




Memorandum

TO: Mayor and City Council

FROM: John Duval, City Attorney 

RE: Centerra Retrospective

DATE: March 20, 2014

I. INTRODUCTION

The purpose of this memorandum is to provide the City Council (“Council”) with background information and history concerning the Centerra Master Financing Agreement that the City entered into on January 20, 2004 (“MFA”) and its subsequent amendments. This memorandum will also address the various other controlling documents related to the MFA that Council approved in 2004, together with their subsequent amendments and modifications. As Council knows, over the past ten years the MFA has played a key role in the commercial development of the Centerra area. It is therefore useful to understand how the MFA and the other controlling documents have functioned and affected Centerra’s development these past ten years and to anticipate what they mean for Centerra’s future development.

II. BACKGROUND

In 2002, the Council established the Loveland Urban Renewal Authority (“LURA”). The Council did so in accordance with the Colorado Urban Renewal Law, C.R.S. Section 31-25-101, *et seq.* (“Urban Renewal Law”). In creating LURA, the Council designated itself as LURA’s governing Board of Commissioners.

There are two aspects of urban renewal authorities that make them particularly valuable tools for municipalities to use in fostering economic development and redevelopment within their communities. The first relates to the revenues that are available to urban renewal authorities. The second relates to their ability to agree to multiple-fiscal year debt without an election.

After an urban renewal plan is approved for a particular land area within a municipality to be developed or redeveloped, an urban renewal authority can collect property tax increment



revenues and municipal sales taxes generated from the real property that is included within that urban renewal plan area. The property tax increment revenues available are all of the property taxes levied and collected on the increased assessed value of the property in the urban renewal plan area resulting from the development of the property.¹ The municipal sales taxes that the urban renewal authority can collect are the additional municipal sales taxes generated by the new development within the urban renewal plan area. These anticipated tax increment revenues, both property taxes and municipal sales taxes, can then be used by the urban renewal authority in a variety of ways, including to provide funds for the construction of public improvements to encourage the new development or redevelopment contemplated under the urban renewal plan.

Once the tax increment revenues are available to be generated from the urban renewal plan area, the second helpful aspect of urban renewal authorities comes into play. This relates to the fact that the Colorado courts have held that urban renewal authorities are not a “district” for purposes of the Colorado Taxpayer’s Bill of Rights in Section 20, Article X of the Colorado Constitution (“TABOR”).² This is significant because “districts,” as defined in TABOR, cannot enter into multiple-fiscal year debt obligations (longer than one year) without an election of the eligible voters within the district’s boundaries. This means that urban renewal authorities, not being a TABOR district, can legally agree to long-term debt obligations without an election. With this ability to agree to long-term debt, an urban renewal authority can more easily pledge, or commit, its tax increment revenues to an urban renewal authority project that furthers the purposes of the urban renewal authority’s approved urban renewal plan.

III. HISTORY

A. 2004 Approvals of Centerra URA Plan, MFA and Metro District Service Plan.

On January 20, 2004, the Council adopted Resolution #R-8-2004 approving the US 34 / Crossroads Corridor Renewal Plan (“Original URA Plan”) which included approximately 1,379 acres of the Centerra development as depicted on the map attached as **Exhibit “A”** (“Original URA Plan Area”).³

To implement the Original URA Plan, the Council also approved on January 20, 2004, as itself and as LURA’s Board of Commissioners, the MFA. The other parties to the MFA are Centerra Properties West, LLC (“Developer”), Centerra Metropolitan District No. 1 (“Service District”), the Centerra Public Improvement Collection Corporation (“PIC”) and the Centerra Public Improvement Development Corporation (“PID”).

¹ These property taxes include not only the municipality’s property taxes but all of the property taxes levied in the urban renewal plan area by other governmental entities, such as counties, school districts and metropolitan districts.

² *Olson v. City of Golden*, 53 P.3d 747 (Colo. App. 2002).

³ The Original URA Plan was the second urban renewal plan approved by the Council. The Council adopted its first urban renewal plan on October 1, 2002, for the Loveland downtown area. On April 26, 2005, the Council approved a third urban renewal plan for the downtown Lincoln Place development, which plan area was recently modified to include the downtown Brinkman project and the existing Larimer County building downtown.

The MFA sets forth in considerable detail the terms and conditions under which LURA has pledged to the Service District all of the property tax increment revenues, with two minor exclusions,⁴ that LURA would begin receiving after January 20, 2004, and ending on January 20, 2029, from the Original URA Plan Area. The MFA restricts the Service District's use of these revenues, allowing them only to be used by the Service District to pay for the public improvements specifically defined in the MFA⁵. It is also important to understand that LURA's pledge of tax increment revenues to the Service District is not for a specific amount, but only for those tax increment revenues actually received by LURA. Therefore, LURA's long-term obligation under the MFA to pay its tax increment revenues to the Service District is only legally enforceable to the extent LURA actually collects such revenues.

The MFA also grants the Developer a credit against the collection of the City's sales tax equal to 1.25% of all retail sales that will be made within the Original URA Plan Area ("Sales Tax Credit").⁶ However, in place of this Sales Tax Credit, the MFA requires the Developer to impose on all the real property in the Original URA Plan Area, by a recorded real estate covenant, a 1.25% Public Improvement Fee ("PIF") on all retail sales in the Original URA Plan Area ("PIF Covenant").⁷ The MFA requires the PIF to be collected under the PIF Covenant by the PIC to be used by the PIC to help the Service District finance the District's authorized public improvements. The PIF can also be used by the PIC to help the PID finance the public improvements it is authorized under the MFA to construct.

The PIF and the PID were created to contract and pay for the construction of those public improvements that are authorized in the MFA to be constructed, but which under the Urban Renewal Law cannot be constructed with LURA's property tax increment revenues or that the Service District does not have the legal authority to build. For example, in 2004 there were portions of the public improvements defined in the MFA as "Regional Improvements" that were located outside the Original URA Plan Area and the Urban Renewal Law then did not allow public improvements constructed outside of an urban renewal plan area to be funded with urban renewal authority revenues.⁸

The Regional Improvements are another important aspect of the MFA. The Regional Improvements were originally five major public transportation projects defined in the MFA, such as the "Interim I-25 and US 34 Interchange Improvements" and the "I-25 and Crossroads Boulevard Interchange Improvements."⁹ The MFA requires that two of the Regional

⁴ The two minor exclusions are the "School Increment" discussed later and the "LURA Administrative Fee" (defined in MFA Section 1.56) used to cover LURA's reasonable costs to administer the MFA and the Original URA Plan.

⁵ The Service District has borrowed approximately \$130,000,000 to pay for the construction of the MFA authorized public improvements. This loan is held by a group of banks and the Service District pays its debt service with the property tax increment and PIF revenues pledged to it under the MFA.

⁶ This Sales Tax Credit is authorized in City Code Section 3.16.590.

⁷ This PIF Covenant was later amended to extend to the "Flex URA Properties" when they were added to the Original URA Plan Area in 2008, as later discussed. This amendment was approved by Council in Resolution #R-103-2008 on September 2, 2008.

⁸ In addition, certain portions of the Regional Improvements were not included in the Original URA Plan Area because in January 2004 they were not then annexed into the City and the Urban Renewal Law does not permit land outside a municipality to be included within an urban renewal plan area. C.R.S. § 31-25-104(1)(b).

⁹ As later described, three additional Regional Improvements have been added to the list of the original five.

Improvements must be constructed or funded before the Service District can issue more than \$110,500,000 of debt.¹⁰ The remaining Regional Improvements are to be funded, in whole or part to the extent funds are available, with the property tax and PIF revenues generated from the Original URA Plan Area under the “Regional Allocation” formula set out in the MFA.¹¹ The MFA requires these allocated revenues to be deposited with LURA in a Regional Fund to be used by LURA for the future construction of the remaining Regional Improvements.¹²

As discussed above, one of the parties to the MFA is the Service District. When the Original URA Plan and the MFA were approved by the Council on January 20, 2004, the Council also approved the Consolidated Service Plan for Centerra Metropolitan Districts Nos. 1, 2, 3 and 4 (“Service Plan”).¹³ The Service Plan is the governing document of the Service District and of the other three Centerra metro districts. The Service Plan sets the limits of the legal authority of these metro districts for such things as the kinds of public improvements they are authorized to construct, the maximum amount of debt they may incur, and the maximum number of mills they can levy for property taxes. The Service Plan, as approved in 2004, was drafted to ensure that the Service District would have the legal authority to meet all of its obligations under the MFA.

B. Original URA Plan Modifications.

Since 2004, the Council has approved six modifications to the Original URA Plan. Five of these modifications were determined by Council under the Urban Renewal Law not to be substantial modifications. This meant that the Council could approve them without a noticed public hearing and without making the blight findings that were required of Council under the Urban Renewal Law when it adopted the Original URA Plan.¹⁴ These non-substantial modifications to the Original URA Plan have been:

- Resolution #R-13-2004 adopted January 20, 2004, adding to the Original URA Plan Area the approximately 52 acres of land constituting Thompson R2-J School District’s

¹⁰ This condition has been met by the construction of the “Interim I-25 and US 34 Interchange Improvements” and the “Centerra Parkway/Crossroads Extension” Regional Improvements. It is also important to note that in order for the Centerra Parkway/Crossroads Extension to be counted as a Regional Improvement, the Service District also had to fund the construction of the I-25/Crossroads Boulevard roundabouts.

¹¹ The “Regional Allocation” formula is defined in MFA Section 1.90 and is described in more detail in MFA Exhibit H.

¹² MFA Section 11 describes how the Regional Allocation funds are to be used.

¹³ Centerra Metro District No. 1, already identified as the “Service District,” is the metro district created to be the operational district that is responsible for funding and building the public improvements under the MFA. Metro District No. 2 is the district that imposes the property tax mill levy on the property in the Original URA Plan Area, which tax increment is collected by LURA and paid to the Service District under the MFA. Metro District No. 3 is a district consisting of areas of future residential development in Centerra and this district is required to pay five of its property tax mills to the Service District in recognition of the indirect benefits it receives from the Service District’s construction of public improvements in Centerra. Metro District No. 4 was created to be the “Regional Improvement District” to be used as a future tool, if needed, for construction of the Regional Improvements. So far, District No. 4 has not been so used.

¹⁴ Under C.R.S. § 31-25-107(7), an urban renewal plan may be modified by a city council without a public hearing, and without making blight findings, if the council finds that the modifications will not “substantially change the urban renewal plan in land area, land use, design, building requirements, timing, or procedure, as previously approved....”

Mountain View High School. This addition was contemplated in MFA Section 10.1. This property and the Thompson R2-J School District (“School District”) property described in the next bullet, were added to the Original URA Plan because under MFA Section 10 certain LURA property tax increment revenues (defined in MFA Section 1.103 as the “School Increment”) are to be made available in the future to the School District for the District’s construction projects on these properties, but not for paying its administrative and instructional expenses.¹⁵

- Resolution #R-39-2005 adopted May 3, 2005, adding another 29 acres of School District property to the Original URA Plan Area, again as contemplated in the MFA.¹⁶
- Resolution #R-76-2005 adopted September 20, 2005, excluding from the Original URA Plan Area approximately two acres of privately-owned land that is not part of the Centerra development, but was mistakenly included in the Original URA Plan Area.
- Resolution #R-24-2008 adopted March 4, 2008, adding to the Original URA Plan Area approximately 83 acres of the I-25 / US 34 Interchange and approximately six acres of the Centerra Parkway extension north to Crossroads Boulevard. These acres were added to the Original URA Plan Area because the I-25 / US 34 Interchange and the Centerra Parkway extension are both Regional Improvements under the MFA.
- Resolution #R-145-2008 adopted December 16, 2008, adding to the Original URA Plan Area 1.628 acres that were inadvertently not included in the “Flex URA Plan Modification” described below.

These five non-substantial modifications will be referred to collectively as the “Non-Substantial URA Plan Modifications.”

On September 2, 2008, the Council adopted Resolution #R-98-2008 approving a modification to the Original URA Plan that did include substantial changes. This involved adding approximately 509 acres to the Original URA Plan Area. The purpose of this substantial modification was to provide maximum land use flexibility for future commercial development in Centerra while not increasing the net developable acreage eligible to benefit from property tax increment revenues beyond that originally permitted by the Original URA Plan (“Flex URA Plan Modification”).¹⁷ These 509 acres that were added to the Original URA Plan Area are depicted on the map attached as **Exhibit “B”** (“Flex URA Properties”).

¹⁵ C.R.S. § 31-25-112 authorizes urban renewal authorities to enter into agreements with school districts and other governmental entities to cooperate in the planning and undertaking of an urban renewal plan. This agreement for LURA to collect and pay the School Increment to the School District was further formalized in an Intergovernmental Agreement dated December 22, 2006, between the parties that was approved by the LURA Board in Resolution #R-132-2006.

¹⁶ This parcel of land is located in the Van de Water development and was donated to the School District by the Van de Water developer for a future middle school.

¹⁷ For this Flex URA Plan Modification to occur with Larimer County’s cooperation (although that cooperation was not legally required by the Urban Renewal Law), the Council and the LURA Board approved by Resolutions #R-99-2008 and #R-100-2008, respectively, an “Intergovernmental Agreement Regarding the US 34/Crossroads Corridor Renewal Plan” with Larimer County (“County IGA”), which was entered into by the parties on September 16, 2008.

The Original URA Plan, as modified by the Non-Substantial URA Plan Modifications and the Flex URA Plan Modification, will be referred to as the “Current URA Plan.” The Original URA Plan Area, as changed by those modifications, is depicted on the map attached as **Exhibit “C”** and consists of approximately 2,070 acres (“Current URA Plan Area”).¹⁸

C. MFA Amendments.

The MFA has been amended six times since 2004. These amendments are:

- Resolution #R-114-2006 adopted November 21, 2006, approving the first MFA amendment entered into by the parties on December 5, 2006 (“First MFA Amendment”). The First MFA Amendment added a sixth Regional Improvement to the MFA. The Regional Improvement added was the extension of the then existing Centerra Parkway (formerly County Road 5) from the Union Pacific Railroad tracks north to Crossroads Boulevard. However, for this extension to be counted as a Regional Improvement, the Service District was also required to construct the “Crossroads Interchange Roundabouts” as defined in MFA Section 1.29.1.
- Resolution #R-75-2007 adopted October 23, 2007, approving the second MFA amendment entered into by the parties on November 20, 2007 (“the Second MFA Amendment”). The Second MFA Amendment modified the MFA in two major respects. First, it allows certain parking improvements to be constructed by the Service District for the then proposed Grand Station development to be considered public improvements eligible for funding under the MFA, subject to several pre-conditions. Second, the Service District agreed, contingent on the Service District obtaining certain bond financing for its construction of the Grand Station public improvements, to make accelerated payments to LURA above those previously required in the MFA under the formula for the “Regional Allocation,” to be deposited in the Regional Fund and used for the future construction of Regional Improvements.
- Resolution #R-101-2008 adopted September 2, 2008, approving the third MFA amendment entered into by the parties on October 28, 2008 (“Third MFA Amendment”). The Third MFA Amendment was needed as a result of the Flex URA Plan

The County IGA requires LURA to rebate to the County its property tax increment revenues generated and collected by LURA on future development in the Current URA Plan Area on any acreage in excess of the maximum 969.58 “Net Developable Acres” described in the County IGA. The County IGA also requires the Service District to rebate to the County property tax increment collected from residential properties located in the Centerra URA Plan Area. On January 15, 2009, the City entered into a similar intergovernmental agreement with the Service District for some of those same residential properties, which agreement the Council approved in Resolution #R-150-2008 on December 16, 2008.

¹⁸ City staff will soon be presenting to the Council a resolution to modify the Current URA Plan by expanding the Current URA Plan Area with the addition of: (1) an elementary school site the School District now owns in Centerra; (2) the property for the future “Boyd Lake Avenue” Regional Improvement later discussed; and (3) the north half and adjacent areas needed for the future I-25/Crossroads Boulevard Interchange Regional Improvement.

Modification.¹⁹ The Third MFA Amendment primarily added the Flex URA Properties to the MFA “Commercial Area,” which is defined in MFA Section 1.21 and is the same area as the Current URA Plan Area.

- Resolution #R-32-2009 adopted March 24, 2009, approving the fourth MFA amendment entered into by the parties on April 7, 2009 (“Fourth MFA Amendment”). The purpose of the Fourth MFA Amendment was to accommodate the 2008 establishment of Centerra Metropolitan District No. 5 (“Metro District No. 5”). Metro District No. 5 includes within its boundaries one of the parcels of the Flex URA Properties. Metro District No. 5 was created to impose on its properties, which are zoned for light industrial use, a lower property tax mill levy than that imposed by the other Centerra metro districts on the properties within their boundaries, which are mostly zoned for office and retail uses.
- Resolution #R-96-2013 adopted November 5, 2013, approving the fifth MFA amendment entered into by the parties on November 5, 2013 (“Fifth MFA Amendment”). The Fifth MFA Amendment added two new Regional Improvements to the MFA. It added the improvement of Boyd Lake Avenue from U.S. Highway 34 north to Kendall Parkway (now 37th Street) and the construction of Kendall Parkway from U.S. Highway 34 northwest to Boyd Lake Avenue, including an underpass at Kendall Parkway and I-25.
- Resolution #R-10-2014 adopted February 4, 2014, approving the sixth MFA amendment entered into by the parties on February 4, 2014 (“Sixth MFA Amendment”). The Sixth MFA Amendment did two things. First, it authorizes the Service District to use its MFA revenues to fund the construction of the public parking improvements for the retail development east of I-25 in Centerra that will include a Bass Pro Shops store. Second, it authorizes the Service District to use MFA revenues to pay the reimbursement that will be owed to the City for the water line previously installed by the City in conjunction with the construction of Medical Center of the Rockies. This water line is located partly in the existing Boyd Lake Avenue right-of-way and partly in the future Kendall Parkway right-of-way.

The MFA, as amended by the First MFA Amendment, Second MFA Amendment, Third MFA Amendment, Fourth MFA Amendment, Fifth MFA Amendment and Sixth MFA Amendment will be referred to as “the Current MFA.”

D. Service Plan Modifications.

The modifications to the Service Plan that Council has approved since 2004 have been:

- Resolution #R-75-2005 adopted September 20, 2005, authorizing the exclusion of approximately two acres of privately-owned land not within the Centerra development that had been mistakenly included in the boundaries of Centerra Metro Districts Nos. 2 and 4 under the Service Plan.

¹⁹ On January 15, 2009, the parties agreed to a minor modification to the Third MFA Amendment to address the failure to include the 1.628 acre parcel in the Flex URA Plan Modification that was corrected by Council Resolution #R-145-2008.

- Resolution #R-122-2006 adopted December 5, 2006, authorizing the exclusion of approximately eight acres of land from the boundaries of Metro Districts Nos. 2 and 4 that had been developed as multi-family residential. As originally contemplated in the Service Plan, Metro Districts Nos. 2 and 4 were intended to include only commercial development, not residential development.
- Resolution #R-22-2007 adopted March 6, 2007, authorizing the maximum mill levy cap as originally set in the Service Plan for Metro District No. 2 to be increased from 35 mills to 72 mills.
- Resolution #R-48-2007 adopted June 5, 2007, modifying the Service Plan to exclude from the boundaries of Metro Districts Nos. 2 and 4 future residential units then contemplated to be built within the Grand Station development.
- Resolution #R-104-2008 adopted September 2, 2008, authorizing the inclusion into the boundaries of Metro Districts Nos. 2 and 4 some of the Flex URA Properties. It also authorized the exclusion of a parcel from the boundaries of Metro District No. 3 to be added to the boundaries of Metro Districts Nos. 2 and 4 and the exclusion of Equalizer Lake from the boundaries of Metro Districts Nos. 2 and 4.
- Resolution #R-98-2009 adopted October 20, 2009, modifying the Service Plan to exclude from the boundaries of Metro Districts Nos. 2 and 4 certain residential units authorized for future construction on the Flex URA Properties.

The Service Plan, as amended by the resolutions listed above, will be referred to as “the Current Service Plan.”

In addition to Council approving the Service Plan and its various modifications, on September 16, 2008, the Council adopted Resolution #R-109-2008 approving the Service Plan for Centerra Metro District No. 5. On March 24, 2009, the Council adopted Resolution #R-31-2009 approving an “Amended and Restated Service Plan” for Metro District No. 5.

E. Millennium Amended and Restated Annexation and Development Agreement & Millennium GDP

The area that constituted Centerra in 2004, was annexed into the City during the prior years through several separate annexations. Consequently, in 2004 the Centerra area was governed by a number of different annexation and development agreements and by different zoning approvals, most of which were an approved general development plan for a planned unit development (“GDP”). This sometimes resulted in conflicting and confusing annexation and development agreements and GDPs.

The parties to the MFA recognized in 2004 that in order for Centerra to develop more effectively and to achieve the goals of the MFA and the Original URA Plan, it would be beneficial to all parties if this area developed as a master-planned development with a

consolidated annexation and development agreement and GDP. However, this would be a time consuming and complex task that could not be accomplished within the time constraints that existed at the time for approval of the MFA, Original URA Plan and the Service Plan. The parties therefore acknowledged this problem in the MFA and proposed in the MFA its future solution.

In MFA Section 2.1 of the Recitals, the parties acknowledge that it would be in the best interest of the City and of the areas of Centerra affected by the MFA and the other controlling documents if such areas were “governed by one development agreement and general development plan.” The parties therefore agreed in MFA Section 13 that the City and the Developer would work together to accomplish this within a reasonable time after the MFA was entered into in 2004.

On June 13, 2006, the Council adopted Ordinance No. 5096 approving an “Amended and Restated Annexation and Development Agreement for the Millennium General Development Plan,” which was signed by the owners of all the affected real properties and then recorded on July 11, 2006, at Reception #20060051708 of the Larimer County records (“Millennium Development Agreement”). The Council also approved in the Ordinance the consolidated Millennium General Development Plan (“Millennium GDP”).

The Millennium Development Agreement addresses numerous issues regarding the development and use of essentially all of the parcels of real property in Centerra, including those in the Current URA Plan Area. One of the key issues addressed in the Millennium Development Agreement is the establishment of long-term vested property rights for these parcels ranging from fifteen to twenty-five years, as set out in Section 7 and in Exhibits N-1 and N-2 of the Millennium Development Agreement. The Millennium GDP primarily addresses the specifically allowed land uses for these parcels of property and the specific development standards applicable to each of them.²⁰

On July 1, 2008, the Council adopted Ordinance No. 5333 to annex some of the Flex URA Properties. It also approved a First Amendment to the Millennium Development Agreement to add these annexed properties to the Millennium Development Agreement, which First Amendment was recorded on September 23, 2008, at Reception #20080060421 of the Larimer County records. The Ordinance also amended the Millennium GDP to add these annexed properties to the GDP to regulate their future use and development.

On May 5, 2009, the Council adopted Ordinance No. 5417 to approve a Second Amendment to the Millennium Development Agreement, which Second Amendment was recorded on June 3, 2009, at Reception #20090035948 of the Larimer County records. This Second Amendment to the Millennium Development Agreement addressed the development of certain residential properties within Centerra. The Millennium GDP was also amended in the Ordinance to address these same residential properties.

²⁰ The Millennium GDP was further amended by Council in Ordinance No. 5195 adopted on June 5, 2007 to add some allowable land uses related to the Grand Station project.

IV. CONCLUSION

As this memorandum demonstrates, the MFA, the Original URA Plan, and the Service Plan have all proven to be flexible, living documents capable of being amended and modified as circumstances changed in the economy and as development opportunities presented themselves. This will no doubt continue to be the case for the Current MFA, the Current URA Plan and the Current Service Plan, as well as for the Millennium Development Agreement and the Millennium GDP. There will be, however, one important limiting factor to the continued use of the economic and development structure created by these controlling documents. That factor is time.

The Current URA Plan will expire on January 20, 2029, less than fifteen years from now. This will end LURA's collection of tax increment revenues from Centerra and end its obligation to pay those revenues to the Service District.²¹ Consequently, future borrowings by the Service District that are dependent on the availability of LURA's tax increment revenues will see ever shorter payback periods. Of course, as more private development occurs in Centerra, such as the retail development that includes a Bass Pro Shops store, this will increase the amount of available tax increment revenues, but again during an ever shortening time period.

Nevertheless, there have been and will continue to be many positives to Loveland in the form of new jobs, public and private services, and increased tax revenues coming from the current and future development in Centerra that is and will be supported by the public improvements the Service District is able to fund and build under the Current MFA, such as the Regional Improvements, two of which have been built. And, just as important, beginning in 2029 all of the other governmental entities, such as Larimer County and the School District, that have had their property taxes used to finance these public improvements, will start to receive the full benefit of the property tax revenues that will be generated from Centerra for many years to come.

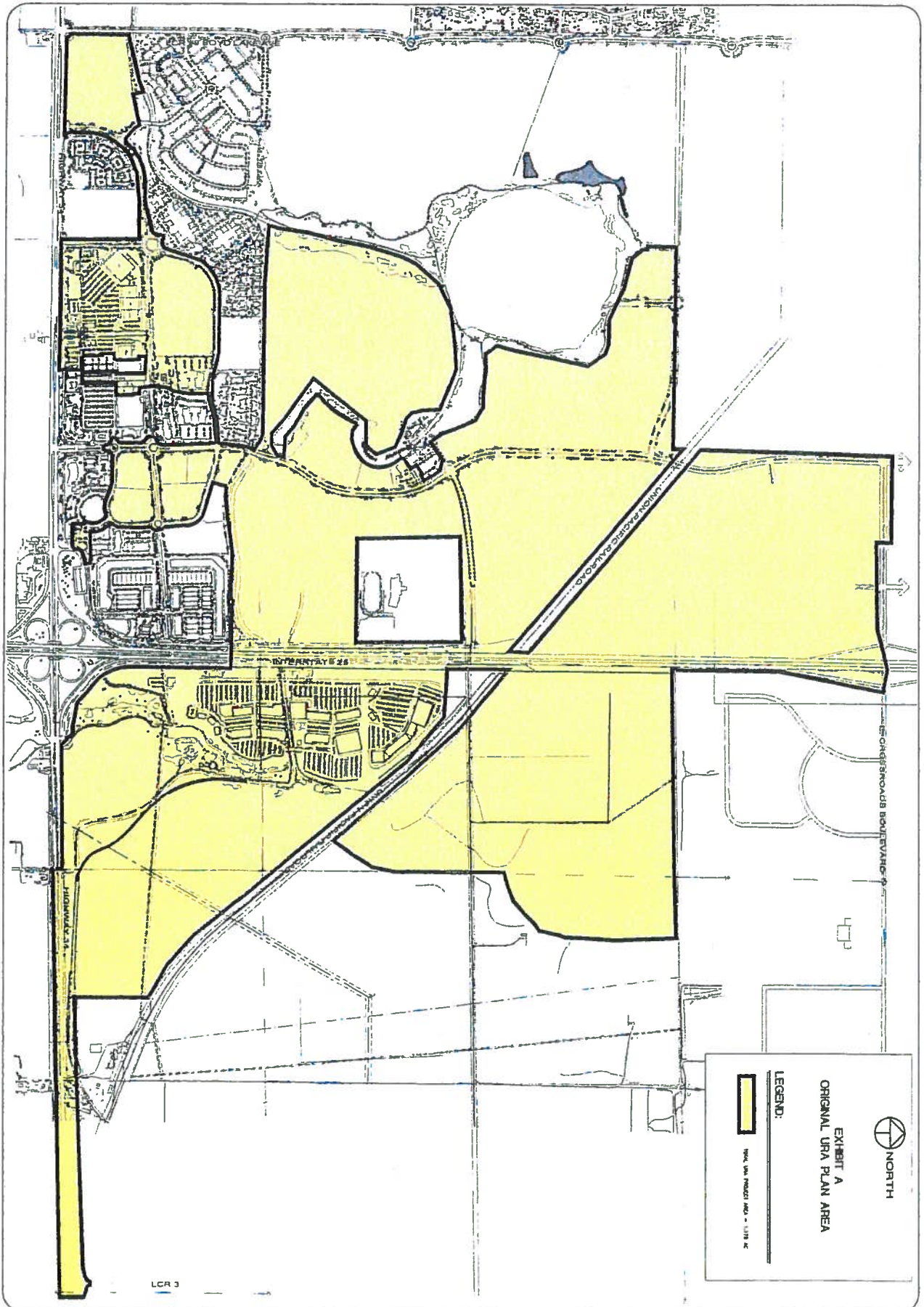
JRD/lms

ec: Bill Cahill, City Manager
Alan Krcmarik, Executive Fiscal Advisor
Steve Adams, Water & Power Director
Brent Worthington, Finance Director
Greg George, Development Services Director
Dave Klockeman, Acting Public Works Director
Judy Schmidt, Deputy City Attorney
Sharon Citino, Assistant City Attorney

²¹ It is important to note that the Centerra metro districts will likely continue to exist and operate after the expiration of the Current URA Plan to provide the public services and improvements they are authorized, and in some cases required, to provide under the Current Service Plan.

EXHIBIT "A"

The Original URA Plan Area



Sheet
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of
1
SHEET

**EXHIBIT A
ORIGINAL URA PLAN AREA**

PROJECT: CCE-02-018.00
DATE: 08/17/03
DESIGNED BY: S. Wynn
SCALE: NTS
DRAWN BY: K. Sanner
REVIEWED BY: S. Wynn

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Revised
By
Date

No.	Revised	By	Date

EXHIBIT "B"

The Flex URA Properties

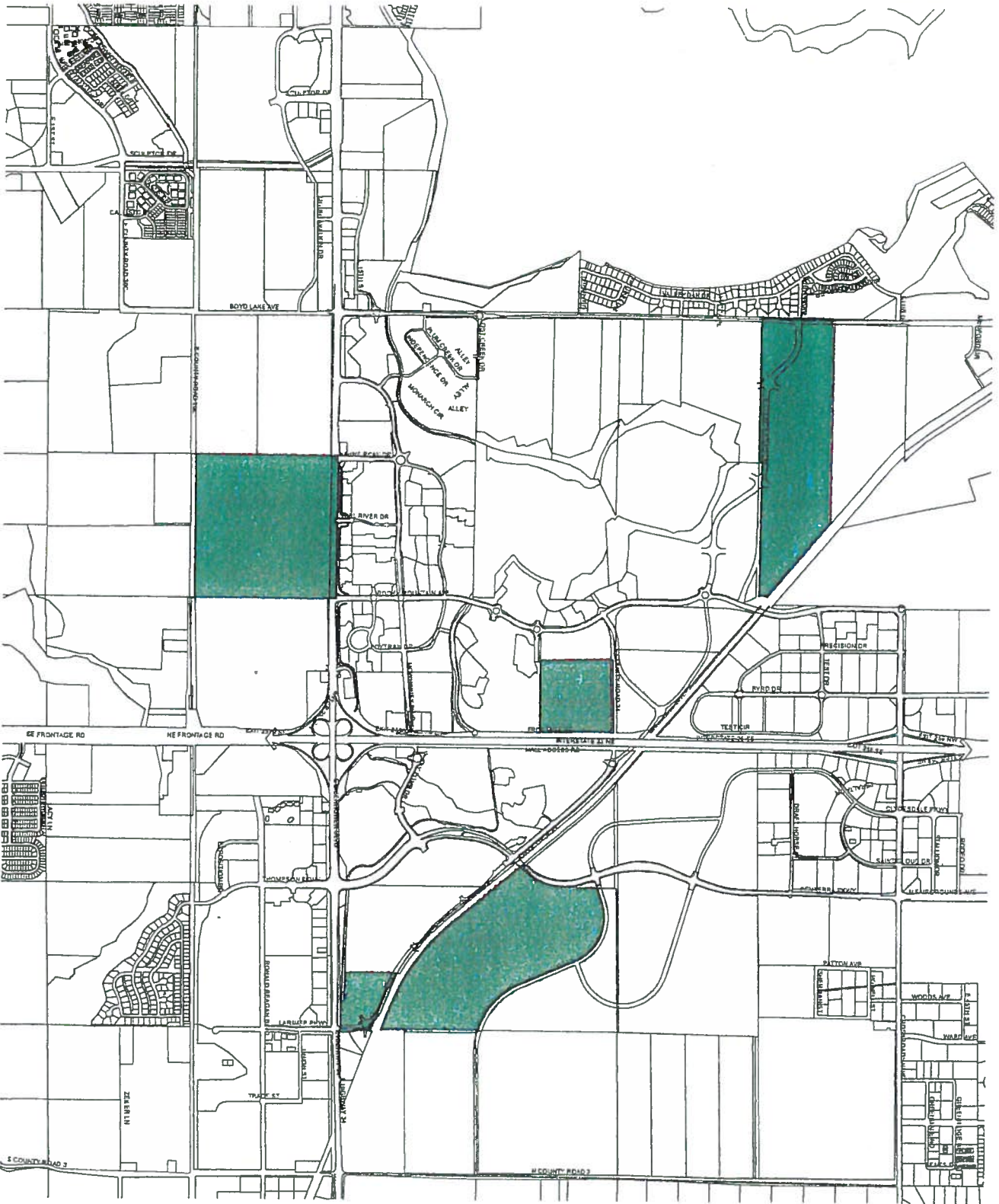


Exhibit B
Expanded URA Plan Area

LEGEND
 Proposed Areas for URA Amendment
 Area = 508.2 acres



Note: This document is for informational purposes only. It is not intended to be used as a legal document. The information shown here is subject to change at any time.

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EXHIBIT "C"

The Current URA Plan Area

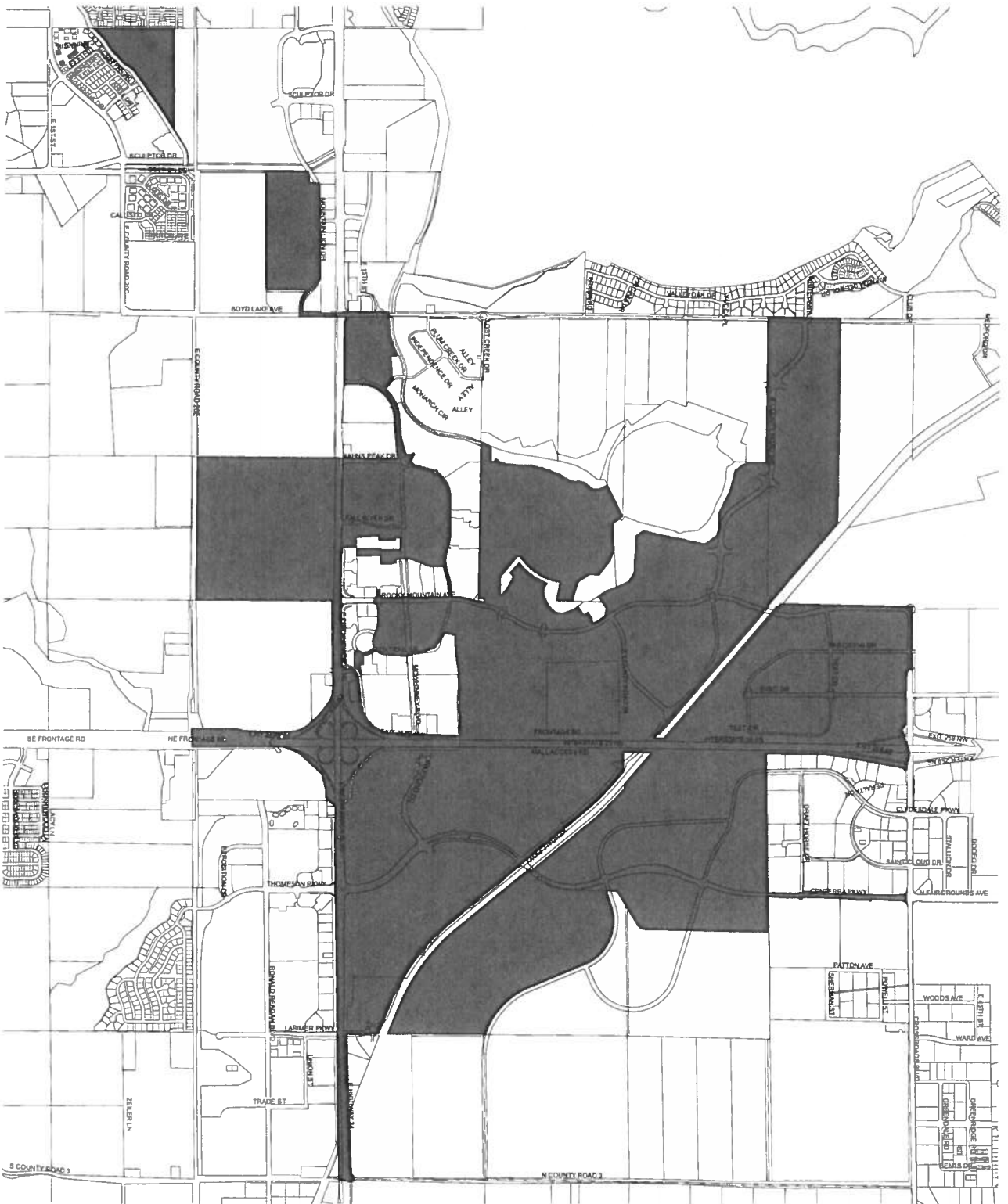


Exhibit C
Modified URA Plan Area

LEGEND
 URA BOUNDARY
 Area = 2089.8

(Not To Scale)
 Prepared by:
NE NORTH STAR
 LAND MANAGEMENT


MCWHINNEY
 www.mcwhinney.com
 970-682-9990
 Date: July 9, 2008

Note: This information and/or diagram although shown to be available, is not intended to be used as a substitute for a professional survey or other information. The information shown here is subject to change at any time.