

A Presentation to the

City of Colorado Springs – City Council



ENHANCED USE LEASING PROJECT

UNITED STATES
AIR FORCE ACADEMY
(USAFA)



June 24, 2019

BLUE & SILVER
DEVELOPMENT PARTNERS, LLC

Matrix
DESIGN GROUP

Land Use Summary



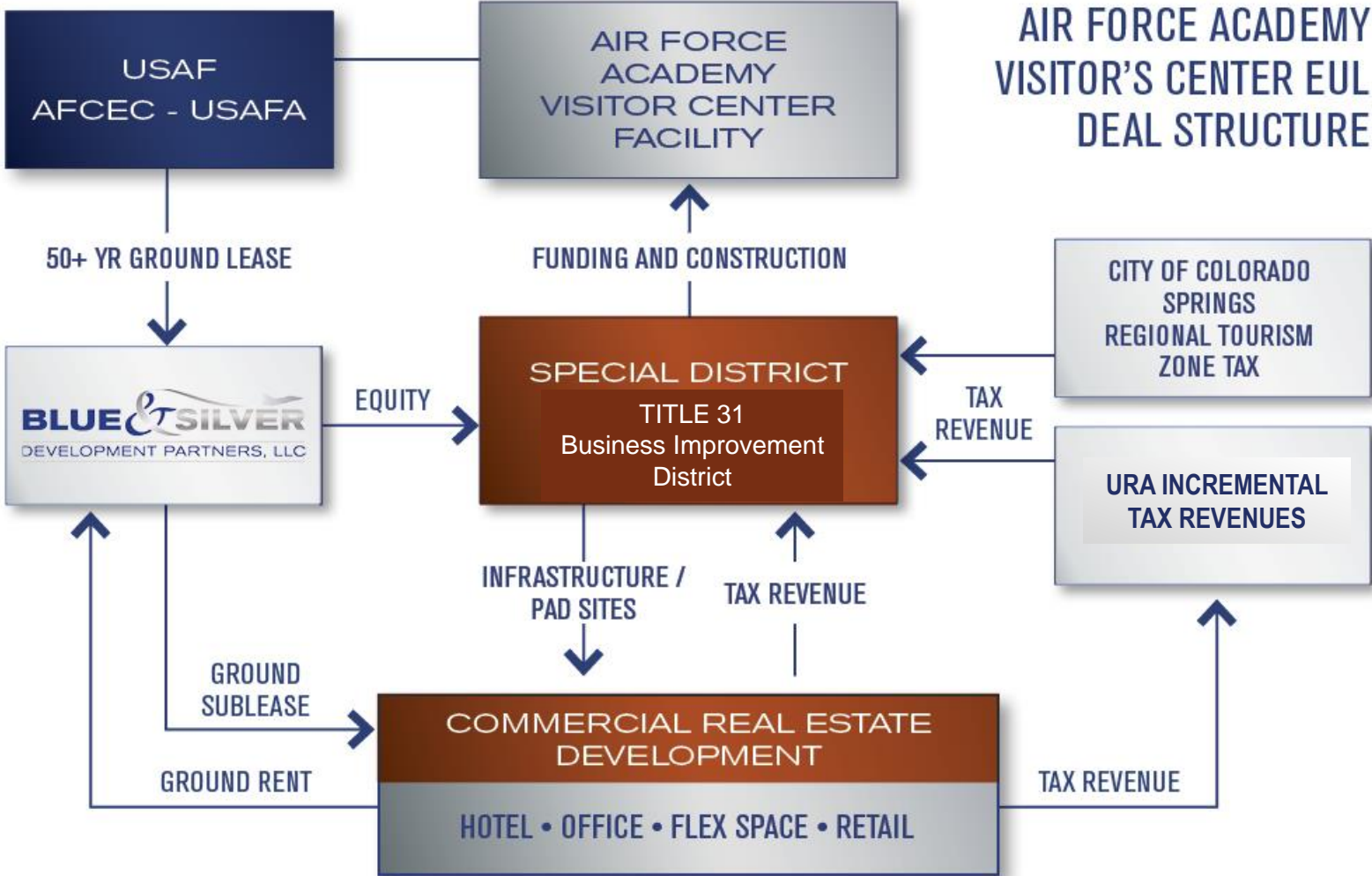
Land Use	Site Area (acres)	GFA – Achieved (sf)
Visitors Center	8.0	32,000
Hotels (2)	11.0	300,000
Commercial Retail	6.0	25,000
Office	9.0	180,000
Public Infrastructure	4.0	
Future Development	19.0	
Site Totals	57.0	537,000 +/-



Concept Development Plan – Initial Phase



Financing Structure



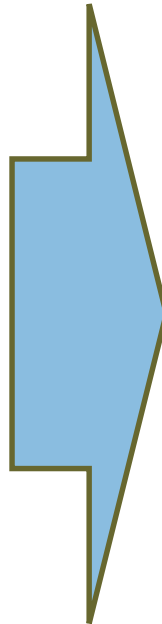
PUBLIC FINANCE STRUCTURE (\$200 +/- MILLION HOTEL/OFFICE/RETAIL PRIVATE INVESTMENT)

REGIONAL TOURISM TAX
\$13 million nominal value
(\$6.1 million in Bond Proceeds)

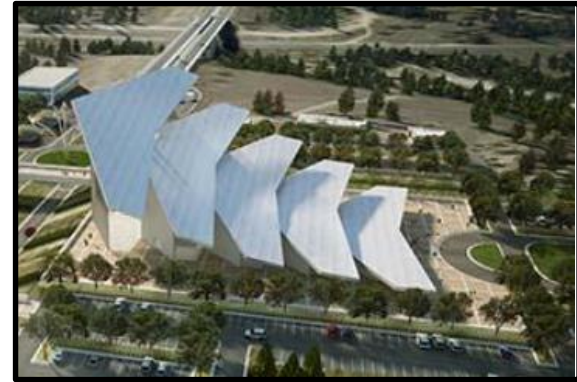
BUSINESS IMPROVEMENT DISTRICT
Capital Construction — 50 mills
O&M — 10 mills
Sales Tax PIF — 3%
Lodging PIF — 4%

URA/TAX INCREMENT
Property Tax Increment — 76.212 mills
City Sales Tax Increment — 1.75%
City LART Grant - TBD
County Sales Tax Contribution — 0.875%

US AIR FORCE ACADEMY
Visitor Center FFE — \$8 million
Contribution of Property



USAF ACADEMY VISITOR CENTER
\$42.7 million



INFRASTRUCTURE
\$16.0 million



Public Finance Plan – Sources & Uses of Funds

Sources

BID

Mill Levy - 50 mills	\$	7,108,000
S.O. Taxes	\$	426,000

URA

Property Tax Increment

City of Colorado Springs (4.279 mills)	\$	534,466
School District 20 (60.216 mills)	\$	7,521,248
El Paso County (7.965 mills)	\$	994,864
Library District (3.812 mills)	\$	476,136
SE Water Conservancy (0.939 mills)	\$	117,285
City Sales Tax Increment - 1.75%	\$	3,795,000
City Use Tax Increment - 1%	\$	540,000
County Sales Tax Contribution - 0.875%	\$	1,898,000

Add-On PIF

Sales PIF - 3%	\$	6,506,000
Lodging PIF - 4%	\$	6,411,000

RTA

Project Share of RTA Increment	\$	6,110,000
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Visitor Center FFE

US Air Force Academy	\$	8,000,000
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Additional Gap Funds

City LART Grant	\$	1,500,000
Equity/Debt/Private Contributions	\$	6,674,113

Total Sources

\$ 58,612,113

Uses

Infrastructure

Demolition/GEC	\$	2,240,000
Public Roadways/Pedestrian Bridge	\$	4,702,000
Public Water Main	\$	1,733,000
Public Sanitary Sewer	\$	600,000
Public Storm Sewer	\$	1,056,000
Gas, Electric, Telecommunications	\$	750,000
Soft Costs	\$	3,170,000
Contingency	\$	1,710,000

Total Infrastructure \$ 15,961,000

Visitor Center

Building Direct Costs	\$	27,294,023
Onsite Site Improvements	\$	3,110,768
Soft Costs	\$	2,538,014
Project Escalation Contingency	\$	1,708,308
FFE	\$	8,000,000

Total Visitor Center \$ 42,651,113

Total Uses

\$ 58,612,113



UNITED STATES AIR FORCE ACADEMY GATEWAY VISITOR CENTER

ECONOMIC AND FISCAL IMPACTS
CITY OF COLORADO SPRINGS
1.75% CITY SALES TAX SHARING
1.00% CITY USE TAX SHARING



25 Year Economic Impact Analysis - New Development

Construction (Temporary) Jobs	Jobs	Avg Wage
Direct	1,155	\$ 50,056
Indirect	255	\$ 60,966
Induced	327	\$ 42,035
Total Construction (Temporary) Jobs	1,737	\$ 50,149

Permanent Jobs	Jobs	Avg Wage
Direct	894	\$ 46,864
Indirect	32	\$ 48,623
Induced	234	\$ 42,412
Total Permanent Jobs	1,161	\$ 46,016

Economic Impact (Value Added)	25 Years	Avg Annual
Constr Impact	\$ 214,765,911	\$ 8,590,636
Permanent Impact	\$ 2,383,767,769	\$ 95,350,711
Total Economic Impact	\$ 2,598,533,680	\$ 103,941,347



25 Year Fiscal Impact Analysis - New Development Only

Dedicated Revenue -1.75% of 2% City Sales Tax	25 Years	Avg Annual
Retail Sales 2% sales tax	\$ 12,107,200	\$ 484,288
Room Sales 2% sales tax	\$ 7,610,203	\$ 304,408
City Property Tax	\$ 3,033,386	\$ 121,335
Construction Materials	\$ 731,520	\$ 29,261
Total	\$ 23,482,308	\$ 939,292

USAFA 1.75%



FISCAL IMPACT ANALYSIS

25 Year Fiscal Impact Analysis - New Development Only		
City Net Revenue - @25 years		
No Sunset of Special Fund Taxes		
City Revenue Source	25 Years	Average Annual
New Retail - .25% *	\$ 1,729,600	\$ 69,184
New Retail - 1.12%	\$ 7,748,608	\$ 309,944
Hotel Rooms - .25% *	\$ 1,087,172	\$ 43,487
Hotel Rooms - 1.12%	\$ 4,870,530	\$ 194,821
Construction Material - 2% *	\$ 731,520	\$ 29,261
Construction Materials - 1.12%	\$ 819,302	\$ 32,772
Construction Jobs - 2% *	\$ 470,272	\$ 18,811
Construction Jobs - 1.12%	\$ 263,352	\$ 10,534
Permanent Jobs - 2% *	\$ 12,401,007	\$ 496,040
Permanent Jobs - 1.12%	\$ 6,944,564	\$ 277,783
Spill Over Property Tax *	\$ 537,194	\$ 21,488
Total Net New Tax Revenue	\$ 37,603,120	\$ 1,504,125
General Fund Portion *	\$ 16,956,764	\$ 678,271
PPRTA (Estimated Revenue 70%)		
New Retail	\$ 4,504,947	\$ 180,198
Hotel Rooms	\$ 3,044,081	\$ 121,763
Construction Jobs	\$ 164,595	\$ 6,584
Permanent Jobs	\$ 4,340,352	\$ 173,614
Total New New PPRTA Revenue	\$ 12,053,976	\$ 482,159
Total New City Revenue	\$ 49,657,096	\$ 1,986,284
USAFA 1.75%		



FISCAL IMPACT ANALYSIS

25 Year Fiscal Impact Analysis - New Development Only		
City Net Revenue - @25 years		
With Sunset of PPRTA, TOPS and 2C		
City Revenue Source	25 Years	Average Annual
New Retail - .25% *	\$ 1,729,600	\$ 69,184
New Retail - 1.12%	\$ 2,917,760	\$ 116,710
Hotel Rooms - .25% *	\$ 1,087,172	\$ 43,487
Hotel Rooms - 1.12%	\$ 1,834,012	\$ 73,360
Construction Material - 2% *	\$ 731,520	\$ 29,261
Construction Materials - 1.12%	\$ 365,760	\$ 14,630
Construction Jobs - 2% *	\$ 470,272	\$ 18,811
Construction Jobs - 1.12%	\$ 117,568	\$ 4,703
Permanent Jobs - 2% *	\$ 12,401,007	\$ 496,040
Permanent Jobs - 1.12%	\$ 2,614,995	\$ 104,600
Spill Over Property Tax *	\$ 537,194	\$ 21,488
Total Net New Tax Revenue	\$ 24,806,858	\$ 992,274
General Fund Portion *	\$ 16,956,764	\$ -
PPRTA (Estimated Revenue 70%)		\$ -
New Retail	\$ 2,644,404	\$ 105,776
Hotel Rooms	\$ 1,786,876	\$ 71,475
Construction Jobs	\$ 96,617	\$ 3,865
Permanent Jobs	\$ 2,547,787	\$ -
Total New New PPRTA Revenue	\$ 7,075,684	\$ -
Total New City Revenue	\$ 31,882,542	\$ -
USAFA 1.75%		\$ -



- BSDPs Selected as Highest Rated Offeror – March '18
- Master Lease with USAFA
 - *Execute Master Lease – July '19*
- Environmental Baseline Study (EBS) and Environmental Assessment (EA)
 - *Final EBS & EA – June '19*
 - *Finding of No Significant Impact (FONSI) – July '19*
- Annexation into City of Colorado Springs (includes Master Plan and Zone Change)
 - *Complete*
- Business Improvement District Formation
 - *Complete*
- Urban Renewal Plan
 - *URA Board Approval – Complete*
 - *SEWCD Board Approval - Complete*
 - *District 20 Board Approval – Complete*
 - *Library District Board – In Progress*
 - *BOCC*
 - *City Council Adoption*
- Bond Issuance – August '19
- Construction Schedule
 - *Commence Public Infrastructure – September '19*
 - *Commence Private Development – April '20*
 - *Commence Visitor Center – October '21*



Questions & Discussion

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