



Littleton Boulevard Urban Renewal Area

Arapahoe County Impact Report

Littleton, Colorado

October 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 Littleton Boulevard 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 Littleton Boulevard 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
Littleton Boulevard Urban Renewal Plan
Proposed Development Program

New Development/Redevelopment:		Sq Ft/ Units
Retail		50,000
Employment		75,000
Residential		500

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 Littleton Boulevard 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 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 \$1,290,153. 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 \$6.6 million 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 \$480,000 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 \$666,545. Based on the proposed development program, the Area is projected to generate approximately \$2.2 million in sales tax revenue for the County over the 25-year period. Approximately \$1.6 million will be generated from the existing base and approximately \$600,000 will be generated from new redevelopment. Thereafter, the County's share of sales tax revenues is projected to be approximately \$120,000 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 \$6.2 million.

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)
LITTLETON BOULEVARD URBAN RENEWAL PLAN
TIF ANALYSIS -- ARAPAHOE COUNTY IMPACT
OCTOBER 2014

	Cumulative Total By:				
	2019	2024	2029	2034	2039
<i>Arapahoe County</i>					
Property Tax Revenues from Existing Base	\$1,260,556	\$2,551,578	\$3,876,436	\$5,233,313	\$6,625,751
Property Tax Increment Revenues From New Redevelopment	(\$39,344)	(\$316,467)	(\$860,103)	(\$1,655,162)	(\$2,600,552)
Share of Sales Tax Revenues	\$303,174	\$669,551	\$1,105,832	\$1,627,821	\$2,215,201
Net Tax Revenues -- 25-Year Period	\$1,524,387	\$2,904,662	\$4,122,165	\$5,205,972	\$6,240,400

Source: Ricker | Cunningham

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

Development Program

New Development/Redevelopment:	Sq Ft/ Units
Retail	50,000
Employment	75,000
Residential	500

Annual Property Tax Revenue Estimates		Year								
		2015	2016	2017	2018	2019	2020	2021	2022	2023
Estimated Cumulative Development Demand:										
Retail		0	5,000	5,000	10,000	10,000	15,000	15,000	20,000	20,000
Employment		0	0	7,500	7,500	15,000	15,000	22,500	22,500	30,000
Residential		0	0	0	100	200	200	200	200	200
Estimated Development Market Value:										
Retail	\$150	\$0	\$757,500	\$765,075	\$1,545,452	\$1,560,906	\$2,364,773	\$2,388,420	\$3,216,406	\$3,248,570
Employment	\$150	\$0	\$0	\$1,147,613	\$1,159,089	\$2,341,359	\$2,364,773	\$3,582,631	\$3,618,457	\$4,872,855
Residential	\$90,000	\$0	\$0	\$0	\$9,272,709	\$18,730,872	\$18,918,181	\$19,107,363	\$19,298,436	\$19,491,421
Estimated Development Assessed Value:										
Retail	29.00%	\$0	\$219,675	\$221,872	\$448,181	\$452,663	\$685,784	\$692,642	\$932,758	\$942,085
Employment	29.00%	\$0	\$0	\$332,808	\$336,136	\$678,994	\$685,784	\$1,038,963	\$1,049,352	\$1,413,128
Residential	7.96%	\$0	\$0	\$0	\$738,108	\$1,490,977	\$1,505,887	\$1,520,946	\$1,536,156	\$1,551,517
Estimated Development Property Tax Revenues (88.364 mills):										
Retail	0.088364	\$0	\$0	\$19,411	\$19,605	\$39,603	\$39,999	\$60,599	\$61,205	\$82,422
Employment	0.088364	\$0	\$0	\$0	\$29,408	\$29,702	\$59,999	\$60,599	\$91,807	\$92,725
Residential	0.088364	\$0	\$0	\$0	\$0	\$65,222	\$131,749	\$133,066	\$134,397	\$135,741
Total Property Tax Revenues from New Redevelopment:		\$0	\$0	\$19,411	\$49,014	\$134,527	\$231,746	\$254,263	\$287,408	\$310,888
Total Property Tax Revenues from Existing Development:		\$1,290,153	\$1,290,153	\$1,303,054	\$1,303,054	\$1,316,085	\$1,316,085	\$1,329,246	\$1,329,246	\$1,342,538
Total Property Tax Revenues:		\$1,290,153	\$1,290,153	\$1,322,466	\$1,352,068	\$1,450,612	\$1,547,831	\$1,583,509	\$1,616,654	\$1,653,426
Existing Property Tax Base:		\$1,290,153	\$1,290,153	\$1,303,054	\$1,303,054	\$1,316,085	\$1,316,085	\$1,329,246	\$1,329,246	\$1,342,538
Total Property Tax Increment:		\$0	\$0	\$19,411	\$49,014	\$134,527	\$231,746	\$254,263	\$287,408	\$310,888
County Impact:										
County Share of Property Tax Base:	0.017130	\$250,105	\$250,105	\$252,607	\$252,607	\$255,133	\$255,133	\$257,684	\$257,684	\$260,261
County Share of Property Tax Increment:	0.017130	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total County Share of Property Tax Revenue:		\$250,105	\$250,105	\$252,607	\$252,607	\$255,133	\$255,133	\$257,684	\$257,684	\$260,261

Annual Sales Tax Revenue Estimates		Year								
		2015	2016	2017	2018	2019	2020	2021	2022	2023
Estimated Cumulative Retail Development:		0	5,000	5,000	10,000	10,000	15,000	15,000	20,000	20,000
Estimated Taxable Retail Sales from New Development:	\$250	\$0	\$1,275,000	\$1,300,500	\$2,653,020	\$2,706,080	\$4,140,303	\$4,223,109	\$5,743,428	\$5,858,297
Total Sales Tax Revenues from New Redevelopment:	3.00%	\$0	\$38,250	\$39,015	\$79,591	\$81,182	\$124,209	\$126,693	\$172,303	\$175,749
Total Sales Tax Revenue from Existing Development:		\$666,545	\$673,210	\$679,943	\$686,742	\$693,609	\$700,545	\$707,551	\$714,626	\$721,773
Total Sales Tax Revenues:		\$666,545	\$711,460	\$718,958	\$766,333	\$774,792	\$824,755	\$834,244	\$886,929	\$897,522
Existing Sales Tax Base:		\$666,545	\$666,545	\$666,545	\$666,545	\$666,545	\$666,545	\$666,545	\$666,545	\$666,545
Total Sales Tax Increment:		\$0	\$44,915	\$52,413	\$99,788	\$108,247	\$158,210	\$167,699	\$220,384	\$230,977
County Impact:										
County Share of Sales Tax Base:	0.25%	\$55,545	\$56,101	\$56,662	\$57,228	\$57,801	\$58,379	\$58,963	\$59,552	\$60,148
County Share of New Sales Tax Revenue:	0.25%	\$0	\$3,188	\$3,251	\$6,633	\$6,765	\$10,351	\$10,558	\$14,359	\$14,646
Total County Share of Sales Tax Revenue:	0.25%	\$55,545	\$59,288	\$59,913	\$63,861	\$64,566	\$68,730	\$69,520	\$73,911	\$74,793

Source: Ricker | Cunningham

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

Development Program	
	Sq Ft/ Units
New Development/Redevelopment:	
Retail	50,000
Employment	75,000
Residential	500

Annual Property Tax Revenue Estimates		Year							
		2024	2025	2026	2027	2028	2029	2030	2031
Estimated Cumulative Development Demand:									
Retail		25,000	25,000	30,000	30,000	35,000	35,000	40,000	40,000
Employment		30,000	37,500	37,500	45,000	45,000	52,500	52,500	60,000
Residential		300	400	400	400	400	500	500	500
Estimated Development Market Value:									
Retail	\$150	\$4,101,320	\$4,142,333	\$5,020,508	\$5,070,713	\$5,974,990	\$6,034,740	\$6,965,814	\$7,035,472
Employment	\$150	\$4,921,584	\$6,213,499	\$6,275,634	\$7,606,069	\$7,682,130	\$9,052,109	\$9,142,631	\$10,553,208
Residential	\$90,000	\$29,529,502	\$39,766,397	\$40,164,060	\$40,565,701	\$40,971,358	\$51,726,340	\$52,243,603	\$52,766,039
Estimated Development Assessed Value:									
Retail	29.00%	\$1,189,383	\$1,201,277	\$1,455,947	\$1,470,507	\$1,732,747	\$1,750,074	\$2,020,086	\$2,040,287
Employment	29.00%	\$1,427,259	\$1,801,915	\$1,819,934	\$2,205,760	\$2,227,818	\$2,625,112	\$2,651,363	\$3,060,430
Residential	7.96%	\$2,350,548	\$3,165,405	\$3,197,059	\$3,229,030	\$3,261,320	\$4,117,417	\$4,158,591	\$4,200,177
Estimated Development Property Tax Revenues (88.364 mills):									
Retail	0.088364	\$83,246	\$105,099	\$106,150	\$128,653	\$129,940	\$153,112	\$154,644	\$178,503
Employment	0.088364	\$124,870	\$126,118	\$159,224	\$160,817	\$194,910	\$196,859	\$231,965	\$234,285
Residential	0.088364	\$137,098	\$207,704	\$279,708	\$282,505	\$285,330	\$288,183	\$363,831	\$367,470
Total Property Tax Revenues from New Redevelopment:		\$345,214	\$438,921	\$545,082	\$571,975	\$610,180	\$638,155	\$750,440	\$780,258
Total Property Tax Revenues from Existing Development:		\$1,342,538	\$1,355,964	\$1,355,964	\$1,369,523	\$1,369,523	\$1,383,218	\$1,383,218	\$1,397,051
Total Property Tax Revenues:		\$1,687,753	\$1,794,884	\$1,901,045	\$1,941,498	\$1,979,703	\$2,021,373	\$2,133,659	\$2,177,308
Existing Property Tax Base:		\$1,342,538	\$1,355,964	\$1,355,964	\$1,369,523	\$1,369,523	\$1,383,218	\$1,383,218	\$1,397,051
Total Property Tax Increment:		\$345,214	\$438,921	\$545,082	\$571,975	\$610,180	\$638,155	\$750,440	\$780,258
County Impact:									
County Share of Property Tax Base:	0.017130	\$260,261	\$262,863	\$262,863	\$265,492	\$265,492	\$268,147	\$268,147	\$270,828
County Share of Property Tax Increment:	0.017130	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total County Share of Property Tax Revenue:		\$260,261	\$262,863	\$262,863	\$265,492	\$265,492	\$268,147	\$268,147	\$270,828

Annual Sales Tax Revenue Estimates		Year							
		2024	2025	2026	2027	2028	2029	2030	2031
Estimated Cumulative Retail Development:		25,000	25,000	30,000	30,000	35,000	35,000	40,000	40,000
Estimated Taxable Retail Sales from New Development:	\$250	\$7,469,329	\$7,618,715	\$9,325,307	\$9,511,813	\$11,319,058	\$11,545,439	\$13,458,683	\$13,727,857
Total Sales Tax Revenues from New Redevelopment:		\$224,080	\$228,561	\$279,759	\$285,354	\$339,572	\$346,363	\$403,761	\$411,836
Total Sales Tax Revenue from Existing Development:		\$728,990	\$736,280	\$743,643	\$751,080	\$758,590	\$766,176	\$773,838	\$781,576
Total Sales Tax Revenues:		\$953,070	\$964,842	\$1,023,402	\$1,036,434	\$1,098,162	\$1,112,539	\$1,177,599	\$1,193,412
Existing Sales Tax Base:		\$666,545	\$666,545	\$666,545	\$666,545	\$666,545	\$666,545	\$666,545	\$666,545
Total Sales Tax Increment:		\$286,525	\$298,297	\$356,857	\$369,889	\$431,617	\$445,994	\$511,054	\$526,867
County Impact:									
County Share of Sales Tax Base:	0.25%	\$60,749	\$61,357	\$61,970	\$62,590	\$63,216	\$63,848	\$64,487	\$65,131
County Share of New Sales Tax Revenue:	0.25%	\$18,673	\$19,047	\$23,313	\$23,780	\$28,298	\$28,864	\$33,647	\$34,320
Total County Share of Sales Tax Revenue:		\$79,423	\$80,403	\$85,284	\$86,369	\$91,514	\$92,712	\$98,133	\$99,451

Source: Ricker|Cunningham

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

Development Program

New Development/Redevelopment:	Sq Ft/ Units
Retail	50,000
Employment	75,000
Residential	500

Annual Property Tax Revenue Estimates		Year							
		2032	2033	2034	2035	2036	2037	2038	2039
Estimated Cumulative Development Demand:									
Retail		45,000	45,000	50,000	50,000	50,000	50,000	50,000	50,000
Employment		60,000	67,500	67,500	75,000	75,000	75,000	75,000	75,000
Residential		500	500	500	500	500	500	500	500
Estimated Development Market Value:									
Retail	\$150	\$7,994,055	\$8,073,995	\$9,060,817	\$9,151,425	\$9,242,940	\$9,335,369	\$9,428,723	\$9,523,010
Employment	\$150	\$10,658,740	\$12,110,993	\$12,232,103	\$13,727,138	\$13,864,409	\$14,003,053	\$14,143,084	\$14,284,515
Residential	\$90,000	\$53,293,699	\$53,826,636	\$54,364,903	\$54,908,552	\$55,457,637	\$56,012,214	\$56,572,336	\$57,138,059
Estimated Development Assessed Value:									
Retail	29.00%	\$2,318,276	\$2,341,459	\$2,627,637	\$2,653,913	\$2,680,452	\$2,707,257	\$2,734,330	\$2,761,673
Employment	29.00%	\$3,091,035	\$3,512,188	\$3,547,310	\$3,980,870	\$4,020,679	\$4,060,885	\$4,101,494	\$4,142,509
Residential	7.96%	\$4,242,178	\$4,284,600	\$4,327,446	\$4,370,721	\$4,414,428	\$4,458,572	\$4,503,158	\$4,548,190
Estimated Development Property Tax Revenues (88.364 mills):									
Retail	0.088364	\$180,288	\$204,852	\$206,901	\$232,189	\$234,510	\$236,856	\$239,224	\$239,224
Employment	0.088364	\$270,432	\$273,136	\$310,351	\$313,454	\$351,766	\$355,283	\$358,836	\$358,836
Residential	0.088364	\$371,144	\$374,856	\$378,604	\$382,390	\$386,214	\$390,077	\$393,977	\$393,977
Total Property Tax Revenues from New Redevelopment:		\$821,864	\$852,844	\$895,856	\$928,033	\$972,490	\$982,215	\$992,037	\$992,037
Total Property Tax Revenues from Existing Development:		\$1,397,051	\$1,411,021	\$1,411,021	\$1,425,131	\$1,425,131	\$1,439,383	\$1,439,383	\$1,453,777
Total Property Tax Revenues:		\$2,218,915	\$2,263,865	\$2,306,877	\$2,353,165	\$2,397,622	\$2,421,598	\$2,431,420	\$2,445,814
Existing Property Tax Base:		\$1,397,051	\$1,411,021	\$1,411,021	\$1,425,131	\$1,425,131	\$1,439,383	\$1,439,383	\$1,453,777
Total Property Tax Increment:		\$821,864	\$852,844	\$895,856	\$928,033	\$972,490	\$982,215	\$992,037	\$992,037
County Impact:									
County Share of Property Tax Base:	0.017130	\$270,828	\$273,537	\$273,537	\$276,272	\$276,272	\$279,035	\$279,035	\$281,825
County Share of Property Tax Increment:	0.017130	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total County Share of Property Tax Revenue:		\$270,828	\$273,537	\$273,537	\$276,272	\$276,272	\$279,035	\$279,035	\$281,825

Annual Sales Tax Revenue Estimates		Year							
		2032	2033	2034	2035	2036	2037	2038	2039
Estimated Cumulative Retail Development:		45,000	45,000	50,000	50,000	50,000	50,000	50,000	50,000
Estimated Taxable Retail Sales from New Development:	\$250	\$15,752,716	\$16,067,770	\$18,210,140	\$18,574,342	\$18,945,829	\$19,324,746	\$19,711,241	\$20,105,466
Total Sales Tax Revenues from New Redevelopment:		\$472,581	\$482,033	\$546,304	\$557,230	\$568,375	\$579,742	\$591,337	\$603,164
Total Sales Tax Revenue from Existing Development:		\$789,392	\$797,286	\$805,259	\$813,312	\$821,445	\$829,659	\$837,956	\$846,335
Total Sales Tax Revenues:		\$1,261,974	\$1,279,319	\$1,351,563	\$1,370,542	\$1,389,820	\$1,409,402	\$1,429,293	\$1,449,499
Existing Sales Tax Base:		\$666,545	\$666,545	\$666,545	\$666,545	\$666,545	\$666,545	\$666,545	\$666,545
Total Sales Tax Increment:		\$595,429	\$612,774	\$685,018	\$703,997	\$723,275	\$742,857	\$762,748	\$782,954
County Impact:									
County Share of Sales Tax Base:	0.25%	\$65,783	\$66,441	\$67,105	\$67,776	\$68,454	\$69,138	\$69,830	\$70,528
County Share of New Sales Tax Revenue:	0.25%	\$39,382	\$40,169	\$45,525	\$46,436	\$47,365	\$48,312	\$49,278	\$50,264
Total County Share of Sales Tax Revenue:		\$105,164	\$106,610	\$112,630	\$114,212	\$115,818	\$117,450	\$119,108	\$120,792

Source: Ricker | Cunningham