



# Cañon City Area For Reinvestment Expansion Urban Renewal Plan

City of Cañon City Impact Report

February 2020

## **Prepared for:**

City of Cañon City  
City Council

## **Prepared by:**

Ricker|Cunningham  
10959 Ashurst Way  
Littleton, CO 80130

303.458.5800 phone  
303.458.5420 fax

[www.rickercunningham.com](http://www.rickercunningham.com)

# Cañon City Area For Reinvestment Expansion Urban Renewal Plan

## City of Cañon City Impact Report

February 2020

This report outlines the anticipated impact of the proposed Cañon City Area For Reinvestment Expansion Urban Renewal Plan on the City of Cañon City (the City). It is prepared in conformance with those requirements set forth in C.R.S. 31-25-107 (3.5) (a):

### C.R.S. 31-25-107: APPROVAL OF URBAN RENEWAL PLANS BY LOCAL GOVERNING BODY

(3.5) (a) "At least thirty days prior to the hearing on an urban renewal plan or a substantial modification to such plan, regardless of when the urban renewal plan was first approved, the governing body or the authority shall submit such plan or modification to the board of county commissioners, and, if property taxes collected as a result of the county levy will be utilized, the governing body or the authority shall also submit an urban renewal impact report, which shall include, at a minimum, the following information concerning the impact of such plan:

- I. The estimated duration of time to complete the urban renewal project;
- II. The estimated annual property tax increment to be generated by the urban renewal project and the portion of such property tax increment to be allocated during this period to fund the urban renewal project;
- III. An estimate of the impact of the urban renewal project on county revenues 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;
- IV. 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; and
- V. Any other estimated impacts of the urban renewal project on county services or revenues."

## Summary of Urban Renewal Plan

### Development Program

The proposed development program for the Cañon City Area For Reinvestment Expansion Urban Renewal Plan is consistent with current policy documents and plans for the City of Cañon City. The estimated level of development is anticipated to be completed over the next 25 years and the total build-out is summarized in **Table 1**.

**Table 1**  
**Cañon City Area For Reinvestment Expansion Urban Renewal Plan**  
**Proposed Development Program**

<b>New Development:</b>	
Mixed Residential (units)	200
Retail (sq ft)	150,000
Employment (sq ft)	200,000

Source: Ricker|Cunningham.

The development timetable for the proposed program presented above will ultimately be determined by prevailing market conditions. A critical component of the analysis presented here is the assumption that key parcels within the planning area will be developed into a mix of residential, retail, entertainment, lodging and office/employment space. For the purposes of this analysis, it was assumed that this level of development in the Area will be substantially completed during the 25-year development and stabilization period.

### **Summary Impacts to City of Cañon City**

For the purposes of this analysis, it is assumed that 100% of the total City property tax increment over the 25-year period will be allocated to project costs. **Table 2** at the end of this report provides a summary of these property tax revenues.

### Property Tax Revenue

Currently, the City's share of the property tax base in the Area is approximately \$158,707. During the 25-year statutory period, the City's share of property tax revenue will total approximately \$3.9 million, or \$155,000 annually. After the 25-year analysis period is completed, the City's share of property tax revenues will increase to approximately \$247,000 on an annual basis. These figures reflect the impacts of inflation, conservatively estimated at approximately 1% to 2% on an annual basis.

Table 2  
 Cañon City Area For Reinvestment Expansion Urban Renewal Area  
 City of Cañon City Impact Analysis

**Development Program (25 years)**

<b>New Development:</b>		<b>Cumulative Total By:</b>				
		2023	2028	2033	2038	2043
<b>City of Cañon City</b>						
Property Tax Revenues from Existing Base	\$738,694	\$1,495,241	\$2,271,616	\$3,066,754	\$3,882,732	
Property Tax Increment Contributed to URA	\$28,451	\$175,058	\$409,861	\$749,836	\$1,147,088	

Source: Ricker | Cunningham.

Table 2 (cont'd)  
 Cañon City Area For Reinvestment Expansion Urban Renewal Area  
 City of Cañon City Impact Analysis

Development Program									
Annual Property Tax Revenue Estimates									
Year									
	2019	2020	2021	2022	2023	2024	2025	2026	2027
<b>New Development:</b>									
Mixed Residential (units)	200								
Retail (sq ft)	150,000								
Employment (sq ft)	200,000								
<b>Estimated Cumulative Development Demand:</b>									
Mixed Residential	0	25	50	75	100	125	150	175	200
Retail	0	5,000	30,000	55,000	60,000	65,000	70,000	75,000	80,000
Employment	0	0	5,000	15,000	25,000	35,000	45,000	55,000	65,000
<b>Estimated Development Market Value:</b>									
Residential (Mixed)	\$325,000	\$0	\$8,206,250	\$16,576,625	\$25,113,587	\$33,819,630	\$42,697,283	\$51,749,107	\$60,977,698
Retail	\$200	\$0	\$1,010,000	\$6,120,600	\$11,333,311	\$12,487,248	\$13,663,131	\$14,861,282	\$16,082,030
Employment	\$150	\$0	\$0	\$765,075	\$2,318,177	\$3,902,265	\$5,517,803	\$7,165,261	\$8,845,117
<b>Estimated Development Assessed Value:</b>									
Residential (Mixed)	7.2%	\$0	\$590,850	\$1,193,517	\$1,808,178	\$2,435,013	\$3,074,204	\$3,725,936	\$4,390,394
Retail	29%	\$0	\$292,900	\$1,774,974	\$3,286,660	\$3,621,302	\$3,962,308	\$4,309,772	\$4,663,789
Employment	29%	\$0	\$0	\$221,872	\$672,271	\$1,131,657	\$1,600,163	\$2,077,926	\$2,565,084
<b>Estimated Development Property Tax Revenues ( 85.098 mills):</b>									
Residential (Mixed)	0.085098	\$0	\$0	\$50,280	\$101,566	\$153,873	\$207,216	\$261,610	\$317,071
Retail	0.085098	\$0	\$0	\$24,925	\$151,047	\$279,689	\$308,167	\$337,186	\$366,754
Employment	0.085098	\$0	\$0	\$0	\$18,881	\$57,209	\$96,302	\$136,171	\$176,828
<b>Total Property Tax Revenues from New Development:</b>									
Total Property Tax Revenues from Existing Development:	\$4,314,181	\$4,314,181	\$4,357,323	\$4,357,323	\$4,400,896	\$4,400,896	\$4,444,905	\$4,444,905	\$4,489,354
<b>Total Property Tax Revenues:</b>	\$4,314,181	\$4,314,181	\$4,432,528	\$4,628,817	\$4,891,667	\$5,012,580	\$5,179,872	\$5,305,558	\$5,478,134
<b>Existing Property Tax Base:</b>	\$4,314,181	\$4,314,181	\$4,357,323	\$4,357,323	\$4,400,896	\$4,400,896	\$4,444,905	\$4,444,905	\$4,489,354
<b>Total Property Tax Increment:</b>	\$0	\$0	\$75,206	\$271,495	\$490,771	\$611,684	\$734,967	\$860,653	\$988,780
<b>City Impact:</b>									
City Share of Property Tax Base:	0.002891	\$146,563	\$146,563	\$148,029	\$148,029	\$149,509	\$149,509	\$151,004	\$151,004
City Share of Property Tax Increment:	0.002891	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total City Share of Property Tax Revenue:</b>									
Total City Share of Property Tax Revenue:	\$146,563	\$146,563	\$148,029	\$148,029	\$149,509	\$149,509	\$151,004	\$151,004	\$152,514

Source: Ricker | Cunningham.

Table 2 (cont'd)  
 Cañon City Area For Reinvestment Expansion Urban Renewal Area  
 City of Cañon City Impact Analysis

Development Program

New Development:		Year							
		2028	2029	2030	2031	2032	2033	2034	2035
Mixed Residential (units)	200								
Retail (sq ft)	150,000								
Employment (sq ft)	200,000								
Annual Property Tax Revenue Estimates		Year							
Estimated Cumulative Development Demand:									
Mixed Residential	200	200	200	200	200	200	200	200	200
Retail	85,000	90,000	95,000	105,000	115,000	125,000	135,000	145,000	
Employment	75,000	85,000	95,000	105,000	120,000	135,000	150,000	165,000	
Estimated Development Market Value:									
Residential (Mixed)	\$325,000	\$71,089,543	\$71,800,438	\$72,518,443	\$73,243,627	\$73,976,063	\$74,715,824	\$75,462,982	\$76,217,612
Retail	\$200	\$18,592,650	\$19,883,198	\$21,197,699	\$23,663,326	\$26,176,145	\$28,736,855	\$31,346,162	\$34,004,781
Employment	\$150	\$12,303,959	\$14,083,932	\$15,898,274	\$17,747,494	\$20,485,679	\$23,276,853	\$26,121,801	\$29,021,321
Estimated Development Assessed Value:									
Residential (Mixed)	7.2%	\$5,118,447	\$5,169,632	\$5,221,328	\$5,273,541	\$5,326,277	\$5,379,539	\$5,433,335	\$5,487,668
Retail	29%	\$5,391,868	\$5,766,127	\$6,147,333	\$6,862,364	\$7,591,082	\$8,333,688	\$9,090,387	\$9,861,386
Employment	29%	\$3,568,148	\$4,084,340	\$4,610,499	\$5,146,773	\$5,940,847	\$6,750,287	\$7,575,322	\$8,416,183
Estimated Development Property Tax Revenues ( 85.098 mills):									
Residential (Mixed)	0.085098	\$431,259	\$435,571	\$439,927	\$444,326	\$448,769	\$453,257	\$457,790	\$462,368
Retail	0.085098	\$427,573	\$458,839	\$490,688	\$523,128	\$583,976	\$645,988	\$709,183	\$773,577
Employment	0.085098	\$260,552	\$303,643	\$347,570	\$392,346	\$437,982	\$505,556	\$574,438	\$644,647
Total Property Tax Revenues from New Development:		\$1,119,383	\$1,198,054	\$1,278,185	\$1,359,800	\$1,470,727	\$1,604,802	\$1,741,411	\$1,880,592
Total Property Tax Revenues from Existing Development:		\$4,489,354	\$4,534,248	\$4,534,248	\$4,579,590	\$4,579,590	\$4,625,386	\$4,625,386	\$4,671,640
Total Property Tax Revenues:		\$5,608,738	\$5,732,301	\$5,812,433	\$5,939,390	\$6,050,317	\$6,230,188	\$6,366,797	\$6,552,231
Existing Property Tax Base:		\$4,489,354	\$4,534,248	\$4,534,248	\$4,579,590	\$4,579,590	\$4,625,386	\$4,625,386	\$4,671,640
Total Property Tax Increment:		\$1,119,383	\$1,198,054	\$1,278,185	\$1,359,800	\$1,470,727	\$1,604,802	\$1,741,411	\$1,880,592
City Impact:									
City Share of Property Tax Base:	0.002891	\$152,514	\$154,040	\$154,040	\$155,580	\$155,580	\$157,136	\$157,136	\$158,707
City Share of Property Tax Increment:	0.002891	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total City Share of Property Tax Revenue:		\$152,514	\$154,040	\$154,040	\$155,580	\$155,580	\$157,136	\$157,136	\$158,707

Source: Ricker | Cunningham.

Table 2 (cont'd)  
 Cañon City Area For Reinvestment Expansion Urban Renewal Area  
 City of Cañon City Impact Analysis

Development Program								
Annual Property Tax Revenue Estimates								
	Year							
	2036	2037	2038	2039	2040	2041	2042	2043
<b>New Development:</b>								
Mixed Residential (units)	200							
Retail (sq ft)		150,000						
Employment (sq ft)			200,000					
<b>Estimated Cumulative Development Demand:</b>								
Mixed Residential	200	200	200	200	200	200	200	200
Retail		150,000	150,000	150,000	150,000	150,000	150,000	150,000
Employment			180,000	195,000	205,000	205,000	205,000	205,000
<b>Estimated Development Market Value:</b>								
Residential (Mixed)	<b>\$325,000</b>	\$76,979,788	\$77,749,586	\$78,527,082	\$79,312,353	\$80,105,476	\$80,906,531	\$81,715,596
Retail	<b>\$200</b>	\$35,529,133	\$35,884,424	\$36,243,269	\$36,605,701	\$36,971,758	\$37,341,476	\$37,714,891
Employment	<b>\$150</b>	\$31,976,220	\$34,987,314	\$37,149,350	\$37,520,844	\$37,896,052	\$38,275,013	\$38,657,763
<b>Estimated Development Assessed Value:</b>								
Residential (Mixed)	<b>7.2%</b>	\$5,542,545	\$5,597,970	\$5,653,950	\$5,710,489	\$5,767,594	\$5,825,270	\$5,883,523
Retail	<b>29%</b>	\$10,303,449	\$10,406,483	\$10,510,548	\$10,615,653	\$10,721,810	\$10,829,028	\$10,937,318
Employment	<b>29%</b>	\$9,273,104	\$10,146,321	\$10,773,312	\$10,881,045	\$10,989,855	\$11,099,754	\$11,210,751
<b>Estimated Development Property Tax Revenues ( 85.098 mills):</b>								
Residential (Mixed)	<b>0.085098</b>	\$466,991	\$471,661	\$476,378	\$481,142	\$485,953	\$490,813	\$495,721
Retail	<b>0.085098</b>	\$839,187	\$876,806	\$885,574	\$894,430	\$903,374	\$912,408	\$921,532
Employment	<b>0.085098</b>	\$716,203	\$789,126	\$863,435	\$916,791	\$925,959	\$935,218	\$944,570
<b>Total Property Tax Revenues from New Development:</b>		<b>\$2,022,382</b>	<b>\$2,137,593</b>	<b>\$2,225,387</b>	<b>\$2,292,362</b>	<b>\$2,315,286</b>	<b>\$2,338,439</b>	<b>\$2,361,823</b>
<b>Total Property Tax Revenues from Existing Development:</b>		<b>\$4,671,640</b>	<b>\$4,718,356</b>	<b>\$4,718,356</b>	<b>\$4,765,540</b>	<b>\$4,765,540</b>	<b>\$4,813,195</b>	<b>\$4,861,327</b>
<b>Total Property Tax Revenues:</b>		<b>\$6,694,022</b>	<b>\$6,855,949</b>	<b>\$6,943,743</b>	<b>\$7,057,902</b>	<b>\$7,080,826</b>	<b>\$7,151,634</b>	<b>\$7,175,018</b>
<b>Existing Property Tax Base:</b>		<b>\$4,671,640</b>	<b>\$4,718,356</b>	<b>\$4,718,356</b>	<b>\$4,765,540</b>	<b>\$4,765,540</b>	<b>\$4,813,195</b>	<b>\$4,861,327</b>
<b>Total Property Tax Increment:</b>		<b>\$2,022,382</b>	<b>\$2,137,593</b>	<b>\$2,225,387</b>	<b>\$2,292,362</b>	<b>\$2,315,286</b>	<b>\$2,338,439</b>	<b>\$2,361,823</b>
<b>City Impact:</b>								
City Share of Property Tax Base:	0.002891	\$158,707	\$160,294	\$160,294	\$161,897	\$161,897	\$163,516	\$163,516
City Share of Property Tax Increment:	0.002891	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total City Share of Property Tax Revenue:</b>		<b>\$158,707</b>	<b>\$160,294</b>	<b>\$160,294</b>	<b>\$161,897</b>	<b>\$161,897</b>	<b>\$163,516</b>	<b>\$163,516</b>

Source: Ricker | Cunningham.