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## Saint Charles Urban Renewal Plan PUEBLO COUNTY IMPACT REPORT AND REVENUE PROJECTIONS

This report outlines the anticipated impact of the proposed *St. Charles Urban Renewal Plan* (the Plan) on Pueblo County. It responds to the requirements outlined in C.R.S. 31-25-107 (3.5):

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

- (3.5) “Prior to the approval of an urban renewal plan, the governing body shall submit such plan to the board of county commissioners, which shall include, at a minimum, the following information concerning the impact of such plan:
- (a) The estimated duration of time to complete the urban renewal project;
  - (b) 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 time period to fund the urban renewal project;
  - (c) 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;
  - (d) 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
  - (e) 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 area included in the Plan (the Urban Renewal Area) is based on the current plans of Vestas Towers America, Inc., and may be subject to change. The anticipated development program is summarized in Table 1.



**Table 1**  
**Saint Charles Urban Renewal Plan - Development Program**

<u>Land Use</u>	<u>Developed SF/Units</u>
Commercial	650,000 square feet
Storage Yard	2,200,000 square feet
Parking Spaces	227 spaces

The Redevelopment program in Table 1 includes one project proposed by Vestas Towers America, Inc. All future property tax revenue assumptions as outlined in this report utilize the data as presented in Table 1.

*Development Timing*

The current development plan anticipates construction to start immediately, provided the City Council approves the Plan and all necessary agreements are approved by the parties. The project includes construction of a 600,000 square foot industrial facility and related property improvements.

**Summary Impacts to Pueblo County**

Exhibit A provides a summary of property tax revenues that could be generated from **new** (incremental) taxable redevelopment within the Urban Renewal Area. These estimates are based on the development program outlined above and reflect the entire 25-year tax increment period. The entire property tax increment will be dedicated to the Urban Renewal Project until payment of all financial obligations incurred by the Authority for financing the Urban Renewal Project are satisfied; as part of the financial obligations, the Authority intends to enter into an agreement with the County to 1) reimburse the County for approximately \$4.5 million in public improvements that benefit the Urban Renewal Project, and 2) either reimburse to the County or pay directly on behalf of the County to the proposed developer of the Urban Renewal Area one-half of Pueblo County's personal property tax associated with the Urban Renewal Project for a period of ten (10) years.

*Property Tax Revenue*

As shown in Exhibit A, based on the proposed development program, the Urban Renewal Area would generate approximately \$71,590,000 in **incremental** property tax revenues over the 25-year analysis period.

During the 25-year tax increment period, the County's share of property tax revenue is limited to its share of the property tax base. This averages approximately \$4,093 annually or approximately \$102,317 over the 25-year period. During this same tax increment period, the total amount allocated by



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Statute to the Authority in property tax increment revenues each year is estimated to range from approximately \$1,400,000 to approximately \$4,000,000. After the 25-year tax increment period is completed, the County's share of property tax revenues would rise to approximately \$1,000,000 on an annual basis.

*County Services/Infrastructure*

Because the entire Urban Renewal Area is located within the City of Pueblo's municipal boundaries, the City, the Authority, and other public entities, such as special districts, will be responsible for all public improvements including street, water, sewer, and all public utilities. No additional County infrastructure will be required to serve development within the proposed urban renewal area. All police, fire, and other services will be provided by entities other than the County. There may be some indirect impact on County services, but these should be offset and the County will benefit from a combination of increased State revenues to offset the costs of such services, increases in property tax base allocation, and an increase in County sales tax collections based on activities stimulated by the Urban Renewal Authority.

Infrastructure impacts associated with the proposed development program are assumed to be primarily financed by the Authority with property tax increment revenue, which has been allocated to the authority by the provisions of section 31-25-107(9), C.R.S.

If, in the future, the County identifies any additional County infrastructure and services required to serve development in the urban renewal area while the property tax allocation provisions are in effect and the cost of such additional infrastructure and services are not offset by increased County revenues, the Authority will consider entering into agreements to finance such services and infrastructure in the urban renewal area. The entire property tax increment will be dedicated to the Urban Renewal Project until payment of all financial obligations incurred by the Authority for financing the Urban Renewal Project are satisfied; as part of the financial obligations, the Authority intends to enter into an agreement with the County to 1) reimburse the County for approximately \$4.5 million in public improvements that benefit the Urban Renewal Project, and 2) either reimburse to the County or pay directly on behalf of the County to the proposed developer of the Urban Renewal Area one-half of Pueblo County's personal property tax associated with the Urban Renewal Project for a period of ten (10) years.

The attached Exhibit A is a detailed illustration of property tax projections, as well as the development program for the proposed project area.