



April 15, 2009

The Honorable Mayor Pielin and Loveland City Council:

It has come to our attention that the Loveland City Council is considering an amendment to the master financing agreement with the Centerra developer that will allow the developer to divert \$12 million originally earmarked for Interstate 25/US 34 interchange safety upgrades. It has been reported that the rationale for this amendment, in part, is to provide capital for the developer to attract a Fortune 500 company to Loveland.

The Greeley City Council fully appreciates the need for flexibility in completing a complex project like Centerra. We also do not make a practice of commenting on how parties subject to these agreements should make adjustments in this regard; however, we are well aware of the master financing agreement due to our participation in the 2007 RTA discussions. As Greeley has been specifically mentioned in the media recently as a potential funding partner for interchange improvements, we believe it important that we express our concerns at this time.

First, it was our understanding that some of the financing mechanisms associated with the Centerra project required a blight designation. We further understood that the substandard condition of the interchange was a basis for the designation and that funds generated were required to then be expended to improve the interchange.

Our second concern is that the developer made a commitment to use these funds for the interchange and has, under the agreement, been collecting funds from customers at Centerra for that purpose. Allowing a different use for the funds does not appear to follow the spirit or intent of the agreement. The City of Greeley would not be in a position to be a funding partner without the spirit and intent of the master financing agreements being met.

Our third concern is that the proposed use of the diverted funds is to attract a Fortune 500 company. It is our understanding that this company is currently headquartered in Greeley. When the site selection process for this project was undertaken, our City Manager contacted his peers in each competing community to discuss the issue of incentivizing businesses to move from one community to another in Northern Colorado and the potential negative impact this could have on regional cooperation. While we support the right of any private business to make decisions they deem appropriate, we

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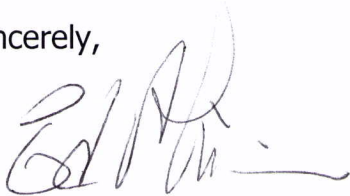
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would say that when a jurisdiction takes actions such as what is proposed – diverting public funds originally slated for transportation improvements to be used to incentive a business relocation – you are significantly jeopardizing regional cooperation.

Our fourth concern is that the media reported your comments regarding job creation which could occur with this modified agreement. We believe that is not the case; jobs would not be created, rather just moved from one community to another.

In conclusion, we suggest that you consider your actions in the context of regional cooperation. It is our understanding that the funds being proposed to be diverted to improve the capital position of the developer were, by agreement and by the required blight designation of the URA, to be used to make needed regional transportation infrastructure improvements. Diverting these public funds to facilitate the relocation of a business from one community to another not only doesn't create new jobs but negatively impacts regional cooperation.

Sincerely,

A handwritten signature in black ink, appearing to read "Ed Phillipsen", with a long horizontal flourish extending to the right.

Ed Phillipsen, Mayor Pro-Tem

Cc: Bill Kaufman, Chair Transportation Commission
Cliff Davidson, Executive Director NFRMPO