

## Memorandum

Date: May 9<sup>th</sup>, 2025

To: Ellie Reynolds, President and CEO, Douglas County EDC

From: Hanna Scovill, Metro Denver EDC

Re: Economic and Fiscal Impact of Zebulon Sports Complex

The purpose of this memorandum is to provide a high-level analysis of the 10-year construction and ongoing fiscal and economic impact of the proposed Zebulon Regional Sports Complex, consisting of the 49-acre Waterton East Zebulon Sports Complex and 51-acre Waterton West mixed-use development. Zebulon will be located in the 3,400-acre Sterling Ranch master-planned community. A community that emphasizes sustainable infrastructure with renewable energy options and the use of advanced water conservation systems helps manage water usage efficiently, Sterling Ranch plans to house up to 35,000 residents across multiple villages upon completion. Currently, over 2,000 homes have been built, with plans to reach a total of 12,050 at full build-out.

### Project Overview

The Waterton East Zebulon Regional Sports Complex development will feature a 46-acre Regional Sports Complex totaling 399,000 square feet. Central to the complex is a 239,000-square-foot Indoor Sports Complex, which will house over 170,000 square feet of courts, rinks, and amenities. Key features include 70,000 square feet of basketball, volleyball, or pickleball courts, 44,000 square feet of ice rinks, a 30,000-square-foot ice arena, and an 8,300-square-foot practice ice and skills pad. Additional amenities such as a spectator mezzanine, golf simulators, retail and daycare space, a restaurant, and facilities for impact sports will round out the offerings.

Community, facility, and administrative spaces will account for 64,900 square feet, encompassing restrooms, changing rooms, storage, classrooms, offices, locker rooms, party rooms, concessions, and mechanical and maintenance facilities. The development will also include a 160,000-square-foot Sports Dome, featuring 140,000 square feet dedicated to a turf field and baseball field, along with a 20,000-square-foot area for impact turf and pitching cages.

The Waterton West development will feature a 2.39 million-square-foot mixed-use district designed to integrate hospitality, retail, residential, and healthcare components. Hospitality offerings will include 200,376 square feet for extended stay hotels, a 100,188-square-foot select service hotel, and a 261,360-square-foot resort.

Retail elements will span 958,320 square feet, highlighted by 522,720 square feet of experiential retail, 435,600 square feet of traditional retail, and a 152,460-square-foot grocery store. Dining and entertainment options will include 130,680 square feet of restaurants and bars. Supporting community infrastructure, the development will also offer a 217,800-square-foot medical office and clinic facility, a 65,340-square-foot day care and education center, and 304,920 square feet of workforce housing to provide residential options for the area's labor force.

## Economic and Fiscal Impact Analysis

Economic impact analysis is the analytical approach used to assess the measurable direct and indirect benefits resulting from a project over a specific period. Only those benefits that can be measured or quantified are included. Intangible benefits, such as enhancement of community character or diversification of the job base, are not included. Fiscal impact analysis, in contrast, focuses on direct public costs and revenues. This report includes a limited fiscal impact analysis, estimating only sales/use tax and property tax revenues using IMPLAN's Tax Impact Report.

The economic and fiscal benefits for this analysis were calculated within the framework of four categories of impacts and activities: construction activity, ongoing business operations, resident spending, and visitor spending. These spending patterns have multiplicative effects, and multiplier analysis was used to trace how direct spending circulates through the economy, impacting businesses, organizations, and individuals.

### Section 1: Total Economic and Fiscal Impact of Zebulon Regional Sports Complex 2026-2036

#### Total Economic Impact of Zebulon Regional Sports Complex on Douglas County 2026-2036 (\$ in millions)

	Construction Phase 2026-2031	Ongoing Operations 2026-2036	Total Impact 2026-2036
Output	\$101.0	\$1,199.3	<b>\$1,300.3</b>
Labor Income	\$38.4	\$489.9	<b>\$528.4</b>
Employment*	457	1,307	<b>1,764</b>

\*Employment is given in person-years for the construction phase and full-time equivalent for ongoing operations.

- **From 2026 to 2036, the Zebulon Regional Sports Complex is expected to generate a total economic impact of \$1.3 billion in Douglas County**, including \$528.4 million in labor income and support for 1,764 jobs through both construction and ongoing operations.

#### Net Fiscal Impact of Zebulon Regional Sports Complex on Douglas County

	Construction	Ongoing	Total Impact 2026-2036
Net Fiscal Impact	\$21,778	\$2,725,794	\$13,833,791

- The Zebulon Regional Sports Complex is projected to generate nearly \$13.8 million in total fiscal impact for Douglas County from 2026 to 2036, with the vast majority coming from ongoing operations. *This fiscal impact estimate includes revenues such as sales and property taxes but does not account for one-time sources like permitting fees, development charges, or special assessments, which would further increase actual fiscal revenues.*

## Section 2: Total Economic Impact of Construction Activity

Horizontal infrastructure development at Zebulon Regional Sports Complex is scheduled to begin in 2026, with initial vertical construction of the sports facility and the majority of the mixed-use development beginning the same year. Construction on later phases of the mixed-use development is slated to begin in 2027. Full build-out of each of the components of the project will occur successively from 2027 through 2031. The bulk of development will be over 1.8 million square feet of accommodation and retail space, followed by the 400,000-square-foot sports complex, 305,000-square-foot workforce housing, 220,000-square-foot medical office, and 65,000-square-foot daycare and educational center.

Much of the construction costs associated with the development will be transacted with businesses and suppliers outside of Douglas County. To estimate the economic impact for the local region, the percentage of total construction spending transacted locally must be estimated. For the purposes of this section, local spending is estimated by calculating Douglas County's share of the 7-county Metro Denver region's average of establishments, employment, and annual sales for seven distinct categories of construction costs defined by a group of NAICS codes. The percentage of local construction labor is estimated as Douglas County's share of Metro Denver's establishments and employment in the construction sector as of Q3 2024. Local permitting, tap, and development fees are assumed to be spent entirely within Douglas County.

The construction activity results in an increase in real property value and generates tax revenue for the local area, payroll for construction workers, and sales for construction goods and services vendors. The construction impact of the Zebulon Regional Sports Complex development is estimated as follows:

- Construction activity and associated infrastructure for the Zebulon Regional Sports Complex will cost about \$513 million, including over \$298 million in construction materials, \$86 million in soft costs, and over \$128 million in construction payroll.
- Of the total project cost of \$513 million, about \$59.7 million, or 11.6%, will be spent directly in Douglas County on construction labor, construction materials, engineering, soft costs, furniture and fixtures, and permitting and development fees.
- Based on an analysis of U.S. Bureau of Labor Statistics data of the occupations in Douglas County and Metro Denver, an estimated 10.6% of the construction workforce for this project will be residents of Douglas County, representing \$29.4 million in payroll over the construction period to 335 county residents in person-years. The remaining 89.4% of workers are expected to travel to the site from other parts of Metro Denver.
- The construction activity has multiplicative impacts on Douglas County's economy. Based on the Implan 528 Industry Aggregation Scheme for Douglas County, the development of Zebulon Regional Sports Complex results in a total economic impact of \$101.0 million, which includes \$38.4 million in payroll for the 335 direct construction person-years and the 122 indirect employees supported by the construction activity. The \$25.9 million in indirect and induced impact represents the impact of the spending by the construction employees, supplier companies, and the employees of the companies that serve as suppliers to the construction activity.

- Construction impacts occur only during the construction period. The dollar year for economic impact figures is taken as the midpoint year of construction for each component.

### **Total Economic Impact of Zebulon Regional Sports Complex Construction Activity on Douglas County (\$ in millions)**

	<b>Direct Impact</b>	<b>Implied Multiplier</b>	<b>Indirect &amp; Induced Impact</b>	<b>Total Impact</b>
Output	\$75.1	1.34	\$25.9	\$101.0
Labor Income	\$29.4	1.31	\$9.0	\$38.4
Employment	335	1.36	122	457

### **Section 3: Total Economic Impact of Ongoing Business Operations 2026-2036**

Ongoing economic impacts begin with the construction of the first components of Zebulon Regional Sports Complex in 2026. From 2027 to 2031, construction of the components of the projects will be completed, with commercial business operations beginning at various points during this time span.

The economic impact of business operations in Douglas County is derived from business expenditures on such items as equipment and operational materials, in addition to economic impacts derived from employee payrolls.

- The economic impact of ongoing business operations is derived from estimates of total annual sales revenue for seven of the 11 components of Zebulon Regional Sports Complex, broadly grouped as accommodation and retail uses, while estimated employee counts and average wages are used to derive the ongoing economic impact of the sports facility, medical office, day care, and workforce housing complex.
- For the economic impact of components estimated using projected sales figures, only revenue generated from out-of-county visitors is used to derive the local annual economic impact. Of over \$161 million in annual revenue generated from operations of accommodation and retail uses, 61.6% is assumed to come from visitors to Douglas County, resulting in local spending of \$97.6 million from non-area residents.
- For the economic impact of components estimated using projected employment and average annual wages, only payroll to Douglas County residents is used to derive the local annual economic impact. Of the 460 full-time equivalent employees for these uses, 66.7%, or 307 workers, are assumed to be Douglas County residents earning an average annual wage of \$84,076. Of \$38.7 million in total annual wages, \$25.7 million is assumed to be paid to residents.
- The total economic impact from ongoing business operations from 2026 through 2036 is estimated assuming that each individual component begins operating at full capacity in the calendar year after the completion of construction. Various developments will come online between 2027 and 2031, and the total 10-year economic impact for each amenity is the annual ongoing economic impact for the number of years operating at full capacity. The dollar year for each individual ongoing economic impact estimate is the year of construction completion.

- Ongoing business operations of Zebulon Regional Sports Complex result in an annual economic impact of \$193.2 million once each amenity is operating at full capacity, which includes \$52.9 million in indirect and induced impact and \$78.0 million in payroll for the 1,307 direct and indirect jobs supported by ongoing use. For the period 2026 to 2036, ongoing use of the various components of the project once they become available will result in a total economic impact of \$1.2 billion over the course of 10 years starting from initial construction.

### Annual Ongoing Economic Impact of Zebulon Regional Sports Complex on Douglas County (\$ in millions)

	Direct Impact	Implied Multiplier	Indirect & Induced Impact	Total Impact
Output	\$140.3	1.38	\$52.9	\$193.2
Labor Income	\$58.7	1.33	\$19.3	\$78.0
Employment	1,066	1.23	241	1,307

### Section 4: Economic Impact of Construction and Use Activity on Douglas County by Component

The Zebulon Regional Sports Complex consists of 11 components, including the Zebulon Sports Facility, two Extended Stay Hotels, a Select Service Hotel, a Resort, Experiential Retail, Restaurants/Bars, Retail, Grocery, Medical Office, Day Care, and Workforce Housing. In this section, the economic impact of construction activity and ongoing use of each individual component is summarized in terms of output, labor income, and employment.

### Total Ongoing Economic Impact of Zebulon Regional Sports Complex Use on Douglas County (\$ in millions)

Component	Construction Midpoint	Total Construction Spending	Local Construction Spending	Total Construction Impact
Sports Facility	2026	\$59.6	\$7.1	\$9.6
Extended Stay Hotels	2027	\$39.0	\$4.5	\$8.3
Select Service Hotel	2028	\$24.0	\$2.8	\$5.3
Resort	2028	\$70.0	\$8.1	\$14.9
Experiential Retail	2028	\$39.2	\$4.5	\$8.3
Restaurants / Bars	2028	\$20.9	\$2.4	\$4.4
Retail	2028	\$54.5	\$6.3	\$11.6
Grocery	2028	\$13.7	\$1.6	\$2.9
Medical Office / Clinic Use	2027	\$34.3	\$4.0	\$7.3
Day Care / Education Center	2026	\$7.4	\$0.9	\$1.6
Workforce Housing	2028	\$150.0	\$17.4	\$26.8
<b>Zebulon Regional Sports Complex</b>		<b>\$512.6</b>	<b>\$59.7</b>	<b>\$101.0</b>

- Construction of the workforce housing development generates the largest economic impact among all projects, with \$26.8 million in total economic impact and 119 jobs supported in Douglas County.
- Resort construction activity ranks second in scale, contributing \$14.9 million in total economic impact and supporting 68 local jobs.
- Retail space construction activity yields a significant \$11.6 million in total economic impact and supports 53 jobs, while Zebulon Sports Facility construction activity contributes \$9.6 million in total economic output, supporting 44 jobs.
- The day care and education center represents the smallest-scale construction impact, generating \$1.6 million in total economic impact and supporting 7 jobs.

### Total Ongoing Economic Impact of Zebulon Regional Sports Complex Use on Douglas County (\$ in millions)

Component	End of Construction	Annual Ongoing Economic Impact	Full Years of Operation	2026-2036 Total Economic Impact
Sports Facility	2027	\$37.5	8	\$300.4
Extended Stay Hotels	2027	\$13.4	8	\$106.9
Select Service Hotel	2028	\$9.5	7	\$66.3
Resort	2029	\$26.1	6	\$156.7
Experiential Retail	2031	\$33.8	4	\$135.2
Restaurants / Bars	2031	\$15.5	4	\$62.1
Retail	2031	\$8.0	4	\$32.1
Grocery	2029	\$1.2	6	\$7.3
Medical Office / Clinic Use	2028	\$43.7	7	\$305.9
Day Care / Education Center	2027	\$1.5	8	\$11.7
Workforce Housing	2030	\$3.0	5	\$14.8
<b>Zebulon Regional Sports Complex</b>		<b>\$193.2</b>		<b>\$1,199.3</b>

- Use of the medical office is projected to generate the highest ongoing annual economic impact at \$43.7 million, supported by a large workforce and a strong multiplier effect, resulting in \$25.2 million in annual payroll and 246 total jobs supported.
- The Zebulon Sports Facility drives a substantial \$37.5 million in annual economic impact, supporting 293 jobs with a significant share of spending by non-residents, helping anchor the region's visitor-driven economy.
- Experiential retail venues, such as cinemas and music venues, deliver \$33.8 million in annual economic impact—more than restaurants, hotels, or retail—while supporting 247 jobs and drawing over half of their revenue from out-of-county visitors.
- Over the full 2026–2036 period, use of the medical office (\$305.9 million) and sports facility (\$300.4 million) are expected to have the highest cumulative economic impact due to a substantial ongoing economic impact and early construction completion resulting in more years of operation at full capacity during the reference period.