645 Holbrook Street
Erie, CO 80516

TOWN OF ERIE

Meeting Agenda

Urban Renewal Authority

Tuesday, July 8, 2025	6:30 PM	Council Chambers

Link to Watch or Comment Virtually: https://bit.ly/URA2025-InPerson

I. Call Meeting to Order

6:30 p.m.

II. Roll Call

III. Approval of the Agenda

IV. Consent Agenda

6:30-6:35 p.m.

25-395 Approval of the June 10, 2025 Urban Renewal Authority Meeting Minutes

Attachments: 06-10-2025 URA Minutes

25-410 A Resolution of the Board of Commissioners of the Town of Erie Urban Renewal Authority Approving a First Amendment to the Tax Increment Revenue Agreement with the Town of Erie for the Erie Town Center Urban Renewal Plan

Attachments: Resolution 25-036
First Amendment to Town of Erie TIF Agreement
Existing TIF Agreement - Town of Erie
Erie Town Center Phase 1 Feasibility Study

25-394 A Resolution of the Board of Commissioners of the Town of Erie Urban Renewal Authority Approving the Payment of Funds to the Town of Erie for the Colliers Hill – Historic Downtown Erie Connection (Pedestrian Bridge)

Attachments: Resolution 25-035

V. Public Comment

6:35-6:45 p.m.

VI. General Business

25-406 Urban Renewal 101

Attachments: URA 101 Attorney Presentation

URA 101 Staff Presentation

6:45-7:45 p.m.

VII. Adjournment

7:45 p.m.

645 Holbrook Street
Erie, CO 80516

TOWN OF ERIE

Urban Renewal Authority

Board Meeting Date: 7/8/2025

File #: 25-395, **Version:** 1

SUBJECT:
Approval of the June 10, 2025 Urban Renewal Authority Meeting Minutes

DEPARTMENT: Administrative Operations

PRESENTER(S): Debbie Stamp, Town Clerk

TIME ESTIMATE: 0 minutes
For time estimate: please put 0 for Consent items.

FISCAL SUMMARY:
NA

POLICY ISSUES:
NA

STAFF RECOMMENDATION:
Approve the June 10, 2025 Urban Renewal Authority Meeting minutes

SUMMARY/KEY POINTS
NA

BACKGROUND OF SUBJECT MATTER:
NA

TOWN COUNCIL PRIORITY(S) ADDRESSED:
☐ Attractive Community Amenities
☐ Engaged and Diverse Community
☐ Prosperous Economy
☐ Well-Maintained Transportation Infrastructure
☐ Small Town Feel
☐ Safe and Healthy Community
☒ Effective Governance
☐ Environmentally Sustainable
☐ Fiscally Responsible

ATTACHMENT(S):

Add items in a numbered list OR delete this list and change to N/A.

1. 06-10-2025 URA Minutes

645 Holbrook Street
Erie, CO 80516

TOWN OF ERIE

Meeting Minutes

Urban Renewal Authority

Tuesday, June 10, 2025	6:30 PM	Council Chambers

Link to Watch or Comment Virtually: https://bit.ly/URA2025-InPerson

I. Call Meeting to Order

Chair Moore called the meeting to order at 6:30 p.m.

II. Roll Call

Present 10 - Dan Hoback, Ashraf Shaikh, Andrew Moore, Anil Pesaramelli, Brandon Bell, Brian O'Connor, Emily Baer, John Mortellaro, Meosha Babbs, and Lynette Peppler

Absent 1 - Owin Orr

III. Approval of the Agenda

Commissioner Shaikh made a motion to approve the agenda. Vice Chair Bell seconded the motion. The motion passed by the following vote at 6:31 p.m.

Aye: 10 - Commissioner Hoback
Commissioner Shaikh
Chair Moore
Commissioner Pesaramelli
Vice Chair Bell
Commissioner O'Connor
Commissioner Baer
Commissioner Mortellaro
Commissioner Babbs
Commissioner Peppler

Absent: 1 - Commissioner Orr

IV. Consent Agenda

25-376 Approval of the May 13, 2025 Urban Renewal Authority Meeting Minutes

Attachments: 05-13-2025 URA Minutes

Commissioner Baer made a motion to approve the Consent Agenda. Vice Chair Bell seconded the motion. The motion passed by the following vote at 6:31 p.m.

Aye: 10 - Commissioner Hoback
Commissioner Shaikh
Chair Moore
Commissioner Pesaramelli
Vice Chair Bell
Commissioner O'Connor
Commissioner Baer
Commissioner Mortellaro
Commissioner Babbs
Commissioner Peppler

Absent: 1 - Commissioner Orr

V. Public Comment

Chair Moore opened Public Comment at 6:32 p.m.

With no speakers in person or online virtually, Chair Moore closed Public Comment at 6:32 p.m.

VI. General Business

25-342 A Resolution of the Board of Commissioners of the Town of Erie Urban Renewal Authority Approving the Amended Town of Erie Revitalization Incentive Grant Program

Attachments: URA Resolution 25-033
Amendments to the Revitalization Grant Program_CLEAN
Amendments to the Revitalization Grant Program_REDLINE
Staff Presentation

Stephanie Pitts-Nagus, Economic Development Manager, presented the item at 6:33 p.m.

Commissioner Mortellaro made a motion to approve URA Resolution 25-033. Commissioner Babbs seconded the motion. The motion passed by the following vote at 7:12 p.m.

Aye: 10 - Commissioner Hoback
Commissioner Shaikh
Chair Moore
Commissioner Pesaramelli
Vice Chair Bell
Commissioner O'Connor
Commissioner Baer
Commissioner Mortellaro
Commissioner Babbs
Commissioner Peppler

Absent: 1 - Commissioner Orr

25-191 A Resolution of the Board of Commissioners of the Town of Erie Urban

Renewal Authority Approving Intergovernmental Agreements for Tax Increment Revenue Sharing Between the Town of Erie Urban Renewal Authority and Various Taxing Jurisdictions

Attachments: Resolution 25-027

Exhibit A-1 - TIF Agreement_St Vrain Valley School District

Exhibit A-2 - TIF Agreement_Mountain View Fire Protection District

Exhibit A-3 - TIF Agreement_Town of Erie

Exhibit A-4 - TIF Agreement_Boulder County

Exhibit A-5 - TIF Agreement_High Plains Library District

Exhibit A-6 - TIF Agreement_Northern Colorado Water Conservancy District

Exhibit A-7 - TIF Agreement_Mile High Flood District

Staff Presentation

Julian Jacquin, Director of Economic Development & TOEURA, and Malcolm Fleming, Town Manager, presented the item at 7:13 p.m.

Vice Chair Bell made a motion to approve URA Resolution 25-027. Commissioner Hoback seconded the motion. The motion passed by the following vote at 7:23 p.m.

Aye: 10 - Commissioner Hoback
Commissioner Shaikh
Chair Moore
Commissioner Pesaramelli
Vice Chair Bell
Commissioner O'Connor
Commissioner Baer
Commissioner Mortellaro
Commissioner Babbs
Commissioner Peppler

Absent: 1 - Commissioner Orr

VII. Adjournment

Chair Moore adjourned the meeting at 7:24 p.m.

Approved ________________________
Chair

Attest ___________________________
Town Clerk

TOWN OF ERIE

645 Holbrook Street
Erie, CO 80516

Urban Renewal Authority

Board Meeting Date: 7/8/2025

File #: 25-410, **Version:** 1

SUBJECT:
A Resolution of the Board of Commissioners of the Town of Erie Urban Renewal Authority Approving a First Amendment to the Tax Increment Revenue Agreement with the Town of Erie for the Erie Town Center Urban Renewal Plan

DEPARTMENT: Economic Development

PRESENTER(S): Julian Jacquin, Director of Economic Development & TOEURA
Malcolm Fleming, Town Manager/TOEURA Executive Director

TIME ESTIMATE: 0 minutes

FISCAL SUMMARY:
Projections provided by the Town's development partner, Evergreen Devco, show that sharing 3.25% of the Town's 3.50% sales tax as tax increment will allow the Erie Town Center Urban Renewal Plan Area (URA) to capture approximately $22M in new sales tax increment by retail sales generated within this new development program. The existing TIF Agreement approved by the Erie Town Council on Feb. 25, 2025, and executed by TOEURA on Jun. 10, 2025, only authorizes the URA to capture 1.75% (50%) of the Town's sales tax rate, reducing the amount of sales tax increment captured by the URA to approx. $11.8M. Approving this First Amendment to the Town of Erie's TIF Agreement will allow the URA to capture an additional $10.2M in sales tax increment, to further reduce the demonstrated gap and help achieve financial feasibility for this key development in Erie.

POLICY ISSUES:
The policy issue is whether to support an amended TIF revenue sharing agreement from the Town of Erie, increasing the municipal sales tax pledge for tax increment to be generated by new development in the Erie Town Center Urban Renewal Plan Area (URA) from 1.75% (50%) to 3.25% (92.9%) of the Town's 3.50% sales tax rate. This, and other actions are necessary to reduce the financial gap demonstrated by the Town's development partner, Evergreen Devco, and facilitate the development the Town wants to see happen. It also still provides sufficient revenue with the remaining 0.25% municipal sales tax to cover the cost of basic services (Erie Police, Parks, Streets, etc.) within this URA and for visitors to the area. Increasing the sales tax pledge to 3.25% allows TOEURA to maximize the use of the new URA Plan Area to address the significant blighting factors

on the site, which include historical undermining, an irrigation ditch, and the need for significant streets and other public improvements.

STAFF RECOMMENDATION:

Approve the First Amendment to the TIF Agreement with the Town of Erie for the Erie Town Center Urban Renewal Plan Area.

SUMMARY/KEY POINTS

- Amends the Town's approved TIF Agreement for the new Erie Town Center Urban Renewal Plan Area to increase the Town's sales tax pledge from 1.75% (50%) to 3.25% (92.9%) of the Town's 3.50% sales tax rate.
- Provides an additional $10.2M in sales tax increment to reduce the demonstrated funding gap and help achieve financial feasibility.
- The completed Erie Town Center Phase 1 Feasibility Study demonstrates that the remaining 0.25% municipal sales tax to be retained by the Town will still generate sufficient revenue to provide basic services for Town residents (Erie Police, Parks, Streets, etc.)
- This funding will help bring a smaller format grocery store and more commercial opportunities to central Erie and all the benefits that entails.

BACKGROUND OF SUBJECT MATTER:

The Erie Town Council approved a conditional Tax Increment Revenue Agreement ("TIF Agreement") for the new Erie Town Center Urban Renewal Plan Area on Feb. 25, 2025, pledging the Town's general operations mill levy as available property tax increment, and 1.75% (50%) of the Town's 3.50% sales tax rate as sales tax increment, to remediate blight and support the development of this key well-located site in Erie Town Center. The Town of Erie Urban Renewal Authority (TOEURA) then approved and fully executed the Town's TIF Agreement on Jun. 10, 2025.

The Town Council and TOEURA now wish to amend the Town's TIF Agreement to increase the sales tax pledge from 1.75% (50%) to 3.25% (92.9%) of the Town's 3.50% sales tax rate, to further remediate blight, increase the amount of sales tax to be captured as tax increment by TOEURA, reduce the financial gap demonstrated by Evergreen Devco and validated by the Town's independent consultant, and help achieve financial feasibility for this development.

The Town worked with Evergreen Devco and its third-party consultants at Pioneer Development Company to complete an Erie Town Center Phase 1 Feasibility Study (attachment #4), which includes a cost-of-service study, demonstrating that the remaining 0.25% municipal sales tax to be retained by the Town will still provide sufficient revenue provide basic services for Town residents (Town staff, Erie Police, etc.).

Approving the First Amendment to the Town's TIF Agreement will allow TOEURA to maximize the use of the tax increment captured to address the financial gap and further achieve financial feasibility, and still protect the Town's best interests.

TOWN COUNCIL PRIORITY(S) ADDRESSED:

☒ Attractive Community Amenities
☐ Engaged and Diverse Community
☒ Prosperous Economy
☐ Well-Maintained Transportation Infrastructure
☒ Small Town Feel
☐ Safe and Healthy Community
☒ Effective Governance
☐ Environmentally Sustainable
☒ Fiscally Responsible

ATTACHMENT(S):

1. Resolution 25-036
2. First Amendment to Town of Erie TIF Agreement
3. Existing TIF Agreement - Town of Erie
4. Erie Town Center Phase 1 Feasibility Study

Town of Erie Urban Renewal Authority
Resolution No. 25-036

A Resolution of the Board of Commissioners of the Town of Erie Urban Renewal Authority Approving a First Amendment to the Tax Increment Revenue Agreement with the Town of Erie for the Erie Town Center Urban Renewal Plan

Whereas, on February 25, 2025, the Town of Erie Urban Renewal Authority and the Town of Erie entered into a Tax Increment Revenue Agreement; and

Whereas, the Parties wish to amend the Agreement.

Now Therefore be it Resolved by the Board of Commissioners of the Town of Erie Urban Renewal Authority that:

Section 1. The First Amendment to the Tax Increment Revenue Agreement between the Authority and the Town is hereby approved in substantially the form attached hereto, subject to approval by the Authority's General Counsel. Upon such approval, the Chair is authorized to execute the First Amendment on behalf of the Authority.

Adopted this 8th day of July, 2025.

____
Andrew J. Moore, Chair

Attest:

____
Debbie Stamp, Town Clerk

First Amendment to Tax Increment Revenue Agreement
(Erie Town Center Urban Renewal Plan)

This First Amendment to Tax Increment Revenue Agreement (the "First Amendment") is entered into as of _____________, 2025 (the "Effective Date"), by and between the Town of Erie Urban Renewal Authority, a body corporate and politic of the State of Colorado with an address of 645 Holbrook Street, Erie, CO 80516 (the "Authority"), and the Town of Erie, a Colorado home rule municipality with an address is 645 Holbrook Street, Erie, CO 80516 (the "Town ") (each a "Party" and collectively as the "Parties").

Whereas, the Parties entered into that Tax Increment Revenue Agreement dated February 25, 2025 (the "Original Agreement") regarding the allocation of Town Property Tax Increment and Town Sales Tax Increment as said terms are defined in the Original Agreement; and

Whereas, the Parties desire to amend the allocation of Town Sales Tax Increment in the Original Agreement as set forth below.

Now, therefore, in consideration of the promises and the mutual covenants herein contained, the sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. The definition of the term "Town Sales Tax Increment" in Section 2.22 of the Original Agreement is delete in its entirety and replaced with the following:

> 2.22 "<u>Town Sales Tax Increment</u>" means the municipal sales tax increment as defined by C.R.S. § 31-25-107(9)(a) which shall be the municipal sales tax increment generated by 3.25% of the Town's 3.5% municipal sales tax, to be deposited directly into the special fund of the Authority in accordance with C.R.S. § 31-25-107(9)(a).

2. Section 5 of the Original Agreement is deleted in its entirety and replaced with the following:

> 5. <u>Sales Tax Increment Revenues</u>. The Town further pledges to the Authority the municipal sales tax increment as defined by C.R.S. § 31-25-107(9)(a) generated from 3.25% of the Town's 3.5%, with such sales tax increment to be deposited directly into the special fund of the Authority in accordance with C.R.S. § 31-25-107(9)(a). The municipal sales tax base shall be calculated in accordance with C.R.S. § 31-25-107(9)(a)(I); provided however, that the specific allocation of Town Municipal Sales Tax Increment to undertakings and activities within the Area shall be determined by the Authority by one or more separate Development or Redevelopment Agreements.

4. Entire Agreement. This First Amendment and the Original Agreement embody the entire agreement of the Parties with respect to the subject matter hereof. There are no promises, terms, conditions, or obligations other than those contained herein; and the Original Agreement as modified by this First Amendment shall supersede all previous communications, representations, or agreements, either verbal or written, between the Parties. No modification to the Original Agreement as modified by this First Amendment shall be valid unless agreed to in writing by the Parties.

5. Remainder of Agreement. Except as expressly modified herein, the Original Agreement shall remain in full force and effect.

In Witness Whereof, the Parties have executed this First Amendment as of the Effective Date.

Town of Erie, Colorado

____
Andrew J. Moore, Mayor

Attest:

____
Debbie Stamp, Town Clerk

Town of Erie Urban Renewal Authority

____
Andrew J. Moore, Chair

Attest:

____
Debbie Stamp, Town Clerk

Town of Erie
Resolution No. 25-044

A Resolution of the Town Council of the Town of Erie Approving a Conditional Tax Increment Revenue Agreement for the Erie Town Center Urban Renewal Plan

Whereas, the Town Council finds it in the best interest of the public health, safety and welfare to approve a Conditional Tax Increment Revenue Agreement for the Erie Town Center Urban Renewal Plan.

Now Therefore be it Resolved by the Town Council of the Town of Erie, Colorado, that:

Section 1. The Town Council hereby approves the Conditional Tax Increment Revenue Agreement in substantially the form attached hereto, subject to final approval by the Town Attorney. Upon such approval, the Mayor is authorized to execute the Agreement on behalf of the Town.

Adopted this 25th day of February, 2025.

Andrew J. Moore, Mayor

Attest:

Debbie Stamp, Town Clerk

TOWN OF ERIE CORPORATE SEAL COLORADO

2/21/2025
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<u>Tax Increment Revenue Agreement</u>
(Town of Erie)
(Erie Town Center Urban Renewal Plan)

This Tax Increment Revenue Agreement (the "**Agreement**") is entered into as of [February 25], 2025 (the "**Effective Date**") by and between the Town of Erie Urban Renewal Authority, a body corporate and politic of the State of Colorado (the "**Authority**"), whose address is 645 Holbrook Street, Erie, CO 80516, and the Town of Erie, a Colorado home rule municipality, (the "**Town**"), whose address is 645 Holbrook Street, Erie, CO 80516. The Authority and Town are referred to herein individually as a "**Party**" and collectively as the "**Parties**".

<u>Recitals</u>

The following recitals are incorporated in and made a part of this Agreement, as noted in <u>Section 1</u> below. Capitalized terms used herein and not otherwise defined are defined in <u>Section 2</u> below.

A. <u>Redevelopment</u>. The Parties understand that the real property described in <u>Exhibit A</u> (the "**Property**") lying within the corporate limits of the Town of Erie (the "**Town**"), is proposed to be within the area of the Erie Town Center Urban Renewal Plan ("**Plan**"), to be redeveloped by one or more developers and/or property owner(s) as a mixed-use development(s) that will eliminate existing blighted conditions which constitute threats to the health, safety and welfare of the community and barriers to development.

B. <u>Urban Renewal and Tax Increment Financing</u>. To accomplish the redevelopment and to provide certain required improvements, the Authority has recommended that the Property be included within the Erie Town Center Urban Renewal Plan, which Plan will authorize the utilization of tax increment financing in accordance with the Colorado Urban Renewal Law, Part 1 of Article 25 of Title 31, C.R.S. (the "**Act**"), to pay Eligible Costs of the Improvements. The Plan that includes the Property has been provided to Town under separate cover. The final version of the Plan as approved by the Town Council of the Town shall be the "Plan" for purposes of this Agreement. The Parties hereto hereby approve the Plan in all respects, including any and all amendments thereto.

C. <u>Nature of Urban Renewal Project and Purpose of Agreement</u>. The proposed Urban Renewal Project consists of designing, developing and constructing the Improvements (which includes paying the Eligible Costs of public improvements) necessary to serve the proposed Urban Renewal Area and, in compliance with § 31-25-107(4)(g) of the Act, the Plan affords maximum opportunity, consistent with the sound needs of the Town as a whole, for the rehabilitation or redevelopment of the Urban Renewal Area by private enterprise. Approval of the New Plan is subject to the Act, including requirements imposed by HB 15-1348, as amended to-date (the "**Amended 1348 Requirements**") for new urban renewal plans adopted after January 1, 2016.

D. Taxing Entities. The Town levies ad valorem property taxes on the Property included within the proposed Urban Renewal Area.

E. Equitable Deal Structure. The Town and the Authority, along with other taxing districts, have undertaken to prepare an equitable deal structure including a significant contribution of incremental property tax revenues from certain applicable taxing districts.

F. Colorado Urban Renewal Law. In accordance with the Act as amended to the date of this Agreement (including the Amended 1348 Requirements), the Parties desire to enter into this Agreement to facilitate adoption of the Plan and redevelopment of the proposed Urban Renewal Area described therein. The Agreement addresses, among other things, the estimated impacts of the Plan on Town services associated solely with the Plan.

Agreement

Now, Therefore, in consideration of the covenants, promises and agreements of each of the Parties hereto, to be kept and performed by each of them, it is agreed by and between the Parties hereto as set forth herein.

1. Incorporation of Recitals. The foregoing recitals are incorporated into and made a part of this Agreement.

2. Definitions. As used in this Agreement:

2.1 "**Act**" means the Colorado Urban Renewal Law, Part 1 of Article 25 of Title 31, C.R.S.

2.2 "**Agreement**" means this Agreement, as it may be amended or supplemented in writing. References to sections or exhibits are to this Agreement unless otherwise qualified.

2.3 "**Agricultural Land**" has the meaning set forth in Section 6 hereof.

2.4 "**Authority**" means the Town of Erie Urban Renewal Authority, a body corporate and politic of the State of Colorado.

2.5 "**Bonds**" shall have the same meaning as defined in § 31-25-103 of the Act.

2.6 "**County**" means Boulder County, Colorado.

2.7 "**Duration**" means the 25-year period that the tax increment or tax allocation provisions will be in effect as specified in § 31-25-107(9)(a) of the Act, the Plan, and the Impact Report. Pursuant to the Act, the base year for calculating Property Tax Increment Revenues is 2024. The last year the assessment roll will be divided for purposes of TIF is 2049, and the last year the Authority is eligible to receive Property Tax Increment Revenues from the Plan area is 2050.

2.8 "**Eligible Costs**" means those costs eligible to be paid or reimbursed from the Property Tax Increment Revenues pursuant to the Act.

2.9 "**Impact Report**" means the impact report dated as of November 24, 2024, and prepared by Pioneer Development Company analyzing and projecting the financial burdens and benefits of the Urban Renewal Project pursuant to § 31-25-107(3.5) of the Act.

2.10 "**Improvements**" means the public improvements and private improvements to be constructed on the Property pursuant to the Plan.

2.12 "**Party**" or "**Parties**" means the Authority and Town, or each and their lawful successors and assigns.

2.13 "**Plan**" means the urban renewal plan defined in Recital B above.

2.14 "**Project**" shall have the same meaning as Urban Renewal Project.

2.15 "**Property Tax Increment Revenues**" means the incremental property tax revenues derived from ad valorem property tax levies described in § 31-25-107(9)(a)(II) of the Act allocated to the Special Fund for the Urban Renewal Project. Provided however, any property tax increment generated by new oil and gas well sites developed within the boundaries of the Project after the adoption of the Plan will not be included or otherwise captured as increment and will instead be subject to all taxes levied by taxing districts at the then current mill levy.

2.16 **Remitted Town Property Tax Increment**" means that portion of the Town Mill Levy pledged to the bonded indebtedness of the Town for the voter-approved purposes of trails and open space, public safety and the Town's Recreation Center, which must be remitted to the Town by the Authority in accordance with Section 4.1 hereof.

2.17 "**Retained Town Property Tax Increment**" means that portion of the Town Mill Levy which is identified as the Town's unrestricted general operations mill levy which may be retained and expended by the Authority in accordance with Section 4.1 hereof.

2.18 "**Special Fund**" means that certain special fund of the Authority into which Property Tax Increment Revenues shall be allocated to and paid into, as more particularly described in the Act.

2.19 "**TIF**" means the property tax increment portion of the property tax assessment roll described in § 31-25-107(9)(a)(II) of the Act.

2.20 "**Town**" means the Town of Erie, Colorado.

2.21 "**Town Property Tax Increment**" means the portion of Property Tax Increment Revenues generated by the Town mill levy, received by the Authority from the Boulder County Treasurer.

2.22 "**Town Sales Tax Increment**" means the municipal sales tax increment as defined by C.R.S. § 31-25-107(9)(a), which shall be the municipal sales tax increment generated from one- and three-quarters percent (1.75%) of the Town's municipal sales tax, to be deposited directly into the special fund of the Authority in accordance with C.R.S. § 31-25-107(9)(a).

2.23 "**Urban Renewal Area**" means the area included in the boundaries of the Plan.

2.24 "**Urban Renewal Project**" means all undertakings and activities, or any combination thereof, required to carry out the Plan pursuant to the Act.

3. Impact Report. The Parties acknowledge receipt of, and the opportunity to review, the Impact Report, submitted in accordance with C.R.S. § 31-25-107(3.5)(a). The Impact Report describes the benefits and burdens of the Plan. Having received the Impact Report prior to the commencement of negotiations for the purposes of entering into this Agreement, the Town hereby waives any other statutory requirements related to receipt of the Impact Report.

4. Property Tax Increment Revenues. In compliance with the requirements of the Act, including the Amended 1348 Requirements, the Parties have negotiated and agreed to the sharing of Property Tax Increment Revenues as set forth herein.

4.1 Town Property Tax Increment Revenues. The Town and the Authority agree that the Authority shall remit to the Town the Property Tax Increment generated from that portion of the Town Mill Levy pledged to the bonded indebtedness of the Town for the voter-approved purposes of trails and open space, public safety and the Town's Recreation Center (the "**Remitted Town Property Tax Increment**") on or before the 20th day of each month, commencing on the date of approval by the Town of the Plan and ending upon the earlier of: 1) the occurrence of the Duration; or 2) the payment in full of all bonds, loans, advances and indebtedness, if any, incurred by the Authority to pay for the Improvements, including interest thereon and any premiums due in connection therewith in accordance with § 31-25-107(9)(a)(II) of the Act. The Town and the Authority agree that the Authority may retain and expend in furtherance of the Urban Renewal Project the Property Tax Increment generated from that portion of the Town Mill Levy identified as the unrestricted general operations mill levy of the Property Tax Increment (the "**Retained Town Property Tax Increment**"), commencing on the date of approval by the Town of the Plan and ending upon the earlier of: 1) the occurrence of the Duration; or 2) the payment in full of all bonds, loans, advances and indebtedness, if any, incurred by the Authority to pay for the Improvements, including interest thereon and any premiums due in connection therewith in accordance with § 31-25-107(9)(a)(II) of the Act. Upon the earlier of: 1) the occurrence of the Duration; or 2) the payment in full of all bonds, loans, advances and indebtedness, if any, incurred by the Authority to pay for the Improvements, including interest thereon and any premiums due in connection therewith in accordance with § 31-25-107(9)(a)(II) of the Act, the entire Town Property Tax Increment shall be paid by the County Assessor to the Town, and not to the Authority. The Authority shall annually provide a written report to the Town on progress towards completion of the Improvements. The report shall include information related to any significant changes in project scope or cost.

4.2 All of the Town Property Tax Increment upon receipt by the Authority will be deposited into the Special Fund to be utilized in accordance with Section 4.1 hereof. No Town Property Tax Increment will be deposited or transferred into any other Authority fund or into the general fund or any other fund.

5. Sales Tax Increment Revenues. The Town further pledges to the Authority the municipal sales tax increment as defined by C.R.S. § 31-25-107(9)(a) generated from one- and three-quarters percent (1.75%) of the Town's municipal sales tax, such sales tax increment to be deposited directly into the special fund of the Authority in accordance with C.R.S. § 31-25-107(9)(a). The municipal sales tax base shall be calculated in accordance with C.R.S. § 31-25-107(9)(a)(I). Provided however, the specific allocation of the Town Municipal Sales Tax Increment to undertakings and activities within the Area shall be determined by the Authority by one or more separate Development or Redevelopment Agreements.

6. Authority Administrative Fee. An administrative fee equal to one percent (1%) of the Town Property Tax Increment as determined on an annual basis shall be retained by the Authority ("**Administrative Fee**"). Notwithstanding anything to the contrary set forth in this Agreement or in the Urban Renewal Plan, the Authority shall be entitled to retain the Administrative Fee to pay the reasonable and customary administrative costs of the Authority incurred in connection with the Authority's obligations under this Agreement, including without limitation the collection, enforcement, disbursement, and administrative fees and costs related to the Town Property Tax Increment and the Urban Renewal Plan Area. The Administrative Fee shall be deducted annually from the Town Property Tax Increment received.

7. Pledge of Town Property Tax and Town Sales Tax Increment Revenues. The Town recognizes and agrees that in reliance on this Agreement and in accordance with the provisions of § 31-25-109(2)(b) of the Act, the Authority has the right to pledge the Retained Town Property Tax Increment and the Town Sales Tax Increment to the

payment of the Authority's Bonds (if any are or have been issued) and other financial obligations incurred in connection with the Urban Renewal Project. The Town and the Authority also recognize and agree that this Agreement is an indebtedness of the Authority under § 31-25-107(9)(a)(II) of the Act. The Retained Town Property Tax Increment and the Town Sales Tax Increment, when and as received by the Authority is and shall be subject to the lien of such pledge without any physical delivery, filing, or further act. The lien of such pledge on the Retained Town Property Tax Increment and the Town Sales Tax Increment shall have priority over any of all other obligations and liabilities of the Authority with respect to the Retained Town Property Tax Increment and the Town Sales Tax Increment. The lien of such pledge shall be valid, binding and enforceable as against all persons having claims of any kind in tort, contract, or otherwise against the Authority irrespective of whether such persons have notice of such lien.

8. Agricultural Land. The Urban Renewal Area will include property that has been classified within the previous five years as agricultural land by the Boulder County Assessor ("**Agricultural Land**") for the purposes of levying ad valorem property taxes. The Act requires that such Agricultural Land included within an urban renewal plan area shall be valued at fair market value for purposes of establishing the base and calculating the increment. Accordingly, as demonstrated in the Impact Report for the Plan previously submitted to the Town, among others, the Agricultural Land base value has been established at fair market rates. In addition, the Town specifically and irrevocably consents to the inclusion of such Agricultural Land in the Plan pursuant to § 31-25-107(1)(c)(II)(D) of the Act.

9. Waiver. The Town acknowledges and agrees that the execution of this Agreement satisfies the requirements of the Act regarding all applicable Amended 1348 Requirements for the adoption of the Plan, TIF financing in accordance with the Plan, and notices related thereto, except those that may apply to future modifications of the Plan as required by Sections 31-25-107(3.5) and (7) of the Act. Subject to such right to receive notice of any proposed future modification of the Plan, the Town hereby waives any provision of the Act that provides for notice to, requires any filing with or by, requires or permits consent from, or provides any enforcement right to the Town. The Town agrees that it has already received information equivalent to the information otherwise required to be provided to it by Section 31-25-107(3.5) of the Act in the form of the Impact Report, and therefore hereby deem that requirement satisfied.

10. Limitation of Agreement. This Agreement applies only to the Retained Town Property Tax Increment and the Town Sales Tax Increment County Increment. With regards to the Town Property tax Increment, it applies only to that amount as calculated, produced, collected and paid to the Authority from the Urban Renewal Area by the Boulder County Treasurer in accordance with § 31-25-107(9)(a)(II) of the Act and the rules and regulations of the Property Tax Administrator of the State of Colorado, and does not include any other revenues of the Town or the Authority.

11. Miscellaneous.

11.1 Delays. Any delays in or failure of performance by any Party of its obligations under this Agreement shall be excused if such delays or failure are a result of acts of God; fires; floods; earthquake; abnormal weather; strikes; labor disputes; accidents; regulation or order of civil or military authorities; shortages of labor or materials; or other causes, similar or dissimilar, including economic downturns, which are beyond the control of such Party. Notwithstanding the foregoing, where any of the above events shall occur which temporarily interrupt the ability of a Party to abide by its obligations as provided in this Agreement, as soon as the event causing such interruption shall no longer prevail, the applicable Party shall fulfill all of its obligations as soon as reasonably practicable.

11.2 Termination and Subsequent Legislation or Litigation. In the event of termination of the Plan, including its TIF financing component, the Authority may terminate this Agreement by delivering written notice to Town. The Parties further agree that in the event legislation is adopted or a decision by a court of competent jurisdiction is rendered after the effective date of this Agreement that invalidates or materially effects any provisions hereof, the Parties will in good faith negotiate for an amendment to this Agreement that most fully implements the original intent, purpose and provisions of this Agreement, but does not impair any otherwise valid contracts in effect at such time.

11.3 Entire Agreement. This instrument embodies the entire agreement of the Parties with respect to the subject matter hereof. There are no promises, terms, conditions, or obligations other than those contained herein; and this Agreement shall supersede all previous communications, representations, or agreements, either verbal or written, between the Parties hereto. No modification to this Agreement shall be valid unless agreed to in writing by the Parties.

11.4 Binding Effect. This Agreement shall inure to the benefit of and be binding upon the Parties and their successors in interest.

11.5 No Third-Party Enforcement. It is expressly understood and agreed that the enforcement of the terms and conditions of this Agreement, and all rights of action relating to such enforcement, shall be strictly reserved to the undersigned Parties and nothing in this Agreement shall give or allow any claim or right of action whatsoever by any other person not included in this Agreement. It is the express intention of the undersigned Parties that any person or entity other than the undersigned Parties receiving services or benefits under this Agreement shall be an incidental beneficiary only.

11.6 No Waiver of Immunities. Nothing in this Agreement shall be construed as a waiver of the rights and privileges of the Parties pursuant to the Colorado Governmental Immunity Act, § 24-10-101, *et seq.*, C.R.S., as the same may be amended from time to time. No portion of this Agreement shall be deemed to have created a duty of care which did not previously exist with respect to any person not a party to this agreement.

11.7 Amendment. This Agreement may be amended only by an instrument in writing signed by the Parties.

11.8 Parties not Partners. Notwithstanding any language in this Agreement or any other agreement, representation, or warranty to the contrary, the Parties shall not be deemed to be partners or joint venturers, and no Party shall be responsible for any debt or liability of any other Party.

11.9 Interpretation. All references herein to Bonds shall be interpreted to include the incurrence of debt by the Authority in any form consistent with the definition of "Bonds" in the Act, including payment of Eligible Costs or any other lawful financing obligation.

11.10 Incorporation of Recitals and Exhibits. The provisions of the Recitals and the Exhibits attached to this Agreement are incorporated in and made a part of this Agreement.

11.11 No Assignment. No Party may assign any of its rights or obligations under this Agreement. Any attempted assignment in violation of this provision shall be null and void and of no force and effect.

11.12 Section Captions. The captions of the sections are set forth only for the convenience and reference of the Parties and are not intended in any way to define, limit, or describe the scope or intent of this Agreement.

11.13 Execution in Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original and all of which shall constitute but one and the same instrument.

11.14 Electronic Transactions. The Parties agree that any individual or individuals who are authorized to execute this Agreement on behalf of the Authority or Town are hereby authorized to execute this Agreement electronically via facsimile or email signature. This agreement by the Parties to use electronic signatures is made pursuant to Article 71.3 of Title 24, C.R.S., also known as the Uniform Electronic Transactions Act. Any electronic signature so affixed to this Agreement shall carry the full legal force and effect of any original, handwritten signature. The Parties hereto agree that the transactions described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files, and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action, or suit in the appropriate court of law.

11.15 Governing Law. This Agreement and the provisions hereof shall be governed by and construed in accordance with the laws of the State of Colorado.

11.16 No Presumption. The Parties to this Agreement and their attorneys have had a full opportunity to review and participate in the drafting of the final form of this Agreement. Accordingly, this Agreement shall be construed without regard to any presumption or other rule of construction against the Party causing the Agreement to be drafted.

11.17 Notices. Any notice required by this Agreement shall be in writing. All notices, demands, requests and other communications required or permitted hereunder shall be in writing, and shall be: (a) personally delivered with a written receipt of delivery; (b) sent by a nationally-recognized overnight delivery service requiring a written acknowledgement of receipt or providing a certification of delivery or attempted delivery; (c) sent by certified or registered mail, return receipt requested; or (d) sent by confirmed facsimile transmission or electronic delivery with an original copy thereof transmitted to the recipient by one of the means described in subsections (a) through (c) no later than five business days thereafter. All notices shall be deemed effective when actually delivered as documented in a delivery receipt; provided, however, that if the notice was sent by overnight courier or mail as aforesaid and is affirmatively refused or cannot be delivered during customary business hours by reason of the absence of a signatory to acknowledge receipt, or by reason of a change of address with respect to which the addressor did not have either knowledge or written notice delivered in accordance with this paragraph, then the first attempted delivery shall be deemed to constitute delivery. Each Party shall be entitled to change its address for notices from time to time by delivering to the other Party notice thereof in the manner herein provided for the delivery of notices. All notices shall be sent to the addressee at its address set forth in the Preamble to this Agreement.

11.18 Days. If the day for any performance or event provided for herein is a Saturday, a Sunday, a day on which national banks are not open for the regular transactions of business, or a legal holiday pursuant to C.R.S. § 24-11-101(1), such day shall be extended until the next day on which such banks and state offices are open for the transaction of business.

11.19 Precedent. The Parties agree that this Agreement is entered into for the specific Plan described herein. All other future urban renewal projects will be evaluated on their specific attributes and merits and agreements for those projects may include additional or different terms from this Agreement. This Agreement is not deemed to set precedent for such future agreements.

11.20 Severability. If any provision of this Agreement is found to be invalid, illegal or unenforceable, the validity and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

11.21 Authority. The persons executing this Agreement on behalf of the Parties covenant and warrant that each is fully authorized to execute this Agreement on behalf of such Party. The Parties further covenant and warrant that they are authorized to enter into this Agreement pursuant to law, including without limitation C.R.S. § 31-25-107(9.5).

[Remainder of page intentionally left blank]

In Witness Whereof, the Authority and Town have caused their duly authorized officials to execute this Agreement effective as of the Effective Date.

The Town of Erie, a Colorado home rule municipality

By: ______________________

Title: Mayor

Attest: Debbie Stamp

By: Debbie Stamp

The Town of Erie Urban Renewal Authority, a body corporate and politic of the State of Colorado

By: ______________________

Title: Mayor

Attest: Debbie Stamp

By: Town Clerk

Exhibit A
The Property

Legal Description:

Tract A, Ranchwood Minor Subdivision. Located in the East Half of the Northeast Quarter of Section 24, Township 1 North, Range 69 West of the 6th Principal Meridian, Town of Erie, County of Boulder, State of Colorado.

FOR INFORMATIONAL PURPOSES ONLY:
Boulder County Assessor Parcel No. R0511537 / 146524110001

PIONEER DEVELOPMENT COMPANY

we find the way

DRAFT

Erie Town Center Phase 1 Feasibility Study

Town of Erie

April 14, 2025

PIONEER DEVELOPMENT COMPANY
we find the way

April 14, 2025

Town of Erie Urban Renewal Authority
Town of Erie, Colorado

Dear Julian,

The Town of Erie has engaged Pioneer Development Company (PDC) to review a development project (Erie Town Center Phase 1) requesting financial assistance within the proposed Erie Town Center Urban Renewal Plan. This assistance would be provided by a public private partnership between the Town of Erie, TOEURA and the developer. The financial assistance will leverage a variety of public incentives, including Tax Increment Financing (TIF). The Feasibility Study's purpose is to determine the project's financial need, quantify the funding gap, estimate the cost to serve the project, and optimize tax revenue sharing agreements that yield feasible outcomes.

The project is located on ~20-acres of Town-owned property within the Erie Town Center Planned Development (PD) area. The Town adopted this PD to facilitate development that aligns with the community's vision for the area. The Erie Town Center PD encourages new urbanism principles and form-based codes, with an emphasis on compact, walkable development. Despite this regulatory effort and potential land equity, a lack of public infrastructure, historic undermining and other conditions are challenging the site's development. The conditions arresting sound development throughout the proposed Plan area have been catalogued in the Erie Town Center Conditions Survey (submitted November 5th, 2024) and underscore its need for a public private partnership.

The Project's developer is Evergreen Devco Inc (Evergreen). Evergreen is proposing a commercial development that meets the Town's PD and includes a grocer, restaurants, and commercial office space. Although this development program is typical for the carbon valley market area, extraordinary development costs associated with the site's undermining and lack of public infrastructure create a financial hurdle that cannot be overcome without public assistance. The developer is requesting financial assistance from the Town and TOEURA to help mitigate the identified blighted area factors. The applicant is requesting additional funding resources from the Town, TOEURA and TOEURA's partnering taxing entities to assist with the site's development and help make this concept feasible at this location.

The developer provided project information, concept plans, budgets, proformas and financial plans that were reviewed and evaluated by this Feasibility Report. This development review is intended to provide a third-party, objective evaluation of market assumptions and development and operating proformas to inform public investment decision-making. This review also evaluates (TIF) projections and compares bondable tax revenues with the estimated funding gap. The review also evaluates the project's fiscal impact on the town to determine the maximum revenue sharing agreement possible. This study summarizes PDC's review and findings.

Andrew Arnold
Founder | Principal
Pioneer Development Company
Durango, Colorado

CC: Malcolm Fleming

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Executive Summary

Erie Town Center Phase 1 Feasibility Study

This report evaluated the Erie Town Center Phase 1 development project's feasibility. The feasibility study included a financial gap analysis, a revenue forecast, and a fiscal impact analysis. The feasibility study is intended to evaluate the project's need for a public private partnership and, if a funding gap is identified, estimate the revenue sharing agreements necessary to help close that gap. The study assumes that the Erie Town Center Urban Renewal Plan has been approved by Town Council, and that property and sales tax increment revenue sharing agreements are possible.

The proposed project is a commercial development located within ~20 acres of town-owned property. The Town and the developer, Evergreen Devco Inc, are currently negotiating the land sale for Phase 1 of the area. Phase 1 includes ~7 acres in the area's southeast quadrant, closest to the East County Line Road and Erie Parkway intersection. The project location is within the Town's adopted Planned Development Zone, "Erie Town Center PD". This zone mandates compact, walkable development based on new urbanist principles and form based codes. The PD requires significant public infrastructure upgrades, including new public roads and stormwater retention. The project area is also severely blighted, as determined by the Conditions Survey completed November 5th, 2024. The property is heavily undermined and will require significant mitigation to become activated. These extraordinary development costs are challenging the project's feasibility. Evergreen is requesting public funding assistance to help overcome these costs, while maintaining the community-desired design and bringing an anchor grocer to the site. The Town sees this project as catalytic for realizing the Erie Town Center Planned Development, and the commercial uses proposed in Phase 1 are necessary for activating development throughout the larger area.

This analysis specifically focuses on the project's feasibility. This study evaluates feasibility by first determining the financial gap that exists based on the development concept, budget, pro forma, and market and financial benchmarks. Once the financial gap is established, the study then performs a fiscal impact analysis on the Town of Erie. The developer is requesting funding assistance primarily through Tax Increment Financing, which would share property and sales tax revenue generated by the project with the project. The fiscal impact analysis determines the project's net fiscal impact on the Town over 25 years, and also models a hypothetical revenue sharing agreement where the fiscal impact is effectively neutral. These findings are used to model the development's tax revenue forecast. The assumptions within this forecast can be used by the project's underwriter to estimate bonding capacity. The bonds will be used to offset project expenses, and yield feasible outcomes. These analyses are then used to form a set of recommendations to advance the project's feasibility. The Study is organized into the following three sections:

- **Financial Gap Analysis** – The report evaluated the project's financials, benchmarking it to the market, and estimated the gap funding range required to make the project feasible.
- **Tax Revenue Forecast** – The report forecast the project's property and sales tax revenue generated over 25 years. This forecast was used to determine the gross and present value revenues generated by the proposed development. The revenues were then compared to the financial gap to determine project feasibility.

- **Fiscal Impact Analysis** – The report synthesized its analyses by performing a 25-year fiscal impact analysis. The project and its proposed tax sharing reimbursement agreement were analyzed each year for 25 years, estimating the annual cost-of-service to the Town of Erie generated by the development. The analysis produced a net fiscal impact on the Town of Erie. A positive fiscal impact indicates that the proposed project and revenue sharing agreement is a sound financial decision for the Town. This corresponds to a positive cost-benefit analysis.

Findings

The project will provide positive economic and fiscal benefits to the Town, developing an area that has been historically challenging to revitalize. The developer will mitigate undermining, extend public infrastructure and amenities throughout the site, and catalyze Phase 1 of the Erie Town Center PD. This development will feature an anchor grocer tenant, commercial office space, and restaurants. **The project's development costs are expected to exceed $40 million and will generate ~250 full-time equivalent jobs.** This report's findings are summarized below:

- **Feasibility (Financial Gap) Summary –** The Project has an estimated Feasibility Gap between **$19.5 million and $20.5 million**. The feasibility gap is based on the project's pro forma, conceptual development plan, market benchmarks, and return on investment criteria. This feasibility gap is created by significant horizontal infrastructure costs, undermining mitigation, and limited vertical development in Phase 1.

Feasibility (Financial Gap) Summary				
ROI Indicator	Market Target	GAP Funding Range[1]		
Estimated Gap (Stabilized Year)		***$19,500,000***	***$20,000,000***	***$20,500,000***
Return-on-Cost	**8.75% to 9.50%**	**8.39%**	**8.64%**	**8.89%**
IRR, Unlevered	**9.25% to 10.25%**	**9.47%**	**9.83%**	**10.21%**
NPV	**> $0**	**-$486,124**	**$986,124**	**$1,486,124**

- **Tax Revenue Forecast Summary –** To overcome the feasibility gap, this report recommends that the Town, TOEURA and the Developer pursue a tax increment sharing agreement, in combination with potential fee reimbursements. These incentive agreements should be combined with developer-imposed taxes (metro districts and add-on public improvement fees on sales and services). Combined, this public incentive package should equate to between $19.5 million and $20.5 million, a sum that falls within the project's required gap funding range. The project's property and sales taxes were projected from 2025 to 2050 and tabulated below.

[1] Gap Funding is applied to Construction Equity in this analysis. Gap Funding is assumed to be Present Value.

Erie Town Center - Tax Revenue Forecast

Revenue Sharing Agreements	Mill Levy/Rate %	Revenue Sharing %	URA Plan Mill/Rate
Property Tax (All Entities)	113.249	67%	75.376
Sales Tax (Town Only)	3.50%	92.9%	3.25%

Erie Town Center Phase 1 – Tax Revenue Forecast Summary

Property Tax Information				
Estimated Base Taxable Value	$0			
Total New Taxable Value	$3,851,074			
Total Net Taxable Value	$3,851,074			
URA Tax Increment Financing Estimates[2]	**Gross**	**Net Present Value[3]**	**Annual Average**	**Town of Erie**
Total	**$26,900,000**	**$9,900,000**	**$1,036,000**	**$807,000**
Property Tax (67% TIF Share)	$7,000,000	$2,600,000	$269,000	$40,000
Sales Tax (3.25% Rate, Inflation Adj.)	$19,900,000	$7,300,000	$767,000	$767,000
TOTAL PUBLIC FINANCE ESTIMATES	**Gross**	**Net Present Value**		
TOTAL	**$26,900,000**	**$9,900,000**		
Property Tax Increment	$7,000,000	$2,600,000		
Sales Tax Increment (Inflation Adj.)	$19,900,000	$7,300,000		
Public Finance Estimates	**$26,900,000**	**$9,900,000**		
GRAND TOTAL	**$26,900,000**	**$9,900,000**		

[2] Estimates have been rounded.

[3] Net Present Value Estimates are based on a 7.50% Discount Rate.

- **Fiscal Impact Analysis Summary –** The project is expected to generate **a positive net fiscal impact to the Town of Erie**, based on its development program and the proposed tax revenue sharing agreements. The report analyzed the project's net fiscal impact beginning in 2025 and ending in 2050. This period was selected based on the proposed Erie Town Center Urban Renewal Plan and its expected 25-year term. Assuming this Urban Renewal Plan is formed, and the proposed revenue sharing agreements committed to the project, the project will generate revenues that exceed its estimated annual Town service costs. This analysis estimates that the project's net fiscal impact to the Town is ~$451,000. After the terms of the incentive agreement sunset in 2050, the project's annual surplus revenue to the Town will exceed $859,000.

Erie Town Center – Fiscal Impact Analysis				
Annual Revenues		**Annual Expenditures**		**Net**
Year	**Estimate**	**Year**	**Estimate**	
2025	$0	2025	$0	$0
2026	$0	2026	$0	$0
2027	$53,251	2027	$44,265	$8,986
2028	$62,875	2028	$59,423	$3,452
2029	$62,875	2029	$59,240	$3,636
2030	$62,875	2030	$59,053	$3,822
2031	$62,875	2031	$58,863	$4,012
2032	$62,875	2032	$58,670	$4,205
2033	$62,875	2033	$58,474	$4,401
2034	$62,875	2034	$58,274	$4,601
2035	$62,875	2035	$58,071	$4,804
2036	$62,875	2036	$57,864	$5,011
2037	$62,875	2037	$57,653	$5,222
2038	$62,875	2038	$57,439	$5,436
2039	$62,875	2039	$57,221	$5,654
2040	$62,875	2040	$56,999	$5,876
2041	$62,875	2041	$56,773	$6,102
2042	$62,875	2042	$56,543	$6,332
2043	$62,875	2043	$56,309	$6,566
2044	$62,875	2044	$56,070	$6,805
2045	$62,875	2045	$55,828	$7,048
2046	$62,875	2046	$55,580	$7,295
2047	$62,875	2047	$55,328	$7,547
2048	$62,875	2048	$55,072	$7,803
2049	$62,875	2049	$54,811	$8,065
2050	$62,875	2050	$54,545	$8,331
Total Revenues	**$1,499,379**	**Total Expenditures**	**$1,358,367**	**$141,012**
2051 (Sunset)	**$908,318**	**2051 (Sunset)**	**$54,274**	**$854,045**

Recommendations

This study recommends the Town of Erie, TOEURA and its partner taxing entities establish the Erie Town Center Urban Renewal Plan and negotiate tax increment revenue sharing agreements with the developer. The development is simply not feasible without significant public funding and support. This study assumes that the Town, TOEURA and its partnering taxing entities are aligned in facilitating the Erie Town Center Planned Development vision and appreciate the importance this development holds in catalyzing the broader PD plan.

The development's feasibility is jeopardized for a variety of reasons. The site exhibits significant blighting factors, including severe undermining hazards. The grocery anchor, while a high priority publicly, is a loss-leader for the developer. Regulatory controls limit the development's uses and density, creating a scenario where the horizontal infrastructure costs exceed vertical construction costs. This unusual combination contributes to the large funding gap, and the need for a significant public private partnership between the project, Town, and TOEURA.

Tax Increment Financing alone will not close the project's feasibility gap, however. It is necessary that the Developer and the Town work together on additional funding sources to help close the estimated $19.5 to $20.5 million feasibility gap. This study estimates that property and sales tax increment shared at the proposed levels would reduce the funding gap by ~50%. The remaining 50% will need to be overcome with alternative public finance sources. These additional revenue sources should include "self-taxing" strategies, such as metropolitan districts, business improvement districts, and add-on public improvement fees (both on sales and services). The Town should also consider one-time fee reimbursements and potentially assisting in the undermining mitigation or public street improvements.

The Study does not recommend extending these proposed revenue sharing agreements to future phases of the project, even if they occur within the proposed Urban Renewal Plan area. Incremental taxable value generated by future phases should be remitted to the Town and TOEURA's participating taxing entities. Land sales within future phases should also be carefully considered by the Town to ensure it is receiving an adequate return on investment relative to the property's original purchase price.

This study recommends the following:

- The Town of Erie establishes the Erie Town Center Urban Renewal Plan.
- TOEURA negotiates property tax increment revenue sharing agreements with participating taxing entities. The study recommends that at least 67% of the project's overlapping millage rate be pledged to the project for 25 years.
- The Town of Erie and TOEURA enter into a sales tax increment revenue sharing agreement with the developer. This agreement should pledge no more than 92.9% of the increment generated at the Town's 3.50% rate to the project. This is an effective incremental sales tax rate of 3.25%. The remaining 0.25% of the Town Sales Tax will be remitted to the Town by TOEURA until the Urban Renewal Plan sunsets.

The following sections provide more detail on the Study's findings and recommendations.

Background

Scope of the Review

To evaluate the proposed project's feasibility and public financing needs, PDC reviewed and provided independent research regarding the following assumptions:

- Independent verification for market assumptions presented in the development proposal,
- Construction costs estimate verification,
- Financial gap analysis,
- Market verification on commercial construction loan rates and terms,
- Comparison with market rate investment criteria and yield indicators,
- Assessed Value appraisal and tax estimates,
- Fiscal Impact Analysis,
- Potential impacts from current economic uncertainty.

Methodology

The Developer provided detailed conceptual designs, budgets, and development and operating pro forma. The Developer also allowed PDC to interview the development team and interrogate assumptions within their pro forma. This information helped inform this Report's analysis.

The Reviewers conducted independent research into market conditions and development costs to establish a market baseline for evaluating this Project's feasibility. The development costs were independently verified to determine their reasonableness. Projected revenues, including commercial leases, were contrasted with comparable properties throughout the local and regional market. The same method was used to compare the project's expenses, including commercial operating expenses, absorption, lease-turnover, vacancy, and financial terms to local market realities. Once these assumptions were evaluated, the Reviewers performed a sensitivity analysis on a range of gap funding scenarios. These potential financial gaps were estimated by the Reviewers through an independent rate of return analysis targeting market-based investment expectations. The Reviewers then estimated the development's future property and sales tax revenue using similar assumptions. The tax revenue forecast was then compared to the gap funding analysis to identify the optimal range for revenue sharing. Finally, the reviewers conducted a fiscal impact analysis to estimate Erie's cost of serving this development. The revenue sharing agreement necessary for making the development feasible was applied to the fiscal impact analysis to estimate the net fiscal impact the revenue sharing agreement and development would have on the municipality over a fixed period (25 years).

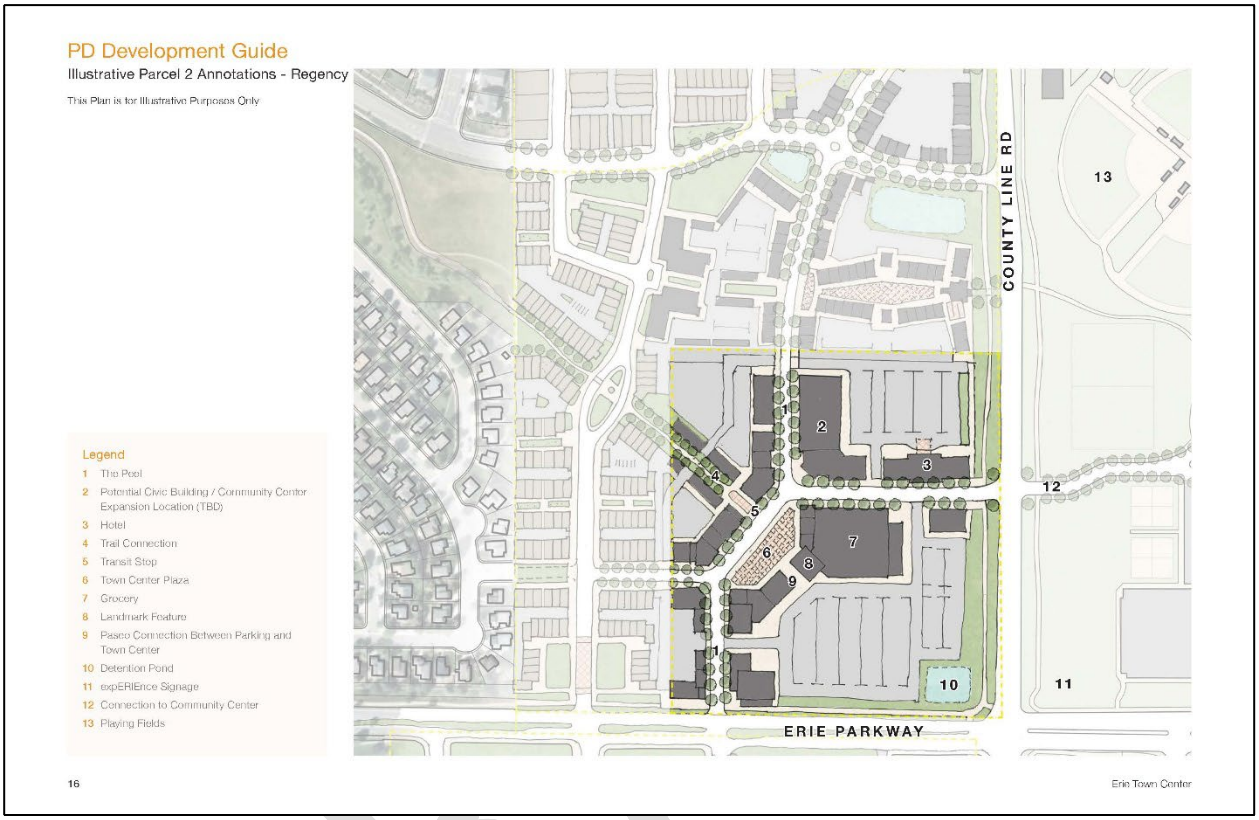
Project Basis

Proposed Development Project – Erie Town Center Phase 1	
Boulder County Parcels	146524110001
Property Owner (Per Assessor)	Town of Erie
Situs	N/A
Current Actual Value	**$3,361,034**
Use Description	**Tax Exempt**

- The site is ~ 20.31 acres located within the Town of Erie's Town Center Planned Development Zone. The proposed development encompasses ~7 acres in the parcel's southeast quadrant, closest to the East County Line Road and Erie Parkway intersection. The site is within the Town of Erie's municipal limits.
- The Town of Erie purchased this parcel in 2022 for $4,000,000. The property was considered underutilized and development complicated by undermining.
- The property is impacted by mine subsidence hazards, caused by the now abandoned Garfield No. 1 Coal Mine. According to a 2022 Lithos Engineering Study, 70% of the property is undermined with ~30% falling within high to severe subsidence hazard zones. The proposed Phase 1 development largely encompasses these zones.
- The Erie Town Center Phase 1 Project will mitigate the subsidence hazard, extend public infrastructure throughout the site, and develop a commercial development in alignment with the Towns PD.
- The development will feature an anchor grocery store, two commercial retail buildings, and two multi-tenant office/service buildings. Total commercial equals ~41,715 square feet.
- The development will construct two public streets, Pinnacle and Town Center, in addition to stormwater retention and off-site Erie Parkway and East County Line Road Improvements.
- The reviewers evaluated this project on a real estate basis. The business' profit and loss, operational expenses, and operational costs are not considered part of the Gap Funding analysis. This development is assumed to be a for-lease product.
- The two retail commercial pads are assumed to be sold during the construction phase. These proceeds lower the project's total construction costs evaluated by this Study.
- The Reviewers estimated the development's incremental tax revenues based on Erie's current millage rate, the current tax area overlapping millage rate and the town's current sales tax rate.
- The Reviewers estimated the development's fiscal impact based on the Town of Erie's 2025 budget and state demographer growth rates for both population and employment. The fiscal impact analysis assumes that the Town, TOEURA, taxing entities that levy an ad valorem property tax within the area and the Developer have agreed to an incremental property and sales tax revenue sharing agreement lasting 25-years after the Town Center Urban Renewal Plan has been established.

Development Assumptions

Erie Town Center Phase 1 Conceptual Development



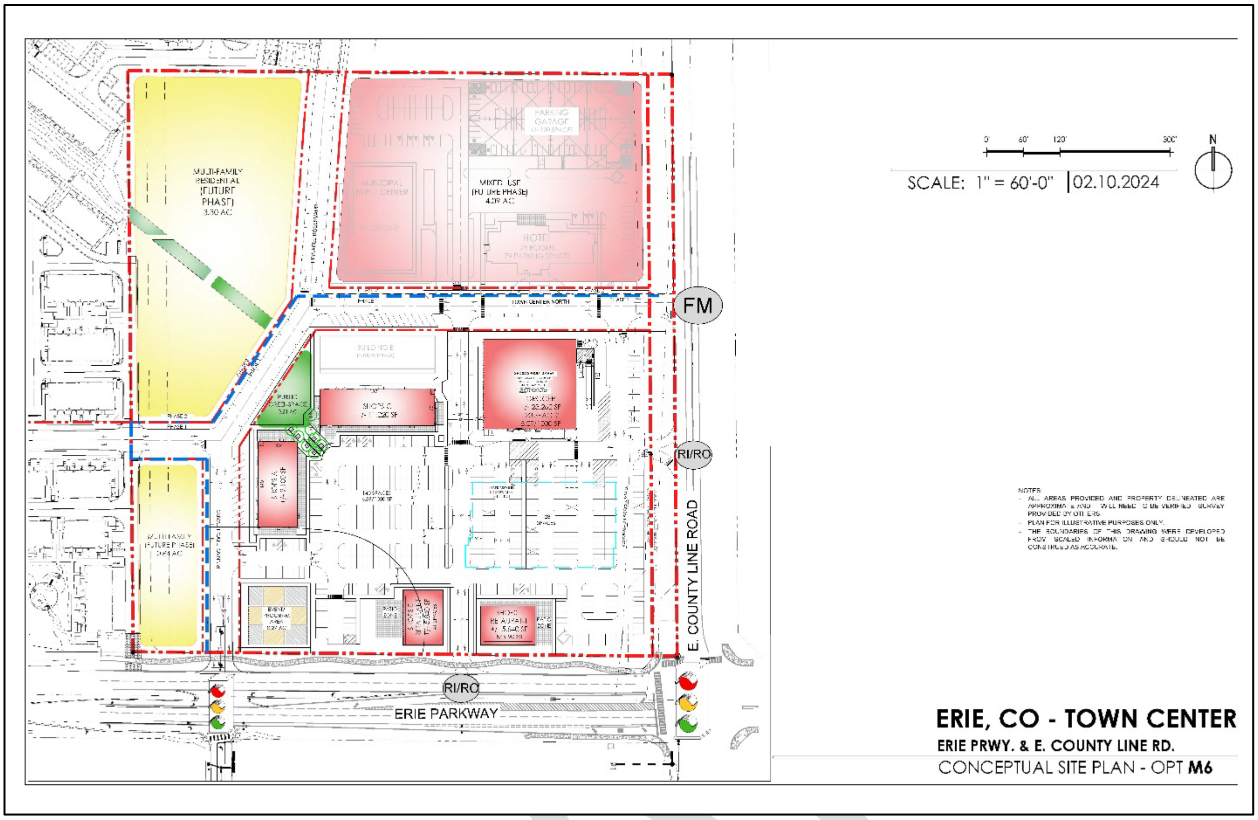
Conceptual Development Plan and Assumptions

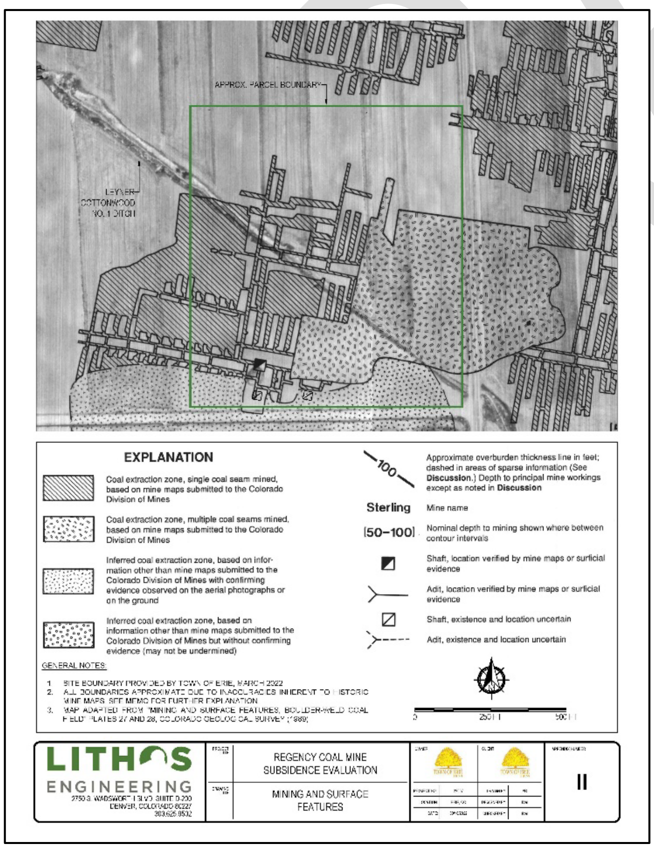
Erie Town Center Phase 1 (The Project) is a commercial development being proposed within the Town of Erie. The project is located at the intersection of East County Line Road and Erie Parkway within a ~20-acre Town Owned property. The development team is led by Evergreen Devco Inc, an experienced developer within Colorado. Evergreen has proposed a conceptual development plan divided into two phases. Only Phase 1 is evaluated by this study.

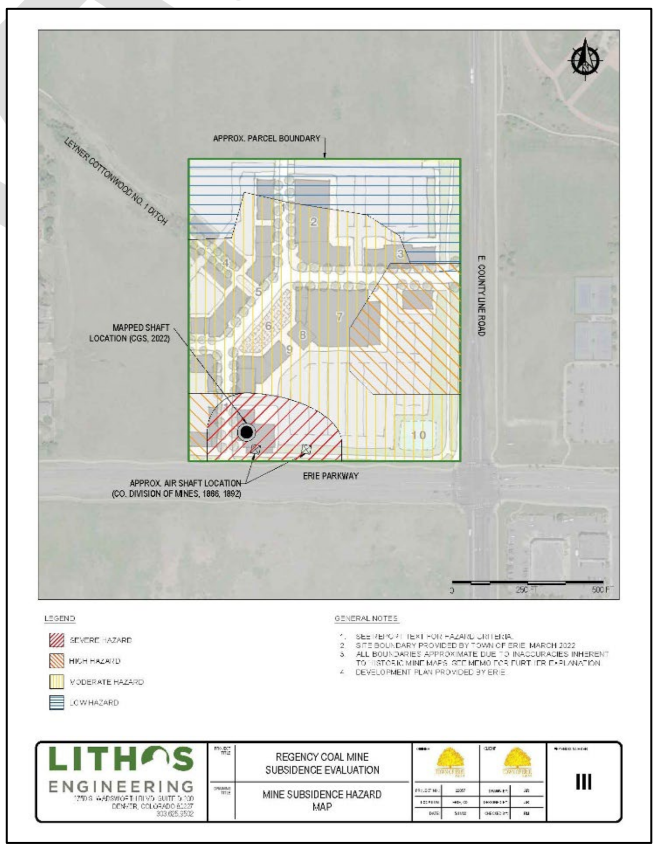
Phase 1 includes ~7.0 acres and will construct 55,262 square feet of commercial space. Phase 1 is considered a catalyst for the Erie Town Center Planned Development zone and will help mitigate major undermining and subsidence hazards. This mitigation, coupled with infrastructure extensions, should serve to activate future development phases within the Town's PD.

The proposed commercial space includes an anchor Grocery Store (23,262 SF), two restaurants (11,680 SF) and two multi-tenant buildings (20,320) intended to serve as office/service space. Evergreen is expected to sell the commercial pads for the restaurant uses and construct the grocer and multi-tenant buildings. Evergreen will then hold these properties and collect lease payments. The feasibility study evaluates return on investment metrics based on the vertical improvement held by Evergreen. The horizontal infrastructure construction is expected to commence immediately, with vertical improvements being completed from 2027 to 2028.

(See Concept Plan and rendering below):


SCALE: 1" = 60'-0"
02.10.2024
N
FM
RI/RO
E. COUNTY LINE ROAD
ERIE PARKWAY
ERIE, CO - TOWN CENTER
ERIE PRWY. & E. COUNTY LINE RD.
CONCEPTUAL SITE PLAN - OPT M6


APPROX. PARCEL BOUNDARY
LEYNER-COTTONWOOD NO. 1 DITCH
EXPLANATION
Coal extraction zone, single coal seam mined, based on mine maps submitted to the Colorado Division of Mines
Coal extraction zone, multiple coal seams mined, based on mine maps submitted to the Colorado Division of Mines
Inferred coal extraction zone, based on information other than mine maps submitted to the Colorado Division of Mines with confirming evidence observed on the aerial photographs or on the ground
Inferred coal extraction zone, based on information other than mine maps submitted to the Colorado Division of Mines but without confirming evidence (may not be undermined)
100
Approximate overburden thickness line in feet; dashed in areas of sparse information (See Discussion.) Depth to principal mine workings except as noted in Discussion
Sterling
Mine name
[50–100]
Nominal depth to mining shown where between contour intervals
Shaft, location verified by mine maps or surficial evidence
Adit, location verified by mine maps or surficial evidence
Shaft, existence and location uncertain
Adit, existence and location uncertain
GENERAL NOTES:
LITHOS ENGINEERING
REGENCY COAL MINE SUBSIDENCE EVALUATION
MINING AND SURFACE FEATURES
II


APPROX. PARCEL BOUNDARY
LEYNER COTTONWOOD NO. 1 DITCH
E. COUNTY LINE ROAD
MAPPED SHAFT LOCATION (CGS, 2022)
APPROX. AIR SHAFT LOCATION (CO. DIVISION OF MINES, 1886, 1892)
ERIE PARKWAY
LEGEND
SEVERE HAZARD
HIGH HAZARD
MODERATE HAZARD
LOW HAZARD
GENERAL NOTES
LITHOS ENGINEERING
REGENCY COAL MINE SUBSIDENCE EVALUATION
MINE SUBSIDENCE HAZARD MAP
III

Feasibility Gap Assumptions

Development Program

The Reviewers have evaluated this proposed development from the perspective of an open market. This analysis assumes that the proposed grocer and multi-tenant buildings are being developed as a for-lease product. Commercial pad sales are applied to the project's construction costs. The following chart compares the as-proposed development proforma assumptions with PDC's market-derived assumptions.

Assumptions	As Proposed	Market Estimate	Comments
Use Type			
Residential Units	0	-	No Residential is being proposed.
Commercial Retail	23,262 SF	-	The Reviewers assume that commercial space will be leased to maximize NOI. Commercial leases are assumed NNN. Commercial Retail Space only includes the Grocer, as the restaurant pads are expected to be sold during construction. Commercial office space includes the Multi-Tenant Buildings.
Commercial Office	20,320 SF	-	
Commercial Component			
Commercial Retail Leasing Rates Per Square Foot	$29.00 psf	$25.00 psf	Evergreen is expected to construct and own the Grocery Store building as part of this development. Evergreen provided preliminary lease rates for this space. PDC analyzed comparable retailers throughout the regional area. The market analysis found that Evergreen's proposed lease rates are higher than current market lease rates, especially those featuring larger properties. Newer neighborhood commercial retail properties command lease rates range between $23-$25 PSF NNN. However, Evergreen's arrangement with the Grocer may be able to justify higher rents. In fact, Erie's commercial retail rents are trending towards that of the Boulder market, suggesting that the developer's assumed lease rate is reasonable, albeit higher than the market. Given these factors, the reviewers estimate that this property would command an asking rent of $29 PSF NNN. Reviewer's estimate is based on a comparison of commercial retail space leases and expenses in the market area. Assumes NNN leases.
Commercial Retail Operating Expenses	$N/A	$11.00 psf	Denver Metro area average operating expenses for commercial retail properties were used by the reviewers.
Commercial Office Leasing Rates Per Square Foot	$40.00 psf	$34.50 psf	Evergreen is expected to construct and own the multi-tenant buildings as part of this development. The multi-tenant buildings are expected to be used as office space, including medical offices and professional services. Evergreen provided preliminary lease rates for this space. PDC analyzed comparable multi-tenant office buildings throughout the regional area. The market analysis

			found that Evergreen's proposed lease rates are aligned with Boulder County averages, but higher than existing comps within Erie and within a 15-minute drive radius around the site. Boulder County's office leases of comparable properties average $40.34 PSF NNN. Erie's office space market, by comparison, averages $23.48 PSF NNN. The Reviewers' assume that this newer development can command lease rates similar to those within Boulder County but currently outside the Erie market area. Given these factors, the reviewers accept the developer's estimate that this property would command an asking rent of $40.00 PSF NNN. Assumes NNN leases.
Commercial Office Operating Expenses	$N/A	$11.00 psf	Denver Metro area average operating expenses for commercial office properties were used by the reviewers.
Financing Component			
Debt			
Loan: Cost Ratio	65%	55% - 70%	The developer provided construction loan financing information as part of their pro forma and interviews. Permanent loan financing was not provided. Reviewers' assumptions are based on comparable commercial developments within the market area.
Interest Rate	7.50%	7.50%	
Amortization	N/A	20-30 Years	
Capitalization Rates			
Stabilized – Retail	N/A	6.75%	Economic and market conditions in Denver Metro and Boulder submarkets outperform national and west region averages by ~25 basis points. Retail cap rates, especially for food service tenants, are forecast to remain stable in the coming years. Office cap rates are beginning to see signs of compression, although they remain higher in the local market area. The going-in (stabilized) cap rate used in this Review reflects these market expectations. Typically, exit cap rates (at asset liquidation) are 50 to 150 basis points higher than going-in rates. The reviewers used a 75-basis point increase for liquidated capitalization rates.
Liquidated – Retail	N/A	7.50%	
Stabilized – Office	N/A	7.50%	
Liquidated – Office	N/A	8.25%	
Return on Investment Metrics			
Target Yield			Market-based target yield rates are used to estimate the financial gap. These yield rates represent a blended return based on market surveys for retail office commercial property investments. The NPV is calculated using the blended pre-tax yield rate. This is the rate of interest that discounts pre-tax cash flows received on an unlevered investment back to a present value that is exactly equal to the original equity investment. Return on Cost, or yield on cost, is based on current capitalization rates and development spreads for specific uses.
Yield Rate (IRR, Unlevered)	n/a	9.25% to 10.25%	
Return on Cost	n/a	8.75% to 9.50%	
Net Present Value	n/a	> 0	

Development Cost			
Land Purchase Cost	$0	$0	The Reviewers assume that the Town has agreed to convey the land required for Phase 1 to the developer. Land outside Phase 1 is not considered by this analysis.
Public Infrastructure Cost	$7,646,348	$7,646,348	The Reviewers assume the developer's public infrastructure costs are accurate. Reviewer's interviewed development team and reviewed cost estimations. Public infrastructure costs include new public streets (Town Center and Pinnacle) and off-site stormwater and roadway improvement to East County Line Road and Erie Parkway. Reviewer's also interviewed Erie Four Corners developers to confirm and check cost estimates. Cost also included undergrounding major irrigation ditch running through site. Costs include 15% contingency.
Mine Mitigation Costs	$4,443,011	$4,443,011	Mine mitigation costs were provided by developer and their engineering consultants. A Phase II environmental study performed by Lithos Engineering originally estimated mitigation costs at $400,000 per acre. Phase 1's mine mitigation costs equate to ~$635,000 per acre. Reviewers accept this increase as reasonable given Phase 1's location over the high to severely impacted mine subsidence zones on the property.
Site Work	$7,788,135	$7,788,135	Reviewers interviewed development team regarding site work costs. Confirmed that off-site and public infrastructure costs were not double counted. Site work costs appear high, but are validated by engineering estimates. Reviewers find these costs reasonable.
Soft and Hard Cost	$20,805,171	$19,000,000	Reviewers used cost approximation tables and construction cost indexes to evaluate the development's soft and hard costs. Building improvement costs provided by the developer were lower than reviewers approximations. Soft costs, however, were higher than typical approximations. This may be due to higher raw water and tap fees, in addition to the Town's impact fees. Financing cost were reasonable.
Development Cost	**$40,682,665**	**$38,877,494**	The Reviewer's estimated development cost is based on the project concept as understood by the Reviewer using cost guide approximations. The Developer's estimated development costs are heavily impacted by horizontal infrastructure costs, mine mitigation costs, off-site road and stormwater improvements, undergrounding a large irrigation ditch, and relatively high water, sewer and impact fees. The Reviewer's cost estimate is within 10% of the Developer's cost estimate, meaning that these costs are deemed reasonable.
Land Sales	**$3,281,775**	**$3,281,775**	Evergreen provided land sales estimates based on a $40 PSF price for two commercial pads. These pads will feature additional commercial retail uses not considered by this study. Reviewers found these pad sales higher than market averages (Comparable properties recently sold pads at ~$25 PSF). The developer's estimate was applied to the total development cost when evaluating the project's feasibility.

1. Source: CoStar, IRR, RERC; Realtyrates.com; RS Means; Zillow; CBRE; DMCAR; NAR, Commercial Real Estate Finance Co. of America, CommercialLoanDirect.com, Integra Realty Resources, Hoyt Advisory Services; NMHC/NAA; U.S. Census Bureau; RealPage, fixr.com, Statista: Denver, Fannie Mae, EV Studio, ARGUS College, Pioneer Development Company.

Estimated Feasibility Gap

Based on investor surveys and market data reviewed by PDC, the following target rates are used to proxy investment hurdle rates of return. In other words, it is assumed the cash flow projections must yield rates within the following ranges to be considered attractive to the market. Return-on-Investment (ROI) estimates are based upon stabilization in 2028, designated as Year 3 of the Proforma.

ROI Indicator	Description	Market Target
Return-on-Cost	Net Operating Income at Stabilization before debt service as % of Project Cost	8.75% to 9.50%
Internal Rate of Return (IRR, unleveraged, Pre-Tax Yield)	Annual revenue and asset sale over 10 years as return on development costs.	8.75% to 10.25%
Net Present Value (NPV)	Sum of Present Value Future Cash Flows, discounted at the appropriate Market Rate, less the initial Cash Outlay.	> $0

The following Gap Funding range analysis illustrates the application of total GAP funding against construction cost (minus land sales) during the 1st year of construction:

Feasibility (Financial Gap) Summary				
ROI Indicator	Market Target	GAP Funding Range[4]		
Estimated Gap (Stabilized Year)		***$19,500,000***	***$20,000,000***	***$20,500,000***
Return-on-Cost	**8.75% to 9.50%**	**8.39%**	**8.64%**	**8.89%**
IRR, Unlevered	**9.25% to 10.25%**	**9.47%**	**9.83%**	**10.21%**
NPV	**> $0**	**-$486,124**	**$986,124**	**$1,486,124**

The development project as proposed indicates a **financial gap between $19.5 million and $20.5 million.** The gap funding range analysis reveals that the project will begin to achieve market target rates for "return-on-cost", unleveraged IRR and Net Present Value with **$19.5 in gap funding.**

To achieve market target rates, this Gap Funding estimate is assumed to be applied to construction equity. The funding, therefore, is estimated as **a net present value of between $19.5 million and $20.5 million. This review estimates that the project will achieve target market hurdle rates at this level of public funding. Public funding can be a combination of Tax Increment Financing, cost-sharing, land equity, fee reimbursements, and add-on public improvement fees or metropolitan district mills.**

[4] Gap Funding is applied to Construction Equity in this analysis. Gap Funding is assumed to be Present Value.

Tax Increment Financing Forecast

Tax Revenue Forecast Summary

The development as proposed requires approximately $19.5 million to $20.5 million in gap funding to achieve financial feasibility based on market benchmarks and current investment metrics. The developer has requested public financing assistance in the form of tax increment financing. Tax increment financing can be achieved only if the Town of Erie and its partnering taxing entities agreement to establish the Erie Town Center Urban Renewal Plan. This section forecasts the project's incremental tax revenues to determine the present value an Urban Renewal Plan brings to the project. This present value is a proxy for bonding capacity and can be compared to the funding gap to evaluate project feasibility.

This report analyzed the project's incremental property and sales tax revenues. This tax revenue forecast is based on specific revenue sharing assumptions. These assumptions are tabulated below:

Erie Town Center - Tax Revenue Forecast			
Revenue Sharing Agreements	**Mill Levy/Rate %**	**Revenue Sharing %**	**URA Plan Mill/Rate**
Property Tax (All Entities)	**113.249**	**67%**	**75.376**
Sales Tax (Town Only)	**3.50%**	**92.9%**	**3.25%**

The report assumes that the revenue sharing agreements listed in the table have been negotiated and accepted by the Town, TOEURA, its partnering taxing entities and the developer. The assumption is that the Erie Town Center Urban Renewal Plan can retain incremental sales and property taxes at the listed rates for a period of 25 years. All incremental revenue is then assumed to be pledged to a metropolitan district (or similar special improvement district) and be spent on public infrastructure and blight mitigation. The revenue sharing assumptions are based on the Study's Fiscal Impact Analysis, and typical property tax sharing agreement throughout the market area within similar Urban Renewal Plans. These estimates are included in the following table. Property tax and sales tax rates are discussed in more detail in the following sections:

Erie Town Center Phase 1 – Tax Revenue Forecast Summary				
Property Tax Information				
Estimated Base Taxable Value	**$0**			
Total New Taxable Value	**$3,851,074**			
Total Net Taxable Value	**$3,851,074**			
URA Tax Increment Financing Estimates[5]	**Gross**	**Net Present Value[6]**	**Annual Average**	**Town of Erie**
Total	**$26,900,000**	**$9,900,000**	**$1,036,000**	**$807,000**
Property Tax (67% TIF Share)	$7,000,000	$2,600,000	$269,000	$40,000
Sales Tax (3.25% Rate, Inflation Adj.)	$19,900,000	$7,300,000	$767,000	$767,000
TOTAL PUBLIC FINANCE ESTIMATES	**Gross**	**Net Present Value**		
TOTAL	**$26,900,000**	**$9,900,000**		
Property Tax Increment	$7,000,000	$2,600,000		
Sales Tax Increment (Inflation Adj.)	$19,900,000	$7,300,000		
Public Finance Estimates	**$26,900,000**	**$9,900,000**		
GRAND TOTAL	**$26,900,000**	**$9,900,000**		

The Erie Town Center Phase 1 project is estimated to generate $7 million in property taxes and $19.9 million in sales taxes from 2025 to 2050. When discounted back at an appropriate discount rate (7.50%) this amount equates to a Net Present Value of $2.60 million in property tax revenue and $7.30 million in sales tax revenue.

The revenue forecast, based on the assumed revenue sharing agreements, **can effectively offset the project's feasibility gap by ~50%.** Additional public funding strategies will need to be leveraged to close the project's remaining 50% funding gap. These strategies should include developer-imposed taxes and fees, such as a Metro District, BID or Add-On Public Improvement Fee. The strategy could also extend to the Town reimbursing public infrastructure costs, undermining mitigation costs, or fees. A final strategy could include altering the development program to increase Phase 1's taxable value or retail sales tax producing space.

5 Estimates have been rounded.
6 Net Present Value Estimates are based on a 7.50% Discount Rate.

Sales Tax Forecast Analysis

Sales tax generated by Erie Town Center Phase 1 is based on a sales per square foot assumption for specific uses. These uses include two restaurants (which are expected to be constructed separately on the sold commercial pads. However, their incremental sales tax can be captured by the proposed Urban Renewal Plan.) PDC worked with the Development team to evaluate a comparable sales per square foot estimates. This analysis identified a sales per square foot estimate of $660 Phase 1. This analysis is included in the table below:

Commercial Retail Use	Square Feet	Annual Sales	Sales Per SF	Non-Taxable Sales	Net New Sales	Total Estimated Retail Sales	Adjusted Sale Per SF
Restaurant 1	5,840	$3,942,000	$650	5%	95%	$3,557,655	$609.19
Restaurant 2	5,840	$3,942,000	$650	5%	95%	$3,557,655	$609.19
Grocer	23,262	$17,679,120	$760	5%	95%	$15,955,406	$685.90

Property Tax Forecast

The study assumes that the Town, TOEURA, and its participating taxing entities will negotiate a revenue sharing agreement that mirrors the table below. The project is within tax area 1392. The study assumes that only 67% of the tax area's millage rate will be eligible for tax increment financing.

Tax District Name	2024 Mill Levy	TIF Agreement	TIF Eligible Mill Levy
HIGH PLAINS LIBRARY DISTRICT	3.196	100%	3.196
TOWN OF ERIE - GENERAL OPERATIONS	7.288	100%	7.288
TOWN OF ERIE - BOND REDEMPTION	2.093	0%	0.000
TOWN OF ERIE - CAPITAL EXPENDITURES	4.000	100%	4.000
MOUNTAIN VIEW FIRE PROTECTION DISTRICT	16.247	100%	16.247
URBAN DRAINAGE AND FLOOD CONTROL	0.900	0%	0.000
NORTHERN COLORADO WATER (NCW)	1.000	0%	0.000
SCHOOL DIST RE1J-LONGMONT (SFA)	27.000	100%	27.000
SCHOOL DIST RE1J-LONGMONT (MLO)	13.238	0%	0.000
SCHOOL DIST RE1J-LONGMONT (BOND)	16.728	0%	0.000
SCHOOL DIST RE1J-LONGMONT (ABATEMENT)	0.272	0%	0.000
BOULDER COUNTY - GENERAL OPERATIONS	17.645	100%	17.645
BOULDER COUNTY - ROADS AND BRIDGES	0.159	0%	0.000
BOULDER COUNTY - PUBLIC WELFARE	0.837	0%	0.000
BOULDER COUNTY - DEVELOPMENT DISABILITY	0.856	0%	0.000
BOULDER COUNTY - CAPITAL EXPENDITURE	0.419	0%	0.000
BOULDER COUNTY - REFUND ABATEMENT	0.072	0%	0.000
BOULDER COUNTY - HEALTH AND HUMAN SERVICES	0.500	0%	0.000
BOULDER COUNTY - TEMP HS SAFETY	0.799	0%	0.000
	113.249	**67%**	**75.376**

Fiscal Impact Analysis

The Erie Town Center Phase 1 Cost of Service Study:

Tax Increment Financing Impact Analysis

The Cost-of-Service Study has been designed to evaluate the Project's net fiscal impact on the Town of Erie over a 25-year period based on the assumed incremental property and sales tax sharing agreements. The proposed development has exhibited a feasibility (funding gap) between $19.5 million and $20.5 million. This Study analyzed the development's impact on the Town of Erie assuming that the Town Center Urban Renewal Plan has been established and both a property and sales tax increment reimbursement agreement has been negotiated.

The Cost-of-Service analysis applied this revenue sharing agreement to forecast the Project's net fiscal impact on the Town of Erie over the Urban Renewal Plan 25-year horizon. The following table outlines the Project's proposed revenue sharing agreement:

Erie Town Center Phase 1 Cost of Service - Direct Revenue Assumptions (2025 to 2050)			
Revenue Sharing Agreements	**Erie Mill Levy/Rate %**	**Revenue Sharing %**	**URA Plan Mill/Rate**
Property Tax	**7.29**	**100%**	**7.29**
Sales Tax	**3.50%**	**92.9%**	**3.25%**

Evaluating the Project's Net Fiscal Impact

The Cost-of-Service study applied this revenue sharing agreement to forecast the Project's net fiscal impact on the Town of Erie between 2025 and 2050. A fiscal impact analysis is defined as "a projection of the direct, current, public costs and revenues associated with residential and non-residential growth to the local jurisdiction in which this growth is taking place."[7]

The analysis forecast the Project's future growth, value, and taxes and proportionally assigns this growth a cost based on the Town's 2025 budget. The Town's growth, its demographics, revenues, and expenditures are also forecast in parallel with the Project. The analysis quantifies the Project's annual revenues and expenditures and estimates its net fiscal impact on the Town. This analysis is performed each year the revenue sharing agreement is in effect, for 25 years. The aggregated result is the Project's total net fiscal impact on the Town of Erie. The analysis also illustrates the project's fiscal impact on the Town once the revenue sharing agreement sunsets, although this is not included in the report's fiscal impact calculations.

The results of this analysis are tabulated below. The fiscal impact timeline is also illustrated in the following table and graphs:

[7] "The Fiscal Impact Handbook", Burchell and Listokin 1978.

Erie Town Center Phase 1 - Fiscal Impact Summary			
Revenues	**Total**	**Expenditures**	**Total**
Property Taxes	$0	General Fund	$1,358,367
Sales Taxes	$1,499,379		
Other General Fund Revenues	$0		
Total	**$1,499,379**	**Total**	**$1,358,367**

Erie Town Center – Annual Net Fiscal Impact Analysis				
Annual Revenues		**Annual Expenditures**		**Net**
Year	**Estimate**	**Year**	**Estimate**	
2025	$0	2025	$0	$0
2026	$0	2026	$0	$0
2027	$53,251	2027	$44,265	$8,986
2028	$62,875	2028	$59,423	$3,452
2029	$62,875	2029	$59,240	$3,636
2030	$62,875	2030	$59,053	$3,822
2031	$62,875	2031	$58,863	$4,012
2032	$62,875	2032	$58,670	$4,205
2033	$62,875	2033	$58,474	$4,401
2034	$62,875	2034	$58,274	$4,601
2035	$62,875	2035	$58,071	$4,804
2036	$62,875	2036	$57,864	$5,011
2037	$62,875	2037	$57,653	$5,222
2038	$62,875	2038	$57,439	$5,436
2039	$62,875	2039	$57,221	$5,654
2040	$62,875	2040	$56,999	$5,876
2041	$62,875	2041	$56,773	$6,102
2042	$62,875	2042	$56,543	$6,332
2043	$62,875	2043	$56,309	$6,566
2044	$62,875	2044	$56,070	$6,805
2045	$62,875	2045	$55,828	$7,048
2046	$62,875	2046	$55,580	$7,295
2047	$62,875	2047	$55,328	$7,547
2048	$62,875	2048	$55,072	$7,803
2049	$62,875	2049	$54,811	$8,065
2050	$62,875	2050	$54,545	$8,331
Total Revenues	**$1,499,379**	**Total Expenditures**	**$1,358,367**	**$141,012**
2051 (Sunset)	**$908,318**	**2051 (Sunset)**	**$54,274**	**$854,045**

Cost of Service Study Conclusion

The Study found that the Erie Town Center Phase 1 development and its proposed revenue sharing agreement will generate a positive fiscal impact from 2025 to 2050 (the Urban Renewal Plan's term). The total revenues generated (excluding incremental revenues pledged to the Urban Renewal Plan) over this time are estimated at $1,499,379. The total expenditures generated are estimated $1,358,367. These estimates account for the proposed revenue sharing agreements. The Project's fiscal impact results in a net surplus of $141,012 to the Town of Erie from 2025 to 2050. This surplus is minimal and can be interpreted as the breakeven point for the Town. If the Town were to agree to these proposed revenue sharing agreements, the project's limited sales tax revenue would pay for its estimated cost of services.

In summary, this Study recommends that the Town of Erie support the proposed revenue sharing agreement. The fiscal impact analysis indicates a positive cost-benefit for the Town, meaning that the development will not yield negative fiscal impacts even after the revenue sharing agreements. The project's feasibility depends largely on the Urban Renewal Plan and an aggressive TIF sharing agreement with the Town.

Methodology

Cost-of-Service Study Approach and Analysis

The Cost-of-Service Study presents a fiscal impact analysis on the Erie Town Center Phase 1 development (Project) and its proposed tax increment revenue sharing agreements. A fiscal impact analysis is defined as "a projection of the direct, current, public costs and revenues associated with residential and non-residential growth to the local jurisdiction in which this growth is taking place."[8] This study projects the public costs and revenues associated with the Project on the Town of Erie. This study only considers **direct impacts** in its analysis. **Direct impacts include taxes generated by the project and primary costs associated with that project's growth.** For example, population and employment changes created by the Project are direct impacts. Indirect impacts or induced impacts, common economic impact measurements, are not considered in this Study.

Traditionally, a fiscal impact analysis would evaluate a proposed development by estimating its direct revenues and costs based on a municipality's current budget and tax structure. However, this study evaluates a Project imbedded within a public private partnership. More specifically, this study evaluates the proposed development assuming a tax revenue sharing agreement has been negotiated. This study assumes that an Urban Renewal Plan has been established, and property tax increment and sales tax increment revenue sharing agreements have been negotiated. The combined incentive agreement will help make the project financially feasible.

This Study analyzes the Project's fiscal impact on the Town of Erie over the Plan's 25-year period and assumes that tax revenues will be allocated according to the proposed revenue sharing agreement. The revenue sharing agreement modeled by this study is tabulated below:

Erie Town Center Phase 1 Cost of Service - Direct Revenue Assumptions (2025 to 2050)			
Revenue Sharing Agreements	**Erie Mill Levy/Rate %**	**Revenue Sharing %**	**URA Plan Mill/Rate**
Property Tax	**7.29**	**100%**	**7.29**
Sales Tax	**3.50%**	**92.9%**	**3.25%**

Per Capita and Case Study Method

The Cost-of-Service study analyzes the Project's fiscal impacts using two methodologies, a Per Capita Multiplier methodology and a Case Study methodology. The Per Capita Multiplier methodology estimates the Town's current revenues and expenditures on a per capita basis. The Per Capita estimate represents the Town's total service population, which combines the Town's current population with a proportion of its non-resident workforce. The non-resident workforce proportion represents an equivalent full-time resident population. This analysis assumes a 50% proportion factor for the project's non-resident workforce.

[8] "The Fiscal Impact Handbook", Burchell and Listokin 1978.

Together, these two populations form the Per Capita estimate. The Per Capita estimate is then compared to the Town's budget, where budgeted revenues and expenditures are assigned a per capita value.

The Project's total service population is then estimated and, using the Per Capita values, its recurring revenues and expenditures are evaluated. The Per Capita Multiplier methodology only considers revenues and expenditures that exhibit a nexus with population and employment growth. This nexus may exhibit elasticity, for example, staffing costs exhibit more elasticity to Per Capita growth than equipment purchases. Although both expenditures are likely to increase with Per Capita growth, the demand placed on Town staff is more linear and less punctuated than the demand placed on equipment. These differences are captured by this report using an Elasticity Percentage for each budgeted revenue and expenditure line item.

The Per Capita Multiplier methodology is combined with a Case Study methodology. PDC applied previous Fiscal Impact Analyses to this analysis to assume the level of impact changes in the total service population have on each General Fund department.

25 Year Forecast

The Cost-of-Service study evaluates the project's net fiscal impact over a 25-year horizon. The project's annual fiscal impact is calculated and then aggregated. The aggregated results equate to the overall net fiscal impact. The study adjusted direct revenues and costs, as well as demographic projections over this period. Taxable values, sales taxes, and lodging taxes were adjusted by 1% annually to account for inflation. The Town's 2025 budget was also adjusted annually by 1% to account for inflation. The Town's population and workforce estimates were increased annually based on the state demographer's growth rate projections for Boulder County, and the Town of Erie Comprehensive Plan's workforce projections[9].

Permit Fees and Impact Fees Excluded

The developer provided an estimated Impact and Building Permit Fee estimate as part of this development project. However, one-time revenues and expenditures are not included within the fiscal impact study. Although the development is expected to generate substantial revenues in the form of permit fees and impact fees, these revenues were excluded from this analysis as there are not recurring revenue or expenditures.

[9] "Erie Economic Market Analysis" September 9th, 2024

Appendix

Boulder County Analysis

Summary

This analysis is designed to summarize the subject parcel's urban renewal eligibility. The Feasibility Study has demonstrated Erie Town Center Phase 1's Feasibility Gap, one that can only be overcome through public private partnerships and creative public financing. The proposed Urban Renewal Plan formation is a critical step to making this project feasible. The Urban Renewal Plan and its ability to leverage tax increment financing will offset costs caused by blighting conditions within the site. These conditions include severe undermining, with mitigation costs estimated to exceed $4.4 million in Phase 1. This analysis will demonstrate how the Erie Town Center Urban Renewal Plan can leverage property tax increment financing to offset ~57% of these undermining costs. The Urban Renewal Plan, and Boulder County's partnership, is essential to realizing the Erie Community's vision for its Town Center.

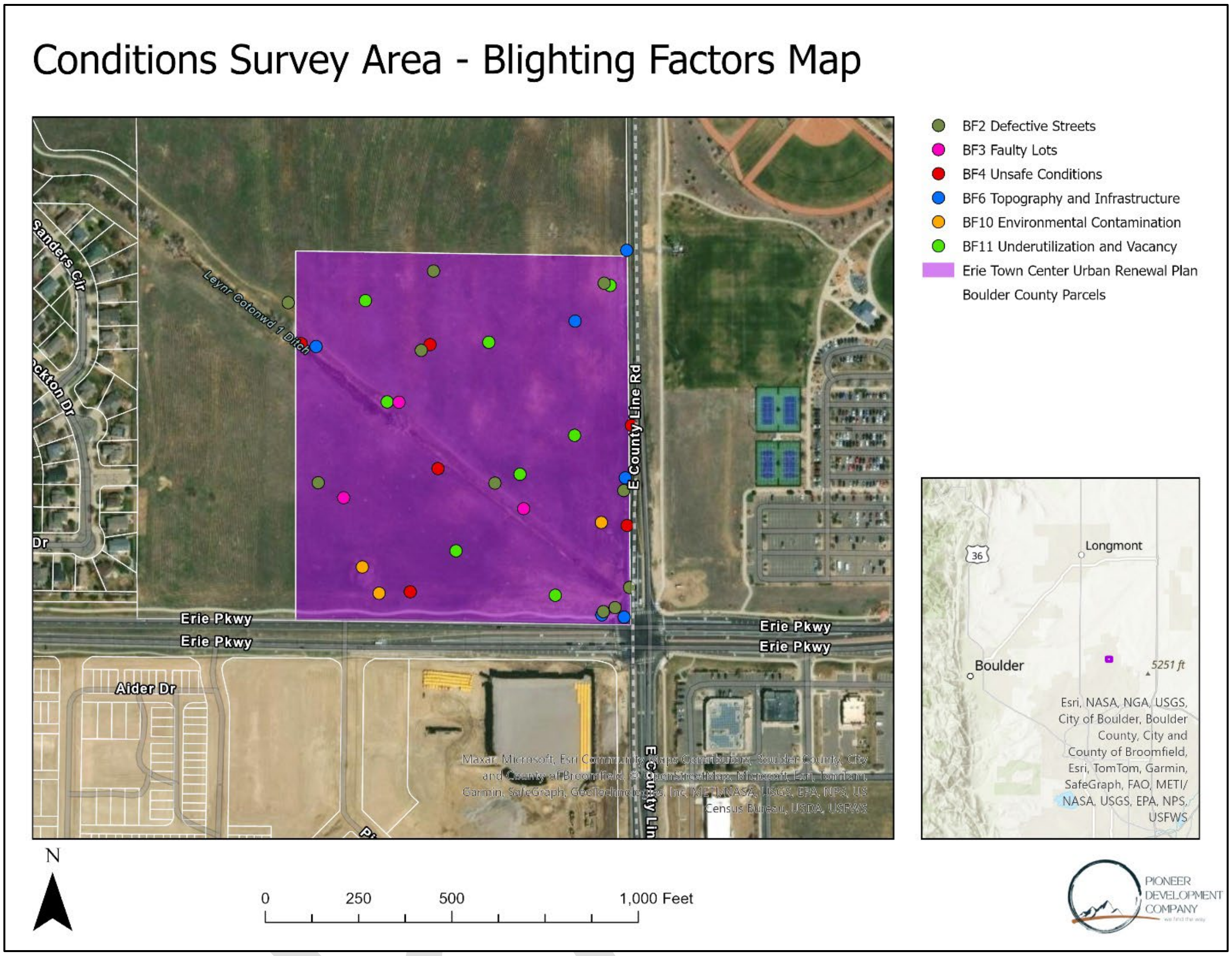
Urban Renewal Eligibility Summary

For an Urban Renewal Plan to be established, a specific geographic area within a municipality must be found to exhibit certain conditions. These are conditions that, in general, arrest the sound growth of a municipality. This may include conditions that impair a municipality's growth, retards housing development and accommodations, or constitutes a liability for economic or community development. Statute defines these conditions as eleven separate factors in C.R.S. 31-25-103.2. These factors must be cataloged before urban renewal projects and activities can commence.

The Town of Erie's Urban Renewal Authority (TOEURA) commissioned a Condition Survey to catalogue the statutorily defined blighted area factors impacting the Town Center Parcel. This Conditions Survey, dated December 4th, 2024, identified six (6) blighted area factors as defined by Colorado's Urban Renewal Law, within the Town's municipal limits. The presence of six blighting factors meets the requirements outlined in (C.R.S. 31-25-104), in which at least four blighting factors must be present for that area to be declared "blighted" and therefore eligible to be designated as an Urban Renewal Plan area. These factors are tabulated below and illustrated on the map on the following page:

Conditions Survey – Blighting Factors Catalogued

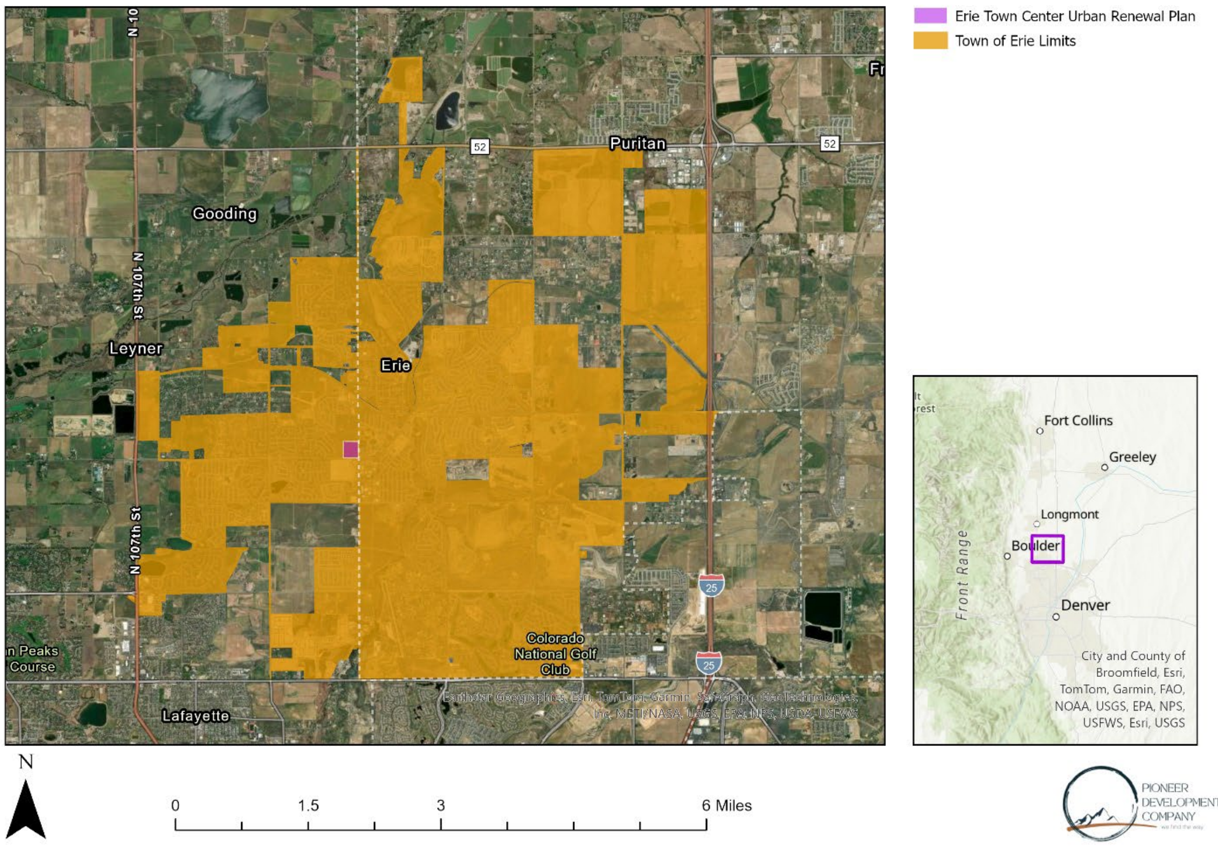
Blighted Area Factor # (C.R.S. 31-25-103.2 List Label)	Definition
Factor 2 (b)	Predominance of Defective or Inadequate Street Layout
Factor 3 (c)	Faulty Lot Layout in Relation to Size, Adequacy, Accessibility, or Usefulness
Factor 4 (d)	Unsanitary or Unsafe Conditions
Factor 6 (f)	Unusual Topography or Inadequate Public Improvements or Utilities
Factor 10 (j)	Environmental Contamination
Factor 11 (k.5)	The Existence of Health, Safety, or Welfare Factors Requiring High Levels of Municipal Services or Substantial Physical Underutilization or Vacancy of Sites, Buildings, or Other Improvements



The proposed Urban Renewal Plan boundary also meets the statutory recommendation of "being drawn as narrowly as possible". The boundary encompasses a single parcel that is owned by the Town of Erie. Although this parcel is surrounded by new development and is included within the comprehensive Erie Town Center Planned Development zone, it remains underutilized. Prior to the Town purchasing the property in 2022, the previous owner had pushed to lower its tax burden by assessing the property as agricultural. However, this property has not and will not be used for agricultural purposes. This property is strategically located in the center of Erie's Municipal limits (see map on following page) and is a key component in the Town's community led initiative to create the Erie Town Center. The factors identified by the conditions survey highlight the causes that have been arresting the property's sound development. The blighting factors identified are also dispersed throughout the survey area, meaning that all parcels included exhibit multiple blighting factors.

The Conditions Survey finds that the proposed Erie Town Center Urban Renewal Plan area can be declared a "blighted area" as defined by Colorado's Urban Renewal Law and therefore qualifies for urban renewal treatment.

Town of Erie Municipal Limits



Tax Increment Financing Revenue Forecast

The Feasibility study forecast Tax Increment Revenue generated at Boulder County's property tax millage rate. This forecast is based on an assumed revenue sharing agreement with the County where only incremental revenue generated at the County's General Fund Millage Rate would be pledged to the Urban Renewal Plan. That agreement is tabulated below:

Tax District Name	2024 Mill Levy	TIF Agreement %	TIF Eligible Mill Levy
BOULDER COUNTY - GENERAL OPERATIONS	17.645	100%	17.645
BOULDER COUNTY - ROADS AND BRIDGES	0.159	0%	0.000
BOULDER COUNTY - PUBLIC WELFARE	0.837	0%	0.000
BOULDER COUNTY - DEVELOPMENT DISABILITY	0.856	0%	0.000
BOULDER COUNTY - CAPITAL EXPENDITURE	0.419	0%	0.000
BOULDER COUNTY - REFUND ABATEMENT	0.072	0%	0.000
BOULDER COUNTY – HEALTH/HUMAN SERVICES	0.500	0%	0.000
BOULDER COUNTY - TEMP HS SAFETY	0.799	0%	0.000
TOTAL	**21.287**	**83%**	**17.645**

Boulder County issues a 21.287 overlapping millage rate within the proposed Erie Town Center Phase 1 Urban Renewal Plan. This mill levy is a significant revenue source for the County's operations and funds. According to the Boulder County 2024 Budget, net property taxes account for 40% of their total revenue collected, or ~$242.1 million in revenue. The 2024 budget represents a 10% increase over the 2023 budget of $593.5 million. It is against this financial backdrop that the Erie Town Center Urban Renewal Plan should be evaluated.

To quantify potential revenue impacts to the County, this study compared the Plan's projected annual property tax increment to the County's annual property tax revenue. Projected property tax increment revenue is derived from new improvements in the Plan area, meaning that the Plan area's base assessed value was not included in this comparison.

The Erie Town Center Urban Renewal Plan area's annual property tax TIF per the County's millage rate was then compared as a percentage to total property tax revenue collections. This report estimates that the Erie Town Center Urban Renewal Plan area's property tax increment generated at the County's General Fund millage rate will account for 0.03% of Boulder County's annual property tax revenue collections.

	2024 Property Tax Revenue (Budgeted)	Plan Area Estimated Property Tax TIF (Annual Average)	Percent of Total
Boulder County	$ 242,134,585	$ 62,962	0.3%

The Erie Town Center Urban Renewal Plan is expected to last 25 years. Over that time, the new improvements incentivized by this Plan through TOEURA will begin to accumulate incremental property tax revenue. These incremental property tax revenues represent a revenue stream that can be remitted to the TOEURA via TIF agreement in support of its remediation and redevelopment efforts in the Plan area.

Boulder County also levies a 1.185% sales tax, meaning that the Erie Town Center Urban Renewal Plan's projected sales tax revenue will serve as an additional revenue source to the County. **This report estimates that the Plan will generate an additional $7.3 million in County sales taxes over 25 years. This incremental sales tax revenue amounts to $288,500 as an annual average. When compared to incremental property taxes, this County sales tax increment (which is not eligible for TIF) will generate 4 times more revenue than the property tax increment.** In short, the Plan represents a positive return on investment for the County from a Fiscal standpoint.

Also, the Plan area's projected development accounts for only 0.07% of the County's annual property tax revenue collections. This means that over the next 25 years, the Erie Town Center Urban Renewal Plan will alleviate blight, activate commercial and affordable housing development, and fulfill the Town of Erie's Comprehensive Plan land use and community visioning goals for this area, without significantly detracting from the County's expected revenues. In fact, the County stands to generate more tax revenue than it pledges via the property tax collections. This report does not find a negative revenue impact on Boulder County caused by the Erie Town Center Urban Renewal Plan.

County Property Tax Increment and Blight Mitigation

The main source of blight afflicting this property is the significant undermining and subsidence hazards. This mitigation is costly and is one of the primary reasons why the Town and TOEURA are pursuing an Urban Renewal Plan area at this location. Mine mitigation costs were provided by Development Team and their engineering consultants. A Phase II environmental study performed by Lithos Engineering originally estimated mitigation costs at an average of $400,000 per acre in 2022. The most recent mitigation cost estimates provided by engineers and consultants for Phase 1 equate to ~$635,000 per acre. The total Mine Mitigation cost for Phase 1 is estimated at $4,443,011.

The Study evaluated Boulder County's Property Tax Increment compared to this blighting factor cost. The present value[10] of the proposed Tax Increment Financing agreement with Boulder County is $603,000. This present value estimate is approximately 14% of the total mine mitigation costs. Boulder County's participation in this Urban Renewal Plan represents a significant contribution to mitigating the blight impacted the property and its future development. However, it will require additional support from the Town, School District, and other partner taxing entities to fully overcome the funding gap created by these factors.

[10] Discounted at a 7.50% rate.

Exhibits

Erie Town Center Phase 1 Tax Revenue Forecast Model

Erie - Town Center Phase 1 Development Project																											End of URA Timeframe
Combined Annual Proforma		2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050
Absorption Schedule																											
Residential		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Commercial		-	-	-	40,322	14,940	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Residential Units		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Total Commercial SF		-	-	-	40,322	14,940	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Project Total Value																											
Residential		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		
Commercial		$ -	$ -	$ -	$ 13,129,273	$ 4,993,430	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		
Total Residential Actual Value		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		
Total Commercial Actual Value		$ -	$ -	$ -	**$ 13,129,273**	**$ 4,993,430**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		
Project Taxable Value																											
Residential Ratio	6.90%																										
Commercial Ratio	25.0%																										
Assessor % Reduction	85%																										
Residential Taxable Value		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		
Commercial Taxable Value		$ -	$ -	$ -	$ 2,789,970	$ 1,061,104	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		
Project Assessed Value (Taxable Value)		$ -	$ -	$ -	**$ 2,789,970**	**$ 1,061,104**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		
Estimated Increment																											
Annual NET AV (Assessed Value)		$ -	$ -	$ -	**$ 2,789,970**	**$ 1,061,104**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Inflation Factor	1%																										
Total NET AV (Inflation Adjusted)		$ -	$ -	$ -	$ 2,789,970	$ 3,889,585	$ 3,889,585	$ 3,928,481	$ 3,928,481	$ 3,967,766	$ 3,967,766	$ 4,007,443	$ 4,007,443	$ 4,047,518	$ 4,047,518	$ 4,087,993	$ 4,087,993	$ 4,128,873	$ 4,128,873	$ 4,170,162	$ 4,170,162	$ 4,211,863	$ 4,211,863	$ 4,253,982	$ 4,253,982	$ 4,296,522	$ 4,296,522
Estimated Base																											
Existing Taxable Value		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Base Inflation Factor	2%																										
Incremental Taxable Value		$ -	$ -	$ -	$ 2,789,970	$ 3,889,585	$ 3,889,585	$ 3,928,481	$ 3,928,481	$ 3,967,766	$ 3,967,766	$ 4,007,443	$ 4,007,443	$ 4,047,518	$ 4,047,518	$ 4,087,993	$ 4,087,993	$ 4,128,873	$ 4,128,873	$ 4,170,162	$ 4,170,162	$ 4,211,863	$ 4,211,863	$ 4,253,982	$ 4,253,982	$ 4,296,522	$ 4,296,522
Project Sales Tax																											
Sales Tax Rate	3.3%																										
Retail SALES Per SF		$ -	$ -	$ -	$ 19,513,061	$ 3,557,655	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales Tax %																											
Total Retail Sales		$ -	$ -	$ -	$ 19,513,061	$ 23,070,716	$ 23,070,716	$ 23,070,716	$ 23,070,716	$ 23,070,716	$ 23,070,716	$ 23,070,716	$ 23,070,716	$ 23,070,716	$ 23,070,716	$ 23,070,716	$ 23,070,716	$ 23,070,716	$ 23,070,716	$ 23,070,716	$ 23,070,716	$ 23,070,716	$ 23,070,716	$ 23,070,716	$ 23,070,716	$ 23,070,716	$ 23,070,716
Estimated Annual Sales Tax		$ -	$ -	$ -	$ 634,174	$ 749,798	$ 749,798	$ 749,798	$ 749,798	$ 749,798	$ 749,798	$ 749,798	$ 749,798	$ 749,798	$ 749,798	$ 749,798	$ 749,798	$ 749,798	$ 749,798	$ 749,798	$ 749,798	$ 749,798	$ 749,798	$ 749,798	$ 749,798	$ 749,798	$ 749,798
Property Tax TIF Estimates	*Plan Yr -->*	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26
Property Tax																											
Total Incremental Taxable Value		$ -	$ -	$ -	$ 2,789,970	$ 3,889,585	$ 3,889,585	$ 3,928,481	$ 3,928,481	$ 3,967,766	$ 3,967,766	$ 4,007,443	$ 4,007,443	$ 4,047,518	$ 4,047,518	$ 4,087,993	$ 4,087,993	$ 4,128,873	$ 4,128,873	$ 4,170,162	$ 4,170,162	$ 4,211,863	$ 4,211,863	$ 4,253,982	$ 4,253,982	$ 4,296,522	$ 4,296,522
Mill Levy	75.376																										
Annual Incremental Estimate		$ -	$ -	$ -	**$ 210,297**	**$ 293,181**	**$ 293,181**	**$ 296,113**	**$ 296,113**	**$ 299,074**	**$ 299,074**	**$ 302,065**	**$ 302,065**	**$ 305,086**	**$ 305,086**	**$ 308,137**	**$ 308,137**	**$ 311,218**	**$ 311,218**	**$ 314,330**	**$ 314,330**	**$ 317,473**	**$ 317,473**	**$ 320,648**	**$ 320,648**	**$ 323,855**	**$ 323,855**
Discount Rate	7.50%																										
NPV	**$2,574,658**																										
Sales Tax TIF Estimate		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26
Estimated Annual Retail Sales		-	-	-	19,513,061	23,070,716	23,070,716	23,070,716	23,070,716	23,070,716	23,070,716	23,070,716	23,070,716	23,070,716	23,070,716	23,070,716	23,070,716	23,070,716	23,070,716	23,070,716	23,070,716	23,070,716	23,070,716	23,070,716	23,070,716	23,070,716	23,070,716
Estimated Annual Sales Tax		$ -	$ -	$ -	$ 634,174	$ 749,798	$ 749,798	$ 749,798	$ 749,798	$ 749,798	$ 749,798	$ 749,798	$ 749,798	$ 749,798	$ 749,798	$ 749,798	$ 749,798	$ 749,798	$ 749,798	$ 749,798	$ 749,798	$ 749,798	$ 749,798	$ 749,798	$ 749,798	$ 749,798	$ 749,798
Sales Tax Sharing %	100%																										
Estimated Sales Tax Increment		$ -	$ -	$ -	$ 634,174	$ 749,798	$ 749,798	$ 749,798	$ 749,798	$ 749,798	$ 749,798	$ 749,798	$ 749,798	$ 749,798	$ 749,798	$ 749,798	$ 749,798	$ 749,798	$ 749,798	$ 749,798	$ 749,798	$ 749,798	$ 749,798	$ 749,798	$ 749,798	$ 749,798	$ 749,798
Inflation Adjustment	1%																										
Inflation Adjusted Sales		$ -	$ -	$ -	$ 659,925	$ 788,046	$ 795,926	$ 803,885	$ 811,924	$ 820,043	$ 828,244	$ 836,526	$ 844,891	$ 853,340	$ 861,874	$ 870,493	$ 879,197	$ 887,989	$ 896,869	$ 905,838	$ 914,896	$ 924,045	$ 933,286	$ 942,619	$ 952,045	$ 961,565	$ 971,181
Rolling Inflation																											
Discount Rate	7.50%																										
NPV /No Inflation	**$6,435,885**																										
NPV w/ Inflation	**$7,270,534**																										

Feasibility Analysis Pro Forma
$19.5 Million in Gap Funding

Feasibility Summary

Scenario:
Town Center Gap Funding Scenario: Long-Term Hold ($19.5 Million in Gap Funding)

PROJECT SUMMARY

Property Summary		Construction Loan Summary	
Residential Units	0	Loan : Cost Ratio	65%
Rentable SF	43,582	Contruction Loan Term (mos)	36
Total Development Cost	$37,400,890	Construction Interest Rate	7.50%
Development Cost per Rentable Square Foot	$858	Construction Loan Amount	$24,310,579
Construction Equity	$13,090,312	Construct Loan Per RSF	$558
ConstructionDebt	$24,310,579		
		Perm Loan Summary	
		Perm Loan : Value Ratio	65%
Proforma		Perm Loan Amount	$13,953,779
Year Stabilized	3	Perm Loan Ammortization (yrs)	30
Stabilized NOI	$1,502,715	Perm Interest Rate	7.00%
Stabilized Cap Rate	7.00%	Perm Loan Yearly Payment	$1,114,018
Stabilized Proforma Value	$21,467,352	Perm Term	10
Stabilized Value Per RSF	$493	Perm Loan Balance	$13,953,779
Reversion Value	$24,173,256	Loan Fees/Closing Costs	2.0%
Reversion Cap Rate	7.75%	DSCR	1.3
Growth Rate	3.00%	DSCR Loan Amount	$16,513,347

GAP FUNDING - applied to contruction equity	**$19,500,000**

Feasibility Indicators (10 yr hold)		Market Target Rate
Return on Cost*	8.39%	8.75% to 9.50%
IRR on Project (unleveraged)	9.47%	9.25% to 10.25%
NPV	$ 486,124	

*Stabilized Year 3

OPERATING PROFORMA

Proforma Year	CONSTRUCT	1	2	3	4	5	6	7	8	9	10	11
Investment												
Construction Equity	(13,090,312)											
Construction Debt	(24,310,579)											
Construction Cost	**(37,400,890)**											
Operating Income												
Net Income from Property Operations	$0	$0	$1,074,792	$1,502,715	$1,523,268	$1,568,966	$1,616,035	$1,664,516	$1,714,451	$1,765,885	$1,818,861	$1,873,427
GAP Funding	*$19,500,000*	*$0*	*$0*	*$0*	*$0*	*$0*	*$0*	*$0*	*$0*	*$0*	*$0*	*$0*
NOI	**$19,500,000**	**$0**	**$1,074,792**	**$1,502,715**	**$1,523,268**	**$1,568,966**	**$1,616,035**	**$1,664,516**	**$1,714,451**	**$1,765,885**	**$1,818,861**	**$1,873,427**
(less) Construction Loan Interest Payment		($1,823,293)	($1,823,293)	($1,823,293)								
(less) Perm Loan Payments		($1,114,018)	($1,114,018)	($1,114,018)	($1,114,018)	($1,114,018)	($1,114,018)	($1,114,018)	($1,114,018)	($1,114,018)	($1,114,018)	($1,114,018)
Operating Cash Flow	**$19,500,000**	**($2,937,311)**	**($1,862,520)**	**($1,434,597)**	**$409,250**	**$454,948**	**$502,017**	**$550,498**	**$600,433**	**$651,867**	**$704,843**	**$759,409**
Unleveraged Cash Flow (NET OF CONST GAP FUNDING)	**($17,900,890)**	**$0**	**$1,074,792**	**$1,502,715**	**$1,523,268**	**$1,568,966**	**$1,616,035**	**$1,664,516**	**$1,714,451**	**$1,765,885**	**$1,818,861**	**$26,046,684**
Rates of Return Analysis												
IRR on Project (unleveraged)	**9.47%**											
Return on Cost		0.00%	6.00%	**8.39%**	8.51%	8.76%	9.03%	9.30%	9.58%	9.86%	10.16%	10.47%
xNet Present Value	**$486,124**											

Feasibility Analysis Pro Forma
$20.0 Million in Gap Funding

Feasibility Summary

Scenario:
Town Center Gap Funding Scenario: Long-Term Hold ($20.0 Million in Gap Funding)

PROJECT SUMMARY

Property Summary		**Construction Loan Summary**	
Residential Units	0	Loan : Cost Ratio	65%
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Stabilized Proforma Value	$21,467,352	Perm Term	10
Stabilized Value Per RSF	$493	Perm Loan Balance	$13,953,779
Reversion Value	$24,173,256	Loan Fees/Closing Costs	2.0%
Reversion Cap Rate	7.75%	DSCR	1.3
Growth Rate	3.00%	DSCR Loan Amount	$16,513,347
GAP FUNDING - applied to contruction equity	**$20,000,000**		

Feasibility Indicators (10 yr hold)		Market Target Rate
Return on Cost*	8.64%	8.75% to 9.50%
IRR on Project (unleveraged)	9.83%	9.25% to 10.25%
NPV	$ 986,124	
*Stabilized Year 3		

OPERATING PROFORMA

Proforma Year	**CONSTRUCT**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**
Investment												
Construction Equity	(13,090,312)											
Construction Debt	(24,310,579)											
Construction Cost	**(37,400,890)**											
Operating Income												
Net Income from Property Operations	$0	$0	$1,074,792	$1,502,715	$1,523,268	$1,568,966	$1,616,035	$1,664,516	$1,714,451	$1,765,885	$1,818,861	$1,873,427
GAP Funding	*$20,000,000*	*$0*	*$0*	*$0*	*$0*	*$0*	*$0*	*$0*	*$0*	*$0*	*$0*	*$0*
NOI	**$20,000,000**	**$0**	**$1,074,792**	**$1,502,715**	**$1,523,268**	**$1,568,966**	**$1,616,035**	**$1,664,516**	**$1,714,451**	**$1,765,885**	**$1,818,861**	**$1,873,427**
(less) Construction Loan Interest Payment		($1,823,293)	($1,823,293)	($1,823,293)								
(less) Perm Loan Payments		($1,114,018)	($1,114,018)	($1,114,018)	($1,114,018)	($1,114,018)	($1,114,018)	($1,114,018)	($1,114,018)	($1,114,018)	($1,114,018)	($1,114,018)
Operating Cash Flow	**$20,000,000**	**($2,937,311)**	**($1,862,520)**	**($1,434,597)**	**$409,250**	**$454,948**	**$502,017**	**$550,498**	**$600,433**	**$651,867**	**$704,843**	**$759,409**
Unleveraged Cash Flow (NET OF CONST GAP FUNDING)	**($17,400,890)**	**$0**	**$1,074,792**	**$1,502,715**	**$1,523,268**	**$1,568,966**	**$1,616,035**	**$1,664,516**	**$1,714,451**	**$1,765,885**	**$1,818,861**	**$26,046,684**
Rates of Return Analysis												
IRR on Project (unleveraged)	**9.83%**											
Return on Cost		0.00%	6.18%	**8.64%**	8.75%	9.02%	9.29%	9.57%	9.85%	10.15%	10.45%	10.77%
xNet Present Value	**$986,124**											

Feasibility Analysis Pro Forma
$20.5 Million in Gap Funding

Feasibility Summary

Scenario:
Town Center Gap Funding Scenario: Long-Term Hold ($20.5 Million in Gap Funding)

PROJECT SUMMARY

Property Summary		**Construction Loan Summary**	
Residential Units	0	Loan : Cost Ratio	65%
Rentable SF	43,582	Contruction Loan Term (mos)	36
Total Development Cost	$37,400,890	Construction Interest Rate	7.50%
Development Cost per Rentable Square Foot	$858	Construction Loan Amount	$24,310,579
Construction Equity	$13,090,312	Construct Loan Per RSF	$558
ConstructionDebt	$24,310,579		
		Perm Loan Summary	
		Perm Loan : Value Ratio	65%
Proforma		Perm Loan Amount	$13,953,779
Year Stabilized	3	Perm Loan Ammortization (yrs)	30
Stabilized NOI	$1,502,715	Perm Interest Rate	7.00%
Stabilized Cap Rate	7.00%	Perm Loan Yearly Payment	$1,114,018
Stabilized Proforma Value	$21,467,352	Perm Term	10
Stabilized Value Per RSF	$493	Perm Loan Balance	$13,953,779
Reversion Value	$24,173,256	Loan Fees/Closing Costs	2.0%
Reversion Cap Rate	7.75%	DSCR	1.3
Growth Rate	3.00%	DSCR Loan Amount	$16,513,347

GAP FUNDING - applied to contruction equity	**$20,500,000**

Feasibility Indicators (10 yr hold)		Market Target Rate
Return on Cost*	8.89%	8.75% to 9.50%
IRR on Project (unleveraged)	10.21%	9.25% to 10.25%
NPV	$ 1,486,124	

*Stabilized Year 3

OPERATING PROFORMA

Proforma Year	**CONSTRUCT**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**
Investment												
Construction Equity	(13,090,312)											
Construction Debt	(24,310,579)											
Construction Cost	**(37,400,890)**											
Operating Income												
Net Income from Property Operations	$0	$0	$1,074,792	$1,502,715	$1,523,268	$1,568,966	$1,616,035	$1,664,516	$1,714,451	$1,765,885	$1,818,861	$1,873,427
GAP Funding	*$20,500,000*	*$0*	*$0*	*$0*	*$0*	*$0*	*$0*	*$0*	*$0*	*$0*	*$0*	*$0*
NOI	**$20,500,000**	**$0**	**$1,074,792**	**$1,502,715**	**$1,523,268**	**$1,568,966**	**$1,616,035**	**$1,664,516**	**$1,714,451**	**$1,765,885**	**$1,818,861**	**$1,873,427**
(less) Construction Loan Interest Payment		($1,823,293)	($1,823,293)	($1,823,293)								
(less) Perm Loan Payments		($1,114,018)	($1,114,018)	($1,114,018)	($1,114,018)	($1,114,018)	($1,114,018)	($1,114,018)	($1,114,018)	($1,114,018)	($1,114,018)	($1,114,018)
Operating Cash Flow	**$20,500,000**	**($2,937,311)**	**($1,862,520)**	**($1,434,597)**	**$409,250**	**$454,948**	**$502,017**	**$550,498**	**$600,433**	**$651,867**	**$704,843**	**$759,409**
Unleveraged Cash Flow (NET OF CONST GAP FUNDING)	**($16,900,890)**	**$0**	**$1,074,792**	**$1,502,715**	**$1,523,268**	**$1,568,966**	**$1,616,035**	**$1,664,516**	**$1,714,451**	**$1,765,885**	**$1,818,861**	**$26,046,684**
Rates of Return Analysis												
IRR on Project (unleveraged)	**10.21%**											
Return on Cost		0.00%	6.36%	8.89%	9.01%	9.28%	9.56%	9.85%	10.14%	10.45%	10.76%	11.08%
xNet Present Value	**$1,486,124**											

645 Holbrook Street
Erie, CO 80516

TOWN OF ERIE

Urban Renewal Authority

Board Meeting Date: 7/8/2025

File #: 25-394, **Version:** 1

SUBJECT:
A Resolution of the Board of Commissioners of the Town of Erie Urban Renewal Authority Approving the Payment of Funds to the Town of Erie for the Colliers Hill — Historic Downtown Erie Connection (Pedestrian Bridge)

DEPARTMENT: Finance
Public Works

PRESENTER(S): Lockie Woods, URA Development & Accounting Analyst
Jonathan Williams, Civil Engineer

TIME ESTIMATE: 0 minutes
For time estimate: please put 0 for Consent items.

FISCAL SUMMARY:

Cost as Recommended:	$ 2,943,210
Balance Available:	$ 4,800,000
Fund	Urban Renewal Authority
Line Item Number:	800-90-871-605000-100215
New Appropriation Required:	No

POLICY ISSUES:
The policy issue is granting approval for the Town of Erie Urban Renewal Authority to authorize payment of already budgeted funds to the Town of Erie for the construction of a pedestrian bridge between Colliers Hill and Historic Downtown Erie.

STAFF RECOMMENDATION:
Staff recommend approval of the resolution.

SUMMARY/KEY POINTS

- The Town of Erie Urban Renewal Authority's Purchasing Policy requires the TOEURA Board to approve expenditures over $100,000.
- The construction of the bridge between Colliers Hill and Historic Downtown is an appropriate use of URA funds.
- The Town of Erie, not the URA, will facilitate the construction of this project.

BACKGROUND OF SUBJECT MATTER:
The Colliers Hill - Historic Downtown Erie Connection will be a 10-foot wide, 225-foot-long pedestrian bridge spanning Coal Creek. The pedestrian bridge offers a vital link between regional trail systems located on Coal Creek and a connection to Colliers Hill as well as a cyclist /pedestrian friendly connection to downtown Erie.

The project duration is expected to extend from early August 2025 to early April 2026.

TOWN COUNCIL PRIORITY(S) ADDRESSED:
☒ Attractive Community Amenities
☐ Engaged and Diverse Community
☐ Prosperous Economy
☒ Well-Maintained Transportation Infrastructure
☐ Small Town Feel
☒ Safe and Healthy Community
☒ Effective Governance
☒ Environmentally Sustainable
☒ Fiscally Responsible

ATTACHMENT(S):
1. Resolution 25-035

Town of Erie Urban Renewal Authority
Resolution No. 25-035

A Resolution of the Board of Commissioners of the Town of Erie Urban Renewal Authority Approving the Payment of Funds to the Town of Erie for the Colliers Hill – Historic Downtown Erie Connection (Pedestrian Bridge)

Whereas, the Board of Commissioners finds that it is in the best interests of the public health, safety and welfare to approve the payment of funds to the Town of Erie for the Colliers Hill – Historic Downtown Erie Connection (Pedestrian Bridge) Construction Project.

Now Therefore be it Resolved by the Board of Commissioners of the Town of Erie Urban Renewal Authority that:

Section 1. The Board of Commissioners hereby approves the payment of an amount not to exceed $2,943,210.00 to the Town of Erie for the cost of the Construction Contract and the Agreement for Professional Services for Construction Management Services for the Colliers Hill – Historic Downtown Erie Connection (Pedestrian Bridge) Construction Project.

Adopted this 8th day of July, 2025.

____
Andrew J. Moore, Chair

Attest:

____
Debbie Stamp, Town Clerk

645 Holbrook Street
Erie, CO 80516

Urban Renewal Authority

Board Meeting Date: 7/8/2025

File #: 25-406, **Version:** 1

SUBJECT:
Urban Renewal 101

DEPARTMENT: Economic Development

PRESENTER(S): Julian Jacquin, Director of Economic Development & TOEURA
Lockie Woods, URA Development & Accounting Analyst
Corey Hoffman, URA legal counsel

TIME ESTIMATE: 60 minutes

FISCAL SUMMARY:
None

POLICY ISSUES:
This presentation will help the Urban Renewal Authority (URA) Board members better understand the use of tax increment financing (TIF) tools used by the Town of Erie Urban Renewal Authority (TOEURA) and the policy implications associated with TIF and URAs.

STAFF RECOMMENDATION:
Presentation and discussion of the Colorado Urban Renewal Law and tax increment financing tools used by the Town of Erie Urban Renewal Authority.

SUMMARY/KEY POINTS
- Role of an Urban Renewal Authority, Urban Renewal Plan and Project.
- History of Town of Erie Urban Renewal Authority (TOEURA), Tax Increment Financing (TIF), base value, increment, "but for" finding, and various approaches to the use of TIF.
- Extra information on TIF revenue and fund accounting in the Colliers Hill and Highway 287 (Nine Mile Corner) URA Plan Areas.

BACKGROUND OF SUBJECT MATTER:
URA legal counsel and Town staff will attend to present a "Urban Renewal 101" session to the TOEURA Board of Commissioners.

TOWN COUNCIL PRIORITY(S) ADDRESSED:

☒ Attractive Community Amenities
☐ Engaged and Diverse Community
☒ Prosperous Economy
☐ Well-Maintained Transportation Infrastructure
☐ Small Town Feel
☐ Safe and Healthy Community
☒ Effective Governance
☐ Environmentally Sustainable
☒ Fiscally Responsible

ATTACHMENT(S):

1. URA 101 Attorney Presentation
2. URA 101 Staff Presentation

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Parker
Wilson &
Carberry | P.C.

Urban Renewal 101

"Blight"

A blighted area is an area that substantially impairs or arrests the sound growth of the municipality, retards the provision of housing accommodations, or constitutes an economic or social liability, and is a menace to the public health, safety, morals, or welfare, by reason of at least four of the following factors:

- 1. Slum, deteriorated, or deteriorating structures;
- 2. Predominance of defective or inadequate street layout;
- 3. Faulty lot layout in relation to size, adequacy, accessibility, or usefulness;
- 4. Unsanitary or unsafe conditions;
- 5. Deterioration of site or other improvements;

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"Blight" (cont.)

- 6. Unusual topography or inadequate public improvements or utilities;
- 7. Defective or unusual conditions of title rendering the title nonmarketable;
- 8. The existence of conditions that endanger life or property by fire or other causes;
- 9. Buildings that are unsafe or unhealthy for persons to live or work in because of building code violations, dilapidation, deterioration, defective design, physical construction, or faulty or inadequate facilities;
- 10. Environmental contamination of buildings or property; or
- 11. The existence of health, safety, or welfare factors requiring high levels of municipal services or substantial physical underutilization or vacancy of sites, buildings, or other improvements.

C.R.S. § 31-25-103(2)

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Role of an Urban Renewal Authority

The Town Council is responsible for:

- forming the urban renewal authority;
- establishing the urban renewal boundaries;
- approving the urban renewal plan; and
- authorizing the use of eminent domain powers (if applicable).

The Board of Commissioners of the Town of Erie Urban Renewal Authority (the "Authority") is then responsible for exercising the powers provided to an urban renewal authority to carry out urban renewal projects within the Authority's boundaries and in compliance with the urban renewal plan.

HPWC Hoffmann Parker Wilson & Carberry | P.C.

Representative Powers of an Urban Renewal Authority

Urban renewal authorities possess a number of powers, including the following:

- to sue and be sued;
- to undertake urban renewal projects, and to make and execute contracts;
- to arrange for the furnishing and repair of streets, public utilities, or educational or other facilities, and to dedicate property for public works, improvements facilities and utilities;
- to arrange with the municipality for planning, replanning, zoning, and rezoning areas of the municipality;…

Any exercise of these powers must relate to the primary objective of an urban renewal authority, which is the elimination of slum and blighted areas.

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House Bill 15-1348

Membership on the Board -- Already accomplished

House Bill 15-1348

Adoption of New Plans/Substantial Modification to Existing Plans

Town is required to notify the Board of County Commissioners and each public body whose property tax revenues would be allocated under the proposed plan in an attempt to negotiate an agreement.

The parties then have 120 days (or such shorter or longer time as the parties may agree upon) from the time of the notification to reach agreement on the percentage of property tax revenues to be allocated. C.R.S. § 31-25-107(9.5).

House Bill 15-1348

Adoption of New Plans/Substantial Modification to Existing Plans

If negotiations are unsuccessful, mediation is required, and the issues to be determined in the mediation include:

(1) "the nature of the project;" (2) "the nature and relative size of the revenue and other benefits that are expected to accrue to the municipality and other taxing entities as a result of the project;" (3) "any legal limitations on the use of revenues belonging to the municipality or any taxing entity;" and (4) "any capital or operating costs that are expected to result from the project."

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House Bill 15-1348

Money Remaining in the Special Fund

The funds remaining n the special fund, if any at the conclusion of a project shall be repaid to each taxing entity on a pro rata basis "based on the prorata share of the prior year's ***property tax increment*** attributable to each taxing body's current mill levy in which property taxes were divided”

Limited to funds generated by incremental property taxes

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Terminology

Definition of an "Urban Renewal Plan"

And

Definition of an "Urban Renewal Project"

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Questions?

TOWN OF ERIE
1874

URA 101

TOEURA Board of Commissioners

Julian Jacquin, Director of Economic Development & TOEURA

Lockie Woods, URA Development & Accounting Analyst

July 8, 2025

TOWN OF ERIE
1874

Presentation Overview

- Town of Erie Urban Renewal Authority (TOEURA)
- Existing/Proposed Plan Areas
- Tax Increment Financing (TIF)
- Questions & Discussion

Town of Erie Urban Renewal Authority

TOWN OF ERIE
1874

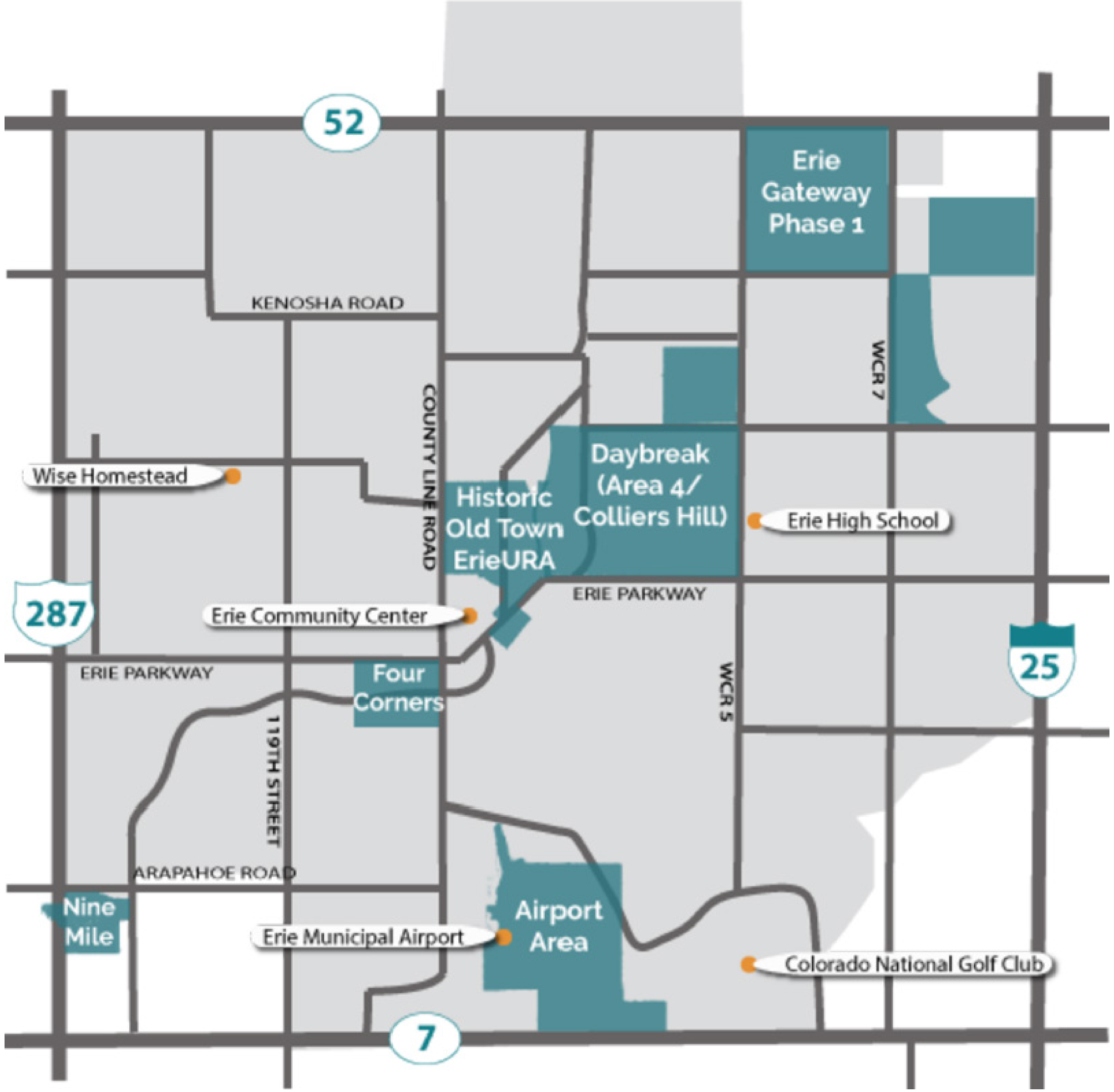
- Town of Erie Urban Renewal Authority (TOEURA) established by Resolution 11-121, approved by the Board of Trustees on Oct. 11, 2011, pursuant to C.R.S. § 31-25-101 et seq., to eliminate slum and blight.
- Not job creation, economic development, or increase tax revenue. But… elimination of slum and blight through redevelopment typically results in job creation, economic development, increased tax revenue.
- TOEURA provides access to Tax Increment Financing (TIF) as a primary tool to promote investment, by partially reimbursing costs of development using tax revenues generated by that development.
- As new development or redevelopment occurs, the property or sales taxes of the area increase above a “base value” set when established.

Town of Erie Urban Renewal Authority

- Independent governmental entity, governed by TOEURA Board of Commissioners, representing all underlying taxing districts.
- Separate URA fund, budget & accounting. Revenue captured by property/sales tax increment generated by all taxing districts.
- Typically managed by municipal staff but sometimes run as its own organization (examples include Pueblo, Colorado Springs & Arvada).
- Responsibilities of TOEURA Board:

Attendance	Preparedness
Conflict of interest/ethics	Fiduciary duty
Confidentiality (Exec Session)	

Existing/Proposed Plan Areas



Plan Area	Adoption Date
Airport Area	Feb. 12, 2013
Daybreak (Area 4/Colliers Hill)	Sept. 10, 2013
Historic Old Town Erie	Nov. 12, 2013
Four Corners	Sept. 22, 2015
Highway 287 (Nine Mile Corner)	Sept. 22, 2015
Erie Gateway Phase 1	Aug. 13, 2024
Erie Town Center	Pending

Plan areas are specific geographical areas designated to remediate or prevent blighting conditions, as specified by State law. Each plan area operates independently.

Existing/Proposed Plan Areas

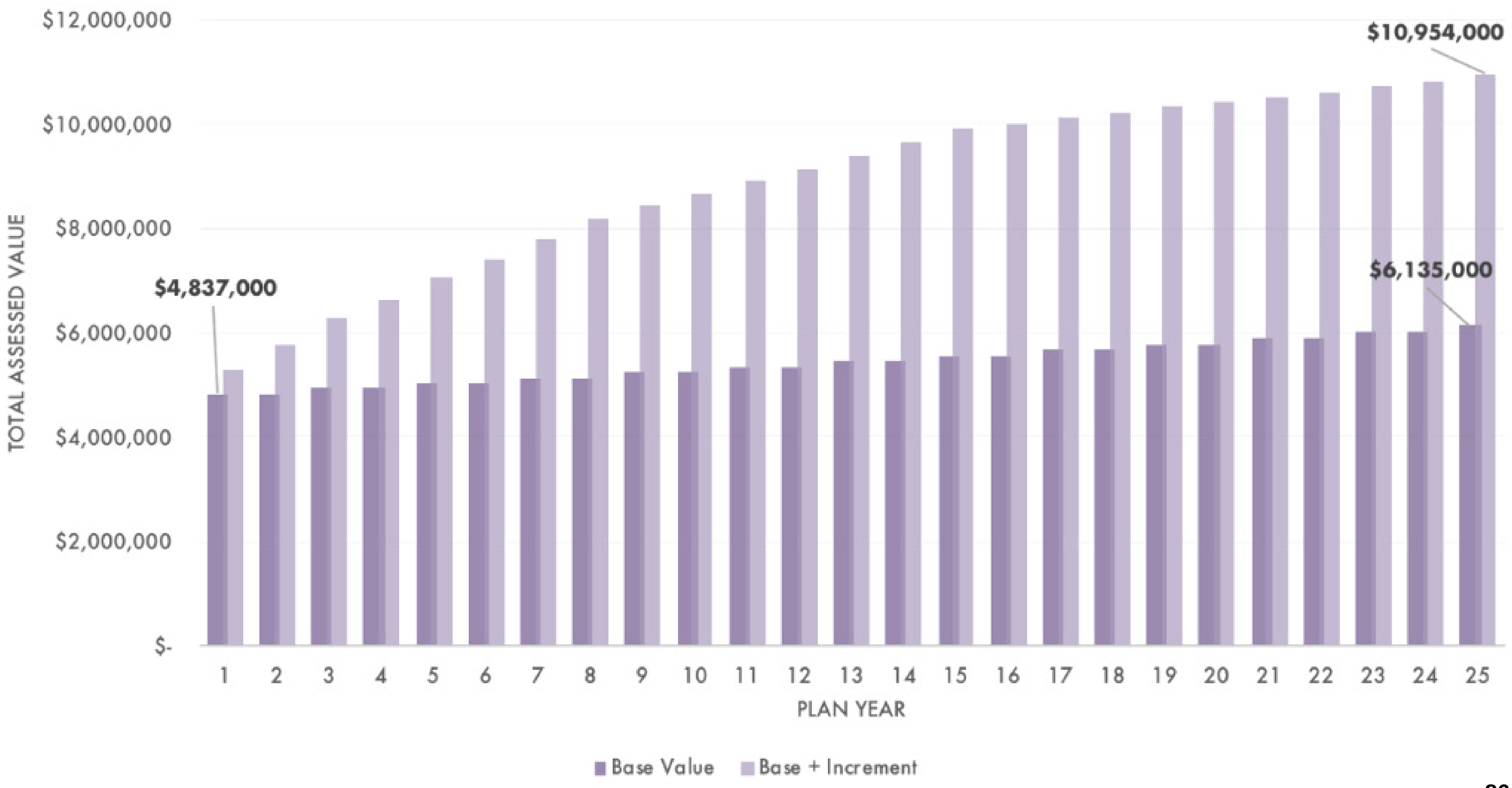
	Airport	Old Town	Colliers Hill	Nine Mile	Four Corners	Gateway	TOTAL
Beginning Balance	($313,103)	$3,169,797	$8,259,843	($356,132)	($42,914)	($112,264)	$10,605,227
Revenue Total	**($14)**	**$1,364,649**	**$1,154,704**	**$2,141,738**	**$99,515**	**$195**	$4,760,786
Property Tax	($14)	$425,979	$887,013	$1,526,489	$96,388	-	$2,935,856
Sales Tax	-	$697,009	-	$573,020	-	-	$1,270,028
Other	-	$241,661	$267,690	$42,229	$3,126	$195	$554,902
Expense Total	**$330**	**$2,039,658**	**$605,404**	**$2,530,569**	**$41,910**	**$26,456**	$5,244,327
Construction	-	$1,079,306	$507,674	-	-	-	$1,586,981
Services	$330	$328,712	$83,444	$349,424	$8,676	$26,455	$797,041
TIF Agreement	-	$290,443	-	$2,158,061	-	-	$2,448,504
Other	-	$341,197	$14,285	$23,084	$33,234	$1	$411,801
Net Change	($345)	($675,009)	$549,300	($388,831)	$57,605	($26,261)	($483,541)
Net Fund Balance	($313,448)	$2,494,789	$8,809,143	($744,963)	$14,691	($138,525)	$10,121,686

Tax Increment Financing (TIF)

- Tax Increment Financing (TIF) refers to both the method of financing urban renewal projects, and the revenue captured in these areas.
- TIF revenue can be municipal sales, property, use and/or lodging tax, and property tax from county, school, fire, library and special districts.
- When a new Plan is adopted by the local governing body, the tax base for that Urban Renewal plan area is established.
- The existing taxing agencies receive that base amount, plus biennial reassessment increases, for the duration of the authorized TIF period, up to a maximum of 25 years.
- If any of the taxes revenues increase over the base amount, TOEURA receives the revenue that is in excess of the base – this is <u>increment</u>.

Tax Increment Financing (TIF)

Tax Increment Financing (TIF)



TOWN OF ERIE
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Tax Increment Financing (TIF)

The “But For” finding (financial gap):

- Absent the URA’s investment, development may not occur.
- Without development, tax revenues stagnate or decline.
- With URA investment, development occurs, sales and property tax revenues increase, generating tax increment to reinvest in the area.

3 different approaches to TIF:

- District-based for infill/redevelopment
- Create new URA to attract investment
- Work with developer to establish URA as Public/Private Partnership

Acquiring property in URA & issuing RFP for development interest

Tax Increment Financing (TIF)

Process to create a new URA Plan Area:

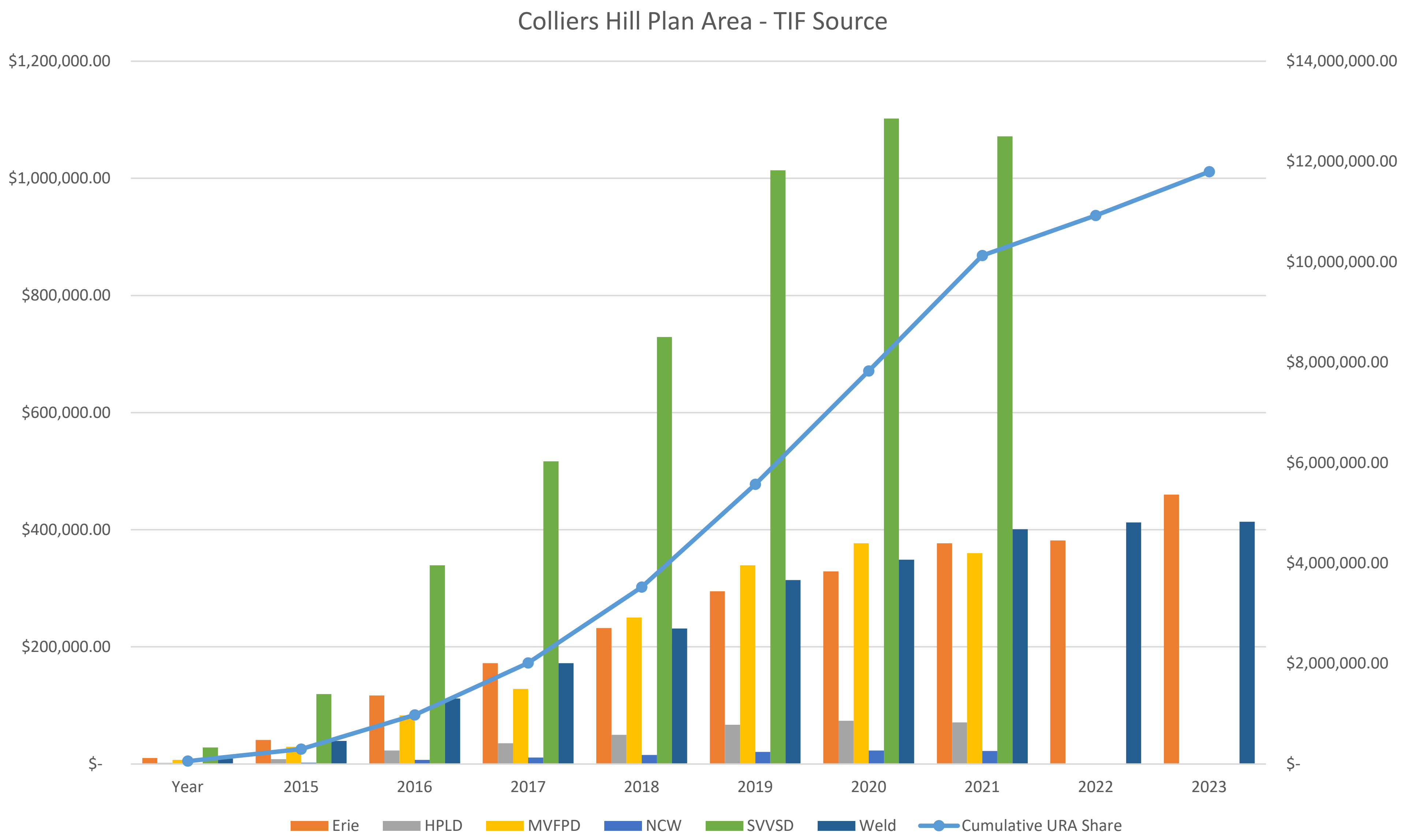
1. Conditions Survey (finding 4 of 11 blight factors)
2. Plan Document and Financial Impact Report
3. Negotiation with affected taxing entities
4. Approval of revenue sharing IGA's (taxing bodies, URA board)
5. Planning Commission conformance to Comprehensive Plan
6. Public Hearing at Town Council
   - Adoption of URA Plan and defined Plan Area boundaries
   - Sets goals and objectives
   - Authorizes TIF and/or Eminent Domain

Colliers Hill Plan Area

Where the TIF comes from:

1. Colliers Hill Metro District #1 – 0% retained
2. Town of Erie – 100% retained
3. High Plains Library District – 100% retained up to $10M
4. Mountain View Fire Protection District – 100% retained up to $10M
5. Northern Colorado Water Conservancy District - 100% retained up to $10M
6. St. Vrain Valley School District – 100% of program levy retained up to $10M, 0% of bond and override levies retained
7. Weld County – 100% retained up to $10M

Colliers Hill Plan Area - TIF Source



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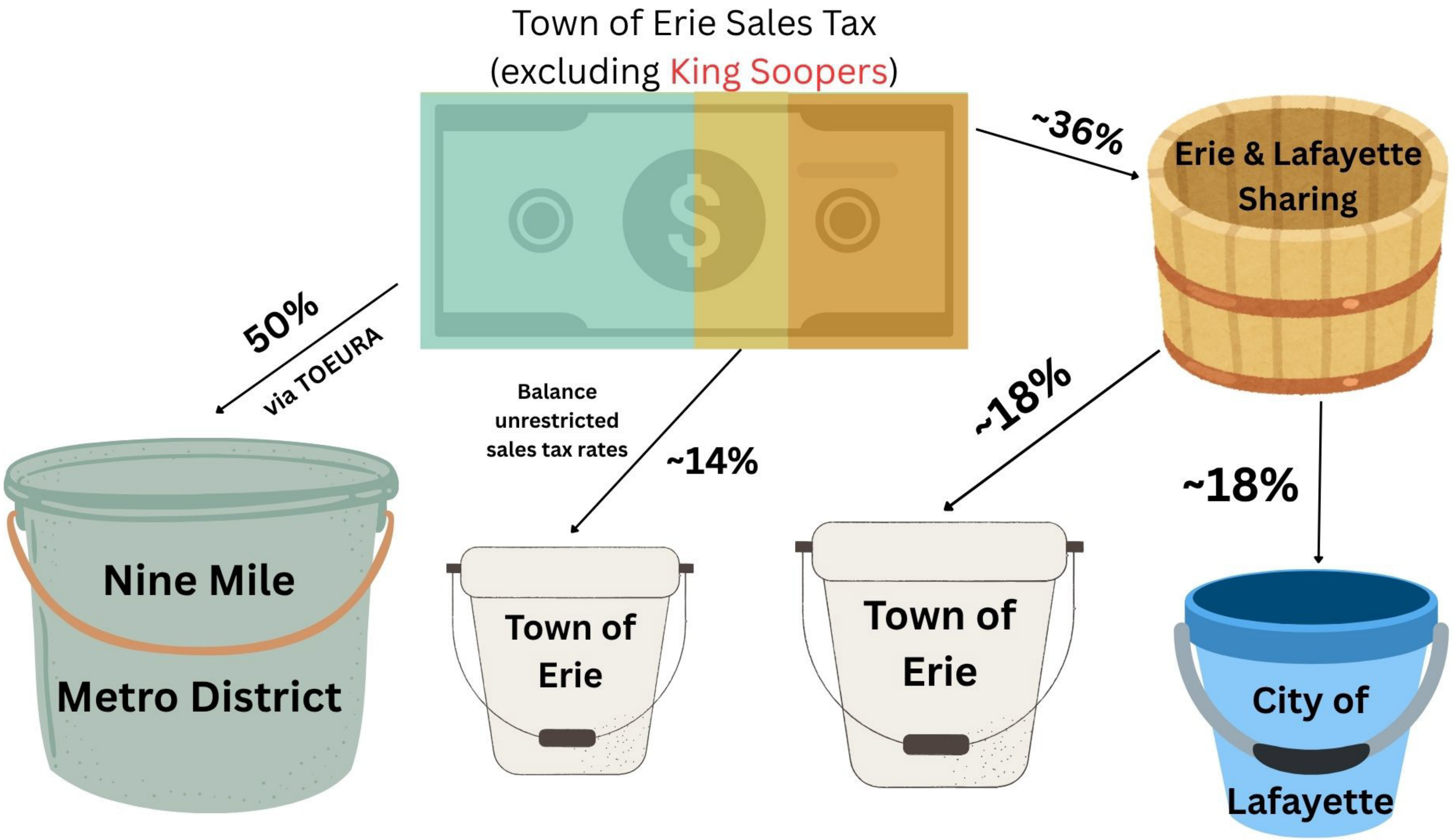
Highway 287 Plan Area

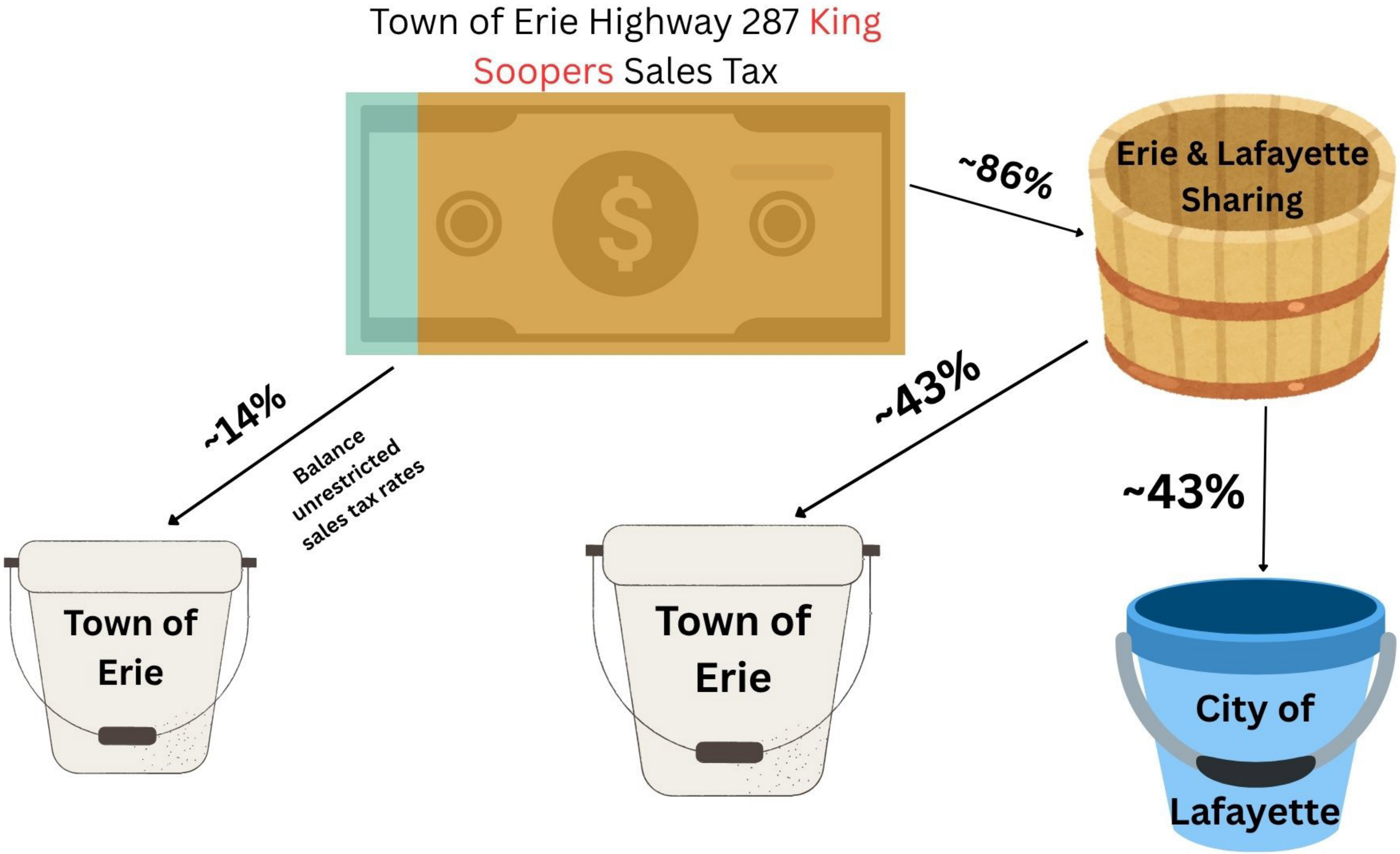
How TIF is distributed:

1. 99% of the property tax increment goes to the Nine Mile Metropolitan District (NMMD) for repayment of bonds.
2. 1% of the property tax increment is retained by the URA as an administrative fee (beginning in May 2025).
3. 50% of the non-King Soopers sales tax goes to the NMMD.
4. 32% of the non-King Soopers sales tax is retained by the Town.
5. 18% of the non-King Soopers sales tax is allocated to Lafayette.
6. 57% of the King Soopers sales tax is retained by the Town.
7. 43% of the King Soopers sales tax is allocated to Lafayette.

Highway 287 Plan Area – Non-King Soopers Sales Tax Allocation



Highway 287 Plan Area – King Soopers Sales Tax Allocation



Highway 287 Plan Area – Revenue Sharing

	Erie Incentive Expense	Lafayette - 50% Obligation	Lafayette - Use Tax Share	Lafayette - Sales Tax Share	Total due to Lafayette	Balance to Date
Land Contribution	$ 2,727,130.00	$ 1,363,565.00	$ -		$(1,363,565.00)	$(1,363,565.00)
Ditch Relocation	$ 45,950.88	$ 22,975.44	$ -		$ (22,975.44)	$(1,386,540.44)
Site Development	$ 444,835.00	$ 222,417.50	$ -		$ (222,417.50)	$(1,608,957.94)
2021 Q1	$ -	$ -	$ 201,425.01		$ 201,425.01	$(1,407,532.93)
2021 Q2	$ -	$ -	$ 128,061.80		$ 128,061.80	$(1,279,471.13)
2021 Q3	$ -	$ -	$ 76,986.75		$ 76,986.75	$(1,202,484.38)
2021 Q4	$ -	$ -	$ 48,742.47		$ 48,742.47	$(1,153,741.91)
2022 Q1	$ -	$ -	$ 150.00		$ 150.00	$(1,153,591.91)
2022 Q2	$ -	$ -	$ 11,446.32		$ 11,446.32	$(1,142,145.59)
2022 Q3	$ -	$ -	$ 4,522.50	$ 37,533.99	$ 42,056.49	$(1,100,089.10)
2022 Q4	$ -	$ -	$ 4,909.38	$ 49,200.28	$ 54,109.66	$(1,045,979.45)
2023 Q1	$ -	$ -	$ 72,621.87	$ 40,587.37	$ 113,209.23	$ (932,770.21)
2023 Q2	$ -	$ -	$ 31.50	$ 48,994.00	$ 49,025.50	$ (883,744.71)
2023 Q3	$ -	$ -	$ 2,541.69	$ 68,871.46	$ 71,413.15	$ (812,331.56)
2023 Q4	$ -	$ -	$ 575.88	$ 49,833.11	$ 50,409.00	$ (761,922.57)
2024 Q1	$ -	$ -	$ 27,451.18	$ 45,498.21	$ 72,949.39	$ (688,973.17)
2024 Q2	$ -	$ -	$ 1,005.80	$ 59,834.67	$ 60,840.47	$ (628,132.71)
2024 Q3	$ -	$ -	$ 17,301.00	$ 73,731.64	$ 91,032.64	$ (537,100.07)
2024 Q4	$ -	$ -	$ 21,522.74	$ 86,172.72	$ 107,695.47	$ (429,404.61)
2025 Q1	$ -	$ -	$ 62.25	$ 256,925.87	$ 256,988.12	$ (172,416.48)

Questions & Discussion

Julian Jacquin, Director of Economic Development/TOEURA
Lockie Woods, URA Development & Accounting Analyst