



North Broadway 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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This report outlines the anticipated impact of the proposed North Broadway 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 North Broadway 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
North Broadway Urban Renewal Plan
Proposed Development Program

New Development/Redevelopment:	Sq Ft/ Units
Retail	120,000
Employment	55,000
Residential	150

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 North Broadway 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 \$1,249,014. 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 \$6.4 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 \$477,000 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 \$968,942. Based on the proposed development program, the Area is projected to generate approximately \$3.7 million in sales tax revenue for the County over the 25-year period. Approximately \$1.4 million will be generated from the existing base and approximately \$2.3 million will be generated from new redevelopment. Thereafter, the County's share of sales tax revenues is projected to be approximately \$223,000 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 \$7.6 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)
NORTH BROADWAY 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	\$1,220,362	\$2,470,217	\$3,752,830	\$5,066,441	\$6,414,479
Property Tax Increment Revenues From New Redevelopment	(\$26,012)	(\$268,700)	(\$772,889)	(\$1,532,439)	(\$2,514,315)
Share of Sales Tax Revenues	\$443,880	\$1,015,519	\$1,747,388	\$2,657,350	\$3,739,894
Net Tax Revenues -- 25-Year Period	\$1,638,230	\$3,217,037	\$4,727,328	\$6,191,352	\$7,640,058

Source: Ricker | Cunningham

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

Development Program

New Development/Redevelopment:	Sq Ft/ Units
Retail	120,000
Employment	55,000
Residential	150

Annual Property Tax Revenue Estimates		Year								
		2015	2016	2017	2018	2019	2020	2021	2022	2023
Estimated Cumulative Development Demand:										
Retail		0	0	12,000	12,000	24,000	24,000	36,000	36,000	48,000
Employment		0	0	0	10,000	10,000	10,000	20,000	20,000	20,000
Residential		0	0	0	0	50	50	50	100	100
Estimated Development Market Value:										
Retail	\$150	\$0	\$0	\$1,836,180	\$1,854,542	\$3,746,174	\$3,783,636	\$5,732,209	\$5,789,531	\$7,796,568
Employment	\$150	\$0	\$0	\$0	\$1,545,452	\$1,560,906	\$1,576,515	\$3,184,560	\$3,216,406	\$3,248,570
Residential	\$90,000	\$0	\$0	\$0	\$0	\$4,682,718	\$4,729,545	\$4,776,841	\$9,649,218	\$9,745,710
Estimated Development Assessed Value:										
Retail	29.00%	\$0	\$0	\$532,492	\$537,817	\$1,086,391	\$1,097,254	\$1,662,341	\$1,678,964	\$2,261,005
Employment	29.00%	\$0	\$0	\$0	\$448,181	\$452,663	\$457,189	\$923,523	\$932,758	\$942,085
Residential	7.96%	\$0	\$0	\$0	\$0	\$372,744	\$376,472	\$380,237	\$768,078	\$775,759
Estimated Development Property Tax Revenues (89 mills):										
Retail	0.088364	\$0	\$0	\$0	\$47,053	\$47,524	\$95,998	\$96,958	\$146,891	\$148,360
Employment	0.088364	\$0	\$0	\$0	\$0	\$39,603	\$39,999	\$40,399	\$81,606	\$82,422
Residential	0.088364	\$0	\$0	\$0	\$0	\$0	\$32,937	\$33,267	\$33,599	\$67,870
Total Property Tax Revenues from New Redevelopment:		\$0	\$0	\$0	\$47,053	\$87,127	\$168,934	\$170,623	\$262,096	\$298,653
Total Property Tax Revenues from Existing Development:		\$1,249,014	\$1,249,014	\$1,261,505	\$1,261,505	\$1,274,120	\$1,274,120	\$1,286,861	\$1,286,861	\$1,299,729
Total Property Tax Revenues:		\$1,249,014	\$1,249,014	\$1,261,505	\$1,308,558	\$1,361,246	\$1,443,054	\$1,457,484	\$1,548,957	\$1,598,382
Existing Property Tax Base:		\$1,249,014	\$1,249,014	\$1,261,505	\$1,261,505	\$1,274,120	\$1,274,120	\$1,286,861	\$1,286,861	\$1,299,729
Total Property Tax Increment:		\$0	\$0	\$0	\$47,053	\$87,127	\$168,934	\$170,623	\$262,096	\$298,653
County Impact:										
County Share of Property Tax Base:	0.017130	\$242,130	\$242,130	\$244,552	\$244,552	\$246,997	\$246,997	\$249,467	\$249,467	\$251,962
County Share of Property Tax Increment:	0.017130	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total County Share of Property Tax Revenue:		\$242,130	\$242,130	\$244,552	\$244,552	\$246,997	\$246,997	\$249,467	\$249,467	\$251,962

Annual Sales Tax Revenue Estimates		Year								
		2015	2016	2017	2018	2019	2020	2021	2022	2023
Estimated Cumulative Retail Development:		0	0	12,000	12,000	24,000	24,000	36,000	36,000	48,000
Estimated Taxable Retail Sales from New Development:	\$250	\$0	\$0	\$3,121,200	\$3,183,624	\$6,494,593	\$6,624,485	\$10,135,462	\$10,338,171	\$14,059,913
Total Sales Tax Revenues from New Redevelopment:	3.00%	\$0	\$0	\$93,636	\$95,509	\$194,838	\$198,735	\$304,064	\$310,145	\$421,797
Total Sales Tax Revenue from Existing Development:		\$968,942	\$978,631	\$988,418	\$998,302	\$1,008,285	\$1,018,368	\$1,028,551	\$1,038,837	\$1,049,225
Total Sales Tax Revenues:		\$968,942	\$978,631	\$1,082,054	\$1,093,811	\$1,203,123	\$1,217,102	\$1,332,615	\$1,348,982	\$1,471,023
Existing Sales Tax Base:		\$968,942	\$968,942	\$968,942	\$968,942	\$968,942	\$968,942	\$968,942	\$968,942	\$968,942
Total Sales Tax Increment:		\$0	\$9,689	\$113,112	\$124,869	\$234,181	\$248,160	\$363,673	\$380,040	\$502,081
County Impact:										
County Share of Sales Tax Base:	0.25%	\$80,745	\$81,553	\$82,368	\$83,192	\$84,024	\$84,864	\$85,713	\$86,570	\$87,435
County Share of New Sales Tax Revenue:	0.25%	\$0	\$0	\$7,803	\$7,959	\$16,236	\$16,561	\$25,339	\$25,845	\$35,150
Total County Share of Sales Tax Revenue:	0.25%	\$80,745	\$81,553	\$90,171	\$91,151	\$100,260	\$101,425	\$111,051	\$112,415	\$122,585

Source: Ricker | Cunningham

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

Development Program

	Sq Ft/ Units
New Development/Redevelopment:	
Retail	120,000
Employment	55,000
Residential	150

Annual Property Tax Revenue Estimates		Year							
		2024	2025	2026	2027	2028	2029	2030	2031
Estimated Cumulative Development Demand:									
Retail		48,000	60,000	60,000	72,000	72,000	84,000	84,000	96,000
Employment		30,000	30,000	30,000	40,000	40,000	40,000	55,000	55,000
Residential		150	150	150	150	150	150	150	150
Estimated Development Market Value:									
Retail	\$150	\$7,874,534	\$9,941,599	\$10,041,015	\$12,169,710	\$12,291,407	\$14,483,375	\$14,628,209	\$16,885,132
Employment	\$150	\$4,921,584	\$4,970,800	\$5,020,508	\$6,760,950	\$6,828,560	\$6,896,845	\$9,577,994	\$9,673,774
Residential	\$90,000	\$14,764,751	\$14,912,399	\$15,061,523	\$15,212,138	\$15,364,259	\$15,517,902	\$15,673,081	\$15,829,812
Estimated Development Assessed Value:									
Retail	29.00%	\$2,283,615	\$2,883,064	\$2,911,894	\$3,529,216	\$3,564,508	\$4,200,179	\$4,242,181	\$4,896,688
Employment	29.00%	\$1,427,259	\$1,441,532	\$1,455,947	\$1,960,676	\$1,980,282	\$2,000,085	\$2,777,618	\$2,805,394
Residential	7.96%	\$1,175,274	\$1,187,027	\$1,198,897	\$1,210,886	\$1,222,995	\$1,235,225	\$1,247,577	\$1,260,053
Estimated Development Property Tax Revenues (89 mills):									
Retail	0.088364	\$199,791	\$201,789	\$254,759	\$257,307	\$311,856	\$314,974	\$371,145	\$374,856
Employment	0.088364	\$83,246	\$126,118	\$127,380	\$128,653	\$173,253	\$174,986	\$176,736	\$245,441
Residential	0.088364	\$68,549	\$103,852	\$104,890	\$105,939	\$106,999	\$108,069	\$109,149	\$110,241
Total Property Tax Revenues from New Redevelopment:		\$351,587	\$431,760	\$487,029	\$491,899	\$592,108	\$598,029	\$657,030	\$730,538
Total Property Tax Revenues from Existing Development:		\$1,299,729	\$1,312,727	\$1,312,727	\$1,325,854	\$1,325,854	\$1,339,112	\$1,339,112	\$1,352,504
Total Property Tax Revenues:		\$1,651,316	\$1,744,486	\$1,799,756	\$1,817,753	\$1,917,961	\$1,937,141	\$1,996,142	\$2,083,042
Existing Property Tax Base:		\$1,299,729	\$1,312,727	\$1,312,727	\$1,325,854	\$1,325,854	\$1,339,112	\$1,339,112	\$1,352,504
Total Property Tax Increment:		\$351,587	\$431,760	\$487,029	\$491,899	\$592,108	\$598,029	\$657,030	\$730,538
County Impact:									
County Share of Property Tax Base:	0.017130	\$251,962	\$254,482	\$254,482	\$257,026	\$257,026	\$259,597	\$259,597	\$262,193
County Share of Property Tax Increment:	0.017130	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total County Share of Property Tax Revenue:		\$251,962	\$254,482	\$254,482	\$257,026	\$257,026	\$259,597	\$259,597	\$262,193

Annual Sales Tax Revenue Estimates		Year							
		2024	2025	2026	2027	2028	2029	2030	2031
Estimated Cumulative Retail Development:		48,000	60,000	60,000	72,000	72,000	84,000	84,000	96,000
Estimated Taxable Retail Sales from New Development:	\$250	\$14,341,111	\$18,284,916	\$18,650,615	\$22,828,352	\$23,284,919	\$27,709,054	\$28,263,235	\$32,946,857
Total Sales Tax Revenues from New Redevelopment:		3.00%	\$430,233	\$548,547	\$559,518	\$684,851	\$698,548	\$831,272	\$847,897
Total Sales Tax Revenue from Existing Development:			\$1,059,718	\$1,070,315	\$1,081,018	\$1,091,828	\$1,102,746	\$1,113,774	\$1,124,912
Total Sales Tax Revenues:			\$1,489,951	\$1,618,862	\$1,640,536	\$1,776,679	\$1,801,294	\$1,945,045	\$1,972,809
Existing Sales Tax Base:			\$968,942	\$968,942	\$968,942	\$968,942	\$968,942	\$968,942	\$968,942
Total Sales Tax Increment:			\$521,009	\$649,920	\$671,594	\$807,737	\$832,352	\$976,103	\$1,003,867
County Impact:									
County Share of Sales Tax Base:	0.25%		\$88,310	\$89,193	\$90,085	\$90,986	\$91,896	\$92,814	\$93,743
County Share of New Sales Tax Revenue:	0.25%		\$35,853	\$45,712	\$46,627	\$57,071	\$58,212	\$69,273	\$70,658
Total County Share of Sales Tax Revenue:			\$124,163	\$134,905	\$136,711	\$148,057	\$150,108	\$162,087	\$164,401

Source: Ricker|Cunningham

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

Development Program

New Development/Redevelopment:	Sq Ft/ Units
Retail	120,000
Employment	55,000
Residential	150

Annual Property Tax Revenue Estimates		Year							
		2032	2033	2034	2035	2036	2037	2038	2039
Estimated Cumulative Development Demand:									
Retail		96,000	108,000	108,000	120,000	120,000	120,000	120,000	120,000
Employment		55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000
Residential		150	250	250	250	250	250	250	250
Estimated Development Market Value:									
Retail	\$150	\$17,053,984	\$19,377,589	\$19,571,365	\$21,963,421	\$22,183,055	\$22,404,885	\$22,628,934	\$22,855,224
Employment	\$150	\$9,770,512	\$9,868,217	\$9,966,899	\$10,066,568	\$10,167,234	\$10,268,906	\$10,371,595	\$10,475,311
Residential	\$90,000	\$15,988,110	\$26,913,318	\$27,182,451	\$27,454,276	\$27,728,819	\$28,006,107	\$28,286,168	\$28,569,030
Estimated Development Assessed Value:									
Retail	29.00%	\$4,945,655	\$5,619,501	\$5,675,696	\$6,369,392	\$6,433,086	\$6,497,417	\$6,562,391	\$6,628,015
Employment	29.00%	\$2,833,448	\$2,861,783	\$2,890,401	\$2,919,305	\$2,948,498	\$2,977,983	\$3,007,763	\$3,037,840
Residential	7.96%	\$1,272,654	\$2,142,300	\$2,163,723	\$2,185,360	\$2,207,214	\$2,229,286	\$2,251,579	\$2,274,095
Estimated Development Property Tax Revenues (89 mills):									
Retail	0.088364	\$432,691	\$437,018	\$496,562	\$501,527	\$562,825	\$568,453	\$574,138	\$574,138
Employment	0.088364	\$247,896	\$250,375	\$252,879	\$255,407	\$257,961	\$260,541	\$263,146	\$263,146
Residential	0.088364	\$111,343	\$112,457	\$189,302	\$191,195	\$193,107	\$195,038	\$196,989	\$196,989
Total Property Tax Revenues from New Redevelopment:		\$791,930	\$799,849	\$938,742	\$948,130	\$1,013,894	\$1,024,033	\$1,034,273	\$1,034,273
Total Property Tax Revenues from Existing Development:		\$1,352,504	\$1,366,029	\$1,366,029	\$1,379,689	\$1,379,689	\$1,393,486	\$1,393,486	\$1,407,421
Total Property Tax Revenues:		\$2,144,434	\$2,165,878	\$2,304,771	\$2,327,819	\$2,393,582	\$2,417,518	\$2,427,759	\$2,441,693
Existing Property Tax Base:		\$1,352,504	\$1,366,029	\$1,366,029	\$1,379,689	\$1,379,689	\$1,393,486	\$1,393,486	\$1,407,421
Total Property Tax Increment:		\$791,930	\$799,849	\$938,742	\$948,130	\$1,013,894	\$1,024,033	\$1,034,273	\$1,034,273
County Impact:									
County Share of Property Tax Base:	0.017130	\$262,193	\$264,815	\$264,815	\$267,463	\$267,463	\$270,137	\$270,137	\$272,839
County Share of Property Tax Increment:	0.017130	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total County Share of Property Tax Revenue:		\$262,193	\$264,815	\$264,815	\$267,463	\$267,463	\$270,137	\$270,137	\$272,839

Annual Sales Tax Revenue Estimates		Year							
		2032	2033	2034	2035	2036	2037	2038	2039
Estimated Cumulative Retail Development:		96,000	108,000	108,000	120,000	120,000	120,000	120,000	120,000
Estimated Taxable Retail Sales from New Development:	\$250	\$33,605,794	\$38,562,649	\$39,333,902	\$44,578,422	\$45,469,990	\$46,379,390	\$47,306,978	\$48,253,117
Total Sales Tax Revenues from New Redevelopment:		\$1,008,174	\$1,156,879	\$1,180,017	\$1,337,353	\$1,364,100	\$1,391,382	\$1,419,209	\$1,447,594
Total Sales Tax Revenue from Existing Development:		\$1,147,522	\$1,158,998	\$1,170,588	\$1,182,293	\$1,194,116	\$1,206,057	\$1,218,118	\$1,230,299
Total Sales Tax Revenues:		\$2,155,696	\$2,315,877	\$2,350,605	\$2,519,646	\$2,558,216	\$2,597,439	\$2,637,327	\$2,677,893
Existing Sales Tax Base:		\$968,942	\$968,942	\$968,942	\$968,942	\$968,942	\$968,942	\$968,942	\$968,942
Total Sales Tax Increment:		\$1,186,754	\$1,346,935	\$1,381,663	\$1,550,704	\$1,589,274	\$1,628,497	\$1,668,385	\$1,708,951
County Impact:									
County Share of Sales Tax Base:	0.25%	\$95,627	\$96,583	\$97,549	\$98,524	\$99,510	\$100,505	\$101,510	\$102,525
County Share of New Sales Tax Revenue:	0.25%	\$84,014	\$96,407	\$98,335	\$111,446	\$113,675	\$115,948	\$118,267	\$120,633
Total County Share of Sales Tax Revenue:		\$179,641	\$192,990	\$195,884	\$209,971	\$213,185	\$216,453	\$219,777	\$223,158

Source: Ricker | Cunningham