



El Paso County to earmark \$9.7 million for new downtown Colorado Springs apartments

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Grand plans to build almost 1,200 new market-rate apartments in downtown Colorado Springs received a \$9.7 million financial lift from El Paso County on Tuesday.

Commissioners agreed 4-1 to earmark, over 25 years, about \$7.1 million in future property tax revenues and just under \$2.6 million in future sales tax revenues to help finance the \$400 million-plus three-phase project, known as Experience at the Epicenter, proposed by suburban Seattle-based apartment developer and owner Weidner Apartment Homes. The company also co-owns and helped build the Weidner Field downtown stadium.

The county's agreement with the company comes ahead of proposed designation of the site, just south of Weidner Field, by the city as an urban renewal area, said Jariah Walker, executive director of the Colorado Springs Urban Renewal Authority.

The designation would allow an increased portion of sales and property tax revenues generated from various taxing entities, such as the county, to be spent on public improvements at the site.

Walker said he expects the request to go before the City Council in the fall or winter.

Last summer, the company began construction on the first phase, a 408-unit building. When completed, the project will have built 1,182 market-rate apartments in three buildings that also will include more than 37,000 total square feet of retail floor space.

Additionally, the project includes construction of more than 2,000 parking spaces, a feature Weidner representatives said was significantly needed in the area; two public plazas; and streetscape, lighting and other public improvements.

"The goal of the (Urban Renewal Authority) with this project has been a private investment and reinvestment, which is restoring targeted areas with strong community benefits and public improvements," Walker told commissioners Tuesday.

Weidner representatives said the project will bring much-needed housing to the rapidly growing city and county, and would generate hundreds of jobs and just above \$1 billion that would go back into the regional economy. Proponents of this type of tax financing claim increased tax revenues would only be generated in the first place because of new projects like Experience at the Epicenter.

But commissioners criticized the tax financing proposal as El Paso County paying for public improvements that are Colorado Springs' responsibility.

"This is the city taking our tax dollars from county residents and using it to subsidize city infrastructure," said Commissioner Carrie Geitner, the lone vote against approving the agreement.

Quoting research papers from think-tanks like Mercatus Center at George Mason University in Virginia and Cato Institute in Washington, D.C., Geitner said tax districts such as this build

where development would have happened anyway. Residents living outside the district will have to bear the increased cost to subsidize the project, she said.

"I can see why this works for the city. They need probably a lot of that infrastructure updated. This makes sense for them," she said. "But in the case of (El Paso County), there's none of that infrastructure that we would be paying for. ... We're not getting something that we would otherwise need to pay for. We're actually going to have to increase our services with less and less money."

Commissioners also questioned the need for so many parking spaces downtown, which Weidner representatives said they were spending \$33 million to build.

The county's parking garage at the corner of Sahwatch Street and Vermijo Avenue, Commission Chairman Stan VanderWerf said, is not used as much as it could be when people attend events nearby at Weidner Field. He questioned whether the existing garage could alleviate parking woes in the area.

Commissioner Longinos Gonzalez said he was concerned the county also would be subsidizing new parking when the county is not generating enough funding from its own garage to maintain and operate it. He recalled the county's pulling \$1 million in emergency reserve funds in 2019 to help pay for emergency safety improvements to the structure.

"We're being asked to subsidize parking for the city and Weidner apartments, which is absolutely detrimental to the county," Gonzalez said. "Then we compete with ourselves for parking (revenues). So it's not just 25 years of (subsidization). It's ongoing additional subsidizing."

Weidner Property Management spokesman Greg Cerbana said residents and business owners near the project area told the company more parking was sorely needed.

"To help out with the neighborhood and merchants in that area ... we made the commitment to 'over-park,' knowing the city had no plans" to build additional parking spaces, Cerbana said.

The developer originally requested El Paso County earmark more than \$10.1 million in future tax revenues over 25 years — 100% of both its future property and sales tax revenues — for the project. The county on Tuesday approved a total \$9,718,490 — 100% of future property tax revenues and 75% of revenues generated from the county's 1% sales tax — in a compromise.