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Erie Gateway URA Impact Report

Town of Erie Urban Renewal Authority

April 28th, 2023

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Executive Summary

The Erie Gateway Urban Renewal Plan Impact Report:

The Town of Erie Urban Renewal Authority (TOEURA) is in the process of forming a new Urban Renewal Plan area. This area is described by this report as the Erie Gateway Urban Renewal Plan (the Plan). The proposed Plan is large, encompassing 2,296 acres on the Town's eastern boundary. This Plan will require significant collaboration between TOEURA, the Town and the taxing entities that impose ad valorem taxes within the proposed boundaries. The Plan's inclusion of agriculturally assessed land, its exclusion of Oil and Gas well pads, and its intention to utilize both property and sales tax increment requires a nuanced and detailed analysis of potential impacts to these various public sector partners.

The Plan's Impact Report provides this analysis. The report carefully forecasts development that is likely to occur within the Plan area over the next 25 years. The Town of Erie's Economic Development Department assisted in producing this study, which modeled 12 different development scenarios to arrive at a reasonable development projection. Each projection was tempered according to regional market capacities and regulatory controls, and compared to regional developments of similar size, quality and scope. The projections also benefitted from the significant community visioning and planning that the Town has conducted on this area. Resources that informed this analysis included the Town of Erie's Comprehensive Plan and its Area's of Special Interest, the Town of Erie's Future Land Use Map and Zoning Districts, the recently published "I-25 Gateway Developer Book", as well as drafted and/or submitted Planned Developments to the Town's Planning Division.

The Impact Report forecasts residential and commercial development within the Erie Gateway URA over the next 25 years. All development is phased according to market absorption rates, and the logical progression of infrastructure throughout the area. Valuations are derived from current median residential prices and current commercial sales per SF throughout the regional market. The location, type and density for future development is based on the I-25 Gateway Developer Book's land use plan and submitted PD development plans. Areas within the Erie Gateway URA but not included in these resources were projected according to their future land use and zoning categories.

After modeling the most probable development forecast, this report quantified Erie Gateway URA's assessed value, property tax, sales tax, demographics, and fiscal impacts. This information provides estimates regarding the amount of tax increment (both property and sales) Erie Gateway URA will generate over 25 years. Increment estimates are projected for each taxing entity that levies an ad valorem property tax within the Plan area. The Impact Report also estimates the number of new residents, students and jobs the Plan area will generate over 25 years. These increment and demographic impacts were used to evaluate potential fiscal impacts on participating taxing entities.

The following outline and tables summarize the Impact Report's conclusion, assumptions and findings. Impacts to taxing entities are categorized as either low, moderate, or high. A detailed methodology, impact analysis and recommendations are provided that elaborate on the Executive Summary's findings:

Conclusion:

The Erie Gateway Urban Renewal Plan is both visionary and ambitious. The Plan's location, which would bridge the gap between the Town's urbanized areas and Interstate 25, is envisioned as an extension of Erie's historic "small town charm" and the built environment elements that define it. This means that Plan will incorporate dense, walkable neighborhoods complete with a mix of uses and amenities. The Plan is also intended to create a retail hub for Erie and the region. These design priorities, coupled with the size of the plan area, yield a projected development that would effectively double the Town's population and increase its total Assessed Value by 109%. Obviously, development of that scale has significant impacts on the Town, the School District, the County, and other taxing bodies. This report recommends carefully evaluating TIF sharing negotiations with each taxing body to ensure that none of TOEURA's partners suffer from undue burdens when helping to realize the Erie Gateway URA vision.

Assumptions:

- The Erie Gateway Urban Renewal Plan is eligible for Urban Renewal Treatment. A conditions survey, completed November 2022, found that the urban renewal area exhibits **eight of the eleven** statutorily defined blighting conditions, meaning that the project area is eligible for renewal activities.
- Residential and Commercial Absorption rates will follow historic market trends. Commercial development will not exceed 10-year typical absorption range averages. Residential development will not exceed 50% of the projected 25-year average.
- Phasing is expected to proceed from the Northeast, then jump to the Southwest, and then effectively fill in those gaps. The Phasing will start with the Summerfield PD in the Northeast. It will then move to the Erie Gateway Plan Area at the I-25/Erie Parkway Interchange. Development will proceed from this interchange Northwest, and eventually include the proposed North Station PD. Parcels surrounding these areas are expected to develop as the final phase.
- All TIF forecasts assume a 100% mill levy commitment from each participating taxing entity. This is to forecast the maximum potential impact of the proposed plan area.
- Property Tax and Sales Tax is assumed to be available for TIF sharing agreements. Lodging tax and Oil and Gas Revenues are excluded.
- All property within the Plan area will be annexed into the Town of Erie and average an overlapping millage rate of 107.45 in its formation year.
- The development scenario chosen for this analysis takes the average, or medium, density and intensity ranges for units per net acre and floor-area-ratios.
- The Erie Gateway Urban Renewal Plan will be successful in remediating blighting conditions present within this area, which will help facilitate new development. New development will be incentivized by the TOEURA to address community needs, such as attracting residential and commercial development and investment.

Summary Tables and Charts:

DEVELOPMENT INTENSITY SCENARIO:		Medium	
Projected Build-Out Statistics			
Development Type	Units/S.F.	Actual Value	Assessed Value
Residential	9,642	\$4,426,938,509	\$316,526,103
Single Family	2,682	\$1,743,483,351	\$124,659,060
Townhomes	2,475	\$1,113,666,636	\$79,627,164
Apartments	4,485	\$1,569,788,522	\$112,239,879
Commercial	4,038,284	\$963,098,309	\$279,298,510
Office	1,008,552	\$250,120,787	\$72,535,028
Retail	3,029,733	\$712,977,522	\$206,763,481
Light Industrial	-	\$0	\$0
Demographics			
Total New Residents	28,424		
Total New Students	4,339		

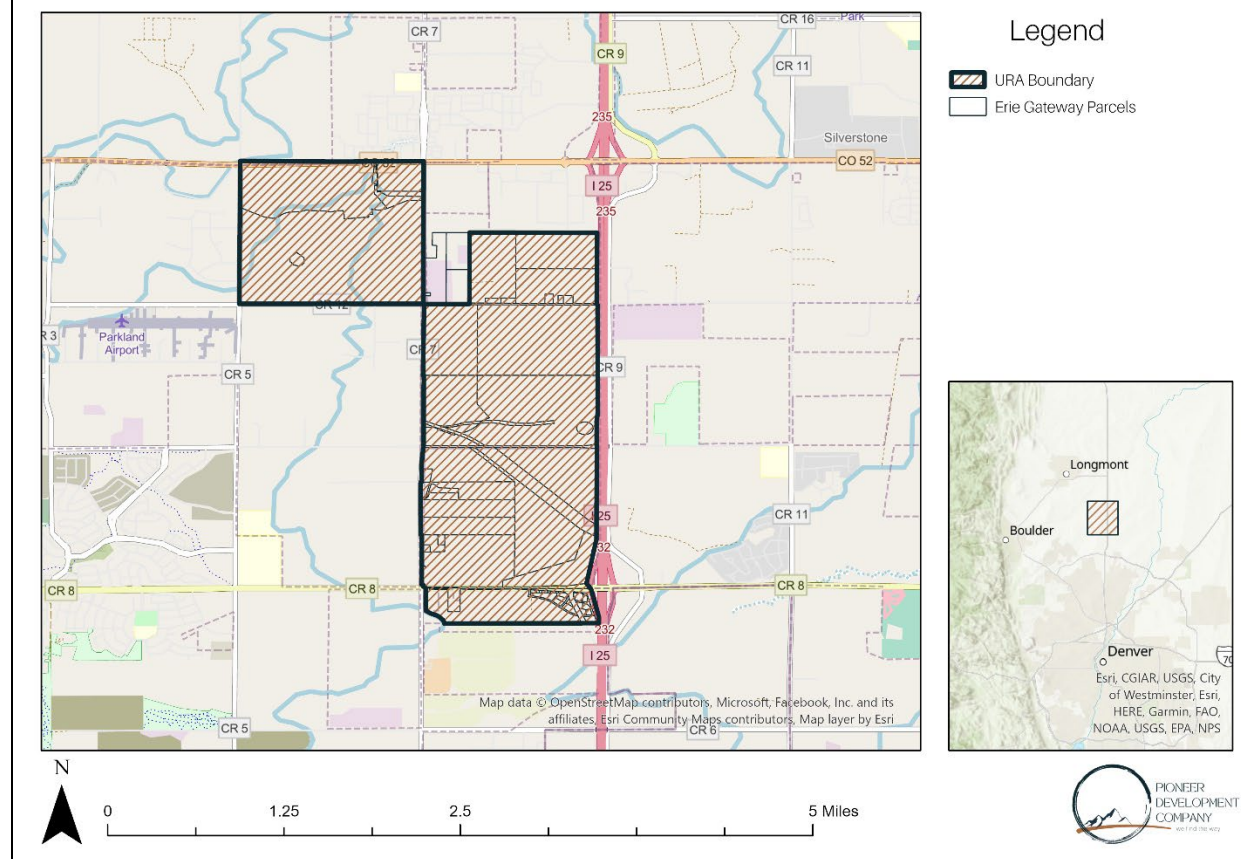
Total New Jobs (Direct)		32,293		
Property and Sales Tax Information				
Estimated Base Taxable Value	\$11,478,412			
Total New Taxable Value	\$607,303,000			
Net Taxable Value	\$595,824,588			
Tax Increment Financing Estimates ¹	Gross (25 Years)	Net Present Value (7% Discount)	Annual Average	Town of Erie Annual Averages
Total (Property and Sales Tax)	\$1,347,945,000	\$415,930,000	\$52,623,000	\$22,481,219
Property Tax	\$840,724,000	\$250,419,000	\$32,335,000	\$2,193,219
Sales Tax	\$507,221,000	\$165,511,000	\$20,288,000	\$20,288,000

Erie Gateway Urban Renewal Plan Impacts Summary				
TOEURA Taxing Entity Partners Fiscal Impacts	% District's Total AV	% District's Annual Property Tax	% District's Annual Sales Tax	Impact Assessment
Weld County	4.9%	1.7%	0%	Moderate
Town of Erie	109.4%	44.5%	97.5%	Very High
St. Vrain School District (RE1J-Longmont)	24.7%	12.3%	0%	High
Northern Colorado Water (NCW)	6.8%	3.4%	0%	Low
Left Hand Water	163.1%	0%	0%	Low
Frederick-Firestone Fire	81.2%	5.4%	0%	High
Mountain View Fire Protection District	54.5%	27.0%	0%	High
St. Vrain Sanitation	55.4%	27.6%	0%	High
High Plains Library	5.6%	2.8%	0%	Low
Boulder Valley Conservation	252.5%	0.0%	0%	Low

¹ Values have been rounded.

Erie Gateway Plan Area Summary

Erie Gateway Urban Renewal Plan



Project Area

The Erie Gateway Urban Renewal Plan area encompasses 2,296 acres.² This area includes 87 parcels. This survey area has been strategically drawn to include parcels that need or will attract new investment or reinvestment. The area also includes public right-of-way that may benefit from urban renewal treatment.

Area Description

The proposed Urban Renewal Plan targets an area recently annexed into municipal limits that will help bridge the Town's historic urbanized centers to the west with Interstate 25 to the East. Historically, the area was used for oil and gas extraction and agriculture. The parcels are largely vacant, despite their proximity to major transportation corridors, such as I-25, Erie Parkway and Highway 52. The Town examined this area in 2018 to determine its eligibility for Urban Renewal treatment. A preliminary conditions survey was completed that identified there were enough blighting factors present within the Plan area to meet statutory thresholds. However, TOEURA did not move forward with creating the Urban Renewal Plan. Over the past five years, renewed interests in this area and community planning

² Acreage estimate includes Public Right of Way e.g. Roads and Alleys

and visioning projects have led TOEURA to re-examine its potential as an Urban Renewal Project. SEH completed a Conditions Survey in 2022 that confirmed the area exhibits eight blighting factors, making it eligible for Urban Renewal treatment.

The Plan area includes four distinct PD Development Plans that have specific land use designations. This impact report quantified each land use category's acreage to forecast future development throughout the plan area. Area's that have not yet been assigned a land use designation by either a PD development plan or Town's visioning exercises were assigned their current zoning/future land use designation.

The Plan Area's statistics are described in the table below:

Erie Gateway Land Use Summary		
Area Statistics		
Total Area (Acres)	2,296	
Total Parcel Area (Acres)	2,189	
Total Land Use Acres	2,239	
Total Developable Acres	1,343	
Number of Parcels in Area	87	
Future Land Use Category	Acreage	Percent
Open Space	348	15%
School Area	10	0%
Low Density Residential	356	16%
Medium Density Residential	357	16%
High Density Residential	114	5%
Mixed-Use Residential	68	3%
Mixed-Use	35	2%
Mixed-Use Retail	113	5%
Mixed-Use Employment	96	4%
Low Density Employment	134	6%
Regional Commercial	425	19%
Oil and Gas	46	2%
ROW	194	8%

Legend

- LRA Boundary**
 - Summerfield Land Uses
 - North Station Land Uses
 - Erie Gateway Land Uses
- TYPE**
 - High Density Residential
 - Low Density Residential
 - Medium Density Residential
 - Mixed Use
 - Open Space
 - School Area
 - <all other values>
 - Shoreland/ROW Buffer
 - GRF selection 1
- Land Use**
 - Low Density Employment
 - Medium Density Residential
 - Mixed Use Retail
 - Open Space
 - High Density Residential
 - Mixed Use Employment
 - Oil and Gas
 - <all other values>
 - Fire Gateway Parcels

Map data © OpenStreetMap contributors, Microsoft, Facebook, Inc. and its affiliates, Esri Community Maps contributors, Map layer by Esri

Scale: 0 to 5 Miles

Inset Map: Longmont, Boulder, Denver, Westminster, Englewood, Aurora, CO

The Plan area includes 87 parcels. The total equalized assessed value (taxable value) of these parcels, according to the Weld County Assessor's database, is \$1,626,880. The reason for this low taxable value is because many of Plan area's parcels are assessed as agricultural or exempt. An exempt assessment will cause a properties taxable value to equal zero. An agricultural assessment determines property value based on a state formula for agricultural yield. Since the Plan area has historically exhibited blighting factors and vacancy, parcels assessed as Ag have failed to produce high yields, meaning their taxable value is low.

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Impact Report Methodology

Forecasting Future Growth

The goal of the Erie Gateway Urban Renewal Plan is to incentivize redevelopment by remediating blighting conditions and spurring new investments in public infrastructure, commercial development, housing, amenities, and community development needs.

One of the tools urban renewal authorities can use to bring about these changes is known as Tax Increment Financing (TIF). TIF is a redevelopment strategy that leverages future tax revenues to incentivize redevelopment for urban renewal activities. Colorado's Urban Renewal Law mandates that urban renewal projects that intend to use TIF for renewal activities submit a supplementary Impact Report to help forecast growth within a renewal area and estimate the impacts this growth will have on taxing entities that operate within that area. The impact report's purpose is to ensure that taxing entities that rely on property tax revenues will not be adversely impacted by the urban renewal project.

Quantifying these impacts requires a forecast of probable growth throughout the project area over the project's lifetime. **The Erie Gateway Urban Renewal Plan is expected to last 25 years**, the maximum amount of time permitted by Colorado's Urban Renewal Law.

This report estimated where and when redevelopment will take place in the Erie Gateway Urban Renewal Plan area by reviewing the Town's Comprehensive Plan, development patterns along the I-25 Corridor, submitted PD Development Plans within the Plan area, current locations of central water and sewer infrastructure, and the recently completed I-25 Gateway Developers Book. These resources provided a roadmap to how development will likely unfold throughout the Erie Gateway Urban Renewal Plan area.

Completing this probable development roadmap will require significant cooperation among TOEURA, its partnering taxing entities, and the private sector. The Erie Gateway Urban Renewal Plan represents an ambitious public private partnership, that will remediate conditions arresting sound development throughout the area by providing a mix of public incentives, bonds, and private investment. TOEURA is expected to be a key partner, and TIF is vital for making the overall development project feasible. The projections made by this impact report have been informed by this perspective and these aforementioned resources.

Development Assumptions and Feasibility

The Erie Gateway Urban Renewal Plan represents an ambitious development plan that could effectively double the Town's current population upon completion. To forecast a Plan of this scale, it was important to determine market benchmarks that can inform the Plan's assumptions and feasibility.

The properties which required a development forecast used certain assumptions to predict the type, size, time, and value for each development phase. The assumptions are informed by local market studies, urban renewal best practices and community desires. The goal is to anticipate development that will be both financially and politically feasible, meaning that future development in the project area matches the Town of Erie's market demands and community expressed desires. The Town has performed extensive planning exercises to help shape future development within this area, and these goals have been accounted for by the report's projections. Market realities and community expectations are often in tension with one another, which is why these assumptions seek to strike a compromise between the two viewpoints. These assumptions are cataloged below:

- **Type of Development** – The resources provided for this report indicate a mix of land uses throughout the project area. This mix includes low to high density residential development, meaning that single family homes, townhomes/duplexes and multi-family development will all be present in specific locations throughout the Plan area. Commercial development is also envisioned by the Plan, and will range from mixed-use retail, employment centers and offices, and regional commercial zones. This report assumes that all future development in the plan area will fall into one of six categories: single family, townhomes, multi-family, retail, office, and warehousing.
- **Size of Development** – The scale of future development is limited by regulatory controls and market demands, such as absorption rates. This report forecasted development according to residential densities and commercial floor-area-ratios provided by the Town of Erie Planning and Economic Development Departments. These densities and FAR's are applied to development expected to occur in specific land use areas. The Town admitted that both the FAR and Residential Densities are ambitious and reflect the community's desire for a dense, mixed-use development. Market absorption rates were applied to temper these projections and ensure development projections did not outpace market capacity.

Summary Density and Floor-Area-Ratio Table			
Projected Land Use Categories (All Phases)	Total Acreage	Commercial FAR	Residential Density (Units Per Acre)
Open Space	347.76	-	-
School Area	10.00	-	-
Low Density Residential	356.35	-	4
Medium Density Residential	356.84	-	23
High Density Residential	113.94	-	45
Mixed-Use Residential	67.96	0.13	45
Mixed-Use	34.81	0.13	45
Mixed-Use Retail	112.81	0.75	-
Mixed-Use Employment	95.94	0.63	-
Low Density Employment	133.63	0.10	-
Regional Commercial	425.24	0.20	-

According to the State Demographer's office, the Town of Erie has averaged a 4.35% annual increase in housing units over the past 5-years. This report used this average annual increase to forecast housing unit growth over the next 25 years. This projection yields an average annual Housing Unit Absorption rate of 852 units per year. Because it is unlikely that one area would absorb 100% of this residential development, this report assumes that the Erie Gateway UR Plan will account for up to 426 residential units per year.

Commercial absorption was calculated by evaluating the Erie Market Area's 10-year range for deliveries. This range estimates the total commercial square footage delivered during that time span, ranging from high, average and low years. This report analyzed various commercial retail developments that are likely to locate within the Plan area, such as community retail centers, neighborhood centers, power centers, lifestyle centers, and office space. After evaluating the Erie Market's annual absorption for commercial development, this report used 185,000 square feet per year as it's an annual commercial absorption rate.

Commercial Absorption (Deliveries)							
Development Type	Total Inventory	Vacancy Rates	Cap Rates	Low	High	Average	12-Month Net Absorption
Community	1,300,000	6.50%	6.20%	5,130	28,118	16,616	14,404
Retail Centers							
Neighborhood Centers	1,900,000	5.80%	6.00%	5,141	12,515	8,820	13,257
Power Centers	3,500,000	3.20%	6.00%	1,966	46,774	22,819	29,763
Lifestyle Centers	967,000	1.60%	5.80%	14,538	228,637	121,813	(1,603)
Office	512,000	8.90%	7.00%	8,307	22,948	15,629	(11,670)
Averages	8,179,000	4.50%	6.07%	35,082	338,992	185,697	44,151

Residential Absorption							
2021 Erie Housing Units	Average Annual Growth Rate (5-Year)	Year	Estimated Housing Units	Housing Unit Absorption Average	Erie Gateway % of Total Town Growth	Erie Gateway Annual Absorption	
10,935	4.35%	2022	10,935	852	50%	426	

- **Time of Development** – As mentioned in the Size of Development section, market absorption rates were used to ensure that forecasted development was appropriately phased to meet local market demands. This report assumes a two-year land development phase, followed by vertical construction phases. This means that development will not begin generating increment until 2026 and will not exceed that absorption rates in any given year for residential and commercial development.
- **Value of Development** – This report estimated the future value of development by comparing the projected new development to market benchmarks and existing comparable properties. Commercial development in Erie Market Area sold for an average of \$248 per square foot for retail, and \$235 per square foot for office. Light industrial is assumed to be valued around \$150 per square foot. New residential development averaged an assessed market value of \$483,000 per unit. Both estimates are considered highly conservative to avoid over-projecting tax increment within the Plan area.

These assumptions guided this report's forecast of future development throughout the Erie Gateway Urban Renewal Plan.

Tax Increment Financing Assumptions

As part of Statutory Requirements, this report projected the estimated property and sales tax generation for future development within the Erie Gateway Urban Renewal Plan area. These projections are based on Weld County's 2022 certified assessments of property and the mill levies associated with the taxing entities present in the project area. The full list of taxing entities and their associated millage rates are tabulated below:

Tax Entity	2022 Mill Levy	TIF Agreement %	TIF Eligible Mill Levy
Weld County	15.038	100%	15.038
School Dist RE1J-Longmont	57.358	100%	57.358
Northern Colorado Water (NCW)	1	100%	1
Left Hand Water	0	100%	0
Frederick-Firestone Fire	13.9	100%	13.9
Frederick-Firestone Fire (Bond 2022)	0.469	100%	0.469
St. Vrain Sanitation	0.473	100%	0.473
High Plains Library	3.197	100%	3.197
Boulder Valley Conservation	0	100%	0
Mountain View Fire Protection District	16.247	100%	16.247
TOE General Fund	7.288	100%	7.288
TOE Trails Acquisition	4.000	100%	4
TOE Community Center Bond	2.437	100%	2.437
TOE Public Safety Building	0.412	100%	0.412
TOTAL	121.819	100%	121.819

This report assumes that all impacted taxing entities will pledge 100% of their millage rate to the Erie Gateway Urban Renewal Plan. This assumption is intended to help forecast the maximum impact this plan area will have on the Town and partnering entities. Property tax projections made by this report assume that the number of taxing entities, as well as their millage rates, will remain unchanged over the project's lifetime.³

Tax Increment assumptions are also based on the above mill levies and assumes that the project area's starting **base value is \$11,478,412**. This report projects that both the project base and all future development will appreciate at a rate pegged to inflation. This report assumes that the **inflation rate will average 3%** over the project's lifetime⁴. This report adjusts the Plan area's base biennially for TIF projections.

Sales Tax Assumptions

Colorado's Urban Renewal Law permits sales tax to be collected within urban renewal project areas to be leveraged for tax increment financing⁵. This report assumes that the Town's sales tax rate is the only

³ The Fire Districts listed are not present among all parcels within the Plan area. TIF has been forecasted per each parcel and the millage rate assigned to it.

⁴ Colorado's Urban Renewal Law requires that the base assessment be reevaluated every two years within an urban renewal project area.

⁵ C.R.S. 31-25-107(9)(e)

eligible sale tax for tax increment financing. The amount of sales tax that can be allocated to an urban renewal project is determined by calculating the amount of sales tax collected within the project area's boundary over the past 12 months. This is known as the sales tax base. Any increase over this base associated with new improvements within the project area is subject to negotiations between the municipality and the urban renewal authority over what portion of this increase can be paid out to fund urban renewal activities within the project area.

This report assumes that 100% of the Town of Erie's sales tax generated by new improvements within the Erie Gateway Urban Renewal Plan area will be allocated to TOEURA. All sales tax calculations are estimates that have been isolated to only include new retail space forecasted to develop within the Plan area.

The But-For Assumption

The final assumption made in this report is that all new development would not occur but for the Erie Gateway Urban Renewal Plan and the Town of Erie Urban Renewal Authority (TOEURA). The goal of this urban renewal plan is to incentivize development through a variety of tools, TIF being just one example, where new investments manifest throughout the Plan area because of the TOEURA's efforts. All tax increment estimates must therefore be considered revenue that is generated because of TOEURA's efforts to attract and facilitate redevelopment to the Plan area. The Erie Gateway Conditions Survey identified eight statutorily defined blighting factors within the Plan area that impair and arrest sound development. The renewal project will remediate these conditions and bring about development that is desired by the Erie community. Because of this, future incremental revenues should not be considered property tax or sales tax that is abdicated by the area's taxing entities. Instead, these incremental revenues should be perceived as a future tax base that would not exist but for the creation of the Erie Gateway Urban Renewal Plan.

Tax Increment Financing Summary

This Report forecasted the Plan's development over the next 25 years and projected its assessed value and taxable revenue. These projections were used to estimate the amount of property tax increment and sales tax increment that will be generated within the Plan area if the urban renewal project is successful. Development projections are based on the methodology outlined in Section Two "Impact Report Methodology".

Projected Assessment and Phasing

The Erie Gateway Urban Renewal Plan is expected to have five distinct phases. Three phases represent areas that have submitted PD Development Plans or have been part of extensive community planning efforts. The remaining two phases are areas that have not yet submitted development plans or have been part of specific planning process. These latter phases are titled "Remnants", as they are likely to develop after the initial three phases are underway. The five phases are listed below and have been assigned specific colors in the Report's tables and maps.

Erie Gateway Urban Renewal Plan Phases	
Phase 1 - Summerfield PD	
Total Parcels 9	Total Developable Acreage 386
Phase 2 -Erie Gateway	
Total Parcels 17	Total Developable Acreage 356
Phase 3 – North Station	
Total Parcels 11	Total Developable Acreage 361
Phase 4 - Northern Remnants	
Total Parcels 9	Total Developable Acreage 107
Phase 5 - Southern Remnants	
Total Parcels 41	Total Developable Acreage 58

This report projected each phase as its own development, forecasting total assessed value, residential units, commercial square footage, residents, students and jobs. These phases were then modeled according to the absorption factors outlined in Section Two.

The Plan's size, with over 2,000 acres, and the Town's ambitious vision for high density, mixed-use development, creates a scenario where the total volume of housing units and commercial square footage possible outpaces market absorption rates. This means that based on these assumptions, it will take longer than 25 years for the Plan area to be fully built out. This report estimates that residential development will take 28 years to be fully absorbed, and commercial development will take at least 44 years for full absorption. While the report forecasted each development scenario according to its full build out, only the development that occurred within the Plan's first 25-years was applied to TIF and fiscal impact calculations.

The following tables summarize the Plan's development projections. This report's appendix also includes Maps depicting each Phase's location and future land use plan.

Erie Gateway URA Build Out Summary								
Number of Parcels	Developable Acreage	Existing AV	New AV	Net AV	Dwelling Units Per Net Acre	Average FAR	Residential Absorption (Yrs)	Commercial Absorption (Yrs)
87	1,230	\$11,478,412	\$607,303,025	\$595,824,613	7.8	0.135	28	42
Erie Gateway URA Development Projection Summary								
Total Developed Acreage		Total New Residential Units	Total New Commercial SF	New Residents	New Students	New Jobs		
1,230		9,642	7,219,917	28,424	4,339	37,195		
<u>Development Type</u>								
Single Family Residential		2,682		8,562	958			
Townhomes		2,475		7,672	859			
Multi-Family (Apartment Units)		4,485		12,237	1,370			
Commercial Office			1,008,552		Direct Jobs	32,293		
Commercial Retail			3,029,733		Indirect Jobs	4,901		
Light Manufacturing/Warehousing ⁶			-					

⁶ Light Industrial Development is not projected to be absorbed until after 25-years. This development will occur in Phase 3.

Erie Gateway Urban Renewal Plan's Five Phases Development, Assessment, and Absorption											
Summerfield PD											
Total Parcels	Total Developed Acreage	Total New Residential Units	Total New Commercial SF	Total Retail SF	New Residents	New Students	New Jobs	Existing AV	Net Assessed Value	Residential Absorption Years	Commercial Absorption Years
9	386	2,342	45,492	34,119	6,903	773	1,093	\$ 2,714,761	\$ 82,821,417	6.00	1.00
Northern Station											
Total Parcels	Total Developed Acreage	Total New Residential Units	Total New Commercial SF	Total Retail SF	New Residents	New Students	New Jobs	Existing AV	Net Assessed Value	Residential Absorption Years	Commercial Absorption Years
11	361	5,298	2,071,852	1,591,557	15,619	1,748	11,424	\$ 3,261,876	\$ 308,067,783	13.00	12.00
Erie Gateway											
Total Parcels	Total Developed Acreage	Total New Residential Units	Total New Commercial SF	Total Retail SF	New Residents	New Students	New Jobs	Existing AV	Net Assessed Value	Residential Absorption Years	Commercial Absorption Years
17	356	3,632	3,992,792	2,995,614	10,708	1,199	19,353	\$ 2,540,351	\$ 383,848,668	9.00	22.00
Northern Remnants											
Total Parcels	Total Developed Acreage	Total New Residential Units	Total New Commercial SF	Total Retail SF	New Residents	New Students	New Jobs	Existing AV	Net Assessed Value	Residential Absorption Years	Commercial Absorption Years
9	69	-	602,024	541,822	-	-	2,888	\$1,787,834	\$ 39,518,443	-	4.00
Southern Remnants											
Total Parcels	Total Developed Acreage	Total New Residential Units	Total New Commercial SF	Total Retail SF	New Residents	New Students	New Jobs	Existing AV	Net Assessed Value	Residential Absorption Years	Commercial Absorption Years
41	58	-	507,756	456,981	-	-	2,436	\$ 1,173,591	\$ 33,664,749	-	3.00

Property Tax TIF Projections

This Report estimated the Erie Gateway Urban Renewal Plan's future TIF revenue over the next 25 years in accordance with C.R.S. 31-25-107(3.5)I-V. These estimates are used to determine the property tax revenue that is likely to be generated by new developments within the Plan area. This tax revenue is assumed to be the result of the TOUERA's efforts to remediate blight and attract new investments within the Plan area.

Property tax TIF is estimated by comparing the Plan area's base value against its projected new improvement value. These assessed values each generate tax revenue based on the current millage rate of taxing entities within the Plan area. The base value's property tax revenue is not impacted by urban renewal projects. The new improvement's tax revenue, however, is the result of the urban renewal plan. That revenue is labeled as "increment". The property within the Erie Gateway Urban Renewal Plan has an adjusted assessed value of \$11,478,412⁷. This assessed value includes both building improvement values and land values. This assessed value includes all parcels within the Plan area. This current assessed value is known as the **Base Value** in tax increment financing.

This report estimates that new improvements within the Erie Gateway Urban Renewal Plan area will amount to an additional \$595,824,613 in assessed value. This value is not generated at once but is instead phased in over the life of the Urban Renewal Plan.

This report models new development according to its first assessment year, taxable value, and absorption schedule. It then applies the tax district's millage rates to both existing and new

⁷ Per Weld County Assessor adjusted Ag Land Estimates

improvements within the plan area. Tax revenue generated by new improvements is incremental revenue. These revenues can be utilized by TOEURA for urban renewal activities within the Plan area.

Incremental revenue is also determined by TIF-sharing agreements signed between TOEURA and the impacted entities that levy taxes within the Erie Gateway Urban Renewal Plan area. This report assumes that all taxing entities have pledged 100% of their millage rates to support the Plan.

This report assumes that all property within the Plan area will have been annexed into the Town of Erie. The Plan also assumes that the plan will facilitate the extension of central water and sewer lines which will be maintained by the Town of Erie. Although the majority of the area is within the Mountain View Fire Protection District, there are two parcels currently served by the Frederick-Firestone Fire Protection district. The TIF associated with those parcels and the Frederick-Firestone Fire Protection district has been modeled separately in the table below. The Frederick-Firestone Fire Protection District Bond was not included in this analysis, as this bond will not be pledged to TIF.

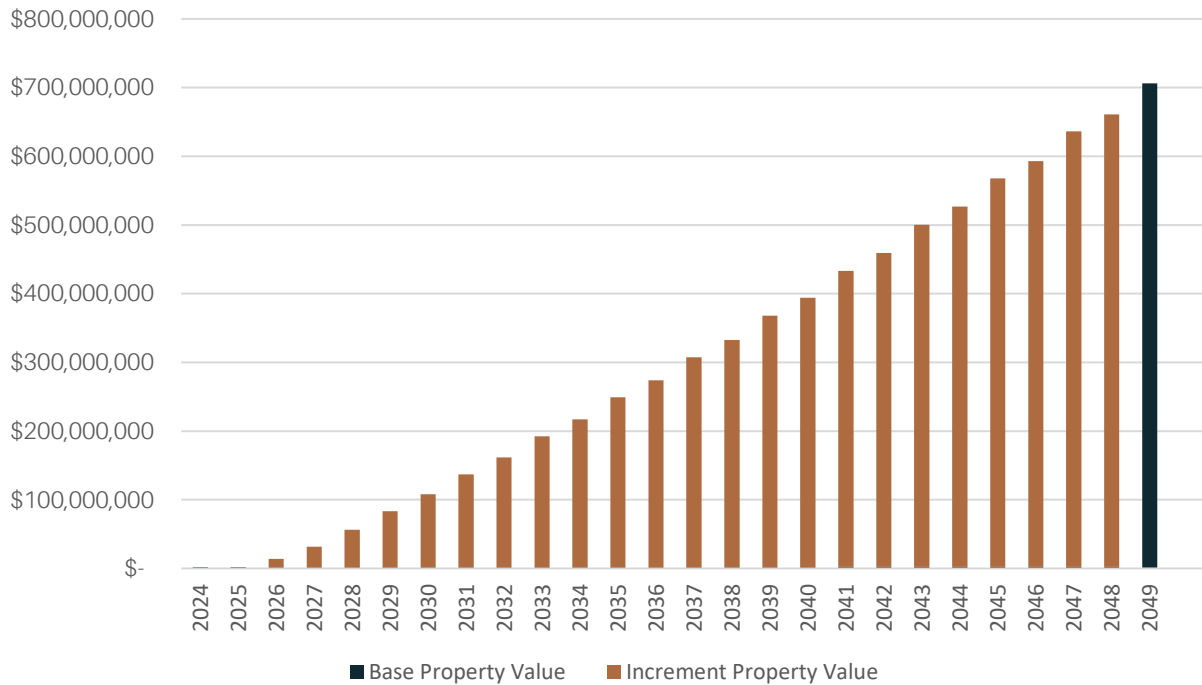
The following charts and tables illustrate the Erie Gateway Urban Renewal Plan's 25-Year TIF Projections:

Erie Gateway Urban Renewal Plan TIF Projections

Property TIF Estimates		
Base Value of Plan Area	\$	11,478,412
Total New Improvement AV	\$	607,303,025
Total TIF Revenue	\$	840,724,000
Annual TIF Revenue (25-Year Average)	\$	32,335,000
Estimated Real Property Taxes		Estimated Tax Increment
Taxing District	25 Years	25 Years
Weld County	\$123,134,000	\$117,662,244
St. Vrain Valley School District General Fund	\$212,853,000	\$203,393,406
St. Vrain Valley School District Bond	\$143,703,000	\$137,316,956
St. Vrain Valley School District Override	\$111,278,000	\$106,332,617
St. Vrain Valley School District Abatement	\$1,825,000	\$1,744,825
Northern Colorado Water Conserv. (CWC)	\$8,188,000	\$7,824,328
Left Hand Water District	\$-	\$-
Frederick-Firestone Fire District ⁸	\$14,721,000	\$14,004,910
St. Vrain Sanitation	\$3,873,000	\$3,700,907
High Plains Library	\$26,177,000	\$25,014,377
Boulder Valley Conservation District	\$-	\$-
Mountain View Fire Protection District	\$133,034,000	\$127,121,857
Town of Erie General Fund	\$59,675,000	\$57,023,702
Town of Erie Trails Acquisition	\$32,752,000	\$31,297,312
Town of Erie Community Center Bond	\$19,954,000	\$19,067,887
Town of Erie Public Safety Building	\$3,373,000	\$3,223,623
TOTAL	\$879,826,000	\$840,724,043

⁸ Only three parcels within the Plan area are within the Frederick-Firestone Fire District. This value was modeled separately to account for future development on these parcels.

Erie Gateway Urban Renewal Plan Estimated Assessed Value



Sales Tax TIF Projections

Colorado's Urban Renewal Law permits Urban Renewal Authorities to collect sales tax as a source of incremental taxable revenue. This report assumes that the Erie Gateway Urban Renewal Plan will utilize sales tax revenue as a potential source of TIF revenue.

This analysis estimated potential sales tax generation by first estimating the amount new commercial-retail square footage within the Plan area. Similar commercial retail developments along I-25 were then evaluated estimate annual sales tax collections. This helped determine an average sales per square foot multiplier.

The analysis conservatively estimates that retail space will generate approximately \$450 per SF per year. The summary of these inputs and their estimated sales tax generation are listed in the table below.

New Retail Space (25-Years)		3,029,733 SF
TIF Eligible Sales Tax Rate		3.5%
Estimated Sales Per SF		\$ 450.00
Estimated Sales Tax Increment (Gross)		\$507,221,000
Estimated Sales Tax Increment (Annual Average)		\$20,288,000
Percent of Annual Sales Tax Collections (City)		3%

This report estimates that the Erie Gateway Urban Renewal Plan will generate an additional 3,029,733 square feet of retail space over the next 25-years. Using an estimated average sales per square of \$450 PSF, this amount space of equates to \$507,221,000 in sales tax increment over the next 25 years. Annually, this equates to an average of \$20,288,000 in sales tax TIF collected. For comparison, the Town

of Erie has budgeted for \$20,800,000 in general sales tax in 2023. This means that projected retail development in the Erie Gateway Urban Renewal Plan area should increase the Town's sales tax collections by 97.5% annually upon completion. This estimate does not include State Sales Tax collections. Weld County does not levy a sales tax.

Taxing Entity Impacts

Assessing an Urban Renewal Plan's impacts on partnering taxing entities requires a careful consideration of the revenue, services and infrastructure required to achieve that plan's goals. These impacts also need to consider the purpose of the Urban Renewal Plan. In addition to remediating blighting conditions, an Urban Renewal Plan typically is designed to bring about a public good, either in the form of new investment in an underutilized community area, the procurement of public amenities or infrastructure, or pioneering developments.

The Erie Gateway Urban Renewal Plan is designed to target new investment towards an underutilized area in an ambitious and visionary manner. This 2,000+ acre area represents the Town's future growth. It bridges the rapidly commercializing Interstate 25 corridor with the Town's historic downtown and urbanized clusters. This area is marked by underutilization, former extraction industries, and a lack of public infrastructure. To overcome these blighted area factors, the Town is leveraging public private partnerships. More importantly, the Town is conducting planning and visioning workshops and publishing materials that envision the future development for the area. Public private partnerships can both remediate conditions arresting sound development in the area and guide development towards these community visions. That is TOEURA's purpose and intention for the Erie Gateway Urban Renewal Plan.

The area exhibits the requisite number of blighting factors (found both in 2018 and 2022 Conditions Surveys) to be eligible for Urban Renewal treatment. The development proposed in PD Development Plans and the I-25 Gateway Developer's book represents walkable, mixed-use neighborhoods complete with amenities, open space, and destination retail. This vision aligns with the Town's Comprehensive Land Use plan for this area. The scale and quality of the development requires TOEURA to become feasible, leveraging tax increment financing to help extend necessary public infrastructure throughout the Plan area.

This partnership needs to be weighed against the possible fiscal impacts caused by the Urban Renewal Plan on partnering taxing entities.

Colorado's Urban Renewal Law is clear in C.R.S. 31-25-107(3.5)I-V), when it lists requirements for Urban Renewal Impact Reports to evaluate potential impacts on effected taxing entities. The statute requires that the report examine County impacts in particular, stating the following:

- An estimate on the county revenue impact, and on the cost and extent of additional county infrastructure and services required to serve development within the proposed urban renewal area, and the benefit of improvements within the urban renewal area to existing county infrastructure,
- A statement setting forth the method under which the authority or the municipality will finance, or that agreements are in place to finance, any additional County infrastructure and services required to serve development in the urban renewal area for the period in which all or any portion of the property taxes described in subparagraph (II) of paragraph (a) of subsection (9) of this section and levied by a county are paid to the authority,
- Any other estimated impacts of the urban renewal project on county services and revenues.

This section of the Report will answer these requirements directly about the Erie Gateway Urban Renewal Plan's impacts to Weld County. This report will also address the impacts to the St. Vrain Valley School District, the Town of Erie, and the other entities that levy a tax within the Plan area.

Erie Gateway Impact Summary

The Erie Gateway Urban Renewal Plan includes 10 taxing districts. Only eight of these districts levies property tax within the Plan area. These districts include: Weld County, St. Vrain Valley School District, the Town of Erie, the Frederick-Firestone Fire District, the Mountain View Fire Protection District, St. Vrain Sanitation District, Northern Colorado Water Conservancy (NCW), Left Hand Water District⁹ the High Plains Library, and the Boulder Valley Conservation District¹⁰.

The table below compares the Erie Gateway Urban Renewal Plan's assessed value (AV), average annual property tax, and average annual sales tax, to these 10 taxing entities. The comparison represents a snap-shot in time, contrasting the taxing entities' 2023 AV, budgeted property tax and sales with the Plan's Year-25 AV, and its average property tax and sales tax. The reason for this comparison is to determine if the Plan area's Assessed Value and Increment generated is significant at each taxing entity's AV, millage rate or sales tax rate. This report qualifies "significance" as any Plan metric that is 10% or more than its associated taxing entity metric.

The table below summarizes this comparison. Any comparison over 10% is highlighted. The Impact Assessment categories, which range from Low, Moderate, High, and Very High, represent this report's Impact conclusion based on the quantitative comparison and additional measures explained in the following sections.

Erie Gateway Urban Renewal Plan Impacts Summary				
TOEURA Taxing Entity Partners Fiscal Impacts	% District's Total AV	% District's Annual Property Tax	% District's Annual Sales Tax	Impact Assessment
Weld County	4.9%	1.7%	0%	Moderate
Town of Erie	109.4%	44.5%	97.5%	Very High
St. Vrain School District (RE1J-Longmont)	24.7%	12.3%	0%	High
Northern Colorado Water (NCW)	6.8%	3.4%	0%	Low
Left Hand Water	163.1%	0%	0%	Low
Frederick-Firestone Fire	81.2%	5.4%	0%	High
Mountain View Fire Protection District	54.5%	27.0%	0%	High
St. Vrain Sanitation	55.4%	27.6%	0%	High
High Plains Library	5.6%	2.8%	0%	Low
Boulder Valley Conservation	252.5%	0.0%	0%	Low

Impacts on specific taxing districts are explored in the following sections.

⁹ Does not levy a property tax within the Plan area.

¹⁰ Does not levy a property tax within the Plan area.

Weld County

Revenue Impacts

Weld County issues a mill levy of 15.038 within the Erie Gateway Urban Renewal Plan. This mill levy is a significant revenue source for the County's operations and funds. According to the Weld County 2023 Budget, net property taxes account for 54% of its total revenue collected. Last year, property taxes amounted to ~\$272.5 million in revenue. This is a 51% increase over 2022 property tax collections, largely from surging oil and gas prices and a 5% county-wide increase in assessed value.

According to Weld County's 2023 Budget, the County will begin 2023 with a surplus of \$531,188,847. "[Weld] County is in excellent financial condition with no debt, no sales tax, one of the lowest mill levies among all Colorado Counties, a significant cash reserve, and a fully funded pension plan"¹¹. It is against this positive financial backdrop that the Erie Gateway Urban Renewal Plan should be evaluated.

To quantify potential revenue impacts to the County, this report compared the projected annual property tax revenue within the renewal project to the County's property tax revenue. Projected property tax 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.

This Report projected the Erie Gateway Urban Renewal Plan area's annual property tax TIF per the County's millage rate and compared it as a percentage to total property tax revenue collections. This report estimates that the Erie Gateway Urban Renewal Plan area's property tax increment generated at the County's 15.038 millage rate will account for 1.7% of Weld County's annual property tax revenue collections.

Weld County	2023 Property Tax Revenue (Budgeted)	Plan Area Estimated Property Tax TIF (25-Year Annual Average)	Percent of Total
General Fund	\$ 272,470,563	\$ 4,525,471	1.7%

The Erie Gateway 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.

Weld County does not levy a sales tax, meaning that the Erie Gateway Urban Renewal Plan's projected sales tax revenue will not serve as an additional revenue source. Despite the lack of sales tax revenue, the Erie Gateway Urban Renewal Plan is expected to generate minimal revenue impacts on Weld County's General Fund. The County's General Fund has surplus revenue that is 4 times greater than the gross property tax revenue it will generate over the next 25 years.

Also, the Plan area's projected development accounts for only 1.7% of the County's annual property tax revenue collections. This means that over the next 25-years, the Erie Gateway Urban Renewal Plan will alleviate blight, attract new commercial and residential investment, 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. This report does not find a negative revenue impact on Weld County caused by the Erie Gateway Urban Renewal Plan.

¹¹ Weld County Budget 2023, page 8.

Infrastructure and Service Impacts

The Erie Gateway Urban Renewal Project is planned to be completely annexed into the Town of Erie's municipal limits prior to adoption. It will not require new County infrastructure to serve the renewal project's development. There are no new major infrastructure projects required to serve this project that will be developed or maintained by Weld County.

The Plan will facilitate development that will use County roads, however. Roads that may serve the development include segments of Erie Parkway (County Road 8), County Road 7, County Road 10, County Road 12 and County Road 5. The estimated number of residents generated by this development could cause significant impacts on these County Road segments. This report recommends a TIF sharing agreement that factors ongoing roadway maintenance as part of the remittance, so that Weld County receives an appropriate level of increment to properly maintaining these roads and their level of service (LOS) standards. However, if the Town were to annex these road segments, then it could be argued that the County would not need the same level of funding and would be obligated to share more of its property tax increment.

New development within the Plan area is projected to generate 9,642 additional households over 25-years. These residences will be within the Town of Erie's municipal limits and be served by the Town services. Using Colorado State demographer data, this number of households equates to 28,424 new residents. Weld County's total population in 2021 was estimated at 340,133 persons. New residents generated because of the Erie Gateway Urban Renewal Plan will account for less than 8.4% of the County's population. This increase may cause minor impacts on the County's health or human services.

County Impact Conclusion

This report concludes that the Erie Gateway Urban Renewal Plan will generate low to moderate fiscal impacts on Weld County's revenue, infrastructure or services. This report recommends a TIF agreement with TOEURA that offsets possible expenses derived from road maintenance.

St. Vrain Valley School District

Revenue Impacts

The St. Vrain Valley School District is the taxing entity that levies the largest millage rate within the Erie Gateway Urban Renewal Plan area. The School District's millage rate is 57.358, approximately 53% of the total tax rate within the Plan area. The School District is therefore an important partner to TOURA and vulnerable to the Plan's tax increment financing impacts.

According to the FY 2023 adopted budget, the St. Vrain Valley School District general fund's budgeted revenues equal \$377,366,233. Property tax revenue accounted for 45.4%, or \$171.2 million of that total. The following table compares these annual tax revenues with the estimated annual incremental property tax revenue generated by the Erie Gateway Urban Renewal Plan.

Erie Gateway Urban Renewal Plan Impacts			
School District Fund	2023 Property Tax Revenue	Estimated Property Tax TIF (Annual Average)	Percent of Total
Total	\$ 171,200,000	\$ 17,261,069	12.3%

The Erie Gateway Urban Renewal Plan is not expected to generate a significant impact to the school district's annual property tax revenue, provided that the school district only pledges its general fund millage rate as part of a TIF sharing agreement. The state will backfill the school's general fund, however, bond levies, overrides and abatements are not eligible for that reimbursement.

This report recommends that the St. Vrain School District pledge 100% of its general fund mill levy to the Erie Gateway Urban Renewal Plan as it will not be adversely impacted.

Student Population Generation

The Erie Gateway Urban Renewal Plan is projected to generate residential and commercial development over the next 25-years. The commercial development will create a negligible impact on the school district. However, residential development leads to additional households and students. This report forecasted potential student generation to quantify that impact.

The St. Vrain Valley School District encompasses multiple counties and portions of municipalities. To forecast student generation, this report utilized a multiplier based on state-wide averages. Total pupil membership of the school district represents roughly 17% of the total residential population it serves. This report assumes a similar ratio of residents to students, meaning that for every household, 0.45 pupils are generated. The table below summarizes the St. Vrain Valley School District Pupil Membership data¹². These estimates, including household size and students per household, were used to estimate the number of students the Erie Gateway Urban Renewal Plan could generate over the next 25 years.

Estimated Population and Pupil Generation	
Projected Residential Units	9,642
Town of Erie Persons Per Household	2.95
Projected Population	28,424
Pupils Per Household	0.45
Projected Pupils	4,339
School District Pupil Membership (2022)	32,406
Percentage of School District	13.4%

¹² Colorado State Demographer and Colorado Department of Education 2023 County Population and Pupil Counts.

This report estimates that the Plan will generate 4,339 students over the next 25 years. This increase represents 13.4% of the current St. Vrain Valley School District pupil membership.

The St. Vrain School District's adopted budget forecasted enrollment trends through 2026¹³. According to this forecast, enrollment is projected to increase by 552 students in 2024, 576 students in 2025, and 555 students in 2026. This implies that the school district is budgeting for growth over the next four years. The Erie Gateway Urban Renewal Plan average annual student generation is 174 students, representing estimated student generation represents 31% of the school district's growth forecast. This means that the school district has budgeted for this type of development and anticipates this level of student generation.

School District Impact Conclusion

The Erie Gateway Urban Renewal Plan is not likely to generate significant adverse impacts on the St. Vrain Valley School District (School District RE1J-Longmont). The school district has budgeted and anticipated for an increase in pupil membership that exceeds the student generation expected by this renewal project. The increase in student will likely trigger the need for capital improvements and teacher hirings. However, the state's total funding formula will backfill the general fund mill levy if it were pledged to TOEURA in support of the Urban Renewal Project.

This report does not recommend allocating any debt service (bond) or override mill levy to the plan area. Instead, this report recommends that the school district pledge its school finance mill levy in support of the Erie Gateway Urban Renewal Plan.

¹³ St. Vrain Valley School District FY2023 Adopted Budget, page 17, mid-level growth forecast.

Town of Erie

Revenue Impacts

Although the majority of TOEURA's board is composed of Town Board members, and the Town is in support of this Urban Renewal project, it is important to evaluate the impacts the project could have on the Town's finances and services.

The Town of Erie issues an overlapping mill levy of 14.137 within the Erie Gateway Urban Renewal Plan. This mill levy is allocated four ways, 7.288 mills to the general fund, 4.0 mills to the Trails Acquisition Fund, 2.4327 to the Community Center Bond, and 0.412 mills to the public safety building.

The Town is expected to experience the greatest fiscal impact by this Plan. After 25-years, the Plan is forecasted to have a taxable value of \$607,303,025. This is 109% of the Town's current assessed value. The Plan will also average property tax equivalent to 45% of the Town's 2023 budgeted property tax revenues. The Plan's annual sales tax increment is estimated to be 97.5% of the Town's 2023 sales tax revenue.

These comparisons indicate a massive impact on the Town, and are illustrated in the table below:

Town of Erie	2022 Property Tax Revenue (Budgeted)	Property Tax TIF (25-Year Annual Average)	Percent of Total
General Fund	\$ 4,925,000	\$ 2,193,219	44.5%

Town of Erie	2022 Sales Tax Revenue (Budgeted)	Sales Tax TIF (25-Year Annual Average)	Percent of Total
General Fund	\$ 20,800,000	\$ 20,288,000	97.5%

This report recommends that the Town carefully evaluate its TIF sharing agreement in partnership with TOEURA. The Town should carefully balance the financial assistance needed to facilitate the Erie Gateway Urban Renewal Plan's development with its own cost of service and fiscal impacts.

Infrastructure and Service Impacts

The Erie Gateway Urban Renewal Plan will help facilitate new commercial and residential development throughout a blighted area of the Town. The proposed development is projected to create 9,642 new residential housing units within Erie. This will cause a significant impact on the Town's demographics. According to the State Demographer, the average number of persons per household in Erie is 2.95 in 2022. This report estimates that the Erie Gateway Urban Renewal Plan will generate an additional 28,424 residents over the next 25 years. This represents ~95% of the Town's total population¹⁴.

Demographic Impacts				
Town Pop. 2021	Persons Per Household	Total New Residential Units	New Residents	% of Town
30,038	2.95	9,642	28,424	94.6%

The Erie Gateway Urban Renewal Plan will generate a significant increase in population for the Town of Erie. This in turn is likely to trigger infrastructure impacts. The Plan area is within Town limits, and roads

¹⁴ Town of Erie Population, State Demographer 2021 estimates.

within the project will be owned and maintained by the Town. This report finds these demographic projections and their infrastructure demands to constitute a significant impact on the Town.

Town of Erie Impact Conclusion

This report finds that the Erie Gateway Urban Renewal Plan will create significant impacts to the Town of Erie's finances and services. At full build-out, the Plan will effectively double the Town's population. Its average TIF estimates account for 45% of the Town's annual property taxes and 97.5% of the Town's sales taxes.

Because of the scale of these impacts, this report recommends that that TOEURA remit a portion of both property and sale tax to the Town of Erie. This remittance will allow the Town to stabilize its budgets and better service the development over the next 25 years. The exact percentage share, for both property and sales tax, should be based on a detailed financial analysis of the project's financial needs.

Fire Districts (Frederick-Firestone and Mountain View)

Fire District Impact Conclusion

The Erie Gateway Urban Renewal Plan will have a high impact on both Fire Protection districts, specifically the Mountain View Fire Protection district. The Plan will represents a significant portion of assessed value and property tax revenue collected annually by both districts.

This Plan recommends that TOEURA work closely with both fire protection district to determine whether they will need to construct new station or purchase new equipment to serve the Erie Gateway Urban Renewal Plan area. If new capital improvements are needed, TOEURA should balance the cost of these improvements with a TIF share that has a present value equivalent to the station's costs. This will ensure that the Erie Gateway Urban Renewal Plan is supporting these districts and properly protecting its new developments.

St. Vrain Sanitation District

Sanitation District Impact Conclusion

One of the main infrastructure challenges with the Erie Gateway Urban Renewal Plan is extending central services throughout the area. The sewer line is a catalyst project for the development. However, this central sewer service will be owned and operated by the Town of Erie. This mitigates any potential impacts on the St. Vrain Sanitation district, as it will not be serving future development generated by the Erie Gateway Urban Renewal Plan.

Conclusion and Recommendations

The Erie Gateway Urban Renewal Plan represents a visionary and ambitious approach to Urban Renewal in Colorado. The Town's planning and visioning efforts indicate a community desire to develop an extension of their Town, one that adheres to the built environment elements which make Erie unique. The area has also been found to exhibit blighted area factors by two separate Conditions Surveys (2018 and 2022) and will likely require tax increment financing to overcome these conditions and facilitate the type of development envisioned by the Erie Community.

This report finds that the Plan will generate significant impacts, especially to the Town of Erie, the School District and the Fire Protection Districts. Because of these impacts, this report recommends that TOEURA negotiate TIF sharing agreements with its taxing entity partners to ensure that impacts are properly mitigated. This TIF sharing agreements should be balanced against the financial needs of the project.

This report recommends the following:

- TOEURA shares a percentage of the Town of Erie's sales tax rate, between 0.5% and 1.5%.
- TOEURA remits all of the Town's bonded mill levies.
- TOEURA remits the St. Vrain School District's Bond Levy, Override and Abatement.
- TOEURA shares a small portion of Weld County's General Fund mill levy to offset County Road Maintenance Costs.
- TOEURA remits all or a large portion of the Fire District's property tax mill levies.

Although the Plan's impact to Water Conservation Districts is low, it is common for Urban Renewal Authorities to remit back all TIF to these entities. This could also include the St. Vrain Sanitation District.

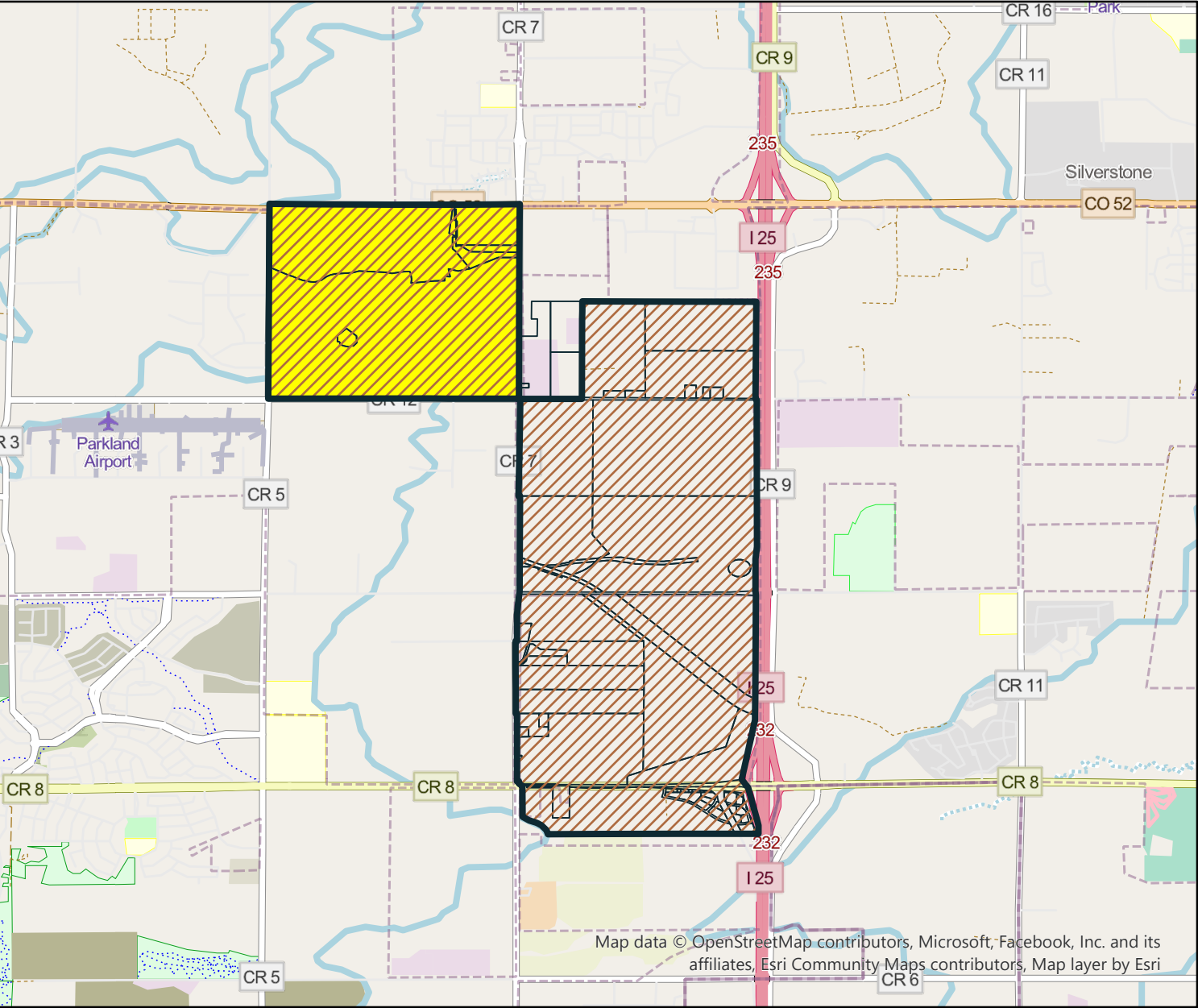
This report only recommends TIF sharing agreements that will provide TOEURA with the funds it needs to financially support the Erie Gateway Urban Renewal Plan. Although this Plan is large and ambitious, proper TIF sharing agreements will ensure this development remediates blight and attracts investment that match community desires, without adversely impacting TOEURA's partners.

Appendix

1. Tax Increment Pro Forma
2. Phasing Maps

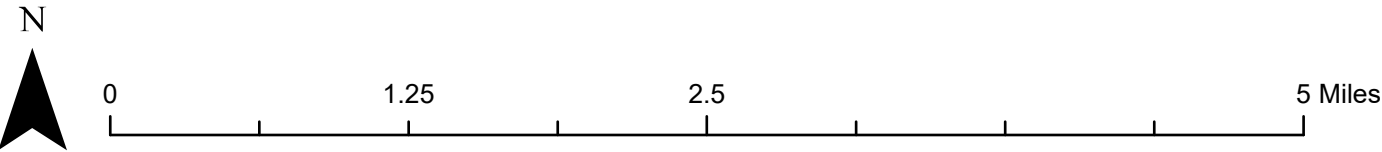
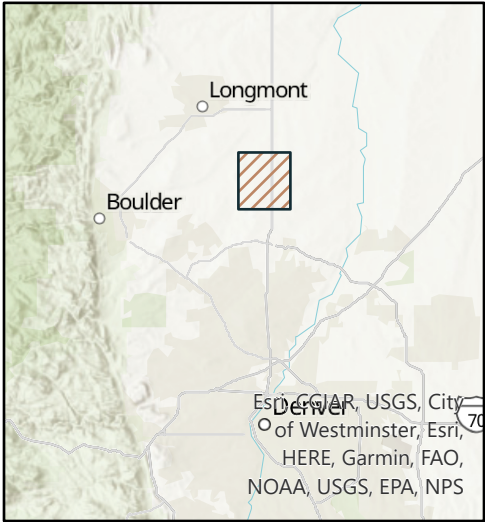
Erie Gateway URA																																																					
Combined Annual Proforma				Construction Lag																																																	
				2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049																								
Absorption Schedule																																																					
Annual Residential (Units)																																																					
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Summerfield PD																																																					
Northern Station																																																					
Erie Gateway																																																					
Northern Remnants																																																					
Southern Remnants																																																					
Total Residential (Units)		-	-	390	781	1,171	1,561	1,951	2,342	2,745	3,149	3,553	3,956	4,360	4,763	5,167	5,571	5,974	6,382	6,789	7,197	7,604	8,012	8,420	8,827	9,235	9,642																										
Total Commercial (SF)		-	-	-	45,492	226,983	408,473	589,964	771,455	952,945	1,134,436	1,315,926	1,497,417	1,678,907	1,860,398	2,041,888	2,223,379	2,404,870	2,586,360	2,767,851	2,949,341	3,130,832	3,312,322	3,493,813	3,675,303	3,856,794	4,038,284																										
Project Total Value																																																					
Annual Residential Actual Value		\$	-	\$	-	\$	192,050,725	\$	192,050,725	\$	192,050,725	\$	192,050,725	\$	192,050,725	\$	192,050,725	\$	192,050,725	\$	192,050,725	\$	192,050,725	\$	192,050,725	\$	192,050,725	\$	192,050,725																								
Annual Commercial Actual Value		\$	-	\$	-	\$	-	\$	10,849,714	\$	43,284,027	\$	43,284,027	\$	43,284,027	\$	43,284,027	\$	43,284,027	\$	43,284,027	\$	43,284,027	\$	43,284,027	\$	43,284,027	\$	43,284,027																								
Summerfield PD																																																					
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Southern Remnants																																																					
Total Residential Actual Value		\$	-	\$	-	\$	192,050,725	\$	384,101,449	\$	576,152,174	\$	768,202,898	\$	960,253,623	\$	1,152,304,348	\$	1,323,612,703	\$	1,494,921,058	\$	1,666,229,413	\$	1,837,537,768	\$	2,008,846,123	\$	2,180,154,478	\$	2,351,462,833	\$	2,522,771,188	\$	2,694,079,544	\$	2,886,619,429	\$	3,079,159,314	\$	3,271,699,199	\$	3,464,239,084	\$	3,656,778,969	\$	3,849,318,854	\$	4,041,858,739	\$	4,234,398,624	\$	4,426,938,509
Total Commercial Actual Value		\$	-	\$	-	\$	-	\$	10,849,714	\$	54,133,741	\$	97,417,768	\$	140,701,795	\$	183,985,822	\$	227,269,849	\$	270,553,876	\$	313,837,903	\$	357,121,930	\$	400,405,957	\$	443,689,984	\$	486,974,011	\$	530,258,038	\$	573,542,065	\$	616,826,092	\$	660,110,119	\$	703,394,146	\$	746,678,173	\$	789,962,200	\$	833,246,227	\$	876,530,255	\$	919,814,282	\$	963,098,309
Project Taxable Value																																																					
Residential Ratio		7.15%																																																			
Commercial Ratio		29%																																																			
Annual Residential Taxable Value		\$	-	\$	-	\$	13,731,627	\$	13,731,627	\$	13,731,627	\$	13,731,627	\$	13,731,627	\$	12,248,547	\$	12,248,547	\$	12,248,547	\$	12,248,547	\$	12,248,547	\$	12,248,547	\$	12,248,547	\$	12,248,547	\$	13,766,602	\$	13,766,602	\$	13,766,602	\$	13,766,602	\$	13,766,602	\$	13,766,602	\$	13,766,602	\$	13,766,602						
Annual Commercial Taxable Value		\$	-	\$	-	\$	-	\$	3,146,417	\$	12,552,368	\$	12,552,368	\$	12,552,368	\$	12,552,368	\$	12,552,368	\$	12,552,368	\$	12,552,368	\$	12,552,368	\$	12,552,368	\$	12,552,368	\$	12,552,368	\$	12,552,368	\$	12,552,368	\$	12,552,368	\$	12,552,368	\$	12,552,368	\$	12,552,368	\$	12,552,368	\$	12,552,368	\$	12,552,368				
Annual AV (Taxable Value)		\$	-	\$	-	\$	13,731,627	\$	16,878,044	\$	26,283,995	\$	26,283,995	\$	26,283,995	\$	24,800,915	\$	24,800,915	\$	24,800,915	\$	24,800,915	\$	24,800,915	\$	24,800,915	\$	24,800,915	\$	24,800,915	\$	24,800,915	\$	26,318,970	\$	26,318,970	\$	26,318,970	\$	26,318,970	\$	26,318,970	\$	26,318,970	\$	26,318,970	\$	26,318,970				
Estimated Increment																																																					
Incremental Taxable Value		\$	-	\$	-	\$	1,908,862	\$	19,350,513	\$	45,634,508	\$	74,076,058	\$	100,360,052	\$	130,443,368	\$	155,244,283	\$	185,446,555	\$	210,247,470	\$	242,099,837	\$	266,900,752	\$	300,452,717	\$	325,253,632	\$	360,556,184	\$	385,357,099	\$	424,026,351	\$	450,345,321	\$	490,964,219	\$	517,283,189	\$	559,910,223	\$	586,229,193	\$	630,924,607	\$	657,243,577	\$	704,069,423
Project Sales Tax																																																					
Annual Sales Per SF		\$450																																																			
Retail SF																																																					
Sales Tax %		3.50%																																																			
Estimated Annual Sales Tax		-	-	-	537,379	2,681,966	4,826,553	6,971,140	9,115,727	11,260,314	13,404,901	15,549,488	17,694,075	19,838,662	21,983,249	24,127,836	26,272,423	28,417,010	30,561,597	32,706,184	34,850,771	36,995,358	39,139,945	41,284,532	43,429,120	45,573,707	47,718,294																										
Erie Gateway 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		\$	-	\$	-	\$	1,908,862	\$	19,350,513	\$	45,634,508	\$	74,076,058	\$	100,360,052	\$	130,443,368	\$	155,244,283	\$	185,446,555	\$	210,247,470	\$	242,099,837	\$	266,900,752	\$	300,452,717	\$	325,253,632	\$	360,556,184	\$	385,357,099	\$	424,026,351	\$	450,345,321	\$	490,964,219	\$	517,283,189	\$	559,910,223	\$	586,229,193	\$	630,924,607	\$	657,243,577	\$	704,069,423
TIF Mill Levy		107.45																																																			
Annual TIF Estimate		\$	-	\$	-	\$	205,107	\$	2,079,213	\$	4,903,428	\$	7,959,472	\$	10,783,688	\$	14,016,140	\$	16,680,998	\$	19,926,232	\$	22,591,091	\$	26,013,627	\$	28,678,486	\$	32,283,644	\$	34,948,503	\$	38,741,762	\$	41,406,620	\$	45,561,631	\$	48,389,605	\$	52,754,105	\$	55,582,079	\$	60,162,353	\$	62,990,327	\$	67,792,849	\$	70,620,822	\$	75,652,259
Discount Rate		7%																																																			
NPV		\$250,419,311																																																			
Sales Tax																																																					
Retail SF		-	-	-	34,119	170,284	306,448	442,612	578,776	714,941	851,105	987,269	1,123,433	1,259,598	1,395,762	1,531,926	1,668,090	1,804,255	1,940,419	2,076,583	2,212,747	2,348,912	2,485,076	2,621,240	2,757,404	2,893,569	3,029,733																										
Estimated Annual Sales Tax		\$	-	\$	-	\$	537,379	\$	2,681,966	\$	4,826,553	\$	6,971,140	\$	9,115,727	\$	11,260,314	\$	13,404,901	\$	15,549,488	\$	17,694,075	\$	19,838,662	\$	21,983,249	\$	24,127,836	\$	26,272,423	\$	28,417,010	\$	30,561,597	\$	32,706,184	\$	34,850,771	\$	36,995,358	\$	39,139,945	\$	41,284,532	\$	43,429,120	\$	45,573,707	\$	47,718,294		
Sales Tax TIF %		100%																																																			
Estimated Sales Tax TIF		\$	-	\$	-	\$	-	\$	537,379	\$	2,681,966	\$	4,826,553	\$	6,971,140	\$	9,115,727	\$	11,260,314	\$	13,404,901	\$	15,549,488	\$	17,694,075	\$	19,838,662	\$	21,983,249	\$	24,127,836	\$	26,272,423	\$	28,417,010	\$	30,561,597	\$	32,706,184	\$	34,850,771	\$	36,995,358	\$	39,139,945	\$	41,284,532	\$	43,429,120	\$	45,573,707	\$	47,718,294
Discount Rate		7%																																																			
NPV		\$165,511,933																																																			

Phase 1 Summerfield PD

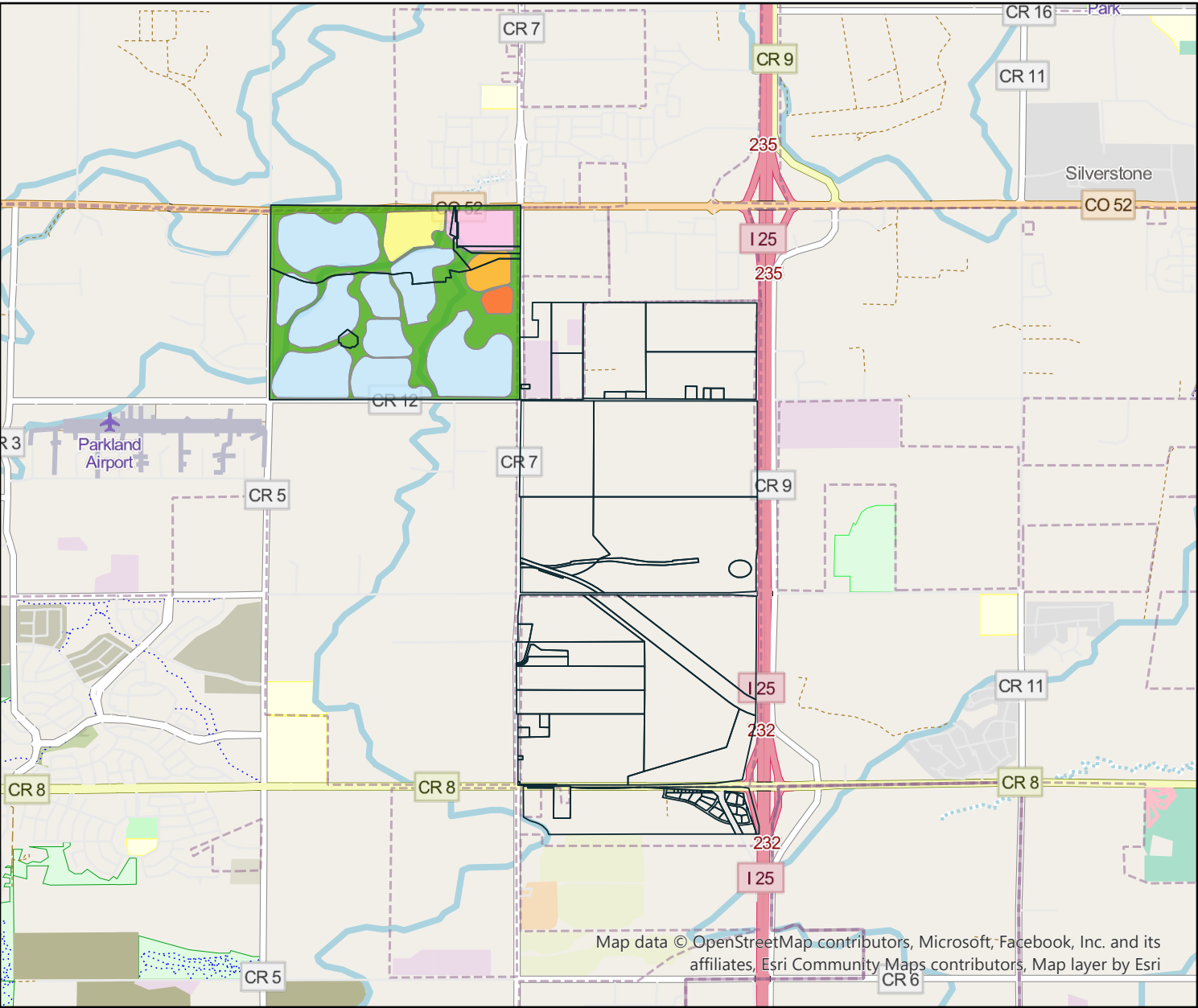


Legend

- URA Boundary
- Summerfield PD Parcels
- Erie Gateway Parcels



Phase 1 Summerfield PD

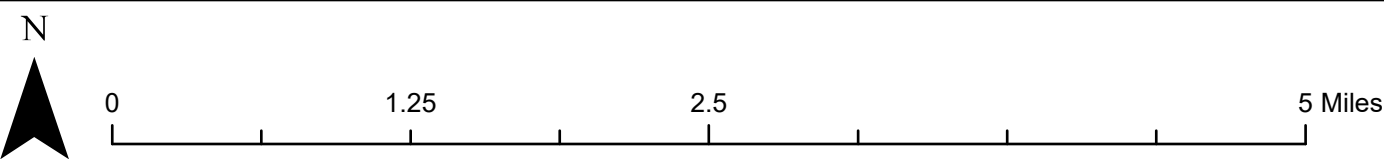
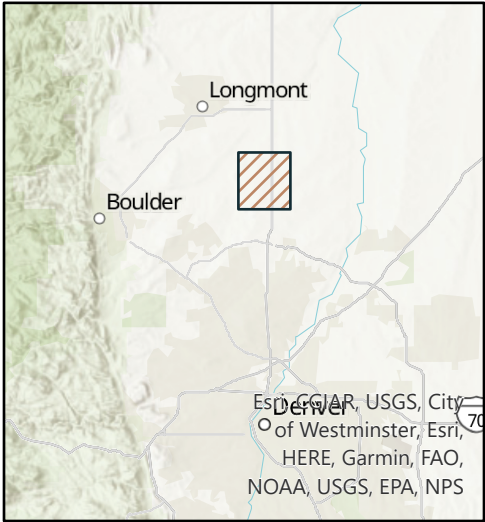


Legend

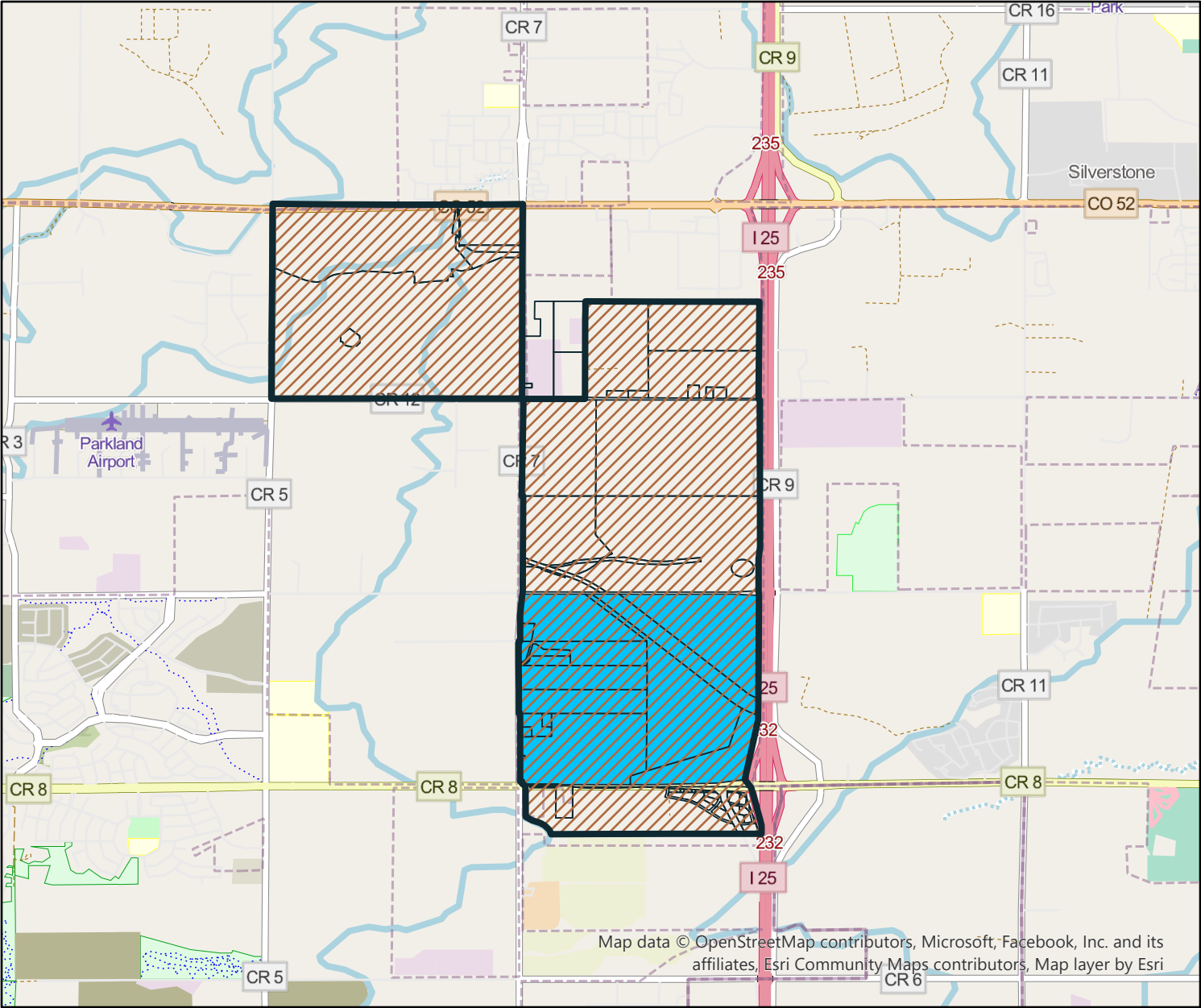
Summerfield Land Uses

TYPE




- High Density Residential
- Low Density Residential
- Medium Density Residential
- Mixed Use
- Open Space
- School Area
- <all other values>
- Erie Gateway Parcels

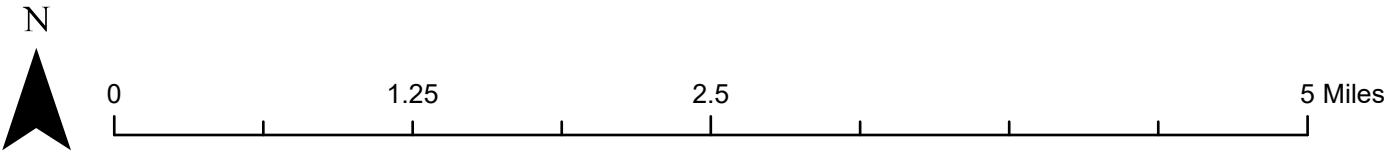
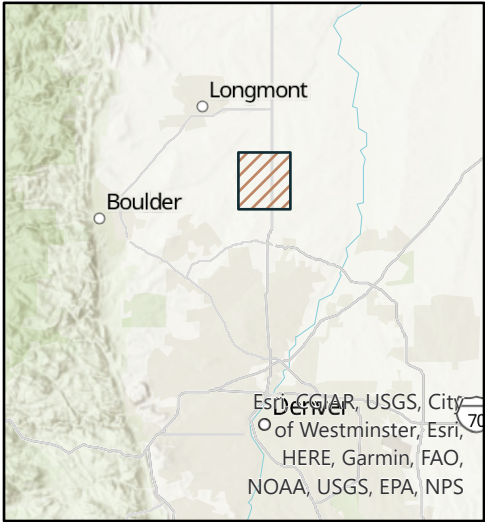


Phase 2 Erie Gateway

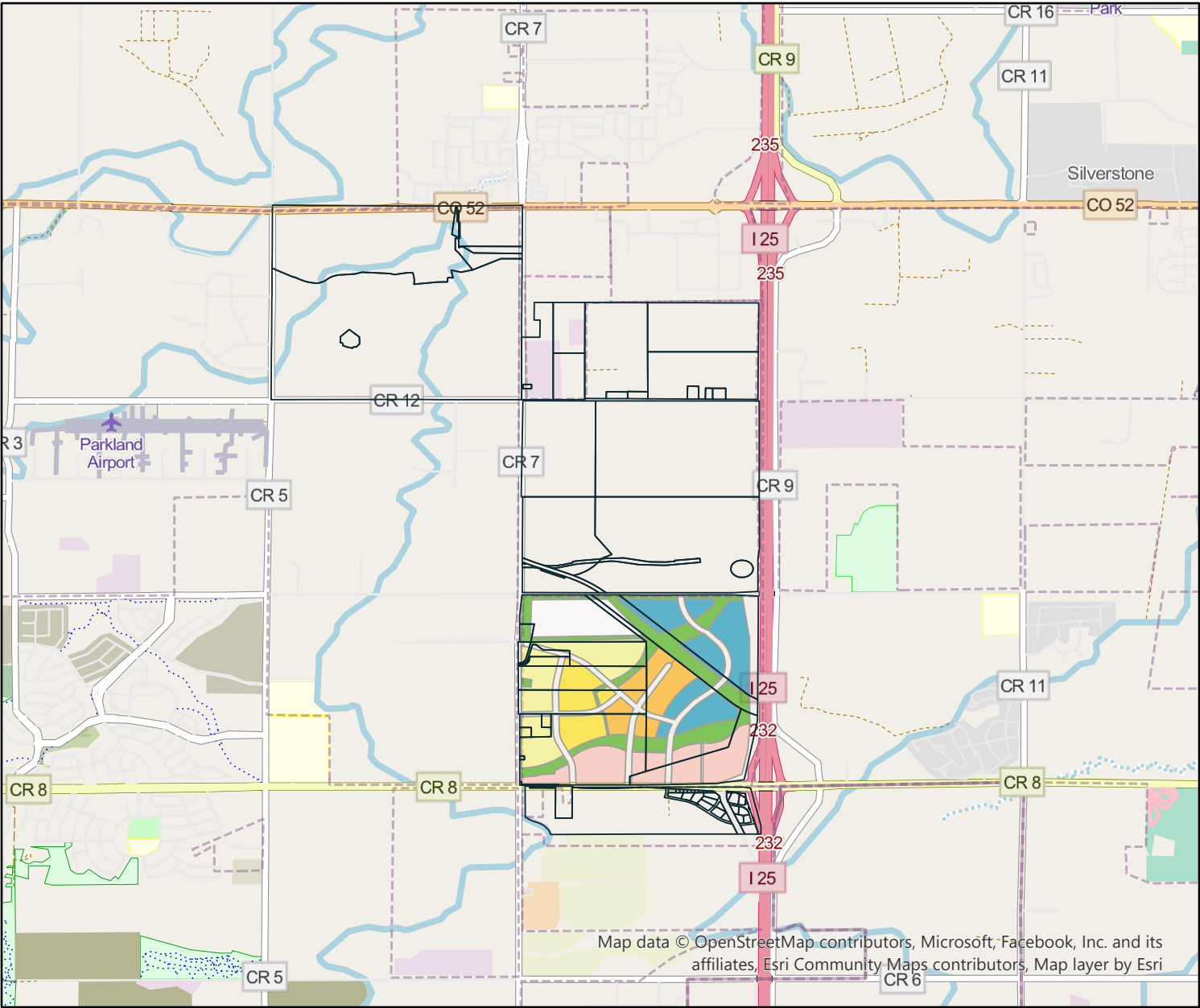


Legend

-  URA Boundary
-  Erie Gateway PD Parcels
-  Erie Gateway Parcels



Phase 2 Erie Gateway

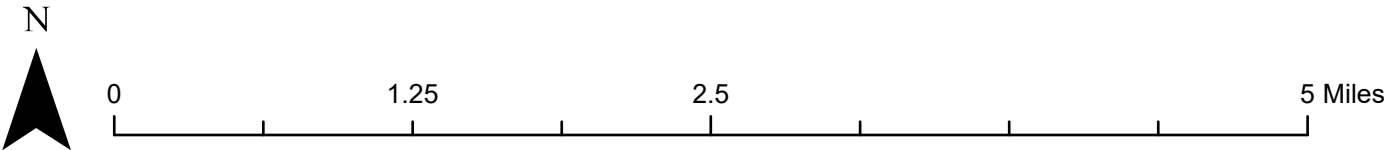
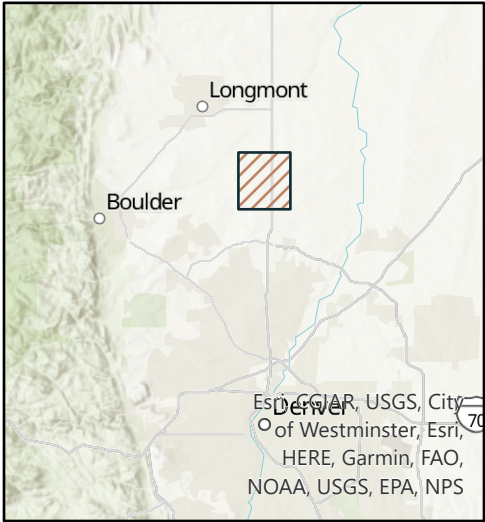


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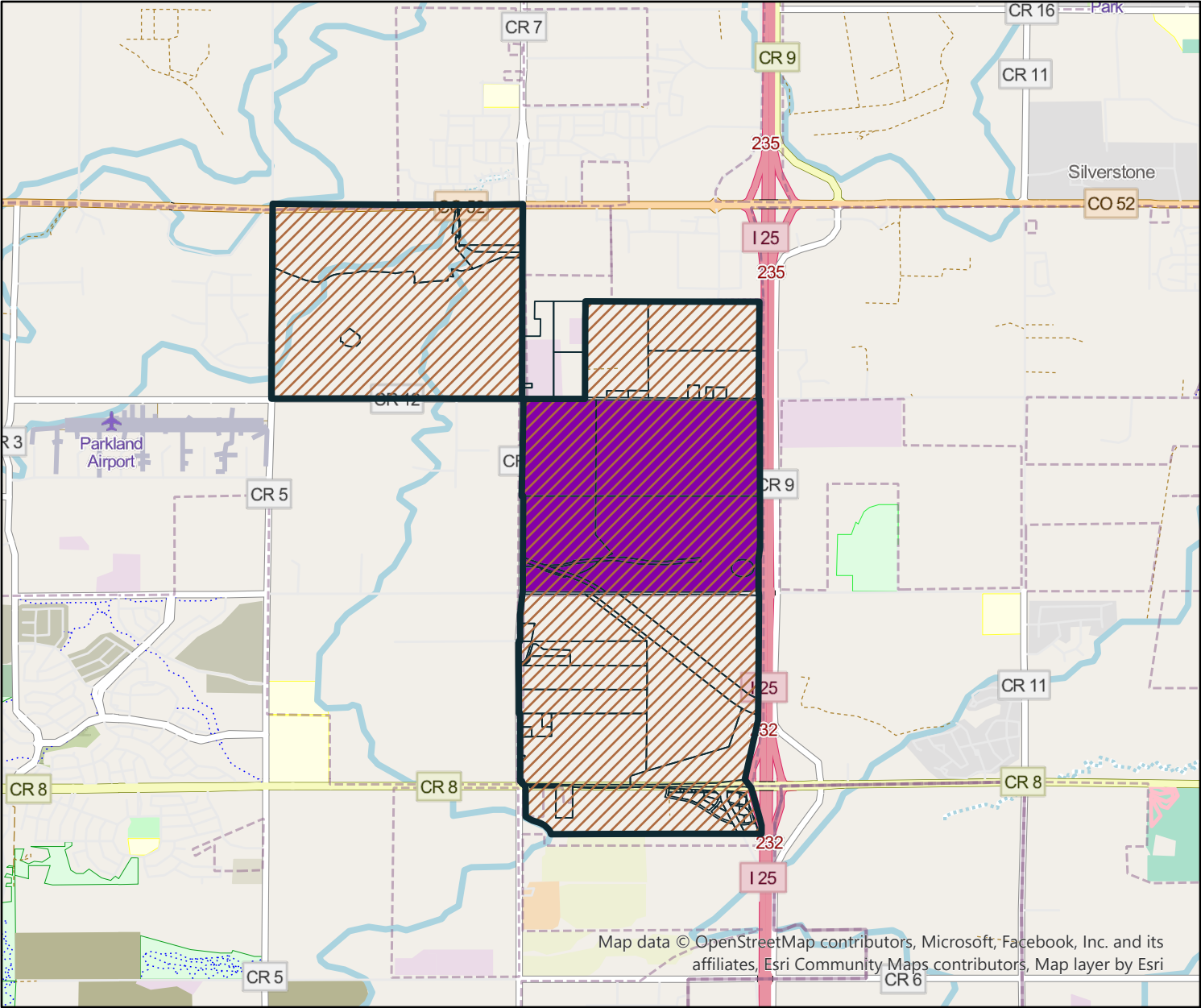
Erie Gateway Land Uses

Land Use

- Low Density Employment
- Medium Density Residential
- Mixed Use Residential
- Mixed Use Retail
- Open Space
- High Density Residential
- Mixed Use Employment
- Oil and Gas
- <all other values>
- Erie Gateway Parcels

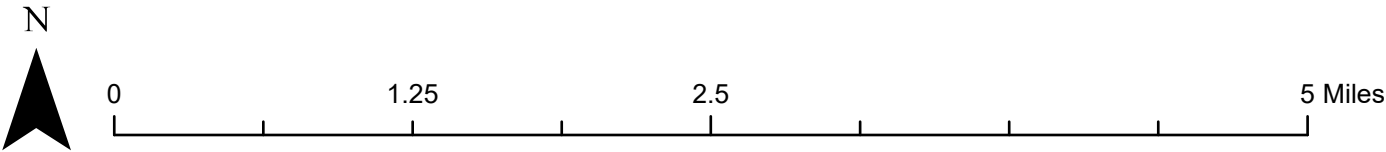
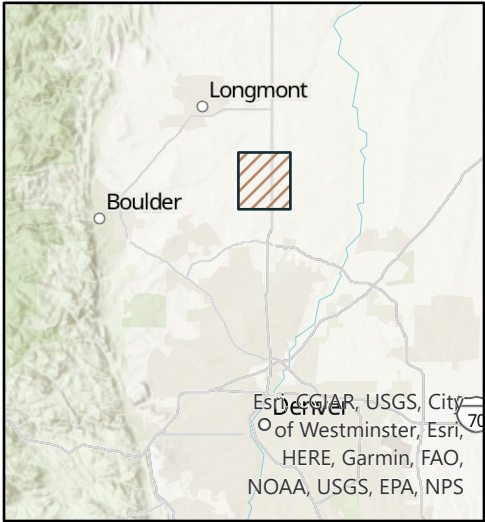


Phase 3 North Station

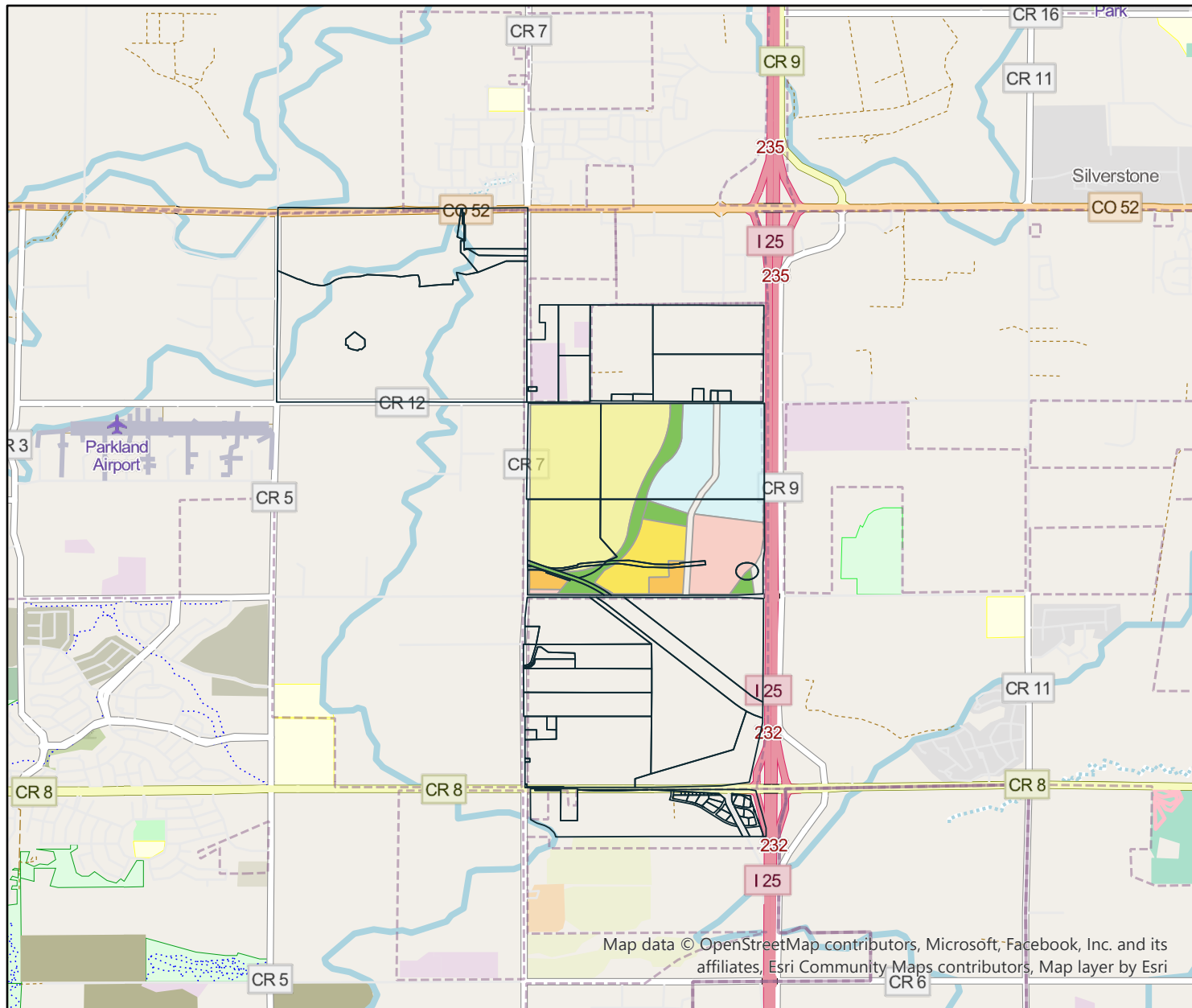


Legend

- URA Boundary
- North Station PD Parcels
- Erie Gateway Parcels



Phase 3 North Station



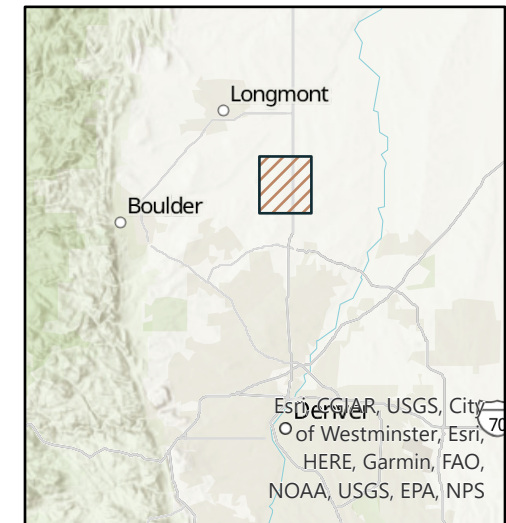
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Legend

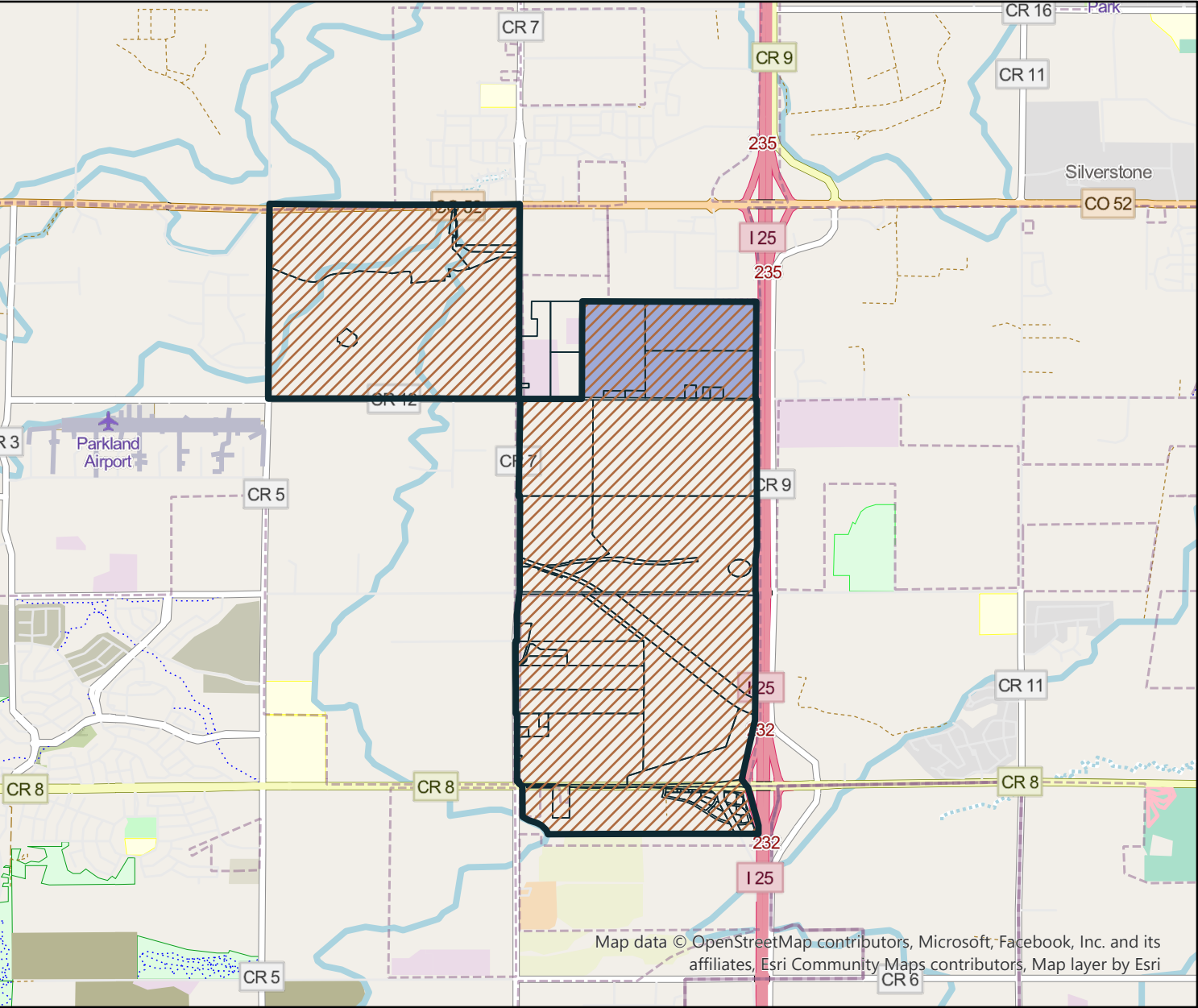
North Station Land Uses

Land Use

- Low Density Employment
- Medium Density Residential
- Mixed Use Residential
- Mixed Use Retail
- Open Space
- High Density Residential
- Mixed Use Employment
- Oil and Gas
- <all other values>
- Erie Gateway Parcels

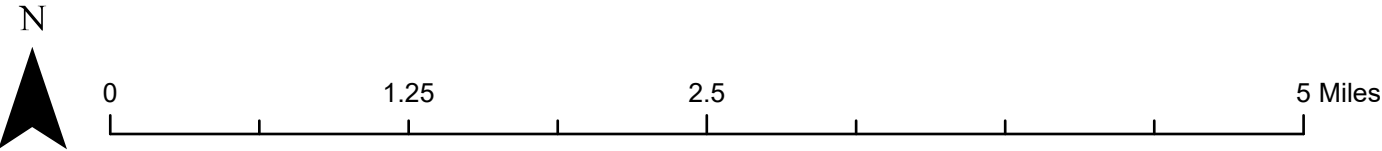
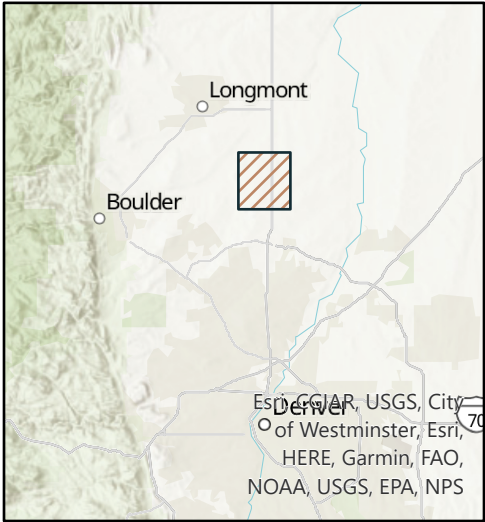


Phase 4 North Remnants

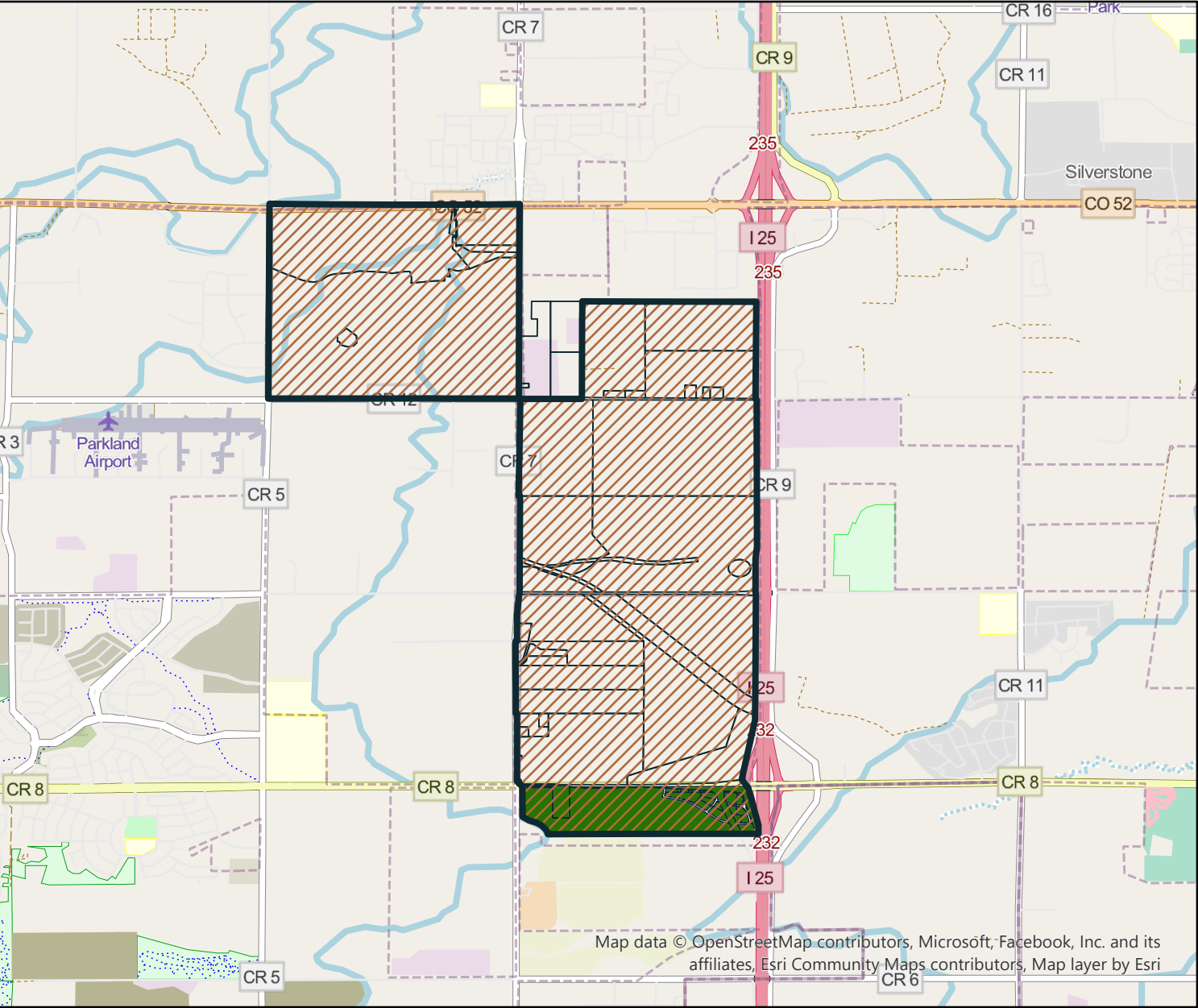


Legend

- URA Boundary
- Erie Gateway Parcels
- North Remainder Parcels

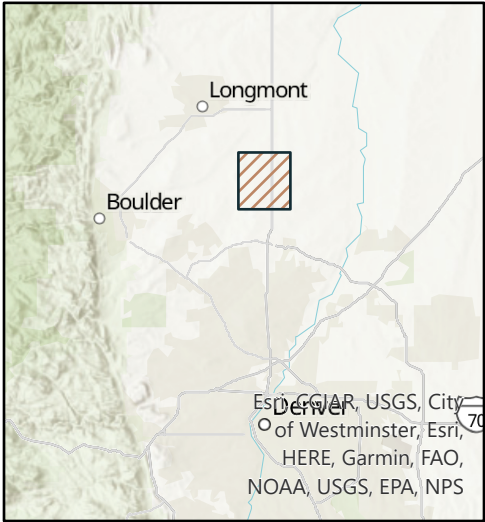


Phase 5 South Remnants



Legend

- URA Boundary
- South Remainder Parcels
- Erie Gateway Parcels



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