

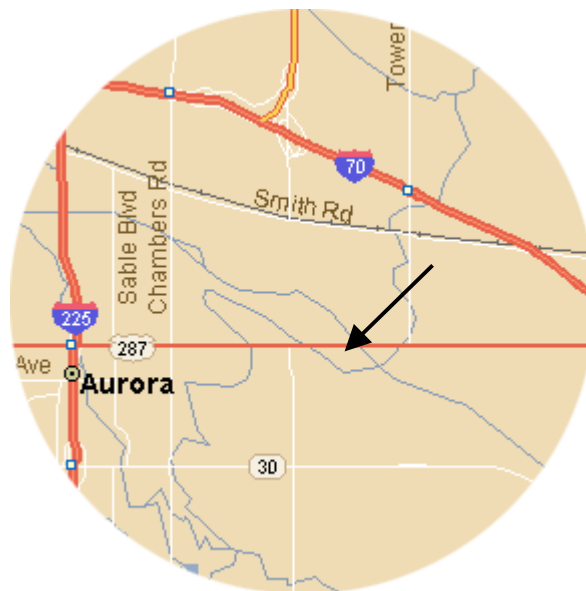
# Economic and Fiscal Impact Assessment

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***Proposed***  
**Cottonwood Commercial Park**  
**17999 East Colfax Avenue**  
**Aurora, Colorado**

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June 2001



## *Proposed Cottonwood Commercial Park*

### **EXECUTIVE SUMMARY**

The Cottonwood Commercial Park is proposed for a 36 acre former landfill site located on the south side of East Colfax Avenue, just east of Airport Boulevard. The site has frontage on East Colfax Avenue and lies at the confluence of the Highline Canal and Sand Creek. The proposed development includes facilities for retail establishments and small businesses, plus open space and trail linkages along Sand Creek.

This report summarizes the economic, fiscal, environmental, and community benefits from developing this in-fill site. In summary:

- This vacant 36 acre site was used by the City of Aurora as a municipal landfill during the 1960's and commonly referred to as the "Old Aurora Landfill." The site has remained vacant since that time. Modern environmental cleanup and construction technologies, along with favorable market conditions, can now support a transformation of this site into an economic asset to the community, housing jobs and generating tax revenue.
- At completion, the Cottonwood Commercial Park will include an estimated 125,000 square feet of retail-commercial space and 300,000 square feet of office-warehouse space, together providing a needed facility for local retail, technical, service, and other small businesses.
- The site will be home to an estimated 530 new jobs averaging \$39,000 annually.
- Site development plans include both natural and landscaped buffers along the perimeter of the site including a bike trail and trailhead along Sand Creek connecting the Sand Creek Regional Greenway system to the new Aurora Sports Park. A total of 4 acres of open space is planned for the confluence of Highline Canal and Sand Creek.
- The project will increase total tax revenues to the City of Aurora, Arapahoe County, and the Aurora School District.
- Businesses locating to the Cottonwood Commercial Park will provide goods and services to nearby residents and will stimulate regional economic health through business-to-business purchases of materials, services and capital goods.
- Potential impacts on soil and water quality that may be leftover from the site's former dumping use will be evaluated and corrected as necessary. Any potentially hazardous conditions will be mitigated in cooperation with local, state and federal environmental authorities.

Proposed Cottonwood Commercial Park

**SUMMARY**  
**Annual Economic and Fiscal Impacts from Development**

<u>Economic Indicator<sup>1</sup></u>	<u>Proposed Cottonwood Commercial Park</u>	<u>As Is</u>	<u>Increase from New Use</u>
<b>Tax Revenues</b>			
<b>City Tax Revenues</b>			
Aurora Real Property Tax Revenue	\$91,400	\$5,200	\$86,200
Aurora Personal Property Tax Revenue	7,400	0	7,400
Aurora Sales Tax Revenue	<u>1,685,000</u>	<u>0</u>	<u>1,685,000</u>
<b>Total City Tax Revenues:</b>	<b>\$1,783,800</b>	<b>\$5,200</b>	<b>\$1,778,600</b>
<b>County Tax Revenues</b>			
Arapahoe County Real Property Tax Revenue	\$121,000	\$6,900	\$114,100
Arapahoe County Personal Property Tax Revenue	<u>9,800</u>	<u>\$0</u>	<u>9,800</u>
<b>Total County Tax Revenues:</b>	<b>\$130,800</b>	<b>\$6,900</b>	<b>123,900</b>
<b>School District Tax Revenues</b>			
School Distr. Real Property Tax Revenue	\$463,000	\$26,300	\$436,700
School Distr. Personal Property Tax Revenue	<u>37,400</u>	<u>\$0</u>	<u>37,400</u>
<b>Total School District Tax Revenues:</b>	<b>\$500,400</b>	<b>\$26,300</b>	<b>\$474,100</b>
<b>Employment and Earnings</b>			
Commercial-Retail Jobs <sup>2</sup>	175	0	175
Average Commercial Annual Wage	\$23,000	0	\$23,000
Office-Warehouse Jobs <sup>3</sup>	355	0	355
Average Office-Warehouse Annual Wage	\$47,000	0	\$47,000
Total Employee Earnings	\$20,700,000	0	\$20,700,000
Average Overall Annual Wage	\$39,000	0	\$39,000
<b>Consumption of Goods &amp; Services</b>			
Sales to Consumers	\$63,875,000	0	\$63,875,000
Business to Business Purchases	\$17,975,000	0	\$17,975,000
<b>PLUS: INVESTMENT IN CONSTRUCTION &amp; BUSINESS EQUIPMENT (ONE-TIME IMPACTS)</b>			
Construction	\$21,250,000		
Business Equipment On-site	\$2,400,000		
Environmental Service Costs	<u>\$350,000</u>		
<b>Total New Investment:</b>	<b>\$24,000,000</b>		

1. Assuming occupancies of 95% for Office-Warehouse and 93% for commercial-retail space. Numbers are rounded where appropriate.

2. Clerical, administrative, and management.

3. Industries ranging from specialized construction to computer consulting and architectural services.

## Proposed Cottonwood Commercial Park

### LOCATION AND NEIGHBORHOOD

The triangular shaped site, comprised of approximately 36 acres, is located on the South side of East Colfax Avenue, just east of the Colfax Avenue/Airport Boulevard intersection. The Highland Canal flows along the southern and western boundary of the site and discharges directly into Sand Creek at the southeast corner of the property. Sand Creek runs along the eastern border of the site and flows to the northwest.



From approximately 1962 through 1969, the City of Aurora leased this privately-held property to use as a sanitary landfill. The property is vacant and generally flat, with shallow depressions indicative of underlying fill materials. The eastern boundary of the property slopes abruptly down to Sand Creek and is reinforced against erosion by rock rip-rap.

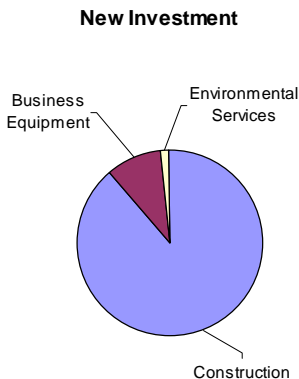
The property lies in an area of mixed use development. Two mobile home parks are located north of the property across East Colfax Avenue. To the south, across the Highline Canal right-of-way, is a low density single family residential development and a recreational vehicle storage lot. To the east and northeast across Sand Creek, is a mini-golf park and various commercial and industrial operations including junk vehicle salvage yards and aging light-industrial buildings.

Nearby recreation and lifestyle amenities are becoming prominent. The City of Aurora-owned Spring Hill Golf Course is located Southeast of the site and the new Aurora Sports Park is being built to the east. The site's perimeter with Sand Creek has been identified as the last link to be incorporated into the Sand Creek Regional Greenway and bike trail system. A trailhead with parking is being considered in the site's development plans.

### PROPOSED COTTONWOOD COMMERCIAL PARK

The development will feature:

- 125,000 square feet of retail space along 16,500 feet of Colfax Avenue frontage. Commercial development will be buffered from East Colfax Avenue by a 20' wide landscaped edge;
- 300,000 square feet of low density office-warehouse space on the back acreage, behind the commercial frontage;
- A buffer between residential neighbors to the south created by a 20 foot wide landscaped corridor along the north side of the Highline Canal, and by the East 14<sup>th</sup> Avenue and Highline Canal right-of-way;
- A 50' wide open-space corridor along the 1,250 foot perimeter adjoining Sand Creek which will permit bike tail construction; and
- Up to 4 acres dedicated to open space uses at the confluence of the Highline canal and Sand Creek.



**Proposed Cottonwood Commercial Park**

**ECONOMIC, FISCAL, OPEN SPACE, & ENVIRONMENTAL BENEFITS FROM DEVELOPMENT**

**Economic Benefits**

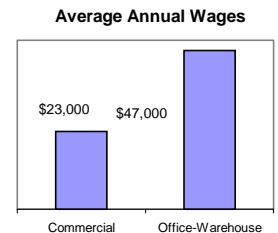
The Cottonwoods Commercial Park site is currently vacant. The proposed development will house commercial, service and light industrial businesses creating a variety of new jobs. A review of the north Aurora market was completed to determine a likely business mix that would tenant the proposed business park. Based on surveys of existing business parks and interviews with real estate brokers active in the area, it is anticipated that office-warehouse tenants in the Cottonwoods Commercial Park will likely be in the following industries:



**Business Types Likely to Tenant Cottonwood Commercial Park**

- Retail stores including general merchandise, specialty stores, store-front office uses, restaurants, and other similar retailers
- Recreational equipment, jewelry, games/toys, signs, office supplies, & misc. manufacturing
- Confectionery Bakery goods snack food, other manufacturing
- Commercial/Industrial Equipment Repair & Maintenance
- Construction Specialty Trades
- Residential/commercial maintenance services
- Non-residential construction services
- Engineered wood products
- Other wood product manufacturing
- Printing services
- Computer system design & related
- Computer & Electronic Manufacturing
- Fabricated metal products
- Furniture & related manufacturing
- Automotive services
- Architectural, & engineering services
- Electrical & precision equipment services
- Counseling services-family & individual

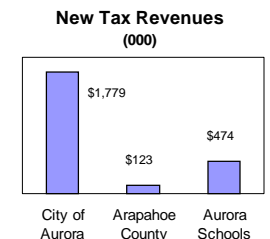
- Commercial, retail, service, and light industrial businesses at the proposed business park will likely average 10 to 12 employees or less in size including professional, management, skilled workers, clerical, and sales positions.
- The office-warehouse space is estimated to support 355 employees earning an average of \$47,000 each per year and the commercial-retail space is estimated to support 175 earning an average of \$23,000 each per year.
- These businesses generate economic impacts totaling \$81,850,000 by providing goods and services to the community and purchasing goods and services from other businesses.



**Fiscal Benefits**

Tax collections will increase dramatically as the property is developed:

- The assessor’s actual valuation is currently set at \$1.7 million, but will swell to an estimated average \$29,750,000 (\$70 per square foot) upon completion and occupancy of the commercial park. Consequently,



### **Proposed Cottonwood Commercial Park**

annual real property tax revenues are expected to increase significantly over current levels.

- An estimated \$2.4 million of personal property at various businesses is estimated to be maintained on site.
- Annual taxable retail sales of \$32,000,000 per square foot (\$275 per occupied square foot) are expected to be generated by the commercial-retail tenants and \$8,000,000 by the office-warehouse tenants.



#### **Open Space Benefits**

The Cottonwood Commercial park project includes the dedication of 1,200 linear feet of public-use open space along Sand Creek that will connect the Aurora Sports Complex with the Sand Creek Trail system. As proposed, this trail connection will include trailhead parking easily accessible from East Colfax Avenue.

Sand Creek is recognized as an important regional resource that provides green space and pedestrian/bicycle links throughout the Denver metropolitan area. Environmental cleanup and development of the Cottonwood Commercial Park site will be a step toward improving the overall Sand Creek corridor. The Sand Creek Greenway Partnership, providing a regional vision and multi-jurisdictional coordination for parks and open space is supportive of the proposed open space elements.

#### **Environmental Benefits**

Potential environmental hazards at this site relate to its former landfill use. Environmental investigations and appropriate remediation will be performed under the auspices of the Colorado Department of Public Health & Environment.

- From approximately December, 1961 to July, 1969, the City of Aurora leased this site and operated a sanitary landfill. Accepted fill reportedly included domestic trash and inert materials placed to a maximum depth of 20 feet. Earthen berms separated the landfill materials from the adjacent water ways.
- Domestic trash, commercial refuse, and construction debris from Aurora residents and businesses was disposed at the site by the City's contract hauler and independent waste haulers. Approximately 5,280 cubic yards were handled daily during its operation. Industrial waste (hazardous waste or junked autos) was excluded from the site.
- The thickness of fill material ranges from an estimated 11 to 20 feet. Groundwater was discovered to be at depths of 6 to 19 feet and generally flowing toward Sand Creek to the north/northeast. A clay cover of 2 to 3 feet thick is overlying the fill material.
- Since the landfill ceased operation the property has since been annexed to Aurora and remains undeveloped at this time.



**Proposed Cottonwood Commercial Park**

**Community Impacts**

The proposed development meets two priority goals identified in the City's comprehensive plan: (1) economic vitality, that is expanding jobs and tax base; and (2) creating an attractive, green community with parks and open space. Open space is natural lands without structures, and includes stream corridors drainage areas, golf courses, and natural areas. As proposed, the Cottonwood Commercial Park link will connect all these types of land uses, plus provide access between neighborhoods, the Aurora Sports Park, and the proposed retail and commercial uses.

Private development can often preclude opportunities for open space preservation. The Cottonwood Commercial Park will provide a model of commercial development that incorporates beneficial open space elements.

**STUDY METHODOLOGY**

This study is based on an evaluation of location and general property characteristics of the proposed development. A site inspection was made to the property and surrounding area. Performance projections for economic, fiscal and business indicators were made based on analysis of various public data sources including County Assessor's real and personal property records, County Treasurer's records, U.S. Economic Census, County Business Patterns, Colorado Department of Revenue reports, and Colorado Division of Taxation data. Private data sources used in this report include the Urban Land Institute, International Council of Shopping Centers, and American Business System databases. In developing business operating projections, market surveys were performed by Development Research Partners along with interviews with local real estate experts.

For more information regarding research methodology, findings, and surveys, contact Development Research Partners, 8138 West Caley Place, Littleton, Colorado, 80123, 303-933-4464.

*The Cottonwood Greenway link will:*

*provide trails to connect neighborhoods, commerce centers, and community amenities such as the Aurora Sports Park;*

*preserve open space for wildlife habitats and natural animal migration routes; and*

*connect to a continuous system of trails, parks, and open spaces to the benefit of Aurora citizens.*

# NOTES

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