



Sand Creek Business Area Urban Renewal Plan

City of Commerce City Impact Report

Commerce City, Colorado

October 2021

Prepared for:

Commerce City Urban Renewal Authority
Commerce City Council

Prepared by:

Ricker|Cunningham
9552 Middle Fork St.
Littleton, CO 80125

303.458.5800 phone

www.rickercunningham.com

Sand Creek Business Area Urban Renewal Plan

City of Commerce City Impact Report

October 2021

This report outlines the anticipated impact of the proposed Sand Creek Business Area Urban Renewal Plan on the City of Commerce 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 Sand Creek Business Area Urban Renewal Plan is consistent with current policy documents and plans for the City of Commerce City (the 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
Sand Creek Business Area Urban Renewal Plan
Proposed Development Program

New Development:	
Retail (sq ft)	0
Employment (sq ft)	840,593

Source: RickerCunningham.

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 logistics center, comprised of office/employment space. For the purposes of this analysis, it was assumed that this level of development in the Sand Creek Business Area (the Area) will be substantially completed during the 25-year development and stabilization period.

Summary Impacts to Commerce 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 \$328. During the 25-year statutory period, the City's share of the property tax revenue base will total approximately \$9,200, or \$370 annually. After the 25-year analysis period is completed, the City's share of property tax revenues will increase to approximately \$120,000 on an annual basis. These figures reflect the impacts of inflation, conservatively estimated at approximately 1% to 2% on an annual basis.

Sales Tax Revenue

Currently, the City's share of the sales tax base in the Area is \$0. During the 25-year statutory period, the City will retain its 3.5% rate on new taxable sales in the Area. Based on the proposed development program, the Area would generate approximately \$4.8 million in new sales tax revenue for the City over the 25-year period, or approximately \$192,000 on an annual basis. These sales tax revenue figures also reflect the impacts of inflation, estimated at approximately 1% to 2% on an annual basis.

Table 2
Sand Creek Business Area Urban Renewal Plan
City of Commerce City Impact Analysis Summary

Development Program (25 years)

New Development:	
Retail (sq ft)	0
Employment (sq ft)	840,593

	Cumulative Total By:				
	2026	2031	2036	2041	2046
City of Commerce City					
Property Tax Revenues from Existing Base	\$1,664	\$3,409	\$5,246	\$7,173	\$9,202
Property Tax Increment Generated by the City in the URA (3.200 mills)	\$50,402	\$381,525	\$842,417	\$1,351,279	\$1,913,105

Source: Ricker | Cunningham.

Table 2 (cont'd)
Sand Creek Business Area Urban Renewal Plan
City of Commerce City Impact Analysis

Development Program

New Development:	
Retail (sq ft)	0
Employment (sq ft)	840,593

Annual Property Tax Revenue Estimates		Year								
		2022	2023	2024	2025	2026	2027	2028	2029	2030
Estimated Cumulative Development Demand:										
Retail		0	0	0	0	0	0	0	0	0
Employment		0	81,000	162,000	302,060	442,120	564,373	686,626	780,113	840,593
Estimated Development Market Value:										
Retail	\$200	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Employment	\$95	\$0	\$7,848,900	\$16,011,756	\$30,452,106	\$45,463,666	\$59,195,773	\$73,458,978	\$85,129,939	\$93,564,424
Estimated Development Assessed Value:										
Retail	29%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Employment	29%	\$0	\$2,276,181	\$4,643,409	\$8,831,111	\$13,184,463	\$17,166,774	\$21,303,104	\$24,687,682	\$27,133,683
Estimated Development Property Tax Revenues (90.095 mills):										
Retail	0.090095	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Employment	0.090095	\$0	\$0	\$205,073	\$418,348	\$795,639	\$1,187,854	\$1,546,641	\$1,919,303	\$2,224,237
Total Property Tax Revenues:		\$0	\$0	\$205,073	\$418,348	\$795,639	\$1,187,854	\$1,546,641	\$1,919,303	\$2,224,237
Existing Property Tax Base:		\$9,222	\$9,222	\$9,406	\$9,406	\$9,595	\$9,595	\$9,787	\$9,787	\$9,982
Total Property Tax Increment:		\$0	\$0	\$195,666	\$408,941	\$786,044	\$1,178,260	\$1,536,854	\$1,909,517	\$2,214,254
City Impact:										
City Share of Property Tax Base:	0.003200	\$328	\$328	\$334	\$334	\$341	\$341	\$348	\$348	\$355
City Share of Property Tax Increment:	0.003200	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total City Share of Property Tax Revenue:		\$328	\$328	\$334	\$334	\$341	\$341	\$348	\$348	\$355

Source: Ricker | Cunningham.

Table 2 (cont'd)
Sand Creek Business Area Urban Renewal Plan
City of Commerce City Impact Analysis

Development Program

New Development:	
Retail (sq ft)	0
Employment (sq ft)	840,593

Annual Property Tax Revenue Estimates		Year							
		2031	2032	2033	2034	2035	2036	2037	2038
Estimated Cumulative Development Demand:									
Retail		0	0	0	0	0	0	0	0
Employment		840,593	840,593	840,593	840,593	840,593	840,593	840,593	840,593
Estimated Development Market Value:									
Retail	\$200	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Employment	\$95	\$95,435,713	\$97,344,427	\$99,291,315	\$101,277,142	\$103,302,684	\$105,368,738	\$107,476,113	\$109,625,635
Estimated Development Assessed Value:									
Retail	29%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Employment	29%	\$27,676,357	\$28,229,884	\$28,794,481	\$29,370,371	\$29,957,778	\$30,556,934	\$31,168,073	\$31,791,434
Estimated Development Property Tax Revenues (90.095 mills):									
Retail	0.090095	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Employment	0.090095	\$2,444,609	\$2,493,501	\$2,543,371	\$2,594,239	\$2,646,124	\$2,699,046	\$2,753,027	\$2,808,088
Total Property Tax Revenues:		\$2,444,609	\$2,493,501	\$2,543,371	\$2,594,239	\$2,646,124	\$2,699,046	\$2,753,027	\$2,808,088
Existing Property Tax Base:		\$9,982	\$10,182	\$10,182	\$10,386	\$10,386	\$10,593	\$10,593	\$10,805
Total Property Tax Increment:		\$2,434,627	\$2,483,319	\$2,533,189	\$2,583,853	\$2,635,738	\$2,688,453	\$2,742,434	\$2,797,282
City Impact:									
City Share of Property Tax Base:	0.003200	\$355	\$362	\$362	\$369	\$369	\$376	\$376	\$384
City Share of Property Tax Increment:	0.003200	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total City Share of Property Tax Revenue:		\$355	\$362	\$362	\$369	\$369	\$376	\$376	\$384

Source: Ricker | Cunningham.

Table 2 (cont'd)
Sand Creek Business Area Urban Renewal Plan
City of Commerce City Impact Analysis

Development Program

New Development:	
Retail (sq ft)	0
Employment (sq ft)	840,593

Annual Property Tax Revenue Estimates		Year							
		2039	2040	2041	2042	2043	2044	2045	2046
Estimated Cumulative Development Demand:									
Retail		0	0	0	0	0	0	0	0
Employment		840,593	840,593	840,593	840,593	840,593	840,593	840,593	840,593
Estimated Development Market Value:									
Retail	\$200	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Employment	\$95	\$111,818,148	\$114,054,511	\$116,335,601	\$118,662,313	\$121,035,559	\$123,456,270	\$125,925,396	\$128,443,904
Estimated Development Assessed Value:									
Retail	29%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Employment	29%	\$32,427,263	\$33,075,808	\$33,737,324	\$34,412,071	\$35,100,312	\$35,802,318	\$36,518,365	\$37,248,732
Estimated Development Property Tax Revenues (90.095 mills):									
Retail	0.090095	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Employment	0.090095	\$2,864,249	\$2,921,534	\$2,979,965	\$3,039,564	\$3,100,356	\$3,162,363	\$3,225,610	\$3,290,122
Total Property Tax Revenues:		\$2,864,249	\$2,921,534	\$2,979,965	\$3,039,564	\$3,100,356	\$3,162,363	\$3,225,610	\$3,290,122
Existing Property Tax Base:		\$10,805	\$11,021	\$11,021	\$11,242	\$11,242	\$11,466	\$11,466	\$11,696
Total Property Tax Increment:		\$2,853,444	\$2,910,513	\$2,968,944	\$3,028,323	\$3,089,114	\$3,150,896	\$3,214,143	\$3,278,426
City Impact:									
City Share of Property Tax Base:	0.003200	\$384	\$391	\$391	\$399	\$399	\$407	\$407	\$415
City Share of Property Tax Increment:	0.003200	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total City Share of Property Tax Revenue:		\$384	\$391	\$391	\$399	\$399	\$407	\$407	\$415

Source: Ricker | Cunningham.