

BMP Metropolitan Districts No. 1-3

Presentation to the Land Use, Transportation and
Infrastructure Committee, August 3, 2010

Presented By:

Jason Luker

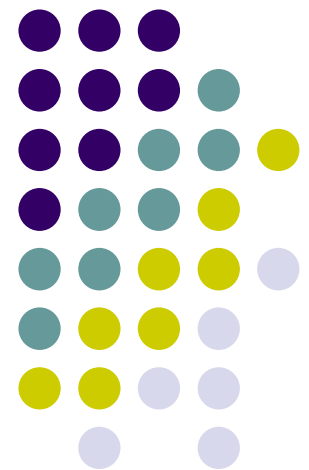
Cardinal Group Investments, LLC

MaryAnn McGeady & Angela Rathbun

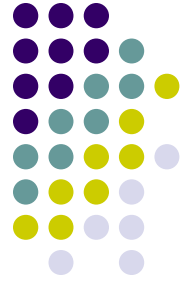
McGeady Sisneros, P.C.

Bruce O'Donnell

George K. Baum & Company

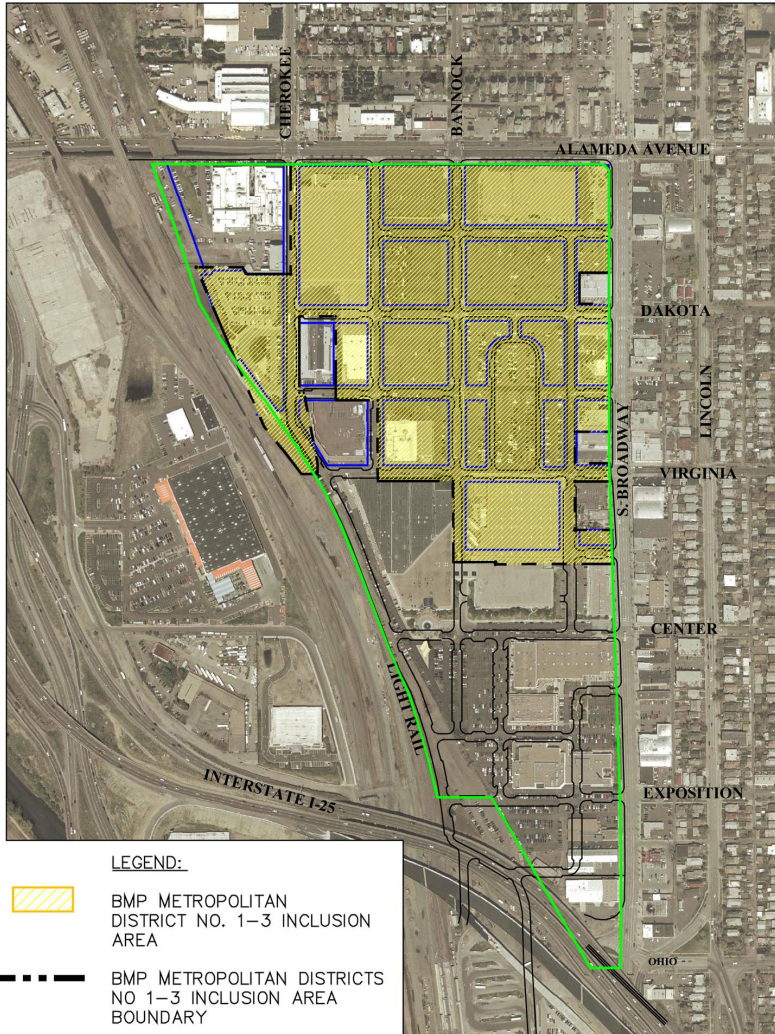


Applicant for Organization of the Metropolitan Districts



- Developer - CF Property Management, Inc.
 - The owners and managers of the Developer are collectively the majority owners and managers of the four entities which own all of the property within the proposed inclusion area of the Metropolitan Districts:
 - BMP Property, LLC
 - Sunset Coast Property, LLC
 - WFJ Property, LLC
 - JFW Property, LLC
- The Developer has retained Cardinal Group Management & Advisory, LLC – represented by Jason Luker – to manage the entitlement and development process

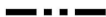
Metropolitan Districts: Vicinity Map



LEGEND:



BMP METROPOLITAN DISTRICT NO. 1-3 INCLUSION AREA



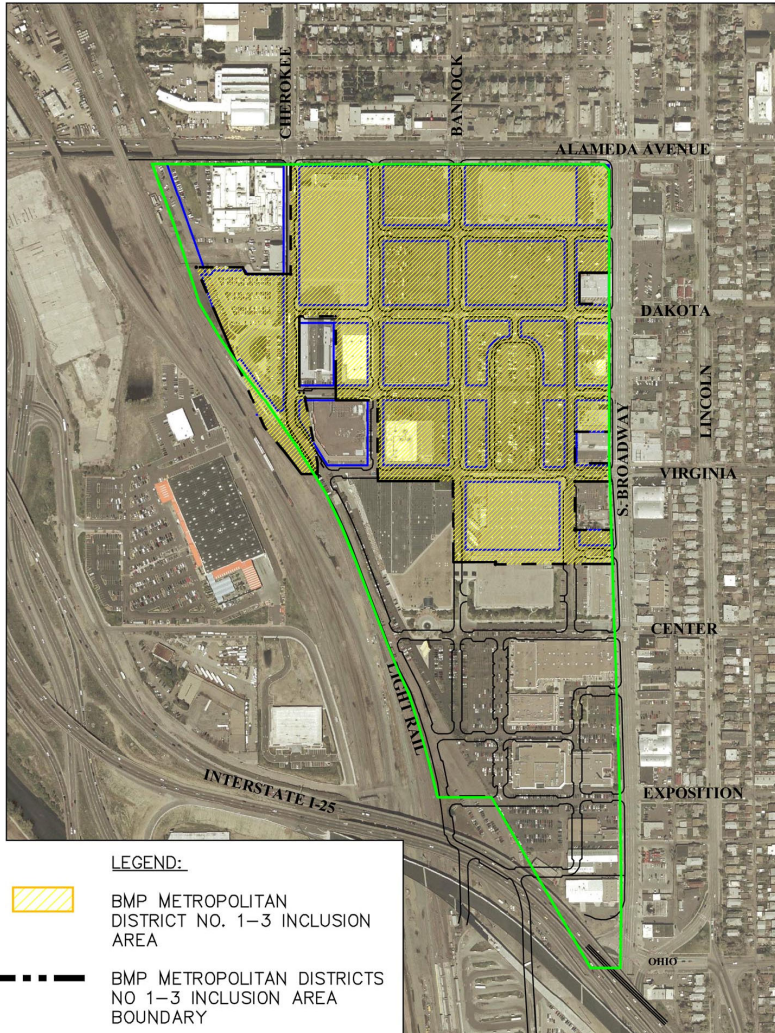
BMP METROPOLITAN DISTRICTS NO 1-3 INCLUSION AREA BOUNDARY



DENVER DESIGN DISTRICT GDP BOUNDARY

- This redevelopment area represents the first portion of the Denver Design District General Development Plan (GDP) slated for redevelopment

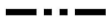
Metropolitan Districts: Land Use



LEGEND:



BMP METROPOLITAN DISTRICT NO. 1-3 INCLUSION AREA



BMP METROPOLITAN DISTRICTS NO 1-3 INCLUSION AREA BOUNDARY



DENVER DESIGN DISTRICT GDP BOUNDARY

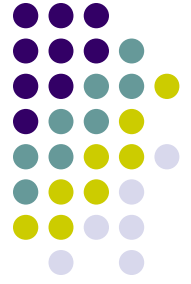
- The purpose of redeveloping the existing Broadway Market Place shopping center is to increase the density of the currently underutilized space to create a high-density and transit oriented, urban mixed-use development
- Anticipated land use within the Metropolitan Districts
 - 42.85 acres proposed for mixed use redevelopment
 - Residential - 2,537 residential units
 - Retail - 701,428 square feet
 - Office - 450,880 square feet
 - Lodging - 586 hotel rooms
 - Open Space/Parks - 4.2 acres
 - Parking - 7,261 spaces (2,959 public)

Benefits of GDP Implementation through Use of Metropolitan Districts



- The Denver Design District General Development Plan (GDP) was approved in April, 2009
- Redevelopment will allow the creation of a high-density and transit oriented, mixed use development, in accordance with the City's TOD goals
- Redevelopment of this site will create jobs:
 - Construction and redevelopment work will create jobs
 - Increased density on the site will lead to increased jobs
- Redevelopment of the site will allow certain water and drainage issues within and surrounding the project site to be addressed – these issues cannot be adequately addressed without the redevelopment

Proposed Redevelopment: Necessary Public Infrastructure



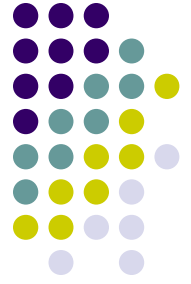
- Street improvements
- Water improvements
- Sanitary sewer improvements
- Storm water drainage improvements
- Traffic safety protection improvements
- Transportation improvements
- Park and recreation improvements
- Mosquito control
- Television relay and translation

Why Use Metropolitan Districts?

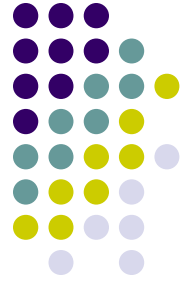


- Tax-exempt financing for public improvements positively impacts project viability
- Keeps redevelopment competitive
- Generates independent revenues: “Growth pays its own way”
- Facilitates relationship among the City, Districts and Developer
- Governmental entity other than the City in place for perpetual operation and maintenance of certain public improvements
- Organization of the Districts is supported by the Developer
- Has little to no financial impact on the City or property owners outside the District’s boundaries
- Provides a structure for the imposition, collection and transmission of the Regional Mill Levy revenues to the City

Timing of District Organization & Redevelopment

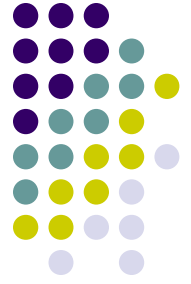


- The redevelopment of the project site will begin when market and economic conditions make it reasonable
- The Developer is seeking organization of the Districts at this time for the following reasons:
 - The Developer will need to disclose information about the Districts during negotiations with current and potential retailers and tenants
 - In order to get all of the necessary pieces in place to be ready to move forward with the redevelopment as soon as the market and economic conditions allow



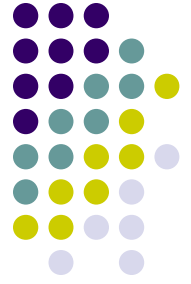
Multiple District Structure

- Multiple Districts proposed due to:
 - Mixed use development
 - Build-out period and phasing of infrastructure
 - Ability to manage debt through multiple bond issuances
- Three Districts proposed, including:
 - A Management District
 - Property within the boundaries will be de minimus
 - Two Financing Districts
 - Boundaries will ultimately include all property within the redevelopment
 - One Financing District will include the residential property and the other will include the commercial property

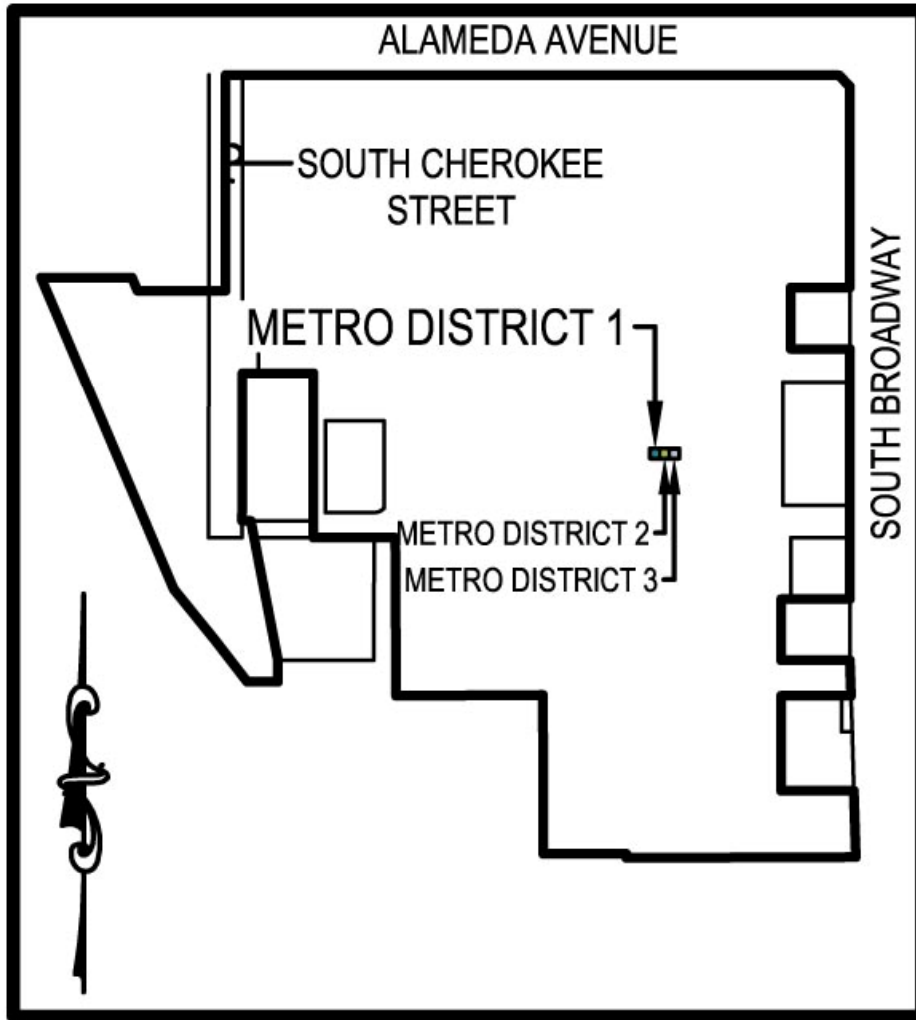


Function of Multiple Districts

- Management District
 - Responsible for managing the affairs of all districts
 - Financing
 - Construction
 - Operations and maintenance
 - Only revenues will be those pledged to it from other sources
- Financing Districts
 - Generate revenues to pledge to the Management District for management, operation and maintenance services
 - Taxes and fees
 - Bonds

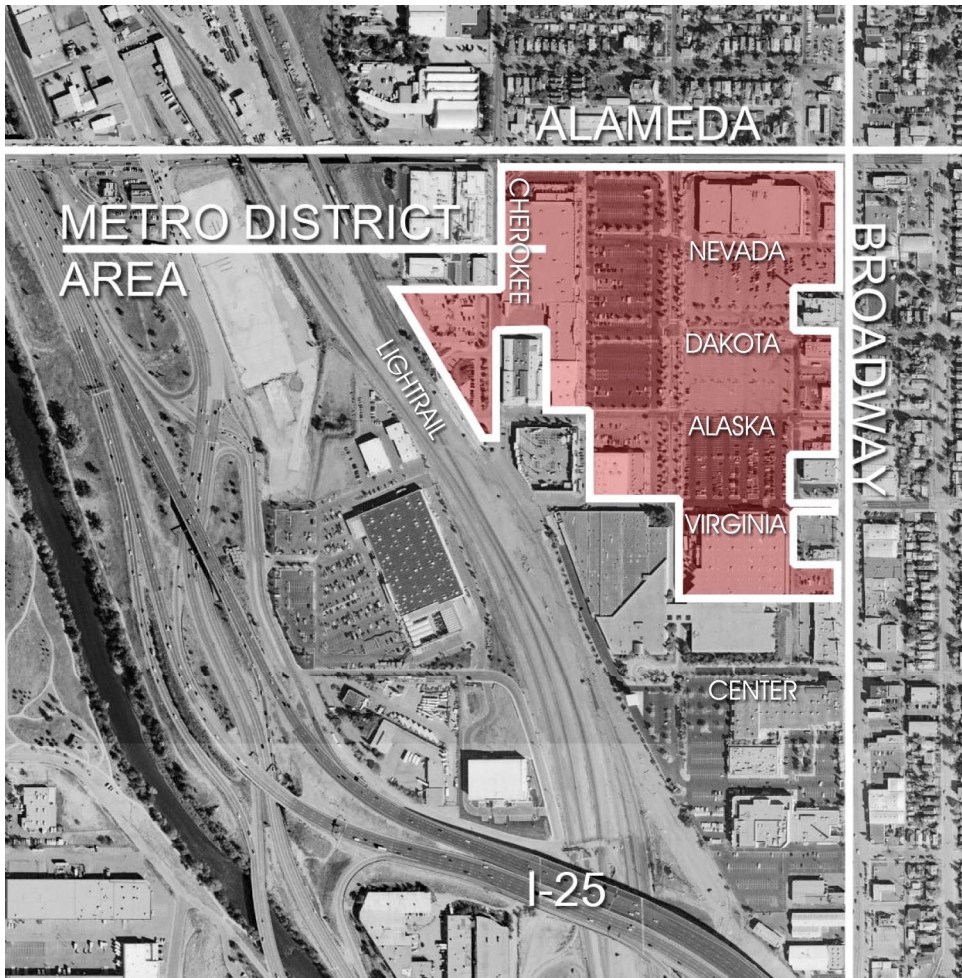


Initial District Boundaries



- The initial boundaries of all three Districts include less than 1 acre
- Improvements within the Districts will be developed in phases

Final Boundary Area



- Property will be included into the proposed Districts as development occurs
- The final boundaries of the Districts will include approximately 42.85 acres

Regional Mill Levy

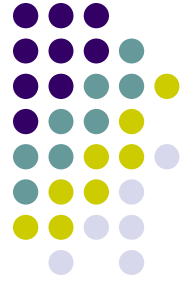


- In addition to the Districts debt service and operating mill levies, the Districts will impose a Regional Mill Levy of 5 mills
- Regional Mill Levy revenues will be collected and remitted to the City
- The City will use the revenues from the Regional Mill Levy for certain regional improvements and services
 - It shall be in the City's discretion to select the regional projects to be funded by the Regional Mill Levy
 - To qualify as a regional project for the purposes of this funding there must be a constitutional nexus between the impacts of the development of the Project and the need for the regional project



Sources of District Revenue

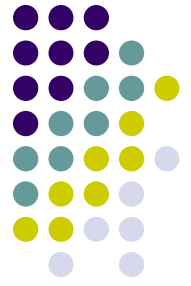
- District Property Taxes
 - Debt Service Mill Levy
 - Operations Mill Levy
- District Fees, including public parking fees
- Public Improvement Fee Revenues
- Specific Ownership Taxes
- Other Potential Sources



Financing Plan

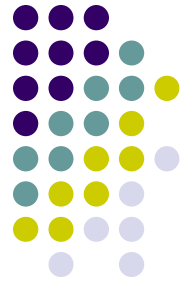
- Total Cost of Improvements: \$90,617,484
- Total Debt Authorization: \$300,000,000
- Mill Levy Limitations:
 - Combined Debt & Operations Mill Levy – 50 mills
 - Regional Mill Levy – 5 mills

Financing Plan



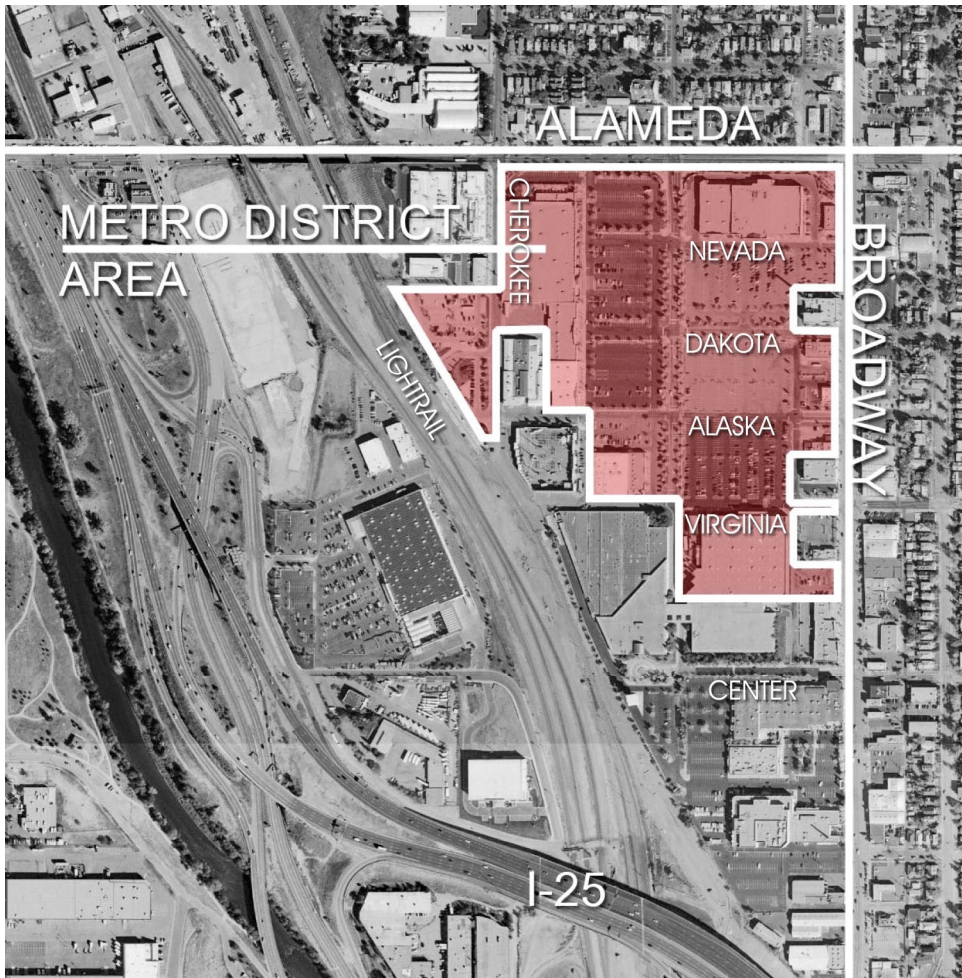
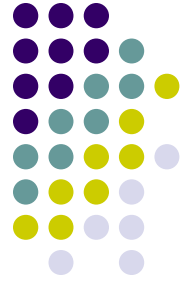
- The Financing Plan is one projection of how public infrastructure might be financed through the use of tax exempt bond proceeds and other revenues of the Districts
- Based upon industry standard assumptions, the Financing Plan shows it is possible for the Districts to issue multiple series of Bonds
 - Combined principal amount of \$105,000,000
 - Net proceeds sufficient to fund approximately \$81,089,000 of the costs of public improvements
- Timing of actual bond issuances is coordinated with infrastructure phasing and construction

Financing Plan



- Schedule of cashflows and bonding capacity are driven by:
 - Land and building values within the Districts
 - Schedule or pace of development
 - Bond purchaser expectations
- Schedule of cashflows relies primarily on total assessed values of property within the Districts and the projected sales activities used to calculate projected PIF revenues
- Assessed values generate property tax revenues pledged for debt service and operations and maintenance
- Schedule of cashflows demonstrates the Districts' ability to repay bond debt

Questions, Answers & Dialogue



- Thank you for your time and consideration