

Steve Cox
Chief of Staff



April 10, 2015

Wynne Palermo
Chairperson, Colorado Springs Urban Renewal Authority
30 South Nevada Ave., Suite 604
Colorado Springs, CO 80901

Re: Copper Ridge Anchor Store Requirements

Dear Ms. Palermo:

On May 11, 2010 the Colorado Springs City Council adopted a Resolution making certain legislative findings and approving the Copper Ridge at Northgate Urban Renewal Plan. The motion to approve the Resolution included a condition that "the project shall have secured one anchor within 5 years, and a second anchor by the date of right of way expiration in 2018, or lose URA status".

On October 22, 2013 the City of Colorado Springs entered into a Cooperation Agreement with the City of Colorado Springs Urban Renewal Authority and the Copper Ridge Metropolitan District. Recital K, Recital T and Section 2 of the Cooperation Agreement contain references to a requirement for the developer to enter into a contract or written agreement with two Anchors to locate within the Project Area. Recital T in the Cooperation Agreement defines an Anchor as "either a department store or specialty retail store constituting what is generally considered in the real estate development industry as an anchor".

The following are definitions found in the *International Council of Shopping Centers Dictionary of Shopping Center Terms (Fourth Edition)* published in 2012:

Anchor Store- 1. A major department store, grocery store or other large chain store in a shopping center having substantial economic strength and occupying substantial square footage. 2. The stores and other uses that occupy the largest spaces in a center and serve as the primary traffic generators. 3. Anchors in a shopping center sometimes own their own land and cooperate with the shopping center owner through a reciprocal easement agreement (REA).

Recital T in the Cooperation Agreement states, "Bass Pro Shops shall constitute an Anchor, and the opening of Bass Pro Shops to the public shall fulfill the 2015 Anchor requirement". The Cooperation Agreement has been executed on behalf of the City of Colorado Springs and the City of Colorado Springs Urban Renewal Authority, so therefore, the requirement for the first Anchor has been satisfied.

The Copper Ridge developer has advised the City that it has entered into contracts or written agreements with Sprouts Farmers Market and Ace Hardware to locate stores in the Copper Ridge development. Based upon the industry definition of an Anchor Store, both the Sprouts Farmers Market and the Ace Hardware stores satisfy the second Anchor requirement set forth in the May 11, 2010 City Council Motion and the October 22, 2013 Cooperation Agreement.

Sincerely,

Steven W. Cox
Chief of Staff