

Town of New Castle
Attn: Town Council & Planning Department

Re: Public-Private Partnership Request – Fee Deferral Structure for Coal Seam Development

Dear Members of the Town Council,

Thank you for your continued leadership and thoughtful collaboration as we advance the Coal Seam mixed-use development. We appreciate the Town’s commitment to responsible growth and community stewardship, and we are aligned with that vision.

As we move into final approvals and prepare for construction, we respectfully submit this request for consideration of a deferred payment structure to support the successful delivery of this project—one that we believe will generate substantial long-term economic value for the Town of New Castle.

Project Overview & Community Impact

The Coal Seam development represents a \$25 million private investment into the Town and includes:

- 71-room boutique hotel
- Full-service restaurant and bar
- Residential rental units
- Outdoor recreation-focused amenities along the Colorado River
- EV vehicle charging Hub and infrastructure for expansion opportunity
- Energy efficient buildings

This project is specifically designed to position New Castle as a gateway destination along the I-70 corridor, capturing unmet lodging demand and supporting local businesses, recreation providers, and tourism growth.

Fiscal Impact & Long-Term Revenue to the Town

Based on our formal Fiscal Impact Analysis, the project delivers a strong net positive financial outcome to the Town:

Direct Revenue to the Town

- ~\$1.05 million in revenue during construction (use tax, tap fees, etc.)
- ~\$263,000 annually in recurring tax revenue beginning Year 3
- ~\$4.0 million in total revenue over 15 years

Annual Ongoing Tax Streams

- Lodging Tax: ~\$121,700/year
- Restaurant Sales Tax: ~\$35,000/year
- Additional General Fund Revenue: ~\$7,500/year

Net Fiscal Benefit

- Total Revenue (15 years): ~\$4 million
- Total Town Costs (15 years): ~\$939,000
- Net Positive Impact: ~\$3.05 million to the Town

This analysis demonstrates that the project is not only self-supporting but delivers a meaningful long-term surplus to the Town's budget, while requiring relatively minimal incremental municipal services.

Request for Fee Deferral / Financing Structure

In addition, we propose a structure that allows the Town to receive full fee value over time while improving project feasibility:

- Deferral of permits, Water and Sewer Tap fees, impact, and dedication fees
- Financing over a 10-year term at 0% interest
- Monthly payments made to the Town

This approach creates a true win-win structure:

- The Town receives full payment over time
 - The project maintains sufficient liquidity during construction
 - Risk of project delay or downsizing is reduced
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Why This Matters for New Castle

This project is not just a development—it is a catalyst for economic growth:

- Activates a key riverfront property
- Increases tourism and overnight visitation
- Supports local restaurants, outfitters, and retail
- Creates permanent jobs and construction employment
- Expands the Town's tax base without significant infrastructure burden

At stabilization, Coal Seam will serve as a long-term revenue engine for the Town, with increasing tax contributions year over year.

Closing

We are committed to delivering a project that reflects the values of New Castle—quality, sustainability, and long-term community benefit. We respectfully ask the Town to partner with us in a way that supports both project feasibility today and shared prosperity over the coming decades.

Thank you again for your time, leadership, and consideration.

Respectfully,

Abdi Pirzadeh, Managing Owner,

Coal Seam LLC