



CITY MANAGER

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June 14, 2007

Mayor Doug Hutchinson
300 LaPorte Avenue
P.O. Box 580
Fort Collins, Colorado 80522-0580

Dear Mayor Hutchinson:

Discussions regarding creation of a Regional Transportation Authority (RTA) have generated misunderstanding about how the RTA would impact Centerra in Loveland. In 2004, the City of Loveland, McWhinney and the Centerra Metropolitan District (the District) entered into a public-private agreement to fund local and regional public improvements in and around Centerra. It is referred to as the Master Financing Agreement (MFA). A total of \$349 million of public improvements were identified to be constructed over 25 years, including five Regional Improvements.

One-third of the funding comes from property taxes collected by the District inside Centerra or from private funding from McWhinney. The balance comes from new property taxes or shared use of new sales taxes generated in Centerra.

The Interim Improvements planned for the I-25 and US 34 Interchange are one of the Regional Improvements. Some mistakenly believe this interchange needs to be improved solely due to Centerra. In fact, this interchange was identified for reconstruction long before Centerra. The needed improvements are based on safety concerns due to weaving motions caused by the clover leaf design of the on and off ramps. Traffic volume is not the reason improvements are needed.

The MFA identifies \$10 million to provide improvements to correct this problem. The City and McWhinney reluctantly took responsibility of fixing this problem knowing neither the State nor the Federal government would be able to fund these repairs. The City and the developer agreed to use collective efforts to seek financial assistance from others who would benefit from the improvements, including the State, neighboring towns and private property owners. This was reasonable since the data from the Metropolitan Planning Organization shows Loveland residents represent less than 50% of traffic using the interchange.

We do not believe the use of RTA funds to assist with the safety improvements at the I-25 and US 34 Interchange "lets the developer off the hook." All public funding raised in Centerra is committed to public improvements. Funding that might have been used for



this interchange will instead be available for other important public improvements. For example, McWhinney and the District are collectively funding a \$12 million extension of Centerra Parkway (County Road 5) including a rail road underpass. This 1.5 mile of roadway will be the final stretch of a 14 mile parallel arterial to I-25 and has been a priority on the region's transportation plan for years. The District and the City are also seeking approval from CDOT for a \$6 million underpass under I-25 connecting the east and west sides of Centerra, thus removing traffic from US 34 and Crossroads Blvd.

The MFA also addresses future issues - not just immediate concerns. For example, the MFA earmarks funding for a Regional Reserve to build improvements, such as a grade separated crossing at Centerra Parkway and US 34, ten to fifteen years from now.}

An RTA is a responsible method of sharing costs to upgrade the transportation systems that we collectively use every day. Centerra will be contributing more than its fair share to the cost of regional improvements. First, the MFA provides some of the necessary funding. Second, Centerra alone is estimated to contribute over \$30 million dollars to the RTA from sales and use taxes.

I hope this helps correct any misunderstanding about the RTA and Centerra.

Sincerely,

A handwritten signature in cursive script that reads "Don Williams".

Don Williams
Loveland City Manager

CC:
Darin Atteberry, City of Fort Collins
RTA Steering Committee