

# **Land Use and Economic Activity Technical Memorandum**

## **New Pueblo Freeway**

CDOT Project No. IM 0251-165

Project Control No. 12831

**Colorado Department of Transportation**

July 2010

In some cases, information in this Environmental Technical Report may have been refined or updated as preparation of the DEIS advanced. In such cases, the information and conclusions presented in the DEIS supersede all previous background material included in this Technical Report.



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## Project Description

The Federal Highway Administration (FHWA), in cooperation with the Colorado Department of Transportation (CDOT), is preparing an Environmental Impact Statement (EIS) for the New Pueblo Freeway project, a proposal to improve a 7-mile segment of Interstate 25 (I-25) through Pueblo, Colorado. Improvements are necessary to address an outdated roadway and bridges with inadequate geometrics, safety issues, and existing and future traffic demand.

Alternatives under consideration include taking no action (No Action Alternative), reconstruction of the interstate on essentially the existing alignment (Existing I-25 Alternative), and reconstruction of the interstate on existing and new alignments (Modified I-25 Alternative). The alternatives are further described as follows:

- **No Action Alternative** - This alternative provides only for minor improvements, repairs, and other maintenance actions. The existing four-lane highway will otherwise remain unchanged.
- **Existing I-25 Alternative** - This alternative consists of reconstructing I-25 to six lanes on essentially the same location, reconfiguring and eliminating access points to the interstate to improve safety, and providing other improvements to the local street system to enhance system connectivity and traffic movement near the interstate.
- **Modified I-25 Alternative** - This alternative consists of rebuilding I-25 to six lanes and providing the other improvements included in the Existing Alternative, except the alignment would be shifted to accommodate different interchange configurations.

Transportation Management strategies and design variations of grade and alignment are incorporated into the build alternatives.

## Methods and Assumptions

The impact of the alternatives on land use and economic activity is based on a careful evaluation of the direct and indirect effects associated with their construction. A Draft Right-of-Way atlas, provided by CH2M HILL, was used to identify the properties that needed to be acquired for each alternative. Additionally, field research was undertaken to verify the current activities associated with the takings.

The characteristics of the parcels of land required for each alternative is described in detail in the appended tables to this memo; the findings are summarized below. The parcels to be acquired for each alternative have been subdivided into two categories; whole parcels and partial takings. Acquisition of whole parcels is further subdivided into commercial, residential, public, and vacant properties. Examples of whole parcel takings include the Dollar Store on 4th Street and Wagner Rents on Ilex Street.

Partial takings typically include areas where a Build Alternative needs to be widened to accommodate additional travel lanes or for an improvement to an interchange. A partial taking involves vacant land or land that is at the perimeter of property that is actively used. The highway widening for the alternatives at the southern end of the project area requires land from Evraz Rocky Mountain Steel Company and from some vacant properties at the

Pueblo Boulevard interchange. In the Evraz Rocky Mountain Steel situation, the acquisition is believed not to disrupt the activities of business; in the vacant land case, there are no active uses on the property.

There are similarities to each alternative in that they are identical in design configuration on the north and south ends. On the north end, the alignment is identical from 29th Street to approximately a point where the roadway crosses the diversion of the Arkansas River that forms the Historic Arkansas River Project. The south end proposal is identical from a point just south of Indiana Avenue to the end of the project.

The alternative alignments would differ in the center of the corridor. The Existing I-25 Alternative would maintain the existing alignment, and implement interchange and frontage road improvements in this area. The Modified I-25 Alternative would shift the interstate alignment to the east and would use the existing I-25 right-of-way to extend Santa Fe Boulevard south.

The types of impacts identified in the findings include these:

- The type and amount of land use activity removed from the community.
- The number of parcels acquired and the average size of buildings and parcels acquired.
- Characteristics of the residential properties acquired, including size of units, date of construction, and owner occupancy status.
- The reduction in assessed value by removing the properties from the tax roles and subsequent annual property tax loss to various entities.
- Estimated losses in sales tax and effects on employment.
- Compatibility of alternatives with adopted plans and existing zoning.
- Development opportunities of excess right-of-way.

## Impacts

### Existing I-25 Alternative

Direct impacts of the alternatives are those that involve the acquisition of properties to construct the improvements associated with the course of action. An examination of the characteristics of each parcel identified for acquisition was undertaken; the findings are summarized as follows.

The Existing I-25 Alternative requires 219 total property acquisitions. Of that number, approximately 24 percent are used for commercial activities. Commercial activities include retail businesses, warehousing, and small manufacturing uses. The 53 total parcel acquisitions in the commercial category consume 32 acres of land. Representative businesses that would be affected are listed in Exhibit 1.

**EXHIBIT 1**

## Representative Businesses on Property Identified for Full Acquisition – Existing I-25 Alternative

| <b>Business Name</b>                       | <b>Location</b>   |
|--|---|
| Freeway Truck and Auto Repair              | East of I-25 between 29 <sup>th</sup> Street and US Highway 50B |
| Rocky Mountain Beer Distributor            | East of I-25 between 29 <sup>th</sup> Street and US Highway 50B |
| KCCY (Radio Station)                       | West of I-25, north end of project area                         |
| The Hangar Restaurant                      | West of I-25, north end of project area                         |
| Vidmar Motors                              | West of I-25, central portion of project area                   |
| Family Dollar Store                        | East of I-25 between 8 <sup>th</sup> Street and Clarence Street |
| Animal Emergency Room Clinic               | East of I-25 between 8 <sup>th</sup> Street and Clarence Street |
| Wagner Rents                               | Ilex area   |
| Hobbs Linoleum and Tile                    | Ilex area   |
| Newly constructed warehouses               | Abriendo interchange  |
| Valle Restaurant                           | Northern Avenue interchange                                     |
| Diamond Shamrock Gas/<br>Convenience Store | Northern Avenue interchange                                     |
| Kozy Korner Tavern                         | Indiana Street interchange                                      |
| Dollar Store                               | Indiana Street interchange                                      |
| 5J Auto Parts                              | Far southern end of the project                                 |
| Overhead Door Company                      | Far southern end of the project                                 |

Residential property takings represent the largest category of acquisition. An estimated 87 residential properties, or 39 percent of the total number of properties, would be total acquisitions parcels required to construct the Existing I-25 Alternative. Four distinct neighborhood areas would be affected by the project.

- The Goat Hill area consists of the area east of existing I-25 between 8th Street and Clarence Street. The improvements associated with the Existing I-25 Alternative require 15 homes to be acquired. The average home is over 90 years old and on average was built in 1912. The homes contain about 1,480 square feet of space, six rooms, and fewer than two bathrooms. The typical home is on a 5,200 square foot lot, and the average actual value (Pueblo County Assessor's Estimate) is \$72,900. Only four of the 15 homes are owner occupied. Using U.S. Census Bureau estimates, there are approximately 35 persons housed in this area, the average age of the occupants is 45 years, and approximately 80 percent of the residents live in minority households.
- The Santa Fe Drive district consists of the area south of the Arkansas River where Santa Fe Avenue and highway US Highway 50 (US 50) split. Five homes would be acquired in the area, four of which are owner occupied. The homes in this area are relatively new compared to the remainder of the community (average year built 1949) and contain approximately 1,350 square feet of space. Lot sizes are relatively large at

11,700 square feet of land, and the average value is estimated at \$98,000. There are between 15 and 20 people who would be affected by the project; their average age is 29 years, and approximately 50 percent are in minority households.

- The West Bessemer area is the grouping of homes adjacent to the west side of existing I-25 between Abriendo Avenue and Mesa Avenue, along Currie Street. Twenty-three homes are identified for acquisition. A relatively large percentage of the homes (78 percent) are owner occupied. The average sizes of the units are 925 square feet and lots are small, averaging 3,800 square feet. The average year of construction of the homes in this area is 1906, and the average value of the units is just over \$49,000. There are approximately 60 persons who would be affected by the action, of which 63 percent compose minority households; the average age of residents is 37 years.
- The Taylor Street area is the name given to the residential area between Northern Avenue and Mesa Avenue east of I-25. There are 37 homes identified for acquisition of which 15, or 40 percent, are owner occupied. Homes average just over 1,000 square feet in size and are sited on lots that average 4,190 square feet in size. The Pueblo County Assessor estimates the average value of homes at \$39,200. The Census Bureau estimates that almost 90 percent of the households consist of minorities and that the average age of the 85 residents is 31 years.

There are 13 public parcels identified for total acquisition for the Existing I-25 Alternative. Most are parcels owned by the City of Pueblo and the Colorado Department of Highways that are not already part of the existing I-25 right-of-way. However, there are some notable exceptions that have public use but are in private ownership, including the American GI Forum, a service organization on River Street; Pueblo Gas & Fuel, a gas substation at the intersection of US 50 and Santa Fe Drive; and a small parcel belonging to the Bessemer Historical Society, south of the Bessemer Ditch.

The final category of acquisition is vacant parcels on which there is currently no evidence of developed activity. There are 66 total acquisitions identified, which comprise approximately 30 percent of the total number of parcels identified for acquisition. In most instances, these parcels have been platted and zoned for development but have yet to be built. There are notable concentrations of vacant areas along Albany Street in the downtown area and near the Pueblo Boulevard interchange. However, there are numerous vacant lots scattered throughout the corridor.

The data in Exhibit 2 summarizes the characteristics of both the total and partial property acquisitions necessary to construct the Existing I-25 Alternative. Partial acquisitions are discussed in the next section.

**EXHIBIT 2**

## Acquisitions by Property Type for existing i-25 Alternatives

| <b>Property Type</b>    | <b>Existing I-25 Alignment</b>   |
|-------------------------|--|
| Residential             | 87 total acquisitions (9 acres) and<br>2 partial acquisitions (< 1 acre);<br>89 total (9 acres)    |
| Commercial <sup>1</sup> | 53 total acquisitions (32 acres) and<br>25 partial acquisitions (36 acres);<br>78 total (68 acres) |
| Public <sup>2</sup>     | 13 total acquisitions (6 acres) and<br>13 partial acquisitions (6 acres);<br>26 total (12 acres)   |
| Vacant                  | 66 total acquisitions (27 acres) and<br>14 partial acquisitions (37 acres);<br>80 total (64 acres) |
| Total                   | 219 total acquisitions (74 acres)<br>54 partial acquisitions (80 acres)                            |

Source: New Pueblo Freeway Project Team, 2010

Notes:

<sup>1</sup> Includes commercial, industrial, utility, railroad, and other privately owned, non-residential properties.

<sup>2</sup> Includes properties owned by the City of Pueblo, Pueblo County, and other public entities.

## Partial Takings

In addition to the full parcel takings, there are 54 partial takings identified as being necessary to implement the Existing I-25 Alternative. A total of 80 acres of land has been identified. The partial takings do not affect any structures nor does a partial acquisition impact the economic viability of a parcel. For example, the acquisition of outdoor storage, landscaping or minimal parking would not limit the ability of a business to continue to function. The typical compensation for a partial taking is monetary payment for the land purchased. There are some notable partial takings that would require additional mitigation. A portion of Mineral Palace Park has been identified as being required for highway widening, and there has been a special effort to replan the park to accommodate the loss of land for a more efficient and useable park.

A complete listing of parcels affected by partial taking are identified in the appendix.

## Impacts

All property acquisition and relocation shall comply fully with federal and state requirements, including the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (Uniform Act).. Those benefits are addressed in another section of the EIS.

There are, however, other impacts that would accrue to the community at large and to adjacent neighborhoods. One community-wide concern is the reduction in revenues to various entities resulting from the removal of private properties from the tax roles.

Construction of the alternatives requires acquisition of private properties by CDOT. The acquisition is by a public entity that is not subject to property taxes. The removal of private

properties from the tax roles has the effect of reducing the revenues to various taxing districts that provide services to the owner of the acquired property as well as those adjacent to the property.

The calculation of property tax liability begins with the determination of the assessment rate. The assessment rate is established by the State of Colorado Division of Property.

**Taxation.** For the Year 2003, residential properties were assessed at 7.96 percent of actual value and all other properties (excluding exempt properties) at 29 percent of actual value. The assessed value of a property is determined by the total actual value of land and improvements, as estimated by the Pueblo County Assessor, multiplied by the relevant assessment rate of the property. For example, if the total value of a home is \$100,000, the residential assessment rate of 7.96 percent would be applied, resulting in an assessed value of \$7,960 ( $100,000 \times 0.0796$ ). The assessed value of a non-residential property that has a value estimated at \$100,000 would be \$29,000 ( $100,000 \times 0.29$ ).

The taxes paid on a property are based on the mill levy imposed by a taxing entity that provides services to the property multiplied by the assessed value of the property. A mill is one tenth of a cent (0.01). A large majority of the properties in the I-25 study area are in Pueblo County Tax District 60B. The entities in Tax District 60B consist of the service providers listed in Exhibit 3.

EXHIBIT 3  
Taxing Entities in the I-25 Corridor

| Taxing Entity   | Mill Levy     |
|---|---------------|
| Pueblo County (28.291 mills)                                | 28.291        |
| Pueblo Regional Library (5.250 mills)                       | 5.250         |
| Southeastern Colorado Water Conservancy Dist. (0.947 mills) | 0.947         |
| City of Pueblo (15.633 mills)                               | 15.633        |
| School District #60 (44.903 mills)                          | 44.903        |
| Lower Arkansas Valley Water Conservancy Dist. (1.502 mills) | 1.502         |
| <b>TOTAL</b>  | <b>96.496</b> |

Source: 2003 Pueblo County Assessor's Data

Continuing the example above, the residence with an assessed value of \$7,960 (\$100,000 actual value) would have a property tax bill of \$768.10 ( $7,960 \times 0.096496$ ). If the property were commercial, then the property tax would be \$2,798.38 ( $29,000 \times 0.096496$ ).

An estimate of the tax losses has been made for the Existing I-25 Alternative and is shown in Exhibit 4.

The Pueblo County Assessor's database provided the current (2003) assessed value for each property identified for acquisition. The mill levy rate of each taxing entity associated with each property was then applied to calculate an estimate of the taxes of each property. The partial takings have also been incorporated into the "Vacant" category of types of properties.

A total annual loss of \$191,000 is estimated to result from development of the Existing I-25 Alternative. The largest single loss would accrue to School District #60 whose revenues would be reduced by \$88,800. The second largest loss would be the revenues to Pueblo County with a reduction of \$55,900, followed by the City of Pueblo with a loss estimated at \$30,900.

#### EXHIBIT 4

Estimated Annual Property Tax Losses Associated with the Existing I-25 Alternative  
(Includes Loss from Partial Takings)

|   | Type of Property |                 |            |                 | TOTAL            |
|---|------------------|-----------------|------------|-----------------|------------------|
|   | Commercial       | Residential     | Public     | Vacant          |                  |
| Pueblo County (28.291 mills)                                | \$41,409         | \$9,998         | \$0        | \$4,504         | \$55,911         |
| Pueblo Regional Library (5.250 mills)                       | \$7,693          | \$1,857         | \$0        | \$837           | \$10,387         |
| Southeastern Colorado Water Conservancy Dist. (0.947 mills) | \$1,388          | \$335           | \$0        | \$151           | \$1,874          |
| City of Pueblo (15.633 mills)                               | \$22,906         | \$5,531         | \$0        | \$2,491         | \$30,928         |
| School District #60 (44.903 mills)                          | \$65,794         | \$15,886        | \$0        | \$7,156         | \$88,836         |
| Lower Arkansas Valley Water Conservancy Dist. (1.502 mills) | \$2,201          | \$531           | \$0        | \$239           | \$2,971          |
| <b>TOTAL</b>  | <b>\$141,391</b> | <b>\$34,138</b> | <b>\$0</b> | <b>\$15,378</b> | <b>\$190,907</b> |

Source: 2003 Pueblo County Assessor's Data, CH2M HILL DRAFT ROW Requirements and Community Planning Services

## Modified I-25 Alternative

As previously noted in the "Methods and Assumptions" section, there are common features to the alignments on the north and south ends of the project. Information about the common features is included in the discussion of the Existing I-25 Alternative.

The Modified I-25 Alternative requires acquiring 246 full parcels of land. Of that number just approximately 22 percent are used for commercial activities. Commercial activities include retail businesses, warehousing, and small manufacturing uses. The 56 parcels of land in the commercial category consume 34 acres of land. Representative businesses that would be affected are listed in Exhibit 5.

## EXHIBIT 5

## Representative Businesses on Property Identified for Full Acquisition – Modified I-25 Alternative

| <b>Business Name</b>            | <b>Location</b>   |
|---------------------------------|---|
| Freeway Truck and Auto Repair   | East of I-25 between 29 <sup>th</sup> Street and US Highway 50B   |
| Rocky Mountain Beer Distributor | East of I-25 between 29 <sup>th</sup> Street and US Highway 50B   |
| KCCY (Radio Station)            | West of I-25, north end of project area                           |
| The Hangar Restaurant           | West of I-25, north end of project area                           |
| Vidmar Motors                   | West of I-25, central portion of project area                     |
| Family Dollar Store             | East of I-25 between 8 <sup>th</sup> Street and Clarence Street   |
| Animal Emergency Room Clinic    | East of I-25 between 8 <sup>th</sup> Street and Clarence Street   |
| Taylor Fence                    | Central portion of project area, near Santa Fe Dr and U.S. Hwy 50 |
| Classic Memorials & Stone       | Central portion of project area, near Santa Fe Dr and U.S. Hwy 50 |
| Brandt Flooring Company         | Central portion of project area, near Santa Fe Dr and U.S. Hwy 50 |
| Wagner Rents                    | Ilex area   |
| Hobbs Linoleum and Tile         | Ilex area   |
| Newly constructed warehouses    | Abriendo interchange  |
| Joe's Place Tavern              | Northern Avenue interchange                                       |
| Planet Nite Club                | Northern Avenue interchange                                       |
| 5J Auto Parts                   | Far southern end of the project                                   |
| Overhead Door Company           | Far southern end of the project                                   |

Residential property takings represent the largest category of acquisition. An estimated 117 residential properties, or 48 percent of the total number of properties, would be required to construct the Modified I-25 Alternative. Four distinct neighborhood areas would be affected by the project.

- The Goat Hill area was described previously under the Existing I-25 Alternative.
- The Runyon Field area would be entirely acquired. The 36 single-family homes in the area house approximately 86 people. Two-thirds of the homes are owner occupied and contain an average of 900 square feet of living area. The average home was built in 1920, has four rooms with one bath, and is on a lot that averages 5,500 square feet. The Pueblo County Assessor's Office estimates the average value of a home in the area is \$47,470. Almost 80 percent of the residents live in minority households, and the average age of residents is 57 years.
- The Santa Fe Drive district consists of the area south of the Arkansas River where Santa Fe Avenue and highway US 50 split. Thirteen homes would be acquired in an area, nine of which are owner occupied. The homes in this area are relatively new compared to the remainder of the community (average year built 1938) and contain approximately 1,110 square feet of space. Lot sizes are relatively large at 9,100 square feet of land, and

the average value is estimated at \$67,480. There are between 30 and 35 people who would be affected by the project; their average age is 29 years, and approximately 60 percent are in minority households.

- The Taylor/Berwind area is the name given to the residential area between Northern Avenue and Mesa Avenue east of I-25. There are 53 homes identified for acquisition of which 22, or 41 percent are owner occupied. Homes average just over 800 square feet in size and are sited on lots that average 4,000 square feet in size. The Pueblo County Assessor estimates the average value of homes at \$35,200. The Census Bureau estimates that almost 90percent of the households consist of minorities, and the average age of the 120 residents is 31 years.

There are 15 public parcels identified for total acquisition for the Modified I-25 Alternative. Most are parcels owned by the City of Pueblo and the Colorado Department of Highways that are not already part of the existing I-25 right-of-way. However, there are some notable exceptions that have public use but are in private ownership, including the American GI Forum, a service organization on River Street; and the Pueblo Gas & Fuel gas substation at the intersection of US 50 and Santa Fe Drive.

The final category of acquisition is vacant parcels, on which there is currently no evidence of land use activity. There are 58 such parcels identified that comprise 23 percent of the total number of parcels. In most instances, these parcels have been platted and zoned for development, but have yet to be built. There are notable concentrations of vacant areas along Albany Street in the downtown area and near the Pueblo Boulevard interchange. However, there are numerous vacant lots scattered throughout the corridor.

The data in Exhibit 6 summarizes the characteristics of the property acquisitions necessary to construct the Modified I-25 Alternative. Partial acquisitions are discussed in the next section.

**EXHIBIT 6**  
Acquisitions by Property Type for Modified I-25 Alternative

| <b>Property Type</b>    | <b>Modified I-25 Alignment</b>   |
|-------------------------|--|
| Residential             | 117 total acquisitions (14 acres) and<br>0 partial acquisitions (0 acres);<br>117 total (14 acres) |
| Commercial <sup>1</sup> | 56 total acquisitions (34 acres) and<br>26 partial acquisitions (46 acres);<br>82 total (80 acres) |
| Public <sup>2</sup>     | 15 total acquisitions (9 acres) and<br>15 partial acquisitions (6 acres);<br>30 total (15 acres)   |
| Vacant                  | 58 total acquisitions (27 acres) and<br>22 partial acquisitions (42 acres);<br>80 total (69 acres) |
| Total                   | 246 total acquisitions (84 acres)<br>63 partial acquisitions (94 acres)                            |

Source: New Pueblo Freeway Project Team, 2010

Notes:

<sup>1</sup> Includes commercial, industrial, utility, railroad, and other privately owned, non-residential properties.

<sup>2</sup> Includes properties owned by the City of Pueblo, Pueblo County, and other public entities.

## Partial Takings

In addition to the full parcel takings there are 63 partial takings identified as being necessary to implement the Modified I-25 Alternative. A total of 94 acres of land has been identified. The partial takings do not affect any structures nor does a partial acquisition impact the economic viability of a parcel. For example, the acquisition of outdoor storage, landscaping or minimal parking would not limit the ability of a business to continue to function. The typical compensation for a partial taking is monetary payment for the land purchased. There are some notable partial takings that would require additional mitigation. A portion of Mineral Palace Park has been identified as being required for highway widening, and there has been a special effort to re-plan the park to accommodate the loss of land for a more efficient and useable park.

A complete listing of parcels affected by partial taking is identified in the appendix.

## Impacts

All property acquisition and relocation shall comply fully with federal and state requirements, including the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (Uniform Act). Those benefits are addressed in other section of the EIS.

There are however, other impacts that would accrue to the community at large and to adjacent neighborhoods. One community-wide concern is the reduction in revenues to various entities resulting of the removal of private properties from the tax roles. An estimate of the tax losses has been made for the Modified I-25 Alternative and is shown in Exhibit 7.

The Pueblo County Assessor's database provided the current (2003) assessed value for each property identified for acquisition. The mill levy rate of each taxing entity (shown in Exhibit 3) associated with each property was then applied to calculate an estimate of the taxes of each property. The partial takings have also been incorporated into the "Vacant" category of types of properties.

A total annual loss of \$212,200 is estimated to result from development of the Modified I-25 Alternative. The largest single loss would accrue to School District #60 whose revenues would be reduced by \$98,800. The second largest loss would be the revenues to Pueblo County with a reduction of \$62,100, followed by the City of Pueblo with a loss estimated at \$34,400.

**EXHIBIT 7**

Estimated Annual Property Tax Losses Associated with the Modified I-25 Alternative  
(Includes Loss from Partial Takings)

|   | Type of Property |                 |            |                 |                  |
|---|------------------|-----------------|------------|-----------------|------------------|
|   | Commercial       | Residential     | Public     | Vacant          | TOTAL            |
| Pueblo County (28.291 mills)                                | \$40,409         | \$12,774        | \$0        | \$8,897         | \$62,080         |
| Pueblo Regional Library (5.250 mills)                       | \$7,522          | \$2,373         | \$0        | \$1,653         | \$11,548         |
| Southeastern Colorado Water Conservancy Dist. (0.947 mills) | \$1,357          | \$428           | \$0        | \$298           | \$2,083          |
| City of Pueblo (15.633 mills)                               | \$22,397         | \$7,066         | \$0        | \$4,922         | \$34,385         |
| School District #60 (44.903 mills)                          | \$64,333         | \$20,296        | \$0        | \$14,137        | \$98,766         |
| Lower Arkansas Valley Water Conservancy Dist. (1.502 mills) | \$2,152          | \$679           | \$0        | \$473           | \$3,304          |
| <b>TOTAL</b>  | <b>\$138,170</b> | <b>\$43,616</b> | <b>\$0</b> | <b>\$30,380</b> | <b>\$212,166</b> |

Source: 2003 Pueblo County Assessor's Data, CH2M HILL DRAFT ROW Requirements and Community Planning Services

**Impacts****Comparison of Property Tax Losses to Total Revenues**

The data in Exhibit 8 compares the estimated property tax losses associated with removal of properties to the total projected annual property tax revenues of each of the entities. The largest percentage loss is estimated for the City of Pueblo, which would see revenues decrease by less than one-half of one percent.

**EXHIBIT 8**

Comparison of Annual Property Tax Losses Associated with the Existing I-25 Alternative and Modified I-25 Alternative to the Projected Revenue by Tax Entity

|   | Total Projected Revenue | Existing I-25 Alt. Total | Percent Reduction | Modified I-25 Alt. Total | Percent Reduction |
|---|-------------------------|--------------------------|-------------------|--------------------------|-------------------|
| Pueblo County (28.291 mills)                                | \$27,172,118            | \$55,911                 | 0.21%             | \$62,080                 | 0.23%             |
| Pueblo Regional Library (5.250 mills)                       | \$5,047,720             | \$10,387                 | 0.21%             | \$11,548                 | 0.23%             |
| Southeastern Colorado Water Conservancy Dist. (0.947 mills) | \$834,661               | \$1,874                  | 0.23%             | \$2,083                  | 0.25%             |
| City of Pueblo (15.633 mills)                               | \$8,346,326             | \$30,928                 | 0.37%             | \$34,385                 | 0.41%             |
| School District #60 (44.903 mills)                          | \$28,531,576            | \$88,836                 | 0.31%             | \$98,766                 | 0.35%             |
| Lower Arkansas Valley Water Conservancy Dist. (1.502 mills) | \$1,122,966             | \$2,971                  | 0.27%             | \$3,304                  | 0.29%             |

Source: 2003 Pueblo County Abstract of Assessment and Community Planning Services

## Sales Tax Revenues

Sales tax revenue is another type of revenue that would be impacted by both alternatives. There are a number of businesses that are identified for acquisition that generate sales tax, including restaurants, convenience stores, liquor stores, and automobile sales.

Sales tax is a significant portion of the revenue to the City of Pueblo. The 2004 City of Pueblo Budget anticipates that the sales and use tax revenues, projected to be \$42.4 million, will represent 77 percent of the total general tax sources to the city. Sales tax receipts generated by businesses expected to be acquired by the alternative alignment are about \$375,000. (See Appendix Table D for calculations - this estimate does not include Vidmar Motors, nor America's GI Forum). The reductions are less than one tenth of one percent of the expected revenues.

## Employment Effects

Acquisition of commercial properties can have an effect on employment. It is estimated that businesses that are affected by the alternatives create approximately 520 jobs. (See Appendix Table C for employment estimates). The question of how many jobs may be lost due to the alternatives is affected by a variety of circumstances. Those circumstances include the following:

- **Change in access.** The removal of the Ilex Interchange would affect the viability of businesses such as Cliff Brice fuel and to some extent Acorn Texaco Gas Station and Wagner Rents.
- **Pre-existing conditions.** The frontage road along the east side of existing I-25 between US Highway 50B and 29<sup>th</sup> Street has recently been reconfigured. Access has been substantially modified and businesses such as the Rocky Mountain Beverage Distributorship find access to be more problematic. Some or possibly all of the businesses along the frontage road may relocate regardless of the alternative chosen.
- **Business viability.** There are a number of businesses in the affected area that do not appear to be healthy. There are deteriorating exterior conditions and no visible signs of activity. Examples include businesses along the north frontage road, Santa Fe Avenue, and Northern Avenue.
- **Local versus Citywide and Regional Market.** In some instances, the orientation of the businesses affects whether relocation would be successful. Some businesses along Santa Fe Avenue, Northern Avenue, and Indiana Avenue, as well as the YMCA are oriented towards the adjacent neighborhoods. To some extent, their viability depends on remaining in the neighborhood. Others businesses – such as the beverage distributorship, equipment rental, and memorial stone businesses – are oriented to a citywide and regional market.

## Consistency with Local Plans and Zoning

The City of Pueblo has a full complement of regulatory tools to manage development within the community. The City has an adopted a comprehensive plan ("Pueblo Regional Development Plan," adopted September 11, 2001) that serves as a guide to future growth in the city and region.

The plan is a vision of the future, but the actual development of the community is the responsibility of individual landowners or their representatives. It is rare for local government to initiate private development. However, there are instances where deterioration is widespread or so intense that local government may sponsor or initiate revitalization effort to protect the health, safety, and welfare of the community. Urban renewal projects, housing and commercial rehabilitation projects, and public works, such as parks, trails and open spaces, are examples of government-initiated programs.

The City of Pueblo's comprehensive plan provides guidance as to the location, intensity, and character of future development. The City has an adopted zoning ordinance and subdivision regulations that control how land is used within the City. The ordinance contains 26 zoning categories and a zoning district map that identifies the geographic area in which the provisions of the ordinance apply.

Applicants desiring to develop in the community generally must go through the development review process. Depending on the size and complexity of the development, the process requires submitting plans; conducting an impact analysis relating to traffic, drainage, and utilities; and complying with building codes. Applications for development that are consistent with the comprehensive plan and the zoning ordinance can be processed within an 8-week period. More complex projects that may involve annexation, a comprehensive plan amendment, and rezoning may take up to 2 years.

Applications are first submitted and reviewed by City of Pueblo staff for compliance with regulations. The application is discussed in a public forum by appointed planning commissioners, and then approved or disapproved by the elected City Council. Public hearings are held to provide the opportunity for neighbors and those with an interest to voice their opinion on the project.

The relationship and impacts of the alternatives have been compared to the following plans in the community.

### **Pueblo Regional Development Plan**

In general the land use proposals in the Pueblo Regional Development Plan for areas adjacent to the I-25 corridor reflect a status quo of the current conditions. On the east side of Interstate 25 north of US Highway 50B, the current light industrial mixed uses have been expanded into the vacant and underutilized lands east of the railroad. The outlying stores associated with the Pueblo Mall have been recognized and identified as Arterial Commercial Mixed Uses. The Northside neighborhood is identified as an Urban Residential area, and the area around 29th Avenue and Elizabeth Street is designated for Arterial Commercial Mixed Use. The proposal to extend Dillon Drive to intersect with US Highway 50B provides more direct access to the proposed Light Industry Mixed Use area south of Pueblo Mall, as well as access to the stores in the mall area. Access from I-25 southbound would be modified, with traffic destined for the Pueblo Mall or westbound on 29th Avenue to maneuver a "Texas" u-turn almost to the US Highway 50B interchange and then "double back" to 29th Avenue.

The central section of the interstate generally extends from 1st Street on the south to Mineral Palace Park on the north. The comprehensive plan designates most of the west side of the interstate as Urban Mixed Use to reflect the downtown with a smaller area shown as

Institutional Mixed Use for the Pueblo County complex of administrative activities. The east side consists of the Goat Hill Neighborhood and the Fountain West area, both of which are identified as areas for Special Redevelopment. There has not been any identified special use activities for these areas. Most of the northern portion of the area, extending to US Highway 50B, is designated for open space that encompasses Mineral Palace Park and the Fountain Creek floodway. The slip ramp configuration associated with the Existing I-25 and Modified I-25 alignments is viewed as maintaining and enhancing the access to adjacent planned uses in the central area.

The regional plan for the area in the vicinity of I-25 and the Arkansas River represents a mixture of uses that reflecting the river corridor, railyards, public facilities, and established neighborhoods. The rail yards, while not as active as they once were, are a primary use in the area. Although isolated, the Grove Neighborhood is a viable residential area and there is a relatively large area designated for Special Redevelopment. The type of redevelopment has not been specifically defined, but it is likely to revolve around the Runyon Athletic Fields, Runyon Lake Wildlife Area, and the largely vacant and underutilized areas between the interstate and Fountain Creek. Both the Existing I-25 and Modified I-25 Alternatives for this area envision relocating the Ilex interchange to a full movement interchange at Abriendo Avenue, which is expected to enhance the area. Access would be improved to the popular Runyon Field complex, the Grove Neighborhood would receive less through traffic, and access would be improved to the vacant area east of the interstate.

The west side of the I-25 corridor between Pueblo Boulevard and Abriendo Avenue consists of residential and commercial uses associated with the Bessemer Neighborhood. A Special Redevelopment Area designation is identified for the area surrounding the CF&I Heritage Area, which is also identified in the Bessemer Neighborhood Plan. The purpose of this designation is to develop a Heritage Tourism area and to promote the cultural diversity of the Bessemer Neighborhood. Access to the area will continue to be provided by slip ramp interchanges at Northern Avenue and Mesa Avenue. Connectivity between the east and west side of the Bessemer Neighborhood, which is viewed as critical to the stability and cohesiveness of the neighborhood, will be retained in each of the alternatives.

Light industrial uses area proposed for the east side of the corridor from the Pueblo Boulevard Interchange north to a point where the interstate and railroad converge (near the Bessemer Ditch). Heavy industrial use associated with the Oregon Steel plant is to remain east of the railroad from Pueblo Boulevard to Northern Avenue. The proposal to improve and consolidate the various interchanges along I-25 into a single access at Indiana Avenue is viewed as beneficial. The single access point would remove some commercial traffic destined for the industrial area from the Bessemer Neighborhood.

At the southern end of the corridor, a cluster of light industrial and warehousing activities are located at the Pueblo Boulevard Interchange. The west side of the interchange is envisioned as a regional commercial center. The proposed improvement to the Pueblo Boulevard interchange is view as facilitating the function of this area as a regional commercial and employment area.

### **Downtown Pueblo and I-25 Realignment Coordination Study**

The Pueblo Area Council of Governments in conjunction with the City of Pueblo undertook this study to proactively develop a transportation plan that anticipates and will capitalize on

the proposed I-25 improvements. The purpose of the study was to determine how traffic flow will change into and out of downtown, and to recommend a transportation plan that balances the needs of transit, pedestrians, and vehicles.

The following summarizes the components of the plan that are substantial changes from the existing transportation system:

- 4th Street and 5th Street are a one-way pair from I-25 to the Midtown Shopping Center.
- “D” Street is proposed to extend from Runyon Field to a new 1st Street connection, creating a northwest-southeast route that provides access to Pueblo Boulevard and Pueblo West.
- Main Street, Court Street, and 6th Street would revert to two-way thoroughfares.
- All transit routes would focus on the transit center downtown, and a new route would be developed along the previously mentioned “D” Street expansion.
- A trolley route would circulate between the Union Avenue Historic District and Sangre de Cristo Art Center.
- Bike routes could be accommodated on Santa Fe Avenue, Main Street, Court Street, Grand Avenue, 5th Street, 4th Street, 2nd Avenue and “D” Street.

### Central Pueblo Framework Plan

This framework plan continues to serve as the primary guide to development of the lower downtown area of Pueblo. The plan establishes three districts: the Commercial District, which is generally north of 1st Street and west of Santa Fe Avenue; the Historic District, which is southwest of the Historic Arkansas River Project; and the Civic District, which encompasses the Sange de Cristo Arts Center and the areas south of 1st Street and west of Santa Fe Avenue.

One of the major components of the plan is the importance of 1st Street as a gateway into Central Pueblo. The street serves as a point of orientation to visitors and residents and is viewed as critical to creating an attractive entry into Central Pueblo.

The alternatives for I-25 remove the southbound interchange at 1st Street. This change somewhat diminishes the entryway feature of the roadway as envisioned in the Framework Plan. The southbound slip ramp along Albany Street would be at-grade and would not offer an elevated view of the area. Proposed gateway and way-finding features would need to be more pronounced to have the desired effect of announcing the arrival into Central Pueblo.

### The Southeast Quadrant Transportation Study

The Southeast Quadrant Transportation Study and Eastside/Belmont Neighborhood Sub-area Plan were undertaken by the Pueblo Area Council of Governments in 2003. The plan has a number of recommendations that may or may not impact the Build Alternatives.

The recommendation with the most relevance to the Build Alternatives is the realignment of SH 227 to the west of the Eastside Neighborhood and the extension of Erie Avenue north to US 50B. This new route would improve access between St. Charles Mesa and North Pueblo, would provide an alternative route for local traffic currently using the interstate, and would

improve access to the Pueblo Mall from the Eastside Neighborhood and the St. Charles Mesa Area. (Southeast Quadrant Transportation Study, Pueblo Area Council of Governments, 2003, p. 11)

In the Existing I-25 and Modified I-25 Alternatives, a new interchange at Abriendo is proposed. This interchange would facilitate the traffic movement from the St. Charles Mesa Area to northbound I-25 and the shopping destinations of the Pueblo Mall and Eagle Ridge Shopping Area. The SH 227 realignment is viewed as parallel and duplicative of the I-25 proposals, and it is expected that I-25 would be preferred route over the realigned SH 227.

In the No-Action Alternative, access to I-25 from St. Charles Mesa would continue at the Ilex interchange. The realignment of SH 227 is viewed as better in facilitating access to the north Pueblo shopping areas. Also noted in the Southeast Quadrant Transportation Study, the extension of Erie Street north of US 50B to connect with a Dillon Drive extension would take a different configuration than that shown in the Existing I-25 Alternative and Modified I-25 Alternative.

### **Compatibility with Zoning and Future Land Use**

All lands along the I-25 corridor are currently zoned, including the existing I-25 right-of-way. The zoning of land in the City of Pueblo is a reflection of historical use of land, current use of land, and lands that may have been zoned for a particular use, but have not yet been developed.

CDOT could elect to rezone the property acquired to construct any of the alternatives. However, because the state is a higher level of government, they are not required to do so. The City of Pueblo could elect to rezone the property into the S-1 Government Use category, which would make the right of way of a selected alternative compatible with current zoning.

Another effect of the alternative is the removal of lands zoned for various uses. Listed in Exhibit 9 is the amount of land removed by various zoning categories compared to the amount of land zoned in the corridor.

Each of the Build Alternatives would require land acquisition for proposed design improvements. The proposed improvements would also make land available for public or private use in areas where existing transportation facilities would be vacated. An intergovernmental agreement between CDOT and the City of Pueblo will document the transfer of any such vacated land and will identify the land uses for such parcels. Some land would be acquired and converted from its existing land use to a transportation facility. Because the project is located in an already developed urban corridor, it is not anticipated that the project would stimulate the redevelopment of existing parcels. The overall land use patterns adjacent to I-25 would not change under either Build Alternative.

The following describes how both Build Alternatives would impact future growth in Pueblo.

- The project would not provide additional access to available, undeveloped vacant land. It would improve access to established urban areas.
- Conversion of the built environment to more intensive uses in the I-25 corridor is not likely.

- Improvements to I-25 are not expected to prompt changes in economic, social, or demographic conditions within Pueblo.
- Improvements to interchanges are expected to improve accessibility, especially in the downtown area. Changes to land use may occur on a localized scale, but given the developed nature of the corridor, overwhelming changes to the existing land use pattern would not be anticipated.
- I-25 is a mature, existing transportation facility and improvements would not be expected to increase the ability of Pueblo to capture new jobs or households into the regional economy.
- There is no evidence of pressure for development or redevelopment along I-25 through Pueblo that are challenging zoning ordinances or other existing land use controls. Improvements to I-25 are not expected to shape or have a strong influence on existing and future development trends.

## EXHIBIT 9

Zoning of Properties Acquired with the Existing I-25 Alternative and Modified I-25 Alternative (acres)

| Zoning Category | Category Description              | Zoned in Corridor | Zoned Existing I-25 Alt. | Percent Total | Zoned Modified I-25 Alt. | Percent Total |
|-----------------|-----------------------------------|-------------------|--------------------------|---------------|--------------------------|---------------|
| A-4             | Large Lot Residential             | 125.2             | 0.0                      | 0%            | 0.0                      | 0 %           |
| B-1             | Neighborhood Business             | 17.9              | 0.4                      | 2.2%          | 0.0                      | 0 %           |
| B-2             | Subregional Business              | 42.9              | 0.4                      | 0.9%          | 0.0                      | 0 %           |
| B-3             | Highway and Arterial Business     | 99.2              | 7.5                      | 7.6%          | 8.4                      | 8.5 %         |
| B-4             | Regional Business                 | 439.1             | 21.4                     | 4.9%          | 21.4                     | 4.9 %         |
| HARP-1          | Historic Arkansas Riverwalk -1    | 0.2               | 0.0                      | 0%            | 0.0                      | 0 %           |
| HARP-2          | Historic Arkansas Riverwalk -2    | 1.0               | 0.0                      | 0%            | 0.0                      | 0 %           |
| HB              | Historic Business                 | 1.1               | 0.0                      | 0%            | 0.0                      | 0 %           |
| I-1             | Special Industrial                | 12.2              | 0.1                      | 0.8%          | 0.1                      | 0.8 %         |
| I-2             | Light Industrial                  | 191.0             | 4.3                      | 2.3%          | 20.1                     | 10.5 %        |
| I-3             | Heavy Industrial                  | 436.1             | 59.1                     | 13.6%         | 59.2                     | 13.6 %        |
| O-1             | Neighborhood Office               | 4.2               | 0.9                      | 21.4%         | 0.9                      | 21.4 %        |
| R-2             | Single Family Residential         | 492.9             | 0.0                      | 0%            | 9.1                      | 1.8 %         |
| R-3             | One & Two Family Residential      | 327.2             | 1.5                      | 0.5%          | 1.5                      | 0.5 %         |
| R-4             | Mixed Residential                 | 364.9             | 9.1                      | 2.5%          | 10.0                     | 2.7 %         |
| R-5             | Multiple Residential & Commercial | 188.5             | 3.1                      | 1.6%          | 3.1                      | 1.6 %         |
| R-6             | Multiple Residential and Office   | 31.8              | 0.4                      | 1.3%          | 0.4                      | 1.3 %         |
| S-1             | Government Use                    | 535.8             | 7.7                      | 1.4%          | 6.3                      | 1.2 %         |
| S-3             | Flood Plain                       | 418.7             | 5.8                      | 1.4%          | 7.5                      | 1.8 %         |
| S-4             | Parking                           | 5.0               | 0.0                      | 0%            | 0.0                      | 0 %           |
| TOTALS          |                                   | 3,734.9           | 121.7                    | 3.3%          | 148.0                    | 4.0 %         |

Source: City of Pueblo Planning and Development, Community Planning Services, LLC

### Excess Property Opportunities

Opportunities exist for the use of excess right of way as a result of implementing the Existing and Modified I-25 Alternatives. Exhibit 10 identifies areas that at this time appear to have the characteristics of size and access that make them candidates for redevelopment. The selection of sites was based on the right of way and toe of slope drawing provided by CH2M HILL as compared to aerial photography of the current I-25 right of way.

## EXHIBIT 10

## Redevelopment Opportunities of Excess Right of Way

| <b>Existing I-25<br/>Alternative</b>   | <b>Opportunity for Development</b>  |
|--|---|
| US Highway 50B<br>Reconfiguration –<br>Westside  | Area to be vacated by the existing partial cloverleaf. Area could be part of a linear park/trail/open space connecting 29 <sup>th</sup> Street to Mineral Palace Park. Depending on roadway impacts there is also an opportunity for residential use. |
| Between Albany Street<br>and I-25; 13 <sup>th</sup> Street to<br>8 <sup>th</sup> Street                  | Depth of lots is an issue as is any restrictions of access onto Albany Street.  |
| Between Bradford<br>Street and I-25; 8 <sup>th</sup> to<br>13 <sup>th</sup> Street.                      | Depth of lots is an issue as is any restrictions of access onto Bradford Street.  |
| Abriendo Interchange   | Opportunities at all four quadrants of the interchange. Issues of access to Abriendo and the proximity of the relocated rail line. Non-residential uses are appropriate for the area.   |
| Taylor Street  | Land is viewed as replacement for Benedict Park to be acquired for road right of way.   |
| Central Avenue<br>Interchange  | Opportunity for mixed use development to support Heritage Tourism proposals for the CF&I project.   |
| Westside of I-25;<br>Indiana Avenue to<br>Illinois Avenue  | Buffer opportunity for residences that back on to I-25.   |
| <b>Modified I-25<br/>Alternative<br/>Additions or<br/>Modifications to<br/>Those Described<br/>Above</b> | <b>Opportunity for Development</b>  |
| Ilex Interchange   | Opportunity to provide additional parking at Runyon Field in the strip of land between Stanton Street and I-25.   |
| Abriendo Interchange   | Area between Santa Fe Boulevard and rail line. Non-residential development opportunity.   |
| Central Avenue   | Larger area available than in the Existing I-25 Alternative. If combined with adjacent deteriorated and underutilized property, has the potential for a substantial mixed-use development.  |
| Westside of I-25 –<br>Minnequa Street to<br>Indiana Street   | Relatively large tract of land resulting from highway moving to the west. Could be used for non-residential uses such as a warehouse or small office building. Has access to new Santa Fe Boulevard and Indiana Interchange via Evans Avenue.         |