

Scheels Credit PIF Agreement

Colorado Springs City Council
Work Session
February 25, 2019
Bob Cope
Economic Development Officer



SCHEELS



Background



SCHEELS All Sports, Inc.

- Founded in 1902
- Employee owned – privately held
- 27 locations
- 6,000 employees
- Headquartered Fargo, ND

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Background



- Proposing new 220,000 sq. ft. store in Colorado Springs
- \$84 million investment in land, building, furniture, fixtures and equipment
- 400 new jobs
- Average Salary \$46,250
- \$60 million estimated annual sales
- **40% - 50% of sales from outside of trade area**

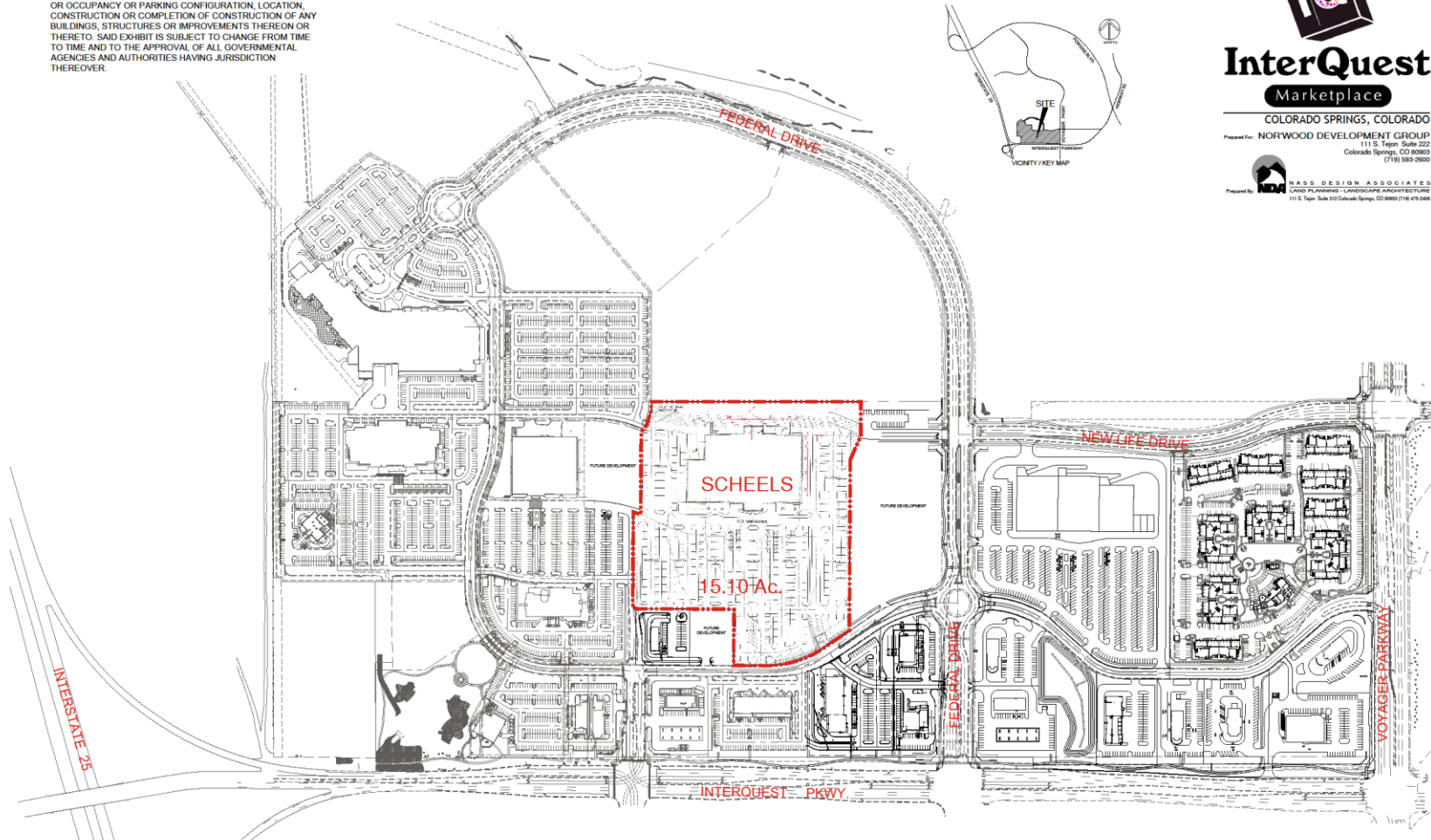
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Proposed Location NEC Interquest & I-25



THIS EXHIBIT IS A GENERAL SITE PLAN ONLY AND IS NOT A REPRESENTATION REGARDING THE EXISTENCE, SIZE, CONFIGURATION, LOCATION, PARKING OR OPENING DATE OF ANY PAD, MAJOR USER, RETAIL ANCHOR, OR ANY TENANT OF OR OCCUPANCY OR PARKING CONFIGURATION, LOCATION, CONSTRUCTION OR COMPLETION OF CONSTRUCTION OF ANY BUILDINGS, STRUCTURES OR IMPROVEMENTS THEREON OR THERETO. SAID EXHIBIT IS SUBJECT TO CHANGE FROM TIME TO TIME AND TO THE APPROVAL OF ALL GOVERNMENTAL AGENCIES AND AUTHORITIES HAVING JURISDICTION THEREOVER.



InterQuest
Marketplace

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- Executive Branch proposal:
 1. Ordinance providing for a temporary (1%) reduction in city sales tax in a defined geographic area. Twenty five years.

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- Executive Branch proposal (cont.):
 2. Credit PIF Agreement providing for a Public Improvement Fee (1%). Twenty five years.

- Executive Branch proposal (cont.):

Together, Ordinance & Credit PIF Agreement create a mechanism commonly known as a “Credit PIF”.

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Economic Impacts



| Construction (Temporary) Jobs | Jobs | Average Wage |
|--|------------|-----------------|
| Direct | 609 | \$50,051 |
| Indirect/Induced | 307 | \$50,343 |
| Total Construction (Temporary) Jobs | 916 | \$50,149 |

| Permanent Jobs | Jobs | Average Wage |
|-----------------------------|------------|-----------------|
| Direct | 400 | \$46,500 |
| Indirect/Induced | 145 | \$42,118 |
| Total Permanent Jobs | 545 | \$45,334 |

Economic Impacts



| Economic Impact | 25 Years | Average Annual |
|------------------------------|------------------------|-----------------------|
| Construction Impact | \$56,629,232 | \$2,265,169 |
| Permanent Impact | \$1,459,172,897 | \$58,366,916 |
| Total Economic Impact | \$1,515,802,129 | \$60,632,085 |

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Credit PIF Amount

| Public Improvement Fee (Credit PIF) Amount | 25 Years | Average Annual |
|---|--------------|----------------|
| Credit PIF 1% | \$16,184,079 | \$647,363 |

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City Net Revenue - No Sunset



| City Revenue Source | 25 Years | Average Annual |
|-------------------------------|---------------------|--------------------|
| New Retail 1%* | \$16,184,079 | \$647,363 |
| New Retail 1.12% | \$18,126,169 | \$725,047 |
| Construction Materials 2%* | \$736,900 | \$29,476 |
| Construction Materials 1.12% | \$412,664 | \$16,507 |
| Construction Jobs 2%* | \$124,001 | \$4,960 |
| Construction Jobs 1.12% | \$138,880 | \$5,555 |
| Permanent Jobs 2%* | \$3,134,154 | \$125,366 |
| Permanent Jobs 1.12% | \$1,755,127 | \$70,205 |
| Total Net City Revenue | \$40,611,974 | \$1,624,479 |
| General Fund Portion* | \$20,179,134 | \$807,165 |

City Net Revenue - With Sunset



| City Revenue Source | 25 Years | Average Annual |
|-------------------------------|---------------------|--------------------|
| New Retail 1%* | \$16,184,079 | \$647,363 |
| New Retail 1.12% | \$6,842,753 | \$273,710 |
| Construction Materials 2%* | \$736,900 | \$29,476 |
| Construction Materials 1.12% | \$412,664 | \$16,507 |
| Construction Jobs 2%* | \$124,001 | \$4,960 |
| Construction Jobs 1.12% | \$138,880 | \$5,555 |
| Permanent Jobs 2%* | \$3,134,154 | \$125,366 |
| Permanent Jobs 1.12% | \$663,507 | \$26,540 |
| Total Net City Revenue | \$28,236,938 | \$1,129,478 |
| General Fund Portion* | \$20,179,134 | \$807,165 |

City Net Revenue - PPRTA



| PPRTA (Estimated Revenue 70% City) | 25 Years | Average Annual |
|--|---------------------|------------------|
| Total Received - No Sunset (\$18,243,607) | \$12,770,525 | \$510,821 |

| PPRTA (Estimated Revenue 70% City) | 25 Years | Average Annual |
|--|--------------------|------------------|
| Total Received - Sunset (\$3,853,132) | \$2,697,193 | \$107,888 |

| TOTAL CITY REVENUE | 25 Years | Average Annual |
|--------------------|---------------------|--------------------|
| No Sunset | \$53,382,499 | \$2,135,300 |
| With Sunset | \$30,934,131 | \$1,237,365 |

Summary

Approval results in:

- A unique and extraordinary retail venue and experience for our citizens
- 545 new permanent jobs
- \$1.5 billion economic impact over 25 years (\$60 million annually)
- Estimated \$53 million in net new City tax revenue over 25 years (\$2.1 million annually)
- Stems sales tax leakage
- Attracts sales tax surplus

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Questions?

