Staff Notes S. Nevada Resolution and City Cooperation Agreement Amendment

At our September meeting the URA board approved referring a .5% sales tax TIF increase to council (from 1.5%). Council will be deciding on this matter at an upcoming meeting but to expedite the process we have a resolution and amendment in front of the URA board for vote should Council increase their pledge.

**South Nevada URA**

URA Period: 2015 – 2040

Location: The project area is located in the south central part of Colorado Springs between E. Cheyenne Road on the south, Fountain Creek on the north, South Wahsatch Ave. on the east and South Cascade Avenue on the west

The formation and goals of the URA:

In 2015 three developer groups, Danny Mientka (SNA Development), Walt Harder and Mark McPherson (EVC-HD Nevada South LLC) and Sam Guadagnoli (Ivywild LLC) came to the URA board with the idea of forming an urban renewal area on South Nevada that spanned roughly from Motor City Way/I-25 to Cheyenne Road and S. Wahsatch Avenue to S. Tejon. Given its strategic location at a critical gateway to downtown, Ivywild and Broadmoor neighborhoods as well as the I-25 corridor, the goal of future improvements would be to focus on natural features including parks, creeks and trails that would be improved and maintained so that they are a true amenity rather than an obstacle. Efforts would also be made to provide a diversity of residential and commercial uses and enhance the streetscape environment to attract business and improve the quality of life for all residents and shoppers along South Nevada and South Tejon Streets.

The urban renewal plan (“Plan”) for the area call “South Nevada Urban Renewal Area” (“URA”) was approved by the Colorado Springs Urban Renewal Authority (“CSURA”) on September 23, 2015. The cooperation agreement and URA Plan were approved by City Council on December 8, 2015. Subsequently, the CSURA Board approved development agreements with the three development groups to provide tax increment financing for eligible improvements to be completed by the developers within the URA over a 25 year period. ​

Development:

There are four Silos (development areas) in the renewal area. The Silos are defined by ownership structure and development/redevelopment status. These four Silos total approximately 99 acres within the plan area.

Silo 1 - Development / Redevelopment Potential (SNA Development, Inc.)

Many of the parcels in Silo 1 are adjacent to Cheyenne Road and the S. Nevada Avenue right-of-way, which is a major arterial roadway in the area. Upcoming redevelopment in Silo 1 includes pad retail shops and restaurants. In 2019 the URA board pledged silo 1 TIF revenue (along with 3 parcels in the 4th silo that were in control by the district) to the Creekwalk Marketplace District. Demolition has already occurred at the site with construction moving forward but due to COVID the project has been pushed to 2021 for completion.

Silo 2 - Canyon Creek - Development / Redevelopment Potential (Ivywild Core Development, Inc.)

The redevelopment plan for parcels in Canyon Creek includes both residential and commercial projects. Planned residential development includes 45 townhomes and 90 apartments. Planned commercial development includes a hotel (135 rooms), retail restaurant 4,000 sqft. and 7,000 sqft. up-scale restaurant) and office space (2,500 sqft.). Currently, Prime 25 Steakhouse, Smash Burger, Tokyo Joes, AT&T and most of the townhomes are complete. In 2018 (based off of an updated redevelopment plan) the URA board approved issuing bonds (utilizing only property tax TIF) on portions of this project that were to include 16,000 sqft. of restaurant space (Prime 25, Rok Taco and a TBN hotel restaurant), 2,500 sqft of office space and a minimum of a 135 room hotel. Building permits must be issued on all of the projects tied to bonding by March 2021.

Silo 3 - Development / Redevelopment Potential (EVC-HD Nevada South LLC)

Silo 3 is the smallest of the four Silos within the URA. A Natural Grocers store of approximately 15,000 square feet was opened in 2017. Chick-fil-A, Five Guys and Zoe’s Kitchen make up the In-line retail space with 10,000 sqft. completed in 2018. The development plan within Silo 3 is complete though the development group has voiced interest in developing within other parts of the corridor.

Silo 4 - Development / Redevelopment Potential Silo 4 contains 357,000 square feet of existing building area. Currently, development in Silo 4 is split among two broad land use categories; residential (49%) and commercial (44%). Potential redevelopment in Silo 4 includes in-line or pad retail shops and restaurants, office space and redevelopment of an existing neighborhood shopping center. Due to SNA taking on the largest portion of public improvements within the broader URA, the 4th Silo TIF revenue was part of SNA’s redevelopment agreement. The only properties within the 4th silo that were allowed to be pledged into the SNA bonds, that the board approved in 2019, were the Dunkin Donuts, Family Dollar and a retail site that included a laundromat. These were included because those particular properties had joined the Creekwalk Marketplace BID.

Where are we now?

With one silo’s development plan completed (EVC-HD) and the two others ramping up their construction efforts, the URA still has a few years before the overall area can be deemed complete. In 2019 the Sales Tax Increment (“TIF”) collected over the base ($934,475) of the project area was over $1,200,000 dollars. The projections for property tax TIF in 2020 is currently slated at $111,480 dollars. These numbers are all expected to grow once the residential and commercial development for Ivywild LLC is completed along with the full buildout of the SNA commercial development along Cheyenne Rd. and S. Nevada. Additionally, the goal of the URA is for the 4th silo to continue to grow organically with new residential and commercial developments that benefit from the development of the first three silos.