Economic & Planning Systems

Public Finance
Real Estate Economics
Regional Economics
Land Use Policy

DRAFT REPORT

HIGHWAY 42
MARKET, FEASIBILITY, AND FINANCING STUDY

Prepared for:

City of Louisville

Prepared by:

Economic & Planning Systems, Inc.

November 11, 2008

EPS #18820

DENVER
730 Seventeenth Street, Suite 630
Denver, CO 80202-3511
www.epsys.com
phone: 303-623-3557
fax: 303-623-9049

BERKELEY
phone: 510-841-9190
fax: 510-841-9208

SACRAMENTO
phone: 916-649-8010
fax: 916-649-2070

TABLE OF CONTENTS

LIST OF TABLES

PAGE

LIST OF FIGURES

I. INTRODUCTION & SUMMARY OF FINDINGS

Economic & Planning Systems (EPS) was retained by the City of Louisville and the Louisville Redevelopment Commission to complete a market analysis for the Highway 42 study area and provide public finance projections for the Urban Renewal Area (URA), both of which are displayed in **Figure 1**. This report summarizes the market analysis and public finance projections completed by EPS for potential for development and redevelopment within the study area and larger URA.

INTRODUCTION

The City of Louisville adopted the *Highway 42 Revitalization Area Comprehensive Plan*, also known as the *Highway 42 Plan*, in 2006 to direct redevelopment efforts in the 230-acre area located in the vicinity of the historic downtown and the planned Louisville rail station. The City's vision is to create an urban node of mixed-use development at the station area that will complement the existing downtown and enhance the overall character of the community. To guide the future character of the redevelopment area, a set of design guidelines for were established in the *Highway 42 Mixed-Use Development Design Standards and Guidelines*, which was also completed in 2006.

The City has taken a number of steps to prepare for the upcoming transit service and the corresponding redevelopment interest. It has established an Urban Renewal Authority (URA) with the potential to generate Tax Increment Financing (TIF) as well as studied a number of different density potentials. The Planning Commission has adopted development standards permitting density that exceeds most other zone districts, yet remains appropriate for this context.

The EPS market analysis focused on current and future conditions in the Highway 42 study area. Findings from the market evaluation provide the inputs needed to evaluate project feasibility and estimate Tax Increment Financing revenues and bond financing potentials. Key factors affecting demand includes the area's proximity to downtown, adjacency to the proposed commuter rail station, high traffic volumes along Highway 42, and availability of underutilized land.

Existing conditions in the study area consist of vacant land, vacant buildings, active commercial uses, and light industrial uses. It is important to note that the study area also includes two small established residential neighborhoods.

The following provides an outline of this report and tasks performed in each section.

- **Economic and Demographic Framework –** EPS summarized economic and demographic trends and forecasts for the City of Louisville and surrounding geographies.

- **Existing Real Estate Conditions –** EPS evaluated existing corridor land uses as well as real estate conditions and values in order to identify future redevelopment opportunities in the study area.

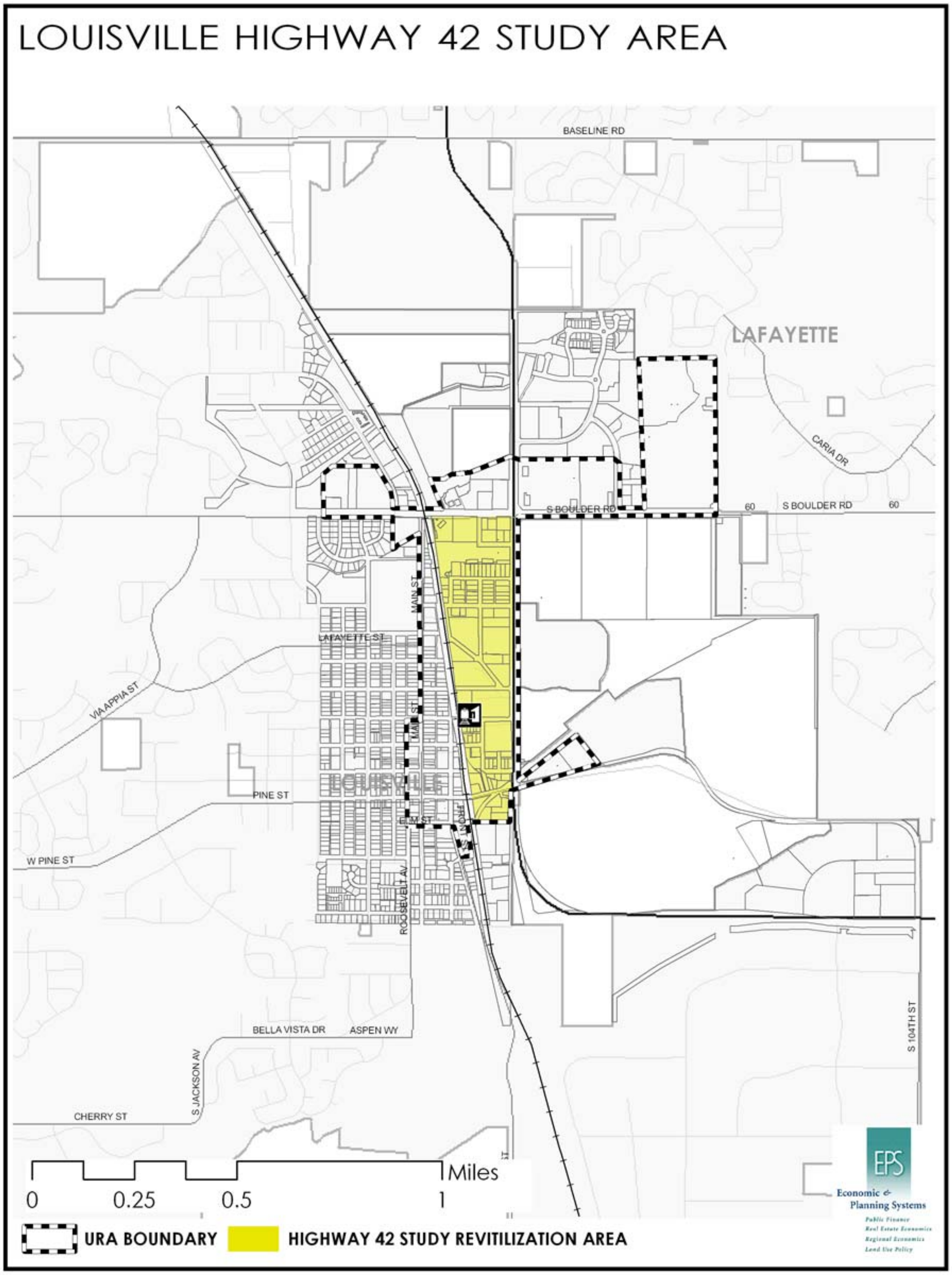
- **Residential Development –** EPS analyzed recent for sale and for rent residential development trends and conditions and evaluated available and future land use recommendations. Based on this information, future residential development opportunities are identified. For both the residential and commercial elements of the study, EPS conducted a number of interviews with property owners, developers, and brokers that are active in the Louisville market.

- **Commercial Development –** EPS analyzed existing retail conditions and forecast the market for future neighborhood and community level retail uses based on existing and future households and household income in the logical trade areas for the study area.

- **Financial Feasibility –** EPS developed a static pro forma that was used to estimate price points at which development within the Highway 42 would become financially attractive for developers. Estimates of current market prices were used to determine what types of projects are currently feasible and what project will require future maturation of the market.

- **Tax Increment Financing (TIF) & Public Improvements –** EPS used market findings from earlier chapters to estimate the timing and amount of future development within the URA. Subsequently, estimated revenues were compared to possible public improvement options within the URA to measure feasibility.

Figure 1
Highway 42 Study Area
Highway 42 Market, Feasibility, and Financing Study



SUMMARY OF FINDINGS

1. ***Market conditions in downtown Louisville are strong. Research indicates that demand is highest for office uses. Both in terms of new construction as well as leasing activity, the downtown market has been driven by users drawn to the amenity-rich environment. This context, however, is not currently present in the Highway 42 area. Existing rents north of Highway 42 are relatively low, reflecting modest demand for office outside of downtown.***

Currently, strong office demand exists in downtown, with approximately 62,000 square feet of leased floor area in 2007 as well as development that averaged 10,000 square feet per year since 2001. In addition, downtown office space currently achieves rents that are higher than retail space at around $16 per square foot with rates for prime tenants and locations nearing $18 per square foot. Conversely, office rents outside downtown are lower, with rents along South Boulder Road at $7 to $9 per square foot. Based on the research, future office demand is estimated at approximately 30,000 square feet for the study area. Office locations will be most successful and capture the greatest amount of area demand if located in the portion of the study area that is mixed-use and has the greatest connectivity to downtown.

2. ***Anticipated household growth in the trade area surrounding the station will create demand for neighborhood-oriented retail. Current rents along the corridor are not sufficiently high to support new retail development, although conditions are expected to be suitable in approximately four to six years based on findings from the market analysis.***

The current residential development in the area will generate approximately 1,100 new housing units from the Takoda, North End, and Indian Peaks projects. In addition, 330 to 360 new rooftops are expected to be developed within Highway 42 area. The additional rooftops, as well as other growth expected in the trade area, will directly impact the amount of supportable retail development. The market analysis indicates that growth in the area can support 70,000 to 90,000 of net new retail floor area. New development requires $20 to $24 per square foot for in-line tenants and $18 for small anchor tenants. Market rental rates in the Highway 42 area are currently estimated at $14 per square foot. As market pressures grow, rent potentials are expected to climb and enhance project feasibility.

3. ***There is significant market potential for residential development within a two mile radius of the Highway 42 revitalization area. The market is maturing and diversifying, given the range of attached and detached products included in active development.***

There are 535 attached units in the pipeline within the immediate vicinity of the Highway 42 area with another 773 units in Broomfield, including projects within town center developments. The volume of attached development in the pipeline suggests the market will support the type of higher density development anticipated for the Highway 42 corridor. The overall Louisville market is strong, given appreciation rates of resale product located in the vicinity of downtown. The growing volume of sales and 8.3 percent annual average price increases have outpaced other submarkets in the metro area. As the current inventory of attached product is absorbed over time and as amenities are established to create a sense of place within the Highway 42 redevelopment area, prices are expected to increase to make development feasible.

The planned RTD transit station has been viewed by the development community as a catalyzing force that will increase demand for uses in the study area. However, even without the introduction of transit service, the market for residential development is reasonably strong. Once active projects north of South Boulder Road as well as those in the vicinity of 96th Street and Tape Drive near buildout (estimated at six to ten years), developers should be able to transfer the market momentum to sites within the study area. This assumes that the City is able to establish connectivity to downtown, provide some civic amenity, and address issues related to the current industrial character.

4. ***For most uses within the study area, specifically mixed-use and residential development, the market must mature and yield higher rental and sales prices for projects to achieve feasibility. A feasibility model (provided as Appendix A) was developed to test a range of different uses and assumptions, summarized below.***

Generally, local market conditions must mature before most development options become feasible. One of the uses with potential to achieve the necessary rent thresholds sooner than other is conventional commercial development, assuming a rent threshold of $22 per square foot, capitalization rate of 7.5 percent, and an FAR of .25 that allows for surface parking.

The model shows that the minimum feasibility threshold for residential use requires minimum sales points of $285 per square foot, which is higher than current project in the vicinity but is consistent with prices achieved on a limited number of downtown sales. This threshold is reasonable to expect in the future, to the extent amenities similar to downtown can be created in the study area.

Residential uses offset lower performing commercial uses, and a prototypical mixed-use project requires higher residential sales of $305 per square foot, with higher density projects requiring $330 per square foot. These scenarios assume that 10 percent of building is devoted to non-residential uses at a leasing rate of $16 per square foot.

Structured parking burdens financial feasibility; higher amounts of parking are necessary for denser projects resulting in lower financial feasibility and upward pressure on sales price to satisfy costs related to parking. Greater floor area entitlements do not facilitate greater feasibility. Mixed-use projects become more feasible when more residential space is devoted to overall project composition.

5. ***When the City established the URA, it also created the potential to capture the increment of new property tax revenue through Tax Increment Financing (TIF) to support bonds for public improvements. Based on a financing model (shown in Appendix B), the City can anticipate total bond proceeds of $8.7 million over the course of the TIF. If the City modifies the current structure and includes sales tax, bond proceeds increase to $14.3 million. The study identifies a number of assumptions used to generate the forecast, which may change as market conditions evolve.***

Application of the bond proceeds has been a central question of the City, with significant interest in addressing the challenge of accommodating parking for the anticipated transit station. The findings of the study show that the greatest optimization of future public investments in the Highway 42 revitalization exclude investments in parking structures to accommodate RTD parking requirements.

Public investments in a street grid, signalization, and pedestrian improvements are estimated to be achievable based on property tax revenues alone. It is important to note that these improvements provide the necessary conditions to maximize potential mixed-use development within the revitalization area, and that the provision and/or funding of a parking structure for RTD inhibits the City's capacity to make higher priority improvements, achieve greater utilization of the available land, and make other investments within the URA.

II. ECONOMIC & DEMOGRAPHIC FRAMEWORK

This chapter addresses historic employment and population data for the City of Louisville and surrounding communities. The analysis in this section provides a basis for indicating the area's potential for residential and commercial growth, which is described in detail in the market potentials section of this report.

EMPLOYMENT

A key factor in the long-term demand for new uses in the Highway 42 corridor is the strength of the Boulder County job market. During the period from 2001 to 2006, total employment in Boulder County lost approximately 14,000 jobs, as shown in **Table 1**. However, employment after 2002 demonstrated strong growth and a recovery from the economic downturn following 2001. During this time period, industries indicating strong growth included Real Estate and Rental and Leasing with 3,677 jobs, and Health Care and Social Assistance with 2,917 jobs. The influx of professional and technical service industry workers into the Boulder County market indicates the sector is strong and will generate demand for both commercial and residential development. It should be noted, however, that high amounts of residential growth have likely fueled the growth of the real estate leasing and rental industry and will contract as the real estate cycle softens.

Table 1
Boulder County Employment by Sector, 2001–2006
Highway 42 Market, Feasibility, & Financing Study

Industry Sector	2001	2002	2003	2004	2005	2006	Change 2001-2006 #	Change 2001-2006 Avg	Change 2001-2006 Ann. %
Agriculture	301	337	309	319	329	343	42	8	2.6%
Mining	855	779	965	1,095	1,119	1,266	411	82	8.2%
Utilities	263	270	300	299	290	263	0	0	0.0%
Construction	12,291	10,744	10,123	10,119	10,302	10,873	-1,418	-284	-2.4%
Manufacturing	29,821	23,364	21,141	20,128	20,330	20,058	-9,763	-1,953	-7.6%
Wholesale Trade	6,767	5,931	5,785	5,736	6,418	6,859	92	18	0.3%
Retail Trade	25,457	20,473	19,891	19,954	20,446	20,005	-5,452	-1,090	-4.7%
Transportation and Warehousing	2,454	2,335	2,321	2,042	1,989	1,985	-469	-94	-4.2%
Information	16,478	11,905	11,086	10,569	10,384	10,664	-5,814	-1,163	-8.3%
Finance and Insurance	8,499	7,840	7,922	8,343	8,789	9,061	562	112	1.3%
Real Estate and Rental and Leasing	10,189	9,740	10,283	10,561	11,808	13,866	3,677	735	6.4%
Professional and Technical Services	33,575	27,979	28,542	30,344	33,151	34,304	729	146	0.4%
Management of Companies and Enterprises	1,524	758	815	1,279	1,665	1,611	87	17	1.1%
Administrative and Waste Services	11,288	9,741	9,335	9,695	10,014	9,846	-1,442	-288	-2.7%
Educational Services	4,008	3,894	3,885	4,185	4,453	4,928	920	184	4.2%
Health Care and Social Assistance	17,862	17,787	18,254	19,049	20,384	20,779	2,917	583	3.1%
Arts, Entertainment, and Recreation	5,844	6,169	6,218	6,267	6,590	6,863	1,019	204	3.3%
Accommodation and Food Services	17,109	14,268	13,840	14,100	14,776	15,086	-2,023	-405	-2.5%
Other Services, Except Public Administration	11,938	11,291	11,269	11,559	11,542	12,964	1,026	205	1.7%
Government and Government Enterprises	28,408	28,385	28,299	28,677	28,831	29,613	1,205	241	0.8%
Total	**244,931**	**213,990**	**210,583**	**214,320**	**223,610**	**231,237**	**-13,694**	**-2,739**	**-1.1%**

Source: Bureau of Economic Analysis; Economic & Planning Systems

H:\18820-Louisville Market, Feasibility, Public Financing\Data\[18820- Boulder_Cty_emply.xls]Boulder-NAICS

Cities adjacent to Louisville have similarly experienced employment growth consistent with the overall County's recent experience. In total, it is estimated that 20,000 jobs were added to the combined area of Broomfield, Boulder, Superior, Lafayette, and Louisville since 2000, as shown in **Table 2**. The largest amount of new jobs occurred in Broomfield, which added approximately 12,000 jobs. The highest rate of growth in new jobs occurred in Lafayette which partially reflects the small base of jobs that existed in 2000. During the same period Louisville added approximately 3,000 new jobs. The number of new jobs to Louisville indicates that despite slow residential growth over the past seven years, the City continues to add jobs as it capitalizes in high growth rates in surrounding cities. The most important finding from the data is that the smaller communities outside the City of Boulder are growing at faster rates, and are the primary beneficiaries of the job growth generated in the County.

Table 2
Total Employment, 2000–2007
Highway 42 Market, Feasibility, & Financing Study

	2000	2007	2000 - 2007 Change	
			#	Ave. %
Broomfield	24,654	36,160	11,506	5.62%
Boulder	98,858	96,977	-1,881	-0.27%
Superior (MCP)	2,660	4,148	1,488	6.55%
Lafayette	5,351	11,167	5,816	11.08%
Louisville	**10,997**	**14,136**	**3,139**	**3.65%**
Subtotal	**142,520**	**162,588**	**20,068**	**1.90%**

Source: DRCOG; Economic & Planning Systems

H:\18820-Louisville Market, Feasibility, Public Financing\Data\[18820- Pop&HH.xls]Total Employme

DEMOGRAPHIC CONDITIONS

This section describes demographic conditions in the City of Louisville and surrounding communities. Historic growth in households, incomes, and household characteristics are reviewed.

POPULATION & HOUSEHOLDS

The period between 1990 and 2000, Louisville and adjacent cities added approximately 49,000 people annually at a rate of 3.14 percent, as shown in **Table 3**. Communities that experienced the largest population gains during this time were Broomfield and Boulder which added approximately 14,000 and 11,000 people, respectively. Compared to surrounding cities, Boulder grew by a modest annual average growth rate of 1.29 percent (reflecting the City's growth control policies). Despite accounting for 20 percent of the total population, the cities of Superior, Lafayette, and Louisville accounted for 49 percent of growth during this period. The same period saw Louisville expand by 53 percent with approximately 7,000 new people at an annual rate of 4.36 percent.

Growth pattern experienced in these communities between 1990 and 2000 have changed dramatically in the current decade. Growth in the cities adjacent to Louisville slowed between 2000 and 2007 to an annual average rate of 1.86 percent. The exception to the slowing of growth is Broomfield, which has gained an estimated 13,000 people at an annual average growth rate of 4.37 percent. Louisville has experienced the largest decline in the rate of growth adding an estimated 551 people at an annual average rate of growth of only 0.41 percent. A primary factor in the change in growth is the adoption of growth management as well as the lack of remaining land for development. As development has become more constrained, Boulder County demand has partially shifted to Broomfield.

Table 3
Historic Population Growth, 1990–2007
Highway 42 Market, Feasibility, & Financing Study

	1990	2000	2007	1990 - 2000 Change		2000 - 2007 Change	
				#	Ave. %	#	Ave. %
Population							
Broomfield	24,638	38,272	51,636	13,634	4.50%	13,364	4.37%
Boulder	83,312	94,673	102,569	11,361	1.29%	7,896	1.15%
Superior (MCP)	255	9,011	10,703	8,756	42.83%	1,692	2.49%
Lafayette	14,548	23,197	25,091	8,649	4.78%	1,894	1.13%
Louisville	**12,361**	**18,937**	**19,488**	**6,576**	**4.36%**	**551**	**0.41%**
Subtotal	**135,114**	**184,090**	**209,487**	**48,976**	**3.14%**	**25,397**	**1.86%**
Households							
Broomfield	8,719	13,842	18,692	5,123	4.73%	4,850	4.38%
Boulder	34,681	39,596	43,687	4,915	1.33%	4,091	1.41%
Superior (MCP)	101	3,381	4,119	3,280	42.06%	738	2.86%
Lafayette	5,392	8,844	9,606	3,452	5.07%	762	1.19%
Louisville	**4,612**	**7,216**	**7,449**	**2,604**	**4.58%**	**233**	**0.46%**
Subtotal	**48,893**	**65,663**	**76,104**	**16,770**	**2.99%**	**10,441**	**2.13%**

Source: Census; DRCOG; Economic & Planning Systems

H:\18820-Louisville Market, Feasibility, Public Financing\Data\[18820- Pop&HH.xls]Historic and Household Growth

As shown in **Table 4**, Louisville currently has approximately 6,000 owner-occupied households, or 76 percent of the total households, and approximately 2,000 renter households, or 24 percent. The current tenure composition represents a 2 percent change in the number of renting households from 1990. However, the city as a whole has continued to be heavily oriented towards owner occupied family households.

Table 4
Household Tenure, 1990–2008
Highway 42 Market, Feasibility, and Financing Study

Characteristics	1990	2000	2008	1990 - 2000 Ann. Avg. #	1990 - 2000 Ann. Avg. %	2000-2008 Ann. Avg. #	2000-2008 Ann. Avg. %
Tenure							
Owner-Occupied HHs	3,687	5,492	5,692	1,805	4.1%	200	0.4%
Renter-Occupied HHs	1,029	1,724	1,761	695	5.3%	37	0.3%
% Owner-Occupied HHs	78%	76%	76%	---	---	---	---
% Renter-Occupied HHs	22%	24%	24%	---	---	---	---

Source: Claritas; City of Louisville; Economic & Planning Systems
H:\18820-Louisville Market, Feasibility, Public Financing\Data\[18220-Claritas.xls]Tenure

INCOME

The household average income in Louisville rose by approximately $34,000 or an annual average rate of 5.5 percent between 1990 and 2000, as shown in **Table 5**. The large increase indicates that many of the new households to Louisville during this time period were higher income than average. Household incomes continued to rise between 2000 and 2008 by 2.2 percent annually on average. The current household average income of approximately $99,000 and indicates that Louisville is a high income community.

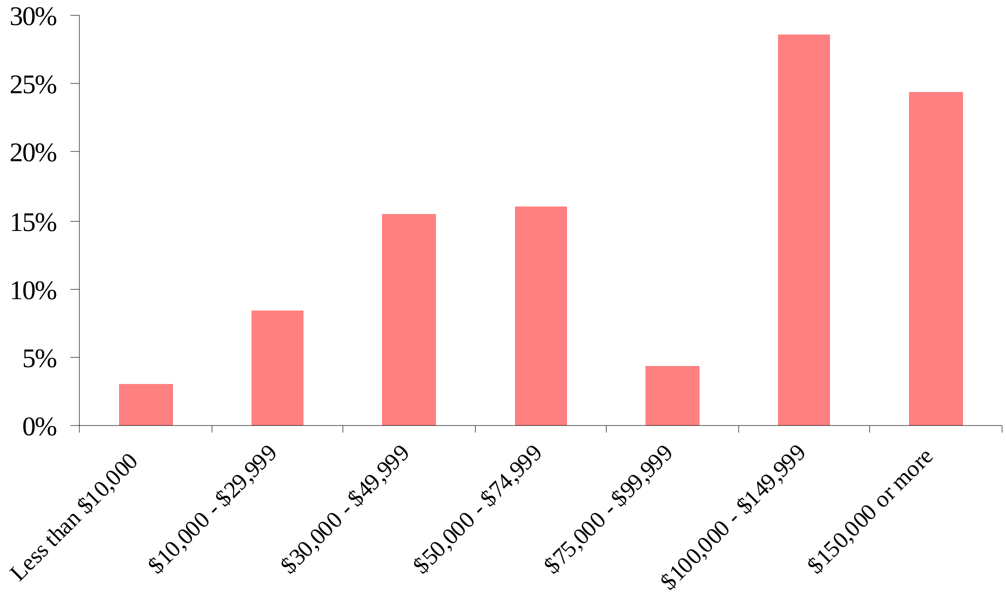
Table 5
Income Distribution, 1990–2008
Highway 42 Market, Feasibility, and Financing Study

Household Income	1990	2000	2008	1990 - 2000 # Change	1990 - 2000 Annual %	2000-2008 # Change	2000-2008 Annual %
Household Median	$43,637	$69,216	$79,949	$25,579	4.7%	$10,733	1.8%
Household Average	$48,482	$82,721	$98,627	$34,239	5.5%	$15,906	2.2%
Per Capita	$18,372	$31,828	$38,537	$13,456	5.6%	$6,709	2.4%

Source: Claritas;Economic & Planning Systems
H:\18820-Louisville Market, Feasibility, Public Financing\Data\[18220-Claritas.xls]Louisville

Current income distribution is displayed in **Figure 2**. The figure shows a minimal amount of income disparity with the majority of households earning more than $100,000 annually. An estimated 60 percent of households earn over the key retail benchmark of $70,000, which is issued by national retailers to identify high potential markets.

Figure 2
Louisville Income Distribution, 2008
Highway 42 Market, Feasibility, and Financing Study



PERMIT ACTIVITY

Over the last seven years a total of approximately 12,400 permits have been issued in the region, including Louisville, Lafayette, Boulder, Broomfield, Superior, and Westminster, as shown in **Table 6**. A total of approximately 6,600 units, or 53 percent, of issued permits were for single family homes and approximately 5,800 units, or 47 percent, of permits were for attached units, which include townhomes, condos, and apartments. Overall, more detached permits were issued than attached units with exception of 2007 when more attached permits were issued.

Broomfield issued the most permits during this period followed by Boulder, and Westminster, respectively. Broomfield issued an average of 397 attached permits annually with a somewhat even distribution between detached and attached of 55 percent to 45 percent. Westminster was heavily oriented towards detached units with 74 percent of all permit issued consisting of detached units. In contrast, Boulder averaged 284 attached units annually with attached units accounting for 77 percent of all permits issued. The orientation toward attached units in Boulder indicates a mature housing market that has exhausted available land for single family home development.

Louisville was the only community other than Boulder to issue more attached than detached permits over the seven year period. During this time, 84 percent of all permits were for attached units and 16 percent were for detached units. On average, the City issued 5 detached and 26 attached units annually for a total of 226 residential units. The high number of multifamily permits stem from 2003 and 2005 when 103 and 66 attached permits were issued, respectively. The units are likely related to the Balfour Retirement Community and associated units.

Table 6
Residential Building Permits, 2001–2007
Highway 42 Market, Feasibility, and Financing Study

City and Unit Type	2001	2002	2003	2004	2005	2006	2007	Total #	Avg. #	%
Detached										
Broomfield	397	314	396	507	583	744	473	3,414	488	55%
Boulder	71	61	78	83	77	108	108	586	84	23%
Lafayette	110	98	110	115	90	37	20	580	83	61%
Louisville	4	11	2	3	2	8	5	35	5	16%
Superior	104	173	64	---	2	---	1	344	69	95%
Westminster	301	282	348	320	160	126	82	1,619	231	74%
Subtotal	**987**	**939**	**998**	**1,028**	**914**	**1,023**	**689**	**6,578**	**940**	**53%**
Attached										
Broomfield	629	568	249	223	177	346	588	2,780	397	45%
Boulder	301	199	193	458	124	185	530	1,990	284	77%
Lafayette	27	25	57	48	108	96	13	374	53	39%
Louisville	5	0	103	4	66	1	2	181	26	84%
Superior	---	---	---	---	---	---	4	4	4	5%
Westminster	70	62	63	140	91	52	13	478	80	26%
Subtotal	**1,032**	**854**	**665**	**873**	**566**	**680**	**1,150**	**5,820**	**831**	**47%**
Total	**2,019**	**1,793**	**1,663**	**1,901**	**1,480**	**1,703**	**1,839**	**12,398**	**1,771**	**100%**
Percent of Total										
Detached	48.9%	52.4%	60.0%	54.1%	61.8%	60.1%	37.5%	53.1%		
Attached	51.1%	47.6%	40.0%	45.9%	38.2%	39.9%	62.5%	46.9%		
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**		

Source: City & County of Broomfield; City of Westminster; City of Louisville; City of Lafayette; City of Louisvillve; Economic & Plannin

H:\18820-Louisville Market, Feasibility, Public Financing\Data\[18821-Permit Activity.xls]Permits by Jurisdiction

GROWTH FORECAST

Estimates of employment and population growth for the City of Louisville as well as growth for the two-mile and five-mile radius from the proposed transit station are described below. The projections are based on the twenty-year projections of the Denver Regional Council of Governments (DRCOG). Household and population projections serve as the basis for estimates of future retail demand described in the retail market potentials section of the report.

EMPLOYMENT

DRCOG employment figures are broken into three categories: service, retail, and production employment. Production employment is most closely associated with industries that contain primary jobs such as manufacturing as well as research and development. Service employment is comprised of a number of different industries including health care and the business services industry that includes a diverse range of professions including architects and financial services related jobs.

In total, it is estimated that the City of Louisville will add approximately 3,400 jobs between 2008 and 2015 at an annual average rate of growth of 3.12 percent, as shown in **Table 7**. The high rate of job growth anticipated during this time period is largely a result regional trends as well as land availability to accommodate employment growth. While this study does not evaluate the impact of specific sites on employment growth, the former StorageTek site which was recently purchased by ConocoPhillips has been accounted for in the regional projections. Similarly, high employment growth in the five-mile radius is a result expected growth in the US 36 corridor office market. Healthy employment growth between 2015 and 2035 is also anticipated, although at lower rates than the earlier period.

The closest measure of employment growth in the areas surrounding the proposed transit station is provided in the two-mile radius projection as this geography avoids the employment corridor along US 36. The highest growth in the two-mile area is estimated to occur in the service employment, which is anticipated to add approximately 1,000 jobs between 2008 and 2015 and another 2,000 in the following two decades. Service employment will be the primary driver of office development in the Highway 42 revitalization area.

Table 7
Employment Growth Projection
Highway 42 Market, Feasibility, and Financing Study

	2008	2015	2035	2008 - 2015 Change		2015 - 2035 Change	
				#	Ann. Avg. %	#	Ann. Avg. %
Service Employment							
Louisville	6,842	7739	9,539	897	1.78%	1,800	1.05%
2 - Mile Radius	8,553	9,553	11,595	1,000	1.59%	2,042	0.97%
5 - Mile Radius	30,697	37,120	49,254	6,423	2.75%	12,134	1.42%
Retail Employment							
Louisville	2,239	2,759	3,626	520	3.03%	867	1.38%
2 - Mile Radius	2,942	3,400	4,090	458	2.09%	690	0.93%
5 - Mile Radius	12,775	14,545	18,314	1,770	1.87%	3,769	1.16%
Production Employment							
Louisville	5,105	7,089	10,645	1,984	4.80%	3,556	2.05%
2 - Mile Radius	3,101	3,530	4,080	429	1.87%	550	0.73%
5 - Mile Radius	17,630	24,528	36,992	6,898	4.83%	12,464	2.08%
Total Employment							
Louisville	14,186	17,587	23,810	3,401	3.12%	6,223	1.53%
2 - Mile Radius	14,595	16,483	19,765	1,888	1.75%	3,282	0.91%
5 - Mile Radius	61,103	76,193	104,560	15,090	3.20%	28,367	1.60%

Source: DRCOG; Economic & Planning Systems

H:\18820-Louisville Market, Feasibility, Public Financing\Data\[18820- Pop&HH.xls]Employment

POPULATION & HOUSEHOLDS

Between 2007 and 2025 it is anticipated that Louisville will grow by approximately 1,200 households, as shown in **Table 8**. The projection is based upon growth rates projected by DRCOG and the residential buildout identified in the 2006 *Louisville Comprehensive Plan*. Three separate geographies were used to reflect possible distances from which the Highway 42 residential market could draw into new homes. The two-mile radius is expected to grow by approximately 2,500 households during the same period. Finally, the five-mile radius is estimated to grow by approximately 15,900 households.

The rate of growth in the Louisville and two-mile radius is estimated at less than 1 percent growth annually. In contrast, the five-mile radius is projected to have a growth rate of approximately 2 percent. The discrepancy between growth rates is a result of a less policy restricted residential environment along the US 36 corridor, specifically the area within Broomfield.

Table 8
Louisville Population Projection Increase, 2007-2025
Highway 42 Market, Feasibility, and Financing Study

	2007	2015	2025	2007 - 2025 Change	
				#	Ann. Avg. %
Population					
Louisville	19,488	20,074	21,968	2,480	0.67%
2 - Mile Radius	35,545	37,095	40,449	4,904	0.72%
5 - Mile Radius	94,743	109,012	131,676	36,933	1.85%
Households					
Louisville	7,449	7,934	8,683	1,234	0.86%
2 - Mile Radius	13,725	14,709	16,266	2,541	0.95%
5 - Mile Radius	36,037	42,316	51,905	15,869	2.05%

[1] Households based on 4% unit vacancy; 2025 population based on 2.53 persons per househol

[2] 2035 Louisville projection based on 2007- 2025 growth rate

Source: City of Louisville; DRCOG; Economic & Planning Systems

H:\18820-Louisville Market, Feasibility, Public Financing\Data\[18820- Pop&HH.xls]Population

III. EXISTING LAND USE CONDITIONS

This section examines existing land use conditions in the Highway 42 study area as well as recent development trends both in the Highway 42 revitalization area and in downtown Louisville.

HIGHWAY 42 STUDY AREA EXISTING CONDITIONS

The Highway 42 study area is characterized by a diverse range of uses including single family homes, light industrial, commercial, and vacant land. In addition, some civic uses are included in the area such as Miner's Field and the American Legion Hall. Highway-oriented businesses housed in low density single-story buildings with surface parking typify the commercial building mix in the study area. Additionally, single family homes are concentrated in two areas, to the north of the revitalization area and adjacent to Miner's Field. Downtown and the study area remain largely disconnected as a result of the rail line serves. No connection between downtown and the Highway 42 area except for the Griffith Street crossing.

The study area is comprised of approximately 55 acres of land and 113 parcels, as shown in **Table 9**. The largest land uses in the study are commercial and residential with 26.34 and 14.51 acres, respectively. The study area currently contains 9.61 acres of vacant land.

Table 9
Highway 42 Study Area Land Use Inventory
Highway 42 Market, Feasibility, and Financing Study

Use Type	# of Pacels	Acres
Commercial	23	26.34
Exempt	6	4.63
Natural Resources	2	0.001
Residential	70	14.51
Vacant Land	12	9.61
Total	**113**	**55.09**

Source: Boulder County Assessor; Economic & Planning Systems

H:\18820-Louisville Market, Feasibility, Public Financing\Data\[18820- Highway 42 Land use.x

NON-RESIDENTIAL INVENTORY

An approximate building space inventory was developed for the Highway 42 revitalization area from Boulder County Assessor data and use categories to provide a general understanding of the proportional use dedications within the study area. Retail represents the largest amount of building space within the Highway 42 study area and accounts for approximately 36,000 square feet of space, as shown in **Table 10**. Retail uses within the revitalization area are primarily located at the southwest corner of Highway 42 and South Boulder Road. The second largest amount of building space is dedicated to auto related uses which account for approximately 31,000 square feet. A large amount of warehouses space is also included in the study area as a result of the storage uses located in close proximity to the intersection of Cannon and Lafayette Streets.

Table 10
Highway 42 Study Area Building Area by Type
Highway 42 Market, Feasibility, and Financing Study

Use Type	Number of Entries	Building Area (sq. ft).
Office	4	13,164
Retail	8	35,805
Restaurant	1	1,530
Auto Related	6	31,138
Warehouse	9	21,105
Manufacturing	4	23,901
Engineering/Research	1	3,850
Total	**33**	**130,493**

Source: Boulder County Assessor; Economic & Planning Systems
H:\18820-Louisville Market, Feasibility, Public Financing\Data\[HghW42_Parcels.xls]TABLE

DOWNTOWN EXISTING CONDITIONS

Downtown Louisville contains a mix of uses comparable to many downtowns both large and small. Primary downtown uses include office, retail, restaurants, and civic functions. A modest amount of development and redevelopment activity has occurred over the last 10 years.

NON-RESIDENTIAL INVENTORY

Excluding tax exempt uses, downtown Louisville contains approximately 93,000 square feet of office space, based upon the use categorization of the Boulder County Assessor, as shown in **Table 11**. The total retail inventory accounts for approximately 66,000 square feet with an additional 40,000 square feet of restaurant space. A small amount of commercial spillover has occurred in adjacent residences as some have been converted to commercial uses. In total, downtown Louisville contains approximately 220,000 square feet of commercial uses.

Table 11
Downtown Land Use Inventory
Highway 42 Market, Feasibility, and Financing Study

Use Type	Number of Entries	Building Area sq. ft.
Auto Related	3	4,326
Banks	1	9,025
Residential Retail	2	1,400
Retail[1]	21	65,877
Restaurants	13	40,244
Residential Office	4	6,188
Office	23	92,746
Unfinished	6	17,818
Total	**73**	**219,806**

[1] Includes Post Office
Source: Boulder County Assessor; Economic & Planning Systems
H:\18820-Louisville Market, Feasibility, Public Financing\Data\[18820-Downtown Inventory.xls]Table

CONSTRUCTION ACTIVITY

A total of 64 commercial buildings permits were issued in Louisville between 2001 and 2007, as shown in **Table 12**. Approximately 75 percent of commercial building activity during the period occurred between 2001 and 2003 with a modest amount of activity occurring in following years. The volume of permits issued for tenant improvements was more consistent over the same period with a total of 449 permits issued with an annual average of 64 permits.

Table 12
Louisville Commercial Building Permits, 2001–2007
Highway 42 Market, Feasibility, and Financing Study

City and Unit Type	2001	2002	2003	2004	2005	2006	2007	Total #	Avg. #
Lousville									
Commerical Buildings	17	15	16	6	2	6	2	64	9
Tenant Improvements	67	55	41	88	88	61	49	449	64
Total	**84**	**70**	**57**	**94**	**90**	**67**	**51**	**513**	**73**

Source: City of Louisville
H:\18820-Louisville Market, Feasibility, Public Financing\Data\[18821-Permit Activity.xls]Commerical Permits

A one-mile radius was used to analyze commercial building activity surrounding the Highway 42 revitalization area. The narrower focus both the highway-oriented and downtown typologies expected to occupy future development within the Highway 42 revitalization area. New construction that occurred within the Louisville Business Park was excluded from the analysis. To more accurately measure the demand for office space in the Highway 42 context, this is envisioned as a mixed-use community, as opposed to a business park setting. In total, approximately 104,000 square feet of commercial space was constructed within a one-mile radius of the proposed station between 2001 and 2007, as shown in **Table 13**.

Approximately 60,000 square feet, or 58 percent, was composed of office space and approximately 43,000 square feet, or 42 percent, was retail space. Office space averaged approximately 10,000 square feet annually and was concentrated in the 2001 to 2003 period. Retail space development was more evenly dispersed through the six-year period and averaged approximately 7,200 square feet annually. Total commercial development equated to approximately 17,000 square feet annually.

Table 13
One-Mile Station Radius New Construction, 2001–2007
Highway 42 Market, Feasibility, and Financing Study

Type	2001	2002	2003	2004	2005	2006	2007	Total #	Avg. #
Retail Space	---	18,700	2,175	2,135	---	20,472	---	43,482	7,247
Office Space	41,180	14,578	4,344	---	---	---	---	60,102	10,017
Total	**41,180**	**33,278**	**6,519**	**2,135**	**0**	**20,472**	**0**	**103,584**	**17,264**

Source: Boulder County Assessor; Economic & Planning Systems
H:\18820-Louisville Market, Feasibility, Public Financing\Data\[18820- Commerical Sales.xls]Table

CONSTRUCTION & REDEVELOPMENT EXAMPLES

Over the past six years a total of 13 transactions occurred in downtown Louisville totaling approximately $12,000,000, as shown in **Table 14**. The largest number of sales and square feet of transactions occurred in office uses with six sales and approximately 54,000 square feet.

Table 14
Downtown Sales by Type, 2002–2008
Highway 42 Market, Feasibility, and Financing Study

Use Type	# of Sales	Sq. Ft.	Investment
Retail	3	6,840	$1,352,200
Office	6	54,185	$8,606,500
Restaurant	4	12,719	$2,205,000
Total	**13**	**73,744**	**$12,163,700**

[1] Sales to May 31, 2008
Source: Boulder County Assessor; Economic & Planning Systems
H:\18820-Louisville Market, Feasibility, Public Financing\Data\[18820- Downtown Inventment.xls]Sal

Additional evidence of Louisville's position in the Boulder County real estate market is documented by the number of new development and redevelopment projects that have occurred in Louisville during the past 10 years. New projects represent a prominent part of downtown Louisville's character. Additionally, the projects provide insight into the conditions necessary to spur redevelopment in downtown Louisville.

908 Main Street/One Koko Plaza

Both 908 Main Street and the One Koko Plaza projects were developed for the same medical supply user as a corporate headquarters. The projects suggest were built outside of the market and do not provide indication as to the demand for new construction. However, the project does provide indication of the downtown Louisville's demand for office space. When the original company vacated the buildings, nearly 60,000 square feet of vacant space was released within a year.

Moffit Building

The Moffit Building consists of two buildings built in 2006 that includes four residential condos. The project is significant because it represents the first mixed-use condos sold in Louisville. Residential units in the project sold at price points between $296,000 and $298,000 per unit. One residential unit is currently listed at $335,000. The retail space is currently fully occupied.

950 Spruce Street

The recent renovation of the old Louisville library has been very successful at attracting office users at rates approaching $18 per square foot. Leasing of retail space in the building has been very challenging as the landlord originally hoped to recruit a restaurant user for ground floor space. However, the weak market and rent tolerance of retail users result in lease of the space to a City of Boulder law firm choosing to move to downtown Louisville.

IV. COMMERCIAL MARKET CONDITIONS

This section examines commercial real estate conditions in proximity to the Highway 42 revitalization area. Factors such as construction, absorptions, and current market rents are used a basis for understanding the market context and estimating future market demand. Leasing rates indicate that the most desirable office space is located downtown and the most desirable retail location is within the King Soopers anchored center.

OFFICE MARKET CONDITIONS

Office development in the one-mile area surrounding the station area between 2001 and 2007 totaled approximately 60,000 square feet with an average annual growth of approximately 10,000 square feet. The majority of this space was constructed in Downtown Louisville for a single user which has since moved. Despite the loss of a large tenant approximately 62,000 square feet of office space was leased in 2007 at rates between $14 and $16 per square foot with some prime locations at close to $18 per square foot. Rates in downtown Louisville contrast with office leasing rates along South Boulder Road which achieve between $7 and $11 per square foot with long-term vacancies.

Interviews with stakeholders in the downtown office market indicated that tenants are attracted to downtown as a result of amenities such as restaurants, services, and pedestrian connectivity. In addition, the downtown market offers opportunities for users who desire smaller spaces than are available in larger office complexes.

The amenity-driven factors that support office market are not currently present in Highway 42 area. Multi-tenant office development in the Highway 42 area will depend upon connectivity to downtown as well as facilitating an amenity rich environment in the area closest to the proposed station. However, the area's geographic isolation from downtown will remain a challenge office development as much of the area away from the connection to downtown will resemble market conditions along Highway 42. The recruitment of a single large office user in the Highway 42 area could stimulate greater office development than historic office development trends suggest.

RETAIL MARKET CONDITIONS

This section examines neighborhood retail market conditions in the retail trade area surrounding the Highway 42 revitalization area. The analysis concentrates on neighborhood-oriented retail as a result of the site's location away from the US 36 corridor. Current retail rents within existing centers in proximity to the Highway 42 study area range from $20 per square foot in the Kings Soopers shopping center to $8 within the in-line space anchored by Safeway. Downtown retail achieves approximately $15 per square foot with similar rates along Highway 42.

RETAIL MARKET AREA

The existing retail along the US 36 corridor consists of regional retail located directly along the corridor and smaller neighborhood-oriented retail within the flanking communities. As a result, it is anticipated that new retail development in the Highway 42 revitalization area will be oriented towards restaurants, Convenience Goods, and services such as dry cleaning and real estate. Neighborhood retail stores typically measure the feasibility of a retail store based upon the number of households in a two-mile radius; therefore a two-mile radius from the proposed station was used as a boundary to determine current retail and future demand. A depiction of this boundary is displayed in **Figure 3**.

TOTAL PERSONAL INCOME (TPI)

To understand the spending potential of the trade area surrounding the study area and the resulting store possibilities, a retail expenditure analysis was conducted. The trade area was projected to be in a two-mile radius around the proposed station, which is a standard trade area for neighborhood-oriented retail. Retail expenditure potentials can be estimated based on the percent of trade area income spent on average by store category, as outlined in the steps below:

- Total personal income (TPI) within the trade area is estimated by multiplying the population by the trade area's per capita income (or alternatively, households by the average household income).

- Based on the Census of Retail Trade for the State of Colorado, the percent of TPI spent by store category is calculated for the State as a whole based on historical shopping patterns. This calculation provides an estimate of expected retail spending patterns, but at a level of geography large enough to negate the impacts of inflows and outflows of sales.

- The average percent of TPI spent by store category in the State is applied to the applicable Highway 42 trade area TPI to estimate current expenditure potentials regardless of location of purchase.

- The growth in primary trade area expenditure potential is estimated by the same calculation applied to the estimated growth in TPI by time period. TPI calculations are made in constant dollars (no inflation).

The TPI for the Highway 42 trade area, based on two-mile trade radius, is estimated at approximately $1.4 billion in 2007 and is expected to grow to $1.6 billion by 2025 based on anticipated population growth, as shown in **Table 15**.

Table 15
Resident Total Personal Income (TPI) , 2007-2025
Highway 42 Market, Feasibility, and Financing Study

Location	2007	2015	2025	Avg. Ann. Increase 2007-2025
2 - Mile Trade Area				
Population	35,545	37,095	40,449	0.7%
Per Capita Income	$39,323	$39,323	$39,323	0.0%
Trade Area Personal Income ($000s)	**$1,397,745**	**$1,458,675**	**$1,590,573**	**0.7%**

Source: Claritas; Economic & Planning Systems

H:\18820-Louisville Market, Feasibility, Public Financing\Models\[18820 -TradeArea-TPI.xls]TPI

For purposes of analysis, retail stores are categorized based on shopping and trade area characteristics listed below. Each is described with examples to clarify the types of retail stores included in each of the categories.

- **Convenience Goods** – This category includes supermarkets and other grocery stores, convenience stores, as well as liquor, drug, other specialty food stores, and coffee shops. In addition, this category includes convenience services such as laundry, mail, hair/barber, and copies. These stores generally sell frequently purchased, low cost items with little product differentiation. The primary locations for Convenience Goods stores are the supermarket-anchored neighborhood shopping centers and smaller convenience centers, as these items are most often bought close to home.

- **Shoppers Goods** – This category includes general merchandise, apparel, furniture, appliance, and specialty goods stores. The product lines of these stores are generally more expensive, less frequently purchased items. In general, people are more likely to comparison shop for Shoppers Goods and are often more willing to travel farther to buy them. The primary locations for regional Shoppers Goods are traditional downtown shopping districts, regional shopping centers, free-standing discount department and membership warehouse stores, and power centers dominated by mass merchandise tenants.

- **Eating and Drinking Establishments** – This category covers restaurants including conventional sit-down and fast food, and bars. Businesses in this category exhibit some of the characteristics of convenience stores in that many restaurant expenditures are made at establishments close to home and on a frequent basis. However, some higher quality restaurants, unique in the marketplace, can have a regional draw.

- **Building Materials/Nurseries** – This category is made up of stores selling lumber, paint, glass, hardware, plants and garden supplies, and other retail items related to home improvement. Home improvement centers such as Home Depot and Lowe's are the largest stores in this category.

For the purposes of this analysis it is assumed the current Highway 42 resident expenditure potential, or retail demand, is being satisfied. As a result, growth in retail expenditure potential provides the primary basis to determine new retail demand. Because retail spending occurs in a diverse array of places, not all of the resident expenditure potential will be captured in the trade area; however, it nevertheless provides a gauge of retail demand as a result of population growth.

Current estimates show that Highway 42 trade has approximately $357 million of retail expenditure potential and is anticipated to grow to $405 million by 2025 for a net retail expenditure growth of $48 million, as shown in **Table 16**. Convenience Goods such as supermarkets and drug stores are anticipated to capture the highest amount of future growth. A small portion of Shoppers Goods may be captured in the trade area, but is more likely to locate in the US 36 corridor along with much of the Building Materials and Garden store types. Approximately half of Eating and Drinking, or restaurant uses, is expected to be captured in the trade area.

Table 16
Resident Expenditure Potential
Highway 42 Market, Feasibility, and Financing Study

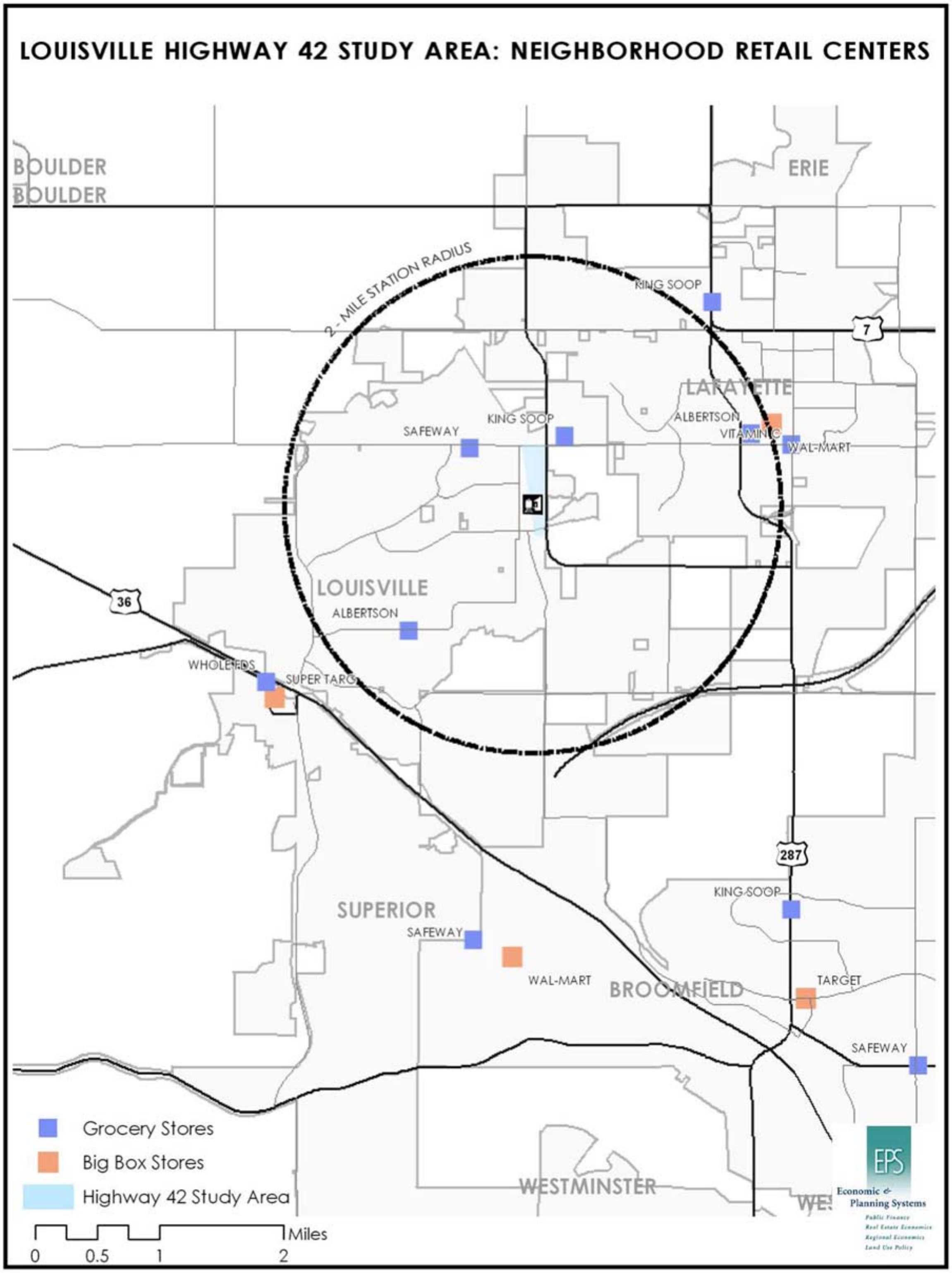
Store Type	Pct. Of TPI	Resident Expenditure Potential 2007 ($000s)	2015 ($000s)	2025 ($000s)
Total Personal Income		**$1,397,745**	**$1,458,675**	**$1,590,573**
Convenience Goods				
Supermarkets / Grocery	6.0%	$83,900	$87,500	$95,400
Specialty Food Stores	0.2%	$2,800	$2,900	$3,200
Convenience Stores	0.1%	$1,400	$1,500	$1,600
Beer, Wine, & Liquor Stores	0.8%	$11,200	$11,700	$12,700
Health and Personal Care	1.4%	$19,600	$20,400	$22,300
Total Convenience Goods	**8.5%**	**$119,000**	**$124,000**	**$135,000**
Shoppers Goods				
Clothing & Accessories	2.1%	$29,400	$30,600	$33,400
Furniture & Home Furnishings	1.6%	$22,400	$23,300	$25,400
Sport, Hobby, Book, & Music Stores	1.5%	$21,000	$21,900	$23,900
Electronics & Appliances	1.3%	$18,200	$19,000	$20,700
Miscellaneous Retail	1.5%	$21,000	$21,900	$23,900
Total Shoppers Goods	**8.0%**	**$112,000**	**$116,700**	**$127,300**
Eating and Drinking	**5.2%**	**$72,700**	**$75,900**	**$82,700**
Building Material & Garden	**3.8%**	**$53,100**	**$55,400**	**$60,400**
Total Retail Goods	**25.5%**	**$356,800**	**$372,000**	**$405,400**

Source: 2002 Census of Retail Trade; Economic & Planning Systems
H:\18820-Louisville Market, Feasibility, Public Financing\Models\[18820 -TradeArea-TPI.xls]Expend Growth

The expenditure potential for Convenience Goods is particularly important, as the category includes grocery stores, which are optimal anchors for neighborhood-oriented retail centers. There are currently four grocery stores within the two-mile radius around the proposed station, as shown in **Figure 2**. The current retail expenditure potential for supermarket/grocery stores is approximately $84 million. Total sales in existing grocery stores typically average $26 million, which translates into $104 million of sales for grocery stores in the trade area. As a result, existing stores either rely on inflow of expenditures from outside the trade area or are underperforming.

In either case, the analysis indicates that the market is currently oversaturated in grocery stores. Therefore, the new retail development is expected to rely on non-anchored retail centers. While capture of local expenditure potential is more difficult without conventional anchors, options exist for agglomerations of comparable tenants or the use of small anchors (i.e., less than 20,000 square feet) to generate shopper traffic. The relationship between growth in household spending and development potentials in the Highway 42 reutilization area will be explored further in the following chapter.

Figure 3
Louisville Neighborhood & Regional Retail
Highway 42 Market, Feasibility, and Financing Study



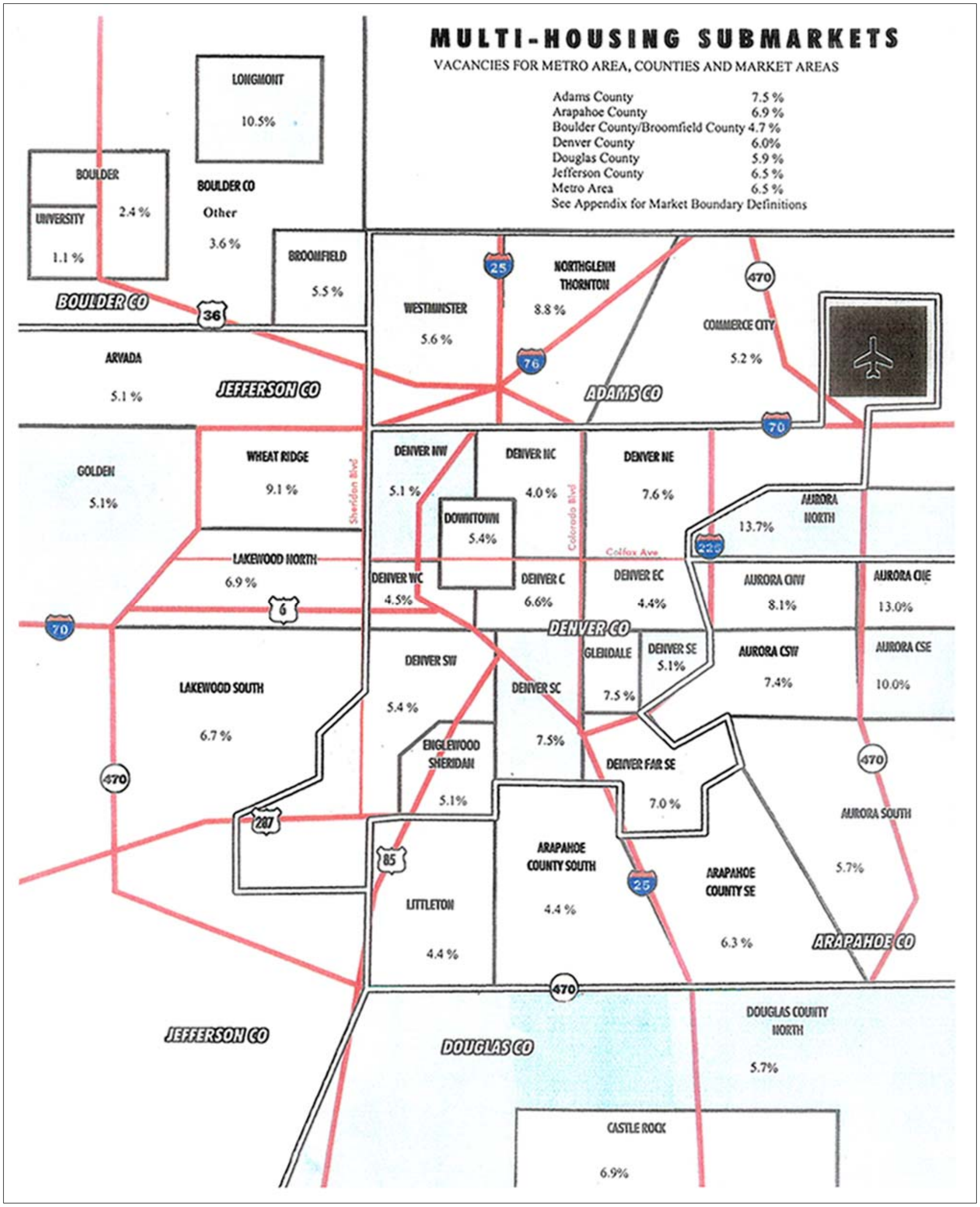
V. RESIDENTIAL MARKET CONDITIONS

This section examines the market conditions for residential development in the market area for the Highway 42 study area. The relevant residential market area is generally defined as Louisville, Lafayette, and Superior with parts of Broomfield providing a basis for comparison. This chapter addresses apartment market conditions, the performance of ownership development, historic trends, and comparable projects. The for-sale analysis relies on specific projects as well as trend data to estimate market potentials for the moderately dense mixed-use character expected in the study area.

APARTMENT MARKET CONDITIONS

Apartment data in this report are taken from the quarterly *Denver Metro Apartment Vacancy & Rent Survey* as well as primary research on comparable projects. The three subareas are displayed in **Figure 4** and include Broomfield, Boulder (excluding the University area), and Boulder County Other which includes Louisville and surrounding cities.

Figure 4
Apartment Submarkets
Highway 42 Market, Feasibility, and Financing Study



INVENTORY

The Boulder/Broomfield apartment market currently contains 8,103 apartment units which is 106 new units greater than the previous year, reflecting a 1.3 percent increase, as displayed in **Table 17**. Broomfield added 265 apartment units in the last year, representing a change of 9.3 percent. A total of 180 units were added in Boulder County outside of Broomfield, Longmont, and Boulder, which represents a 10.4 percent increase. In contrast, the Boulder submarket, which excludes the University, decreased inventory by 550 units over the last year, representing a 25.5 percent loss in inventory. As a result of the inventory contraction in Boulder, total units in the trade area decreased by 105 units

Approximately 44 percent of units in the trade area are one-bedroom apartments. Two-bedroom/ two-bath units contain the second largest inventory with approximately 30 percent of all units. Notably, Boulder County Other has a much lower percentage (approximately 6 percent) of two-bedroom/ one-bath units than Boulder and Broomfield. The contraction of the Boulder market has implications for Louisville. While research of the specific developments was not completed, it is assumed that the projects were converted to higher performing uses, thus shifting apartment demand elsewhere, including locations in eastern Boulder County.

Table 17
Market Area Apartment Inventory, 2nd Qtr. 2008
Highway 42 Market, Feasibility, and Financing Study

Location	Studio	1 Bed	2 Bed/ 1 Bath	2 Bed/ 2 Bath	3 Bed	Other	Total	1 Year Change #	1 Year Change %
Market Area									
Broomfield	1	1,485	685	797	112	31	3,111	265	9.3%
Boulder[1]	99	647	332	402	81	44	1,605	-550	-25.5%
Boulder Co. Other	56	810	110	817	116	---	1,909	180	10.4%
Subtotal	**156**	**2,942**	**1,127**	**2,016**	**309**	**75**	**6,625**	**-105**	-1.6%
Boulder/Broomfield Total	**258**	**3,517**	**1,426**	**2,366**	**461**	**75**	**8,103**	**106**	1.3%
Market Area									
Broomfield	0.0%	47.7%	22.0%	25.6%	3.6%	1.0%	100.0%		
Boulder[1]	6.2%	40.3%	20.7%	25.0%	5.0%	2.7%	100.0%		
Boulder Co. Other	2.9%	42.4%	5.8%	42.8%	6.1%	0.0%	100.0%		
Subtotal	**2.4%**	**44.4%**	**17.0%**	**30.4%**	**4.7%**	**1.1%**	**100.0%**		
% of Boulder/Broomfield Total	**3.2%**	**43.4%**	**17.6%**	**29.2%**	**5.7%**	**0.9%**	**100.0%**		

[1] Does not include University area

Source: Denver Area Apartment Vacancy and Rent Survey; Economic & Planning Systems

H:\18820-Louisville Market, Feasibility, Public Financing\Data\[18821- Von Stoh.xls]Unit Mix

VACANCY

Vacancy rates across the rental housing market area have decreased from 10.2 percent in 2003 to 4.2 percent in 2007, as shown in **Table 18**. The decrease in vacancy rates in the immediate subareas mirrors the decreases experienced in the larger Denver Metro area. The Boulder submarket experienced the largest decrease in vacancy largely as a result of Boulder's market contraction in the number of available rental units. Vacancy decreases in Broomfield as well as Boulder County Other indicate that current demand for apartments is outpacing apartment production. The lower vacancy rates can be attributed to a number of factors such as a reduction in first-time home buyers, an increase in foreclosures resulting in increased renter households, and overall population growth. Strength of the market relative to the larger metro area is consistently shown in the data each year and indicates that the submarkets are compelling to renters.

Table 18
Historic Vacancy Rates, 2001, 2nd Qtr. 2008
Highway 42 Market, Feasibility, and Financing Study

Location	2001	2002	2003	2004	2005	2006	2007
Broomfield	4.9%	8.4%	11.0%	9.6%	12.9%	6.6%	4.9%
Boulder[1]	5.7%	11.5%	9.2%	7.9%	7.0%	6.6%	3.0%
Boulder Co. Other	9.1%	10.6%	9.6%	9.2%	7.1%	6.2%	4.0%
Sub-Average	**6.3%**	**9.8%**	**10.2%**	**9.1%**	**9.8%**	**6.5%**	**4.2%**
Boulder/Broomfield Co.	**6.5%**	**9.7%**	**10.2%**	**8.9%**	**8.7%**	**6.0%**	**4.4%**
Metro Area	**8.7%**	**11.7%**	**10.9%**	**10.0%**	**7.9%**	**7.0%**	**6.2%**

[1] Does not include University area
Note: Vacancy rates are the average of the previous 12 months ending in the 4th quarter of the given
Source: Denver Area Apartment Vacancy and Rent Survey; Economic & Planning Systems
H:\18820-Louisville Market, Feasibility, Public Financing\Data\[18821- Von Stoh.xls]Hist Vacancy

RENTAL RATES

Both the Metro area and the Boulder/Broomfield markets experienced rental rate increases over the past year of 4.2 percent and 1.7 percent, respectively, as shown in **Table 19**. The rental trade area experienced an overall average rental rate decline of 1.7 percent as a result of declines in the Boulder County Other submarket. Pressure on remaining inventory resulted in a strong increase of 6.9 percent in the Boulder submarket. Broomfield also experienced an overall average rental rate increase of 1.3 percent, which indicates that the new inventory in the submarket is priced above existing inventory.

Table 19
Average Rental Rates by Apartment Type, 2nd Qtr. 2008
Highway 42 Market, Feasibility, and Financing Study

Location	Studio	1 Bed	2 Bed/ 1 Bath	2 Bed/ 2 Bath	3 Bed	All	1 Year % Change
Broomfield	$490	$804	$814	$1,163	$1,121	$909	1.3%
Boulder[1]	$850	$919	$962	$1,206	$1,460	$1,025	6.9%
Boulder Co. Other	$785	$942	$976	$1,150	$1,363	$1,054	-11.2%
Sub-Average	**$825**	**$867**	**$873**	**$1,166**	**$1,300**	**$979**	**-1.7%**
Boulder/Broomfield Co.	**$761**	**$848**	**$873**	**$1,128**	**$1,221**	**$952**	**1.7%**
Metro Area	**$636**	**$782**	**$841**	**$1,041**	**$1,262**	**$886**	**4.2%**

[1] Does not include University area
Source: Denver Area Apartment Vacancy and Rent Survey; Economic & Planning Systems
H:\18820-Louisville Market, Feasibility, Public Financing\Data\[18821- Von Stoh.xls]rent by type

Current rental rates per square foot in the market area of $1.13 per square foot are higher than the Denver Metro market of $1.04, as shown in **Table 20**. Boulder has the highest subarea rents and commands an average price premium of 15 percent relative to the trade area average rent.

Table 20
Lease Rate per Square Foot
Highway 42 Market, Feasibility, and Financing Study

Location	Studio	1 Bed	2 Bed/ 1 Bath	2 Bed/ 2 Bath	3 Bed	All
Broomfield	$1.13	$1.20	$0.92	$1.08	$0.97	$1.09
Boulder[1]	$1.97	$1.35	$1.10	$1.26	$1.22	$1.30
Boulder Co. Other	$1.62	$1.15	$1.06	$0.93	$0.96	$1.06
Sub-Average	**$1.84**	**$1.22**	**$0.99**	**$1.06**	**$1.03**	**$1.13**
Boulder/Broomfield Co.	**$1.64**	**$1.23**	**$0.99**	**$1.04**	**$1.00**	**$1.13**
Metro Area	**$1.28**	**$1.10**	**$0.95**	**$0.98**	**$0.99**	**$1.04**

[1] Does not include University area
Source: Denver Area Apartment Vacancy and Rent Survey; Economic & Planning Systems
H:\18820-Louisville Market, Feasibility, Public Financing\Data\[18821- Von Stoh.xls]Price-SF by Type

COMPETITIVE PROJECT ANALYSIS

Several comparable projects are currently under construction in Broomfield. The most indicative of a mixed-use setting is the Alexan Arista Lofts located in the development surrounding the Broomfield Events Center. Although the project is still under construction, it is achieving average rents of $1.57 per square foot and the 68 completed units are 100 percent occupied. The project will include 358 units at completion.

Two additional projects also under construction are located at the intersection of Northwest Parkway and Tape Drive in Broomfield. Terracina at Via Varra by Catalina Development Company will include 376 luxury apartments and 45,000 square feet of retail stores and is expected to begin leasing in April 2008. The Catania apartments, developed by A.G. Spanos, will have 297 units.

FOR-SALE MARKET CONDITIONS

The majority of data utilized in this section comes from Boulder County Assessor data. Because TOD is most successful when centered on higher density mixed-use environments, the analysis primarily focuses on attached housing sales and construction within the residential trade area. In addition, recent sales activity in residential areas within a quarter mile of downtown was analyzed to gauge the residential desirability of downtown Louisville.

REGIONAL SALES VOLUME

Boulder, Lafayette, Louisville, and Superior averaged approximately 1,000 attached housing transactions per year between 2001 and 2007, as shown in **Table 21**. Approximately 75 percent of transactions occurred in the Boulder submarket, which indicates it has matured to the point where demand has shifted to higher density housing types. Further evidence of Boulder's mature market can be seen in the high number of attached sales for condos, which is 80 percent, compared to townhomes at 20 percent.

The submarkets of Louisville, Lafayette, and Superior were more evenly divided between condominium and townhome product types. Only Lafayette contained a greater proportion of townhome than condo sales with 52 percent and 48 percent, respectively. Outside of the Boulder submarket, the greatest number of transactions occurred in the Lafayette submarket with an average of 136 attached housing sales annually. Louisville experienced an annual average of 59 transactions.

Table 21
Total Attached Sales, 2001–2007
Highway 42 Market, Feasibility, and Financing Study

Type	2001	2002	2003	2004	2005	2006	2007	Average	% by Type
Louisville									
Condo	20	29	26	24	44	54	53	36	61%
Townhome	14	9	23	24	23	33	34	23	39%
Subtotal	**34**	**38**	**49**	**48**	**67**	**87**	**87**	**59**	**100%**
Lafayette									
Condo	52	70	70	60	71	77	60	66	48%
Townhome	43	52	73	62	78	90	94	70	52%
Subtotal	**95**	**122**	**143**	**122**	**149**	**167**	**154**	**136**	**100%**
Superior									
Condo	64	16	31	25	26	28	35	32	57%
Townhome	18	22	15	19	36	36	27	25	43%
Subtotal	**82**	**38**	**46**	**44**	**62**	**64**	**62**	**57**	**100%**
Boulder									
Condo	315	418	501	609	771	722	808	592	80%
Townhome	82	83	128	186	197	191	184	150	20%
Subtotal	**397**	**501**	**629**	**795**	**968**	**913**	**992**	**742**	**100%**
Market Total									
Condo	451	533	628	718	912	881	956	726	73%
Townhome	157	166	239	291	334	350	339	268	27%
Total	**608**	**699**	**867**	**1,009**	**1,246**	**1,231**	**1,295**	**994**	**100%**

Source: Boulder County Assessor; Economic & Planning Systems

H:\18820-Louisville Market, Feasibility, Public Financing\Data\[18820- Summary Condos.xls]Total Number of Sales

To understand the performance of the new housing exclusive of existing unit sales, new home data was extracted from the larger Assessor dataset. Sales for new residential units (excluding conversion of historic buildings) was derived by contrasting the year a unit was sold with the year it was built, as shown in **Table 22**. The largest amount of new attached housing sales within the markets of Louisville, Superior, and Lafayette occurred in the period between 2005 and 2007. During this time period the residential trade area averaged 53 sales per year.

Table 22
New Product Attached Sales (Louisville, Superior, Lafayette)
Highway 42 Market, Feasibility, and Financing Study

	Sales Year						
Year Built	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**
2000	4						
2001	8	3					
2002	8	7	1				
2003		0	0	0			
2004			3	17	3		
2005				25	46	27	
2006					17	16	4
2007						9	6
Total	**20**	**10**	**4**	**42**	**66**	**52**	**10**

[1] Does not include renovations, new product only
Source: Boulder County Assessor; Economic & Planning Systems
H:\18820-Louisville Market, Feasibility, Public Financing\Data\[18820- Summary Condos.xls]Attached Sales

New sales were further analyzed to identify attaching housing sales within the three submarkets from 2002 to 2008, as shown in **Table 23**. During the period, a total of 204 new attached units were sold for an average of 29 units annually. Approximately 53 percent of units sold during this time period were townhomes and approximately 47 percent were condos. On average, 14 new condo and 16 townhome units were sold per year in the three city residential market area.

Table 23
New Product Sales by Type, 2002-2008
Highway 42 Market, Feasibility, and Financing Study

Type	Sales Year								
	2002	2003	2004	2005	2006	2007	2008[2]	Total	Avg.
Condos	17	10	1	14	30	22	1	95	14
Townhomes	3	0	3	28	36	30	9	109	16
Total	**20**	**10**	**4**	**42**	**66**	**52**	**10**	**204**	**29**
% Condos	85%	100%	25%	33%	45%	42%	10%	47%	
% Townhomes	15%	0%	75%	67%	55%	58%	90%	53%	

[1] Does not include renovations, new product only
[2] Sales include January 1, 2008 to May 31, 2008
Source: Boulder County Assessor; Economic & Planning Systems
H:\18820-Louisville Market, Feasibility, Public Financing\Data\[18820- Summary Condos.xls]Average Sales Price (2)

REGIONAL SALES AVERAGES

From 2001 to 2007 average sales prices for new and existing attached housing units grew by approximately 30 percent or 4.4 percent annually, as shown in **Table 24**. Higher market price growth occurred within both attached housing types; the condo price grew by an annual average of 5.4 percent compared to townhomes at 1.9 percent. This higher annual average growth in the condo market indicates it is maturing as average prices for condo units approach the sales prices in townhomes.

The Louisville and Boulder submarkets experienced the greatest attached housing price increases over the seven year period. Boulder experienced above average annual price increases of 5 percent with a 5.9 percent rate for condos and a 2.5 percent rate for townhomes. Louisville grew by an annual average of 4.4 percent. Significantly, average annual prices for condos grew by 6.3 percent compared to annual townhome prices of only 2.2 percent.

Table 24
Attached Housing Average Sales Prices, 2001-2007
Highway 42 Market, Feasibility, and Financing Study

	2001	2002	2003	2004	2005	2006	2007	2001 - 2007 Change #	%	Avg %
Louisville										
Condo	$144,060	$155,871	$164,027	$159,696	$180,372	$206,835	$207,336	$63,276	43.9%	6.3%
Townhome	$189,264	$228,867	$228,478	$197,150	$211,743	$216,494	$216,276	$27,012	14.3%	2.2%
Subtotal	**$162,674**	**$173,627**	**$194,280**	**$178,423**	**$191,141**	**$210,499**	**$210,830**	**$48,156**	**29.6%**	**4.4%**
Lafayette										
Condo	$181,456	$185,304	$173,360	$182,758	$207,056	$201,568	$167,103	-$14,353	-7.9%	-1.4%
Townhome	$191,065	$182,627	$183,690	$189,819	$203,688	$208,771	$206,082	$15,017	7.9%	1.3%
Subtotal	**$185,805**	**$184,154**	**$178,634**	**$186,347**	**$205,293**	**$205,450**	**$190,895**	**$5,090**	**2.7%**	**0.5%**
Superior										
Condo	$177,525	$193,273	$179,694	$172,132	$183,946	$174,154	$160,797	-$16,728	-9.4%	-1.6%
Townhome	$246,717	$254,686	$244,907	$256,158	$240,531	$248,803	$230,681	-$16,035	-6.5%	-1.1%
Subtotal	**$192,713**	**$229,789**	**$200,959**	**$208,416**	**$216,802**	**$216,144**	**$191,231**	**-$1,483**	**-0.8%**	**-0.1%**
Boulder										
Condo	$187,745	$192,628	$240,102	$224,799	$300,612	$242,094	$265,556	$77,810	41.4%	5.9%
Townhome	$269,598	$287,855	$278,296	$301,545	$302,578	$305,670	$313,371	$43,774	16.2%	2.5%
Subtotal	**$204,652**	**$208,436**	**$247,874**	**$242,532**	**$301,012**	**$255,394**	**$274,425**	**$69,773**	**34.1%**	**5.0%**
Market Total										
Condo	$183,633	$189,746	$226,531	$217,275	$284,202	$234,232	$252,314	$68,681	37.4%	5.4%
Townhome	$238,302	$247,298	$242,510	$265,799	$266,541	$266,496	$267,297	$28,996	12.2%	1.9%
Total	**$197,750**	**$203,492**	**$230,936**	**$231,167**	**$279,468**	**$243,405**	**$256,236**	**$58,487**	**29.6%**	**4.4%**

Source: Boulder County Assessor; Economic & Planning Systems

H:\18820-Louisville Market, Feasibility, Public Financing\Data\[18820- Summary Condos.xls]Average Sales Price

As compared to the total inventory of new and existing homes, from 2002 to 2008 the average price per square foot paid for new attached housing units has grown by approximately 26 percent, or 3.71 percent annually, as shown in **Table 25**. The price appreciation for new homes is comparable to growth in existing homes. Most of the increase occurred earlier, as the attached housing prices have shown very little growth from 2005 to 2008. The most recent data show the average price maintaining a level near or above $200 per square foot.

Table 25
New Unit Sales per Square Foot (Louisville, Superior, Lafayette), 2002-2008
Highway 42 Market, Feasibility, and Financing Study

	Sales Year						
Year Built	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**
2000	$158.70						
2001	$160.91	$165.09					
2002	$174.37	$142.13	$209.61				
2003		---	---	---			
2004			$169.50	$202.59	$189.62		
2005				$195.60	$212.10	$220.53	
2006					$200.89	$186.92	$217.64
2007						$175.89	$194.56
Average	**$164.66**	**$153.61**	**$189.55**	**$199.10**	**$200.87**	**$194.45**	**$206.10**

[1] Does not include renovations, new product only

Source: Boulder County Assessor; Economic & Planning Systems

H:\18820-Louisville Market, Feasibility, Public Financing\Data\[18820- Summary Condos.xls]Sales sq ft. by year built

SALES ACTIVITY SURROUNDING DOWNTOWN

Very little attached housing exists within the area surrounding downtown. However, residential sales in and around the downtown area provide a measure of the desirability of living close to downtown Louisville amenities. As a result, residential sales that occurred within a half mile of the Louisville business district were analyzed for the period between 2001 and 2007, as shown in **Table 26**. Over the seven year period, a total of 307 sales occurred with an annual average of 44 transactions. Average unit prices rose from approximately $240,000 to approximately $380,000, representing an annual average growth rate of 8.3 percent. The most significant finding is that the downtown market niche has appreciated while most other submarkets in the Denver Metro area have softened.

Table 26
Downtown Single Family Home Sales, 2001–2007
Highway 42 Market, Feasibility, and Financing Study

Year	# of Sales	$ / Sq. Ft.	Average Price	% Increase
2001	28	$152	$238,707	---
2002	30	$198	$258,390	8.2%
2003	33	$183	$294,185	13.9%
2004	46	$187	$270,720	-8.0%
2005	54	$220	$313,311	15.7%
2006	63	$215	$323,744	3.3%
2007	53	$268	$378,334	16.9%
Total/Average	**307**	**$221**	**$307,075**	**8.3%**

Source: Boulder County Assessor; Economic & Planning Systems

H:\18820-Louisville Market, Feasibility, Public Financing\Data\[18820 - DtwnResSales.xls]AllDowntownLandSales $

COMPETITIVE PROJECT ANALYSIS

EPS identified four comparable projects of new ownership development within Louisville and Broomfield, as listed in **Table 27**. The Venue and Artista Live/Work projects are located in the immediate vicinity of the Broomfield Events Center. A total of 392 attached units are planned for this development. At this time, a total of 41 units have been constructed and 12 of the units have been sold at an average price of approximately $211 per square foot.

The Vantage Point Lofts is located at the intersection of US 36 and Northwest Parkway. After three years of sales activity, the project has averaged 3.5 units per month in sales. The highest performing units have been townhomes which have sold 68 percent of constructed units, as compared to the lofts which have sold 50 percent of constructed units. The success of townhomes suggests that the residential trade area prefers larger units and may not be as drawn to the density offered by flats.

Further indication of the residential demand present in the area surrounding the Highway 42 revitalization area is provided in the current construction underway at the Markel Homes North End community. At buildout, the project is anticipated to include 350 housing units, 68 percent of which will be attached product. The last phase of the Indian Peaks project will also add 380 units. Finally, the nearby Takoda development will add 351 units. The combined impacts of these projects will add 1,081 new units that are both indicative of residential demand as well as momentum in the market area for new residential units.

Indication of the maximum prices than can be achieved within a mature Boulder County attached housing market is provided by the Steelyards and Peloton projects. Although data is limited, new sales at the Peloton have averaged $430 per square foot. In addition, resales at the Steelyards are achieving $316 per square foot.

Table 27
Competitive Attached Housing Analysis
Highway 42 Market, Feasibility, and Financing Study

Project	City	Total DU	Percent Attached	Min Sq. Ft.	Max Sq. Ft.	Average $/Sq. Ft.
Venue at Arista	Broomfield	28	--	1,000	2,200	$212
Artista Live/Work	Broomfield	13	--	1,630	3,000	$211
Vantage Point Lofts	Broomfield	351	100%	798	2,066	$199
North End Townhomes	Louisville	350	68%	1,700	2,100	$194
Subtotal/Average		**742**		**1,246**	**2,103**	**$197**
Steelyards[1]	Boulder	105	100%	644	1,306	$316
Peloton[2]	Boulder	390	100%	860	1,800	$430
Subtotal/Average		**495**		**814**	**1,695**	**$406**

[1] Based on current listings and does not include entire project inventory

[2] Includes limited selection of sales officially recorded with Boulder County Assessor

Source: Economic & Planning Systems

H:\18820-Louisville Market, Feasibility, Public Financing\Data\[18820-Residential Competition.xls]Comps

VI. DEVELOPMENT POTENTIALS

This section expands upon the market findings of the previous section and presents EPS estimates for the development potential of the Highway 42 study area. In addition, an overall development strategy is discussed and provides an estimate of potential development capture.

PARCEL ANALYSIS

The amount and location of redevelopment that is possible in the Highway 42 study area is highly dependant on land available for redevelopment. To understand which parcels have the highest potential for development or redevelopment, an analysis was conducted to identify parcels with favorable conditions. Parcels within the study area were cross-analyzed with criteria that included a Floor Area Ratio (FAR) and an Improvement to Land Value Ratio which were derived from Boulder County Assessor data.

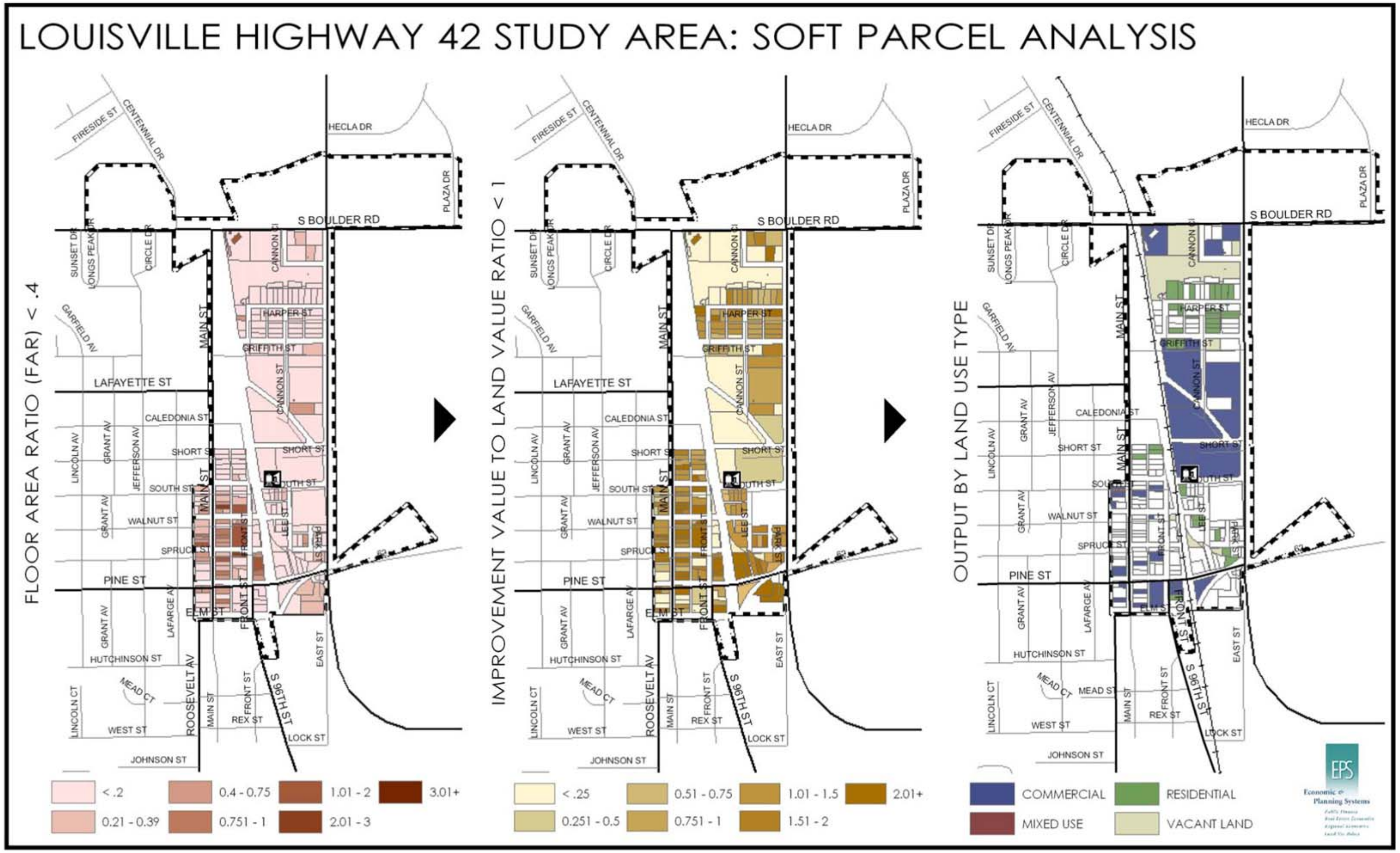
SOFT PARCEL CRITERIA

The first evaluative criterion used was a calculation of Improvement to Land Value ratio for the study parcels. A ratio of less than one indicates that the improvement contain less value than the land, suggesting that higher value uses could be developed on that parcel.

The second evaluative criterion used was Floor Area Ratio (FAR), which provides an indication of parcels that may contain opportunities for greater density. A FAR of 0.4 was used to mirror the density of downtown Louisville, and parcels with less than 0.4 FAR were identified as underutilized.

Finally, cultural, civic uses, and other City-owned land was removed from the remaining parcels to provide a clear indication of potential private market redevelopment opportunities. The results of these criteria are illustrated in **Figure 5**.

Figure 5
Soft Parcel Analysis
Highway 42 Market, Feasibility, and Financing Study



OPPORTUNITY SITES

A summary of opportunity sites resulting from the parcel analysis is provided in **Table 28**. The data indicate that parcels surrounding the station site between South Street and Griffith Street have very low densities of less than 0.2 FAR. Higher densities are found immediately west in downtown and in a scattering of locations in the southwest and northeast of the study area. Improvement to land value ratios contained a greater diversity than FAR within the study area. However, parcels north of South Street and adjacent to Short Street were a prominent location of underutilized parcels. A total of 35.91 acres were identified as containing conditions favorable to redevelopment. Of these, 21.72 acres are currently in commercial use and 9.05 acres are currently vacant for a total of 30.77 acres of high potential sites.

Table 28
Soft Parcel Study Area Inventory
Highway 42 Market, Feasibility, and Financing Study

Land Use Type	Downtown (acres)	Highway 42 (acres)	Total (acres)
Commercial	3.63	21.72	25.35
Mixed-Use	0.09	---	0.09
Residential	0.68	5.14	5.83
Vacant Land	0.09	9.05	9.14
Total	**4.49**	**35.91**	**40.40**

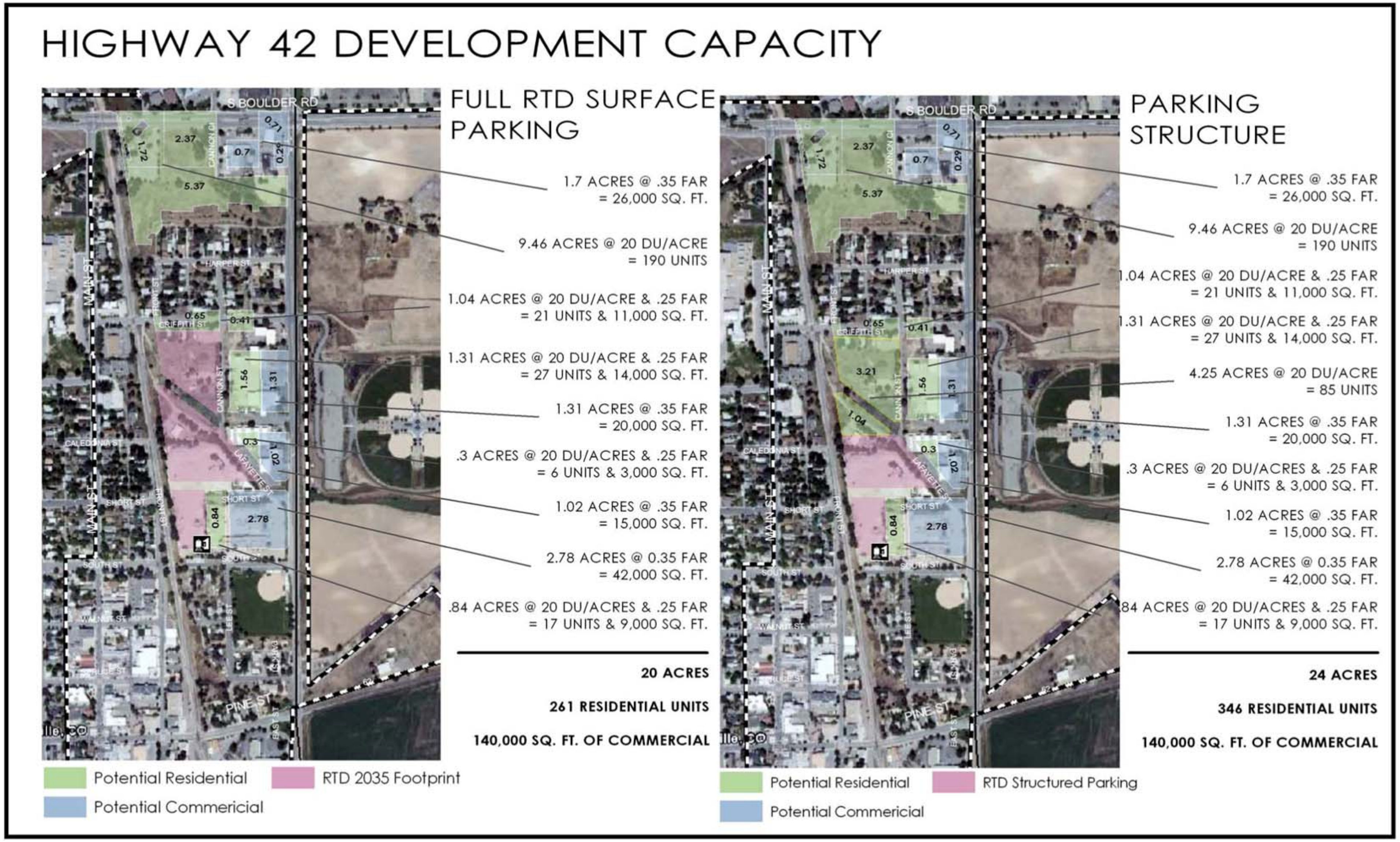
Source: Boulder County Assessor; Economic & Planning Systems
H:\18820-Louisville Market, Feasibility, Public Financing\Data\[18820 - SoftParcelsSummary.xls]Table

HIGHWAY 42 DEVELOPMENT CAPACITYANALYSIS

The amount of development possible on the "soft" parcels identified above was determined by applying a blend of attached residential densities, highway-oriented commercial densities, and first floor commercial densities to the previously identified parcels, as shown in **Figure 6**. Potential commercial sites were identified based upon the *Highway 42 Mixed-Use Development Design Standards and Guidelines* while mixed-use parcels were assigned based on proximity to the proposed station and downtown connectivity. In addition, consideration was given to the proposed RTD site plans for 2015 and 2035 of the two scenarios generated. One scenario set aside the parcels targeted by RTD in both the 2015 and 2035 plans for surface parking. The other scenario assumed that the increment of parking for 2035 could be structured, allowing the land required for 2035 surface parking to remain available development.

Assuming full surface parking build out, the Highway 42 study area contained approximately 20 acres for development with a development capacity of 261 residential units and 140,000 square feet of commercial space. The second scenario resulted in the addition of approximately 4 acres of developable land and capacity for an additional 85 residential units. This capacity analysis provides an upper threshold for development within the Highway 42 study area and gives context to the market assessment of development potentials.

Figure 6
Study Area Development Capacity
Highway 42 Market, Feasibility, and Financing Study



OFFICE DEVELOPMENT POTENTIALS

The market conditions for office development are currently challenging for the Highway 42 study area. Outside of the Louisville business park, the majority of new office development in the last 10 years occurred in downtown Louisville. Downtown office development has had success attracting users to multi-tenant buildings because of the high amenity environment of downtown. In addition, the amenity rich context of downtown has resulted in rents well above office located along South Boulder Road.

Notwithstanding the success of downtown, there are few signs that the strength of downtown is present either in along South Boulder Road or in Highway 42 study area. As a result, the ability to finance multi-tenant office projects will be limited. The rents feasible for new construction will be dependant on the establishment of a mixed-use environment that also has access to downtown. EPS projects future demand for approximately 30,000 square feet of multi-tenant office space between now and 2025.

Additional office development in the study area may be possible if single-tenant users can be recruited. Alternatively, users wishing to pursue a design-build concept could also boost office development in the study area aside from multi-tenant building users.

RETAIL DEVELOPMENT POTENTIALS

This section provides an estimate of future retail demand for the Highway 42 trade area, and uses the previous land capacity analysis to estimate retail development potentials.

RETAIL DEMAND FORECAST

The amount of retail expenditure potential examined in the commercial market conditions chapter can be translated into retail space by applying industry standards of gross sales per square foot. In total, it is estimated that retail expenditure growth will support a maximum of approximately 166,000 square feet of new retail space by 2025, as displayed in **Table 29**. Most significant to the Highway 42 study area, a demand of 47,000 square feet of Convenience Goods and 40,000 square feet of Eating and Drinking establishments is anticipated for the trade area.

Within any trade area, only a portion of the total expenditure potential will be captured within that market. Given the presence of specialty retail centers along the US 36 corridor, EPS estimates that 40 to 60 percent of the total potential is expected to be captured within the study area. Although estimated growth in Convenience Goods does not satisfy demand for a conventional grocery store, it does approximate the square foot requirements for a smaller natural foods store. A user of this type would be able to serve as an anchor for associated retail uses and be instrumental in attracting additional retail to the study area. However, the presence of a Vitamin Cottage in Lafayette and the Whole Foods at US 36 and McCaslin will place constraints on the ability to attract such a retailer.

The analysis shows potential for a drug store, which typically occupies 15,000 square feet. Health and personal care is estimated to account for approximately 11,000 square feet of demand by 2025. The ability to attract a drug store user will be highly dependant on the possible move of the existing Louisville Walgreens out of its current in-line space. A drug store could also serve as a retail anchor in the Highway 42 study area.

Table 29
Supportable Square Feet
Highway 42 Market, Feasibility, and Financing Study

Store Type	Sale Per SqFt	New Supportable 2007-2015	New Supportable 2015-2025	Net Supportable Square Feet
Convenience Goods				
Supermarkets / Grocery	$400	9,000	19,700	28,700
Specialty Food Stores	$350	300	800	1,100
Convenience Stores	$300	300	300	600
Beer, Wine, & Liquor Stores	$250	2,000	4,000	6,000
Health and Personal Care	$250	3,200	7,600	10,800
Total Convenience Goods		**15,000**	**32,000**	**47,000**
Shoppers Goods				
Clothing & Accessories	$350	3,400	8,000	11,400
Furniture & Home Furnishings	$250	3,600	8,400	12,000
Sport, Hobby, Book, & Music Stores	$300	3,000	6,700	9,700
Electronics & Appliances	$250	3,200	6,800	10,000
Miscellaneous Retail	$250	3,600	8,000	11,600
Total Shoppers Goods		**16,800**	**37,900**	**54,700**
Eating and Drinking	$250	**12,800**	**27,200**	**40,000**
Building Material & Garden	$300	**7,700**	**16,600**	**24,300**
Total Retail Goods		**52,300**	**113,700**	**166,000**

Source: 2002 Census of Retail Trade; Economic & Planning Systems

H:\18820-Louisville Market, Feasibility, Public Financing\Models\[18820 -TradeArea-TPI.xls]Supportable SqFt

RETAIL DEVELOPMENT POTENTIAL

Dependant on the ability to attract an small retail anchor, EPS anticipates retail demand for the study area to range between 70,000 and 90,000 square feet. The balance of new expenditure potential will be spent outside the immediate trade area. The majority of retail development potential is expected to be filled by traditional commercial sites at the southeast corner of South Boulder Road and Highway 42 and the northeast corner of South Street and Highway 42, as depicted in **Figure 7**. It is anticipated that retail in these locations will capture the majority of the Convenience Goods demand and some restaurant demand as well. The attraction of Shoppers Goods to the study area and larger amounts of restaurant demand will depend upon effective development of a mixed-use environment and the associated ambiance.

RESIDENTIAL DEVELOPMENT POTENTIALS

Because of policy and land constraints in the Lafayette and Louisville submarkets, demand within the residential trade area is difficult to project based on historic absorption. However, the presence of approximately 1,081 units either under construction or entitled immediately north of the South Boulder Road and Highway 42 indicates the presence of strong residential demand in the Louisville residential trade area.

EPS estimates total residential demand is at 330 residential units over the next 20 years. Currently, the feasibility analysis described in the following chapter indicates that prices have not yet reached the threshold for financially feasible projects and the majority of residential development may not occur until after 2015. However, residential apartment development is believed to currently be feasible within the Highway 42 study area.

It should be recognized that the current Louisville Comprehensive Plan calls for 241 units (350 total units less 109 entitle single family lots) of new residential development in the Highway 42 planning area. In addition, a total of 109 single family units have been allocated or already entitled within the planning area. The EPS market analysis was conducted independently of the Comprehensive Plan limits and shows a market for residential units ranging from 12 to 20 dwelling units per acre.

In the short-term, residential activity is anticipated to be either higher density apartments (over 20 dwelling units per acre) or townhomes (12 to 14 dwelling units per acre). Subsequent development of an integrated mixed-use environment around the station area will facilitate high density residential housing types, with condo lofts likely to emerge in later stages of development.

HIGHWAY 42 DEVELOPMENT STRATEGY

The ability to successfully incorporate mixed-use retail in the revitalization area will require effective utilization the Highway 42 corridor. As a result, it is the recommendation of EPS that the mixed-use portions of the study area use a typology similar to Boulder's Holiday development and orient mixed-use retail toward Highway 42. Currently, the study area's portion of Highway 42 has an average annual daily traffic (AADT) count of 15,300 which is comparable to the AADT of the Holiday Project which was 11,162 at the time of development.

The mixed-use development potentials of the area are highly dependant on creating a significant gateway. A signalized gateway could both help access to the mixed-use retail and channel station traffic through the retail area. Similarly it is recommended that mixed-use areas be encouraged to occupy a consolidated area around the station site to provide a sense of place. Increased traffic through will enhance retail viability in the mixed-use planning area as well as provide necessary precursor for successful office development. A map of EPS' estimated development potentials and favorable site conditions is displayed in **Figure 7**.

Figure 7
EPS Development Recommendation
Highway 42 Market, Feasibility, and Financing Study

VII. Development Feasibility Analysis

This chapter describes the methodology and results of a development feasibility analysis conducted for the Highway 42 revitalization area. The analysis was oriented to measure the extent to which market conditions will need to mature to achieve financial feasibility.

METHODOLOGY

EPS prepared a static pro forma model to analyze a hypothetical development project on a 3.0 acre parcel within the Highway 42 revitalization area. A variety of development programs were tested including all residential, mixed-use, and all non-residential. All analysis was conducted in today's dollars.

The construction cost inputs were attained by surveying developers active in the Boulder County market. Requested information included hard costs, soft costs, and Tenant Improvement (TI) costs on a per square foot basis. Similarly, developers were surveyed on their expected profit margin. Revenue inputs were derived from the market study described in the preceding chapters with inputs adjusted to identify prices necessary for project feasibility. The commercial components of tested projects were valued using a conservative 9 percent capitalization (CAP) rate.

Floor Area Ratios (FAR) in the model were assigned based upon a range of commercial or residential uses that were tested. The FAR was assigned based upon projects with similar design criteria approximating the Highway 42 design standards. Projects within 10 percent of a FAR of 1 or greater were assumed to necessitate structured parking. Parking requirements were allocated based upon a requirement of 1.5 spaces per residential unit and 2.5 space per 1,000 square feet of floor area in commercial space.

EPS used two criteria to evaluate the economic return of the hypothetical development program scenarios including:

- **Residual Land Value** – The Residual Land Value is the remaining amount of capital available to allocate to land purchase after developer profit and construction costs have been removed from project returns. A developer profit of 12 percent was assumed in the residual land calculation. Residual land values around $12 per square foot is a reasonable approximation of market value, and subsequently represents a threshold for a feasible project.

- **Return on Cost (ROC)** – ROC was used as another metric by which project feasibility can be evaluated. ROC is calculated by dividing the project's total profit over total construction costs. Increasing percentages of ROC indicate more attractive projects. EPS targeted ROC percentages of 10 percent or greater as feasible projects; however, it is estimated that 12 percent more closely represents developer expectations.

SUMMARY OF FINDINGS

Results of the analysis indicate that traditional highway-oriented retail and apartment development are currently feasible. However, prices for attached residential development will need to increase for mixed-use development to become feasible. A range of densities and potential development types was tested to determine at what levels of sales levels and rent levels project become feasible. The model is included in this report in **Appendix A** and is summarized below in **Table 30.** The following are a compilation of the most relevant observations.

- **Market conditions must mature before most development options become feasible**. As discussed previously in this report current residential sales prices could be expected to achieve approximately $220 per square foot.

- **Conventional commercial development is generally feasible with a rent threshold of $22 per square foot.** Using an aggressive CAP rate of 7.5 percent, highway-oriented commercial projects with FAR near .25 become feasible. However, a more conservative CAP rate of 9 percent requires market rents of $25 per square foot and a low land basis of $8 dollars or less to become financially feasible.

- **The minimum feasibility threshold for residential use requires minimum sales points of $285 per square foot.** At this sales point vertical condo projects become financially attractive. At these price points, a land cost of $10 per square foot ensures attractive returns and at $12 per square foot provides a 9 percent ROC. Although $285 per square foot is higher than current project in the vicinity, it is consistent with prices achieved on a limited number of sales downtown. To the extent that downtown amenities are available for future residential buyers, these price points are achievable.

- **Mixed-use projects require a minimum residential sales price of $305 with higher density projects requiring $330 per square foot.** If medium density projects can be facilitated without structured parking, a minimum sales price of $305 dollars per square foot is required for feasibility. When structured parking is required as a result of a larger development program, a sales value of $330 per square foot is required. These scenarios assume that 10 percent of building is devoted to non-residential uses at a leasing rate of $16 per square foot.

- **Structured parking burdens financial feasibility,** higher amounts of parking necessary for denser projects results is less financial feasibility and upward pressure on sales price to satisfy costs related to parking.

- **Mixed-use projects become less feasible when more non-residential space is devoted to overall project composition**, increases in non-residential space requires proportionately more parking than residential space. As a result of both parking and expected leasing rates, the inclusion of more non-residential space results in less feasible projects. Further development of leasing rates will be needed to entice development non-residential components of projects.

Table 30
Feasibility Summary
Highway 42 Market, Feasibility, and Financing Study

	High Density Mixed-Use	Mixed-Use	Medium Density Res Only	Townhomes	Conventional Retail[1]
FAR	2	0.8	0.6	0.5	0.35
Acres	1	1	3	3	3
$ / Sq. Ft.	$330	$305	$285	$205	$25
% Structured Parking	100%	0%	0%	0%	0%
Residual Land @ 12% ROC	$10.35	$11.64	$10.01	$5.16	$7.90
ROC @ $12 per square foot	11.22%	10.79%	8.92%	1.55%	3.95%

[1] Assumes 9 percent CAP rate

Source: Economic & Planning Systems

H:\18820-Louisville Market, Feasibility, Public Financing\Models\[18820-Feasbility Model -- Staff.xls]Summary

CONCLUSION

Near term, there are few opportunities for development that are financially feasible. Conventional retail development on land with low basis still requires rents that are higher than today. Mixed-use and vertical development will require a further maturation of the residential market before achieving financial feasibility thresholds.

VIII. Tax Revenue Projections & Bond Capacity

Tax Increment Financing (TIF) provides a source of revenue to be used for future improvements in the URA. At this time, the only revenues authorized consist of property tax revenues and require revenue sharing with Boulder County beginning in 2015. In the following modeling exercise, sales tax was include in some iterations to test results, although it is not currently authorized to be used for TIF. The forecast is attached as a series of tables in **Appendix B** which document the assumptions and calculations used in the forecast.

METHODOLOGY

The property and sales tax increment revenue in the URA will be driven primarily by the increase in value generated by new development and the redevelopment of existing properties. Therefore, the central focus of the revenue forecast is an estimate of annual building activity for the URA. EPS also reviewed actual revenues to the URA to inform the short-term (one- to two-year) revenue estimates.

Market research provided in the previous chapters of this report identifies projected market values for estimated future projects. In all instances EPS relied upon a conservative approach to value and absorption, given that the timing of new construction may vary over the 25-year planning horizon. EPS developed the forecast to be reliant on new development, constant retail sales dollars, and without reassessment increases.

MARKET VALUE & DEVELOPMENT FORECAST

The development potentials identified for the Highway 42 revitalization were incorporated into the amount of new development expected for the URA. In addition, accommodation was made for the 109 single family home entitlements within the revitalization area. The current build-out plan for downtown was used to determine the amount of new floor area in downtown. Based upon information conveyed in stakeholder interviews, an accommodation was also made for some additional development within the King Soopers site. Further, retail space and a portion of residential uses from the North End were also incorporated. No redevelopment was assumed on the Safeway site given its challenging mid-block retail location.

The property tax revenue available from new development and related bond capacity is highly dependant on the timing of new development. However, an accurate schedule of development and redevelopment timing is difficult to predict. EPS estimated future development dates by first identifying the likely locations for key projects within the Highway 42 area and the development capacity of each location. Subsequently, historic absorption rates, pre-leasing targets, and expected market growth were combined to identify favorable market conditions for development. Full construction of projects was modeled as occurring within one year of meeting absorption rates necessary for pre-leasing targets. The residential construction schedule can be found in **Table 4 of Appendix B** and the commercial construction schedule can be found in **Table 6 of Appendix B**.

Retail Sales

New retail sales were derived from industry standards of sales per square foot rates for similar retail types. Following the construction forecast, and absorption (lease up) schedule for retail space was created to reflect the delay from construction, occupancy, and retail sales. A lease-up period for new retail space was determined using the absorption rate schedule developed for construction in **Table 5 of Appendix B**. An additional level of sensitivity was also added to the model by assuming a four year ramp-up period before full sales levels occurred. Sales per square foot rates ranged between $150 for mixed-use space and $250 for conventional retailers.

PROPERTY TAX CALCULATIONS

Residential property is assessed at 7.96 percent of market value, and commercial property is assessed at 29 percent of market value. The current mill levy in the URA is $0.075235, and property tax is calculated as:

Market Value X 7.96% X 0.075235

In addition, an accommodation was made for the Intergovernmental Agreement (IGA) between Louisville and Boulder County that allows for only 14.3 percent of County dedicated revenues, up to $6.15 million, to be directed to the URA between 2015 and 2035. There is a two-year delay between the time a new development is completed and the time the City or URA receives property tax revenue because property tax is paid on the prior year's assessed value. First, there is a one-year delay between completion and assessment (appraisal by the assessor). Then there is an additional one-year delay for property tax revenues, which are calculated on the prior year's assessed value.

Demolitions and Renovations

The State Assessor Manual indicates that the assessed value increment is calculated as the *net increase* of new construction and demolitions in that year. Demolitions are therefore subtracted from the new growth to calculate the net increment. Improvement values for projects were taken from existing improvement values on the development parcel with demolition modeled as occurring in the same year as construction. The increment is then the value of the property after renovation less the existing value before renovation.

TOTAL REVENUES

Short-term (2008) revenue estimates are based largely on budgeted and estimated revenues to date for 2008, provided by the City. For 2009, the total revenue estimates rely on the development forecast with existing revenues from 2008 held constant throughout the model. After 2009, the total revenue forecast relies on the forecasted absorption.

URA REVENUES

URA revenues are shown in **Table 31** in five-year increments through 2025. The TIF structure allows the collection of increment through 2031. In 2008, revenues are estimated at $114,771 based on City of Louisville estimates and the difference between 2006 and 2007 City of Louisville sales tax revenues. Revenues begin to increase significantly around the time of the proposed station opening in 2015. Property tax revenue is estimated at $1.1 million and sales tax revenue is estimated at approximately $850,000 in 2015. In 2025, when the majority of new development and redevelopment in the URA is completed, property tax revenues are estimated at $2.2 million and sales tax revenues are estimated at $1.14 million.

Table 31
Estimated Yearly URA Revenues, 2008-2025
Highway 42 Market, Feasibility, and Financing Study

	2008	2015	2020	2025
Property Tax	19,000	1,107,000	1,932,000	2,200,000
Retail Sales Tax	95,771	848,571	1,141,269	1,141,269
Total	**$114,771**	**$1,955,571**	**$3,073,269**	**$3,341,269**

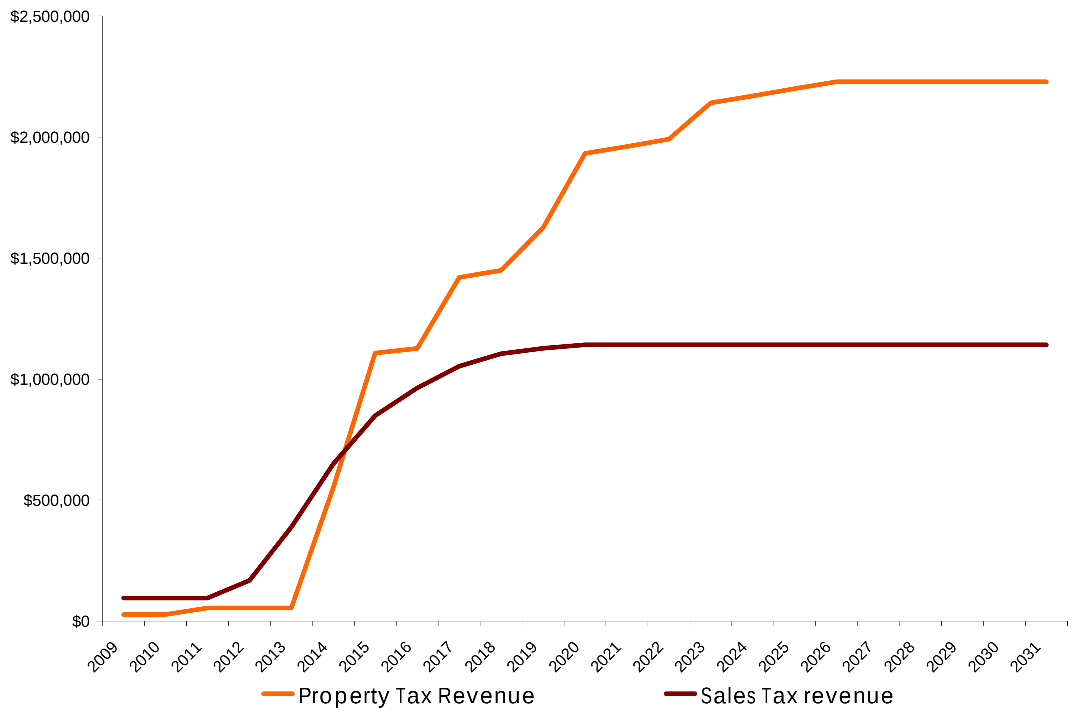
Source: City of Louisville; Economic & Planning Systems

H:\18820-Louisville Market, Feasibility, Public Financing\Models\[18820-TIF Model -- 102108.xls]16-Bonds

BOND CAPCITY

The ability to translate URA revenues into investments within the URA is dependant upon the amount of bonds the yearly URA revenue can support. **Figure 8** displays the estimated revenues over the life of the URA. The flattening of revenues in later years reflects the underlying assumption that future revenues reflect new growth only, which is conservative. The year at which bonds issues occur should account for both the amount of revenue available and the ability of the infrastructure investment to spur additional growth within the URA.

Figure 8
URA Revenues by Year
Highway 42 Market, Feasibility, and Financing Study



A schedule of potential bond revenues is based upon the estimated development schedule, as shown in **Table 32**. The table shows increasing bond revenues as URA revenues mature. A four-year average was used to anticipate actual revenues available because the URA revenues available for issuing bonds could vary dependant upon the timing of development. Bond revenues available after the first issuance from property tax alone are estimated to be approximately $6 million and approximately $10.2 million when both property and sales tax are included. The table also displays total bond revenues including additional bonds issued in later years of the URA. However, multiple bond issuances are highly dependant on additional development spurred by infrastructure investments made as a result of the first bond issuance. In summary, total bond proceeds are projected to be $8.7 million using property tax and $14.3 million using both property and sales tax.

Table 32
Bond Proceeds by Year
Highway 42 Market, Feasibility, and Financing Study

	Bond Proceeds from 1st Issuance		Total Proceeds	
Year of Issuance	**Property**	**Sales & Property**	**Property**	**Sales & Property**
2013 [1]	---	---	$9,100,000	$15,020,000
2014	**$3,110,000**	**$6,780,000**	**$9,100,000**	**$15,020,000**
2015	**$5,940,000**	**$10,490,000**	**$9,220,000**	**$14,920,000**
2016	**$5,720,000**	**$10,600,000**	**$8,670,000**	**$14,500,000**
2017	**$6,770,000**	**$11,770,000**	**$8,640,000**	**$13,970,000**
2018	**$6,410,000**	**$11,300,000**	**$8,070,000**	**$13,080,000**
2019	$6,600,000	$11,170,000	$7,780,000	$11,270,000
Average (2014 - 2018)	**$5,590,000**	**$10,188,000**	**$8,740,000**	**$14,298,000**

[1] Not estimated to result in large enough bond proceed to warrant issuance
Source: Economic & Planning Systems
H:\18820-Louisville Market, Feasibility, Public Financing\Models\[18820-Bond Procceeds by Year.xls]Sheet1

INFRASTRUCTURE INVESTMENTS

During the process of conducting this study, a considerable number of questions arose relating to parking within the study area and ways to accommodate future RTD commuters. To provide clarity regarding the use of TIF funds relating to potential improvements, EPS evaluated five different infrastructure investments to the Highway 42 reutilization area based upon URA revenues. The baseline bond revenues used were the four-year averages previously discussed in **Table 32** above. Additional revenue was presumed in the analysis through sale of RTD parcels dedicated for parking when alternate parking accommodations are made. All five options are described below.

- **Option #1 –** Includes full RTD surface parking plan of 860 surface & street grid spaces. The only public infrastructure investment made by the City is a street grid within the Highway 42 revitalization area.

- **Option #2 –** Includes RTD 2015 surface parking plan with the additional 350 spaces for the 2035 requirement moved to the existing surface parking within the Louisville Sports Center. City infrastructure improvements include the street grid, signalization at South Street, and above ground pedestrian access from Louisville Sports Center to station area.

- **Option #3 –** Utilizes RTD 2015 parking footprint for 500 space parking garage and 260 surface spaces. The City's public improvement investments include the parking garage and signalization at South Street.

- **Option #4 –** Utilizes RTD 2015 parking footprint for 500 space parking garage and 260 surface spaces. The City's public improvement investments include the parking garage, signalization at South Street, and Highway 42 street grid.

- **Option #5 –** Uses only a small portion of RTD's 2015 surface parking plan for parking with remainder dedicated to civic space or additional development. Parking requirements are accommodated with a 680 space parking garage in Louisville Sports Center and 180 surface spaces within Highway 42 revitalization area. The City's public improvement investment includes signalization at South Street, pedestrian access from the Sports Center, the parking garage, and the Highway 42 street grid.

The cost estimate for the street grid was provided by the City of Louisville and is based on improvements identified in the *Highway 42 Mixed-Use Development Design Standards and Guidelines*. Parking costs were based on conservative estimates from development contacts working within Boulder County. Additional costs were loosely estimated based upon EPS' past work in similar environments. A full accounting of funding sources, costs, and feasibility is displayed in **Table 33**.

The cost comparisons indicate that Option #2 optimizes the greatest return on public investments for the Highway 42 revitalization area. The program allows a full opportunity for a mixed-use development area by moving the required 2035 station parking outside of the revitalization area. Further, the street grid investment provides conditions necessary to maximize full public investment and trigger additional development within the URA. Favorably, the entire investment program is estimated to be feasible relying upon property tax revenues only. Additional revenues through the inclusion of sales tax revenues or through land banking RTD dedicated surface parking lands could be used as developer incentive either within the Highway 42 area or elsewhere in the URA.

Table 33
Public Investment Evaluation
Highway 42 Market, Feasibility, and Financing Study

Sources & Uses	Option #1	Option #2	Option #3	Option #4	Option #5
TIF Proceeds[1]					
Property	$5,590,000	$5,590,000	$5,590,000	$5,590,000	$5,590,000
Property & Sales Tax	$10,188,000	$10,188,000	$10,188,000	$10,188,000	$10,188,000
Other Sources					
2035 RTD Land Bank[2]	---	$1,575,000	$1,575,000	$1,575,000	$2,600,000
Highway 42 Improvements					
Signalization	---	$750,000	$750,000	$750,000	$750,000
Pedestrian Connection	---	$200,000	---	---	$200,000
Street Grid	$3,630,000	$3,630,000	---	$3,630,000	$3,630,000
Parking Garage	---	---	$10,000,000	$10,000,000	$13,600,000
Total	**$3,630,000**	**$4,580,000**	**$10,750,000**	**$14,380,000**	**$18,180,000**
Property Tax TIF Only					
Capital Improvement Feasibility	Yes	Yes	No	No	No
Funds for Development Investment	$1,960,000	$1,010,000	$0	$0	$0
Both TIF Sources					
Capital Improvement Feasibility	Yes	Yes	Maybe	No	No
Funds for Development Investment	$6,558,000	$5,608,000	$0	$0	$0
Other Sources & Prop. TIF					
Capital Improvement Feasibility	Yes	Yes	No	No	No
Funds for Development Investment	$1,960,000	$2,585,000	$0	$0	$0
Other Sources & Both TIF					
Capital Improvement Feasibility	Yes	Yes	Maybe	Maybe	No
Funds for Development Investment	$6,558,000	$7,183,000	$1,013,000	$0	$0

[1] Based on average debt issuance capacity (2016 - 2020)
[2] Assumes 2008 dollars & sales per sq. ft. of $12
Source: Economic & Planning Systems; City of Louisville
H:\18820-Louisville Market, Feasibility, Public Financing\Data\[18820- Improvment Costs & Options102008.xls]Table

Economic & Planning Systems

Public Finance
Real Estate Economics
Regional Economics
Land Use Policy

APPENDIX A

Feasibility Model

DRAFT

Table A
Table of Contents
Louisville Highway 42 Feasability

H:\18820-Louisville Market, Feasibility, Public Financing\Models\[18820-Feasbility Model -- 10-31-08.xls]TOC

Table 1
Density & Parking Assumptions
Louisville Highway 42 Feasability

		Commercial Only		Residential Only			Residential Mixed Use		
		Con. Retail	Retail & Office	Townhomes	Condo Only	MF Apartment	Condo & Retail - Low	Condo & Retail - High	MF Apartments
Assumptions	**Base**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**
Floor Area Ratio									
Base	0.80	0.35	0.40	0.50	0.60	0.90	0.80	2.00	1.15
Bonus	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	**0.80**	**0.35**	**0.40**	**0.50**	**0.60**	**0.90**	**0.80**	**2.00**	**1.15**
Efficiency Factor	**90%**	**100%**	**90%**	**100%**	**90%**	**90%**	**90%**	**90%**	**90%**
Usage									
For-Sale Residential	100%	0%	0%	100%	100%	0%	90%	90%	0%
For-Rent Residential	0%	0%	0%	0%	0%	100%	0%	0%	90%
Non-Residential	0%	100%	100%	0%	0%	0%	10%	10%	10%
Average Unit Size									
For-Sale	1,000	1,000	1,000	1,800	1,100	1,000	1,000	1,000	1,200
For-Rent	750	750	750	750	750	750	750	750	750
Parking									
Residential (Space/Unit)	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Surface	*100%*	*100%*	*100%*	*100%*	*100%*	*100%*	*100%*	*0%*	*100%*
Structured	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*	*100%*	*0%*
Non-Residential (Space/1,000 SqFt)	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Surface	*100%*	*100%*	*100%*	*0%*	*0%*	*0%*	*100%*	*0%*	*100%*
Structured	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*	*100%*	*0%*

Source: Economic & Planning Systems

H:\18820-Louisville Market, Feasibility, Public Financing\Models\[18820-Feasbility Model -- 10-31-08.xls]Zone

Table 2
Development Program by Land Use
Louisville Highway 42 Feasability

			Commercial Only		Residential Only			Residential Mixed Use		
			Con. Retail	Retail & Office	Townhomes	Condo Only	MF Apartment	Condo & Retail - Low	Condo & Retail - High	MF Apartments
	Factor	Base	1	2	3	4	5	6	7	8
Parcel Description										
Parcel Size		3.0 ac	3.0 ac	3.0 ac	3.0 ac	3.0 ac	3.0 ac	1.0 ac	1.0 ac	3.0 ac
Undevelopable Land [1]	15%	.5 ac	.5 ac	.5 ac	.5 ac	.5 ac	.5 ac	.2 ac	.2 ac	.5 ac
Total Available		**2.6 ac**	**2.6 ac**	**2.6 ac**	**2.6 ac**	**2.6 ac**	**2.6 ac**	**.9 ac**	**.9 ac**	**2.6 ac**
Available Land as SqFt		111,000	111,000	111,000	111,000	111,000	111,000	37,000	37,000	111,000
Square Feet										
For-Sale Residential		80,000	0	0	56,000	60,000	0	24,000	60,000	0
For-Rent Residential		0	0	0	0	0	90,000	0	0	103,000
Residential - Common Area		9,000	0	0	0	7,000	0	3,000	7,000	0
Non-Residential - Base		0	39,000	44,000	0	0	0	3,000	7,000	13,000
Total Square Feet		**89,000**	**39,000**	**44,000**	**56,000**	**67,000**	**90,000**	**30,000**	**74,000**	**116,000**
FAR		0.80	0.35	0.40	0.50	0.60	0.80	0.80	2.00	1.05
Supportable Units										
For-Sale Residential Units		80	0	0	31	55	0	24	60	0
For-Rent Residential Units		0	0	0	0	0	120	0	0	137
Total Residential Units		**80**	**0**	**0**	**31**	**55**	**120**	**24**	**60**	**137**
Parking										
Surface		*120*	*0*	*0*	*47*	*83*	*180*	*36*	*0*	*206*
Structured		*0*	*0*	*0*	*0*	*0*	*0*	*0*	*90*	*0*
Residential		**120**	**0**	**0**	**47**	**83**	**180**	**36**	**90**	**206**
Surface		*0*	*98*	*110*	*0*	*0*	*0*	*8*	*0*	*33*
Structured		*0*	*0*	*0*	*0*	*0*	*0*	*0*	*18*	*0*
Non-Residential		**0**	**98**	**110**	**0**	**0**	**0**	**8**	**18**	**33**
Total Parking Required		**120**	**98**	**110**	**47**	**83**	**180**	**44**	**108**	**239**

[1] Includes potential land dedicated for Street ROW

Source: Economic & Planning Systems

H:\18820-Louisville Market, Feasibility, Public Financing\Models\[18820-Feasbility Model -- 10-31-08.xls]Prog

Table 3
Project Revenue by Land Use
Louisville Highway 42 Feasability

	Factor	Base	Commercial Only: Con. Retail 1	Commercial Only: Retail & Office 2	Residential Only: Townhomes 3	Residential Only: Condo Only 4	Residential Only: MF Apartment 5	Residential Mixed Use: Condo & Retail - Low 6	Residential Mixed Use: Condo & Retail - High 7	Residential Mixed Use: MF Apartments 8
Sales Revenue per Unit										
Residential		$220,000	$220,000	$220,000	$369,000	$313,500	$220,000	$305,000	$330,000	$264,000
Sales Price / SqFt		$220/SqFt	$220/SqFt	$220/SqFt	$205/SqFt	$285/SqFt	$220/SqFt	$305/SqFt	$330/SqFt	$220/SqFt
Gross Sales Revenue		**$17,600,000**	**$0**	**$0**	**$11,439,000**	**$17,243,000**	**$0**	**$7,320,000**	**$19,800,000**	**$0**
Less: Sales Commission	*5%*	*($880,000)*	*$0*	*$0*	*($572,000)*	*($862,000)*	*$0*	*($366,000)*	*($990,000)*	*$0*
Less: Closing Costs	*3%*	*($528,000)*	*$0*	*$0*	*($343,000)*	*($517,000)*	*$0*	*($220,000)*	*($594,000)*	*$0*
Net Sales Revenue		**$16,192,000**	**$0**	**$0**	**$10,524,000**	**$15,864,000**	**$0**	**$6,734,000**	**$18,216,000**	**$0**
Net Sales Revenue per SqFt		$182	$0	$0	$188	$237	$0	$249	$272	$0
Rental Revenue										
Residential	$19 /SqFt	$0	$0	$0	$0	$0	$1,710,000	$0	$0	$1,952,000
Non-Residential	$16 /SqFt	$0	$624,000	$704,000	$0	$0	$0	$48,000	$112,000	$208,000
Gross Annual Rental Income		**$0**	**$624,000**	**$704,000**	**$0**	**$0**	**$1,710,000**	**$48,000**	**$112,000**	**$2,160,000**
Residential										
Less: Vacancy Credit	*5%*	*$0*	*$0*	*$0*	*$0*	*$0*	*($86,000)*	*$0*	*$0*	*($98,000)*
Less: Operating Expenses	*30%*	*$0*	*$0*	*$0*	*$0*	*$0*	*($513,000)*	*$0*	*$0*	*($586,000)*
Non-Residential										
Less: Vacancy Credit	*10%*	*$0*	*($62,000)*	*($70,000)*	*$0*	*$0*	*$0*	*($5,000)*	*($11,000)*	*($21,000)*
Less: Operating Expenses [1]	*7%*	*$0*	*($44,000)*	*($49,000)*	*$0*	*$0*	*$0*	*($3,000)*	*($8,000)*	*($15,000)*
Operating Expenses		**$0**	**($106,000)**	**($119,000)**	**$0**	**$0**	**($599,000)**	**($8,000)**	**($19,000)**	**($720,000)**
Net Operating Income		**$0**	**$518,000**	**$585,000**	**$0**	**$0**	**$1,111,000**	**$40,000**	**$93,000**	**$1,440,000**
Rental Development Value	9% Cap Rate	$0	$5,756,000	$6,500,000	$0	$0	$12,344,000	$444,000	$1,033,000	$16,000,000
Net Rental Development Value per SqFt		$0	$148	$148	$0	$0	$137	$148	$148	$138
Total Development Value		**$16,192,000**	**$5,756,000**	**$6,500,000**	**$10,524,000**	**$15,864,000**	**$12,344,000**	**$7,178,000**	**$19,249,000**	**$16,000,000**
Total Development Value per SqFt		$182	$148	$148	$188	$237	$137	$239	$260	$138

[1] Includes 2% property operations for vacant space and 5% replacement reserve.

Source: Economic & Planning Systems

H:\18820-Louisville Market, Feasibility, Public Financing\Models\[18820-Feasbility Model -- 10-31-08.xls]Rev

Table 4
Project Costs by Land Use
Louisville Highway 42 Feasability

	Factor	Base	Commercial Only: Con. Retail 1	Commercial Only: Retail & Office 2	Residential Only: Townhomes 3	Residential Only: Condo Only 4	Residential Only: MF Apartment 5	Residential Mixed Use: Condo & Retail - Low 6	Residential Mixed Use: Condo & Retail - High 7	Residential Mixed Use: MF Apartments 8
Hard Costs										
On-Site Costs	10% of Shell Cost	$1,157,000	$351,000	$396,000	$594,000	$871,000	$954,000	$387,000	$955,000	$1,248,000
Shell Building Costs										
For-Sale Residential		$11,570,000	$0	$0	$5,936,000	$8,710,000	$0	$3,510,000	$8,710,000	$0
		$130 /SqFt	$130 /SqFt	$130 /SqFt	$106 /SqFt	$130 /SqFt	$130 /SqFt	$130 /SqFt	$130 /SqFt	$130 /SqFt
For-Rent Residential		$0	$0	$0	$0	$0	$9,540,000	$0	$0	$10,918,000
		$106 /SqFt	$106 /SqFt	$106 /SqFt	$106 /SqFt	$106 /SqFt	$106 /SqFt	$106 /SqFt	$106 /SqFt	$106 /SqFt
Non-Residential		$0	$3,510,000	$3,960,000	$0	$0	$0	$360,000	$840,000	$1,560,000
		$120 /SqFt	$90 /SqFt	$90 /SqFt	$120 /SqFt	$120 /SqFt	$120 /SqFt	$120 /SqFt	$120 /SqFt	$120 /SqFt
Total Shell Building Costs		**$11,570,000**	**$3,510,000**	**$3,960,000**	**$5,936,000**	**$8,710,000**	**$9,540,000**	**$3,870,000**	**$9,550,000**	**$12,478,000**
Tenant Allowance										
Non-Residential		$0	$1,365,000	$1,540,000	$0	$0	$0	$105,000	$245,000	$455,000
		$35 /SqFt	$35 /SqFt	$35 /SqFt	$35 /SqFt	$35 /SqFt	$35 /SqFt	$35 /SqFt	$35 /SqFt	$35 /SqFt
Surface Parking	$5,000 /Space	$600,000	$490,000	$550,000	$235,000	$415,000	$900,000	$220,000	$0	$1,195,000
Structured Parking	$20,000 /Space	$0	$0	$0	$0	$0	$0	$0	$2,160,000	$0
Total Hard Costs		**$13,327,000**	**$5,716,000**	**$6,446,000**	**$6,765,000**	**$9,996,000**	**$11,394,000**	**$4,582,000**	**$12,910,000**	**$15,376,000**
Total Hard Cost / SqFt		$150	$182	$182	$182	$182	$182	$182	$182	$182
Soft Costs										
Architectural & Engineering (A&E)	6% of HC	$800,000	$343,000	$387,000	$406,000	$600,000	$684,000	$275,000	$775,000	$923,000
Development Fees & Admin.	5% of HC	$666,000	$286,000	$322,000	$338,000	$500,000	$570,000	$229,000	$646,000	$769,000
Entitlement Costs [2]	4% of HC	$533,000	$229,000	$258,000	$271,000	$400,000	$456,000	$183,000	$516,000	$615,000
Misc. Soft Costs [3]	5% of HC	$666,000	$286,000	$322,000	$338,000	$500,000	$570,000	$229,000	$646,000	$769,000
Contingency	10% of HC	$1,333,000	$572,000	$645,000	$677,000	$1,000,000	$1,139,000	$458,000	$1,291,000	$1,538,000
Total Soft Costs	**30% of HC**	**$3,998,000**	**$1,716,000**	**$1,934,000**	**$2,030,000**	**$3,000,000**	**$3,419,000**	**$1,374,000**	**$3,874,000**	**$4,614,000**
Total Soft Cost / SqFt		$45	$44	$44	$36	$45	$38	$46	$52	$40
Total Construction Costs		$17,325,000	$7,432,000	$8,380,000	$8,795,000	$12,996,000	$14,813,000	$5,956,000	$16,784,000	$19,990,000
Total Construction Cost / SqFt		$195	$191	$190	$157	$194	$165	$199	$227	$172
Profit	12%	$2,079,000	$892,000	$1,006,000	$1,055,000	$1,560,000	$1,778,000	$715,000	$2,014,000	$2,399,000
Total Development Costs		**$19,404,000**	**$8,324,000**	**$9,386,000**	**$9,850,000**	**$14,556,000**	**$16,591,000**	**$6,671,000**	**$18,798,000**	**$22,389,000**
Total Development Cost / SqFt		$218	$213	$213	$176	$217	$184	$222	$254	$193

[1] Assumes 50 percent of space delivered as surface parking and 50 percent as podium parking
[2] Varies by use; Estimated from surrounding municipalities
[3] Including Attorney fees, accountant fees, market research, planning, environmental, traffic, etc.

Source: Economic & Planning Systems

28 10.1%
278

H:\18820-Louisville Market, Feasibility, Public Financing\Models\[18820-Feasbility Model -- 10-31-08.xls]Cost

Table 5
Residual Land Value by Land Use
Louisville Highway 42 Feasability

	Base	Commercial Only: Con. Retail 1	Commercial Only: Retail & Office 2	Residential Only: Townhomes 3	Residential Only: Condo Only 4	Residential Only: MF Apartment 5	Residential Mixed Use: Condo & Retail - Low 6	Residential Mixed Use: Condo & Retail - High 7	Residential Mixed Use: MF Apartments 8
Project Revenue									
Net Sales Revenue	$16,192,000	$0	$0	$10,524,000	$15,864,000	$0	$6,734,000	$18,216,000	$0
Rental Development Value	$0	$5,756,000	$6,500,000	$0	$0	$12,344,000	$444,000	$1,033,000	$16,000,000
Total Development Value	**$16,192,000**	**$5,756,000**	**$6,500,000**	**$10,524,000**	**$15,864,000**	**$12,344,000**	**$7,178,000**	**$19,249,000**	**$16,000,000**
Total Development Value per SqFt	$182	$148	$148	$188	$237	$137	$239	$260	$138
Project Costs									
Hard Costs									
On-Site Costs	$1,157,000	$351,000	$396,000	$594,000	$871,000	$954,000	$387,000	$955,000	$1,248,000
Shell Building Costs	$11,570,000	$3,510,000	$3,960,000	$5,936,000	$8,710,000	$9,540,000	$3,870,000	$9,550,000	$12,478,000
Tenant Allowance Costs	$0	$1,365,000	$1,540,000	$0	$0	$0	$105,000	$245,000	$455,000
Parking	$600,000	$490,000	$550,000	$235,000	$415,000	$900,000	$220,000	$2,160,000	$1,195,000
Subtotal Hard Costs	**$13,327,000**	**$5,716,000**	**$6,446,000**	**$6,765,000**	**$9,996,000**	**$11,394,000**	**$4,582,000**	**$12,910,000**	**$15,376,000**
Soft Costs	$3,998,000	$1,716,000	$1,934,000	$2,030,000	$3,000,000	$3,419,000	$1,374,000	$3,874,000	$4,614,000
Total Construction Costs	**$17,325,000**	**$7,432,000**	**$8,380,000**	**$8,795,000**	**$12,996,000**	**$14,813,000**	**$5,956,000**	**$16,784,000**	**$19,990,000**
Profit	$2,079,000	$892,000	$1,006,000	$1,055,000	$1,560,000	$1,778,000	$715,000	$2,014,000	$2,399,000
Total Development Cost	**$19,404,000**	**$8,324,000**	**$9,386,000**	**$9,850,000**	**$14,556,000**	**$16,591,000**	**$6,671,000**	**$18,798,000**	**$22,389,000**
Total Development Costs per SqFt	$218	$213	$213	$176	$217	$184	$222	$254	$193
Residual Land Value	**($3,212,000)**	**($2,568,000)**	**($2,886,000)**	**$674,000**	**$1,308,000**	**($4,247,000)**	**$507,000**	**$451,000**	**($6,389,000)**
Acres of Developable Land	3.00	3.00	3.00	3.00	3.00	3.00	1.00	1.00	3.00
Land Value per Acre of Land	($1,070,667)	($856,000)	($962,000)	$224,667	$436,000	($1,415,667)	$507,000	$451,000	($2,129,667)
Land Value per SqFt of Land	($24.58)	($19.65)	($22.08)	$5.16	$10.01	($32.50)	$11.64	$10.35	($48.89)
Development Return									
Land Cost: $12 /Per SqFt Land	$1,568,160	$1,568,160	$1,568,160	$1,568,160	$1,568,160	$1,568,160	$522,720	$522,720	$1,568,160
Net Cash Flow (Static Land Cost)	($2,701,160)	($3,244,160)	($3,448,160)	$160,840	$1,299,840	($4,037,160)	$699,280	$1,942,280	($5,558,160)
ROC (Static Land Cost)	-14.30%	-36.05%	-34.66%	1.55%	8.92%	-24.65%	10.79%	11.22%	-25.78%

[1] Calculated by subtracting all costs (excluding profit) from total development value; Assumes the land cost is constant based on the base scenario
[2] Calculates the return of the project based on net cash flow divided by total costs (including land and excluding profit)
[3] Calculates the return of the project based on net cash flow divided by net sales revenue

Source: Economic & Planning Systems

H:\18820-Louisville Market, Feasibility, Public Financing\Models\[18820-Feasbility Model -- 10-31-08.xls]Land Val

APPENDIX B

Tax Increment Financing (TIF) Revenue Forecast

Table of Contents
Louisville URA Tax Increment Financing (TIF) Revenue Forecast

Table 1
Residential Market Value Summaries, 2008
Louisville URA Tax Increment Financing (TIF) Revenue Forecast

URA Area	$/Sq. Ft.	Avg. Sq. Ft. per Unit	Avg. Unit Value
Highway 42			
Townhomes/Small Lot SF	$280	1,000	$280,000
Townhomes/Condo	$250	1,800	$450,000
Condo/Lofts	$280	1,000	$280,000
Single Family Homes	$245	2,000	$490,000
Subtotal	**$264**	**1,450**	**$375,000**
Markel			
Townhomes/Small Lot SF	$202	1,718	$347,036
Townhomes/Condo	$202	1,718	$347,036
Condo/Lofts	$202	1,718	$347,036
Single Family Homes	$224	2,000	$448,000
Subtotal	**$208**	**1,789**	**$372,277**
Downtown			
Townhomes/Small Lot SF	$250	1,800	$450,000
Townhomes/Condo	$250	1,800	$450,000
Condo/Lofts	$285	1,000	$285,000
Single Family Homes	$245	2,000	$490,000
Subtotal	**$258**	**1,650**	**$418,750**

Source: Economic & Planning Systems
H:\18820-Louisville Market, Feasibility, Public Financing\Models\[18820-TIF Model -- 102108.xls]1-Res Market Value

Table 2
Commercial Market Value Summaries, 2008
Louisville URA Tax Increment Financing (TIF) Revenue Forecast

URA Area	**Leasing Rate** ($/sq. ft.)	**$/Sq. Ft.**[1]	
Highway 42			
Office	$16	$165	
First Floor Retail	$16	$165	
Community Commercial	$22	$227	222.2222
Subtotal			
King Soopers			
Office	$16	$165	
First Floor Retail	$16	$165	
Community Commercial	$22	$227	
Subtotal			
Markel			
Office	$16	$165	
First Floor Retail	$16	$165	
Community Commercial	$22	$227	
Subtotal			
Downtown			
Office	$18	$186	
First Floor Retail	$16	$165	
Community Commercial	$22	$227	
Subtotal			

[1] Value derived from a 93% occupancy & 9% CAP rate

Source: Economic & Planning Systems

H:\18820-Louisville Market, Feasibility, Public Financing\Models\[18820-TIF Model -- 102108.xls]2-Comm Market Value

Construction and Absorption

Table 3
Residential Program & Factors
Louisville URA TIF Projections

Area	Land Use	Product Type	Area	Density (DU/Acre)	Units	Current Absorption (Units/month)	Current Absorption (Units/year)	Pre Sales Target (1 year)	Growth Factor
Highway 42									
Parcel 1	Residential	Townhomes/Small Lot SF	9.46	15	142	4.0	48	40%	3.0%
Parcel 2	Highway Commercial	---	1.7	0	0	0.0	0	0%	0.0%
Parcel 3	Residential	Townhomes/Condo	1.06	20	21	0.5	6	40%	4.0%
Parcel 4	Residential	Townhomes/Condo	4.25	20	85	2.0	24	40%	4.0%
Parcel 5	Mixed-Use Residential	Condo/Lofts	2.88	20	58	1.3	15	40%	4.0%
Parcel 6	Mixed-Use	---	1.32	0	0	0.0	0	0%	0.0%
Parcel 6	Mixed-Use	---	1.32	0	0	0.0	0	0%	0.0%
Parcel 7	Highway Commercial	---	2.8	0	0	0.0	0	0%	0.0%
Parcel 8	Mixed-Use	---	0.82	0	0	0.0	0	0%	0.0%
Parcel 8	Mixed-Use	---	0.82	0	0	0.0	0	0%	0.0%
Other	Residential	Single Family Homes			109	3.0	36	40%	2.0%
King Soopers									
Commercial	Neighborhood Retail	---				0.0	0	0%	0.0%
Markel									
A	Residential	Condo/Lofts			0	4	48	40%	3.0%
B	Residential	Townhomes/Small Lot SF			123	4	48	40%	1.0%
C	Residential	Single Family Homes			10	4	48	40%	1.0%
D	Commercial	---			0	0	0	0%	0.0%
Downtown									
Building 1	Mixed-Use	---			0	0.0	0	0%	0.0%
Building 1	Mixed-Use	---			0	0.0	0	0%	0.0%
Building 2	Mixed-Use	---			0	0.0	0	0%	0.0%
Building 2	Mixed-Use	---			0	0.0	0	0%	0.0%
Building 3	Mixed-Use Residential	Condo/Lofts			10	0.25	3	40%	4.0%

	Annual Demand																						
Area	2009 (Year 3)	2010 (Year 4)	2011 (Year 5)	2012 (Year 6)	2013 (Year 7)	2014 (Year 8)	2015 (Year 9)	2016 (Year 10)	2017 (Year 11)	2018 (Year 12)	2019 (Year 13)	2020 (Year 14)	2021 (Year 15)	2022 (Year 16)	2023 (Year 17)	2024 (Year 18)	2025 (Year 19)	2026 (Year 20)	2027 (Year 21)	2028 (Year 22)	2029 (Year 23)	2030 (Year 24)	2031 (Year 25)
Highway 42																							
Parcel 1	48	49	51	52	54	56	57	59	61	63	65	66	68	70	73	75	77	79	82	84	87	89	92
Parcel 2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Parcel 3	6	6	6	7	7	7	8	8	8	9	9	9	10	10	10	11	11	12	12	13	13	14	14
Parcel 4	24	25	26	27	28	29	30	32	33	34	36	37	38	40	42	43	45	47	49	51	53	55	57
Parcel 5	15	16	16	17	18	18	19	20	21	21	22	23	24	25	26	27	28	29	30	32	33	34	36
Parcel 6	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Parcel 6	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Parcel 7	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Parcel 8	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Parcel 8	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other	36	37	37	38	39	40	41	41	42	43	44	45	46	47	48	48	49	50	51	52	53	55	56
King Soopers																							
Commercial	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Markel																							
A	48	49	51	52	54	56	57	59	61	63	65	66	68	70	73	75	77	79	82	84	87	89	92
B	48	48	49	49	50	50	51	51	52	52	53	54	54	55	55	56	56	57	57	58	59	59	60
C	48	48	49	49	50	50	51	51	52	52	53	54	54	55	55	56	56	57	57	58	59	59	60
D	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Downtown																							
Building 1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Building 1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Building 2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Building 2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Building 3	3	3	3	3	4	4	4	4	4	4	4	5	5	5	5	5	6	6	6	6	7	7	7

Source: Economic & Planning Systems
H:\18820-Louisville Market, Feasibility, Public Financing\Models\[18820-TIF Model -- 102108.xls]3-Res Program

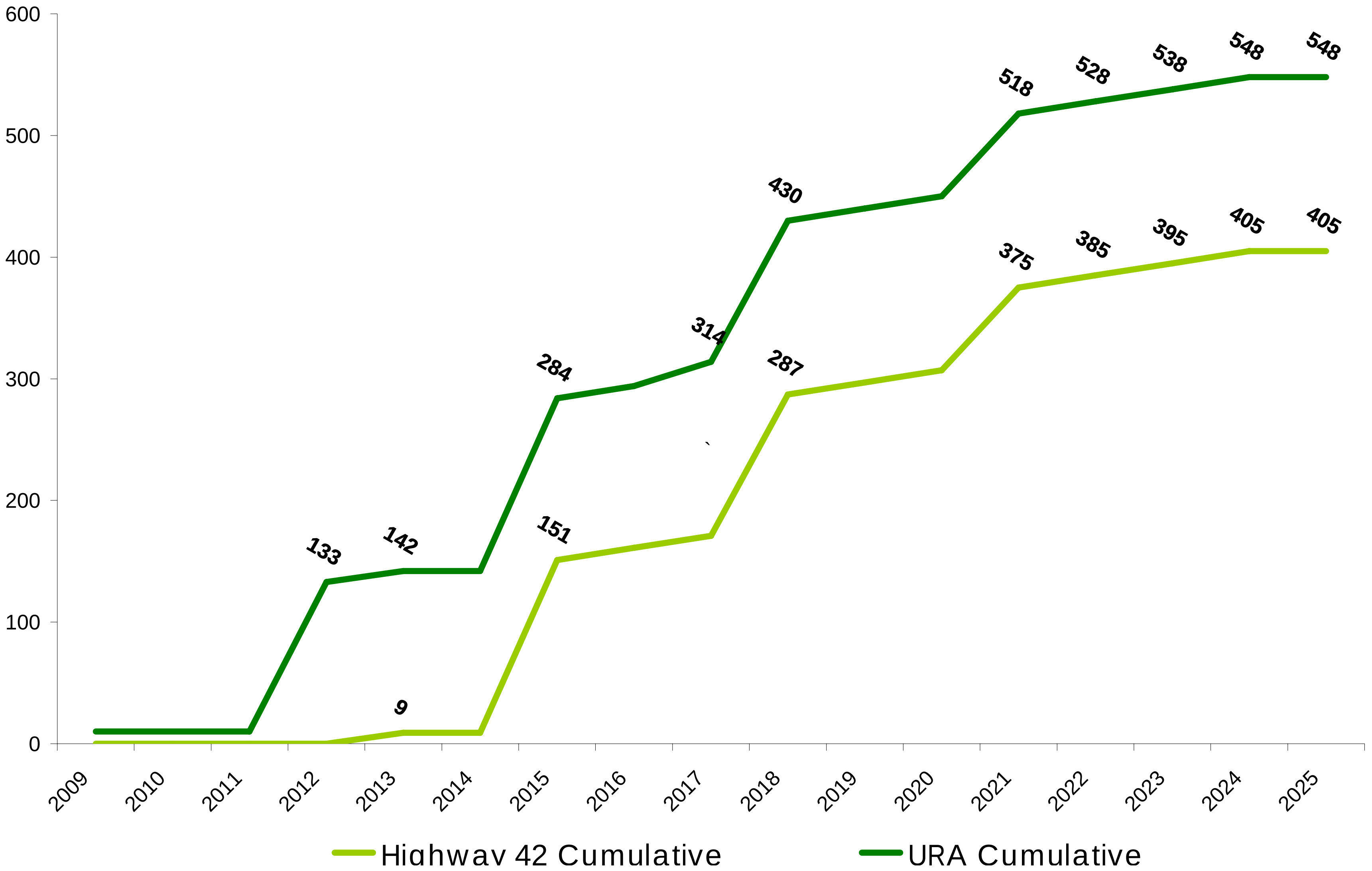

600
500
400
300
200
100
0
2009
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019
2020
2021
2022
2023
2024
2025
133
142
284
314
430
518
528
538
548
548
9
151
287
375
385
395
405
405
Highway 42 Cumulative
URA Cumulative

Table 4
Residential Construction
Louisville URA TIF Projections

Area	Land Use	Product Type	Area	Units	2009 (Year 3)	2010 (Year 4)	2011 (Year 5)	2012 (Year 6)	2013 (Year 7)	2014 (Year 8)	2015 (Year 9)	2016 (Year 10)	2017 (Year 11)	2018 (Year 12)	2019 (Year 13)	2020 (Year 14)	2021 (Year 15)	2022 (Year 16)	2023 (Year 17)	2024 (Year 18)	2025 (Year 19)	2026 (Year 20)	2027 (Year 21)	2028 (Year 22)	2029 (Year 23)	2030 (Year 24)	2031 (Year 25)
					Residential Construction Schedule																						
Highway 42																											
Parcel 1	Residential	Townhomes/Small Lot SF	9.46	142	0	0	0	0	0	0	142	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Parcel 2	Highway Commercial	---	1.7	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Parcel 3	Residential	Townhomes/Condo	1.06	21	0	0	0	0	0	0	0	0	0	21	0	0	0	0	0	0	0	0	0	0	0	0	0
Parcel 4	Residential	Townhomes/Condo	4.25	85	0	0	0	0	0	0	0	0	0	85	0	0	0	0	0	0	0	0	0	0	0	0	0
Parcel 5	Mixed-Use Residential	Condo/Lofts	2.88	58	0	0	0	0	0	0	0	0	0	0	0	0	58	0	0	0	0	0	0	0	0	0	0
Parcel 6	Mixed-Use	---	1.32	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Parcel 6	Mixed-Use	---	1.32	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Parcel 7	Highway Commercial	---	2.8	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Parcel 8	Mixed-Use	---	0.82	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Parcel 8	Mixed-Use	---	0.82	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other	Residential	Single Family Homes	0	109	0	0	0	0	9	0	0	10	10	10	10	10	10	10	10	10	0	0	0	0	0	0	0
Subtotal			**26**	**306**	**0**	**0**	**0**	**0**	**9**	**0**	**142**	**10**	**10**	**116**	**10**	**10**	**68**	**10**	**10**	**10**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
King Soopers																											
Commercia	Neighborhood Retail	---		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Subtotal					**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Markel																											
	Residential	Condo/Lofts		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Residential	Townhomes/Small Lot SF		123	0	0	0	123	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Residential	Single Family Homes		10	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Commercial	---		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Subtotal			**0**	**133**	**10**	**0**	**0**	**123**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Downtown																											
Building 1	Mixed-Use	---		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Building 1	Mixed-Use	---		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Building 2	Mixed-Use	---		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Building 2	Mixed-Use	---		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Building 3	Mixed-Use Residential	Condo/Lofts		10	0	0	0	0	0	0	0	0	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Subtotal			**0**	**10**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**10**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total				**449**	**10**	**0**	**0**	**123**	**9**	**0**	**142**	**10**	**20**	**116**	**10**	**10**	**68**	**10**	**10**	**10**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Highway 42 Cumulative					**0**	**0**	**0**	**0**	**9**	**9**	**151**	**161**	**171**	**287**	**297**	**307**	**375**	**385**	**395**	**405**	**405**	**405**	**405**	**405**	**405**	**405**	**405**
Total Cumulative					**10**	**10**	**10**	**133**	**142**	**142**	**284**	**294**	**314**	**430**	**440**	**450**	**518**	**528**	**538**	**548**	**548**	**548**	**548**	**548**	**548**	**548**	**548**

Source: Economic & Planning Systems

H:\18820-Louisville Market, Feasibility, Public Financing\Models\[18820-TIF Model -- 102108.xls]4-Res Construction

Table 5
Commercial Program & Factors
Louisville URA TIF Projections

Area	Land Use	Product Type	Area (acres)	Density (FAR)	Sq. Ft.	Current Absorption (Sq. Ft./month)	Current Absorption (Units/year)	Pre Sales Target (1 year)	Growth Factor
Highway 42									
Parcel 1	Residential	---	9.46	0	0	0.0	0	0%	0
Parcel 2	Highway Commercial	Community Commercial	1.7	0.35	26,000	750	9,000	40%	3.0%
Parcel 3	Residential	---	1.06	0	0	0	0	0%	0
Parcel 4	Residential	---	4.25	0	0	0	0	0%	0
Parcel 5	Mixed-Use Residential	First Floor Retail	1.44	0.25	16,000	300	3,600	40%	3.0%
Parcel 6	Mixed-Use	First Floor Retail	0.66	0.25	7,000	200	2,400	40%	2.0%
Parcel 6	Mixed-Use	Office	1.32	0.35	20,000	500	6,000	40%	2.0%
Parcel 7	Highway Commercial	Community Commercial	2.8	0.35	43,000	1,250	15,000	40%	4.0%
Parcel 8	Mixed-Use	First Floor Retail	0.41	0.25	4,000	150	1,800	50%	2.0%
Parcel 8	Mixed-Use	Office	0.82	0.35	13,000	250	3,000	50%	2.0%
Other	Residential	---			0	0	0	0%	0.0%
King Soopers									
Commercial	Neighborhood Retail	Community Commercial			25,000	1,000	12,000	50%	2.0%
Markel									
	Residential	---			0	0	0	0%	0
	Residential	---			0	0	0	0%	0
	Residential	---			0	0	0	0%	0
	Commercial	Community Commercial			65,650	2,000	24,000	40%	3.0%
Downtown									
Building 1	Mixed-Use	First Floor Retail			7,000	200	2,400	40%	2.0%
Building 1	Mixed-Use	Office			15,000	400	4,800	40%	3.0%
Building 2	Mixed-Use	First Floor Retail			6,000	175	2,100	40%	2.0%
Building 2	Mixed-Use	Office			24,000	725	8,700	40%	4.0%
Building 3	Mixed-Use Residential	First Floor Retail			5,000	250	3,000	40%	2.0%

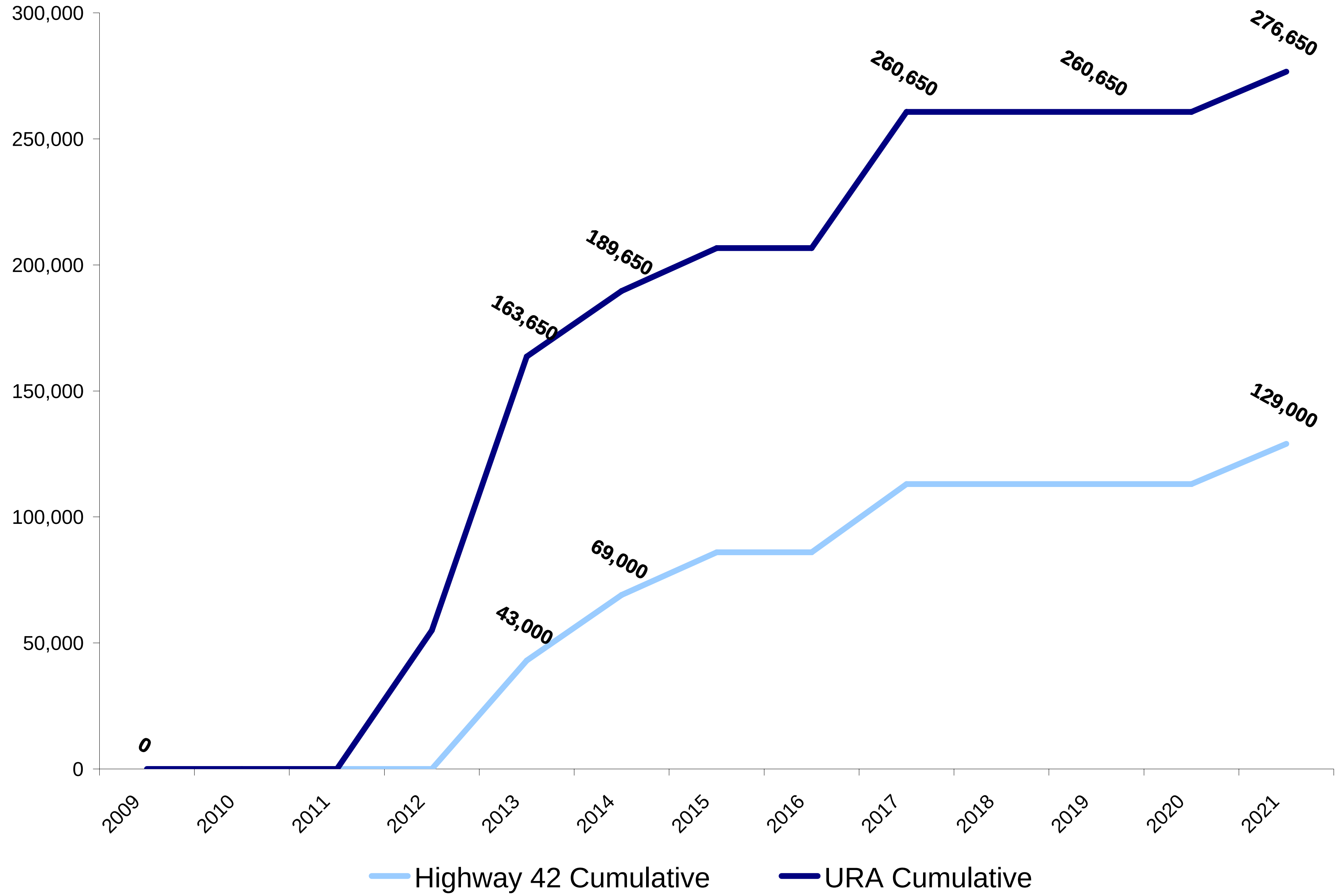
Annual Demand

Area	Land Use	Product Type	2009 (Year 3)	2010 (Year 4)	2011 (Year 5)	2012 (Year 6)	2013 (Year 7)	2014 (Year 8)	2015 (Year 9)	2016 (Year 10)	2017 (Year 11)	2018 (Year 12)	2019 (Year 13)
Highway 42													
Parcel 1	Residential	---	0	0	0	0	0	0	0	0	0	0	0
Parcel 2	Highway Commercial	Community Commercial	9,000	9,270	9,548	9,835	10,130	10,433	10,746	11,069	11,401	11,743	12,095
Parcel 3	Residential	---	0	0	0	0	0	0	0	0	0	0	0
Parcel 4	Residential	---	0	0	0	0	0	0	0	0	0	0	0
Parcel 5	Mixed-Use Residential	First Floor Retail	3,600	3,708	3,819	3,934	4,052	4,173	4,299	4,428	4,560	4,697	4,838
Parcel 6	Mixed-Use	First Floor Retail	2,400	2,448	2,497	2,547	2,598	2,650	2,703	2,757	2,812	2,868	2,926
Parcel 6	Mixed-Use	Office	6,000	6,120	6,242	6,367	6,495	6,624	6,757	6,892	7,030	7,171	7,314
Parcel 7	Highway Commercial	Community Commercial	15,000	15,600	16,224	16,873	17,548	18,250	18,980	19,739	20,529	21,350	22,204
Parcel 8	Mixed-Use	First Floor Retail	1,800	1,836	1,873	1,910	1,948	1,987	2,027	2,068	2,109	2,151	2,194
Parcel 8	Mixed-Use	Office	3,000	3,060	3,121	3,184	3,247	3,312	3,378	3,446	3,515	3,585	3,657
Other	Residential	---	0	0	0	0	0	0	0	0	0	0	0
King Soopers													
Commercial	Neighborhood Retail	Community Commercial	12,000	12,240	12,485	12,734	12,989	13,249	13,514	13,784	14,060	14,341	14,628
Markel													
	Residential	---	0	0	0	0	0	0	0	0	0	0	0
	Residential	---	0	0	0	0	0	0	0	0	0	0	0
	Residential	---	0	0	0	0	0	0	0	0	0	0	0
	Commercial	Community Commercial	24,000	24,720	25,462	26,225	27,012	27,823	28,657	29,517	30,402	31,315	32,254
Downtown													
Building 1	Mixed-Use	First Floor Retail	2,400	2,448	2,497	2,547	2,598	2,650	2,703	2,757	2,812	2,868	2,926
Building 1	Mixed-Use	Office	4,800	4,944	5,092	5,245	5,402	5,565	5,731	5,903	6,080	6,263	6,451
Building 2	Mixed-Use	First Floor Retail	2,100	2,142	2,185	2,229	2,273	2,319	2,365	2,412	2,460	2,510	2,560
Building 2	Mixed-Use	Office	8,700	9,048	9,410	9,786	10,178	10,585	11,008	11,449	11,907	12,383	12,878
Building 3	Mixed-Use Residential	First Floor Retail	3,000	3,060	3,121	3,184	3,247	3,312	3,378	3,446	3,515	3,585	3,657

Area	Land Use	Product Type	2020 (Year 14)	2021 (Year 15)	2022 (Year 16)	2023 (Year 17)	2024 (Year 18)	2025 (Year 19)	2026 (Year 20)	2027 (Year 21)	2028 (Year 22)	2029 (Year 23)	2030 (Year 24)	2031 (Year 25)
Highway 42														
Parcel 1	Residential	---	0	0	0	0	0	0	0	0	0	0	0	0
Parcel 2	Highway Commercial	Community Commercial	12,458	12,832	13,217	13,613	14,022	14,442	14,876	15,322	15,782	16,255	16,743	17,245
Parcel 3	Residential	---	0	0	0	0	0	0	0	0	0	0	0	0
Parcel 4	Residential	---	0	0	0	0	0	0	0	0	0	0	0	0
Parcel 5	Mixed-Use Residential	First Floor Retail	4,983	5,133	5,287	5,445	5,609	5,777	5,950	6,129	6,313	6,502	6,697	6,898
Parcel 6	Mixed-Use	First Floor Retail	2,984	3,044	3,105	3,167	3,230	3,295	3,361	3,428	3,496	3,566	3,638	3,710
Parcel 6	Mixed-Use	Office	7,460	7,609	7,762	7,917	8,075	8,237	8,401	8,569	8,741	8,916	9,094	9,276
Parcel 7	Highway Commercial	Community Commercial	23,092	24,015	24,976	25,975	27,014	28,095	29,219	30,387	31,603	32,867	34,182	35,549
Parcel 8	Mixed-Use	First Floor Retail	2,238	2,283	2,328	2,375	2,423	2,471	2,520	2,571	2,622	2,675	2,728	2,783
Parcel 8	Mixed-Use	Office	3,730	3,805	3,881	3,958	4,038	4,118	4,201	4,285	4,370	4,458	4,547	4,638
Other	Residential	---	0	0	0	0	0	0	0	0	0	0	0	0
King Soopers														
Commercial	Neighborhood Retail	Community Commercial	14,920	15,219	15,523	15,834	16,150	16,473	16,803	17,139	17,482	17,831	18,188	18,552
Markel														
	Residential	---	0	0	0	0	0	0	0	0	0	0	0	0
	Residential	---	0	0	0	0	0	0	0	0	0	0	0	0
	Residential	---	0	0	0	0	0	0	0	0	0	0	0	0
	Commercial	Community Commercial	33,222	34,218	35,245	36,302	37,391	38,513	39,668	40,858	42,084	43,347	44,647	45,986
Downtown														
Building 1	Mixed-Use	First Floor Retail	2,984	3,044	3,105	3,167	3,230	3,295	3,361	3,428	3,496	3,566	3,638	3,710
Building 1	Mixed-Use	Office	6,644	6,844	7,049	7,260	7,478	7,703	7,934	8,172	8,417	8,669	8,929	9,197
Building 2	Mixed-Use	First Floor Retail	2,611	2,663	2,717	2,771	2,826	2,883	2,941	2,999	3,059	3,120	3,183	3,247
Building 2	Mixed-Use	Office	13,393	13,929	14,486	15,066	15,668	16,295	16,947	17,625	18,330	19,063	19,825	20,618
Building 3	Mixed-Use Residential	First Floor Retail	3,730	3,805	3,881	3,958	4,038	4,118	4,201	4,285	4,370	4,458	4,547	4,638

Source: Economic & Planning Systems

H:\18820-Louisville Market, Feasibility, Public Financing\Models\[18820-TIF Model -- 102108.xls]5-Comm Program



300,000
250,000
200,000
150,000
100,000
50,000
0
2009
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019
2020
2021
0
163,650
189,650
260,650
260,650
276,650
43,000
69,000
129,000
Highway 42 Cumulative
URA Cumulative

Table 6
Commercial Construction
Louisville URA TIF Projections

Area	Land Use	Product Type	Area	Sq. Ft.	Commercial Construction Schedule 2009 (Year 3)	2010 (Year 4)	2011 (Year 5)	2012 (Year 6)	2013 (Year 7)	2014 (Year 8)	2015 (Year 9)	2016 (Year 10)	2017 (Year 11)	2018 (Year 12)	2019 (Year 13)	2020 (Year 14)	2021 (Year 15)	2022 (Year 16)	2023 (Year 17)	2024 (Year 18)	2025 (Year 19)	2026 (Year 20)	2027 (Year 21)	2028 (Year 22)	2029 (Year 23)	2030 (Year 24)	2031 (Year 25)
Highway 42																											
Parcel 1	Residential	---	9.46	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Parcel 2	Highway Commercial	Community Commercial	1.7	26,000	0	0	0	0	0	26,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Parcel 3	Residential	---	1.06	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Parcel 4	Residential	---	4.25	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Parcel 5	Mixed-Use Residential	First Floor Retail	1.44	16,000	0	0	0	0	0	0	0	0	0	0	0	0	16,000	0	0	0	0	0	0	0	0	0	0
Parcel 6	Mixed-Use	First Floor Retail	0.66	7,000	0	0	0	0	0	0	0	0	7,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Parcel 6	Mixed-Use	Office	1.32	20,000	0	0	0	0	0	0	0	0	20,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Parcel 7	Highway Commercial	Community Commercial	2.8	43,000	0	0	0	0	43,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Parcel 8	Mixed-Use	First Floor Retail	0.41	4,000	0	0	0	0	0	0	4,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Parcel 8	Mixed-Use	Office	0.82	13,000	0	0	0	0	0	0	13,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other	Residential	---	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Subtotal				**129,000**	**0**	**0**	**0**	**0**	**43,000**	**26,000**	**17,000**	**0**	**27,000**	**0**	**0**	**0**	**16,000**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
King Soopers																											
Commercial	Neighborhood Retail	Community Commercial	0	25,000	0	0	0	25,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Subtotal			**7**	**25,000**	**0**	**0**	**0**	**25,000**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Markel																											
A	Residential	---	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
G	Residential	---	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
C	Residential	---	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
D	Commercial	Community Commercial	0	65,650	0	0	0	0	65,650	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Subtotal			**7**	**65,650**	**0**	**0**	**0**	**0**	**65,650**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Downtown																											
Building 1	Mixed-Use	First Floor Retail	0	7,000	0	0	0	0	0	0	0	0	7,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Building 1	Mixed-Use	Office	0	15,000	0	0	0	0	0	0	0	0	15,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Building 2	Mixed-Use	First Floor Retail	0	6,000	0	0	0	6,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Building 2	Mixed-Use	Office	0	24,000	0	0	0	24,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Building 3	Mixed-Use Residential	First Floor Retail	0	5,000	0	0	0	0	0	0	0	0	5,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Subtotal			**7**	**57,000**	**0**	**0**	**0**	**30,000**	**0**	**0**	**0**	**0**	**27,000**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total				**276,650**	**0**	**0**	**0**	**55,000**	**108,650**	**26,000**	**17,000**	**0**	**54,000**	**0**	**0**	**0**	**16,000**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Highway 42 Cumulative					**0**	**0**	**0**	**0**	**43,000**	**69,000**	**86,000**	**86,000**	**113,000**	**113,000**	**113,000**	**113,000**	**129,000**	**129,000**	**129,000**	**129,000**	**129,000**	**129,000**	**129,000**	**129,000**	**129,000**	**129,000**	**129,000**
URA Cumulative					**0**	**0**	**0**	**55,000**	**163,650**	**189,650**	**206,650**	**206,650**	**260,650**	**260,650**	**260,650**	**260,650**	**276,650**	**276,650**	**276,650**	**276,650**	**276,650**	**276,650**	**276,650**	**276,650**	**276,650**	**276,650**	**276,650**

[Note] "Mixed-Use" scenarios use different formula
Source: Economic & Planning Systems
H:\18820-Louisville Market, Feasibility, Public Financing\Models\[18820-TIF Model -- 102108.xls]6-Comm Construction

Table 7
Retail Leasing Schedule
Louisville URA Tax Increment Financing (TIF) Revenue Forecast

Description		Totals	Occupancy at Stabl.	Total Absorption	2007 (Year 1)	2008 (Year 2)	2009 (Year 3)	2010 (Year 4)	2011 (Year 5)	2012 (Year 6)	2013 (Year 7)	2014 (Year 8)	2015 (Year 9)	2016 (Year 10)	2017 (Year 11)	2018 (Year 12)	2019 (Year 13)	2020 (Year 14)	2021 (Year 15)	2022 (Year 16)	2023 (Year 17)	2024 (Year 18)	2025 (Year 19)	2026 (Year 20)	2027 (Year 21)	2028 (Year 22)	2029 (Year 23)	2030 (Year 24)	2031 (Year 25)
Highway 42																													
Parcel 1	No	0	0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Parcel 2	Yes	26,000	93%	24,180	0	0	0	0	0	0	10,130	10,433	3,617	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Parcel 3	No	0	93%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Parcel 4	No	0	0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Parcel 5	Yes	16,000	0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Parcel 6	Yes	7,000	93%	6,510	0	0	0	0	0	0	0	0	0	2,757	2,812	941	0	0	0	0	0	0	0	0	0	0	0	0	0
Parcel 6	No	0	0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Parcel 7	Yes	43,000	0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Parcel 8	Yes	4,000	93%	3,720	0	0	0	0	0	0	0	1,987	1,733	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Parcel 8	No	0	0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other	No	0	0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Subtotal		**96,000**		**34,410**	**0**	**0**	**0**	**0**	**0**	**0**	**10,130**	**12,421**	**5,350**	**2,757**	**2,812**	**941**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
King Soopers																													
Commercial	Yes	25,000	93%	23,250	0	0	0	0	12,485	10,765	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Subtotal		**25,000**		**23,250**	**0**	**0**	**0**	**0**	**12,485**	**10,765**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Markel																													
A	No	0	0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
G	No	0	0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
C	No	0	0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
D	Yes	65,650	93%	61,055	0	0	0	0	0	26,225	27,012	7,817	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Subtotal		**65,650**		**61,055**	**0**	**0**	**0**	**0**	**0**	**26,225**	**27,012**	**7,817**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Downtown																													
Building 1	Yes	7,000	93%	6,510	0	0	0	0	0	0	0	0	0	2,757	2,812	941	0	0	0	0	0	0	0	0	0	0	0	0	0
Building 1	No	0	0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Building 2	Yes	6,000	93%	5,580	0	0	0	0	2,185	2,229	1,167	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Building 2	No	0	0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Building 3	Yes	5,000	93%	4,650	0	0	0	0	0	0	0	0	0	3,446	1,204	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Subtotal		**7,000**		**16,740**	**0**	**0**	**0**	**0**	**2,185**	**2,229**	**1,167**	**0**	**0**	**6,203**	**4,016**	**941**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total				**135,455**	**0**	**0**	**0**	**0**	**14,670**	**39,219**	**38,308**	**20,238**	**5,350**	**8,960**	**6,828**	**1,882**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Cumulative				**135,455**	**0**	**0**	**0**	**0**	**14,670**	**53,889**	**92,197**	**112,435**	**117,785**	**126,744**	**133,572**	**135,455**	**135,455**	**135,455**	**135,455**	**135,455**	**135,455**	**135,455**	**135,455**	**135,455**	**135,455**	**135,455**	**135,455**	**135,455**	**135,455**

Source: Economic & Planning Systems
H:\18820-Louisville Market, Feasibility, Public Financing\Models\[18820-TIF Model -- 102108.xls]7-Retail_Leasing_Schd

Assessed Value

Table 8
New Residential Assessed Value
Louisville URA Tax Increment Financing (TIF) Revenue Forecast

															Year Assessed [1]											
Name	**Product**	**Factor**	**Total**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**
				(Year 3)	(Year 4)	(Year 5)	(Year 6)	(Year 7)	(Year 8)	(Year 9)	(Year 10)	(Year 11)	(Year 12)	(Year 13)	(Year 14)	(Year 15)	(Year 16)	(Year 17)	(Year 18)	(Year 19)	(Year 20)	(Year 21)	(Year 22)	(Year 23)	(Year 24)	(Year 25)
Highway 42																										
Parcel 1	Townhomes/Small Lot SF	7.96%	$3,164,896	$0	$0	$0	$0	$0	$0	$0	$3,164,896	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Parcel 2	---	7.96%	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Parcel 3	Townhomes/Condo	7.96%	$752,220	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$752,220	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Parcel 4	Townhomes/Condo	7.96%	$3,044,700	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$3,044,700	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Parcel 5	Condo/Lofts	7.96%	$1,292,704	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$1,292,704	$0	$0	$0	$0	$0	$0	$0	$0	$0
Parcel 6	---	7.96%	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Parcel 7	---	7.96%	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Parcel 8	---	7.96%	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Parcel 8	---	7.96%	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Other	Single Family Homes	7.96%	$3,861,396	$0	$0	$0	$0	$0	$351,036	$0	$0	$390,040	$390,040	$390,040	$390,040	$390,040	$390,040	$390,040	$390,040	$390,040	$0	$0	$0	$0	$0	$0
Subtotal			**$12,115,916**	**$0**	**$0**	**$0**	**$0**	**$0**	**$351,036**	**$0**	**$3,164,896**	**$390,040**	**$390,040**	**$4,186,960**	**$390,040**	**$390,040**	**$1,682,744**	**$390,040**	**$390,040**	**$390,040**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
King Soopers																										
Commercial	---	7.96%	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Subtotal			**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Markel																										
A	Condo/Lofts	7.96%	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
B	Townhomes/Small Lot SF	7.96%	$3,397,760	$0	$0	$0	$0	$3,397,760	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
C	Single Family Homes	7.96%	$356,608	$0	$356,608	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
D	---		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Subtotal			**$3,754,368**	**$0**	**$356,608**	**$0**	**$0**	**$3,397,760**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Downtown																										
Building 1	---	7.96%	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Building 1	---	7.96%	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Building 2	---	7.96%	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Building 2	---	7.96%	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Building 3	Condo/Lofts	7.96%	$226,860	$0	$0	$0	$0	$0	$0	$0	$0	$0	$226,860	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Subtotal			**$226,860**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$226,860**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Total Assessed Value			$15,870,284	$0	$356,608	$0	$0	$3,397,760	$351,036	$0	$3,164,896	$390,040	$390,040	$4,186,960	$390,040	$390,040	$1,682,744	$390,040	$390,040	$390,040	$0	$0	$0	$0	$0	$0
Cumulative			**$15,480,244**	**$0**	**$356,608**	**$356,608**	**$356,608**	**$3,754,368**	**$4,105,404**	**$4,105,404**	**$7,270,300**	**$7,660,340**	**$8,050,380**	**$12,237,340**	**$12,627,380**	**$13,017,420**	**$14,700,164**	**$15,090,204**	**$15,480,244**	**$15,870,284**	**$15,870,284**	**$15,870,284**	**$15,870,284**	**$15,870,284**	**$15,870,284**	**$15,870,284**

[1] Assessed one year after construction is complete.

Source: Economic & Planning Systems

H:\18820-Louisville Market, Feasibility, Public Financing\Models\[18820-TIF Model -- 102108.xls]8-ResAV

Table 9
New Residential Assessed Value
Louisville URA Tax Increment Financing (TIF) Revenue Forecast

Name	Product	Factor	Total	2009 (Year 3)	2010 (Year 4)	2011 (Year 5)	2012 (Year 6)	2013 (Year 7)	2014 (Year 8)	2015 (Year 9)	2016 (Year 10)	2017 (Year 11)	2018 (Year 12)	2019 (Year 13)	2020 (Year 14)	2021 (Year 15)	2022 (Year 16)	2023 (Year 17)	2024 (Year 18)	2025 (Year 19)	2026 (Year 20)	2027 (Year 21)	2028 (Year 22)	2029 (Year 23)	2030 (Year 24)	2031 (Year 25)
				Year Assessed [1]																						
Highway 42																										
Parcel 1	---	29.00%	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Parcel 2	Community Commercial	29.00%	$1,714,093	$0	$0	$0	$0	$0	$0	$1,714,093	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Parcel 3	---	29.00%	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Parcel 4	---	29.00%	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Parcel 5	First Floor Retail	29.00%	$767,147	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$767,147	$0	$0	$0	$0	$0	$0	$0	$0	$0
Parcel 6	First Floor Retail	29.00%	$335,627	$0	$0	$0	$0	$0	$0	$0	$0	$0	$335,627	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Parcel 6	Office	29.00%	$958,933	$0	$0	$0	$0	$0	$0	$0	$0	$0	$958,933	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Parcel 7	Community Commercial	29.00%	$2,834,847	$0	$0	$0	$0	$0	$2,834,847	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Parcel 8	First Floor Retail	29.00%	$191,787	$0	$0	$0	$0	$0	$0	$0	$191,787	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Parcel 8	Office	29.00%	$623,307	$0	$0	$0	$0	$0	$0	$0	$623,307	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Other	---	29.00%	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Subtotal			**$7,425,740**	**$0**	**$0**	**$0**	**$0**	**$0**	**$2,834,847**	**$1,714,093**	**$815,093**	**$0**	**$1,294,560**	**$0**	**$0**	**$0**	**$767,147**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
King Soopers																										
Commercial	Community Commercial	29.00%	$1,648,167	$0	$0	$0	$0	$1,648,167	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Subtotal			**$1,648,167**	**$0**	**$0**	**$0**	**$0**	**$1,648,167**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Markel																										
A	---	29.00%	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
B	---	29.00%	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
C	---	29.00%	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
D	Community Commercial	29.00%	$4,328,086	$0	$0	$0	$0	$0	$4,328,086	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Subtotal			**$4,328,086**	**$0**	**$0**	**$0**	**$0**	**$0**	**$4,328,086**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Downtown																										
Building 1	First Floor Retail	29.00%	$335,627	$0	$0	$0	$0	$0	$0	$0	$0	$0	$335,627	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Building 1	Office	29.00%	$809,100	$0	$0	$0	$0	$0	$0	$0	$0	$0	$809,100	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Building 2	First Floor Retail	29.00%	$287,680	$0	$0	$0	$0	$287,680	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Building 2	Office	29.00%	$1,294,560	$0	$0	$0	$0	$1,294,560	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Building 3	First Floor Retail	29.00%	$239,733	$0	$0	$0	$0	$0	$0	$0	$0	$0	$239,733	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Subtotal			**$2,966,700**	**$0**	**$0**	**$0**	**$0**	**$1,582,240**	**$0**	**$0**	**$0**	**$0**	**$1,384,460**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Total Assessed Value			$16,368,692	$0	$0	$0	$0	$3,230,407	$7,162,932	$1,714,093	$815,093	$0	$2,679,020	$0	$0	$0	$767,147	$0	$0	$0	$0	$0	$0	$0	$0	$0
Cumulative			**$16,368,692**	**$0**	**$0**	**$0**	**$0**	**$3,230,407**	**$10,393,339**	**$12,107,432**	**$12,922,526**	**$12,922,526**	**$15,601,546**	**$15,601,546**	**$15,601,546**	**$15,601,546**	**$16,368,692**	**$16,368,692**	**$16,368,692**	**$16,368,692**	**$16,368,692**	**$16,368,692**	**$16,368,692**	**$16,368,692**	**$16,368,692**	**$16,368,692**

[1] Assessed one year after construction is complete.

Source: Economic & Planning Systems

H:\18820-Louisville Market, Feasibility, Public Financing\Models\[18820-TIF Model -- 102108.xls]9-CommAV

Table 10
URA Base Assessed Value Adjustment due to Demolitions and Renovations
Louisville URA Tax Increment Financing (TIF) Revenue Forecast

Project Name	Improvement Value	Total	2009 (Year 3)	2010 (Year 4)	2011 (Year 5)	2012 (Year 6)	2013 (Year 7)	2014 (Year 8)	2015 (Year 9)	2016 (Year 10)	2017 (Year 11)	2018 (Year 12)	2019 (Year 13)	2020 (Year 14)	2021 (Year 15)	2022 (Year 16)	2023 (Year 17)	2024 (Year 18)	2025 (Year 19)	2026 (Year 20)	2027 (Year 21)	2028 (Year 22)	2029 (Year 23)	2030 (Year 24)	2031 (Year 25)
Highway 42																									
Parcel 1	-$5,300	-$5,300	$0	$0	$0	$0	$0	$0	$0	-$5,300	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Parcel 2	-$1,462,200	-$1,462,200	$0	$0	$0	$0	$0	$0	-$1,462,200	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Parcel 3	-$87,700	-$87,700	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	-$87,700	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Parcel 4	-$34,400	-$34,400	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	-$34,400	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Parcel 5	-$452,600	-$452,600	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	-$452,600	$0	$0	$0	$0	$0	$0	$0	$0	$0
Parcel 6	-$189,300	-$189,300	$0	$0	$0	$0	$0	$0	$0	$0	$0	-$189,300	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Parcel 7	-$150,751	-$150,751	$0	$0	$0	$0	$0	-$150,751	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Parcel 8	-$64,317	-$64,317	$0	$0	$0	$0	$0	$0	$0	-$64,317	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Other	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Subtotal	**-$2,446,568**	**-$2,446,568**	**$0**	**$0**	**$0**	**$0**	**$0**	**-$150,751**	**-$1,462,200**	**-$69,617**	**$0**	**-$189,300**	**-$122,100**	**$0**	**$0**	**-$452,600**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
King Soopers																									
Commercial	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Subtotal	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Markel																									
A	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
B	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
C	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
D	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Subtotal	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Downtown																									
Building 1	-$23,800	-$23,800	$0	$0	$0	$0	$0	$0	$0	$0	$0	-$23,800	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Building 2	-$401,200	-$401,200	$0	$0	$0	$0	$0	$0	$0	$0	$0	-$401,200	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Building 3	-$102,600	-$102,600	$0	$0	$0	$0	$0	$0	$0	$0	$0	-$102,600	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Subtotal	**-$527,600**	**-$527,600**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**-$527,600**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Total	**-$2,974,168**	**-$2,974,168**	**$0**	**$0**	**$0**	**$0**	**$0**	**-$150,751**	**-$1,462,200**	**-$69,617**	**$0**	**-$716,900**	**-$122,100**	**$0**	**$0**	**-$452,600**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

Note: Impact of demolition on assessed value occurs one year after actual demolition.
[1] Assumes revaluation 1 year after renovations are complete.
[2] Demolition triggers may not accurately reflect input changes to parcel use types
Source: Economic & Planning Systems
H:\18820-Louisville Market, Feasibility, Public Financing\Models\[18820-TIF Model -- 102108.xls]10-Demolition

Table 11
Assessed Value and Property Tax Increment
Louisville URA Tax Increment Financing (TIF) Revenue Forecast

Name	Total	2007 (Year 1)	2008 (Year 2)	2009 (Year 3)	2010 (Year 4)	2011 (Year 5)	2012 (Year 6)	2013 (Year 7)	2014 (Year 8)
New Assessed Value (AV) [1]									
Residential	$15,870,284	---	---	$0	$356,608	$0	$0	$3,397,760	$351,036
Commercial	$16,368,692	---	---	$0	$0	$0	$0	$3,230,407	$7,162,932
Less Demolitions	-$2,974,168	---	---	$0	$0	$0	$0	$0	-$150,751
Net Increase in AV	**$29,264,808**	**---**	**---**	**$0**	**$356,608**	**$0**	**$0**	**$6,628,167**	**$7,363,217**
Cumulative		**$0**	**$0**	**$0**	**$356,608**	**$356,608**	**$356,608**	**$6,984,775**	**$14,347,992**
Existing URA AV		$250,548	$362,863	$362,863	$362,863	$362,863	$362,863	$362,863	$362,863
Increment Available for TIF		**$250,548**	**$362,863**	**$362,863**	**$719,471**	**$719,471**	**$719,471**	**$7,347,638**	**$14,710,855**
	Mill								
Property Tax Revenue [2,3]	75.24	$0	$18,850	$27,300	$27,300	$54,129	$54,129	$54,129	$552,800
County Payments [4]	19.25		$0	$0	$0	$0	$0	$0	$0
Net Property Tax Available for TIF			**$18,850**	**$27,300**	**$27,300**	**$54,129**	**$54,129**	**$54,129**	**$552,800**

Name	Effective Date 2015 (Year 9)	2016 (Year 10)	2017 (Year 11)	2018 (Year 12)	2019 (Year 13)	2020 (Year 14)	2021 (Year 15)	2022 (Year 16)	2023 (Year 17)
New Assessed Value (AV) [1]									
Residential	$0	$3,164,896	$390,040	$390,040	$4,186,960	$390,040	$390,040	$1,682,744	$390,040
Commercial	$1,714,093	$815,093	$0	$2,679,020	$0	$0	$0	$767,147	$0
Less Demolitions	-$1,462,200	-$69,617	$0	-$716,900	-$122,100	$0	$0	-$452,600	$0
Net Increase in AV	**$251,893**	**$3,910,372**	**$390,040**	**$2,352,160**	**$4,064,860**	**$390,040**	**$390,040**	**$1,997,291**	**$390,040**
Cumulative	**$14,599,885**	**$18,510,258**	**$18,900,298**	**$21,252,458**	**$25,317,318**	**$25,707,358**	**$26,097,398**	**$28,094,688**	**$28,484,728**
Existing URA AV	$362,863	$362,863	$362,863	$362,863	$362,863	$362,863	$362,863	$362,863	$362,863
Increment Available for TIF	**$14,962,748**	**$18,873,121**	**$19,263,161**	**$21,615,321**	**$25,680,181**	**$26,070,221**	**$26,460,261**	**$28,457,551**	**$28,847,591**
Property Tax Revenue [2,3]	$1,106,771	$1,125,722	$1,419,919	$1,449,264	$1,626,229	$1,932,048	$1,961,393	$1,990,738	$2,141,004
County Payments [4]	(288,096)	(363,387)	(370,897)	(416,186)	(494,452)	(501,962)	(509,472)	(547,928)	(555,438)
Net Property Tax Available for TIF	**$818,675**	**$762,335**	**$1,049,022**	**$1,033,078**	**$1,131,777**	**$1,430,087**	**$1,451,921**	**$1,442,810**	**$1,585,566**

Name	2024 (Year 18)	2025 (Year 19)	2026 (Year 20)	2027 (Year 21)	2028 (Year 22)	2029 (Year 23)	2030 (Year 24)	2031 (Year 25)
New Assessed Value (AV) [1]								
Residential	$390,040	$390,040	$0	$0	$0	$0	$0	$0
Commercial	$0	$0	$0	$0	$0	$0	$0	$0
Less Demolitions	$0	$0	$0	$0	$0	$0	$0	$0
Net Increase in AV	**$390,040**	**$390,040**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Cumulative	**$28,874,768**	**$29,264,808**	**$29,264,808**	**$29,264,808**	**$29,264,808**	**$29,264,808**	**$29,264,808**	**$29,264,808**
Existing URA AV	$362,863	$362,863	$362,863	$362,863	$362,863	$362,863	$362,863	$362,863
Increment Available for TIF	**$29,237,631**	**$29,627,671**	**$29,627,671**	**$29,627,671**	**$29,627,671**	**$29,627,671**	**$29,627,671**	**$29,627,671**
Property Tax Revenue [2,3]	$2,170,349	$2,199,693	$2,229,038	$2,229,038	$2,229,038	$2,229,038	$2,229,038	$2,229,038
County Payments [4]	(562,948)	(570,458)	(570,458)	(570,458)	$0	$0	$0	$0
Net Property Tax Available for TIF	**$1,607,401**	**$1,629,236**	**$1,658,580**	**$1,658,580**	**$2,229,038**	**$2,229,038**	**$2,229,038**	**$2,229,038**

Notes:
[1] Assessed value calculated on prior year construction.
[2] Calculated on prior year assessed value to represent in arrears prop. tax payment
[3] 2008 represents actual revenue; 2009 represents estimated revenue
[4] County payments begin in 2015 and cease after reaching $6.15 million of payments
Source: Economic & Planning Systems
H:\18820-Louisville Market, Feasibility, Public Financing\Models\[18820-TIF Model -- 102108.xls]11-TotalAV

Retail Sales Tax

Table 12
Retail Sales per Square Foot Factors for New Sales Tax Generating Space
Louisville URA Tax Increment Financing (TIF) Revenue Forecast

Tax Area	Product	$ / Sq. Ft. (at lease-up)	2007 (Year 1)	2008 (Year 2)	2009 (Year 3)	2010 (Year 4)	2011 (Year 5)	2012 (Year 6)	2013 (Year 7)	2014 (Year 8)	2015 (Year 9)	2016 (Year 10)	2017 (Year 11)	2018 (Year 12)	2019 (Year 13)	2020 (Year 14)	2021 (Year 15)	2022 (Year 16)	2023 (Year 17)	2024 (Year 18)	2025 (Year 19)	2026 (Year 20)	2027 (Year 21)	2028 (Year 22)	2029 (Year 23)	2030 (Year 24)	2031 (Year 25)
Highway 42																											
Parcel 1	---	$0		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Parcel 2	Community Commercial	$250		$0	$0	$0	$0	$0	$163	$188	$213	$250	$250	$250	$250	$250	$250	$250	$250	$250	$250	$250	$250	$250	$250	$250	$250
Parcel 3	---	$0		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Parcel 4	---	$0		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Parcel 5	First Floor Retail	$200		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Parcel 6	First Floor Retail	$200		$0	$0	$0	$0	$0	$0	$0	$0	$130	$150	$170	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200
Parcel 6	Office	$0		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Parcel 7	Community Commercial	$250		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Parcel 8	First Floor Retail	$200		$0	$0	$0	$0	$0	$0	$130	$150	$170	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200	$200
Parcel 8	Office	$0		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
King Soopers																											
Commercial	Community Commercial	$250		$0	$0	$0	$163	$188	$213	$250	$250	$250	$250	$250	$250	$250	$250	$250	$250	$250	$250	$250	$250	$250	$250	$250	$250
Markel																											
A	---	$0		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
G	---	$0		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
C	---	$0		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
D	Community Commercial	$250		$0	$0	$0	$0	$163	$188	$213	$250	$250	$250	$250	$250	$250	$250	$250	$250	$250	$250	$250	$250	$250	$250	$250	$250
Downtown																											
Building 1	First Floor Retail	$150		$0	$0	$0	$0	$0	$0	$0	$0	$98	$113	$128	$150	$150	$150	$150	$150	$150	$150	$150	$150	$150	$150	$150	$150
Building 1	Office	$0		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Building 2	First Floor Retail	$150		$0	$0	$0	$98	$113	$128	$150	$150	$150	$150	$150	$150	$150	$150	$150	$150	$150	$150	$150	$150	$150	$150	$150	$150
Building 2	Office	$0		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Building 3	First Floor Retail	$150		$0	$0	$0	$0	$0	$0	$0	$0	$98	$113	$128	$150	$150	$150	$150	$150	$150	$150	$150	$150	$150	$150	$150	$150

Source: Economic & Planning Systems
H:\18820-Louisville Market, Feasibility, Public Financing\Models\[18820-TIF Model -- 102108.xls]12-SalesSqFt

Table 13
Retail Sales from New Retail Space ($000s)
Louisville URA Tax Increment Financing (TIF) Revenue Forecast

Description	Product	2007 (Year 1)	2008 (Year 2)	2009 (Year 3)	2010 (Year 4)	2011 (Year 5)	2012 (Year 6)	2013 (Year 7)	2014 (Year 8)	2015 (Year 9)	2016 (Year 10)	2017 (Year 11)	2018 (Year 12)	2019 (Year 13)	2020 (Year 14)	2021 (Year 15)	2022 (Year 16)	2023 (Year 17)	2024 (Year 18)	2025 (Year 19)	2026 (Year 20)	2027 (Year 21)	2028 (Year 22)	2029 (Year 23)	2030 (Year 24)	2031 (Year 25)
Highway 42																										
Parcel 1	---	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Parcel 2	Community Commercial	$0	$0	$0	$0	$0	$0	$1,646	$3,856	$5,138	$6,045	$6,045	$6,045	$6,045	$6,045	$6,045	$6,045	$6,045	$6,045	$6,045	$6,045	$6,045	$6,045	$6,045	$6,045	$6,045
Parcel 3	---	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Parcel 4	---	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Parcel 5	First Floor Retail	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Parcel 6	First Floor Retail	$0	$0	$0	$0	$0	$0	$0	$0	$0	$358	$835	$1,107	$1,302	$1,302	$1,302	$1,302	$1,302	$1,302	$1,302	$1,302	$1,302	$1,302	$1,302	$1,302	$1,302
Parcel 6	Office	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Parcel 7	Community Commercial	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Parcel 8	First Floor Retail	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Parcel 8	Office	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Subtotal		**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$1,646**	**$3,856**	**$5,138**	**$6,403**	**$6,880**	**$7,152**	**$7,347**	**$7,347**	**$7,347**	**$7,347**	**$7,347**	**$7,347**	**$7,347**	**$7,347**	**$7,347**	**$7,347**	**$7,347**	**$7,347**	**$7,347**
King Soopers																										
Commercial	Community Commercial	$0	$0	$0	$0	$2,029	$4,359	$4,941	$5,813	$5,813	$5,813	$5,813	$5,813	$5,813	$5,813	$5,813	$5,813	$5,813	$5,813	$5,813	$5,813	$5,813	$5,813	$5,813	$5,813	$5,813
Subtotal		**$0**	**$0**	**$0**	**$0**	**$2,029**	**$4,359**	**$4,941**	**$5,813**	**$5,813**	**$5,813**	**$5,813**	**$5,813**	**$5,813**	**$5,813**	**$5,813**	**$5,813**	**$5,813**	**$5,813**	**$5,813**	**$5,813**	**$5,813**	**$5,813**	**$5,813**	**$5,813**	**$5,813**
Markel																										
A	---	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
G	---	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
C	---	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
D	Community Commercial	$0	$0	$0	$0	$0	$4,262	$9,982	$12,974	$15,264	$15,264	$15,264	$15,264	$15,264	$15,264	$15,264	$15,264	$15,264	$15,264	$15,264	$15,264	$15,264	$15,264	$15,264	$15,264	$15,264
Subtotal		**$0**	**$0**	**$0**	**$0**	**$0**	**$4,262**	**$9,982**	**$12,974**	**$15,264**	**$15,264**	**$15,264**	**$15,264**	**$15,264**	**$15,264**	**$15,264**	**$15,264**	**$15,264**	**$15,264**	**$15,264**	**$15,264**	**$15,264**	**$15,264**	**$15,264**	**$15,264**	**$15,264**
Downtown																										
Building 1	First Floor Retail	$0	$0	$0	$0	$0	$0	$0	$0	$0	$269	$626	$830	$977	$977	$977	$977	$977	$977	$977	$977	$977	$977	$977	$977	$977
Building 1	Office	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Building 2	First Floor Retail	$0	$0	$0	$0	$213	$497	$711	$837	$837	$1,767	$2,370	$2,511	$2,511	$2,511	$2,511	$2,511	$2,511	$2,511	$2,511	$2,511	$2,511	$2,511	$2,511	$2,511	$2,511
Building 2	Office	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Building 3	First Floor Retail	$0	$0	$0	$0	$0	$0	$0	$0	$0	$336	$523	$593	$698	$698	$698	$698	$698	$698	$698	$698	$698	$698	$698	$698	$698
Subtotal		**$0**	**$0**	**$0**	**$0**	**$213**	**$497**	**$711**	**$837**	**$837**	**$2,372**	**$3,519**	**$3,934**	**$4,185**	**$4,185**	**$4,185**	**$4,185**	**$4,185**	**$4,185**	**$4,185**	**$4,185**	**$4,185**	**$4,185**	**$4,185**	**$4,185**	**$4,185**
Total ($000s)		**$0**	**$0**	**$0**	**$0**	**$2,242**	**$9,118**	**$17,280**	**$23,479**	**$27,051**	**$29,852**	**$31,476**	**$32,162**	**$32,608**	**$32,608**	**$32,608**	**$32,608**	**$32,608**	**$32,608**	**$32,608**	**$32,608**	**$32,608**	**$32,608**	**$32,608**	**$32,608**	**$32,608**

Source: Economic & Planning Systems
H:\18820-Louisville Market, Feasibility, Public Financing\Models\[18820-TIF Model -- 102108.xls]13-NewRetail

Table 14
Retail Sales Tax Increment Forecast
Louisville URA Tax Increment Financing (TIF) Revenue Forecast

Description	Factor	2007 (Year 1)	2008 (Year 2)	2009 (Year 3)	2010 (Year 4)	2011 (Year 5)	2012 (Year 6)	2013 (Year 7)	2014 (Year 8)	2015 (Year 9)	2016 (Year 10)	2017 (Year 11)	2018 (Year 12)	2019 (Year 13)
Total Retail Sales from New Space[1]	95%	$0	$0	$0	$0	$0	$2,130	$8,662	$16,416	$22,305	$25,699	$28,359	$29,902	$30,554
Existing URA Sales [2]		$2,838	$2,838	$2,838	$2,838	$2,838	$2,838	$2,838	$2,838	$2,838	$2,838	$2,838	$2,838	$2,838
Retail Store Sales Increment		**$2,838**	**$2,838**	**$2,838**	**$2,838**	**$2,838**	**$4,967**	**$11,499**	**$19,254**	**$25,143**	**$28,536**	**$31,197**	**$32,740**	**$33,391**
Retail Store Sales Tax	3.38%	**$96**	**$96**	**$96**	**$96**	**$96**	**$168**	**$388**	**$650**	**$849**	**$963**	**$1,053**	**$1,105**	**$1,127**
Retail Store Sales Tax Available for TIF	x 1,000	**$95,771**	**$95,771**	**$95,771**	**$95,771**	**$95,771**	**$167,649**	**$388,101**	**$649,817**	**$848,571**	**$963,106**	**$1,052,892**	**$1,104,967**	**$1,126,956**

Description	Factor	2020 (Year 14)	2021 (Year 15)	2022 (Year 16)	2023 (Year 17)	2024 (Year 18)	2025 (Year 19)	2026 (Year 20)	2027 (Year 21)	2028 (Year 22)	2029 (Year 23)	2030 (Year 24)	2031 (Year 25)
Total Retail Sales from New Space[1]	95%	$30,978	$30,978	$30,978	$30,978	$30,978	$30,978	$30,978	$30,978	$30,978	$30,978	$30,978	$30,978
Existing URA Sales [2]		$2,838	$2,838	$2,838	$2,838	$2,838	$2,838	$2,838	$2,838	$2,838	$2,838	$2,838	$2,838
Retail Store Sales Increment		**$33,815**	**$33,815**	**$33,815**	**$33,815**	**$33,815**	**$33,815**	**$33,815**	**$33,815**	**$33,815**	**$33,815**	**$33,815**	**$33,815**
Retail Store Sales Tax	3.38%	**$1,141**	**$1,141**	**$1,141**	**$1,141**	**$1,141**	**$1,141**	**$1,141**	**$1,141**	**$1,141**	**$1,141**	**$1,141**	**$1,141**
Retail Store Sales Tax Available for TIF	x 1,000	**$1,141,269**	**$1,141,269**	**$1,141,269**	**$1,141,269**	**$1,141,269**	**$1,141,269**	**$1,141,269**	**$1,141,269**	**$1,141,269**	**$1,141,269**	**$1,141,269**	**$1,141,269**

[1] 95% factor accounts for non-taxable sales
[2] Based on difference between 2006 and 2007 gross sales in the URA
Source: City of Louisville, Economic & Planning Systems
H:\18820-Louisville Market, Feasibility, Public Financing\Models\[18820-TIF Model -- 102108.xls]14-RetailSales

Total Revenue Increment

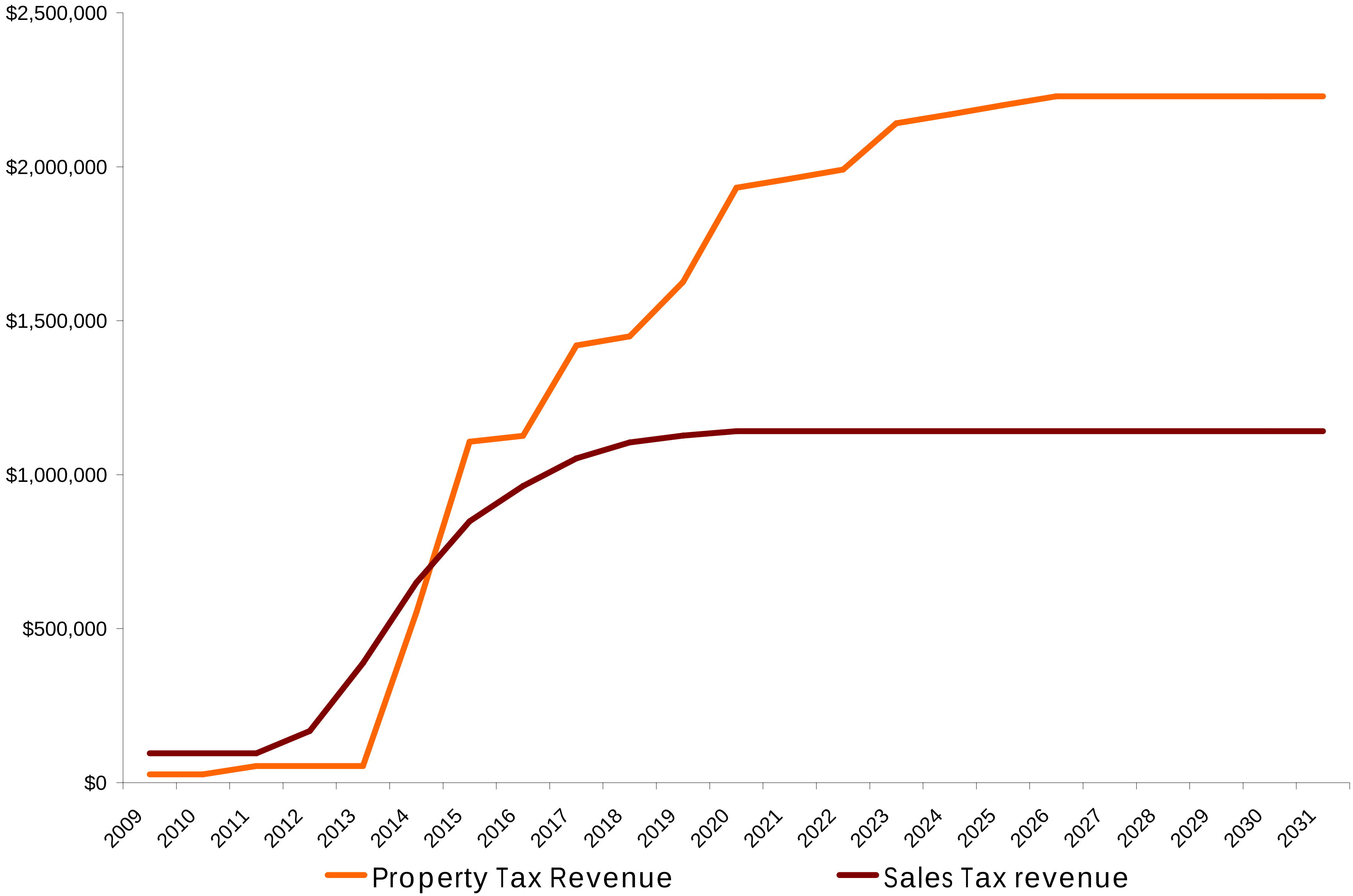
Table 15
Total Increment Revenue
Louisville URA Tax Increment Financing (TIF) Revenue Forecast

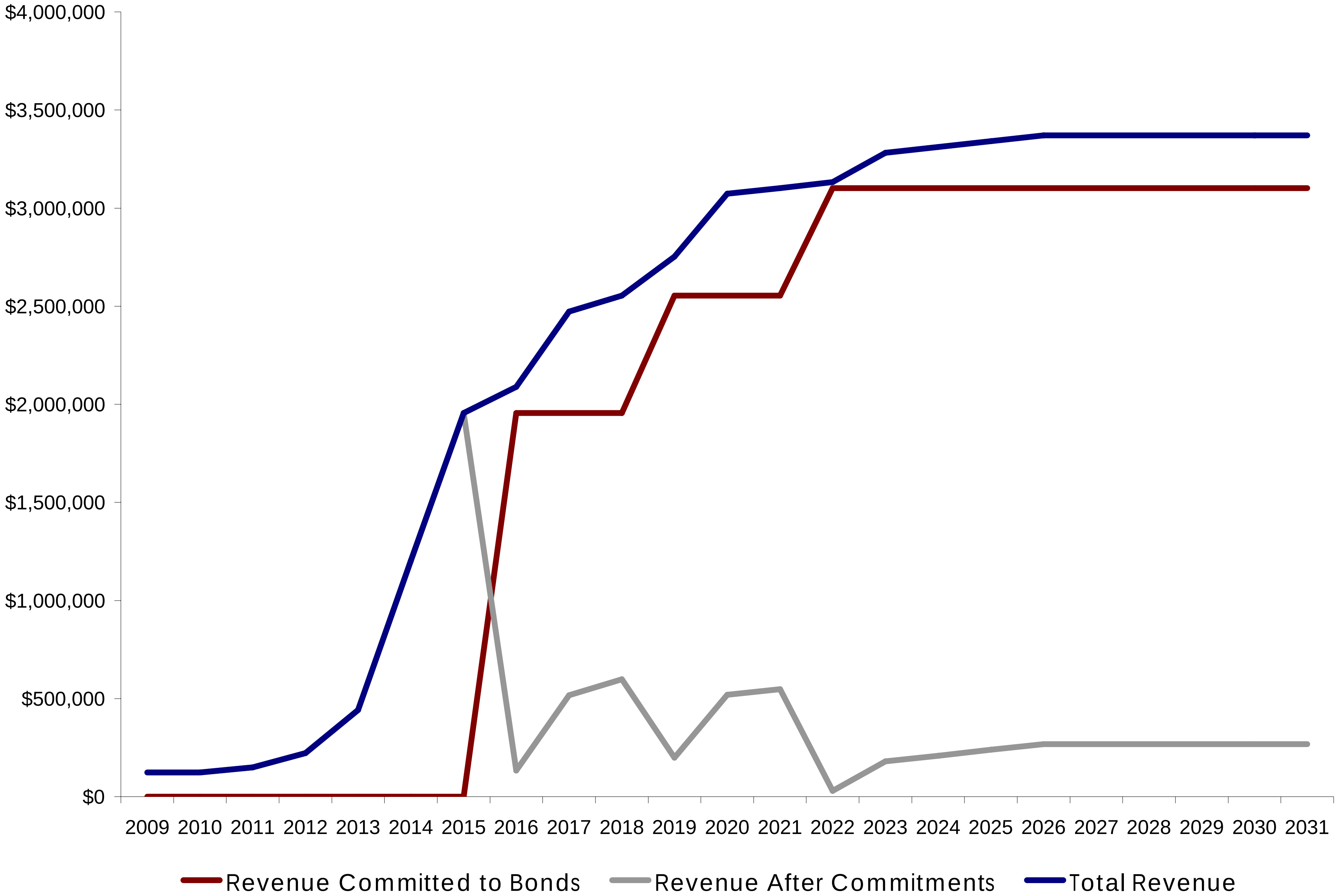
Description	2008 (Year 2)	2009 (Year 3)	2010 (Year 4)	2011 (Year 5)	2012 (Year 6)	2013 (Year 7)	2014 (Year 8)	2015 (Year 9)	2016 (Year 10)	2017 (Year 11)	2018 (Year 12)	2019 (Year 13)
Property Tax	$19,000	$27,000	$27,000	$54,000	$54,000	$54,000	$553,000	$1,107,000	$1,126,000	$1,420,000	$1,449,000	$1,626,000
Retail Store Sales Tax	$95,771	$95,771	$95,771	$95,771	$167,649	$388,101	$649,817	$848,571	$963,106	$1,052,892	$1,104,967	$1,126,956
Total	**$114,771**	**$122,771**	**$122,771**	**$149,771**	**$221,649**	**$442,101**	**$1,202,817**	**$1,955,571**	**$2,089,106**	**$2,472,892**	**$2,553,967**	**$2,752,956**

Description	2020 (Year 14)	2021 (Year 15)	2022 (Year 16)	2023 (Year 17)	2024 (Year 18)	2025 (Year 19)	2026 (Year 20)	2027 (Year 21)	2028 (Year 22)	2029 (Year 23)	2030 (Year 24)	2031 (Year 25)
Property Tax	$1,932,000	$1,961,000	$1,991,000	$2,141,000	$2,170,000	$2,200,000	$2,229,000	$2,229,000	$2,229,000	$2,229,000	$2,229,000	$2,229,000
Retail Store Sales Tax	$1,141,269	$1,141,269	$1,141,269	$1,141,269	$1,141,269	$1,141,269	$1,141,269	$1,141,269	$1,141,269	$1,141,269	$1,141,269	$1,141,269
Total	**$3,073,269**	**$3,102,269**	**$3,132,269**	**$3,282,269**	**$3,311,269**	**$3,341,269**	**$3,370,269**	**$3,370,269**	**$3,370,269**	**$3,370,269**	**$3,370,269**	**$3,370,269**

[1] 2007 and 2008 include retail store sales tax and lodging sales tax due to the format in which city historical data was reported.

Source: Economic & Planning Systems
H:\18820-Louisville Market, Feasibility, Public Financing\Models\[18820-TIF Model -- 102108.xls]15-TotalRev


$2,500,000
$2,000,000
$1,500,000
$1,000,000
$500,000
$0
2009
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019
2020
2021
2022
2023
2024
2025
2026
2027
2028
2029
2030
2031
Property Tax Revenue
Sales Tax revenue


$4,000,000
$3,500,000
$3,000,000
$2,500,000
$2,000,000
$1,500,000
$1,000,000
$500,000
$0
2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025 2026 2027 2028 2029 2030 2031
Revenue Committed to Bonds
Revenue After Commitments
Total Revenue

DRAFT

Table 16
Estimated Bond and Construction Proceeds from TIF Revenue Stream
Louisville URA Tax Increment Financing (TIF) Revenue Forecast

Description	Factors	2008 (Year 2)	2009 (Year 3)	2010 (Year 4)	2011 (Year 5)	2012 (Year 6)	2013 (Year 7)	2014 (Year 8)	2015 (Year 9)	2016 (Year 10)	2017 (Year 11)	2018 (Year 12)	2019 (Year 13)	2020 (Year 14)	2021 (Year 15)	2022 (Year 16)	2023 (Year 17)	2024 (Year 18)	2025 (Year 19)	2026 (Year 20)	2027 (Year 21)	2028 (Year 22)	2029 (Year 23)	2030 (Year 24)	2031 (Year 25)
Revenue Streams to be Bonded																									
Property Tax		19,000	27,000	27,000	54,000	54,000	54,000	553,000	1,107,000	1,126,000	1,420,000	1,449,000	1,626,000	1,932,000	1,961,000	1,991,000	2,141,000	2,170,000	2,200,000	2,229,000	2,229,000	2,229,000	2,229,000	2,229,000	2,229,000
Retail Sales Tax		95,771	95,771	95,771	95,771	167,649	388,101	649,817	848,571	963,106	1,052,892	1,104,967	1,126,956	1,141,269	1,141,269	1,141,269	1,141,269	1,141,269	1,141,269	1,141,269	1,141,269	1,141,269	1,141,269	1,141,269	1,141,269
Total		**$114,771**	**$122,771**	**$122,771**	**$149,771**	**$221,649**	**$442,101**	**$1,202,817**	**$1,955,571**	**$2,089,106**	**$2,472,892**	**$2,553,967**	**$2,752,956**	**$3,073,269**	**$3,102,269**	**$3,132,269**	**$3,282,269**	**$3,311,269**	**$3,341,269**	**$3,370,269**	**$3,370,269**	**$3,370,269**	**$3,370,269**	**$3,370,269**	**$3,370,269**
Total Revenue		**$114,771**	**$122,771**	**$122,771**	**$149,771**	**$221,649**	**$442,101**	**$1,202,817**	**$1,955,571**	**$2,089,106**	**$2,472,892**	**$2,553,967**	**$2,752,956**	**$3,073,269**	**$3,102,269**	**$3,132,269**	**$3,282,269**	**$3,311,269**	**$3,341,269**	**$3,370,269**	**$3,370,269**	**$3,370,269**	**$3,370,269**	**$3,370,269**	**$3,370,269**
Revenue Committed to Bonds		$0	$0	$0	$0	$0	$0	$0	$0	$1,955,571	$1,955,571	$1,955,571	$2,553,967	$2,553,967	$2,553,967	$3,102,269	$3,102,269	$3,102,269	$3,102,269	$3,102,269	$3,102,269	$3,102,269	$3,102,269	$3,102,269	$3,102,269
Revenue After Commitments		$114,771	$122,771	$122,771	$149,771	$221,649	$442,101	$1,202,817	$1,955,571	$133,534	$517,321	$598,395	$198,990	$519,302	$548,302	$30,000	$180,000	$209,000	$239,000	$268,000	$268,000	$268,000	$268,000	$268,000	$268,000
New Bond Increment		**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$1,955,571**	**$0**	**$0**	**$598,395**	**$0**	**$0**	**$548,302**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Estimated Net Revenue Available for Debt Service																									
Total Annual Tax Revenue		$0	$0	$0	$0	$0	$0	$0	$1,955,571	$0	$0	$598,395	$0	$0	$548,302	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Estimated Annual Administrative Costs[2]	1.00%	$0	$0	$0	$0	$0	$0	$0	$19,556	$0	$0	$5,984	$0	$0	$5,483	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Debt Coverage	1.25	$0	$0	$0	$0	$0	$0	$0	$387,203	$0	$0	$118,482	$0	$0	$108,564	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Net Revenue Available for Debt Service		**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$1,548,812**	**$0**	**$0**	**$473,929**	**$0**	**$0**	**$434,255**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Estimated Total Bonds[3]		**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$12,410,000**	**$0**	**$0**	**$3,220,000**	**$0**	**$0**	**$2,280,000**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Capitalized Interest	0 months	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Bond Reserve Fund	1 yrs DS	$0	$0	$0	$0	$0	$0	$0	$1,550,000	$0	$0	$470,000	$0	$0	$430,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Formation & Issuance Costs	3.00%	$0	$0	$0	$0	$0	$0	$0	$370,000	$0	$0	$100,000	$0	$0	$70,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Estimated Total Bond Proceeds (Net of Issuance Costs)[3]		**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$10,490,000**	**$0**	**$0**	**$2,650,000**	**$0**	**$0**	**$1,780,000**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Estimated Cumulative Bond Proceeds		**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$10,490,000**	**$10,490,000**	**$10,490,000**	**$13,140,000**	**$13,140,000**	**$13,140,000**	**$14,920,000**	**$14,920,000**	**$14,920,000**	**$14,920,000**	**$14,920,000**	**$14,920,000**	**$14,920,000**	**$14,920,000**	**$14,920,000**	**$14,920,000**	**$14,920,000**

Note: Assumes the following bond assumptions: 25 year term and a 7.8% interest rate 7.75 interest rate

[1]Bonds assumed to be issued at the end of the year.

[2]Assumed an administrative fee of 1 percent of the annual revenues available for debt service.

[3]Rounded to the nearest ten thousand.

Source: Economic & Planning Systems

H:\18820-Louisville Market, Feasibility, Public Financing\Models\[18820-TIF Model -- 102108.xls]16-Bonds

13776000 6840000 12470000 16290000 16270000 17010000 18290000 18620000

Table 17
Rough Estimate of Bond Revenue Required
Louisville URA Tax Increment Financing (TIF) Revenue Forecast

Description	Factors	Amount
Assumptions		
Interest Rate		6.5%
Bond Term (Years)		25
Percent of Total Revenues		100%
Bond Amount Needed		
Construction Funds		$15,000,000
Formation and Issuance Costs [1]	3.0%	$460,000
Bond Reserve Fund	1 yr D/S	$1,270,000
Approx. Total Bond Amount		**$16,730,000**
Annual Debt Service		$1,370,000
Annual Revenue Required w/ Debt Coverage	**1.2**	**$1,644,000**

[1] Calculated on construction costs only.
All figures rounded to the nearest $10,000.
Source: Economic & Planning Systems
H:\18820-Louisville Market, Feasibility, Public Financing\Models\[18820-TIF Model -- 102108.xls]14-RetailSales