



**Tax Increment Financing (TIF) Assistance  
APPLICATION (REVISED 06/27/2006)**

**PROJECT NAME:** North College Marketplace

**PROJECT ADDRESS / LOCATION:** North East Corner of College Avenue & Willox Lane

**APPLICANT / DEVELOPER / PROPERTY OWNER INFORMATION**

	APPLICANT	DEVELOPER	PROPERTY-OWNER
Company Name	1908 North College, LLC	Loveland Commercial, LLC	1908 North College, LLC
Company Owner/CEO	Eric Holsapple	Eric Holsapple	Floyd & Ruth Barber (U/C)
Contact Person	Eric Holsapple	Eric Holsapple	Paul, Lonnie, Pat Jones (U/C)
Title	Manager	Manager	Frank & Mary Perez (U/C)
Complete Address	1043 Eagle Dr. Loveland, CO 80537		
Phone	970-667-7000	970-667-7000	
FAX	970-635-2514	970-635-2514	
Email	eholsapple@lovelandcommercial.com		

**TYPE OF LAND USE DEVELOPMENT / REDEVELOPMENT ACTIVITY**

- Residential  
 Commercial/Retail  
 Industrial/Warehouse  
 Mixed-Use (Residential/Non-Residential)  
 Mixed-Use (Commercial/Industrial)  
 Other (please explain) \_\_\_\_\_

**PROJECT ELEMENTS**

- New Construction  
 Infrastructure Improvement  
 Land Acquisition  
 Site Clearance  
 Building Rehabilitation  
 Other (please explain) \_\_\_\_\_

**NEW OR EXISTING BUSINESSES (NON-RESIDENTIAL PROJECTS ONLY)**

New Business for URA Plan Area?  Yes  No  
 Existing Business in URA Plan Area?  Yes  No      Years in Business \_\_\_\_\_ years

**FINANCIAL / FUNDING SUMMARY INFORMATION**

Development Construction Loan	\$ 5,950,000	Current Actual Value (Assessor)	\$ 768,390
Overhead & Fees	\$ 450,000	Current Property Tax	\$ 10,277
Soft Costs	\$ 1,550,000	Projected Actual Value (Assessor)	\$ 8,600,000
Land Cost	\$ 4,375,000	Projected Annual Property Tax	\$ 750,000
New Construction Costs	\$25,000,000	Total TIF Assistance Requested	\$ 8,000,000
Other Costs	\$10,000,000	Total Property Tax Increment Expected	\$15,300,000
Total Project	\$40,000,000	Total Project Cost	\$40,000,000
		Current Annual Sales Tax (if any)	\$ 0
		Projected Annual Sales Tax	\$ 1,200,000

**TYPE OF TIF REQUESTED** (include general terms & conditions)

- Grant \_\_\_\_\_
- Loan \_\_\_\_\_
- Loan Guarantee \_\_\_\_\_

**SUMMARY OF FUNDING SOURCES AND USE OF FUNDS**

Amount	Source	Use
\$	URA Tax Increment Financing (TIF)	
\$	See Attached Schedule & Map	
\$		
\$		
\$		
\$		
\$	<b>Project Total</b>	

**ATTACH DESCRIPTION OF THE PROPOSED PROJECT**

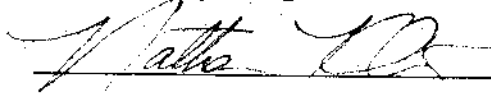
Please provide an answer for each of the following questions, no more than 1 page per question. Please include a location map, any site plans or project drawings, and any other materials related to the TIF application not previously requested.

1. What is the nature of the project?
2. Why is TIF assistance needed; how will the funds be used?
3. How will the project help improve/upgrade public infrastructure (streets, utilities, drainage, etc.)?
4. How will the project enhance the property tax base (and sales tax base, if applicable) of the area?
5. How will the project help achieve the goals of North College Urban Renewal Plan?
6. How will the project help eliminate slum and blight conditions?
7. What is the proposed project timetable (what is the estimated time frame for major steps including the City's planning decision, completion of financial commitments, start of construction, and issuance of Certificate of Occupancy (CO))?
8. What is the financial capacity of the developer to complete the proposed project?

**ATTACH BACKGROUND INFORMATION**

- Owner/CEO Resume
- Owner/CEO Credit Report
- D/B Report on the Corporation
- Project Pro Forma

**SIGNATURE REQUIRED**

By:   
 Title: Manager, 1908 North College, LLC  
 Date: 7/30/08

**AREA BELOW FOR URA STAFF USE ONLY**

Date Received	Project Number	Project Manager

**Loveland Commercial, LLC**  
**1908 North College, LLC**  
1043 Eagle Drive  
Loveland, CO 80537  
Phone: (970) 667-7000 Fax: (970) 635-2514

Memorandum

TO: North College Citizen Advisory Group Members  
North College Urban Renewal Authority  
City Planners & Staff

FROM: 1908 North College, LLC (“Applicant”)

DATE: July 30, 2008

SUBJECT: North College Marketplace Tax Increment Financing (TIF) Assistance

Enclosed please find copies of the Site Plan, Area Map/Property Inclusions, Tax Increment Financing Model, and description and map of proposed Public Improvements.

**Executive Summary**

The following summary describes a plan to develop and redevelop the area generally located at the northeast corner of North College Avenue and Willox Lane in north Ft. Collins into a significant retail destination shopping center. Under this scenario, approximately \$8 Million in Tax Increment Revenue bonds would be issued in the early stages of the project to fund Public Improvements including demolition and cleanup of blighted properties, off-site street improvements, wetlands mitigation and enhancements, gateway features and landscaping, and utility infrastructure.

Under Resolution 2004-152 adopted by the Ft. Collins City Council on December 21, 2004 and the Urban Renewal Plan for the North College Avenue Corridor; Council has outlined the terms and conditions under which they will consider the use of Tax Increment Financing by the Urban Renewal Authority to facilitate the redevelopment of critical properties located along the corridor. In March 2008, the Applicant, City and URA staff executed a Memorandum of Understanding prior to the Applicant’s first property acquisition detailing the general roles and responsibilities of the parties as it relates to the development project. This memo is intended to further describe an opportunity to partner with Loveland Commercial, LLC to redevelop approximately 26 acres of commercial land located within City Limits and the Urban Renewal Plan boundary.

**Site History.** Approximately 23 acres of the project area was owned by local investor Jim Smith since 1981 with several development proposals along the way. Most recently, Bill Neal and Wheeler Commercial tried to put together a high density mixed use

development to no avail and Jim Sullivan had the property under contract for over two years in pursuit of a smaller scale King Soopers grocery anchored development. The applicant, having been a part of the redevelopment of Chipper's Lanes on North College and with strong ties to Fort Collins and CSU, has been watching the area for several years. The creation of the Urban Renewal Authority in 2004, the removal of the Dry Creek Flood Plain completed in June 2008, and the renewed availability of the property at the end of 2007 resulted in the applicant contracting for an ultimately purchasing the Smith properties in April 2008. The applicant has been diligently working along with City staff and its consultant team to design a retail destination development which will overcome the challenges of the project site and serve north Ft. Collins for years to come.

**What is the nature of the project?** The current project is planned for a significant retail center anchored by a large supermarket and/or retailers which will be significant draw for North College Avenue in Ft. Collins. Accessory uses will include approximately 30K+ s.f. of small retail shop space in several small buildings, a gas pad, and additional pads to accommodate restaurants, banks, or other retail end users. The Applicant has purchased approximately 23 acres in three parcels at the time of this application and is currently under contract to purchase 4 additional parcels as part of the assemblage/development. Additionally, the current plan is not to incorporate the existing Pobre Pancho's Mexican restaurant and North College Motors auto dealership into the project on the hard corner of the site. A copy of the latest site plan is included with this application.

**Why is TIF assistance needed; how will the funds be used?** The development site; while the largest and most attractive assemblage of land available for significant retail development along this corridor; has not previously developed due to significant and cost prohibitive issues including off-site infrastructure, wetlands/soft soils and high groundwater, costs associated with land assemblage, as well as demolition and cleanup costs of blighted properties. This proposal is to use TIF assistance to bridge the development gap and bring cost feasibility to the project by funding improvements including off-site street improvements to North College Avenue and East Willox Lane (along with the City of Ft. Collins Street Oversizing Fund), assisting in protecting and enhancing the wetland on-site while facilitating the needs of the development, demolishing and removing existing residential structures as well as any necessary environmental cleanup related to asbestos abatement, installation of stormwater and other utility improvements, and constructing public entry improvements and "Gateway" style features and landscaping at the entries to the project. A detailed list of proposed improvements and cost estimates are attached to this application.

**How will the project help improve/upgrade public infrastructure (streets, utilities, drainage, etc.)?** In its current state, North College Avenue lacks curb & gutter, sidewalks, and streetscape along both the east and west sides of the street as well as the operational capacity to accommodate the traffic generated by the development of the area. This project will install the ultimate improvements along College Avenue and Willox Lane as well as the intersection of these two streets. Additionally, this project will replace an inadequate waterline across the site, create a stormwater detention pond

with excess capacity for future regional use, and create a north/south street connection through the site in conjunction with the North College Street Access Plan.

**How will the project enhance the property tax base (and sales tax base, if applicable) of the area?** Because the majority of the site is currently undeveloped and because the existing development is aging and in disrepair; the existing tax base is minimal and generates only \$10,300/year in annual property tax. This project proposes to construct approximately 175K s.f. of Class A retail space which will generate approximately \$750K/year in property tax revenue and \$1.2 Million/year in sales tax revenue upon project buildout. A copy of the Tax Increment Revenue projection model is attached to this submittal for review. Total projected tax increment of all types exceeds \$40 Million thru year 2029.

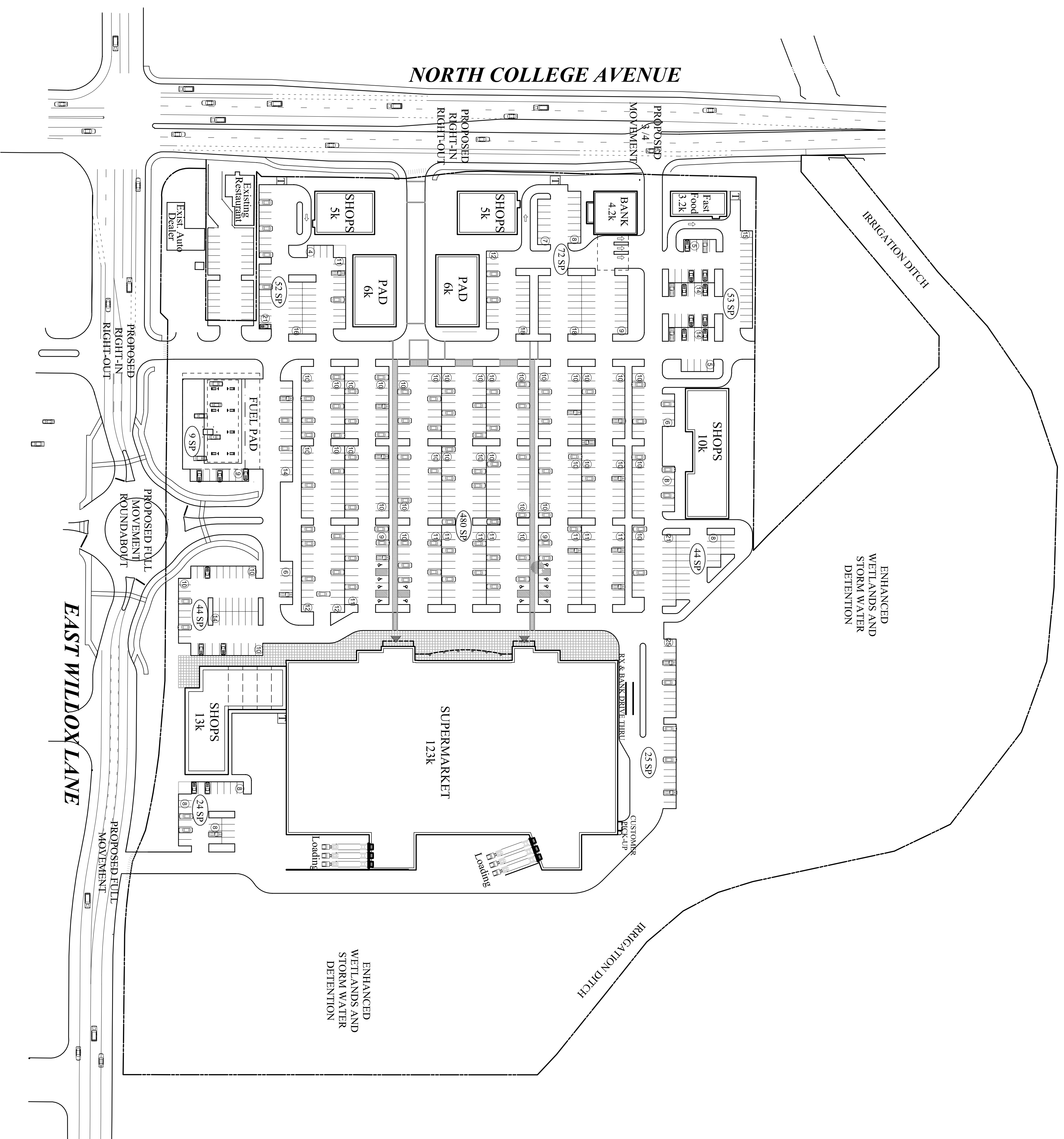
**How will the project help achieve the goals of North College Urban Renewal Plan?** This project will be a catalyst project that will anchor the North College corridor and will become a significant retail destination. Among other things the project will demolish dilapidated structures, update, upgrade, and install necessary infrastructure improvements to the area, place several underutilized properties into productive use, and generate significant TIF Revenue for use within the project area as well as for other URA target projects. The project will create an attractive gateway to the North College Avenue and North Ft. Collins business corridor and generate significant property and sales tax within the area. The project, when complete, will accomplish several objectives of the Plan which include, but are not limited to, utilizing undeveloped and underdeveloped land, improvement of pedestrian, bicycle, and vehicular circulation and safety, contribute to increased revenues for all taxing entities, facilitate the enforcement of laws and regulations applicable to the Renewal Area, eliminate blight, and develop the property in accordance with the Comprehensive Plan in a manner compatible with the project area.

**How will the project help eliminate slum and blight conditions?** A series of photos of the existing properties are included in this submittal. The assemblage of properties included in this development project includes a small mobile home park with aging and dilapidated structures, an abandoned residential structure, as well as foundations of several small structures. The current condition of the property is an attractive nuisance to area homeless people who frequently leave trash, etc. upon the property. This project will demolish and remove all of the existing structures in the project area, improve utility and street infrastructure, and bring a significant destination shopping center to the north Ft. Collins area.

**What is the proposed project timetable (what is the estimated time frame for major steps including the City's planning decision, completion of financial commitments, start of construction, and issuance of Certificate of Occupancy (CO))?** The current project schedule is to complete all project entitlements by end of year 2008, begin earthwork 1Q 2009 and begin construction of the grocery store by 2Q 2009. Vertical construction will take approximately 10-12 months with anticipated CO by 1Q/2Q 2010.

In order to meet this schedule, the applicant will need financial commitment from the URA by 3Q2008.

**What is the financial capacity of the developer to complete the project project?** The applicant has over 25 years of experience developing projects of similar scope and financial commitment including an 80 acre mixed use development in Loveland anchored by King Soopers (Thompson Valley Towne Center). Adequate financial resources are in place to complete this project.



SITE DATA:	
OVERALL SITE (After ROW Dedication)	± 29.19 Ac ± 28.14 Ac
SUPERMARKET	123K
BANK	4.2K
FAST FOOD	3.2K
SHOPS	33K
PADS	12K
PARKING PROVIDED	175,4K
RATIO	803 SP. 4.57/ 1000 SF

LOVELAND COMMERCIAL, LLC

1043 EAGLE DRIVE  
LOVELAND, CO 80537  
PH: 970-667-7000

THE MULHERN GROUP, LTD.  
1730 BLAKE STREET, SUITE 435  
DENVER, CO 80202  
PH: 303-297-3334

# NORTH COLLEGE MARKETPLACE

NORTH COLLEGE AVENUE AND EAST WILLOX LANE  
FORT COLLINS CO.



SCALE: 1:80  
ALTERNATIVE S  
July 25 2008

Description of URA costs:	Estimated Cost	URA Cost
1 Off-site Street & Intersection Improvements-City Oversizing Portion	\$ 1,635,000	
2 Off-site Street & Intersection Improvements-URA Portion including ROW	<u>\$ 2,450,000</u>	
	\$ 4,085,000	\$ 2,450,000
3 Gateway-landscaping in ROW and entry features		\$ 750,000
4 Demolition and Property Cleanup Cost (Properties F,G,H,I, tree removal, foundations, etc.)		\$ 350,000
5 Public Improvements for anchor building (on-site utility infrastructure)		\$ 1,360,000
6 Retaining Wall for Wetlands, regional detention pond		\$ 250,000
7 Wetlands Mitigation/enhancement, earthwork, landscape cost		\$ 400,000
8 Storm Outlet & Mitigation		\$ 275,000
9 Relocation Assistance (Grape Street Residences)	10	1000 \$ 10,000
10 Public Access; North/South Circulation Street; connection to Grape Street to North		\$ 180,000
11 Utility Infrastructure: Sanitary Sewer		\$ 125,000
12 Utility Infrastructure: Water line		\$ 75,000
13 Utility Infrastructure: Storm Sewer		\$ 200,000
14 Dry Utility Infrastructure: Natural gas, phone, electrical		<u>\$ 100,000</u>
<b>Total URA Hard Costs included in Project</b>		<b>\$ 6,525,000</b>
<b>Contingency:</b>		<b>20% \$ 1,305,000</b>
<b>*Total URA Cost Budget</b>		<b><u>\$ 7,830,000</u></b>
	<b>% of Total Real Property TIF</b>	<b>50.41%</b>
<b>Total Real Property TIF thru 2029</b>		
		<b>\$ 15,532,721</b>
<b>Total Sales TIF thru 2029</b>		
		<b>\$ 36,087,218</b>

\*Does not include soft costs associated with Bond Issuance or financing costs.

**Note: All improvement costs are estimates.**



# Public Improvement URA Funding Map-North College Marketplace-July 30, 2008

