

Final Report

El Paso County Impact Report

OneVeLa Urban Renewal Area

The Economics of Land Use



Prepared for:

Colorado Springs Urban Renewal Authority

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1. Introduction

This report includes a summary of the expected fiscal impacts of the site included in the OneVeLa Urban Renewal Plan (Plan) in El Paso County (the County). The El Paso County Impact Report for OneVeLa Urban Renewal Area (report) was prepared by Economic & Planning Systems (EPS) for the Colorado Springs Urban Renewal Authority (“CSURA” or “Authority”).

The report includes a summary of forecasted property tax revenues as well as El Paso County fiscal and service impacts associated with development in accordance with the Urban Renewal Plan. It specifically 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.”

Urban Renewal Plan Description

The OneVeLa Urban Renewal Area (“URA” or “Plan Area”) is located in the City of Colorado Springs in El Paso County. The Plan Area is comprised of four parcels on approximately 1.1 acres of land and adjacent right of way (ROW). The boundaries of the Plan Area to which this Plan applies includes Costilla Street to the south, Sahwatch Street to the west, a vacant commercial lot to the north, and a storage warehouse to the east, as illustrated in red below in **Figure 1**.

Figure 1. OneVeLa URA Boundary



2. Development Program

The proposed project for the Plan Area is a residential development with ground floor retail and structured parking, illustrated in **Figure 2** and **Figure 3**. The associated site improvements include demolition, sidewalks, streetscape, landscaping, public parking, and high-end façade/art. OneVeLa expects to have approximately 404 residential units with 10 percent (40 units) affordable to households earning 100 percent of area median income (AMI) or below for 25 years. This helps to fill a gap in Colorado Spring’s rental housing market by offering units for rent at various AMI levels in Downtown. Additionally, the development intends to include 7,900 square feet of ground floor retail to activate the street level and offer food and beverage amenities to residents and visitors.

Figure 2. OneVeLa Site Plan



Figure 3. OneVeLa Concept Plan



Public improvements proposed for the OneVeLa URA will provide a public benefit of not only eliminating blight, but also enhancing and creating a sense of place and activating Downtown. OneVeLa URA includes a variety of public improvements, totaling approximately \$23.0 million, shown below in **Table 1**. OneVeLa is expected to include 40 affordable units for households earning 100 percent AMI or below. These affordable units are essential to the community to offer housing that is affordable for the local workforce. There is value in providing affordable units tied to specific AMI levels compared to market rate housing. The community benefit derived from the affordable units is estimated by comparing the value based on affordable rents to the value if rented at market rate. The difference between the two represents the community benefit, which is \$3.8 million.

The development is expected to include structured parking, of which approximately 10 percent or 48 spaces will be available to the public. Additional public improvements include demolition/abatement of existing structures and ROW improvements for utilities, streetscape, sidewalks, landscaping, and high-end façade/art.

Table 1. OneVeLa URA Eligible Improvements

Eligible Improvements	Factor	Total	% Total	Per Unit
Structured parking		\$16,876,500	73.4%	\$41,774
Sidewalk, curb & gutter		\$154,688	0.7%	\$383
Streetscape amenities		\$275,000	1.2%	\$681
Stormwater		\$47,344	0.2%	\$117
Water/wastewater		\$188,663	0.8%	\$467
Demolition/Abatement		\$150,000	0.7%	\$371
Façade/Art		\$1,500,000	6.5%	\$3,713
Value of Affordable Units	10%	<u>\$3,796,834</u>	<u>16.5%</u>	<u>\$9,398</u>
Total		\$22,989,029	100.0%	\$56,904

Source: Developer; Economic & Planning Systems

3. County Fiscal Impact

In order to estimate the anticipated impact of the development of the parcels included in the Plan Area boundary on the County, EPS evaluated expected property tax revenues, infrastructure costs, and impacts on cost of service for the county.

Property Taxes

CSURA is expected to direct 100 percent of the property tax revenues generated by the Plan increment to the project. These revenues include any property tax that is generated by new development on the parcels included in the Plan Area. These revenues are necessary to allow the project to move forward and will be used to fund eligible improvements.

Assumptions

To estimate potential property tax revenues of OneVeLa, EPS estimated market values for the multifamily units at \$500,000 per unit. The estimated value is based on a comparison of construction costs and comparable property research for urban locations with luxury projects with structured parking. An annual growth rate of 1.5 percent is applied to the market value. In accordance with Colorado Legislature, a biannual reassessment applies to the base value on odd-number years, which is estimated at 3.0 percent.

Property Tax Base

The current assessed value of property in the proposed OneVeLa URA is \$509,160 per year, shown below in **Table 2**. This base reflects the total value of land and buildings on the four parcels within the URA boundary. The assessment rate and mill levy are two universally used factors that generate revenue streams that are a portion of total valuation. The assessment rate for commercial property in Colorado is 27.9 percent, while multifamily is assessed as residential at 6.765 percent.

Table 2. Property Base Value, 2023

Location	Land Use	Actual Value			Assessed Value		
		Land	Imp.	Total	Land	Imp.	Total
30 W COSTILLA ST	Industrial	\$205,913	\$575,218	\$781,131	\$59,710	\$166,810	\$226,520
22 W COSTILLA ST	Industrial	\$205,913	\$554,619	\$760,532	\$59,710	\$160,840	\$220,550
20 W COSTILLA ST	Residential	\$208,900	\$164,546	\$373,446	\$14,000	\$11,020	\$25,020
14 W COSTILLA ST	Residential	<u>\$137,275</u>	<u>\$416,024</u>	<u>\$553,299</u>	<u>\$9,200</u>	<u>27,870</u>	<u>\$37,070</u>
Total		\$758,001	\$1,710,407	\$2,468,408	\$142,620	\$366,540	\$509,160

Source: El Paso County Assessor; Economic & Planning Systems

The 2023 mill levies for all parcels in the taxing district are shown in **Table 3**. The total mill levy in 2023 was 59.7890, but only 55.9285 mills are eligible to pledge to tax increment financing (TIF). This assumes a 100 percent pledge of property taxes from El Paso County, City of Colorado Springs, School District #11, and Southeastern Colorado Water Conservancy District; a 50 percent pledge from Pikes Peak Library District, and 60 percent pledge from Colorado Springs Downtown Development Authority (DDA). The road and bridge shares are ineligible funds for TIF because they are a dedicated revenue stream.

Table 3. Mill Levies, 2023

Description	Mill Levy	TIF Share	TIF Mill Levy
EL PASO COUNTY	6.862	100%	6.8620
EPC ROAD & BRIDGE SHARE	0.165	0%	0.0000
CITY OF COLORADO SPRINGS	3.579	100%	3.5790
EPC-COLORADO SPGS ROAD & BRIDGE SHARE	0.165	0%	0.0000
COLO SPGS SCHOOL DISTRICT #11	40.069	100%	40.0690
PIKES PEAK LIBRARY DISTRICT	3.061	50%	1.5305
SOUTHEASTERN COLO WATER CONSERVANCY DISTRICT	0.888	100%	0.8880
CS DOWNTOWN DEVELOPMENT AUTHORITY	<u>5.000</u>	60%	<u>3.0000</u>
Total	59.7890		55.9285

Source: Jefferson County Assessor; Economic & Planning Systems

Property Tax Increment

Based on the assumptions stated above and information from the Developer, in 2049 the cumulative value of residential development is estimated at \$288.8 million and commercial development is estimated at \$2.8 million, as shown below in **Table 4**. The future property taxes due to new development are referred to as the increment. The development of OneVeLa is expected to generate approximately \$18.1 million in property tax increment over the 25-year period, which equates to an average of approximately \$724,000 per year, as shown in **Table 5**. The present value, assuming a 5.0 percent discount rate equates to \$9.7 million or an average of \$386,700 per year.

Following the 25-year period, the property tax that has been redirected through the URA will revert to the original taxing entities. At that time, the parcels shown in the Plan Area are expected to generate approximately \$961,659 annually in total property taxes, which includes approximately \$41,819 that is attributed to the base values and \$919,840 that is generated by the increment or new development.

Table 4. Estimated Development Value, 2024-2049

Year	Plan Year	Residential ¹ \$500,000/unit 404 units	Commercial ¹ \$250/sf 7,900 sf
2024	0	\$0	\$0
2025	1	\$101,000,000	\$987,500
2026	2	\$205,030,000	\$2,004,625
2027	3	\$208,105,450	\$2,034,694
2028	4	\$211,227,032	\$2,065,215
2029	5	\$214,395,437	\$2,096,193
2030	6	\$217,611,369	\$2,127,636
2031	7	\$220,875,539	\$2,159,550
2032	8	\$224,188,672	\$2,191,944
2033	9	\$227,551,502	\$2,224,823
2034	10	\$230,964,775	\$2,258,195
2035	11	\$234,429,247	\$2,292,068
2036	12	\$237,945,685	\$2,326,449
2037	13	\$241,514,871	\$2,361,346
2038	14	\$245,137,594	\$2,396,766
2039	15	\$248,814,658	\$2,432,718
2040	16	\$252,546,877	\$2,469,208
2041	17	\$256,335,081	\$2,506,246
2042	18	\$260,180,107	\$2,543,840
2043	19	\$264,082,808	\$2,581,998
2044	20	\$268,044,051	\$2,620,728
2045	21	\$272,064,711	\$2,660,039
2046	22	\$276,145,682	\$2,699,939
2047	23	\$280,287,867	\$2,740,438
2048	24	\$284,492,185	\$2,781,545
2049	25	\$288,759,568	\$2,823,268

¹ Reflects annual escalation of 1.5%

Source: Economic & Planning Systems

Table 5. Estimated Property Tax Increment, 2024-2049

Year	Plan Yr.	Appraised Val.		Assessed Value (1-Yr. Lag) ^[1]				Property Tax Increment (1-Yr. Lag) 55.929 mill levy	TIF Present Value (1-Yr. Lag) 5.00%
		Multifamily 90.0% of Act.	Commercial 80.0% of Act.	Base Val. ^[2] 29.00%	Multifamily 6.765%	Commercial 27.900%	Increment Val.		
2024	0	\$0	\$0	\$509,160	\$0	\$0	\$0	\$0	\$0
2025	1	\$90,900,000	\$790,000	\$524,435	\$0	\$0	\$0	\$0	\$0
2026	2	\$184,527,000	\$1,603,700	\$524,435	\$6,149,385	\$220,410	\$5,845,360	\$0	\$0
2027	3	\$187,294,905	\$1,627,756	\$540,168	\$12,483,252	\$447,432	\$12,390,516	\$326,922	\$296,528
2028	4	\$190,104,329	\$1,652,172	\$540,168	\$12,483,252	\$447,432	\$12,390,516	\$692,983	\$598,625
2029	5	\$192,955,894	\$1,676,954	\$556,373	\$12,860,558	\$460,956	\$12,765,141	\$692,983	\$570,119
2030	6	\$195,850,232	\$1,702,109	\$556,373	\$12,860,558	\$460,956	\$12,765,141	\$713,935	\$559,387
2031	7	\$198,787,985	\$1,727,640	\$573,064	\$13,249,268	\$474,888	\$13,151,092	\$713,935	\$532,749
2032	8	\$201,769,805	\$1,753,555	\$573,064	\$13,249,268	\$474,888	\$13,151,092	\$735,521	\$522,721
2033	9	\$204,796,352	\$1,779,858	\$590,256	\$13,649,727	\$489,242	\$13,548,713	\$735,521	\$497,829
2034	10	\$207,868,298	\$1,806,556	\$590,256	\$13,649,727	\$489,242	\$13,548,713	\$757,759	\$488,458
2035	11	\$210,986,322	\$1,833,655	\$607,964	\$14,062,290	\$504,029	\$13,958,356	\$757,759	\$465,198
2036	12	\$214,151,117	\$1,861,159	\$607,964	\$14,062,290	\$504,029	\$13,958,356	\$780,670	\$456,442
2037	13	\$217,363,384	\$1,889,077	\$626,203	\$14,487,323	\$519,263	\$14,380,384	\$780,670	\$434,706
2038	14	\$220,623,834	\$1,917,413	\$626,203	\$14,487,323	\$519,263	\$14,380,384	\$804,273	\$426,523
2039	15	\$223,933,192	\$1,946,174	\$644,989	\$14,925,202	\$534,958	\$14,815,172	\$804,273	\$406,213
2040	16	\$227,292,190	\$1,975,367	\$644,989	\$14,925,202	\$534,958	\$14,815,172	\$828,590	\$398,566
2041	17	\$230,701,573	\$2,004,997	\$664,338	\$15,376,317	\$551,127	\$15,263,106	\$828,590	\$379,587
2042	18	\$234,162,096	\$2,035,072	\$664,338	\$15,376,317	\$551,127	\$15,263,106	\$853,643	\$372,441
2043	19	\$237,674,528	\$2,065,598	\$684,268	\$15,841,066	\$567,785	\$15,724,582	\$853,643	\$354,706
2044	20	\$241,239,646	\$2,096,582	\$684,268	\$15,841,066	\$567,785	\$15,724,582	\$879,452	\$348,029
2045	21	\$244,858,240	\$2,128,031	\$704,797	\$16,319,862	\$584,946	\$16,200,012	\$879,452	\$331,456
2046	22	\$248,531,114	\$2,159,951	\$704,797	\$16,319,862	\$584,946	\$16,200,012	\$906,042	\$325,217
2047	23	\$252,259,081	\$2,192,351	\$725,940	\$16,813,130	\$602,626	\$16,689,816	\$906,042	\$309,730
2048	24	\$256,042,967	\$2,225,236	\$725,940	\$16,813,130	\$602,626	\$16,689,816	\$933,436	\$303,900
2049	25	\$259,883,611	\$2,258,614	\$747,719	\$17,321,307	\$620,841	\$17,194,429	\$933,436	\$289,429
Total Avg.								\$18,099,533	\$9,668,561
								\$723,981	\$386,742
2050				\$747,719	\$17,321,307	\$620,841	\$17,194,429	\$961,659	\$283,980

^[1]Reflects a biannual reassessment.

^[2] Biannual escalation of 3.0%

Source: Economic & Planning Systems

Taxing District Impact

El Paso County Impact

El Paso County has a 6.862 mill levy. Existing property taxes refer to the "Base" and will continue to be collected by El Paso County. The County's share of the current property tax base is \$3,599, shown in **Table 6**. This base amount is expected to grow at 3.0 percent every two years resulting in an annual amount of \$5,131 for El Paso County in year 25 and generating a total of approximately \$107,276 over the 25-year period. After the 25-year period is complete, the County's share of property tax revenues will increase to approximately \$123,119 annually due to the new development. This includes approximately \$117,988 generated by the property tax increment from OneVeLa.

Table 6. El Paso County Property Tax Revenue, 2025-2049

Year	Plan Year	El Paso County Property Tax: 6.862 mills		Total
		Base	Increment 1-Yr. Lag	
2025	1	\$3,599	\$0	\$3,599
2026	2	\$3,599	\$0	\$3,599
2027	3	\$3,707	\$40,111	\$43,817
2028	4	\$3,707	\$85,024	\$88,730
2029	5	\$3,818	\$85,024	\$88,842
2030	6	\$3,818	\$87,594	\$91,412
2031	7	\$3,932	\$87,594	\$91,527
2032	8	\$3,932	\$90,243	\$94,175
2033	9	\$4,050	\$90,243	\$94,293
2034	10	\$4,050	\$92,971	\$97,022
2035	11	\$4,172	\$92,971	\$97,143
2036	12	\$4,172	\$95,782	\$99,954
2037	13	\$4,297	\$95,782	\$100,079
2038	14	\$4,297	\$98,678	\$102,975
2039	15	\$4,426	\$98,678	\$103,104
2040	16	\$4,426	\$101,662	\$106,088
2041	17	\$4,559	\$101,662	\$106,220
2042	18	\$4,559	\$104,735	\$109,294
2043	19	\$4,695	\$104,735	\$109,431
2044	20	\$4,695	\$107,902	\$112,598
2045	21	\$4,836	\$107,902	\$112,738
2046	22	\$4,836	\$111,164	\$116,001
2047	23	\$4,981	\$111,164	\$116,146
2048	24	\$4,981	\$114,526	\$119,507
2049	25	<u>\$5,131</u>	<u>\$114,526</u>	<u>\$119,656</u>
Total		\$107,276	\$2,220,675	\$2,327,950
Future Tax Revenue				
2050		\$5,131	\$117,988	\$123,119

Source: Economic & Planning Systems

Colorado Springs School District 11 Impact

The Plan Area is located within the Colorado Springs School District Number 11, which has a 40.069 mill levy. The School District's share of the current property tax base is \$21,014, shown in **Table 7**, and will continue to be collected by the School District. The base amount is expected to grow at 3.0 percent every two years resulting in an annual amount of \$29,960 in year 25 and generating a total over \$626,411 over the 25-year period. After the 25-year period is complete, the School District's share of property tax revenues will increase to approximately \$718,924 annually due to the new development. This includes approximately \$688,964 generated by the property tax increment from OneVeLa.

Table 7. School District Property Tax Revenue, 2025-2049

Year	Plan Year	School Dist. Property Tax: 40.069 mills		
		Base	Increment 1-Yr. Lag	Total
2025	1	\$21,014	\$0	\$21,014
2026	2	\$21,014	\$0	\$21,014
2027	3	\$21,644	\$234,218	\$255,862
2028	4	\$21,644	\$496,476	\$518,120
2029	5	\$22,293	\$496,476	\$518,769
2030	6	\$22,293	\$511,486	\$533,780
2031	7	\$22,962	\$511,486	\$534,449
2032	8	\$22,962	\$526,951	\$549,913
2033	9	\$23,651	\$526,951	\$550,602
2034	10	\$23,651	\$542,883	\$566,534
2035	11	\$24,360	\$542,883	\$567,244
2036	12	\$24,360	\$559,297	\$583,658
2037	13	\$25,091	\$559,297	\$584,389
2038	14	\$25,091	\$576,208	\$601,299
2039	15	\$25,844	\$576,208	\$602,052
2040	16	\$25,844	\$593,629	\$619,473
2041	17	\$26,619	\$593,629	\$620,248
2042	18	\$26,619	\$611,577	\$638,197
2043	19	\$27,418	\$611,577	\$638,995
2044	20	\$27,418	\$630,068	\$657,486
2045	21	\$28,240	\$630,068	\$658,309
2046	22	\$28,240	\$649,118	\$677,359
2047	23	\$29,088	\$649,118	\$678,206
2048	24	\$29,088	\$668,744	\$697,832
2049	25	<u>\$29,960</u>	<u>\$668,744</u>	<u>\$698,705</u>
Total		\$626,411	\$12,967,095	\$13,593,506
Future Tax Revenue				
2050		\$29,960	\$688,964	\$718,924

Source: Economic & Planning Systems

City of Colorado Springs Impact

The City of Colorado Springs has a 3.579 mill levy. The City’s share of the current property tax base is \$1,877, shown in **Table 8**, and will continue to be collected by the City. The base amount is expected to grow at 3.0 percent every two years resulting in an annual amount of \$2,676 in year 25 and generating a total of approximately \$55,952 over the 25-year period. After the 25-year period is complete, the City’s share of property tax revenues will increase to approximately \$64,215 annually due to the new development. This includes approximately \$61,539 generated by the property tax increment from OneVeLa.

Table 8. City of Colorado Springs Property Tax Revenue, 2025-2049

Year	Plan Year	Co. Springs Property Tax: 3.579 mills		Total
		Base	Increment 1-Yr. Lag	
2025	1	\$1,877	\$0	\$1,877
2026	2	\$1,877	\$0	\$1,877
2027	3	\$1,933	\$20,921	\$22,854
2028	4	\$1,933	\$44,346	\$46,279
2029	5	\$1,991	\$44,346	\$46,337
2030	6	\$1,991	\$45,686	\$47,678
2031	7	\$2,051	\$45,686	\$47,737
2032	8	\$2,051	\$47,068	\$49,119
2033	9	\$2,113	\$47,068	\$49,180
2034	10	\$2,113	\$48,491	\$50,603
2035	11	\$2,176	\$48,491	\$50,667
2036	12	\$2,176	\$49,957	\$52,133
2037	13	\$2,241	\$49,957	\$52,198
2038	14	\$2,241	\$51,467	\$53,709
2039	15	\$2,308	\$51,467	\$53,776
2040	16	\$2,308	\$53,024	\$55,332
2041	17	\$2,378	\$53,024	\$55,401
2042	18	\$2,378	\$54,627	\$57,004
2043	19	\$2,449	\$54,627	\$57,076
2044	20	\$2,449	\$56,278	\$58,727
2045	21	\$2,522	\$56,278	\$58,801
2046	22	\$2,522	\$57,980	\$60,502
2047	23	\$2,598	\$57,980	\$60,578
2048	24	\$2,598	\$59,733	\$62,331
2049	25	<u>\$2,676</u>	<u>\$59,733</u>	<u>\$62,409</u>
Total		\$55,952	\$1,158,233	\$1,214,185
Future Tax Revenue				
	2050	\$2,676	\$61,539	\$64,215

Source: Economic & Planning Systems

Pikes Peak Library District Impact

The Plan Area is located within the Pikes Peak Library District, which has a 3.061 mill levy. It is assumed 50 percent of the Library District’s mill levy (1.531 mills) will be pledged to TIF and the remainder (1.531 mills) will continue to be collected by the Library District. The Library District’s share of the current property tax base is \$1,605, shown in **Table 9**, and will continue to be collected by the Library District. The base amount is expected to grow at 3.0 percent every two years resulting in an annual amount of \$2,289 in year 25 and generating a total of approximately \$47,854 over the 25-year period. During the 25-year TIF period, the Library District will collect increment on 1.531 mills, which is estimated to generate a total of \$495,299. After the 25-year period is complete, the Pikes Peak Library District’s share of property tax revenues will increase to approximately \$54,921 annually due to the new development. This includes approximately \$52,632 generated by the property tax increment from OneVeLa.

Table 9. Library Property Tax Revenue, 2025-2049

Year	Plan Year	Library District			Total
		Base 3.061 mill levy	Lib. Increment 1.531 mill levy	TIF Increment 1.531 mill levy	
2025	1	\$1,605	\$0	\$0	\$1,605
2026	2	\$1,605	\$0	\$0	\$1,605
2027	3	\$1,653	\$8,946	\$8,946	\$19,546
2028	4	\$1,653	\$18,964	\$18,964	\$39,581
2029	5	\$1,703	\$18,964	\$18,964	\$39,630
2030	6	\$1,703	\$19,537	\$19,537	\$40,777
2031	7	\$1,754	\$19,537	\$19,537	\$40,828
2032	8	\$1,754	\$20,128	\$20,128	\$42,010
2033	9	\$1,807	\$20,128	\$20,128	\$42,062
2034	10	\$1,807	\$20,736	\$20,736	\$43,279
2035	11	\$1,861	\$20,736	\$20,736	\$43,334
2036	12	\$1,861	\$21,363	\$21,363	\$44,588
2037	13	\$1,917	\$21,363	\$21,363	\$44,643
2038	14	\$1,917	\$22,009	\$22,009	\$45,935
2039	15	\$1,974	\$22,009	\$22,009	\$45,993
2040	16	\$1,974	\$22,675	\$22,675	\$47,324
2041	17	\$2,034	\$22,675	\$22,675	\$47,383
2042	18	\$2,034	\$23,360	\$23,360	\$48,754
2043	19	\$2,095	\$23,360	\$23,360	\$48,815
2044	20	\$2,095	\$24,066	\$24,066	\$50,227
2045	21	\$2,157	\$24,066	\$24,066	\$50,290
2046	22	\$2,157	\$24,794	\$24,794	\$51,746
2047	23	\$2,222	\$24,794	\$24,794	\$51,810
2048	24	\$2,222	\$25,544	\$25,544	\$53,310
2049	25	<u>\$2,289</u>	<u>\$25,544</u>	<u>\$25,544</u>	<u>\$53,376</u>
Total		\$47,854	\$495,299	\$495,299	\$1,038,452
Future Tax Revenue					
2050		\$2,289	\$26,316	\$26,316	\$54,921

Source: Economic & Planning Systems

Southeastern Colorado Water Conservancy District Impact

The Plan Area is located within the Southeastern Colorado Water Conservancy District, which has a 0.888 mill levy. The Water Conservancy District’s share of the current property tax base is \$466, shown in **Table 10**, and will continue to be collected by the Water Conservancy District. The base amount is expected to grow at 3.0 percent every two years resulting in an annual amount of \$664 in year 25 and generating a total of approximately \$13,882 over the 25-year period. After the 25-year period is complete, the Southeastern Colorado Water Conservancy District’s share of property tax revenues will increase to approximately \$15,933 annually due to the new development. This includes approximately \$15,269 generated by the property tax increment from OneVeLa.

Table 10. Water Conservancy Property Tax Revenue, 2025-2049

Year	Plan Year	Water Conserv. Property Tax: 0.888 mills		Total
		Base	Increment 1-Yr. Lag	
2025	1	\$466	\$0	\$466
2026	2	\$466	\$0	\$466
2027	3	\$480	\$5,191	\$5,670
2028	4	\$480	\$11,003	\$11,482
2029	5	\$494	\$11,003	\$11,497
2030	6	\$494	\$11,335	\$11,830
2031	7	\$509	\$11,335	\$11,844
2032	8	\$509	\$11,678	\$12,187
2033	9	\$524	\$11,678	\$12,202
2034	10	\$524	\$12,031	\$12,555
2035	11	\$540	\$12,031	\$12,571
2036	12	\$540	\$12,395	\$12,935
2037	13	\$556	\$12,395	\$12,951
2038	14	\$556	\$12,770	\$13,326
2039	15	\$573	\$12,770	\$13,343
2040	16	\$573	\$13,156	\$13,729
2041	17	\$590	\$13,156	\$13,746
2042	18	\$590	\$13,554	\$14,144
2043	19	\$608	\$13,554	\$14,161
2044	20	\$608	\$13,963	\$14,571
2045	21	\$626	\$13,963	\$14,589
2046	22	\$626	\$14,386	\$15,011
2047	23	\$645	\$14,386	\$15,030
2048	24	\$645	\$14,821	\$15,465
2049	25	\$664	\$14,821	\$15,485
Total		\$13,882	\$287,374	\$301,256
Future Tax Revenue				
	2050	\$664	\$15,269	\$15,933

Source: Economic & Planning Systems

Colorado Springs Downtown Development Authority (DDA) Impact

The Plan Area is located within the Colorado Springs DDA, which has a 5.000 mill levy. It is assumed 60 percent of the DDA’s mill levy (3.000 mills) will be pledged to TIF and the remainder (2.000 mills) will continue to be collected by the DDA. The DDA’s share of the current property tax base is \$2,622, shown in **Table 11**, and will continue to be collected by the DDA. The base amount is expected to grow at 3.0 percent every two years resulting in an annual amount of \$3,739 in year 25 and generating a total of approximately \$78,167 over the 25-year period. After the 25-year period is complete, the DDA’s share of property tax revenues will increase to approximately \$89,711 annually due to the new development. This includes approximately \$85,972 generated by the property tax increment from OneVeLa.

Table 11. Colorado Springs DDA Property Tax Revenue, 2025-2049

Year	Plan Year	Colorado Springs DDA			Total
		Base 5.000 mill levy	DDA Increment 2.000 mill levy	TIF Increment 3.000 mill levy	
2025	1	\$2,622	\$0	\$0	\$2,622
2026	2	\$2,622	\$0	\$0	\$2,622
2027	3	\$2,701	\$17,536	\$17,536	\$37,773
2028	4	\$2,701	\$37,172	\$37,172	\$77,044
2029	5	\$2,782	\$37,172	\$37,172	\$77,125
2030	6	\$2,782	\$38,295	\$38,295	\$79,373
2031	7	\$2,865	\$38,295	\$38,295	\$79,456
2032	8	\$2,865	\$39,453	\$39,453	\$81,772
2033	9	\$2,951	\$39,453	\$39,453	\$81,858
2034	10	\$2,951	\$40,646	\$40,646	\$84,244
2035	11	\$3,040	\$40,646	\$40,646	\$84,332
2036	12	\$3,040	\$41,875	\$41,875	\$86,790
2037	13	\$3,131	\$41,875	\$41,875	\$86,881
2038	14	\$3,131	\$43,141	\$43,141	\$89,413
2039	15	\$3,225	\$43,141	\$43,141	\$89,507
2040	16	\$3,225	\$44,446	\$44,446	\$92,116
2041	17	\$3,322	\$44,446	\$44,446	\$92,213
2042	18	\$3,322	\$45,789	\$45,789	\$94,900
2043	19	\$3,421	\$45,789	\$45,789	\$95,000
2044	20	\$3,421	\$47,174	\$47,174	\$97,769
2045	21	\$3,524	\$47,174	\$47,174	\$97,871
2046	22	\$3,524	\$48,600	\$48,600	\$100,724
2047	23	\$3,630	\$48,600	\$48,600	\$100,830
2048	24	\$3,630	\$50,069	\$50,069	\$103,769
2049	25	\$3,739	\$50,069	\$50,069	\$103,877
Total		\$78,167	\$970,857	\$970,857	\$2,019,881
Future Tax Revenue					
2050		\$3,739	\$34,389	\$51,583	\$89,711

Source: Economic & Planning Systems

Sales Taxes

CSURA is expected to keep 1.75 percent of city sales tax and 0.75 percent of county sales tax revenues generated by sales on-site. This is the incremental sales tax, which includes all sales tax generated from the new retail development on parcels included in the Plan Area. These revenues are necessary to allow the project to move forward and will be used to fund eligible improvements.

Assumptions

To estimate potential sales tax revenues of OneVeLa, EPS estimated annual sales per square foot of development based on the anticipated retail type. The 7,900 square feet of restaurant retail is estimated to achieve \$400 per square foot. EPS has also assumed an annual growth rate in sales of 2.0 percent per year.

The 2024 El Pas County sales tax rate is 1.23 percent, of which 0.75 percent will be allocated for TIF for the 25-year period. The remaining 0.25 percent will go into the county’s general fund and the 0.23 percent is dedicated to Public Safety Critical Needs.

The 2024 City of Colorado Springs sales tax rate is 3.07 percent, of which 1.75 percent will be allocated for TIF for the 25-year period. The remaining 0.25 percent will go into the city’s general fund and the 1.07 percent is dedicated sales for specific uses including 0.10 percent for Trails, Open Space and Parks (TOPS), 0.40 percent for Public Safety Sales Tax (PSST), and 0.57 percent for 2C Road Tax.

El Paso County Sales Tax Increment

The future sales taxes due to new retail development is referred to as the “Increment.” The development of OneVeLa is expected to generate approximately \$717,167 in county sales tax increment from the 0.75 percent county commitment over the 25-year period, which equates to an average of approximately \$28,700 per year, as shown below in **Table 12**. The present value of these revenues translates to \$386,825, based on a discount rate of 5.0 percent.

The revenues that El Paso County will retain over this timeframe, includes the 0.23 percent of sales tax in the Plan Area for Public Safety Critical Needs, which has a sunset date of January 1, 2029. If this sales tax were to be extended past the sunset of 2029, it would generate a total of \$219,931 over the 25-year period or an average of \$8,800 per year. If it is not extended past the sunset date, it will generate a total of \$17,091 through 2028. Additionally, El Paso County will receive 0.25 percent sales tax, which flows into the general fund. This is estimated to generate a total of \$239,056 over the TIF period or an average of \$9,600 per year.

Table 12. El Paso County Sales Tax Increment, 2024-2049

Year	Plan Yr.	Commercial Tax. Sales ¹ \$7,900/sf \$400/sf	El Paso County Sales Tax			County TIF Share Present Val. 5.00%
			Public Safety 0.23%	Gen. Fund 0.25%	TIF Share 0.75%	
2024	0	\$0	\$0	\$0	\$0	\$0
2025	1	\$0	\$0	\$0	\$0	\$0
2026	2	\$1,611,600	\$3,707	\$4,029	\$12,087	\$11,511
2027	3	\$2,465,748	\$5,671	\$6,164	\$18,493	\$16,774
2028	4	\$3,353,417	\$7,713	\$8,384	\$25,151	\$21,726
2029	5	\$3,420,486	\$7,867	\$8,551	\$25,654	\$21,105
2030	6	\$3,488,895	\$8,024	\$8,722	\$26,167	\$20,502
2031	7	\$3,558,673	\$8,185	\$8,897	\$26,690	\$19,917
2032	8	\$3,629,847	\$8,349	\$9,075	\$27,224	\$19,347
2033	9	\$3,702,444	\$8,516	\$9,256	\$27,768	\$18,795
2034	10	\$3,776,493	\$8,686	\$9,441	\$28,324	\$18,258
2035	11	\$3,852,022	\$8,860	\$9,630	\$28,890	\$17,736
2036	12	\$3,929,063	\$9,037	\$9,823	\$29,468	\$17,229
2037	13	\$4,007,644	\$9,218	\$10,019	\$30,057	\$16,737
2038	14	\$4,087,797	\$9,402	\$10,219	\$30,658	\$16,259
2039	15	\$4,169,553	\$9,590	\$10,424	\$31,272	\$15,794
2040	16	\$4,252,944	\$9,782	\$10,632	\$31,897	\$15,343
2041	17	\$4,338,003	\$9,977	\$10,845	\$32,535	\$14,905
2042	18	\$4,424,763	\$10,177	\$11,062	\$33,186	\$14,479
2043	19	\$4,513,258	\$10,380	\$11,283	\$33,849	\$14,065
2044	20	\$4,603,523	\$10,588	\$11,509	\$34,526	\$13,663
2045	21	\$4,695,594	\$10,800	\$11,739	\$35,217	\$13,273
2046	22	\$4,789,506	\$11,016	\$11,974	\$35,921	\$12,894
2047	23	\$4,885,296	\$11,236	\$12,213	\$36,640	\$12,525
2048	24	\$4,983,002	\$11,461	\$12,458	\$37,373	\$12,167
2049	25	\$5,082,662	\$11,690	\$12,707	\$38,120	\$11,820
Total			\$219,931	\$239,056	\$717,167	\$386,825
Avg.			\$8,797	\$9,562	\$28,687	\$15,473

¹Annual escalation of 2.0%

Source: Economic & Planning Systems

City of Colorado Springs Sales Tax Increment

The future sales taxes due to new retail development is referred to as the “Increment.” The development of OneVeLa is expected to generate approximately \$1.7 million in city sales tax increment over the 25-year period, which equates to an average of approximately \$66,900 per year, as shown in **Table 13**. This is based on a commitment of the 1.75 percent sales tax to the URA. This revenue stream, when discounted at 5.0 percent, translates to a present value of \$902,591.

Revenues retained by the city over this timeframe include the 1.07 percent sales tax for three dedicated uses from sales activity within OneVeLa. The 0.10 percent TOPS will generate a total of approximately \$95,622 or an average of \$3,800 per year. The 0.40 percent sales tax for PSST will generate approximately \$382,500 or an average of \$15,300 per year. The 0.57 percent sales tax for 2C Road will generate approximately \$545,047 or an average of \$21,800 per year. In addition, the city will retain 0.25 percent sales tax for the general fund. This is estimated to generate a total of \$239,056 over the TIF period or an average of \$9,600 per year.

Table 13. Colorado Springs Sales Tax Increment, 2024-2049

Year	Plan Yr.	Commercial Tax. Sales ¹ \$7,900 sf \$400/sf	Colorado Springs Sales Tax					City TIF Share Present Val. 5.00%
			TOPS 0.10%	PSST 0.40%	2C Road 0.57%	Gen. Fund 0.25%	TIF Share 1.75%	
2024	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2025	1	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2026	2	\$1,611,600	\$1,612	\$6,446	\$9,186	\$4,029	\$28,203	\$26,860
2027	3	\$2,465,748	\$2,466	\$9,863	\$14,055	\$6,164	\$43,151	\$39,139
2028	4	\$3,353,417	\$3,353	\$13,414	\$19,114	\$8,384	\$58,685	\$50,694
2029	5	\$3,420,486	\$3,420	\$13,682	\$19,497	\$8,551	\$59,858	\$49,246
2030	6	\$3,488,895	\$3,489	\$13,956	\$19,887	\$8,722	\$61,056	\$47,839
2031	7	\$3,558,673	\$3,559	\$14,235	\$20,284	\$8,897	\$62,277	\$46,472
2032	8	\$3,629,847	\$3,630	\$14,519	\$20,690	\$9,075	\$63,522	\$45,144
2033	9	\$3,702,444	\$3,702	\$14,810	\$21,104	\$9,256	\$64,793	\$43,854
2034	10	\$3,776,493	\$3,776	\$15,106	\$21,526	\$9,441	\$66,089	\$42,601
2035	11	\$3,852,022	\$3,852	\$15,408	\$21,957	\$9,630	\$67,410	\$41,384
2036	12	\$3,929,063	\$3,929	\$15,716	\$22,396	\$9,823	\$68,759	\$40,202
2037	13	\$4,007,644	\$4,008	\$16,031	\$22,844	\$10,019	\$70,134	\$39,053
2038	14	\$4,087,797	\$4,088	\$16,351	\$23,300	\$10,219	\$71,536	\$37,937
2039	15	\$4,169,553	\$4,170	\$16,678	\$23,766	\$10,424	\$72,967	\$36,853
2040	16	\$4,252,944	\$4,253	\$17,012	\$24,242	\$10,632	\$74,427	\$35,800
2041	17	\$4,338,003	\$4,338	\$17,352	\$24,727	\$10,845	\$75,915	\$34,778
2042	18	\$4,424,763	\$4,425	\$17,699	\$25,221	\$11,062	\$77,433	\$33,784
2043	19	\$4,513,258	\$4,513	\$18,053	\$25,726	\$11,283	\$78,982	\$32,819
2044	20	\$4,603,523	\$4,604	\$18,414	\$26,240	\$11,509	\$80,562	\$31,881
2045	21	\$4,695,594	\$4,696	\$18,782	\$26,765	\$11,739	\$82,173	\$30,970
2046	22	\$4,789,506	\$4,790	\$19,158	\$27,300	\$11,974	\$83,816	\$30,085
2047	23	\$4,885,296	\$4,885	\$19,541	\$27,846	\$12,213	\$85,493	\$29,226
2048	24	\$4,983,002	\$4,983	\$19,932	\$28,403	\$12,458	\$87,203	\$28,391
2049	25	\$5,082,662	\$5,083	\$20,331	\$28,971	\$12,707	\$88,947	\$27,579
Total			\$95,622	\$382,489	\$545,047	\$239,056	\$1,673,389	\$902,591
Avg.			\$3,825	\$15,300	\$21,802	\$9,562	\$66,936	\$36,104

¹Annual escalation of 2.0%
Source: Economic & Planning Systems

Summary of County Impact

Cost of Service and Infrastructure Costs

Development projects such as OneVeLa will generate fiscal and economic impacts to El Paso County, with factors that are both positive and negative. Some uses, such as residential, will have more of an impact on County services and costs.

It is important to recognize that the cost of service and infrastructure costs vary depending on whether or not the development occurs within incorporated or unincorporated areas. The entire Plan Area is located within the City of Colorado Springs municipal boundaries. It is also noteworthy that many of the urban services required by the new development will be provided by the City of Colorado Springs such as police, fire, street maintenance, parks and recreation, and general administration such as planning, zoning, land use code enforcement, business licensing, etc.

For the purposes of this analysis, EPS assumes that the modest additional service cost to the County associated with the future development within the City of Colorado Springs is balanced by additional revenue sources, such as intergovernmental transfers and fees for services. While modest, the County will receive sales tax revenues from the residents living within the development. The County is expected to have no financial exposure for infrastructure costs or other capital improvements, at the time of construction or on an ongoing basis. Future infrastructure costs that are associated with development on parcels included in the Plan Area boundary are anticipated to be financed by the Developer initially, and by the Colorado Springs Urban Renewal Authority and the City of Colorado Springs in the future.

Summary of the Net County Impact

Based on the analysis included in this report, EPS anticipates that the impact of the proposed OneVeLa Urban Renewal Plan on El Paso County will be neutral. The County will continue to receive the base amount of \$3,599 annually with biannual escalation. By 2050, the end of the 25-year tax increment period, the County's portion of property tax is expected to increase to \$123,119 as a result of the new development. The County can expect to receive this approximate level of revenue upon the sunset of the TIF in 2049.

All of the sales tax generated in the Plan Area will be net new. The County will collect 0.25 percent of sales tax for the general fund and 0.23 percent for Public Safety Critical Needs in the Plan Area during the 25-year period. Following the TIF timeframe, the County will collect the full 1.23 percent of sales tax. The taxable sales in 2047 are estimated at \$5.2 million, which would generate approximately \$63,800 annually in county sales tax revenue.

Based on previous experience evaluating county fiscal structures, EPS has an understanding of expenditures, revenues, and alternative revenue sources that new development generates as well as the corresponding costs of service attributed to various development types. Moreover, because the future development will be located within the City of Colorado Springs, and the City is responsible for a majority of services, including ones with typically higher costs to local government (i.e., police, fire, public works, water), the County's exposure in terms of its financial outlay will be modest and is expected to be mitigated with other revenue sources.