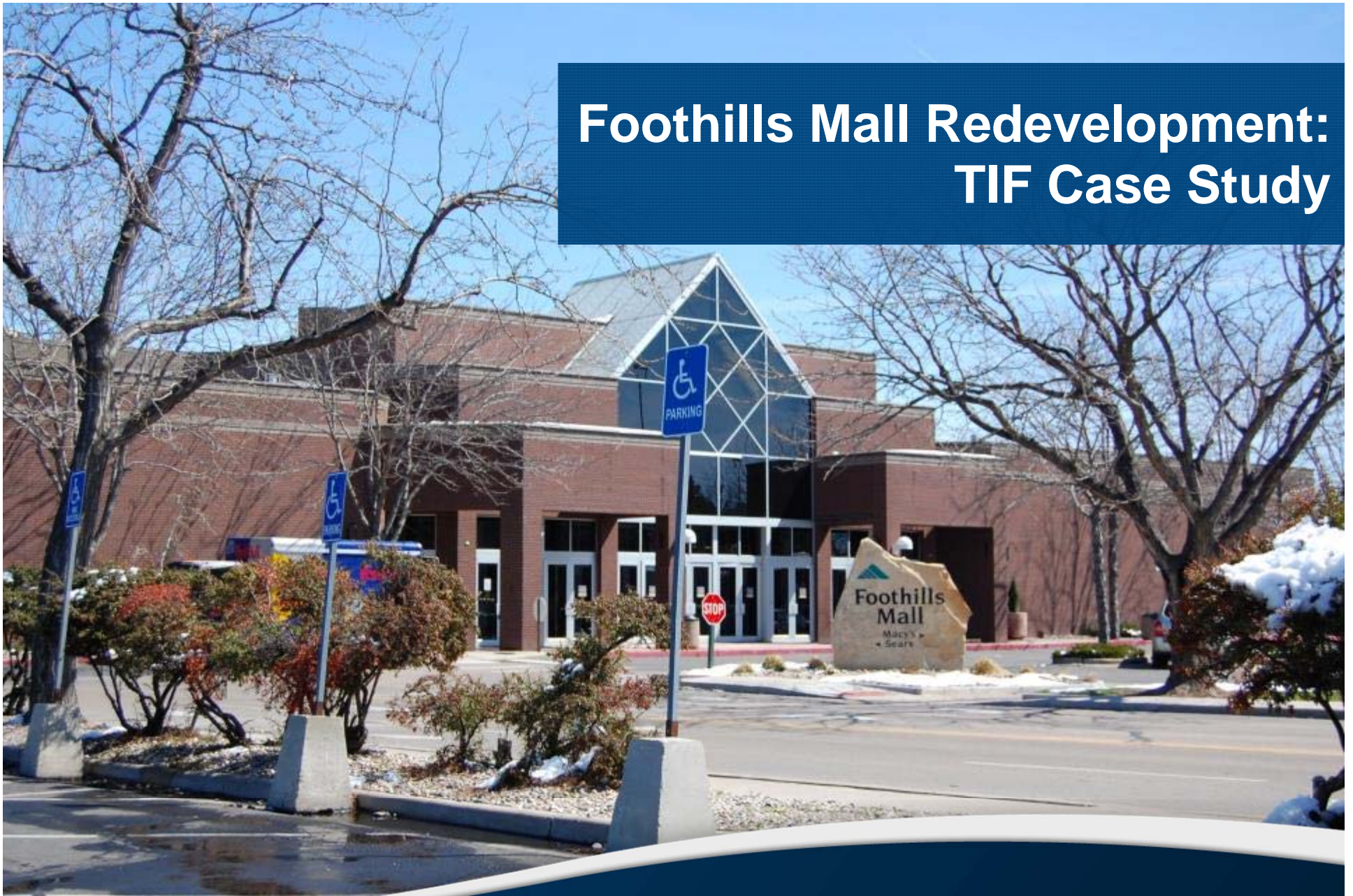


Foothills Mall Redevelopment: TIF Case Study



4.29.15

- 1973 – Original Mall Opens
- 1988 – Mall renovated to add JCPenney & Mervyns
- 2001 – Mall reaches retail sales high point
- 2004 – GGP Purchases mall
- 2010 – Midtown Redevelopment Study
- 2011 – Midtown Urban Renewal Plan Area Created
- 2012 – Alberta Purchases Mall
- 2014 – Redevelopment & Reimbursement Agreement
- 2015 – Grand Opening of Redeveloped Mall

City's Perspective

Objectives:

- Realize Community Vision & Expectations
- Launch a Catalytic Opportunity in Midtown
- Realize a Significant Revenue Opportunity
- Minimize Risk to Balance Sheet, Credit Rating & Revenue

Challenges

- Build a Competitive Design & Create a Sense of Place
- Resolve Tenant Issues
- Create a Connection with Mason BRT
- Replace the Youth Activity Center

Project Description

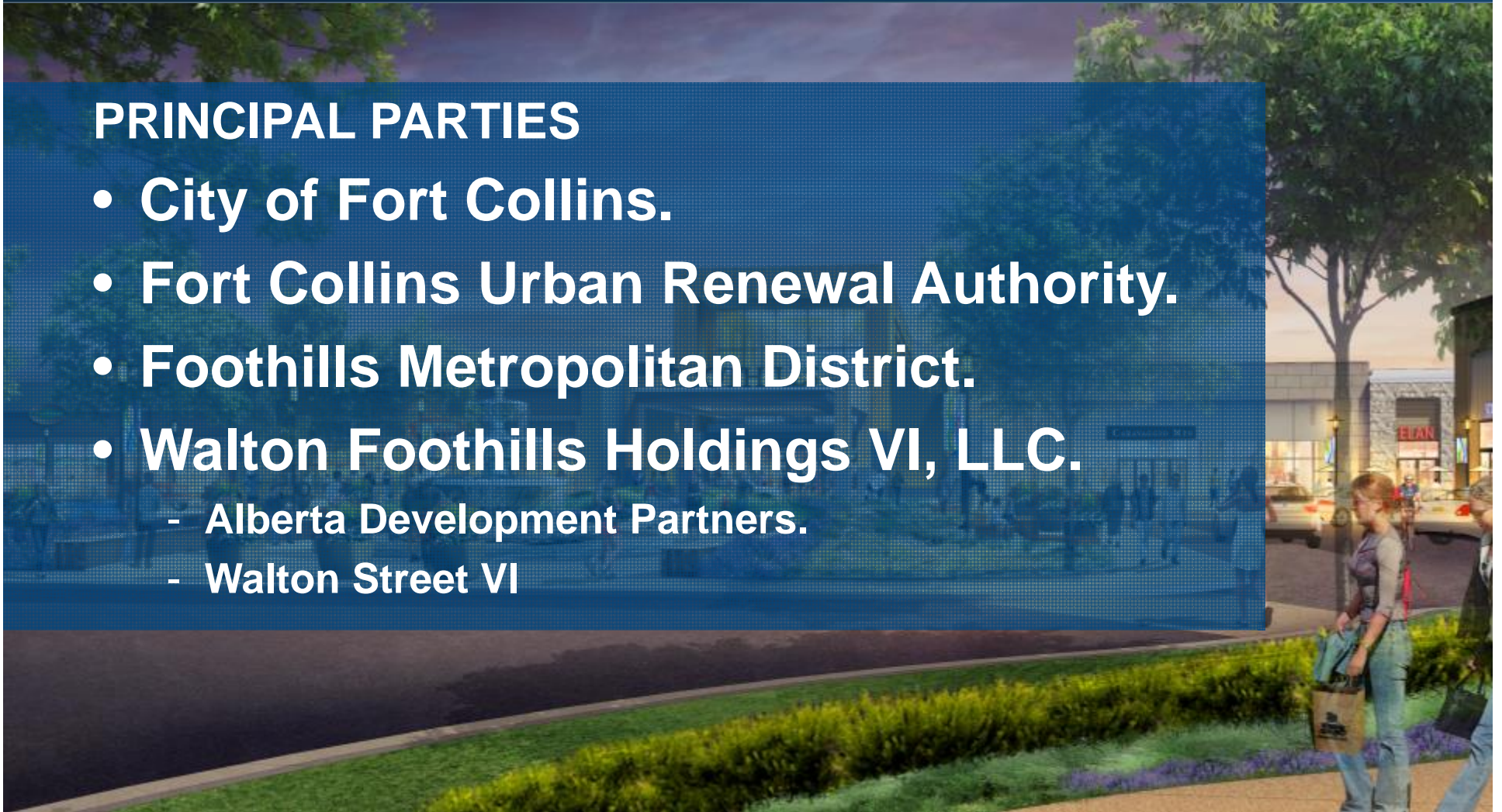
- 76.3 acres
- 660,000 SF Retail
- 446 Residential Units
- Theater
- Parking Garage
- 2 Outdoor Plazas



Legal Structure

PRINCIPAL PARTIES

- City of Fort Collins.
- Fort Collins Urban Renewal Authority.
- Foothills Metropolitan District.
- Walton Foothills Holdings VI, LLC.
 - Alberta Development Partners.
 - Walton Street VI

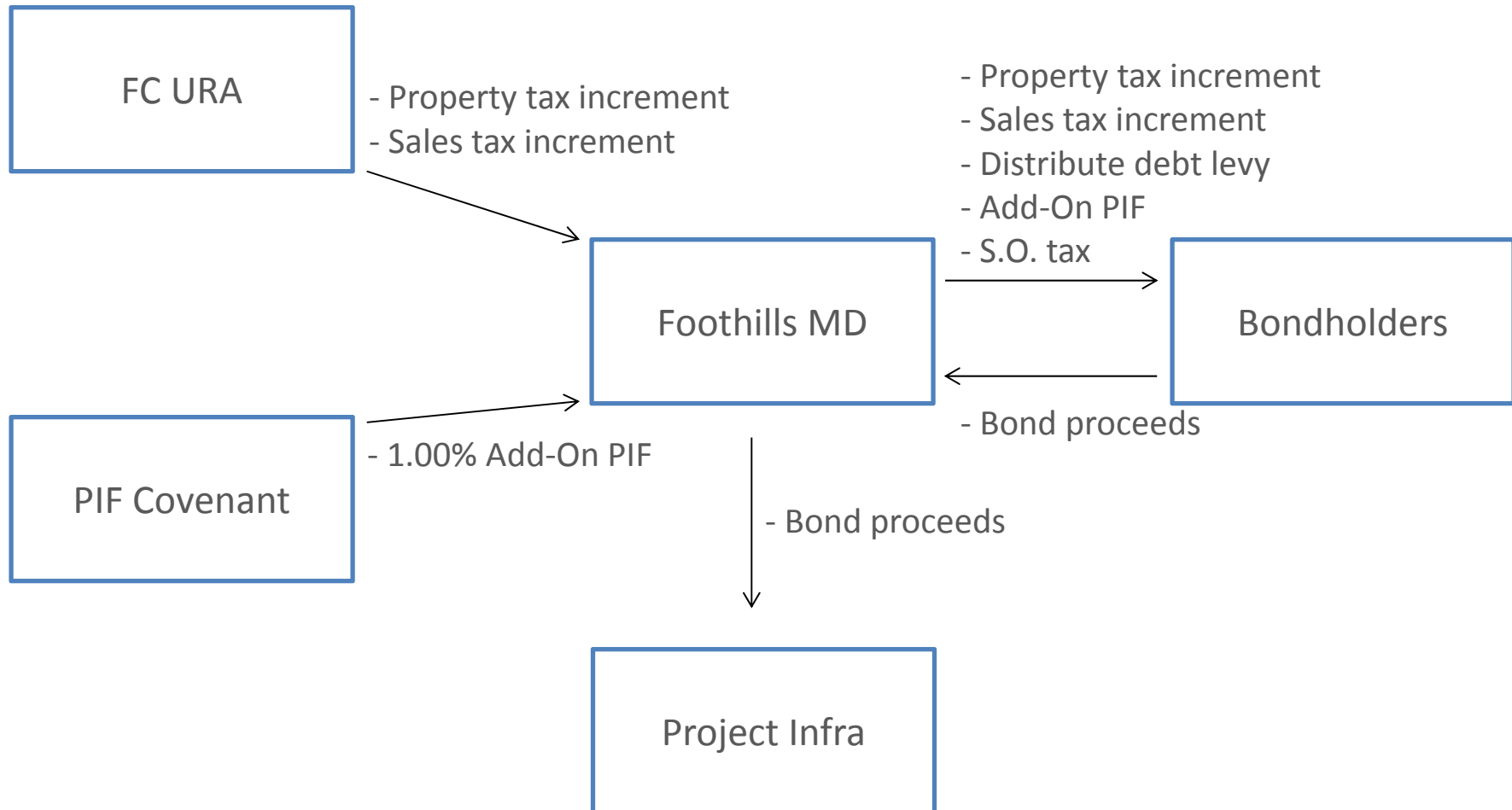


REVENUE SOURCES

- **Property tax increment.**
 - Excludes District levies and certain school district levies.
- **Sales tax increment.**
 - City 2.25% rate.
- **Add-On PIF.**
 - 1.00%
- **District Debt Service Levy.**
 - 50 mills
- **District specific ownership taxes.**



Financing: Structure



Financing: Key Questions

- What are the City's goals and how does the project meet those goals?
 - Sales tax generation, blight remediation, sustainable development, etc.
- What are the market constraints for the project?
 - Market demand for the product, equity returns, private debt, maximum property and sales tax load, etc.

Financing: Key Questions

- Can the project proceed and meet the City goals without URA support (“but for” test)?
 - Full transparency from developer on project proforma and expert advice on the City side
- How can/should the City support the project?
 - Property Tax Increment, Sales Tax Increment, General Fund appropriation, fee rebates, financing recourse

Questions ?

