



**Economic & Planning
Systems, Inc.**
The Economics of Land Use

EL PASO COUNTY IMPACT – MORENO AND CASCADE URBAN RENEWAL AREA

DRAFT REPORT

Prepared for:

Colorado Springs Urban Renewal Authority

Prepared by:

Economic & Planning Systems, Inc.

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EPS #253042

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1. Introduction

This report includes a summary of the expected fiscal impacts of the site included in the Moreno and Cascade Urban Renewal Plan (Plan) in El Paso County (the County). The El Paso County Impact Report for Moreno and Cascade 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 and sale 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 Moreno and Cascade 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 six parcels on approximately 1.69 acres of land and adjacent right of way (ROW). The boundaries of the Plan Area to which this Plan applies includes the northwest corner of Moreno Avenue and Cascade Avenue, the residential properties at the southeast corner of Moreno Avenue and Sahwatch Street, and adjacent ROW, as illustrated in red below in **Figure 1**.

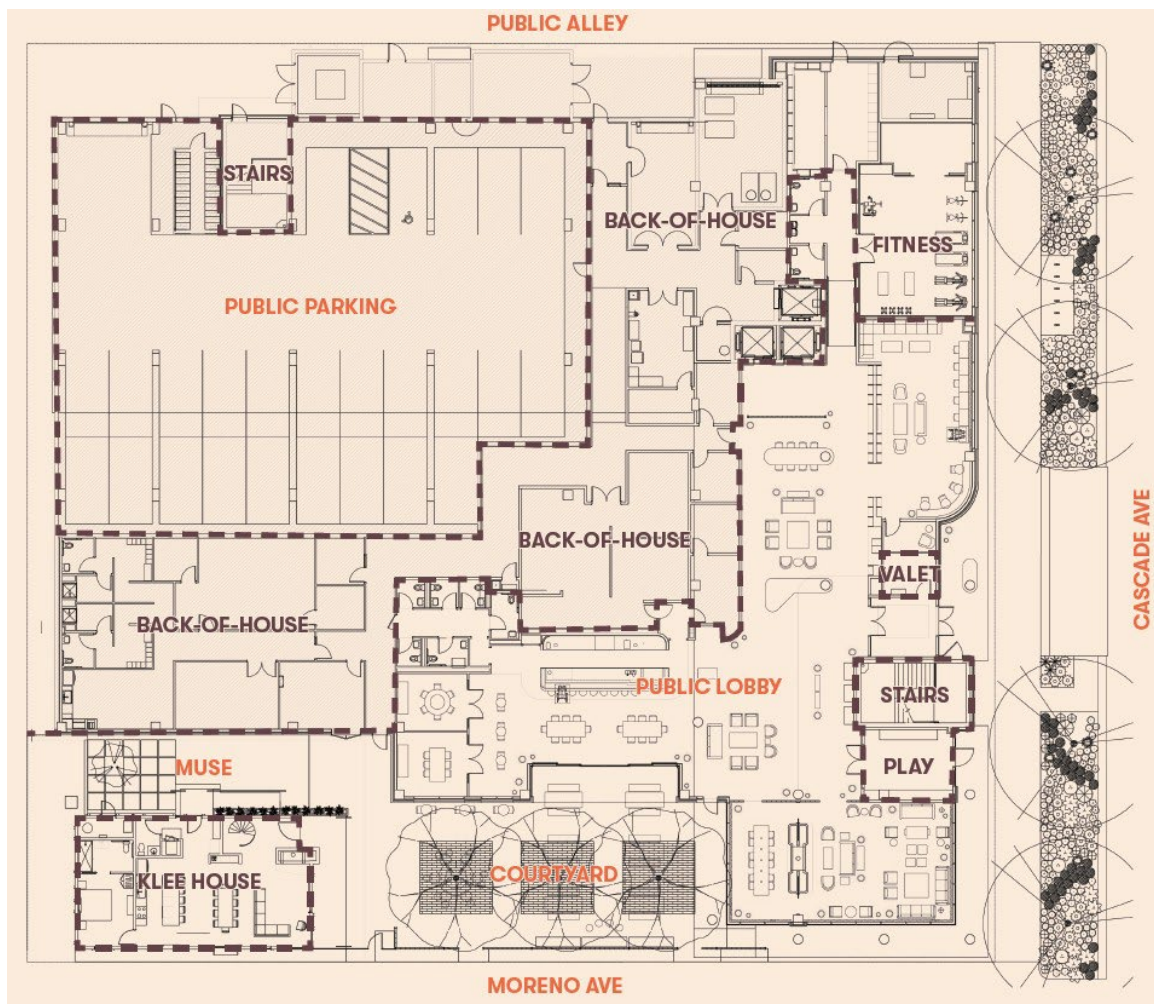
Figure 1. Moreno and Cascade Urban Renewal Plan Area



2. Development Program

The proposed projects for the Plan Area include two phases. Phase 1 includes a hotel development on Parcel 1 with associated public realm improvements on the adjacent right-of-way (ROW). The hotel includes approximately 181 hotel rooms (keys), public lobby (3,750 sq. ft.), kitchen/bar (4,843 sq. ft.), event space (6,175 sq. ft.), and public parking (30 spaces), illustrated in **Figure 2**.

Figure 2. Phase 1 Hotel Site Plan



Phase 2 will likely include residential development on Parcels 2 to 5 of medium to high density that aligns with the current zoning and land use code. The residential development is estimated to include between 77 to 115 units of attainable housing. Scenario 1 includes 77 units of stacked flats with exterior access and Scenario 2 includes 115 apartment units. The goal for this development is to offer attainable housing at 80 percent of area median income (AMI) and below. This development is conceptual in nature and the actual development program may differ. The potential development scenarios included demonstrate the range of property tax increment that could be generated from the redevelopment of the site.

Eligible Improvements

Public improvements proposed for the Moreno and Cascade URA will provide a public benefit of not only eliminating blight but also enhancing and creating a sense of place by activating Downtown. Moreno and Cascade URA includes a variety of public improvements, totaling approximately \$10.4 million, as shown below in **Table 1**. The improvements are categorized by tier to demonstrate the order they are planned to take place. Tier 1 improvements are directly related to the Phase 1 development of the hotel and total about \$5.7 million. These improvements include demolition and abatement of the existing office building, utilities, streetscape and alley improvements, and public art. In addition, amenities that are intended to service hotel guests as well as visitors/general public include the courtyard and public lobby.

Tier 2 improvements are public realm and streetscape improvements along Moreno and Cascade Avenue and structured public parking. These total about \$4.7 million. The streetscape and public realm improvements will provide connectivity improvements to nearby recent developments, such as Weidner Field to Trolley Block.

Phase 1 development is capped at the cost of eligible improvements of \$10.4 million. The remaining TIF revenue is reserved for Phase 2 with the attainable housing development that is expected to serve households earning 80 percent of area median income (AMI) or below.

Table 1. Moreno and Cascade URA Eligible Improvements

Eligible Improvements	Factor	Total	% Total	Per Key
Tier 1				
Demolition/Abatement		\$730,300	7.0%	\$4,035
Utilities		\$304,693	2.9%	\$1,683
Catbird Streetscapes		\$380,064	3.7%	\$2,100
Courtyard		\$916,776	8.8%	\$5,065
Alley Improvements		\$259,368	2.5%	\$1,433
Public Art		\$130,800	1.3%	\$723
Public Lobby (Construction & FFE)	3,750 sq. ft.	<u>\$2,988,510</u>	<u>28.8%</u>	<u>\$16,511</u>
Subtotal		\$5,710,511	55.0%	\$31,550
Tier 2				
Structured Parking		\$2,075,124	20.0%	\$11,465
Moreno Avenue Public Realm Imprv.		\$2,397,306	23.1%	\$13,245
Cascade Avenue Public Realm Imprv.		<u>\$202,025</u>	<u>1.9%</u>	<u>\$1,116</u>
Subtotal		\$4,674,455	45.0%	\$25,826
Total		\$10,384,966	100.0%	\$57,376

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 and sale tax revenues, infrastructure costs, and impacts on cost of service for the county.

Property Taxes

CSURA is expected to direct 100 percent of the El Paso County, City of Colorado Springs, School District, and Water Conservancy District property tax revenues generated by the Plan increment to the project. CSURA is expected to direct 50 percent of the Library District and 80 percent of the Downtown Development Authority (DDA) property tax revenues 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 Moreno and Cascade URA, EPS estimated market values for the hotel at \$485,000 per key and residential units at \$250,000 per unit. The estimated value is based on a comparison of construction costs, assessor data, and comparable property research. 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

Assessed value is calculated for local government (non-school) entities and school districts separately. For residential uses, the local government assessment rate is 6.25 percent and the school assessment rate is 7.05 percent. Commercial property and vacant land are assessed at 27.0 percent for local government and school districts. This results in a local government assessed value of \$599,952 and school assessed value of \$609,641, shown below in **Table 2**.

The base reflects the total value of the land and improvements 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. Assessment rates are set by the State Legislature and are subject to change each year.

Table 2. Property Base Value, 2025

Location	Land Use	Local Government Assessed Value			School Assessed Value		
		Land	Imp.	Total	Land	Imp.	Total
524 S Cascade Ave	Office	\$123,633	\$383,968	\$507,601	\$123,633	\$383,968	\$507,601
601 Sahwatch St	Residential	\$3,856	\$15,803	\$19,659	\$4,350	\$17,826	\$22,175
25 W Moreno Ave	Residential	\$3,856	\$15,493	\$19,349	\$4,350	\$17,476	\$21,825
21 W Moreno Ave	Residential	\$3,856	\$15,014	\$18,871	\$4,350	\$16,936	\$21,286
19 W Moreno Ave	Residential	\$3,856	\$13,958	\$17,814	\$4,350	\$15,745	\$20,095
11 W Moreno Ave	Vacant	<u>\$16,659</u>	<u>\$0</u>	<u>\$16,659</u>	<u>\$16,659</u>	<u>\$0</u>	<u>\$16,659</u>
Total		\$155,717	\$444,235	\$599,952	\$157,691	\$451,950	\$609,641

Source: El Paso County Assessor; Economic & Planning Systems

The 2025 mill levies for all parcels in the taxing district are shown in **Table 3**. The total mill levy in 2025 is 60.3610, but only 57.4610 mills are projected to be pledged for 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. This assumes a 50 percent pledge from Pikes Peak Library District and an 80 percent pledge from Colorado Springs DDA. The road and bridge shares are ineligible funds for TIF because they are a dedicated revenue stream. The total local government mill levy for TIF is 16.8560 mills and school mill levy for TIF is 40.6050 mills.

Table 3. Mill Levies, 2025

Description	Mill Levy	TIF Share	TIF Mill Levy
Non-School Local Government			
EL PASO COUNTY	6.985	100%	6.9850
EPC ROAD & BRIDGE SHARE	0.165	0%	0.0000
CITY OF COLORADO SPRINGS	3.554	100%	3.5540
EPC-COLORADO SPGS ROAD & BRIDGE SHARE	0.165	0%	0.0000
PIKES PEAK LIBRARY DISTRICT	3.140	50%	1.5700
SOUTHEASTERN COLO WATER CONSERVANCY DISTRICT	0.747	100%	0.7470
CS DOWNTOWN DEVELOPMENT AUTHORITY	5.000	80%	4.0000
CS DOWNTOWN DEV AUTHORITY(TIF DDA)	<u>0.000</u>	0%	<u>0.0000</u>
Subtotal	19.7560		16.8560
School			
COLO SPGS SCHOOL DISTRICT #11	40.605	100%	40.6050
Total	60.3610		57.4610

Source: El Paso County Assessor; Economic & Planning Systems

Property Tax Increment

Based on the assumptions stated above and information from the Developer, in 2050 the cumulative value of the hotel development is estimated at \$125.5 million, as shown below in **Table 4**. In 2025, the residential development is estimated to have a value between \$27.5 million in Scenario 1 and \$41.1 million in Scenario 2. The future property taxes due to new development are referred to as the increment. The increment is calculated for each development scenario for local government and school district. This identifies the range of estimated property TIF based on the development scenarios for each type of taxing entity.

Table 4. Estimated Development Value, 2025-2050

Year	Plan Yr.	Scenario 1 ¹			Scenario 2 ¹		
		Hotel \$485,000/key 181 units	Residential \$250,000/unit 77 units	TOTAL	Hotel \$485,000/sf 181 units	Residential \$250,000/unit 115 units	TOTAL
2025	0	\$0	\$0	\$0	\$0	\$0	\$0
2026	1	\$43,892,500	\$0	\$43,892,500	\$43,892,500	\$0	\$43,892,500
2027	2	\$89,101,775	\$0	\$89,101,775	\$89,101,775	\$0	\$89,101,775
2028	3	\$90,438,302	\$9,915,916	\$100,354,217	\$90,438,302	\$14,809,484	\$105,247,786
2029	4	\$91,794,876	\$20,129,309	\$111,924,185	\$91,794,876	\$30,063,253	\$121,858,129
2030	5	\$93,171,799	\$20,431,248	\$113,603,048	\$93,171,799	\$30,514,202	\$123,686,001
2031	6	\$94,569,376	\$20,737,717	\$115,307,093	\$94,569,376	\$30,971,915	\$125,541,291
2032	7	\$95,987,917	\$21,048,783	\$117,036,700	\$95,987,917	\$31,436,494	\$127,424,411
2033	8	\$97,427,736	\$21,364,515	\$118,792,250	\$97,427,736	\$31,908,041	\$129,335,777
2034	9	\$98,889,152	\$21,684,982	\$120,574,134	\$98,889,152	\$32,386,662	\$131,275,814
2035	10	\$100,372,489	\$22,010,257	\$122,382,746	\$100,372,489	\$32,872,462	\$133,244,951
2036	11	\$101,878,076	\$22,340,411	\$124,218,487	\$101,878,076	\$33,365,549	\$135,243,625
2037	12	\$103,406,247	\$22,675,517	\$126,081,765	\$103,406,247	\$33,866,032	\$137,272,279
2038	13	\$104,957,341	\$23,015,650	\$127,972,991	\$104,957,341	\$34,374,022	\$139,331,364
2039	14	\$106,531,701	\$23,360,885	\$129,892,586	\$106,531,701	\$34,889,633	\$141,421,334
2040	15	\$108,129,677	\$23,711,298	\$131,840,975	\$108,129,677	\$35,412,977	\$143,542,654
2041	16	\$109,751,622	\$24,066,967	\$133,818,589	\$109,751,622	\$35,944,172	\$145,695,794
2042	17	\$111,397,896	\$24,427,972	\$135,825,868	\$111,397,896	\$36,483,334	\$147,881,231
2043	18	\$113,068,865	\$24,794,391	\$137,863,256	\$113,068,865	\$37,030,585	\$150,099,449
2044	19	\$114,764,898	\$25,166,307	\$139,931,205	\$114,764,898	\$37,586,043	\$152,350,941
2045	20	\$116,486,371	\$25,543,802	\$142,030,173	\$116,486,371	\$38,149,834	\$154,636,205
2046	21	\$118,233,667	\$25,926,959	\$144,160,626	\$118,233,667	\$38,722,081	\$156,955,748
2047	22	\$120,007,172	\$26,315,863	\$146,323,035	\$120,007,172	\$39,302,913	\$159,310,084
2048	23	\$121,807,279	\$26,710,601	\$148,517,881	\$121,807,279	\$39,892,456	\$161,699,736
2049	24	\$123,634,389	\$27,111,260	\$150,745,649	\$123,634,389	\$40,490,843	\$164,125,232
2050	25	\$125,488,904	\$27,517,929	\$153,006,833	\$125,488,904	\$41,098,206	\$166,587,110

¹ Reflects annual escalation of 1.5%

Source: Economic & Planning Systems

Scenario 1

In Scenario 1, Moreno and Cascade is expected to generate approximately \$5.5 million in local government property tax increment over the 25-year period, which equates to an annual average of approximately \$218,800, as shown in **Table 5**. The present value, assuming a 6.0 percent discount rate, equates to \$2.6 million or an average of \$104,100 per year. The school property tax increment for Scenario 1 is estimated at \$13.3 million over the 25-year period, which equates to an annual average of approximately \$532,100, as shown in **Table 6**. The present value, assuming a 6.0 percent discount rate, equates to \$6.3 million or an average of \$253,100 per year. Following the 25-year period, the property tax that was redirected through the URA will revert to the original taxing entities.

Table 5. Scenario 1 Estimated Property Tax Increment Local Government, 2025-2051

Year	Plan Yr.	Appraised Val.		Local Government Assessed Value (1-Yr. Lag) ^[1]				Property Tax Increment (1-Yr. Lag) 16.856 mill levy	TIF Present Value (1-Yr. Lag) 6.00%
		Hotel 50.0% of Act.	Residential 90.0% of Act.	Base Val. ^[2]	Hotel 27.000%	Residential 6.250%	Increment Val.		
2025	0	\$0	\$0	\$599,952	\$0	\$0	\$0	\$0	\$0
2026	1	\$21,946,250	\$0	\$599,952	\$0	\$0	\$0	\$0	\$0
2027	2	\$44,550,888	\$0	\$617,951	\$5,925,488	\$0	\$5,307,537	\$0	\$0
2028	3	\$45,219,151	\$8,924,324	\$617,951	\$12,028,740	\$0	\$11,410,789	\$89,464	\$79,622
2029	4	\$45,897,438	\$18,116,378	\$636,489	\$12,209,171	\$557,770	\$12,130,452	\$192,340	\$161,493
2030	5	\$46,585,900	\$18,388,124	\$636,489	\$12,209,171	\$1,132,274	\$12,704,955	\$204,471	\$161,960
2031	6	\$47,284,688	\$18,663,945	\$655,584	\$12,578,193	\$1,149,258	\$13,071,867	\$214,155	\$160,029
2032	7	\$47,993,958	\$18,943,905	\$655,584	\$12,578,193	\$1,149,258	\$13,071,867	\$220,339	\$155,331
2033	8	\$48,713,868	\$19,228,063	\$675,252	\$12,958,369	\$1,183,994	\$13,467,111	\$220,339	\$146,538
2034	9	\$49,444,576	\$19,516,484	\$675,252	\$12,958,369	\$1,183,994	\$13,467,111	\$227,002	\$142,424
2035	10	\$50,186,244	\$19,809,231	\$695,509	\$13,350,035	\$1,219,780	\$13,874,307	\$227,002	\$134,362
2036	11	\$50,939,038	\$20,106,370	\$695,509	\$13,350,035	\$1,219,780	\$13,874,307	\$233,865	\$130,589
2037	12	\$51,703,124	\$20,407,965	\$716,374	\$13,753,540	\$1,256,648	\$14,293,814	\$233,865	\$123,197
2038	13	\$52,478,671	\$20,714,085	\$716,374	\$13,753,540	\$1,256,648	\$14,293,814	\$240,937	\$119,738
2039	14	\$53,265,851	\$21,024,796	\$737,866	\$14,169,241	\$1,294,630	\$14,726,006	\$240,937	\$112,960
2040	15	\$54,064,838	\$21,340,168	\$737,866	\$14,169,241	\$1,294,630	\$14,726,006	\$248,222	\$109,789
2041	16	\$54,875,811	\$21,660,271	\$760,002	\$14,597,506	\$1,333,761	\$15,171,265	\$248,222	\$103,574
2042	17	\$55,698,948	\$21,985,175	\$760,002	\$14,597,506	\$1,333,761	\$15,171,265	\$255,727	\$100,666
2043	18	\$56,534,432	\$22,314,952	\$782,802	\$15,038,716	\$1,374,073	\$15,629,988	\$255,727	\$94,968
2044	19	\$57,382,449	\$22,649,677	\$782,802	\$15,038,716	\$1,374,073	\$15,629,988	\$263,459	\$92,301
2045	20	\$58,243,186	\$22,989,422	\$806,286	\$15,493,261	\$1,415,605	\$16,102,580	\$263,459	\$87,077
2046	21	\$59,116,833	\$23,334,263	\$806,286	\$15,493,261	\$1,415,605	\$16,102,580	\$271,425	\$84,632
2047	22	\$60,003,586	\$23,684,277	\$830,474	\$15,961,545	\$1,458,391	\$16,589,462	\$271,425	\$79,841
2048	23	\$60,903,640	\$24,039,541	\$830,474	\$15,961,545	\$1,458,391	\$16,589,462	\$279,632	\$77,599
2049	24	\$61,817,194	\$24,400,134	\$855,389	\$16,443,983	\$1,502,471	\$17,091,066	\$279,632	\$73,207
2050	25	\$62,744,452	\$24,766,136	\$855,389	\$16,443,983	\$1,502,471	\$17,091,066	\$288,087	\$71,151
Total Avg.								\$5,469,731 \$218,789	\$2,603,048 \$104,122
2051				\$881,050	\$16,941,002	\$1,547,884	\$17,607,835	\$288,087	\$67,124

^[1] Reflects a biannual reassessment.

^[2] Biannual escalation of 3.0%

Source: Economic & Planning Systems

Table 6. Scenario 1 Estimated Property Tax Increment School, 2025-2051

Year	Plan Yr.	Appraised Val.		School Assessed Value (1-Yr. Lag) ^[1]				Property Tax Increment (1-Yr. Lag) 40.605 mill levy	TIF Present Value (1-Yr. Lag) 6.00%
		Hotel 50.0% of Act.	Residential 90.0% of Act.	Base Val. ^[2]	Hotel 27.000%	Residential 7.050%	Increment Val.		
2025	0	\$0	\$0	\$609,641	\$0	\$0		\$0	\$0
2026	1	\$21,946,250	\$0	\$609,641	\$0	\$0	\$0	\$0	\$0
2027	2	\$44,550,888	\$0	\$627,930	\$5,925,488	\$0	\$5,297,557	\$0	\$0
2028	3	\$45,219,151	\$8,924,324	\$627,930	\$12,028,740	\$0	\$11,400,809	\$215,107	\$191,445
2029	4	\$45,897,438	\$18,116,378	\$646,768	\$12,209,171	\$629,165	\$12,191,567	\$462,930	\$388,685
2030	5	\$46,585,900	\$18,388,124	\$646,768	\$12,209,171	\$1,277,205	\$12,839,607	\$495,039	\$392,117
2031	6	\$47,284,688	\$18,663,945	\$666,171	\$12,578,193	\$1,296,363	\$13,208,384	\$521,352	\$389,585
2032	7	\$47,993,958	\$18,943,905	\$666,171	\$12,578,193	\$1,296,363	\$13,208,384	\$536,326	\$378,089
2033	8	\$48,713,868	\$19,228,063	\$686,156	\$12,958,369	\$1,335,545	\$13,607,758	\$536,326	\$356,688
2034	9	\$49,444,576	\$19,516,484	\$686,156	\$12,958,369	\$1,335,545	\$13,607,758	\$552,543	\$346,672
2035	10	\$50,186,244	\$19,809,231	\$706,741	\$13,350,035	\$1,375,912	\$14,019,207	\$552,543	\$327,049
2036	11	\$50,939,038	\$20,106,370	\$706,741	\$13,350,035	\$1,375,912	\$14,019,207	\$569,250	\$317,866
2037	12	\$51,703,124	\$20,407,965	\$727,943	\$13,753,540	\$1,417,499	\$14,443,096	\$569,250	\$299,874
2038	13	\$52,478,671	\$20,714,085	\$727,943	\$13,753,540	\$1,417,499	\$14,443,096	\$586,462	\$291,454
2039	14	\$53,265,851	\$21,024,796	\$749,781	\$14,169,241	\$1,460,343	\$14,879,803	\$586,462	\$274,956
2040	15	\$54,064,838	\$21,340,168	\$749,781	\$14,169,241	\$1,460,343	\$14,879,803	\$604,194	\$267,236
2041	16	\$54,875,811	\$21,660,271	\$772,275	\$14,597,506	\$1,504,482	\$15,329,713	\$604,194	\$252,109
2042	17	\$55,698,948	\$21,985,175	\$772,275	\$14,597,506	\$1,504,482	\$15,329,713	\$622,463	\$245,030
2043	18	\$56,534,432	\$22,314,952	\$795,443	\$15,038,716	\$1,549,955	\$15,793,228	\$622,463	\$231,161
2044	19	\$57,382,449	\$22,649,677	\$795,443	\$15,038,716	\$1,549,955	\$15,793,228	\$641,284	\$224,670
2045	20	\$58,243,186	\$22,989,422	\$819,306	\$15,493,261	\$1,596,802	\$16,270,757	\$641,284	\$211,953
2046	21	\$59,116,833	\$23,334,263	\$819,306	\$15,493,261	\$1,596,802	\$16,270,757	\$660,674	\$206,001
2047	22	\$60,003,586	\$23,684,277	\$843,886	\$15,961,545	\$1,645,066	\$16,762,725	\$660,674	\$194,341
2048	23	\$60,903,640	\$24,039,541	\$843,886	\$15,961,545	\$1,645,066	\$16,762,725	\$680,650	\$188,884
2049	24	\$61,817,194	\$24,400,134	\$869,202	\$16,443,983	\$1,694,788	\$17,269,568	\$680,650	\$178,192
2050	25	\$62,744,452	\$24,766,136	\$869,202	\$16,443,983	\$1,694,788	\$17,269,568	\$701,231	\$173,189
Total Avg.								\$13,303,353 \$532,134	\$6,327,245 \$253,090
2051				\$895,278	\$16,941,002	\$1,746,013	\$17,791,736	\$701,231	\$163,386

^[1]Reflects a biannual reassessment.

^[2] Biannual escalation of 3.0%

Source: Economic & Planning Systems

Scenario 2

In Scenario 2, Moreno and Cascade is expected to generate approximately \$5.7 million in local government property tax increment over the 25-year period, which equates to an annual average of approximately \$227,600, as shown in **Table 7**. The present value, assuming a 6.0 percent discount rate, equates to \$2.7 million or an average of \$108,100 per year. The school property tax increment for Scenario 2 is estimated at \$13.9 million over the 25-year period, which equates to an annual average of approximately \$556,200, as shown in **Table 8**. The present value, assuming a 6.0 percent discount rate, equates to \$6.6 million or an average of \$263,900 per year. Following the 25-year period, the property tax that was redirected through the URA will revert to the original taxing entities.

Table 7. Scenario 2 Estimated Property Tax Increment Local Government, 2025-2051

Year	Plan Yr.	Appraised Val.		Local Government Assessed Value (1-Yr. Lag) ^[1]				Property Tax Increment (1-Yr. Lag) 16.856 mill levy	TIF Present Value (1-Yr. Lag) 6.00%
		Hotel 50.0% of Act.	Residential 90.0% of Act.	Base Val. ^[2]	Hotel 27.000%	Residential 6.250%	Increment Val.		
2025	0	\$0	\$0	\$599,952	\$0	\$0	\$0	\$0	\$0
2026	1	\$21,946,250	\$0	\$599,952	\$0	\$0	\$0	\$0	\$0
2027	2	\$44,550,888	\$0	\$617,951	\$5,925,488	\$0	\$5,307,537	\$0	\$0
2028	3	\$45,219,151	\$13,328,536	\$617,951	\$12,028,740	\$0	\$11,410,789	\$89,464	\$79,622
2029	4	\$45,897,438	\$27,056,928	\$636,489	\$12,209,171	\$833,033	\$12,405,715	\$192,340	\$161,493
2030	5	\$46,585,900	\$27,462,782	\$636,489	\$12,209,171	\$1,691,058	\$13,263,739	\$209,111	\$165,635
2031	6	\$47,284,688	\$27,874,724	\$655,584	\$12,578,193	\$1,716,424	\$13,639,033	\$223,574	\$167,067
2032	7	\$47,993,958	\$28,292,844	\$655,584	\$12,578,193	\$1,716,424	\$13,639,033	\$229,900	\$162,070
2033	8	\$48,713,868	\$28,717,237	\$675,252	\$12,958,369	\$1,768,303	\$14,051,420	\$229,900	\$152,896
2034	9	\$49,444,576	\$29,147,996	\$675,252	\$12,958,369	\$1,768,303	\$14,051,420	\$236,851	\$148,603
2035	10	\$50,186,244	\$29,585,216	\$695,509	\$13,350,035	\$1,821,750	\$14,476,276	\$236,851	\$140,192
2036	11	\$50,939,038	\$30,028,994	\$695,509	\$13,350,035	\$1,821,750	\$14,476,276	\$244,012	\$136,255
2037	12	\$51,703,124	\$30,479,429	\$716,374	\$13,753,540	\$1,876,812	\$14,913,978	\$244,012	\$128,543
2038	13	\$52,478,671	\$30,936,620	\$716,374	\$13,753,540	\$1,876,812	\$14,913,978	\$251,390	\$124,933
2039	14	\$53,265,851	\$31,400,669	\$737,866	\$14,169,241	\$1,933,539	\$15,364,914	\$251,390	\$117,861
2040	15	\$54,064,838	\$31,871,680	\$737,866	\$14,169,241	\$1,933,539	\$15,364,914	\$258,991	\$114,552
2041	16	\$54,875,811	\$32,349,755	\$760,002	\$14,597,506	\$1,991,980	\$15,829,485	\$258,991	\$108,068
2042	17	\$55,698,948	\$32,835,001	\$760,002	\$14,597,506	\$1,991,980	\$15,829,485	\$266,822	\$105,033
2043	18	\$56,534,432	\$33,327,526	\$782,802	\$15,038,716	\$2,052,188	\$16,308,102	\$266,822	\$99,088
2044	19	\$57,382,449	\$33,827,439	\$782,802	\$15,038,716	\$2,052,188	\$16,308,102	\$274,889	\$96,306
2045	20	\$58,243,186	\$34,334,851	\$806,286	\$15,493,261	\$2,114,215	\$16,801,190	\$274,889	\$90,855
2046	21	\$59,116,833	\$34,849,873	\$806,286	\$15,493,261	\$2,114,215	\$16,801,190	\$283,201	\$88,303
2047	22	\$60,003,586	\$35,372,621	\$830,474	\$15,961,545	\$2,178,117	\$17,309,188	\$283,201	\$83,305
2048	23	\$60,903,640	\$35,903,211	\$830,474	\$15,961,545	\$2,178,117	\$17,309,188	\$291,764	\$80,966
2049	24	\$61,817,194	\$36,441,759	\$855,389	\$16,443,983	\$2,243,951	\$17,832,545	\$291,764	\$76,383
2050	25	\$62,744,452	\$36,988,385	\$855,389	\$16,443,983	\$2,243,951	\$17,832,545	\$300,585	\$74,238
Total Avg.								\$5,690,712	\$2,702,268
								\$227,628	\$108,091
2051				\$881,050	\$16,941,002	\$2,311,774	\$18,371,726	\$300,585	\$70,036

^[1] Reflects a biannual reassessment.

^[2] Biannual escalation of 3.0%

Source: Economic & Planning Systems

Table 8. Scenario 2 Estimated Property Tax Increment School, 2025-2051

Year	Plan Yr.	Appraised Val.		School Assessed Value (1-Yr. Lag) ^[1]				Property Tax Increment (1-Yr. Lag) 40.605 mill levy	TIF Present Value (1-Yr. Lag) 6.00%
		Hotel 50.0% of Act.	Residential 90.0% of Act.	Base Val. ^[2]	Hotel 27.000%	Residential 7.050%	Increment Val.		
2025	0	\$0	\$0	\$609,641	\$0	\$0	\$0	\$0	\$0
2026	1	\$21,946,250	\$0	\$609,641	\$0	\$0	\$0	\$0	\$0
2027	2	\$44,550,888	\$0	\$627,930	\$5,925,488	\$0	\$5,297,557	\$0	\$0
2028	3	\$45,219,151	\$13,328,536	\$627,930	\$12,028,740	\$0	\$11,400,809	\$215,107	\$191,445
2029	4	\$45,897,438	\$27,056,928	\$646,768	\$12,209,171	\$939,662	\$12,502,064	\$462,930	\$388,685
2030	5	\$46,585,900	\$27,462,782	\$646,768	\$12,209,171	\$1,907,513	\$13,469,916	\$507,646	\$402,103
2031	6	\$47,284,688	\$27,874,724	\$666,171	\$12,578,193	\$1,936,126	\$13,848,148	\$546,946	\$408,710
2032	7	\$47,993,958	\$28,292,844	\$666,171	\$12,578,193	\$1,936,126	\$13,848,148	\$562,304	\$396,402
2033	8	\$48,713,868	\$28,717,237	\$686,156	\$12,958,369	\$1,994,646	\$14,266,858	\$562,304	\$373,964
2034	9	\$49,444,576	\$29,147,996	\$686,156	\$12,958,369	\$1,994,646	\$14,266,858	\$579,306	\$363,464
2035	10	\$50,186,244	\$29,585,216	\$706,741	\$13,350,035	\$2,054,934	\$14,698,228	\$579,306	\$342,890
2036	11	\$50,939,038	\$30,028,994	\$706,741	\$13,350,035	\$2,054,934	\$14,698,228	\$596,822	\$333,262
2037	12	\$51,703,124	\$30,479,429	\$727,943	\$13,753,540	\$2,117,044	\$15,142,641	\$596,822	\$314,398
2038	13	\$52,478,671	\$30,936,620	\$727,943	\$13,753,540	\$2,117,044	\$15,142,641	\$614,867	\$305,570
2039	14	\$53,265,851	\$31,400,669	\$749,781	\$14,169,241	\$2,181,032	\$15,600,491	\$614,867	\$288,274
2040	15	\$54,064,838	\$31,871,680	\$749,781	\$14,169,241	\$2,181,032	\$15,600,491	\$633,458	\$280,179
2041	16	\$54,875,811	\$32,349,755	\$772,275	\$14,597,506	\$2,246,953	\$16,072,185	\$633,458	\$264,320
2042	17	\$55,698,948	\$32,835,001	\$772,275	\$14,597,506	\$2,246,953	\$16,072,185	\$652,611	\$256,898
2043	18	\$56,534,432	\$33,327,526	\$795,443	\$15,038,716	\$2,314,868	\$16,558,140	\$652,611	\$242,357
2044	19	\$57,382,449	\$33,827,439	\$795,443	\$15,038,716	\$2,314,868	\$16,558,140	\$672,343	\$235,551
2045	20	\$58,243,186	\$34,334,851	\$819,306	\$15,493,261	\$2,384,834	\$17,058,789	\$672,343	\$222,218
2046	21	\$59,116,833	\$34,849,873	\$819,306	\$15,493,261	\$2,384,834	\$17,058,789	\$692,672	\$215,978
2047	22	\$60,003,586	\$35,372,621	\$843,886	\$15,961,545	\$2,456,916	\$17,574,575	\$692,672	\$203,753
2048	23	\$60,903,640	\$35,903,211	\$843,886	\$15,961,545	\$2,456,916	\$17,574,575	\$713,616	\$198,032
2049	24	\$61,817,194	\$36,441,759	\$869,202	\$16,443,983	\$2,531,176	\$18,105,957	\$713,616	\$186,823
2050	25	\$62,744,452	\$36,988,385	\$869,202	\$16,443,983	\$2,531,176	\$18,105,957	\$735,192	\$181,577
Total Avg.								\$13,903,819 \$556,153	\$6,596,853 \$263,874
2051				\$895,278	\$16,941,002	\$2,607,681	\$18,653,405	\$735,192	\$171,299

^[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 6.9850 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 \$4,191, shown in **Table 9**. This base amount is expected to grow at 3.0 percent every two years resulting in an annual amount of \$5,975 for El Paso County in year 25 and generating a total of approximately \$126,700 over the 25-year period. After the 25-year period is complete, the County’s share of property tax revenues will increase to between \$125,500 in Scenario 1 to \$130,700 in Scenario 2 due to the new development. This includes between \$119,400 in Scenario 1 to \$124,600 in Scenario 2 generated by the property tax increment from Moreno and Cascade URA.

Table 9. El Paso County Property Tax Revenue, 2026-2051

Year	Plan Yr.	El Paso County Property Tax: 6.985 mills				
		Base	Scenario 1 Incr. 1-Yr. Lag	Total Base + Incr.	Scenario 2 Incr. 1-Yr. Lag	Total Base + Incr.
2026	1	\$4,191	\$0	\$4,191	\$0	\$4,191
2027	2	\$4,316	\$0	\$4,316	\$0	\$4,316
2028	3	\$4,316	\$37,073	\$41,390	\$37,073	\$41,390
2029	4	\$4,446	\$79,704	\$84,150	\$79,704	\$84,150
2030	5	\$4,446	\$84,731	\$89,177	\$86,654	\$91,100
2031	6	\$4,579	\$88,744	\$93,323	\$92,647	\$97,226
2032	7	\$4,579	\$91,307	\$95,886	\$95,269	\$99,848
2033	8	\$4,717	\$91,307	\$96,024	\$95,269	\$99,985
2034	9	\$4,717	\$94,068	\$98,784	\$98,149	\$102,866
2035	10	\$4,858	\$94,068	\$98,926	\$98,149	\$103,007
2036	11	\$4,858	\$96,912	\$101,770	\$101,117	\$105,975
2037	12	\$5,004	\$96,912	\$101,916	\$101,117	\$106,121
2038	13	\$5,004	\$99,842	\$104,846	\$104,174	\$109,178
2039	14	\$5,154	\$99,842	\$104,996	\$104,174	\$109,328
2040	15	\$5,154	\$102,861	\$108,015	\$107,324	\$112,478
2041	16	\$5,309	\$102,861	\$108,170	\$107,324	\$112,633
2042	17	\$5,309	\$105,971	\$111,280	\$110,569	\$115,878
2043	18	\$5,468	\$105,971	\$111,439	\$110,569	\$116,037
2044	19	\$5,468	\$109,175	\$114,643	\$113,912	\$119,380
2045	20	\$5,632	\$109,175	\$114,807	\$113,912	\$119,544
2046	21	\$5,632	\$112,477	\$118,108	\$117,356	\$122,988
2047	22	\$5,801	\$112,477	\$118,277	\$117,356	\$123,157
2048	23	\$5,801	\$115,877	\$121,678	\$120,905	\$126,706
2049	24	\$5,975	\$115,877	\$121,852	\$120,905	\$126,880
2050	25	\$5,975	\$119,381	\$125,356	\$124,560	\$130,535
Total		\$126,707	\$2,266,616	\$2,393,323	\$2,358,188	\$2,484,896
Future Tax Revenue						
2051		\$6,154	\$119,381	\$125,535	\$124,560	\$130,714

Source: Economic & Planning Systems

Colorado Springs School District 11 Impact

The Plan Area is located within the Colorado Springs School District 11, which has a 40.6050 mill levy. The School District's share of the current property tax base is \$24,754, shown in **Table 10**, 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 approximately \$35,294 in year 25 and generating a total of \$748,500 over the 25-year period. After the 25-year period is complete, the School District's share of property tax revenues will increase to between \$737,600 in Scenario 1 to \$771,500 in Scenario 2 due to the new development. This includes about \$701,200 in Scenario 1 and \$735,200 in Scenario 2 generated by the property tax increment from Moreno and Cascade URA.

Table 10. School District Property Tax Revenue, 2026-2051

Year	Plan Yr.	School Property Tax: 40.605 mills				
		Base	Scenario 1 Incr. 1-Yr. Lag	Total Base + Incr.	Scenario 2 Incr. 1-Yr. Lag	Total Base + Incr.
2026	1	\$24,754	\$0	\$24,754	\$0	\$24,754
2027	2	\$25,497	\$0	\$25,497	\$0	\$25,497
2028	3	\$25,497	\$215,107	\$240,604	\$215,107	\$240,604
2029	4	\$26,262	\$462,930	\$489,192	\$462,930	\$489,192
2030	5	\$26,262	\$495,039	\$521,301	\$507,646	\$533,908
2031	6	\$27,050	\$521,352	\$548,402	\$546,946	\$573,996
2032	7	\$27,050	\$536,326	\$563,376	\$562,304	\$589,354
2033	8	\$27,861	\$536,326	\$564,188	\$562,304	\$590,165
2034	9	\$27,861	\$552,543	\$580,404	\$579,306	\$607,167
2035	10	\$28,697	\$552,543	\$581,240	\$579,306	\$608,003
2036	11	\$28,697	\$569,250	\$597,947	\$596,822	\$625,519
2037	12	\$29,558	\$569,250	\$598,808	\$596,822	\$626,380
2038	13	\$29,558	\$586,462	\$616,020	\$614,867	\$644,425
2039	14	\$30,445	\$586,462	\$616,907	\$614,867	\$645,312
2040	15	\$30,445	\$604,194	\$634,639	\$633,458	\$663,903
2041	16	\$31,358	\$604,194	\$635,553	\$633,458	\$664,816
2042	17	\$31,358	\$622,463	\$653,821	\$652,611	\$683,969
2043	18	\$32,299	\$622,463	\$654,762	\$652,611	\$684,910
2044	19	\$32,299	\$641,284	\$673,583	\$672,343	\$704,642
2045	20	\$33,268	\$641,284	\$674,552	\$672,343	\$705,611
2046	21	\$33,268	\$660,674	\$693,942	\$692,672	\$725,940
2047	22	\$34,266	\$660,674	\$694,940	\$692,672	\$726,938
2048	23	\$34,266	\$680,650	\$714,916	\$713,616	\$747,882
2049	24	\$35,294	\$680,650	\$715,944	\$713,616	\$748,910
2050	25	<u>\$35,294</u>	<u>\$701,231</u>	<u>\$736,525</u>	<u>\$735,192</u>	<u>\$770,486</u>
Total		\$748,466	\$13,303,353	\$14,051,819	\$13,903,819	\$14,652,284
Future Tax Revenue						
2051		\$36,353	\$701,231	\$737,584	\$735,192	\$771,545

Source: Economic & Planning Systems

City of Colorado Springs Impact

The City of Colorado Springs has a 3.5540 mill levy. The City's share of the current property tax base is \$2,132, shown in **Table 11**, 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 \$3,040 in year 25 and generating a total of approximately \$64,500 over the 25-year period. After the 25-year period is complete, the City's share of property tax revenues will increase to between \$63,900 in Scenario 1 to \$66,500 in Scenario 2 due to the new development. This includes between \$60,700 in Scenario 1 and 63,400 in Scenario 2 generated by the property tax increment from Moreno and Cascade URA.

Table 11. City of Colorado Springs Property Tax Revenue, 2026-2051

Year	Plan Yr.	Colorado Springs Property Tax: 3.554 mills		Total Base + Incr.	Scenario 2 Incr. 1-Yr. Lag	Total Base + Incr.
		Base	Scenario 1 Incr. 1-Yr. Lag			
2026	1	\$2,132	\$0	\$2,132	\$0	\$2,132
2027	2	\$2,196	\$0	\$2,196	\$0	\$2,196
2028	3	\$2,196	\$18,863	\$21,059	\$18,863	\$21,059
2029	4	\$2,262	\$40,554	\$42,816	\$40,554	\$42,816
2030	5	\$2,262	\$43,112	\$45,374	\$44,090	\$46,352
2031	6	\$2,330	\$45,153	\$47,483	\$47,139	\$49,469
2032	7	\$2,330	\$46,457	\$48,787	\$48,473	\$50,803
2033	8	\$2,400	\$46,457	\$48,857	\$48,473	\$50,873
2034	9	\$2,400	\$47,862	\$50,262	\$49,939	\$52,339
2035	10	\$2,472	\$47,862	\$50,334	\$49,939	\$52,411
2036	11	\$2,472	\$49,309	\$51,781	\$51,449	\$53,921
2037	12	\$2,546	\$49,309	\$51,855	\$51,449	\$53,995
2038	13	\$2,546	\$50,800	\$53,346	\$53,004	\$55,550
2039	14	\$2,622	\$50,800	\$53,423	\$53,004	\$55,627
2040	15	\$2,622	\$52,336	\$54,959	\$54,607	\$57,229
2041	16	\$2,701	\$52,336	\$55,037	\$54,607	\$57,308
2042	17	\$2,701	\$53,919	\$56,620	\$56,258	\$58,959
2043	18	\$2,782	\$53,919	\$56,701	\$56,258	\$59,040
2044	19	\$2,782	\$55,549	\$58,331	\$57,959	\$60,741
2045	20	\$2,866	\$55,549	\$58,415	\$57,959	\$60,825
2046	21	\$2,866	\$57,229	\$60,094	\$59,711	\$62,577
2047	22	\$2,952	\$57,229	\$60,180	\$59,711	\$62,663
2048	23	\$2,952	\$58,959	\$61,910	\$61,517	\$64,468
2049	24	\$3,040	\$58,959	\$61,999	\$61,517	\$64,557
2050	25	\$3,040	\$60,742	\$63,782	\$63,377	\$66,417
Total		\$64,469	\$1,153,264	\$1,217,734	\$1,199,857	\$1,264,326
Future Tax Revenue						
2051		\$3,131	\$60,742	\$63,873	\$63,377	\$66,508

Source: Economic & Planning Systems

Pikes Peak Library District Impact

The Plan Area is located within the Pikes Peak Library District, which has a 3.1400 mill levy. The Library District's share of the current property tax base is \$1,884, shown in **Table 12**, 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 \$2,686 in year 25 and generating a total of approximately \$57,000 over the 25-year period. In addition, the Library District is projected to collect 50 percent of the property tax increment generated by the Moreno and Cascade URA. This results in a total of about \$509,500 to \$530,000 generated by 1.5700 mills over the 25-year period. After the 25-year period is complete, the Pikes Peak Library District's share of property tax revenues will increase to between \$56,400 in Scenario 1 and \$58,700 in Scenario 2 due to the new development.

Table 12. Library Property Tax Revenue, 2026-2051

Year	Plan Yr.	Library Base 3.140 mills	Lib. Incr. 1.570 mills	Scenario 1 Increment 1.570 mills	Total Base + Incr.	Lib. Incr. 1.570 mills	Scenario 2 Increment 1.570 mills	Total Base + Incr.
2026	1	\$1,884	\$0	\$0	\$1,884	\$0	\$0	\$1,884
2027	2	\$1,940	\$0	\$0	\$1,940	\$0	\$0	\$1,940
2028	3	\$1,940	\$8,333	\$8,333	\$18,606	\$8,333	\$8,333	\$18,606
2029	4	\$1,999	\$17,915	\$17,915	\$37,828	\$17,915	\$17,915	\$37,828
2030	5	\$1,999	\$19,045	\$19,045	\$40,088	\$19,477	\$19,477	\$40,953
2031	6	\$2,059	\$19,947	\$19,947	\$41,952	\$20,824	\$20,824	\$43,707
2032	7	\$2,059	\$20,523	\$20,523	\$43,104	\$21,413	\$21,413	\$44,885
2033	8	\$2,120	\$20,523	\$20,523	\$43,166	\$21,413	\$21,413	\$44,947
2034	9	\$2,120	\$21,143	\$21,143	\$44,407	\$22,061	\$22,061	\$46,242
2035	10	\$2,184	\$21,143	\$21,143	\$44,471	\$22,061	\$22,061	\$46,305
2036	11	\$2,184	\$21,783	\$21,783	\$45,749	\$22,728	\$22,728	\$47,639
2037	12	\$2,249	\$21,783	\$21,783	\$45,815	\$22,728	\$22,728	\$47,705
2038	13	\$2,249	\$22,441	\$22,441	\$47,132	\$23,415	\$23,415	\$49,079
2039	14	\$2,317	\$22,441	\$22,441	\$47,199	\$23,415	\$23,415	\$49,147
2040	15	\$2,317	\$23,120	\$23,120	\$48,557	\$24,123	\$24,123	\$50,563
2041	16	\$2,386	\$23,120	\$23,120	\$48,626	\$24,123	\$24,123	\$50,632
2042	17	\$2,386	\$23,819	\$23,819	\$50,024	\$24,852	\$24,852	\$52,091
2043	18	\$2,458	\$23,819	\$23,819	\$50,096	\$24,852	\$24,852	\$52,163
2044	19	\$2,458	\$24,539	\$24,539	\$51,536	\$25,604	\$25,604	\$53,665
2045	20	\$2,532	\$24,539	\$24,539	\$51,610	\$25,604	\$25,604	\$53,739
2046	21	\$2,532	\$25,281	\$25,281	\$53,094	\$26,378	\$26,378	\$55,287
2047	22	\$2,608	\$25,281	\$25,281	\$53,170	\$26,378	\$26,378	\$55,363
2048	23	\$2,608	\$26,045	\$26,045	\$54,699	\$27,175	\$27,175	\$56,959
2049	24	\$2,686	\$26,045	\$26,045	\$54,777	\$27,175	\$27,175	\$57,037
2050	25	<u>\$2,686</u>	<u>\$26,833</u>	<u>\$26,833</u>	<u>\$56,352</u>	<u>\$27,997</u>	<u>\$27,997</u>	<u>\$58,680</u>
Total		\$56,959	\$509,461	\$509,461	\$1,075,882	\$530,044	\$530,044	\$1,117,047
Future Tax Revenue								
2051		\$2,766	\$26,833	\$26,833	\$56,432	\$27,997	\$27,997	\$58,761

Source: Economic & Planning Systems

Colorado Springs Downtown Development Authority Impact

The Plan Area is located within the Colorado Springs Downtown Development Authority (DDA), which has a 5.0000 mill levy. The DDA's share of the current property tax base is \$3,000, shown in **Table 13**, 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 \$4,277 in year 25 and generating a total of approximately \$90,700 over the 25-year period. In addition, the DDA is projected to collect 20 percent of the property tax increment generated by the Moreno and Cascade URA. This results in a total of about \$324,500 to \$337,600 generated by 1.0000 mill over the 25-year period. After the 25-year period is complete, the DDA's share of property tax revenues will increase to between \$91,900 in Scenario 1 and \$95,700 in Scenario 2 due to the new development.

Table 13. Colorado Springs DDA Property Tax Revenue, 2026-2051

Year	Plan Yr.	DDA	Scenario 1			Scenario 2		
		Base 5.000 mills	DDA Incr. 1.000 mills	Increment 4.000 mills	Total Base + Incr.	DDA Incr. 1.000 mills	Increment 4.000 mills	Total Base + Incr.
2026	1	\$3,000	\$0	\$0	\$3,000	\$0	\$0	\$3,000
2027	2	\$3,090	\$0	\$0	\$3,090	\$0	\$0	\$3,090
2028	3	\$3,090	\$5,308	\$21,230	\$29,627	\$5,308	\$21,230	\$29,627
2029	4	\$3,182	\$11,411	\$45,643	\$60,236	\$11,411	\$45,643	\$60,236
2030	5	\$3,182	\$12,130	\$48,522	\$63,835	\$12,406	\$49,623	\$65,211
2031	6	\$3,278	\$12,705	\$50,820	\$66,803	\$13,264	\$53,055	\$69,597
2032	7	\$3,278	\$13,072	\$52,287	\$68,637	\$13,639	\$54,556	\$71,473
2033	8	\$3,376	\$13,072	\$52,287	\$68,736	\$13,639	\$54,556	\$71,571
2034	9	\$3,376	\$13,467	\$53,868	\$70,712	\$14,051	\$56,206	\$73,633
2035	10	\$3,478	\$13,467	\$53,868	\$70,813	\$14,051	\$56,206	\$73,735
2036	11	\$3,478	\$13,874	\$55,497	\$72,849	\$14,476	\$57,905	\$75,859
2037	12	\$3,582	\$13,874	\$55,497	\$72,953	\$14,476	\$57,905	\$75,963
2038	13	\$3,582	\$14,294	\$57,175	\$75,051	\$14,914	\$59,656	\$78,152
2039	14	\$3,689	\$14,294	\$57,175	\$75,158	\$14,914	\$59,656	\$78,259
2040	15	\$3,689	\$14,726	\$58,904	\$77,319	\$15,365	\$61,460	\$80,514
2041	16	\$3,800	\$14,726	\$58,904	\$77,430	\$15,365	\$61,460	\$80,625
2042	17	\$3,800	\$15,171	\$60,685	\$79,656	\$15,829	\$63,318	\$82,947
2043	18	\$3,914	\$15,171	\$60,685	\$79,770	\$15,829	\$63,318	\$83,061
2044	19	\$3,914	\$15,630	\$62,520	\$82,064	\$16,308	\$65,232	\$85,455
2045	20	\$4,031	\$15,630	\$62,520	\$82,181	\$16,308	\$65,232	\$85,572
2046	21	\$4,031	\$16,103	\$64,410	\$84,544	\$16,801	\$67,205	\$88,037
2047	22	\$4,152	\$16,103	\$64,410	\$84,665	\$16,801	\$67,205	\$88,158
2048	23	\$4,152	\$16,589	\$66,358	\$87,100	\$17,309	\$69,237	\$90,698
2049	24	\$4,277	\$16,589	\$66,358	\$87,224	\$17,309	\$69,237	\$90,823
2050	25	\$4,277	\$17,091	\$68,364	\$89,732	\$17,833	\$71,330	\$93,440
Total		\$90,700	\$324,498	\$1,297,990	\$1,713,188	\$337,607	\$1,350,430	\$1,778,737
Future Tax Revenue								
2051		\$4,405	\$17,091	\$70,431	\$91,928	\$17,833	\$73,487	\$95,725

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 0.7470 mill levy. The Water Conservancy District's share of the current property tax base is \$448, shown in **Table 14**, 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 \$639 in year 25 and generating a total of approximately \$13,600 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 between \$13,400 in Scenario 1 and \$14,000 in Scenario 2 due to the new development. This includes approximately \$12,800 in Scenario 1 and \$13,300 in Scenario 2 generated by the property tax increment from the Moreno and Cascade URA.

Table 14. Water Conservancy Property Tax Revenue, 2026-2051

Year	Plan Yr.	Water Conserv. Property Tax: .747 mills		Total Base + Incr.	Scenario 2 Incr. 1-Yr. Lag	Total Base + Incr.
		Base	Scenario 1 Incr. 1-Yr. Lag			
2026	1	\$448	\$0	\$448	\$0	\$448
2027	2	\$462	\$0	\$462	\$0	\$462
2028	3	\$462	\$3,965	\$4,426	\$3,965	\$4,426
2029	4	\$475	\$8,524	\$8,999	\$8,524	\$8,999
2030	5	\$475	\$9,061	\$9,537	\$9,267	\$9,743
2031	6	\$490	\$9,491	\$9,980	\$9,908	\$10,398
2032	7	\$490	\$9,765	\$10,254	\$10,188	\$10,678
2033	8	\$504	\$9,765	\$10,269	\$10,188	\$10,693
2034	9	\$504	\$10,060	\$10,564	\$10,496	\$11,001
2035	10	\$520	\$10,060	\$10,579	\$10,496	\$11,016
2036	11	\$520	\$10,364	\$10,884	\$10,814	\$11,333
2037	12	\$535	\$10,364	\$10,899	\$10,814	\$11,349
2038	13	\$535	\$10,677	\$11,213	\$11,141	\$11,676
2039	14	\$551	\$10,677	\$11,229	\$11,141	\$11,692
2040	15	\$551	\$11,000	\$11,552	\$11,478	\$12,029
2041	16	\$568	\$11,000	\$11,568	\$11,478	\$12,045
2042	17	\$568	\$11,333	\$11,901	\$11,825	\$12,392
2043	18	\$585	\$11,333	\$11,918	\$11,825	\$12,409
2044	19	\$585	\$11,676	\$12,260	\$12,182	\$12,767
2045	20	\$602	\$11,676	\$12,278	\$12,182	\$12,784
2046	21	\$602	\$12,029	\$12,631	\$12,550	\$13,153
2047	22	\$620	\$12,029	\$12,649	\$12,550	\$13,171
2048	23	\$620	\$12,392	\$13,013	\$12,930	\$13,550
2049	24	\$639	\$12,392	\$13,031	\$12,930	\$13,569
2050	25	\$639	\$12,767	\$13,406	\$13,321	\$13,960
Total		\$13,551	\$242,400	\$255,950	\$252,193	\$265,743
Future Tax Revenue						
2051		\$658	\$12,767	\$13,425	\$13,321	\$13,979

Source: Economic & Planning Systems

Sales Taxes

CSURA is expected to keep 1.50 percent of city sales tax and 0.75 percent of county sales tax revenues generated by sales on-site from lodging and food and beverage. This is the incremental sales tax, which includes all sales tax generated from the new commercial 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

For the hotel, lodging sales are estimated using an average daily rate of \$219 and occupancy rate of 79 percent. Food and beverage includes the hotel restaurant and bar, catering for events, and mini bar sales. The hotel restaurant includes about 4,800 square feet and is estimated at \$275 sales per square foot. The hotel includes a total of 6,175 square feet of event space and catering is estimated at \$339 per square foot. The total 11,000 square feet of sales generating space is projected to average \$310 sales per square foot annually. In addition, mini bar sales are estimated at \$28,000 per year. EPS has also assumed an annual growth rate in sales of 2.0 percent per year.

The 2025 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 2025 City of Colorado Springs sales tax rate is 3.07 percent, of which 1.50 percent will be allocated for TIF for the 25-year period. The remaining 0.50 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 Moreno and Cascade URA is expected to generate approximately \$3.2 million in county sales tax increment from the 0.75 percent county commitment over the 25-year period, which equates to an average of approximately \$128,200 per year, as shown below in **Table 15**. The present value of these revenues translates to a total of \$1.6 million, based on a discount rate of 6.0 percent.

The revenues that El Paso County will retain over this timeframe, include 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 \$982,500 over the 25-year period or an average of \$39,300 per year. If it is not extended past the sunset date, it will generate a total of \$44,000 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 \$1.1 million over the TIF period or an average of \$42,700 per year.

Table 15. El Paso County Sales Tax Increment, 2025-2050

Year	Plan Yr.	Taxable Sales ¹			El Paso County Sales Tax			County TIF Share Present Val. 6.00%
		Lodging 181 keys \$219 ADR	F&B ² 11,018 sf \$311/sf	Total	Public Safety 0.23%	Gen. Fund 0.25%	TIF Share 0.75%	
2025	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2026	1	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2027	2	\$5,741,979	\$1,969,015	\$7,710,994	\$17,735	\$19,277	\$57,832	\$54,559
2028	3	\$8,525,968	\$2,867,176	\$11,393,145	\$26,204	\$28,483	\$85,449	\$76,049
2029	4	\$11,498,457	\$3,449,857	\$14,948,314	\$34,381	\$37,371	\$112,112	\$94,132
2030	5	\$11,728,426	\$3,518,854	\$15,247,280	\$35,069	\$38,118	\$114,355	\$90,580
2031	6	\$11,962,995	\$3,589,231	\$15,552,226	\$35,770	\$38,881	\$116,642	\$87,161
2032	7	\$12,202,255	\$3,661,015	\$15,863,270	\$36,486	\$39,658	\$118,975	\$83,872
2033	8	\$12,446,300	\$3,734,236	\$16,180,536	\$37,215	\$40,451	\$121,354	\$80,707
2034	9	\$12,695,226	\$3,808,920	\$16,504,146	\$37,960	\$41,260	\$123,781	\$77,662
2035	10	\$12,949,131	\$3,885,099	\$16,834,229	\$38,719	\$42,086	\$126,257	\$74,731
2036	11	\$13,208,113	\$3,962,801	\$17,170,914	\$39,493	\$42,927	\$128,782	\$71,911
2037	12	\$13,472,275	\$4,042,057	\$17,514,332	\$40,283	\$43,786	\$131,357	\$69,197
2038	13	\$13,741,721	\$4,122,898	\$17,864,619	\$41,089	\$44,662	\$133,985	\$66,586
2039	14	\$14,016,555	\$4,205,356	\$18,221,911	\$41,910	\$45,555	\$136,664	\$64,074
2040	15	\$14,296,886	\$4,289,463	\$18,586,349	\$42,749	\$46,466	\$139,398	\$61,656
2041	16	\$14,582,824	\$4,375,252	\$18,958,076	\$43,604	\$47,395	\$142,186	\$59,329
2042	17	\$14,874,481	\$4,462,757	\$19,337,238	\$44,476	\$48,343	\$145,029	\$57,090
2043	18	\$15,171,970	\$4,552,012	\$19,723,983	\$45,365	\$49,310	\$147,930	\$54,936
2044	19	\$15,475,410	\$4,643,053	\$20,118,462	\$46,272	\$50,296	\$150,888	\$52,863
2045	20	\$15,784,918	\$4,735,914	\$20,520,832	\$47,198	\$51,302	\$153,906	\$50,868
2046	21	\$16,100,616	\$4,830,632	\$20,931,248	\$48,142	\$52,328	\$156,984	\$48,948
2047	22	\$16,422,629	\$4,927,245	\$21,349,873	\$49,105	\$53,375	\$160,124	\$47,101
2048	23	\$16,751,081	\$5,025,789	\$21,776,871	\$50,087	\$54,442	\$163,327	\$45,324
2049	24	\$17,086,103	\$5,126,305	\$22,212,408	\$51,089	\$55,531	\$166,593	\$43,614
2050	25	\$17,427,825	\$5,228,831	\$22,656,656	\$52,110	\$56,642	\$169,925	\$41,968
Total					\$982,509	\$1,067,945	\$3,203,834	\$1,554,919
Avg.					\$39,300	\$42,718	\$128,153	\$62,197

¹Annual escalation of 2.0%

²Includes kitchen/bar, catering, and mini bar sales

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 Moreno and Cascade URA is expected to generate approximately \$6.4 million in city sales tax increment over the 25-year period, which equates to an average of approximately \$256,300 per year, as shown in **Table 16**. This is based on a commitment of the 1.50 percent sales tax to the URA. This revenue stream, when discounted at 6.0 percent, translates to a present value of \$3.1 million or an annual average of 124,400.

Revenues retained by the city over this timeframe include the 1.07 percent sales tax for three dedicated uses from sales activity within the Plan Area. The 0.10 percent TOPS will generate a total of approximately \$452,200 or an average of \$17,100 per year. The 0.40 percent sales tax for PSST will generate approximately \$1.7 million or an average of \$68,300 per year. The 0.57 percent sales tax for 2C Road will generate approximately \$2.4 million or an average of \$97,400 per year. In addition, the city will retain 0.50 percent sales tax for the general fund. This is estimated to generate a total of \$2.1 million over the TIF period or an average of \$85,400 per year.

Table 16. City of Colorado Springs Sales Tax Increment, 2025-2050

Year	Plan Yr.	Taxable Sales ¹			Colorado Springs Sales Tax					City TIF Share Present Val. 6.00%
		Lodging 181 keys \$219 ADR	F&B ² 11,018 sf \$311/sf	Total	TOPS 0.10%	PSST 0.40%	2C Road 0.57%	Gen. Fund 0.50%	TIF Share 1.50%	
2025	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2026	1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2027	2	\$5,741,979	\$1,969,015	\$7,710,994	\$7,711	\$30,844	\$43,953	\$38,555	\$115,665	\$109,118
2028	3	\$8,525,968	\$2,867,176	\$11,393,145	\$11,393	\$45,573	\$64,941	\$56,966	\$170,897	\$152,098
2029	4	\$11,498,457	\$3,449,857	\$14,948,314	\$14,948	\$59,793	\$85,205	\$74,742	\$224,225	\$188,263
2030	5	\$11,728,426	\$3,518,854	\$15,247,280	\$15,247	\$60,989	\$86,909	\$76,236	\$228,709	\$181,159
2031	6	\$11,962,995	\$3,589,231	\$15,552,226	\$15,552	\$62,209	\$88,648	\$77,761	\$233,283	\$174,323
2032	7	\$12,202,255	\$3,661,015	\$15,863,270	\$15,863	\$63,453	\$90,421	\$79,316	\$237,949	\$167,745
2033	8	\$12,446,300	\$3,734,236	\$16,180,536	\$16,181	\$64,722	\$92,229	\$80,903	\$242,708	\$161,415
2034	9	\$12,695,226	\$3,808,920	\$16,504,146	\$16,504	\$66,017	\$94,074	\$82,521	\$247,562	\$155,324
2035	10	\$12,949,131	\$3,885,099	\$16,834,229	\$16,834	\$67,337	\$95,955	\$84,171	\$252,513	\$149,462
2036	11	\$13,208,113	\$3,962,801	\$17,170,914	\$17,171	\$68,684	\$97,874	\$85,855	\$257,564	\$143,822
2037	12	\$13,472,275	\$4,042,057	\$17,514,332	\$17,514	\$70,057	\$99,832	\$87,572	\$262,715	\$138,395
2038	13	\$13,741,721	\$4,122,898	\$17,864,619	\$17,865	\$71,458	\$101,828	\$89,323	\$267,969	\$133,173
2039	14	\$14,016,555	\$4,205,356	\$18,221,911	\$18,222	\$72,888	\$103,865	\$91,110	\$273,329	\$128,147
2040	15	\$14,296,886	\$4,289,463	\$18,586,349	\$18,586	\$74,345	\$105,942	\$92,932	\$278,795	\$123,311
2041	16	\$14,582,824	\$4,375,252	\$18,958,076	\$18,958	\$75,832	\$108,061	\$94,790	\$284,371	\$118,658
2042	17	\$14,874,481	\$4,462,757	\$19,337,238	\$19,337	\$77,349	\$110,222	\$96,686	\$290,059	\$114,180
2043	18	\$15,171,970	\$4,552,012	\$19,723,983	\$19,724	\$78,896	\$112,427	\$98,620	\$295,860	\$109,872
2044	19	\$15,475,410	\$4,643,053	\$20,118,462	\$20,118	\$80,474	\$114,675	\$100,592	\$301,777	\$105,726
2045	20	\$15,784,918	\$4,735,914	\$20,520,832	\$20,521	\$82,083	\$116,969	\$102,604	\$307,812	\$101,736
2046	21	\$16,100,616	\$4,830,632	\$20,931,248	\$20,931	\$83,725	\$119,308	\$104,656	\$313,969	\$97,897
2047	22	\$16,422,629	\$4,927,245	\$21,349,873	\$21,350	\$85,399	\$121,694	\$106,749	\$320,248	\$94,203
2048	23	\$16,751,081	\$5,025,789	\$21,776,871	\$21,777	\$87,107	\$124,128	\$108,884	\$326,653	\$90,648
2049	24	\$17,086,103	\$5,126,305	\$22,212,408	\$22,212	\$88,850	\$126,611	\$111,062	\$333,186	\$87,227
2050	25	\$17,427,825	\$5,228,831	\$22,656,656	\$22,657	\$90,627	\$129,143	\$113,283	\$339,850	\$83,936
Total					\$427,178	\$1,708,712	\$2,434,914	\$2,135,890	\$6,407,669	\$3,109,837
Avg.					\$17,087	\$68,348	\$97,397	\$85,436	\$256,307	\$124,393

¹Annual escalation of 2.0%

²Includes kitchen/bar, catering, and mini bar sales

Source: Economic & Planning Systems

Summary of County Impact

Cost of Service and Infrastructure Costs

Development projects such as Moreno and Cascade URA 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.

There will be a modest additional service cost to the County associated with this future development within the City of Colorado Springs. According to El Paso County Finance Services Department, the cost for services for an incorporated area resident is \$342 annually. Moreno and Cascade URA is estimated to bring between 177 to 265 residents to Downtown Colorado Springs based on each development scenario. This is an estimated annual cost of \$60,500 to \$90,600 for El Paso County. It is assumed this service cost will be balanced by additional revenue sources, such as the 25 percent of sales tax increment, use tax, fees for services, and intergovernmental transfers.

The County is expected to have no financial exposure to 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 residential development in the Moreno and Cascade Urban Renewal Plan on El Paso County will be minimal. The County will continue to receive the base amount of \$4,191 annually with biannual escalation. By 2051, the end of the 25-year tax increment period, the County's portion of property tax is expected to increase to between \$125,500 in Scenario 1 to \$130,700 in Scenario 2 as a result of the new development (**Table 9**). The County can expect to receive this approximate level of revenue upon the sunseting of the TIF in 2050.

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 2050 are estimated at \$22.7 million, which would generate approximately \$278,700 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 the 0.25 percent of sales tax increment and other revenue sources.