



CITY OF LOVELAND
PUBLIC WORKS DEPARTMENT

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AGENDA ITEM: 1
MEETING DATE: 7/9/2013
TO: City Council
FROM: Keith Reester, Public Works
 Dave Klockeman, Public Works
PRESENTER: Dave Klockeman, City Engineer; John Duval, City Attorney

TITLE:

Centerra Master Financing and Intergovernmental Agreement Overview and Transportation Discussion

RECOMMENDED CITY COUNCIL ACTION:

Informational item only. No action is required.

OPTIONS:

1. Adopt the action as recommended
2. Deny the action
3. Adopt a modified action (specify in the motion)
4. Refer back to staff for further development and consideration
5. Adopt a motion continuing the item to a future Council meeting

DESCRIPTION:

Council will be provided a brief overview of the history and components of the Centerra Master Financing and Intergovernmental Agreement (MFA & IGA). Presenters will cover the development, history, and changes to the agreements since approval in January 2004, specifically related to transportation projects and planning. Information will also be presented for discussion and direction related to future project planning, key futurescape elements, and likely scenarios available for regional improvements.

SUMMARY:

In January 2004, City Council adopted the Centerra Master Financing Agreement and Intergovernmental Agreement. These documents provide the provisions and performance expectations related to the Centerra Development and Metropolitan District. Over the past 9 years, the MFA has been updated on several occasions by City Council and Centerra. This presentation and discussion will overview the history and components of the MFA & IGA; past and current project performance related to transportation; and raise possible future scenarios for transportation project planning including regional improvement projects.

REVIEWED BY CITY MANAGER:

William D. Cahill

LIST OF ATTACHMENTS:

Presentation

Debt Summary

Centerra Master Financing and Intergovernmental Agreement - Regional Roadway Improvements

City Council Study Session – July 9, 2013
David Klockeman, City Engineer
John Duval, City Attorney

Tonight

- Background
- Road Improvements
 - Overall
 - Regional
- Current Status
- Going forward

Background

- Centerra Master Financing and Intergovernmental Agreement
 - Adopted by City Council - January 20, 2004
 - Comprehensive agreement primarily focused on the financing of the construction of public improvements within the defined Commercial Area
 - Included:
 - Water and Wastewater
 - Stormwater
 - Landscaping
 - Roadway – curb, gutter, sidewalk and pavement
 - Other necessary public improvements

Review

- MFA included:
 - Regional Improvements
 - Local Improvements
 - Street CEF Credit
 - Options for Additions of Projects upon Agreement between City and Service District

Roadways

- Overall limits of Centerra were looked at
 - What should be included?
 - Interior and Exterior
 - Two categories were determined:
 - Local Improvements
 - Regional Improvements
- Regional Improvements (Roadway)
 - Refers to roadway projects designated within the MFA that are on the CDOT system that would typically not be required to be improved as part of the City's normal Development related policies
 - Regional improvement required at different levels of Service District debt
 - Not intended to fund full costs of included locations
 - Includes: Secure funding from other public and private entities that benefit, thus leveraging the use of Loveland's funding commitment

Roadways

- **Local Improvements (Roadway)**
 - Refers to all streets and roads, curbs, gutters and sidewalks open to access by the general public within the Commercial Area, including those located within the Lifestyle Center
- **Street CEF Credit of \$7,374,800**
 - Construction first of the Lifestyle Center and thereafter any Public or Private improvements within the Commercial Area as designated by the Developer
- **Additional Improvements**
 - Allowed upon agreement of City and Service District

Regional Improvements (Roadway)

- I-25 and Crossroads Boulevard Interchange Improvements (not final reconstruction)
- Interim I-25 and US 34 Interchange Improvements
- County Road 5 (Centerra Parkway) and US 34 Structure
- County Road 3E (Kendall Parkway*) and US 34 Structure
- Final I-25 and US 34 Interchange Improvements
- Any and all other Public Improvements which the City, the LURA and the Service District all agree to classify as Regional Improvements regardless of whether such Public Improvement would customarily be considered regional in nature
 - The extension of Centerra Parkway from the UP Railroad Underpass to Crossroads Boulevard was added as a Regional Improvement in November 2006 per this provision of the MFA
 - Not allowed to be credited until after I-25 / US 34 Interim Improvements were complete

* Note – Kendall Parkway was referred to as Cordova Pass in original MFA

Local Improvements (Roadway)

- East of I-25
 - Centerra Parkway – US 34 to Crossroads Boulevard
 - Section from UPRR to Crossroads Boulevard later became regional improvement
 - Clydesdale Parkway – 37th Street to LCR 3
 - Sky Pond Drive – Centerra Parkway to West End
 - Kendall Parkway – US 34 to I-25
 - US 34 – I-25 to Kendall Parkway (Turn Lanes)
- West of I-25
 - Boyd Lake Avenue – US 34 to Canal
 - Boyd Lake Avenue – Plum Creek to Kendall Parkway (37th Street)
 - 29th Street – Rocky Mountain Avenue to I-25
 - Kendall Parkway (37th Street) – Boyd Lake Avenue to I-25

Road Improvements Not Included in MFA

- Projects to be completed based on normal City policies
- East of I-25
 - US 34 – I-25 to East - Widening to 3 lanes in each direction (other than turn lanes)
 - LCR 3 – US 34 to Crossroads
 - US 34 at LCR 3 Intersection
- West of I-25
 - US 34 – Boyd Lake Avenue to I-25 (Other than work associated with intersection or interchange improvements)
 - Boyd Lake Avenue – Canal North of US 34 to Plum Creek

Costs (from Original MFA)

Reference	Cost
Regional Improvements	
I-25 and Crossroads Boulevard Interchange	\$ 20,000,000
Interim I-25 and US 34 Interchange Improvements	\$ 10,000,000
Centerra Parkway and US 34 Structure	\$ 15,000,000
Kendall Parkway and US 34 Structure	\$ 15,000,000
Final I-25 and US 34 Interchange Improvements	\$ 40,000,000
Centerra Parkway Extension – UPRR to Crossroads	<u>\$ 11,900,000</u>
Subtotal	\$111,900,000
Local Improvements – East of I-25	\$ 61,103,000
Local Improvements – West of I-25	\$ 39,750,500
Total	\$212,753,500

Current Status - Regional Improvements

- Regional Improvements
 - I-25 / US 34 Interim Improvements complete
 - Always considered highest priority
 - 100% Service District Funded
 - I-25 / Crossroads Ramp Intersection Improvements complete
 - Leveraged Federal Funds through MPO and ARRA
 - Centerra Parkway Extension from UPRR to Crossroads complete
 - 100% Service District funded
 - Only first regional improvement funding requirement has been triggered
 - Service District Costs to date:

• I-25 / US 34 Interim Improvements	\$12.8M
• I-25 / Crossroads Improvements complete	\$ 2.7M
• Centerra Parkway Extension	<u>\$11.9M</u>
• TOTAL	\$27.4M
- Note: Service district is maintaining aesthetic improvements at US 34 and Crossroads Interchanges

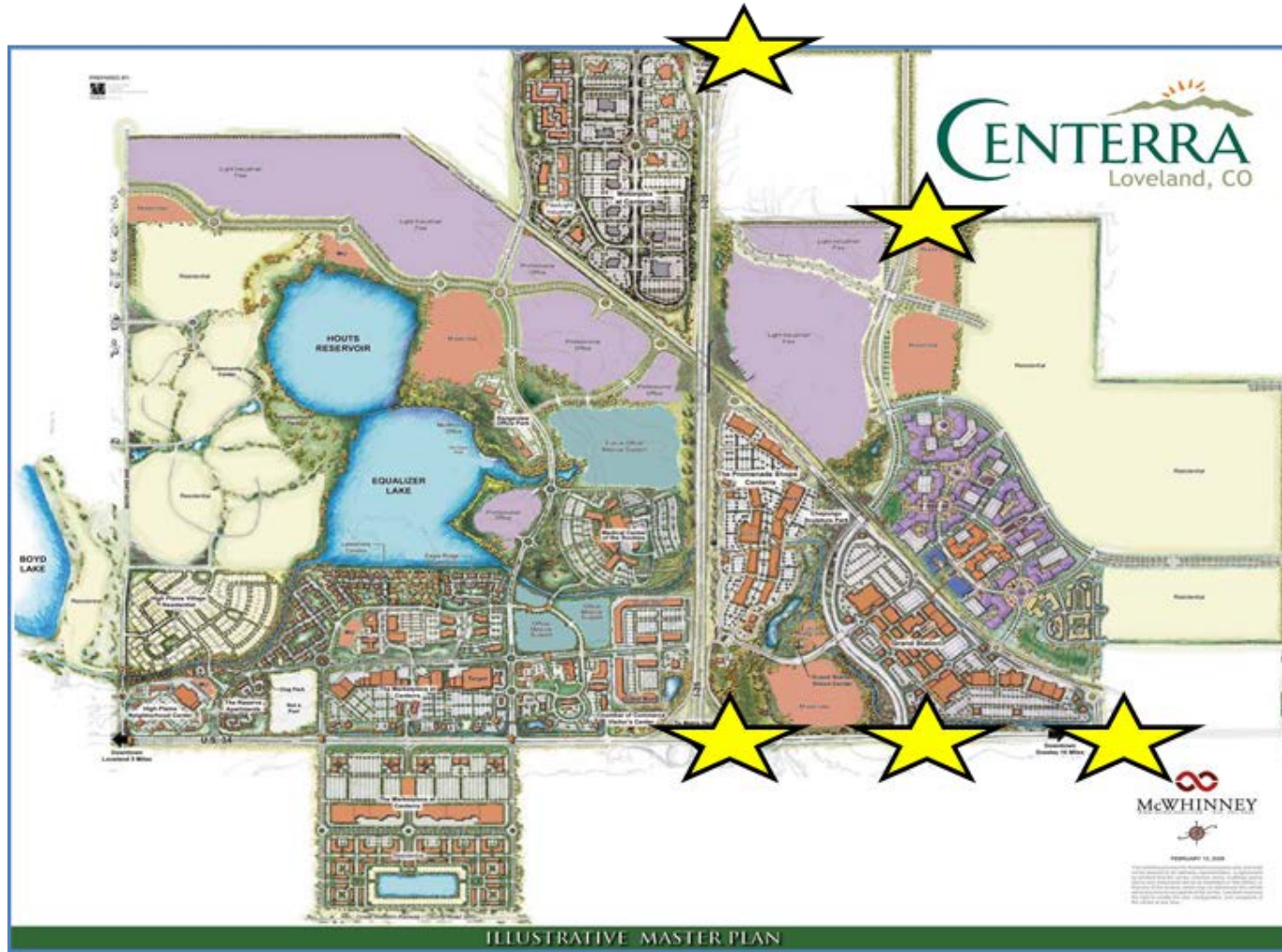
Current Status - Other Items

- **Local Improvements**
 - A number of projects have been completed, primarily east of I-25, including:
 - Centerra Parkway – US 34 to UPRR
 - US 34 Turn lanes – east of I-25
 - Sky Pond – Centerra Parkway to West End
 - Kendall Parkway – Centerra Parkway to I-25
 - Other minor projects
- **Street CEF Credit**
 - Almost all used (approximately \$90,000 remaining)
- **Options for Additions of Projects upon Agreement between City and Service District**
 - Centerra Parkway Extension is only change (Regional Improvement)

Possible Projects

- Kendall Parkway Underpass of I-25
- Boyd Lake Avenue
- US 34 Widening

Regional Roadways



Discussion?

- Direction to Staff for any additions
- Direction on any other changes

CENTERRA METROPOLITAN DISTRICT NO. 1 DEBT SUMMARY

Centerra Metropolitan District No. 1's (the "District") current debt consists of a Loan Agreement ("2011 Loan") dated June 8, 2011 with BBVA Compass Bank, US Bank National Association, BOKF N.A. d/b/a Colorado State Bank, Vectra Bank and Colorado Business Bank ("Lenders") pursuant to which the Lenders agreed to loan the District a pro rata share of \$130,920,000. There are no bondholders. Each Lender's pro rata share of the 2011 Loan is as follows:

BBVA Compass Bank:	43.256284349%
US Bank National Association:	23.790956393%
BOKF N.A. d/b/a Colorado State Bank:	13.710367698%
Vectra Bank:	10.591134685%
Colorado Business Bank:	8.651256874%

The 2011 Loan was initially funded by the Lenders, pursuant to their pro rata share, in the amount of \$120,920,000. The remaining \$10,000,000 was retained by the Lenders and is made available to the District through multiple advances until September 1, 2014, provided that certain assessed valuation tests are met. The District was advanced \$1,548,665 and \$6,852,944 in 2011 and 2012, respectively. Currently, \$1,598,391 remains available to be advanced to the District.

The 2011 Loan matures on June 8, 2016. At or prior to maturity, the District anticipates entering into a new loan agreement or remarketing the debt in the form of bonds. The 2011 Loan requires annual principal payments starting on December 1, 2011. A principal payment of \$2,650,000 was paid in 2012. The current outstanding principal balance is approximately \$124,121,609.

The 2011 Loan provides for a variable rate of interest. There are two different interest rate exchange agreements (swaps) relating to amounts under the 2011 Loan. The larger swap is with the Royal Bank of Canada for a current notional amount of \$106,570,000 (with annual principal reduction), a fixed interest rate of 5.5225% (3.46% swap rate plus 2.0625% bank fees), and a final termination date of Dec 1, 2029. The smaller swap is with the BBVA for a current notional amount of \$9,150,000 (with annual principal reduction), a fixed interest rate of 3.556%, and a final termination date of June 8, 2016. Approximately \$10,000,000 of the principal amount of the 2011 Loan is not hedged to a fixed rate.

Each individual Lender is paid on a parity basis with each other Lender. Each Lender is entitled to be repaid based on each Lender's pro rata share. To the extent any of the 2011 Loan remains unpaid at the termination of the URA, the Lenders are still entitled to repayment from the District, based on each Lender's pro rata share, from any legally available revenues of the District, but not from URA revenues as URA revenues are no longer available after termination of the URA.