

Development, Economic, and Demographic Impacts of Urban Renewal Areas in the City of Colorado Springs

The Colorado Springs Urban Renewal Authority (CSURA) has authorized the creation of ten urban renewal areas (URAs) since 1988:

- **South Central Downtown (Lowell) – 1988**
- **Southwest Downtown – 2001 (being amended)**
- **City Auditorium Block – 2004 (inactive)**
- **Gold Hill Mesa – 2004**
- **North Nevada Avenue Corridor – 2004**
- **CityGate – 2007 (inactive)**
- **Copper Ridge – 2010**
- **Vineyard Property – 2011 (inactive)**
- **Ivywild Neighborhood – 2011**
- **South Nevada Avenue Corridor – 2015**

IMPACTS

The six active URAs include a combined:

- 975 acres of land
- 4,980,667 sq ft of building space
- 3,284,664 sq ft of new construction since URA designation
- 187,161 sq ft of adaptive reuse space
- \$449,292,074 total market value of property
- \$59,722,279 of assessed property value
- total population of 1,836

3,382 direct jobs located in the active URAs during 2015

Total 2015 economic impact/contribution of business activity in those URAs:

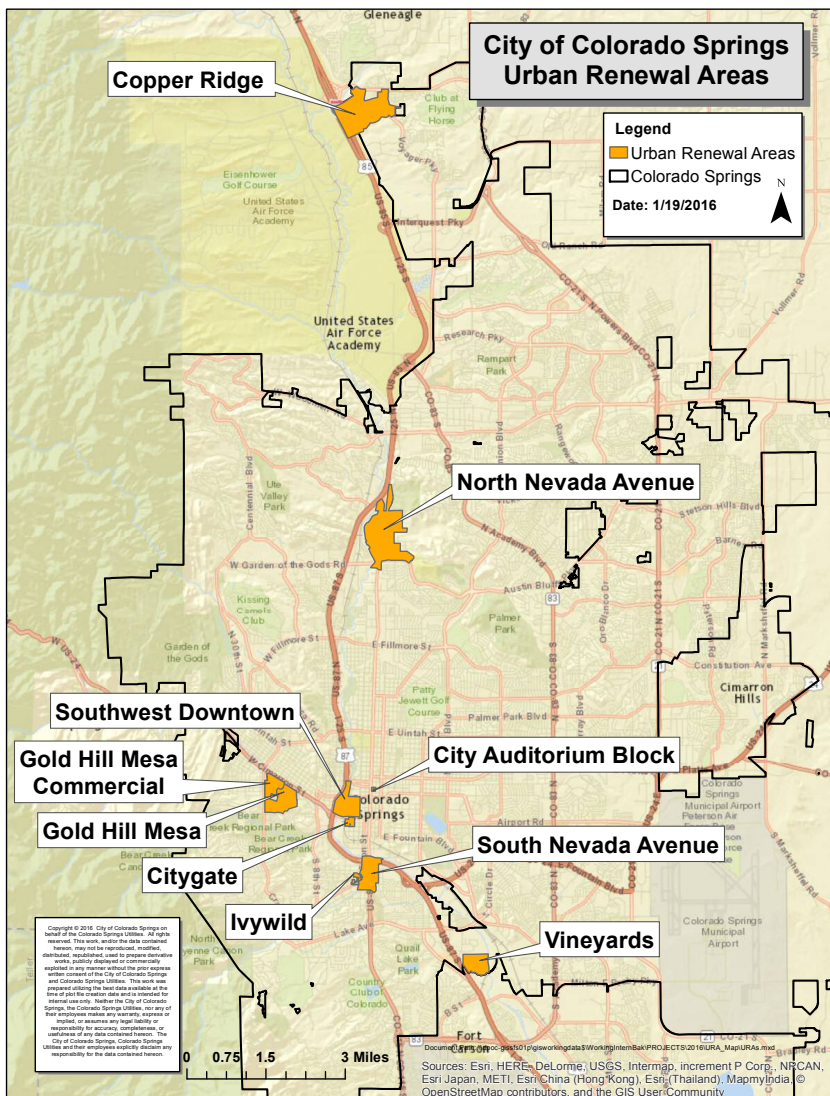
- 4,548 jobs
- \$443.7 million of total economic impact/contribution

\$355,340,963 of cumulative construction spending in the active URA's since urban renewal designation resulting in:

- 4,204 total job/years
- \$534 million of total cumulative economic impact

The active URAs generated for state and local governments:

- \$10.8 million of sales and income taxes on business employment spending in 2015
- a cumulative total of \$11.8 million of sales and income taxes on construction-related employment spending
- a cumulative total of \$14.7 million of sales and use taxes on building materials



LAND SUMMARY

The six active URA's – Lowell, Southwest Downtown, Gold Hill Mesa, North Nevada, Copper Ridge, and Ivywild – encompass **975 acres of land**.

- 39% is vacant, 34% is government-owned, 14% is for retail/dining/entertainment uses, and 7.5% is for residential uses.

Urban Renewal Areas - CSURA Land Summary							
Primary Usage	Land Acreage						TOTAL
	North Nevada	Southwest Downtown	Lowell	Gold Hill	Copper Ridge	Ivywild	
Single-Family Residential:	0.4	0.2	4.7	23.5	0.0	0.3	29.1
Multi-Family Residential:	42.2	0.0	0.3	1.1	0.0	0.4	44.1
Mixed Residential/Commercial:	0.9	0.0	1.5	0.7	0.0	0.3	3.4
Retail/Dining/Entertainment:	86.7	0.2	0.0	5.7	42.3	4.1	139.1
Office:	8.9	4.1	0.0	0.0	0.7	0.0	13.7
Industrial:	4.1	13.9	0.9	0.0	4.6	0.0	23.4
Government Exempt:	229.6	38.1	7.3	0.0	51.7	0.0	326.7
Non-Profit Exempt:	17.9	0.9	0.5	0.0	0.0	0.0	19.3
Vacant:	15.8	8.3	19.5	158.1	174.6	0.0	376.4
TOTAL:	406.4	65.8	34.8	189.1	274.0	5.1	975.2

Source: El Paso County Assessor; Summit Economics

BUILDING SUMMARY

Urban Renewal Areas - CSURA Buildings Constructed Under URA							
Primary Usage	Building Square Footage						TOTAL
	North Nevada	Southwest Downtown	Lowell	Gold Hill	Copper Ridge	Ivywild	
Single-Family Residential:	0	0	213,744	762,325	0	2,788	978,857
Multi-Family Residential:	347,125	0	0	43,592	0	0	390,717
Mixed Residential/Commercial:	0	0	71,993	0	0	0	71,993
Retail/Dining/Entertainment:	640,743	0	0	0	211,399	0	852,142
Office:	18,911	0	0	19,410	0	0	38,321
Industrial:	11,075	0	0	0	51,600	4,961	67,636
Government Exempt:	531,627	809	338,343	0	0	0	870,779
Non-Profit Exempt:	0	0	14,219	0	0	0	14,219
TOTAL:	1,549,481	809	638,299	825,327	262,999	7,749	3,284,664

Source: El Paso County Assessor; Summit Economics

These active URAs include a total of **4,980,667 sq ft of building space**.

- 66% is the result of new construction. 4% is adaptive reuse.

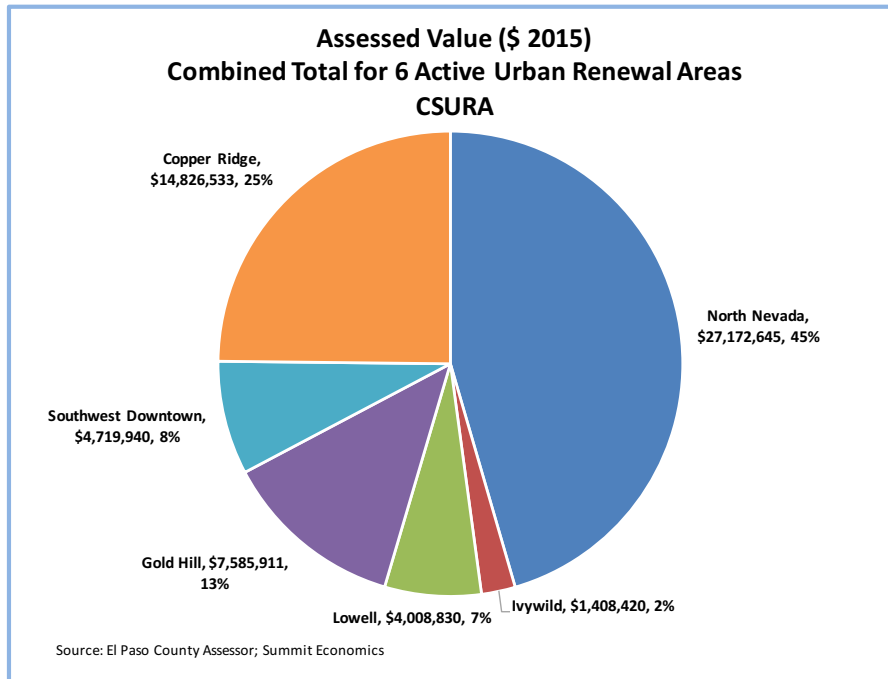
New construction during URA designation (3,284,664 sq ft) includes:

- 1,030,092 sq ft of commercial, industrial, and mixed-use
- 1,369,574 sq ft of residential
- 884,998 sq ft of government and non-profit

ASSESSED VALUE

Total market value of property in the active URAs (as determined by County Assessor) is \$449.3 million which includes both taxable and tax-exempt properties.

The active URAs include a total of **\$59.7million of assessed property value.**

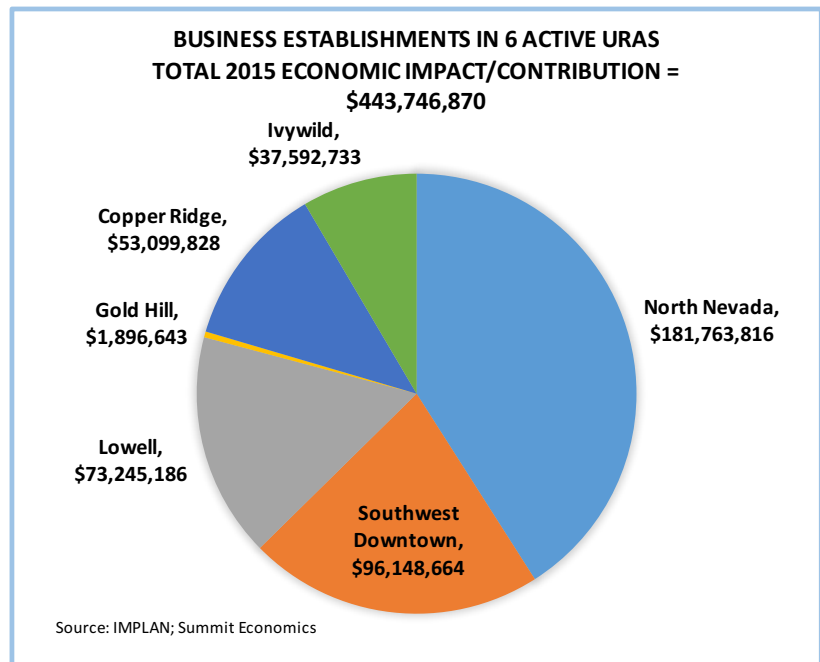
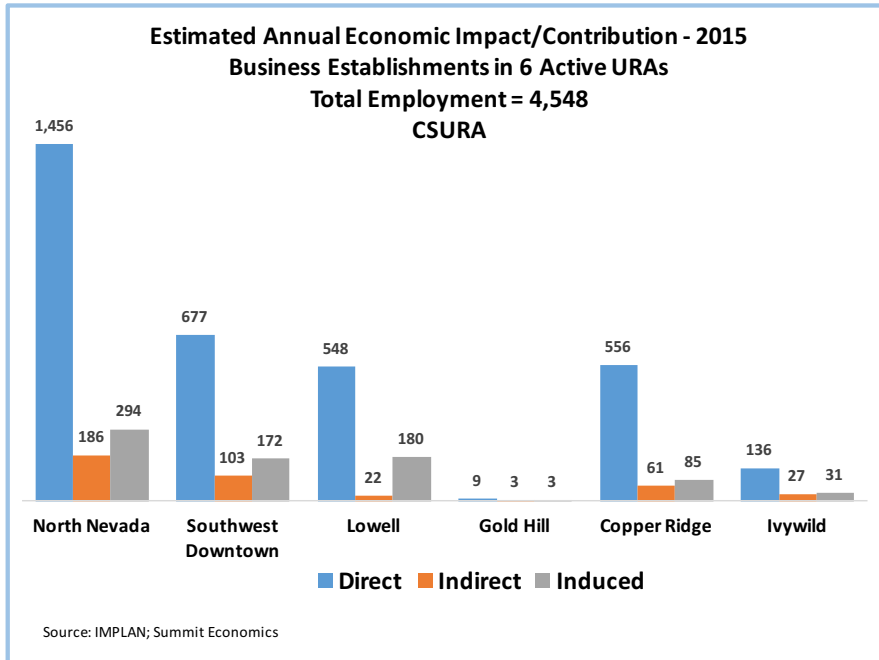


Urban Renewal Areas - CSURA Market and Assessed Values - 2015							
	North Nevada	Southwest Downtown	Lowell	Gold Hill	Copper Ridge	Ivywild	TOTAL
Market Value (\$ 2015)	\$173,724,070	\$61,929,037	\$68,256,502	\$85,486,992	\$54,289,832	\$5,605,641	\$449,292,074
Assessed Value (\$ 2015)	\$27,172,645	\$4,719,940	\$4,008,830	\$7,585,911	\$14,826,533	\$1,408,420	\$59,722,279

Source: El Paso County Assessor; Summit Economics

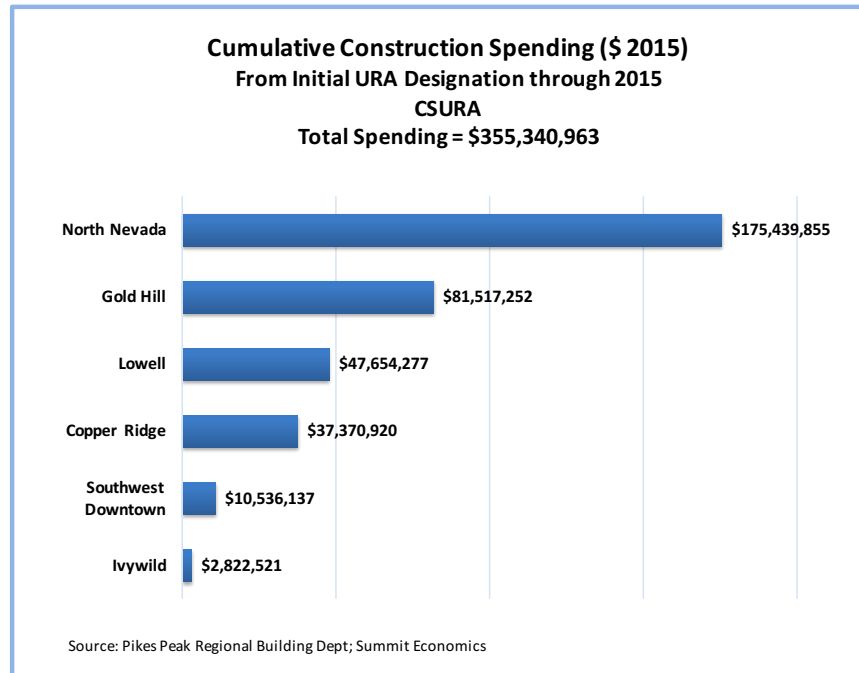
BUSINESS EMPLOYMENT IMPACTS

3,382 direct jobs were located in the active URAs in 2015. The total impact/contribution of business activity in the active URAs was **4,548 total jobs** with almost **\$444 million of total economic output** in El Paso County.



CONSTRUCTION IMPACTS

Construction spending on new buildings and adaptive re-use of existing buildings in the active URAs since their respective designation totaled **\$355,340,96**. This cumulative construction activity has supported over **4,200 total construction job/years** in El Paso County, and **\$534 million of total cumulative economic impact (output)**. *NOTE: These totals are exclusive of the investments in infrastructure made with tax increment (TIF) revenues.*



Urban Renewal Areas - CSURA							
Construction Economic Impact							
Cumulative Impacts from Initial URA Designation through 2015 - (adjusted to \$ 2015)							
Economic Impact	Urban Renewal Area						TOTAL
	North Nevada	Southwest Downtown	Lowell	Gold Hill	Copper Ridge	Ivywild	
Employment (Job/Yr)							
Direct:	1,466	105	320	451	344	24	2,711
Indirect:	290	19	105	206	55	5	680
Induced:	410	29	106	171	91	7	813
TOTAL:	2,166	153	531	828	490	36	4,204
Labor Income (\$ 2015)							
Direct:	\$70,433,603	\$5,106,349	\$17,154,676	\$26,653,533	\$16,112,450	\$1,171,848	\$136,632,459
Indirect:	\$16,078,581	\$977,566	\$5,177,718	\$9,470,954	\$3,184,456	\$258,739	\$35,148,014
Induced:	\$16,185,602	\$1,138,911	\$4,172,484	\$6,743,208	\$3,611,635	\$267,602	\$32,119,442
TOTAL:	\$102,697,786	\$7,222,826	\$26,504,878	\$42,867,695	\$22,908,541	\$1,698,189	\$203,899,915
Value Added (\$ 2015)							
Direct:	\$71,954,374	\$5,197,080	\$17,439,803	\$27,025,931	\$16,456,413	\$1,197,326	\$139,270,927
Indirect:	\$23,818,224	\$1,435,433	\$7,743,779	\$14,378,033	\$4,745,162	\$386,311	\$52,506,942
Induced:	\$31,170,764	\$2,193,544	\$8,033,966	\$12,982,142	\$6,955,785	\$515,344	\$61,851,545
TOTAL:	\$126,943,362	\$8,826,057	\$33,217,548	\$54,386,106	\$28,157,360	\$2,098,981	\$253,629,414
Output (\$ 2015)							
Direct:	\$170,443,662	\$10,733,486	\$46,308,953	\$78,591,996	\$37,317,510	\$2,806,843	\$346,202,450
Indirect:	\$40,125,624	\$2,395,116	\$12,967,705	\$23,973,256	\$7,990,869	\$649,743	\$88,102,313
Induced:	\$50,225,162	\$3,534,271	\$12,946,408	\$20,921,645	\$11,207,461	\$830,381	\$99,665,328
TOTAL:	\$260,794,448	\$16,662,873	\$72,223,066	\$123,486,897	\$56,515,840	\$4,286,967	\$533,970,091

Source: IMPLAN; Summit Economics

DEMOGRAPHICS

Three of the URAs – Lowell, North Nevada, and Gold Hill Mesa – have a significant residential population. Their estimated **total population was 1,836** in 2015, and have lower average and median household incomes compared to the City as a whole.

Urban Renewal Areas - CSURA Total Population						
Source	Urban Renewal Area				City of Colo	
	North Nevada	Lowell	Gold Hill	TOTAL	Sprgs	% of City
2010 Census:	892	287	406	1,585	416,427	0.4%
2015 Esri Estimate:	951	301	584	1,836	433,547	0.4%

Source: U.S. Census Bureau; Esri; Summit Economics

Urban Renewal Areas - CSURA Household Income				
Household Income	2015			2014
	North Nevada	Lowell	Gold Hill	City of Colo Sprgs
< \$15,000	21.0%	20.9%	15.2%	10.8%
\$15,000 to \$24,999	17.4%	23.4%	12.0%	10.8%
\$25,000 to \$34,999	21.2%	25.3%	12.4%	10.1%
\$35,000 to \$49,999	20.5%	10.1%	10.8%	14.1%
\$50,000 to \$74,999	11.7%	11.4%	13.2%	18.8%
\$75,000 to \$99,999	6.0%	3.8%	16.8%	12.5%
\$100,000 to \$149,999	1.6%	3.2%	16.0%	13.8%
\$150,000 to \$199,999	0.0%	0.6%	2.4%	5.2%
\$200,000 +	0.5%	0.6%	0.8%	3.9%
Median:	\$29,479	\$26,445	\$48,922	\$54,228
Average:	\$36,420	\$37,278	\$60,393	\$72,709

Source: United States Census Bureau, 2010 Census, 2010-2014 American Community Survey; Esri 2015 Estimate

Urban Renewal Areas - CSURA Population by Age				
Population by Age	2015			2014
	North Nevada	Lowell	Gold Hill	City of Colo Sprgs
0 to 4 years	7.6%	4.3%	5.8%	7.0%
5 to 9 years	5.0%	2.7%	5.6%	6.7%
10 to 14 years	3.8%	3.0%	5.5%	6.6%
15 to 24 years	21.3%	8.3%	5.5%	6.9%
25 to 34 years	18.2%	16.0%	6.3%	8.3%
35 to 44 years	10.8%	11.0%	11.6%	15.2%
45 to 54 years	10.4%	17.3%	15.0%	12.6%
55 to 64 years	9.8%	17.0%	13.8%	13.8%
65 to 74 years	6.2%	13.3%	12.6%	11.3%
75 to 84 years	5.1%	5.3%	9.2%	6.5%
85+ years	1.9%	1.7%	5.1%	3.6%

Source: United States Census Bureau, 2010 Census, 2010-2014 American Community Survey; Esri 2015 Estimate

TAX REVENUES

When CSURA provides assistance to help finance redevelopment of blighted property in Colorado Springs, the main tool it uses is called “tax increment financing” or “TIF”. No new taxes are established using TIF, nor are taxes increased. The revenues produced by increased property tax values and increased retail sales activity within a URA are used to fund improvements in the URA. TIF is a new source of tax revenue, not an additional tax, that would not be available but for new investment. TIF can be collected and used for improvements in the URA for a maximum of 25 years.

In addition to the property and sales tax increment revenues approved for a TIF to be collected over the 25-year URA period, there are other new tax revenue streams, not subject to TIF, that those local governments and the State of Colorado receive during the TIF period. **Sales and income taxes on the salaries and spending of the employees at businesses located in the active URAs in the City of Colorado Springs, not subject to TIF**, are estimated to have generated **\$10.8 million** in revenue to state and local governments in 2015. **Sales and income taxes on construction-related employment spending** in the active URAs has generated a cumulative total of **\$11.8 million** in revenue to state and local governments, and **sales and use taxes on building materials** has generated a cumulative total of **\$14.7 million** in revenue to state and local governments. *NOTE: These totals are exclusive of any City of Colorado Springs TOPS, PSST, or LART tax revenues the City has received from on-site retail sales within the active URAs.*

Urban Renewal Areas - CSURA	
Government Tax Revenue Not Subject to TIF	
Annual Business Employment Related Revenue - 2015	
Governmental Entity	Estimated 2015 Tax Revenue
City of Colorado Springs Sales Tax Revenue	\$1,048,264
El Paso County Sales Tax Revenue	\$620,383
PPRTA Sales Tax Revenue	\$557,916
State of Colorado Sales Tax Revenue	\$1,617,957
Total State Personal Income Taxes	\$6,098,680
Total State Corporate Income Taxes	\$859,919
TOTAL:	\$10,803,119

Source: IMPLAN; Summit Economics

Urban Renewal Areas - CSURA		
Cumulative Construction Related Tax Revenue		
from Initial URA Designation through 2015 (adjusted to \$ 2015)		
Governmental Entity	Sales Taxes on Construction-Related Employee Spending	Building Materials Sales & Use Tax Revenue
City of Colorado Springs Sales Tax Revenue	\$1,260,011	\$5,543,319
El Paso County Sales Tax Revenue	\$745,500	\$2,185,347
PPRTA Sales Tax Revenue	\$604,242	\$1,776,705
State of Colorado Sales Tax Revenue	\$1,752,300	\$5,152,444
Total State Personal Income Taxes	\$6,605,069	\$0
Total State Corporate Income Taxes	\$838,766	\$0
TOTAL:	\$11,805,888	\$14,657,815

Source: IMPLAN; Summit Economics

BUILD-OUT PROJECTIONS

An additional 10.3 million sq ft of building space is planned by the principal developers and property owners active in the six areas.

Urban Renewal Areas - CSURA							
Projected Construction - 2016 through Buildout							
Primary Usage	Building Square Footage						TOTAL
	North Nevada	Southwest Downtown	Lowell	Gold Hill	Copper Ridge	Ivywild	
Single-Family Residential:	0	0	0	1,492,796	0	0	1,492,796
Multi-Family Residential:	0	3,565,000	550,000	80,000	0	0	4,195,000
Mixed Residential/Commercial:	0	0	0	0	0	26,000	26,000
Retail/Dining/Entertainment:	0	808,000	0	217,000	1,012,200	0	2,037,200
Hotel:	0	0	0	0	358,820	0	358,820
Office:	0	0	0	33,000	0	0	33,000
Industrial:	0	0	0	0	0	7,500	7,500
Government Exempt:	2,075,400	0	0	0	0	0	2,075,400
Non-Profit Exempt:	0	60,000	0	0	0	0	60,000
TOTAL:	2,075,400	4,433,000	550,000	1,822,796	1,371,020	33,500	10,285,716

Source: Principal developers active in each URA

At build-out, the six active URAs are projected to have almost 10,200 direct jobs on-site and an annual economic impact/contribution (output) of over \$1.2 billion.

Urban Renewal Areas - CSURA							
Employment at Business Establishments							
Estimated Annual Economic Impact/Contribution at Buildout - (adjusted to \$ 2015)							
Economic Impact	Urban Renewal Area						TOTAL
	North Nevada	Southwest Downtown	Lowell	Gold Hill	Copper Ridge	Ivywild	
Employment (Job/Yr)							
Direct:	3,527	2,225	548	471	3,233	172	10,176
Indirect:	559	276	22	49	368	34	1,308
Induced:	670	389	180	90	543	39	1,910
TOTAL:	4,756	2,890	750	610	4,144	245	13,394
Labor Income (\$ 2015)							
Direct:	\$115,803,293	\$70,017,098	\$36,809,364	\$16,693,324	\$97,696,864	\$6,437,557	\$343,457,500
Indirect:	\$25,333,420	\$11,970,689	\$1,005,993	\$2,185,777	\$16,563,579	\$1,706,936	\$58,766,394
Induced:	\$26,457,546	\$15,386,143	\$7,098,602	\$3,543,705	\$21,464,667	\$1,526,128	\$75,476,791
TOTAL:	\$167,594,259	\$97,373,930	\$44,913,959	\$22,422,806	\$135,725,110	\$9,670,621	\$477,700,685
Value Added (\$ 2015)							
Direct:	\$168,942,134	\$93,968,756	\$42,713,900	\$22,408,041	\$158,661,289	\$16,677,713	\$503,371,833
Indirect:	\$49,934,943	\$21,156,495	\$1,689,483	\$4,099,286	\$30,250,127	\$3,100,776	\$110,231,110
Induced:	\$50,966,795	\$29,643,584	\$13,677,207	\$6,827,741	\$41,360,884	\$2,939,489	\$145,415,700
TOTAL:	\$269,843,872	\$144,768,835	\$58,080,590	\$33,335,068	\$230,272,300	\$22,717,978	\$759,018,643
Output (\$ 2015)							
Direct:	\$293,581,000	\$159,433,988	\$48,516,514	\$32,590,228	\$237,160,908	\$38,331,795	\$809,614,433
Indirect:	\$79,397,455	\$34,674,703	\$2,696,404	\$6,455,295	\$48,891,627	\$5,307,766	\$177,423,250
Induced:	\$82,110,056	\$47,753,516	\$22,032,268	\$10,998,705	\$66,623,778	\$4,735,997	\$234,254,320
TOTAL:	\$455,088,511	\$241,862,207	\$73,245,186	\$50,044,228	\$352,676,313	\$48,375,558	\$1,221,292,003

Source: IMPLAN; Summit Economics