

# Proposed Two Rivers Marketplace Metropolitan District

Presentation to the City of Greeley

September 20, 2022

# Agenda

1. Project Overview
2. Metropolitan District Proposal Overview
3. Financing Plan
4. Questions

# Two Rivers Marketplace Project Team

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Name	Firm	Role
John Stephens	Stephens Family	Land Owner
Creig Veldhuizen	Creighton Land and Capital, LLC	Development Consultant
Zachary White	White Bear Ankele Tanaka & Waldron	Metropolitan District Legal Counsel
Shelley Lamastra	Russell+Mills Studios	Land Planner
Daniel Hull	LandOne Engineering	Civil Engineer
Tom Wynne	Wells Fargo	Bond Underwriter

# Project Location

1015 83<sup>rd</sup> Avenue (SW Corner of Business Hwy 34/83<sup>rd</sup> Avenue)

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# Project Location

Business Hwy 34 & 83<sup>rd</sup> Avenue



# Site Characteristics

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- **Zoning:** Commercial High Intensity zone allows for commercial, office, and retail uses.
- **Transportation:** Bordered on the north by State Highway 34 Business, on the east by 83<sup>rd</sup> Avenue, an arterial street, on the south by 12<sup>th</sup> Street, a collector, and on the west by 86<sup>th</sup>, a local commercial street. A local public commercial street is planned to provide for primary access within the site.
- **Open Space:** The proposed development plan has a large north-south open space corridor and trail connection from west 10<sup>th</sup> St to 12<sup>th</sup> St and the adjacent residential neighborhoods to the south.
- **Grading and Drainage:** The open spaces, internal drives, and stormwater system will be used to convey stormwater runoff to onsite detention facilities.
- **Water and Sanitary Systems:** Onsite water and sanitary mains will be built to City specifications and tie into the existing citywide systems.
- **North Boomerang Ditch:** This ditch runs through the property and must be relocated and enclosed in underground pipe.



# Project Status Overview



<b>Project Address:</b>	<b>1015 83<sup>rd</sup> Avenue</b>
Parcel Number:	095907101005
Acreage:	28.87 acres
Owner and Applicant:	Stephens Family held TIC (John Stephens)
Current Zoning:	Commercial High Intensity
Entitlement History:	Previously zoned for a PUD and then rezoned by City Council to Commercial High Intensity in August 2020

# Illustrative Conceptual Plan

Note: This plan is not a formal submittal to the City. It is for illustration purposes ONLY



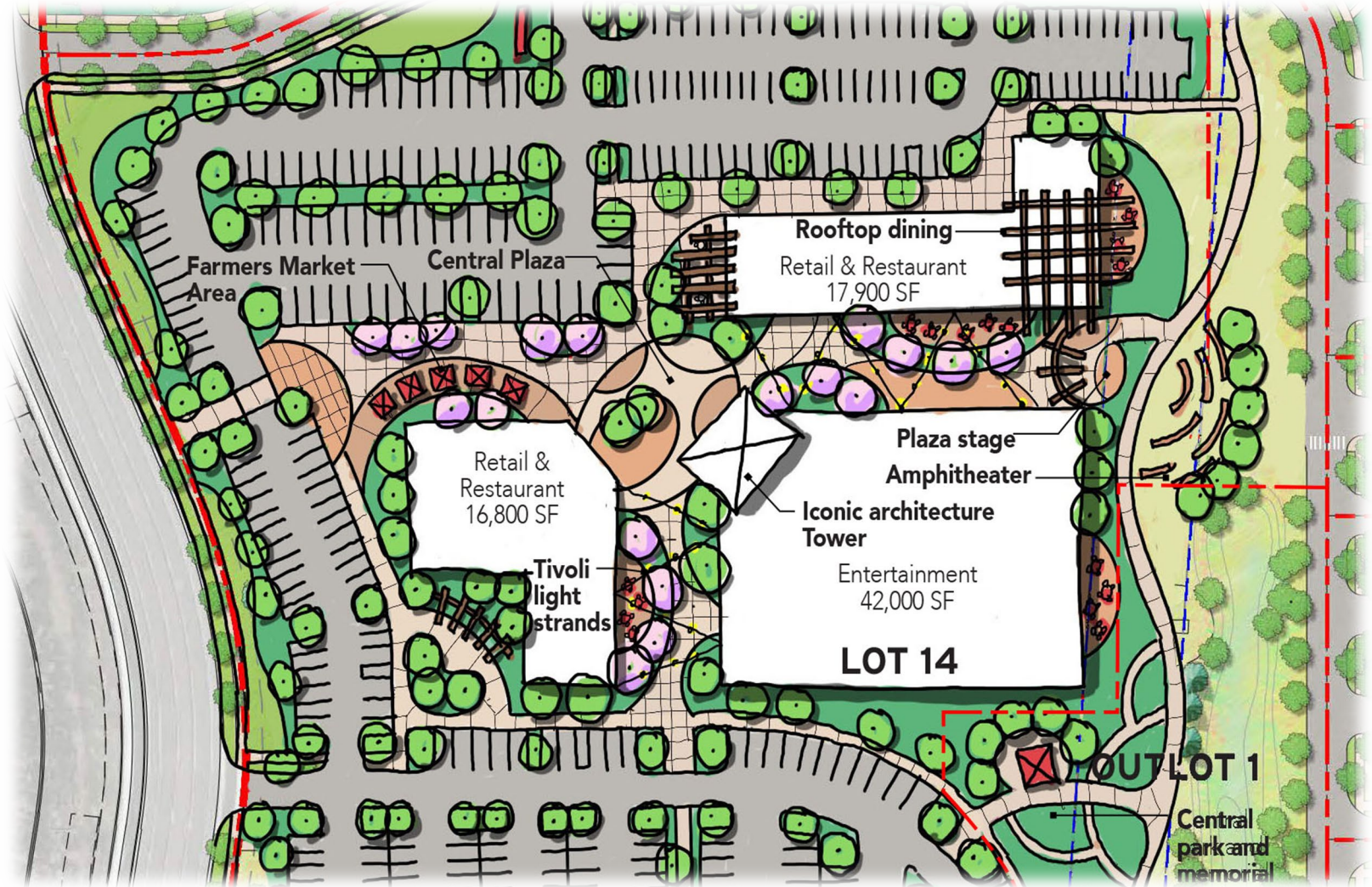
The goal of this project is:

1. To provide **commercial and retail space** within a vibrant development;
2. That offers activating amenities such as a **pedestrian plaza** for outdoor events;
3. That will integrate with **entertainment focused users** such as restaurants, breweries, food halls and other similar venues.
4. The core pedestrian corridors will be lined with diverse plantings and Tivoli lighting as well as an active park and a connection trail system through the project from the north to the south.
5. These features are balanced by the more passive amenities of the large detention ponds with native plantings and other outdoor features that are intended to bring an element of history and context to the site.



# Enlargement Plan: Core Area

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# Project Vision and Positioning

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# Project Vision and Positioning





# Why is a Metropolitan District Needed?

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- **Financing Flexibility**

- Provides the project and the district with a crucial infrastructure financing tool that will facilitate the project development due to lower cost tax exempt debt interest rates.
- Access to lower cost capital is particularly important when both construction costs and interest rates are in an inflationary environment.

- **Match Long Term Asset Useful Life with Longer Term Financing**

- The useful life of the public infrastructure is typically > 30 years.
- Absent a metropolitan district, which can issue 30-year tax exempt bonds to finance that infrastructure, the project developer must capitalize 100% of the cost of that public infrastructure in the lot sales price - making the project less competitive than if it were able to amortize those costs over a 30-year term.

- **Market Competitiveness**

- If the District finances the public infrastructure costs over a 30+ year term the project will be better positioned to sell commercial parcels at more competitive prices
- Will facilitate the development and full buildout of the project.

- **Extraordinary Costs**

- The site is burdened by some features that will require costs that are in excess of typical public infrastructure improvements for a project of this size and scope.
  - ✓ **North Boomerang Ditch – relocation and enclosure**
  - ✓ **Oil & gas pipeline easement - reduces saleable acreage = less land to amortize costs over**
  - ✓ **Outdoor Amenities required to deliver on the entertainment core integrated into the open space corridors**

# Metropolitan District Proposal Summary

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- Metropolitan District Powers: To finance, construct, and (if not otherwise conveyed to another governmental entity) operate and maintain the following public improvements:
  - Water Services
  - Sanitary Sewer facilities
  - Streets and Safety Protection
  - Parks and Recreation
- Key Service Plan Parameters
  - **Debt limit:** \$18,365,000
  - **Proposed Mill Levy Cap:** Maximum Debt Mill Levy = 50 mills, less mills imposed for operations or administrative purposes
  - **Estimated Public Infrastructure Costs:** \$8,875,000 (estimate from LandOne Engineering)
  - **Projected NET proceeds to fund Infrastructure: \$8,502,052**

# District Financing Plan Summary

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- The financing plan projects 170,450 SF of commercial buildings will be constructed at full project buildout representing an estimated total real estate market value of almost \$48 million
- We are projecting that the project would buildout between 2024 and 2028
- The plan contemplates two bond issuances
  - ✓ An early bond issuance in 2023 for \$6,900,000 million in par value
  - ✓ A 'refunding' bond issuance in 2028 for \$11,465,000 million, for a total par value of \$18,365,000
- The plan projects \$8,502,052 of net proceeds available to fund public infrastructure that will benefit the project
- Estimated public infrastructure budget is \$8,875,000



# Financing Plan Sources & Uses Summary

	Series 2023	Series 2028	Total
Issuance Date	9/1/2023	12/1/2028	
Call Date	12/1/2028	12/1/2038	
Final Maturity	12/15/2053	12/15/2058	
<b><u>Sources of Cash:</u></b>			
<b>Par Amount Issued</b>	<b>\$6,900,000</b>	<b>\$11,465,000</b>	<b>\$18,365,000<sup>1</sup></b>
Other Cash Sources	\$0	\$716,453	\$716,453
Total Cash Sources:	\$6,900,000	\$12,181,453	\$19,081,453
<b><u>Uses of Cash:</u></b>			
Capitalized Interest	\$608,250	\$0	\$608,250
Reserves	\$316,453	\$0	\$316,453
Cost of Issuance	\$414,389	\$808,275	\$1,222,664
Series 2023 Debt Refunded	\$0	\$8,432,034	\$8,432,034
<b>Net Construction Proceeds</b>	<b>\$5,560,908</b>	<b>\$2,941,144</b>	<b>\$8,502,052</b>
Total Cash Uses:	\$6,900,000	\$12,181,453	\$19,081,453

Note 1: Proposed Service Plan Debt Limit