

**Costilla and Tejon Hotel Site
Colorado Springs, CO
FINAL FISCAL SUMMARY**

2-20-18

ASSUMPTIONS:

Property Tax Assumptions:

1. All development in a single phase – 300,445 SF hotel, parking, support space, retail, conference spaces, and apartments and/or suites (TBD). New property taxes are assessed in 2020 and paid in 2021.
2. All facility uses are commercial category.
3. All real property is taxable.
4. Development program information and tax estimating ratios used in the fiscal analysis are based on information provided by the Developer in the Downtown Marriott Hotel Application, February 2018, prepared for the Colorado Springs Urban Renewal Authority. New Development Program is 300,445 SF of commercial space.

New Development Program	Taxable (SF)
Residential	-
Commercial (hotel, parking, support space retail, conference spaces, and apartments and/or suites)	300,445
Not used	-
TOTAL	300,445

5. Existing property tax base - \$33,582/year.
6. EPC mill levy includes EPC 7.539 plus EPC Road and Bridge .165.
7. 2017 property tax information provided by El Paso County Assessor.
8. El Paso County Assessor provided estimated project market value of \$15M – \$25M (letter dated February 14, 2018). The \$25M estimate was used to derive \$81/SF used in the analysis.
9. Personal Property taxes are not included in this analysis.
10. Analysis includes 1% annual inflation in property value.

Retail Sales Tax Assumptions:

1. All development in a single phase – 300,445 SF hotel, parking, support space retail, conference spaces, and apartments and/or suites (TBD). Construction is assumed to be complete in 2019 so new retail taxes are paid in 2020.
2. Development program information and tax estimating ratios used in the fiscal analysis are based on information provided by the Developer in the Downtown Marriott Hotel Application, February 2018, prepared for the Colorado Springs Urban Renewal Authority. New Retail Development totals 13,995 SF

Retail Development	Taxable (SF)
Restaurant and Coffee Shop	4,345
Rooftop Restaurant and Bar	5,890
Outdoor Patio (restaurant)	2,035
Conference Facilities	1,685
TOTAL	13,955

3. Site currently generates no retail sales tax base. All future retail sales are taxable.
4. Retail sales tax generated by new retail at rate of \$280/SF based on estimates provided by the Developer in the Downtown Marriott Hotel Application, February 2018, prepared for the Colorado Springs Urban Renewal Authority.
5. Colorado Springs General Fund 3.12% sales tax as follows: 2.0% assigned to URA, 1.12% retained by City.
6. Analysis includes 1% annual inflation in retail sales.

Property Tax Districts:

Tax Entity (FCP District)	(2017 levy year)	Share of Total (%)
EL PASO COUNTY	7.635	9.60%
EPC ROAD & BRIDGE SHARE	0.165	0.21%
CITY OF COLORADO SPRINGS	4.279	5.38%
EPC-COLORADO SPGS ROAD & BRIDGE SHARE	0.165	0.21%
COLO SPGS SCHOOL NO 11 - GEN	48.986	61.62%
COLO SPGS SCHOOL NO 11 - BOND	3.513	4.42%
PIKES PEAK LIBRARY	3.812	4.80%
SOUTHEASTERN COLO WATER CONSERVANCY	0.939	1.18%
GREATER DOWNTOWN BS BID	5.000	6.29%
CS DOWNTOWN DEVELOPMENT AUTHORITY	5.000	6.29%
TOTAL	79.494	100.00%

2018 values, 2017 levy year

Sales Tax Breakdown:

Tax Entity	Tax Year	Tax Rate (%)	Share of Total
State of Colorado	2017	2.90	35%
El Paso County	2017	1.23	15%
City of Colorado Springs	2017	3.12	38%
Special Tax	2017	1.00	12%
TOTAL	2017	8.25	100%

Tax Entity	Assignment	Tax Rate (%)
City of Colorado Springs	General Fund	2.00
City of Colorado Springs	RTA (roads)	0.62
City of Colorado Springs	PSST	0.40
City of Colorado Springs	TOPS	0.10
City of Colorado Springs	Total	3.12

RESULTS:

Base property taxes are \$33,582 (2018). In first taxable year (2020) new property taxes are \$578,025 (payable in 2021), based on property market value of \$25,073,451. This amount inflates 1%/year going forward.

Annual Property Tax Estimate (2018-2023):

Share of Property Tax (%)		2017	2018	2019	2020	2021	2022	2023
<i>Estimated Cumulative New Development</i>								
Residential		-	-					
Commercial (office, retail, hotel, institutional, cultural)					300,445	300,445	300,445	300,445
<i>Estimated New Development Market Value</i>								
Residential		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Commercial (office, retail, hotel, institutional, cultural)	\$ 81.00	\$ -	\$ -	\$ -	\$ 25,073,451	\$ 25,324,186	\$ 25,577,428	\$ 25,833,202
<i>Estimated New Development Assessed Value</i>								
Residential	7.20%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Commercial (office, retail, hotel, institutional, cultural)	29.00%	\$ -	\$ -	\$ -	\$ 7,271,301	\$ 7,344,014	\$ 7,417,454	\$ 7,491,629
<i>Estimated New Development Property Tax Revenues (79.494 mills):</i>								
Residential	0.079494	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Commercial (office, retail, hotel, institutional, cultural)	0.079494	\$ -	\$ -	\$ -	\$ -	\$ 578,025	\$ 583,805	\$ 589,643
Total Property Tax New Development (Increment)		\$ -	\$ -	\$ -	\$ -	\$ 578,025	\$ 583,805	\$ 589,643
Total Property Tax Existing Development (Base)		\$ -	\$ 33,582	\$ 34,257	\$ 34,600	\$ 34,946	\$ 35,295	\$ 35,648
Total Property Tax		\$ -	\$ 33,582	\$ 34,257	\$ 34,600	\$ 612,971	\$ 619,100	\$ 625,291
Total Property Tax Existing Development (Base)		\$ -	\$ 33,582	\$ 34,257	\$ 34,600	\$ 34,946	\$ 35,295	\$ 35,648
Total Property Tax New Development (Increment)		\$ -	\$ -	\$ -	\$ -	\$ 578,025	\$ 583,805	\$ 589,643

In first year that sales tax is collected (2020), new sales taxes are \$332,128, based on gross retail sales of \$4,025,798. This amounts inflates 1%/year going forward.

Annual Sales Tax Estimate (2018-2023):

		2017	2018	2019	2020	2021	2022	2023
Not used	\$ -	-	-					
Estimated Cumulative Support Retail	\$ 280.00	-	-		13,955	13,955	13,955	13,955
Estimated Taxable Retail Sales from New Development		\$ -	\$ -	\$ -	\$ 4,025,798	\$ 4,066,056	\$ 4,106,717	\$ 4,147,784
Tax Rate:	8.25%							
Total Sales Tax		\$ -	\$ -	\$ -	\$ 332,128	\$ 335,450	\$ 338,804	\$ 342,192
Total Sales Tax Existing Development (Base)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Sales Tax New Development (Increment)		\$ -	\$ -	\$ -	\$ 332,128	\$ 335,450	\$ 338,804	\$ 342,192