

## **SOUTH NEVADA AVENUE URBAN RENEWAL PLAN**

### **SNA DEVELOPMENT LLC**

#### **Schedule of Performance**

**Updated as of May, 2018**

#### **Schedule of Performance**

SNA DEVELOPMENT LLC has established the following updated target dates for redevelopment of the real property which is under ownership, contract for purchase or purchase option:

January 2017 – May 2018 – Real Estate Closings for Development Area - **Complete**

June 2018 - August 2018 – Real Estate Closings for Cheyenne Creek Reclamation

August 2018 – Completion of Concept Development Plans & Financial Pro Forma

June 2018 – November 2018 - Land Use Entitlements, Development Plan submittal

October - December 31, 2018 – Developer Financing Plan Submission to CSURA

4<sup>th</sup> Qtr. 2018 – 1<sup>st</sup> Qtr. 2019 – Bond Issuance – Creekwalk Marketplace BID

January 2019 – July 2019 – Development Site Land Conversion – Environmental Remediation, Demolition, Utility & Street Vacations & Relocations

June, 2019 – December 31, 2020 – Construction of New Development and Public Improvements

# Colorado Springs Urban Renewal Authority

## South Nevada Urban Renewal Plan

July 23, 2018 – SNA Development LLC (SNA) – URA Structure Position

- SNA has moved forward on its development plans including
  - filing for entitlements for its property
  - contract procurement for electric undergrounding
  - approval of sidewalk/landscape/streetscape plan for South Nevada
  - formation of Creekwalk Business Improvement District
  - negotiation of street vacation for comprehensive re-development
  - zoning and concept plan entitlements submitted
  - closed acquisitions of 25 parcels with 3 additional closings scheduled in the next three (3) weeks, investing equity in excess of \$4,300,000.
  - completion of development financing and creation of bonding plan for public improvements.
  
- The SNA TIF revenues generated from property within the boundaries of the Creekwalk Business Improvement District (“BID”) are to be pledged to the BID bond financing anticipated to be issued in late 2018 or early 2019 (“BID – TIF”). The BID – TIF along with other BID revenues will facilitate the SNA off-site obligations on the west side of South Nevada Avenue and widening of Cheyenne Road between Nevada and Cascade Avenue. Through this BID –TIF bond financing, SNA will complete three (3) of its four (4) committed corridor improvements as proposed within its Development Agreement. Construction of off-site improvements will commence upon bond closing by the BID (expected 1<sup>st</sup> quarter of 2019).
  
- To accomplish both the remaining corridor improvements and SNA’s reimbursement for west side off-site improvements, SNA will agree to the following hierarchy for reimbursement of the South Nevada URA eligible expenses to be paid out of non-BID-TIF revenues and available to any party that completes the improvements:

**First Priority** – repayment of \$373,500 – URA plan formation and related expenses incurred by SNA and authority administrative fees as certified and approved by the URA.

**Second Priority** – South Nevada Avenue off-site streetscape, electrical undergrounding, sidewalk and landscape improvements – west or east. Any party developing property and making street, sidewalk, electrical undergrounding and landscaping improvements along South Nevada west or east side (including SNA, Southern Cross Shopping Center or other developers) may seek reimbursement from the URA or other entity administering the reimbursements for eligible expenses. The reimbursement agreements will be paid first in-first out from non-BID-TIF revenues as those revenues become available. *(Achieves City/URA goals of facilitating visible re-development of both sides of South Nevada, allowing for others to access the non-BID-TIF stream if development occurs on west or east side and addresses Southern Cross Shopping Center’s ability to receive benefit of being in the URA).*

**Third Priority** – Public improvements in other areas within the URA Boundary, side street enhancements, landscaping, etc. Any party developing outside of established developer agreement areas within the URA Boundary can seek reimbursement from the BID for eligible expenses. The reimbursement agreements for such expenses will be third priority and paid after priority 1 and 2 reimbursements are satisfied. Reimbursement will be first in-first out within this priority. *(Achieves URA/City goal of prioritizing visible clean up and improvement of the areas surrounding South Nevada and giving access to the very limited “4<sup>th</sup> silo” revenues to any developer making such improvements).*

**Fourth Priority** – All other eligible expenses such as land acquisition costs, environmental, demolition, etc. can be submitted by any re-development within the SNA non BID-TIF areas for reimbursement as a 4<sup>th</sup> priority after all first, second and third priority reimbursements have been made.

**SNA Development LLC Accomplishments**

Funded Majority of URA Plan Organization Costs

Funded URA Boundary Survey

Proposed Four (4) Primary Corridor Improvements  
*Streetscape - East & West Sides of Nevada Avenue, Electrical Undergrounding & Cheyenne Road Widening*

Made Presentations on behalf of the Developers

Funded Corridor Development Concepts

Executed Developer Agreement with the URA

URA Included 4th SILO within SNA's Developer Agreement To fund Off-site Public Improvements

Contractually secured 54 parcels from 40+ Owners

Assembled and Closed on 25 Parcels - Phase 1 Creekwalk Development

Funded Hydrology Analysis to establish Development Feasibility

Secured & Funded CSU Electrical Undergrounding Agreement

Advocated for Uniform Streetscape for South Nevada Avenue

Funded Streetscape Design for South Nevada Avenue

Presented Streetscape Design to City Council on behalf of Developers

Lobbied CSU to Expedite Electrical Undergrounding

Lobbied City of Colorado Springs to get SNA on CSU Board Agenda to seek Policy Exception on CSU Undergrounding

Discovered Faulty TIF Data from City Sales Tax Division

Argued for TIF Data Investigation

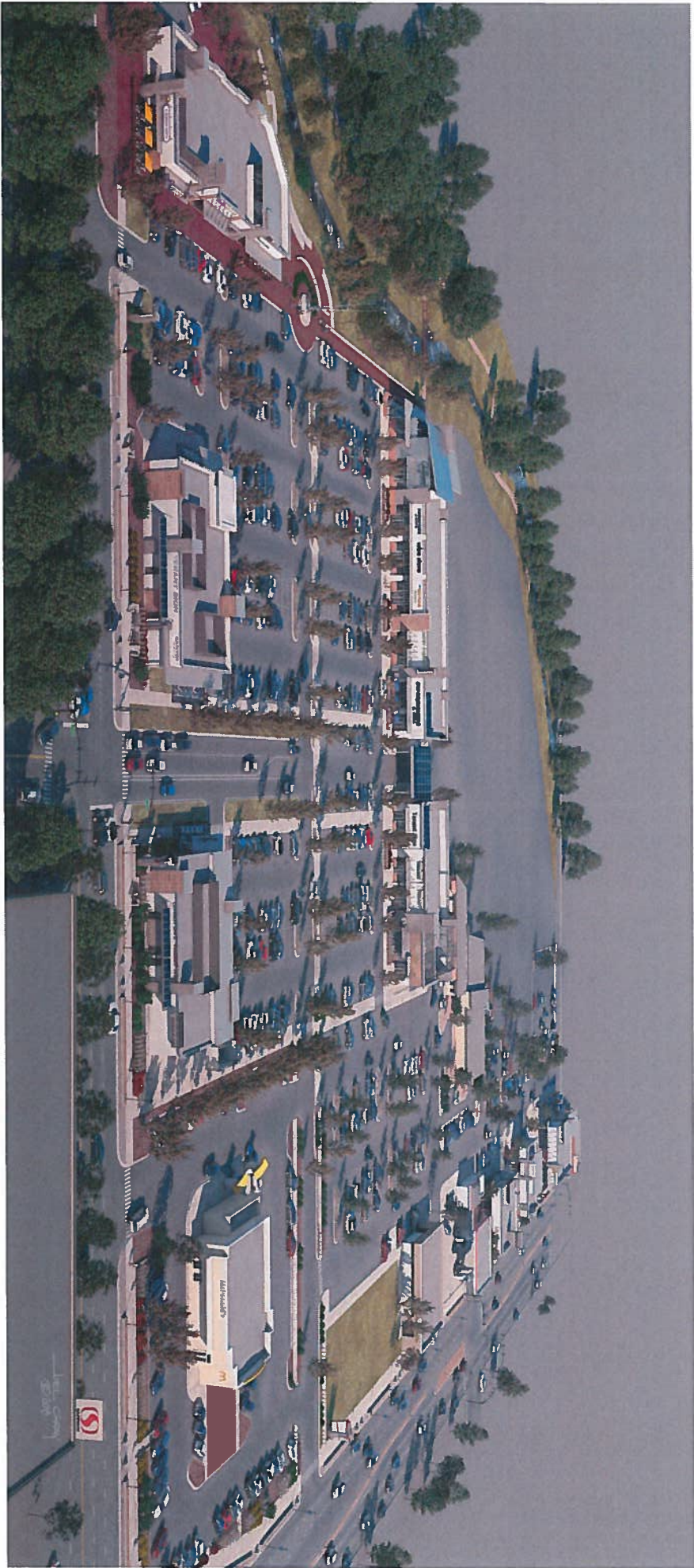
*City Confirms TIF Underreporting - December 2017*

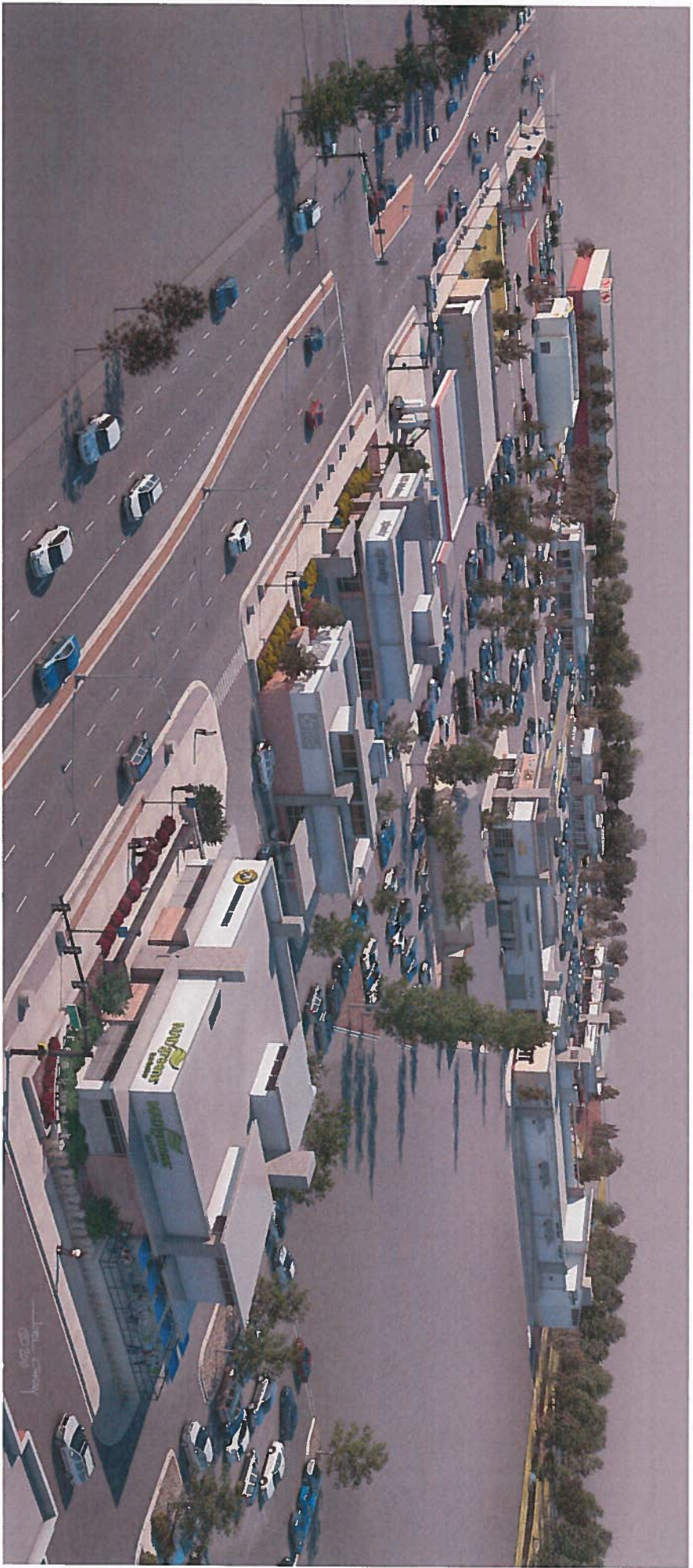
Proposed Collective Bond Participation from Nevada-fronting Developments

*This was to support SNA's bond, but also protected the URA from excess TIF within the HD Silo*

All Proposals & Communications from SNA have been in Writing

Developments to include Major offsite Public Improvements

















102 N. Cascade Ave., Suite 250

Colorado Springs, CO 80903

p: 719.632.5000 • f: 719.632.5111

www.krattcommercialproperties.com

July 24, 2018

Danny Mientka  
Creekwalk LLC  
90 South Cascade Avenue, Suite 1500  
Colorado Springs, CO 80903

Mr. Mientka,

This letter is to update you on the pre-leasing progress Kratt Commercial Properties is having with Creekwalk. Although we have not started our aggressive marketing of the property, due to our wanting to make sure all of the parcels within the project are under control and the majority of entitlements are approved, we are having excellent success in our soft marketing of Creekwalk. At this time, we have approximately 12 to 17 potential tenants who have shown solid interest in joining the project and would like to submit LOI's once we are ready to accept them. Tenants' include restaurants with national and regional presence, a national mattress company, high end spa/salon, national cell phone store, national dental operation and many others.

Mr. Mientka, we are extremely excited about the Creekwalk project and look forward to formalizing the tenant mix shortly.

Respectfully,

A handwritten signature in blue ink, appearing to read "Manny San Fernando", is written over a blue circular stamp or seal.

Manny San Fernando  
Director of Leasing  
Kratt Commercial Properties