



Mr. Rod Wensing  
Assistant City Manager  
City of Loveland, Colorado  
500 East Third Street  
Loveland, CO 80537

Re: Letter of Request for the Brands

November 10, 2016

Dear Rod and Loveland City Council Members:

On behalf of the Water Valley Land Company, whom is owner of various land holdings surrounding the I-25 and Crossroads Interchange, we would like to present this letter of request to enter into a formal Development Agreement with the City of Loveland including various incentives as outline below. Water Valley Land Company has owned the land holdings for a significant period of time and during this time has continued to evaluate highest and best use. After spending substantial amount of time, resources and capital; Water Valley Land Company is pleased to announce that it would like develop a high end mixed used project that will be deemed to be the "Center" of Northern Colorado. The development will be spread over 200 acres and development will occur over the next five years. The project highlights include:

*The Brands - Highlights*

- *1,267,520 sq. ft. of total Project Development*
  - *424,400 sq. ft. of total Retail Space*
    - *110,000 sq. ft. Nationally Known Anchor Retailer*
    - *79,000 sq. ft. of Junior Anchor Space*
    - *424,400 sq. ft. of total Retail Space*
    - *12 Screen Imax Movie Theater*
    - *Ten Nationally Recognized Restaurants*
  - *Two luxury Multi- Family Apartment Facilities*
    - *312 Unit Complex*
    - *268 Unit Complex*
  - *129,000 sq. ft. of Class "A" office Spaces*
  - *200 Full Service Room Hotel*
- *Stabilized Annual Sales in excess of \$200MM*
  - *Estimated Direct Permanent jobs totally 3,400*
- *Construction Capital expenditures in excess \$370MM*
  - *Estimated direct construction jobs totally 2,900*



*The Brands West – (Byrd Drive) - Highlights*

- *939,100 sq. ft. of total Project Development*
  - *597,100 sq. ft. of total Retail Space*
    - *210,000 Home Improvement Concept Store*
    - *90,000 sq. ft. national Anchor Retailer*
    - *201,000 sq. ft. of Junior Anchor*
    - *Eleven pad sites for nationally recognized users including restaurants*
  - *Two limited service hotels totally 200 rooms*
  - *222,000 sq. ft. of Light Industrial*
- *Stabilized Annual Sales in excess of \$200MM*
  - *Estimated Direct Permanent jobs totally 3,400*
- *Construction Capital expenditures in excess \$200MM*
  - *Estimated direct construction jobs totally 1,700*

The project will be a catalyst for the continued job growth in the area with the creation of an estimated 6,800 permanent jobs and creation of approximately 4,600 construction jobs. However, for the project to be successful it must be competitive with the surrounding communities in providing incentives to lure tenants, developers and user groups; otherwise tenants and business owners will seek out other nearby communities to establish its business or relocation of its business. Today's business environment requires that development project not only need to be well relocated and with good access but ones in which the businesses feels "wanted" and that they receive incentives that make a significant impact to ones bottom line. Additionally, the development cycle needs to be expedited to ensure for an efficient review of the individual projects and coordination of the project occurs.

Water Valley is requesting the following from the City of Loveland:

- Expedited submittal reviews and review period for building permits and planning & building reviews. The City shall designate a coordinator to work directly with applicant.
- Fee waiver credit of \$6.60 per sq. ft. per qualified Anchor and Jr. Anchor Space against fees related to building permits and material tax.
  - Fee waiver credit shall be limited to qualified space in which the space has not been previously occupied or built out by another tenant.
  - Fee waiver credit shall not include the theater space
- 2% City Sales Tax Rebate for Anchor Retailers for 25 years.
- 2% City Sales Tax Rebate for Junior Anchor Retailers for the initial 15 years and 1.25% for the following 10 years.
- 1.25% City Sales Tax Rebate for 25 years for non-anchor tenants
- Coordination effort between the Community Marketing Commission and the Developer to support a destination hotel through marketing and event resources

As an additional incentive to build out the infrastructure of the project, Water Valley Land Company has established a metro district to collect ad valorem taxes at the rate of 39 mills and a PIF to help offset the



significant capital expenditures required to fund public infrastructure improvements such as public plazas, public parking garages and road way improvements within the projects.

Without the incentive programs in place, Water Valley Land Company or any other developer would not be able to proceed with the development near the scope or quality that is planned for the site. The projects will be a "game changer" for the area; bringing in new retail concepts, establishing housing alternatives, establishing a live & work environment and upgrading the infrastructure for businesses to attract highly qualified workers. The requested incentive program will ensure that land owned by Water Valley Land Company within the City of Loveland will have a common incentive program throughout and user groups underwriting assessment parcel by parcel will be treated equally.

We appreciate your consideration to our request and look forward to strengthening our partnership with the City through implementation of the incentives and overall development of this best in class development.

Kindly,

A handwritten signature in blue ink, appearing to read "Marin Lind", is written over a large, stylized blue oval shape.

Marin Lind  
President