

Scheels Credit PIF Agreement

Colorado Springs City Council
Work Session
February 11, 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**

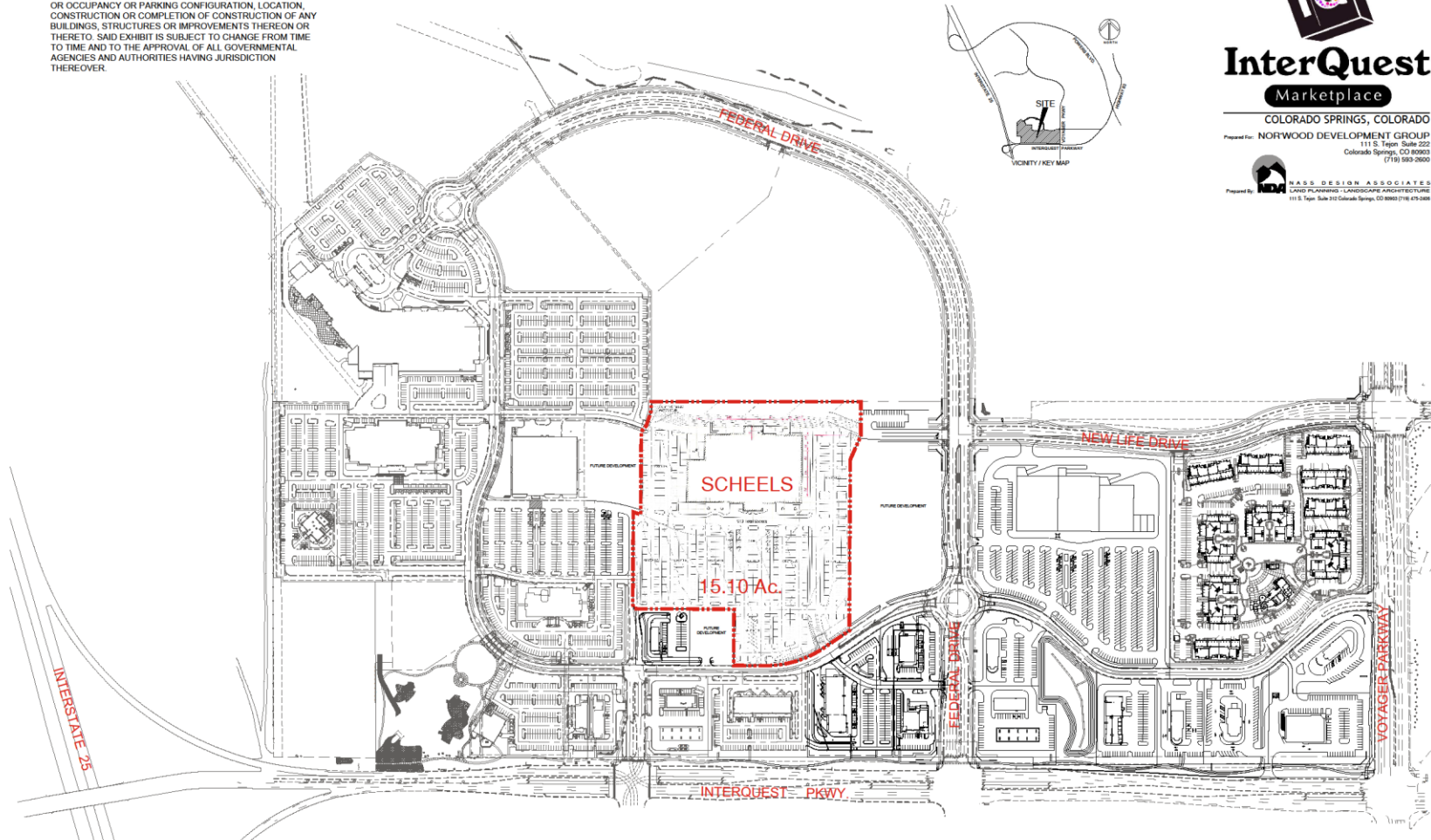
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Proposed Location NEC Interquest & I-25



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.

- 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?

