



King & Associates, Inc.

Strategic planning and economic analysis

CABELA'S WHEAT RIDGE FISCAL IMPACT ANALYSIS EXECUTIVE SUMMARY

INTRODUCTION

King & Associates, Inc. was retained by the City of Wheat Ridge to conduct an independent economic impact analysis of a proposed Cabela's store and complementary retail development.

- The site is located in the City of Wheat Ridge, Colorado, west of Interstate 70 between State Highway 58 and West 32nd Avenue.
- The economic impact analysis that is presented provides a framework to determine potential revenues and expenditures that may result from the proposed development.
- The analysis is further intended as a tool for discussion involving the intensity, timing and implications of economic impacts that may result with development of the site.
- The analysis focuses on economic impacts to the City of Wheat Ridge, the State of Colorado, Jefferson County and the Jefferson County School District.

BACKGROUND

- Cabela's is a world renowned purveyor of quality hunting, fishing and outdoor products.
- The company was started in 1961 at Dick Cabela's kitchen table in Chappell, Nebraska as a mail order supplier of fishing flies.
- Since then, Cabela's has grown tremendously and is currently recognized as a leading catalog retailer for outdoor enthusiasts.
- Over the years, Cabela's has operated a retail store in Sidney, Nebraska to complement catalog sales operations.
- In addition to purchasing items from the Cabela's catalog, outdoor enthusiasts from across the country enjoy shopping at the Sidney retail location.
- Due to the success of the Sidney store, Cabela's has recently begun to build large-scale retail stores in selected areas of the United States.

- Cabela’s stores have not only become popular for their extensive assortment of quality outdoor products but also have become major tourist attractions as well, drawing significant interest from regional as well as out-of-state shoppers.
- Wheat Ridge is the location of the first Cabela’s store to be proposed in Colorado.

REVENUES

- Four government entities are anticipated to be the primary public recipients of revenues generated by the development of the proposed Wheat Ridge location:
 - City of Wheat Ridge
 - State of Colorado
 - Jefferson County
 - Jefferson County School District

- The development site will provide two revenue streams:
 - Ongoing revenues
 - One-time revenues

- Ongoing revenues are generated from four categories of taxes:
 - Sales taxes
 - Property Taxes
 - Lodging Taxes
 - Payroll taxes

- There are two categories of one-time revenues, which are only collected by the City of Wheat Ridge:
 - Use taxes
 - Planning and building fees

- Of all ongoing revenues, sales tax collections provide the largest share of revenue from development of the site.
 - In total, the four primary entities will receive an estimated \$10.5 million annually in sales taxes.
 - The State of Colorado realizes the largest share of sales taxes, followed by the City of Wheat Ridge and Jefferson County.
 - State of Colorado – \$5.5 million annually
 - Wheat Ridge – \$4.0 million annually
 - Jefferson County – \$956,000 annually
 - The second largest revenue source is derived from property taxes collected by the City of Wheat Ridge, Jefferson County and Jefferson County Schools, estimated at \$838,000 per year.

- The remaining two ongoing revenue sources, payroll and lodging taxes, generate annual revenues of approximately \$1.6 million and \$409,000 annually.
 - Wheat Ridge is the only entity that collects a lodging tax
 - The State collects payroll taxes
- Overall, ongoing revenues attributable to the project are estimated to provide nearly \$13.8 million annually to the four primary taxing entities.
- Nearly 80% of all revenues generated by development of the site will be realized in 2009.

- One-time revenues are only applicable to the City of Wheat Ridge.
 - Use taxes provide a one-time benefit of \$941,000.
 - Planning and building fees generate \$241,000.
 - In total, one-time revenues will equal an estimated \$1.18 million for Wheat Ridge.

- Cabela’s stores draw substantial traffic from tourists, often ranking as one of a state’s most popular visitor attractions and capturing interest from tourists as a unique shopping experience.
 - Top tourist attraction in Michigan and Kansas
 - Second most popular tourist attraction in Minnesota and Nebraska
 - Outdoor themed museums include aquariums with numerous types of fish, dioramas depicting wildlife and habitats, animal displays, etc.
 - Stores have a merchandise selection that is different from local retailers – drawing customers from a wide regional area.
 - Tourists include a Cabela’s shopping trip as part of their vacation plans.
 - Stores are a destination location for outdoor enthusiasts traveling from both within and outside of the region.

Revenue Summary – Development Site ⁽¹⁾

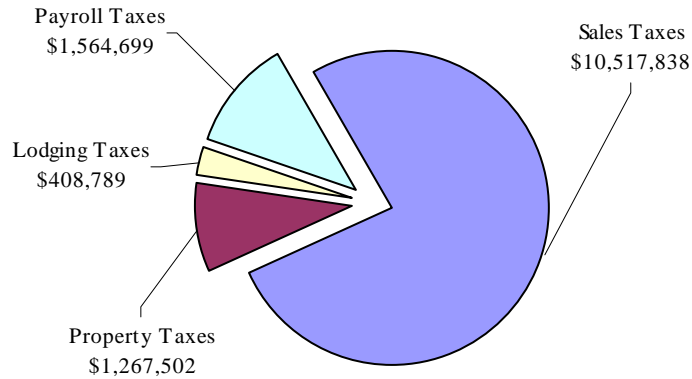
Entity / Revenue Source (2)	Wheat Ridge	State of Colorado	Jefferson County	Jefferson Cty. School District	Total
Ongoing Revenue (annual)					
Sales Taxes	\$4,015,902	\$5,545,769	\$956,167		\$10,517,838
Property Taxes	\$30,017		\$399,340	\$838,145	\$1,267,502
Lodging Taxes	\$408,789				\$408,789
Payroll Taxes		\$1,564,699			\$1,564,699
Total	\$4,454,707	\$7,110,468	\$1,355,507	\$838,145	\$13,758,828
One-Time Revenue					
Use Taxes	\$941,866				\$941,866
Planning and Building Fees	\$241,353				\$241,353
Total	\$1,183,219				\$1,183,219

Source: King & Associates, Inc.

Note: (1) Information in table reflects full site development in 2010 with corresponding stabilized revenue collected in 2012.

(2) A metropolitan district has been proposed for the Cabela’s project but revenues have not been analyzed here.

Chart 1
Ongoing Revenue To All Taxing Entities
From Site Development



Total Ongoing Revenue - \$13.8 Million Annually

Note: Information depicted in the graphic represents total revenues associated with development of the entire site, including the Cabela's store and all other on-site land uses. Graphic also represents stabilized revenue realized at full site development.

ABOUT THE AUTHORS

King & Associates, Inc. is a private planning and economics consulting firm located in Denver, Colorado. The company has been performing economic impact analyses for public and private clients for twenty-three years.

THE FULL REPORT

This executive summary has been excerpted from a larger report that is available on line at the City of Wheat Ridge website.