

# Economic and Fiscal Benefits of the AURA Projects and Activities

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Prepared for:



Prepared By:



Development Research Partners specializes in economic research and analysis for local and state government and private sector businesses. Founded in 1994, Development Research Partners combines extensive experience in real estate economics and economic development to provide clients with insightful and strategic consulting services in four areas of expertise:

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## Development Research Partners

**Jesse Silverstein, Vice President & Senior Economist**

**Patricia Silverstein, President & Chief Economist**

**David Hansen, Senior Economist**

10184 West Belleview Avenue, Suite 100

Littleton, Colorado 80127

[www.DevelopmentResearch.net](http://www.DevelopmentResearch.net)

303.991.0070

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The Arvada Urban Renewal Authority (AURA) was established in 1981 by the Arvada City Council and is responsible for remediating or preventing the spread of slum or blight throughout the boundaries of the City of Arvada. To address blight conditions, AURA utilizes tools such as tax increment financing (TIF) to provide financial assistance for projects that remediate blight through the redevelopment process. TIF investments are made possible by utilizing new taxes generated in the URA that are above and beyond the existing tax base. The difference between the total taxes collected and the existing base of taxes results in a net, new tax increment that would not exist but for AURA assisting the project.

Development Research Partners, Inc. (DRP) was engaged by AURA as an independent, third-party economic consultant to provide analysis regarding the impacts of the AURA projects in URAs beyond the remediation of blight. The research and analysis presented herein evaluates the community and economic benefits from new residents, households, and businesses that have located to URAs in Arvada including:

- **Return on Public Investment**
  - Private-sector development dollars leveraged for AURA investments
  - The City of Arvada's annual rate of return on AURA investments
  - Annual City of Arvada tax and fee revenues collected with and without TIF
- **Economic Impacts**
  - Economic impacts from construction activity
  - Economic impacts from business operations
  - Economic impacts from residents and visitors
- **Community Impacts**
  - Lifestyle: goods, services, and experiences
  - New housing diversity
  - Community enhancement projects

## ***In Summary***

- Leveraging public dollars into private-sector investments is a key benefit of AURA's process, and AURA has shown a high level of success in leveraging public and private investments.
- For every \$1 invested by AURA, Arvada has received the following private-sector investment:
  - \$10.79 or \$103 million in Olde Town URA
  - \$5.98 or \$195 million in Ralston Fields URA
  - \$4.88 or \$19 million in Village Commons URA
  - \$2.02 or \$160 million in City Center URA
- 1,785 new housing units that are projected to generate \$17.5 million in new household taxable spending in the City.
- \$125 million in infrastructure and public improvements from AURA projects — including roads, sidewalks, flood and storm-water, and environmental mitigation.
- \$14 million of investments in community benefit projects such as public parks and plazas, interactive fountain, streetscapes, and public restrooms.

The following table summarizes the key findings for AURA's Urban Renewal Areas. Additional information and detail can be found in the full report.

## ECONOMIC AND FISCAL BENEFITS OF AURA'S URBAN RENEWAL AREAS, 2017

Indicator	Olde Town	Ralston Fields	Village Commons	City Center
Status	Active	Active	Active	Expired
Land Uses	Residential	Residential, Commercial	Commercial	Residential, Commercial
Total Housing Units	505	680	0	600
Total Commercial SF	0	416,142	85,513	1,724,183
Total Hotel Rooms	0	0	139	0
<b>Financing<sup>A</sup></b>				
Total Project Cost	\$112,400,000	\$227,150,000	\$22,500,000	\$239,845,000
AURA Participation	\$9,534,000	\$32,532,000	\$3,828,000	\$79,545,000
Private Investment	\$102,866,000	\$194,618,000	\$18,672,000	\$160,300,000
\$'s Leveraged per AURA \$ Invested	\$10.79	\$5.98	\$4.88	\$2.02
Annual Rate of Return on Public Investment (benchmark 1% to 9.5%)	11.9%	7.4%	1.8%	na
<b>Anticipated/Estimated Economic Impacts</b>				
<b>Residential (annual dollars):</b>				
New Households (HH)	505	680	na	600
Average Household Income	\$63,400	\$56,200	na	\$57,200
Total Household Income	\$32,000,000	\$38,200,000	na	\$34,320,000
HH Taxable Spending in Arvada	\$10,900	\$9,700	na	\$9,000
Total HH Taxable Spending in Arvada	\$5,500,000	\$6,600,000	na	\$5,400,000
<b>Commercial (annual dollars):</b>				
Net, New Jobs	na	1,213	30	4,711
Average Wages	na	\$26,400	\$28,100	\$36,700
Total Wages	na	\$32,000,000	\$842,000	\$173,028,000
Spending by Businesses	na	\$6,600,000	\$350,000	\$31,474,000
Sales Tax Increment	\$0	\$3,716,000	\$230,000	expired
Property Tax Increment	\$34,000	\$114,000	\$19,000	expired
Lodging Tax Increment	\$0	\$0	\$113,000	\$0
New City Revenues and Fees (net of sales, property, & lodging tax)	\$1,134,000	\$2,416,000	\$70,000	\$18,300,000 <sup>B</sup>

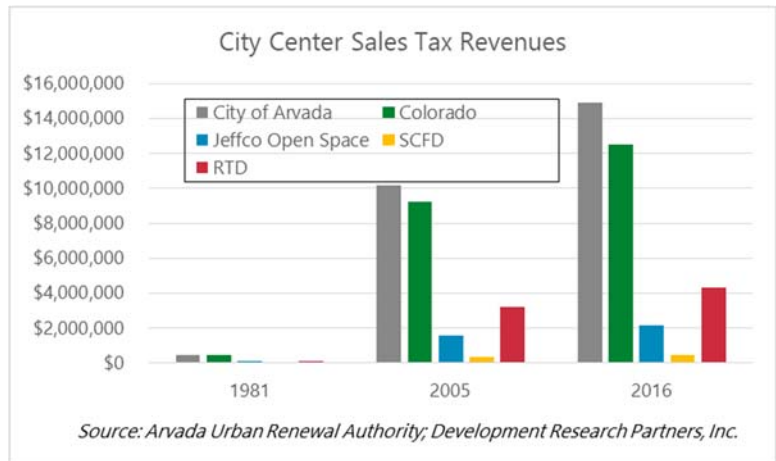
A. City Center financing amounts are stated in 1995 dollars.

B. Tax Increments have expired in City Center, so the New City Revenues and Fees include sales and property tax revenue.

## City Center URA: 1981 to 2006

The City Center Urban Renewal Area was initiated in 1981, and the TIF authorization expired, or sunset, in 2006. This first project by AURA was intended to address an area suffering from blighting conditions including deteriorating buildings, minimal streets, crumbling sidewalks, lower economic performance, and high crime rates at the City of Arvada's front door. Private developers built a retail power-center that included retail, office, industrial, and commercial uses and provided goods and services to the community while also offering new employment opportunities.

Overall, during the 25 years of TIF allocation, the City Center URA financially performed very well, despite the business cycles and severe state recession during that period. In 1981, the combined sales tax and property tax base started at approximately \$2.1 million. During 2005, in addition to the base, the area generated over \$14.7 million in new tax increments. Upon sunset in 2006, those tax increments became part of the City of Arvada's permanent tax revenue base.



In 2016, the City Center generated \$34.3 million in total sales tax. Of that amount, the City of Arvada received \$14.9 million based on the full 3.46% sales tax rate, including the Police Department portion. This number represented 27% of all sales tax receipts for the entire City of Arvada in 2016.

## Community Enhancement Projects

In addition to removing blight through public-private partnerships using tax increment financing, the Arvada Urban Renewal Authority invests in preserving Arvada's historical legacy and creating engaging public spaces. To date, AURA has completed 12 community enhancement projects. These projects have resulted in over \$14 million of investments in the community in addition to land that was contributed to facilitate certain projects.



The Arvada Urban Renewal Authority (AURA) was established in 1981 by the Arvada City Council and is responsible for remediating or preventing the spread of slum or blight throughout the boundaries of the City of Arvada. The Arvada City Council has approved urban renewal plans that designate certain areas of the community as an Urban Renewal Area (URA). The definition of “blighted area” and blight conditions per Colorado Revised State Statutes can be found in Appendix A. To address blight conditions, AURA utilizes tools such as tax increment financing (TIF) to provide financial assistance for projects that remediate blight through the redevelopment process. It is worth noting that without or but for AURA’s financial support, the projects would not be financially feasible, and it is likely blight conditions would persist or worsen over time.

TIF investments are made possible by utilizing new taxes generated in the URA that are above and beyond the existing tax base. The difference between the total taxes collected and the existing base of taxes results in a net, new tax increment that would not exist but for AURA assisting the project. The tax increment may include taxes such as property, use, lodging, and sales taxes attributed to new development and made possible by AURA investments. Working with private sector developers, AURA’s projects and activities often facilitate the installation or upgrade of public improvements and infrastructure or other community enhancements. Prior examples of these types of investments include: (1) rehabilitating or removing buildings or structures that are blighted; (2) upgrading, replacing, and/or installing new streets, roads, sidewalks, and other publicly owned improvements; (3) improving storm water management; (4) enhancing existing and creating new public spaces; (5) planning for and attracting private sector investment in the form of new retail, commercial, or residential development; and (6) cleaning up environmental contamination. In addition to remediating blight, these activities and investments ultimately have added benefits by supporting the City of Arvada’s community development and economic development missions.

Development Research Partners, Inc. (DRP) was engaged by AURA as an independent, third-party economic consultant to provide analysis regarding the impacts of the AURA projects in URAs beyond the remediation of blight. DRP has compiled information on AURA’s project portfolio, developed economic indicators to gauge any benefits, and evaluated the performance of each URA relative to the indicators.

The research and analysis presented herein evaluates the community and economic benefits from new residents, households, and businesses that have located to URAs in Arvada, including:

## **1. Return on Public Investment**

- a. Private-sector development dollars leveraged for AURA investments
- b. The City of Arvada’s annual rate of return on AURA investments
- c. Annual City of Arvada tax and fee revenues collected with and without TIF

## **2. Economic Impacts**

- a. Economic impacts from construction activity
- b. Economic impacts from business operations
- c. Economic impacts from residents and visitors

## **3. Community Impacts**

- a. Lifestyle: goods, services, and experiences
- b. New housing diversity
- c. Community enhancement projects

As established in State Statute, urban renewal authorities use Tax Increment Financing (TIF) to finance urban renewal activities and undertakings. TIF frequently is used to address higher than typical construction and related development costs that discourage or impede private development activity in an URA. Examples of blight conditions encountered that challenge the financial feasibility of development projects include deteriorating structures, defective street layout, unsanitary and unsafe conditions, inadequate public improvements, defective title, life safety issues, and environmental contamination from legacy uses of real property. The excess costs to address blight conditions result in a project that is financially impaired compared to competing sites (frequently greenfields) in other communities. In other words, these extraordinary costs are above and beyond what any developer, investor, or lender would undertake on their own. By providing assistance, AURA encourages and enables effective economic redevelopment of underperforming property that might otherwise not be realized as planned.

The funds generated by the development itself and reinvested into a project as provided by urban renewal law help defray the costs associated with remediating blight and constitute the public contribution to public-private partnerships with private developers. This cooperation enables AURA to mitigate blight conditions, allows projects within an URA to compete with other locations that are not blighted and that do not carry the additional costs and market risks, and to present shovel-ready sites for pioneering private development.

By State Statute, the ability to utilize TIF within a designated urban renewal area has a 25-year duration from the start or approval of the URA by City Council. The City of Arvada has approved six (6) different urban renewal plans with associated Urban Renewal Areas to date. The TIF period for each area has a 25-year duration dating from the date of approval of the respective plan.

## ARVADA'S URBAN RENEWAL AREAS

In Colorado, Urban Renewal Area boundaries are based on a rigorous state-statute protocol involving a third-party examination of existing conditions, frequently referred to as a "blight study." This is a public approval process that requires notice to property owners within the area, and a public hearing on the findings precedes the formal acceptance of the findings by the City Council. Upon a finding of blight or slum as required by the statute, the City Council may then adopt an urban renewal plan for the affected area. The underlying basis for declaring an area as blighted, and establishing an urban renewal area, are factors that substantially impair or arrest the sound growth of the municipality, an obstacle to the provision of housing accommodations, or the existence of conditions that constitute an economic or social liability. The City Council determines that the urban renewal plan is necessary to preserve the public health, safety, morals, or welfare of the City. Arvada's Urban Renewal Areas are:

Development Area	Start Year	End Year
City Center	1981	2006
Olde Town	2010	2035
Ralston Fields	2003	2028
Village Commons	2009	2034
Jefferson Center	2003	2028
Northwest Arvada	2010	2035

Northwest Arvada and Jefferson Center are uniquely established urban renewal areas where the City of Arvada oversees and manages the development. Because AURA is not involved in the oversight of these areas, the economic impact of Northwest Arvada and Jefferson Center will not be measured in this study.



## PUBLIC INVESTMENT STRATEGIES

The State of Colorado provides urban renewal authorities with two unique and significant tools. The first is the ability to assemble land and to offer the market a contiguous piece of property for redevelopment. Second, urban renewal authorities are able to utilize Tax Increment Financing (TIF) to help finance public improvements, environmental clean-up, or provide public improvements necessary for development to occur.

AURA uses several different public investment tools to leverage private investment in Arvada's Urban Renewal Areas. In each instance, the eligible use of funds is any public purpose related to the prevention and elimination of slum or blighted conditions.

AURA Investment	Description
Property TIF	Tax Increment Financing. All property taxes attributable to new development are used to reimburse public improvement development costs incurred and funded by the developer.
Sales Tax TIF	Tax Increment Financing. City sales taxes attributable to new development are used to reimburse public improvement development costs incurred and funded by the developer.
Sales Tax PIF	Public Improvement Fee. The developer collects a fee based on a percentage of retail sales revenue generated on-site at the new development and uses funds to pay back public improvement development costs advanced by the developer
Lodging Tax TIF	Tax Increment Financing. City lodging taxes attributable to new hotel development are used to reimburse public improvement development costs incurred and funded by the developer.
Land Sale/Contribution	Assembled property or parcels that facilitate or complete an assemblage are provided for development in a manner that bridges a feasibility gap inherent in urban renewal area sites.
Credit leveraging	Pledging tax increments to repay bonds and loans needed to remediate blight and help fund public improvements.

## SPECIFIC PROJECT INVESTMENTS

This section of the report evaluates AURA's participation and contribution to public-private partnerships with private-sector developers. In this role, AURA has invested in the remediation of blight that facilitated public improvements, which service each project site. In this section, specific projects are aggregated by Urban Renewal Area for analysis. Individual URA portfolios include the following specific projects:

Urban Renewal Area	Projects	Status
Olde Town	<ul style="list-style-type: none"> <li>• Park Place Olde Town</li> <li>• Solana Olde Town Station</li> </ul>	Active
Ralston Fields	<ul style="list-style-type: none"> <li>• Arvada Ridge Market Place</li> <li>• Arvada Station</li> <li>• Gateway at Arvada Station</li> <li>• Arvada Plaza</li> <li>• Shops at Ralston Creek</li> </ul>	Active
Village Commons	<ul style="list-style-type: none"> <li>• Hilton Garden Inn</li> </ul>	Active
City Center	<ul style="list-style-type: none"> <li>• Retail/commercial power centers at Wadsworth Blvd. and I-70</li> <li>• Water Tower Village</li> <li>• Revitalization of Olde Town Arvada</li> </ul>	Expired 2006



## SPECIFIC PROJECT INVESTMENTS

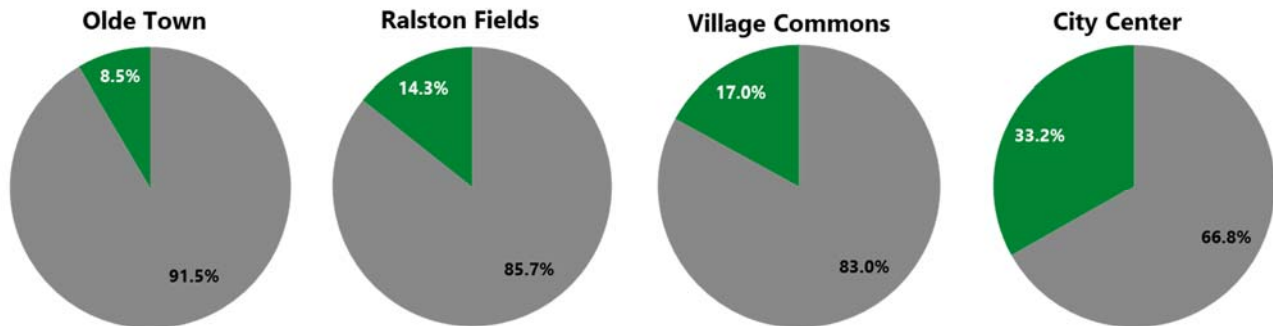
Aggregating projects by Urban Renewal Area enables evaluation of AURA's investments as a portfolio. The following table shows AURA's investment portfolio by Urban Renewal Area and illustrates projects, AURA investment, and private-sector developer investment:

ANTICIPATED PROJECT INVESTMENTS IN URBAN RENEWAL AREA				
Urban Renewal Area	Olde Town	Ralston Fields	Village Commons	City Center (1995\$)
Status	In Construction	In Construction	Complete	Complete
Projects	Park Place Olde Town Solana Olde Town Station	Arvada Ridge Market Place Arvada Station Gateway at Arvada Ridge Arvada Plaza Shops at Ralston Creek	Hilton Garden Inn	Multiple
Outcomes Anticipated				
Housing Units	505	680		600
Commercial Sq. Ft.		416,142		1,724,183
Lodging SF (#units)			85,513 (139)	
<b>TOTAL PROJECT COST</b>	\$112,400,000	\$227,150,000	\$22,500,000	\$239,845,000
<b>Private Developer Investment</b>	\$102,866,000	\$194,618,000	\$18,672,000	\$160,300,000
<b>AURA Investment</b>	\$9,534,000	\$32,532,000	\$3,828,000	\$79,545,000
% AURA	8.5%	14.3%	17.0%	33.2%
% Developer	91.5%	85.7%	83.0%	66.8%

### TOTAL SHARE OF INVESTMENT

AURA

Developer



## SPECIFIC PROJECT INVESTMENTS

Across the Olde Town, Ralston Fields, and Village Commons URAs, those that are currently active, AURA's total investment in each URA ranges from 8.5% to 17.0% of total project costs. Recently completed projects and those currently underway in these URAs will add 1,185 new residential units to enhance Arvada's housing options. Also, 416,142 square feet of business and employment space and 139 hotel rooms will be added in the City. In these more recent and active URAs, AURA's efforts to remediate blight conditions have focused on reviewing project development proposals to evaluate specific reuses and public improvement investments.

In the City Center URA, which has expired, AURA's investment covered 33.2% of costs. Direct comparisons to City Center are difficult to make, however, because the nature of the area and the real estate investment climate was much different in 1986 when the URA first formed. City Center was a large area broadly blighted, requiring property assemblage, and lacked basic public improvements and infrastructure to make "pioneer" high-risk development even marginally feasible. The approach taken to mitigate blight and to attract the development types prevalent at that time entailed mitigating blight, providing primary access to building sites within the area, and addressing environmental contamination and flooding issues.

The table below illustrates specific public leveraging tools used in each URA as AURA's total contribution over the multi-year project life for each URA:

Urban Renewal Area	AURA LEVERAGING TOOLS USED			
	Olde Town	Ralston Fields	Village Commons	City Center (1995\$) <sup>C</sup>
<b>AURA Total Investment</b>				
Property TIF \$	\$8,837,000			
Sales Tax TIF \$		\$8,200,000		\$7,930,000
Lodging Tax TIF			\$800,000	
Land Contribution	\$697,000	\$2,490,000	\$2,843,000	
Other		\$21,842,000 <sup>A</sup>	\$185,000 <sup>B</sup>	71,615,000 <sup>D</sup>
<b>Total AURA Investment</b>	<b>\$9,534,000</b>	<b>\$32,532,000</b>	<b>\$3,828,000</b>	<b>\$79,545,000</b>
<b>Private Developer Investment</b>	<b>\$102,866,000</b>	<b>\$194,618,000</b>	<b>\$18,672,000</b>	<b>\$160,300,000</b>

A. Credit leveraging by repaying \$21,841,652 bond principal plus interest for public improvements installation

B. Facade grant

C. Development Costs for City Center vertical construction in 1995 dollars estimated by Development Research Partners, Inc.; AURA investment in public improvements made early 1990s.

D. AURA issued bonds to complete environmental remediation, demolition, build new roads, utilities, sidewalks, plazas, and historical renovation, among other improvements. Sales and property TIF generated from area was used to pay off the bonds.

Source: Arvada Urban Renewal Authority, Development Research Partners, Inc.

# RETURN ON PUBLIC INVESTMENT

Urban renewal agencies have a fiduciary responsibility to manage revenues as responsible stewards of public funds expended in the community's best interests. In addition to remediating blight, urban renewal projects often have additional benefits beyond addressing blight conditions. The following indicators were used to measure the financial impacts from public investments for each Urban Renewal Area.

## AURA Investment Dollars Leveraged

- Private-sector development dollars leveraged for AURA investments
- City of Arvada annual rate of return on AURA project investments

## Net Revenue Collections

- Annual City of Arvada revenue collections for AURA URA projects with, and without, the TIF component

## AURA INVESTMENT DOLLARS LEVERAGED

### *Private-Sector Development Dollars Leveraged for AURA Investments*

A financial indicator for leveraging is the amount of private-development dollars invested for every dollar of AURA investment. The following table summarizes the estimated private dollars leveraged with each dollar of AURA investment:

**ESTIMATED PRIVATE DEVELOPMENT DOLLARS LEVERAGED BY AURA**

Urban Renewal Area	Olde Town	Ralston Fields	Village Commons	City Center (1995\$)
TOTAL PROJECT COST	\$112,400,000	\$227,150,000	\$22,500,000	\$239,845,000
Private Developer Investment	\$102,866,000	\$194,618,000	\$18,672,000	\$160,300,000
AURA Investment	\$9,534,000	\$32,532,000	\$3,828,000	\$79,545,000
<b>Private \$ Invested per \$1 AURA Investment</b>	<b>\$10.79</b>	<b>\$5.98</b>	<b>\$4.88</b>	<b>\$2.02</b>

### *City of Arvada Annual Rate of Return on AURA Project Investments*

The annual rate of return (annual proceeds ÷ investment) to the City of Arvada, for AURA's participation in each URA, is calculated herein. However, opining on whether this rate of return is an adequate rate of return requires benchmarking to rates of return being achieved on comparable, yet independent, investments. Several analogous investments are used as benchmarks to evaluate rates of return for all the URAs:

- A zero rate of return (rather than less than zero) may be appropriate from the standpoint that the City is a not-for-profit enterprise and a return higher than zero could be considered surplus revenue, more than adequate for the provision of public benefits.
- The City's own current rate of return on its financially managed and market invested assets, such as reserve accounts, represents a very conservative financial stewardship. The City's investment strategy is guided by safety, liquidity, and return, in that order.
- U.S. Treasury Bond rates. Urban Renewal Areas have a 25-year investment life and can be benchmarked to 20- and 30-year U.S. Treasury Bonds.
- Stocks are more liquid and volatile over time and offer a different risk/return profile than do urban renewal investments. However, stock indexes can provide benchmark for evaluating risk/return at a point in time. Due

# RETURN ON PUBLIC INVESTMENT

to the risk nature of both the stock market and underlying real estate, a stock-based benchmark will likely represent the highest desirable rate of risk and return for urban renewal investments.

A zero rate of return may be appropriate when public investment is made purely for public-use projects. Because public investment by municipalities may be part of a larger strategic public benefit goal, return on public investments may even be less than 0%. The investments being made by AURA are a financial commitment to a public-private partnership entailing the development of physical for-profit assets and, in most instances, the City should be yielding rates of return greater than zero. A 0% rate of return is considered as a “bottom benchmark” for rate of return on URA investments.

The City’s recent historical rates of return on their managed investments is depicted below. For four of the past five years the rate has been below 1.0%, and increasing to just over 1% in 2016. Matching the City’s investment strategy, a rate of return greater than 1% is considered to be an appropriate benchmark on URA investments.

**City of Arvada Annual Rate of Return**

Year	Rate
2012	0.72%
2013	0.53%
2014	0.65%
2015	0.78%
2016	1.01%

*Source: City of Arvada Finance Department*

AURA’s investment in URAs represents a 25-year investment, similar to a 20- or 30-year bond. The table below illustrates U.S. Treasury Bond rate trends. Generally, the trends indicate that a rate of return from about 2.5% to 3.8% would be comparable to a long-term bond investment. A rate of return on URA investments from 2.5% to 3.0% is considered to be comparable for U.S. Treasury Bonds.

**U.S. Treasury Bond Rates: Recent History**

20-Year Treasury Rate		30-Year Treasury Rate	
October 2017	2.64%	October 2017	2.88%
Jan 1, 2017	2.75%	Jan 1, 2017	3.02%
Jan 1, 2016	2.49%	Jan 1, 2016	2.86%
Jan 1, 2015	2.20%	Jan 1, 2015	2.46%
Jan 1, 2014	3.52%	Jan 1, 2014	3.77%
Jan 1, 2013	2.68%	Jan 1, 2013	3.08%

*Source: Moody’s*

AURA’s long-term intent is to invest in pioneer projects that will be catalysts for economic change in blighted areas; attracting additional private investment throughout the URA. By definition, returns on AURA investments will initially be low and increase over time as additional private investment occurs. The Morningstar 5-year return index for U.S. Real Estate Sector stocks was used to benchmark returns to riskier investments. As of October 2017, the Real Estate Sector index return was 9.5%. A rate of return on AURA investments of 9.5% is considered a reasonable indicator for the highest risk/return balance.

Overall, a range of 1% to 9.5% rate of return on investment is used to benchmark AURA’s project participation. To put AURA projects in perspective, the following table summarizes annual City revenues (net of TIF) and rates of return for the City of Arvada based on the total sales and property tax foregone during the URA period:



# RETURN ON PUBLIC INVESTMENT

## ESTIMATED ANNUAL TAX REVENUES & RATES OF RETURN FOR ARVADA 2017

CITY TAX REVENUES NET OF TIF TO AURA

Active Urban Renewal Area	Olde Town	Ralston Fields	Village Commons	Total AURA Active Projects
Annual City Revenue from Urban Renewal Area – Net of TIF	\$1,134,000	\$2,416,000	\$70,000	<b>\$3,620,000</b>
AURA Investment in Urban Renewal Area	\$9,534,000	\$32,532,000	\$3,828,000	<b>\$45,894,000</b>
Annual Rate of Return	11.9%	7.4%	1.8%	<b>7.9%</b>
Financial Performance Benchmark	<b>1.0% to 9.5%</b>			

## NET REVENUE COLLECTIONS

### *Annual City Revenue with TIF and Without TIF*

Indicators reported in this section are based on economic analysis wherein the Arvada City budget and tax structure are itemized in detail and, along with resident, employee, and business consumption patterns, are financially modeled. The impact indicators reported herein are estimated in 2017 dollars specifically for development projects using AURA participation.

The underlying economic principle for this analysis is that community wealth and City revenues are enhanced when new economic activity imports new dollars to the community. Subsequently, these new dollars circulate within the community as new businesses, employees, and individual households make purchases from other local

businesses and vendors and contribute to the City's tax and fee revenues. Not all local expenditures will occur in the City of Arvada, and assumptions regarding the new dollar amount "captured" and recycled within the City of Arvada are carefully developed and integrated.

New businesses and residents incur a variety of taxes and fees in addition to property and sales taxes. The analysis evaluates taxes and fees collected from all sources. In this way, comprehensive economic impacts, both direct and multiplier impacts, can be measured. Specific City of Arvada taxes and fees evaluated are:



# RETURN ON PUBLIC INVESTMENT

## City of Arvada Taxes and Fees

Property Tax	Assessed against all real and business personal property within the City of Arvada at a rate set by the City of Arvada.
Sales Tax	All sales and services taxable in the City of Arvada; portioned between the City General Fund and the Police Department Fund.
Use Tax (Business Spending)	Paid by businesses for using, storing, distributing, or otherwise consuming tangible personal property or taxable services; portioned between the City General Fund and the Police Department Fund.
Lodging Tax	Imposed on price paid for lodging within the City for stays of less than 30 consecutive days.
Auto Use Tax	All motor vehicles registered within the boundaries of the City of Arvada immediately subsequent to their sale.
Specific Ownership Tax	Single-occurrence tax based on the year of manufacture for a motor vehicle and the original taxable value.
Utility Franchise Fees	In partial consideration for the use of City of Arvada streets, rights-of-way, and other infrastructure and City services for the provision of: power and natural gas, telephone, cable television services; and cable television fees to support public television.
Other Tax Revenue	Admissions, cigarettes, severance tax, federal mineral leases.
Fees for Service & Other	Building permit fees, development plan inspection fees, building plan review fees, zoning & subdivision fees, court fines & fees, court costs, professional & occupational licenses, miscellaneous motor vehicle licenses, passport fees, investment interest, delinquent sales and use tax payments plus interest, audit revenue, 50/50 concrete replacement, and widely varying miscellaneous recovered costs.

There are also Jefferson County Open Space and Jefferson County Road & Bridge Fund taxes and fees collected by the City on behalf of these jurisdictions, which are exempt from TIF. In turn, these entities return revenues back to the City per established rules as follows:

## Intergovernmental Transfers to the City of Arvada

Jefferson County Open Space	Fee set by counties for open space projects. Arvada's share of Jefferson County's Open Space revenue is 50% of what was collected in the City.
Jefferson County Road & Bridge	Mill levy set by counties for road and bridge construction, maintenance, and administration; half of collections from within the City of Arvada payable back to the City.

In the following section, new City revenues derived from property development, new businesses and employees, residents, visitors, and County Open Space and Road & Bridge revenues in each URA are estimated. As modeled and reported, the revenues are limited to only those arising from new URA projects that would exist but for AURA project funding, and includes indirect economic impacts from the activity of new businesses, employees, and households. Since employees pay residential property taxes for those homes occupied in Arvada, but it is not



# RETURN ON PUBLIC INVESTMENT

discernable whether they live in any of the URAs evaluated, their property taxes are conservatively assumed to all be captured as part of TIF. It should be noted that visitor impacts are presumed to be zero for all URAs except for the Village Commons hotel.

The following series of tables summarize public revenues generated solely by AURA projects in the Olde Town, Ralston Fields, and Village Commons Urban Renewal Areas. Because City Center expired more than 10 years ago, it affords the opportunity to examine long-term impacts after expiration as addressed in a later section of this chapter.

## **Tax Increment Financing**

Tax Increment Financing (TIF) is a public investment tool where sales and property taxes are leveraged to help finance projects that may include remediation of blight, installation of infrastructure, environmental cleanup, or provide the public improvements necessary for development to occur. When an Urban Renewal Area is being planned, AURA analyzes how much new, additional property and/or sales taxes could be generated once it is developed. That “tax increment” then can be used either to finance the issuance of bonds or to reimburse developers for a portion of their project financing. In either case, the new tax revenue that is created must be used for urban renewal purposes, and in particular, to eliminate blight and slum conditions.

The tables on the following pages illustrate anticipated annual City revenues from all sources for each active URA. Each table indicates City taxes and fees generated by economic activity and the amount redirected from the City to TIF supporting new development, compares City revenue with and without the TIF, and illustrates the annual revenues expected once each URA expires.



# RETURN ON PUBLIC INVESTMENT

## OLDE TOWN

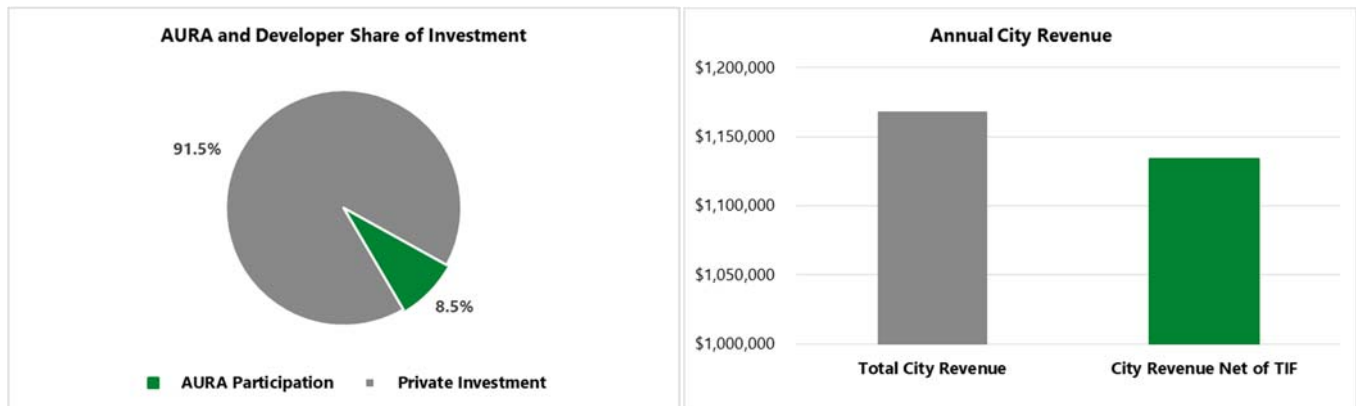
### ANNUAL CITY REVENUE FROM AURA PROJECTS (2017\$)

Impact from AURA Projects: Park Place Olde Town, Solana Olde Town Station

	City would receive without URA	Less: City Revenue Received by AURA During URA			City receives during URA
Annual City Revenue by Source	City Revenue without TIF	Property TIF (AURA receives City's 4.31 mills)	Sales TIF (AURA receives 3.0% of City's sales tax)	Lodging TIF	City Revenue with TIF
Property Tax	\$34,000	\$34,000			\$0
<i>Sales Tax</i>					
Police	\$25,000				\$25,000
City	\$165,000				\$165,000
<i>Use Tax (Business Spending)</i>					
Police	\$0				\$0
City	\$0				\$0
Lodging Tax	\$0				\$0
Auto Use Tax	\$68,000				\$68,000
Specific Ownership Tax	\$3,000				\$3,000
Utility Franchise Fees	\$40,000				\$40,000
Other Tax Revenue	\$30,000				\$30,000
Fees for Service & Other	\$778,000				\$778,000
<i>Jefferson County Open Space</i>	\$14,000				\$14,000
<i>County Road &amp; Bridge</i>	\$11,000				\$11,000
<b>Total City Revenue from AURA Projects</b>	<b>\$1,168,000</b>	<b>\$34,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,134,000</b>
<b>% City Revenues</b>	<b>100%</b>	<b>3%</b>	<b>0%</b>	<b>0%</b>	<b>97%</b>

Source: Development Research Partners, Inc.; City of Arvada 2017/2018 Biennial Budget; City of Arvada Revenue Manual.

The City revenues identified are only from TIF supported development projects and would not exist but for the support of AURA and the use of TIF funding. The second column labeled "City Revenue without TIF" also represents tax revenue "bounce back," the estimated tax revenues upon URA expiration in 2017 dollars.



# RETURN ON PUBLIC INVESTMENT

## RALSTON FIELDS

ANNUAL CITY REVENUE FROM AURA PROJECTS (2017\$)

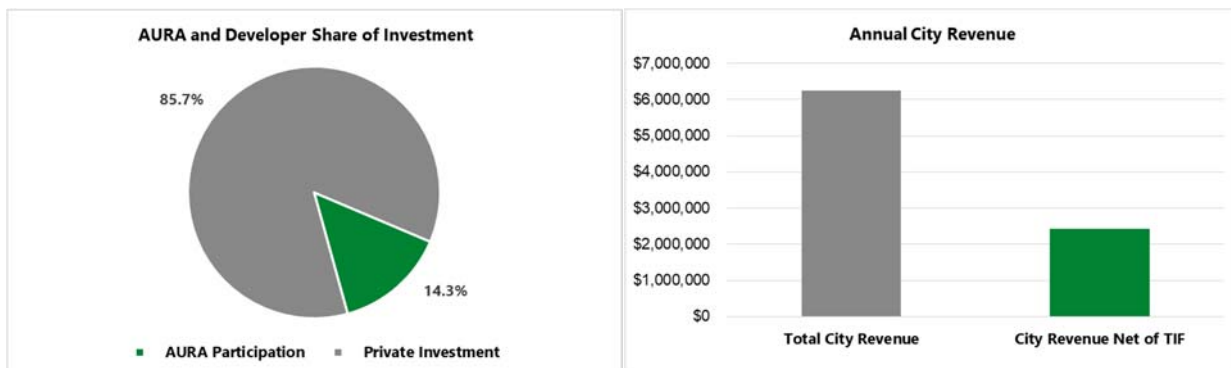
Impact from AURA Projects: Arvada Ridge Market Place, Arvada Station, Gateway at Arvada Ridge, Arvada Plaza, Shops at Ralston Creek

	City would receive without URA	Less: City Revenue Received by AURA During URA			City receives during URA
Annual City Revenue by Source	City Revenue without TIF	Property TIF (AURA receives City's 4.31 mills)	Sales TIF (AURA received 3.0% of City's sales tax)	Lodging TIF	City Revenue with TIF
Property Tax	\$114,000	\$114,000			\$0
<i>Sales Tax (or PIF in lieu)</i>					
Police	\$511,000		\$384,000		\$127,000
City	\$3,332,000		\$3,332,000		\$0
<i>Use Tax (Business Spending)</i>					
Police	\$17,000				\$17,000
City	\$112,000				\$112,000
Lodging Tax	\$0				\$0
Auto Use Tax	\$123,000				\$123,000
Specific Ownership Tax	\$6,000				\$6,000
Utility Franchise Fees	\$104,000				\$104,000
Other Tax Revenue	\$54,000				\$54,000
Fees for Service & Other	\$1,561,000				\$1,561,000
<i>Jefferson County Open Space</i>	\$276,000				\$276,000
<i>County Road &amp; Bridge</i>	\$36,000				\$36,000
<b>Total City Revenue from AURA Projects</b>	<b>\$6,246,000</b>	<b>\$114,000</b>	<b>\$3,716,000</b>	<b>\$0</b>	<b>\$2,416,000</b>
<b>% City Revenues</b>	<b>100%</b>	<b>2%</b>	<b>59%</b>	<b>0%</b>	<b>39%</b>

\* Of total 0.46% Police Tax Increment sales tax, the Police Department collects 0.25% and AURA TIF collects 0.21%.

Source: Development Research Partners, Inc.; City of Arvada 2017/2018 Biennial Budget; City of Arvada Revenue Manual.

The City revenues identified are only from TIF supported development projects and would not exist but for the support of AURA and the use of TIF funding. The second column labeled "City Revenue without TIF" also represents tax revenue "bounce back," the estimated tax revenues upon URA expiration in 2017 dollars.



# RETURN ON PUBLIC INVESTMENT

## VILLAGE COMMONS

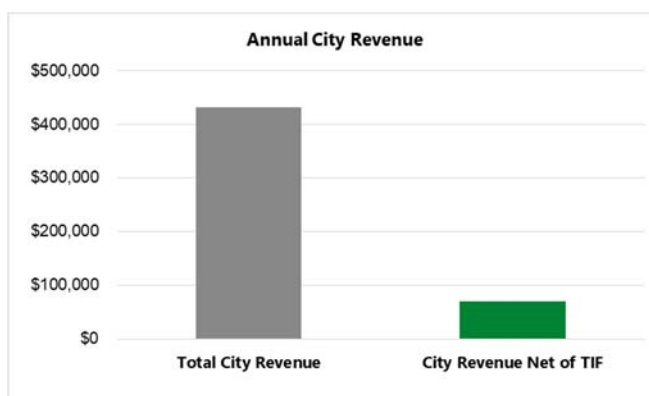
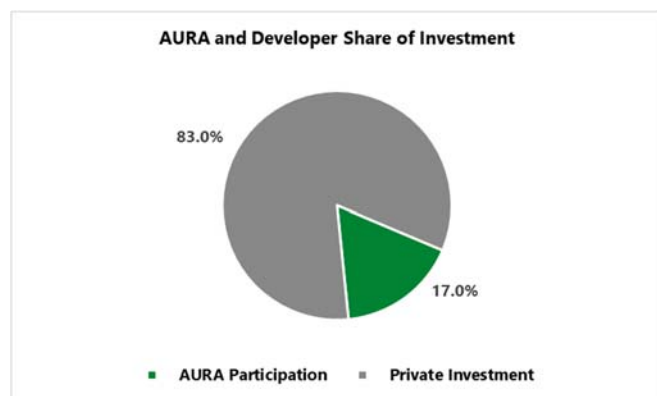
ANNUAL CITY REVENUE FROM AURA PROJECTS (2017\$)

Impact from AURA Project: Hilton Garden Inn

	City would receive without URA	Less: City Revenue Received by AURA During URA			City receives during URA
Annual City Revenue by Source	City Revenue without TIF	Property TIF (AURA receives City's 4.31 mills)	Sales TIF (AURA received 3.0% of City's sales tax)	Lodging TIF	City Revenue with TIF
Property Tax	\$19,000	\$19,000			\$0
<i>Sales Tax</i>					
Police	\$35,000				\$35,000
City	\$230,000		\$230,000		\$0
<i>Use Tax (Business Spending)</i>					
Police	\$1,000				\$1,000
Other	\$8,000				\$8,000
Lodging Tax	\$113,000			\$113,000	\$0
Auto Use Tax	\$0				\$0
Specific Ownership Tax	\$0				\$0
Utility Franchise Fees	\$2,000				\$2,000
Other Tax Revenue	\$0				\$0
Fees for Service & Other	\$17,000				\$17,000
<i>Jefferson County Open Space</i>	\$1,000				\$1,000
<i>County Road &amp; Bridge</i>	\$6,000				\$6,000
<b>Total City Revenue from AURA Projects</b>	<b>\$432,000</b>	<b>\$19,000</b>	<b>\$230,000</b>	<b>\$113,000</b>	<b>\$70,000</b>
<b>% City Revenues</b>	<b>100%</b>	<b>4%</b>	<b>53%</b>	<b>26%</b>	<b>16%</b>

Source: Development Research Partners, Inc.; City of Arvada 2017/2018 Biennial Budget; City of Arvada Revenue Manual.

The City revenues identified are only from TIF supported development projects and would not exist but for the support of AURA and the use of TIF funding. The second column labeled "City Revenue without TIF" also represents tax revenue "bounce back," the estimated tax revenues upon URA expiration in 2017 dollars.



# RETURN ON PUBLIC INVESTMENT

## CITY CENTER

### IMPACTS POST SUNSET

Impact from AURA Projects: Multiple Projects

The City Center Urban Renewal Area was initiated in 1981, and the TIF authorization expired, or sunset, in 2006. This first project by AURA was intended to address an area suffering from blighting conditions including deteriorating buildings, minimal streets, crumbling sidewalks, lower economic performance, and high crime rates at the City of Arvada's front door. AURA public improvements were an area-wide approach to create business-ready locations within the URA boundary. This was accomplished by mitigating and removing blight, curing flood zone conditions, and installing primary access public improvements and utilities. These public improvements were funded initially through a loan from the City of Arvada, and then through a bond issuance that was repaid through TIF generated as private developers became active.

The City loaned AURA \$10,369,879 in the early 1980s to fund initial project costs until TIF revenue started to be produced. AURA repaid the loan along with an additional \$11,719,951 in interest to the City of Arvada. In addition to paying AURA's own bond financing, surplus TIF collections paid the salaries of non-AURA City employees for seven years (2001-2008) for a total amount of \$1,141,828. These City employees, consisting of a police officer, a planner, and an engineer, worked on City Center as well as other general City projects. These employment positions eventually became permanent for the City.

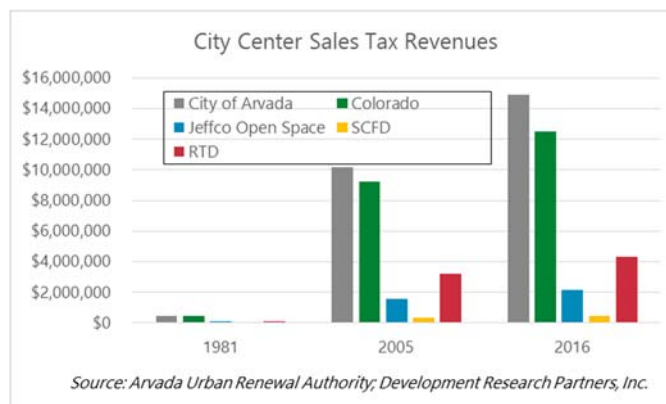
Private developers built a retail power-center that included retail, office, industrial, and commercial uses and provided goods and services to the community while also offering new employment opportunities. Today, in 2017, the City Center is home to over 300 different businesses that employ over 4,700 people who earn estimated wages totaling over \$173 million.

In 2016, the City Center generated \$34,289,329 in total sales tax. Of that amount, the City of Arvada received \$14,904,658 based on the full 3.46% sales tax rate, including the Police Department portion. This number represented 27% of all sales tax receipts for the entire City of Arvada in 2016. It is important to note that other sales tax entities also received full sales tax revenues in 2016 (as they did during the TIF period due to exemptions) from the City Center URA:

State of Colorado	\$12,492,000
Jefferson County Open Space	\$2,154,000
Scientific & Cultural Facilities District	\$431,000
Regional Transportation District	\$4,308,000

Overall, during the 25 years of TIF allocation, the City Center URA financially performed very well, despite the business cycles and severe state recession during that period. In 1981, the combined sales tax and property tax base started at approximately \$2.1 million. During 2005, in addition to the base, the area generated over \$14.7 million in new tax increments. Upon sunset in 2006, those tax increments became part of the City of Arvada's permanent tax revenue base.

The public improvement investments made by AURA in City Center created employment centers and City revenues that would have otherwise not existed, during the URA period and post-sunset. Tax increments enabled AURA to fund City Center public improvements that were paid off through private-developer activity and created long lasting economic benefits to the City and its residents.





Economic impact analysis is used to assess the measurable direct and indirect benefits from businesses and residents located in AURA's projects. Business operations and household spending in each Urban Renewal Area circulates dollars back into the community; each dollar provides economic benefits every time it turns over.

The economic impacts illustrated in the below table are only for those specific projects directly supported by AURA investment in remediating blight through public improvements, except City Center, which captures all private investment enabled by AURA's early 1980s investment in area-wide public improvements. The economic impact estimates reported represent only those impacts fully captured by the City of Arvada. For example, a business may purchase materials from various vendors across the country, but only those purchases from Arvada vendors are counted as impacts in the City.

## *Economic Impacts from Construction Activity*

AURA and private developer investments in public improvements, site development, and construction activities provide a one-time economic benefit during the construction period. Construction impacts entail expenditures on labor, building materials, and soft costs such as engineers, architects, and other consultants. Key indicators: local construction workers; local construction spending.

## *Economic Impacts from Business Operations*

**Business Operations (Direct Impact):** On-going business operations in each Urban Renewal Area circulate dollars as one business purchases raw materials, goods, and services from other business vendors. This category also estimates the number of local Arvada residents that are employed by URA business establishments. Key indicators: employment; annual local business-to-business spending

**Employee Spending (Indirect Impact):** Urban Renewal Area business employees receive wages and in turn make purchases for housing, necessities, and entertainment/leisure goods and services. Key indicators: annual employee local purchases; housing values supported.



## *Economic Impacts from Residents and Visitors*

**Resident Spending (Indirect Impact):** Households in Urban Renewal Area residential projects also make local household purchases for housing, necessities, and entertainment/leisure goods and services. Key indicators: number of households; average household income; total household spending; household taxable retail spending.

**Visitor Spending (Indirect Impact):** Urban Renewal Area businesses and public event spaces attract visitors into the community. These visitors spend dollars on lodging, restaurants, entertainment, and other retail. Key indicators: number of visitors; visitor local spending.

# ECONOMIC IMPACTS

In summary, the following table illustrates relevant estimated economic benefits across all of the active URAs including Olde Town, Ralston Fields, and Village Commons:

## Total Estimated Annual Economic Impacts from Active Urban Renewal Areas

2017	
<b>Residential (annual dollars):</b>	
New Households	1,185
Average Household Income	\$59,241
Total Household Income	\$70,200,000
Average Household Taxable Spending in Arvada	\$10,211
Total Household Taxable Spending in Arvada	\$12,100,000
<b>Commercial (annual dollars):</b>	
Net, New Jobs	1,243
Average Wages	\$26,422
Total Wages	\$32,842,000
Spending by Businesses	\$6,950,000
Sales Tax Increment	\$3,946,000
Property Tax Increment	\$167,000
Lodging Tax Increment	\$113,000
New City Revenues and Fees (net of sales, property, & lodging tax)	\$3,620,000



# ECONOMIC IMPACTS

The economic impact modeling utilized in this study recognizes that not all Arvada business and household purchases will occur solely within the City of Arvada nor will businesses only employ Arvada residents. Economic assumptions regarding the proportion of spending and employment impacts occurring only the City of Arvada have been developed. The following table summarizes impacts estimated to occur only in Arvada.

## ESTIMATED ANNUAL LOCAL ECONOMIC IMPACTS FOR 2017

### AURA INVESTMENT PROJECTS ONLY

Urban Renewal Area	Olde Town	Ralston Fields	Village Commons <sup>A</sup>	City Center	TOTAL
<b>Outcome</b>					
Commercial SF	0	416,142	85,513	1,724,183	2,225,838
Residential Units	505	680	0	600	1,785
<b>Construction One-Time Impacts</b>					
Construction Labor from Arvada	19	39	4	B	62
Construction Expenditures in Arvada	\$2.9M	\$5.9M	\$588,000	B	\$9,388,000
<b>Business Operations</b>					
Employees from Arvada	0	229	6	890	1,125
Total Business-to-Business Spending	\$0	\$6.6M	\$350,000	\$31.5M	\$38.5M
Arvada Business-to-Business Spending	\$0	\$118,000	\$10,000	\$625,000	\$753,000
<b>Arvada-Based Employees' Spending</b>					
Value of Arvada Housing Supported	\$0	\$26.5M	\$747,210	\$145.9M	\$173.1M
Non-Housing Taxable Local Spending	\$0	\$988,000	\$28,000	\$5.4M	\$6.4M
<b>URA Resident Spending</b>					
Aggregate household income	\$32.0M	\$38.2M	\$0	\$34.3M	\$104.5M
Household taxable spending	\$5.5M	\$6.6M	\$0	\$5.4M	\$17.5M
<b>Visitor Spending</b>					
Number of visitors	C	C	63,800	C	63,800
Visitor local spending	C	C	\$1.9M	C	\$1.9M

A. Based on industry averages, research and reported estimates by Development Research Partners, Inc.

B. Historical information unavailable to inform an estimate and not reported.

C. Arvada residents visiting other communities are assumed to fully offset visitors to Arvada from other communities, with no measurable benefits or losses.

Source: U.S. Census Bureau, U.S. Bureau of Labor Statistics; CoStar; RS Means; PKF Hospitality; CBRE; City of Arvada, CO; Arvada Urban Renewal Authority; Jefferson County Assessor's Office; Development Research Partners, Inc.



AURA's stated goal is to mitigate blight with potential additional benefits that may improve the community for neighborhoods, residents, and businesses while fulfilling long-term goals for the City of Arvada. AURA's investments and projects also impact household lifestyle and resident satisfaction. The following items are used to measure the impact of AURA activities on the community:

- Lifestyle: goods, services, and experiences
- New housing diversity
- Community enhancement projects funded by surplus TIF and bond revenues

## LIFESTYLE: GOODS, SERVICES, AND EXPERIENCES

Pioneering real estate developers are those willing to take risks in urban renewal areas to create new buildings and spaces to support new businesses. In turn, business pioneers are those with the business management skills to open new businesses and fill consumer goods and services demand, and those with creative ideas and innovative skills to develop new products and services. Both types of pioneers are vital to the prosperity and economic resiliency of a community by adding new jobs, new products and services, and experiences like restaurants and entertainment venues. Having more local businesses also enhances the growth and retention of community wealth.

While the entrepreneurial activity described above is a result of private-sector activity, success is a risky and expensive endeavor. These entrepreneurs are willing to take on locational risks and business risks and costs, but require locations well served by public improvements that enable them to succeed. AURA's role in this process is to remediate blight and catalyze investment in public improvements that support locations as business-ready. The following summarizes research regarding business creation in AURA's currently active Urban Renewal Areas since each URA's inception. AURA's investments have yielded a positive increase in businesses and employment within each of the Urban Renewal Areas.



## NEW BUSINESS ACTIVITY Active Urban Renewal Areas

Urban Renewal Area/ Indicator	Start Year	Current Year	Change	% Change
<b>Olde Town</b>	<b>2010</b>	<b>2017</b>	--	--
Number of Businesses	50	57	7	14.0%
Number of Employees <sup>A</sup>	522	676	154	29.5%
<b>Ralston Fields</b>	<b>2003</b>	<b>2017</b>	--	--
Number of Businesses	92	103	11	12.0%
Number of Employees <sup>A</sup>	1,182	1,511	329	27.8%
<b>Village Commons</b>	<b>2009</b>	<b>2017</b>	--	--
Number of Businesses	0	1	1	100%
Number of Employees <sup>A</sup>	0	30 <sup>B</sup>	30	100%
<b>City Center</b>	<b>1981</b>	<b>2006</b>	--	--
Number of Businesses	not available	291	--	--
Number of Employees <sup>A</sup>	not available	3,841	--	--

A = Full Time Equivalent (FTE) employees equals 40 hours per week by a single full-time worker or the aggregate of two or more part-time workers.

B = Estimated by Development Research Partners, Inc. based on industry averages.

Source: CO Division of Labor, Quarterly Census of Employment and Wages; Development Research Partners, Inc.

Combined, entrepreneurial activity, increased household demand from new housing units, and increased aggregate household spending power can attract a greater diversity of household goods and services. While some businesses can be displaced, dislocations are difficult to track and often result in businesses relocating to different Arvada locations or possibly business closures. Due to a lack of dislocation data, the list below reports only on those business types that were located in Arvada's URAs as of 2017:

### Goods and Services Categories Located in Arvada's URAs

- Food Services/Drinking Places
- Professional, Scientific, Technical Services
- Electronics Stores
- Personal Services
- Building Construction & Specialty Trade Contractors
- General Merchandise
- Health and Personal Care
- Sporting Goods, Hobby, Musical Instrument, Book Stores
- Health Care, Doctors, Dentists, Labs, Services
- Finance and Banking
- Nursing and Residential Care Facilities
- Family Services, Child Care, Elder Care
- Accommodations
- Furniture and Home Furnishings Stores
- Building Material and Garden Equipment
- Clothing and Clothing Accessories Stores
- Educational Services
- Repair and Maintenance
- Private Household Services

## COMMUNITY IMPACTS

Specific business types include products such as bakeries, pharmacies, health supplement stores, clothing stores, and sporting goods stores. Health care services that can be found in the City's URA districts include dentists, chiropractors, optometrists, physical-occupational-speech therapists, and audiologists.

### NEW HOUSING DIVERSITY

Blight removal and public improvements also set the stage for the addition to, and modernization of, Arvada's housing inventory. Increasing the number of housing units in a particular area (aka "housing density") provides more diverse housing options to the community. Economically, the additional spending from new households supports local businesses and provides local workforce housing. New housing units created in the Olde Town and Ralston Fields Urban Renewal Areas include (no residential units were added to Village Commons URA):

Urban Renewal Area	Project Name	For Sale Units	For Rent Units	Total Units
City Center	Water Tower Flats	0	326	326
City Center	Water Tower Village	270	0	270
City Center	Reserve at Water Tower*	0	59	59
Ralston Fields	Arvada Station	0	382	382
Ralston Fields	Gateway at Arvada Station	0	298	298
Olde Town	Park Place Olde Town	0	153	153
Olde Town	Solana Olde Town Station	0	352	352
<b>Total</b>		<b>270</b>	<b>1,570</b>	<b>1,840</b>

*\* Renovation and rehab of existing units*

As previously addressed, it is worth pointing out that an additional benefit of the increase in housing supply is the economic impact from the spending and consumption that is captured by local businesses and ultimately the City of Arvada. Excluding the renovated units, the residents living at the 1,785 new housing units are projected to generate \$17.5 million in new household taxable spending in the City. These dollars benefit the businesses where they are spent and ultimately result in additional tax revenue for the City of Arvada and other tax recipients.

### COMMUNITY ENHANCEMENT PROJECTS

In addition to removing blight through public-private partnerships using tax increment financing, the Arvada Urban Renewal Authority invests in preserving Arvada's historical legacy and creating engaging public spaces. AURA's investment in the community includes historical legacy and community beautification projects. It is difficult to quantitatively evaluate the impacts and rates of return on community enhancement projects that often have a positive qualitative impact on residents and the community versus clear metrics to measure. With that in mind, the table that follows summarizes investments made and the resulting outcomes.

To date, AURA has completed 12 community enhancement projects. These projects have resulted in over \$14 million of investments in the community in addition to land that was contributed to facilitate certain projects.

## COMMUNITY IMPACTS

Project Years	Urban Renewal Area	Use Purpose	AURA Investment	Outcome
Olde Town Merchant Facade Grants 2003 - 2010	City Center	<b>Historical Legacy</b> <ul style="list-style-type: none"> <li>Mitigate visual blight</li> <li>Enhance character and “curb appeal” in the Urban Renewal Area</li> <li>Signal positive market change to attract new private investment</li> </ul>	\$375,000	<ul style="list-style-type: none"> <li>27 structures were awarded matching grants for facade improvements</li> <li>Changes in business mix and new business creation</li> </ul>
1882 School House 1996(?)	City Center	<b>Historical Legacy</b> <ul style="list-style-type: none"> <li>Recover a State and City of Arvada historical and cultural landmark</li> </ul>	\$1,500,000	<ul style="list-style-type: none"> <li>Olde Town landmark restoration</li> <li>Now home to School House Kitchen and Libations</li> </ul>
Historic Water Tower & Water Tower Pocket Park 1998	City Center	<b>Historical Legacy</b> <ul style="list-style-type: none"> <li>Evaluate structural integrity for historic restoration</li> <li>Rehabilitate dilapidated structure</li> <li>Install public space improvements</li> <li>Create access for the community’s enjoyment of a historic site and park</li> </ul>	\$1,500,000	<ul style="list-style-type: none"> <li>Olde Town Landmark restored and preserved</li> <li>Plaza beneath the tower and adjacent park provide mountain views</li> <li>A public space for weddings, photographs, and picnics</li> </ul>
Flour Mill 1998	City Center	<b>Historical Legacy</b> <ul style="list-style-type: none"> <li>1998 acquisition by AURA and immediate donation to the City</li> <li>City provides space to the Arvada Historical Society</li> </ul>	\$25,000	<ul style="list-style-type: none"> <li>Olde Town landmark restoration</li> <li>Cultural asset preserved</li> <li>Community education and public space</li> </ul>
Olde Wadsworth & Grandview Streetscape 1998 - 2010	City Center	<b>Community Beautification</b> <ul style="list-style-type: none"> <li>Beautify the main crossroads in Olde Town</li> <li>Maximize public improvements</li> <li>Recall historic downtown character</li> </ul>	\$3,700,000	<ul style="list-style-type: none"> <li>Olde Wadsworth was reconfigured for parallel parking and pedestrian friendly</li> <li>Wider sidewalks and outdoor seating</li> <li>Attractive ornamental enhancements highlight historical district</li> </ul>

## COMMUNITY IMPACTS

Project Years	Urban Renewal Area	Use Purpose	AURA Investment	Outcome
Olde Town Square 2006	City Center	<b>Community Beautification</b> <ul style="list-style-type: none"> <li>Create a central community space</li> <li>Provide for outdoor community events</li> <li>Compliment the library and other downtown public spaces</li> </ul>	\$1,000,000	<ul style="list-style-type: none"> <li>Public square large enough to host community events</li> <li>Interactive fountain</li> <li>Treed picnic area and perennial gardens</li> </ul>
Olde Town Arvada Monument Signs 2007	City Center	<b>Community Beautification</b> <ul style="list-style-type: none"> <li>Downtown Wayfinding</li> </ul>	\$104,000	<ul style="list-style-type: none"> <li>Signs strategically placed at Lowe's and along Ralston Rd. and Wadsworth Blvd.</li> </ul>
Stocke-Walter Park (Solana Olde Town Station) 2017	Olde Town	<b>Community Beautification</b> <ul style="list-style-type: none"> <li>Community Park</li> </ul>	\$1,399,000	<ul style="list-style-type: none"> <li>Creation of Stocke-Walter Park</li> </ul>
Ralston Road Streetscape 2017	Ralston Fields	<b>Community Beautification</b> <ul style="list-style-type: none"> <li>Beautification and rebranding of the "Triangle Area"</li> </ul>	\$1,000,000	<ul style="list-style-type: none"> <li>Streetscaping along Ralston Road</li> <li>Flower pots, street furniture, and pedestrian lighting</li> <li>New monument signs</li> </ul>
Van Bibber Wall 2006	Ralston Fields	<b>Community Beautification</b> <ul style="list-style-type: none"> <li>Restore neighborhood privacy after Van Bibber Trail improvements</li> <li>Enhance trail aesthetics</li> </ul>	\$150,000	<ul style="list-style-type: none"> <li>Decaying and non-uniform fences facing the trail removed</li> <li>Smooth masonry block wall also provides privacy</li> </ul>
Restrooms at Lutz-Stenger Sports Complex 2009	Ralston Fields	<b>Community Facilities</b> <ul style="list-style-type: none"> <li>Provide visitor amenities</li> </ul>	\$1,700,000	<ul style="list-style-type: none"> <li>Restrooms</li> <li>Concessions</li> </ul>
Gateway at Arvada Ridge Park 2018 pending	Ralston Fields	<b>Community Beautification</b> <ul style="list-style-type: none"> <li>Community Park</li> <li>Provide for health &amp; wellness</li> </ul>	\$1,880,000	<ul style="list-style-type: none"> <li>Will feature the water towers and offer opportunities for fitness and recreation</li> <li>Link the health and wellness program</li> </ul>



## DEFINITION OF BLIGHT AND BLIGHT CONDITIONS

(2) "Blighted area" means an area that, in its present condition and use and, by reason of the presence of at least four of the following factors, substantially impairs or arrests the sound growth of the municipality, retards the provision of housing accommodations, or constitutes an economic or social liability, and is a menace to the public health, safety, morals, or welfare:

- (a) Slum, deteriorated, or deteriorating structures;
- (b) Predominance of defective or inadequate street layout;
- (c) Faulty lot layout in relation to size, adequacy, accessibility, or usefulness;
- (d) Unsanitary or unsafe conditions;
- (e) Deterioration of site or other improvements;
- (f) Unusual topography or inadequate public improvements or utilities;
- (g) Defective or unusual conditions of title rendering the title nonmarketable;
- (h) The existence of conditions that endanger life or property by fire or other causes;
- (i) Buildings that are unsafe or unhealthy for persons to live or work in because of building code violations, dilapidation, deterioration, defective design, physical construction, or faulty or inadequate facilities;
- (j) Environmental contamination of buildings or property;
- (k) (Deleted by amendment, L. 2004, p. 1745, § 3, effective June 4, 2004.)
- (k.5) The existence of health, safety, or welfare factors requiring high levels of municipal services or substantial physical underutilization or vacancy of sites, buildings, or other improvements; or
- (l) If there is no objection by the property owner or owners and the tenant or tenants of such owner or owners, if any, to the inclusion of such property in an urban renewal area, "blighted area" also means an area that, in its present condition and use and, by reason of the presence of any one of the factors specified in paragraphs (a) to (k.5) of this subsection (2), substantially impairs or arrests the sound growth of the municipality, retards the provision of housing accommodations, or constitutes an economic or social liability, and is a menace to the public health, safety, morals, or welfare. For purposes of this paragraph (l), the fact that an owner of an interest in such property does not object to the inclusion of such property in the urban renewal area does not mean that the owner has waived any rights of such owner in connection with laws governing condemnation.

*SOURCE: Colorado Revised State Statutes 31-25-103 (2016)*



## ABOUT THE AUTHORS

**Jesse Silverstein** is the vice president and a senior economist at Development Research Partners. Mr. Silverstein has extensive experience in preparing real estate market studies, public finance analysis, and economic/fiscal impact analysis for a variety of public-private development and redevelopment projects. Local and state governments, redevelopment agencies, and private investors utilize Jesse's advisory services to make critical decisions regarding real estate investment and economic development opportunities. Mr. Silverstein's experience includes positions as founder and executive director of the nonprofit Colorado Brownfields Foundation, director at Equitable Real Estate Investment Management, and chief appraiser for the Resolution Trust Corporation (a division of FDIC) in Washington, D.C.

Mr. Silverstein holds a bachelor's degree in economics from the University of Delaware, a master's degree in economics from the University of Colorado Boulder, and has an MAI professional designation in commercial real estate analysis from the Appraisal Institute.

**Patricia Silverstein** is the president and chief economist of Development Research Partners. Ms. Silverstein's expertise is in economic research and economic development, including industry cluster studies and strategic economic development planning. She has extensive experience in preparing economic impact and fiscal impact analysis for community development purposes. In addition, she serves as the consulting chief economist for the Metro Denver Economic Development Corp. and the Denver Metro Chamber of Commerce. In these roles, she compiles, interprets, and forecasts economic and demographic data for the Denver metropolitan area and performs in-depth research on issues and proposed developments impacting the region. Ms. Silverstein received a bachelor's degree in economics from Nebraska Wesleyan University in Lincoln, Nebraska and a master's degree in economics from the University of Colorado Boulder.

**David Hansen** is a senior economist with Development Research Partners. Mr. Hansen's expertise is in fiscal and economic impact analyses, having conducted numerous studies for industries such as higher education, traditional and renewable energy, and residential and commercial real estate development. Analyses entail developing customized models, applying standard economic and fiscal impact methodologies, and concisely identifying complex industry relationships. He has comprehensive knowledge of Colorado's local budget and tax structures in order to identify the impact projects, businesses, and residents have on the fiscal situation of a community. David also conducts economic and demographic research for varying project needs, skills that he initially gained as a business development specialist for Delta Area Development prior to joining DRP. Mr. Hansen earned a bachelor's degree in economics from Colorado State University in Fort Collins, Colorado.

Economic and Demographic Research  
Industry Studies  
Fiscal and Economic Impact Analysis  
Real Estate Economics

10184 West Belleview Avenue  
Suite 100  
Littleton, Colorado 80127  
[www.DevelopmentResearch.net](http://www.DevelopmentResearch.net)  
303.991.0070

