



Loveland Urban Renewal Authority

Civic Center • 500 East Third Street • Loveland, Colorado 80537
(970) 962-2000 • FAX (970) 962-2901 • TDD (970) 962-2620

www.lovgov.org

**6:00 PM LOVELAND URBAN RENEWAL AUTHORITY BOARD
TUESDAY, AUGUST 12, 2025
CITY COUNCIL CHAMBERS
500 EAST THIRD STREET
LOVELAND, COLORADO**

Notice:

All Loveland Urban Renewal Authority (LURA) meetings are conducted in a hybrid format with a Zoom meeting in addition to the in-person meeting.

LURA board members may participate in this meeting via electronic means pursuant to their adopted policies and protocol.

To contact the Loveland Urban Renewal Authority please email: LURAcollection@cityofloveland.org

How to View this Meeting:



Meetings are open to the public and can be attended in-person by anyone.



Meetings are televised live on:

- Pulse TV Channel 16
- Comcast Channel 16/880



Meetings are available through Zoom by PC, laptop or phone:

- Webinar ID: 975 3779 6504
- Passcode: 829866



Meetings are livestreamed on the City's website. You can find the link here: lovgov.org/tv

Public Comment Rules:

General Public Comment:

- Public comment rules are established in the Loveland Urban Renewal Authority Bylaws, adopted by Resolution 27-2025.
- There are two public comments periods: 1) general public comment and 2) public comment for public hearing items. During general public comment, individuals may speak to any item that is NOT set for a public hearing. During public comment for a public hearing, individuals may speak to the public hearing item.
- Individuals who wish to speak are asked to fill out a card provided in Chambers and give this to

the City Clerk prior to the start of the meeting. The Chair will call people up to comment in the order the cards were received.

- Each person will have three minutes to speak.
- General public comment and public comment for public hearing is limited to 60 minutes each.
- Members of the public who wish to provide public comment remotely, can log in using the meeting ID provided above, or opening your [meeting app or accessing the web browser](#) and entering the Meeting ID shown above after 5:45 pm, at which time you will be muted and added to the meeting. All virtual public commenters must use the raise their hand feature when prompted by the City Clerk.

1. INTRODUCTION

1.1. CALL TO ORDER

1.2. PLEDGE OF ALLEGIANCE

1.3. ATTENDANCE REPORT OUT

2. CONSENT AGENDA

2.1. CITY CLERK'S OFFICE (presenter: Ashley Macdonald) APPROVAL OF MINUTES

A motion to approve the Loveland Urban Renewal Authority regular meeting minutes of February 11, 2025

Approval of the Loveland Urban Renewal Authority minutes for the February 11, 2025 Regular Meeting.

[02-11-25 Minutes](#)

3. GENERAL PUBLIC COMMENT

Individuals may comment on any item not set for a public hearing at this time.

4. GENERAL BUSINESS

4.1. LURA ATTORNEY (presenter: Austin Flanagan) APPROVAL OF THE LEASE FOR THE PULLIAM BUILDING

A motion to approve Resolution #R-57-2025, approving a lease for a parking lot in the City.

ONLY IF DETERMINED NECESSARY: A motion to enter into executive session to determine positions relative to matters that may be subject to negotiations, develop a strategy for negotiations, and/or instruct negotiators, pursuant to C.R.S § 24-6-402(4)(e), regarding the Pulliam Building parking lease.

The purpose of this item is terminate the original parking lot lease dated August 28, 2020 and execute a new lease to replace it.

[AIR-081225
Resolution](#)

4.2. CONSIDERATION OF ITEMS REMOVED FROM CONSENT AGENDA

5. STAFF AND INFORMATION ONLY REPORTS

5.1. FINANCE (presenter: Brian Waldes) LOVELAND URBAN RENEWAL AUTHORITY - 2025 FINANCIAL OVERVIEW AND 2026 BUDGET PREVIEW

Information Only

The purpose of this presentation is to provide the Loveland Urban Renewal Authority (LURA) Board with a 2025 Financial Update for all Urban Renewal Areas active within Loveland, as well as preview the 2026 LURA Budget, to be voted on at the LURA October 2025 Regular Meeting.

[AIRSS - 0328](#)

[Att 1 Staff Presentation](#)

[Att 2 LURA Fund Summary Detail](#)

[Att 3 Centerra North Revenue Detail](#)

[Att 4 Centerra North Taxing Entities Revenue History](#)

[Att 5 Centerra North Cost of Service Study](#)

5.2. LURA ATTORNEY (presenter: Austin Flanagan and Ernst & Young)

UPDATE REGARDING ERNST & YOUNG

Information Only

July 14, 2025

Activity Update

- We completed our initial review and analysis of the documents and data we've received.
- We compiled a comprehensive request list of follow-up items, selected samples, and supporting documentation, and submitted the request to Pinnacle on June 20th.

Anticipated Timeline and Activities

- Pinnacle informed us on Monday (7/7) that they expect to have all responses

to our requests provided by to us by August 1. We requested that documents be provided on a rolling basis, if possible.

- We plan to review and test the selected samples as they are provided by Pinnacle.
- We will prepare an update to LURA on August 12 based on current status and observations to date.
- We are planning an on-site visit to address any remaining questions from our review and to discuss outstanding requests. We have not set a date, but based on Pinnacle's availability, we expect this to occur in mid- to late-August.

[EY Aug 12 Interim Update Presentation](#)

6. ADJOURN



Loveland Urban Renewal Authority

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<https://www.lovgov.org/>

COUNCIL PRESENT:

Shadduck-McNally, Marsh, Molloy, Foley, Kruse, Mallo, Olson, Macias, Samson, and McFall.

COUNCIL ABSENT:

None.

1. INTRODUCTION

1.1. CALL TO ORDER

The Chair called the meeting to order at 4:30 p.m., on February 11, 2025

1.2. PLEDGE OF ALLEGIANCE

The Chair invited all who were able to stand and join her in reciting the Pledge of Allegiance.

1.3. ATTENDANCE REPORT OUT

The Secretary noted attendance; there were 10 Commissioners present.

1.4. PROCEDURAL INFORMATION

There was no procedural information for this meeting.

2. PUBLIC COMMENT

- Cindy V., Ward 2, spoke to Ernst & Young (EY) Report, Ballott Initiative 301, Centerra South and financing.
- Linda R, Ward 2, spoke to Centerra South, Resolution 54, high-density housing, and traffic.

3. CONSENT AGENDA

3.1. CITY CLERK'S OFFICE APPROVAL OF MINUTES

Approval of the Loveland Urban Renewal Authority Minutes for the September 10, 2024, Regular Meeting, and October 29, 2024, Special Meeting.

*Vice Chair Marsh made a MOTION to APPROVE the Loveland Urban Renewal Authority Minutes for the September 10, 2024, Regular Meeting and the October 29, 2024, Special Meeting.
Commissioner McFall provided the second.*

MOTION CARRIED 10-0

**3.2. CITY CLERK'S OFFICE
RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE LOVELAND URBAN RENEWAL
AUTHORITY ESTABLISHING THE TIME OF MEETINGS AND LOCATION FOR THE POSTING
OF NOTICES**

No presentation given. This item is normal and customary.

The purpose of this item is to adopt a resolution that will designate the City's website as the location for posting notices for all of the Loveland Urban Renewal Authority (LURA) written notices in the year 2025. The resolution also designates the bulletin board immediately adjacent to the Loveland City Council Chambers located at 500 East 3rd Street, Loveland, Colorado if the primary designated location becomes inaccessible or is no longer in existence due to natural disaster or other similar cause.

The State legislature encourages posting on the City's website rather than a physical location, and staff have moved to online posting of notices for meetings.

The second purpose of this resolution is to establish meeting days, times, and locations for 2025.

The Executive Director is authorized to schedule Regular LURA Meetings for the second Tuesday of the month as needed at 4:30pm.

COMMISSIONER QUESTIONS:

- Commissioner Olson asked for clarification regarding Publication for Meetings and procedure for changes, Mr. Flanagan responded.
- Commissioner Foley asked for clarification regarding elections of Chair and Vice-Chair. Commissioner Shadduck-McNally stated elections would be moved to the March meeting.

Vice Chair Marsh made a MOTION to APPROVE Resolution #R-10-2025 of the Board of Commissioners of the Loveland Urban Renewal Authority establishing the time of meetings and location for the posting of notices

MOTION CARRIED 10-0.

4. MOTION TO ADOPT THE CONSENT AGENDA

Vice Chair Marsh made a MOTION to ADOPT the Consent Agenda, Items 3.1 and 3.2.
Commissioner McFall provided the Second.

MOTION CARRIED 10-0.

5. NEW BUSINESS FROM LURA

There was no New Business presented.

6. NO-ACTION ITEMS

There were no Action Items for discussion and action.

6.1. LURA ATTORNEY UPDATE REGARDING ERNST & YOUNG

Austin Flanagan, LURA Attorney and Vince Junglas, City Attorney provided a presentation on this item.

Since being fully engaged on January 14, 2025, Ernst & Young's work on the Centerra matter has focused on the following:

1. Obtaining and performing an initial analysis of the foundational documents in the matter, to further our understanding of:
 - a. Further our understanding of issues raised by members of the City Council and the LURA board.
 - b. Understand the key components of the Master Finance Agreement and its associated amendments and agreements (collectively the MFA).
 - c. Understand the organization structure and relationship amongst the various entities which are party to – or were created through the MFA.
2. Conducted an initial scoping of potential forensic analysis areas that would drive our initial requests for documentation and related interviews – focused initially in three areas:
 - a. Disbursements, including history, procurement compliance and adherence to MFA requirements
 - b. Project governance, including analysis of relevant minutes, board meetings, governance documents, IGAs, etc., for adherence and compliance with the MFA.
 - c. Financial statement analysis, to understand history of Metro District spend, projects, and alignment between non-audited and audited financial statements
3. Conducted update meetings with counsel and performed initial reach out to Centerra to schedule and discuss the process for the request and receipt of the initial governance and financial information in our planned initial document/information requests.
 - a. Initial discussion with Alan Pogue is scheduled for February 7th.
 - b. Following the discussion with Alan Pogue, we will request an initial discussion with Pinnacle, with the plan to make our initial documentation/information request by the end of next week (February 14th)

INFORMATION ONLY.

COMMISSIONER QUESTIONS:

- Commissioner Olson – POINT OF CLARIFICATION Inquired about Commissioners being allowed to ask questions on Informational Items on the Agenda. Commissioner Shadduck-McNally stated Informational Agenda Items are Point of Information only. Mr. Flangan stated that any Commissioners with questions can email inquiries/questions to Mr. Junglas or Mr. Flangan directly.
- Commissioner Mallo asked Mr. Junglas about Agenda Item, Informational Only procedures for Commissioner questions. Mr. Junglas responded.
- Commissioner McFall asked about getting additional information/updates regarding Agenda items. Commissioner Shadduck-McNally responded.
- Commissioner Foley inquired about questions for Information Only sections of Agenda. Commissioner Shadduck-McNally and Commissioner Marsh responded.

- Commissioner McFall inquired about Information Only questions and procedures.
- Commissioner Foley – POINT OF PROCEDURE - Asked that future communications pertaining to this Board be transparent communication with entire Board.

7. **REGULAR AGENDA PROCEDURAL INFORMATION**

The Chair provided procedural information for this portion of the meeting.

7.1. **LURA ATTORNEY RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE LOVELAND URBAN RENEWAL AUTHORITY REPEALING AND REENACTING THE AUTHORITY'S BYLAWS**

Austin Flanagan, LURA Attorney provided the presentation on this item.

The purpose of this item is to review and approve amended LURA rules bylaws.

COMMISSIONER QUESTIONS:

- Commissioner Samson asked about Motion procedures. Commissioner Shadduck-McNally responded.
- Commissioner McFall asked procedural questions regarding Motions. Commissioner Shadduck-McNally responded.
- Commissioner Samson asked regarding public comments, deliberations and questions allotted times. Mr. Flanagan responded.
- Commissioner McFall asked about public comments procedures.
- Commissioner Foley asked for revisions regarding order of Motions vs. Public Comments and removal of limitations of Commissioners questions.
- Commissioner Olson disagreed with limiting Commissioner questions and asked about procedures for proposed changes. Commissioner Shadduck-McNally responded. for clarification of the word deliberation. Mr. Flanagan and Mr. Junglas responded. Asked why there are different times for Commissioners to speak regarding Deliberation and Comment. Mr. Flanagan responded.
- Commissioner Marsh asked the Board about procedural expectations and changes to LURA meeting nights. Mr. Flanagan responded.

Commissioner Shadduck-McNally polled the Commissioners regarding changing meeting structure and moving meetings to a different night:

- Commissioner Molloy agreed that Board needs more structure and agreed to move meetings to a different night.
- Commissioner McFall stated Tuesday would be best and forgo Study Sessions and asked to start at 6:00 p.m.
- Commissioner Foley agreed that 6:00 would be better for citizens and forgo Study Session 1 time per quarter.
- Commissioner Mallo agreed that Tuesday is better, forgo a Study Session and is flexible with start time.
- Commissioner Marsh agreed with Tuesday night and forgo a Study Session. LURA meetings could be quarterly or monthly.

- Commissioner Shadduck-McNally agrees that Tuesday night is better, need for structure, and move meetings to monthly temporarily.
- Commissioner Samson agreed with Tuesday evenings, forgo Study Session, quarterly meetings with Special Meetings and would prefer a 6:00 start time.
- Commissioner Olson agreed with Tuesday evenings, forgo Study Session, quarterly meeting with Special Meetings and would prefer to start at 6:00 p.m.
- Commissioner Kruse stated the need for Tuesday evenings and need for structure.
- Commissioner Macias agreed with Tuesday evenings and quarterly meetings.
- Commissioner Shadduck-McNally made recommendations to City Attorney and City Manager regarding LURA meetings. Mr. Thompson responded.

COMMISSIONER QUESTIONS

- Commissioner Mallo asked that quarterly meetings continue and the remaining two weeks/months of each quarter that Ernst & Young provide a written report with updates.
- Commissioner McFall asked for clarification regarding procedures and speaking times.
- Commissioner Olson asked about sending questions out before meeting to Board and various procedures. Mr. Flanagan and Mr. Junglas responded.
- Commissioner Samson asked about voting, Amendments and adopting new rules. Mr. Flanagan responded.

PUBLIC COMMENT:

- Cindy V, Ward 2, spoke about current public comment bylaws, not limiting public comment and meeting length.

COMMISSIONER COMMENTS:

- Commissioner McFall stated limiting initial public comments to issues Board has authority. Public comments on Agenda items should be allowed with time limits.
- Commissioner Foley stated initial public comments for Consent Agenda only. Disagrees with limiting public comment time on Agenda items, 1 question limit and limit on deliberation times. Requested to keep current Rules.
- Commissioner Samson requested to limit Public Comment to 30 minutes for all items, 2 minutes for all Commissioner comments, each Commissioner should have 2 rounds for 2 minutes, not including Staff response time, 1 round of deliberation for 2 minutes, adoption Bob's Rules of Order, supports more than 1 public comment and not pooling time. Asked for amendment to bylaw for communications sent directly to staff and amendment to clarification procedures for setting Agenda.
- Commissioner Olson asked for all Commissioners to have multiple opportunities with 4 minutes to ask questions, make comments or deliberate, staff response not included. Asked for provision that majority of Commissioners vote to close the discussions, consistent with public comments with 30 minutes in intervals of 2 minutes with the option to extend public comment time.
- Commissioner Marsh asked that Motion comes after presentations, 2 questions per round for each Commissioner with limited number of rounds, deliberations should be 1 round for 4 minutes or 2 rounds for 3 minutes and generous public comments both at start of meeting and per item.
- Commissioner Malloy asked for 1 question per Commissioner or time limits and structure for meetings.
- Commissioner McFall asked for meetings 1 per quarter, more than 1 round of deliberations, presentations and then public comments.

- Commissioner Olson confirmed that he agreed with the procedure of operations relative to have the Presentations, Public Comments and then the Motion.
- Commissioner Macias agreed with Commissioner Foley's comments, concerns with Bob's Rules of Order vis. Robert's Rules of Order.
- Commissioner Mallo disagreed with limits on open public comments, he suggested to limit 2 questions for 2 rounds, not including staff time.

Commissioner Mallo made a MOTION to extend meeting past 6:00 p.m., to allow Mayor Marsh to open the City Council Meeting and then continue this meeting. Commissioner McGall provided Second.

MOTION CARRIED 7-3.
(Foley, Mallo and Samson dissenting.)

- Commissioner Marsh asked for the option to rescind to Bob's Rules of Order.
- Commissioner Shadduck-McNally asked for structure to streamline meetings, no limit on public comments, polling time to stay, staff time not included as part of Commissioner's question time, limit to 2 rounds for 2 questions and then deliberations.

*Vice Chair Marsh made a MOTION to APPROVE Resolution #R-11-2025 repealing and reenacting LURA's Bylaws as Amended in that the term Mayor vs. Chair that selects the 4th Person on the Commission **MOTION WITHDRAWN***

COMMISSIONER DELIBERATIONS:

- Mr. Flanagan spoke about "straw-polls" for Commissioners and process forward for revisions to Bylaws, etc.
- Commissioner Shadduck-McNally asked about Ernst & Young for next session vs. 2nd Quarter. Mr. Flanagan stated that current Rules and Bylaws are in effect until Board approves a Motion or Resolution for changes.
- Commissioner Marsh asked City Manager to look at City Council Study Sessions schedule to accommodate
- Commissioner Shadduck-McNally clarified that the March LURA meeting will stay as currently scheduled.

Commissioner McFall made a MOTION to Change LURA Meeting times to once a quarter, after the March meeting, at 6:00 p.m. on 2nd Tuesday of the month. Commissioner Foley provided Second.

MOTION CARRIED 10-0.

7.2. CONSIDERATION OF ITEMS REMOVED FROM CONSENT AGENDA

There were no items removed from the Consent Agenda.

8. REPORTS

8.1. REPORTS FROM LURA

This item was not heard due to time constraints.

8.2. EXECUTIVE DIRECTOR REPORT

This item was not heard due to time constraints.

8.3. LURA ATTORNEY REPORT

This item was not heard due to time constraints.

9. ADJOURN

The Chair ADJOURNED the meeting at 6:10 p.m.

Respectfully Submitted,

Jody Shadduck-McNally, LURA
Chair

Ashley Macdonald, City Clerk

MEETING DATE: August 5, 2025
TO: Loveland Urban Renewal Authority
DEPARTMENT: Outside City Attorney's Office
DIRECTOR: Austin Flanagan
PRESENTER: Austin Flanagan and Vince Junglas
STRATEGIC PLAN Innovation & Organizational
FOCUS AREA: Excellence



AGENDA ITEM:
APPROVAL OF THE LEASE FOR THE PULLIAM BUILDING

RECOMMENDED BOARD OF COMMISSIONERS:

A motion to approve Resolution #R-57-2025 approving a lease for a parking lot in the City.

OPTIONS:

COUNCIL ACTION OPTIONS	CONSEQUENCE
Approve the Motion	LURA members will terminate the original parking lot lease and review and approve the new lease agreement.
Deny the motion or take no action	The new lease agreement will not be approved
Adopt a Modified Action	N/A
Refer back to Staff	N/A

SUMMARY:

Purpose: To review and approve a new parking lot lease

Objective: To terminate the parking lot lease agreement and enter into a new lease agreement.

Impact: N/A.

LURA
Follow-up: N/A

BUDGET IMPACT:

Budgetary Impact?	Funds Impacted: N/A
	Source(s) of Funding: N/A
Grant Funding?	Grantor(s) (State or Fed): N/A

	City Matching Requirement: N/A
	On-going or One-Time: N/A
	If On-going, when does the grant sunset? N/A
Additional Comments:	N/A

STRATEGIC PLAN FOCUS AREA

Focus	Innovation & Organizational Excellence
Strategy (if applicable)	Create a High-Performing Organizational Culture
Priority (if applicable)	Innovation & Process Improvement
Notes	None.

COUNCIL OR BOARD/COMMISSION REVIEW:

Type of Meeting: N/A

Date of Meeting: N/A

Resulting Vote: N/A

Discussion: N/A

BACKGROUND:

ANALYSIS TABLE:

Yes: No:

LIST OF ATTACHMENTS:

Resolution

**RESOLUTION
R-57-2025**

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE
LOVELAND URBAN RENEWAL AUTHORITY APPROVING A LEASE
FOR A PARKING LOT IN THE CITY**

WHEREAS, the Loveland Urban Renewal Authority ("LURA") is a body corporate and politic of the State of Colorado established pursuant to Title 31, Article 25, Part 1, Colorado Revised Statutes ("C.R.S.") (the "Urban Renewal Law");

WHEREAS, LURA owns the land more particularly described as LOTS 9 THROUGH 13 AND THE NORTH 10 FEET OF LOT 14, BLOCK 11, EXCEPT THE EAST 16 FEET THEREOF CONVEYED BY DEED RECORDED APRIL 13, 1945, IN BOOK 787 AT PAGE 238, CITY OF LOVELAND, COUNTY OF LARIMER, STATE OF COLORADO ("Parking Lot");

WHEREAS, LURA and 6th Street Library LLC entered into a lease for the Parking Lot dated August 28, 2020, as recorded with the Larimer County Clerk and Recorder on August 31, 2020, at Reception Number 20200068902 and recorded on August 31, 2020, at Reception Number 20200069017 (the "Original Parking Lot Lease");

WHEREAS, the parties desire to terminate the Original Parking Lot Lease and execute a new lease to replace it (the "New Lease");

WHEREAS, pursuant to the Urban Renewal Law, LURA is authorized to make and execute all contracts it deems necessary or convenient to the exercise of its powers and to invest any funds in property; and

WHEREAS, the New Lease is in the best interest of LURA and furthers redevelopment of 205 East 6th Street, Loveland, Colorado 80537.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF
COMMISSIONERS OF THE LOVELAND URBAN RENEWAL AUTHORITY:**

Section 1. LURA hereby approves the termination of the Original Parking Lot Lease as described in **Exhibit A**.

Section 2. LURA hereby approves the execution of the New Lease as described in **Exhibit B**.

Section 3. This Resolution shall be effective as of the date of its adoption.

ADOPTED this 12th day of August, 2025.

LOVELAND URBAN RENEWAL AUTHORITY

Jody Shaddock-McNally, Chair

ATTEST:

Ashley Macdonald, Board Secretary

TERMINATION OF LEASE

This Termination of Lease (“Agreement”) is effective _____, 2025, (“Effective Date”) by and between and the Loveland Urban Renewal Authority, a body corporate duly organized and existing as an urban renewal authority under the laws of the State of Colorado (“Landlord”) and 6th Street Library, LLC, a Colorado limited liability company (“Tenant”). Landlord and Tenant are each a “Party” and collectively the “Parties.”

RECITALS

WHEREAS, Landlord, as successor in interest, and Tenant, as successor in interest, are parties to that certain Parking Lot Lease Agreement dated August 28, 2020, as recorded with the Larimer County Clerk and Recorder on August 31, 2020, at Reception Number 20200068902 and recorded on August 31, 2020, at Reception Number 20200069017 (“Lease”);

WHEREAS, the Lease governs Tenant’s use of the real property used as a parking lot and legally described as LOTS 9 THROUGH 13 AND THE NORTH 10 FEET OF LOT 14, BLOCK 11, EXCEPT THE EAST 16 FEET THEREOF CONVEYED BY DEED RECORDED APRIL 13, 1945, IN BOOK 787 AT PAGE 238, CITY OF LOVELAND, COUNTY OF LARIMER, STATE OF COLORADO (“Parking Lot”);

WHEREAS, Landlord and Tenant wish to execute a new lease governing Tenant’s use of the Parking Lot (“New Lease”); and

WHEREAS, immediately prior to the effectiveness of the New Lease, Landlord and Tenant desire to terminate the Lease upon the terms and conditions set forth herein.

AGREEMENT

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby agreed upon and acknowledged, the Parties agree as follows:

1. **Incorporation of Recitals.** The above-stated Recitals are hereby incorporated as substantive terms of this Agreement.
2. **Termination of Lease.** As of the Effective Date, all rights, duties and obligations of Landlord and Tenant arising under the Lease on and after the Effective Date, including but not limited to Tenant’s right to use and Tenant’s obligation to pay rent are hereby terminated. Landlord and Tenant remain liable to each other for obligations arising prior to the Effective Date.
3. **Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the Parties’ respective successors and assigns.
4. **Counterparts; Electronic Signatures.** This Agreement may be executed in counterparts, each of which shall be deemed a duplicate original. The Parties may execute this Agreement by PDF copy or electronic means, which shall constitute originals hereunder.

5. **Recording.** This Agreement shall be recorded in the real property records of the Clerk and Recorder of Larimer County, Colorado.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

LANDLORD:

Loveland Urban Renewal Authority

Jody Shaddock-McNally, Chair

ATTEST:

City Clerk

TENANT:

6TH STREET LIBRARY, LLC
a Colorado limited liability company

Triple Diamond, LLC,
a Colorado limited liability company

By: _____
Robert W. Dehn, Member

SEK Investments, LLC,
a Colorado limited liability company

By: _____
Kurt E. Skott, Member

STATE OF COLORADO)
) ss.
COUNTY OF LARIMER)

The foregoing instrument was acknowledged before me this _____ day of August, 2025, by Robert W. Dehn, Member of Triple Diamond, LLC, a Colorado limited liability company, Manager of 6th Street Library, LLC, a Colorado limited liability company.

Witness my hand and official seal.

Notary Public

STATE OF COLORADO)
) ss.
COUNTY OF LARIMER)

The foregoing instrument was acknowledged before me this _____ day of August, 2025, by Kurt E. Skott, Member of SEK Investments, LLC, a Colorado limited liability company, Manager of 6th Street Library, LLC, a Colorado limited liability company.

Witness my hand and official seal.

Notary Public

PARKING LOT LEASE AGREEMENT

This Parking Lot Lease Agreement ("Lease") is executed this this _____, 2025, with an effective date contemporaneous with the termination of that certain Original Parking Lot Lease as defined below (the "Effective Date"), by and between the **Loveland Urban Renewal Authority**, a body corporate duly organized and existing as an urban renewal authority under the laws of the State of Colorado ("LURA"), and the **6th Street Library, LLC**, a Colorado Limited Liability Company (together with its permitted assigns, "Tenant"). LURA and the Tenant are individually referred to as a "Party" and collectively as the "Parties."

RECITALS

WHEREAS, Tenant is a Loveland-based company formed specifically to acquire and redevelop the real property located at 205 East 6th Street, Loveland, Colorado 80537, including the land and the existing structure located thereon (collectively, "Building"), on August 28, 2020. The Tenant replatted the land and renovated the Building into a mix-use commercial and residential condominium project consisting of commercial condominium(s) and fifteen (15) residential condominiums for sale ("Collection"); and

WHEREAS, Tenant purchased the Building together with all the right, title, and interest in and to that certain Parking Lot Lease Agreement dated August 28, 2020, with the Loveland Urban Renewal Authority, a body corporate and politic established pursuant to C.R.S. Section 31–25–101, *et seq.* ("LURA"), as the landlord, and Tenant, as the tenant thereunder, as recorded with the Larimer County Clerk and Recorder on August 31, 2020 at Reception Number 20200068902 and recorded on August 31, 2020 at Reception Number 20200069017 ("Original Parking Lot Lease"). The Original Parking Lot Lease provides for forty (40) parking spaces at the Parking Lot location defined below; and

WHEREAS, the Tenant seeks to lease from LURA certain defined parking spaces and real property within an improved parking lot legally described as LOTS 9 THROUGH 13 AND THE NORTH 10 FEET OF LOT 14, BLOCK 11, EXCEPT THE EAST 16 FEET THEREOF CONVEYED BY DEED RECORDED APRIL 13, 1945, IN BOOK 787 AT PAGE 238, CITY OF LOVELAND, COUNTY OF LARIMER, STATE OF COLORADO, also known by the mailing address of 100 East 6th Street, Loveland, Colorado 80537 ("Parking Lot"); and

WHEREAS, LURA and the Tenant intend that this Lease is a ratification of Tenant's right, title, and interest in the Parking Lot under the Original Parking Lot Lease, and as a replacement and continuation of the economic development purposes of the Original Parking Lot Lease which lease has been terminated contemporaneously with the final approval and execution of this Lease pursuant to Resolution No. _____.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein and other good and valuable consideration, the receipt and adequacy are hereby acknowledged, the parties agree as follows:

1. Term. Unless terminated earlier under the terms herein, this Lease shall have a term of thirty (30) years commencing on the Effective Date.

2. Premises. The premises to be leased shall consist of twenty (20) reasonably sized parking spaces no smaller than LURA-controlled parking spaces located within the Parking Lot ("Premises"). Eleven (11) of the parking spaces shall be reserved for occupants and guests of the residential condominium units of the Collection. The remaining nine (9) parking spaces shall be reserved for occupants and guests of the commercial use at the Collection. Tenant, its permitted assignees, subtenants and licensees (collectively, "Permitted Users") shall have exclusive use of the Premises twenty-four (24) hours per day, seven (7) days per week, year around during the term except during periodic maintenance and repair as provided herein. Should LURA or the City of Loveland ever develop, sell, or otherwise use the leased Premises for another purpose, LURA will provide an equivalent alternative location, or locations, for a total of twenty (20) parking spaces for Tenant's use and the terms of this Agreement shall continue for such location. If LURA should ever develop the Parking Lot into a covered parking structure, LURA may temporarily relocate and provide to Tenant an equivalent alternative location, or locations, for a total of twenty (20) parking spaces for Tenant's use and the terms of this Agreement shall continue for such location until construction of the parking structure is complete. Upon completion of the parking structure, LURA shall provide Tenant with a total of twenty (20) parking spaces on the second floor of such parking structure for Tenant's use and the terms of this Agreement shall continue for such parking structure.

3. Use of Premises.

- a. General. The Tenant's use and occupation of the Premises shall be consistent with: (i) the covenants and easements and all other matters of record as of the date of this Lease; and (ii) all present and future laws, ordinances and regulations, including environmental regulations, of any governmental authority having jurisdiction over the Premises (collectively, "Laws"); provided, however, LURA shall enact no Laws inconsistent with the terms and conditions of this Lease.
- b. Notification to Permitted Users. Tenant shall notify each Permitted User of the Collection of the requirements and limitations contained in this Lease and make such Lease available for inspection prior to any use of the Premises.
- c. Vehicle Limitations. The Premises shall be used exclusively as a parking lot for operable passenger vehicles. The Tenant shall not permit the parking of any vehicles with a gross vehicle weight rating of 8,500 pounds or greater on the Premises nor shall the Tenant permit the parking or storage of vehicles other than

operable passenger vehicles, including, but not limited to, noncommercial or recreational vehicles, trailers, and camper coaches as defined in Article 1 of Title 42, C.R.S. The Tenant shall not permit the use of the Premises to conduct vehicular maintenance, modification, and repair in any form. Additionally, the Tenant shall not permit the use of the Premises or any portion thereof as long-term storage of any sort. The Tenant shall not permit any nuisance to be maintained on the Premises or permit any disorderly conduct, common noise, or other activity having a tendency to annoy or disturb any adjoining property.

- d. Parking Permits. Use of the Premises shall be restricted to the Tenant and the Permitted Users of the Building. The Tenant shall implement a parking permit system to ensure the Premises is continuously restricted to eligible persons and vehicles as described herein. A parking permit shall be conspicuously displayed at all times by vehicles using the Premises.
 - e. Signage; Parking Space Striping. The City shall design and install signage at all vehicular ingress and egress points onto the Premises as well as signage and parking lot stripes to designate each of the twenty (20) parking spaces located within the Premises. All ingress and egress signage shall describe the use restrictions imposed by this Lease as well as any potential penalties for violations thereof, and all parking space signage shall denote the space is for use by permit-holders only and whether the space is reserved for commercial or residential tenants.
 - f. Enforcement. The Tenant shall be responsible for the enforcement of these use restrictions. The Tenant shall monitor the Premises for violators of the use restrictions above, and the Tenant shall impose any such fines or penalties for violation of these use restrictions as are permissible under State law and local ordinance, including, but not limited to, towing vehicles found to be in violation of these use restrictions.
4. Rent and Deposit. In consideration for the right to use and occupy the Premises as permitted herein, Tenant shall pay LURA \$250.00 per spot per year ("Rent"); subsequent to the initial three-year period and every three (3) years thereafter, the amount charged per spot, per year, shall be increased according to the Colorado Department of Transportation's most recent publication of the Colorado Construction Cost Index ("CCI"). The Tenant shall not be charged a rental deposit for the Premises. Notwithstanding the aforementioned, LURA hereby acknowledges receipt of the Rent paid by Tenant of Ten Thousand Dollars (\$10,000.00) which is hereby credited to the Rent owed by Tenant for the first year of the term commencing on the Effective Date. In the event the Parking Lot is converted to a covered parking structure, the Parties shall renegotiate in good faith the Rent to account for LURA's increased operational expenditures related to such conversion, but such increase shall not include the costs of developing the parking structure. The failure of the

Parties to successfully renegotiate the Rent shall not constitute a default of either Party under this Agreement so long as good faith efforts are timely pursued.

5. Right to Inspect Premises. LURA shall have the right at all reasonable times to enter the Premises for any and all purposes consistent with this Lease, provided such action does not unreasonably interfere with Tenant's use, hours of occupancy, or security requirements of the Premises.

6. Maintenance and Repair of the Premises.

a. LURA. LURA shall keep and maintain the asphalt surface, paint striping, signage, and landscaping located on the Premises in good condition and repair. LURA shall be responsible for maintaining the Premises in a neat and clean condition and removing any snow and ice that may accumulate in the aisles of the Premises and the sidewalks adjacent to the Premises. Additionally, LURA shall, from time to time, conduct street-sweeping of the aisles of the Premises. To the extent reasonable and possible, LURA shall conduct such maintenance in a manner so as not to unreasonably interfere with Tenant's use of the Premises; however, LURA shall not be liable for any loss that may result from LURA carrying out its obligations under this Lease.

b. The Tenant. The Tenant shall not permit any obstruction to LURA's obligation to maintain the Premises, including, but not limited to, the improper parking of or the parking of over-long vehicles that extend outside the bounds of a single parking space and that may interfere with the safe transit of the aisles. The Tenant shall coordinate with its employees, agents, guests, subtenants of the Building, and invitees thereof to remove parked vehicles from the premises ahead of any scheduled or regular maintenance and repairs performed by LURA as maybe necessary. The Tenant shall not allow any accumulation of trash or debris on the Premises.

7. No Discrimination. Tenant shall not discriminate on any grounds prohibited under federal or state law, including but not limited to, on the basis of gender, race, color, disability, national origin, or religion, in the use or occupancy of the Premises.

8. Real Property Taxes and Assessments. LURA shall pay promptly when due all real estate taxes and general assessments, if any, for the Premises that would be otherwise due if the occupancy and use of the Premises were for governmental public purposes. The Tenant shall pay promptly when due all real estate taxes and general and special assessments, if any, for its use of the Premises. LURA shall promptly pay when due all other amounts due for the Parking Lot including any real estate tax.

9. Insurance.

- a. For the duration of this Lease, the Tenant shall procure and keep in force a policy of comprehensive general liability insurance insuring Tenant and naming LURA as an additional insured with minimum combined single limits of One Million Dollars (\$1,000,000.00) each occurrence and Two Million Dollars (\$2,000,000.00) aggregate. The general liability policy shall include coverage for bodily injury, broad form property damage, personal injury (including coverage for contractual and employee acts), and blanket contractual, independent contractors, products and completed operations. The general liability policy shall contain a minimum limit of Three Hundred Thousand Dollars (\$300,000.00) for property damage liability coverage for the Premises, which limit may be increased by LURA in the exercise of its reasonable discretion based upon any use that increases the risk or potential scope of damage to the Premises. The general liability policy shall contain a severability of interests provision. The general liability policy shall be for the mutual and joint benefit and protection of the Tenant and LURA and shall provide that LURA, although named as an additional insured, shall nevertheless be entitled to recover under said policy for any loss occasioned to LURA, its officers, employees, and agents by reason of negligence of Tenant, its officers, employees, agents, subcontractors, or business invitees. The general liability policy shall be written as a primary policy not contributing to and not in excess of any coverage LURA may carry.
- b. Policies required herein shall be with companies qualified to do business in Colorado with a general policyholder's financial rating reasonably acceptable to LURA. Said policies shall not be cancelable or subject to reduction in coverage limits or other modification except after thirty (30) days' prior written notice to LURA. The Tenant shall identify whether the type of coverage is "occurrence" or "claims made." If the type of coverage is "claims made," which at renewal the Tenant changes to "occurrence," the Tenant shall carry a one-year tail.
- c. Certificates of insurance shall be completed by the Tenant's insurance agent as evidence that the policies providing the required coverages, conditions, and minimum limits are in full force and effect and shall be subject to review and approval by LURA.
- d. LURA and Tenant hereby grant to each other a waiver of any right of subrogation any insurer of one Party may acquire against the other or as against LURA or Tenant by virtue of payment of any loss under such insurance. Such a waiver shall be effective so long as LURA and Tenant are empowered to grant such waiver under the terms of their respective insurance policy or policies, and such waiver shall stand mutually terminated as of the date either LURA or Tenant gives notice to the other that the power to grant such waiver has been so terminated.

- e. The Tenant may procure and keep in force a policy of Business Income/Extra Expense coverage for any expenses that the Tenant may incur in the event the Premises is not useable for the Tenant's purposes, in whole or in part, while this Lease remains in effect. In addition to any other limitation on LURA's liability set forth in this Lease, LURA shall not be liable for any expenses incurred by the Tenant that would otherwise be covered by such coverage.

10. Indemnity. The Tenant shall assume the risk of any claim whatsoever including in tort and contract caused by or sustained, in whole or in part, in connection with or arising out of the acts or omissions of the Tenant, its subtenants, sublessees, licensees, employees, agents, servants, subcontractors, or authorized volunteers, or by the conditions created thereby during the lease term. The Tenant shall indemnify and hold harmless LURA and the City of Loveland, its officers, agents, and employees from and against any and all claims, liabilities, costs, expenses, penalties, attorney's fees, and defense costs arising from such claims based upon or arising (i) out of the acts or omissions of the Tenant, its employees, agents, servants, subcontractors, or authorized volunteers, or (ii) out of any violation by the Tenant, its employees, agents, servants, subcontractors, or authorized volunteers of any law, regulation, or ordinance during the lease term. The Tenant shall investigate, handle, respond to, and defend against any such liability, claims, and demands related thereto and shall bear all other related costs and expenses, including court costs and attorneys' fees. The Tenant's indemnification obligation shall not extend to any injury, loss, or damage to the extent caused by the act, omission, or other fault of LURA or the City of Loveland. This paragraph shall survive the termination or expiration of this Lease.

11. Governmental Immunity. Notwithstanding any other provision of this Lease to the contrary, no term or condition of this Lease shall be construed or interpreted as a waiver, express or implied, of any of the notices, requirements, immunities, rights, benefits, protections, limitations of liability, and other provisions of the Colorado Governmental Immunity Act, C.R.S. § 24-10-101 *et seq.* ("Act"), and under any other applicable law. The Parties understand and agree that liability for claims for injuries to persons or property arising out of the negligence of LURA or the City of Loveland, its departments, commissions, boards, officials, and employees is controlled and limited by the provisions of the Act, as now or hereafter amended.

12. Sublease and Assignment. The Tenant may assign all or any part of this Lease or sublease or license all or any part of the Premises to any "Permitted Person" without LURA's prior approval. "Permitted Person" means and includes (i) an entity that controls the Tenant, or that is controlled by or under common control with the Tenant, (ii) persons or entities so long as they are owners, tenants, licensees, employees, agents, guests or invitees of the owners, occupants or tenants in the Building, (iii) any purchaser or tenant of the Building or any condominium units within the Land or the Building, and (iv) The Collection Sixth St Association, a Colorado nonprofit corporation, which is the association formed pursuant to the Declaration of The Collection Sixth St Condominiums recorded with the Larimer County Clerk and Recorder on June 27, 2024 at Reception Number 20240026182. Any other assignment, sublease or license of this Lease by the

Tenant without LURA's prior written consent shall be deemed void and of no effect. LURA may transfer its ownership at any time, up to and including the year 2034, without affecting this Lease and will assign this Lease at the time ownership is transferred to any subsequent owner or titleholder to the Premises. Any such transfer of ownership of the Premises shall not change the terms in this Lease.

13. Holding Over. Any holding over after the expiration of the term of this Lease or any extended term thereof, with the consent of LURA, shall be construed to be a tenancy from month-to-month on the same terms and conditions provided for herein; except that the monthly rental rate shall be adjusted to reflect the then-current market rate. No holding over by the Tenant shall operate to renew or extend this Lease without the written consent of LURA to such renewal or extension having been first obtained.

14. Condemnation Taking. If the entire Premises is taken for quasi-public purposes by any governmental entity or other entity having the power of condemnation (other than LURA), or sold by LURA under the threat of the exercise of said power, this Lease shall terminate as of the date that legal title to the Premises vests in the condemning authority or the date such authority takes possession of the Premises, whichever is earlier. If only a portion of the Premises is so taken, the Tenant may either terminate this Lease as of the date title or possession is transferred as set forth above, whichever is earlier, or continue this Lease in effect. In the event of a total or partial taking of the Premises, LURA shall provide an equivalent alternate location, or locations, for a total of twenty (20) parking spaces. In either a total or partial condemnation, LURA shall have the exclusive right to any award made by the condemning authority.

15. Termination.

- a. For Default. Failure to perform according to the provisions of this Lease shall constitute a breach under this Lease. In the event of a breach, the non-breaching Party may cure said breach within ninety (90) days of written notice thereof by the non-breaching Party, or if such breach is of such nature that it cannot be cured by diligent effort during such ninety (90) day period, such Party may cure its breach by undertaking a course of performance within such grace period and diligently pursuing it thereafter. Upon failure to cure a breach, the non-breach Party may declare this Lease in default and take such legal and equitable rights under Colorado law upon written notice to the defaulting Party. In the event of default by the Tenant after notice and the opportunity to cure as provided for herein, the Tenant's right to possess the Premises shall cease, this Lease shall be terminated, and the Parties shall have no further rights, duties or obligations hereunder, except for those obligations which are expressly stated to survive termination. LURA may then re-enter and take possession of the Premises or any part thereof, repossess the same, expel the Tenant and those claiming through or under the Tenant, and remove the effects of both or either (forcibly, if necessary) without being deemed guilty of any manner of trespass.

16. Notices. Written notices shall be directed as follows and shall be deemed received when hand-delivered or emailed, or seven (7) days after being sent by certified mail, return receipt requested:

To LURA:

The Loveland Urban Renewal
Authority
Attn: Jim Thompson
Executive Director
500 E. Third Street, Suite 330
Loveland, CO 80537
(970) 962-2306
Jim.Thompson@cityofloveland.org

To Tenant:

6th Street Library, LLC
Attn: Robert W. Dehn
246 Barberry Place
Loveland, CO 80537

with a copy to
The Collection Sixth St
Association
Attn: Registered Agent
At address filed with the
Colorado Secretary of State

Any party hereto may at any time designate a different address or individual receiving notice by informing the other parties in writing.

17. Time of the Essence. It is agreed that time shall be of the essence of this Lease and each and every provision hereof.

18. Parties Bound. This Lease shall be binding upon, and inure to the benefit of, LURA and the Tenant and their respective heirs, executors, administrators, legal representatives, and/or successors.

19. Governing Law and Venue. This Lease shall be governed by the laws of the State of Colorado. In addition, the Parties acknowledge that there are legal constraints imposed upon LURA by the constitutions, statutes, and rules and regulations of the State of Colorado and of the United States and that, subject to such constraints, the Parties intent to carry out the terms and conditions of this Lease. Notwithstanding any other provision of this Lease to the contrary, in no event shall either of the parties be required to exercise any power or take any action which shall be prohibited by applicable law. Whenever possible, each provision of this Lease shall be interpreted in such a manner so as to be effective and valid under applicable law. Venue for any judicial proceeding concerning this Lease shall be exclusively in the District Court for Larimer County, Colorado.

20. Legal Construction. The recitals are incorporated as substantive terms in this Lease. In case any one or more of the provisions contained in this Lease shall for any reason be held by a court of competent jurisdiction to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Lease, and this Lease shall be constructed as if the invalid, illegal, or unenforceable provision had never

been included in the Lease. Paragraph headings used in this Lease are for convenience of reference only and shall in no way define, control or affect the meaning or interpretation of any provision of this Lease.

21. Relationship of the Parties. This Lease shall not be construed to create an agency or employee relationship between LURA and the Tenant. The Tenant shall exercise no supervision over any employee or official of LURA and shall not represent that Tenant is an employee or agent of LURA in any capacity. No employee or contractor of the Tenant has any right to Worker's Compensation benefits from LURA or its insurance carriers or funds. The Tenant shall provide any workers' compensation insurance and all other insurance required by any applicable law for its employees.

22. Beneficiaries. This Lease is for the sole benefit of and binds LURA and the Tenant, their successors, assigns, and Permitted Persons. This Lease affords no claim, benefit, or right of action to any third party. Any party besides LURA or the Tenant, their successors, assigns, and Permitted Persons, receiving services or benefits under this Lease is only an incidental beneficiary.

23. Financial Obligations of LURA. Any financial obligation of LURA under this Lease is contingent upon appropriation, budgeting, and availability of specific funds to discharge those obligations. Nothing in this Lease constitutes a debt, a direct or indirect multiple fiscal year financial obligation, a pledge of LURA's credit, or a payment guarantee by LURA to the Tenant.

24. Amendment. This Lease may only be altered or amended in writing, signed by duly authorized representatives of LURA and the Tenant, respectively.

25. Force Majeure. If either of the Parties are delayed in the performance of any obligation to be performed under the terms of this Agreement as a result of strikes, lock-outs, labor migration or disruption, disruption in supply chain, epidemic, pandemic, government-mandated quarantine, stay-home or safety orders, acts of God, development moratorium, or other casualty, or for any other cause reasonably beyond the control of such Party, then the time or date for such performance shall be extended by the number of days equivalent to the number of days of such delay. A Party claiming a delay as a result of any such force majeure will promptly provide notice to the other Party of the delay and the anticipated length of the delay (if known).

26. Mutual Cooperation. The Parties each agree to use good faith efforts to cause satisfaction of all conditions to their obligations under this Lease, and to exercise good faith in fulfilling their obligations under this Lease and in cooperating with the other Party with respect to that Party's satisfaction and fulfillment of all that Party's conditions and obligations under this Lease.

27. Recording. This Lease shall be recorded in the real property records of the Clerk and Recorder of Larimer County, Colorado.

This Lease is hereby entered into by the parties the day and year first above written.

LURA:

Loveland Urban Renewal Authority

Jody Shaddock-McNally, Chair

ATTEST:

City Clerk

TENANT:

6TH STREET LIBRARY, LLC
a Colorado limited liability company

Triple Diamond, LLC,
a Colorado limited liability company

By: _____
Robert W. Dehn, Member

SEK Investments, LLC,
a Colorado limited liability company

By: _____
Kurt E. Skott, Member

STATE OF COLORADO)
) ss.
COUNTY OF LARIMER)

The foregoing instrument was acknowledged before me this _____ day of August, 2025, by Robert W. Dehn, Member of Triple Diamond, LLC, a Colorado limited liability company, Manager of 6th Street Library, LLC, a Colorado limited liability company.

Witness my hand and official seal.

Notary Public

STATE OF COLORADO)
) ss.
COUNTY OF LARIMER)

The foregoing instrument was acknowledged before me this _____ day of August, 2025, by Kurt E. Skott, Member of SEK Investments, LLC, a Colorado limited liability company, Manager of 6th Street Library, LLC, a Colorado limited liability company.

Witness my hand and official seal.

Notary Public

MEETING DATE: August 12, 2025
TO: Loveland Urban Renewal Authority
DEPARTMENT: Finance
DIRECTOR: Brian Waldes
PRESENTER: Brian Waldes, Chief Financial Officer
STRATEGIC PLAN
FOCUS AREA: Fiscal Stability & Strength



AGENDA ITEM:
Loveland Urban Renewal Authority - 2025 Financial Overview and 2026 Budget Preview

SUMMARY:

The purpose of this presentation is to provide the Loveland Urban Renewal Authority (LURA) Board with a 2025 Financial Update for all Urban Renewal Areas active within Loveland, as well as preview the 2026 LURA Budget, to be voted on at the LURA October 2025 Regular Meeting. **(Attachment 1)**

While the presentation provides summarized financials, a full detail of the LURA Fund Summary can be found in **Attachment 2**.

STRATEGIC PLAN FOCUS AREA

Focus	Fiscal Stability & Strength
Strategy (if applicable)	Optimize Financial Structure & Systems
Priority (if applicable)	Transparent & Accessible Financial Information
Notes	

BACKGROUND:

LURA comprises three active URAs in the City of Loveland:

- US34/Crossroads URA aka “Centerra North”
- Block 41 – Finley’s Addition URA
- Centerra South URA

Each year LURA sets a budget that adheres to the requirements of the three extant URAs within the LURA. There is generally no discretionary component to this budget, as all revenue/expenses in the fund are allocated by the three plans. City Staff is providing the LURA board with a financial overview of each Urban Renewal Plan as part of this budget preview presentation. This annual report is a continuation of the efforts begun in 2024, based on the Board’s feedback to have more detail presented on the financial status of each active urban renewal area.

Of the three active urban renewal areas in Loveland, US34/Crossroads "Centerra North" URA has the highest degree of detail, as it is one of the largest and most longstanding URAs in the LURA. Included for reference are the Centerra North Revenue Detail, the Centerra North Taxing Entities Revenue History, and the Development Planning & Financing Group Cost of Service Study completed in March 2023 for the US34/Crossroads Urban Renewal Area (**Attachments 3-5**).

The Block 41 – Finley’s Addition is a three-block area in downtown Loveland consisting of Gallery Flats and Lincoln Place mixed use buildings, the old Larimer County building, the museum, and a parking lot. The Finley Block is currently repaying two interfund loans which will be paid in full in 2027:

- Mixed Use Project: Capital Expansion Fee Loan
- Old Larimer County Building Loan

Finally, the Centerra South URA’s limited financials are included. Since this URA has not begun build out, there is little of note to report to the LURA Board at this point in time.

LIST OF ATTACHMENTS:

- Att 1 Staff Presentation
- Att 2 LURA Fund Summary Detail
- Att 3 Centerra North Revenue Detail
- Att 4 Centerra North Taxing Entities Revenue History
- Att 5 Centerra North Cost of Service Study



Financial Overview & Budget

Loveland Urban Renewal Authority

Brian Waldes, Chief Financial Officer

Finance

August 12, 2025

Agenda

City Staff is returning to the LURA Board for an **information only** update on the LURA Budget and financial activities of the three active Urban Renewal Areas in Loveland.

Loveland Urban Renewal Authority Budget Urban Renewal Areas – Annual Update

- **US34 / Crossroads Corridor**
- **Block 41 – Finley’s Addition**
- **Centerra South**

Loveland Urban Renewal Authority

2026 Budget Overview – Detail in Attachment 1

	2024 ACTUAL	2025 ADOPTED	2025 REVISED	2026 PROPOSED	Prior Year Change	Prior Year Change %
Beginning Fund Balance	\$ 4,773,687	\$ 2,060,710	\$ 2,854,733	\$ 1,019,123		
REVENUES BY <u>DIVISION</u> TOTAL	\$ 20,761,579	\$ 25,539,165	\$ 26,539,165	\$ 23,308,480	\$ (2,230,685)	-9%
REVENUES BY <u>CLASS</u> TOTAL	\$ 20,761,579	\$ 25,539,165	\$ 26,539,165	\$ 23,308,480	\$ (2,230,685)	-9%
EXPENSES BY <u>DIVISION</u> TOTAL	\$ 22,680,533	\$ 24,374,775	\$ 28,374,775	\$ 22,963,997	\$ (1,410,778)	-6%
EXPENSES BY <u>CLASS</u> TOTAL	\$ 22,680,533	\$ 24,374,775	\$ 28,374,775	\$ 22,963,997	\$ (1,410,778)	-6%
EXP. BY OPERATING VS. CAPITAL TOTAL	\$ 22,680,533	\$ 24,374,775	\$ 28,374,775	\$ 22,963,997	\$ (1,410,778)	-6%
<i>Draper Project Reserve</i>		(1,000,000)				
Ending Fund Balance*	\$ 2,854,733	\$ 2,225,100	\$ 1,019,123	\$ 1,363,606		

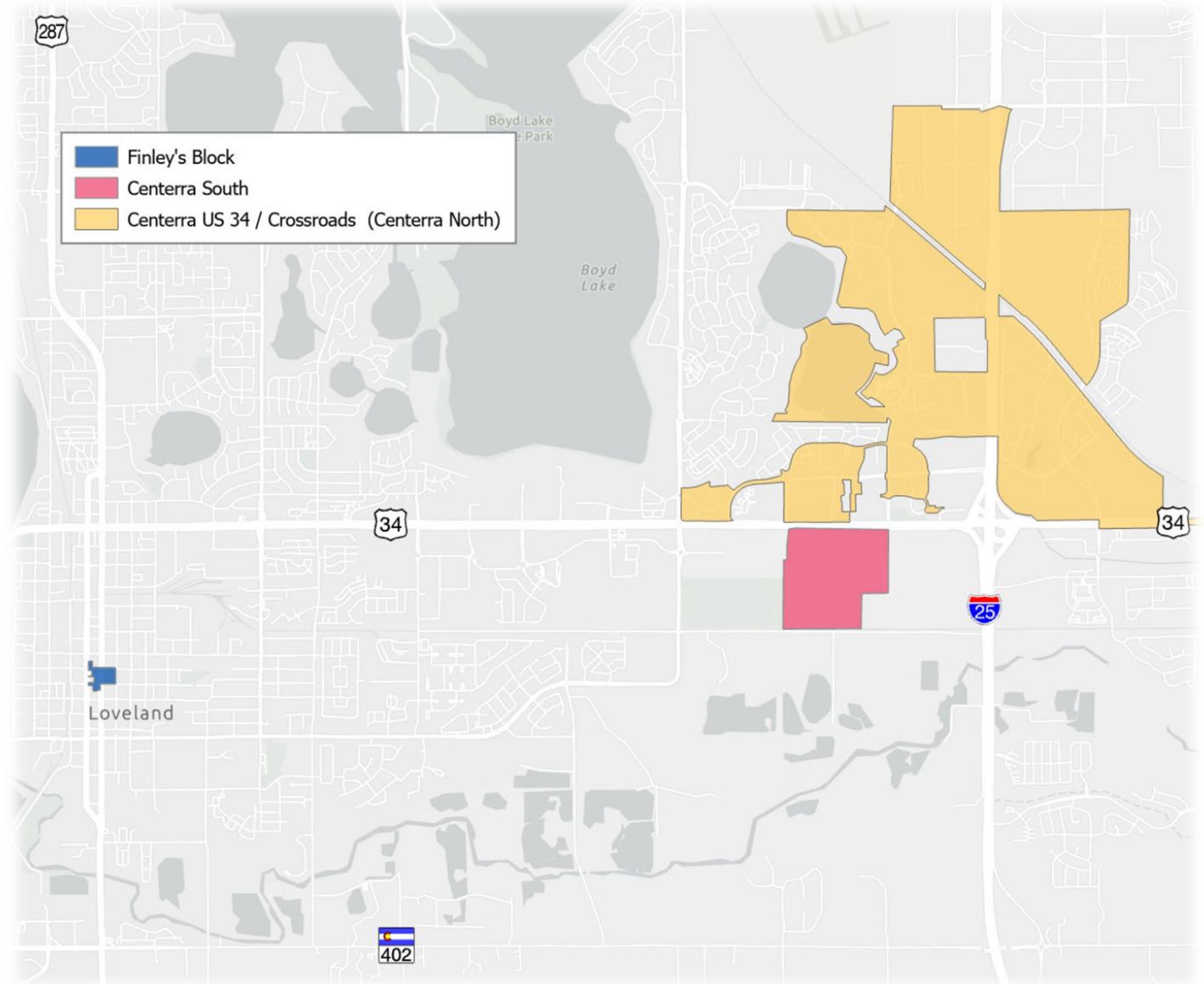
*Note: The 2024 Ending Fund Balance is comprised of \$537,025 in Centerra-Crossroads and \$2,317,708 in Finley-Lincoln.

Urban Renewal Areas

Loveland has three active Urban
Renewal Areas.

-  **US34/Crossroads Corridor**
-  **Block 41 – Finley’s Addition**
-  **Centerra South**

The Downtown Loveland URA was
dissolved in 2023.



US/34 Crossroads Corridor URA “Centerra North”

Funding Mechanisms Utilized

- Sales Tax Share with the Project for Financing Public Improvements
- Property Tax – Tax Increment Financing
- Other Fees Imposed by the Project

Approved: 2004

Last Modified: 2023



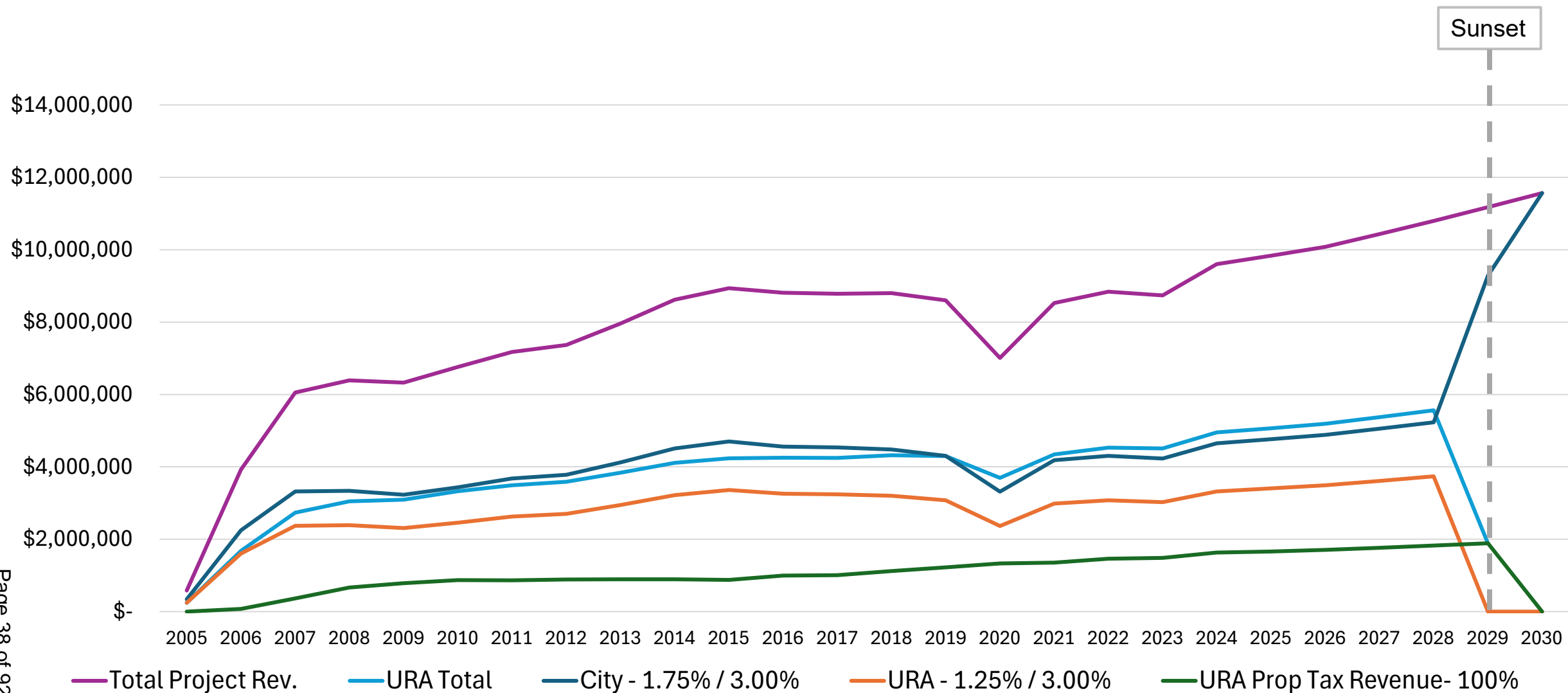
US34/Crossroads Corridor: “Centerra North”

2026 Budget Overview – Detail in Attachment 1

	2024 ACTUAL	2025 ADOPTED	2025 REVISED	2026 PROPOSED	Prior Year Change	Prior Year Change %
REVENUES BY CLASS TOTAL	\$ 20,241,394	\$ 24,027,165	\$ 24,027,165	\$ 22,661,880	\$ (1,365,285)	-6%
EXPENSES BY CLASS TOTAL	\$ 20,155,819	\$ 24,027,165	\$ 24,027,165	\$ 22,614,192	\$ (1,412,973)	-6%
EXP. BY OPERATING VS. CAPITAL TOTAL	\$ 20,155,819	\$ 24,027,165	\$ 24,027,165	\$ 22,614,192	\$ (1,412,973)	-6%

Crossroads / Centerra (URA) - Loveland

Total Tax Revenues 2005 – 2030: Detail found in Attachment 2



Revenue Summary Totals: 2005 - 2024



City of Loveland Revenue

Sales Tax (1.75%)	\$ 75,264,566
Property Tax (TIF)	-
Total	\$ 75,264,566

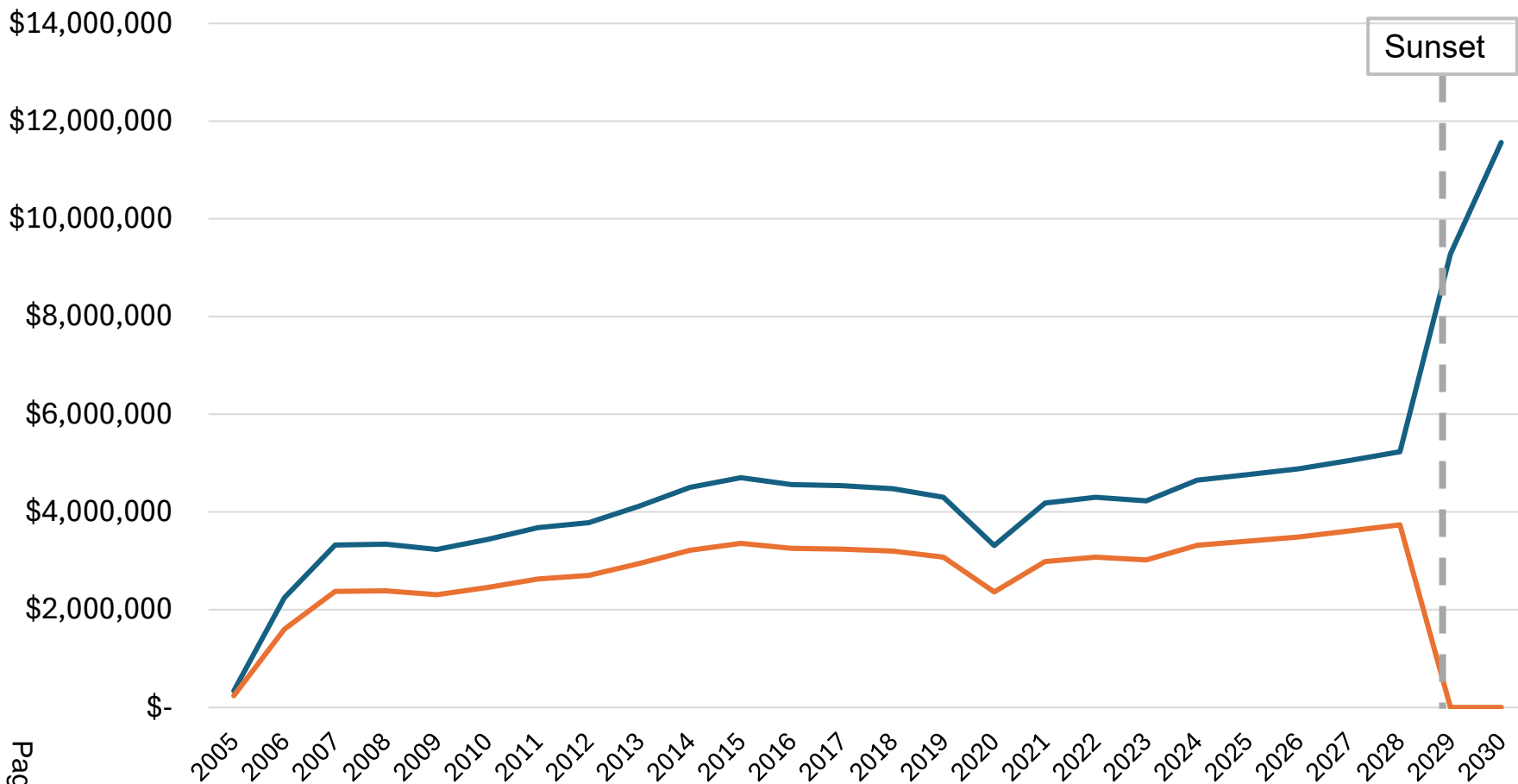


URA Project Revenue

Sales Tax (1.25%)	\$ 53,760,404
Property Tax (TIF)	18,773,138
Total	\$ 72,533,542

Crossroads / Centerra Urban Renewal Area (URA)

Sales Tax Revenue Share Summary 2005 - 2030

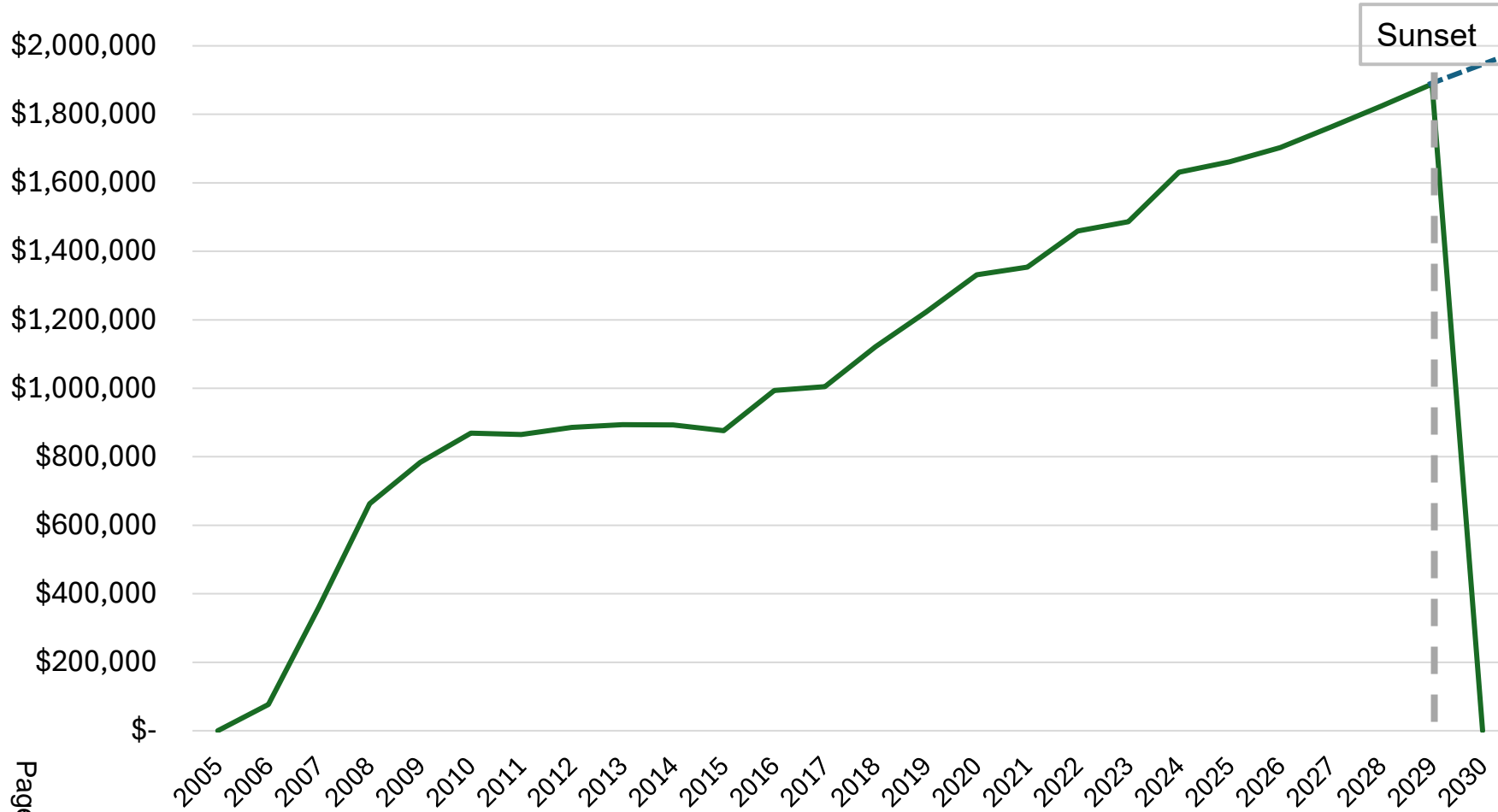


Revenue Collected Through 2030

City: 1.75% / 3.00%	\$ 114,097,225
URA: 1.25% / 3.00%	68,002,538
Total Revenue	\$ 182,099,764

Crossroads / Centerra Urban Renewal Area (URA)

Tax Increment Revenue Summary 2005 – 2030



Average/Year
City: 100% After 2029 **\$ 1,104,551**

Total Collected until 2030
URA: 100% Until 2030 **\$ 27,613,784**

Note:

- Property Tax 9.564 Mill Share Out until 2029
- Data reflects 2.0% Admin fee collected by the County

Community Benefit & Assessed Value

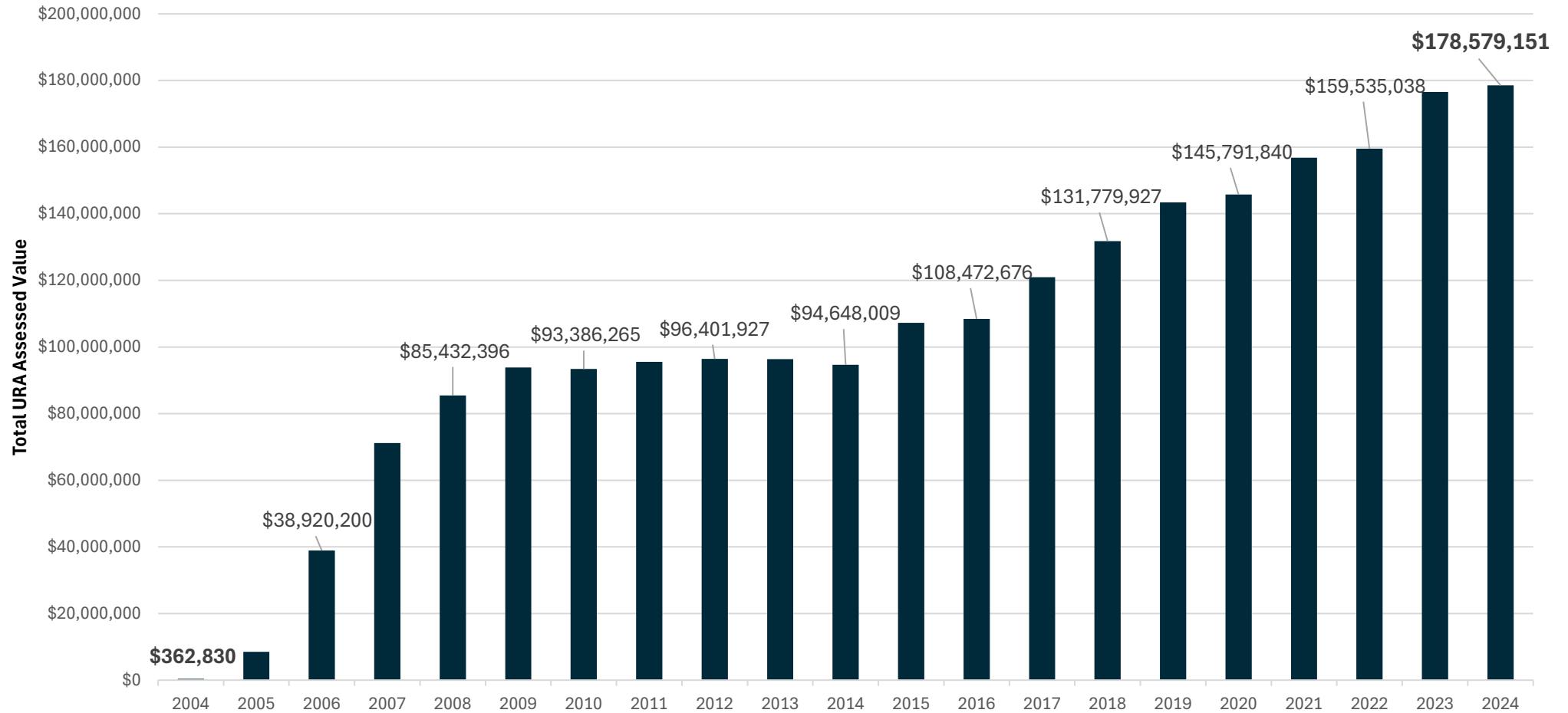
Contributions to Major Roadway Projects

- US 34 and I-25 Interchange improvements
- Crossroads and I-25 Interchange
- US 34 improvements between interchange and Centerra Parkway
- Kendall Parkway / I-25 underpass
- Centerra Parkway Railroad underpass
- Centerra Parkway US34 to 37th Street
- Fall River Drive
- Boyd Lake Avenue (US 34 to Kendall Parkway)



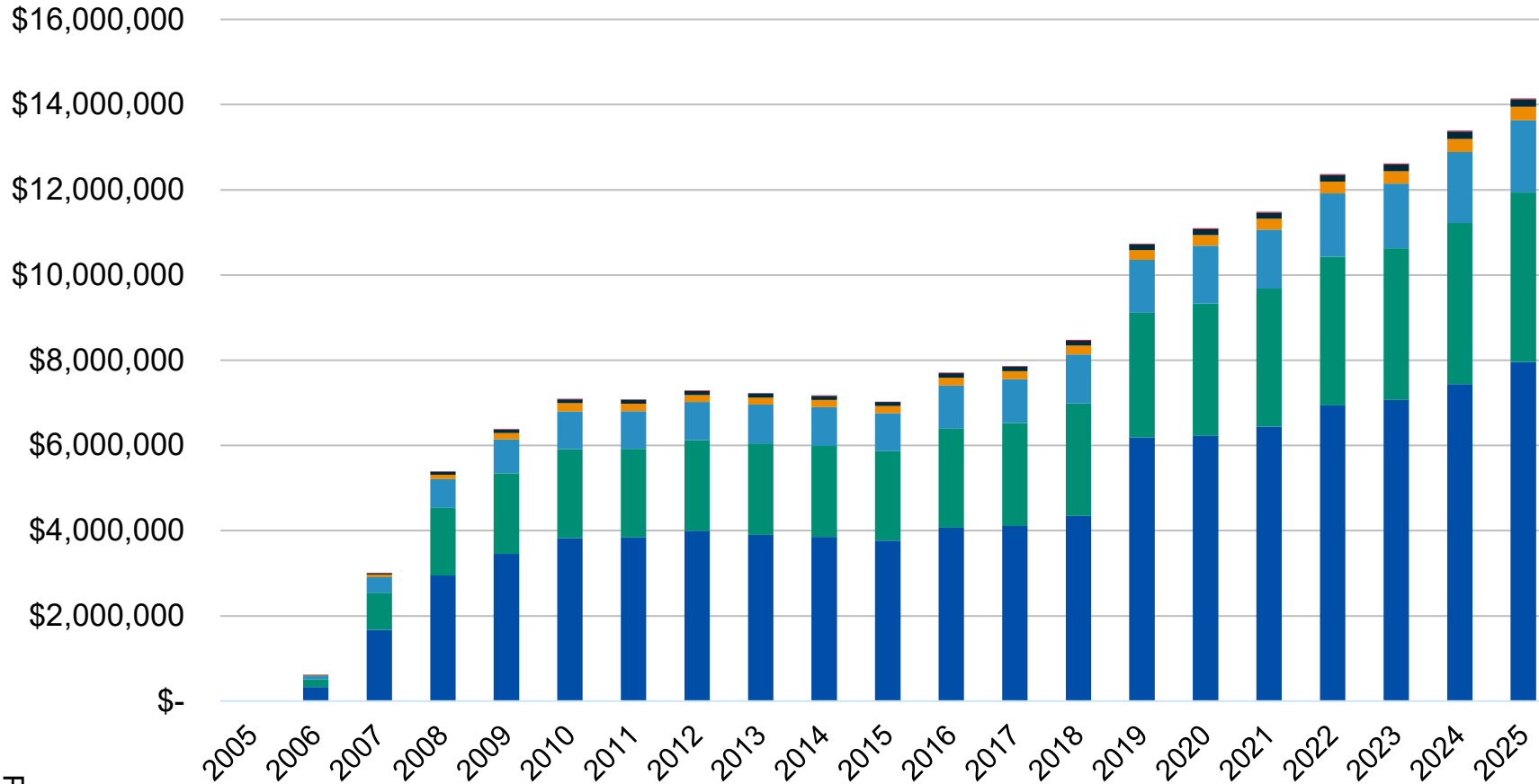
Crossroads / Centerra Urban Renewal Area (URA)

2004 – 2024 Assessed Value



Crossroads / Centerra Urban Renewal Area (URA)

2005 – 2025 Taxing Entity Revenue Summary: Detail in Attachment 3



Revenue Collected Through 2025

Thompson Sch. Dist.	\$	92,384,224
Larimer County	\$	48,656,333
Loveland Project Share Back	\$	20,851,853
Thompson Valley HSD	\$	3,858,847
NoCo Water Con. Dist.	\$	2,180,951
Lar. Co. Pest Control	\$	280,746

Attachment 1

4. Executive Summary

It is estimated that the Project as currently existing generates a positive annual recurring net fiscal impact to the City General Fund of \$3,720,029 per Table-3.

Cost of Service

The Development Planning & Financing Group concluded that the “Centerra North Project Plan” contributes an estimated **\$3,720,029** to the City of Loveland General Fund each year.

This report is a conservative estimate, intended to protect the City’s interests when evaluating project viability.

*Source: Centerra North – Cost of Service Impact Report (Attachment 4)

Table-3
Centerra Net Fiscal Impact Analysis Summary

Fiscal Impact Analysis Summary			
			Table Ref
I. Annual Recurring Revenues			
Property Taxes - Residential	\$	663,745	3
Property Taxes - Commercial		588,830	4
State Shared Revenues		1,115,216	5
Sales Taxes - Residential		948,505	6
Sales Taxes Commercial		7,096,524	7
Total Other General Fund		2,273,873	8
Total Annual Recurring Revenues	\$	12,686,693	
II. Annual Recurring Costs			
Legislative	\$	6,799	9
City Manager		187,595	9
City Attorney's Office		84,938	9
Municipal Court		98,154	9
City Clerk		46,989	9
Cultural Services		112,612	9
Development Services		350,802	9
Economic Development		113,370	9
Finance		410,877	9
Human Resources		98,862	9
Information Technology		300,211	9
Library		192,480	9
Parks & Recreation		1,449,382	9
Police		3,116,550	9
Public Works		627,930	9
Contribution to Outside Agencies		1,769,113	9
Total Annual Recurring Costs	\$	8,966,665	
Net Fiscal Surplus/Deficit	\$	3,720,029	

Block 41 Finley's Addition

Funding Mechanisms Utilized

- Sales Tax Increment
- Property Tax – Tax Increment Financing
- Two interfund loans to be fulfilled in 2027

Approved: 2005

Last Modified: 2012



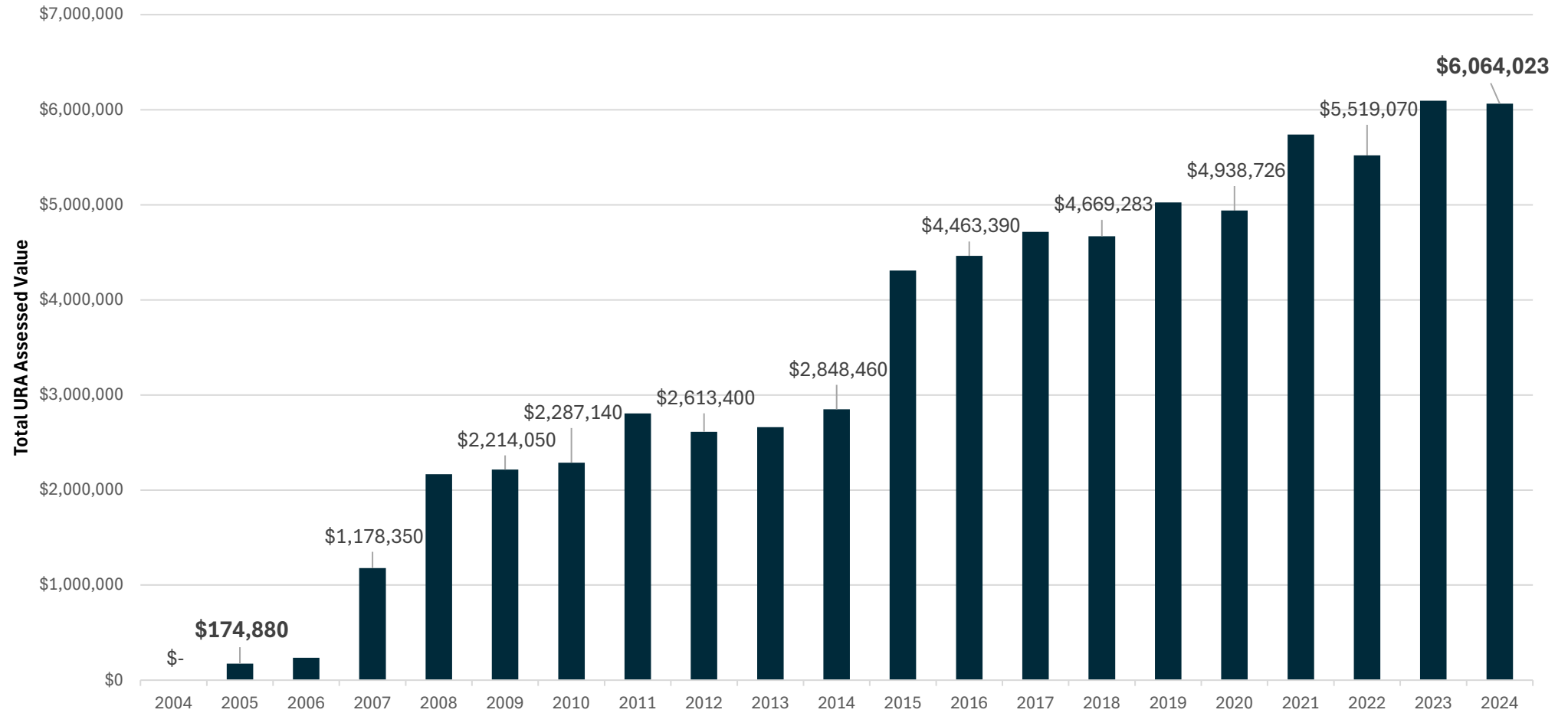
Block 41 – Finley’s Addition

2026 Budget Overview – Detail in Attachment 1

	2024 ACTUAL	2025 ADOPTED	2025 REVISED	2026 PROPOSED	Prior Year Change	Prior Year Change %
REVENUES BY CLASS TOTAL	\$ 435,416	\$ 1,512,000	\$ 2,512,000	\$ 646,600	\$ (865,400)	-57%
EXPENSES BY CLASS TOTAL	\$ 32,133	\$ 347,610	\$ 347,610	\$ 303,155	\$ (44,455)	-13%
EXP. BY OPERATING VS. CAPITAL TOTAL	\$ 32,133	\$ 347,610	\$ 347,610	\$ 303,155	\$ (44,455)	-13%

Block 41 – Finley’s Addition

Urban Renewal Area Assessed Value



Centerra South

Funding Mechanisms Utilized

- Sales Tax Share with the Project for Financing Public Improvements
- Property Tax – Tax Increment Financing
- Other Fees Imposed by the Project

Approved: 2023

Last Modified: 2023



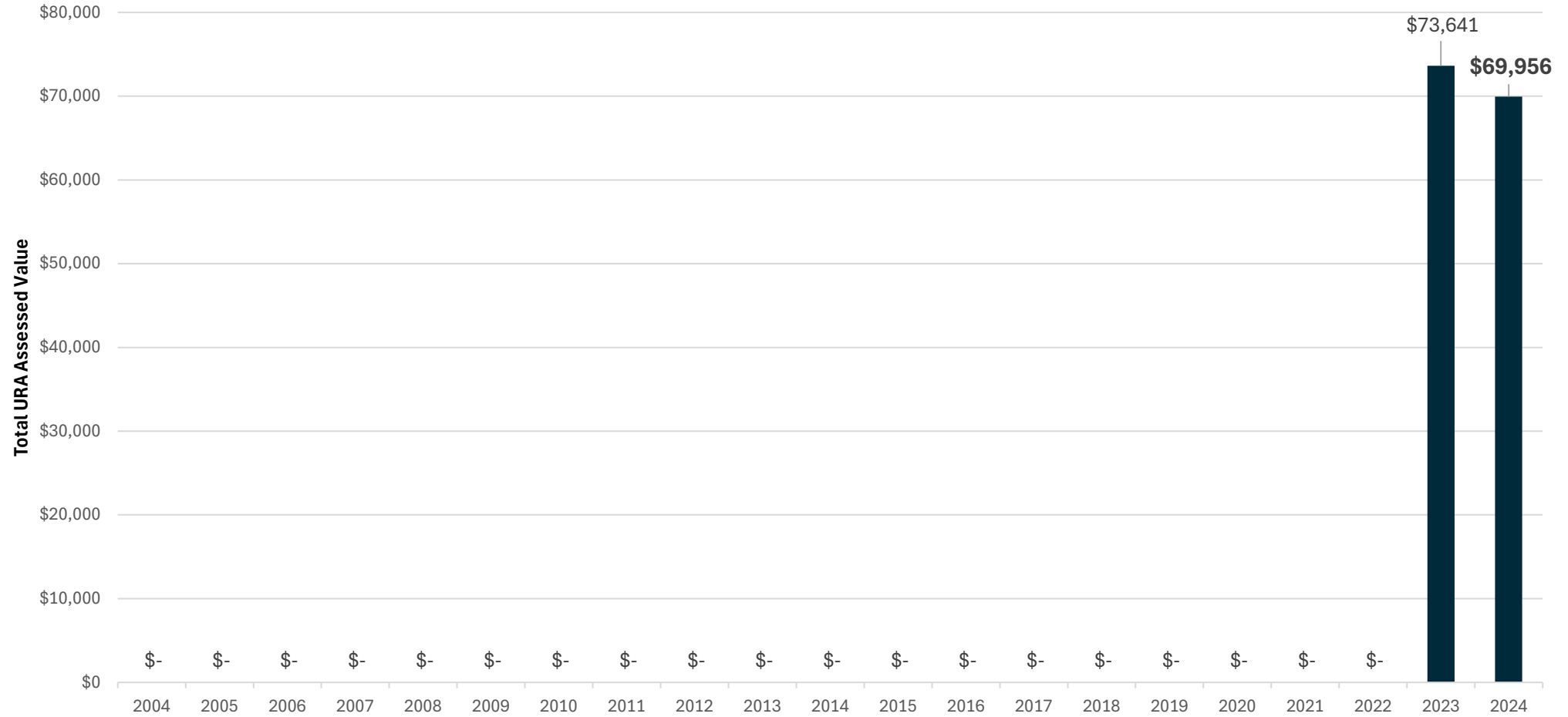
Centerra South

2026 Budget Overview – Detail in Attachment 1

	2024 ACTUAL	2025 ADOPTED	2025 REVISED	2026 PROPOSED	Prior Year Change	Prior Year Change %
REVENUES BY CLASS TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	0%
EXPENSES BY CLASS TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	0%
EXP. BY OPERATING VS. CAPITAL TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	0%

Centerra South URA

Urban Renewal Area Assessed Value





Public Comment & Council Questions



Thank You!

Brian Waldes, Chief Financial Officer

Finance

Brian.Waldes@cityofloveland.org

Attachment 2

City of Loveland
 Loveland Urban Renewal Authority (603) Fund Summary
 2026

	2024 ACTUAL	2025 ADOPTED	2025 REVISED	2026 PROPOSED	Prior Year Change	Prior Year Change %
Beginning Fund Balance	\$ 4,773,687	\$ 2,060,710	\$ 2,854,733	\$ 1,019,123		
Revenues by Division						
Non-Departmental	84,770	-	-	-	-	-
Finley/Lincoln Place	435,416	1,512,000	2,512,000	646,600	(865,400)	-57%
Centerra	20,241,394	24,027,165	24,027,165	22,661,880	(1,365,285)	-6%
LURA Debt Service	-	-	-	-	-	-
REVENUES BY DIVISION TOTAL	\$ 20,761,579	\$ 25,539,165	\$ 26,539,165	\$ 23,308,480	\$ (2,230,685)	-9%
Revenues by Class						
Interest Income	217,839	36,948	36,948	213,380	176,432	478%
Intergovern	-	-	1,000,000	-	-	-
Miscellaneous	10,000	10,000	10,000	10,000	-	0%
Taxes	20,533,741	25,492,217	25,492,217	23,085,100	(2,407,117)	-9%
REVENUES BY CLASS TOTAL	\$ 20,761,579	\$ 25,539,165	\$ 26,539,165	\$ 23,308,480	\$ (2,230,685)	-9%
Expenses by Division						
Non-Departmental	2,462,439	-	-	46,650	46,650	-
Downtown	30,142	-	-	-	-	-
Finley/Lincoln Place	32,133	347,610	347,610	303,155	(44,455)	-13%
Centerra	20,155,819	24,027,165	24,027,165	22,614,192	(1,412,973)	-6%
Draper Project	-	-	4,000,000	-	-	-
EXPENSES BY DIVISION TOTAL	\$ 22,680,533	\$ 24,374,775	\$ 28,374,775	\$ 22,963,997	\$ (1,410,778)	-6%
Expenses by Class						
Capital Outlay	-	-	4,000,000	-	-	-
Purchased Services	84,084	1,125,000	1,125,000	111,650	(1,013,350)	-90%
Cost Allocations	1,217	2,165	2,165	6,151	3,986	184%
Debt Service-Exp	20,136,735	23,247,610	23,247,610	22,846,196	(401,414)	-2%
Transfers	2,458,497	-	-	-	-	-
EXPENSES BY CLASS TOTAL	\$ 22,680,533	\$ 24,374,775	\$ 28,374,775	\$ 22,963,997	\$ (1,410,778)	-6%
Exp. by Operating vs. Capital						
Operating Expenses	22,680,533	24,374,775	28,374,775	22,963,997	(1,410,778)	-6%
EXP. BY OPERATING VS. CAPITAL TOTAL	\$ 22,680,533	\$ 24,374,775	\$ 28,374,775	\$ 22,963,997	\$ (1,410,778)	-6%
<i>Draper Project Reserve</i>			<i>(1,000,000)</i>			
Ending Fund Balance*	\$ 2,854,733	\$ 2,225,100	\$ 1,019,123	\$ 1,363,606		

*Note: The 2024 Ending Fund Balance is comprised of \$537,025 in Centerra-Crossroads and \$2,317,708 in Finley-Lincoln.

Attachment 2

Centerra / Crossroads
2026

	2024 ACTUAL	2025 ADOPTED	2025 REVISED	2026 PROPOSED	Prior Year Change	Prior Year Change %
Revenues by Class						
Interest Income	89,364	21,948	21,948	111,880	89,932	410%
Taxes	20,152,030	24,005,217	24,005,217	22,550,000	-1,455,217	-6%
REVENUES BY CLASS TOTAL	\$ 20,241,394	\$ 24,027,165	\$ 24,027,165	\$ 22,661,880	\$ (1,365,285)	-6%
Expenses by Class						
Purchased Services	50,000	1,025,000	1,025,000	50,000	-975,000	-95%
Cost Allocations	1,217	2,165	2,165	6,151	3,986	184%
Debt Service-Exp	20,104,602	23,000,000	23,000,000	22,558,041	-441,959	-2%
EXPENSES BY CLASS TOTAL	\$ 20,155,819	\$ 24,027,165	\$ 24,027,165	\$ 22,614,192	\$ (1,412,973)	-6%
Exp. by Operating vs. Capital						
Operating Expenses	20,155,819	24,027,165	24,027,165	22,614,192	-1,412,973	-6%
EXP. BY OPERATING VS. CAPITAL TOTAL	\$ 20,155,819	\$ 24,027,165	\$ 24,027,165	\$ 22,614,192	\$ (1,412,973)	-6%

Attachment 2

Finley / Lincoln Place
2026

	2024 ACTUAL	2025 ADOPTED	2025 REVISED	2026 PROPOSED	Prior Year Change	Prior Year Change %
Revenues by Class						
Interest Income	43,705	15,000	15,000	101,500	86,500	577%
Intergovern	-	-	1,000,000	-	0	-
Miscellaneous	10,000	10,000	10,000	10,000	0	0%
Taxes	381,711	1,487,000	1,487,000	535,100	-951,900	-64%
REVENUES BY CLASS TOTAL	\$ 435,416	\$ 1,512,000	\$ 2,512,000	\$ 646,600	\$ (865,400)	-57%
Expenses by Class						
Purchased Services	-	100,000	100,000	15,000	-85,000	-85%
Debt Service-Exp	32,133	247,610	247,610	288,155	40,545	16%
EXPENSES BY CLASS TOTAL	\$ 32,133	\$ 347,610	\$ 347,610	\$ 303,155	\$ (44,455)	-13%
Exp. by Operating vs. Capital						
Operating Expenses	32,133	347,610	347,610	303,155	-44,455	-13%
EXP. BY OPERATING VS. CAPITAL TOTAL	\$ 32,133	\$ 347,610	\$ 347,610	\$ 303,155	\$ (44,455)	-13%

Attachment 2

Centerra South
2026

	2024 ACTUAL	2025 ADOPTED	2025 REVISED	2026 PROPOSED	Prior Year Change	Prior Year Change %
Revenues by Class						
Interest Income	-	-	-	-	-	0%
Intergovern	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	0%
Taxes	-	-	-	-	-	0%
REVENUES BY CLASS TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	0%
Expenses by Class						
Purchased Services	-	-	-	-	-	0%
Debt Service-Exp	-	-	-	-	-	0%
EXPENSES BY CLASS TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	0%
Exp. by Operating vs. Capital						
Operating Expenses	-	-	-	-	-	0%
EXP. BY OPERATING VS. CAPITAL TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	0%

Attachment 3

Centerra North Revenue Analysis and Projections

		Sales Tax Chg	560.8%	48.0%	0.5%	-3.2%	6.3%	7.1%	2.8%	9.0%	9.3%	4.4%	-3.0%	-0.5%	-1.3%	-3.9%	-23.0%	26.3%	2.9%	-1.7%	9.9%	2.5%	2.5%	3.5%	3.5%	3.5%	3.5%	4.85%	
		Prop Tax chg		373.6%	83.4%	18.2%	10.9%	-0.5%	2.4%	0.9%	0.0%	-1.9%	13.4%	1.1%	11.6%	9.1%	8.9%	1.7%	7.7%	1.9%	9.7%	1.9%	5.0%	1.0%	5.0%	1.0%	5.0%	29.15%	
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	TOTAL	Average/year
		2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030		
Sales Activity																													
	Promenade	12,671,697	105,283,403	124,985,388	121,189,121	119,414,697	126,810,034	132,220,989	128,443,851	134,325,169	147,764,819	152,279,633	142,623,914	141,716,269	136,638,766	129,120,864	89,877,326	117,158,785	120,040,539	114,296,903	119,759,788	122,753,783	125,822,627	130,226,419	134,784,344	139,501,796	144,384,359	3,214,095,281	122,788,437
	Centerra	6,742,373	23,011,068	64,835,866	69,663,458	65,258,774	69,508,582	78,055,109	87,655,615	101,165,083	109,743,333	116,446,794	117,976,107	117,568,071	119,223,506	116,824,819	99,386,253	121,844,495	125,935,221	127,443,794	145,922,075	149,570,127	153,309,380	158,675,209	164,228,841	169,976,851	175,926,040	2,855,896,844	107,198,832
		19,414,070	128,294,471	189,821,254	190,852,578	184,673,471	196,318,616	210,276,098	216,099,466	235,490,252	257,508,152	268,726,426	260,600,021	259,284,340	255,862,271	245,945,683	189,263,578	239,003,281	245,975,760	241,740,697	265,681,863	272,323,910	279,132,008	288,901,628	299,013,185	309,478,646	320,310,399	5,749,681,725	229,987,269
Sales Tax Revenue																													
	Total - 3%	582,422	3,848,834	5,694,638	5,725,577	5,540,204	5,889,558	6,308,283	6,482,984	7,064,708	7,725,245	8,061,793	7,818,001	7,778,530	7,675,868	7,378,370	5,677,907	7,170,098	7,379,273	7,252,221	7,970,456	8,169,717	8,373,960	8,667,049	8,970,396	9,284,359	9,609,312	182,099,764	6,899,618
	City - 1.75% / 3.00%	339,746	2,245,153	3,321,872	3,339,920	3,231,786	3,435,576	3,679,832	3,781,741	4,121,079	4,506,393	4,702,712	4,560,500	4,537,476	4,477,590	4,304,049	3,312,113	4,182,557	4,304,576	4,230,462	4,649,433	4,765,668	4,884,810	5,055,778	5,232,731	5,284,359	5,609,312	114,097,225	4,179,517
	URA - 1.25% / 3.00%	242,676	1,603,681	2,372,766	2,385,657	2,308,418	2,453,983	2,628,451	2,701,243	2,943,628	3,218,852	3,359,080	3,257,500	3,241,054	3,198,278	3,074,321	2,365,795	2,987,541	3,074,697	3,021,759	3,321,023	3,404,049	3,489,150	3,611,270	3,737,665	-	-	68,002,538	2,720,102
Property Tax Revenue																													
	Total Assessed Value (Increment)		8,146,100	38,578,590	70,771,329	83,636,967	92,755,494	92,288,235	94,476,442	95,356,955	95,318,080	93,519,010	106,029,570	107,233,912	119,642,919	130,479,990	142,037,259	144,464,307	155,656,814	158,584,706	173,978,494	177,288,628	186,153,059	188,014,590	197,415,319	199,389,473	209,358,946	N/A	N/A
	URA Prop Tax Revenue- 100%	-	76,351	361,586	663,320	783,906	869,371	864,992	885,501	893,754	893,390	876,527	993,785	1,005,073	1,121,380	1,222,952	1,331,275	1,354,023	1,458,928	1,486,370	1,630,652	1,661,677	1,703,219	1,762,831	1,824,530	1,888,389	-	27,613,784	1,104,551
	City Prop Revenue																										1,954,483		
TOTAL revenues																													
	Total Project Rev.	582,422	3,925,185	6,056,224	6,388,897	6,324,110	6,758,930	7,173,275	7,368,485	7,958,462	8,618,634	8,938,320	8,811,786	8,783,604	8,797,248	8,601,323	7,009,183	8,524,122	8,838,201	8,738,591	9,601,108	9,831,394	10,077,179	10,429,880	10,794,926	11,172,748	11,563,794	211,668,030	8,004,169
	City	339,746	2,245,153	3,321,872	3,339,920	3,231,786	3,435,576	3,679,832	3,781,741	4,121,079	4,506,393	4,702,712	4,560,500	4,537,476	4,477,590	4,304,049	3,312,113	4,182,557	4,304,576	4,230,462	4,649,433	4,765,668	4,884,810	5,055,778	5,232,731	5,284,359	5,609,312	116,051,708	4,179,517
	URA Total	242,676	1,680,032	2,734,352	3,048,977	3,092,324	3,323,354	3,493,443	3,586,745	3,837,382	4,112,242	4,235,608	4,251,286	4,246,128	4,319,658	4,297,273	3,697,070	4,341,565	4,533,625	4,508,129	4,951,675	5,065,726	5,192,369	5,374,102	5,562,195	1,888,389	95,616,322	3,824,653	

v. 07.31.2025

Attachment 4

Centerra North - Taxing Entities Revenue History

Auth #	Authority Name	1 2005	2 2006	3 2007	4 2008	5 2009	6 2010	7 2011	8 2012	9 2013	10 2014	11 2015	12 2016	13 2017	14 2018	15 2019	16 2020	17 2021	18 2022	19 2023	20 2024	21 2025	Totals
11	THOMPSON R2J SCHOOL DISTRICT		327,881	1,676,510	2,948,121	3,455,971	3,830,338	3,843,159	3,997,298	3,898,574	3,852,376	3,765,823	4,070,793	4,112,313	4,344,833	6,188,405	6,226,629	6,439,930	6,940,426	7,068,279	7,439,320	7,957,245	\$ 92,384,224
28	LARIMER COUNTY		183,621	864,546	1,586,269	1,888,917	2,080,970	2,078,700	2,123,075	2,147,439	2,137,413	2,100,343	2,320,139	2,415,015	2,643,151	2,923,143	3,105,361	3,244,379	3,490,604	3,558,006	3,783,162	3,982,080	\$ 48,656,333
33	CITY OF LOVELAND / PROJECT SHARE BACK		77,909	368,966	676,857	799,904	887,114	882,645	903,573	911,994	911,622	894,416	1,014,067	1,025,585	1,144,265	1,247,911	1,358,444	1,381,657	1,488,702	1,516,704	1,663,930	1,695,588	\$ 20,851,853
55	THOMPSON VALLEY HEALTH SERVICES DISTRICT		12,292	57,559	104,105	144,737	194,137	175,255	162,122	167,542	168,322	164,874	186,612	189,590	210,332	230,036	250,270	255,557	273,489	294,492	306,028	311,496	\$ 3,858,847
117	NORTHERN COLORADO WATER CONS DISTRICT		8,146	38,579	70,771	84,345	92,755	92,288	38,476	95,357	95,318	93,519	106,030	107,234	119,643	130,480	142,037	144,464	155,657	158,585	173,978	177,289	\$ 2,180,951
64	LARIMER COUNTY PEST CONTROL		1,140	4,879	8,877	10,542	11,662	11,744	11,955	11,861	12,064	11,961	13,665	13,986	15,721	17,136	18,606	19,121	20,607	21,132	22,050	22,037	\$ 280,746

Source: County Assesor TIF Warrants
 Notes: 2009: \$4,115 went to the Loveland Rural FPD
 Data does not reflect Larimer County collection fees.

CENTERRA
FISCAL IMPACT ANALYSIS
Prepared for the
Centerra Metropolitan District

March 2023

Prepared By:



**CENTERRA
FISCAL IMPACT ANALYSIS
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Appendix A: Project Maps

Appendix B: Detailed Fiscal Impact Analysis

1. Purpose of Fiscal Impact Analysis

Representatives of the Centerra Metropolitan District have requested that DPFPG, LLC. (“DPFPG”) prepare a Fiscal Impact Analysis (“FIA”) to estimate the annual recurring net fiscal impact that the Existing Centerra Master Planned community (“Project”) is anticipated to have on the City of Loveland, Colorado’s (“City”) General Fund. This FIA analyzes the Project’s impact on the City’s General Fund resulting from only the existing development of the Project and does not consider any future development. Please note that the FIA is subject to limiting conditions outlined in this Report.

2. Project Description

The Centerra Metropolitan District is a mixed-use development which at buildout is estimated to include 11,119 residential units and approximately 10.1 million square feet of commercial space. The Centerra Metropolitan District includes approximately 2,850 total acres that are predominately located at the northwest and northeast intersection of Interstate-25 and Highway-34 in the City. The Project, which represents a portion of the Centerra Metropolitan District, currently consists of 2,710 residential units and approximately 4.3 million square feet of commercial spaces. It is estimated that the Project, upon buildout, will add an additional 8,409 apartment and for-sale housing units, as well as approximately 5,806,000 square feet of medical office, office, hotel, retail, and industrial spaces. A summary of the Project’s land use estimates is shown below in **Table-1**, while the site plan is included in **Appendix A-1**.

**Table-1
Centerra Land Use Estimates**

<u>Land Use Estimates</u>	<u>Project</u>
Residential	
Apartment	863
For-Sale	1,743
Senior	104
Total Units	2,710
Commercial	
Medical Office	796,992
Office	772,491
Hotel	218,022
Retail	1,715,041
Industrial	808,476
Total Square Feet	4,311,022

3. General Sources of Information and FIA Methodology

Annual recurring revenues/costs were calculated using the City of Loveland’s 2023 Recommended Budget (“Budget”), as this was the most recent budget available. Annual recurring revenue/cost impacts to the City General Fund are estimated in 2023 dollars, and by using primarily either per person (“Per Capita”) or equivalent resident (“Equivalent Resident”) methodologies. In some simpler

March 2023

instances the FIA estimates impacts based on the number of Project residential units, commercial square feet, or developed park acreage.

The Per Capita approach is used for annual recurring revenues/costs that are impacted by the number of Project residents. This approach uses the Budget’s revenues/costs and the City’s number of residents in 2022 to establish a Per Capita Factor. The Per Capita Factor is then applied to the number of Project residents to estimate annual recurring fiscal impacts.

The Equivalent Resident approach is used for annual recurring revenues/costs that are impacted by both the number of Project residents and Project employees. This approach uses the Budget’s revenues/costs, as well as the City’s number of residents plus 50.0% of the employees in 2022 to establish an Equivalent Resident Factor. The Equivalent Resident Factor is then applied to the number of Project residents plus 50.0% of Project employees to estimate annual recurring fiscal impacts. 50.0% is estimated to be the percentage of Project employees that will live and shop in the City.

These approaches are summarized below in **Table-2**.

**Table-2
Centerra Assumptions Summary**

	<u>City (a) (b)</u>	<u>Project (c)</u>
Per Capita (a)	81,127	6,436
Employees (b)	78,774	11,447
Per Capita + 50% Employeeed ("Equivalent Residents")	120,514	12,160
<u>Footnotes:</u>		
(a) Per page 12 of the budget sourcing City's Community and Strategic Planning Offices Annual Data and Projections Report.		
(b) Per page 12 of the budget sourcing City's Community and Strategic Planning Offices Annual Data and Projections Report. (Unemployment at 2.91%)		
(b) Project employees estimated based on calculation using developed square footage, employees per square foot for applicable land uses, and vacancy rates. (See Table 2)		

Information used in preparing the FIA was obtained from the following sources: (1) City of Loveland 2023 Recommended Budget; (2) Pinnacle Consulting Group; (3) U.S. Census Bureau population, household, employment, income, and other demographic data; (4) City Revenue Division taxing data; (5) County Assessor property valuations; (6) U.S. Bureau of Labor Statistics household and retail expenditures; (7) City Building Department permitting data; (8) CBRE property occupancies and valuations; (9) Institute of Traffic Engineering square footages per employee by property type; (10) Larimer County Office of Budgets state shared revenues; (11) National Association of Realtors down payment data; (12) Wells Fargo interest and loan rates; (13) January 20, 2004 Centerra Master Financing and Intergovernmental Agreement (“MFA”), and associated amendments; and (14) McWhinney Real Estate Services and affiliates (“Developer”).

This analysis is stated in 2023 dollars and relies on 2022 and 2023 data for purposes of estimating the fiscal impact the Project has on the City.

March 2023

4. Executive Summary

It is estimated that the Project as currently existing generates a positive annual recurring net fiscal impact to the City General Fund of \$3,720,029 per **Table-3**.

Table-3
Centerra Net Fiscal Impact Analysis Summary

Fiscal Impact Analysis Summary			
<u>I. Annual Recurring Revenues</u>			Table Ref.
Property Taxes - Residential	\$	663,745	3
Property Taxes - Commercial		588,830	4
State Shared Revenues		1,115,216	5
Sales Taxes - Residential		948,505	6
Sales Taxes Commercial		7,096,524	7
Total Other General Fund		2,273,873	8
Total Annual Recurring Revenues	\$	12,686,693	
<u>II. Annual Recurring Costs</u>			
Legislative	\$	6,799	9
City Manager		187,595	9
City Attorney's Office		84,938	9
Municipal Court		98,154	9
City Clerk		46,989	9
Cultural Services		112,612	9
Development Services		350,802	9
Economic Development		113,370	9
Finance		410,877	9
Human Resources		98,862	9
Information Technology		300,211	9
Library		192,480	9
Parks & Recreation		1,449,382	9
Police		3,116,550	9
Public Works		627,930	9
Contribtuion to Outside Agencies		1,769,113	9
Total Annual Recurring Costs	\$	8,966,665	
Net Fiscal Surplus/Deficit	\$	3,720,029	

March 2023

5. FIA Recurring Revenues

The revenue estimates in this section utilize either the Per Capita or the Equivalent Resident approach, with the exception of property and sales taxes which are estimated from the number of Project residential units or commercial square feet developed, as shown in detail in **Appendix B**.

5.1 Sales Taxes

5.1.1 Residential Retail Sales Taxes

The City receives sales tax revenues generated from the Project residents on taxable purchases made within the City; however, outside of the Project area. This analysis estimates that approximately 39.2% of the Project residents purchase will result in a taxable sale. Of those sales, it is assumed that 50.0% of the taxable sales by Project residents are captured inside of the City. Of the taxable sales that occur within the City, 50.0% of those City captured sales will occur outside of the Project area. Residential retail sales taxes are estimated from the number of residential units built within the Project. The City receives 3.0% of the sales tax revenues which are estimated to generate **\$948,505** in annual recurring revenue as shown in **Appendix B Table 6**.

5.1.2 Commercial Retail Sales Taxes

A Public Improvement Fee (“PIF”) was established by the Centerra Master Financing Agreement (“MFA”) on January 20, 2004 and applies to the Project’s commercial area (“Commercial Area”). The Commercial Area includes 100.0% of the Project, according to the Third (3rd) Amendment to the MFA dated October 28, 2008. The PIF is collected by retailers within the Project in order to finance a portion of public improvement costs. Commercial retail sales taxes are estimated from the number of square feet of retail space built within the Project. From January 20, 2004 to January 20, 2029 (“PIF Term”), the City’s 3.0% sales tax is reduced to 1.75% to account for a 1.25% PIF on retail sales occurring within the Project. In 2022 the City received \$2,100,710 in retail sales tax revenue from the Promenade Shops and \$1,923,160 in retail sales tax revenue from the Centerra Marketplace within the Metro District for a total of \$4,023,870 in sales tax revenue from the shopping centers. The Project is estimated to have generated **\$7,096,524** in annual recurring revenue as shown in **Appendix B Table 7**.

5.1.3 Hotel Sales and Lodging Taxes

For the PIF Term, the City’s original 3.00% is reduced to 1.75% to account for a 1.25% PIF. This amount plus lodging tax revenues of 3.0% on all hotel rooms rented within the Project are collected until 2029 when the City will receive the full 3.00% hotel sales tax amount alongside the lodging tax. These revenue estimates utilize an average hotel room rate of \$148, an occupancy rate of 72.9% and an average room size inclusive of common areas of 500 square feet. Hotel Sales and Lodging Taxes are estimated from the number of hotel square feet built within the Project. Based on the total hotel sales and lodging taxes, the Project is estimated to generate **\$594,612** in annual recurring revenue as shown in **Appendix B Table 7**.

5.2 Other Taxes

The City receives revenues in the form of other taxes which includes Specific Ownership Tax, Cigarette Tax, Gas and Cable Franchise Taxes, and Telephone Business and Occupation Tax. Analysis assumes Cigarette tax accounts for 20% of Other Taxes. Other taxes are estimated from the

March 2023

City Franchise Tax per Equivalent Resident of \$29.73. The Project is estimated to generate **\$361,562** in annual recurring revenue as shown in **Appendix Table 8**.

5.3 License and Permits

The City receives revenues from the issuance of licenses and permits such as development construction permits, liquor licenses, and special events permits.. License Fees are estimated from the City License Fee per Equivalent Resident of \$26.29. The Project is estimated to generate **\$319,734** in annual recurring revenue as shown in **Appendix Table 8**.

5.4 State Shared Revenues

The City receives revenues from State Shared Revenues. State Shared Revenues are estimated from the City State Shared Revenues of \$3.58 Per Capita for Motor Vehicle Fee Distributions, \$117.37 Per Capita for Motor Vehicle Sales and Use Tax Distributions, \$35.13 Per Capita for Open Space Sales Tax Distributions, and \$17.19 Per Capita for Specific Ownership Tax Distributions. In total, the Project is estimated to generate **\$1,115,216** in annual recurring revenue as shown in **Appendix Table 5**.

5.5 Fines and Penalties

The City receives revenues in the form of Fines and Penalties. Fines and Penalties are estimated from the City Fines and Penalties per Equivalent Residents of \$8.03. The Project is estimated to generate **\$97,673** in annual recurring revenue as shown in **Appendix Table 8**.

5.6 Charges for Services

The City collects charges for access to services provided by the City (Utilities, Parks & Rec, Cultural Services, etc.) and internal service charges which are costs paid by one department to another for services rendered. Fines and Penalties are estimated from the City Fines and Penalties per Equivalent Residents of \$38.06. The Project is estimated to generate **\$462,773** in annual recurring revenue as shown in **Appendix Table 8**.

5.7 Payment In-Lieu of Taxes (PILT)

Represents an estimate of the amount of taxes that would be chargeable to a utility if owned privately. PILT is paid by the Power, Stormwater, Water, Wastewater, Raw Water, and Solid Waste Enterprise Funds to the General Fund. These utilities make payments at a rate of 7% of total operating revenues for each Enterprise Fund. PILT is estimated from the City Fines and Penalties per Equivalent Residents of \$84.88. The Project is estimated to generate **\$1,032,131** in annual recurring revenue as shown in **Appendix Table 8**.

5.8 Property Taxes

The City receives revenues in the form of Property Taxes. Owners of property in the City are required to pay an annual tax of 9.564 mills (“Mill Levy”) on the assessed valuation of property they own. One mill is equivalent to one dollar per 1,000 dollars of assessed valuation.

The MFA established a Loveland Urban Renewal Authority (“LURA”) on a portion of the Project in order to conduct urban revitalization activities in Loveland. From January 20, 2004 to January 20, 2029 (“LURA Term”), it is estimated that the City will collect 0.0% of the incremental taxes generated above the established base year property taxes (“Base Property Taxes”) for any properties

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located within the LURA. After the expiration of the LURA Term, the City will collect 100.0% of the Mill Levy on properties located in the LURA. For properties located outside of the LURA, the City collects 100.0% of the Mill Levy.

Per discussions with the Developer; we have estimated the percentage of units or square feet of each property type that are located within the LURA. Property taxes are estimated from the number of residential units and commercial square feet built within the Project. The Project is estimated to generate **\$1,252,576** in annual recurring revenue as shown in **Appendix B Table 3 and 4**.

6. FIA Recurring Costs

The cost estimates in this section utilize either the Per Capita or the Equivalent Resident approach, with the exception of Parks and Recreation costs, which are estimated from the number of Project park acreage developed, as shown in detail in **Appendix B Table 9**.

6.1 Legislative

Legislative costs include all costs related to the City Council. Project Legislative costs are estimated from the City Legislative cost per Equivalent Resident of \$0.56. The FIA assumes an estimated 50.0% marginal increase for these costs as they do not have a 1:1 relationship with population growth (i.e., majority of costs are fixed, not variable). Accordingly, the Project is estimated to generate **\$6,799** in annual recurring Legislative costs as shown in **Appendix Table 9**.

6.2 City Manager

The City Manager cost category includes all expense related to the City Manager and their staff. Costs are estimated by using a per Equivalent Resident value of \$15.43. The FIA assumes an estimated 50.0% marginal increase for these costs as they do not have a 1:1 relationship with population growth (i.e., majority of costs are fixed, not variable). Accordingly, the Project is estimated to generate **\$187,595** in annual recurring costs as shown in **Appendix Table 9**.

6.3 City Attorney's Office

The City Attorney cost category includes all legal expenses incurred by the City. The FIA assumes an estimated 50.0% marginal increase for these costs as they do not have a 1:1 relationship with population growth (i.e., majority of costs are fixed, not variable). The City Attorney costs are estimated on a per Equivalent Resident rate of \$6.99. Accordingly, the Project is estimated to generate **\$84,938** in annual recurring costs as shown in **Appendix Table 9**.

6.4 Municipal Court

The Municipal Court is a court of record with limited jurisdiction that adjudicated and processed traffic violations. The FIA assumes an estimated 100.0% marginal increase for these costs as they do not have a 1:1 relationship with population growth (i.e., majority of costs are fixed, not variable). Project costs are estimated at a per Equivalent Resident rate of \$8.07. Accordingly, the Project is estimated to generate **\$98,154** in annual recurring costs as shown in **Appendix Table 9**.

6.5 City Clerk

The City Clerk is responsible for recording Council meetings, processing liquor license requests, and serving as secretary to the Loveland Liquor License Authority, document management and records requests, and managing municipal elections. The FIA assumes an estimated 50.0% marginal

March 2023

increase for these costs as they do not have a 1:1 relationship with population growth (i.e., majority of costs are fixed, not variable). Project Costs are estimated on a per Equivalent Resident of \$3.86. Accordingly, the Project is estimated to generate **\$46,989** in annual recurring costs as shown in **Appendix Table 9**.

6.6 Cultural Services

Cultural Services is comprised of three divisions: the Loveland Museum, the Rialto Theater Center, and the Art in Public Places program. The FIA assumes an estimated 50.0% marginal increase for these costs as they do not have a 1:1 relationship with population growth (i.e., majority of costs are fixed, not variable). Project Costs are estimated from the City Economic Development per Equivalent Resident at a rate of \$9.26. Accordingly, the Project is estimated to generate **\$112,612** in annual recurring costs as shown in **Appendix Table 9**.

6.7 Development Service

The Development Services Department includes Planning, Building Inspections, Code Enforcement, Community Partnership Office, and Community and Strategic Planning (including Historic Preservation, Downtown Working Committee Support). While it is unlikely that Development Services costs have a 1:1 relationship with population growth, for purposes of being conservative, the FIA assumes 100% of the Development Services costs are estimated to be impacted by the Project. Project Development Services costs are estimated from the City Development Services cost per Equivalent Resident of \$28.85. Accordingly, the Project is estimated to generate **\$350,802** in annual recurring costs as shown in **Appendix B Table 9**.

6.8 Economic Development

The Economic Development Department unifies all the primary economic development functions of the City of Loveland. These include primary employment attraction, retention and expansion; retail development and recruitment; small business development; creative sector development; tourism and visitor services; and downtown development. Departmental activities incorporate analysis and strategic planning; marketing; business assistance and liaison; and financial assistance and partnerships with business. While it is unlikely that Economic Development costs have a 1:1 relationship with population growth, for purposes of being conservative, the FIA assumes 100.0% of the City Economic Development costs are estimated to be impacted by the Project which results in a per Equivalent Resident cost of \$9.32. Accordingly, the Project is estimated to generate **\$113,370** in annual recurring costs as shown in **Appendix B Table 9**.

6.9 Finance

The Finance Department is responsible for all financial functions of the City, as well as many other support services, including Accounting and Purchasing, Budget, Revenue, and Utility Billing. Finance assists the public regarding utility bills, accounts payable, sales and use taxes, and municipal bonds. The FIA assumes an estimated 50.0% marginal increase for these costs as they do not have a 1:1 relationship with population growth (i.e., majority of costs are fixed, not variable). Project costs are estimated from the City Finance cost per Equivalent Resident of \$33.79. Accordingly, the Project is estimated to generate **\$410,877** in annual recurring costs as shown in **Appendix B Table 9**.

March 2023

6.10 Human Resources

The Human Resources Department provides Human Resources and Risk Management services to employees and volunteers. These services include: recruitment, selection and orientation; compensation and benefits development and administration; coaching, counseling and discipline; record keeping; policy development and compliance with administrative regulations; training and employee development; Employee Recognition Program; safety and workers' compensation administration; environmental compliance support and administration; risk administration, compliance and insurance programs; and the Community Volunteer Program. The FIA assumes an estimated 50.0% marginal increase for these costs as they do not have a 1:1 relationship with population growth (i.e., majority of costs are fixed, not variable). Project costs are estimated using a per Equivalent Resident cost of \$8.13. Accordingly, the Project is estimated to generate **\$98,862** in annual recurring costs as shown in **Appendix B Table 9**.

6.11 Information Technology

The Information Technology Department is made up of four divisions: Administration, Application Services, Infrastructure Services, and Telecommunications. IT is responsible for the information systems, applications and technologies that provide communication with and for the City of Loveland government. The FIA assumes an estimated 50.0% marginal increase for these costs as they do not have a 1:1 relationship with population growth (i.e., majority of costs are fixed, not variable). Project IT costs are estimated from the City IT cost per Equivalent Resident of \$24.69. Accordingly, the Project is estimated to generate **\$300,211** in annual recurring costs as shown in **Appendix B Table 9**.

6.12 Library

The Library cost category includes cost items categorized as Administration and Technical Services, Library Adult Services, Library Children Services, Library Customer Services, Library Technology, Library Teen Services, and Broadcast Equipment. The FIA assumes an estimated 50.0% marginal increase for these costs as they do not have a 1:1 relationship with population growth (i.e., majority of costs are fixed, not variable). Project Library costs are estimated from the City Library cost per Equivalent Resident of \$15.83. Accordingly, the Project is estimated to generate **\$192,480** in annual recurring costs as shown in **Appendix B Table 9**.

6.13 Parks and Recreation

The Parks and Recreation cost category includes cost items categorized as Recreation Centers, Parks Operations, Open Lands, Trails, Mariana Butte, Golf Administration, Mountain Park, Olde Course, Parks Ground Maintenance, Capital Replacement, Administration, Recreation Programs, Sports Turf, Parks Fleet, Public Grounds Maintenance, Cemetery, Youth Athletics, Parks Planning, Special Recreation, Adult Athletics, Parks Projects, Outdoor Aquatics, Cattail Creek, Play/Tee Management, and Concessions/BC. While it is unlikely that Parks and Recreation costs have a 1:1 relationship with population growth, for purposes of being conservative, the FIA assumes 100% of the City Parks and Recreation costs are estimated to be impacted by the Project. Project Parks and Recreation costs are estimated from the City Parks and Recreation cost per Equivalent Resident of \$119.19. Accordingly, the Project is estimated to generate **\$1,449,382** in annual recurring costs as shown in **Appendix B Table 9**.

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6.14 Police

The Police cost category includes cost items categorized as Operations, Information Services, Support Services, Administration, and Seizures and Forfeits. While it is unlikely that Police costs have a 1:1 relationship with population growth, for purposes of being conservative, the FIA assumes 100.0% of the City Police costs are estimated to be impacted by the Project. Project Police costs are estimated from the City Police cost per Equivalent Resident of \$256.30. Accordingly, the Project is estimated to generate **\$3,116,550** in annual recurring costs as shown in **Appendix B Table 9**.

6.15 Public Works

The Public Works cost category includes cost items categorized as Engineering, Facilities Management, Fleet Operations, Street Repair and Maintenance, Traffic Engineering, Transit, Fleet Replacement, Stimulus Projects, Transportation Development Review, and Administration. While it is unlikely that Public Works costs have a 1:1 relationship with population growth, for purposes of being conservative, the FIA assumes 100.0% of the City Public Works costs are estimated to be impacted by the Project. Project Public Works costs are estimated from the City Public Works cost per Equivalent Resident of \$51.64. Accordingly, the Project is estimated to generate **\$627,930** in annual recurring costs as shown in **Appendix B Table 9**.

6.16 Contributions to Outside Agencies

The Contributions to Outside Agencies cost category includes costs related to separate governmental entities for which the City of Loveland has a significant interest in or has created for specific purposes. Spending for these funds is typically approved through an intergovernmental agreement or a separate resolution. While it is unlikely that Contributions to Outside Agencies costs have a 1:1 relationship with population growth, for purposes of being conservative, the FIA assumes 100.0% of the Contributions to Outside Agencies costs are estimated to be impacted by the Project. Project Contribution to Outside Agencies costs are estimated from the City Contributions to Outside Agencies cost per Equivalent Resident of \$145.49. Accordingly, the Project is estimated to generate **\$1,769,113** in annual recurring costs as shown in **Appendix B Table 9**.

7. Limiting Conditions

This study prepared by DPF, LLC is subject to the following considerations and limiting conditions.

- It is our understanding that this Report is for the client's due diligence and other planning purposes. Neither our Report, nor its contents, nor any of our work were intended to be included and, therefore, may not be referred to or quoted in whole or in part, in any registration statement, prospectus, public filing, private offering memorandum, or loan agreement without our prior written approval.
- The reported recommendation(s) represent the considered judgment of DPF, LLC based on the facts, analyses and methodologies described in the Report.
- Except as specifically stated to the contrary, this Report will not give consideration to the following matters to the extent they exist: (i) matters of a legal nature, including issues of legal title and compliance with federal, state and local laws and ordinances; and (ii) environmental and engineering issues and the costs associated with their correction. The user of this Report will be responsible for making his/her own determination about the impact, if any, of these matters.

- This Report is intended to be read and used as a whole and not in parts.
- This Report has not evaluated the feasibility or marketability of any site for planned uses.
- The Report does not consider all of the costs to local governments associated with providing services such as emergency services to the development. Such analysis is beyond the scope of this Report.
- The analysis is based on the current tax structure and rates imposed by the State, County and City. Changes in those rates would alter the findings of this Report.
- All dollar amounts are stated in 2023 dollars and, unless indicated, do not take into account the effects of inflation. The results of this Report are meant to reflect a typical year based on averages. While dollar figures are expressed in current dollars, the results from year to year will vary based on events held at the development generated throughout the year.
- Our analysis is based on currently available information and estimates and assumptions. Such estimates and assumptions are subject to uncertainty and variation. Some assumptions inevitably will not materialize and unanticipated events and circumstances may occur; therefore, the actual results achieved may vary materially from the forecasted results. The assumptions disclosed in this Report are those that are believed to be significant to the estimates of results.

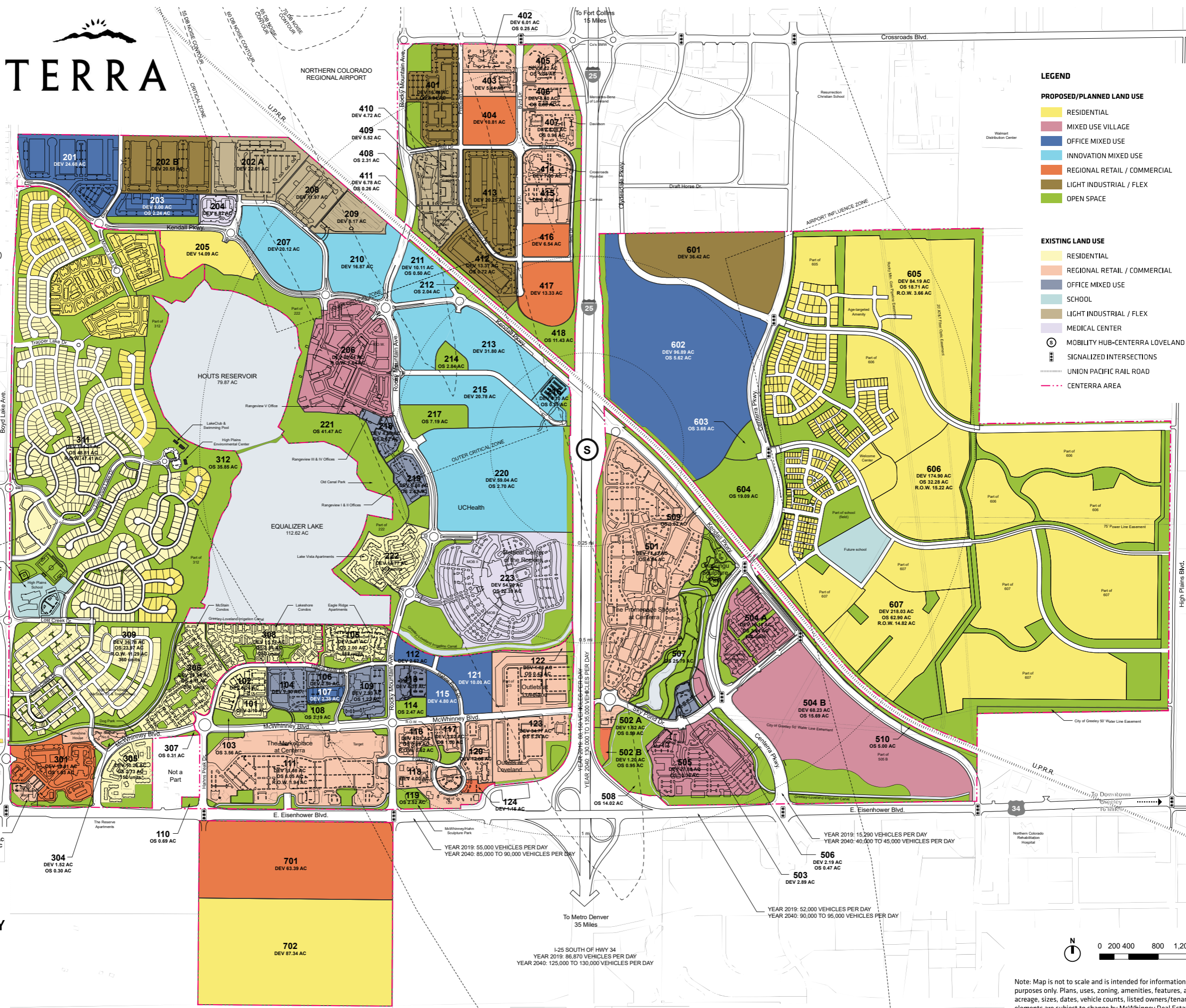
Appendix A

CENTERRA

PARCEL MAP

AREA OF DISTRICTS
 DISTRICT 100 (AREA=237 AC)
 DISTRICT 200 (AREA=528 AC)
 DISTRICT 300 (AREA=465 AC)
 DISTRICT 400 (AREA=192 AC)
 DISTRICT 500 (AREA=326 AC)
 DISTRICT 600 (AREA=806 AC)
 DISTRICT 700 (AREA=151 AC)
 RESERVOIR AND LAKE (AREA=192 AC)
TOTAL AREA: 2,897 AC

- LEGEND**
- PROPOSED/PLANNED LAND USE**
- RESIDENTIAL
 - MIXED USE VILLAGE
 - OFFICE MIXED USE
 - INNOVATION MIXED USE
 - REGIONAL RETAIL / COMMERCIAL
 - LIGHT INDUSTRIAL / FLEX
 - OPEN SPACE
- EXISTING LAND USE**
- RESIDENTIAL
 - REGIONAL RETAIL / COMMERCIAL
 - OFFICE MIXED USE
 - SCHOOL
 - LIGHT INDUSTRIAL / FLEX
 - MEDICAL CENTER
 - S MOBILITY HUB-CENTERRA LOVELAND STATION
 - SIGNALIZED INTERSECTIONS
 - UNION PACIFIC RAIL ROAD
 - CENTERRA AREA



BOYD LAKE

BOYD LAKE

BOYD LAKE

McWhinney Owned (Not a Part of Centerra)

To Downtown Loveland 5 Miles

302 DEV 2.15 AC OS 0.87 AC

303 DEV 1.34 AC OS 0.16 AC

304 DEV 1.52 AC OS 0.30 AC

307 OS 0.31 AC

308 OS 0.31 AC

309 DEV 38.76 AC OS 23.97 AC R.O.W. 41.29 AC 300' WIDE

310 DEV 11.50 AC OS 1.94 AC

311 OS 48.81 AC OS 10.41 AC

312 OS 35.85 AC

110 OS 0.69 AC

103 OS 3.56 AC

104 DEV 2.34 AC OS 1.23 AC

105 DEV 2.00 AC OS 1.23 AC

106 DEV 2.34 AC OS 1.23 AC

107 DEV 2.34 AC OS 1.23 AC

108 OS 3.19 AC

109 DEV 2.34 AC OS 1.23 AC

111 DEV 5.65 AC OS 3.05 AC R.O.W. 1.94 AC

112 DEV 9.62 AC

113 DEV 2.34 AC OS 1.23 AC

114 DEV 2.47 AC

115 DEV 4.80 AC

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118 DEV 2.34 AC OS 1.23 AC

119 DEV 2.52 AC

120 DEV 12.06 AC OS 6.23 AC

121 DEV 10.00 AC

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147 DEV 1.92 AC OS 1.19 AC

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207 DEV 20.12 AC

208 DEV 11.97 AC

209 DEV 8.17 AC

210 DEV 16.87 AC

211 DEV 10.11 AC OS 9.50 AC

212 OS 2.04 AC

213 DEV 31.80 AC

214 OS 2.84 AC

215 DEV 20.78 AC

217 OS 7.19 AC

220 DEV 59.04 AC OS 2.70 AC

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301 DEV 19.81 AC OS 7.45 AC

302 DEV 2.15 AC OS 0.87 AC

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304 DEV 1.52 AC OS 0.30 AC

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308 OS 0.31 AC

309 DEV 38.76 AC OS 23.97 AC R.O.W. 41.29 AC 300' WIDE

310 DEV 11.50 AC OS 1.94 AC

311 OS 48.81 AC OS 10.41 AC

312 OS 35.85 AC

401 DEV 16.29 AC OS 7.46 AC

402 DEV 6.01 AC OS 0.25 AC

403 DEV 1.92 AC OS 1.19 AC

404 DEV 10.81 AC

405 DEV 20.22 AC OS 10.81 AC

406 DEV 3.10 AC OS 0.94 AC

407 DEV 3.10 AC OS 0.94 AC

408 OS 2.31 AC

409 DEV 5.52 AC

410 DEV 4.72 AC

411 DEV 6.78 AC OS 0.26 AC

412 DEV 13.37 AC OS 0.72 AC

413 DEV 32.52 AC

414 DEV 3.10 AC OS 0.94 AC

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416 DEV 6.54 AC

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502 A DEV 1.52 AC OS 0.99 AC

502 B DEV 1.26 AC OS 0.95 AC

503 DEV 2.89 AC

504 DEV 68.23 AC OS 15.69 AC

505 DEV 3.14 AC OS 0.94 AC

506 DEV 2.19 AC OS 0.47 AC

507 DEV 25.79 AC

508 OS 14.02 AC

509 DEV 2.34 AC OS 1.23 AC

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606 DEV 174.90 AC OS 32.29 AC R.O.W. 15.22 AC

607 DEV 218.93 AC OS 62.90 AC R.O.W. 14.82 AC

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Appendix B

Table 1
Centerra
Fiscal Impact Analysis Summary

Fiscal Impact Analysis Summary			
<u>I. Annual Recurring Revenues</u>			Table Ref.
Property Taxes - Residential	\$	663,745	3
Property Taxes - Commercial		588,830	4
State Shared Revenues		1,115,216	5
Sales Taxes - Residential		948,505	6
Sales Taxes Commercial		7,096,524	7
Total Other General Fund		2,273,873	8
Total Annual Recurring Revenues	\$	12,686,693	
<u>II. Annual Recurring Costs</u>			
Legislative	\$	6,799	9
City Manager		187,595	9
City Attorney's Office		84,938	9
Municipal Court		98,154	9
City Clerk		46,989	9
Cultural Services		112,612	9
Development Services		350,802	9
Economic Development		113,370	9
Finance		410,877	9
Human Resources		98,862	9
Information Technology		300,211	9
Library		192,480	9
Parks & Recreation		1,449,382	9
Police		3,116,550	9
Public Works		627,930	9
Contribtuion to Outside Agencies		1,769,113	9
Total Annual Recurring Costs	\$	8,966,665	
Net Fiscal Surplus/Deficit	\$	3,720,029	

Table 2
Centerra
Population and Existing Development Data

Residential			
Unit Type	Developed Units	Valuation (a)	
Apartment	863	\$	329,321
For-Sale	1,743		533,119
Senior	104		366,104
Total	2,710	\$	409,514

Household and Population	
Occupancy Rate	95%
Occupied Households	2,575
Average Household Size (b)	2.50
Per Capita	6,436

Commercial						
Assumptions	Occupancy	SF/Emp	Valuation (c)	Developed SqFt (d)	Employees	
Medical Office	95%	250	\$ 300	796,992	3,029	
Office	95%	175	240	772,491	4,194	
Hotel (e)	73%	800	148	218,022	199	
Retail	95%	500	267	1,715,041	3,259	
Industrial	95%	1,000	177	808,476	768	
Total				4,311,022	11,447	

Footnotes:

(a) Unit Value estimated by taking weighted average of pricing for each residential land use per the Q3 2022 Centerra Zonda Report. Apartment values were calculated from for-rent units and senior values were calculated from senior and assisted living units.

(b) Per Q3 2022 Centerra Zonda Report. Represents estimated persons per household for Centerra Metropolitan District.

(c) Value per non-residential Square Foot per the Q3 2022 Centerra Zonda Report and Developer estimates.

(d) Forecasts Centerra's buildout based on absorption rate estimated from the Centerra Zonda Report. All unit counts and square footage amounts are per land use provided by Developer. Per conversations with Client, years after 2030 are not shown as LURA Term ends in 2029.

(e) Hotel occupancy accounts for a vacancy as calculated and applied later in Table 7.

Table 3
Centerra
Residential Property Tax Generation

Assumptions	
Tax Collection inside LURA (a)	0%
Tax Collection outside LURA	100%
City of Loveland Mill Levy	9.564

Residential Assumptions	Apartments	For-Sale	Senior
Cumulative Units	863	1,743	104
Unit Value (b)	\$ 329,321	\$ 533,119	\$ 366,104
Total Market Value	\$ 284,203,592	\$ 929,226,330	\$ 38,074,782
Residential Assessment Ratio	7.15%	7.15%	7.15%
Assessment Value	\$ 20,320,557	\$ 66,439,683	\$ 2,722,347
Percent of Property inside LURA (c)	62.9%	6.9%	100.0%
Total (d)	\$ 72,063	\$ 591,682	\$ -

Total Residential Property Taxes	\$ 663,745
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Footnotes:

(a) The City will collect 0% of the Mill Levy on property inside of the LURA over the LURA Term of January 20, 2004 through January 20, 2029.

(b) Unit Value estimated by taking weighted average of pricing for each residential land use per the Q3 2022 Centerra Zonda Report. Apartment values were calculated from for-rent units and senior values were calculated from senior and assisted living units.

(c) Percentage of units or commercial sq. ft. that are located inside of the LURA based on the February 2, 2023 Land Use Matrix for Parcel Map provided by Developer.

(d) Equivalent to the assessment value multiplied by (1) the percent of property outside the LURA multiplied by 100% tax collection, plus (2) the percent of property inside the LURA multiplied by tax collection shown for property inside of the LURA for each year.

Table 4
Centerra
Commercial Property Tax Generation

Assumptions	
Tax Collection inside LURA (a)	0%
Tax Collection outside LURA	100%
City of Loveland Mill Levy	9.564

Commercial Assumptions	Medical Office	Office	Hotel	Retail	Industrial
Square Feet (b)	226,992	772,491	218,022	1,715,041	808,476
Sq. Ft. Value (c)	\$ 300	\$ 240	\$ 148	\$ 267	\$ 177
Total Market Value	\$ 68,097,600	\$ 185,397,840	\$ 32,267,256	\$ 457,915,947	\$ 143,100,252
Commercial Assessment Ratio	29.00%	29.00%	29.00%	29.00%	29.00%
Assessment Value	\$ 19,748,304	\$ 53,765,374	\$ 9,357,504	\$ 132,795,625	\$ 41,499,073
Percent of Property inside LURA (d)	98.6%	65.3%	62.6%	78.6%	74.2%
Total (e)	\$ 2,686	\$ 178,481	\$ 33,457	\$ 271,712	\$ 102,495
Total Commerical Property Taxes					\$ 588,830

Footnotes:

- (a) The City will collect 0% of the Mill Levy on property inside of the LURA over the LURA Term of January 20, 2004 through January 20, 2029.
- (b) Property Tax calculation does not include hospital located on parcel 223 as it is tax exempt and does not generate property tax. Analysis assumes remaining 200,000 SqFt is finished being constructed in year 5.
- (c) Value per non-residential Square Foot per the Q3 2022 Centerra Zonda Report.
- (d) Percentage of units or commercial sq. ft. that are located inside of the LURA based on the February 2, 2023 Land Use Matrix for Parcel Map 2020.08 provided by Developer.
- (e) Equivalent to the assessment value multiplied by (1) the percent of property outside the LURA multiplied by 100% tax collection, plus (2) the percent of property inside the LURA multiplied by tax collection shown for property inside of the LURA

Table 5
Centerra
State Shared Revenues

Loveland Motor Vehicle Fees Distribution	
Per Capita (a)	81,127
Distribution (b)	\$ 290,353
Distribution Per Capita	\$ 3.58
Per Capita	6,436
Total Motor Vehicle Fees Distribution	\$ 23,035

Loveland Motor Vehicle Sales and Use Tax Distribution	
Per Capita (a)	81,127
City Motor Vehicle Sales and Use Tax Collections (c)	\$ 9,521,589
Distribution Per Capita	\$ 117.37
Per Capita	6,436
Total Motor Vehicle Sales and Use Tax Distribution	\$ 755,400

Loveland Open Space Sales Tax Distribution	
Per Capita (a)	81,127
Loveland Open Space Sales Tax Distribution (d)	\$ 2,850,149
Distribution Per Capita	\$ 35.13
Per Capita	6,436
Total Loveland Open Space Sales Tax Distribution	\$ 226,118

Loveland Specific Ownership Tax Distribution	
Per Capita (a)	81,127
Loveland Specific Ownership Tax Distribution (e)	\$ 1,394,873
Distribution Per Capita	\$ 17.19
Per Capita	6,436
Total Loveland Specific Ownership Tax Distribution	\$ 110,663

Total State Shared Revenue	\$ 1,115,216
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Footnotes:

(a) Page 12 of the budget sourcing City's Community and Strategic Planning Offices Annual Data and Projections Report.

(b) Larimer County Financial Services Division 2022 Treasurer's Statement of Collections Reports

(c) City of Loveland 2022 Sales Tax Reports. Represents the estimated Citywide Motor Vehicle Sales and Use Tax collections per the City of Loveland's December 2021 YTD Sales Tax Reports. Sales tax collections resulting from Motor Vehicle Dealers, Auto Parts, & Leasing were \$5,190,694 and Motor Vehicle Use Tax collections were \$4,330,895.

(d) Larimer County Open Space Lands Advisory Board Agenda on March 24, 2022. Represents YTD distributions from Final 2021 Distribution.

(e) Larimer County Financial Services Division 2022 Treasurer's Statement of Collections Reports

Attachment 5

Table 6
Centerra
Residential Sales Tax

Assumptions	
Residential Unit Valuation (a)	409,514
Average Down Payment (b)	13.00%
Loan Term (c)	30
Annual Mortgage Rate (c)	6.82%
Average Mortgage Payment to Household Income Ratio (d)	30.0%
Retail Expenditures to Mean Household Income (e)	39.2%
Non-Taxable Portion (f)	0.0%
Loveland Purchase Factor (g)	50.0%
Percent of Loveland Purchase Factor Outside of Centerra (g)	50.0%
Retail Sales Tax Rate (f)	3.00%

Residential Driven Retail Sales Taxes (Outside Centerra)	
Residential Unit Valuation	\$ 409,514
Mortgage Percent	87.0%
Mortgage Amount	\$ 356,278
Interest Rate	6.822%
Loan Term	30
Annual Mortgage Payment	\$ 28,199
Additional Mortgage Costs (\$200 HOA,\$75 Insurance,1.5% st. Property Tax)	9,443
Total Annual Housing Cost	\$ 37,642
Average Mortgage Payment to Household Income Ratio	30.0%
Household Income	\$ 125,474
Retail Expenditures to Mean Household Income	39.2%
Annual Retail Purchases	\$ 49,123
Non-Taxable Portion	0.00%
Taxable Retail Sales	\$ 49,123
Loveland Purchase Factor (h)	50%
Purchases Within Loveland	\$ 24,562
Percent of Loveland Purchase Factor Outside of Centerra (i)	50%
Purchases Within City and Outside of Centerra	\$ 12,281
Occupied Households	2,575
Taxable City Purchases	\$ 31,616,820
Retail Sales Tax Rate	3.00%
Residential Retail Sales Tax	\$ 948,505

Footnotes:

(a) Per Q3 2022 Zonda Report

(b) Source: National Association of Realtors, 2022 Home Buyers and Sellers Generational Trends

(c) Source: Wells Fargo 30-Year Fixed Rate on 10/7/2022.

(d) Source: Estimate Based Upon Local Market Data

(e) Source: Western Regional Consumer Expenditure Survey 20-21, U.S. Bureau of Labor Statistics, released September 2022.

(f) Source: City of Loveland Sales Revenue Division

(g) Source: City of Loveland Sales Revenue Division

(h) Estimate of the percentage of retail sales purchases by Centerra residents occurring within Loveland.

(i) Estimate of the percentage of the Loveland Purchase Factor by Centerra residents occurring outside of Centerra.

Attachment 5

Table 7
Centerra
Commercial Sales Tax

Assumptions	
Retail Sales per Sq. Ft. (a)	233
Retail Sales Tax Rate (b)	0.03
Percent Taxable (b)	100%
Retail Occupancy Rate (c)	0.957

Commercial Sales Outside Metro District	
Cumulative Retail Sq. Ft. Outside LURA (d)	366,910
Cumulative Retail Sq. Ft. Inside LURA (d)	6,054
Occupancy Rate	95.7%
Occupied Retail Sq. Ft.	356,927
Sales per Sq. Ft.	\$ 233
Retails Sales Revenue	\$ 83,163,886
Retail Sales Tax Rate Outside LURA (e)	3.00%
Retail Sales Tax Rate less Sales Tax Credit (f)	1.75%
Commercial Retail Sales Tax Outside Metro District	\$ 2,478,042

Commercial Retail Sales Inside Metro District (g)	
Promenade Shops	\$ 2,100,710
Centerra Marketplace within Metro District	1,923,160
Commercial Retail Inside Metro District Total	\$ 4,023,870

Hotel Sales and Lodging Taxes	
Hotel Rates (2022)	
Average Room Rate	\$ 148.00
Average Occupancy Rate	72.9%
Annual Room Revenue including vacancy	\$ 39,381
Average Room Sq. Ft. including Common Areas	500
Annual Rental Rate per Sq. Ft. including Common Areas	\$ 78.76
Hotel	158,938
Annual Room Revenue	\$ 12,518,144
Hotel Sales and Lodging Taxes	4.750%
Hotel Rental Rate Sales Tax Total	\$ 594,612

Total Commercial Sales Taxes	\$ 7,096,524
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Footnotes:

(a) Per Developer

(b) Per the City of Loveland Sales Revenue Division.

(d) Reflection of 4.3% vacancy rate in CBRE Northern Colorado H1, 2022 Market Report.

(d) Per the August 19, 2022 Land Use provided by Developer.

(e) Represents tax rate received by City for all sales tax generating commercial uses outside of LURA.

(f) Equivalent to the 3.00% sales tax rate less the 1.25% credit applied to property inside of the Commercial Area over the PIF Term from 1/20/2004 through 1/20/2009.

(g) Per City of Loveland Sales Tax Reports for December 2022 YTD. Represents actual City sales taxes from the two Centerra GEO areas within the Metro District.

Attachment 5

Table 8
Centerra
Recurring Revenues

Revenue Category	City FY 2022/23 Budget	Adjustment	Adjusted Budget	Multiplier	Factor (m)	Project Equivalent Persons	Project Revenues
Property Tax (a)	\$ 13,439,898	0%	\$ -	Per Capita and 50% Employee	\$ -	12,160	\$ -
Sales Tax (b)	60,053,544	0%	-	Per Capita and 50% Employee	-	12,160	-
Use Tax (c)	7,378,759	0%	-	Per Capita and 50% Employee	-	12,160	-
Other Tax (d)	3,583,350	100%	3,583,350	Per Capita and 50% Employee	29.73	12,160	361,562
Licenses and Permits (e)	3,168,801	100%	3,168,801	Per Capita and 50% Employee	26.29	12,160	319,734
Fines and Penalties (f)	968,010	100%	968,010	Per Capita and 50% Employee	8.03	12,160	97,673
Intergovernmental (g)	1,021,734	0%	-	Per Capita and 50% Employee	-	12,160	-
Charges for Service (h)	4,586,429	100%	4,586,429	Per Capita and 50% Employee	38.06	12,160	462,773
Cost Allocations (Non-General Fund) (i)	9,234,928	0%	-	Per Capita and 50% Employee	-	12,160	-
Interest (j)	500,000	0%	-	Per Capita and 50% Employee	-	12,160	-
Payment in Lieu of Taxes (PILT) (k)	10,229,190	100%	10,229,190	Per Capita and 50% Employee	84.88	12,160	1,032,131
Miscellaneous (l)	959,036	0%	-	Per Capita and 50% Employee	-	12,160	-
Total	\$ 115,123,679						\$ 2,273,873

Footnotes:

- (a) Property tax revenue is derived from the Larimer County assessed valuation and the City's mill levy of 9.564.
- (b) Sales tax is the largest source of Loveland's General Fund revenue. The current City sales tax rate is 3.00%.
- (c) Loveland's Use tax rate is 3.00%. This tax only applies to building materials and motor vehicles.
- (d) Other tax includes Specific Ownership Tax, Cigarette Tax, Gas and Cable Franchise Taxes, and Telephone Business and Occupation Tax. Analysis assumes Cigarette tax accounts for 20% of Other Taxes.
- (e) The City receives revenues from the issuance of licenses and permits such as development construction permits, liquor licenses, and special events permits.
- (f) The City received revenues from fines and penalties for violations of code.
- (g) Intergovernmental revenues are received from other governmental agencies. The two largest sources are the State Highway User Tax Fund (HUTF) revenue sharing and Federal Transit Authority (FTA) operating grants.
- (h) The City collects charges for access to services provided by the City (Utilities, Parks & Rec, Cultural Services, etc.) and internal service charges which are costs paid by one department to another for services rendered.
- (i) Cost allocating is the process of identifying, aggregating, and assigning City internal administrative services' direct and indirect costs to other City departments. Internal administrative services include Finance, Information Technology, Human Resources, and Facilities Maintenance.
- (j) The cash balances in all funds are invested in interest-bearing investments of maturities appropriate to the projected cash requirements of the funds.
- (k) Represents an estimate of the amount of taxes that would be chargeable to a utility if owned privately. PILT is paid by the Power, Stormwater, Water, Wastewater, Raw Water, and Solid Waste Enterprise Funds to the General Fund. These utilities make payments at a rate of 7% of total operating revenues for each Enterprise Fund.
- (l) These revenues do not belong to any of the above revenue categories. Examples include donations, contributions, proceeds on the sale of assets, and rental income.
- (l) Assumes an Equivalent Residents population for the City of 120,514 based on a Per Capita + 50% Employees calculation using population and unemployment data presented on page 12 "General Information" and page 13 "Scope of Services" in the 2023 Recommended Budget.

Attachment 5

Table 9
Centerra
General Fund Recurring Expenditures

Loveland Department Description	City FY 2022/23 Budget	Adjustment	Total Applicable	Multiplier	Factor	Project Equivalent	Total Anticipated Expenditures
Legislative	\$ 134,764	50%	\$ 67,382	Per Capita and 50% Employee	0.56	12,160	\$ 6,799
City Manager (CMO)	3,718,413	50%	1,859,207	Per Capita and 50% Employee	15.43	12,160	187,595
City Attorney's Office (CAO)	1,683,589	50%	841,795	Per Capita and 50% Employee	6.99	12,160	84,938
Municipal Court	972,778	100%	972,778	Per Capita and 50% Employee	8.07	12,160	98,154
City Clerk	931,400	50%	465,700	Per Capita and 50% Employee	3.86	12,160	46,989
Cultural Services	2,232,144	50%	1,116,072	Per Capita and 50% Employee	9.26	12,160	112,612
Development Services	3,476,709	100%	3,476,709	Per Capita and 50% Employee	28.85	12,160	350,802
Economic Development	1,123,578	100%	1,123,578	Per Capita and 50% Employee	9.32	12,160	113,370
Finance	8,144,203	50%	4,072,102	Per Capita and 50% Employee	33.79	12,160	410,877
Human Resources	1,959,600	50%	979,800	Per Capita and 50% Employee	8.13	12,160	98,862
Information Technology	5,950,621	50%	2,975,311	Per Capita and 50% Employee	24.69	12,160	300,211
Library	3,815,247	50%	1,907,624	Per Capita and 50% Employee	15.83	12,160	192,480
Parks & Recreation	14,364,461	100%	14,364,461	Per Capita and 50% Employee	119.19	12,160	1,449,382
Police	30,887,341	100%	30,887,341	Per Capita and 50% Employee	256.30	12,160	3,116,550
Public Works	6,223,258	100%	6,223,258	Per Capita and 50% Employee	51.64	12,160	627,930
Contribtuion to Outside Agencies	17,533,226	100%	17,533,226	Per Capita and 50% Employee	145.49	12,160	1,769,113
Total	\$ 103,151,332		\$ 88,866,342				\$ 8,966,665

EY update to the LURA board

August 12, 2025

Interim update



The better the question. The better the answer. The better the world works.



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Background and approach

LURA engaged EY to provide the following services:

- ✓ • Conduct initial discussions to assess document availability and types and submit requests for financial statements and reimbursement documents from relevant entities.
- ✓ • Participate in discussions with the Authority and collect necessary accounting records and financial documentation as outlined in the MFA.
- ✓ • Analyze the MFA and financial information to understand funding sources, financial mechanisms, and fund flow among entities during the scope period.
 - Identify and report on abnormal transactions or irregular activities, including compliance with MFA terms and conditions, and evaluate related party transactions.
 - Provide preliminary recommendations for further forensic examination, including cost estimates and detailed investigation workstreams for suspected violations.

EY planned our assessment procedures into three primary workstreams to evaluate compliance with select requirements in the MFA and District Polices.

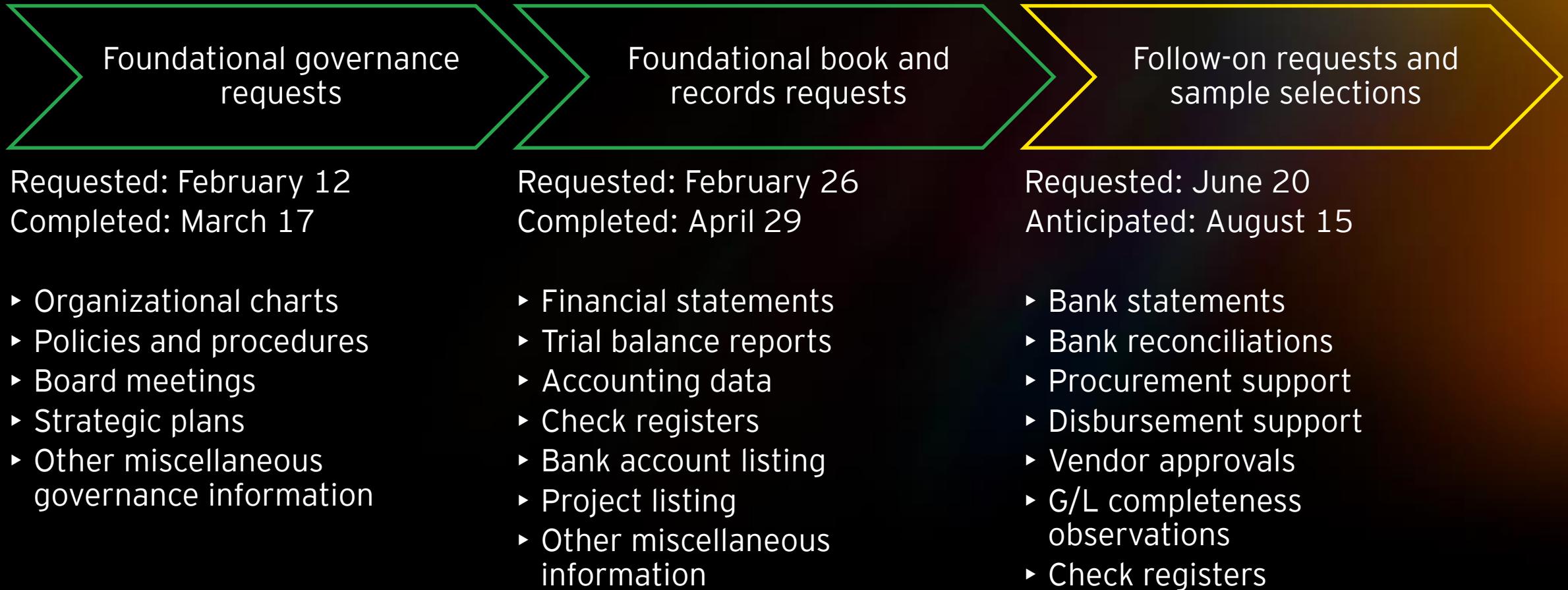
Primary Workstreams

1. Procurement Process
2. Undisclosed Related Party Transactions
3. Disbursement Process

Related MFA sections

- 6.3 Competitive Bidding
- 8.1 Accounting and subsections
- 8.2 Documentation
- 8.3 Book and Records

Timeline of requests



Data received in response to Foundational requests

2,503

Files received

15

Years covered within scope

313

Vendors identified

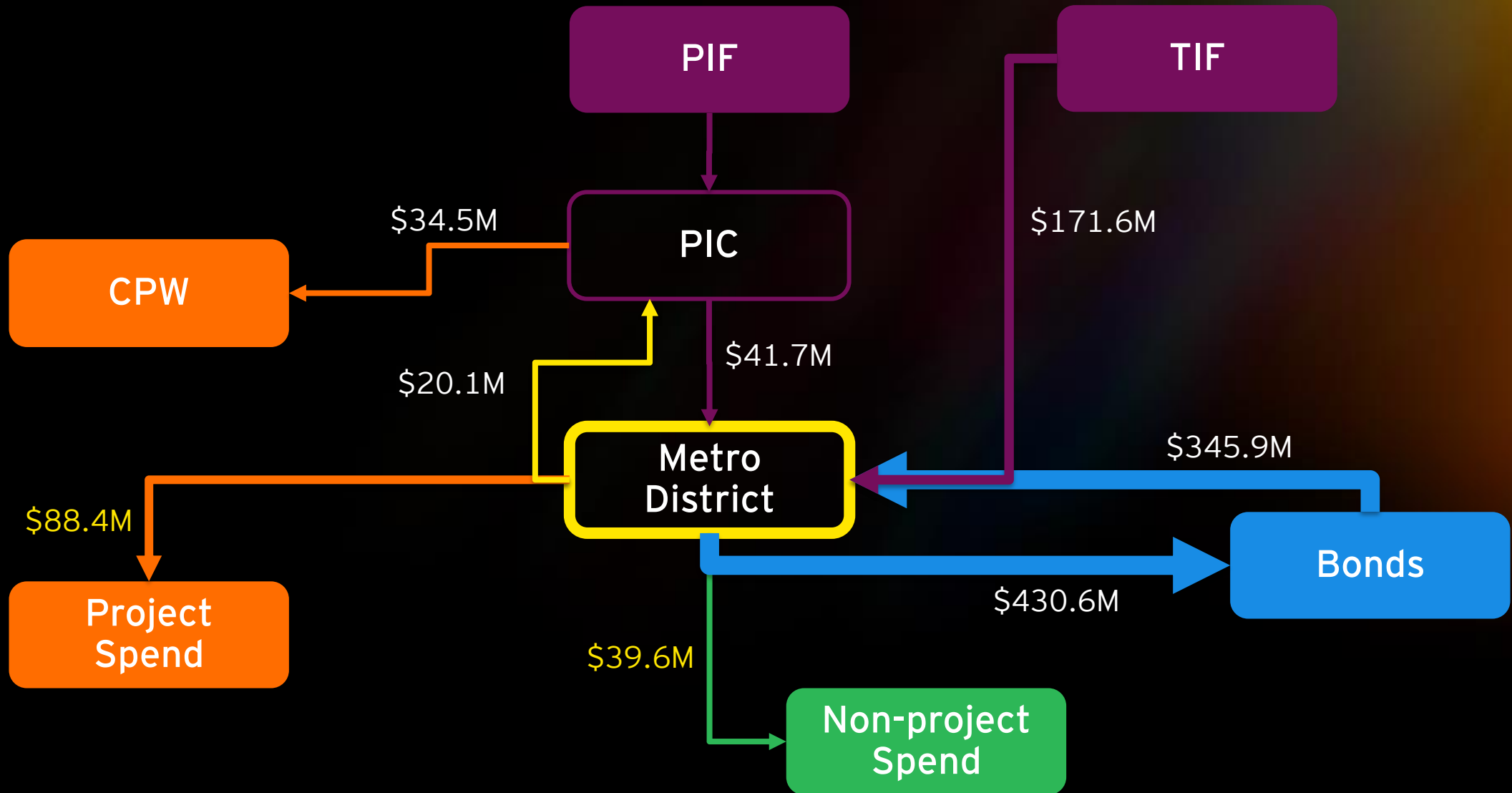
90,440

General Ledger
lines analyzed

\$1.26B

Cash flows analyzed

Understanding of the flow of funds



Note: 1) Figures are derived from the 2009 - 2023 Metro District financial data with the exception of the \$34.5M illustrated from the PIC to CPW. The source of this information is PIC check registers from 2009 - 2013. 2) \$2.6M of the \$39.6M of Non-project Spend appears to have been paid to CPW.

Procurement process analysis

- EY performed analysis on the \$88.4M project spending to assess compliance with the Competitive Bidding requirement and the Contract Procurement Process (MFA Exhibit L).
- EY compared transactional information in the Metro District's G/L to a listing of project dates, bid timing and awarded bidders provided by the Metro District's accountants. We observed:

Analysis category	Number	Dollar value	Percent of total project spend
Payment to vendor exceeding award amount	26	\$5,880,816	6.6%
Projects with no indication of public bids	11	\$16,527,950	18.7%
Vendor spend >\$60k with no bid awarded	30	\$6,221,959	7.0%
Spending outside project timelines	38	\$12,101,502	13.6%

- EY judgmentally selected a sample of 46 transactions totaling \$13.2 million from these projects and vendors to validate the project listing and assess the underlying source documents.

Note: Bid and timeline information was received for 2015-2023. Amounts exclude projects and spending prior to 2015.

Undisclosed related party transaction

- EY identified the vendors with the highest overall spend in key categories, with a focus on project-related spending.
- In addition, EY performed public records research to identify ownership information for each company and looked for any relationship to individuals involved in governance roles under the MFA.

Total Disbursements	Observation
\$4,859,946	McWhinney Real Estate Services, Inc. received payments for a range of services including project and park management, landscaping, event programming, maintenance, marketing, as well as engineering and surveying.
\$2,701,960	Centerra Properties West is a party to the MFA and receives fundings from Metro District related to developer repayments, engineering and surveying, permits and fees, hardscape maintenance, park management, legal services, and storage.
\$1,420,275	Centerra Retail Sales Fee Corporation is a private nonprofit corporation established to collect a 1% fee within specific Centerra retail zones. In 2011, the Metro District repaid a capital advance to RSF for \$1.2M plus interest.

- EY judgmentally selected a sample of 16 transactions totaling \$4.1 million from vendors to assess if a related party relationship existed, if any required disclosure occurred and the required documentation.

Disbursements analysis

- EY analyzed disbursements to vendors across all years and flagged transactions that met various criteria, including:
 - Round dollar amounts
 - Repeated dollar amounts
 - Vendors with high non-project spend
 - Spending trendline outliers
 - Developer advances and repayments
 - Public improvement not tagged to a project
- EY judgmentally selected a sample of 14 transactions based on the above criteria. EY also utilized the above criteria to inform disbursement selections from the project and related party disclosure workstreams.
- In total, EY selected 73 sample disbursements and requested supporting documentation to assess compliance with procurement requirements, related party disclosure requirements and documentation requirements, as applicable.

Next steps

- Receipt of remaining requested documentation from Pinnacle (expected this week)
- Review and test documentation provided by Pinnacle for the 73 sample selections
- Expected follow up discussions / on-site visit with Icenogle Seaver Pogue and Pinnacle to:
 - Address questions and observations from our analysis of the 73 sample selections
 - Discuss the reason for any remaining outstanding requests (if any)
- Potentially select additional samples in responses to follow-up discussions
- Prepare and provide Phase I report
 - Scope and procedures performed
 - Observations and findings from Phase I work
 - Areas for potential further assessment, inclusive of expected time and costs