

Gold Hill Mesa Commercial URA

City Council Work Session
November 23, 2015

Economic Impact Analysis

Community ROI

- 350 Direct Permanent Jobs
- 175 Indirect/Induced Permanent Jobs
- 525 Total Permanent Jobs
- 1,203 Temporary Construction Jobs

	25 Year Analysis	Average Annual
Local GDP	\$1.2 Billion	\$46 Million
Wages	\$546 Million	\$22 Million
Consumer/Non-consumer Expenditures	\$405 Million	\$16 Million
PPRTA	\$18 Million	\$716,000

Economic Impact Analysis

City Government ROI

2% Sales Tax Sharing Scenario	25 Year Analysis	Average Annual
Estimated Taxable Sales	\$1.8 Billion	\$72 Million
General Fund Sales Tax @ 2%	\$36 Million	\$1.4 Million
PSST @ .4%	\$7.2 Million	\$286,000
TOPS @ .1%	\$1.8 Million	\$72,000
Capital Improvement (2C) @ .62%	\$11 Million	\$444,000
Sales Tax from Employment/Spending @ 3.12%	\$5.5 Million	\$220,000
TOTAL	\$62 Million	\$2.5 Million
LESS 2% Sales Tax Sharing	\$36 Million	\$1.4 Million
NET CITY SALES TAX REVENUE	\$26 Million	\$1.1 Million

Economic Impact Analysis

City Government ROI

1.5% Sales Tax Sharing Scenario	25 Year Analysis	Average Annual
Estimated Taxable Sales	\$1.8 Billion	\$72 Million
General Fund Sales Tax @ 2%	\$36 Million	\$1.4 Million
PSST @ .4%	\$7.2 Million	\$286,000
TOPS @ .1%	\$1.8 Million	\$72,000
Capital Improvement (2C) @ .62%	\$11 Million	\$444,000
Sales Tax from Employment/Spending @ 3.12%	\$5.5 Million	\$220,000
TOTAL	\$62 Million	\$2.5 Million
LESS 1.5% Sales Tax Sharing	\$27 Million	\$1.1 Million
NET CITY SALES TAX REVENUE	\$35 Million	\$1.4 Million

Economic Impact Analysis

City Government ROI

1% Sales Tax Sharing Scenario	25 Year Analysis	Average Annual
Estimated Taxable Sales	\$1.8 Billion	\$72 Million
General Fund Sales Tax @ 2%	\$36 Million	\$1.4 Million
PSST @ .4%	\$7.2 Million	\$286,000
TOPS @ .1%	\$1.8 Million	\$72,000
Capital Improvement (2C) @ .62%	\$11 Million	\$444,000
Sales Tax from Employment/Spending @ 3.12%	\$5.5 Million	\$220,000
TOTAL	\$62 Million	\$2.5 Million
LESS 1% Sales Tax Sharing	\$18 Million	\$716,000
NET CITY SALES TAX REVENUE	\$44 Million	\$1.8 Million

Additional Considerations

- Retail sales cannibalization. Cannibalization is difficult to estimate. It will be highest in the early years of the analysis. As the local economy and local population grow, and vacant retail space is backfilled, cannibalization will be reduced to zero.
- After 25 years, ALL revenues will flow to the City and other jurisdictions in perpetuity. These revenues will be greatly enhanced.
- There is a cost of doing nothing. Continued deterioration and blight, reduced sales tax and property values.
- Non-quantifiable ROI. Elimination of blight. Creating an appropriate gateway for Downtown Colorado Springs and the Broadmoor. Potential for reduced calls for service. Additional catalyzed investment.

Questions?