Cross Impact Analysis of CSURA and PPLD: Opportunities for Collaboration

A Study for the Colorado Springs Urban Renewal Authority

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Summit Economics, LLC provides research and consulting services in applied socio-economics, public policy, market research, economic impact analysis, real estate research, urban economics, and strategy development. Our most frequent engagements support decision-making, quantify visioning and planning, develop performance metrics, or assist with risk management.

The firm specializes in empirical research and rigorous analysis to provide objective and quantifiable support for sound decision making.
This study, was commissioned by the Colorado Springs Urban Renewal Authority (CSURA) to consider the mutual benefits and costs of urban renewal and libraries using Colorado Springs and the Pikes Peak Library District (PPLD) as a case study. The effort was pursued taking a macro and strategic view of both the CSURA and PPLD.

The Fundamental Issue: Consistent with society as a whole, all libraries are undergoing a technological revolution facilitated by the Internet of Things, broadband access, and artificial intelligence which change social and informational emphasis from the physical world to an electronic world. Furthermore, the largest generational transition in U.S. history is underway. These realities demand public libraries reinvent their business model to maintain high levels of visible value creation for their library service areas. More resources could always be used in such an endeavor. Urban renewal is a process of creating value in blighted areas over decades. The process faces the same challenges of technological and demographic transition and must also attract private capital to the renewal areas. As part of urban renewal, tax increment financing (TIF) needs strong alignment of all property taxing entities to support the effort. Without alignment, it is possible, and often likely, TIF is not forthcoming, urban renewal does not occur, the property tax base continues in a stagnant position, and blighted conditions persist.
Whether or not PPLD participates in CSURA TIFs, little incremental tax revenues as a percentage of total PPLD revenues would accrue to the PPLD. This is because URA total assessed value represented only 1.4% and 1.5% of total El Paso County and PPLD assessed values respectively in 2020.

Based upon the history of mill levies in PPLD’s LSA since 2008, it appears in 57% of the time mill levies are set below 4% indicating Tabor or other State revenue restrictions prohibit the full levy being realized. In these cases, PPLD’s action or inaction in URA’s is irrelevant since the possible availability of incremental assessed value from URA growth would be restricted by the limits and thereby would require an even lower mill levy.

Participation by the PPLD can impact the success or failure of URAs in their start-up phase. Participation by taxing entities is needed to help fund infrastructure improvements required in URAs. While it is possible some URAs would secure sufficient financing without PPLD’s participation in the TIF, it is difficult to predict whether private sector developers and lenders will participate without full collaboration by the community, as represented by total public sector involvement. It is also quite possible that one tax entity being a holdout will cause other entities to withdraw thereby greatly jeopardizing a URA coming to fruition. This would be unfortunate given the community as a whole has a long-term vested interest in successful urban renewal.

Even if all other tax entities participate were PPLD to withdraw support, unilateral withdraw by one public sector entity exposes that entity to inherent political risks of being viewed as a free rider by not making its fair share effort. Given over 85% of PPLD revenues are dependent upon the voters in the LSA, having broad-based community support is crucial over the long-term.

Summit Economics concludes the risks associated with non-participation in URA TIFs by PPLD outweigh the potential gains and therefore recommends PPLD and all other property tax entities fully participate on local URAs.

Relative to many public library systems, PPLD has a more predictable revenue stream since it operates under a property tax district in a growth area. PPLD should look to other avenues for financial support and take advantage of urban renewal for additional value creation. It is appropriate for PPLD to view URA TIFs as an endowment contribution where distributions are prohibited for 25 years while the corpus grows and then becomes available for a long term thereafter. Using the N. Nevada Avenue URA as an example, $138,000 in incremental tax revenues is forecasted to be received by PPLD beginning in year 26. Such an increment being realized for 50 years in real dollars (inflation adjusted) is the rough equivalent of a philanthropist making a $500,000 contribution to a restricted endowment today.
Study Overview

Objective and Purpose

What are the mutual cross impacts of urban renewal and libraries using Colorado Springs Urban Renewal Authority and the Pikes Peak Library District as a case study?

Key Questions

What are the common goals, synergies, and where does conflict between the two emerge?

What is the financial and operating performance of CSURA and the PPLD?

How might CSURA and the PPLD move forward in a mutually beneficial manner.

Methodology

Secondary research of libraries and urban renewal, key demographics of library users, library strategies for change.

Analysis of 2008 – 2020 (pre-pandemic) data related to assessed values as well as key library metrics for PPLD and other libraries.
Urban Renewal Overview

City dynamics are clearly documented. Growth occurs in green fields on the urban fringe and via redevelopment of old neighborhoods and industrial areas (brownfields). As new development ages over decades, the buildings and infrastructure typically depreciate physically and functionally. These assets, which most often were developed for above average income households, higher rent businesses, and the public sector, will frequently transition to moderate income and then lower income users paying lower rents or prices for real estate. The process’ end state is blight with very little demand for abandoned space. Community policy makers and leaders face difficult and costly choices – either accept the blighted condition or attempt to infuse new life into an area thereby stimulating another cycle of community growth.

Formal urban renewal methods are often dictated by state governments. Authorization of an urban renewal area (URA) follows after careful study. In Colorado URAs are applied to a wide variety of conditions including vacant, blighted land which local governments believe has great potential to serve the public, but which encounters difficulty attracting private investment.

Traditional urban renewal models include the use of eminent domain and heavy public investment in catalytic projects. Today urban renewal is far less likely to infringe upon private property rights. Instead, it focuses on providing tax increment financing for extended periods of time to incentivize private developers to take on the greater market risk associated with urban renewal areas (URAs). In many cases URAs have a single private developer to better facilitate the intended renewal.
The mission of the Colorado Springs Urban Renewal Authority (CSURA) is to encourage private investment and reinvestment which restores targeted areas with strong community benefits while strengthening the tax base of the whole city.

The CSURA is active throughout Colorado Springs and takes on a wide range of projects including residential, interstate interchanges, commercial, and public art development and reinvestment. In addition, CSURA works with the State of Colorado as a financing entity for City for Champions (C4C) projects.

The CSURA currently has 14 active URA projects (see map for locations) with incremental property tax financing for 25 years. The intent of each URA differs and the relative success covers a range of outcomes.
Public Library Overview

It’s difficult to summarize the value of public libraries, but historically they have almost unanimous public acceptance as a key community asset and are often the most visited asset by local residents. With free access, libraries are considered public goods in that use of the good does not reduce another person’s potential use of the good. Despite being a public good, libraries are frequently not funded by local taxes and must rely on non-profit philanthropy. Libraries without a dedicated tax must compete with other public goods and priorities for funding through their local governments.

Regardless of the funding mechanisms, public libraries must continuously create value for their specific communities. The value created can be difficult to define because stakeholders perceive value differently. As a public good, “libraries should be readily, equally and equitably accessible to all users” (ALA Policy Manual). Economists often view the value based upon the cost to a community versus the benefit of patrons using library resources instead of individually purchasing materials or access to information and entertainment. Others place a contingent value on libraries because libraries serve as a community hub of information, resources and gathering, and residents express a willingness to pay for the service assuming it did not already exist. In the body politic libraries play a fundamental role in democracies by offering access to literacy, lifelong learning, and information without fees and do so in a non-partisan fashion.

- 2013 Pew Research survey of Americans ages 16 and over found approximately 95% of respondents:
  - agree that the materials and resources available at public libraries play an important role in giving everyone a chance to succeed;
  - say that public libraries are important because they promote literacy and a love of reading;
  - say that having a public library improves the quality of life in a community.
The PPLD’s mission is *Cultivate spaces for belonging, personal growth, and strong communities.* (PPLD Website)

PPLD has 16 fixed and 3 mobile facilities serving over 90% of El Paso County’s population with a service area of 2,070 square miles. The original library was created in 1885 by the Colorado Springs Social Union. In 1962 the voters of the County voted to create a library district and in 1986 PPLD was authorized to set a mill levy of up to 4 mills of assessed value in the Library Service Area (LSA). This district funding mechanism reduces potential volatility of having to compete with other pressing community needs.

While property taxes are based upon the market value of real estate, budgeted revenue increases are limited by the State’s 5.5% property tax revenue limitation or the Taxpayer Bill of Rights Amendment; whichever is more restrictive. These serve as revenue constraints during period of high real estate appreciation such as the last few years.

PPLD, along with all other libraries, appears to be transitioning to more electronic collections and program growth. The District, despite lower revenues per capita than most comparable libraries, performs well based upon many standard library metrics.
Cross Impacts of Urban Renewal and Public Libraries

Research on the relationship between, or interaction of, public libraries and urban renewal areas is not extensive. Where it exists, the emphasis tends to be on the positive impact of iconic architecture often found with library facilities (positive) or the negative impact of gentrification on low-to-moderate income neighborhoods which displaces prior residents with newer residents of greater means.

In reality, most relationships between different constituencies are both synergistic, creating mutually advantageous compatibility, and conflictual at the same time. Both synergies and conflicting elements can be latent (unobserved), emergent, or outright manifest.

Because higher income households can pursue alternatives to library materials, services, and programs, their intensity or propensity of use are typically lower than households of more modest means. However, this does not necessarily mean overall use, image, or financial wellbeing of the impacted library diminishes. Libraries too can be positively impacted by urban renewal.
Overlapping Zones of Influence

With the exception of Downtown Colorado Springs, the primary zones of influence between PPLD branches and URAs do not significantly overlap. In the case of library branches their zone of influence is very similar to market areas. The primary zone should encompass the points of origination of 70% of patron visitors to the library. The demographics of those patrons greatly impacts collections, services, and programs found at the branch. Without research to the contrary, we show these zones being about 1 mile radius from library branches. If expanded to 1.5 miles, the zones would begin overlapping in certain locations such as the Westside and Cheyenne Mountain. In some cases, like Library 21c one would expect the zone of influence to be much greater due to the library’s size and location between regional shopping areas.

URA zones of influence typically extend beyond the URA boundaries. How far depends on the URA development plan and new demographic groups attracted to the URA. The greatest potential cross impact is between the five URAs located in the downtown areas and the Penrose library (upper right inset) which appears to serve many in the un-housed or very low-income population during daytime hours. This represents one of the more commonly highlighted conflicts between URAs bringing in new residents versus traditional inhabitants of a neighborhood.

None of the URA’s nor libraries appear to be substantial traffic generators for one another.

Note: The eastern and southern library branches are not shown on the map. Manitou Springs (shown) has its own urban renewal authority and does have overlap with a PPLD branch.
Library Returns on Investment (ROI)

Efforts to measure returns on investment in libraries can be both quantitative and qualitative. The more quantitative methods include:

➢ Cost benefit approach where the market price of services received (e.g., borrowing a book versus buying it) are compared to annual public contribution to the libraries.

➢ Contingent Valuation method which attempts to establish consumers willingness to pay to have a library versus what is actually paid via taxes. Sometimes contingent valuation ask patrons how much they would accept to give up their library. In this case the value is usually greater.

➢ Social Return on Investment (SROI) which attempts to quantify market and social dividend impacts such as adult literacy programs. This is a more qualitative approach.
Specific socio-economic contribution of libraries to communities

**Traditional service benefits** found in Cost/Benefit studies are essentially substitutes for private market acquisitions by library users which include books, e-books, CDs, online subscriptions, research services, meeting space, and internet access among others.

**Program related benefits** are quite diverse and are the source of the less measurable benefits found in SROI.

**Benefits from business operations and capital investment** include traditional benefits associated with economic impact analysis including job creation and contribution to regional economic output and value added. These benefits are comparable with URAs.

(Urban Libraries Council)
2009 research to estimate the ROI of public libraries in Colorado estimated market returns based on usage surveys of patrons in eight Colorado libraries. The Pikes Peak Library District was not included. The results from Denver, Douglas County, and Rangeview District in Adams County are shown as averages in the adjacent table. Based upon research of Summit Economics and the 2009 comparable baseline, 2020 estimates are made.

The ROI or return per dollar spent annually by the public was estimated to be 4.9 to 1 ranging from a low of 4.81 in Rangeview of Adams County to a high of 5.02 in Douglas County. Denver was 4.96:1. The Colorado results are consistent with other studies of public libraries in the U.S. (Aabo, 2009). More recent research around the country suggests these ratios are relatively constant although the lower cost of some substitutes for library services due to technology like smartphones, as well as well as trends towards lower visitation to libraries, suggest otherwise.

### 2009 Selected Colorado Library Usage

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<th>Service</th>
<th>Average</th>
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<td>32</td>
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<tr>
<td>Reading in Library</td>
<td>16.0</td>
<td>17.7</td>
<td>14.2</td>
</tr>
<tr>
<td>Receiving Reference &amp; Tech Assistance</td>
<td>6.3</td>
<td>7.1</td>
<td>5.5</td>
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<tr>
<td>Used Library Computers</td>
<td>13.4</td>
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<tr>
<td>Connected to Library via Internet</td>
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<td>Downloaded e-Book</td>
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<td>2.8</td>
<td>1.3</td>
</tr>
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</table>

*Comparables are Denver, Douglas County, and Rangeview in Adams County in 2009


Source: Library Research Service, Summit Economics

Traditional services include:
- Checking out books, CDs or tapes, and DVDs or videos;
- Reading books; journals, magazines, and newspapers; and print reference materials in the library;
- Soliciting and receiving reference and technology assistance from library staff;
- Using library computers to access software, free information on the Internet, and online databases;
- Connecting online to libraries remotely from home, work and school; and
- Downloading eBooks from home, work and school.
Comparative Economic Impacts

When job creation at the PPLD is compared to permanent jobs a few key points emerge. The wages and salaries paid at the PPLD are typically higher than retail and lodging pre-pandemic wages found in URAs like Copper Ridge (Polaris Point) and the Tejon and Costilla URA (Marriott Hotel); however, many office jobs and higher income new residents attracted to URAs may have higher wages. Higher wages result in higher multipliers as wages get spent throughout the community creating even more jobs.

Not shown by the numbers is the degree to which the jobs created are bringing in dollars from outside El Paso County. With the library all of the jobs are non-basic, meaning the dollars that create the jobs originate within the county in the form of taxes. In contrast most of the Marriott jobs are basic bringing dollars into the community, and a significant portion of Copper Ridge does the same.

Also not included is the emerging perspective on community development and growth. URAs often create new, and more diverse housing supply. This new supply creates greater local capacity for workers to move to the area to help fill jobs. This workforce attraction approach is increasingly important with a tight job market. PPLD also provides de facto workforce development through its literacy and lifelong learning programs.
PPLD Relative to Colorado Urban Libraries

When compared to Colorado library districts with more than 100,000 people, the PPLD is notably below the median on most indicators. The exceptions are Materials Expenditures per Capita and Electronic Subscriptions per 1000 served. See column for PPLD % of Colorado 2019 Median. Being below median can be desirable, undesirable, or inconsequential depending on the indicator.

Per capita spending on library materials grew faster than median as the PPLD spent relatively more per capita than other libraries in the comparison to restructure its collection. This includes the addition of e-books and other electronic resources and the deletion of printed materials, subscriptions, and music items.

Most PPLD output indices decreased significantly compared to Colorado’s urban libraries. Most notable were Library Visits and Reference Transactions. The exception was program attendance which likely drove Staff Expenditures per capita.

Local revenues expanded consistent with the LSA population through 2019. Dependence on local funding grew from 86% to 91% for all large districts. PPLD only grew from 85% to 86%.

Overall, it appears PPLD has been moving slightly faster to adapt its business model to the technological disruption impacting libraries.
Historically Colorado libraries have compared well to the rest of the nation. This is probably due to many Colorado public libraries being funded through districts as opposed to cities, counties and philanthropy. It could also be related to Colorado demographics which are generally younger.

Contrary to PPLD’s below average revenue rankings among Colorado peers, in 2019, PPLD was above the national average for Total Operating Revenue ($49.86 PPLD vs $44.86 National). PPLD’s population had more visits to the library per capita (4.68 vs 3.9). Program attendance was 95% of the national average (373 vs 394 per 1000 people).
Libraries responding to disruption

Shown at the right are indices that at least doubled from 2008 to 2019 in Colorado library districts with over 100,000 people as libraries sought to demonstrate value in a changing world and improve operating efficiencies.

- Inter-library lending
- Audio media
- Digital resources
- Young adult programs
- Adult programs
Whereas property assessments in El Paso County and the PPLD increased by 33% from 2008 to 2020 (blue bars), property assessments in all URA districts within the county increased by 455% (orange bars).

Baseline assessed valuations (grey bars) from which valuation increments are determined for urban renewal incentives are based upon overall property value movements in the County and library district.

Since URA total assessed value represented only 1.4% and 1.5% of total El Paso County and PPLD assessed values respectively in 2020, the growth in URAs is unlikely to impact revenue.
With the exception of the Lowell URA, all URAs were relatively young in 2008. As seen in the graph, URA incremental assessed values are slow to develop. When the increments of the total URA portfolio combined (blue solid line) is considered relative to the pre-existing assessed value base, it appears growth or URA Return on Investment (ROI), moves concurrently with the overall community property appreciation rate; albeit at a much faster rate. Relative to 2008, the total CSURA portfolio realized a 290% ROI relative to base while property in EPC in general was up 33%.

Looking at individual URAs separately (the green dashed line), it's clear some URAs are spectacular performers while others, typically larger URAs, can struggle to get a footing and attract private investment.
Not all URAs are the same

A review of URA indices by area and from the year of inception or creation of the URA is revealing. As shown in the graph, performance levels can deviate quite dramatically. Starting with an index of 1 in year 1 and following indices of the total assessed values in URAs through year 13 or the most recent year (whichever is less), one sees 20% (green) are high performers, 30% (yellow/orange) are low performers, 30% (red) are average performers and 20% (blue/grey) are in infancy.

Two low performers to date, City Gate and Gold Hill Commercial, are in the process of having new plans developed so that they can be positioned to fulfill the community vision when the URA’s were initially created. The other two (SW Downtown and City Auditorium) are in the process of going through some revisioning to see if new updated plans can come out of them as well.

The Lowell URA is shown in the last six years of it’s 25 year term. It ended up as a low average performer.
Conclusions & Recommendations

It’s important for the CSURA and PPLD to have a good understanding of one another’s role in the Colorado Springs and El Paso County communities.

The two agencies have the potential to be constructive collaborators to improve the quality of life and well being in the Pikes Peak Region in a sustainable fashion.
Conclusion

Any asset of value will see a loss of that value in the long-term without sufficient efforts to maintain and keep it relevant. This is a truism in community economics and applies to both neighborhoods and libraries.

Increases in population and economic growth are normally sufficient to grow property values and local tax receipts, but in URA’s and today’s libraries this is not necessarily the case. In fact, URAs exist to overcome property obsolescence and/or land use irrelevance that is likely to experience declining values due to a lack of robust economic use. The fundamental purpose of CSURA is remediation and prevention of blight which alters the trajectory of URAs. This is achieved through a form of public/private partnership which incentivizes private investment.

For libraries, population and economic growth historically led to more resources and expansion of locations, collections, and staffing to maintain the fundamental mission of libraries. This is no longer necessarily the case for most libraries as they are in the midst of disruption from technology and generational transitions with their traditional value proposition being challenged. If the perception of value offered by libraries declines dramatically, the willingness to fund will likely follow over time. Without prudent strategic responses local libraries could become like archaic URAs before redevelopment.

Therefore, how might CSURA and PPLD collaborate?
The tax increments for all URAs available to PPLD from 2008 to 2020 grew exponentially from $19,000 in 2008 to $345,000 in 2020. This is exactly how URAs should work. However, due to the relative size of URA increments to total assessed valuation in the PPLD, the District’s tax revenues would have only been 1.09% higher in 2020 (compare orange to blue bars in graph). On average from 2008 to 2020 tax revenues would only have been 0.52% higher and total revenues 0.44% higher. The year over year (YOY) increase had the tax increment flowed to PPLD would have been even smaller at a 0.1% per annum increase in tax revenues from 2008 to 2020.
Key Fundamentals

CSURA:
❖ Has a proven track record successfully encouraging private investment in targeted areas where catalytic investment was very unlikely to have occurred without public participation.
❖ Has generated a portfolio of tax increment financing projects with strong support from taxing entities.

PPLD:
➢ Is transitioning from a bricks (physical) to a clicks (virtual) in order to incorporate technology into today’s value creation business model.
➢ Within their bricks or physical space, they are transitioning from hard collections to e-collections, programs and meeting spaces.
➢ Is constrained on the upside due to State of Colorado and/or TABOR.

Given the “but for” constraint for an area to become an urban renewal target, the URAs will not realize incremental assessed values without the public inducements for private investment. Therefore, PPLD and other taxing entities are not losing revenues by supporting urban renewal. Furthermore, any single tax entity not participating in URAs become an economic free rider of sorts by seeking short-term gain when other agencies forego those gains to stimulate renewal. This can cause a loss of goodwill unless the PPLD can make a strong case that their foregoing possible tax increments will not prevent a private project from going forward and the incremental funding stream received by PPLD will have a far greater impact on value creation in the LSA; thereby facilitating renewal of a different type.
Conceptually there are two key dimensions for evaluating the possible decisions PPLD might make in support of a URA. First is the probable growth of assessed valuation in the first seven years of a project. Second is the probable revenue growth of the PPLD from general real estate appreciation in the same period.

When the revenue growth forecast for PPLD is high, then State 5.5% increase constraints or TABOR limitations restricting revenue growth to population growth plus inflation become more relevant.

When the PPLD forecast is low and the forecast of incremental assessed valuation growth is low in the early years, the “but for” argument and free rider reputation risk should prevail with PPLD offering incentives to the URA project.

Only when the forecast of PPLD revenue growth is low and the probable assessed value growth in a proposed URA is high for the early years, is there a reasonable argument that the community could be better off allowing taxes from shorter term use in the PPLD. As noted on the next page, this scenario is unlikely.
Forecast of Typical URA Assessed Values

Extending historical trends from the first 13 years of URAs, a 25 year forecast of assessed value can be derived. The forecast is an average (blue bars) more heavily weighted to minimum expected performance (orange) than maximum performance (grey). Given past URA experience suggests high performing URAs occur 10% to 20% of the time, other mechanisms might be preferable for the PPLD to pursue in trying to enhance revenues and benefits for District patrons.
The historical data(light blue) shows the N. Nevada URA has seen property taxes on the base remaining steady -- growing from $18,360 in 2008 to $20,195 in 2021 and hitting a maximum of $24,610 in 2016 with a mill levy of 4 mils. The slightly rising tax receipts from the base, as a percent of PPLD total property tax revenues, dropped slightly to 0.06% in 2019-21 from a level of .09% to .1% in prior years. This is important since the base is indicative of what was forecasted to occur without a URA. The forecast period (gold/tan) assumes trends continue for the coming 12 years until the URA expires. Once expired, the PPLD will see a substantial increase in property taxes from the URA from $27,211 annually to $165,137 or 0.35% of forecasted PPLD total tax revenues (dark blue). While in substantial, the increase, alone, does not put total PPLD tax receipts above the TABOR or State statutory limits. When extrapolated to all URA’s it’s apparent the end of term increment in taxes going to the PPLD is significant, but within range of allowed increases.

**SUMMIT ECONOMICS, LLC**

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### HISTORICAL

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**FORECAST**

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<td>$32,109,355</td>
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<td>$34,974,013</td>
<td>$36,925,758</td>
<td>$37,567,946</td>
<td>$38,584,742</td>
<td>$39,233,225</td>
<td>$40,268,909</td>
<td>$40,923,688</td>
<td>$41,978,260</td>
<td>$42,639,335</td>
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<tr>
<td>Base Assessed Value</td>
<td>$5,546,400</td>
<td>$5,657,328</td>
<td>$5,934,648</td>
<td>$6,101,040</td>
<td>$6,378,360</td>
<td>$6,489,288</td>
<td>$6,600,216</td>
<td>$6,711,144</td>
<td>$6,822,072</td>
<td>$6,933,000</td>
<td>$7,043,928</td>
<td>$7,154,856</td>
</tr>
<tr>
<td>Mil Levy</td>
<td>0.0039</td>
<td>0.0039</td>
<td>0.0039</td>
<td>0.0039</td>
<td>0.0039</td>
<td>0.0039</td>
<td>0.0039</td>
<td>0.0039</td>
<td>0.0039</td>
<td>0.0039</td>
<td>0.0039</td>
<td>0.0039</td>
</tr>
<tr>
<td>URA Taxes to PPLD</td>
<td>$21,364</td>
<td>$21,958</td>
<td>$23,181</td>
<td>$23,785</td>
<td>$24,813</td>
<td>$25,191</td>
<td>$25,559</td>
<td>$26,000</td>
<td>$26,385</td>
<td>$26,851</td>
<td>$27,211</td>
<td>$165,137</td>
</tr>
<tr>
<td>URA Percent of Total Tax Revenue</td>
<td>0.06%</td>
<td>0.06%</td>
<td>0.06%</td>
<td>0.06%</td>
<td>0.06%</td>
<td>0.06%</td>
<td>0.06%</td>
<td>0.06%</td>
<td>0.06%</td>
<td>0.06%</td>
<td>0.06%</td>
<td>0.35%</td>
</tr>
</tbody>
</table>

* PPLD Property tax revenues estimated for 2008 to 2010 based upon Abstract of Assessment. Other years from budgets.

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The historical data(light blue) shows the N. Nevada URA has seen property taxes on the base remaining steady -- growing from $18,360 in 2008 to $20,195 in 2021 and hitting a maximum of $24,610 in 2016 with a mill levy of 4 mils. The slightly rising tax receipts from the base, as a percent of PPLD total property tax revenues, dropped slightly to 0.06% in 2019-21 from a level of .09% to .1% in prior years. This is important since the base is indicative of what was forecasted to occur without a URA. The forecast period (gold/tan) assumes trends continue for the coming 12 years until the URA expires. Once expired, the PPLD will see a substantial increase in property taxes from the URA from $27,211 annually to $165,137 or 0.35% of forecasted PPLD total tax revenues (dark blue). While substantial, the increase, alone, does not put total PPLD tax receipts above the TABOR or State statutory limits. When extrapolated to all URA’s it’s apparent the end of term increment in taxes going to the PPLD is significant, but within range of allowed increases.
Joint Renewal & Growth

In lieu of attempting to pick project winners and act out of step with other tax entities, PPLD could actively engage the process and look for synergies – possibly making PPLD ubiquitous as an urban renewal brand. Some possibilities might enhance revenue growth during URA tax increment financing periods.

The goal is structuring incremental benefits such that private investment is incentivized into URAs through tax increment financing to help overcome market restraint, inadequate infrastructure, or private investment concerns about risk.

In the process of assessing and considering alternatives on a project-by-project basis, there is an excellent opportunity for relationship enhancement with developers and CSURA. Working jointly on renewal, both in URAs and within PPLD, is more likely to generate broader and greater positive outcomes and benefits for the community.

Ideas PPLD might pursue during URA tax increment period

✔ Explore ways in which PPLD can more actively participate in URAs. Are there other approaches to further the library mission similar to the advancement of art in URAs? Are there possible win/win opportunities in higher cross impact areas like Downtown Colorado Springs? Perhaps PPLD is given preeminent positioning as a partner or sponsor on internet hotspot access.

✔ Engage prospective URA developers to explore PPLD being embedded in projects. For example, developer sponsored library kiosks to deliver a new generation of services or even print copy to children and seniors, or library sponsored meeting and program space in the development as part of developer common area space.

✔ Successful developers are great foundation targets.

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Concluding Thoughts

From behavioral economics we know there is often a preference for short-term benefits that are inferior to longer term rewards coming from deferred gratification. Such a preference only makes rational sense if time itself greatly increases the risk associated with waiting.

In the case of URA’s, the gains are invariably long-term, and the short-term risk associated with not participating in a URA tax increment financing initiatives is likely greater than participating. When the participatory gains come to fruition, there is high probability of substantial returns.

In the case of the N. Nevada URA a $138,000 incremental tax benefit should begin in year 26. Assuming the benefit remains for 50 years thereafter, it’s the rough equivalent of a philanthropist making a $500,000 contribution to a restricted endowment today where earnings (annual incremental property taxes) can be received starting in 26 years while the corpus (the underlying assessed values) remain intact.

There is no question Public Libraries in America create great social value at many different levels. The value creation probably goes beyond economists’ efforts to measure the value.
Bibliography


- Tenopir, C. (2013). *Building Evidence of the Value and Impact of Library and Information Services: Methods, Metrics and ROI*. Evidence Based Library and Information Practice, University of Tennessee, USA. Retrieved from http://creativecommons.org/licenses/by-nc-sa/2.5/ca/
