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Erie Town Center Impact Report

Town of Erie Urban Renewal Authority

November 24, 2024



November 26, 2024

Town of Erie, Colorado

Dear Town of Erie Urban Renewal Authority (TOEURA) Board,

This Impact Report is intended to satisfy the requirements outlined in Colorado’s Urban Renewal Law, C.R.S. 31-25-107(3.5)I-V and C.R.S. 31-25-107(9.5). According to Statute, the Urban Renewal Impact Report is a supplementary document to the Urban Renewal Plan required if tax increment financing (TIF) is intended to be utilized in the project area for renewal activities. The Town of Erie’s Urban Renewal Authority (TOEURA) is considering creating a new Urban Renewal Plan area titled “Erie Town Center Urban Renewal Plan”. This proposed Urban Renewal Plan intends to utilize tax increment financing (TIF) within the project area and therefore requires that an Impact Report be completed.

This Impact Report meets the minimum requirements defined by C.R.S. 31-25-107(3.5)I-V and C.R.S. 31-25-107(9.5) and has been designed to provide TOEURA with a realistic forecast of property and sales tax TIF that will be generated via blight remediation, investment attraction and development. The forecast in this report is informed by the Town’s Comprehensive Plan, Town Center Planned Development (PD) Guide and Zoning, and conceptual site plan. This information is supplemented by discussions with the developer, Town Staff, and taxing entity representatives. The forecasts are intentionally designed to be conservative estimates and reflect community development needs that have been highlighted by this Board, Town Staff and the public. All forecasts are designed to show a “maximum impact scenario”, meaning that both property and sales tax TIF is quantified, and all possible millage rates and sales tax rates have been leveraged towards increment generation. This is intended to show Erie Town Center’s maximum possible TIF generation and provide each taxing entity with a maximum impact assessment.

The goal of this report is to provide the Town of Erie Urban Renewal Authority with a realistic forecast of impacts to better inform negotiations with impacted taxing entities and ensure that the Town of Erie’s Erie Town Center Urban Renewal Plan succeeds in bringing about the renewal expected by the community.

Sincerely,

Andrew Arnold
Founder | Principal
Pioneer Development Company
Durango, Colorado

CC: Julian MD Jacquin

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Executive Summary

The Erie Town Center 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 Town Center Urban Renewal Plan** (the Plan). The proposed Project area encompasses approximately 20 acres, located at the Northwest intersection of Erie Parkway and County Line Road. Although this area is bordered by major arterials and has been the subject of extensive community planning efforts, it is currently underutilized. The property is vacant and lacks infrastructure, including an internal street network, ingress and egress points, and central water and sewer extensions. The property has historic undermining within the Plan area that will have to be mitigated to permit development to occur on this site.

The Town has adopted the Erie Town Center Planned Development (PD) zoning for the Plan area to facilitate development of the site in line with the community's vision for the area. Despite this regulatory effort, a lack of public infrastructure, historic undermining and other conditions are complicating development efforts. 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. This Plan will require significant collaboration between TOEURA, the Town and the taxing entities that impose ad valorem taxes within the proposed boundaries. The Town is the current property owner and has been approached by a prospective private developer (Evergreen Development Company) about remediating these blighting factors and redeveloping the property. The Town and Developer are exploring this public private partnership to address the Plan area's historic underutilization and questionable development feasibility.

The Impact Report analyses the Plan area and models future development for 25 years after the Plan's adoption. The report forecasts future growth according to adopted plans and market conditions and evaluates the developments' impact on the Town and participating taxing bodies. The development assumptions modeled in this Impact Report are based on information provided by the Conceptual Site Plan provided by the Evergreen Development Company. These projections were tempered according to regional market capacities and regulatory controls. The Impact Report also analyzed comparable development projects throughout Erie and the regional market to further refine its analysis and estimate future development size, quality, value and timing.

The Impact Report also benefitted from the significant community visioning and planning that the Town of Erie has conducted in this area. Resources that informed this analysis included the recently adopted Town of Erie's Comprehensive Plan, Erie Town Center Planned Development (PD) Guide and Erie Town Center Master Plan as well as the Conceptual Site Plan provided by Evergreen Development Company.

The Impact Report forecasts residential and commercial development within the Erie Town Center Urban Renewal Plan area 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 values and current commercial sales per SF throughout the regional market. These values are also adjusted for inflation. The location, type and density for future development is based on the Conceptual Site Plan provided by Evergreen Development Company.

After modeling the most probable development forecast, this report quantified the Plan'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) that the Erie Town Center Plan area 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 and students 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 section summarizes the Impact Report’s conclusion, assumptions, and findings. Impacts to taxing entities are categorized as either low, moderate, or high. The body of the report provides a detailed methodology, impact analysis and recommendations that elaborate on the Executive Summary’s findings:

Conclusion:

The Erie Town Center Urban Renewal Plan advances an ambitious community development vision. The Plan’s location is a key site within the overall Erie Town Center Master Plan area, which encompasses around 95 acres and multiple properties within the Town of Erie. Redevelopment of this Urban Renewal Plan area is a key component towards implementing the community vision as outlined in the Erie Town Center Master Plan. The Erie Town Center Urban Renewal Plan will help fund public infrastructure and help eliminate the blighting conditions which are hindering development to meet this community vision.

The Erie Town Center Urban Renewal Plan will facilitate mixed-density residential development, lodging, commercial development, and civic spaces. The project is projected to add 117 residential dwelling units and 65,000 square feet of commercial space, including a small-format grocery store, within the Plan area over the next 25 years. In addition, a new 79-room hotel is projected to be built within the Plan area. The Plan area’s estimated assessed (taxable) value once completed is ~\$8,900,000, or 1.2% of the Town’s existing assessed valuation. The Plan will generate \$24.5 million in property taxes and \$22 million in sales taxes over the next 25 years. The residential development will yield approximately 230 new residents and 26 new students.

This Report identified a **low-level fiscal impact** generated by the Erie Town Center Urban Renewal Plan for **the Town of Erie**. Assuming the Town shares 100% of tax increment generated by its respective mill levy and sales tax rate, the Plan would generate approximately 1.8% of the Town’s annual property tax and 3.7% of the sales tax revenue. This report considers revenue sharing agreements that cause incremental revenue collections to exceed 10% of the subject entities’ annual revenues as evidence of high-level fiscal impact. TOEURA should work closely with the Town when negotiating its TIF sharing agreements to ensure that the Plan is successfully implemented, but without creating an imbalance in the Town finances. This report recommends that the Town and TOEURA pursue a TIF sharing agreement that would exclude bond redemption and capital expenditure levies.

The Report also **identified low-level impacts for the other taxing entities, including the St. Vrain Valley School District, Boulder County, Mountain View Fire Protection District, High Plains Library District, Urban Drainage and Flood Control, and Northern Colorado Water Conservancy District**. Based on these low-level impacts, it is recommended that the School District pledge 100% of its general fund (School Finance Act) levy to support this Urban Renewal Plan, as the Plan does not generate a significant fiscal impact to the district. Additionally, this Report also recommends that Boulder Count pledge at least 100% of their General Operations mill levy to support the Urban Renewal Plan and remediate blighted property.

This report recommends TOEURA carefully evaluate TIF sharing negotiations with these taxing bodies to ensure that the Plan’s taxing partners do not suffer undue burdens when helping to realize the Erie Town Center Urban Renewal Plan vision. TOEURA should work collaboratively with these taxing entities to craft TIF sharing agreements that mitigate any potential fiscal impacts.

The following list and tables summarize the Impact Report’s assumptions and findings that underscore this conclusion.

Assumptions:

- The Erie Town Center Urban Renewal Plan is eligible for Urban Renewal treatment. A conditions survey, completed in November 2024, found that the urban renewal area exhibits **six of the eleven** statutorily defined blighting conditions, meaning that the Plan area is eligible for urban renewal activities.
- Residential and commercial absorption rates will follow regional market trends. Annual commercial development absorption will not exceed the region’s 10-year annual average. The multifamily residential development and the grocery store are assumed to be built in one 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 are assumed to be available for TIF sharing agreements. Lodging tax and Oil and Gas revenues are excluded. The Town does not currently levy a lodging tax.
- All property within the Plan area assumes an average overlapping millage rate of 113.249 in its formation year. This report does not model potential Metropolitan District millage rates within this Urban Renewal Plan.
- The Erie Town Center 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 TOEURA to address community needs, such as attracting residential and commercial development and investment.

Summary Tables and Charts:

| Projected Build-Out Statistics (Value Estimates Rounded) | | | |
|--|----------------|---------------------|--------------------|
| Development Type | Units/SF | Actual Value | Assessed Value |
| Residential | 117 | \$38,983,000 | \$2,421,000 |
| Multifamily | 117 | \$38,983,000 | \$2,421,000 |
| Commercial | 100,315 | \$28,846,000 | \$6,490,000 |
| Retail | 42,490 | \$11,462,000 | \$2,579,000 |
| Grocery | 23,262 | \$6,338,000 | \$1,426,000 |
| Hotel | 34,563 | \$11,046,000 | \$2,485,000 |
| TOTAL | | \$67,829,000 | \$8,911,000 |
| Demographics | | | |
| Total New Residents | 230 | | |
| Total New Students | 26 | | |

| Taxable Value Information | |
|---------------------------------------|--------------------|
| Estimated Base Taxable Value | \$0 |
| Total New Taxable Real Property Value | \$8,911,000 |
| Net Taxable Real Property Value | \$8,911,000 |
| Total Net Taxable Value | \$8,911,000 |

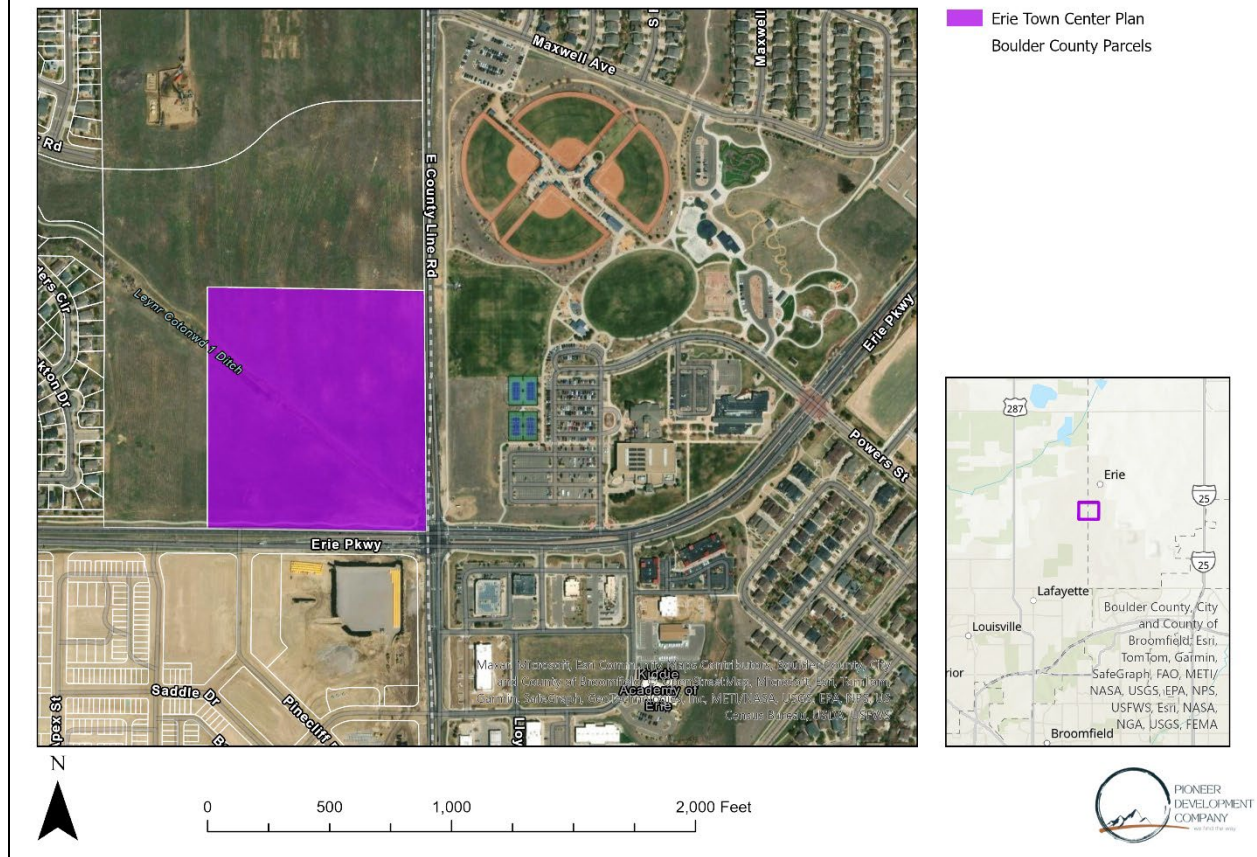
| TIF Estimates <i>(Estimates Rounded)</i> | Gross | Net Present Value | Annual Average | Town of Erie Only |
|--|---------------------|--------------------------|-----------------------|--------------------------|
| Total | \$46,500,000 | \$17,600,000 | \$1,790,000 | \$958,000 |
| Property Tax | \$24,500,000 | \$9,400,000 | \$943,000 | \$111,000 |
| Sales Tax (Inflation Adj.) | \$22,000,000 | \$8,200,000 | \$847,000 | \$847,000 |

Erie Town Center Urban Renewal Plan Area Value and Tax Generation Comparison

| Taxing Entity Fiscal Impacts | % District's Total AV | % District's Annual Property Tax | % District's Annual Sales Tax | Impact Assessment |
|--|------------------------------|---|--------------------------------------|--------------------------|
| Boulder County | 0.1% | 0.07% | 0.3% | Low |
| Town of Erie | 1.2% | 1.8% | 3.7% | Low |
| St. Vrain School District (RE1J-Longmont) | 0.1% | 0.3% | - | Low |
| Mountain View Fire District | 0.3% | 0.3% | - | Low |
| Urban Drainage and Flood Control District | 0.01% | 0.01% | - | Low |
| High Plains Library District | 0.04% | 0.04% | - | Low |
| Northern Colorado Water Conservancy District | 0.02% | 0.0% | - | Low |

Erie Town Center Urban Renewal Plan Summary

Erie Town Center Urban Renewal Plan Area



Project Area

The Erie Town Center Urban Renewal Plan area encompasses 20.31 acres and is bounded by Erie Parkway to its south and County Line Road to its east. The Urban Renewal Plan area includes a single parcel currently owned by the Town of Erie.

Area Description

The proposed Urban Renewal Plan area is centrally located within the Town of Erie's municipal limits. A larger, privately owned vacant property borders the site's northern and western boundary. The area is characterized by vacant land that prior to Town ownership was assessed as Agricultural. The property lacks infrastructure, including an internal street network, ingress and egress points, and central water and sewer extensions. A ditch transects the property as well, creating a unique development obstacle through the bottom third of the Plan area. In addition, there is the presence of historic undermining within the Plan area, specifically the Garfield 1 and 2 mines and the Lister Mines.

The November 5th, 2024 Conditions Survey completed as part of this proposed Urban Renewal District identified six (6) blighting factors, making the Erie Gateway Phase 1 Urban Renewal Plan eligible for Urban Renewal treatment.

The Plan area is within the Erie Town Center Planned Development (PD) zoning. The Town Center PD is a forward-thinking, market-based plan to guide development proposals, regulations, and Town decisions for redevelopment within this zoning district. Specifically, the Plan area is located within the Urban Center (UC) zone which permits a range of land uses such as commercial, residential, and civic uses. The Town Center PD is based on New Urbanism concepts: a movement promoting mixed use, traditional neighborhood planning as opposed to segregated suburban sprawling development patterns. Key to the formation of the Town Center PD was a week-long community charrette where stakeholders, property owners, and residents came together to identify opportunities for much needed retail and small businesses incubation. The proposed Urban Renewal Plan will help to advance these community development goals.

The Plan Area’s statistics are described in the land use summary table below.

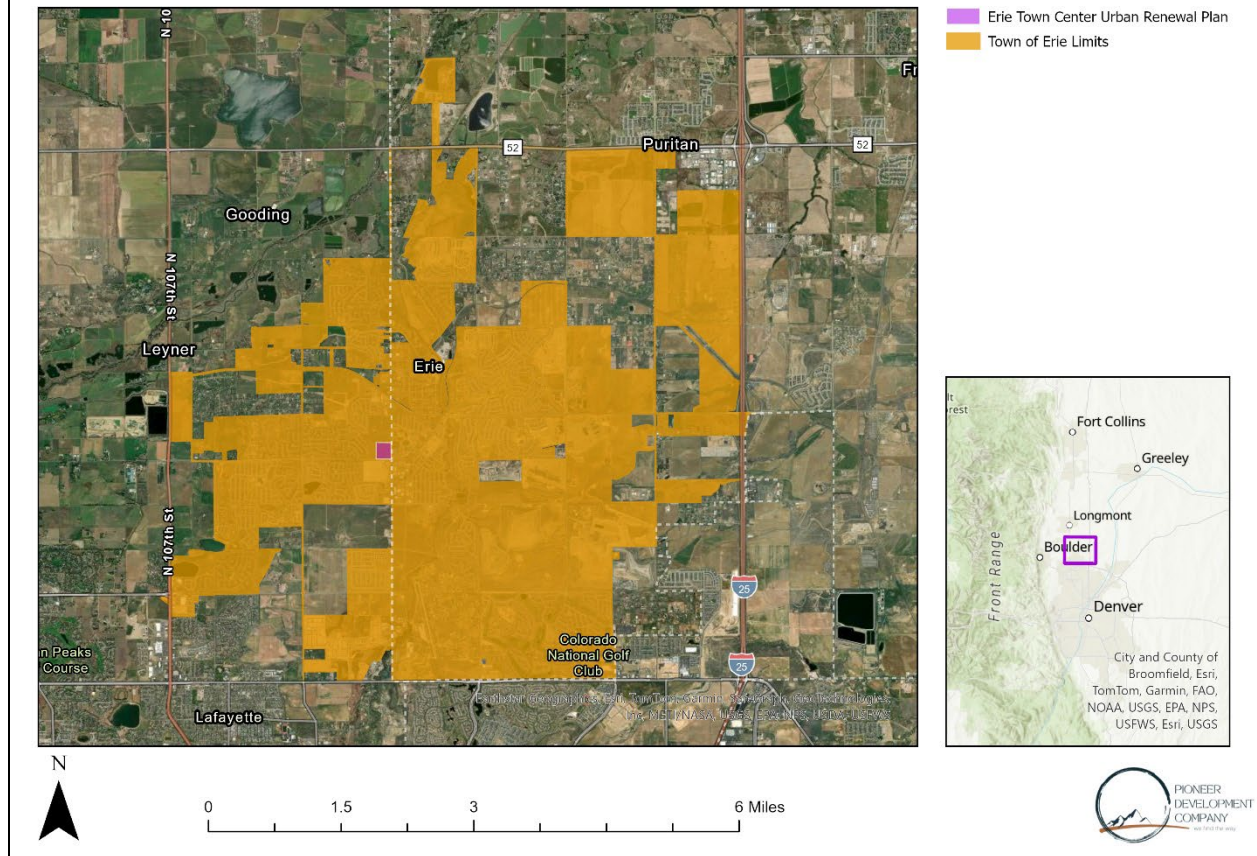
| Erie Town Center Land Use Summary | | | |
|---|---------------------|----------------|------------------------------|
| Area Statistics | | | |
| Total Parcel Acreage | | | 20.31 |
| Number of Parcels in Area | | | 1 |
| Assessment Type | Parcel Count | Acreage | Percent Total Acreage |
| Tax Exempt | 1 | 20.31 | 100% |
| Zoning Type | Parcel Count | Acreage | Percent Total Acreage |
| Town Center Planned Development | 1 | 20.31 | 100% |
| Assessed Value | | | Value |
| Total Actual Value ¹ | | | \$ 3,361,034 |
| Total Assessed Value (<i>Not Base Value</i>) ² | | | \$ 937,728 |
| Total Taxable Value | | | \$ 0 |

The following map shows the location of the Town Center Urban Renewal Plan within the Town of Erie municipal limits.

¹ Per Boulder County Assessor for Tax Year 2024.

² Per Boulder County Assessor for Tax Year 2024.

Town of Erie Municipal Limits



Current Assessment of Plan Area

The Plan area includes a single (1) parcel. The total assessed value of this parcel, according to the Boulder County Assessor’s database 2024 valuations, is \$937,728. The total actual value of this parcel, according to the County Assessor’s database 2024 valuations, is \$3,361,034. However, since the property is currently owned by the Town of Erie, its property classification according to the Boulder County Assessor is ‘exempt’, meaning that the property owner is exempt from paying property taxes. The total amount of property taxes due in 2024 is \$0. **This report uses the taxable value of \$0 for the new base to be assigned by the assessor for tax increment financing purposes.**

Impact Report Methodology

Forecasting Future Growth

The goal of the Erie Town Center 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 development's future tax revenues to incentivize investment and 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 proposed renewal area and estimate the impact this growth will have on taxing entities within that area. The impact report's purpose is to ensure that taxing entities that rely on property tax and, as applicable, sales tax revenues will not be adversely impacted by the urban renewal project.

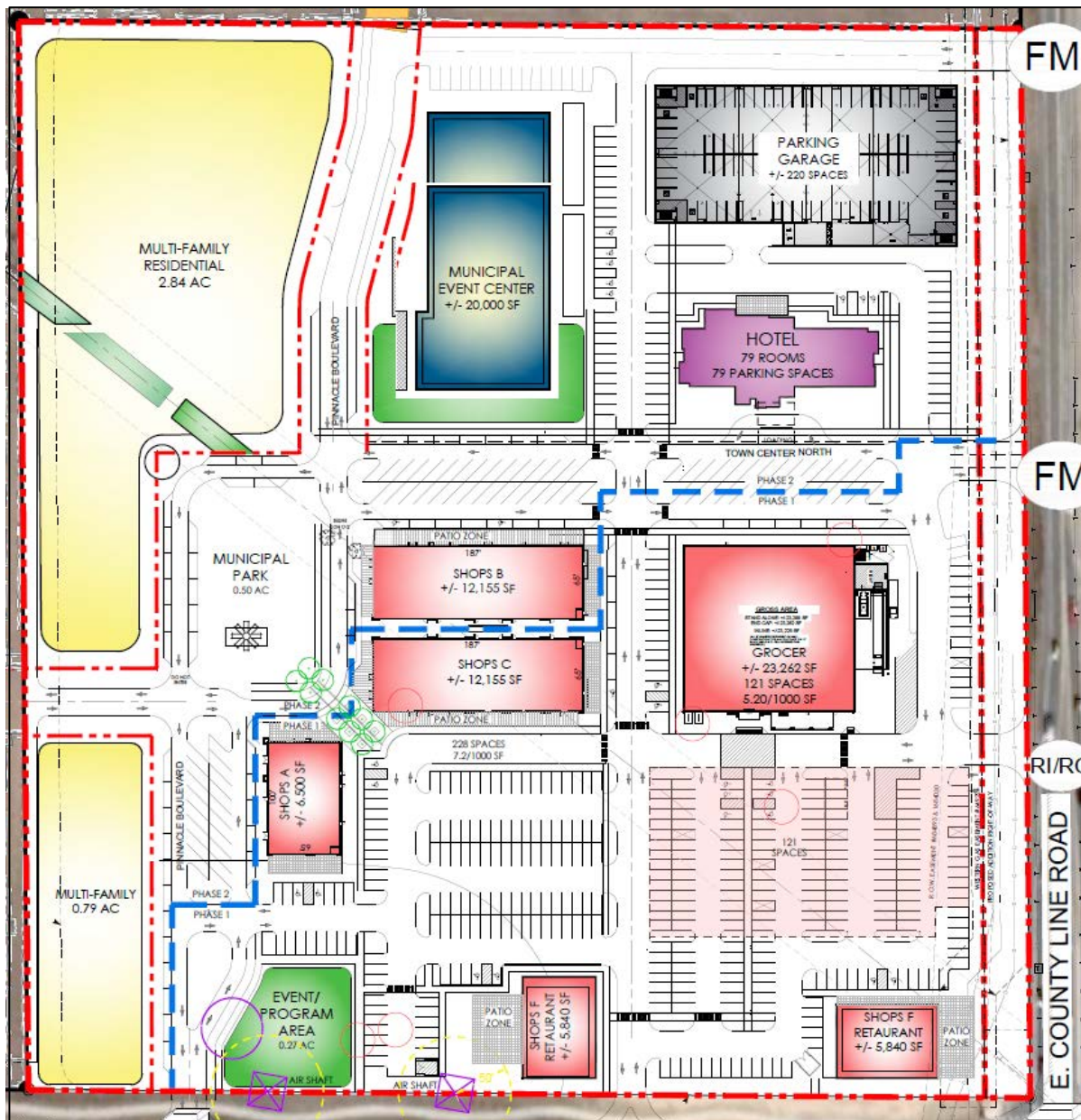
Quantifying these impacts requires a forecast of probable growth throughout the project area over the project's lifetime. **The Erie Town Center Urban Renewal Plan is expected to last 25 years**, the maximum amount of time permitted by Colorado's Urban Renewal Law.

This report projected where and when redevelopment will take place within the Erie Town Center Urban Renewal Plan area by reviewing the Town's Comprehensive Plan and Zoning map, regional development patterns, submitted concept plan within the Plan area, current locations of central water and sewer infrastructure, and the Erie Town Center Planning Development (PD) Development Guide. These resources provided a roadmap to help predict how development will unfold within the Erie Town Center Urban Renewal Plan area.

Navigating this development roadmap will require significant cooperation with TOEURA, its partnering taxing entities, and the private sector. The Erie Town Center Urban Renewal Plan represents an ambitious public private partnership, one 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.

The following exhibit illustrates the proposed conceptual site plan for the Plan area based on information provided by the developer. The uses proposed within the Erie Town Center Urban Plan include commercial/retail development, a new hotel, multifamily residential and civic spaces.

Conceptual Site Plan



Development Assumptions and Feasibility

The Erie Town Center Urban Renewal Plan represents a development plan that will increase the Town's population, commercial and lodging offerings, civic uses, and total assessed value. This in turn will have a positive impact on property and sales tax revenue. To forecast a Plan of this scale, it was important to determine market benchmarks that can inform the Plan's assumptions and feasibility.

The Impact Report was informed by interviews with the Town's staff, landowners, developers, and adopted plans. The Erie Town Center Planned Development (PD) and preliminary conceptual site plan provided by Evergreen Development were especially important for this Report's forecasts. The Town

Center PD provides an overall development vision and framework to facilitate the development of a vibrant, mixed use town center in the heart of Erie. The Town Center PD Plan establishes a mix of uses and compactness that foster connectivity, walkability, and identity in the built environment.

These resources were used by the Report to predict the type, size, time, and value for each development phase. The Report’s development 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 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 Plan area is expected to include residential, lodging, commercial and civic development. These development uses are in alignment with the desired uses as provided in the Erie Town Center PD. Specifically, proposed uses include multifamily residential, a small-format grocery store, commercial/retail uses, a small-format grocery store, a hotel, and civic spaces including a municipal event center and municipal park. In addition, a parking garage is proposed within the Plan area to support the development. This report assumes that the parking garage and civic uses will be tax exempt.
- **Size of Development** – This report estimated the size (or scale) of development within the Plan area by analyzing the Town’s regulatory controls, submitted concept plans by the developer, Town Center PD, and the regional market. The Plan area is expected to feature a 117-unit multifamily residential product, a 79-room hotel, a 23,200 square foot small-format grocery store, and 42,500 square feet of commercial development, as well as civic uses. The residential development is expected to be a multifamily residential (rental) product. Commercial uses proposed include commercial shops and restaurants, a new hotel, and a small-format grocery store. In addition, the conceptual site plan includes a new municipal events center and a parking garage.

The following table summarizes the development program, and the estimated number of units/sf for each development type.

| Erie Town Center Urban Renewal Plan Development Summary | | | |
|---|-------------------------|--------|-------|
| Phase | Property Type | SF | Units |
| Multifamily 1A | Multifamily Residential | - | 117 |
| Commercial 2A | Commercial / Retail | 14,163 | |
| Commercial 2B | Commercial / Retail | 14,163 | |
| Commercial 2C | Commercial / Retail | 14,163 | |
| Commercial 3A | Grocery | 23,262 | |
| Hotel 4A | Lodging | | 79 |

- **Time of Development** – The timing of this projected development is limited by regulatory controls and market demands, such as absorption rates. An absorption rate is an estimate for the number of dwelling units or commercial square footage that can be absorbed by a market each year. This report forecasts development according to Evergreen Development Company’s submitted conceptual development proposal. Where specific densities/commercial intensities

were unclear, residential densities and commercial floor-area-ratios (FARs) provided by the Town of Erie Planning/Economic Development Departments and regional market studies were utilized. Market absorption rates were applied to temper these projections and ensure development projections did not outpace market capacity.

Erie is a growing community with strong residential demand. 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. Assuming this growth rate continues, this equates to 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 Town Center Plan can capture a portion of this projected housing growth. This report assumed that the 117-unit multifamily project would be completed in one phase, which would represent 13% of the average annual housing starts projected over the next decade. This new multifamily project would address one of the key findings of a market study completed as part of the Erie Town Center Master Plan for the need for smaller, lower cost housing for families, young adults, and seniors, for both owner and renter occupants.

There is also strong demand for commercial development in Erie. According to a market study completed as part of the Erie Town Center Master Plan, more than 95% of residents leave Erie during for employment during the day. In addition, current demand for retail exceeds supply as most retail and food service spending by Erie residents is occurring outside the market area. The Erie Town Center Urban Renewal Plan area is expected to capture some of this demand that is leaking outside of Erie with new, modern commercial opportunities. Specifically, the market study indicates there is strong demand for local retail goods and services, local serving full-service and fast casual restaurants, and a small format grocer within the Erie Town Center Master Plan area.

Based on an evaluation of historic and forecasted commercial absorption rates within the Erie market, this report assumes that the 42,500 square feet commercial space will be absorbed over 3 years, averaging 14,000 square feet per year, in line with historic absorption averages in the primary market area. Furthermore, this report assumes that the small format grocer will be delivered in one phase and the 79-room hotel will be delivered in one phase as well.

The following charts illustrate Erie Town Center Urban Renewal Plan's projected absorption of residential dwelling units, hotel keys and commercial square footage.



- Value of Development** – This report estimated the future value of development by comparing the projected new development to market benchmarks and existing comparable properties. For the multifamily, the report assumes an average monthly rent of \$2,100 with a 72% NOI margin. Assuming a 5.5% capitalization rate (average of market benchmarks for comparable properties in Boulder, Larimer and Weld Counties) results in an estimated value of \$329,900 per unit. Commercial development estimated values were based on average lease rates and current average capitalization rates (6.75%) in the market area. This report estimates that commercial development will average a (weighted) price per square foot of \$264. Hotel values are based on an ‘upscale’ hotel type with an Average Daily Rate (ADR) of \$180 and RevPAR of \$119. Assuming an 8% capitalization rate (market average for ‘upscale’ hotels in the region) results in an average value of \$310 per square foot for the hotel. These estimates are conservative and are intended to reflect “Actual Values” assigned by the Boulder County assessor during its appraisals. Taxable value is derived from the Assessor’s Actual Values, after equalization rates are applied. This report assumes that the Commercial Equalization Rate will remain at 25% and the Residential

Assessment Rate will remain at 6.9% during the life of the Plan. All development values are adjusted for inflation based on their projected absorption date.

Retail commercial development is also assumed to generate sales taxes at the Town of Erie's tax rate. State sales taxes are not calculated by this report. Boulder County's sales tax rate is 1.185% and is calculated by this report, however, this revenue is not eligible for tax increment financing and is instead used to compare the project's fiscal impact on Boulder County. This report assumes that retail commercial development will generate sales taxes based on the Town's sales tax rate and an average sales per square foot multiplier. This report assumes that the Town's sales tax rate will remain 3.5% over the next 25 years, and that commercial development (including the grocery store) will have a weighted average of \$364 per square foot in sales (adjusted for inflation).

These assumptions guided this report's forecast of future development throughout the Erie Town Center 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 Town Center Urban Renewal Plan area. These projections are based on Boulder County’s 2023 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 | 2023 Mill Levy | TIF Agreement % | TIF Eligible Mill Levy |
|--|----------------|-----------------|------------------------|
| Boulder County | 21.287 | 100% | 21.287 |
| St. Vrain Valley School District RE1J | 57.238 | 100% | 57.238 |
| Northern Colorado Water (NCW) | 1 | 100% | 1 |
| High Plains Library District | 3.197 | 100% | 3.197 |
| Mountain View Fire Protection District | 16.247 | 100% | 16.247 |
| Town of Erie General Operations | 7.288 | 100% | 7.288 |
| Town of Erie Bond Redemption | 2.093 | 100% | 2.093 |
| Town of Erie Capital Expenditures | 4 | 100% | 4 |
| TOTAL | 113.249 | 100% | 113.249 |

This report assumes that all impacted taxing entities will pledge 100% of their millage rate to the Erie Town Center 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. Tax Increment assumptions are also based on the above mill levies and assume that the project area’s starting **base value is \$0** (property currently owned by the Town and is tax exempt). 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 1%** over the project’s lifetime³. 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 financing⁴. This report assumes that the Town’s sales tax rate is the only 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.

³ Colorado’s Urban Renewal Law requires that the base assessment be reevaluated every two years within an urban renewal project area.

⁴ C.R.S. 31-25-107(9)(e)

This report assumes that 100% of the Town of Erie's sales tax generated by new improvements within the Erie Town Center 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 Town Center 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 Town Center Conditions Survey identified six 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 Town Center 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". A Development Absorption and Valuation Table is provided in this Report's Appendix.

Property Tax TIF Projections

This Report estimated the Erie Town Center 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 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 Town Center Urban Renewal Plan has an adjusted taxable value of **\$0**. The subject property is currently owned by the Town of Erie and is exempt from property taxes. This assessed value includes the land value. There are no building improvements on the site. 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 Town Center Urban Renewal Plan area will amount to an additional \$8.9 million in assessed value. This value is not generated at once but is instead phased in over the life of the Urban Renewal Plan as the site is developed.

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 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 Town Center Urban Renewal Plan area. **This report assumes that all taxing entities have pledged 100% of their millage rates to support the Plan.**

The Plan assumes that the plan will facilitate the extension of central water and sewer lines which will be maintained by the Town of Erie. This report assumes that Mountain View Fire District will service the entirety of the plan area.

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

Erie Town Center Urban Renewal Plan TIF Projections

| Property TIF Estimates | | |
|---|-------------------------------|--------------------------------------|
| Base Value of Plan Area | | \$0 |
| Total New Improvement AV | | \$8,911,309 |
| Total Property Tax TIF Revenue (Gross 25 Years) | | \$24,500,000 ⁵ |
| Annual Property TIF Revenue (25-Year Average) | | \$943,000 |
| Taxing District | Estimated Real Property Taxes | Estimated Tax Increment ⁶ |
| | 25 Years | 25 Years |
| Boulder County – General Operations | \$3,819,000 | \$3,819,000 |
| Boulder County – Roads and Bridges | \$34,000 | \$34,000 |
| Boulder County – Public Welfare | \$181,000 | \$181,000 |
| Boulder County – Development Disability | \$185,000 | \$185,000 |
| Boulder County – Capital Expenditure | \$91,000 | \$91,000 |
| Boulder County – Refund Abatement | \$16,000 | \$16,000 |
| Boulder County – Health & Human Services | \$108,000 | \$108,000 |
| Boulder County – Temp HS Safety | \$173,000 | \$173,000 |
| St. Vrain Valley School District - General Fund | \$5,844,000 | \$5,844,000 |
| St. Vrain Valley School District - Bond | \$3,621,000 | \$3,621,000 |
| St. Vrain Valley School District - Override | \$2,865,000 | \$2,865,000 |
| St. Vrain Valley School District - Abatement | \$59,000 | \$59,000 |
| Northern Colorado Water Conservation (CWC) | \$216,000 | \$216,000 |
| Urban Drainage and Flood Control District | \$195,000 | \$195,000 |
| High Plains Library | \$692,000 | \$692,000 |
| Mountain View Fire Protection District | \$3,517,000 | \$3,517,000 |
| Town of Erie - General Operations | \$1,577,000 | \$1,577,000 |
| Town of Erie - Bond Redemption | \$453,000 | \$453,000 |
| Town of Erie - Capital Expenditures | \$866,000 | \$866,000 |
| TOTAL | \$24,512,000 | \$24,512,000 |

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 Town Center Urban Renewal Plan will utilize sales tax revenue as a potential source of TIF revenue.

Future sales tax was quantified by first estimating new commercial-retail square footage within the Plan area. Similar commercial retail developments within Erie and the primary market area were then evaluated and their square footage compared to annual sales. This helped determine an average sales per square foot multiplier for the Plan area.

⁵ Final TIF estimates are rounded down.

⁶ All Tax Increment estimates have been rounded down.

The analysis conservatively estimates that retail / grocery space will generate approximately \$364 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)⁷ | 65,752 SF |
| TIF Eligible Sales Tax Rate | 3.5% |
| Estimated Sales Per SF | \$ 364.00 |
| Estimated Sales Tax Increment (Gross) | \$22,000,000 |
| Estimated Sales Tax Increment (Annual Average) | \$847,000 |
| Percent of Annual Sales Tax Collections (Town)⁸ | 3.7% |

This report estimates that the Erie Town Center Urban Renewal Plan will generate an additional 65,750 square feet of retail space over the next 25 years. Using an estimated average sales per square of \$364 PSF, this amount of space equates to \$22,000,000 in sales tax increment over the next 25 years. Annually, this amounts to \$847,000 in sales tax TIF collected on average. For comparison, the Town of Erie has budgeted \$22,500,000 in non-vehicle sales tax in 2024. This means that projected retail development in the Erie Town Center Urban Renewal Plan area should increase the Town’s sales tax collections by 3.7% annually upon completion. This estimate does not include State or County sales tax collections, as neither are eligible for tax increment financing within the Plan area.

⁷ Sales tax estimates are rounded and adjusted for inflation.

⁸ Estimate compares only non-vehicle sales tax collections.

Taxing Entity Impacts

Assessing an Urban Renewal Plan's impacts on partnering taxing entities requires 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 is designed to bring about a public good, either in the form of new investment in an underutilized area, the procurement of public amenities or infrastructure, or pioneering developments.

The Erie Town Center Urban Renewal Plan is designed to target new investment towards an underutilized area in an ambitious and visionary manner. This ~20-acre area is part of the Erie Town Center Master Plan, a forward-thinking strategic plan that lays out a vision and framework to facilitate the development of a vibrant, mixed use town center. The Town Center Master Plan encompasses more than 95 acres of development opportunity sites, including the 20-acre parcel that is the subject of this Impact Report. To overcome the blighted area factors found within the Plan area, the Town is leveraging public private partnerships. Public private partnerships can both remediate conditions arresting sound development in the area and guide development towards the community vision as outlined in the Town Center Master Plan and PD Development Guide. That is TOEURA's purpose and intention for the Erie Town Center Urban Renewal Plan.

The area exhibits the requisite number of blighting factors to be eligible for Urban Renewal treatment. Development proposed throughout the Plan area is informed by Erie Town Center Master Plan and PD Development Guide. The development envisioned within the Plan area will include new commercial uses in the core area of Erie that will support residents' needs for services and help mitigate retail leakage. This includes a small-format grocery store (in very high demand for this portion of Erie), mixed use commercial, a new hotel, and civic space (envisioned as a municipal events center). This vision aligns with the Town's Comprehensive Land Use plan for this area. This Urban Renewal Plan can help leverage specific financing tools to provide funding for this public infrastructure and make this development vision feasible.

This partnership between TOEURA, its participating taxing entities and the private sector, 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 Town Center Urban Renewal Plan’s impacts to Boulder County. This report will also address the impacts to the St. Vrain Valley School District, the Town of Erie, Mountain View Fire District, and the High Plains Library District within the Plan area. The Northern Colorado Water Conservation District and the Urban Drainage and Flood Control District are not analyzed since TOEURA will not request TIF sharing agreements with these entities.

Erie Town Center Impact Summary

The Erie Town Center Urban Renewal Plan includes eight (8) taxing districts. Seven (7) of these districts levy property tax within the Plan area. These districts include: Boulder County, St. Vrain Valley School District, Town of Erie, Urban Drainage and Flood Control District, Mountain View Fire Protection District, Northern Colorado Water Conservancy (NCW), and the High Plains Library District. The Regional Transportation District (RTD) does not impose a mill levy.

The table below compares the Erie Town Center Urban Renewal Plan’s assessed value (AV), average annual property tax, and average annual sales tax, to these 7 taxing entities. The comparison represents a snapshot in time, contrasting the taxing entities’ 2024 AV and budgeted property tax and (when applicable) sales tax, with the Urban Renewal Plan’s stabilized 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 Tax 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 represent this report’s Impact conclusion based on the quantitative comparison and additional measures explained in the following sections.

| Erie Town Center Urban Renewal Plan Area Value and Tax Generation Comparison | | | | |
|--|-----------------------|----------------------------------|-------------------------------|-------------------|
| Taxing Entity Fiscal Impacts | % District's Total AV | % District's Annual Property Tax | % District's Annual Sales Tax | Impact Assessment |
| Boulder County | 0.1% | 0.07% | 0.3% | Low |
| Town of Erie | 1.2% | 1.8% | 3.7% | Low |
| St. Vrain School District (RE1J-Longmont) | 0.1% | 0.3% | - | Low |
| Mountain View Fire District | 0.3% | 0.3% | - | Low |
| Urban Drainage and Flood Control District | 0.01% | 0.01% | - | Low |
| High Plains Library District | 0.04% | 0.04% | - | Low |
| Northern Colorado Water Conservancy District | 0.02% | 0.0% | - | Low |

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

Boulder County

Revenue Impacts

Boulder County issues a mill levy of 21.287 within the Erie Gateway 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 its total revenue collected at ~\$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 report compares the projected annual property tax revenue within the Plan 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 Town Center 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 Town Center Urban Renewal Plan area’s property tax increment generated at the County’s 21.287 millage rate will account for 0.07% 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 | \$ 177,200 | 0.07% |

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 \$7.5 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 sales tax increment (which is not eligible for TIF) will more than offset the County’s 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, 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. 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.

Infrastructure and Service Impacts

The Erie Town Center Urban Renewal Plan only includes parcels that are currently within the Town of Erie's municipal limits prior. 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 Boulder County.

The Plan will facilitate development that will use County roads; however, these impacts are low based on the projected number of residents that will reside in the new residential development and visitors to the hotel, commercial uses and civic spaces.

New development within the Plan area is projected to generate 117 additional households over 25 years, or approximately 230 residents. These residences will be within the Town of Erie's municipal limits and be served by Town services. Boulder County's total population in 2023 was estimated at 326,831 people. New residents generated because of the Erie Town Center Urban Renewal Plan will account for less than 0.001% of the County's population. This increase would create negligible impacts on the County's health or human services.

County Impact Conclusion

This report concludes that the Erie Town Center Urban Renewal Plan will generate negligible fiscal impacts on Boulder 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 Town Center Urban Renewal Plan area. Currently, the School District’s millage rate is 57.238, approximately 50% of the total tax rate within the Plan area. The School District is therefore an important partner to TOEURA and potentially vulnerable to the Plan’s tax increment financing impacts.

According to the FY 2024 adopted budget, 51.1% of the District’s General Fund revenue comes from Property Tax. The 2023-2024 adopted budget estimates that \$221.9 million in revenue is derived from local property taxes. An additional \$87.1 million in property taxes is expected to be generated by the School District’s Bond Redemption Levy in 2024. This equates to a total property tax revenue collection of \$309 million in 2024. The following table compares these annual tax revenues with the estimated annual incremental property tax revenue generated by the Erie Town Center Urban Renewal Plan.

| Erie Town Center Urban Renewal Plan Impacts | | | |
|---|---------------------------|---|------------------|
| School District Fund | 2024 Property Tax Revenue | Estimated Property Tax TIF (Annual Average) | Percent of Total |
| Total | \$ 150,455,000 | \$ 476,000 | 0.3% |

The Erie Town Center 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 (School Finance Act) millage rate as part of a TIF sharing agreement. The state can backfill the school’s SFA levy, 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 Town Center Urban Renewal Plan as it will not be adversely impacted.

Student Population Generation

The Erie Town Center 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 forecasts 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 an average household size for multifamily residential projects based on National Multifamily Housing Council Tabulations of 2023 American Community Survey microdata, US Census Bureau. Household size and number of pupils vary depending on the type of housing (e.g. single family detached vs. apartments). Based on US Census Bureau data from the American Communities Survey, there is an average of 21.9 children per 100 housing units for new multifamily construction.

The table below summarizes the St. Vrain Valley School District Pupil Membership data⁹. These estimates, including household size and students per household, were used to estimate the number of students the Erie Town Center Urban Renewal Plan could generate over the next 25 years.

⁹ Colorado State Demographer and Colorado Department of Education 2023-2024 County Population and Pupil Counts.

Estimated Population and Pupil Generation

| | |
|---|--------------|
| Projected Residential Units | 117 |
| Average Household Size for Multifamily Rental ¹⁰ | 1.97 |
| Projected Population | 230 |
| Pupils Per 100 Units of Multifamily Housing ¹¹ | 21.9 |
| Projected Pupils | 26 |
| School District Pupil Membership (2023-2024) | 32,506 |
| Percentage of School District | 0.08% |

This report estimates that the Plan will generate 26 students at full project build out. This increase will have a negligible impact on the school district population, as it only represents 0.08% of the current St. Vrain Valley School District pupil membership.

The St. Vrain School District's adopted budget forecasted enrollment trends through 2027¹². According to this forecast, enrollment is projected to increase by 251 students in 2025, 256 students in 2026, and 271 students in 2026. This implies that the school district is budgeting for growth over the next three years. The Erie Town Center Urban Renewal Plan will generate a total of 26 students once stabilized. Using the School District's projected pupil membership increases, this report estimates that the School District will average an annual increase of 259 students over the next three (3) years. This means that over the Plan's 25-year period, its total student generation will account for ~10% of a single year projected growth. The fact that this estimate does not exceed the school district's own forecast suggests that the district has been proactive in budgeting for this type of development and anticipates this level of student generation.

School District Impact Conclusion

The Erie Town Center 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 far exceeds the student generation expected by this Plan. The Plan's modest increase in students will not trigger the need for capital improvements and teacher hirings. Even so, this report does not recommend that the School District pledge property tax revenues generated at its MLO or Bond Redemption Levy. This agreement will ensure that the School District continues to receive revenue to support bonded debt and voter approved mill levy initiatives.

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 act mill levy in support of the Erie Town Center Urban Renewal Plan.

¹⁰ National Multifamily Housing Council Tabulations of 2023 American Community Survey microdata, US Census Bureau.

¹¹ Average number of children per 100 housing units for multifamily (new construction), US Census Bureau American Communities Survey.

¹² St. Vrain Valley School District FY2023-2024 Adopted Budget, page 20, 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 Plan, it is important to evaluate the impacts the project could have on the Town’s finances and services.

The Town of Erie issues a mill levy of 13.381 within the Erie Town Center Urban Renewal Plan. This mill levy is allocated three ways, 7.288 mills to the general fund, 2.093 mills to bond redemption, and 4 mills to capital expenditures.

This Plan will exert the greatest fiscal impact on the Town, compared to the other participating taxing entities. At stabilization, the Plan’s estimated taxable assessed value will reach \$8,911,000. This is 0.20% of the Town’s current assessed value. The Plan will also generate property tax equivalent to 1.2% of the Town’s 2024 budgeted property tax revenues. The Plan’s annual sales tax increment generated is estimated to be 3.7% of the Town’s budgeted 2024 sales tax revenue. These comparisons indicate a minimal impact on the Town, and are illustrated in the table below:

| Town of Erie | 2024 Property Tax Revenue (Budgeted) | Property Tax TIF (Annual Average) | Percent of Total |
|------------------------------|--------------------------------------|-----------------------------------|------------------|
| All Funds | \$ 6,089,125 | \$ 111,400 | 1.8% |
| Town of Erie | 2024 Sales Tax Revenue (Budgeted) | Sales Tax TIF (Annual Average) | Percent of Total |
| Non-Vehicle Sales Tax | \$ 22,800,000 | \$ 847,000 | 3.7% |

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 Town Center Urban Renewal Plan’s development with its own cost of service and fiscal impacts.

Infrastructure and Service Impacts

The Erie Town Center Urban Renewal Plan will help facilitate new commercial and residential development in a blighted area of the Town. The proposed development is projected to create 117 new residential housing units within Erie. This will have a negligible impact on the Town’s demographics. According to the National Multifamily Housing Council, the average number of persons per household for multifamily residential is 1.97. This report estimates that the Erie Town Center Urban Renewal Plan will generate an additional 230 residents over the next 25 years. This represents ~0.01% of the Town’s total population¹³.

| Demographic Impacts | | | | |
|---------------------|-----------------------|-----------------------------|---------------|-----------|
| Town Pop. 2023 | Persons Per Household | Total New Residential Units | New Residents | % of Town |
| 35,492 | 1.97 | 117 | 230 | 0.01% |

The Erie Town Center Urban Renewal Plan will generate an increase in population for the Town of Erie. Based on the projected negligible increase in population, the Erie Town Center Urban Renewal Plan is not likely to trigger significant infrastructure impacts. The Plan area is within Town limits, and roads within the project will be owned and maintained by the Town. This report finds these demographic projections and their infrastructure demands will have a minimal impact on the Town.

¹³ Town of Erie Population, State Demographer 2023 estimates.

Town of Erie Impact Conclusion

This report finds that the Erie Town Center Urban Renewal Plan will create minimal impacts to the Town of Erie's finances and services. At full build-out, the Plan will increase the Town's population by 0.01%. Its average TIF estimates account for ~1.8% of the Town's annual property taxes and ~3.7% of the Town's annual sales taxes.

The impacts associated with this project are minimal to the Town of Erie. For this reason, this report recommends that the Town of Erie pledge the property tax increment and sale tax increment necessary to offset the horizontal infrastructure costs associated with developing this project. The exact percentage share should be based on a detailed financial analysis of the project's financial needs. However, even if the town were to pledge 100% of the property and sales tax increment generated by this development, the report does not find significant fiscal impacts at that revenue sharing level.

Mountain View Fire District

Fire District Impact Conclusion

The Erie Town Center Urban Renewal Plan will yield low fiscal impacts to the Mountain View Fire Protection District. The Plan does not exceed the 10% threshold for the District's AV or annual property tax collections. This suggests that the Plan's tax increment financing agreement is unlikely to yield significant fiscal impact on the fire district.

Although the Plan will yield low fiscal impacts on the fire district, this report recommends that TOEURA work closely with the Mountain View Fire Protection District to determine its services needs for the Erie Town Center Urban Renewal Plan area. If new capital improvements are needed, TOEURA should balance the cost of these improvements with a TIF sharing agreement that yields a present value equivalent to the station/equipment costs. This will ensure that the Erie Town Center Urban Renewal Plan is supporting the fire district and properly protecting its new developments and residents. Unless Mountain View Fire Protection District cite specific capital improvement impacts, this report recommends that TOEURA retain 100% of the project's incremental property tax revenue generated at the Mountain View Fire Protection District's millage rate.

High Plains Library District

Library District Impact Conclusion

The Erie Town Center Urban Renewal Plan will yield low fiscal impacts on the High Plains Library District. The Plan's total Assessed Value is less than 1% of the Library's AV. The Plan's annual property tax increment generated at the library's millage rate is 0.04% of the Library's annual property tax collections. These facts indicate that the Plan will have a negligible impact on the library district's finances.

This report recommends that the Library District pledge 100% of its property tax mill levy to the Erie Town Center Urban Renewal Plan. This pledge will not adversely impact the district, and in doing so, the district will help support the Town of Erie's development vision. Also, the residents this Plan is forecast to generate potential new patrons for the library district.

Conclusion and Recommendations

The Erie Town Center Urban Renewal Plan represents a visionary and ambitious approach to Urban Renewal in Colorado. The Town's planning and visioning efforts through the Town Center PD and community participation indicate a desire to invest in this key area of the Town, one that adheres to the elements which make Erie unique. The area has been found to exhibit blighted area factors by the November 5th, 2024 Conditions Survey 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 low level impacts to all the impacted taxing entities. Because of these minimal impacts, this report recommends that TOEURA negotiate TIF sharing agreements with its partnering taxing entity partners to ensure that this Plan and its conceptual development are financially viable.

This report recommends the following:

- TOEURA receives 100% of the Town's Property and Sales Tax incremental revenues.
- TOEURA remits the St. Vrain School District's Bond Levy, Override and Abatement mill levies, but receives 100% of the property tax generated at the St. Vrain School District's General Fund Levy.
- TOEURA receives 100% of the incremental property tax revenue generated at Boulder County's General Operations mill levy. TOEURA remits 100% of Boulder County's remaining mill levies.
- TOEURA receives 100% of the incremental property tax revenue generated at Mountain View Fire Protection District's mill levy.
- TOEURA receives 100% of the incremental property tax revenue generated at High Plains Library District's mill levy.

Although the Plan's impact to the Northern Colorado Water Conservation District and Urban Drainage and Flood Control District is low, it is common for Urban Renewal Authorities to remit back all TIF to these entities.

This report only recommends TIF sharing agreements that will provide TOEURA with the funds it needs to financially support the Erie Town Center Urban Renewal Plan. 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. Development Absorption and Valuation Table

Erie Town Center Development Valuation Summary Estimate
 11/26/2024

| Erie - Town Center Development Project | | | | | | | | | | | | |
|---|---------------|--------|------------|--------|-------------|-------------|-----------------|--------------------------|-----------------------|-------------------------|------------------------------------|----------------------------------|
| Erie Town Center New Valuation Estimate | | | | | | | | | | | Total Value by Real Estate Product | |
| Development Program Code | Property Type | SF | Units/Keys | \$ PSF | \$ Per Unit | Growth Rate | Completion Year | Inflation Adjusted Value | Inflation Adj. Per SF | Inflation Adj. Per Unit | Product Type | Total Value (Inflation Adjusted) |
| 1A | Residential | 0 | 117 | \$ - | \$ 329,891 | 1.00% | 2026 | \$ 38,983,209 | \$ - | \$ 333,190 | Residential | \$ 38,983,209 |
| 2A | Commercial | 14,163 | 0 | \$ 264 | - | 1.00% | 2026 | \$ 3,782,869 | \$ 267 | \$ - | Commercial | \$ 28,846,452 |
| 2B | Commercial | 14,163 | 0 | \$ 264 | - | 1.00% | 2027 | \$ 3,820,698 | \$ 270 | \$ - | | |
| 2C | Commercial | 14,163 | 0 | \$ 264 | - | 1.00% | 2028 | \$ 3,858,905 | \$ 272 | \$ - | | |
| 3A | Commercial | 23,262 | 0 | \$ 264 | - | 1.00% | 2028 | \$ 6,337,903 | \$ 272 | \$ - | | |
| 4A | Commercial | 34,563 | 79 | \$ 310 | - | 1.00% | 2028 | \$ 11,046,077 | \$ 320 | \$ 139,824 | | |
| TOTAL | | | 196 | | | | | \$ 67,829,660 | | | Total | \$ 67,829,660 |