



TO: Sylvia Carrillo, City Manager
From: Edi McIlwain, CFO
Date: November 7, 2024
Subject: Funding Alternative for Blakey Lane

We are currently waiting on funding from a CDBG Grant through the General Land Office for Blakey Lane. The total grant amount is \$2,358,000. The total project cost is currently at approximately \$9,300,000 with a \$1,800,000 contingency. It is anticipated that we will have to wait 6-12 more months for this grant to be approved and another 18 months for condemnation of property to begin work. We are losing money on property tax and sales tax the longer we wait on for this project to be complete.

We have \$6,000,000 from the CO Bond Series 2023 that has been sitting since December 2022 waiting for grants to be approved for Riverbank Stabilization and Gills Branch Drainage, both of which have not scored high enough to be funded previously. Because these projects could be another year or more before they are approved, I propose that we put this money to use for the construction of Blakey Lane. There is also \$3,000,000 remaining from this same CO Bond Series 2023 for Street Rehab projects of which all or a portion could be allocated towards this project.

Based on the average square feet of the stores that have expressed interest in locating in this space, we anticipate collecting approximately \$1,000,000 in transportation impact fees and sales tax of over \$500,000 per year that would cover a short term loan for the remainder of the project if necessary.