



**CITY OF LOUISVILLE
HIGHWAY 42 REVITALIZATION AREA URBAN RENEWAL PLAN
BOULDER COUNTY IMPACT REPORT
JUNE 2006**

This report outlines the anticipated impact of the proposed *Highway 42 Revitalization Area Urban Renewal Plan* on Boulder County. It 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:
- (a) The estimated duration of time to complete the urban renewal project;
 - (b) 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 time period to fund the urban renewal project;
 - (c) Any other estimated impacts of the urban renewal project on county services or revenues."

SUMMARY OF URBAN RENEWAL PLAN

Development Program

The proposed development program for the *Highway 42 Revitalization Area Urban Renewal Plan* (the Urban Renewal Area) is based on the current plans of property owners and prospective developers and is subject to change. The anticipated development program is summarized in Table 1.

TABLE 1
HIGHWAY 42 REVITALIZATION AREA URBAN RENEWAL PLAN
DEVELOPMENT PROGRAM

<u>Land Use</u>	<u>Developed SF/Units</u>
Retail	200,000
Office	240,000
Residential	549

Source: Leland Consulting Group.



Development Timing

The development timetable for the proposed Urban Renewal Area will be determined by prevailing market conditions. A critical component of the development program is the potential redevelopment of existing parcels into a mix of retail/commercial, employment and residential uses. For the purposes of this analysis, it was assumed that these redevelopment opportunities would be substantially completed during the 25-year analysis period.

Summary Impacts to Boulder County

Table 2 provides a summary of property and sales tax revenues that could be generated from **new** redevelopment within the Urban Renewal Area. These estimates are based on the development program outlined above and reflect the entire 25-year tax increment period. It is anticipated that the entire property and sales tax increment over the 25-year period would be dedicated to the Urban Renewal Project.

Property Tax Revenue

As shown in Table 2, based on the proposed development program, the Urban Renewal Area would generate approximately \$42.1 million in **incremental** property tax revenues over the 25-year analysis period. Approximately \$36.6 million, or 87% of this incremental revenue, will result from **new redevelopment** in the Urban Renewal Area, while the remaining \$5.5 million, or 13%, will result from the increase in value of existing properties. Currently, the property tax base in the Urban Renewal Area is approximately \$1.9 million.

During the 25-year tax increment period, the County's share of property tax revenue is limited to its share of the property tax base. This averages approximately \$720,000 annually, or \$18.0 million over the 25-year period. During this same tax increment period, the County will forego approximately \$11.3 million in property tax revenue. After the 25-year tax increment period is completed, the County's share of property tax revenues would be approximately \$900,000 on an annual basis. These figures do reflect the impacts of inflation, estimated at approximately 2% to 3% on an annual basis.

Sales Tax Revenue

As proposed, the Urban Renewal Area sales taxes that are to be allocated to the Urban Renewal Project are based on 3.375%, the current sales tax rate for the City of Louisville. Currently, the sales tax base in the Urban Renewal Area is approximately \$2.1 million. Based on the proposed development program, the Urban Renewal Area would generate approximately \$35.4 million in **incremental** sales tax revenue for the City over a 25-year period. The County will retain its 0.65% rate on taxable sales in the Urban Renewal Area. Based on the proposed development program, the Urban Renewal Area would generate approximately \$5.9 million in **new** sales tax revenue for the County over the 25-year period. After the 25-year tax increment period is completed, the County's share of new sales tax revenues would be approximately \$410,000 on an annual basis. These sales tax revenue figures also reflect the impacts of inflation, estimated at approximately 2% on an annual basis.



County Services/Infrastructure

Because the entire Urban Renewal Area is located within the City of Louisville's municipal boundaries, there is anticipated to be a minimal impact on County services. Infrastructure impacts associated with the proposed development program are assumed to be financed by Louisville with sales and property tax increment revenues. Impacts to the County's general government services may increase due to the level of new nonresidential development, but such impacts should also be minimal.

Net Impact to County

Table 2 also illustrates the net impact to the County over the 25-year tax increment period. As shown, the County's net impact, in terms of property and sales tax revenue, is estimated to be approximately \$6.7 million. This accounts for the loss in property tax revenue (\$11.3 million) that will be dedicated to the TIF district during the 25-year period.

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**TABLE 2
 LOUISVILLE REVITALIZATION COMMISSION
 HIGHWAY 42 REVITALIZATION AREA URBAN RENEWAL PLAN
 TIF ANALYSIS -- CITY AND COUNTY IMPACTS
 JUNE 2006**

	Cumulative Total By:				
	2011	2016	2021	2026	2031
<i>Highway 42 Urban Renewal Project</i>					
Total Incremental Property Tax Revenues from New Redevelopment	\$578,788	\$3,994,244	\$11,319,092	\$21,988,007	\$36,583,906
Incremental Property Tax Revenues from Other District Properties	\$0	\$0	\$251,034	\$2,172,208	\$5,475,964
Incremental Sales Tax Revenues	\$859,608	\$4,125,165	\$11,238,156	\$22,381,788	\$35,424,456
Total Tax Revenue Increment	\$1,438,396	\$8,119,409	\$22,808,281	\$46,542,003	\$77,484,326
<i>Boulder County</i>					
Property Tax Revenues from Existing Base	\$3,089,355	\$6,425,501	\$10,006,910	\$13,874,418	\$18,026,253
Property Tax Revenues Lost From New Redevelopment	(\$178,309)	(\$1,230,517)	(\$3,487,103)	(\$6,773,905)	(\$11,299,278)
Share of Sales Tax Revenues	\$194,695	\$749,790	\$1,937,653	\$3,788,047	\$5,884,640
Net Tax Revenues -- 25-Year Period	\$2,911,046	\$5,194,984	\$6,519,807	\$7,100,514	\$6,726,975

Source: Leland Consulting Group.

TABLE 2 (CONT'D)
LOUISVILLE REVITALIZATION COMMISSION
HIGHWAY 42 REVITALIZATION AREA URBAN RENEWAL PLAN
TIF ANALYSIS -- BOULDER COUNTY IMPACT
JUNE 2006

Development Program

New Redevelopment:	Building SF/Units
Retail	200,000
Office	240,000
Residential	549

		Year								
		2007	2008	2009	2010	2011	2012	2013	2014	2015
Annual Property Tax Revenue Estimates										
<i>Estimated Cumulative Development Demand:</i>										
Retail		0	10,000	20,000	20,000	40,000	40,000	60,000	60,000	80,000
Office		0	10,000	10,000	20,000	20,000	35,000	35,000	50,000	50,000
Residential		0	50	100	150	200	250	300	375	450
<i>Estimated Development Market Value:</i>										
Retail	\$100	\$0	\$1,030,000	\$2,121,800	\$2,185,454	\$4,502,035	\$4,637,096	\$7,164,314	\$7,379,243	\$10,134,161
Office	\$120	\$0	\$1,236,000	\$1,273,000	\$2,622,545	\$2,701,221	\$4,868,951	\$5,015,020	\$7,379,243	\$7,600,620
Residential	\$200,000	\$0	\$10,300,000	\$21,218,000	\$32,781,810	\$45,020,352	\$57,963,704	\$71,643,138	\$92,240,540	\$114,009,307
<i>Estimated Development Assessed Value:</i>										
Retail	29%	\$0	\$298,700	\$615,322	\$633,782	\$1,305,590	\$1,344,758	\$2,077,651	\$2,139,981	\$2,938,907
Office	29%	\$0	\$358,440	\$369,193	\$760,538	\$783,354	\$1,411,996	\$1,454,356	\$2,139,981	\$2,204,180
Residential	8%	\$0	\$819,880	\$1,688,953	\$2,609,432	\$3,583,620	\$4,613,911	\$5,702,794	\$7,342,347	\$9,075,141
<i>Estimated Development Property Tax Revenues (70.98 mills):</i>										
Retail	0.07098	\$0	\$0	\$21,202	\$43,676	\$44,986	\$92,671	\$95,451	\$147,472	\$151,896
Office	0.07098	\$0	\$0	\$25,442	\$26,205	\$53,983	\$55,602	\$100,223	\$103,230	\$151,896
Residential	0.07098	\$0	\$0	\$58,195	\$119,882	\$185,217	\$254,365	\$327,495	\$404,784	\$521,160
Total Property Tax Revenues from New Redevelopment:		\$0	\$0	\$104,839	\$189,763	\$284,186	\$402,639	\$523,170	\$655,486	\$824,951
Total Property Tax Revenues from Existing Development:		\$1,750,000	\$1,802,500	\$1,856,575	\$1,912,272	\$1,969,640	\$2,028,730	\$2,089,592	\$2,152,279	\$2,216,848
Total Property Tax Revenues:		\$1,750,000	\$1,802,500	\$1,961,414	\$2,102,035	\$2,253,827	\$2,431,368	\$2,612,761	\$2,807,765	\$3,041,799
Existing Property Tax Base:		\$1,935,236	\$1,993,293	\$1,993,293	\$2,053,092	\$2,053,092	\$2,114,685	\$2,114,685	\$2,178,125	\$2,178,125
Total Property Tax Increment:		\$0	\$0	\$0	\$48,943	\$200,735	\$316,684	\$498,077	\$629,640	\$863,674
<i>County Impact:</i>										
County Share of Property Tax Base:	0.02187	\$596,193	\$614,079	\$614,079	\$632,502	\$632,502	\$651,477	\$651,477	\$671,021	\$671,021
County Share of Property Tax Increment:	0.02187	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total County Share of Property Tax Revenue:		\$596,193	\$614,079	\$614,079	\$632,502	\$632,502	\$651,477	\$651,477	\$671,021	\$671,021

		Year								
		2007	2008	2009	2010	2011	2012	2013	2014	2015
Annual Sales Tax Revenue Estimates										
<i>Estimated Cumulative Retail Development:</i>										
Retail		0	10,000	20,000	20,000	40,000	40,000	60,000	60,000	80,000
Estimated Taxable Retail Sales from New Development:	\$200	\$0	\$2,040,000	\$4,161,600	\$4,244,832	\$8,659,457	\$8,832,646	\$13,513,949	\$13,784,228	\$18,746,550
Total Sales Tax Revenues from New Redevelopment:	3.375%	\$0	\$68,850	\$140,454	\$143,263	\$292,257	\$298,102	\$456,096	\$465,218	\$632,696
Total Sales Tax Revenue from Existing Development:		\$2,126,468	\$2,147,733	\$2,169,210	\$2,190,902	\$2,212,811	\$2,234,939	\$2,257,289	\$2,279,862	\$2,302,660
Total Sales Tax Revenues:		\$2,126,468	\$2,216,583	\$2,309,664	\$2,334,165	\$2,505,068	\$2,533,041	\$2,713,384	\$2,745,079	\$2,935,356
Existing Sales Tax Base:		\$2,126,468	\$2,126,468	\$2,126,468	\$2,126,468	\$2,126,468	\$2,126,468	\$2,126,468	\$2,126,468	\$2,126,468
Total Sales Tax Increment:		\$0	\$90,115	\$183,196	\$207,697	\$378,600	\$406,573	\$586,916	\$618,611	\$808,888
<i>County Impact:</i>										
County Share of Sales Tax Base:	0.65%	\$13,822	\$13,960	\$14,100	\$14,241	\$14,383	\$14,527	\$14,672	\$14,819	\$14,967
County Share of New Sales Tax Revenue:	0.65%	\$0	\$13,260	\$27,050	\$27,591	\$56,286	\$57,412	\$87,841	\$89,597	\$121,853
Total County Share of Sales Tax Revenue:	0.65%	\$13,822	\$27,220	\$41,150	\$41,832	\$70,670	\$71,939	\$102,513	\$104,417	\$136,820

Source: Leland Consulting Group.

TABLE 2 (CONT'D)
LOUISVILLE REVITALIZATION COMMISSION
HIGHWAY 42 REVITALIZATION AREA URBAN RENEWAL PLAN
TIF ANALYSIS -- BOULDER COUNTY IMPACT
JUNE 2006

Development Program

New Redevelopment:	Building SF/Units
Retail	200,000
Office	240,000
Residential	549

Annual Property Tax Revenue Estimates	Year								
	2016	2017	2018	2019	2020	2021	2022	2023	
<i>Estimated Cumulative Development Demand:</i>									
Retail	80,000	110,000	110,000	140,000	140,000	170,000	170,000	200,000	
Office	65,000	65,000	85,000	85,000	105,000	105,000	125,000	125,000	
Residential	525	549	549	549	549	549	549	549	
<i>Estimated Development Market Value:</i>									
Retail	\$100	\$10,438,185	\$14,783,080	\$15,226,573	\$19,960,652	\$20,559,472	\$25,714,025	\$26,485,446	\$32,094,129
Office	\$120	\$10,177,231	\$10,482,548	\$14,119,185	\$14,542,761	\$18,503,525	\$19,058,631	\$23,369,511	\$24,070,597
Residential	\$200,000	\$137,001,184	\$147,562,018	\$151,988,879	\$156,548,545	\$161,245,002	\$166,082,352	\$171,064,822	\$176,196,767
<i>Estimated Development Assessed Value:</i>									
Retail	29%	\$3,027,074	\$4,287,093	\$4,415,706	\$5,788,589	\$5,962,247	\$7,457,067	\$7,680,779	\$9,307,297
Office	29%	\$2,951,397	\$3,039,939	\$4,094,564	\$4,217,401	\$5,366,022	\$5,527,003	\$6,777,158	\$6,980,473
Residential	8%	\$10,905,294	\$11,745,937	\$12,098,315	\$12,461,264	\$12,835,102	\$13,220,155	\$13,616,760	\$14,025,263
<i>Estimated Development Property Tax Revenues (70.98 mills):</i>									
Retail	0.07098	\$208,604	\$214,862	\$304,298	\$313,427	\$410,874	\$423,200	\$529,303	\$545,182
Office	0.07098	\$156,453	\$209,490	\$215,775	\$290,632	\$299,351	\$380,880	\$392,307	\$481,043
Residential	0.07098	\$644,153	\$774,058	\$833,727	\$858,738	\$884,501	\$911,036	\$938,367	\$966,518
Total Property Tax Revenues from New Redevelopment:		\$1,009,210	\$1,198,410	\$1,353,799	\$1,462,797	\$1,594,726	\$1,715,116	\$1,859,976	\$1,992,742
Total Property Tax Revenues from Existing Development:		\$2,283,353	\$2,351,854	\$2,422,409	\$2,495,082	\$2,569,934	\$2,647,032	\$2,726,443	\$2,808,236
Total Property Tax Revenues:		\$3,292,563	\$3,550,263	\$3,776,209	\$3,957,879	\$4,164,660	\$4,362,148	\$4,586,419	\$4,800,978
Existing Property Tax Base:		\$2,243,469	\$2,243,469	\$2,310,773	\$2,310,773	\$2,380,096	\$2,380,096	\$2,451,499	\$2,451,499
Total Property Tax Increment:		\$1,049,094	\$1,306,794	\$1,465,436	\$1,647,106	\$1,784,564	\$1,982,052	\$2,134,920	\$2,349,479
<i>County Impact:</i>									
County Share of Property Tax Base:	0.02187	\$691,152	\$691,152	\$711,886	\$711,886	\$733,243	\$733,243	\$755,240	\$755,240
County Share of Property Tax Increment:	0.02187	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total County Share of Property Tax Revenue:		\$691,152	\$691,152	\$711,886	\$711,886	\$733,243	\$733,243	\$755,240	\$755,240

Annual Sales Tax Revenue Estimates	Year								
	2016	2017	2018	2019	2020	2021	2022	2023	
<i>Estimated Cumulative Retail Development:</i>									
Retail	80,000	110,000	110,000	140,000	140,000	170,000	170,000	200,000	
Estimated Taxable Retail Sales from New Development:	\$200	\$19,121,481	\$26,817,877	\$27,354,235	\$35,510,770	\$36,220,986	\$44,862,278	\$45,759,524	\$54,911,428
Total Sales Tax Revenues from New Redevelopment:	3.375%	\$645,350	\$905,103	\$923,205	\$1,198,488	\$1,222,458	\$1,514,102	\$1,544,384	\$1,853,261
Total Sales Tax Revenue from Existing Development:		\$2,325,687	\$2,348,944	\$2,372,433	\$2,396,157	\$2,420,119	\$2,444,320	\$2,468,763	\$2,493,451
Total Sales Tax Revenues:		\$2,971,037	\$3,254,047	\$3,295,638	\$3,594,646	\$3,642,577	\$3,958,422	\$4,013,147	\$4,346,712
Existing Sales Tax Base:		\$2,126,468	\$2,126,468	\$2,126,468	\$2,126,468	\$2,126,468	\$2,126,468	\$2,126,468	\$2,126,468
Total Sales Tax Increment:		\$844,569	\$1,127,579	\$1,169,170	\$1,468,178	\$1,516,109	\$1,831,954	\$1,886,679	\$2,220,244
<i>County Impact:</i>									
County Share of Sales Tax Base:	0.65%	\$15,117	\$15,268	\$15,421	\$15,575	\$15,731	\$15,888	\$16,047	\$16,207
County Share of New Sales Tax Revenue:	0.65%	\$124,290	\$174,316	\$177,803	\$230,820	\$235,436	\$291,605	\$297,437	\$356,924
Total County Share of Sales Tax Revenue:	0.65%	\$139,407	\$189,584	\$193,223	\$246,395	\$251,167	\$307,493	\$313,484	\$373,132

Source: Leland Consulting Group.

TABLE 2 (CONT'D)
LOUISVILLE REVITALIZATION COMMISSION
HIGHWAY 42 REVITALIZATION AREA URBAN RENEWAL PLAN
TIF ANALYSIS -- BOULDER COUNTY IMPACT
JUNE 2006

Development Program

New Redevelopment:	Building SF/Units
Retail	200,000
Office	240,000
Residential	549

Annual Property Tax Revenue Estimates	Year							
	2024	2025	2026	2027	2028	2029	2030	2031
<i>Estimated Cumulative Development Demand:</i>								
Retail	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Office	145,000	145,000	175,000	205,000	240,000	240,000	240,000	240,000
Residential	549	549	549	549	549	549	549	549
<i>Estimated Development Market Value:</i>								
Retail	\$100	\$33,056,953	\$34,048,661	\$35,070,121	\$36,122,225	\$37,205,891	\$38,322,068	\$39,471,730
Office	\$120	\$28,759,549	\$29,622,335	\$30,823,627	\$44,430,336	\$53,576,484	\$55,183,778	\$56,839,292
Residential	\$200,000	\$181,482,670	\$186,927,150	\$192,534,965	\$198,311,014	\$204,260,344	\$210,388,154	\$216,699,799
<i>Estimated Development Assessed Value:</i>								
Retail	29%	\$9,586,516	\$9,874,112	\$10,170,335	\$10,475,445	\$10,789,709	\$11,113,400	\$11,446,802
Office	29%	\$8,340,269	\$8,590,477	\$10,678,852	\$12,884,798	\$15,537,180	\$16,003,296	\$16,483,395
Residential	8%	\$14,446,021	\$14,879,401	\$15,325,783	\$15,785,557	\$16,259,123	\$16,746,897	\$17,249,304
<i>Estimated Development Property Tax Revenues (70.98 mills):</i>								
Retail	0.07098	\$660,632	\$680,451	\$700,864	\$721,890	\$743,547	\$765,854	\$788,829
Office	0.07098	\$495,474	\$501,992	\$609,752	\$757,985	\$914,563	\$1,102,829	\$1,135,914
Residential	0.07098	\$995,513	\$1,025,379	\$1,056,140	\$1,087,824	\$1,120,459	\$1,154,073	\$1,188,695
Total Property Tax Revenues from New Redevelopment:		\$2,151,619	\$2,297,822	\$2,366,756	\$2,567,699	\$2,778,569	\$3,022,755	\$3,113,438
Total Property Tax Revenues from Existing Development:		\$2,892,483	\$2,979,258	\$3,068,636	\$3,160,695	\$3,255,516	\$3,353,181	\$3,453,776
Total Property Tax Revenues:		\$5,044,102	\$5,277,080	\$5,435,392	\$5,728,394	\$6,034,084	\$6,375,936	\$6,567,214
Existing Property Tax Base:		\$2,525,044	\$2,525,044	\$2,600,795	\$2,600,795	\$2,678,819	\$2,678,819	\$2,759,184
Total Property Tax Increment:		\$2,519,058	\$2,752,036	\$2,834,597	\$3,127,599	\$3,355,265	\$3,697,117	\$3,911,644
<i>County Impact:</i>								
County Share of Property Tax Base:	0.02187	\$777,897	\$777,897	\$801,234	\$801,234	\$825,271	\$825,271	\$850,029
County Share of Property Tax Increment:	0.02187	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total County Share of Property Tax Revenue:		\$777,897	\$777,897	\$801,234	\$801,234	\$825,271	\$825,271	\$850,029

Annual Sales Tax Revenue Estimates	Year							
	2024	2025	2026	2027	2028	2029	2030	2031
<i>Estimated Cumulative Retail Development:</i>								
Retail	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Estimated Taxable Retail Sales from New Development:	\$200	\$56,009,657	\$57,129,850	\$58,272,447	\$59,437,896	\$60,626,654	\$61,839,187	\$63,075,971
Total Sales Tax Revenues from New Redevelopment:	3.375%	\$1,890,326	\$1,928,132	\$1,966,695	\$2,006,029	\$2,046,150	\$2,087,073	\$2,128,814
Total Sales Tax Revenue from Existing Development:		\$2,518,385	\$2,543,569	\$2,569,005	\$2,594,695	\$2,620,642	\$2,646,848	\$2,673,317
Total Sales Tax Revenues:		\$4,408,711	\$4,471,702	\$4,535,700	\$4,600,724	\$4,666,792	\$4,733,921	\$4,802,131
Existing Sales Tax Base:		\$2,126,468	\$2,126,468	\$2,126,468	\$2,126,468	\$2,126,468	\$2,126,468	\$2,126,468
Total Sales Tax Increment:		\$2,282,243	\$2,345,234	\$2,409,232	\$2,474,256	\$2,540,324	\$2,607,453	\$2,675,663
<i>County Impact:</i>								
County Share of Sales Tax Base:	0.65%	\$16,370	\$16,533	\$16,699	\$16,866	\$17,034	\$17,205	\$17,377
County Share of New Sales Tax Revenue:	0.65%	\$364,063	\$371,344	\$378,771	\$386,346	\$394,073	\$401,955	\$409,994
Total County Share of Sales Tax Revenue:	0.65%	\$380,432	\$387,877	\$395,469	\$403,212	\$411,107	\$419,159	\$427,374

Source: Leland Consulting Group.