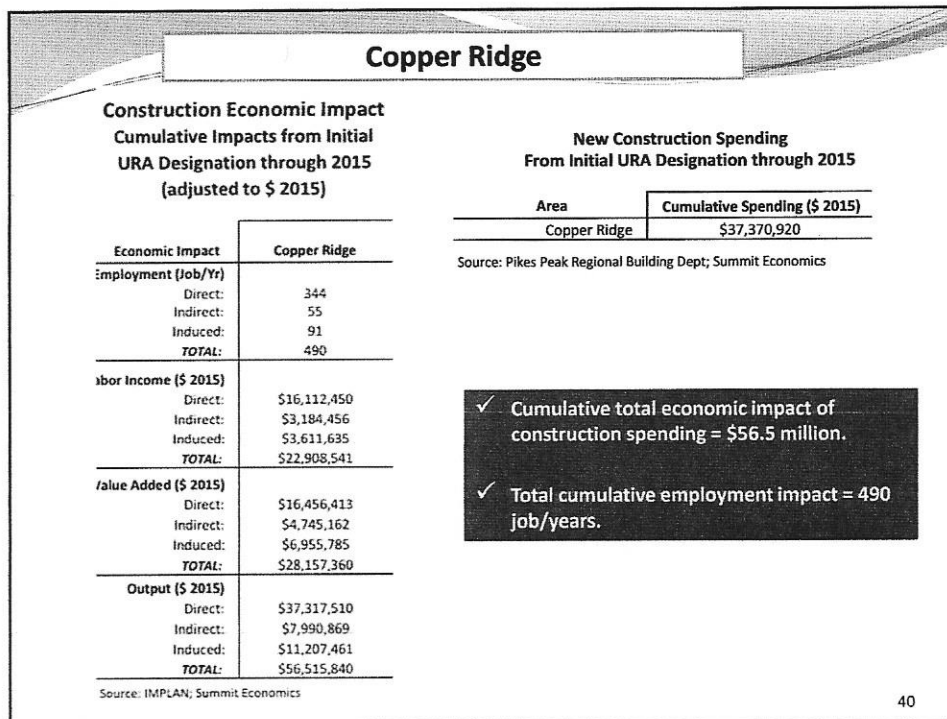
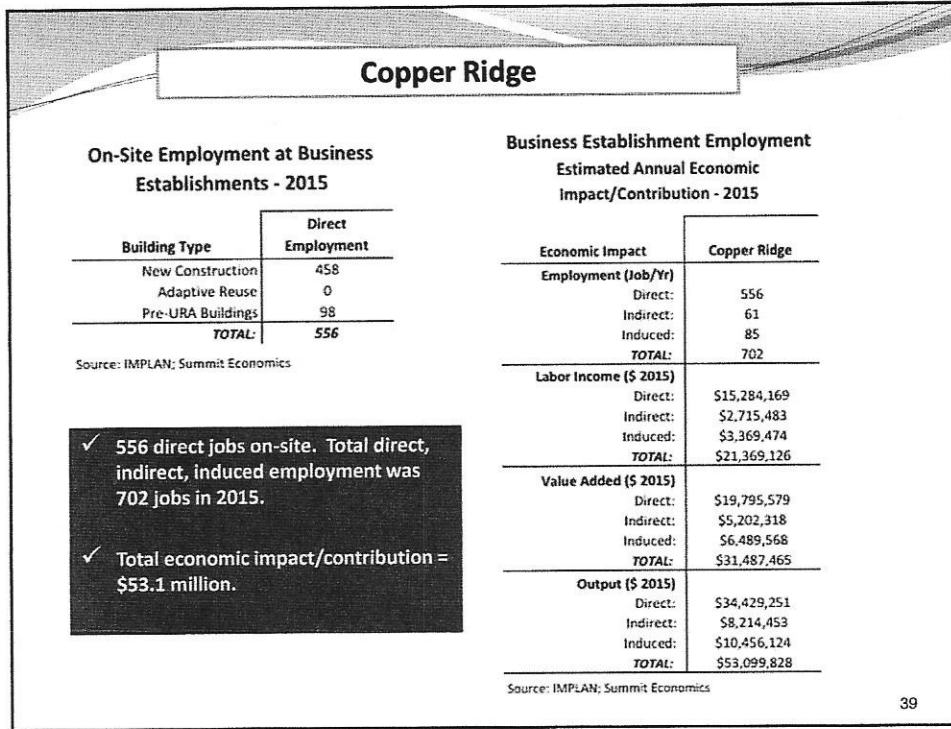
✓ 93% of the 343,448 sq ft was built after URA designation with 81% of the total being for retail/dining/entertainment uses.

Building Summary - All Buildings

Primary Usage	Building Sq Ft
Single-Family Residential:	0
Multi-Family Residential:	0
Mixed Residential/Commercial:	0
Retail/Dining/Entertainment:	277,525
Office:	3,750
Industrial:	51,600
Government Exempt:	10,573
Non-Profit Exempt:	0
TOTAL:	343,448

Source: El Paso County Assessor; Summit Economics

38



Copper Ridge - Buildout

Projected Construction - 2016 through Buildout

Copper Ridge	Building Square Footage
Single-Family Residential:	-
Multi-Family Residential:	-
Mixed Residential/Commercial:	-
Retail/Dining/Entertainment:	1,012,200
Hotel:	358,820
Office:	-
Industrial:	-
Government Exempt:	-
Non-Profit Exempt:	-

Source: Copper Ridge; Summit Economics

Employment at Business Establishments

Estimated Annual Economic Impact/Contribution at Buildout

Economic Impact	Copper Ridge
Employment (Job/Yr)	
Direct:	3,233
Indirect:	368
Induced:	543
TOTAL:	4,144
Labor Income (\$ 2015)	
Direct:	\$97,696,864
Indirect:	\$16,563,579
Induced:	\$21,464,667
TOTAL:	\$135,725,110
Value Added (\$ 2015)	
Direct:	\$158,661,289
Indirect:	\$30,250,127
Induced:	\$41,360,884
TOTAL:	\$230,272,300
Output (\$ 2015)	
Direct:	\$237,160,908
Indirect:	\$48,891,627
Induced:	\$66,623,778
TOTAL:	\$352,676,313

Source: IMPLAN; Summit Economics

- ✓ An additional 1.0 million square feet of retail/dining space is projected at buildout along with 359,000 sq ft of hotel space.
- ✓ At buildout, Copper Ridge will have over 3,200 direct jobs on-site and an annual economic impact of just under \$353 million.

41

Copper Ridge

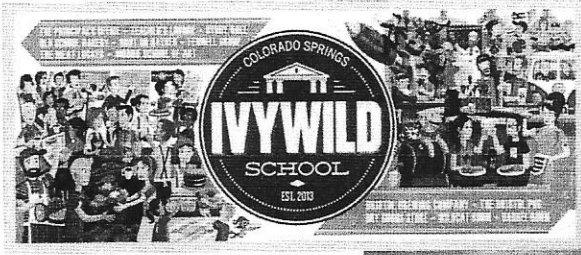

Observations

The Phase 3 Polaris Point Mall is predicated on Powers Boulevard Construction.


The cycle of construction and leasing activity since 2010 indicates that the development group is constructing in disciplined phases, inferably with a focus on establishing anchors and pre-leasing.

42

Profile and Key Findings IVYWILD

URA designation: 2011



43

Ivywild

Land Summary

Primary Usage	Land Acreage
	Ivywild
Single-Family Residential:	0.3
Multi-Family Residential:	0.4
Mixed Residential/Commercial:	0.3
Retail/Dining/Entertainment:	4.1
Office:	0.0
Industrial:	0.0
Government Exempt:	0.0
Non-Profit Exempt:	0.0
Vacant:	0.0
TOTAL:	5.1

Source: El Paso County Assessor; Summit Economics

✓ 80% of total acres used for retail/dining/entertainment.

Building Summary - All Buildings

Primary Usage	Building Sq Ft
Single-Family Residential:	4,901
Multi-Family Residential:	1,186
Mixed Residential/Commercial:	4,418
Retail/Dining/Entertainment:	52,535
Office:	0
Industrial:	4,961
Government Exempt:	0
Non-Profit Exempt:	0
TOTAL:	68,001

Source: El Paso County Assessor; Summit Economics

✓ 84% of the building space is adaptive reuse with an additional 11% built after URA designation.

44

Ivywild

On-Site Employment at Business Establishments - 2015

Building Type	Direct Employment
New Construction	0
Adaptive Reuse	136
Pre-URA Buildings	0
TOTAL:	136

Source: IMPLAN; Summit Economics

Employment at Business Establishments Estimated Annual Economic Impact/Contribution - 2015

Economic Impact	Ivywild
Employment (Job/Yr)	
Direct:	136
Indirect:	27
Induced:	31
TOTAL:	194
Labor Income (\$ 2015)	
Direct:	\$5,143,736
Indirect:	\$1,342,615
Induced:	\$1,215,160
TOTAL:	\$7,701,511
Value Added (\$ 2015)	
Direct:	\$12,851,065
Indirect:	\$2,425,469
Induced:	\$2,340,470
TOTAL:	\$17,617,004
Output (\$ 2015)	
Direct:	\$29,675,549
Indirect:	\$4,146,252
Induced:	\$3,770,932
TOTAL:	\$37,592,733

Source: IMPLAN; Summit Economics

- ✓ 136 direct jobs on-site. Total direct, indirect, induced employment was 194 jobs in 2015.
- ✓ Largest direct employment sectors include, restaurants, breweries, and distilleries.
- ✓ Total economic impact/contribution = \$37.6 million.

Ivywild

Construction Economic Impact Cumulative Impacts from Initial URA Designation through 2015 - (adjusted to \$ 2015)

Economic Impact	Ivywild
Employment (Job/Yr)	
Direct:	24
Indirect:	5
Induced:	7
TOTAL:	36
Labor Income (\$ 2015)	
Direct:	\$1,171,848
Indirect:	\$258,739
Induced:	\$267,602
TOTAL:	\$1,698,189
Value Added (\$ 2015)	
Direct:	\$1,197,326
Indirect:	\$386,311
Induced:	\$515,344
TOTAL:	\$2,098,981
Output (\$ 2015)	
Direct:	\$2,806,843
Indirect:	\$649,743
Induced:	\$830,381
TOTAL:	\$4,286,967

Source: IMPLAN; Summit Economics

New Construction Spending From Initial URA Designation through 2015

Area	Cumulative Spending (\$ 2015)
Ivywild	\$2,822,521

Source: Pikes Peak Regional Building Dept; Summit Economics

Ivywild - Buildout

Employment at Business Establishments Estimated Annual Economic Impact/Contribution at Buildout

Economic Impact	Ivywild
Employment (Job/Yr)	
Direct:	172
Indirect:	34
Induced:	39
TOTAL:	245
Labor Income (\$ 2015)	
Direct:	\$6,437,557
Indirect:	\$1,706,936
Induced:	\$1,526,128
TOTAL:	\$9,670,621
Value Added (\$ 2015)	
Direct:	\$16,677,713
Indirect:	\$3,100,776
Induced:	\$2,939,489
TOTAL:	\$22,717,978
Output (\$ 2015)	
Direct:	\$38,331,795
Indirect:	\$5,307,766
Induced:	\$4,735,997
TOTAL:	\$48,375,558

Source: IMPLAN; Summit Economics

✓ Additional possible buildout includes about 33,500 sq ft of mixed residential/commercial/brewery.

✓ 172 direct jobs on-site are possible at buildout.

Projected Construction - 2016 through Buildout

Ivywild	Building Square Footage
Single-Family Residential:	-
Multi-Family Residential:	-
Mixed Residential/Commercial:	26,000
Retail/Dining/Entertainment:	-
Office:	-
Industrial:	7,500
Government Exempt:	-
Non-Profit Exempt:	-

Source: Ivywild School; Summit Economics

47

Ivywild

Observations

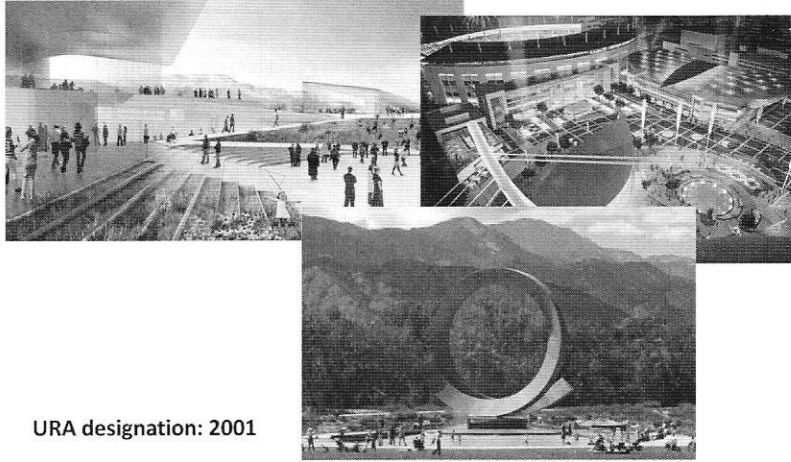
Ivywild has the highest densities of current annual economic output versus land acreage and building square footage of all URAs (\$553/sq ft of building space; \$7,371,124 /acre).

Ivywild is a new paradigm for urban renewal focused on adaptive reuse and local business growth, on a significantly smaller level than in previous paradigms.

48

Profile and Key Findings

SOUTHWEST DOWNTOWN



URA designation: 2001

Southwest Downtown

Land Summary

Primary Usage	Land Acreage Southwest Downtown
Single-Family Residential:	0.2
Multi-Family Residential:	0.0
Mixed Residential/Commercial:	0.0
Retail/Dining/Entertainment:	0.2
Office:	4.1
Industrial:	13.9
Government Exempt:	38.1
Non-Profit Exempt:	0.9
Vacant:	8.3
TOTAL:	65.8

Source: El Paso County Assessor; Summit Economics

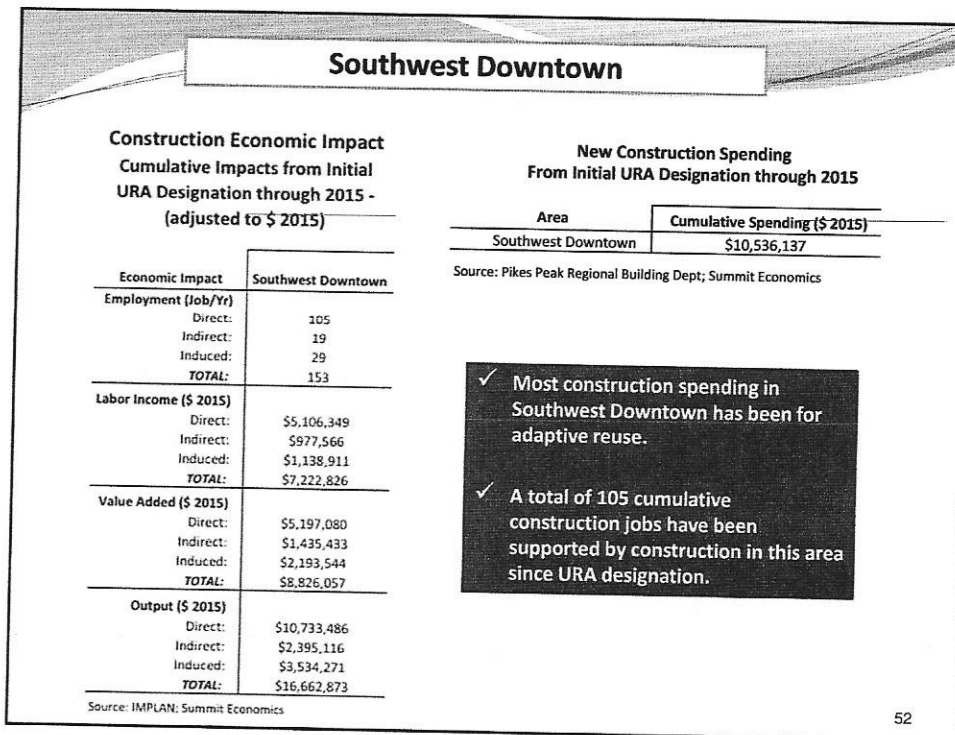
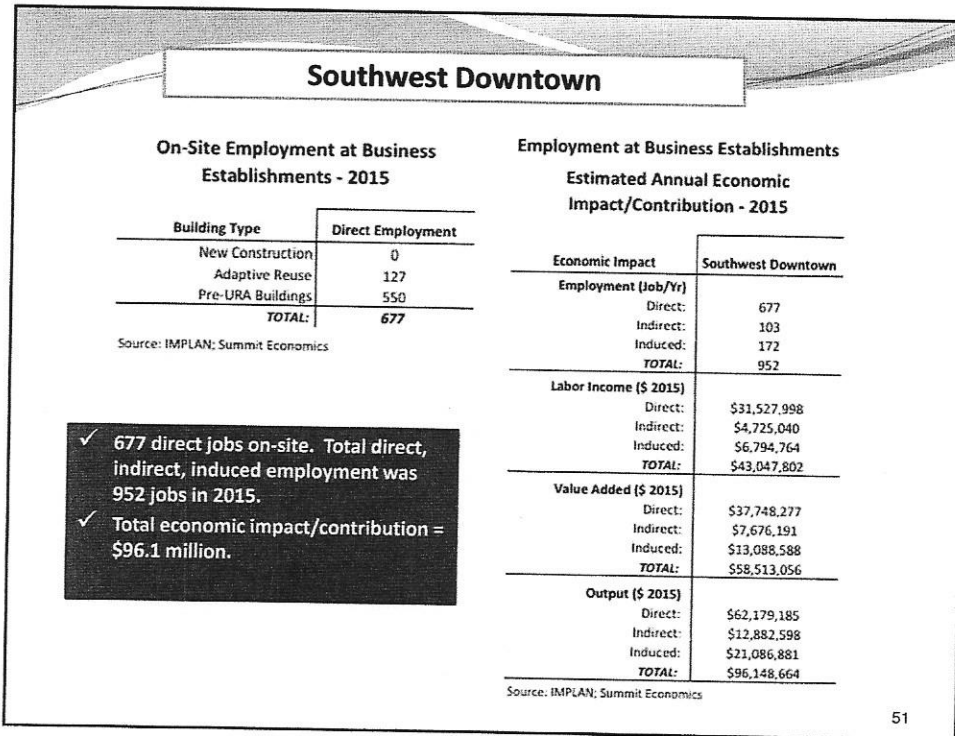
✓ **12% of the building space is adaptive reuse with nearly all of the remaining 88% built before URA designation.**

✓ **Current land uses include 13% vacant, 58% government-exempt, and 21% industrial.**

Building Summary - All Buildings

Primary Usage	Building Sq Ft
Single-Family Residential:	748
Multi-Family Residential:	0
Mixed Residential/Commercial:	0
Retail/Dining/Entertainment:	1,952
Office:	94,633
Industrial:	307,752
Government Exempt:	300,215
Non-Profit Exempt:	13,387
TOTAL:	718,687

Source: El Paso County Assessor; Summit Economics



Southwest Downtown - Buildout

Projected Construction - 2016 through Buildout

Southwest Downtown	Building Square Footage
Single-Family Residential:	-
Multi-Family Residential:	3,565,000
Mixed Residential/Commercial:	-
Retail/Dining/Entertainment:	808,000
Hotel:	-
Office:	-
Industrial:	-
Government Exempt:	-
Non-Profit Exempt:	60,000

Source: Nor'wood; Summit Economics

Employment at Business Establishments

Estimated Annual Economic Impact/Contribution at Buildout

Economic Impact	Southwest Downtown
Employment (Job/Yr)	
Direct:	2,225
Indirect:	276
Induced:	389
TOTAL:	2,890
Labor Income (\$ 2015)	
Direct:	\$70,017,098
Indirect:	\$11,970,689
Induced:	\$15,386,143
TOTAL:	\$97,373,930
Value Added (\$ 2015)	
Direct:	\$93,968,756
Indirect:	\$21,156,495
Induced:	\$29,643,584
TOTAL:	\$144,768,835
Output (\$ 2015)	
Direct:	\$159,433,988
Indirect:	\$34,674,703
Induced:	\$47,753,516
TOTAL:	\$241,862,207

Source: IMPLAN; Summit Economics

✓ Additional buildout includes two City for Champions projects, and envisioned residential and retail/dining/entertainment development totaling 4.4 million sq ft.

✓ 2,225 direct jobs on-site are possible at buildout.

53

Southwest Downtown

Observations

The only new development which has occurred in Southwest Downtown is America the Beautiful Park

Buildout goals are bold. City for Champions and multi-family projects will serve as catalysts.

A fair amount of direct employment and economic contribution already occurs in Southwest Downtown.

54

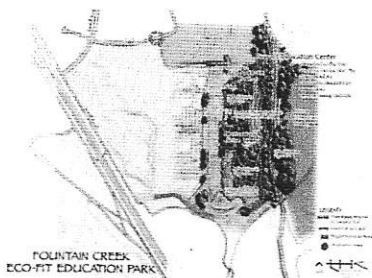
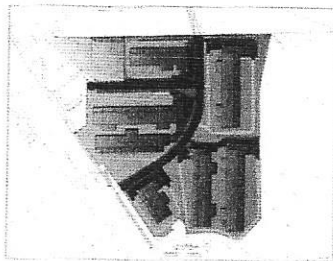
CityGate



- There is currently no specific timeline for development. The types and timing in CityGate are currently anticipated to be market-driven and the 2007 Urban Renewal Plan for the area is not necessarily reflective of the site's anticipated buildout.
- Several factors anticipated to affect the value and development potential of the site:
 - improvement of the I-25/Highway 24 interchange
 - City for Champions development
 - decommissioning of Drake Power Plant
 - demand for downtown-style living and activity
- Future development of the area will likely be multi-phased and mixed-use. It will most likely include retail and destination restaurant uses, and probably office. A hotel, likely limited-service, is also possible.

55

Vineyard Property



The primary developer indicates that the build-out plan for the project remains unchanged from the Urban Renewal Plan approved in 2011.

There is one data center parcel under contract. As of December 2015, two other data center parcels have LOIs. The scale and timeline of development of the three parcels were not indicated.

Sidewalk, landscaping, and fencing improvements have been constructed on the west side along Janitell Road.

The Fountain Creek Eco-Fit Education Park remains in development plans, but it is anticipated that it will occur at least several years in the future.

56

City Auditorium Block

The primary developer of the site indicates that commencement of any development would occur at least three to four years in the future. Development at that time is envisioned to be consistent with the 2005 Urban Renewal Plan for the area but perhaps on a larger scale.



High-rise development, with a mixture of uses responding to market demand is most likely in order to maximize the potential of a small land-footprint in the context of the downtown central business district.

15 N. Nevada Ave has been adaptively reused of office, and the former movie theater at 21 N. Nevada Ave has been adaptively reused as an indoor climbing gym.

57

QUESTIONS?

58