



Santa Fe Urban Renewal Area

Arapahoe County Impact Report

Littleton, Colorado

August 2014

Prepared for:

Littleton Invests For Tomorrow (LIFT)
Littleton City Council

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City of Littleton, Colorado

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This report outlines the anticipated impact of the proposed Santa Fe Urban Renewal Plan on Arapahoe County (the 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:
- 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 Area

The proposed development program for the Santa Fe Urban Renewal Area (the Area) is consistent with current policy documents and plans for the City of Littleton. The development program is anticipated to be absorbed over 10 to 20 years, and the total build-out is summarized in Table 1.

Table 1
Santa Fe Urban Renewal Plan
 Proposed Development Program

	Sq Ft/ Units
New Development/Redevelopment:	
Retail	350,000
Employment	50,000
Residential	350

Source: Ricker|Cunningham.

Development Timing

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 and employment uses. For the purposes of this analysis, it was assumed that redevelopment and new development in the Santa Fe Urban Renewal Area will be substantially completed during the 25-year development and stabilization period.

Summary Impacts to Arapahoe County

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



Property Tax Revenue

Currently, the property tax base in the Area is approximately \$35,100. During the 25-year statutory period, the County's share of property tax revenue will be derived from its levy against the property tax base assessed value -- approximately \$179,000 over the 25-year period, adjusted for general reassessments. After the 25-year analysis period is completed, the County's share of property tax revenues will increase to approximately \$323,000 on an annual basis. These figures reflect the impacts of inflation, conservatively estimated at approximately 1% on an annual basis.

Sales Tax Revenue

Currently, the sales tax base in the Area is \$12,845. Based on the proposed development program, the Area is projected to generate approximately \$6.5 million in sales tax revenue for the County over the 25-year period. Approximately \$30,000 will be generated from the existing base and approximately \$6.4 million will be generated from new redevelopment. Thereafter, the County's share of sales tax revenues is projected to be approximately \$353,000 on an annual basis. These sales tax revenue figures also reflect the impacts of inflation, conservatively estimated at approximately 1% on an annual basis.

County Services / Infrastructure

Because the entire Area is located within the City of Littleton's municipal boundaries, there is anticipated to be minimal impact on County services. Infrastructure impacts associated with the proposed development program will be financed by Littleton Invests For Tomorrow (LIFT), the City of Littleton, private enterprise or other sources, but not the County. Impacts to the County's general government services could increase due to an increase in non-residential development, but such impacts should be more than offset by the increase in revenue described above and value increases in properties outside of the Area.



Net Impact to County

Table 2 also illustrates the net impact to the County over the 25-year tax analysis period. As shown, the County's net impact, in terms of tax revenue, is estimated to be a surplus of approximately \$711,000.

Conclusion

In summary, and regarding "the impact of the reinvestment project on county revenues and on the cost and extent of additional county infrastructure and services required to serve development within the proposed reinvestment area", there do not appear to be any significant additional County infrastructure requirements required to serve development in the proposed reinvestment Area. Further, the County will not provide any public improvements, police, fire, utility or other specific services to serve such development, because all properties in the Area are entirely located within the municipal boundaries of the City and will therefore be served by the City. Finally, any additional demands (direct or indirect) on County services due to a general increase in population within the Area should be more than offset (as are all other such costs) by increases in County revenue as described herein and by adjustments in the base property tax assessment roll, as well as increases in property value located in proximity to the Area.

TABLE 2
LITTLETON INVESTS FOR TOMORROW (LIFT)
SANTA FE URBAN RENEWAL PLAN
TIF ANALYSIS -- ARAPAHOE COUNTY IMPACT
AUGUST 2014

	Cumulative Total By:				
	2019	2024	2029	2034	2039
<i>Arapahoe County</i>					
Property Tax Revenues from Existing Base	\$34,050	\$68,922	\$104,709	\$141,360	\$178,973
Property Tax Increment Revenues From New Redevelopment	(\$320,515)	(\$1,487,258)	(\$2,904,738)	(\$4,394,524)	(\$5,960,303)
Share of Sales Tax Revenues	\$630,824	\$1,862,032	\$3,255,746	\$4,794,200	\$6,492,441
Net Tax Revenues -- 25-Year Period	\$344,358	\$443,696	\$455,718	\$541,037	\$711,111

Source: Ricker | Cunningham

TABLE 2 (CONT'D)
LITTLETON INVESTS FOR TOMORROW (LIFT)
SANTA FE URBAN RENEWAL PLAN
TIF ANALYSIS -- ARAPAHOE COUNTY IMPACT
AUGUST 2014

Development Program

	Sq Ft/ Units
New Development/Redevelopment:	
Retail	350,000
Employment	50,000
Residential	350

Annual Property Tax Revenue Estimates	Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	
Estimated Cumulative Development Demand:										
Retail	0	158,000	168,000	305,000	315,000	325,000	335,000	345,000	350,000	
Employment	0	0	0	0	0	10,000	20,000	30,000	40,000	
Residential	0	0	0	0	175	350	350	350	350	
Estimated Development Market Value:										
Retail	\$100	\$0	\$15,958,000	\$17,137,680	\$31,424,181	\$32,779,026	\$34,157,827	\$35,560,925	\$36,988,670	\$37,899,985
Employment	\$150	\$0	\$0	\$0	\$0	\$1,576,515	\$3,184,560	\$4,824,609	\$6,497,140	
Residential	\$90,000	\$0	\$0	\$0	\$16,389,513	\$33,106,817	\$33,437,885	\$33,772,264	\$34,109,986	
Estimated Development Assessed Value:										
Retail	29.00%	\$0	\$4,627,820	\$4,969,927	\$9,113,012	\$9,505,918	\$9,905,770	\$10,312,668	\$10,726,714	\$10,990,996
Employment	29.00%	\$0	\$0	\$0	\$0	\$457,189	\$923,523	\$1,399,137	\$1,884,171	
Residential	7.96%	\$0	\$0	\$0	\$0	\$1,304,605	\$2,661,656	\$2,688,272	\$2,715,155	
Estimated Development Property Tax Revenues (89 mills):										
Retail	0.089000	\$0	\$0	\$411,876	\$442,324	\$811,058	\$846,027	\$881,614	\$917,827	\$954,678
Employment	0.089000	\$0	\$0	\$0	\$0	\$0	\$40,690	\$82,194	\$124,523	
Residential	0.089000	\$0	\$0	\$0	\$0	\$116,110	\$234,542	\$236,887	\$239,256	
Total Property Tax Revenues from New Redevelopment:		\$0	\$0	\$411,876	\$442,324	\$811,058	\$962,137	\$1,156,845	\$1,236,908	\$1,318,457
Total Property Tax Revenues from Existing Development:		\$35,100	\$35,100	\$35,451	\$35,451	\$35,806	\$35,806	\$36,164	\$36,164	\$36,525
Total Property Tax Revenues:		\$35,100	\$35,100	\$447,327	\$477,775	\$846,864	\$997,942	\$1,193,009	\$1,273,072	\$1,354,982
Existing Property Tax Base:		\$35,100	\$35,100	\$35,451	\$35,451	\$35,806	\$35,806	\$36,164	\$36,164	\$36,525
Total Property Tax Increment:		\$0	\$0	\$411,876	\$442,324	\$811,058	\$962,137	\$1,156,845	\$1,236,908	\$1,318,457
County Impact:										
County Share of Property Tax Base:	0.017130	\$6,756	\$6,756	\$6,823	\$6,823	\$6,892	\$6,892	\$6,960	\$6,960	\$7,030
County Share of Property Tax Increment:	0.017130	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total County Share of Property Tax Revenue:		\$6,756	\$6,756	\$6,823	\$6,823	\$6,892	\$6,892	\$6,960	\$6,960	\$7,030

Annual Sales Tax Revenue Estimates	Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	
Estimated Cumulative Retail Development:										
Retail	0	158,000	168,000	305,000	315,000	325,000	335,000	345,000	350,000	
Estimated Taxable Retail Sales from New Development:	\$250	\$0	\$40,290,000	\$43,696,800	\$80,917,110	\$85,241,533	\$89,706,565	\$94,316,103	\$99,074,139	\$102,520,196
Total Sales Tax Revenues from New Redevelopment:	3.00%	\$0	\$1,208,700	\$1,310,904	\$2,427,513	\$2,557,246	\$2,691,197	\$2,829,483	\$2,972,224	\$3,075,606
Total Sales Tax Revenue from Existing Development:		\$12,845	\$12,973	\$13,103	\$13,234	\$13,367	\$13,500	\$13,635	\$13,772	\$13,909
Total Sales Tax Revenues:		\$12,845	\$1,221,673	\$1,324,007	\$2,440,748	\$2,570,613	\$2,704,697	\$2,843,118	\$2,985,996	\$3,089,515
Existing Sales Tax Base:		\$12,845	\$12,845	\$12,845	\$12,845	\$12,845	\$12,845	\$12,845	\$12,845	\$12,845
Total Sales Tax Increment:		\$0	\$1,208,828	\$1,311,162	\$2,427,903	\$2,557,768	\$2,691,852	\$2,830,273	\$2,973,151	\$3,076,670
County Impact:										
County Share of Sales Tax Base:	0.25%	\$1,070	\$1,081	\$1,092	\$1,103	\$1,114	\$1,125	\$1,136	\$1,148	\$1,159
County Share of New Sales Tax Revenue:	0.25%	\$0	\$100,725	\$109,242	\$202,293	\$213,104	\$224,266	\$235,790	\$247,685	\$256,300
Total County Share of Sales Tax Revenue:	0.25%	\$1,070	\$101,806	\$110,334	\$203,396	\$214,218	\$225,391	\$236,927	\$248,833	\$257,460

Source: Ricker | Cunningham

TABLE 2 (CONT'D)
LITTLETON INVESTS FOR TOMORROW (LIFT)
SANTA FE URBAN RENEWAL PLAN
TIF ANALYSIS -- ARAPAHOE COUNTY IMPACT
AUGUST 2014

Development Program

	Sq Ft/ Units
New Development/Redevelopment:	
Retail	350,000
Employment	50,000
Residential	350

Annual Property Tax Revenue Estimates	Year								
	2024	2025	2026	2027	2028	2029	2030	2031	
Estimated Cumulative Development Demand:									
Retail	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000
Employment	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Residential	350	350	350	350	350	350	350	350	350
Estimated Development Market Value:									
Retail	\$100	\$38,278,985	\$38,661,774	\$39,048,392	\$39,438,876	\$39,833,265	\$40,231,597	\$40,633,913	\$41,040,253
Employment	\$150	\$8,202,640	\$8,284,666	\$8,367,513	\$8,451,188	\$8,535,700	\$8,621,057	\$8,707,267	\$8,794,340
Residential	\$90,000	\$34,451,086	\$34,795,597	\$35,143,553	\$35,494,988	\$35,849,938	\$36,208,438	\$36,570,522	\$36,936,227
Estimated Development Assessed Value:									
Retail	29.00%	\$11,100,906	\$11,211,915	\$11,324,034	\$11,437,274	\$11,551,647	\$11,667,163	\$11,783,835	\$11,901,673
Employment	29.00%	\$2,378,765	\$2,402,553	\$2,426,579	\$2,450,844	\$2,475,353	\$2,500,106	\$2,525,107	\$2,550,359
Residential	7.96%	\$2,742,306	\$2,769,730	\$2,797,427	\$2,825,401	\$2,853,655	\$2,882,192	\$2,911,014	\$2,940,124
Estimated Development Property Tax Revenues (89 mills):									
Retail	0.089000	\$978,199	\$987,981	\$997,860	\$1,007,839	\$1,017,917	\$1,028,097	\$1,038,378	\$1,048,761
Employment	0.089000	\$167,691	\$211,710	\$213,827	\$215,966	\$218,125	\$220,306	\$222,509	\$224,735
Residential	0.089000	\$241,649	\$244,065	\$246,506	\$248,971	\$251,461	\$253,975	\$256,515	\$259,080
Total Property Tax Revenues from New Redevelopment:		\$1,387,539	\$1,443,756	\$1,458,194	\$1,472,775	\$1,487,503	\$1,502,378	\$1,517,402	\$1,532,576
Total Property Tax Revenues from Existing Development:		\$36,525	\$36,890	\$36,890	\$37,259	\$37,259	\$37,632	\$37,632	\$38,008
Total Property Tax Revenues:		\$1,424,064	\$1,480,646	\$1,495,084	\$1,510,035	\$1,524,763	\$1,540,010	\$1,555,034	\$1,570,584
Existing Property Tax Base:		\$36,525	\$36,890	\$36,890	\$37,259	\$37,259	\$37,632	\$37,632	\$38,008
Total Property Tax Increment:		\$1,387,539	\$1,443,756	\$1,458,194	\$1,472,775	\$1,487,503	\$1,502,378	\$1,517,402	\$1,532,576
County Impact:									
County Share of Property Tax Base:	0.017130	\$7,030	\$7,100	\$7,100	\$7,171	\$7,171	\$7,243	\$7,243	\$7,316
County Share of Property Tax Increment:	0.017130	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total County Share of Property Tax Revenue:		\$7,030	\$7,100	\$7,100	\$7,171	\$7,171	\$7,243	\$7,243	\$7,316

Annual Sales Tax Revenue Estimates	Year								
	2024	2025	2026	2027	2028	2029	2030	2031	
Estimated Cumulative Retail Development:									
Retail	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000
Estimated Taxable Retail Sales from New Development:	\$250	\$104,570,600	\$106,662,012	\$108,795,252	\$110,971,157	\$113,190,580	\$115,454,392	\$117,763,480	\$120,118,749
Total Sales Tax Revenues from New Redevelopment:	3.00%	\$3,137,118	\$3,199,860	\$3,263,858	\$3,329,135	\$3,395,717	\$3,463,632	\$3,532,904	\$3,603,562
Total Sales Tax Revenue from Existing Development:		\$14,048	\$14,189	\$14,331	\$14,474	\$14,619	\$14,765	\$14,913	\$15,062
Total Sales Tax Revenues:		\$3,151,166	\$3,214,049	\$3,278,188	\$3,343,609	\$3,410,336	\$3,478,397	\$3,547,817	\$3,618,624
Existing Sales Tax Base:		\$12,845	\$12,845	\$12,845	\$12,845	\$12,845	\$12,845	\$12,845	\$12,845
Total Sales Tax Increment:		\$3,138,321	\$3,201,204	\$3,265,343	\$3,330,764	\$3,397,491	\$3,465,552	\$3,534,972	\$3,605,779
County Impact:									
County Share of Sales Tax Base:	0.25%	\$1,171	\$1,182	\$1,194	\$1,206	\$1,218	\$1,230	\$1,243	\$1,255
County Share of New Sales Tax Revenue:	0.25%	\$261,426	\$266,655	\$271,988	\$277,428	\$282,976	\$288,636	\$294,409	\$300,297
Total County Share of Sales Tax Revenue:	0.25%	\$262,597	\$267,837	\$273,182	\$278,634	\$284,195	\$289,866	\$295,651	\$301,552

Source: Ricker | Cunningham

TABLE 2 (CONT'D)
LITTLETON INVESTS FOR TOMORROW (LIFT)
SANTA FE URBAN RENEWAL PLAN
TIF ANALYSIS -- ARAPAHOE COUNTY IMPACT
AUGUST 2014

Development Program

	Sq Ft/ Units
New Development/Redevelopment:	
Retail	350,000
Employment	50,000
Residential	350

Annual Property Tax Revenue Estimates	Year								
	2032	2033	2034	2035	2036	2037	2038	2039	
Estimated Cumulative Development Demand:									
Retail	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000
Employment	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Residential	350	350	350	350	350	350	350	350	350
Estimated Development Market Value:									
Retail	\$100	\$41,450,655	\$41,865,162	\$42,283,813	\$42,706,651	\$43,133,718	\$43,565,055	\$44,000,706	\$44,440,713
Employment	\$150	\$8,882,283	\$8,971,106	\$9,060,817	\$9,151,425	\$9,242,940	\$9,335,369	\$9,428,723	\$9,523,010
Residential	\$90,000	\$37,305,590	\$37,678,645	\$38,055,432	\$38,435,986	\$38,820,346	\$39,208,550	\$39,600,635	\$39,996,641
Estimated Development Assessed Value:									
Retail	29.00%	\$12,020,690	\$12,140,897	\$12,262,306	\$12,384,929	\$12,508,778	\$12,633,866	\$12,760,205	\$12,887,807
Employment	29.00%	\$2,575,862	\$2,601,621	\$2,627,637	\$2,653,913	\$2,680,452	\$2,707,257	\$2,734,330	\$2,761,673
Residential	7.96%	\$2,969,525	\$2,999,220	\$3,029,212	\$3,059,505	\$3,090,100	\$3,121,001	\$3,152,211	\$3,183,733
Estimated Development Property Tax Revenues (89 mills):									
Retail	0.089000	\$1,059,249	\$1,069,841	\$1,080,540	\$1,091,345	\$1,102,259	\$1,113,281	\$1,124,414	\$1,124,414
Employment	0.089000	\$226,982	\$229,252	\$231,544	\$233,860	\$236,198	\$238,560	\$240,946	\$240,946
Residential	0.089000	\$261,671	\$264,288	\$266,931	\$269,600	\$272,296	\$275,019	\$277,769	\$277,769
Total Property Tax Revenues from New Redevelopment:		\$1,547,902	\$1,563,381	\$1,579,015	\$1,594,805	\$1,610,753	\$1,626,860	\$1,643,129	\$1,643,129
Total Property Tax Revenues from Existing Development:		\$38,008	\$38,388	\$38,388	\$38,772	\$38,772	\$39,160	\$39,160	\$39,552
Total Property Tax Revenues:		\$1,585,910	\$1,601,769	\$1,617,403	\$1,633,577	\$1,649,525	\$1,666,020	\$1,682,289	\$1,682,681
Existing Property Tax Base:		\$38,008	\$38,388	\$38,388	\$38,772	\$38,772	\$39,160	\$39,160	\$39,552
Total Property Tax Increment:		\$1,547,902	\$1,563,381	\$1,579,015	\$1,594,805	\$1,610,753	\$1,626,860	\$1,643,129	\$1,643,129
County Impact:									
County Share of Property Tax Base:	0.017130	\$7,316	\$7,389	\$7,389	\$7,463	\$7,463	\$7,537	\$7,537	\$7,613
County Share of Property Tax Increment:	0.017130	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total County Share of Property Tax Revenue:		\$7,316	\$7,389	\$7,389	\$7,463	\$7,463	\$7,537	\$7,537	\$7,613

Annual Sales Tax Revenue Estimates	Year								
	2032	2033	2034	2035	2036	2037	2038	2039	
Estimated Cumulative Retail Development:		350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000
Estimated Taxable Retail Sales from New Development:	\$250	\$122,521,124	\$124,971,547	\$127,470,978	\$130,020,397	\$132,620,805	\$135,273,221	\$137,978,686	\$140,738,259
Total Sales Tax Revenues from New Redevelopment:	3.00%	\$3,675,634	\$3,749,146	\$3,824,129	\$3,900,612	\$3,978,624	\$4,058,197	\$4,139,361	\$4,222,148
Total Sales Tax Revenue from Existing Development:		\$15,212	\$15,365	\$15,518	\$15,673	\$15,830	\$15,988	\$16,148	\$16,310
Total Sales Tax Revenues:		\$3,690,846	\$3,764,511	\$3,839,647	\$3,916,285	\$3,994,454	\$4,074,185	\$4,155,509	\$4,238,458
Existing Sales Tax Base:		\$12,845	\$12,845	\$12,845	\$12,845	\$12,845	\$12,845	\$12,845	\$12,845
Total Sales Tax Increment:		\$3,678,001	\$3,751,666	\$3,826,802	\$3,903,440	\$3,981,609	\$4,061,340	\$4,142,664	\$4,225,613
County Impact:									
County Share of Sales Tax Base:	0.25%	\$1,268	\$1,280	\$1,293	\$1,306	\$1,319	\$1,332	\$1,346	\$1,359
County Share of New Sales Tax Revenue:	0.25%	\$306,303	\$312,429	\$318,677	\$325,051	\$331,552	\$338,183	\$344,947	\$351,846
Total County Share of Sales Tax Revenue:	0.25%	\$307,571	\$313,709	\$319,971	\$326,357	\$332,871	\$339,515	\$346,292	\$353,205

Source: Ricker | Cunningham