

BRICKYARD DEVELOPMENT SPORTS DEVELOPMENT CENTER FINANCIAL ANALYSIS

FEBRUARY 4, 2025



INTRODUCTION

- Fiscal analysis overview
- Public finance agreement
- One-time municipal fees
- Public improvement financing
- Economic impact



FISCAL ANALYSIS

“BUT FOR” ANALYSIS

Is the development financially feasible without public assistance?

How does this project benefit the Town?

PROJECT HIGHLIGHTS/CONSIDERATIONS

- Current Town revenues from the site = \$741 in property tax annually, \$0 sales tax
- \$400M project
- Sports Development Center – needed to meet level of service for recreation
- 100 to 123-key first class hotel and banquet/conference center
- Connectivity from Wolfensberger to Plum Creek Parkway

PUBLIC FINANCE AGREEMENT PROPOSED TERMS

Project retains Town retains

Sales Tax – Town shares 60% of the 4.0% sales tax generated at the site over 25 years

25 years	\$ 31.0M	\$ 20.6M
30 years	\$ 31.0M	\$ 37.6M

Public Safety Sales Tax – Town retains **all** of the 0.2% Public Safety Tax generated at the site

25 years	\$ 0.0M	\$ 2.6M
30 years	\$ 0.0M	\$ 3.4M

Lodging Tax – Town retains **all** of the 6.0% Lodging Tax generated at the site

25 years	\$ 0.0M	\$ 17.0M
30 years	\$ 0.0M	\$ 23.0M

PUBLIC FINANCE AGREEMENT

	Project retains	Town retains
Urban Renewal Authority – Project receives all incremental property tax generated by the project for 25 years (life of the URA)	\$ 53.8M	\$ 0.0M
Metropolitan District – Created by the developer to fund the construction of public infrastructure (30 years)		
50 mills (debt service); 10 mills (admin)	\$ 48.0M	\$ 0.0M
5 mills regional levy	\$ 0.0M	\$ 4.0M

PUBLIC FINANCE AGREEMENT

Public Improvement Fee (PIF) – Fee assessed by the developer on all retail, restaurant and hotel night purchased. Estimated 30 year term

	Project retains	Town retains
4.0% PIF on hotel stays	\$ 15.3M	\$ 0.0M
2.0% PIF on all other purchases	\$ 26.6M	\$ 0.0M

ONE-TIME MUNICIPAL DEVELOPMENT FEES

Town One-Time Development Fees	Total at 2025 DS Fee Schedule Rates	
Water & Sewer System Development	\$	6,042,057
Impact Fees (w/out Parks and Transportation)	\$	1,075,478
Impact Fees Parks & Transportation only	\$	7,962,962
Use Tax	\$	4,076,189
Building Permit	\$	536,339
Plan Review	\$	348,623
Other Fees / Permits	\$	1,623,614
Sitework Fees	\$	319,810
Total (w/all Impact Fees)	\$	21,985,071
Credit back to Confluence Impact Fees Parks & Transportation only	\$	- 7,962,962
Total (w/out Parks and Transportation Impact Fees)	\$	14,022,110

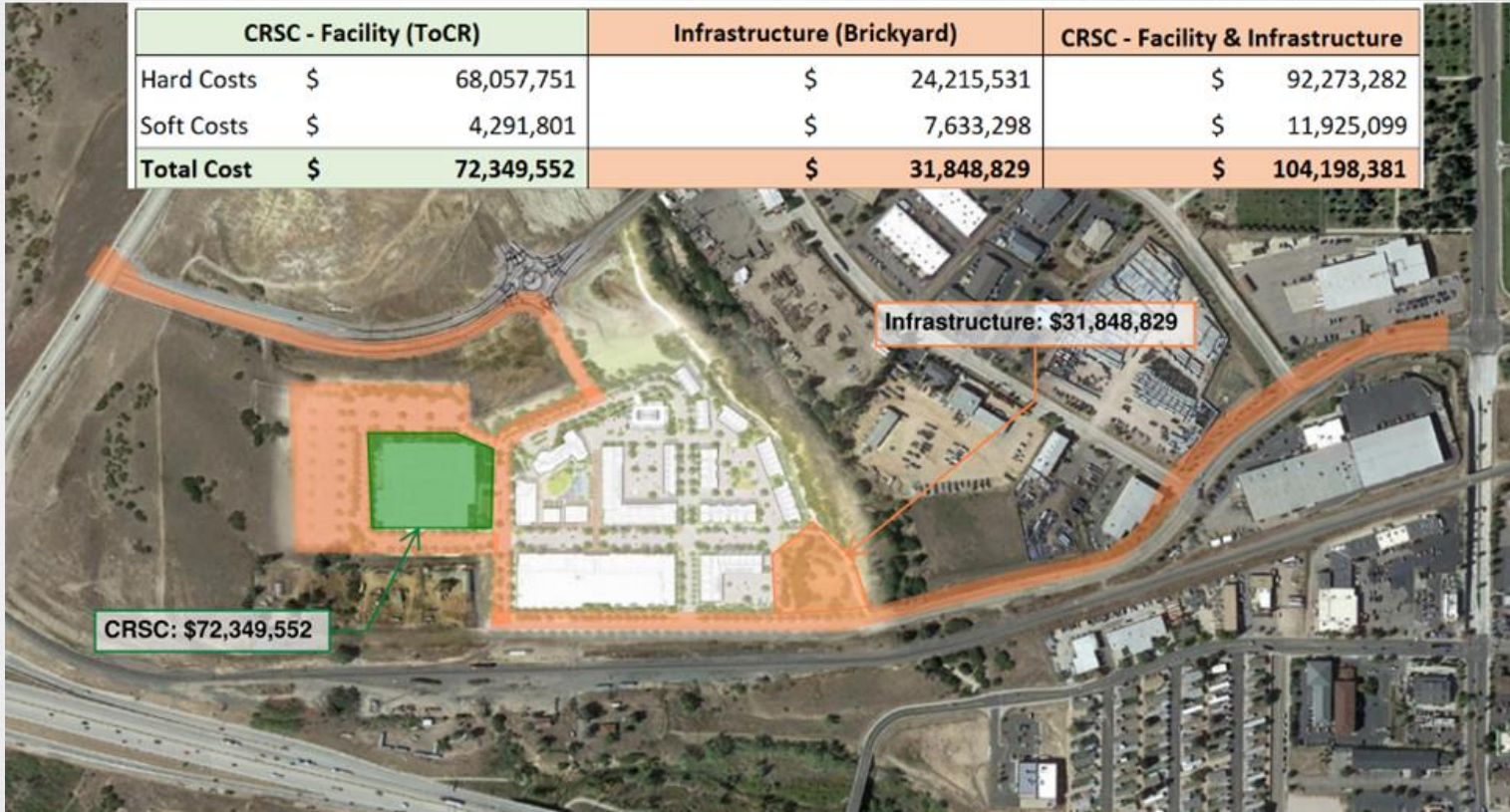
Developer to retain parks and transportation impact fees for the project:

- Site and parking lot for the sports development center
- Road improvements on Prairie Hawk Drive
- Connection road, Praxis St, from Plum Creek Parkway into the development



FACILITY AND INFRASTRUCTURE COSTS

CRSC - Facility (ToCR)		Infrastructure (Brickyard)		CRSC - Facility & Infrastructure	
Hard Costs	\$ 68,057,751		\$ 24,215,531	\$	92,273,282
Soft Costs	\$ 4,291,801		\$ 7,633,298	\$	11,925,099
Total Cost	\$ 72,349,552		\$ 31,848,829	\$	104,198,381



ONE-TIME MUNICIPAL DEVELOPMENT FEES

Developer contributes 10.36 acres of land

- Location for the sports development center and parking lot



Land dedication is approximately 2 acres less than the required dedication; however, the developer is also providing the following:

- Road improvement including right of way dedication and an off-site stormwater detention, which reduces the amount of property needed to construct the sports development center

PUBLIC IMPROVEMENT FINANCING

Sport Center Hard Cost	\$68,057,751
<u>Sport Center Soft Cost</u>	<u>\$ 4, 291,800</u>
Total Cost	\$72,349,552

Design Fees Paid	(\$3,190,285)
Contract Administration (separate contract)	(\$1,009,000)
<u>Use of Parks Capital Reserves</u>	<u>(10,000,000)</u>
Total Amount Financed	\$62,349,552

Early paydown of the MAC 2013 COPs \$1.1M savings



PUBLIC IMPROVEMENT FINANCING

PROPOSED FINANCING

Town proposes issuing Certificate of Participation (COPs)

- Financed amount: \$ 62.3M
- Collateral is the sports development center
- Term: Considering a 25- or 30-year term
- Interest rates: estimating 4.50% to 4.75%
- Annual Debt Service amount: \$ 4.0M to \$ 4.2M
- Flexibility in annual pay structure



Developer has requested the Town issue an additional amount of COPs to cover a portion of the costs of public infrastructure

- Financed amount: Approximately \$ 8.0M
- IGA with Confluence for the repayment to the Town

PUBLIC IMPROVEMENT FINANCING

Proposed repayment sources for the COPs:

- Parks and Rec Impact Fees (estimated at 300 permits per year)
- Lodging tax generated from The Brickyard project
- Sales tax generated from the project (40% of the Town's 4.0% rate)

ECONOMIC ANALYSIS

Internal Rate of Return (IRR) – estimates the profitability of potential investments, determining if the return is worth the risk of the project.

- Average IRR for a project of this nature is approximately 6% to 12%
- Based on projects considered in the analysis including the public assistance, IRR is approximately 6%
- **But for** the public assistance, the project would not be financial feasible

ECONOMIC ANALYSIS

Benefit to the Town includes, but is not limited to the following:

- Opportunity to meet Town's level of service for recreation amenities
- Town receives additional revenue from the project, with limited risk
- No increase to Town taxes or fees – debt sustained by project revenues
- Trail connectivity from the project to the Miller Activity Complex and Downtown
- Road connection from Wolfensberger Road to Plum Creek Parkway
- First class hotel, 250-person banquet/conference center

QUESTIONS?

