

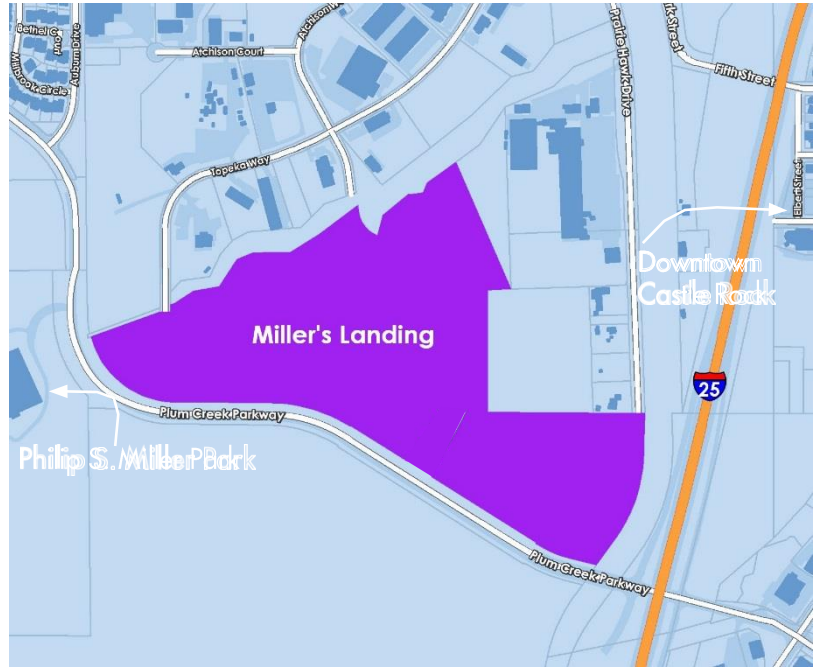
What is Miller's Landing?

Miller's Landing is a proposed 877,000-square-foot, mixed-use development on 65 acres at the northwest corner of Interstate 25 and Plum Creek Parkway. The development plan has not been finalized, but estimated uses by square footage are noted below.

What Did Town Council Approve?

Town Council approved an agreement in which local property-taxing entities would provide 100 percent of new property tax increment (TIF) and in which the Town would rebate 60 percent of sales tax revenue generated by the development back to the project through April, 2039, to:

- o Pay for the remediation of a former landfill on the site
- o Construct various public improvements
- o Incentivize the development of a full-service conference hotel and office space as part of the project



| Planned use | Estimated square footage |
|------------------|--------------------------|
| Hotel/conference | 165,000 |
| Retail | 232,000 |
| Office | 480,000 |
| TOTAL | 877,000 |

Source: Citadel Development LLC

*These estimates are not limits but reflect the most recent plan from the proposed developer

What are the top five benefits a fully developed Miller's Landing WOULD BRING TO CASTLE ROCK?

- 1) The developer would remediate an old landfill on the site, estimated to cost \$12 - \$15 million
- 2) The project would provide at least 150,000 square feet of office space to bring new primary jobs to Castle Rock
- 3) The development would bring a minimum 250-room, full-service conference hotel and other amenities to Town
- 4) The project would improve public infrastructure estimated to cost \$56 million, including widening Plum Creek Parkway, extending Prairie Hawk Drive across the site, connecting Philip S. Miller Park and Downtown by trail and adding public parking to the area
- 5) The development would maximize the potential of the land at this undeveloped interchange, which would generate tax revenue to help support community services like public safety, transportation and parks maintenance for years to come

Turn this sheet over to learn more about the proposed agreement. The full agreement is posted at CRgov.com/MillersLanding. The Town will issue updates at key decision points. Sign up for general Town announcements at CRgov.com/NotifyMe.

More about the proposed Miller's Landing

PUBLIC FINANCE AGREEMENT

The agreement would serve two primary purposes:

- 1) It would allow the Miller's Landing Business Improvement District to issue bonds to finance the remediation of the landfill and to construct public improvements for the project.
- 2) It would assure remediation of the landfill by June 30, 2020, and would incentivize development of a full-service hotel and conference facilities – as well as office space – as part of the project

Further, the agreement would discourage relocations of large businesses that already exist within Town.

► The agreement would not commit any Town debt nor current Town revenue to the project

Miller's Landing's proposed financing

► **Private investment** estimated at \$350 million to \$500 million would comprise the bulk of the funding necessary to construct the development.

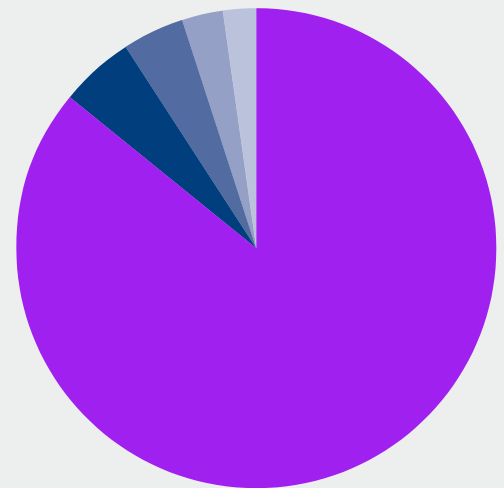
► The development would generate **new property tax (increment, or "TIF")***, 100 percent of which would be returned to the project to 2039 or until the bonds are paid off, in an amount not to exceed \$64 million. This is estimated to generate \$19 million in project funds.

► A Business Improvement District would impose a **special property tax*** within the development, which could generate up to \$50 million and which is estimated to generate \$15 million in project funds.

► The Town is considering sharing back to the development 2.4 percent of its 4 percent sales tax within the development for up to 25 years and in an amount not to exceed \$56 million; this is known as a **credit PIF*** and is estimated to generate \$12 million in project funds. The Town would retain the remaining 40 percent of the new sales taxes to help fund Town services, estimated to total \$40 million during the share-back period. When the bonds are paid off, 100 percent of this revenue would go to the Town to support Town services.

► The developer would impose a **public improvement fee (PIF)*** of up to 1.25 percent on taxable transactions. This could generate up to \$30 million and is expected to generate \$9 million in project funds.

Estimated project funds**



| | |
|----------------------|-----|
| Private investment | 86% |
| TIF | 5% |
| Special property tax | 4% |
| Credit PIF | 3% |
| PIF | 2% |

**Estimates are from the Public Finance Review prepared by EPS

*These revenue streams will be combined into bond offerings issued by the Miller's Landing Business Improvement District.

Other items of note about the proposed project and agreement:

- o The developer, Citadel Development LLC, would front the funding to build the project. There is no risk to the Town, because if the developer does not perform, the Town would not have any financial commitment to the project.
- o The land in question has been idle since 1979, when it ceased operating as a landfill. In 2014, the Castle Rock Urban Renewal Authority (URA) designated the area as blighted, due to the landfill. This designation allows for additional tax-sharing for projects at the site to foster economic development. Douglas County, Douglas County Schools, Douglas County Libraries and the Cedar Hill Cemetery District support the proposed tax-sharing arrangement.
- o The Town hired a third-party expert, Economic & Planning Systems Inc. (EPS), to verify the need for the proposed tax-sharing arrangement.