Ricker|Cunningham

Cañon City Area For Reinvestment Expansion Urban Renewal Plan

Upper Arkansas Water Conservancy District Impact Report

February 2020

Prepared for:

City of Cañon City
City Council

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Upper Arkansas Water Conservancy District Impact Report

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This report outlines the anticipated impact of the proposed Cañon City Area For Reinvestment Expansion Urban Renewal Plan on the Upper Arkansas Water Conservancy District (the District). It is prepared in conformance with those requirements set forth in C.R.S. 31-25-107 (3.5) (a):

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

(3.5) (a) "At least thirty days prior to the hearing on an urban renewal plan or a substantial modification to such plan, regardless of when the urban renewal plan was first approved, the governing body or the authority shall submit such plan or modification to the board of county commissioners, and, if property taxes collected as a result of the county levy will be utilized, the governing body or the authority shall also submit an urban renewal impact report, which shall include, at a minimum, the following information concerning the impact of such plan:

I. The estimated duration of time to complete the urban renewal project;
II. 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 period to fund the urban renewal project;
III. An estimate of the impact of the urban renewal project on county revenues and on the cost and extent of additional county infrastructure and services required to serve development within the proposed urban renewal area, and the benefit of improvements within the urban renewal area to existing county infrastructure;
IV. A statement setting forth the method under which the authority or the municipality will finance, or that agreements are in place to finance, any additional county infrastructure and services required to serve development in the urban renewal area for the period in which all or any portion of the property taxes described in subparagraph (II) of paragraph (a) of subsection (9) of this section and levied by a county are paid to the authority; and
V. 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 Cañon City Area For Reinvestment Expansion Urban Renewal Plan is consistent with current policy documents and plans for the City of Cañon City. The estimated level of development is anticipated to be completed over the next 25 years and the total build-out is summarized in **Table 1**.

Table 1
Cañon City Area For Reinvestment Expansion Urban Renewal Plan
Proposed Development Program

New Development:	
Mixed Residential (units)	200
Retail (sq ft)	150,000
Employment (sq ft)	200,000

Source: Ricker|Cunningham.

The development timetable for the proposed program presented above will ultimately be determined by prevailing market conditions. A critical component of the analysis presented here is the assumption that key parcels within the planning area will be developed into a mix of residential, retail, entertainment, lodging and office/employment space. For the purposes of this analysis, it was assumed that this level of development in the Area will be substantially completed during the 25-year development and stabilization period.

Summary Impacts to Upper Arkansas Water Conservancy District

For the purposes of this analysis, it is assumed that 100% of the total District property tax increment over the 25-year period will be allocated to project costs. **Table 2** at the end of this report provides a summary of these property tax revenues.

Property Tax Revenue

Currently, the District's share of the property tax base in the Area is approximately $22,053. During the 25-year statutory period, the District's share of property tax revenue will total approximately $584,000, or $23,000 annually. After the 25-year analysis period is completed, the District's share of property tax revenues will increase to approximately $37,000 on an annual basis. These figures reflect the impacts of inflation, conservatively estimated at approximately 1% to 2% on an annual basis.

Table 2
Cañon City Area For Reinvestment Expansion Urban Renewal Area
Upper Arkansas Water Conservancy District Impact Analysis

Development Program (25 years)

New Development:	
Mixed Residential (units)	200
Retail (sq ft)	150,000
Employment (sq ft)	200,000

	Cumulative Total By:				
	2023	**2028**	**2033**	**2038**	**2043**
Upper Arkansas Water Conservancy District					
Property Tax Revenues from Existing Base	$111,149	$224,984	$341,803	$461,445	$584,223
Property Tax Increment Contributed to URA	$4,281	$26,340	$61,671	$112,826	$172,599

Source: Ricker | Cunningham.

Table 2 (cont'd)
Cañon City Area For Reinvestment Expansion Urban Renewal Area
Upper Arkansas Water Conservancy District Impact Analysis

Development Program

New Development:	
Mixed Residential (units)	200
Retail (sq ft)	150,000
Employment (sq ft)	200,000

Annual Property Tax Revenue Estimates		Year								
		2019	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**
Estimated Cumulative Development Demand:										
Mixed Residential		0	25	50	75	100	125	150	175	200
Retail		0	5,000	30,000	55,000	60,000	65,000	70,000	75,000	80,000
Employment		0	0	5,000	15,000	25,000	35,000	45,000	55,000	65,000
Estimated Development Market Value:										
Residential (Mixed)	**$325,000**	$0	$8,206,250	$16,576,625	$25,113,587	$33,819,630	$42,697,283	$51,749,107	$60,977,698	$70,385,686
Retail	**$200**	$0	$1,010,000	$6,120,600	$11,333,311	$12,487,248	$13,663,131	$14,861,282	$16,082,030	$17,325,707
Employment	**$150**	$0	$0	$765,075	$2,318,177	$3,902,265	$5,517,803	$7,165,261	$8,845,117	$10,557,853
Estimated Development Assessed Value:										
Residential (Mixed)	**7.2%**	$0	$590,850	$1,193,517	$1,808,178	$2,435,013	$3,074,204	$3,725,936	$4,390,394	$5,067,769
Retail	**29%**	$0	$292,900	$1,774,974	$3,286,660	$3,621,302	$3,962,308	$4,309,772	$4,663,789	$5,024,455
Employment	**29%**	$0	$0	$221,872	$672,271	$1,131,657	$1,600,163	$2,077,926	$2,565,084	$3,061,777
Estimated Development Property Tax Revenues (85.098 mills):										
Residential (Mixed)	**0.085098**	$0	$0	$50,280	$101,566	$153,873	$207,216	$261,610	$317,071	$373,615
Retail	**0.085098**	$0	$0	$24,925	$151,047	$279,689	$308,167	$337,186	$366,754	$396,881
Employment	**0.085098**	$0	$0	$0	$18,881	$57,209	$96,302	$136,171	$176,828	$218,284
Total Property Tax Revenues from New Development:		**$0**	**$0**	**$75,206**	**$271,495**	**$490,771**	**$611,684**	**$734,967**	**$860,653**	**$988,780**
Total Property Tax Revenues from Existing Development:		**$4,314,181**	**$4,314,181**	**$4,357,323**	**$4,357,323**	**$4,400,896**	**$4,400,896**	**$4,444,905**	**$4,444,905**	**$4,489,354**
Total Property Tax Revenues:		**$4,314,181**	**$4,314,181**	**$4,432,528**	**$4,628,817**	**$4,891,667**	**$5,012,580**	**$5,179,872**	**$5,305,558**	**$5,478,134**
Existing Property Tax Base:		**$4,314,181**	**$4,314,181**	**$4,357,323**	**$4,357,323**	**$4,400,896**	**$4,400,896**	**$4,444,905**	**$4,444,905**	**$4,489,354**
Total Property Tax Increment:		**$0**	**$0**	**$75,206**	**$271,495**	**$490,771**	**$611,684**	**$734,967**	**$860,653**	**$988,780**
District Impact:										
District Share of Property Tax Base:	**0.000435**	**$22,053**	**$22,053**	**$22,273**	**$22,273**	**$22,496**	**$22,496**	**$22,721**	**$22,721**	**$22,948**
District Share of Property Tax Increment:	**0.000435**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Total District Share of Property Tax Revenue:		**$22,053**	**$22,053**	**$22,273**	**$22,273**	**$22,496**	**$22,496**	**$22,721**	**$22,721**	**$22,948**

Source: Ricker | Cunningham.

Table 2 (cont'd)
Cañon City Area For Reinvestment Expansion Urban Renewal Area
Upper Arkansas Water Conservancy District Impact Analysis

Development Program

New Development:	
Mixed Residential (units)	200
Retail (sq ft)	150,000
Employment (sq ft)	200,000

Annual Property Tax Revenue Estimates		Year							
		2028	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**
Estimated Cumulative Development Demand:									
Mixed Residential		200	200	200	200	200	200	200	200
Retail		85,000	90,000	95,000	105,000	115,000	125,000	135,000	145,000
Employment		75,000	85,000	95,000	105,000	120,000	135,000	150,000	165,000
Estimated Development Market Value:									
Residential (Mixed)	**$325,000**	$71,089,543	$71,800,438	$72,518,443	$73,243,627	$73,976,063	$74,715,824	$75,462,982	$76,217,612
Retail	**$200**	$18,592,650	$19,883,198	$21,197,699	$23,663,326	$26,176,145	$28,736,855	$31,346,162	$34,004,781
Employment	**$150**	$12,303,959	$14,083,932	$15,898,274	$17,747,494	$20,485,679	$23,276,853	$26,121,801	$29,021,321
Estimated Development Assessed Value:									
Residential (Mixed)	**7.2%**	$5,118,447	$5,169,632	$5,221,328	$5,273,541	$5,326,277	$5,379,539	$5,433,335	$5,487,668
Retail	**29%**	$5,391,868	$5,766,127	$6,147,333	$6,862,364	$7,591,082	$8,333,688	$9,090,387	$9,861,386
Employment	**29%**	$3,568,148	$4,084,340	$4,610,499	$5,146,773	$5,940,847	$6,750,287	$7,575,322	$8,416,183
Estimated Development Property Tax Revenues (85.098 mills):									
Residential (Mixed)	**0.085098**	$431,259	$435,571	$439,927	$444,326	$448,769	$453,257	$457,790	$462,368
Retail	**0.085098**	$427,573	$458,839	$490,688	$523,128	$583,976	$645,988	$709,183	$773,577
Employment	**0.085098**	$260,552	$303,643	$347,570	$392,346	$437,982	$505,556	$574,438	$644,647
Total Property Tax Revenues from New Development:		**$1,119,383**	**$1,198,054**	**$1,278,185**	**$1,359,800**	**$1,470,727**	**$1,604,802**	**$1,741,411**	**$1,880,592**
Total Property Tax Revenues from Existing Development:		**$4,489,354**	**$4,534,248**	**$4,534,248**	**$4,579,590**	**$4,579,590**	**$4,625,386**	**$4,625,386**	**$4,671,640**
Total Property Tax Revenues:		**$5,608,738**	**$5,732,301**	**$5,812,433**	**$5,939,390**	**$6,050,317**	**$6,230,188**	**$6,366,797**	**$6,552,231**
Existing Property Tax Base:		**$4,489,354**	**$4,534,248**	**$4,534,248**	**$4,579,590**	**$4,579,590**	**$4,625,386**	**$4,625,386**	**$4,671,640**
Total Property Tax Increment:		**$1,119,383**	**$1,198,054**	**$1,278,185**	**$1,359,800**	**$1,470,727**	**$1,604,802**	**$1,741,411**	**$1,880,592**
District Impact:									
District Share of Property Tax Base:	**0.000435**	**$22,948**	**$23,178**	**$23,178**	**$23,410**	**$23,410**	**$23,644**	**$23,644**	**$23,880**
District Share of Property Tax Increment:	**0.000435**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Total District Share of Property Tax Revenue:		**$22,948**	**$23,178**	**$23,178**	**$23,410**	**$23,410**	**$23,644**	**$23,644**	**$23,880**

Source: Ricker | Cunningham.

Table 2 (cont'd)
Cañon City Area For Reinvestment Expansion Urban Renewal Area
Upper Arkansas Water Conservancy District Impact Analysis

Development Program

New Development:	
Mixed Residential (units)	200
Retail (sq ft)	150,000
Employment (sq ft)	200,000

Annual Property Tax Revenue Estimates		**Year**							
		2036	**2037**	**2038**	**2039**	**2040**	**2041**	**2042**	**2043**
Estimated Cumulative Development Demand:									
Mixed Residential		200	200	200	200	200	200	200	200
Retail		150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Employment		180,000	195,000	205,000	205,000	205,000	205,000	205,000	205,000
Estimated Development Market Value:									
Residential (Mixed)	**$325,000**	$76,979,788	$77,749,586	$78,527,082	$79,312,353	$80,105,476	$80,906,531	$81,715,596	$82,532,752
Retail	**$200**	$35,529,133	$35,884,424	$36,243,269	$36,605,701	$36,971,758	$37,341,476	$37,714,891	$38,092,039
Employment	**$150**	$31,976,220	$34,987,314	$37,149,350	$37,520,844	$37,896,052	$38,275,013	$38,657,763	$39,044,340
Estimated Development Assessed Value:									
Residential (Mixed)	**7.2%**	$5,542,545	$5,597,970	$5,653,950	$5,710,489	$5,767,594	$5,825,270	$5,883,523	$5,942,358
Retail	**29%**	$10,303,449	$10,406,483	$10,510,548	$10,615,653	$10,721,810	$10,829,028	$10,937,318	$11,046,691
Employment	**29%**	$9,273,104	$10,146,321	$10,773,312	$10,881,045	$10,989,855	$11,099,754	$11,210,751	$11,322,859
Estimated Development Property Tax Revenues (85.098 mills):									
Residential (Mixed)	**0.085098**	$466,991	$471,661	$476,378	$481,142	$485,953	$490,813	$495,721	$500,678
Retail	**0.085098**	$839,187	$876,806	$885,574	$894,430	$903,374	$912,408	$921,532	$930,747
Employment	**0.085098**	$716,203	$789,126	$863,435	$916,791	$925,959	$935,218	$944,570	$954,016
Total Property Tax Revenues from New Development:		**$2,022,382**	**$2,137,593**	**$2,225,387**	**$2,292,362**	**$2,315,286**	**$2,338,439**	**$2,361,823**	**$2,385,441**
Total Property Tax Revenues from Existing Development:		**$4,671,640**	**$4,718,356**	**$4,718,356**	**$4,765,540**	**$4,765,540**	**$4,813,195**	**$4,813,195**	**$4,861,327**
Total Property Tax Revenues:		**$6,694,022**	**$6,855,949**	**$6,943,743**	**$7,057,902**	**$7,080,826**	**$7,151,634**	**$7,175,018**	**$7,246,769**
Existing Property Tax Base:		**$4,671,640**	**$4,718,356**	**$4,718,356**	**$4,765,540**	**$4,765,540**	**$4,813,195**	**$4,813,195**	**$4,861,327**
Total Property Tax Increment:		**$2,022,382**	**$2,137,593**	**$2,225,387**	**$2,292,362**	**$2,315,286**	**$2,338,439**	**$2,361,823**	**$2,385,441**
District Impact:									
District Share of Property Tax Base:	**0.000435**	**$23,880**	**$24,119**	**$24,119**	**$24,360**	**$24,360**	**$24,604**	**$24,604**	**$24,850**
District Share of Property Tax Increment:	**0.000435**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Total District Share of Property Tax Revenue:		**$23,880**	**$24,119**	**$24,119**	**$24,360**	**$24,360**	**$24,604**	**$24,604**	**$24,850**

Source: Ricker | Cunningham.