



McWHINNEY

April 20, 2009

Dear Mayor Pro-Tem Phillipsen:

Thank you for your recent letter to Mayor Pielin and Loveland City Council. We applaud your interest in the issues and willingness to share concerns. Both are examples of your commitment to regional communication and cooperation.

To keep those lines of communication open and to ensure we all have the same background information, we are writing to provide updated information about the situation that we believe you'll find helpful. We also want to give you a description of the proposal Loveland City Council will consider on Tuesday, April 21.

To clarify a few points for you:

- The I-25 and Hwy. 34 interchange was not used as a basis for the blight designation at Centerra. The substandard condition of the interchange was added in 2007 after the designation had already taken effect in 2004.
- The proposed amendment will allow a switch in timing of improvements to the I-25 and Hwy. 34 interchange (to 2nd) and to the Crossroads Boulevard/I-25 interchange (to 1st), as requested by Larimer County Commissioners last August. This switch in timing does not relieve the commitment of the Centerra Metro District to use taxes collected on Centerra to help fund improvement of the I-25 and Hwy. 34 interchange. We remain steadfast in our commitment that the I-25 and Hwy. 34 interchange will be improved.
- The Centerra Metro District has invested more in regional improvements than the original MFA required by this time (original requirement was \$10 million). Once the Crossroads interchange is completed, the total will be almost double the original commitment (\$19 million). If both interchanges are required to be completed, the total will be almost triple the required investment. As a city leader, we are sure you understand this is an imprudent use of capital in these difficult economic times.
- The MFA requires the Centerra Metro District to solicit other funding partners to contribute to regional improvements. The MFA does not require the District to fully bear the cost burden of any or all regional improvements. Instead, the MFA positions the District as a significant local contributor to the cost of each regional improvement. The District is fully committed to being a significant financial contributor to these improvements, while at the same time engaging in a regional partnership.

Traffic studies by Fox Higgins Transportation Group estimate approximately 75 percent of those travelling through the I-25 and Hwy. 34 interchange originate from outside Centerra. It was also reported in today's *Fort Collins Coloradoan* that according to Loveland Public Works, State transportation statistics show that up to 50 percent of the traffic at the intersection of I-25 and Hwy. 34 goes toward Greeley. We believe this data provides important evidence that not one party or the taxpayers of one community should bear 100 percent of the cost of improving this heavily travelled interchange. Additionally, one corner of the interchange is the City of Johnstown.

Our hope is that your community's commitment to regional cooperation will drive you and your fellow Councilors to financially support the future improvements at I-25 and Hwy. 34 for the safety and mobility of the residents and visitors to your community. Our hope also is that other developers and entities who will benefit from the improvements will also be partners.

Like you, we want to continue working to attract quality employers for the benefit of all who live in the region. In this time of economic uncertainty, we believe the best use of our capital resources is to make prudent financial decisions while working to create opportunities for future jobs.

For further details regarding the background of the proposed MFA amendment, we encourage you to read the attached fact sheet. Please do not hesitate to contact either of us directly with any further questions, concerns or comments.

We look forward to working closely with you on these and other projects.

Sincerely,



Chad McWhinney
CEO & Co-Founder
McWhinney



Jay Hardy
VP/GM – Centerra
McWhinney